

Meghalaya Livelihood Improvement Project for the Himalayas

Loan No: 624-IN



**Half yearly Project Status Report
(April - September 2007)**



**Meghalaya Rural Development Society
Shillong**

Contents

Project Introduction

Project Profile

Important milestones

Achievement at a Glance

Project Components:

- **Component I: Empowerment and Capacity Building of Community Organizations and their support organizations**
- **Component II: Livelihoods Enhancement and Development**
- **Component III: Livelihood Support System**
- **Component IV: Project Management**

Financial Status and achievements

Reflections and Challenges

Annex:

1. **Detail of households and villages covered as September 2007**
2. **Project's approach to preparation of village plan**
3. **Status of SHG as on July 2007**
4. **Result of SHG grading**
5. **Overall performance of FNGOs**
6. **Project communication plan**
7. **Minutes of the review meeting held on the 3rd and 4th July 2007**
8. **Budget vs. Expenditure**

GLOSSARY

AWPB	Annual Work Plan and Budget
ANT	Action Northeast Trust
AAA	Accounts and Administrative Assistant
BDS	Business Development Services
BLRC	Block Level Resource Centre
BLARC	Block Level Advisory and Review Committee
BC	Block Coordinator
BoD	Board of Directors
CS	Cluster Supervisor
CBOs	Community Based Organizations
DMU	District Management Unit
FFIs	Formal Financial Institutions
FNGO	Facilitating Non Governmental Organisation
GBPIHED	G B Pant Institute of Himalayan Environment and Development
ICIMOD	International Centre for Integrated Mountain Development
MRDS	Meghalaya Rural Development Society
MIS	Management Information System
MYRADA	Mysore Resettlement and Development Agency
NERCoRMP	North Eastern Region Community Resource Management Project
NABARD	National Bank for Agriculture and Rural Development
NABCONS	NABARD Consultancy Services
NREGA	National Rural Employment Guarantee Act
NEHU	North Eastern Hill University
PRA	Participatory Rural Appraisal
PDS	Public Distribution System
PMU	Project management Unit
RTI	Right to Information
RNGO	Resource Non Governmental Organisation
RIMS	Result and Impact Management System
SVCC	Social Venture Capital Company
SRI	System of Rice Intensification
UNOPS	United Nations Office for Project Services
VLGP	Village Level Group Promoter

INTRODUCTION

The Project's goal is to improve the livelihood of 29,300 vulnerable mountain households residing in the Indian Himalayan state of Meghalaya, in an equitable and sustainable manner through the promotion of improved livelihood opportunities and strengthening of local institutions that relate to livelihood.

Objectives of the Project:

Keeping in view the Project's goal, the specific objectives of the project are as follows:

- To enhance the capabilities of local people to select appropriate livelihood opportunities, to access required financial and other resources, and to manage new technologies and institutions at the village level;
- To increase incomes through more sustainable farm and non-farm income generating activities;
- To establish effective and appropriate delivery systems for technical, technological, and financial Business Development Services (BDS) inputs and services and for the maintenance of assets and resources; and
- To enhance the delivery of government services and the capabilities of eligible local people to access them.

Project Profile

Country:	INDIA
Project Title:	Livelihood Improvement Project for the Himalayas
Project Number:	624-IN
Total project budget:	174 crores
Date of loan effectiveness:	23 rd September 2004
Project Loan Agreement signed	20th Feb 2004
Date of project start:	October 2005
Project duration:	8 years
Date of project closing:	October 2012

Important Project Milestones

10th Jun 2004	Establishment of MRDS
22nd Jun 2004	Registration of MRDS under Society Registration Act 1860
14th Dec 2004	Financial & Administrative Rules 2005 approved
31st Oct 2005	Completion of recruitment process of core staff
23rd to 25th Nov 2005	1st Review Mission by UNOPS
16th & 17th Mar 2006	State level Project Launch Workshop
12th May 2006	MoU signing with partner NGOs for 1st phase Blocks
27th Nov - 8th Dec '06	2nd Review Mission by UNOPS
27th & 28th Mar 2007	MoU signing with partner NGOs for 2nd phase Blocks
9 th July 2007	Approval from BoD for formation of Social Venture Capital Company (SVCC); advertisement for CEO floated, interview tentatively scheduled in January 2008

Achievements at a Glance

Sl. No.		Appraisal target	Achieved	
			Nov 2006	Sep 2007
1.	District	5	5	5
2.	Blocks	14	9	15*
3.	Villages	570	171	426
4.	SHGs	1955	320**	479
5.	SHGs graded	-	-	316
6.	Number of HHs	29,300	6,753	22891
7.	Direct project beneficiaries		3840	5748

* 1 Block (Shella-Bholaganj) bifurcated into two Blocks namely, Khatarshonong-Laitkhroh and Shella Bholaganj

** The total number of SHGs as reported in the last annual report (Nov 2006) was 473. This number included 153 existing SHGs from three Blocks in Jaintia Hills who had shown an initial interest of joining hands with MRDS. Initial training was imparted to these SHGs, however, on close interaction and inspection of these groups it was found that there was a high level of inconsistency with regards to dual membership, difficulty of adjusting their previous books of accounts due to previous loans taken, and in meeting the project objectives, namely SHGs belonging to poorest of the poor, etc. In view of the above observation, the Project decided that more time was required to adopt these SHGs. Initiatives to expose these SHGs to the manner in which SHGs formed by the Project operates and efforts to clear dual membership issues are currently on.

Phasing of Project Intervention

District	Appraisal target: 14 C&RD Blocks	
	1 st Phase (2006 onwards)	2 nd Phase (2007 onwards)
Jaintia Hills	Khliehriat, Laskien, Saipung	-
Ri Bhoi	Jirang	Umsning
East Khasi Hills	Khatarshnong	Mawkynrew, Pynursla, Shella-Bholaganj
East Garo Hills	Resubelpara, Songsak, Samanda	-
South Garo Hills	Gasuapara	Chokpot, Rongara

NB: Detail Number of Households, Villages covered till September 2007 as Annex 1

COMPONENT 1: EMPOWERMENT & CAPACITY BUILDING OF COMMUNITY & SUPPORT ORGANIZATION

The primary objective of this component is to build CBOs in the form of SHGs with ability to make an informed choice, plan and manage livelihood activities in a micro-enterprise mode. SHGs mobilized would be trained and empowered to take up both social development and economic growth. The initial capacity building would prepare the groups to pursue social development growth trajectory. This is envisaged to be achieved with the assistance of FNGOs. This component addresses three major set of activities, namely Community Empowerment, Facilitation through FNGOs and Intervention to Reduce Women Drudgery. The half yearly allotted budget for this component is Rs.2,00,90,456 of which Rs.85,74,451/- has been expended during the six months (42.68%).

The activities undertaken under this Component includes orientation, trainings and exposure visits for both Project and FNGO staff as well as beneficiaries.

Sub-Component I: Community Empowerment

i. Trainings conducted: Project and FNGOs staff

- Training on project orientation and sensitization for staff of FNGOs covering both Phase I and Phase II project villages was undertaken during the reported period. A total of 13 trainings were conducted out of the targeted 15 for the year. In all a total of 91 project staff (49 males and 42 females) were trained.
- The Project has taken steps to engage Village Level Group Promoters (2 per cluster of 10 villages totaling to 8 per Block) to take up the task of assisting SHGs in their day-to-day activities as well as assist in other project activities such as demonstration, etc. A total of 120 VLGPs is envisaged to be engaged in all five Districts. So far 61 VLGPs have been recruited. The entire recruitment is yet to be completed in all Districts.
- A seven-day training was conducted by MYRADA (RNGO) on use of PRA data for preparation of Village Plan which was attended by a total of 76 Project and FNGO staff. Besides the training offered by MYRADA, a number of Districts followed up with refresher training on PRA as the need arose.
- The first of the two targeted fifteen-day training on SHG concept, micro-credit & group dynamics & bookkeeping was given by Gana Chetna Samaj (RNGO) and was attended by 28 project and FNGO staff.
- In house trainings on financial and administrative management, reporting systems, monitoring and evaluation, leadership and target setting was conducted for all FNGO and project staff by respective Districts with the aim of streamlining the management

of Districts Units. Altogether 23 such trainings were conducted during the reporting period as against a target of 150.

- A group of 3 project staff from Ri Bhoi District visited ANT, one of the RNGO specializing in organizing weavers into SHGs to interact and learn the process of organizing such groups and marketing their products.

ii. **Training conducted: Beneficiaries**

- An exposure visit for a total of 153 SHG members (66 male and 87 female) from two Districts was organized during the reporting period. The visit was intended to facilitate cross learning between project SHGs and SHGs from NERCoRMP IFAD Project Tura.
- A group of 33 SHG members (15 women, 18 men) from Ri Bhoi District were taken for an exposure trip to the District Horticulture Farm as this was seen as a potential livelihood option of the region.
- Orientation and project sensitization was conducted in a total of 254 villages during the reporting period against the annual target of 307 villages.
- The number of SHGs which were given basic one-day training on SHG concept and group dynamics was a total of 390 as against the annual target of 921. The total number of SHG members who received this training is 2611 (1462 men and 1403 women)
- The number of SHGs who were given advance five-day training on SHG concept and group dynamics was 70 as against the annual target of 478. A total of 335 SHG members (187 men and 148 women) participated in the mentioned training.
- A total of 25 trainings of seven days duration for book keepers were organized during this period as against the annual target of 74. A total of 78 SHG members (43 men and 35 women) were trained.

PRA has been initiated in 158 villages facilitated by FNGOs and with the active participation of community members. The complete set of 9 PRA tools (Annex 2) has been conducted in 57 of these villages, while the remaining 101 are in the mid way stage of the PRA exercise. Preparation of village plans has been initiated in 64 villages which would eventually lead to preparation of AWPB 2008-2009.

NB: Across the Districts the process of group mobilization for the new villages is underway and at present mostly loose groups has been formed but yet to be formalized. The above set of training with regards to SHGs is envisaged to be conducted in the 3rd and 4th quarters.

- 11 Thematic Workshops against the annual target of 36 was organized for SHG members during the reporting period. These workshops covered issues like awareness on the National Rural Employment Guarantee Act (NREGA), interactive workshop on government programmes and schemes. Based on a

training need assessment survey, a Training of Trainers was conducted in the areas of Bokashi Piggery, Composting, Kitchen Garden and Organic Certification.

Event Fund

This Fund is mean to create forums where experiences and learning are shared among project beneficiaries and line department officials and experts. This activity is also envisaged to deliberate upon issues that could affect the Project intervention like community health, skills and services, networking, etc. Two such events were organized during the period, namely “An SHG Meet” and Health Mela. The SHG Meet, attended by 173 SHG members (98 male and 75 female), was held with the objective of providing a forum wherein SHGs formed by various promoting organizations and departments interacted with SHGs promoted by the Project. The Meet was also attended by representatives from Government Line Departments and NABARD. The Health Mela provided information on health care by way of counseling. During this event leaflets / pamphlets on health and medicines was distributed as well as a community blood tests for detection of malaria was organized. In all 360 community members (103 male and 257 female) attended the Mela.

ii. Status of SHG Mobilization

The Project intends to provide opportunity to create or enhance the livelihood of poor households by applying the principle of self-help and utilizing the self-help groups’ movement as a platform from which the livelihood enhancement and activities would be grounded through setting up of demonstrations and providing business technical and financial support. By doing so, the Project will be contributing towards developing a replicable model of livelihood improvement in the project areas. It would also develop community institutions and invest in their capacity to take livelihoods decisions, and by providing a range of support services and linkages.

Present SHG Status (as of September 2007)

As of September 2007 a total of **479 SHGs** are mobilized. There has been an increase of 159 SHGs during the span of seven months (December 2006 to September 2007). Reportedly, out of the 479 SHGs, 367 (76.6%) were promoted by the project, while 112 (23.4 %) are adopted SHGs. The overall percentage of male SHG of the total SHG mobilized is 40.9, while female SHGs percentage is 43% and mixed is 16%. The highest percentage of women SHG mobilized is reported in Jaintia Hills (58.3%).

District	No. of SHGs (Promoted by MRDS)				No. of Existing SHGs (adopted by MRDS)				Total No. of SHGs						Total No. of SHGs
	M	F	Mix	Total	M	F	Mix	Total	M	%age	F	%age	Mix	%age	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17
Jaintia Hills															
Laskein	13	27	0	40	0	0	0	0	13	32.5	27	67.5	0	0	40
Saipung	10	10	1	21	0	0	0	0	10	47.6	10	47.6	1	4.8	21
Khliehriat	5	5	1	11	0	0	0	0	5	45.4	5	45.4	1	9.2	11
Total	28	42	2	72	0	0	0	0	28	38.8	42	58.3	2	2.7	72
East Khasi Hills															
Khatarshnong – Laitkroh	4	4	18	26	4	1	9	14	8	17.6	4	11.7	24	70.5	40
Shella - Bholaganj	2	5	4	11	2	0	6	8	4	21	5	26.3	10	52.6	19
Pynursla	8	3	8	19	0	0	1	1	8	40	3	15	9	45	20
Mawkynrew	6	2	3	11	2	2	1	5	8	50	4	25	4	25	16
Total	20	14	33	67	8	3	17	28	28	33.6	17	17.8	50	52.6	95
Ri Bhoi															
Jirang	28	21	2	51	15	17	0	32	43	51.8	38	45.7	2	2.4	83
Umsning	Only loose groups mobilized so far														
Total	28	21	2	51	15	17	0	32	43	51.8	38	45.7	2	2.4	83
East Garo Hills															
Samanda	9	5	4	18	2	7	2	11	11	37.9	12	41.3	6	20.6	29
Songsak	24	15	7	46	0	5	0	5	24	47	20	39.2	12	23.5	51
Resubelpara	21	16	0	37	0	3	0	3	21	52.5	19	47.5	0		40
Total	54	36	11	101	2	15	2	19	56	46.6	51	41.6	13	10.8	120
South Garo Hills															
Gasuapara	30	32	0	62	0	0	0	0	30	48.3	32	51.6	0	0	62
Rongara	0	7	0	7	10	14	9	33	10	25	21	52.5	9	22.5	40
Chokpot	1	5	1	7	0	0	0	0	1	14.2	5	71.4	1	14.2	7
Total	31	44	1	76	10	14	9	33	41	37.6	58	53.2	10	9.1	109
GRAND TOTAL	161	157	49	367	35	49	28	112	196	40.9	206	43.0	77	16.0	479

NB: The total number of SHGs as reported in the last annual report (Nov 2006) was 473. This number included 153 existing SHGs from three Blocks in Jaintia Hills who had shown an initial interest of joining hands with MRDS. Initial training was imparted to these SHGs, however, on close interaction and inspection of these groups it was found that there was a high level of inconsistency with regards to dual membership, difficulty of adjusting their previous books of accounts due to previous loans taken, and in meeting the project objectives, namely SHGs belonging to poorest of the poor, etc. In view of the above observation, the Project decided that more time was required to adopt these SHGs. Initiative to expose these SHGs to the manner in which SHGs formed by the Project operates and efforts to clear dual membership issues are currently on.

Grading of SHGs

During the period July – August, 2007, out of the 343 SHGs that had been mobilized at that time 316 SHGs qualified for grading. (Details in Annex 3). The grading results showed 45% of all SHGs mobilized to be women SHGs. There are however certain districts where there is either a high percentage of mixed SHG or low percentage of women SHGs. Initiatives to mobilized more women SHGs have been taken through the setting up of a Gender Sensitization Team.

The average size per SHG is 11.26 members per group. Of the total 343 SHGs mobilized, 60 per cent (206 nos.) of groups have started internal lending among its members.

Report of SHG Grading/Assessment

SHGs in the entire Project Districts were officially graded for the first time in August 2007 using NABARD guidelines. Grading was done with twin objectives of strengthening SHGs and supporting the qualified SHGs with project seed capital. Grading was done for SHGs promoted directly by MRDS as well as SHGs promoted by other agencies that have agreed to collaborate with MRDS in project villages. A fix criterion for extension of seed capital to qualified/eligible SHGs has been worked out.

A total of 316 SHGs (97.23 %) were graded out of 343 SHGs qualified for grading (6 months and above SHGs under the care of MRDS). Of the total SHGs graded, 27.53 per cent (87 nos.) secured 'A' Grade, 62.66 per cent (198 nos.) secured 'B' grade and 9.81 per cent (31 nos.) secured 'C' Grade consecutively. Out of total 316 graded SHGs 203 (64.24%) were qualified for seed capital. A total amount of Rs.344100 (Three lac Forty Four Thousand One Hundred) was extended as seed capital @ of Rs.150 per member in the qualified SHGs in the month of September 2007. A total of 113 (35.76%) of SHGs (not qualified for seed capital) will be regarded after three months of first grading. On their qualification, the groups shall be supported with seed capital. (Details in Annex 3).

Other Achievements:

- Streamlining and printing of SHGs Books of accounts completed
- Design of evaluation formats for SHGs completed and First Phase SHG graded
- Design and printing of SHG training manual for SHGs under process

Sub-Component II: Facilitating through FNGOs

The role of the FNGO/Is as envisaged by the Project is to address the empowerment and capacity building needs of SHGs members. The model adopted by the Project entails engagement of 1 FNGO per block. Each FNGOs Team is assigned one Block and comprise of a Block Coordinator, Cluster Supervisor, Finance and Administrative Assistant and an Office cum Field Assistant.

Beside the above expectation from FNGOs, they are also called upon to:

- set-up Block Level Resource Centers (BLRC) to act as information store-house for the communities. This will also function as the block level offices for the FNGO and it is envisaged that this asset would ultimately become the Federation Offices of the SHGs or used and run by the community for any purpose they see fit.
- establish a Block Level Advisory and Review Committee (BLARC) comprising traditional leaders, Block Development Officer and the Managers of the FFIs operating in the area.
- undertake the tasks related to SHG mobilizations and capacity building.

Engagement of FNGOs

The present total FNGO staff strength is 122. Each FNGO comprise of 1 Block Coordinator (BC), 4 Cluster Supervisors (CS), 1 Accounts and Administration Assistant. At present all BC, CS and AAA are in place.

There are presently 12 FNGOs participating in the project as partners. The breakdown per district is as follows:

District	FNGOs	Villages Covered [Sep '07]
East Khasi Hills	4	113
East Garo Hills	3	44
South Garo Hills	3	87
Jaintia Hills	3	90
Ri Bhoi	2	62
Total	15	396

NB: Bethany Society, NEICORD & WISE is covering 2 Blocks each

During this reporting period, assessment of the FNGOs was done from two broad angles, a) communities' assessment of the FNGOs in terms of their field presence, facilitation skills etc, assessed by interaction with beneficiaries from randomly selected villages, and b) assessment in terms of FNGOs meeting the tasks as specified in the MoU. The results of the assessment were presented to the Chief Functionaries of each FNGO in a workshop specially convened for this purpose. This forum provided valuable inputs into ways of increasing the effectiveness of the daily functioning, in terms of meeting targets, of the FNGO field staff.

Based on the results of the assessment, incentives to deserving FNGOs were accorded as per the table below:

Annual FNGO Support fund 559200				
Range	Performance Incentive		NGO 40%	STAFF 60%
86 to 100%	10%	55920	22368	33552
71 to 85%	9%	50328	20131	30197
56 to 70%	8%	44736	17894	26842
41 to 55%	7%	39144	15658	23486
26 to 40%	6%	33552	13421	20131
11 to 25%	5%	27960	11184	16776

Details of FNGOs score and incentive accorded in Annex 4

Resource NGOs (RNGOs)/Institutions (Is)

The role of the (RNGO)/Institutions in the Project is to assist the Project in building the capacity of Project staff and local based FNGOs/Is that would implement field level activities related to SHG mobilization and SHG-Bank Linkage programme.

During the reporting period MYRADA, Gana Chetana Samaj, The ANT, ICIMOD have been engaged as RNGOs for the Project.

SN	Name of RNGO	Topics covered
1.	MYRADA	PRA Concepts and Tools, preparation of Village Plan
2.	Gana Chetana Samaj	SHG and bookkeeping, development of SHG training manual
3.	The ANT	Community Health, Planning & Organizing Weavers
4.	ICIMOD	<ul style="list-style-type: none"> • Vision Building, Appreciative Participatory Action • Innovative Technologies for Upland Agriculture and Water Harvesting • System of Rice Intensification • Integrated Jhum Development

Block Level Resource Centers (BLRC)

Block Level Resource Centre (BLRC) in all first Phase Project Blocks has been established. In total there are 9 BLRCs established.

The BLRCs are at present functioning as the office of the FNGO. It also serves as a resource centre, both project and non-project such as information on RTI, Brochures/Pamphlets on Government schemes, brochures on health, gender, newspapers, magazines etc. The BLRC also provides assistance to the community in opening of bank accounts, filling of application forms for schemes, other matters relating to SHGs etc. thereby meeting all the information needs of the community. The centre is equipped with all the necessary materials such as a computer, T.V, VCD player whereby films on development are also shown to the community on market days. The BLRC also serves as a training centre for the FNGO and VLGP staff.

Sub-Component III: Intervention to reduce women drudgery

Interventions

- i. An initiative to address women drudgery was undertaken in one district where spinning is an activity performed largely by women. The present practice involves an old traditional method which is hand operated, where in a lot of time is wasted in production of yarn, required to weave into cloth. To address this concern, a convergence initiative with the Deptt of Sericulture was made where 4 spinning machine were distributed to two SHGS to popularize the concept. This objective of this initiative was to introduce the effectiveness of such machine in term of reduction in time and an increase in productivity (The spinning machine has the capacity to produce 200gm of spun yarn per day. Through the machine the production of 1 kg of spun yarn takes a week as compared to the hand machine which takes a month's time). The distribution of spinning machine was preceded by a seven days training on the use of the machine.
- ii. Field observation indicates that there has been a low degree of women participation in the various project activities and in some Districts there has been a low registration of women SHGs. This has lead to the need to introduce efforts at gender sensitization at the community at large. A Gender Sensitization and Training Team have been constituted with the aim of addressing the pertinent gender issues and encouraging mobilization of women SHGs. The team underwent a training in August and initiated village visits immediately in East Khasi Hills District, Ri-Bhoi and Jaintia Hills. A Team comprising of 4 women and 1 man have managed to initiate discussions with villagers on issues like inequality of gender, unfair division of work ,difference between sex and gender, differences between rural and urban, gender empowerment, meaning and duties between husband and wife, work, gender, health and Right to Food (PDS). So far a total of 450 people (173 male and 277 female) comprising of SHG members and members of the community at large have participated in 7 trainings. A follow up training of the Gender Team took place in September 2007 and their village visits are ongoing. Selection of a team for the Garo Hills Districts is ongoing.

Component 2: LIVELIHOOD ENHANCEMENT & DEVELOPMENT

The primary objective of this component is to build on the existing strengths of the community and assist SHG members to move up the value chain by up-scaling production by injecting new set of know-how and skills on the part of the growers, initiative to train and demonstration for transfer of technology is of utmost importance and by establishing the required backward and forward linkages. Through this input the project would address both income generation and food security by integrating practices on various sub-sectors like agriculture, horticulture, forestry, non-timber forest products livestock and management of water and soil resources.

Under this component, demonstrations have been initiated on some of the above mentioned sub-sectors. The annual allotted budget for this component is Rs.42,37,500/- of which Rs. 2,19,539/- has been expended during the six months which is 5.18% utilized.

Sub Component I: Agriculture

- i. Under the sub-component Agriculture, demonstrations have been initiated in various districts with regards to System of Rice Intensification (SRI). 2 demonstration units were initiated in East Garo Hills covering 6 villages. This method has also been taken up in 14 farmers fields as demonstration units fully managed by individual farmers. In Ri Bhoi District 1 demonstration unit was initiated covering two villages. In all, a total of 44 farmers have taken up this method in their private farms.



A series of trainings was organized prior to setting up of the demonstration. A total of 53 (28 women, 25 men) farmers have been trained in this method of crop enhancement. 2 demonstration sites each in the two districts have been set up. This demonstration has been done with technical assistance from ICIMOD and active participation of the Line Deptt. field-staff. Monthly farmer-schools meets are regularly organized in relation to the demonstrations.

- ii. A total of 18 trainings on different aspects of agriculture – high yielding variety of paddy, kharif crops etc, benefiting 209 small and marginal farmers (116 men and 93 women) most of whom were SHG members were organized.

- iii. An initiative to provide alternative source of livelihood for the SHGs through technology intervention was undertaken through an introduction of scientific cultivation of color capsicum. 20 women belonging to two SHGs who have shown interest of taking up this activity as an income generation activity have been provided exposure in above method. An early assessment shows a saving to the tune of Rs 25,000 per SHG.
- iv. One training on “One square meter kitchen garden” was organized for a group of 28 SHG members (2 male, 26 female) in Jaintia Hills District based on a training need assessment.
- v. In collaboration with G B Pant Institute of Himalayan Environment and Development [GBPIHED], one training was organized for a group of 181 farmers covering 181 households (97 men, 84 women) on “TRELLIS”, mode of homestead farming. This initiative is expected to raise the income level of farmers by allowing them to grow a variety of crops on a small piece of land. Active facilitation of market by the District Team is expected to provide the link with the market.

In this sub-sector a total of 491(251 women, 240 men) beneficiaries have been provide trainings.

Sub Component II: Horticulture

- i. Introduction of seasonal vegetable cultivation has been taken up as one of the income generating activities. Model demonstration farms have been set up in 7 villages covering three clusters with the help of the District horticulture department. 27 SHGs are actively involved.
- ii. In collaboration with the State Horticulture Mission, initiatives have been taken to conduct various technology demonstrations like construction of green house for off-season vegetable cultivation, vermin-compost, banana cultivation and organic pineapple. The number of demonstration units set up so far is 4, 2, 1 and 1 respectively. Altogether 310 people (130 men and 180 women) have participated in these demonstrations.

In this sub-sector a total of 310 beneficiaries (130 men and 180 women) members have been provide trainings and a total of 7 units have been set up.

Sub Component III: Livestock & Aquaculture

- i. One demonstration unit on Bokashi method of pig rearing was initiated for a group of 52 farmers (3 men, 49 women) in the Jaintia Hills district. Besides being a more hygienic method of pig rearing, this method is also expected shorten the maturity period of pigs thereby allowing farmers to sell the pigs after 6-7 months (as opposed to a year in the traditional method) of rearing them. This gives farmers an additional 5-6 months whereby

they can take up activities to increase their income. The mixture used for the shed floor has also been proven to be a highly effective organic bio-fertilizer.



ii. A further 5 number of SHGs from East Khasi Hills District, with a total membership of 56 (35 men, 21 women) have been identified to receive training on Bokashi piggyery.

iii. Initiative towards introduction of improve the local breed cows through cross breeding for increase in milk production have been taken up in four project villages in East Garo Hills District as part of the National Programme on Cattle and Buffalo Breeding Programme. (At present the existing local cows give one liter of milk per day as compared with 6-7 liters of milk from improved breed). A total of 15 farmers (all men) have received this training in this method. The technical inputs have been provided by Veterinary Department.

In this sub-sector a total of 67 beneficiaries (18 men and 49 women) have been provide trainings.

Sub Component IV: Forestry Development

i. Initiative to promote tree plantation in village forest to ensure regular supply of potable water during lean season have been initiated in Khrang village in East Khasi Hills. A total of 5200 seedlings have been planted with the active participation of community members. An effort to institutionalize village institution for conservation and management of the designated catchment areas in the village through a participatory preparation of a village plan was achieved.

ii. Efforts to address issue related to income generation and food security of the jhumias with special reference to the three component of jhum system, namely, Jhum-fallow/forestry phase; Jhum-fallow/forestry phase and Jhum-homestead have been initiated. A detailed assessment of the jhum system in two districts has been conducted with the assistance of ICIMOD. Preparation of a detail Action Plan for tentatively 4-5 clusters of villages in Jaintia Hills (Saipung Block) is on the anvil. The final selection of villages will depending on the catchment area. The Project is in constant touch with the Jaintia Autonomous District Council and the Deptt. of

Revenue for obtaining a clear picture of the land tenure system. Digitization of topography sheets with the assistance of the Deptt. of Geography, NEHU has commenced.

- iii. An effort to promote sustainable harvest of NTFP resources such as silk cocoon (muga) has been initiated through community managed plantation of muga plant (improved planting material), the food base for muga silk worm. A total of 4,380 saplings have been planted. Subsequently 201 (100 male and 101 females SHG members) have been trained in improved method of rearing of muga. Effort to further enhance the skills of weavers through training in improved rearing, spinning and weaving of Muga is in the anvil.
- iv. Initiative to ensure sustainable management of bamboo groves have been initiated by linking 2 villages with the National Bamboo Mission. A total of 40 SHGs members (30 male, 10 females) have been trained in methods of sustainable harvest of bamboo as well as scientific management of bamboo groves. The total land covered under this initiative is 90 Ha. The initiative aims to address issues related to extensive flowering of bamboo, as well as reduce pressure of dependency on natural bamboo groves. bamboo value adding mats production;

In this sub-sector a total of 241 members (130 men, 111 women) have been provide trainings.

Sub Component V: Soil and Water Resources

Effort to demonstrate effective management of soil and water conservation methods to promote environmentally sound and beneficial alternative and appropriate technologies so as to enable them to improve their agricultural based enterprises and the socio-economic conditions has been initiated in a number of Districts. Partnerships with communities have been built to achieve this end.

- i. Members from 5 SHGs from East Garo Hills have a Water Harvest Storage cum Fishery Pond to harvest and store water for irrigation purpose for seasonal crop rotation as well as ensure a sizeable income from sale of fish from these ponds. .
- ii. A hands-on training on organic composting was organized for a group of 49 SHG members (6 men, 43 women). Technical inputs were provided by the government State Council for Science, Environment and Technology.

In this sub-sector a total of 49 (6 men, 43 women) members have been provide trainings.

Component III: Livelihood Support System

This component is intended to build the capacity of existing and new SHGs, supplement member savings with seed capital contributions, and facilitate SHG linkage with Formal Financial Institutions/Primary Agricultural Co-operatives (FFI/PAC). It will also provide skills and training in all aspects of financial management, raise awareness among banks to facilitate flow of credit toward SHGs. Assistance will also be given to SHGs to demonstrate credit worthiness and to establish a track record of sound financial management. This component entails establishment of a SVCC envisaged to provide equity and near-equity financing, business and development services and facilitate financial linkages to assure sustainability and economic viability of individual and community livelihood activities. The annual allotted budget for this component is Rs.92,76,974/- of which Rs. 11,06,695/- has been expended during the six months which is 11.93% utilised.

Sub-component I: Entrepreneurship Development

As per AWPB, all enterprise development activities for financial year 2007-08 are to be carried out in the 3rd and 4th Quarter of the financial year. However, a number of enterprises have come up in certain Districts.

Enterprise	By	Source of Fund	Average Monthly / Annual Income
Rice Mill	Ramjing Ku.cholsan SHG	Direct Bank Loan Amt. Rs. 40000 + SHG Contributions Rs. 10000	Monthly income of Rs. 10,000 for 8 to 10 months in a year
WLL Tele Communication	Tangkam Ku.cholsan SHG	SHG Corpus Fund, Spend Rs.2500	Average amount Rs. 300 / Monthly
Piggery & Homestead Garden	Womens SHG III Dawa Kosi	SGSY Bank Loan, amount Rs. 25000	Average Annual Income Rs. 40, 000
Piggery & Diary	Dilma Garam Apal SHG	SGSY Bank Loan amount Rs. 25000	Average Annual Income Rs. 40, 000
Piggery & Diary	Dilma Ampangre Womens SHG	SGSY Bank Loan amount Rs. 25000	Average Annual Income Rs. 40, 000
Piggery & Diary	Mary Immaculate SHG	SGSY Bank Loan amount Rs. 25000	Average Annual Income Rs. 40, 000
Piggery & Kitchen Garden	Dilma Kawak Mothers SHG	SGSY Bank Loan amount Rs. 25000	Average Annual Income Rs. 40, 000

Sub-component II: Rural Finance

Under Rural Finance Services, the following activities have been carried out so far.

A. Mobilisation of SHGs for Saving and Credit Operation

A total of 479 SHGs were promoted/adopted by MRDS for saving and Credit Operation. Out of these SHGs mobilized, 316 SHGs were graded in July-August 2007. 27 nos. of SHGs were not graded for these groups are newly formed and have not reached the grading period (six months). 203 groups were found eligible for Seed Capital and were issued Rs.344100 as first installment to first batch of SHGs in MRDS; however the remaining 113 SHGs were not qualified to be regarded after 3 months of first grading. Total amount of Rs.650102 have been generate as group regular common savings. It was found that 206 nos of SHGs are on-lending to its members. The new groups are yet to start on-lending to their members. The graded reports are given to every SHGs for improvement in their weak areas. Spider diagram exercise has been taught to all FNGOs who in turn would assist SHGs to do self assessment of their performance.

B: Enhancement of the Capital Base of SHGs to leverage access of Loan Funds

First draft of Broad Road map on MRDS Rural Finance Services has been completed. The draft contains the policies, strategies and targets to be achieved in Rural finance service sector for MRDS. The draft is available with all implementers at various levels. It is estimated every SHG will generate minimum of Rs. 1.40 lac with 2000 SHGs, cumulatively generating Rs.28 cr. by the end of 2012. A series of two-days trainings for staff has been conducted in all the project districts. The total number of staff trained is 100 representing FNGOs and DMU team members.

A total of 32 SHGs have sourced funds from Banks, NGOs and Government as tabled below.

DISTRICT	Direct Bank Linkage		Linkage with NGO/s		Indirect Bank Linkage (Linkage with SGSY Scheme)				Linkage with Govt. Deptt				
	No. of SHGs	Total Amt Received	No. of SHGs	Total Amt Received	No. SHGs	Grant	Loan	Total	No. SHGs	No. of HH	Reveived Kind / Labour - Converted Rs.	Cash Received Amt.	Community contribution, converted Rs.
JAINTIA HILLS	0	0	0	0	0	0	0	0	0		0	0	0
EAST KHASI HILLS	0	0	0	0	0	0	0	0	0		0	0	0
RI BHOI	0	0	0	0	0	0	0	0	0		0	0	0
EAST GARO HILLS	4	165000	2	12000	8	80000	175000	255000	11	300	56775	729000	195925
SOUTH GARO HILLS	7	104000	0	0	0	0	0	0	0	0	0	0	0
TOTAL	11	269000	2	12000	8	80000	175000	255000	11		56775	729000	195925

C. Enhancement of Credit Flow in Micro-Enterprise Dev. Linked to demonstrations

MRDS have taken decision that all SHGs promoted or adopted will have saving linkages after 3 months of group formation or adoption. It was found that SHGs under the care of MRDS have generated Rs. 650102, however it was observed that only Rs.65985 was utilized as loans to its members. Therefore, efforts have been made to ensure that maximum group funds is being utilized by SHGs. With the support of Rs. 344100 as seed capital, SHGs currently have cumulative amount of Rs.994202. MRDS current effort is to ensure better utilization of this amount and facilitate effective SHG-Bank Linkages. Initial initiative to study PACs have commenced.

Sub-Component III: Rural Finance Services

So far only one banker's and SHGs Meet have been conducted to ensure credit flow to SHGs through commercial banks. Bankers meet will be conducted in four project districts in the 3rd and 4th quarters. A total amount of Rs. Rs. 344100 has been issued as seed capital to SHGs in the month of September 2007, of the total allotted amount Rs.3998749. In November regarding of SHGs will be carried out and the deserving groups will be support with 1st instalment of seed capital.

Sub-Component IV: Social Venture Capital Company

Registration of SVCC under Section 25 of Company's Act is in progress. The appointment for CEO of SVCC has been advertised and candidate shortlisted. A selection panel has been approved by the BoD. The interview process is tentatively scheduled for November 2007.

Sub-Component V: Policy Studies and Advocacy

- i. Dialogue with Government on the Statewide Network on SHGs, have resulted in a notification by the Nodal Department (State Planning Department) for a State Coordinator on SHGs in the State. The State Government having acknowledged the need to have assessment and coordinated action plan in the matter of social mobilization in general and the movement of Self Help Groups in the state. A draft directory comprising details about SHGs in the state of Meghalaya has been compiled and posted on the website of the State Coordinator for SHGs, www.megselfhelp.gov.in. The Coordinator of the State Network on SHGs is the Commissioner-Secretary, Planning Department, Government of Meghalaya. The directory gives out details of the number of each SHGs in every block in the State, the composition of the SHG (male, female or mixed), type of activity undertaken by the SHG, agency involved in promoting the SHGs, present status of its linkage with Banks etc. At present, software is being developed by the State National Informatics Centre and the exercise of data entry is currently on. The first SHG Newsletter jointly developed by the Project, NABARD and Planning Department was released on 2nd October 2007.

- ii. A compilation of project relevant data pertaining to issues relating to existing government schemes, organizational structure of line department at Block and village level, village profile, and pressing issues and likely interventions to address identified issues, etc. has been piloted at one District, Jaintia Hills. This initiative has been done in close association with the District Administration, Deppt. of Information and Public Relations, National Informatics Centre. The expected outcome is to capitalize on existing government schemes and programmes as well as have detail information of respective Blocks.
- iii. A study on “Livelihood Enhancement and Development” was conducted by engaging NABCONs. The study covered a random sample size of 13 villages across the Ri Bhoi District. The main objective of the study is to identify existing livelihood activities and sectors with potential for up gradation and up scaling, identification of potential market linkages livelihood and suggest plans for upscaling of existing livelihood activities and sectors and financial support systems. The findings suggest a list of potential sectors such as Sericulture, Pig Rearing, Floriculture, etc.

Sub-Component VI: Leverage Fund

Under this sub-component the process of Registration of the Project SVCC, christened as Livelihood Improvement Finance Company of Meghalaya (LIFCOM) has been taken up. LIFCOM has been registered under Section 25 of Indian Companies’ Act.

Component IV: Project Management

The total annual budget for this component Rs. 1,95,50,546/- of which Rs.1,05,61,281/- which is 54.02 %.

A. Project MIS:

Initial work towards designing and development of the Project MIS has commenced. The objectives of the MIS is seen as a tool of accessing information at any point in the life of the project for various level of stakeholders, facilitate dissemination of up-to date information for taking project initiatives and corrective actions. The information in the MIS would comprise of both M&E information, as well as basic statistics regarding the context of the project area, which are critical for effective operation of the project in question. Initial preparation and compilation of information and data on the following broad areas has commenced.

- a. Basic Project statistics
- b. M&E Information
- c. Information on Production
- d. Information on Public and Private Service Providers
- e. Information on Markets
- f. Information on Training Institutes and Research Stations
- g. Information on Innovations and Technologies
- h. Information on Wholesalers, Exporters and Transporters
- i. Process Documentation

B. Baseline

An agency (North Eastern Industrial and Technical Consultancy Organization Ltd) has been engaged on 11th September 2007 for analysis and preparation of Project Baseline report. The report is expected to be submitted by the first week of November 2007.

C. Development of Communication Strategy

The Project Communication Plan has been developed by identify the information needs of the target group, and using appropriate channels of communication for communicating project progress, outputs, outcomes and impacts to participating agencies, donors, communities and the public and providing relevant information to project beneficiaries that are required for improvement of their livelihood.

During the reporting period the following initiatives have been undertaken:

- i. A Communication Fellow is currently engaged to assist in the implementation of the Project Communication Plan on a contractual basis.
- ii. A Systems Administrator was recruited on a contractual basis for a period of six months to aid the Project in development of Project Intranet.
- iii. Radio Communication: “Radio MRDS” launched in 13th July 2007 is presently being piloted in two Districts, namely Khasi Hills and Ri Bhoi Project Districts with the

broad objective of providing a forum for project beneficiaries in communicating and disseminating experiences and sharing of learnings on the various approaches and interventions of the Project. RadioMRDS has been developed to serve as a tool to address the communication needs of the project. The Programme is aired weekly at 6:50 pm every Friday and is presently being piloted in East Khasi and Ri Bhoi. As of date 10 episodes have been aired touching various issues and concerns. (Synopsis of Episodes aired as Annex 5). Currently, the programme is being evaluated to gauge its effectiveness in terms of coverage and usefulness.

- iv. Project Intranet: To facilitate and encourage networking between the district units and the project management unit so as to ensure timely flow of information and directions a Project Intranet has been developed. This medium also acts as a channel of correspondence, a repository of reports, operating procedures, news, events, circulars, notifications, articles and write ups by project staff and so on. IntraMRDS is web based and links operating systems together in much the same way that the Internet does with the only vital difference being that access to it can be limited only to selected organizations
- v. Various information brochures related to aims and objectives of the Project have been developed and translated into local dialects. Fortnightly New letters are regularly produced in Garo and Khasi in the Project Districts of East Garo Hills and East Khasi Hills respectively. Work to develop communication and training materials aimed at providing specific information to project beneficiaries is currently on. Issues addressed through these materials have been health, RTI, NREGA, etc.

D. Quarterly Review Meetings

During the reporting period two quarterly review meetings were held. These review meetings are attended by all district unit staff and staff from project management unit.

Project Monitoring and Evaluation Plan

Project has initiated the development of the Project Monitoring and Evaluation (M&E) System with the following objectives:

- support managing for project results while focusing on improvement of project performance by:
 - tracking progress of project outcome (intermediate impacts), based on data collected at baseline, mid-term, and at the end of project
 - monitoring the conversion of input to output along the results chain on a quarterly, half-yearly and annual basis;
 - reflecting, learning and planning for improving performance to achieve results.

During the period, the following activities were undertaken:

- a. RIMS impact survey data submitted to IFAD
- b. Annual RIMS reporting submitted to IFAD

- c. Orientation and training of all FNGO staff on Project M&E
- d. Refresher training on use of M&E tools for data collection
- e. Training of all staff of District units on computer maintenance
- f. One staff from Project Management Unit attended a ten days training on use of SPSS
- g. Development of user-friendly data entry software for compilation of M&E data at the Block level currently on

Financial Status

Project Component	AWPB Target in 6 months	Achievement in 6 months (Lakhs)	Utilization % in last six months	Remarks
Empowerment and Capacity Building of Community Organizations and their support organizations	2,00,90,456	85,74,451	42.68%	<p>¶ Recruitment of all VLGP's yet to be achieved in all districts, hence training for VLGP's budgeted in 2nd Quarter yet to commence</p> <p>¶ As most of the new groups mobilised so far are loose groups, formal Book keeping trainings could not be conducted</p>
Livelihoods Enhancement and Development	42,37,500	2,19,539	5.18%	Groups not yet in position to take up demonstrations in all sub-sectors, training have however been conducted
Livelihood Support System	92,76,974	11,06,695	11.93%	<p>Intervention with Bankers to take place once groups are in position for loans</p> <p>All groups promoted are yet to be qualified for seed capital, efforts to rectify issues taken</p> <p>Establishment of SVCC yet to be achieved</p>
Project Management	1,95,50,546	1,05,61,281	54.02%	Investment cost for 4 vehicles budgeted during the period yet to be delivered
TOTAL	5,31,55,476	2,04,61,966	38.49%	

NB: *Most Project activities in Component II & III falls within the purview of SVCC, which is yet to be in place.*

Reflection and Challenges Ahead

1. Prioritizing project intervention to address the poorest and the poor as per the Project well being ranking
2. High FNGO staff-turn over: Over all there had been a total of 35 FNGO staff turn-over. Training of new entrants is a time consuming effort and work in the field is seriously affected. Effort to invest upon the strengths of field workers, the VLGPs and Community Resource Persons through capacity building exercises is underway to address this issue.
3. Quality of SHGs mobilized still needs a closer look and further strengthening
4. Field observation with regards to formation of women SHGs suggests that participation of women in the project is very low with reference of number of districts.
5. Need to strengthen effective links with Government Line Agencies, especially field officers for ensuring the acceptability and sustainability of the Project.
6. Need to ensure maximum utilization of group common saving so as to facilitate further SHG-Bank linkages
7. There is a need to devise steps to ensure acceptance and sustainability of enterprise demonstrations initiated.
8. Concern in delay of implementation of certain project activities such as execution of entry point activities, reduction of women drudgery, etc
9. Late registration of the SVCC which is expected to take groups mobilized forward. There is an urgent need to have the SVCC in place to take the groups forward.