

PROJECT SYNOPSIS

The proposed Special SGSY Project would be implemented in the Palkot, Raidih, Ghagra and Gumla blocks of the Gumla 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 Gumla district. The proposed project would create sustainable livelihood opportunities for 4500 poor families. Further, the project envisages mobilizing an additional 4000 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 poor 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 275 new SHGs to saturate the project area and expand social mobilization in Boarijore block.
- Promote block level SHG federations in Palkot and Raidih 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 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 plants in 400 ha. of uplands.
- Protective irrigation from harvested rainwater to 250 ha of cropland during the kharif season and 50 ha during the rabi and summer seasons (for vegetables),
- Year round irrigation facilities for 300 ha. of medium uplands from micro lift irrigation systems.
- **Potential to enhance cereal production by about 2,500 ton a year, vegetable production by 5,000 ton a year and fruit production by 650 ton a year, poultry production by 900 ton a year and meat production by about 150 ton a year each.**
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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.12.51 crore**. Of this, **people's own contribution is Rs. 1.25 Crore**. In addition, the project would leverage **bank loans of Rs. 1.88 crore**.

A **total grant assistance of Rs. 9.38 Crore is budgeted under the project** of which **Rs. 7.04 Crore** (75% of the grant component) **is being sought as Government of India share** and the remaining **Rs. 2.34 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 Gumla 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 Gumla, 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,
- Helping poor families acquire necessary knowledge and skills to adopt improved techniques and practices,
- Institution building for creating producers collectives to deal with sectoral issues on a sustainable basis, wherever required,

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 launching a livelihood promotion programme intervening in multiple activities addressing issues related to various sub-optimally used assets in the hand of poor to *eliminate*

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

poverty is not possible without a dedicated programme in backward districts. Thus the need of the hour is start a dedicated programme, which creates mechanisms 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.

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, vermi-composting, manufacturing small scale production centers at individual level for individuals 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 innovativeness. 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 15,350 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 4,890 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. 313.32 lakh is 33.39% of the grant of Rs 938.34 lakh sought from the Government of India; 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 with low coverage of irrigation and poor penetration of modern farming technologies. Clearly, then, there is vast scope to enhance livelihood security, create employment opportunities and reduce poverty in the district through improved management of natural resources and strengthening farm and farm allied sectors and forest based economy. Harnessing water resources, intensification of farming system and enhancement of forest-based activities 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 a watershed 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 staff 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 district of Gumla, west of Ranchi in the Chhotanagpur plateau, was created in 1983. The district has an area of 5,300 sq km. (Jharkhand 79,714 sq km) and is divided into 11 blocks. The 980 villages of the district are organized into 113 panchayats. The district headquarters Gumla is connected by road to Lohardaga 50 km to the north, Rourkela (Orissa) 150 km to the south, Ranchi 95 km to the east and Jashpur (Chhatisgarh) about 50 km to the west.

Physical features of the district and the socio-economic profile

Gumla is undulating throughout with alternating hill ranges, uplands and valleys. The altitude of the district varies between 500 and 800 metres from the mean sea level. Chainpur, Dumri and Bishunpur blocks in northwest Gumla have elevated hill ranges and forests. This area is called Barway region. Barway is connected with Palamu district in the north. On the other side, the hilly-forest tract has extended towards Raidih block, west of Palkot block and then to Simdega district in the south. The eastern part of Gumla is comparatively plain even though sporadic forest patches remain.

The river Sankh, a major river of Jharkhand, originates from Chainpur block and flows south and another important river South Koel flows east, the two eventually meeting at Rourkela. Another major river, North Koel, also originates from Chainpur block but flows north through Bishunpur block and contributes to Sone river in Bihar. The entire district comprises of the catchments of these three rivers.

Gumla district is full of coarse granite rocks. This is used locally as building material and also exported out of the district in the form of chips. Quarrying of these contributes to wages locally. On the other hand, such a widespread rocky layer underneath makes digging of tube-wells difficult. No other minerals of any significant volume are available in the district.

In the forests, dry peninsular sal is the main species, with patches of mixed forests, comprising of gamhar, asan, tendu and shimul trees. Apart from this kusum and ber trees have a greater presence where lac is reared. In addition to supplying firewood, non-timber forest produce like tendu, lac, sal seeds, mahua flower and seeds, chironji, karanj seeds, some medicinal plants like *Chiraita* give cash income to villagers in forest fringe villages. People also survive in distress by selling woods and leaves collected from there.

Annual average rainfall for the district is 1,200 mm, concentrated during the three monsoon months from July through September. The district receives some winter rains during December and January. It has a uniformly lower range of temperatures, varying between 2° C and 40° C.

The population of 13.45 lakh in 2001 had a decadal growth rate of 16.60 percent since 1991 (Jharkhand 23.19 percent). Gumla district is very rural in nature, with 95 percent of the population residing in rural areas (Jharkhand: 78 percent). Gumla also has the highest tribal concentration in Jharkhand at 70 percent of the total population. On the other hand, scheduled castes constitute only 5 percent. Population density at 148 per sq.km is the lowest in the State.

Oraons, Khadias and Lohras constitute the majority of tribal population. A section of the Oraons are *Tana Bhagats*, influenced by *Vaishnavism*. Unlike other Oraons, they are vegetarians and practice certain other customs different from those of the Oraons. Primitive tribes² comprise of Birhores, Birjias, Asurs and Nagesias. At 33 percent of the population, Christians are a significant ethnic group

² The term primitive, used in the context of the Constitutional provision about the Scheduled Tribes, connotes the degree of assimilation in the mainstream. These are easily the most disadvantaged even among Scheduled Tribes and have been suffering an erosion in their population, attributable to low quality of life.

in Gumla. Muslims are comparatively less in number at 13 percent (Jharkhand 27 percent). The rest are either Hindus or *Sarnas* (the original tribal religion). Christians dominate the Barway region.

Rural literacy in Gumla was 50 percent in 2001 (Jharkhand 46 percent), with 63 percent and 38 percent, respectively, for men and women. A notable feature is the higher female literacy in rural Gumla compared to rural Jharkhand (30 percent). The work done by the many Christian missionary organizations in the district has contributed to the higher rural literacy.

Gumla remains very poor economically. According to official figures, 73 percent of the district population lives below the poverty line (Jharkhand 62 percent). Infant mortality rate stood at 116 per 1,000 live births. In terms of access to basic services and infrastructure, too, Gumla fares badly compared to Jharkhand as a whole.

Workers constitute 49 percent of the population in rural Gumla. A majority of the workers are cultivators. Population of agricultural labourers is very 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 for rural areas are tabulated as under:

	Gumla (Rural)	Jharkhand (Rural)	All India (Rural)
percent of workers to total population	49	41	42
percent of main workers among total workers	67	60	74
percent cultivators among total workers	70	45	40
percent Agricultural labourers among total workers	17	33	33
percent of female among total workers	45	38	36
percent of female among cultivators	45	38	33
percent of female among agricultural labourers	60	48	47

Source: Census 2001.

About 35 percent of the total geographical area of the district is under cultivation. *Gumla produces only 131 kilograms of food grain per capita, annually*, the balance has to be brought in from outside to meet the requirements of the population. Small and marginal farmers constitute 70 percent of the total number of farmers. Landlessness is rare; however, land alienation exists due to indebtedness under the informal credit delivery system.

In the east (part of Gumla, Sisai, and Verno blocks) and the north (part of Ghaghra block), the communities are better settled in agriculture in comparison to the forest dominated Palkot, Raidih, Chainpur, Dumri and Bishunpur blocks in the southwest where the production is mainly for subsistence. Almost 95 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 finger millet, pulses, maize and niger (an oilseed). Yield of all the crops were far below the national average as would be evident from the table below.

Crop	Area,* ha	Output, tons	Yield kg/ha
Paddy	1,98,242	4,13,523	2,086
Maize	2,691	7,603	5,700
Oilseeds	13,189	10,671	1,610
Pulses	32,811	28,445	1,670

* Total area of rural Gumla (including Simdega) 9 lakh ha

Government of Jharkhand estimates

Agriculture is predominantly rainfed, and therefore dependent on the vagaries of the monsoons, especially the distribution of rainfall. Poor rains result in crop failure, leading to distress migration out of the district and the State.

There is a large cattle population in the district, entirely of non-descript breeds. People keep livestock for, agriculture work, draught purposes and to meet emergencies.

Other important sources of livelihoods are migration to other states, selling fuel wood from jungle, etc. Many educated youth of Gumla, especially from the Barway region, have found employment in the Army. A large number of women find employment as domestic help in cities like Delhi and Mumbai.

Government records show about 5 percent of total cultivable area under irrigation. However, this figure includes the command area of defunct schemes as well. On the other hand, 1,000 ha irrigated area has been created in the district through micro-lift irrigation schemes with PRADAN's intervention and many more such opportunities remain. Revitalizing defunct schemes and implementing new schemes can bring 30 percent of the total cultivable area in the district under irrigation.

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 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 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. 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 assets³ 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 Godda 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 project period, significant progress on the livelihood promotion of the SHG members was made.

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.
- 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

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

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 Gumla, 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,
- 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 sectoral issues on a sustainable basis, wherever required,

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, considerable families in the existing SHGs in Gumla 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. Project Outreach, People and Poverty context

The project will focus on hamlets with existing SHGs covering 4,500 poor families in Palkot, Raidih, Ghagra and Gumla blocks of the district. The project will also expand SHG outreach covering 4,000 poor families in unsaturated interior pockets of Kamdera and Basia to create conducive conditions for future expansion of the model.

Most families proposed to be including in the project have marginal or small land holdings, which have 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 0.4 Ha medium uplands, which are totally dependent on the erratic rainfall of the region. Only about 0.2 Ha is better quality land (homestead and lowland). The average food sufficiency from own land is about 7 to 8 months. Migration to distant states and some forest-based activities, are the major sources of income to support the household gap in food sufficiency. The situation is further complicated with declining returns from traditional forest based livelihood have forced the target families to depend on scarce wage earning locally or migrate to distant places. Within the family women and child are in most distress situation. Women are also alienated from the mainstream development. Economic poverty coupled with poor quality of basic services in health, sanitation, safe drinking water etc are the main constraint in the way of development.

4. Project Goal, Objective and Strategy

The goal of the project is to:

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

4.1 The Objectives of the Project are:

- A. To assist 4,500 poor SHG member families from Palkot, Gumla, Raidih, and Ghagra blocks to sustainably enhance annual livelihoods by Rs. 15,000 by
 - 1) investment in improvement of existing land and water resources based on an Integrated Household Resource Management (INRM) approach,
 - 2) investment for creating supplementary livelihood opportunities based farm allied or traditional activities,
 - 3) building capacities of all participating families in adopting skills to effectively and profitably engage in livelihood activity,
 - 4) promoting and nurturing relevant Producer Institutions to ensure sustained availability of linkages⁴ and services for the participating families,
 - 5) 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 adjoining blocks of Kamdera and Basia covering 4,000 poor families.

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

5. Salient Strategies:

5.1 For Objective A:

- i. Work with identified poor in selected villages and hamlets (as detailed in Annex 16) belonging to the Scheduled Tribe, Scheduled Caste and Other Backward Classes organised as self-help groups (SHG). Approximately 10,500 women from the project villages have already been organised into about 654 SHGs. The 4,200 women from remaining poor families in these villages would be organised into SHGs.
- ii. Assist the selected households to formulate longer-term perspective plans.
- iii. Implement land-based activities for 85% of the target families.
- iv. Assist the selected households to diversify current *Kharif* paddy centric farming to include cash crops, horticulture, agri-silviculture, livestock rearing, etc.
- v. Implement farm allied activities with 15% households.
- vi. Help participating families take-up traditional activities to provide supplementary income, making the family livelihoods more robust.
- vii. 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.
- viii. Promote Producers' Organisations to provide sustainable systems for services to the project participants,
- ix. Promote block level SHG federations in Gumla and Palkot blocks. These institutions will be solidarity bodies to help the empowerment process of the women, in seeking their rights and entitlements. The federation 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 a demand system at the grassroot to energise delivery mechanisms of government support in the social sector.

5.2 For Objective B:

- i. The project will also expand the social mobilisation in form of SHG base in adjoining blocks to create a conducive environment for subsequent similar action in new pockets of the district.
- ii. Trained SHG leaders from existing SHGs will be deployed to form new SHGs in these areas,
- iii. These SHG will be assisted to adopt systems for transacting the business of saving and credit,
- iv. Each SHG will have a trained accountant paid by the group,
- v. Each cluster of SHGs will be linked to the locally operated computerised SHG accounting system named "*Mcfinacier*".
- vi. As the groups mature they will be linked to banks to access credit-gap filling loans.

6. Proposed livelihood interventions under this Special Project:

Objective "A":

6.1 Harvesting & Managing Rainwater: PRADAN has been working with *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.

Above: Plan Showing Various Natural Resource Management Interventions

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** (relevant Timber / Lac hosts / fruit trees) and grasses on uplands and revenue wasteland, 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 matter⁵, dealing with micro-nutrient deficiencies etc. to improved productivity of rainfed agriculture,
- d. **Seepage tanks** on lowland 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 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 Annex 3 to 11.

6.2 Improved Agriculture: Most families participating in the programme have about 1 Ha of land but are unable to grow enough food for the year. One of the key interventions under this project is productivity enhancement after investments have been made to improve the status of land and water. The interventions proposed to achieve this is by introducing better varieties of inputs (seeds, fertilizers, pesticides, etc.), help families adopt improved practices for cultivation, taking up crops more suited to terrain and the moisture regime. Past experience in the area have shown that introducing good quality seeds and adopting improved practices families have been able to more than double yields. 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 will 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 were ever 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 a sustainable source of organic matter, which needs to be regularly applied to improve the condition of the land in the project area.

The major crops to be promoted in the project area will be crops like: paddy, vegetables on the homestead, etc.

6.3 Goat rearing: Many families in the project areas rear goat of local breed. The activity is supplementary activity, and not much investment is made to improve the activity. Large number of local goats dies due to disease, thereby making this activity more like a gamble. The proposed intervention aims at making this activity more robust and able to contribute significantly to household incomes. The intervention includes induction of breed upgradation by inducting a better quality male; interventions to improve sanitation by housing and better package of practices; vet support for health care, etc.

6.4 Decentralised Poultry: Over the years PRADAN has perfected a model for helping poor families take up broiler poultry rearing in small lots of 400 birds. The families in an area are collectivised to form a producer co-operative / producer company. This producer institution procures inputs in

⁵ e.g. putting vermicompost, green manuring, etc.

bulk thereby getting benefits of economies of scale, provides marketing linkages, and buffers the member families from the seasonal 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 the project area the potential of this activity has been demonstrated with about 300 families during the last phase of the project. A producer's co-operative is already functional in the area providing support to member families. Currently, the co-operative is already making operating profit from the activity in addition to the Rs. 8-10,000 earned by member producers. The significant income being earned by the participating families have created a demand for this activity and are being proposed under this project. Additionally we would require broiler parent farm, which would be mobilised from district administration. From this farm hatching eggs will be produced and it will be hatched at SHG members running Hatchery at Lohardaga. Grant funds will be used to provide capacity building support to the participating families. Credit support will be mobilised from banks under this project. Cost economics of the activities under this segment are given in annex 15.

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 team will work with all existing SHGs in the selected villages and intensify formation of additional SHGs to cover at least 70% of poor inhabitants. The 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 dynamic 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 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 up⁶, 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. E.g. families will be trained improve productivity of Kharif paddy, or take up seasonal vegetables, or trained to profitably rear a crossbred animal, etc.
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 mutually benefiting 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 alternate livelihood opportunities when currently promoted activities become unviable or obsolete. A strong producers' organisation provides a robust mechanism to provide sustainably of the interventions 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 of adjoining blocks.

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 baccaureate 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 1994. The professional staffs based in the district have extensive knowledge of the ground realities. As stated earlier under the two consecutive

⁶ E.g. a few ponds planned in the DIP maybe taken up with NREGS funds available with the local panchayat.

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 forest 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, liasoning 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 5,000 poor families and initiate social mobilization processes with another 3,000 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:

	Objectives of the Project	Detailed outputs during the project period
Objective A		
Output 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: 400 Ha b. 5% model: 150 Ha c. Land Husbandry : 150 Ha d. Seepage tanks: 600 Nos e. Nano / Micro-irrigation schemes:100 Nos ○ Improved Agriculture: <ul style="list-style-type: none"> a. Kharif Paddy & food crops: 4,000 families, 2,000 Ha b. Vegetables: 3,500 families, 450 Ha
Output 2	Investment for creating supplementary livelihood opportunities based farm allied or traditional activities,	<ul style="list-style-type: none"> ○ Poultry: 200 families ○ Goat rearing: 125 families
Output 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 CRPs⁷, on a day-to-day basis, ○ Exposures for adopting improved practices, ○ Selection and extensive training of CRPs. Reviewing effectiveness and providing refresher training and on-field support.
Output 4	promoting and nurturing relevant Producer Institutions to ensure sustained availability of linkages ⁸ 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 rules, 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, including on the job training.
Output 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 rules, 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		
Output 1	Formation of SHGs	<ul style="list-style-type: none"> ○ Cadre of existing SHG leaders trained to support new SHG formation. Atleast 15 persons available. ○ 275 SHGs will membership of 4,000 poor families, ○ All groups meeting regularly on a weekly basis⁹, ○ All groups having proper system for maintenance of financial records, ○ All groups linked to the system of computerised accounting service provider in Gumla dist, ○ All groups having opening savings bank account, ○ Atleast 50% groups accessing bank loans.

Physical and financial targets are in annexure 2A and 2B

⁷ Community based Resource Persons

⁸ For providing missing services related to inputs supply, output marketing and support services of production

⁹ Meeting 40- 45 times in a period of 1 year.

13. Exit Strategy: Ensuring Sustainability

The intervention will ensure that the existing SHGs and the once promoted under this project will not need any support for their day-to-day operations. The routine saving and credit transactions are recorded by a village-based accountant paid by the group. Each SHG is linked to a system of computerised accounts run by a local person called "Computer *Munshi*", again paid by the group. 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 of SHGs will be formed. These SHG collectives will support the SHGs and the clusters as and when required. Further, as stated earlier the SHG collectives will help families access basic services and their rights and entitlements.

Systems and processes will be designed which the community will be helped to adopt, for management and maintenance of all 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 created. 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 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 livelihood service providers (LSPs) will have the experience of supporting and families. Since the community would have tangibly benefited from these local youth 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 OF AND SOURCES OF FINANCE					
<i>Amount in Lakh Rupees</i>					
Sl.	Major Activity / Item Heads	Total Budget (Amount)	Source of Funds		
			SGSY Grant	Credit	Swarojgaries contribution
1	Land and Water conservation and tree based activities	441.60	397.44	0.00	44.16
2	Micro-Irrigation Systems	167.64	150.88	0.00	16.76
3	Agriculture sector Development	269.80	51.90	166.50	51.40
4	Livestock based enterprises	125.13	90.63	21.25	13.25
<i>Expenditure on Livelihood Assets and Activities for a total of 4500 families: (Sl. 1+2+3+4)</i>		1004.17	690.84	187.75	125.57
<i>Per Family Expenditure on Livelihood Assets and Activities</i>		0.2231	0.1535	0.0417	0.0279
5	New SHG promotion (275 SHGs)	27.50	27.50	0.00	0.00
6	Capacity building for livelihoods	88.00	88.00	0.00	0.00
7	Project implementation, documentation and evaluation	132.00	132.00	0.00	0.00
<i>Expenditure on 4500 families on Capacity Building and Technical Support for Livelihoods: (Sl. 6+7)</i>		220.00	220.00	0.00	0.00
<i>Per family Expenditure on Capacity building and Tech. support</i>		0.0489	0.0489	0.0000	0.0000
GRAND TOTAL: (SL.1+2+3+4+5+6+7)		1251.67	938.34	187.75	125.57
% SHARE OF VARIOUS SOURCES OF FINANCE		100%	75%	15%	10%

The total budget for the project for three years is Rs 12.5167 crore. Of this, people's own contribution is Rs 1.2557 crore. In addition the project would leverage bank loans of Rs. 1.8775 crore. A grant of Rs 9.3834 crore is being sought from the Government of India as a Special Project under SGSY. The contribution by the people and bank credit together at Rs. 3.3132 Crore is little over 33.39% of the grant of Rs 9.3834 crore sought from the Government of India; 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 22,310 comprising of Rs 15,350 (68.8%) as grant component from the Government of India. The Bank loan per Swarojgari family is Rs. 4,170 (18.69%) and contribution of each of the Swarojgaris by ways of labour and material is Rs.2,790 (12.50%). The **investment in capital assets and working capital per family** is Rs 19,520 per household (**Rs 15,350 GoI contribution and Rs. 4,170 as loan from Banks**).
2. **Investment per Swarojgari family on Capacity building for Livelihoods and Technical support for project implementation is Rs. 4,890.** 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. Further, a small amount of Rs. 2,000 per family, as subsidy on vermi-composting would trigger off large-scale adoption of the method among poorer households.

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.

(E) Lac Rearing:

- All the Lac brood rearers adopting improved technology
- Timely completion of interculture (pruning of trees and pesticide spraying) operations.
- All the rearers receiving good quality brood
- 80% rearers receiving annual income of Rs.5,000.

