

PROJECT SYNOPSIS

The proposed Special SGSY Project would be implemented in the Kuru, Kisko, Senha and Lohardaga blocks of Lohardaga district in Jharkhand. The main focus of the Special project would be large scale **capacity building** of poor families to facilitate adoption of improved technologies and practices **to attain rapid growth in farm and farm allied sectors** and enabling them **to access mainstream markets** to sustain the economic gains. The initiatives would aim at **supporting 4500 poor households** to move out of the poverty bracket.

This Special SGSY Project is designed to capitalize on the extensive social mobilization of women achieved under "**Community-based Pro-poor Initiatives (CBPPI)**" Programme followed by "**Social Mobilisation around Natural Resource Management (S.M.)**" both collaborative programmes of **Ministry of Rural Development (MoRD), Government of India** and **United Nations Development Programme (UNDP), India** implemented through a network of NGOs involving PRADAN in project implementation in Lohardaga district. The proposed project would create sustainable livelihood opportunities for 4500 poor families. Further, the project envisages mobilizing an additional 3500 poor families through promotion of Self-Help-Groups (SHGs) of women. A majority of the target families would be from Scheduled Tribes and Other Backward Communities (OBCs) and would belong to BPL categories. Using a group based approach, the project would demonstrate the potential of integrated development of natural resources and appropriate farming systems along with unleashing opportunities in farm allied sectors, financed through a combination of people's own labour, bank loans and government subventions as a strategy to remove mass poverty in the endemically poor Agro-Ecological Zone VII encompassing large portions of eastern India.

By way of activities, the project would:

- Nurture approximately 300 women's SHGs in the project area to take up livelihood activities and promote up to 240 new SHGs to saturate the project area and expand social mobilization in Masaliya block.
- Promote block level SHG federations in Kuru and Senha blocks. These institutions will be solidarity bodies to help the empowerment process of the women, in seeking their rights and entitlements.
- Implement a variety of land and water development activities for 80% of the target families aiming at harnessing/ recycling rainwater in a highly dispersed way (in-situ),
- Assist the selected households to diversify current *Kharif* paddy centric farming to include cash crops, horticulture, agri-silviculture, livestock rearing etc.
- Intensify and modernise crop-based agriculture,
- Introduce livestock based enterprises for marginal farmer families,
- Promote a cadre of community based service providers to provide hand holding assistance and linkage with credit, market and technical agencies to the participating SHGs member families.
- Promote and nurture suitable producer organisations (cooperatives or producer companies as per the new Act) to provide sustainable systems for services to the project participants,
- Develop market linkages for various tradable farm products being promoted by it.

Most families to be reached by the project would be assisted to take up a mix of activities suited to their resource endowments and needs.

The outputs of the project would be:

- Land husbandry and plantation of fruit trees and timber plants in 170 ha. of uplands.
- Protective irrigation from harvested rainwater to 125 ha. of cropland during the kharif season and 100 ha. during the rabi and summer seasons (for vegetables),
- Irrigation infrastructure for 400 ha. of medium uplands from micro lift irrigation systems.

- **Potential to enhance cereal production by about 2,500 ton a year, vegetable production by 7,000 ton a year and fruit production by 450 ton a year, poultry production by 1000 ton a year and meat production by about 175 ton a year each.**

These would lead to additional income of approximately Rs 15,000 each for 4,500 households.

The **total budget for the project for three years is Rs.11.57 Crore**. Of this, **people's own contribution is Rs. 1.17 Crore**. In addition, the project would leverage **bank loans of Rs.1.77 Crore**.

A **total grant assistance of Rs. 8.62 Crore is budgeted under the project** of which **Rs. 6.47 Crore** (75% of the grant component) **is being sought as Government of India share** and the remaining **Rs. 2.15 Crore** (25% of the grant component) **as Government of Jharkhand share**.

The project will be implemented by the agency **PRADAN (Professional Assistance for Development Action)**, an NGO operating in the district for over a decade to promote livelihoods among poor rural families.

Why Special SGSY?

This Special SGSY Project is designed to capitalise on the extensive social mobilisation of women achieved under "**Community-based Pro-poor Initiatives (CBPPI)**" Programme followed by "**Social Mobilisation around Natural Resource Management (S.M.)**" both collaborative programmes of Ministry of Rural Development (MoRD), Government of India and United Nations Development Programme, (UNDP) India implemented through a network of NGOs. During the first phase (2000-2004) large number of women were mobilised to form SHGs, their systems and processes put in place. Many SHGs were linked to banks and large numbers had received cash-credit facilities from a local bank to supplement credit needs of the families. However, in spite of funds being available to the SHGs from own sources or supplementary credit from banks. During project period itself it became clear that "credit" by itself was not able to impact on the economic status of participating women. SHG women shared that they did not have remunerative options to invest available funds. It became evident that significant investments were required in improving existing productive assets¹ or invest for creation of new productive assets. In this context the MoRD in collaboration with UNDP launched a project to systematically make investments in improving productive assets and creating new productive assets primarily around natural resources. The project titled "Social Mobilisation around Natural Resource Management" was taken up in 11 districts in 3 states, including five districts of Jharkhand of which Lohardaga is one, between 2004 and 2007. This project focused on convergence of various government programmes to help the SHG members take up various livelihood activities. During the period significant progress on the livelihood promotion of the SHG members was made.

During this phase of work in Lohardaga, there is ample demonstration of possibilities of significant improvement of livelihoods of very poor families on a large scale. The stage is now set to **scale up the different sectoral prototypes** developed under the two successive MoRD-UNDP programmes and to **converge multiple sectoral interventions at the level of the family** to eliminate poverty. The issues involved in scaling up and convergence of multiple activities at a family level, that would require support are:

- Improvement of land and water resources lying under-utilised in the hands of poor families using an Integrated Natural Resource Management (INRM) perspective,
- Creation of new productive assets to add value to the output from farm and allied activities,

¹ Most poor families in the area have land, but it is in degraded state and required significant investment to get optimal productivity.

- Helping poor families acquire necessary knowledge and skills to adopt improved techniques and practices,
- Institution building for creating producers collectives to deal with mainstream markets and address sectoral issues on a sustainable basis.

The project envisages a convergence of multiple sectoral interventions at the family level based on the resource endowments of the families. This would entail improving land and water resources and intensification and modernization of farm sector, introducing better flora management for forest based activities such as lac, mahua trading, fruit trees plantation, vermi-composting, establishing small scale production centers at individual level and creation of common infrastructure for aggregation, storage and marketing. Vision building, capacity and skill creation, handholding and organizing production and marketing support around each of the participating families would form the focal point of interventions. The project would endeavour to promote and nurture producers' collectives to sustain the initiatives and enterprises at the grassroots. Thus in terms of content and processes, the project has quite a few elements of innovations. Resources for such multi-dimensional interventions cannot come from single windows as existing poverty alleviation programmes of the Government are schematised. Convergence of these discrete programmes to some extent is possible but the idea of launching a time-bound livelihood promotion programme, including multi-sectoral interventions, would be difficult to conceive specially in backward districts. Thus the need of the hour is to take up a dedicated programme that can support multi-sectoral interventions through a single window. The overall approach, based on social mobilization, will create further scope for convergence of other existing schemes of the government e.g. NREGP, Tribal Welfare Commission funds, etc. to deepen and intensify the impact of this programme. Considering the above points, the project deserves consideration to be treated as a Special SGSY Project.

In terms of costs, the project compares favourably with normal SGSY projects. The subsidy proposed for programme support is **Rs 13,570 per family compared to Rs 11,000** per family in case of normal SGSY (including revolving fund to groups at the pre-project stage). The grant requested towards capacity building and technical support is **Rs 5,060 per family against Rs 5,667** per family permissible (including group promotion cost of Rs 10,000 per group and assuming 15 members per group) under normal SGSY.

The contribution by the people and bank credit together at Rs. 294.90 lakh is little over 34% of the grant of Rs 862.12 lakh sought from the Government of India and Government of Jharkhand; in other words, **the GoI contribution is under 75% of the total "non-credit" cost of the project.**

Replicability

Relevance, cost and administrative feasibility are the key parameters of replicability.

The project villages represent the Agro-Ecological Zone VII, spanning several States, including Jharkhand, West Bengal, Orissa, Chhattisgarh, Maharashtra (eastern) and Madhya Pradesh (eastern). Endemic poverty, high concentration of Scheduled Tribes, undulating and hilly terrain, medium to high rainfall, sub-humid climate, low level of landlessness and a preponderance of small and marginal farmers are some key features of this region. Though livelihoods are predominantly farm-based, productivity of natural resources and farming systems is at abysmally low levels due to lack of know how on modern farming technologies and understanding on mainstream markets. Clearly then, there is vast scope to enhance livelihood security, create employment opportunities and reduce poverty in the district by ways of improved management of natural resources and strengthening farm and farm allied sectors and forest based economy. Capacity building, intensification of farming system and forest-based activities and preparedness to deal with mainstream markets are the obvious avenues to expand livelihoods. The project being proposed here thus has vast scope for replication across this entire region.

Administratively, the project can be conceived at the level of a few hundred families at a time, as long as an Integrated Natural Resource Management approach is followed. It would therefore be possible for DRDAs to take up such projects in phases by working with groups at the level of small hamlets.

The total project cost per family and subsidy proposed are comparable to normal SGSY. These would further go down as the ideas are demonstrated and poor people are either willing to take larger loans or contribute more by way of unpaid, unskilled labour, which is a significant component of costs.

At the pilot stage, significant investment is proposed for capacity building. This is so because the overall perspective and the specific activities being proposed are radically different from the prevailing practices and there is no significant demonstration to draw on for the target people. Once the viability of the activities is demonstrated, these costs would be significantly lower because there would be demonstration on the ground and local people would also be trained to do many of the things that PRADAN staffs presently do.

Bankability

The internal rate of return of all the activities besides upland development (26%) and poultry (15%) is in excess of 40%; in some cases it is well above 100%. Technically, therefore, the project is bankable. Bankability also requires willingness of target families to take loans, existence of mechanisms for easy access of bank loans and availability of suitable loan products. Evidence locally shows that the demand for loans picks up once an activity is demonstrated to be attractive. The SHGs have proved to be an effective mechanism to enhance access poor people's access to bank loans. Further, suitable loan products are presently available for most of the activities.

THE PROJECT

1. Project Area and the General features of the district:

The proposed project area is in Lohardaga district in the state of Jharkhand, covering four CD blocks namely Kuru, Kisko, Senha and Lohardaga blocks (Map in Annexure 1, showing the location of the district in Jharkhand). The district has a total area of 1791 sq km (Jharkhand: 79,714 sq km).

One of Jharkhand's smallest districts, Lohardaga, west of Ranchi in the Chhotanagpur plateau, was created in 1983. It is divided into 5 blocks covering 354 villages and 67 panchayats. The district headquarters Lohardaga is connected by road to Gumla about 50 km to the south, Daltonganj about 100 km to the north and Ranchi about 75 km to the east. The district has a rail link with Ranchi, which has recently been being converted to broad gauge. All weather jeepable *kuchha* roads connect most of the villages except those in hill areas. The district is at an elevation of around 500 m above MSL.

The population of 3.6 lakh in 2001 had a decadal growth rate of 26.14% since 1991. Approximately 90 percent of the population is rural, out of which 61 percent are Scheduled Tribes and 4 percent Scheduled Castes. Oraons constitute the majority of tribal population. The hilly portions of the district are sparsely populated.

Workers constitute 45% of the population in rural Lohardaga. However, 36% of them are marginal workers as compared to 26% of the Indian average (rural). A majority of the workers work as cultivators; population of agricultural laborers is low as compared to overall rural Jharkhand and rural India. This signifies the fact that people are generally cultivators, tilling their own lands, whatever meagre produce that may yield. Women constitute a very significant section of the workforce. Women are the majority among agricultural labourers. The comparative figures are tabulated as under:

	Lohardaga (Rural)	Jharkhand (Rural)	All India (Rural)
% of workers to total population	45	41	42
% of main workers among total workers	64	60	74
% cultivators among total workers	62	45	40
% Agricultural labourers among total workers	24	33	33
% of female among total workers	45	38	36
% of female among cultivators	43	38	33
% of female among agricultural labourers	60	48	47

Source: Census 2001

The average annual rainfall for the district is 1,160 mm, concentrated during the three monsoon months from July through September. Rainfall in September averages about 228 mm and is most critical from the point of view of agriculture. The district receives some winter rains during December and January and has a uniformly lower range of temperatures. It has mainly an undulating topography, with hilly outcrops along the north-western boundary, rich in bauxite deposits. South Koel and Sankh are the prominent among a number of perennial streams in the district. Soils are mostly red laterites.

The quantum and distribution of rainfall have a profound impact on the overwhelmingly rain-fed agriculture based economy of the district. Below average or erratic rains mean crop failure, especially in medium uplands owned by the poor. As a result, forced migration increases; many others take shelter under the banner of ultra leftist outfits to earn wages for livelihoods, increasing the intensity of activities by them.

About 45 percent of the total geographical area of the district is under cultivation. Small and marginal farmers constitute 70 percent of the total number of the farmers. Landlessness is rare; however, land alienation exists due to indebtedness under the informal credit system. The hilly northwest portion of the district has good forest cover. Dry peninsular *sal* is the main forest species, with patches of mixed forests, comprising of *gamhar*, *asan*, *tendu* and *shimul* trees. *Mahua* is also common in the area.

Almost 85 percent of the cultivated area is mono-cropped and rain-fed. Of the total cultivable area nearly 70 percent is under *kharif* paddy. The other main crops are maize, finger millet, wheat, pulses and niger. Yield of all the crops are far below the national average as would be evident from the table below.

Crop	Area ² , ha	Output, Tons	Yield, kg/ha
Paddy	48,000	71,040	1,480
Maize	4,600	7,038	1,530
Oilseeds	4506	2,659	590
Pulses	6,600	4,752	720

Source: Government of Jharkhand estimates

Common household animals are cattle, buffalo, goat and poultry, of non-descript local breeds. People keep livestock for draught purposes and to meet emergencies, except in three small pockets where non-tribal producers, mainly Muslims, practice improved dairying.

Other important sources of livelihoods are migration to other States, selling fuel wood from forests, wages as agricultural labourer, acting as cadres of ultra-leftist outfits that have a strong presence in the district, etc. Some people also find employment in the services sector activities relating to road transport arising out of bauxite mining in the district and adjoining areas.

Government records show about 15 percent of total cultivable area under irrigation. However, this figure also includes the command area of defunct schemes. On the other hand, 2,000 hectares irrigated area has been created in the district through micro-lift irrigation schemes with PRADAN's intervention and more such opportunity remains. By revitalising defunct schemes and implementing new schemes, 30 percent of the total cultivable area in the district can be brought under irrigation.

In terms of basic services, Lohardaga cries for improvement. Only 10% of the families had electricity connections and 67% of the population did not have access to any of the basic amenities like electricity, safe drinking water or sanitary latrines.

Lohardaga is poorer in the west and the north. Hills cover the north and north-western portion. In the east and the south, limited economic mobility can be noticed and commodity routes to outside markets have been established.

In the hills and to an extent in the north, families have transited from pure forest dependence to a mixed agriculture-wage labour-migration system only recently. Communities living here are generally tribals including a few hamlets of primitive tribes like *Asurs* and *Birjias*. The area has poor road connectivity and is virtually inaccessible during the monsoons. Settlements are dispersed in small hamlets of 15 and 50 households. Each household has 0.1 or more homestead land on which maize, millets, beans, pigeon pea and a few vegetables are grown. There is virtually no irrigation of any kind. The farmland is used to grow traditional varieties of upland and medium land paddy with very low and uncertain yields. Small parcels of lowlands, if owned, are also used to grow traditional varieties of paddy. Manure is used in limited quantity but not chemical fertilisers. Cattle are maintained essentially for draft purposes and for manure. A few pigs, goats and hens comprise of the buffer. Food insecurity, absence of basic amenities and employment

² Total area of rural Lohardaga is 1,47,687 ha.

opportunities are possible reasons, which could have brought the inhabitants under the influence of ultra-leftists.

In the east and the south, which occupy half of the area of Lohardaga, the communities are settled in agriculture but the production is mainly for subsistence. Fertilisers and improved seeds have made limited entry in such areas among the less food-insecure. Homestead land is partly used to cultivate vegetables and the poor also occasionally produce a few baskets of those for sale in the market after meeting consumption needs. Many unbunded, unterraced uplands that cannot be used to grow paddy are used to cultivate pulses and oilseeds with minimal tillage practices. Many households have acquired wells in their homestead lands as well as elsewhere, which are capable of irrigating between a-tenth to half an acre. Utilisation of such wells varies greatly. Non-tribals have generally utilised the wells for cultivation even though cultivation practices remain poor. On the other hand, a majority of such wells with the tribals have at best been marginally harnessed. Double cropping, year round vegetable cultivation, small pockets of sugar cane can be seen in some areas. Tribals have also come under such influences in a limited way and adopted better agricultural practices as compared to their counterparts in the hills. A small number of farmers have acquired tractors and these are used for ploughing and agricultural transport, though bullocks continue to be the main source of drought power. The practice of free grazing during the dry season and a large population of cattle inhibit winter cultivation even where irrigation is available. Credit for agriculture is a felt need for many of the families. However, the formal banking sector has hardly responded.

Thus, while the north and the west requires efforts to initiate economic mobility through creation of the basic as well as livelihood related infrastructures to begin with; the east and the south require focus on farm and off-farm livelihood creation, utilizing the assets and market opportunities for the nascent economic growth to pick up speed.

2. The Need for Special Project:

This Special SGSY Project is designed to capitalise on the extensive social mobilisation of women achieved under "Community-based Pro-poor Initiatives (CBPPI)" Programme followed by "Social Mobilisation around Natural Resource Management (S.M.)" both collaborative programmes of Ministry of Rural Development (MoRD), Government of India and United Nations Development Programme, (UNDP) India. During the project period large number of women were mobilised to form SHGs, their systems and processes put in place. Many SHGs were linked to banks and large numbers had received cash-credit facilities from local banks to supplement credit needs of the families. However, in spite of funds being available to the SHGs from own sources or supplementary credit from banks, during project period itself it became clear that "credit" by itself was not able to impact on the economic status of participating women. It became evident that significant investments were required in improving existing productive assets³ or invest for creation of new productive assets.

Salient learning from the earlier two programmes could be summarized as following:

- The group-based approach in Social mobilization enables women to acquire space and effective 'say' in the development processes. They would otherwise remain marginalized in the mainstream development processes.
- The social mobilization approach has demonstrated the need for a paradigm shift from the delivery based development processes so far receiving patronage from the mainstream, towards creation of demand systems at the grassroots that could effectively draw on the mainstream, with organization of women taking charge of the development processes.

³ Most poor families in the area have land, but it is in degraded state and required significant investment to get optimal productivity.

- Convergence of various stakeholders is essential for creating significant impact in livelihoods and other well-beings of poorer households. Concerted actions among major stakeholders such as Government, NGOs, Banks, Research Institutions and markets, could play important roles in strengthening the "Agencies" of poor people and in directing resources for various livelihood programmes.
- The period of Engagement with poorer households needs to be on a longer term of 2-4 years, to enable people, especially the women, to effectively take part in planning, implementation, evaluation and governance processes. These call for substantial investments in their capacity creation and for organizing linkages and support for their institution building.
- SHGs of women require aggregation at various levels- Clustering at Panchayat level and Federations at the block level to strive for, improving financial performance of the SHGs, creating space for women in the public domain, creating a sense of solidarity among the women and enhancing their level of confidence to deal with the mainstream to uphold rights and entitlements of the poor households.
- It is important to create robust sectoral organizations that can sustain the initiatives and enterprises of people. Organizations like Agri-Horti Cooperatives have demonstrated a viable mechanism to deliver various livelihood services and in nullifying the adversities of market forces.

During the Social Mobilization phase of work in Lohardaga, there is ample demonstration of possibilities of significant improvement of livelihoods of very poor families on a large scale through capacity building and linkage with mainstream market. The stage is now set to **scale up the different sectoral prototypes** developed under the two successive MoRD-UNDP programmes and to **converge multiple sectoral interventions at the level of the family** to eliminate poverty. The issues involved in scaling up and convergence of multiple activities at a family level, that would require support are:

- Improvement of land and water resources lying under-utilised in the hands of poor families using an Integrated Natural Resource Management (INRM) perspective,
- Creation of new productive assets to add value to the output from farm and allied activities,
- Helping poor families acquire necessary knowledge and skills to adopt improved techniques and practices,
- Federating SHGs at appropriate levels to sustain the momentum of social mobilization and to enable women to exert on the mainstream.
- Institution building for creating producers collectives to deal with markets on mutual terms and to address sectoral issues on a sustainable basis.

Existing support for poverty alleviation from central and state government are schematically organised, and each programme has specific focus. Convergence of these programmes to some extent is possible but the idea of launching a livelihood promotion programme intervening in multiple activities addressing issues related to various sub-optimally used assets of poor families is difficult to conceive specially in backward districts. Further, about 40% of the families in the existing SHGs in Lohardaga district belong to Other Backward Communities (OBCs). Creation of irrigation wells or water harvesting structures as envisaged in the project would not be possible under NREGP. Thus the need of the hour is to take up a dedicated programme that can support multi-sectoral interventions through a single window. The overall approach, based on social mobilization, will create further scope for convergence of other existing schemes of the government e.g. NREGP, Tribal sub-plan funds, etc. to deepen and intensify the impact of this programme.

3. Proposed Outreach, People and the Poverty Context:

The project will focus on hamlets with existing SHGs covering 4500 poor families in Kuru, Senha, Kisko and Lohardaga blocks of the district. The project will also expand SHG outreach covering 3500 poor families in new as well as unsaturated interior pockets of the same blocks to create conducive conditions for future expansion of the model. Most families proposed to be included in the project are small or marginal farmers with low agricultural productivity. The average landholding of the community in the area is about 1 hectare. Of this, about 0.4 ha is unproductive degraded upland and another 0.3 ha medium uplands totally dependent on the erratic rains. The remaining 0.3 ha could be considered as better quality lands situated in the homesteads and low lying areas. The average food sufficiency from own land is about 7 to 8 months. Migration to adjoining area and some forest-based activities are the major sources of income to support the household gap in food sufficiency. The situation has become further complicated as returns from forests have declined considerably, forcing the target families to depend on scarce wage earning locally or migrate to adjoining districts and states.

Low productivity of agriculture, declining source of sustenance from the forest and lack of employment opportunities locally, drives hordes of rural people to migrate to other states mainly as unskilled labourers. People take up menial jobs in every sector and often live and work under poor and hazardous conditions.

Within the family, the women and children live in distressed situation. Women are also alienated from the mainstream development. Economic poverty, lack of food security, indebtedness coupled with poor quality of basic services in health, sanitation, safe drinking water etc. are the main constraints in the way of development

4. Project Goal, Objective and Strategy

The goals of the project are to:

- eliminate abject poverty of 4,500 poor SHG member families by income enhancement of Rs. 15,000 per annum per household on a sustainable basis through diversified family resource management, and
- initiate similar processes of social mobilisation in adjoining blocks covering 3,500 new families.

4.1 The Objectives of the Project are:

- A. To assist 4,500 poor SHG member families from Kuru, Senha, Kisko and Lohardaga blocks to significantly impact livelihoods by
- 1) Investment in improvement of existing land and water resources based on an Integrated Natural Resource Management (INRM) approach,
 - 2) Investment for creating supplementary livelihood opportunities based on farm allied or traditional activities,
 - 3) Building capacities of all participating families in adopting skills to effectively and profitably engage in livelihood activities,
 - 4) Promoting and nurturing relevant Producer Institutions to ensure sustained availability of linkages⁴ and services for the participating families,
 - 5) Working on productivity frontiers for accelerating growth in the farm sector and to enhance income,

⁴ For providing missing services related to inputs supply, output marketing and support services of production

- 6) Promoting block level SHG federations to ensure sustained access to rights and entitlements of member families.
- B. Expand social mobilisation by forming new SHGs in unsaturated interior pockets of same blocks covering 3500 poor families.

5. Salient Strategies:

5.1 For Objective A:

Work with identified 4,500 poor families in selected villages and hamlets belonging to the Scheduled Tribe, Scheduled Caste and Other Backward Classes organised as self-help groups (SHG). Approximately 100 villages would be covered under the SGSY-Special Project. The activities of the project are mentioned in the following:

- Assist the selected households to formulate longer-term perspective plans.
- Create capacities to adopt improved technologies and practices and negotiate with the market on mutual terms.
- Assist the selected households to diversify current *Kharif* paddy centric farming to include cash crops, horticulture, agri-silviculture, livestock rearing etc.
- Implement land-based activities for 80% of the target families.
- Implement farm allied / forest based activities with 20% households.
- Promote a cadre of community based service providers to provide hand holding assistance and linkage with credit, market and technical agencies to the participating Swarojgaris.
- Promote Producers' Organisations to provide sustainable systems of services to Swarojgaris.
- Promote block level SHG federations in Poraiyahat and Pathargama blocks. These institutions will be solidarity bodies to help the empowerment process of the women, in seeking their rights and entitlements. The federations will also be engaged in helping members linkup with the government supported basic services system in the district (i.e. education, health, water & sanitation, etc.). These federations will act as demand systems at the grass-root to energise delivery mechanisms of government in the social sector.

5.2 For Objective B:

The project would follow an area saturation approach to organize 3500 women from poorer households in project and adjoining villages into 240 SHGs.

- The project will expand the social mobilisation by forming SHGs in adjoining villages / blocks to create a conducive environment for subsequent similar action in new areas of the district.
- Train SHG leaders from existing SHGs will be deployed to form new SHGs in these areas,

- These SHGs will be assisted to adopt systems for transacting the business of saving and credit,
- Each SHG will have a trained accountant paid by the group,
- As the groups mature they will be linked to banks to access credit-gap filling loans.
- Each cluster of SHGs will be linked to the locally operated computerised SHG accounting system operated by a "Computer Munshi"⁵. As the groups mature they will be linked to banks to access credit-gap filling loans.

⁵ **What is Computer Munshi system and how it operates?**

PRADAN envisaged to introduce a community based service system in which a computer operator, called **Computer Munshi** (CM), sets up his enterprise to provide accounting services to the SHGs. The Computer Munshi would be an educated rural youth who sets up his business at a nodal place in an area having 150-200 SHGs with in a radius of 10 Km. The Computer Munshi will have the basic hardware i.e. a Personal Computer provided with battery back ups for 3 hours and a dot-matrix printer. He also maintains a stock of stationeries. The whole system operates at two stages as elaborated in the following:

In the first stage, a group accountant from the village maintains cashbook called Regular Meeting Transaction Statement (RMTS) at the SHG level. Every week, after the SHG meeting, a carbon copy of the RMTS is sent to the Computer Munshi. These sheets are collected from different SHGs on scheduled dates through peons engaged by the Computer Munshi (CM).

In the second stage, the Computer Munshi, after receiving the RMTS I sheets, checks the data and enters the same in the computer. The data are processed by using software called "McFinancier" that is customised to generate various financial reports (both group-wise and member-wise) including trial balance, balance sheet and financial ratios. The hard copies of the reports are returned to the SHGs by the same peons before the next weekly meeting of the SHG. The CM provides the reports to the SHG for a fee. The RMTSs are in the local language so that the group members can use them. PRADAN also gets such reports from the CM by paying fees. Each CM caters to 150 to 200 SHGs to earn about Rs. 2,000 per month. This scale of revenue commonly attracts educated rural youths to embark on this venture.

6. Proposed livelihood interventions under this Special Project:

Objective "A":

6.1 Harvesting and Managing Rainwater: PRADAN has been working on developing *in-situ* rainwater harvesting techniques since 1990s because a large segment of poor people in villages are small and marginal farmers with no access to irrigation and rainfall is unreliable and much of it runs off. Different low cost techniques have been tried to suit local contexts. Of these, two techniques, the 30x40 model and the 5% model became popular among farmers. The former, comprising of dividing gently sloping un-terraced land into contiguous parcels of 30'x40', each with shallow bunds and a water storage pit at the lowest corner was tried for treating wastelands. The latter consists of making a 2-3 meter deep pit at the upper corner of each terraced paddy field on 5% area of the field across a large (10 hectare or more) landscape in a gently sloping terrain.

The 5% model was conceived to protect rain-fed paddy in Jharkhand from dry spells during September, known as *Hathiya* locally. The core idea is that every plot should have a water body to hold back rainwater that would otherwise flow out as run-off during heavy showers. It captures excess water when it rains and releasing it to the field during dry spells. The pits enhance sub-surface water flow and improve the moisture regime of the whole area. Additionally, the water in the pits is used to irrigate in times of scarcity during the crop's vegetative growth phase.

Impressed by the potential of the 5% technique, the community in many districts is building larger structures covering about 10-15% area as seepage tanks. A larger water body would strengthen livelihoods in several ways and make the idea more easily replicable. It would insure the monsoon paddy against intermittent dry spells. Farmers would also be able to use the harvested water to take an early winter crop following paddy in case of late monsoon rains. Finally, a larger water body would make it feasible to rear fish on a small scale. Field bunds using the soil dug out of the 5% pits, gully plugs in erosion-prone portions of the landscape and large diameter dug wells in the valleys for lift irrigation are the other techniques that have been tried successfully. ***The underlying principle is that in an undulating terrain, used largely for farming and underlain with an impervious substrate, rainwater must be harvested and managed in a decentralised way to increase moisture availability to the crops through the growing season. The root zone itself can be used for storage to a great extent.*** To sum up grant funds will be

utilised to take a mix of the following activities that will be detailed after joint planning exercise at each hamlet level.

- a. **Plantations** (fruit trees / relevant Timber/ Lac hosts) in privately owned fallow / wastelands, supported by **30' X 40' model** on degraded uplands,
- b. **5 % Model** in medium lands to support rainfed cultivation,
- c. **Land Husbandry** in upland, medium upland and homestead. This will include gully plugging, terracing, levelling-bunding, contour bunding, land treatment e.g. liming, increasing organic matter⁶, dealing with micro-nutrient deficiencies etc. to improved productivity of rainfed agriculture,
- d. **Seepage tanks** in lowlands and valleys and small earthen dams on local drainage lines,
- e. **Micro-irrigation schemes** to utilise surface water to provide life saving irrigation to Kharif crop and take up cash crops on a small scale in Rabi season. Also, some schemes, which tap into the sub-surface flow, created in the lowlands e.g. making a lowland well and lifting water for 5-7 families.

Details of cost involved and other inputs required and the benefits of these activities are given in **Annexure 3** to **Annexure 14**.

6.2 Improved Agriculture: Most families to be participating in the programme would have about 1 Ha of land but are unable to grow enough food for the year. As discussed in the above, the project would emphasise on the improvement of the land and water resources. Subsequent to this, one of the key interventions under this project would be to enhance productivity of the farming systems. At the basic level, there is a need to improve the productivity of the main paddy crop so as to prolong the period of food security at the households. The project would build on further by intensification and crop diversification. Availability of irrigation facilities would help in taking up crops round the year. Suitable crop combination would be introduced that would aim at optimising income and stabilizing soil nutrient status. The interventions proposed to achieve this is by introducing better varieties of seeds, help families adopt improved practices of manuring and crop protection and taking up crops more suited to terrain, soil conditions and the moisture regime. Past experiences in the area have shown that introduction of good quality seeds and adoption of improved practices helped families to enhance crop productivity by more than 100%. The key problems faced by the target community can be summed up as lack of access to knowledge:

- of alternate use of different type of land,
- of improved inputs and practices for productivity enhancement, and picking up actual skills to translate the knowledge into practice,
- of the opportunities and problems to linking up with large markets.

Finally, in the current situation the families lack the self-belief that any change in their lives can be brought about by engaging in the agriculture sector. The interventions required are planning / visioning exercises, exposures to and demonstration of, new crops and technologies, handholding support to help families pick-up relevant skills, and creating linkages both forward and backward wherever required. Thus, the grant funds under this project would only be used to demonstrate new crops, better quality seeds and provide training and handholding support to the participants. Also, project funds will be used to promote basic farm mechanization in terms of sprayers/ dusters, weeders, thresher, etc. and creating missing small support infrastructure e.g. polyhouse, greenhouse from nursery, aggregation / disaggregation centers, etc. Support will be provided to create sustainable sources of organic matter, which needs to be regularly applied to improve the condition of the land in the project area.

⁶ e.g. putting vermicompost, green manuring, etc.

6.3 Decentralised Poultry: Over the years PRADAN has perfected a model for helping poor families take up broiler poultry rearing in small lots of 300-400 birds. The families in an area are collectivised to form a producer co-operative / producer company. This producer institution procures inputs in bulk thereby helping producers to attain economies of scale, provides marketing linkages, and buffers the member families from the price fluctuations in the market. These institutions also provide veterinary support services, production monitoring and handholding support. On an average a family is able rear 5 batches in a year, and the additional earnings are in the range of Rs. 8-10,000. Similar interventions have been done in 5 other districts of Jharkhand and 6 other districts of MP, Chattisgarh, and Orissa.

In Jharkhand, the potential of this activity has been demonstrated with about 2500 families during the last phase of the project. 6 primary producer's co-operative and a state level federation of women poultry growers are already functional in the state to support member families. Currently, these co-operatives are meeting all their operational costs from the profits of the business in addition to ensuring a net annual earning of Rs. 8-10,000 for individual producers. The significant incomes being earned by the participating families have created a demand for this activity in the project area, which is proposed to be supported by this project. Grant funds will be used to partially subsidize the construction of rearing shed and equipments and for capacity building of the participating families. Credit support will be mobilised from banks under this project.

6.4 Goat rearing: Many families in the project areas rear goat of local breed. The activity is supplementary in nature, and not much investment is made to improve the activity. Large number of local goats dies due to disease, thereby making this activity highly risk prone. The proposed intervention aims at making this activity more robust to be able to contribute significantly to household incomes. The intervention includes breed upgradation by inducting better quality male; interventions to improve sanitation by housing and better package of practices; organizing veterinary care support etc. The project would involve families who have very small land holding and are involved in livestock rearing. The model proposed for Goaterly would help such families to earn about Rs. 8000 to Rs. 10,000 annually.

Objective "B":

6.5 Formation of SHGs: As stated above, the project will utilise a cadre of trained leaders of existing SHGs, to expand the social mobilisation to new pockets in adjoining blocks. The activities involved are:

- Mobilise women,
- Form SHGs,
- Build capability of the SHG members in group / peer processes,
- Train accountants selected by SHG members,
- Set up basic savings and credit systems of the SHG,
- Link SHGs to banks to access for filling credit gap, following grading process,
- Introduce systems for SHG self evaluation

7. Broad Implementation Strategies:

1. The Project Implementation Agency will work with existing SHGs in the selected villages and intensify formation of additional SHGs to cover up to 70% of poor inhabitants. Social mobilisation in the form of new SHGs will be done by trained leaders from existing SHGs.
2. Visioning cum Livelihood planning exercises will be conducted with all members of SHGs in the project villages, and **Detailed Implementation Plan (DIP)** will be prepared for each village. The DIP will contain details relating to the interventions around land and water activities, off-farm allied activities and other traditional activities along with timeline and budget details. DIP will also have a training plan with a timeline and a budget.
3. The team will facilitate the community to select from among themselves a group of men and women who would be trained to provide support for implementation of planned livelihood interventions. They will also provide handholding support to the families engaging in the various productive activities to adopt improved package of practices.
4. Training of the selected "Community based Resource Persons" and deploying them to support the implementation of the DIPs in all project villages,
5. At the time of implementation of the DIPs, efforts will be made to dovetail locally available funds from standard programmes e.g. NREGS. All loans would be sourced from banks and SHGs' own funds. The funds sourced from convergence sources (such as NREGP) will be in addition to and over and above the funds allocated under this project. Thus, as per the availability of local funds some components of the DIP maybe taken up⁷, rest will be implemented under this special project.
6. Simultaneously, participating families will be helped to pick up new skills to manage the improved or newly created asset, i.e. families will be trained to improve productivity of Kharif paddy, or take up seasonal vegetables, or trained to profitably rear poultry birds.
7. The project team will undertake a brief sub-sectoral study to identify the gaps in critical linkages of crops and allied activities being promoted. Also, aggregation needs to access markets, or for taking benefits of economies of scale would be documented. Initially the project implementation team would provide these services to kick-start the activity. Once a minimum threshold scale is achieved, Producers' Collectives (PCs) will be promoted in all cases where the linkage gaps are expected to continue in the long-term. These PCs will be legally registered either under the Self Supporting Co-operatives Act, or under Section 581A of the Companies Act as a producer company, or as a Mutual Benefit Trust under the Trusts Act. The actual legal form will depend on the extent and the complexity of the activity the PC is engaging in, the financial implications of the same, the size of membership, the type of linkages it needs to maintain with the outside world, etc.
8. The project implementation team will work on all three critical areas of institution development of producer collectives i.e. "**Governance** and leadership development", "**Membership** development" and "ensuring effective and efficient **Operations**" of the created entity. These institutions on one hand will provide the required services on a sustainable basis and on the other will continue to scan the environment to look for newer opportunities for increasing benefits. A strong producers' organisation provides a robust mechanism to sustain the initiatives made under this special project. Further, in the context of large corporate entering various rural businesses including agri-business; these collectives provide the marginal and smallholders a level playing field to collectively bargain better services and prices.
9. As stated above, the same SHG leaders will also support expansion to new areas.

⁷ E.g. a few ponds planned in the DIP maybe taken up with NREGS funds available with the local panchayat.

8. Project Implementation Agency:

The **Project Implementation Agency (PIA)** will be **Professional Assistance for Development Action (PRADAN)**.

8.1 Profile of the Implementation Agency:

PRADAN: Professional Assistance for Development Action (PRADAN) is a voluntary organisation, registered in 1983 under the Societies Registration Act (1860) in the Capital Territory of Delhi. It works with (as of March 2007) 1,20,000 families (including 7,600 women's SHGs) in over 3,000 villages in 30 districts in seven States, namely, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and West Bengal. In Jharkhand, PRADAN works in 12 districts with over 70,000 families of which 73% belong to ST and SC communities. The focus of PRADAN's work is enhancing livelihoods of poor people in active collaboration with the state government. At the field level, PRADAN works by placing small teams of 8 to 10 professional staff at the district level. Each team works in clusters of villages within a radius of about 40 km from the project office, spread across three to five blocks. Project teams consist of staff recruited from reputed educational institutions, with at least a baccalaureate degree in professional streams (technology, agriculture, etc.) or a master's degree in other disciplines and undergo year-long apprenticeship before joining project teams. Project staff themselves work directly with poor households.

PRADAN has been working in this district since 1992. The professional staffs based in the district have extensive knowledge of the ground realities. As stated earlier under the two consecutive MoRD-UNDP supported projects, PRADAN has done a lot of work in the district for formation of SHGs and working on different livelihood promotion programmes around agriculture development and livestock based activities.

8.2 Implementation Structure: State Project Cell:

A Project Cell will be created within the Department of Rural Development, Government of Jharkhand, at Ranchi to be headed by the Secretary, Department of Rural Development, Government of Jharkhand. The cell may be staffed by competent person hired on project term contract, to provide support by collating progress reports, liaisoning and communicating with district officials and maintaining MIS. The Project Cell will be responsible for:

- Approval of Annual Plans,
- Disbursement of Fund as per Annual Plan / progress,
- Review of Physical and Financial Progress on quarterly basis,
- Reporting Physical and financial progress to Ministry of Rural Development, GoI.
- Discuss and sort out problems faced in implementation.

The Project Cell will meet as often as required but meet at least once in three months.

8.3 Field Implementation:

PRADAN, as PIA will be responsible for the following:

- Implement the entire plan as per the schedule and budgetary provisions made in the project,
- Capacity building of Swarojgaris and providing Handholding support- aiming at attainment of self-reliance of the Swarojgaris.
- Making the Detail Implementation Plan (DIP) in each project village,
- Receive the Grant Assistance from the State Project Cell and Disburse the same to the *Tola Sabhas* as per their DIP,
- Mobilize contribution from the Swarojgaris

- Establish linkage with the Banks to enable the Swarojgari groups to leverage finance,
- Helping the community implement the activities,
- Enabling the community to maintain records of financial transactions at their level.
- Introduce technology, improved practices through exposure, training and field demonstration,
- Develop linkages with mainstream markets to create opportunities for large scale marketing of produces for Swarojgaris
- Train a cadre of community based livelihood service providers for efficient delivery of various services such as input procurement and distribution, technical support for production and quality, aggregation of produce and sustaining linkage with the market.
- Promoting producer organisations of *swarojgaris* to sustain their initiatives and enterprises in various sectors,
- Collate physical and financial progress, prepare reports and submit to the State Project Cell on quarterly basis.

The Project Team of PRADAN will be comprised of professional staff from diverse educational background. The team will be backed by the extensive prior experience of PRADAN in livelihood promotion of extremely poor communities around natural resource management including improved agriculture, livestock development and micro-enterprises.

Tola Sabha (Hamlet Level Group):

Each village in the project district has a number of habitations. Most habitations comprise of families from similar socio-economic background. In this context it makes most sense to facilitate the community residing in one habitation to take charge of the development activity under this project. It is proposed that the key decision-making and implementation committee will be the "**Tola Sabha**" or the hamlet level committee. All the SHG member families (both men and women) in the hamlet, are members of this body. The **role and responsibility of the Tola Sabha** are as follows:

- Identify the beneficiaries of this special project in their hamlet. The identification will be done on the basis of wealth ranking and other peer review mechanisms, so that the poorest of poor are benefited,
- Prepare the Detailed Implementation Plan (DIP) with help from the project implementation team. DIP will have family and activity details including budgets and required fund flow statements.
- The allotment of grant funds for investment in asset creation or improvement to the *Tola Sabha* will be limited to a maximum of *number of member families multiplied by Rs. 20,000*, i.e. a 30 family Tola Sabha will have a ceiling of Rs. 6 lakh for asset improvement and creation. This will ensure equitable distribution of resources across hamlets. The Tola Sabha will be free to choose the activities / components under the DIP it plans to take-up from the allotted budget.
- Training and capacity building funds will be separately budgeted and allocated and do not fall under the above-mentioned ceiling.
- The *Tola Sabha* will continue to scan local sources of funds and in its discretion take-up some components of the DIP drawing support of the local funding source. These will be over and above support received under the special project.
- The *Tola Sabha* will have special dedicated bank accounts for this project. Advances for implementing the DIP will be provided to these bank accounts.
- It will initiate works detailed in the DIP against allotted budget, with technical support from the Project Implementation Agency.
- It will make periodic assessment of the work done and make payments, using formats prescribed by the Project Implementation Agency,
- The bills related to the payments made by the Tola Sabha will be submitted every 2 weeks to the office of the Project Implementation Agency . Advances for work will be provide on settlement of bills showing an utilisation of at least 60%.

- Any future change in the DIP can be made only with the consent of 75% of the members of the Tola Sabha.
- The Sabha will meet every alternate week. The quorum for the meeting will be representation from at least 50% of the member families. All works and support in *Sabhas* defaulting meeting consecutively for two months will be suspended,
- The Sabha will have a President, Secretary and a Treasurer. Women SHG members will hold all these positions.
- The Sabha will hire a local person to maintain their records. The local SHG accountant may play this role, for a small additional reimbursement.
- Work of other livelihood service providers (LSP) will also be reviewed in the *tola sabha* meetings. The payment of will be made in the prescribed form after review of the work done by the members.

8.4 Fund Flow Mechanism:

The State Project Cell will receive the Grant Assistance from the Ministry of Rural Development, GoI and contribute the State share within a fortnight of the receipt of the Central Share of funds. The State Project Cell will disburse the fund directly to the Project Implementation Agency i.e. PRADAN. The PIA will have a dedicated bank account for the project. All instalments from the State Project Cell will be deposited in this account. The Project Implementation Agency will provide advances to the *Tola Sabhas* as per their DIP and subsequently by assessing progress in utilization. Advances to the *Tola Sabhas* will only be provided against indents. Next advances will be provided only after 60% utilisation of the earlier instalment of funds. Statement of accounts and utilisation certificate would have to be produced before the next instalment is released. Financial reports will be prepared by the PIA and sent to the State Project Cell on quarterly basis. The State Project Cell will prepare and send the Statement of quarterly Physical and Financial progress to the Ministry of Rural Development, GoI. Indents for subsequent instalments will be sent to the MoRD, GoI upon utilization of 60% of the previous instalments.

8.5 Project Support and Facilitation:

The project aims at converging existing resources available to the district for poverty alleviation to augment the efforts being made and make the impact more significant. To aid this process it is proposed to form a **District Level Facilitation Committee** with Deputy Commissioner as its Chairperson. The other members of the committee are the Deputy Development Commissioner as its Vice Chairperson and Director (Accounts & Finance) DRDA, District Welfare Officer, two District level officer from relevant line department (e.g. Agriculture, Horticulture, Dairy, etc.), Executive Engineer, PHED, Lead District Manager, Block Development Officers of the blocks in which the project is being implemented and PRADAN Project Implementation Team Leader.

The Committee would meet at quarterly interval to:

- facilitate convergence of resources from various government poverty alleviation programmes to enhance economic well being of the beneficiaries. It would attempt to facilitate greater convergence during the implementation of hamlet level DIP in the project villages,
- generate new ideas to link the *swarozgaris* with the basic services e.g. health, education, drinking water, sanitation, roads, etc.
- discuss success stories and find ways to replicate the same in other areas,
- suggest ways of removing any roadblocks faced by the project.
- plan to supplement the interventions under this special project to make a significant difference to the lives of the participating poor families.

9. Project Review and Monitoring Systems:

Regular review of progress made against stated objectives of the project and making mid-course adjustments go a long way in achieving the envisaged goals. It is proposed to have a strong multi-level review and correction system to keep the project on track to eliminate poverty from the lives of 4,500 poor families and initiate social mobilization processes with another 3,500 poor families.

Following are the proposed multi-tier systems for review and monitoring the project:

9.1 Community based supervision:

1. by the general body of the *Tola Sabha*:

The project aims at empowering the community to take charge certifying the utilisation of the funds as per the DIP. The members of the *Tola Sabha* will make the actual payments for expenses related to the project and will certifying the creation of assets or delivery of services. The community will certify by passing resolutions to that effect. This is similar to the concept of community social audit system, which has been found to be an effective method to ensure the authenticity and transparency of this large project. The tola sabha in its meetings will review the status of implementation of the DIP. If required the DIP maybe amended to reflect the changing reality, with more than $\frac{3}{4}$ of the members giving their consent.

2. by the SHG Block Level Federation:

The federation as an independent community organisation of the target community will review the progress of the project. The leaders (i.e. core committee members) of the federation promoted in each block will make physical verification of the work done in different villages in the block. They will talk to the *swarozgaris*, visit work sites and bring to the notice of the PIA and the State Project Cell the success / impact made or problems / irregularities in implementation of the project. The federation will make quarterly reviews and submit reports.

9.2 State Level Monitoring Committee:

As similar special SGSY projects are being proposed in all the five districts where MoRD-UNDP sponsored "Social Mobilisation" project was being implemented a **State Level Monitoring Committee** headed by the Secretary, Rural Development is proposed. The committee will review:

- the progress of the special projects aimed at poverty elimination in selected pockets of five districts.
- whether the administrative set up is functioning as envisaged under this project,
- whether the district facilitation committees are effectively converging various services to the target community,
- whether the fund flow and financial targets are being achieved,
- commission competent professionals for mid-term and end-term review of the impact of the project on the participating families.
- Disseminate success stories of the programme with an aim of replication of the same in other parts of the state.

The committee may in addition have following systems of monitoring:

- Visits by committee members from state headquarters to the project sites.
- Visits by Chairperson along with local representatives including Members of Parliament.

The other members of the committee would be Director (SGSY), MoRD, Govt. of India, Special Secretary, Rural Development, Govt. of Jharkhand (In charge of SGSY), Deputy Commissioners / Deputy Development Commissioners of the concerned Districts, Director HARP, representative

from PIA, representative from NABARD and two peoples' representatives from the project area in five districts. The committee will meet once in six months.

10. Baselines:

At the commencement of the project after sanction, the PIA will document a project baseline containing data on important parameters like current levels of income and expenses, asset base, access to mainstream markets, access to services, status of children's education especially girls. As an output of this study, certain Benchmark indicators shall be drawn up which can be the basis of periodic review of impact on the participating family, including change in family's food, asset profile, and savings profile. Mid course evaluation of the project and an end term evaluation would capture impact by appropriate methods. Either the State Project Cell or the MoRD will commission these studies.

11. Project Period:

As the PIA has been engaged with the community in the project area for a significant length of time, hence it is envisaged that the project objectives can be achieved in a period of **three years**.

12. Summary of Outputs:

Sl.	Objectives of the Project	Detailed processes / outputs during the project period
Objective A:		
1.	Investment in improvement of existing land and water resources based on an Integrated Household Resource Management (INRM) approach	<ul style="list-style-type: none"> ○ Harvesting Rainwater and utilisation of the same: <ul style="list-style-type: none"> a. Plantations supported by 30X40: 170 Ha b. Land Husbandry: 80 Ha c. 5% model: 75 Ha d. Well / river based Micro-irrigation systems: 165 Nos e. Area under Irrigation to be created: 400 ha. f. Seepage tanks: 300 Nos ○ Improved Agriculture: <ul style="list-style-type: none"> a. Kharif Paddy & cereals: 4,000 families, 1,350 Ha b. Vegetables: 3,500 families, 400 Ha c. Pulses / Oilseeds: 2,000 families, 400 Ha d. Vermi-composting: 400 units e. Establishment of Mini Cold Storage: 1
2.	Investment for creating / strengthening farm allied or traditional livelihood activities,	<ul style="list-style-type: none"> ○ Poultry: 200 families, Feed Mill: 1 ○ Goat rearing: 200 families,
3.	Building capacities of all participating families in adopting skills to effectively and profitably engage in livelihood activity,	<ul style="list-style-type: none"> ○ Hamlet level visioning / planning exercises, ○ Technical training for implementation of DIP, ○ Technical training for productivity enhancement, ○ Handholding support by CRPs⁸, on a day-to-day basis, ○ Exposures for adopting improved practices, ○ Selection and extensive training of CRPs. Reviewing effectiveness and providing and on-field support.
4.	Promoting and nurturing relevant Producer Institutions to ensure sustained availability of linkages ⁹ and services for the participating families,	<ul style="list-style-type: none"> ○ Awareness building around the need to collectivise, ○ Membership training to build a sense of ownership and to understand the accountability as a member, ○ Exposure and training of the governing board members, ○ Training and support to staff to effectively deliver the goods and services mandated by the organisation.
5.	Promoting block level SHG federations to ensure sustained access to rights and entitlements of member families.	<ul style="list-style-type: none"> ○ Awareness building around the need to collectivise, ○ Membership training to build a sense of ownership and to understand the rights and accountability as a member, ○ Exposure and training of the governing board members to effectively take charge of the institution, ○ Training and support to staff to effectively deliver the goods and services mandated by the organisation.
Objective B:		
1.	Formation of SHGs	<ul style="list-style-type: none"> ○ Cadre of existing SHG leaders trained to support new SHG formation. At least 15 persons available. ○ 240 SHGs will membership of 3,500 poor families, ○ All groups meeting regularly on a weekly basis¹⁰, ○ All groups having system for keeping financial records, ○ All groups linked to the system of computerised accounting service provider in Khunti district, ○ All groups having opening savings bank account, ○ At least 50% groups accessing bank loans.

Physical and Financial targets of PRADAN are presented in Annexure 2A and 2B.

⁸ Community based Resource Persons

⁹ For providing missing services related to inputs supply, output marketing and support services of production

¹⁰ Meeting atleast 40-45 times in a period of 1 year.

13. Exit Strategy: Ensuring Sustainability

The intervention will ensure that the existing SHGs and the ones promoted under this project will not need any support for their day-to-day operations. A village-based accountant paid by the group records the routine saving and credit transactions. A local person called "*Computer Munshi*", again paid by the group, links each SHG to a system of computerised accounts. The computerised system provides detailed information needed by the group and banks. Further, clusters comprising of 10-15 SHGs are promoted, which provide solidarity to each other and help SHGs take up social issues and demand rights due to them. To support this further, block level collectives comprising of around 150-200 SHGs will be formed. These SHG collectives will support the SHGs and member families to access basic services and their rights and entitlements.

Systems and processes will be designed to facilitate the community to manage and maintain all the community assets created under this project. The community will be helped to devise systems for replacing the same at the end of the economic life of the asset. Similar systems will be developed and transferred to families benefiting from individual assets created at the family level.

Some activities require initial handholding for the participating families to pick up skills and adopt new practices. Once this phase is over, the families continue the activity without requirement of much further support. e.g. improved kharif paddy cultivation aimed at improving the food sufficiency status. In these activities there are no major issues related to sustainability, provided the activity has been adopted by a significantly large number of families in the area. However, some other activities such as vegetable cultivation, poultry, goaterly etc. require sustained systems to access inputs and link up with markets, production support services, etc. These activities require more sophisticated technical and managerial inputs, which can be provided on a sustainable basis under a framework of a Cooperative or Producer Company, owned by the community. PRADAN already has extensive experience of promoting such producer collectives in M.P. and Jharkhand. Promotion of producer collective under an appropriate legal framework will be initially facilitated by the project implementing team. The team will work to enable the members to take up the governance of the institution in a manner, which provides effective business support to producer members on a sustainable basis.

By the end of the project the cadre of trained Community Resource Persons (CRPs) will have the experience of supporting and families. Since the community would have tangibly benefited from these local youth, hence it is expected that the community will continue seeking their expertise by paying a reasonable cost of the same. There are already many examples of such service providers who are remunerated by the community for the services rendered. Some examples are: Para-vets, seed shop promoted by projects, Tasar grainage entrepreneurs, etc.

14. Budget and source of finance:

OVERALL BUDGET AND SOURCES OF FUND					
<i>Amount is in lakh Rupees</i>					
Sl.	Major Heads / Item Heads	Total Budget (Amount)	Sources of fund		
			SGSY Grant	Credit	Swarojgari contribution
1	Land and Water conservation and tree based activities	195.11	175.60	0.00	19.51
2	Micro-Irrigation Systems	218.36	196.52	0.00	21.84
3	Agriculture sector Development	334.25	123.50	157.50	53.25
4	Livestock based enterprises	157.80	115.00	20.00	22.80
<i>Expenditure on Livelihood Assets and Activities for a total of 4500 families: (Sl. 1+2+3+4)</i>		905.52	610.62	177.50	117.40
<i>Per Family Expenditure on Livelihood Assets and Activities</i>		0.2012	0.1357	0.0394	0.0261
5	New SHG promotion (240 SHGs)	24.00	24.00	0.00	0.00
6	Capacity building for livelihoods	99.00	99.00	0.00	0.00
7	Project implementation, documentation and evaluation	128.50	128.50	0.00	0.00
<i>Expenditure on 4500 families on Capacity Building and Technical Support for Livelihoods: (Sl.6+7)</i>		227.50	227.50	0.00	0.00
<i>Per family Expenditure on Capacity building and Tech. support</i>		0.05	0.05	0.00	0.00
GRAND TOTAL: (SL.1+2+3+4+5+6+7)		1157.02	862.12	177.50	117.40
% SHARE OF VARIOUS SOURCES OF FUND		100	75	15	10

The total budget for the project for three years is Rs 11.5702 Crore. Of this, people's own contribution is Rs 1.1740 Crore. In addition the project would leverage bank loans of Rs. 1.7750 Crore. A grant of Rs 8.6212 Crore is being sought from the Government of India and Government of Jharkhand as a Special Project under SGSY. The contribution by the people and bank credit together at Rs. 2.9490 Crore is little over 34% of the grant of Rs 8.6212

Crone sought from the Government of India and Government of Jharkhand; in other words, **the GoI contribution is under 75% of the total "non-credit" cost of the project.**

The payback periods for most of the activities are long due to the long gestation of natural resource based activities. Moreover, loan products presently are not available for such long durations. Secondly, the beneficiaries are yet not ready to invest large amounts of borrowed funds due to their low risk taking ability and lack of demonstration. Grant assistance is sought mainly for creation of assets such as plantations with land husbandry in the uplands, irrigation systems based on wells or earthen dams, poultry sheds and equipments, etc. and for the promotion of new Self Help Groups and capacity building of existing members for livelihood activities. For creation of assets, contribution from *Swarojgaris* in terms of labour and material would be 10% of the overall cost. Credit would be mobilized from mainstream financial institutions mainly for meeting the working capital requirement of the *Swarojgaris*. All the *Swarojgaris* would require credit for procuring agricultural inputs such as improved seeds, fertilizers and plant protection chemicals, necessary for attaining higher levels of productivity.

14.1 Notes on budget:

1. Per family average investment on livelihood assets and activities is Rs 20,120, comprising of Rs 13,570 (67%) as grant component from the Government of India. The Bank loan per Swarojgari family is Rs.3,940 (20%) and contribution of each of the Swarojgaris by ways of labour and material is Rs.2,610 (13%). The **investment in capital assets and working capital per family** is Rs 17,510 per household (**Rs 13,570 GoI contribution and Rs. 3,940 as loan from Banks**).
2. **Investment per Swarojgari family on Capacity building for Livelihoods and Technical support for project implementation is Rs. 5060.** Grant assistance is sought from the Government of India to meet the entire cost of Capacity building and technical support for project implementation. **The cost required per family for Capacity building is depicted for PRADAN in Annexure 2C**
3. There will be overlaps in the number of families in each activity in the sense that **one family may adopt more than one activity**. For example same family would be included under water harvesting structures, agriculture and Lac rearing. However, the activity mix would be such that the investment per family would be around the average.
4. Subsidies are needed for land and water development activities, such as "30x40" model, land husbandry, 5% model and seepage tanks as **the payback period for these is long and long-term loan products are not available and farmers (especially those we propose to work with) are unwilling yet to risk investments of the level required.** Similar reasoning applies to tree crops and irrigation systems based on wells and dams.
5. As the target people are very poor, **they tend to shy away from investing in new crop technologies such as seeds, fertilizers, crop protection chemicals, implements like weeder, sprayer etc.** A small subsidy is proposed for conducting appropriate demonstrations on improved technologies and practices to trigger off large-scale adoption of the same among poorer households. Further, a good part of the subsidy would go for establishing a mini cold storage of 3 metric tonne capacity. This would help in the storage and transit of different crops and vegetable such as Potato, tomato, brinjal etc. to help farmers overcome the glut period in the market.

15. Project Evaluation and monitorable parameters

During the project period it is proposed to prepare physical and financial progress reports at 3-months' interval. The quarterly reports would be prepared internally by PRADAN and submitted to the State Project Cell. These are to be compiled and shared during the review meetings. For the end evaluation the State Project Cell would draw up a panel of independent consultants in consultation with the Ministry.

For periodic review of the project the following criteria are proposed under the following broad categories.

(A) Promotion of new SHGs:

- Promotion of SHGs as per the quarterly targets
- System of weekly meetings followed across all the groups
- At least 45 meetings in a year with every member attaining 80% of the meetings
- Savings rate of Rs. 5-10 per member per weekly meeting
- Opening of bank accounts in 3 months of formation
- Every SHG would pay for accountant to maintain records of transaction
- 80% of the members would be able to access bank loan by the end of project period
- All the SHGs to be linked with *Computer Munshi* system.

(B) 30x40 with plantation, Horticulture

- Timely execution of task as per the month wise activity calendar
- Proper growth of plants as per set standards
- 80% survival of all plants at the end of two years
- Yield per plant as per set standards.

(C) Irrigation systems and On-farm Water Harvesting Structures

- Timely execution of work
- Ensuring utilisation of harvested water for improved agriculture- cereal and vegetables
- 80% of the families would earn an annual incremental income of Rs.15, 000
- Linkage with mainstream banks and on time mobilising and repayment of loan.

(D) Poultry and Goat Rearing

- Timely completion of sheds as per programme calendar
- All the poultry growers attain Feed Conversion Ratio of 1:1.80 in initial 3 crop cycles
- All the poultry growers take up at least 5 crop cycles annually.
- 80% survival of goat off-springs
- All goats would be insured within one week of purchase
- On time mobilising and repayment of loan
- Timely veterinary care as per the calendar
- Annual income of Rs.8,000 to 80% of the families engaged in these activities.