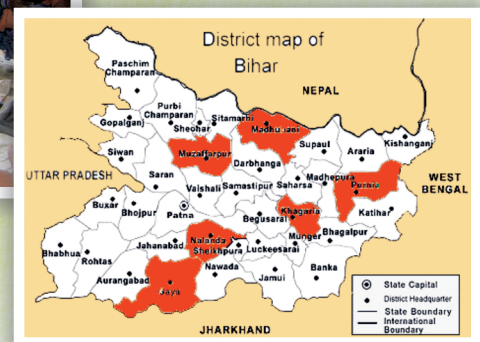


PROJECT IMPLEMENTATION PLAN

JEEVIKA

Bihar Rural Livelihoods Project



A
project of
Government of Bihar
assisted by the World Bank



Implemented by:

Bihar Rural Livelihoods Promotion Society
under deptt. of Finance, Govt. of Bihar

Foreword

Bihar is the third most populous state in India with 8.1 percent of the country's population. Bihar recorded poor economic growth in the past few decades and the average annual per capita income of US \$ 157 for Bihar is a quarter of the national average. Bihar is predominantly rural with 89 percent of the population living in rural areas and a rural poverty ratio of 44.3 percent, the second highest after Orissa. Poverty is heavily concentrated amongst the landless or near landless agricultural households, with these two vulnerable groups constituting 70 percent of the households in Bihar. It is estimated that nearly 2.3 million poor are exposed to huge amount of high cost debt for food, health and education, accounting for 25-30 percent of consumption expenses, further impoverishing them. Disparities are also evident along gender and caste lines.

In the above context, Government of Bihar has planned to implement the Jeevika-Bihar Rural Livelihoods Promotion Project with the object to enhance social and economic empowerment of the rural poor in Bihar through:

Building self managed community institutions of the rural poor
Enhancing income of the poor through sustainable livelihoods
Increasing access to social protection including food security through a greater voice.

The project has been planned to be implemented in 42 blocks of six districts namely Gaya, Khagaria, Madhubani, Muzaffarpur, Nalanda and Purnia in two stages over the period of five years. In the first year, 2007-08, the project will be initiated with 18 Blocks and 24 additional Blocks will be taken up in the third year of the project i.e. 2009-10.

To implement the Project with the above mentioned objective "Project Implementation Plan (PIP)" has been prepared with the participation of all possible stake holders including the community and taking the learning from the past similar projects implemented by the government, NGOs and other agencies. PIP illustrate in detail about the Community Institutional Model, Capacity Building, Project Implementation Arrangements, Human Resource Development and Training, Communication, Financial Management, Procurement Arrangements, Social and Environmental Safeguards Action Plan, and Monitoring and Learning.

The main objective of the Project Implementation Plan (PIP) is to provide detailed guidelines and operational procedures for use by the project staff to carry out the activities of the US \$ 73 million, five year Bihar Rural Livelihoods Project. The PIP complements the other manuals and documents which have been prepared to assist the project staff which are: Community Operational Manual, Financial Manual and Human Resource Manual. Given the experimental nature of the project, the PIP should be seen as a living document, subject to modifications as field conditions warrant in order to meet the main project objective of enhancing social and economic empowerment of the rural poor. The detailed plan of operations for the implementation of the four main components, viz, community institution development, community investment fund, technical assistance fund and project management is therefore limited to the first 18 months till end of December 2008. Revisions to the PIP would be issued as needed to guide the project staff for effective and timely implementation of the Bihar Rural Livelihoods Project.

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CHAPTER 1

INTRODUCTION¹

1.1 State Profile

Bihar is the third most populous state in India with 8.1 percent of the country's population. Bihar recorded poor economic growth through the nineties and grew at 4 percent during the Tenth Plan period, against the national annual growth rate of 7 percent for the same period. The average annual per capita income of US \$ 157 for Bihar is a quarter of the national average. Bihar is predominantly rural with 89 percent of the population living in rural areas and a rural poverty ratio of 44.3 percent, the second highest after Orissa. The situation in rural Bihar is characterized by poor service delivery, caste ridden political and social fabric, elite capture of institutions, limited economic opportunities, and poor development of infrastructure. These factors along with the lowest per capita development expenditure in Bihar have prevented improvement in its 32nd rank amongst all India states, and the HDI (Human Development Index) (0.367) and the GEI (Gender Equity Index) scores.

Poverty is heavily concentrated amongst the landless or near landless agricultural households, with these two vulnerable groups constituting 70 percent of the households in Bihar. It is estimated that nearly 2.3 million poor are exposed to huge amount of high cost debt for food, health and education, accounting for 25-30 percent of consumption expenses, further impoverishing them. Disparities are also evident along gender and caste lines. Scheduled Caste Hindus and Muslim households constituting 25 and 15.4 percent respectively of landless households are among the poorest in the state. Rural Bihar is also divided along caste lines determining social behavior and economic segmentation; and this 'reference group' being a key to social and economic mobility. These social issues have constrained social and economic mobilization in Bihar, especially the development of collectives of the poor. Absence of sensitive support and facilitation structure has led to low levels of social capital among the poor and consequently hindered formation of good quality organizations of the poor.

1.2 State Poverty Profile

Bihar's rank for HDI among the Indian states has remained unchanged at 15 since 1981 while its score has increased marginally from 0.237 in 1981 to 0.308 in 1991 to 0.267 in 2001. Nearly 40% of Bihar's population lies below the poverty line and accounts for one-seventh of India's population below the poverty line.

¹ The secondary data quoted in the chapter have been taken from the following documents:

1. White Paper on State Finances and Development, Finance Department, Government of Bihar (2006)
2. Bihar Towards a Development Strategy, A World Bank Report (2006)
3. Poverty and Social Assessment – A district wise study of Bihar, Bihar Rural Livelihoods Promotion Society (2007)
4. Bihar 2006 - Long way to go: An Alternative White Paper on the Status of Development and Governance (2006)
5. Various Departmental websites of Government of Bihar

Per capita income in India has grown from Rs 8,760 in 1994 to Rs. 13,332 in 2004, an increase of 52.2%. As against this, per capita income in Bihar has grown from Rs. 3,333 in 1994 to Rs. 4,088 in 2004, an increase of just 22.6%.

Since the beginning of the eighties, the Planning Commission has estimated the poverty ratio for four years which allows one to see the trend of poverty ratios during the decades of eighties and nineties (Table – 1)

From these estimates on rural poverty, it is comforting to note that the poverty ratio has decreased in Bihar from 64.4 % in 1983 to 44.3 % in 1999-2000, a substantial drop of 20.1 percentage points. The decrease in India during the same period was 18.6 percentage points, from 45.6 to 27.1 %. This reduction in rural poverty was a steady process in India as a whole but, in Bihar, it had increased between 1987-88 (52.6%) and 1993-94 (58.2%). In the absence of such an atypical phenomenon, the rural poverty ratio in Bihar would have probably registered a steeper fall during the eighties and nineties.

Table – 1: Poverty Ratios in Bihar and India

Sector	Years	Bihar	India
Poverty Ratios			
Rural	1983	64.4	45.6
	1987-88	52.6	39.1
	1993-94	58.2	37.1
	1999-00	44.3	27.1
Urban	1983	47.3	40.8
	1987-88	48.7	38.2
	1993-94	34.5	32.4
	1999-00	32.9	23.6
Combined	1983	62.6	44.5
	1987-88	52.1	38.9
	1993-94	55.0	36.0
	1999-00	42.6	26.1
Annual Reduction in Poverty Ratio (% age Points)			
Rural	Eighties	1.3	1.1
	Nineties	1.2	1.2
Urban	Eighties	0.8	0.8
	Nineties	1.0	1.3
Combined	Eighties	1.2	1.0
	Nineties	1.2	1.2

Indeed, between 1993-94 (58.2 %) and 1999-00 (44.3 %), the fall in rural poverty ratio in Bihar was as much as 13.9%, the highest in the country. If one prepares an estimate of 'annual reduction in poverty ratio', it is observed that the speed of reduction (about 1.2% per year) has been nearly the same in Bihar and India.

Thus, the overall rural poverty situation in Bihar can be described by two major observations – first, it is still the worst in the country, barring Orissa and secondly, a redeeming one, that the poverty ratio in Bihar is dropping as steadily as in India as a whole.

Delivery of financial services to the poor is seriously constrained in Bihar. Against an estimated demand for micro credit services of about US\$ 2.4 Billion, the commercial banks have been able to only advance credit of US\$ 8.4 Million in the last year, leaving a vast section of the poor dependent on high cost borrowings from informal sources. This has seriously constrained asset and capital formation, credit access and development of self employment opportunities among the poor.

1.3 State Social Profile

The overall fabric of the state is volatile, ridden with caste conflicts. There are intra-state inequities with the north being more poverty stricken compared to the south. The schedule caste Hindus are the most disadvantaged social group in terms of land endowment and they form about 1/5th of the households in Bihar. The phenomenon of land poverty is also very wide among the Muslim households, the latter forming a much larger part of the rural population (15.4 %) in Bihar.

Caste and religion are used extensively by rural households as a strong “reference group” determining their social behavior and, therefore, the economic segmentation of the rural households along land endowment and their social segmentation along religion/caste background reinforce each other, preventing social and economic mobility.

A study was conducted by ADRI, Patna for BRLPS on *Social Assessment including Social Inclusion* which brought to fore that the land distribution pattern shows a highly skewed situation with land ownership concentrating among the traditionally rich people from both the upper caste and backward caste communities. SC communities in many cases have land limited to that of their dwelling house only. Besides the ownership of land, the SC communities do not have access to the modern agriculture technology and inputs which could enhance their land productivity. Their inability to participate in education and skill development also leads to their not benefiting from science and technology. In the study the *Mushars* and *Santhals* emerged as the most deprived and isolated with almost zero asset.

The study further brought to fore the social and institutional exclusion of the poor from mainstream and government programmes is due to a combination of factors including the legacy of permanent settlement which hedged the tenants from the empire and the local lords used this as a free ground for exploitation.

The PRIs have assumed greater significance as agencies of local decentralized governance. The inclusion of the weaker section has been ensured through constitutional affirmative safeguards. This constitutional provision has helped the poor occupy important positions in the PRIs and acquire substantial social position as well.

However, there are cases where the powerful use the poor and marginalized as pawns in the entire power game.

The poverty scenario seems to be characterized by uneven entitlements over sources of production and assets of the poor. The privileged and the elite usurp in the entitlements over common property over which the poor and marginalized should have equal legitimate right. State interventions planned and designed for the empowerment of the economically and socially disadvantaged have not proved to be instrumental to stimulate collective action.

The above social profile and nuanced strategy is essential for the social empowerment of the poor.

1.4 Livelihoods Context of Bihar

The livelihood assessment was undertaken as part of the preparation of the project to understand the context in Bihar. The study showed that:

Bihar is basically an agrarian society. An important learning emerging from this scenario of growing phenomenon of landlessness and the diminishing returns from agriculture is the need to invest more in non-farm employment and to strengthen rural economy and alleviate rural poverty. This is especially critical in view of the swelling ranks of agricultural laborers and modest increases in non-farm workers, with every passing year in Bihar. One reflection of this development is large out-migration of workers to other prosperous states, almost from every single poor household, in search of employment and better wage; with its attendant social and cultural problems. Important to note is that nearly 95 percent of these migrants are unskilled, though skilled workers earn double the earnings of unskilled workers. Developing skill base of migrant households can add substantial value to the migration based livelihoods.

Agriculture

Agriculture is the core to the economy of Bihar generating 35% of the state domestic product and employing more than 77% of the labour force. The state has 88% of the state's poor living in rural areas wherein, 53% of income is derived from cultivation and 6.7% from agriculture labour. Agriculture wage labour accounts for 24% of income for the poorest 20% of households. Fishing is also a major rural occupation in Bihar. Nearly 4.6 million rural households (40% of rural households in Bihar) are engaged in fishing.

Bihar's total land area is 9.4 million ha, 84% of which is counted as gross cropped area (around 7.9 million ha). The net sown area is 5.7 million ha, representing 72% of the gross cropped area. Nearly 85% of the total cropped area is under food grains, followed by vegetables (7%), fruits (3%) and other crops like oilseeds and sugarcane account for the rest (5%). Detailed crop analysis places rice (43%), wheat (26%), maize (7%), potatoes (4.2%) and mangoes (1.9%) as the crops that occupy the largest area in Bihar.

Bihar's agricultural growth is highly unstable with significant year-to-year variations. Between 1993 and 2003 the variability of agricultural performance in Bihar was the third greatest among major Indian states. However, unlike states like Rajasthan or Gujarat where high variability arises because of frequent droughts, in Bihar a primary source of variability are floods which frequently ravage large parts of northern Bihar during the monsoon. The rapid spread of HYV and fertilizer use on rainfed lands has also contributed to the instability as output from these lands is substantial in favourable years, but falls off significantly in unfavorable ones.

Improving agricultural performance is critical to the improvement of livelihoods and reduction of rural poverty in Bihar, which is the second most impoverished state in the country after Orissa. As at 1999-2000, various estimates classify between 30 and 38 million (40-48%) of Bihar's 76 million rural inhabitants as poor. Unlike in other states, where rural poverty tends to be concentrated in specific regions or household types, poverty in Bihar appears to be a more general affliction. According to Planning Commission estimates, 1 in every 6 of India's poor people lives in Bihar. Considering only rural areas, that number becomes 1 in 5.

The agricultural sector in Bihar has been plagued with numerous constraints and problems for a long period. These include:

- (i) low productivity – average yields of rice and wheat (the two most widely cultivated crops) are 20-25% below the India average and less than half that obtained in Punjab;
- (ii) slow diversification into higher value crops despite abundant water resources, suitable climate and available labour;
- (iii) poorly - developed rural road infrastructure limiting access to markets;
- (iv) floods, water-logging, poor drainage and inadequate public investments to expand and maintain surface irrigation systems;
- (v) limited access to and quality of electricity supply raising production costs for farmers as they have to rely on diesel to tap ground water resources and deterring post harvesting and processing investments;
- (vi) small and fragmented farms, together with a moribund formal credit system and widespread illegal land tenancy acting as disincentive for private investment in land;
- (vii) a lack of transparency in product marketing, specifically the linkage between price, quality and farmers' decisions; and
- (viii) inadequate public research and extension services crippled by the lack of strategic focus, funding shortages and the inability to effectively utilize the available resources.



Rural Non-Farm Sector

The importance of rural non-farm sector is an emerging source of additional livelihood, in the face of agriculture having reached its saturation levels of employment, even in the backward regions. The pressure on employment market has been so deep that even in backward areas there has been expansion of rural non-farm employment (RNFE) during the nineties. In comparison to a share of RNFE of 15.2 % in total rural employment during 1991 it has increased to 19.0% in 2001. Among the three sub-regions, North Bihar has the weakest rural infrastructural base and hence the expansion of RNFE has been the least in the sub-region.

The rural non farm sector provides an important source of income for rural households in Bihar. It accounted for about 39% of total household income in 1993-1994. The share of non-farm income sources to total income is significant across all income quintiles, with poor households receiving much of their non-farm income from self employment, while wealthier households rely on regular non-farm employment. The proportion of own-farm income of total income tends to rise as per capita income increases, with the exception of the highest income quintile (i.e., the richest 20% of households), where it falls steeply. Similarly, the income share generated from agricultural wages falls as income increases, with a sharp decline for the top 40% of rural households. Agriculture wage labor accounts for 24% of income for the poorest 20% of households, but just 0.4% of income for the richest 20% of households.

Population depending on Industrial Sector is around 11%. Bihar is mainly agricultural products producing state. Therefore, industries based on

agricultural products have enough scope i.e., sugar mills, jute mills, edible oil mills, spices have a good potential for growth.

Bihar is the country's second state after West Bengal in Jute production and Jute textiles. Jute mills are mainly located in northern part of Bihar due to availability of raw jute, cheap labour, and water.

Migration

Apart from the local employment and income opportunities that arise out of the state's own growth performance, the poverty ratios in Bihar, for both rural and urban areas, are also influenced by the phenomenon of extensive out-migration of workers most of these are from the poorer households. The origin of current migration from Bihar can be traced back to the days of ushering in green revolution in the north-west India, which created unprecedented demand for labour in agriculture. During the early 1970s it started with a small trickle to the rural areas of Punjab which soon took the form of a flood during the next one decade. Search of new and/or better employment has been one of the most important reasons for migration of workers. In fact more than two third of the migrants migrates in search for employment and better wage as the primary reason of their migration. However, there are also various other socio-economic reasons, which contribute to large scale exodus of population from the region. For last two decades both the intensity and pattern of migration in rural Bihar have considerably changed. The proportion of migrants has approximately doubled and destination of migration has now become widespread.

1.5 Poverty Reduction Initiatives of Government of Bihar

Government of Bihar's Vision (as per White Paper on State Finances and Development, 2006) is to reduce the poverty headcount from 39% (1999) to 28% by 2015.

Towards this, Government of Bihar has front-ended many poverty alleviation/reduction programs, all of them, with the following basic objectives:

- (i) targeting the poorest amongst the poor for special assistance;
- (ii) building groups/institutions of the poor and their federal structures and linking them with the banks;
- (iii) promoting economic mobility for rural poor
- (iv) enhancing social protection by reducing the vulnerability of poor; and
- (v) promoting decentralized governance and management through institutions of poor and participatory planning.

In terms of economic mobility, the focus is on measures to improve rural livelihoods for the landless, marginal and small farmers, widen access to non-farm opportunities, and improve access of communities to financial resources. Vulnerability is being addressed by first, improving poor peoples' access to existing anti-poverty programs and key services such as food security and basic education, health, and nutrition, and second by

developing new insurance mechanisms and safety nets to protect against downward risks.

Directly capacitating the existing Gram Panchayats and also promoting institutions of poor is being focused so as to ensure that their voice does not get marginalized and strengthening decentralized governance and management.

More specifically, GoB strategy includes the following:

- ***Empowerment and building / promoting grass-roots institutions***

GoB has been promoting the Self-Help Groups and their federal grass-root level institutions and investing on their capacity building through various projects/programs and ensuring bank linkage support

- ***Viable economic activities***

These have been promoted under the various schemes like SGSY and PMRY. The schemes have given emphasis on promoting non-farm employment opportunities, especially development of micro-enterprises and their linkages with markets and banks.

- ***Human development***

Focus is on improving the efficiency of Mother and Child Health (MCH), Reproductive Child Health (RCH), Integrated Child Development Services (ICDS) and elementary education services; while reducing the incidence of the communicable diseases. Further, the basic infrastructure for drinking water, sanitation, education and health services are being improved.

- ***Local governance***

PRIs elections have been streamlined and elections have been conducted for 2006 after a gap of about 25 years. The 2006 PRI election also had 50 percent seats reserved for women and women from mostly poor and disadvantaged households won nearly 58 percent seats. A renewed vigour seems to be laid on enhancing local governance. Government has also devolved powers to PRIs and has transferred funds, functions and functionaries to PRIs. The government is also promoting various institutions of poor so as to ensure that the local governing bodies suitably meet their needs.

Any macro initiatives targeted at increased employment and income generation opportunities or that of social interventions like education or health is likely to impact the poverty scenario. However, this trickle down theory has very limited impact of addressing poverty. Thus, poverty alleviation demands programmes that aim to directly help the poor, instead of the entire population. Considering this, the government has launched various poverty alleviation programmes. The rationale for such targeted poverty alleviation programmes is that their benefits or social returns are higher for the population at the lower end of the income distribution than at the upper end.

The present programmes can be categorized under the following heads:

- Self Employment Programmes viz. Swarnajayanti Grameen Swarojgar Yojana (SGSY)
- Wage Employment Programmes viz. National Rural Employment Guarantee Programme (NREGP) and Bihar Rural Employment Guarantee Programme (BREGP)
- Public Distribution System (PDS) viz. Targeted Public Distribution System (TPDS)
- Social Security Programmes viz. National Old Age Pension Schemes (NOAPS)

Additional funding support has also been given for strengthening the SHG movement in Bihar through projects to be implemented by the Women Development Corporation (WDC). WDC initiated this through another World Bank- IFAD aided project known as *Swashakti* and *Swawalamban*, are running on a similar pattern. The projects are geared towards social empowerment of women and also for income generation activities bringing about incremental increase in the family's income.

1.6 Lessons learnt and its Implication on Project JEEViKA's Design

JEEViKA - Bihar Rural Livelihoods Project (BRLP) proposes to build on the above Government Strategy and supplements its efforts.

Implementation of poverty alleviation programs by GOB, have provided valuable lessons with regard to developing successful strategies for addressing the poverty issues of the State on a sustainable basis.

Moreover the project has identified lessons from the district poverty initiatives projects, being implemented in Andhra Pradesh, Rajasthan and Madhya Pradesh, supported by World Bank and other donors. There are also lessons drawn from other projects being implemented using CDD (Community Driven Development) principles like, Maharashtra Rural Water Supply and Sanitation Project funded by World Bank.

The project JEEViKA has been built on the experiences of previous empowerment programmes like the *Swashakti* Project. While the other programmes did well in formation of large numbers of SHGs and their capacity building, most of them could not be linked systematically with banks, which affected livelihood promotion activities.

Lessons from Other Projects	Reflection in the Project Design
Targeting of the Poor	Rural areas in Bihar have well defined spatial distribution along caste and class lines. The project will do social mapping in the village, identify pockets of poverty and will mobilize the poor from these pockets into institutions.
Participation and Ownership	To ensure effective participation and ownership, the project will use the demand driven approach wherein, the community will decide and prioritize their needs using the micro-planning process. The open ended process of micro-planning will be facilitated by the core group from the community.
Federating institutions to enable economies of scale, greater voice and sustainability	Federations will be formed at the village and block level, of self-help groups. Economic activity groups will be formed in clusters at the block level.
Increasing Credit Worthiness of the Poor	For active participation of banks in extending credit, it is essential to demonstrate that poor are disciplined borrowers and thereby to break the myth that poor take money but do not repay.
Instilling accountability mechanisms within the community ensures good quality institutions	External and internal monitoring systems will be Introduced, including social accountability systems which will provide regular feedback on “quality of services” to project staffs and give voice to the poor.
Facilitating investment opportunities for livelihoods in addition to savings and credit mobilization	To form effective partnerships and linkages with the market, formation of economic activity groups will take place after the strengthening of SHGs.
Investment in skills and capacity building should be treated as an investment rather than cost as it is key to success in achieving Project Development Objective and sustainability	The first phase of the project will focus primarily on institution development. Further, during the other phases, specific capacity development support will be provided to associative tiers and federations.
Community resource persons/facilitators are effective social mobilizers, low cost and offer a sustainable option for scaling up	A cadre of community managed functionaries will be trained who will then mobilize and provide support to the network of institutions.
Linkages with public and private service providers.	Economic sustainability of the institutions of the poor hinge on the support it can garner from such service providers for creating a sound market and social base.
Efficient MIS. Standardized financial management procedures, regular auditing	Computerised MIS, quantitative and qualitative monitoring and learning will be part of the monitoring and learning system for the project.

1.7 JEEViKA – The Bihar Livelihoods Project (BRLP)

JEEViKA - Bihar Rural Livelihoods Project (BRLP) has been designed to address rural poverty in Bihar in joint collaboration of the poor, Government of Bihar and the World Bank. The project aims to enhance social and economic empowerment of rural poor by creating self managed community institutions of the participating households and enhancing income through promoting sustainable livelihoods.

Project Scope

The project in its period of five years envisages, covering :

- 0.5 Million Poor Families
- 4,000 Villages
- 42 Blocks
- Districts viz. Nalanda, Gaya, Khagaria, Muzaffarpur, Madhubani and Purnea.

Implementation Arrangements

The Project will be implemented by Bihar Rural Livelihoods Promotion Society (BRLPS) which is an independent and autonomous institution established by the Government of Bihar. The Project will have State, District and Block level units for managing and implementing the project.

CHAPTER 2

THE JEEVIKA PROJECT

JEEVIKA - Bihar Rural Livelihoods Project (BRLP) has been designed keeping in view the specific context of Bihar and the lessons learnt from other projects of similar nature in India. This chapter lays out the core design and implementation strategy for the project.

The situational analysis of Bihar has clearly shown that the poor have historically been marginalized and will further be marginalized, if initiatives are not undertaken to prevent so. Therefore, there is a need for both social empowerments in a fractured and hierarchical society on the one hand and food security and social services on the other that are currently not being provided by the state run delivery systems. Expenditure on these services has led to high level of indebtedness among the poor. Further more distress migration for any kind of job, especially agricultural and other low paid labour, is widely prevalent amongst the poor. Alternatively, there are emerging opportunities for economic empowerment through local livelihood creation in many agriculture and allied sectors for greater productivity led growth, which can directly benefit the rural poor. The studies, field visits, and lessons from the pilots have informed the core design of the proposed project to address the above challenges and opportunities in a holistic manner.

2.1 Project Objective

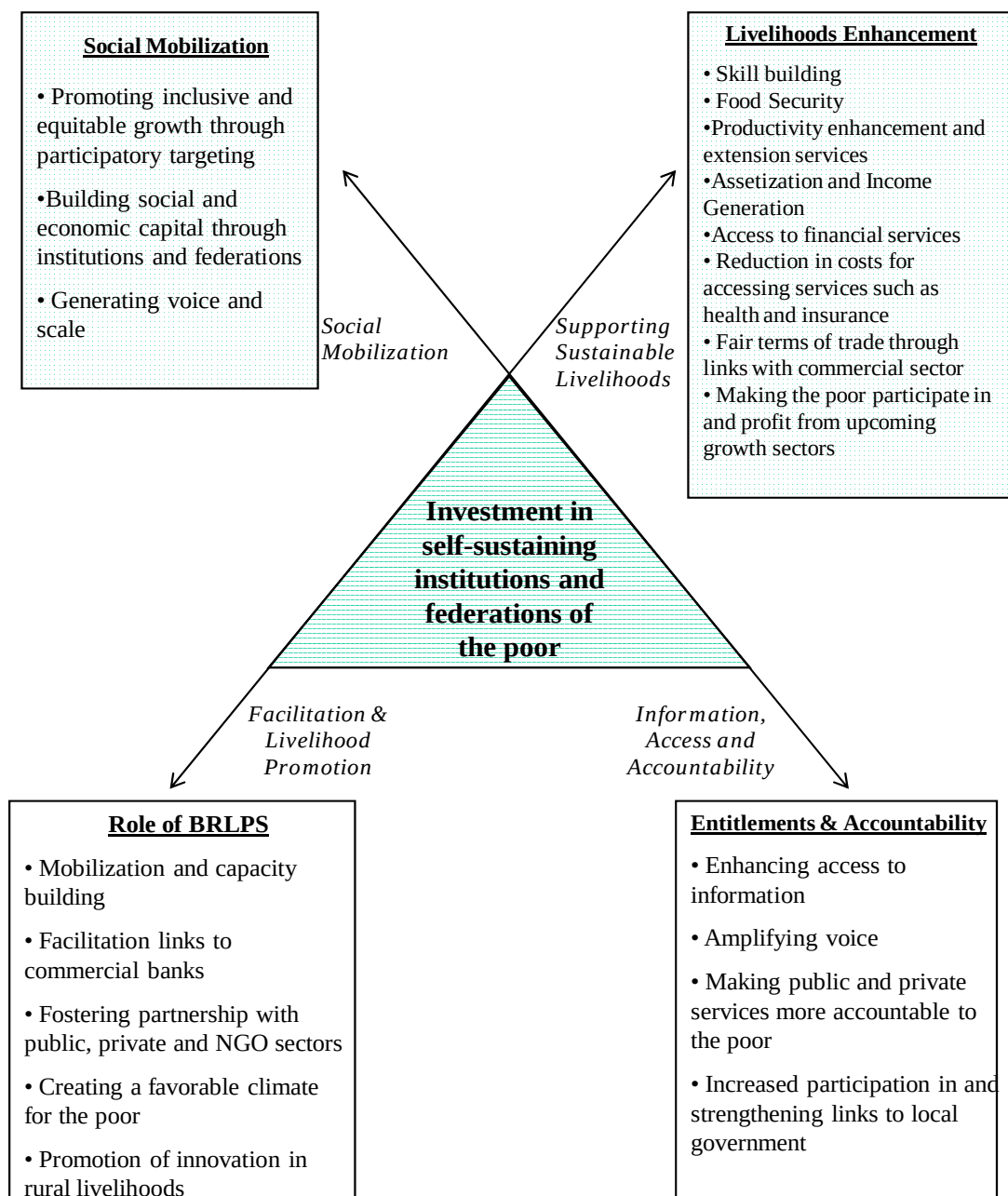
The project objective is to enhance social and economic empowerment of the rural poor in Bihar through:

- Building self managed community institutions of the rural poor.
- Enhancing income of the poor through sustainable livelihoods.
- Increasing access to social protection including food security thorough greater voice.

2.2 Project Strategy and Design

The core strategy of the programme is to build vibrant and bankable women's based community institutions in the form of SHGs, who through member savings, internal loaning and regular repayment become self sustaining organizations over a period of time. The groups formed would be based on self savings and interloaning and not on a single dose of CIF, given as subsidy. The primary level SHGs would be federated at the village, by forming VOs, next at a cluster level, to become membership based, social service providers, business entities and valued clients of the formal banking system. Such community organizations would also partner a variety of organizations for providing back end services to different market institutions such as correspondents for banks and insurance companies, procurement franchises for private sector corporations and delivery mechanisms for a variety of government programmes. This is shown in figure given below:

Framework for Project Interventions



The project design is based on the above strategy of building a multi-tiered, self sustaining, model of community based institutions who manage their own development processes. The project strategy is therefore phased in a manner of first horizontally building up a very large number of primary level women based SHG of rural poor.

This will be done through a saturation approach in the six chosen districts. Because of the extreme poverty levels in Bihar, the project will first capitalize these SHGs, through investing part of the Community Investment Fund (CIF), to supplement the savings of these groups. The groups will also be linked to the commercial banks for low cost loans.

In the next phase, these primary level SHGs will be federated at the village level to form the second tier of the community institutions called the Village Organizations (VOs). The VOs will receive investments from the project, for further on lending to the SHGs and its members, through a second dose of the CIF to be used for assetisation, food security purchases, and retiring of high cost debts.

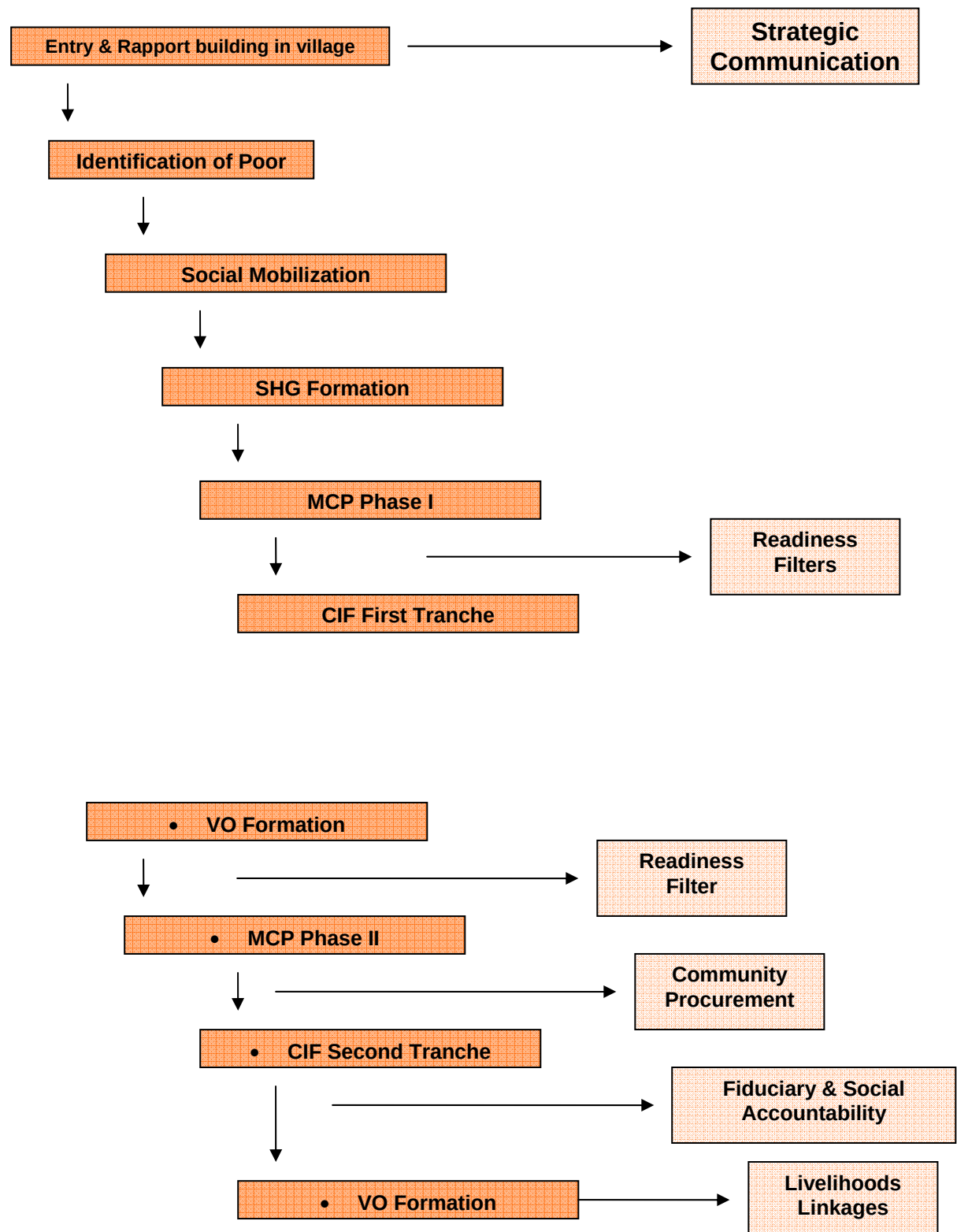
A large part of this capital inflow is likely to be for meeting immediate consumption needs, particularly health and food purchase, given the extreme level of poverty in rural Bihar. This will ensure that assetisation and future cash inflows are not wasted on just repaying high cost debts to money lenders in the future.

In the third phase, the VOs will be further federated to form higher level community institutions at the cluster and block levels. These apex community level federations will be responsible for enhancing livelihood activities in a comprehensive manner acting as microfinance institutions for lower level VOs, and economic institutions that take up specific income generating activities based on the assets created at the household level, such as animal husbandry, micro- agriculture etc. For the sustainability of lower level institutions both economic and social aggregation is essential.

To ensure that assetisation of the poor is put to productive use and does not just lead to them procuring any asset or cash that is captured by the elite thereby not leading to their income streams increasing, A set of service providers will be positioned in the project, through partnerships, who provide forward linkages to markets for products and services on which the poor have a very high outflow today.

The above sequential and interlinked project design, phased over the project period, will create a social and economic system controlled by the poor and leading to their own growth and sustainable development.

The project cycle at one village level is shown in figure given below :



2.3 Key Project Principles

The project, staffs, the facilitating teams and the community will adhere to the following non-negotiable of the project:

Transparency - All the activities undertaken will involve decisions to be taken involving all those directly concerned and the process followed would be open, clear and accessible to all.

Accountability - At each level the responsibilities will be mutually and collectively owned. Each stakeholder is responsible for actions taken.

Participation - The project will ensure participation of all stakeholders adequately represented by the target poor, disabled and most vulnerable. Each decision taken would follow a participatory process and there would be no imposition at any level.

Inclusion - Inclusion of the most marginalised, vulnerable and destitute section would be the key guiding principle. Leadership at each level will be the representative of the vulnerable segment. 80-90% of the funds would flow to the poor.

Facilitation - In every step taken, the project implementers would play only a catalytic role and strive to hand over the responsibility to the community to the maximum extent possible. There shall be faith in the poor's capability to undertake, decide and control the activities of the project.

Equity - The project will give emphasis on women groups in particular and they will play a determining role in all decisions to be taken in the project.

2.4 Outreach of the Project

The project will focus on targeting assistance to about 42 Blocks in 6 districts in the state. Within these Blocks the beneficiaries would be the poor, especially the poorest of the poor socially and economically deprived class – scheduled castes, marginalised backward classes, people with no control over or access to productive resources, daily wage labour, bonded labour, unskilled marginal farmers, unskilled migrants disabled, child labour etc. It is estimated that about 0.5 Million poor households/families would directly partner the project in 42 blocks.

The targeting of the poorest of the poor (POPs) and poor will be done considering the social vulnerability existing and spatial distribution of the village based on these discriminations.

2.5 Project Locations

BRLPS had undertaken a Poverty and Social Assessment of Bihar. This Assessment looked at four aspects viz. Poverty, Social Vulnerability, Livelihood Potential and Social Capital. This study also confirmed the projects rationale for selecting these six districts.

The study used the sub-division as clusters. The 38 districts of Bihar were categorized into 5 clusters viz.

- Much Above Average
- Above Average
- Average
- Below Average
- Much Below Average

Based on this, the cluster position of each of the 6 districts with respect to the four dimensions emerged as follows:

Districts	Cluster Positions			
	Poverty	Social Vulnerability	Livelihood Potential	Social Capital
Nalanda	4	3	4	2
Gaya	3	1	2	1
Khagaria	1	4	4	4
Muzaffarpur	4	3	3	3
Madhubani	2	4	4	4
Purnea	1	1	3	4

Figure : Position of districts to be covered under Project



The poverty levels are very high in Khagaria, Madhubani and Purnia. These districts are also characterized by low levels of social capital. Livelihood potential is also rather limited in these three districts. Of these districts, social vulnerability is very high in Purnea.

The poverty levels in Nalanda and Gaya are not very high however, if one takes into account the relatively higher level of social capital, the level of poverty should be lower. In Gaya, the livelihood potential is also above average. In these two districts, the existing economic and social potential are not fully utilized to reach the matching level of development.

Finally, the district of Muzaffarpur has average level of livelihood potential, social vulnerability and social capital and yet, the present level of poverty is below average.

The six districts highlight the different parameters and cluster positions for achieving greater understanding of taking up livelihood programmes and facilitate in its scaling.

The Project will be implemented in 42 blocks of these 6 districts. The blocks were selected using the following criteria:

- High incidence of disadvantaged groups as reflected in the percentage of SC and ST population.
- Adverse status of women as reflected in adverse sex ratio and female literacy.
- Basic infrastructure availability.

Annexure No. 1 gives the selected blocks for implementation.

2.6 Overall Phasing of the Project

The project implementation in the chosen project districts, blocks and villages will be done in a phased manner. The project envisages formation of 44,100 SHGs in 42 blocks of 6 districts over the five year project period. Given the scale and process intensity of the project, the implementation has been divided into two broad stages as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Stage 1	18 Blocks				
Stage 2			24 Blocks		

Stage - I

18 Blocks will start in the first year of the project i.e. 2007-08 and in Stage II – 24 Blocks will start in the third year of the project i.e. 2009-10.

The existing social capital will be identified from the good SHGs promoted and nurtured by any Government agency or NGOs as Community Resource Persons² (CRPs) on the lines of that in SERP, Andhra Pradesh. The project will also collaborate with the Mandal Samakhyas of SERP, Andhra Pradesh for exposure and immersion programmes for these CRPs. Mandal Samakhyas will also provide their own CRPs for facilitating in formation and strengthening of SHGs facilitate micro credit planning, formation as well strengthening of VO and their sub committees in these 18 blocks for the first two years.

² Active women from SHGs will be identified and trained sufficiently with adequate exposure. They will later be involved in inculcating best practices in SHGs and termed as Community Resource Persons.

The BRLP Project staff and internal CRPs will spend time with these external CRPs and will get hands-on training on Institutional building.

Stage - II

The project will start operations in the remaining 24 Blocks from 3rd year onwards and will utilize the pool of social capital nurtured and developed in the 18 Blocks of Stage I for replicating the best IB, CB and MF activities in the Stage II. Exposure visits and Immersion Programmes will be conducted to the 18 blocks of the first stage.

The project will extend the CRP strategy to the new 24 blocks. However, this strategy will be with a difference. The internal community resource persons (CRPs) will be introduced to the new 24 blocks. These internal CRPs will be external for these 24 blocks i.e. from within the state but from outside the blocks. The CRP Strategy will draw in the Community Resource Persons and the trained Staff of the Stage I – 18 Blocks. Bihar will develop its own social capital base of the poor who are empowered and address their own development issues are envisaged in the project implementation design.

2.7 The Result Framework of the Project

The results to be achieved by the project in its 5 year period is shown in the following table

Project Development Objectives (PDO)	Outcome /impact indicators for the PDO	Use of result information
1. Enhanced social and economic empowerment of the rural poor in Bihar.	1.1 Self managed ^{2F3} self help groups established, covering at least 80% of the target households 1.2 At least 50% of those receive CIF have increased income by at least 30% of the baseline 1.3 At least 50% of SHG members have reduced high cost debts from informal sources.	1.1-1.3 At MTR the success of capacity building and livelihoods interventions will be evaluated and the strategies will be redesigned if the management effectiveness is not found adequate to achieve project objectives.
Intermediate results by component	Result indicators for each component	Use of result monitoring (Work in progress)
Component one: 1. Formation of self reliant and inclusive community institutions including SHGs, Village Organizations & Federations	1.1 Information about the rules of engagement related to the project available to at least 80% of intended participant households 1.2 Percentage of targeted poor households that are organized into	(1.1-1.2) PY-3 evaluates the strategies of community mobilization and capacity building support if the targeting, inclusiveness and effectiveness of CBOs are found to be less than expected. The constraints

³ Self managed as defined by the project's graduation indicators

	SHG represented in VO and BLF • 80% of targeted households into SHG • 60% of formed SHGs into VO; and • 40% of the formed VOs into BLF 1.3 At least Rs. 50 crores beneficiary savings mobilized leveraging Rs. 75 crores of financial institution lending and Rs. 100 crores of inter-lending	will be analyzed in redesigning the strategies. 1.3 PY-3 evaluates the thrift and credit strategies including strategies for linkages with financial institutions if the total savings & credit mobilization is significantly less than the desired level.
Component two 2. Establishment and use of community Investment Fund for food security, social services, livelihood assets and service sector investment	2.1 At least 50% of the investments on livelihood's CIF are made on the productive asset generating sustained income. 2.2 Food security increased by 3 months for 80% of target households 2.3 At least 5,0003F⁴ direct jobs created through project facilitation & at least 75% of them are getting sustained income	2.1 In PY – 3 the strategy of livelihoods financing will be revisited if the indication of reducing dept burden is not found. 2.2 In PY – 3 the strategies for capacity building and placement support for youth and migrants will be evaluated if the results are significantly less than the expected numbers.
Component three 3. Establishment and operationali-sation of Special Technical Assistance and Development Services through MITA4F⁵, Rural Business development Facility and Innovations Fund	Service delivery standards 3.1 At least 5 major business linkages established through public/private. Partnership by CBOs 3.2 At least 3 new partners are inducted to promote additional microfinance activity with total turn over of Rs. 3 crores.	3.1 PY-3, revise project's market linkage strategies if less than 3 business established 3.2 PY-2, onwards intensify training and other inputs if income is significantly less than the expected level.
Component four Project management 4. The project is well managed and coordinated at the State, District and Cluster levels	4.1 Project monitoring and learning System established, including MIS, learning and experience sharing forums at different levels of project management 4.2 Project implementation procedures and agreed business standards are followed for at least 80% of project interventions at any point in time.	4.1 From PY1 onwards intensive efforts to develop and establish Learning mechanisms and MIS 4.2 From PY 1 monitor the implementation standards and make review strategy, conduct staff training, etc. for course correction.

⁴ Through skill development to the youth in the areas of driving, construction, security guard, nursing, computer etc.

⁵ Microfinance Investment and Technical Assistance

2.8 Project Cost and Financing

The project costs Rs. 306.60 crore (\$ 73 millions) and will be implemented over a period of 5 years.

The break-up of the total outlay of the project is as follows:

Source	Rs. (Crores) ⁶	\$ (Millions)	% of Total Cost
IDA Fund	264.60	63.00	86%
Government of Bihar	029.40	07.00	10%
Community Contribution	012.60	03.00	4%
Total	306.60	73.00	100 %

The major project cost heads are as shown in the following table:

SI	Component	Amount in \$ Million	Amount in Rs. Crores	%
1.	Community Institution Development	18.02	75.71	25%
2.	Community Investment Fund	41.74	175.30	57%
3.	Special Technical Assistance & Development Fund	05.76	24.19	8%
4.	Project Management	07.48	31.40	10%
	Total	73.00	306.60	100 %

The detailed cost tables are attached as annexure.

⁶ CONVERSION RATE 1 \$ = Rs. 42

CHAPTER 3

PROJECT COMPONENTS

The primary focus of the project is improving livelihoods of the poorest and most vulnerable groups in Bihar. The components are designed in manner that they complement and/or supplement each other. The core of the model is building strong grassroots institutions of the poor i.e., SHGs and Federation of SHGs at the VO and Block level. Investments will be made on capacity building and in developing support functions leading to social empowerment of the poor and vulnerable groups. Similarly, the project will invest in assetizing and in improving existing livelihoods of the poor. The project will also invest in building partnerships with technical service providers with objectives to a) improve access to financial services, given that the financial support proposed in the project may not be adequate to start viable economic activities; b) improve access to markets; and c) improve production and productivity levels of existing livelihoods. The project will also consciously work on improving access to various social services particularly health and education from both public and private sectors.

The four main components of the project have been designed keeping in mind the objectives of the project. They are:

Component I	:	Community Institution Development- Formation and Strengthening of Self Help Groups, Producer Groups and Federations
Component II	:	Community Investment Fund
Component III	:	Special Technical Assistance and Development Funds
Component IV	:	Project Management

The detailed description of each of the component and subcomponents is given in the following sections.

- **Component I : *Community Institution Development***

The goal of this component is to facilitate building of self-managed and financially sustainable community based institutions of the poor, and development of a cadre of para-professionals to support the functioning of the institutions, creation of sustainable livelihoods and improving their quality of life.

This component is the core of the project which involves strengthening and building vibrant and self managed primary institutions of the poor, i.e. Self Help Groups (SHGs), based on thrift and credit. These primary level institutions of SHGs will then be federated at the village level to form Village Organizations (VOs).

These VOs would aggregate as the apex structure at the block or cluster level as Block Level Federation (BLF). From these base institutions would

also emerge livelihood related producer groups and its federating structure of producer company/cooperatives.

(a) Formation and development of Self Help Groups (SHGs)

This would include formation of new self help groups and strengthening of existing self help groups. Capacity building of SHGs will be undertaken in 42 project blocks in the six project districts.

(b) Formation and strengthening of federations of self-help groups

This will involve supporting emergence of Village Organizations (VOs) and Block-Level Federations (BLFs); and strengthening their organizational capability by providing inputs for development of group and financial management systems, promotion of livelihoods, forging linkages with finance and service providers; build knowledge base and skills at the grassroots by developing a cadre of para-professionals.

The following table enumerates number of SHGs, VOs and BLF will emerge during different project years.

Year / Description	1st Year	2nd Year	3rd Year	4th Year	5th Year
Blocks Under Project Operation	18	18	42	42	42
Formation of SHGs	6480	12420	8640	16560	0
<i>By External CRPs</i>	4320	4320	0	0	0
<i>By JEEViKA functionaries</i>	2160	4860	3600	6480	0
<i>By Internal CRPs/ CM</i>	0	3240	5040	10080	0
Village Organisation	648	1242	864	1656	0
<i>By External CRPs</i>	432	432	0	0	0
<i>By JEEViKA team</i>	216	810	864	1656	0
Block Level Federation	0	0	18	0	24
<i>BLFs formation</i>	0	0	18	0	24

(c) Formation and strengthening of Livelihood Groups/ Clusters

The project will also facilitate development of livelihood groups (Producer Groups) and their Federations (Producer Cooperatives/Companies). These Producer Groups and their Federations will derive membership from the base structure of SHGs. The livelihood groups will be provided support through customized training for village and block level management of enterprises, productivity enhancement, franchise management, quality enhancement and value addition skills. Linkages of these groups to the commercial sector will be facilitated. Given the delicate social condition and the poor economic status of even the “non-poor/privileged”, an effort will be made to make these federations inclusive of the non-poor to encourage social cohesion.

3.1.1 Component I: Sub-components

The four subcomponents are:

- ***SHGs and their Federations***
Promotion of self managed and financially sustainable self-help groups and their federations at village and block level. The producers' group and their federation will also be covered under this.
- ***Micro-Finance***
Establish and provide a range of need based micro-finance products such as mandatory savings, specific purpose savings (education and health), loans for all purposes, insurance (assets) products for mitigating risk of the members; and enhance credit linkages between CBOs⁷ and Micro-finance institutions/Banks to meet increasing credit requirements of the members.
- ***Capacity Building***
of CBOs and project staffs supporting the CBOs.
- ***Para-professionals***
To promote a cadre of para-professionals to support institutions, livelihoods and social services at the grassroots level.

Sub-Components Description

- ***SHGs and their Federations***

The objective of this subcomponent is to enable the mobilization of poor and poorest women from nearly 0.5 million poor households primarily belonging to the SC, ST, EBC and minority communities into nearly 44,100 SHGs. These SHGs will be federated into 4410 Village Organizations and 42 Block Level Federations. The SHGs and federations will be supported to become self reliant and self sustaining institutions under the project by adopting best practices.

The project seeks to promote SHGs and their federations into self reliant and self sustaining institutions. This would require them to not only incorporate and institutionalize key processes and practices but also facilitate/ enable a) access to finance for livelihoods i.e., for both consumption and investment needs; b) access to services, incl. social services like health, education, PDS entitlements, and Old Age/ Destitute Pensions.

⁷ SHGs, VO, BLF and Producers' Group



Activities

- A. Targeting/ identification of the Poorest of the Poor and the Poor in the 42 Blocks.
- B. Mobilizing the poor into SHGs or Group Formation.
- C. Institution building – Federating all the SHGs within a Village/Tola/Habitation into Village Organization and subsequently into a Block Level Federation (BLF).
- D. Formation of livelihood-based organization - Producer Groups at Village level and Producer Company/ Cooperative and Federations at the Block level, which are also OWNED and MANAGED by SHG members.
- E. Developing systems indicators and monitoring tools.

Targeting / identification of the poor and poorest in the villages:

- Geographical stratification or social mapping of all the Villages in the 42 Blocks will be carried out to determine the tolas / habitations / VOs with huge concentration of the poor and the poorest of the poor.
- Subsequently, a checklist which describes the household characteristics of poverty will be used for a rapid assessment in every project village.
- The list of poor and the poorest from a village will be agreed upon with the village residents including the Gram Panchayat members.

Social Mobilization i.e., Formation of SHGs and subsequently Federation of SHGs at the Village and Block level

- These target households will be mobilized into SHGs. and thereafter into VOs/Tola/Habitation Organisation and BLFs.
- Ideally, each VOs/Tola/Habitation Organisation would consist of approximately 10-15 SHGs and each BLF would have membership from around 40 VOs/Tola/Habitation Organisations. Therefore, each village or block may have one or more federating structure. However, the umbilical cord of other institutions emerging for livelihood purpose would be tied to the SHG-VO-BLF structure.

Formation of Livelihood Groups and their Federation

- In addition to the SHG- VO- BLF, the project proposes to build livelihood based groups such as Producer Groups at the Village-level and their federating structure of Producers Cooperative/ Company at the Block level and federation at the district level. These livelihood groups would derive membership and credit from the base structure, i.e. SHG- VO-BLF, but, will be provided technical assistance, training and inputs based on their respective livelihood clustering. It is assumed that at least two Cluster Based Livelihood Activity Federation (CBLAF) per block would be formed. The emergence of these groups would ideally start from the second year of SHG-VO initiation.

Provision of tools for Strengthening institutions of the Poor

The key inputs for the strengthening of the institutions are

- The creation and institutionalization of self-assessment and rating mechanisms at levels of CBOs – SHGs, VOs and BLFs are important steps towards sustainability
- Designing of material and training of members, leaders, sub-committee members at different levels of CBOs, and
- Support preparation of Micro Credit Plan for each member of the SHGs and fund the identified needs from project funds and those leveraged from other sources by the VO.

Process

- For the mobilization of the poor, promoting and supporting their SHGs and federations, intensive manpower support and robust institutional arrangement is required at block unit of the project. It is planned that each block will be divided into three clusters which will be headed by an Area Coordinator. Further in each cluster 5 Community Coordinators will be placed. One Block Project Manager in every block will be deputed for coordinating the entire process of Institution building. This entire arrangement will also look after the activities being emerged and implemented under different project components. This arrangement is made with an assumption of having approx 105 villages in each blocks further divided into clusters of 35 villages each.

- To support the Block Structure, District Coordination and State Project Management Unit will be there.
- The project will also develop a cadre of Community Resource Persons (CRPs) and Community Mobilisers at the village level. These would eventually become a part of the Village Organisation and the Block Level Federation.
- The project will invest in the capacity building of the staff at different levels to support the community.

Micro Finance

The outcome of this sub-component is to enable 44,100 SHGs of poor households develop and manage microfinance portfolio of Rs. 285.47 crores (\$ 68 million.⁸) including cumulative group savings of Rs. 34.30 crores (\$ 08 million), cumulative interest accrual of Rs. 26 crores (\$ 6 million), cumulative loans from commercial banks of Rs. 51.40 crores (\$12 million) and cumulative community investment fund of Rs. 174 crores (\$ 41 million). This will be achieved by creating, developing and nurturing microfinance across the hierarchy of self-managed community based organizations with Self Help Group as building blocks.

The broader goal of Micro-Finance intervention through the project is to create an ambience of trust as regards approach of banking with the poor. It is aimed at creating institutions of the poor who are empowered enough to run the institution on merits of financial prudence and sustainability. It also aims at taking multi-pronged strategy for ensuring financial flow to the rural economy from main stream financial institutions and other complementary sources like that of SHPIs and MFIs. In addition, the medium term objective of sub-component is –

- To ensure that assets are created and incomes are improved for the community Based Organisations established or strengthened in the project.
- To facilitate the poor to convert their secure asset base into an economically viable, improved and sustainable living;
- Facilitate bookkeeping and accounting systems for CBOs for promoting transparency, accountability and ambience of faith for other stakeholders.

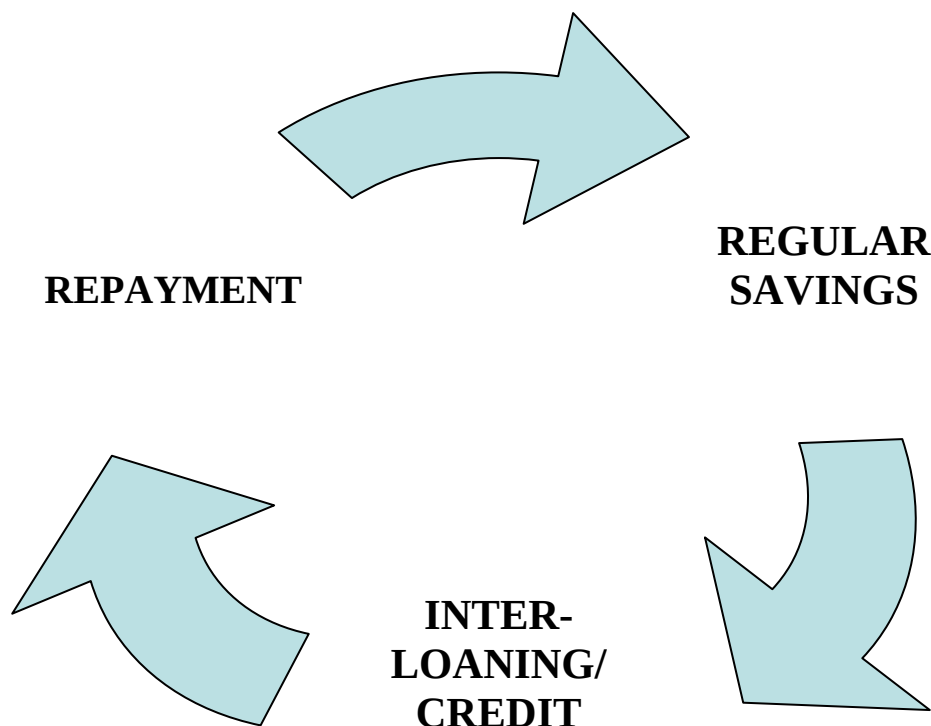
Activities

- A. Develop a culture of THRIFT, CREDIT or inter-loaning and REPAYMENT
- B. Establish a mechanism of bookkeeping/ accounting primarily to promote transparency, accountability and ambience of trust for stakeholders.

⁸ Conversion rate 1 US \$ = Rs. 42

Process

- **STEP – 1:** Regular member savings, inter-loaning and repayment could lead to building solidarity within the group and eventually lead to institution building.



- **STEP – 2:** Identifying and training “community” book keepers to assist.
- **STEP – 3:** Opening of Bank Account for SHGs formed.
- **STEP - 4:** Developing a SHG level MICRO CREDIT PLAN, incl. training on the MCP process.
- **STEP – 5:** Develop a protocol for SHG Bank Linkage, incl. facilitating 1st SHG Bank Loans for the Groups.
- **STEP – 6:** Developing a “rating” tool/methodology for grading SHGs & VO into A, B and C grade institutions.

One of the most powerful strategies is to build institutions of the poor which learns to manage its resources with adequate responsibility.

Para professionals

The objective of this subcomponent is to -

- A. Build a strong pool of Social Capital amongst the SHGs e.g., Book Keepers /Animators /Health Activist/Para Professionals.
- B. Building a strong cadre of Community Resource Persons (CRPs) from within the Community/SHGs to assist in social mobilization and formation and strengthening of SHGs.

Capacity Building of CBOs

The objective of this subcomponent is to enhance the capacities of the CBOs and its members as well as the project staff.

Outcome /Results of Component I

Empowerment

- At least 85% of target poor and poorest of the poor households from SC, ST, minority, EBC and BC are organized into SHGs with regular group meetings, savings and inter-lending practices.
- At least in 60-70% of the CBOs, women from poor households are occupying decision making positions.
- At least 75% of SHGs are members of VOs whose performance is independently rated as good in a classification of good, average and poor.

Service improvement

- At least 25% of VOs have para-professionals providing technical support.
- At least 75% of SHGs have accessed CIF based upon agreed performance criteria.
- At least 25 Block Level Federations are rated as "Good" against the "Institutional Performance Indicators"
- At least 20% of SHG members are part of Cluster Based Livelihood Activity Federation (CBLAF).

Other indicators

- ATLEAST 80% of members do regular "weekly" savings
- Inter-lending of ATLEAST 70 percent of OWN FUNDS by 5th Year of GROUP formation.
- Cumulative financial flows from the commercial banks in excess of Rs 75 Crores by the end of 5th Year of the Project.

21B3.2 **Component II: Community Investment Fund**

The Community Investment Fund (CIF) is one of the key components of Bihar Rural Livelihoods Project which accounts for about 57% of the total project funding. CIF is a catalyst for improving livelihoods and quality of life of the poor communities. This may be supported further by leveraging finance from commercial lending institutions.

The main objective of the CIF is to improve and diversify sources of livelihoods and quality of life of the “poorest of the poor” and the poor by increasing their income and employment, decreasing expenditure and decreasing risks through the micro plans of their groups/institutions.

CIF will be released in a phased manner and in-line with the strength of the CBOs. Two critical factors will influence the flow of CIF:

- a) The Micro Credit Plans (MCP)^{8F9} which has to be prepared by all SHG members.
- b) On achieving the graduation indicators or readiness filters.

Micro Credit Plan

The MCP

Micro credit planning is a process by which the SHG tries to gather information on a) all its members of the Group; b) member's income and expenditure statement; c) Income Generating Activities of its members; and d) details of loan request – how much and for what?.

Objective of MCP

- To meet the credit needs of all the members in a group,
- To explore the ways and means of development by identifying and assessing the available social resources individually and group wise,
- To meet the temporary and long term needs,
- To avail loan facility from other institutions,
- To utilize the limited resources in meeting the needs of the members on priority basis,
- To strengthen the capabilities of the individuals and institutions,
- To improve the financial management skills.

Process of Doing MCP (refer to ANNEXURE - 5)

⁹ Will include among others the type of investments to be made and assets to be purchased. The purchase of asset and investment decision will be taken by the respective household or CBO, i.e., the project or its staff will not influence the decision.

Cardinal Principles for CIF Micro Plans

Productivity, Equity, Transparency, Sustainability and Loan to Community - The three cardinal principles of the Community Investment Fund.

Productivity Principle - All SHG micro plans have to lead to increase in income or decrease in expenditure. This can be possible through increase in yield and quality.

Equity Principle - The micro plans should benefit poorest of the poor and poor only. Few beneficiaries usurp the benefits at the cost of the majority of the poorest of the poor. Poorest of the poor should not lose livelihood or the resources for the proposed project. Further, equity principles for the most vulnerable groups like children and women should be maintained. It would not be an exaggeration to point out that the principle of equity has to be given utmost importance in project, not only in letters but also in spirit.

Transparency Principle - The micro plans will be developed based on the need of the members and will be discussed in the group meetings and finalized based on the prioritization done by the group members.

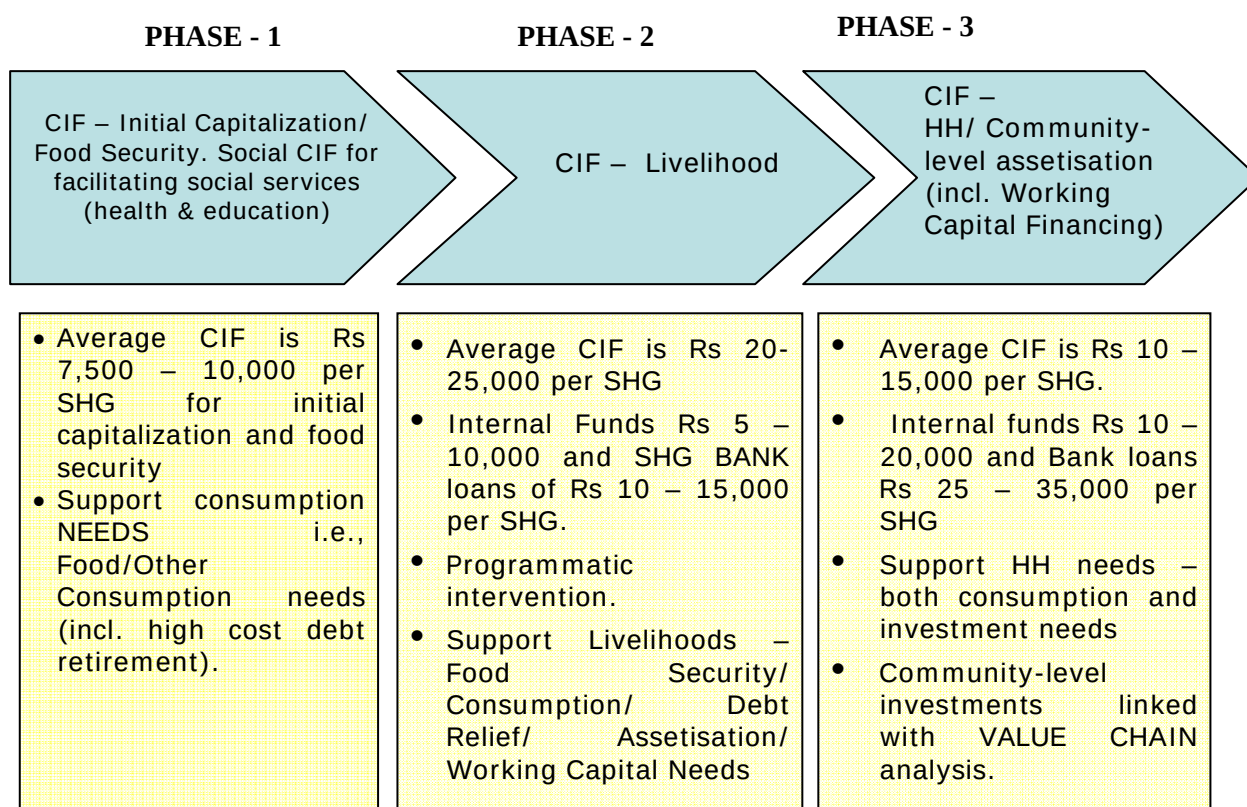
Sustainability Principle - Benefits of the micro plans have to be sustained. In other words, the micro plan is required to continue delivering benefits for long term even after support from BRLPS or any other external support is removed. Further, the benefits from micro plans are not to be gained at the expense of the environment or of future generations.

Loan to Community Principle - CIF will be given as grant to the Block Level Federation but will subsequently be disbursed as loan to the VO, SHG and SHG members who will then repay the same so that it can be rotated and reached out to most of the members.

CIF will be used by the community institutions to support the following activities:

- a. Initial capitalization or consumption smoothing (including food security) of CBOs
- b. Investments in livelihoods (incl. assetization and working capital needs) and skill building/re-tooling for jobs/employment sector.
- c. Fund social services such as health and education needs of the Community members.

Phasing-in CIF



- a. Initial Capitalization and Consumption Smoothing (incl. Food Security needs)** - This helps in developing group dynamics that would help in strengthening the group decision making process. Based on the pilot experience it has been experienced that initially the groups require funds to meet various consumption needs, including financing for food security needs. So the focus would be on meeting those needs. Similarly, it has been well documented that FOOD EXPENDITURE accounts for more than 50 – 60% of total household consumption expenditure particularly amongst the poor and the poorest of the poor. The project will support various innovations in addressing the Food Security needs of SHG members.

Why Food Security program?

Food insecurity, an inability to manage the risk of “potential” hunger and starvation, has been a major cause of indebtedness for the poorest of the poor and the poor in rural areas, particularly for agriculture wage laborers. It is estimated that food accounts for more than 60 percent of consumption expenditure of the poorest quintile and health expenses account for about 15 – 20 percent of consumption expenses. Hence, in order to address rural poverty it is important to tackle the major household risk i.e., food insecurity and in the process address the major cause of indebtedness.

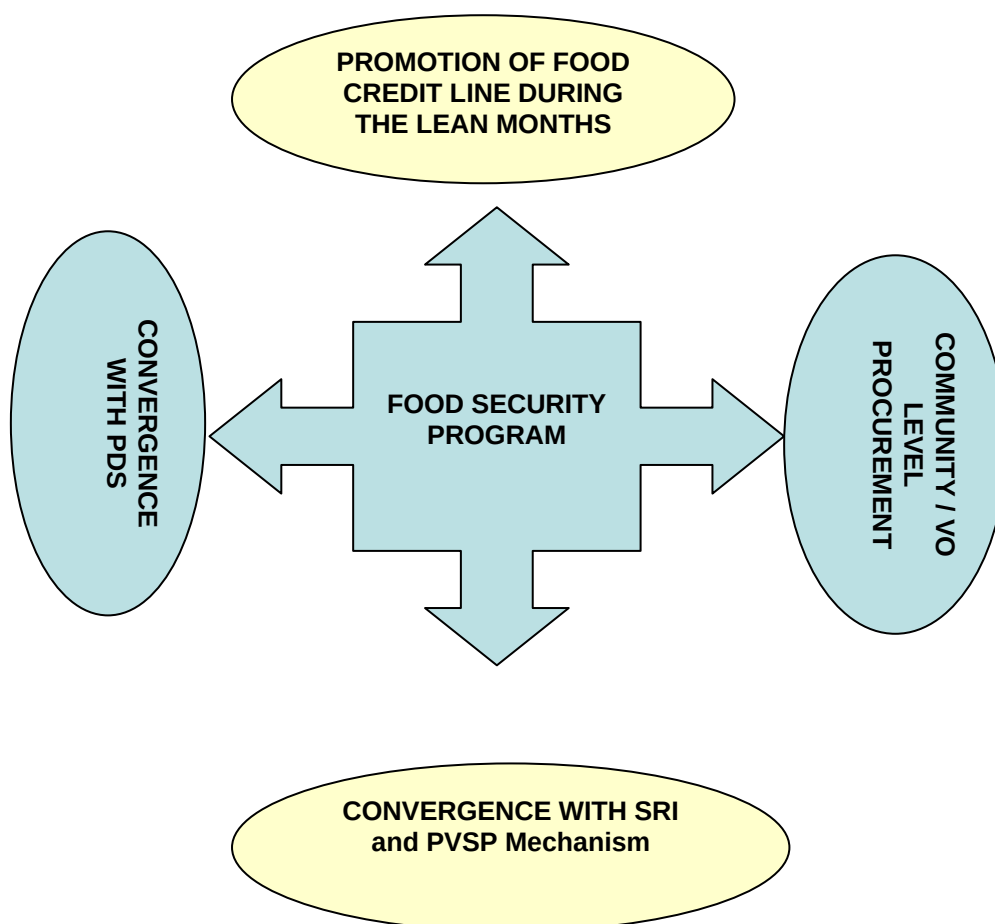
What is Food Security Program?

The Food Security is a community managed credit and food distribution mechanism, extended to the Self Help Groups, specifically to address the food requirement of the poor people in the communities.

The Food Security program is an innovative approach in that it helps in

- Consumption smoothening of the household expenditure on food, which accounts for more than 60 percent of total household expenditure
- Ensure food availability in the house even during lean seasons when wage opportunities are limited
- Leverages various sources of food grain supply i.e., PDS entitlements, open market purchase, and technology to increase local production i.e., the use of System of Rice Intensification and participatory varietal selection and promotion programme techniques.

What are the different Food Security models?



How to select among the various options?

Triggers and Readiness Filters	OPTIONS			
	HH or SHG Level Procurement	Community / VO level Procurement	Convergence with System of Rice Intensification (SRI)	Convergence with PDS
MCP – ATLEAST 20 SHG members in a VO request CIF for Food.	HH level decision. Need to be reflected in the MCP	YES	YES (in addition MoU with Technical Partner signed)	Can start anytime and is a function of Collective Action by SHG members.
6-months after VO formation		YES	Not Applicable	
Procurement Committee formed and trained		YES	Not Applicable	
ATLEAST ONE Social Action		YES (incl. accessing PDS entitlement)	Not Applicable	

B) Livelihoods and Assets consists of financing both farm and non-farm activities. This includes financing assetisation, working capital needs, and high-cost debt retirement needs at the household level. Similarly, the CIF could be used to finance community infrastructure like storage or warehouses, drying platforms, start-up cost related to milk collection centers; processing centers for value addition, common work-sheds for artisans and purchase of moveable infrastructures for marketing activities. The crux is that such infrastructures will result in increase in the productivity and subsequently income of members. There is also an opportunity for the VO/BLF to collect user charges from those who are using these facilities. The infrastructures shall be owned by the institutions of the CBOs i.e., the Village Organization / Producer Group or the Block level Federation/ Producer Company or Cooperative. The option to collect user charges need to be collectively decided by the community themselves.

C) Social Services and Social Development Activities from studies on social and poverty status and migration in Bihar, learning from pilot and field observation, it is evident that the poor suffer from an acute shortage of access to basic public health and education services and other public schemes. As a result, they incur high cost debt to smoothen consumption needs, especially with regard to health. According to a study by DFID, the current rate of migration in the state is 49%, leaving the families affected

at risk to HIV9F¹⁰. The objective of the social service fund is to (a) improve access to preventive and reproductive health care (b) provide opportunities for primary and secondary education (c) provide for social risk funds at the Village Organization for use by members to overcome debilitating risks, and (d) finance skill development, health, nutrition, gender activists appointed by the VO.

At least 10 percent of CIF will be earmarked to support the social services/ social development interventions. Money for social services could be transferred as a GRANT directly to the VO on submission of proposal to the SPMU. Appropriate format and proposal guidelines will be developed by the SPMU.

D) Service Sector could support activities like setting up livelihood enhancement and training centers with special focus on English language and computer skills and post-training placement services; establishing Migration Resource Center on a pilot basis in major city where migrant workers from Bihar are present in large numbers; and work on convergence with government departments such as rural development to leverage available resources and infrastructure. This could result in increasing employment and employability opportunity for educated rural youth from poor households or to improve the bargaining power of migrating youth through enhancement of market – based skills enhancement programs and certification through partnerships.

Outcome / Results of Component I

Entitlement and Income

- At least 75% of SHGs fulfill the graduation criteria and access the CIF for their prioritized investment activities,
- At least 50% of SHG members reduced debts from local money lenders, and invested in productive assets,
- At least 60% of the investments on livelihood's CIF are made on the productive assets generating sustained income.
- At least 50% of VOs and 75% of the CBLAF accessed CIF based upon the agreed performance criteria.
- At least 75% of trained youth in different sector disciplines are getting sustained income.
- At least 10,000 direct jobs created through project facilitations
- At least 10,000 migrant individuals from target households will earn higher wages through skill upgradation trainings.
- At least 40% of SHG members are covered under insurance (life, general and asset)

¹⁰ According to AVS out of a 100 people tested HIV positive in rural Gaya, up to 65% of the source were men seasonally migrating.

3.3 Component III : Special Technical Assistance and Development Funds

The objective of this component is to finance and/or provide technical support to external agencies which will partner with BRLPS promoted CBOs including SHGs, VOs, Block Level Federations, Producer Groups and Producer Company/ Cooperative/Federations to a) improve access to financial services; b) improve access to markets, particularly working on the supply side; and c) supporting innovations or innovative ideas in improving livelihoods or service delivery or quality of life or reducing risks.

The project will support in establishing

- A. Micro-finance investment and technical assistance facility (MITA)
- B. Livelihoods Business Development facility, and
- C. Bihar Innovations Fund

The technical assistance facility WILL NOT be active for the first 12 – months, i.e., unless until sufficient SHGs, and VOs have been formed and when there is graduation from consumption to income generating activities by the SHG members. However, technical assistance facility for SRI and PVSP may be initiated just after the 6 months of the main project in order to work on existing assets of the poor for larger goal of food security.

Microfinance Investment and Technical Assistance Facility (MITA)

The objective of MITA is to a) create enabling environment for investment in the microfinance sector; b) develop a ***co-production models*** with SHPIs/NGOs, MFIs, banks and insurance companies for increasing access to financial services for the poor; c) enhance capacity, quality and performance of partner microfinance structures^{10F11}; and d) adopt ***crowding-in*** strategy by pursuing alternate channels for delivery of financial services.

MITA will provide technical assistance to support on a) training and capacity building of Partner Financial Institutions including Commercial Banks, MFIs, and SHPIs (Self Help Promoting Institutions); b) sensitization and exposure visits for bankers and NGOs; c) new product development by MFIs and also other Financial Institutions; d) systems development such as MIS/ IT systems, Financial Management Systems; and e) support CREDIT RATING INITIATIVES by independent agencies which will assess SHPIs and NGOs/MFIs and even SHGs and VO's formed by BRLPS.

¹¹ Microfinance structures include SHGs, Federation of SHGs, MFIs and others.

Activities

List of activities that will be supported by MITA Fund are:

- *Building enabling environment*
 1. Facilitating consensual and simplified rating mechanisms for self help groups, village organizations, etc. engaging various stakeholders
 2. Assisting development of capacity building modules, training aids, common accounting and reporting systems that aid enhancing performance quality of microfinance structures
 3. Developing pool of microfinance experts and institutions for supporting capacity building initiatives and quality enhancement
- *Institutional partnerships*
 1. Supporting partner banks in setting up exclusive cells for microfinance and livelihoods finance
 2. Inducting new partner Self Help Promoting Institutions/Microfinance Institutions to take up add-on responsibility for provision of financial services in project areas
 3. Piloting new channels for reaching financial services (like business-facilitator, bank-correspondent, remittance facility, etc.)
- *Technical assistance*
 1. TA for training and capacity building initiatives in accounting, audit, reporting & MIS, financial management, product management etc.
 2. TA for improving lending technologies by incorporating credit scoring methodologies, etc.
 3. TA for new product development for savings, credit, insurance and remittance services for SHGs, SHG Federations, MFIs and banks
 4. TA for enabling NGOs/SHPIs/SHG Federations to graduate into MFIs
 5. *TA for enabling NGOs/SHPIs/SHG Federations source investments and bulk loans (assistance could cover institutional rating, professional assistance for developing business plans, due diligence, etc.)*

Outputs / Outcomes

- 50% of groups rated as 'A' category have accessed bank loans in excess of Rs.30,000
- Credit scoring methodology adapted for 25% of VOs
- 5 new partners inducted to promote additional microfinance activities of Rs.10 crore
- Piloting life and asset insurance products in 2 districts covering 40 percent of SHG members.
- Achieving Rs. 50 lakh of remittances routed through the pilot facility

Livelihood Business Development Facilities

Objectives

To enhance sectoral size and productivity growth in key livelihood sectors for employment generation of the poor in the project, by making investments in technical assistance, service provision and market support mechanisms.

Selection of Livelihood Activities

As part of the project preparation process a study of the livelihoods patterns and potential in the six chosen districts was commissioned to answer the following questions key to the design of the project. These were to identify key livelihood sectors in the six districts in which the poor can participate and benefit, the constraints, opportunities, value chains for the selected livelihood sectors, and the key interventions that need to be made by the project within these sectors to enable the poor to benefit.

The study has shown that over 80% of the rural poor depend on a basket of livelihoods that revolve around agriculture labour and subsistence animal husbandry. Dependence on agriculture is primarily based on share cropping or agricultural labour in paddy cultivation. Consequently, the lessons from the pilot projects have shown that credit for food security in lean months is a critical need of rural poor which leads to spiraling indebtedness to a variety of moneylenders. Keeping these learning's in view the project proposes to universalize food security within the project. To supplement food security indirectly it is proposed to raise the productivity of paddy, the universal food crop grown in every village of Bihar, through a system for rice intensification and participatory varieties selection and promotion programme. The second most common livelihood activity identified by the study is cattle rearing. For cattle rearing and dairying to be an income generating activity the study has identified integration of mobilized SHG and VO members to the successful institutional model identified by the study of the dairy cooperative (COMPFED) federation working in all the selected districts.

The study has identified a large number of specific farm and non-farm based livelihood activities being undertaken in each of the six districts and provided the strengths, weaknesses and opportunities in each sub-sector. A majority of the non-farm sector activities occur in smaller geographical clusters with specific caste based community groups employed in them. Based on the wider list provide by the study the following activities have been chosen for adoption in the project districts using the criteria of a) number of poor communities employed in the sector b) existence of service provider organizations with domain experience willing to partner the project c) value chain linkages feasible within the state.

Based partially on the study and partially on the learnings from the pilots the following sectors have been identified for intervention under this project

Activities / Services	District
Rice Intensification	All selected districts
Dairy	All selected districts
Participatory varieties selection and promotion programme	All selected districts
Honey	Muzaffarpur
Makhana	Madhubani, Purnea
Fishery	Madhubani, Purnea
Poultry	Gaya
Banana	Purnea
Incense Stick	Gaya
Madhubani Painting	Madhubani
Textile	Nalanda, Purnea, Muzaffarpur, Madhubani

Innovation Grant Fund

The objective of the innovation grant fund is to support innovations by individuals, enterprises, organizations and institutions in the public and private sector aimed at improving rural livelihoods which have been tested and need to be tested and have the potential for being scaled up in Bihar. This fund would support activities in four focus areas:

- (i) empowerment of the rural poor,
- (ii) promote income generation,
- (iii) create assets, and
- (iv) create jobs in the project areas.

The main criteria for the selection of innovations are:

- (i) they are aimed at providing rural livelihood support;
- (ii) have community acceptance and ownership;
- (iii) bring new ideas;
- (iv) have demonstrated measurable impacts;
- (v) have sustained themselves for sometime;
- (vi) have the potential of being scaled up;
- (vii) encouraged partnership and
- (viii) transferred knowledge to the communities.

Some innovations under consideration include development of agricultural commodity value chains, delivery of health services, use of computer education for creating skilled jobs, etc. Proposals eligible for funding would be selected through a screening process such as organizing Bihar Innovation Forum every year and an independent Innovation Fund Committee consisting of recognized and well-respected specialists in each of the focus areas.

The innovation fund would support activities in the areas such as empowerment, income generation, asset creation, job creation. In case of empowerment, the project would look forward to development of sustainable self-help groups, access to information and knowledge through the use of Information and Communication Technologies (ICT) and strengthening communication between communities and with policy

makers and other relevant institutions. In case of income generation, the project would look forward to improving production and marketing of vegetables, fruits, grains, lentils, edible oils in agriculture, improving production and marketing of livestock products, such as dairy, meat, eggs, etc. in livestock, improving production and marketing of fish and prawn in fishery, improving design, quality, and marketing of handicrafts, handloom, and art products of rural households in arts and crafts. In case of asset creation, the project would look forward to provision of credit to rural entrepreneurs to acquire assets and savings improvement. In case of service sector or job creation; skills development and employment generation programs will be looked at.

Criteria for Selection of Innovations

Every year, “Bihar Innovation Forum” will be organized innovatively and a showcasing workshop is a must. Thematic seminars and prototype presentation of the innovation and hence the best innovation will be judged by an expert evaluation committee formed by a panel of experts. This will be judged to scale up in the project districts through appropriate funding from the innovation grant fund. The following criteria will be followed to seek for an innovation is mentioned below;

- **Rural livelihoods support** : The innovation’s main objective should be to support rural livelihoods
- **Community acceptance**: The innovative project is owned by the community and/or has plans for transfer of complete ownership and management by the community
- **New ideas**: The innovation brought out new ideas from a variety of sources (both in-house and from outside) from concept to implementation, (i.e. new technology, process, use, etc.)
- **Measurable impacts** : The innovation has shown measurable improvements in outputs and impacts on the livelihoods of rural households and resulted in adoption of new ways of doing things on the ground
- **Sustainability**: The innovative features should have sustained themselves for sometime (time period to be defined by the type of innovation and thematic area), and have the potential of being replicated or expanded after the end of the project period, within the community or in other areas
- **Scalability**: The innovation should have the potential of being scaled up in the local area or could be easily adapted to another area
- **Partnership**: The innovation encouraged the formation of partnerships, which strengthen operational capabilities, improve technical competence and help achieve financial sustainability
- **Transfer of knowledge**: The innovation should have built in mechanisms to transfer knowledge or technical skills to other communities

3.4 Component IV - Project Management

The details of this component is given in Chapter 7 (HR and Training), Chapter 8 (Communication) and Chapter 12 (M&E)

CHAPTER 4

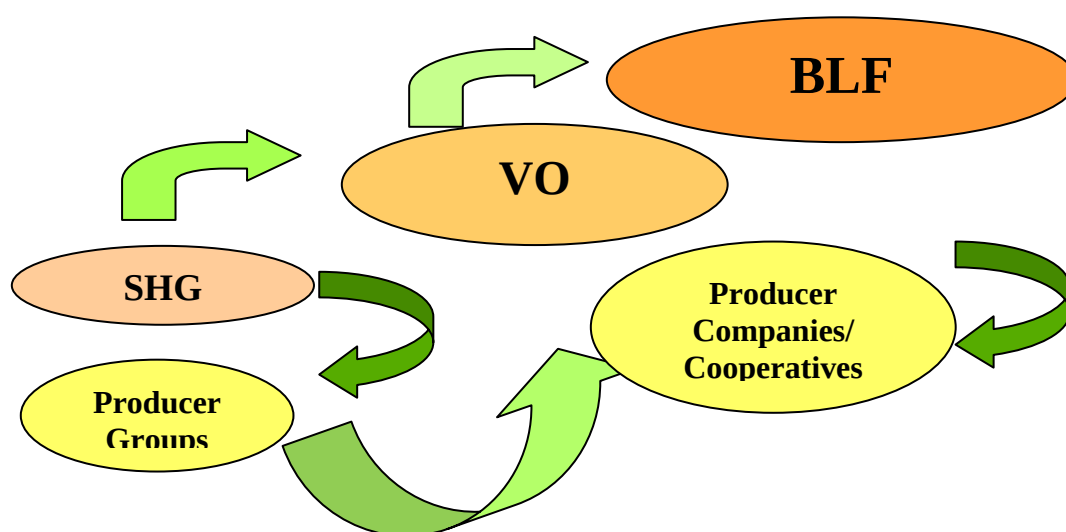
COMMUNITY INSTITUTIONAL ARRANGEMENT

The core of the project lies in the development of self managed institutions of the poor that builds social capital and leadership, financial sustainability through member based savings and leveraging credit/loan from financial institutions in order to augment their livelihoods. These institutions will also be able to access services and benefits provided by the modern market economy and social programmes of the government,

4.1 The Community Institutional Model

The project envisages a three tier institutional structure at the community level for carving out a path for empowerment of rural women drawn from poor households. The base structure is the Self Help Group comprising membership from the poorest and the poor community. The cluster of such SHGs at a village level will be federated as Village Organisation¹². These VOs would then get federated as a Block Level Federation. Aggregation as a strategy is important for creating the critical mass necessary to influence and bring about change in the lives of the poor in a sustainable manner.

The project will also promote activity based producer groups. The membership for this will emerge from the base structure of SHGs and VOs. They will get financial assistance and support from the base structures, while technical assistance from different service provider agencies.



¹² Village, hamlet and habitation based organisations

4.1.1 Self Help Groups (SHGs)

Group formation is also seen as crucial to the social empowerment process as women draw strength from their own collective. The group provides:

- (a) confidence and mutual support for women striving for social change;
- (b) a forum in which women can critically analyze their situations and devise collective strategies to overcome their difficulties;
- (c) a framework for awareness raising, confidence building, dissemination of information and delivery of services, and for developing communal self-reliance and collective action; and
- (d) a vehicle for the promotion of economic activities.

The project has adopted the Self Help Group (SHG) and its federation as an appropriate people's institution which provides poor women with the space and support necessary for enabling effective steps towards greater control of their lives at a personal and societal level. The essence of an SHG is that it lays the foundation for self-reliance through building up an institution which has the capacity to continue the development and empowerment processes for women in the future.

Member based savings and credit rotation is the initiation point for the activities of SHGs as it requires active participation and commitment of all members. It provides them with an opportunity to exercise control and participate in decision making. It also satisfies a short term needs for immediate credit (for consumption and emergency purposes,) leading later to the provision of credit for productive purposes, and removes them from exploitation at the hands of the moneylenders. The self-help group is seen as a dynamic institution, which builds on the resources and management skills of its members and their increasing confidence to become involved in issues and programs that directly affects their lives by giving them voice.

Some of the essential features of SHGs are:

- (a) **Ownership** of the group by the members. The group exists because the members see some value in it in helping them to solve their problems through their collective efforts. Ownership and control of the group belongs to the members and not to the promoting institution, be it an NGO or BRLPS or Government.
- (b) **Affinity** as the base for coming together. A sustainable, cohesive group needs a common underlying bond on which trust can be built. This may be caste, sub-caste, community, place of origin, occupation, etc. The facilitating agency (whether from the BRLPS, WDC, NGO, Bank or Government) must have the experience to be able to identify these natural groupings or affinity groups. It is, therefore, essential that the groups are formed naturally and by the will of the women themselves.

- (c) **Mutual help** as the foundation of the group's existence. The rationale for the existence of the group is mutual help and progress towards self-reliance and not the passive receipt of benefits.
- (d) Forum for **collective learning**. The groups provide a forum for collective learning which rural people find more "friendly", based on mutual respect/support, and which is consequently more effective than the individual approach that is commonly adopted.
- (e) **Forum for inter-agency dialogue and cooperation**. The groups provide a firm base for dialogue and cooperation in programs with other institutions like Government departments, cooperatives, financial and Panchayat institutions; if the groups are functioning well, they have the credibility and the power to ensure their participation in identifying, planning, budgeting and implementation of programs for the overall empowerment of women with a special focus on the poor.
- (f) **Cost-effective credit delivery mechanism**. The group provides a cost effective credit delivery system as the transactions costs of lending decrease sharply both to the banks and the borrowers. At the same time, individual members maintain control over the pace, timing size and schedules of loans and programs. The group also helps to build the individual member's management capacity to optimize returns.

4.1.2 Village Organization (VO)

The second tier of Community Institution is the Federation of SHGs at the village, hamlet or habitation level. They will be called the Village Organization (VO). Once the SHGs are consolidated in a village and reach a reasonable level of maturity, this tier will be initiated. The VO operates as a forum or voice of the poor in the village and raises resources required to take up the appropriate development interventions for their member SHGs. This is the forum where the Community Investment Fund (CIF) will be disbursed for further disbursement to the SHGs and its members. The VOs may also access bulk loans from MFIs/ banks to lend to its member SHGs. The VOs will aim at building linkages with line departments and other agencies to access their entitlements. The VOs, by virtue of their number and strength, will appoint their own para-professionals in the areas of health, livestock, education, marketing, social services etc.; The VO will have a General Body comprising of all the group members and an EC (Executive Committee) comprising 2 representatives from each member SHG. The VO will have 3 to 5 office bearers who will carryout the day-today functions and represent the VO in various forums/institutions. The VO will be encouraged and facilitated to have its EC meeting at least once in a month and the General Body meeting at least once in three months. The roles of VO as designed in the project are as follows:

- Providing technical assistance to SHG members
- Problem solving and conflict resolution in SHGs
- Review SHG performance
- Facilitate formation of SHGs of the remaining poor in the village

- Compile micro plans for the socio-economic development of its members
- Review micro plans for the social and economic development of SHGs
- Prepare Action Plan for the socio-economic development of its constituent area.
- Network and establish linkages with resource agencies for implementing the micro plans/investment plans and thus ensure the economic and social empowerment of poor households.
- Act as a platform for sharing experiences and concerns of SHG members

4.1.3 Block Level Federation

The apex institution of the three tier structure of community institutions is the 'Block Level Federation'. The Block Level Federation will emerge when the SHGs/ VOs have attained a critical strength both in terms of numbers and capacities. This is when the need for converging/ aggregating at a higher level will be required. The requirement will in terms of dialoguing with Government, Private Entrepreneurs, Banks, and MFIs etc. for supporting development both economic and social in their respective geographical area. The number of SHGs envisaged is around 44100 therefore the strategy of representative action and pressure will be useful. The membership for the BLF will emerge from the SHG-VO structure. Formation of BLF is not only for dialoguing with outside stakeholders but the BLF will also act as a monitor for internal processes and facilitating cross learning and cross fertilization of ideas within the client group. They will also act as a pressure group for erring VOs and SHGs.

- Facilitate provision of technical assistance to the VO and SHG members
- Problem solving and conflict resolution
- Review VO-SHG performance
- Review micro plans for the social and economic development of the VOs
- Prepare Action Plan for the socio-economic development of its constituent area.
- Network and be a confluence for convergence between CBOs initiated and the Government and other agencies in their geographical area benefiting the target poor.
- Act as a platform for sharing experiences and concerns of VO-SHGs

4.1.4 Livelihood Based Producer Groups

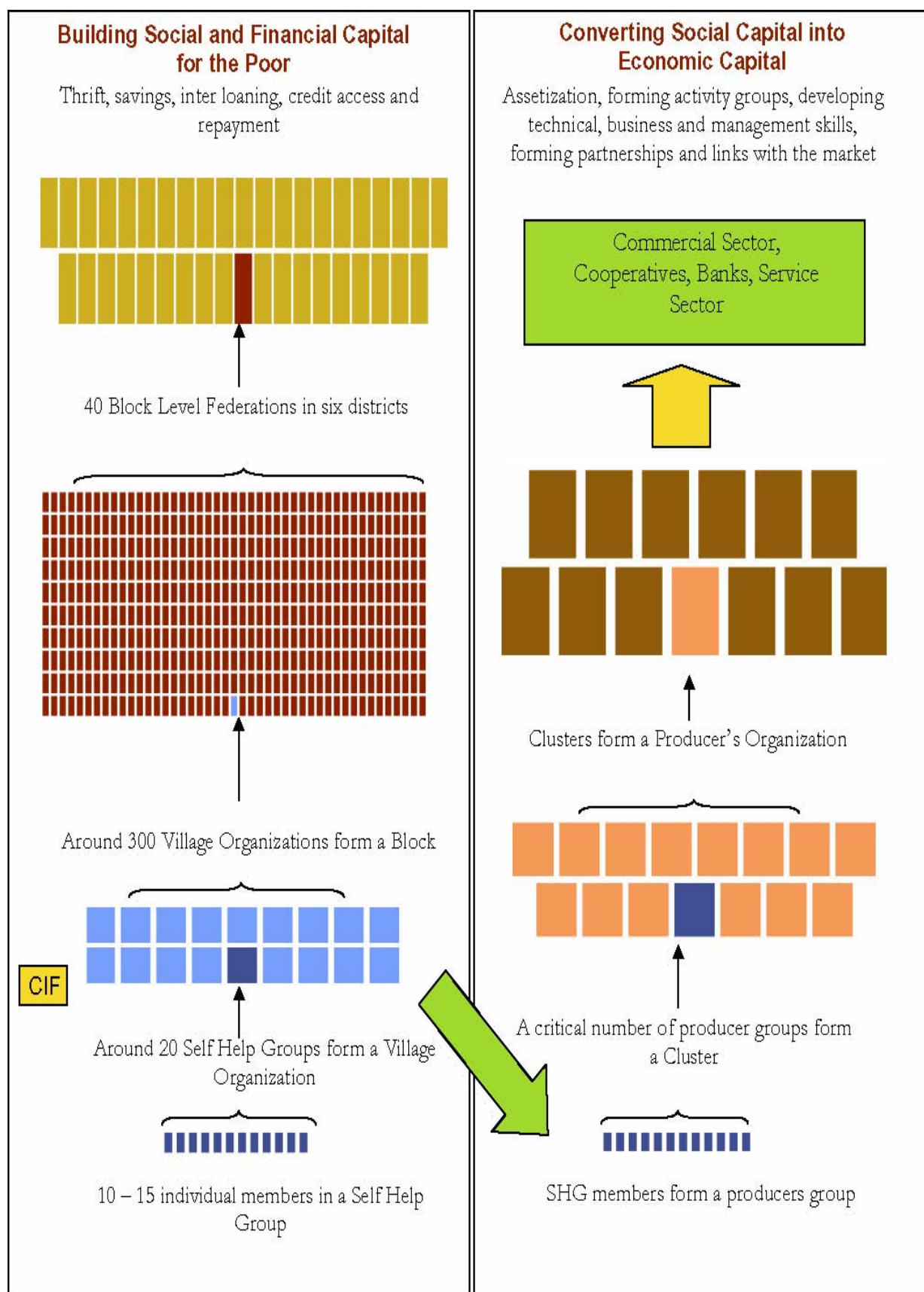
To promote sustainable livelihoods of the targeted poor, there is a need to initiate other institutions like producer organization or commodity cooperatives for each of the identified livelihood opportunities. Important commodities and livelihood interventions identified within the project in specific districts are Dairy, Agriculture, Incense Sticks, Jute, Makhana, Fisheries, Banana, Honey, etc.

The exact form and size of the Producer Groups will organically evolve to fit the needs of the specific members and the specific activity. Poor people have multiple livelihoods options. In a particular village 2-3 major livelihoods activity such as Agriculture, Livestock and Fishery etc. are taken up by the poor for their livelihoods. The common livelihoods activities of the SHG members will be identified and separate Producers' Groups will be formed. If required further sub groups within a producers' group may be formed. The Producer Groups formed will entail membership from one or more number of SHGs. This strategy is envisaged with the view of the strength in aggregation. The project would facilitate the formation of the Producers' Group and enable them to enter the market economy on equal terms by creating a level playing field. The Producers' Group will be trained to develop their own norms, how to aggregate their produce and also for collective purchase of the inputs required for a particular activity.

The main functions of the producers' group at the collective level will be:

1. Purchase or procurement of inputs for production
2. Local processing and storing of inputs and outputs
3. Marketing and selling of the produce

Collective approach will provide them the bargaining power with the large traders in the value chain of the livelihoods sectors / sub sectors / commodities. The project would develop appropriate package of practices, handhold the producer groups to adopt suitable practices through technical assistance.



The trade/ livelihood specific groups would cut across SHGs and will emerge as an identity outside the self-help groups. For example, groups taking up SRI or PVSP as agriculture group, aggarbati making group, vegetable, banana fibers group etc. will take up activities related to their specific trade. The formation of these groups will in no way replace the SHG-VO-BLF structure. Any member of the specific trade group shall first be the member of a base group i.e. SHG. The members of the specific trade group will access all financial services only from SHGs on an individual basis and will get technical support from livelihood institutions. Care should be taken not to destabilize the base groups or existing SHGs in promoting the specific trade groups.

4.1.5 Cadre of Para Professionals

A cadre of activists and para professionals including community activists, book keepers, community resource persons, skilled extension workers, para veterinarians, job resource persons, health activists will be developed by the project through investment in their knowledge and skills to provide services to and be accountable to the CBOs, and be paid by them over a period of time.

CHAPTER 5

CAPACITY BUILDING

This section deals with capacity building plan for community institutions promoted by JEEViKA and specific training programme to improve understanding as well as skills of block project staff which could facilitate operationalisation of institutional building process as envisioned. The project has focus on building strong institutions at the community level. Hence a structured learning and capacity building system will be required in the project. JEEViKA envisages the following broad capacity building activities need to be undertaken in the project.

5.1 Activities

- A. Preparing roster of resource persons at the state, district, block and village level for different areas of CB
- B. Designing modules for the different training programs with the COM being the base document and conducting training at field level for SHGs, VO, BLF and livelihood support institutions.
- C. Among the key modules developed and related capacity building programme conducted are:
 - Training for SHGs and federations, concepts of SHGs, VOs and BLFs; group processes and management, microfinance operations including fund management and book keeping, social issues, credit prioritization plan, and conflict resolution.
 - Additional training for members and leaders of SHGs, VOs and BLFs, and Para-professionals.
 - Specific training modules for BPIU staff based on COM

Other key activities that will be supported by the project under Institution Building component of the project would include:

(a) PRIs Sensitization

The objective of this activity is the sensitisation of Panchayati Raj Institutions especially at the Village Panchayat level in the implementation of Government of Bihar sponsored social protection programs like PDS, pensions, ICDS, NREGA and BREGA. This will help these programmes to effectively target and be more inclusive of the poor through strong monitoring by PRIs.

Following the October 2006 PRI election in the state wherein nearly 50% of the positions in the Gram Panchayats have been won by women, many from the target communities, there is a unique opportunity for the project to work with the PRIs.

The project will undertake the activities that involve sensitizing and building capacities of the Panchayat Raj Institutions (PRIs) to enable them to respond positively and this is essential to improve access of the poor to the social protection programs of the GoB. The project will also build the capacity of the poor and poorest in the CBOs to understand the various social protection programs, eligibility criteria and access them.

Activities

- A. **Sensitization/ Training** of “elected” PRI members: Develop a specialized training program including field visits to Other States where the PRI are working closely with CBOs resulting in better outcomes.
- B. **Communication** – with the SHG members and the elected officials in the PRI on the citizen rights and obligations.

(b) Strategic Communication

The main objective of strategic communication is to build awareness of the community for strengthening the community institution building process and its sustainability. This will involve information, education and communications support for all components of the project to be implemented at the field level. The awareness programs and campaigns will focus on issues affecting social and/or economic activities of interest to rural poor, for example, institution building, livelihood enhancement, children's' education, HIV/AIDS etc. Following activities will come under this section.

- A. **Creating awareness regarding livelihood options and approaches** – Transparent, participatory and accountable institution building process is the key for sustainability of the community institutions initiated. The communication strategy will meet the needs for building the foundation.
- B. **Training AC, CCs and CRPs** to introduce the issues of social and economic empowerment for discussion at the CBOs. The project would also enable the capturing and dissemination of experiences and learning at the CBOs based on these social and economic interventions.

5.2 Capacity Building Schedule for SHGs in the Project

Strong SHGs will be the base community institution on which success of the project is heavily dependent. Hence, it is planned that each of the SHGs will undergo specific training programme on group management aspects. For the purpose, a well structured schedule of training contents for SHGs will be designed in the project which will cover the following dimension.

Sl.	Module Suggested	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
1	Why there a need of SHG?							
2	Life cycle of the SHGs.							
3	SHG group meeting.							
4	Leadership.							
5	Conflicts resolution.							
6	Our groups, our norms.							
7	Self evaluation.							
8	Coping with externalities.							
9	Gender issues.							
10	Planning skills.							
11	Poverty analysis.							
12	How to link group with the Bank.							
13	Group saving procedures.							
14	Group lending norms.							
15	SHG and role of federation.							
16	Sustainability of SHGs.							
17	Risk management.							
18	Module on Community Investment Fund (CIF).							
19	Introducing the groups with Financial Institutions (FIs).							
20	Book keeping for members and bookkeepers.							

5.3 Contents of Capacity Building for the Community Institutions

At further higher level several training input will be required for SHGs, VO and BLF. This following table enumerates the content of such capacity building programme.

Level	Theme	Components	Targeted Group
	Micro credit plan	- Why Micro Credit Plan? - Importance of MCP. - SHG profile. - SHG member wise profile. - SHG member income & exp. - Micro Credit Plan. - MCP 1st phase (prioritisation plan). - MCP 2nd phase rotation method.	SHG members
	Village organization	- Need of VO formation. - Objectives of VO. - VO constitution process. - VO role & responsibilities. - VO and beyond.	SHG members
Cluster level	Bookkeeping	- Bookkeeping concept. - Need of bookkeeping & bookkeeper's role.	SHG bookkeepers/ CMs, SHG leaders
	Micro Credit Plan	- Importance of MCP. - SHG profile. - SHG member wise profile. - SHG member income & exp. - Micro Credit Plan. - MCP 1st phase (prioritisation plan). - MCP 2nd phase rotation method.	SHG members @ 3 selected members/ SHG
	Village organization	- Need of VO formation. - Objectives of VO. - Management norms. - VO meeting process. - Its role & responsibilities and activities.	VO executive committee members

Level	Theme	Components	Targeted Group
Block level	SHG concept & management	- Why SHG? - Life cycle of SHG. - Introduction to panch-sutra. - Norms in group formation. - Importance of regular meetings. - Leadership issue. - Conflict resolution. - Cohesiveness in group and its Importance.	Community Mobilisers
	Bookkeeping	- Bookkeeping concept. - Need of bookkeeping & bookkeeper role.	Community Mobilisers
	VO concept & management	- Need of VO formation. - Objectives of VO. - Management norms. - VO meeting process. - Its role & responsibilities. - Activities of VO.	Community Mobilisers

	Micro Credit Plan & Appraisal system	• Importance of MCP. • Is there any need of MCP? • Different forms of MCP- general and food security. • SHG profile. • SHG member wise profile. • SHG member income & exp. • Micro Credit Plan. • MCP 1st phase (prioritisation plan). • MCP 2nd phase rotation method. • Importance of appraisal. • Criteria of appraisal of MCP.	VO office bearers
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5.4 Contents of Capacity Building for the Community Institutions

The Community Operational Manual (COM) will be the key for implementing project activities at field level. All project staffs need to be trained and regularly updated about the process of project implementation as COM suggests. It is planned that COM will be converted into training modules too and specific training sessions, interface, seminars, workshop and exposures will be conducted for block programme staff. The Institution and Capacity Building team will take care of these requirements and make arrangements accordingly.

5.5 Implementation Arrangements for Capacity Building of Community Institutions.

The entire capacity building for community institutions will be led by the Capacity Building and Institution Building unit of the Project. A full time State Project Manager and Project Manager will be deputed and assigned responsibility to design, implement and coordinate capacity building events for community institutions. For the purpose, block unit will also have a specialist training officer who will be responsible for all necessary arrangement for capacity building programmes.

A Capacity Building and Training cell is also proposed. This cell will look after the large scale staff and community level training needs in a multi functional manner. At a later phase this cell may be spun off as an independent organization to look after the training needs of the state for rural development professionals. At block level absence of appropriate training infrastructure will be the major challenge. To address this Project will adopt two pronged strategy which includes building training infrastructure at block level wherever needed and to get existing suitable Government infrastructure. The involvement of external consultant agency will be key strategy for delivering large scale Capacity Building programme to the Community Institutions. Further,

- Capacity Building and Institution Building specialist at the State Unit will be the key nodal person for training to the community institutions. All strategic decision-making will be done at this level.

- Both at the state and block levels, the functional specialist and the resource organisation (s) together will develop the capacity building solutions based on the field assessment
- Training Needs Assessment will be undertaken periodically (say quarterly)
- The technical training could be outsourced to a panel of trainers or institutions with expertise on the subject.
- Annual needs assessment will also be conducted to include learnings and its implications in the PIP and COM.
- A Capacity Building and Training Cell will prepare modules and CB strategy. This cell will facilitate the block unit in extending capacity building programmes to community institutions.

5.6 Methodology for Capacity Building

The following methodology will be used for capacity building in the Project.

Development of Modules

Each capacity building events will be organized with an effective module corresponding to the absorbing capacity of the community members. This will be prepared in local language and should bear ample application of audio visual tools.

Learning by Doing

Every module will subject to further improvement by learning of previous organize events and feedback from the community.

Learning by Seeing

Various sites within the country and the state would be identified and arrangement will be made to send community members to see the best practices.

Empanelment of Resource Persons and Agencies

The project will identify external resource agencies and persons and empanelled them for delivering the capacity building component at block and state levels. A clear MoU will be drafted with any resource agency or individual is hired.

Handholding Support

This will be among major strategies of capacity building in the Project. Project staff and other resource persons/ teams/ agencies will constantly be counseled by regular handholding support by the Training and Capacity Building Cell to improve the effectiveness of programmes at community level.

CHAPTER 6

PROJECT IMPLEMENTATION ARRANGEMENTS

6.1 Bihar Rural Livelihood Promotion Society (BRLPS)

Government of Bihar is implementing JEEViKA Project through its Bihar Rural Livelihood Promotion Society (BRLPS). BRLPS was set up by the Government of Bihar as part of its strategy to address rural poverty through enhancing the livelihoods of the poor. BRLPS is an independent institution registered under the Bihar Society Registration Act 1860 in the year 2005.

The objectives of Society are articulated as:

- To enable pro poor policy environment.
- To contribute to the lives of rural poor across the state of Bihar through empowering and fostering strong self managed grassroots institutions and support investments by groups of poor.
- To bring convergence among various poverty reduction and empowerment project.
- To evolve strategies and approaches for the empowerment of poor through social mobilization and institution building.
- To build support as well as service structures providing social and technical guidance to poor in overall social and livelihood development.
- To undertake all relevant activities, including implementation of specific projects funded by Government, bilateral, multilateral and other funding agencies for elimination of poverty and livelihood enhancement of poor.
- To strengthen and form producer cooperatives/groups around key commodities, non-farm products as well services and expanding poor's participation in existing commodity cooperatives and producers groups.
- To organize an innovation forum for show casing and supporting various innovations as well experimentation with new ideas both for social service delivery and livelihood promotion.
- To promote microfinance institutions in order to deal with development of rural poor by way of providing financial assistance and obtaining commercial funding or by way of refinancing under the guidance of state level society with overall objective of developing microfinance sector in Bihar.
- To support village governance in becoming more responsive and effective in delivery of services and assisting rural poor especially the women.

- Establish models of participatory social and economic development of rural poor in conformity with entire objectives and prove their relevance, sustainability and suitability of replication.

6.2 Institutional Arrangement at State Level

At the state level, the **State Project Management Unit (SPMU)** has been formed and partially staffed with a team of dedicated development professionals from the market. The JEEViKA Project and the society will be headed by a **Chief Executive Officer** who will also be the Project Director of JEEViKA. Along with CEO, various functional specialists have been recruited as **State Project Managers and Project Managers**, to oversee and manage the various functions within the JEEViKA project. The CEO will also be assisted by an **Officer on Special Duty** (a senior employee of planning department of GoB) to foster linkages between the project and Government of Bihar..

The structure of the organization is based on a model where the core functions within the project of mobilization of communities into SHGs, VOs and Federations will be implemented in house and certain other functions which will emerge or in which there is already domain experience within Bihar, the project will use an outsourcing partnership model.

Three organizational innovations are being made for management of the project at the state level, keeping in view the institutional dimension of implementing a project in Bihar, which has low institutional capacity.

First, a **Training and Capacity Building Cell** is being formed which will look after the large scale staff and community level training needs in a multi functional manner. At a later phase this cell may be spun off as an independent organization to look after the training needs of the state for rural development professionals.

Second, a **Business Facilitation Cell** is being formed to promote livelihoods through various kinds of partnerships that would allow for sector based technical assistance, marketing tie ups, and subsector based turnkey partnerships for specific commodities and products. The cell would continuously endeavor to introduce innovations in livelihoods into the project.

Third, a **Partnership Cell** is being formed which look at partnering civil society institutions who will be stakeholders in specific field locations. The cell will promote partnership and assist such NGOs in their capacity building with a package of services for upgrading their SHG and Federation group quality.

The financial function of the society and project will be managed by a full time **Chief Financial Officer**, who will be responsible for both the fiduciary governance of the project funds as well as introduction of best business processes to ensure timeliness of funds flow to the field based community organizations. He will be assisted by a full time **Finance**

Officer deputed by GoB, a **Procurement Specialist** and an experienced and reputed **Financial Management and Technical Support Consultant (FMTSC)**.

The State Project Management Unit will proactively work for designing policy, planning intervention and frame operational strategies for the project. Besides this, project structure will work for the following.

- Fostering collaboration with external agencies, Government departments and other stakeholders through continuous interface, meaningful linkages and purposeful dialogues.
- Setting up team within organization and build their capacity for effective functioning.
- Design and operationalise Project Management System including Program Monitoring System, Financial Discipline, Human Resource Management and Administrative Control within the Project.
- Lobbying and policy advocacy on pro poor issues and coordinating with relevant Government as well line department for pursuing the same.
- Constituting advisory group as and when required, conduct periodic project review, design as well operationalise communication policy across the Project, disseminate learning on various platform, prepare relevant documents and progress reports and enabling favorable environment for convergence in the project.
- Managing grants and other finance through appropriate financial management system and monitoring arrangement within organization.
- Developing training designs, relevant materials and conduct required training, exposure, workshop, experience sharing events, cross learning events.
- Institutionalize learning system within the organisation.
- Design scope of work to partner with service provider agencies and coordinate work with them
- Identify and initiate knowledge gap studies, special studies on emerging issues and draw its implications for improvement of quality of the project.
- Have overall responsibility and authority to decide the ways for implementation of the Project under the guidance of Executive Committee.

6.3 Institutional Arrangement at District Level

District Project Coordination Unit

It is proposed that six district units of the Project will be established in the name of **District Project Coordination Unit (DPCU)**. These units will be operational at district headquarters in Gaya, Madhubani, Nalanda, Muzaffarpur, Purnea and Khagaria. A **District Project Coordinator** will be **the full functional head of DPCU**.

The DPCU will be responsible for coordinating, implementing and managing project activities across the district (as per overall activity plan spread over different time phases). Along with this, the district unit of the project will be responsible for following activities.

- Preparing annual work plan of project activities and ensure its timely accomplishment of the same.
- Ensure operationalisation of all financial, administrative and HRD guidelines at district level.
- Conducting periodic reviews of project progress and be disciplined in communicating report to SPMU and District Administration as and when required.
- Conducting capacity building programmes as well other related activities for district and block level staff.
- Establishing strong linkages with district Government offices, line development departments, district resource agencies and eminent public representatives for garnering required support for success of the project.
- Monitoring and supervising Community Investment Fund routed to poor through BLF/VO or by Block unit of project.
- Documenting learning of the project and disseminating the same on all relevant platform and with SPMU as well district administration.
- Extending handholding to block staff as and when required, facilitating block team for building team there and also being responsible for furnishing MIS information to SPMU on time.

Initially, in the first two years of the project, the DPCU will be a lean and flexible structure, as the pattern of programme expansion in specific themes and specific districts will be dependent on a variety of factors. In the first year it is proposed that District coordinator and a functional specialist will be appointed. More focus will be given to strengthen the block and village level structure where actual interactions with the community take place. Depending on progress horizontally across villages and livelihood thematic areas, specialist staff will be introduced into the district team. It is envisaged that the nearest block office to the district headquarter will be the office for DPCU.

6.4 Institutional Arrangement at Block Level

At block level, the Project will position a **Block Project Implementation Unit (BPIU)**. This is a key unit of the project whose quality and effectiveness will determine how effectively the Project rolls out in the field in partnership with the village communities. Altogether 42 (total no of block in all six project districts) such units will be created during the Project period. This

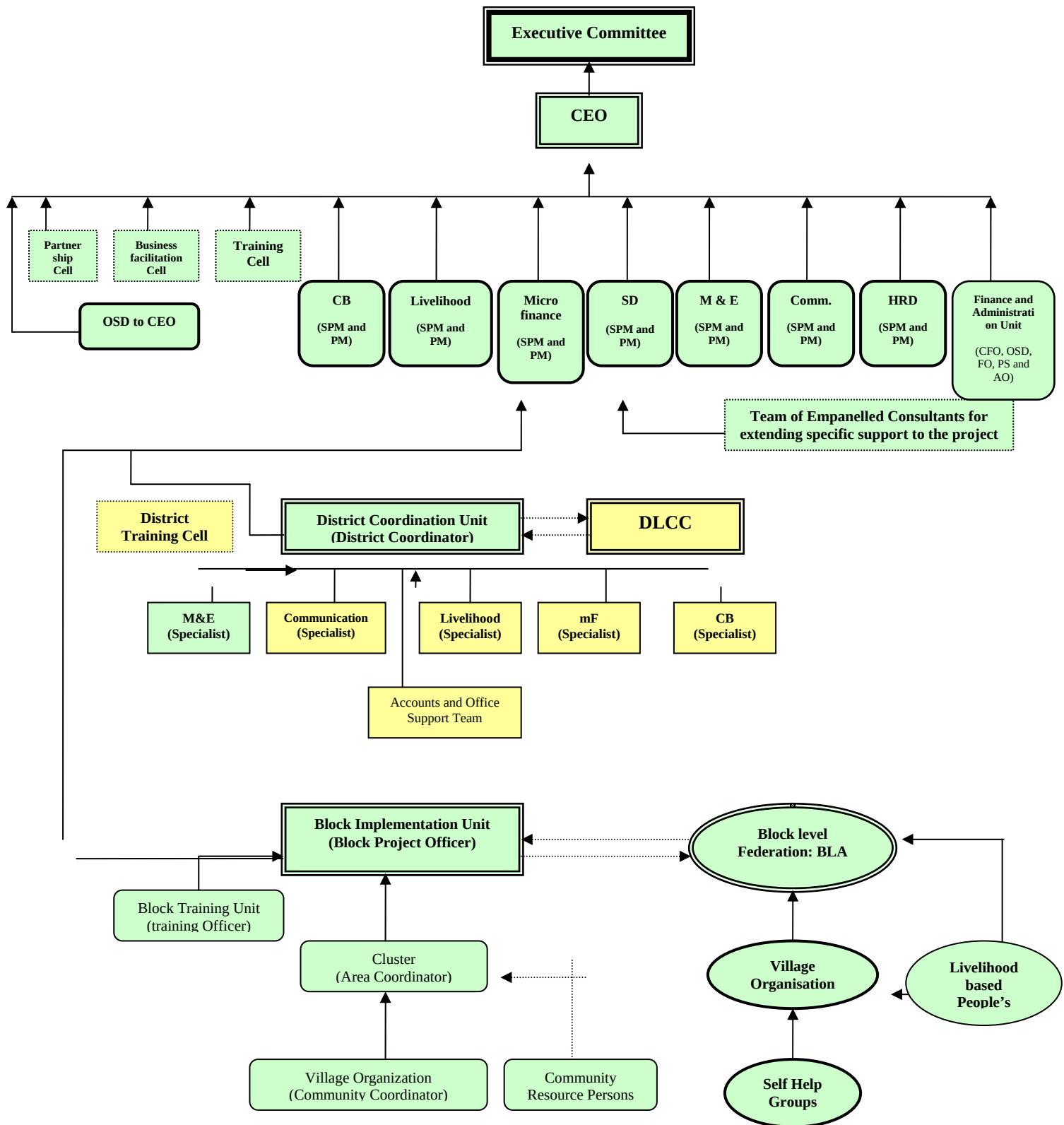
will correspond to the block coverage plan spread into two phases. The **Block Project Manager** will be the functional head of this unit. S/he will be supported by **Area Coordinators, Community Coordinator** and a minimum number of administrative staff.

In the interim period, the BPIU will responsible for

- Functioning as capacity building unit for community institutions.
- Organizing target community into SHGs and commodity producers' groups and then into village organization.
- Building capacity of SHGs, commodity producers' groups and village organizations.
- Conducting interface between the banking system and community groups and facilitate bank linkages.
- Helping community institution in preparing micro credit plan, getting their approval and ensure implementation.
- Helping community institutions in developing linkages with financial institutions, service provider agencies and line development departments.
- Facilitate community institutions to develop forward and backward linkages for livelihood activities.
- Conducting regular interface among BPIU, BLF, Banking System, Block Government officials and Panchayat representative.
- Monitor channeling of CIF to SHGs/VOs/BLF commodity producers' group.
- Furnishing information through MIS and submitting progress report to DPCU and SPMU.

A core organization strategy outside the above formal structure is to create a large cadre of **Community Resource Persons and Community Mobiliser** who will be act as resource persons for mobilization of community into SHGs and VOs.

6.5 Overall Project Structure



CHAPTER 7

HUMAN RESOURCE DEVELOPMENT AND TRAINING

JEEViKA aims at a comprehensive Human Resource Development policy. The Project will operationalise an HR policy which could ensure.

- Shared vision among the Project staff.
- Equal opportunity for all staff to display performances and avail prescribed benefits as well recognition for their services Learning environments where all staff have opportunity to improves his/her understanding on associated functions and upgrade skill for related output delivery.
- Standard rate of staff retention in the Project.
- Accountability towards the Project and Community.
- Healthy professional relationship among staffs.

7.1. Strategies for Human Resource Development in the Project

To ensure the results as described above, the HR policy of JEEViKA will include the following strategies:

- Team building and Shared Vision in the Project.
- Developing Learning System.
- Operationalising Gender Action Plan in Project Management.
- Provision of Competitive Remuneration, Benefits and Security package for the staff.
- Staff Capacity Building Plan.
- Institutionalising System for Services, conduct and discipline in the Project.
- Performance appraisal of the Staff.
- Grievance Redressal of Staff.
- Clear Job Responsibility of Staff.

7.2 Team Building

JEEViKA intends to build a team of best available human resources in development sector. Hence, it becomes imperative to design recruitment process in a professional way and offer competitive working conditions and remuneration package.

7.2.1 Recruitment of Staff

Recruitment process in BRLPS will focus on selecting competent individuals who have people centered attitude reflecting out of their approach, belief in working for advancement of poor, ability to perform in team and commitment towards his/her job. To get the suitable individuals

on board, selection process will hold all possible selection strategies in practice which may include selection by advertisement, campus recruitment, outsourcing specific jobs, head hunting and single sourced appointment (in special cases). The team will be formed with right blend of local and outside professionals. For state and district level position, application will be sought at national level whereas block implementation unit of the Project will rely mainly on local aspirants keen to work with poor and disadvantaged. Individuals having relevant experiences and skill will have preference in selection. The Project will recruit as many women as possible. The recruitment process will test not only the knowledge and skill but also the aptitude and approach what an individual has. The Project will aim to recruit majority of its staff from open market and contract them for minimum 3 years. To improve quality recruitment of staff services of specialized external agency will also be sought.

The recruitment process of BRLP will comply with Bihar Government roster of employment as and where necessary.

7.2.2 Shared Vision in the Project

The project will be driven towards direction only if project vision is shared among the staff. Therefore, HR system in Jeevika will ensure uniform translation of policy into action across the Project. This will require the following action:

- Well designed induction and its follow ups.
- Regular counseling to staff.
- Timely resolution of conflicts.
- Applications of user friendly communication tools.
- Applications of commonly understood medium of communication in the Project.
- Regular interface among Project staff.
- Fair representation of field staff in policy decision.
- Organising structured training, exposures, workshops and other learning events.

The outcome indicators of the above stated action will be

- All Project staff has respect for disadvantaged, poor and women.
- Leading by examples is in practice within the Project.
- Democratic functioning keeps high motivation in the Project.
- Staff accomplishing their task with sincerity, integrity and truthfulness.

7.2.3 Staff Induction

The Project will need induction programme for all new staffs recruited in BRLPS. This induction process will aim to clear strategic positioning of staff in the Project and make them understood about their responsibility. The induction period will last for a month from the date of joining of a new

staff. The duration may vary from one level to other ones. The induction programme will include following topics:

- Information about society, Project, its value system and partners.
- The context in which the Project is designed.
- Understanding functioning of the Project structure.
- Update of the project, its achievement and plan for the future.
- Information about HR policy, service rules and administrative, financial and procurement guidelines.
- Develop understanding about target community of the Project through residential village immersion programme.
- 7-15 days Exposure of similar Project outside the state.

7.2.4 Staff Contract Policy

All programme staff will be recruited from the open market and they will be contracted for a specified period. The contract will be designed to keep the employee vigilant towards his/her professional commitments and ethics and also enable employer to offer best working condition to the employee. The tenure of any initial contract for different level of staff will be as follows

SI	Staff Categories	Status	Initial Contract	Renewal of Contract
1	CEO	Appointed by GoB	As per Government Order	
2	Addl CEO	Hired from Open Market	For three years	For three years
3	Programme Staff	Hired from Market	For three years	For three years
	Administrative/Finance Staff on Deputation	Appointed by GoB	As per Government Order	
4	Administrative Support Staff	Hired from local market	For two years	For three years
5	Finance Support Staff	Hired from local Market	For two years	For three years
6	Consultant	Hired from open market	Performance based	
6	Wage Employee	Outsourced from service provider agency	Performance based	

The condition of renewal as well termination of contract will explicitly be mentioned in all contract. The non-performance of duties, not adhering to organizational discipline and any involvement of indecent or illicit behavior will lead to the termination of the contract. All kinds of termination (except death and fraud cases) will bear one month notice from either side or deposit of salary equal to of one month.

7.3. Developing Learning System

Continuous learning is the strongest way to feed motivation among staff and improve quality of deliverables by them. The learning system in the Project will include the following:

- Promotion of cross learning within organization through periodic staff meeting at all level, encouraging discussions on project issues, writing case studies on best practices and sharing the same across the project, documenting field based learning and disseminate it continuously to the policy makers of the project and use of commonly understood language in all internal communication. Rotating staff from one block to another or one district to another will help sharing of knowledge resource in the project. The responsibility matrix of all the staff will be prepared in such a ways that one could take care of other than what his/her functional expertise is.
- Cross learning from other programme/project will help in comparing project success with others. This will create opportunities for adopting best practices. project staff will be allowed to go for exposure of similar project or programme running at national or international level. They will also be encouraged attending relevant workshops, seminars and discussions.
- Education inputs to the project staff will improve their knowledge and bring depth in thinking process. This will be facilitated through a library in the project, subscribing leading development journals and arranging guest lectures by experts as well practitioners on contemporary development issues.
- Review process at all level of project will be institutionalized.
- Regular counseling of project staff will be very important to charge motivation and gain out of mistakes. project staff being supervisor to the others will have responsibility to mentor subordinate and provide counseling both on personal and professional front when required.
- An annual retreat will be very useful for reducing distance among project staff and knowing each other personally. Such event will give a sense to staff that the project is a flat organization than of any other Government initiated project. The annual retreat will be designed to learn what is happening in the project and give chance to the deserving ones to be recognized for their best work. The annual retreat could be made more meaningful if it is used for annual planning of the project activities and conducting final stage of the performance appraisal.
- Inviting management trainees (from both national and international institutions, colleges and universities) will help project to have external academic perspective on its work. Students from management institutes will be allowed to conduct their dissertation or occasional studies to feed learning into the project.

7.4. Gender Action Plan

The project will aim at empowering poor women through promotion of primary institutions and graduate them into self managed federations. This will require specific strategies in the Project focusing adequate representation of women in policy design as well implementation of the Project. To comply with this, a gender action plan for the Project is proposed as follows.

The objectives of this Gender Action Plan will be:

- Enabling environment for women to participate in decision making process across the Project.
- Building capacity of staff to understand gender issues in the Project and ensure application of the same.
- To address gender specific needs, provide amenities accordingly and encourage fearless working environment for women in the Project

To achieve objectives following strategies may be required in the Project.

- **Gender sensitization and competency building of all staff**

A two-pronged approach can be adopted for gender sensitization and competency building. The first may be to conduct gender-specific training programmes for staff at all levels. The second aspect would be to weave in gender issues into non-gender specific training programmes (for example, on project management). The gender specific training, again, can be divided into two categories: gender sensitization programmes which will be more or less common to all staff, and gender competency building programmes that will vary with job functions of staff. Field-staff, for example, may require training on gender issues in community mobilization and participatory planning whereas PMs, District Coordinators and BPM may need to learn how to analyze field data from a gender lens and conduct monitoring accordingly.

- **Gender sensitized organizational Governance and staffing**

The Project will ensure fair representation of women at all levels of staff. Therefore all recruitment in the Project will clearly spell that best suitable women candidate have preference. Efforts may be made to follow the model of Bihar Government for recruiting 50% of women in service. Relevant relaxation in selection criterion may be introduced in recruitment process of the Project.

The Project will make provision to recruit women on posts traditionally not occupied by them (like finance, livelihood, and monitoring). Similarly, men will be encouraged to work on posts considered as women's domain, such as secretarial assistance and Social Development.

At field level special attention will be given to recruit suitable women candidate for the post of Area Coordinator and Community Coordinator. To maintain uniformity, recruitment of minimum one Area Coordinator out of three and five Community Coordinator out of nine in a single Block will be considered.

- **Gender focused HRD system**

Gender related responsibilities will be integrated into job descriptions of all project staff. Gender concerns will be included in the code of ethics for staff, so that staff set an example through their behaviour (for example, not making discriminatory remarks about women, not indulge in any form of sexual harassment of women, adhering to laws concerning adultery and polygamy). Gender indicators will be included in the staff's performance evaluation. Provisions of strict disciplinary action will be made and enforced against cases of sexual harassment in the Project.

- **Gender focused communication in the Project**

Special attention will be given while use of language all inside as well outside communication by the Project. Placing of women's name first, frequent discussion of gender related issues and addressing women with polite language will be some features in the Project.

The logo of the Project, all symbols being used, all examples being quoted through any form of communication, any depiction about event, illustration, photograph, sketches, posters etc. should be gender sensitive all across the Project.

Staff working for the Project should undergo an induction on respecting behaviour with women colleagues, community members and representatives of partnering agencies. Sensitization about poor, in particular women, will be incorporated in all capacity building programmes in the Project.

7.5. Staff Training

Capacity building programmes for BRLPS staff will strategically focus on following aspects

- Knowledge building
- Skill enhancement
- Attitudinal and Behavioural shift

Enhancing the capacity of the project staff is critical for improving their understanding of poverty, needs of the poor, institution development and livelihood enhancement so that they can support the CBOs. This will be done through various methods and tools including Trainings, Workshops, Exposure visits/Cross visits, Experience sharing, and Self- learning. The training of BRLPS staff will involve a mechanism of identifying training needs of staff on regular basis and organize training and learning events. The training programme will adequately pool expertise and knowledge from external resource institutions working in Bihar and at national level. A tentative list of such institutions may include SERP - Hyderabad, DPIIP – MP, PRADAN, Dhan Foundation - Madurai, Samarthan – Bhopal, Sahbhagi Sikshan Kendra – Lucknow, BASIX – Hyderabad, IIMs, IRMA, TISS, XISS etc.

The State Project Manager – HRD along with PM – HRD will form the HR unit in the project and be responsible for organising training programmes for the Project staff as and when needed.

7.5.1 Contents of Training Programme for the Project Staff

Broadly the following training contents and schedule is projected for the Project staff in the Project which may be added further as and when needs assessed and conditions appears.

Training Programme	When will be organised	For Whom	Training Contents	Methodology
Staff Induction Programme	It is planned that most of the staffs will be recruited in the 6-12 months of the project. Hence, induction programme will be organized soon after the major staff strength is on board.	All project staff.	About organization, Project Understanding, Project Processes and clarity of role.	This will be a mix of in-house training and exposure to successful livelihood project both inside and outside Bihar. External agency will be hired for designing induction programme as well conducting training and for hosting exposure.
Training programme of Project Management	1 st and 3 rd year.	SPMs, PMs, DPCs and BPMs.	Project Management concept, Processes, management tools and its applications.	This training programme may be organized by - Hiring a national level resource training institution and get project staff trained with customized design of the programme. - Allowing officers to participate in MDPs being offered by national level institutions.
Training on standard office practices and computer usage	1 st year of the project and ongoing.	All project support staff both administrative and finance (State and Block Level).	Standard office processes and use of computer in management of office.	A comprehensive training package will be designed by Project itself and will feature as ongoing (on the job training programme) event conducted mostly by the internal human resources.
Training on effective communication methods	1 st year.	Selected Block Staffs, District staff and PMs.	Understanding basics of communication, behaviour of different stakeholders and way of communicating to them.	External agency will be hired and given task to organize training for staffs working at different levels of the project.
Training on procurement norms, administrative process and financial discipline	1 st year of the project and ongoing.	All project staff.	Understanding administrative norms, financial discipline and procurement processes in the Project.	A comprehensive training package will be designed by Project itself and will feature as ongoing (on the job training programme) event conducted mostly by the internal human resources.

Training Programme	When will be organized	For Whom	Training Contents	Methodology
Training on Trainers	1 st and 3 rd year of the project.	All Project Staff	Developing skill of imparting training to community members as well project staff.	Hiring a national level resource training institution and get project staff trained with customized design of the programme
Training on MIS	1 st and 3 rd year of the project.	For all Project Staff	The MIS component, system application and reporting methods.	The agency hired for developing MIS system for the Project will conduct this training programme.
Training on maintaining microfinance business standards and understanding its tool	1 st and 3 rd year.	Selected staff from state, district and block level	Understanding business standards of microfinance programme and knowing ways as well tools to apply this into the project.	External agency will be hired and given task to organize training for staffs
Training on Partnership Management for Livelihood Business Development	2 nd and 4 th year.	Selected staff from state, district and block level	Developing understanding of management aspect while entering into partnership with livelihood service provider agencies and knowing ways to handle it.	External agency will be hired and given task to organize training for staffs
Training on understanding self and organizational behaviour	2 nd and 4 th year.	Selected staff from state, district and block level	A training for realizing oneself, visioning by him/her and setting targets as well developing attitude to correspond the demand of the organization.	External agency will be hired and given task to organize training for staffs working
Training on Gender Concept	2 nd and 4 th year.	Selected staff from state, district and block level	Understanding application of Gender in the project, developing sincere concern over the matter and improve attitude to support Gender equity in the project.	External agency will be hired and given task to organize training for staffs.
Training on Negotiation Skill and Conflict Management of CBOs	2 nd and 4 th year of the project.	For All Block and District Level Staff	Understanding reasons of conflict, tools for its resolution, its contextual applicability and improving negotiation skills to deal with community demand	This will be conducted in two ways • Hiring a national level resource training institution and get project staff trained with customized design of the programme • Allowing Project staff to participate in relevant workshops and other learning events

Training Programme	When will be organized	For Whom	Training Contents	Methodology
Thematic Workshops	2 nd year of the Project.	For representative staffs from all project levels	Thematic workshops and seminars within project on Partnership Management, Development of Livelihood Based Business Linkages, Convergence with Government Programme, Interface with Bankers, Gender Concern, Food Security, Social Security to the Vulnerable, Youth Employment.	In house workshop facilitating Project staff to increase understanding of Project components and its implementation processes.
Exposure Visit	Ongoing (as and when need arises)	For all project staff	-	-
External Seminars and Workshops	Ongoing (as and when need arises)	For all project staff	-	-
Annual Retreat	Annually	For all project staff	Annual review, future plan and final round of performance appraisal.	-

7.5.2 Training Programme for the Project Partners and Stakeholders

Key workshops on introduction to the project and its approach for a large set of stakeholders at the state, district, block and panchayat levels; and sensitization workshop targeting bankers and financial institutions, public sector, civil society, NGOs, etc. This will be the key to improve the understanding of partnering agency and other stakeholders and ensure cooperation and support as desired. The State HRD unit along with Training and Capacity Building Cell and Capacity Building unit will plan and implement required training programmes. The broad contents of training programmes to project partnering agency and other stakeholders of the Project are outlined below.

S. No.	Stakeholder / Partnering Agency	Contents
1	Line departments, Bankers, other PRIs, NGOs, Agencies- State, District and Block level.	• About the Project. • Understanding Poverty & Development. • Institutional Building. • Livelihoods. • Convergence and leverage approaches.
2	Advisory groups, Govt. representatives, DMs, PRI members.	• About the project.
3	Service Providers Agencies.	• Understanding Poverty & Development. • Institutional Building. • Micro finance and Micro insurance. • Livelihoods. • Specific functional knowledge and skills (like Bookkeeper – Accounts/bookkeeping).
4	Trainers – External Resource Persons.	• About the Project. • Understanding Poverty & Development. • Institutional Building. • Micro finance and Micro insurance. • Livelihoods and livelihood skills. • Participatory planning, processes and research. • Individual Development. • Specific functional knowledge and skills.

7.6. Compensation Package to the Project Staff¹³

7.6.1 Salary and allowances

The structure of salary and allowance to the project staff will be:

- Basic Salary
- HRA
- Employer and Employee's Contribution to PF.
- Other Allowances – Medical, Child Education, Conveyance, Communication, Annual Home Travel Dispensation, CCA etc.
- Group Life Insurance and Medical Insurance Cover.¹⁴
- Monthly Field and Communication Allowance to staff stationed in village. Further provision of incentive will be made for being placed in interior blocks or village.
- Other provision viz. allowance to meet settlement expenses of newly joined outside employee in form of reimbursement of hotel expenses at the place of posting for maximum 15 days. This will be in addition to the consolidated salary package.

The two/three tier scale of salary for different positions will be made for negotiation between BRLPS and the employee. The following assumptions would be considered for deciding scale of the employee.

- Degree of ability to perform task.
- Relevant expertise with the employee.
- Work experience.

All contracted staff upon successful completion of one year in the Project will be eligible for annual increment ranging from 5-15% of total remuneration. A slide increment of 5% will be provided to all staff to meet the increased cost of living. This will be in lieu of dearness allowance, which does not form a part of remuneration package. The remaining 10% increment will be based on the performance review¹⁵ of the staff. The performance review of the staff will be based on qualitative and quantitative work output of the staff.

¹³ Subject to the approval of the Executive Committee - BRLPS

¹⁴ The detailed provision for this will be chalked out in the final document/HR Manual.

¹⁵ The Project is in process of developing performance review/appraisal system.

7.6.2 Entitlements

The project staff will be entitled to get reimbursed of their travel, fooding, lodging and other incidental expenses while executing their project tasks. The provision of reimbursement will be made as per the prescribed rate. The rate prescribed will be revised from time to time as per requirement.

Further, the project will be following office working hours as accepted by the Government of Bihar. The holidays will be observed as declared by the Government. Besides provision of casual and earned leave for the staff, appropriate provision will be made for maternity as well paternity leave and sabbatical for studies/research to the project staff. The detailed provisions in this regards, will be institutionalized in the HR manual of the project.

7.6.3 Others

The HR manual of the Project will have clear provisions for deputation as well outsourcing of the employee, detailed service rules, disciplinary control system and conduct rules for the Project. All these will be part of the HR manual expected to be finalized and approved by the Executive Committee of BRPLS. All such provisions will be in practice from the very beginning of the Project.

7.7. Organisational System

To smooth the process in the Project an interim Service Rule of the Project is prepared. This may be seen as annexure attached herewith. This service rule is expected to put up before the Executive Committee – BRLPS in May 2007 for the final approval.

7.8. Performance Appraisal of the Staff

The objective of the performance appraisal will be to improve the efficiency of an organization by enabling the project staff to deliver their best of the capacity. Such appraisal will eventually achieve three objectives viz. development and training of individuals, planning job rotation and remuneration reviews.

Performance appraisal system will be based on the output performance indicators for each post in the project. The performance appraisal system for all will be institutionalized in the beginning three months of the project. From time to time participatory planning will be done and the reviews may be based on these performance indicators. While reviewing the performance, both the quantitative and qualitative indicators will be carefully evaluated so as to ensure that the individuals don't ignore the envisaged processes in the project.

7.9. Grievance Redressal

A well designed Grievance Redressal System in BRLPS will follow:

- Additional Channel for staff to seek redressal for grievances outside the official channel.
- Aims for quick, informal system of redressal of grievances as a first measure.
- Nominating a nodal person for each district to play this role.
- Attempt to settle the issues locally if possible.
- Recourse to state intervention as last resort.

7.10. Job Details of Staff

The detailed Job Responsibility of staff will be the key in delivering project output. It is expected that responsibility will evolve with volume of work and transition of role of village institutions and their federation as they mature. Initially, the job details of staff at different project levels are given in annexure.

Chapter 8

Communications

Communication is perceived as a viscous force for binding the project and providing it direction and impetus. Balancing among the various components, facilitating and assessing progress and administering the flow of information tailored in form and hierarchy that would best fulfill the aspirations of the project is the key. It is envisaged that Jeevika will touch lives of around 0.5 million families to enhance their quality of life and livelihood.

In order to meet this daunting task, the role, strategy and tools to communicate to different stakeholder at various stages is essential and needs to be carefully crafted.

8.1 Role and Levels of Communication

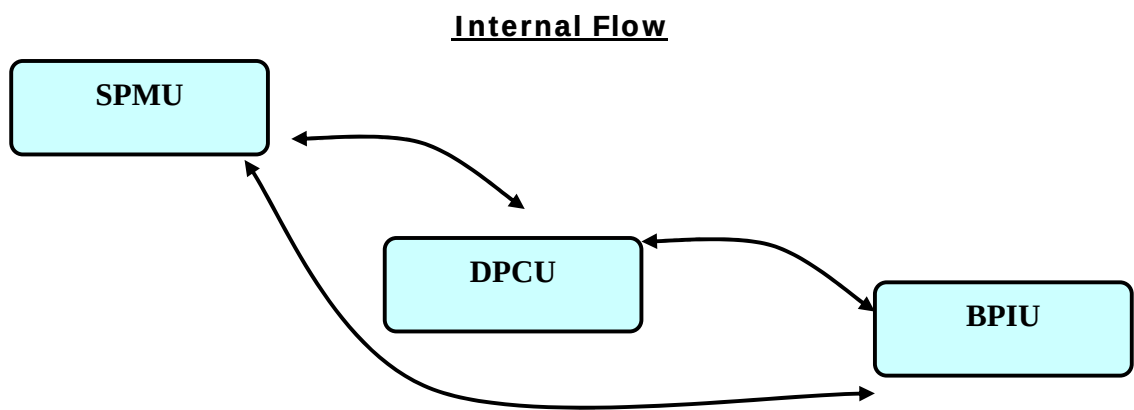
The role of communication in the project will vary at different levels. The communication flow within the organization will mainly highlight and be an instrument for updating on the progress. Channelising for information flow both upward and downwards with regards to decisions is an important element in internal communication.

The second level and role of communication is the correct information dissemination to the target communities about the project and its various components. Communication at this level is also geared towards providing information about livelihood options for the poor and mechanisms for the same.

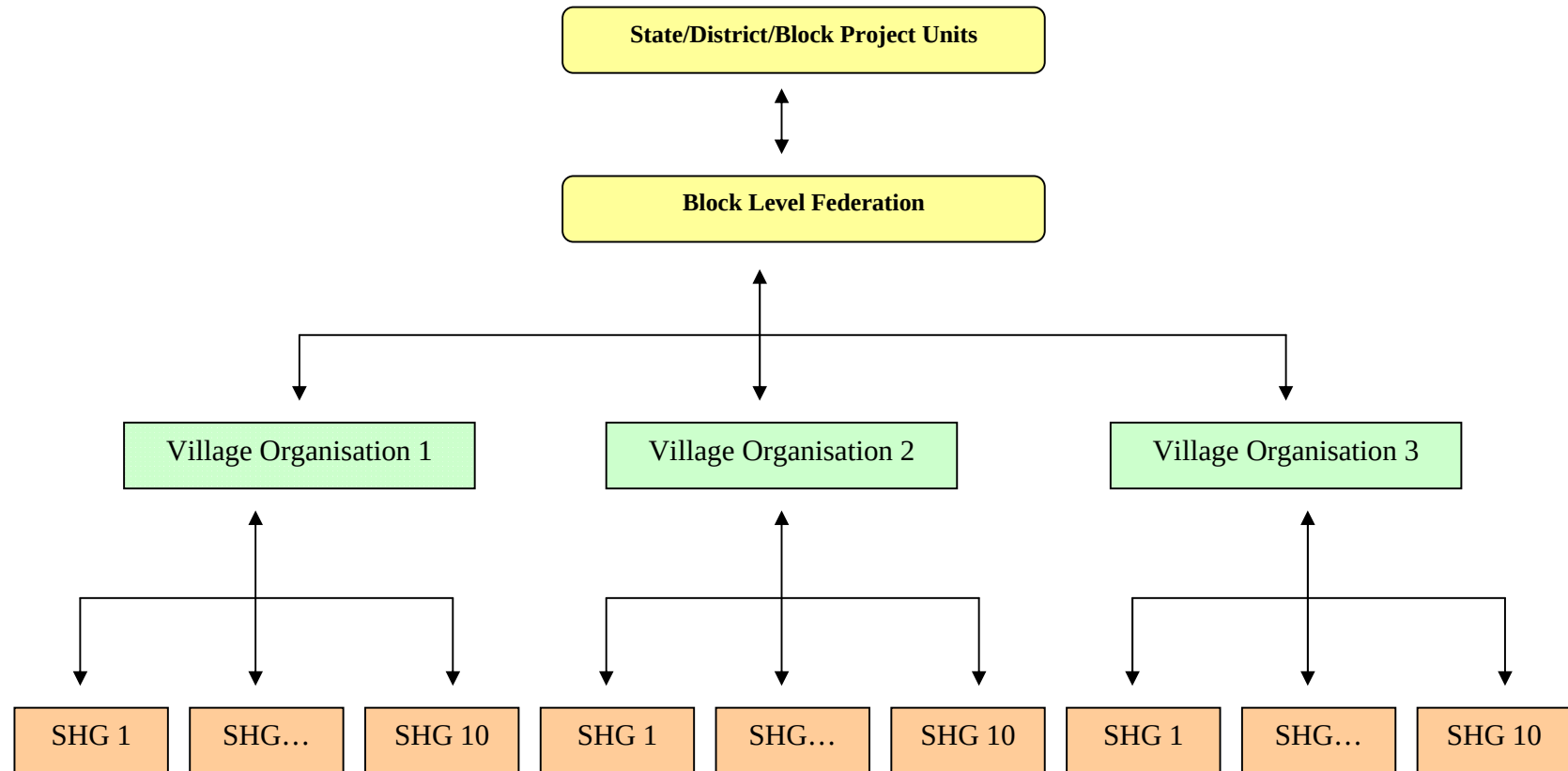
The third role of communication is to facilitate convergence with other secondary stakeholders' viz. government departments, civil society organizations and business interest groups.

8.2 Communication Flow

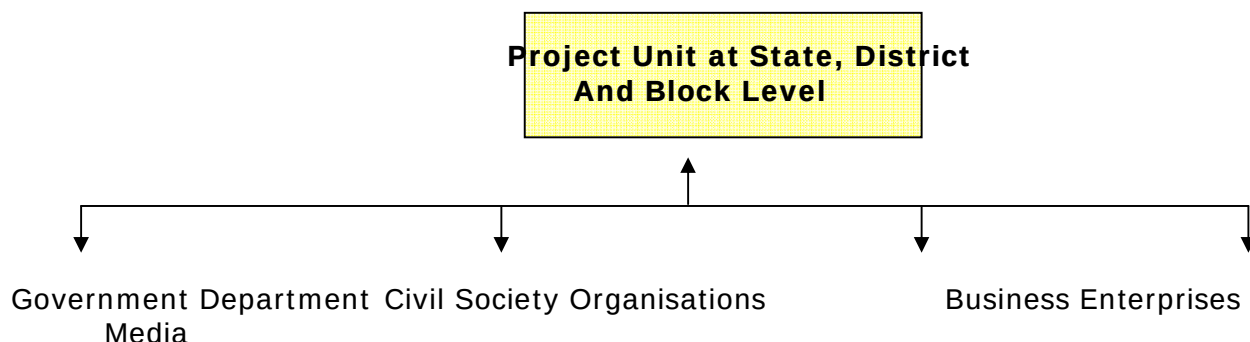
The project has multi-layer structures both within the project management units and community institutions wherein information will flow. Therefore, it is important to ensure that the flow is efficient and that there is no distortion in messages.



Flow in the Project



Flow for External Stakeholders



8.3 Major Constraints in Communication

However, considering the situation of Bihar, there are some constraints which need to be understood before developing the action plan.

1. Low levels of literacy especially among women. As this a project wherein women based institutions will be developed. Therefore, the communication packages and approach should keep in mind this aspect.
2. Lack of power supply especially in rural areas is a major constraint it can inhibit the use of mass media.
3. Poor infrastructure facilities.

8.4 Strategy for Communication

The Communication Strategies of the project has been evolved with the following key elements integral to it:

- A two-way vertical and horizontal flow of information.
- Facilitate participation of community in communication process.
- Developing continuous need identification mechanisms.
- Use of traditional forms and modern technology judiciously.
- Inherent accountability and transparency.
- Incorporate literacy and functional literacy aspects in communication process and technology.

8.5 Components in Communication

A. Internal Communications: Internal Communication here is defined as communication within the project team at different levels viz. SPMU, DPCU & BPIU. The project will support the following activities with regard for facilitating and establishing efficient internal communications systems:

- Monthly meeting at the state level where members from the district and block units will also participate. There will be sharing of information both from the field to the state units and *vice-a-versa*.
- The Microsoft Project Management software will be explored.
- Office Orders and circulars for disseminating decisions.

- Development of electronic networks within and between Patna and districts. Use of internet and email for posting and sharing information..
- Have thematic notice boards in offices.
- Monthly E-newsletter for updating on progress. At block levels, printouts can be taken and shared with staff who do not have access to emails.
- Data on server for open access in the office.
- Periodic training of all staff in the importance of communication for the success of the project.

B. External Communications: External Communication here refers to communication to the community as well as to other external stakeholders. The project will support the following activities for external communications:

- Periodic briefings to the press, radio and TV.
- Development and maintenance of the web-site of Jeevika.
- Development and dissemination of a variety of relevant project related information and materials in local Hindi languages for distribution to interested organizations, groups, individuals, etc, such as flyers, brochures, reports, publications, advertisement campaigns, etc.
- Periodic interviews/briefings by selected member of BRLPS in his/her area on TV, Radio, and leading dailies about the project.
- Preparation of short videos, films, CD's on activities to be implemented.
- Exposure of community members to other such rural livelihood projects.
- Development of a cadre of community communication teams in each project district that will use local art forms and artists in music, drama, dance, plays, folklore, etc.
- Explore use of community radio and pilot the same in the 2nd year. The community communication team will be involved for the same.

8.6 Communication Plan

The communication plan developed will consider the overall project themes, flow and requirements. The broad contour of the action plan is defined as follows:

- Participatory communication needs assessment.
- Developing an action plan for communication material development including defining the dissemination strategy.
- Categorising and classifying messages and media according to the themes and target audience.
- Developing material based on the target audience, message and media selected.
- Dissemination of material.
- Monitoring effectiveness and taking feedback.

8.7 Approaches for Developing Communication Materials

Communication materials would be developed in-house as well by empanelling agencies. Either way, it would require following approach/ steps. Interviews with Stakeholders, Community Interactions, Field Testing of Existing Materials from

similar projects in the state & elsewhere, involvement of experts from various fields, formation of research committees, exposure visits to similar projects, experience sharing with field staff, involvement of experts from the line departments, involvement of social scientists, feedback from other sources and constant reviews of the material in use would comprise the approaches for development of communication materials.

8.8 Communication for Field Implementation

The scope of the project demands for almost all forms of communication style & media. The initial phase, keeping the structural arrangements in the intervention districts in mind, would require printed instructional material for smooth facilitation of the most important part of the project, as envisaged, the formation and strengthening of the institutions of the poor. This would require proper training of the field staff on the accurate usage of the materials.

The local art forms for their entertainment value, cultural context and mobility would be another potential tool for communication on the agendas envisaged for the betterment of the community. The vibrancy of the local art forms, especially those of '**kala jathas**' & 'regional songs', would go a long way to keep the motivations of the target audiences eternally high. Bihari Hindi will be the common link for all materials. However, Maithili in Madhubani and Angika in Purnea and Khagaria emerge as distinct cultures where local forms can be developed and used in materials developed.

However, when it comes to the issues like livelihood options & promotion, rights & responsibilities and more complex levels of federations, Audio-Video formats would best serve the purpose. This would require not only developing properly researched AV materials with enough options but also creating structural arrangements, at least, on the block levels for their screening from time-to-time to various groups categorized as per the compatibility of the messages in the presence of trained instructors (locally available for consultations on time).

The materials for training purposes, materials for highlighting annual achievements of the project (chronological documentation of the processes & outcomes required), documentation of special events in AV formats & other broadcast materials must be outsourced to professional agencies for optimization of results. It is, also, necessary to involve professional agencies for the development of the printed materials as the scope of the trainings proposed for the project is too wide & diversified.

The following components would be explored for guiding in development and usage of communication tools and package:

1. Scanning Available Resources and Adaptation.
2. Identifying Forms and Tools of Communication.
3. Skill Enhancement for using Material.
4. Dissemination Strategy.

The materials that will be developed are flip charts, posters, training manuals, audio-visual material, newsletter, wall paintings, kala jathas, folk songs etc.

8.9 Communication for Creating Brand Image

Image building will be a guided process initially which will look at various aspects like:

- Media Sensitization Workshops at State Level with Participation of Journalists from Intervention Districts and Press Tours to Intervention Districts and Press Conference/Press Releases as and when required.
- Launch workshop where even the secondary stakeholders on the project.
- Sensitisation workshops for the secondary stakeholders on the project. Including for the members of PRI for the entire State and government officials of the line departments & bureaucrats.
- Exhibitions as a part of an annual festival for prospective partners in India or abroad in development involving award ceremonies for indigenous innovations. Information and kiosk will be developed for showcasing the project in other open forums.

Some of the following materials will be developed for creating the brand image of the project, brochure, website, corporate film, thematic strategy documents, newsletter, information kiosk/ exhibition.

8.10 Dissemination

Clear cut dissemination strategy and approach is essential for effectiveness of the communication. It is important that the material reach the people for whom it is intended and at the right time. It will therefore be important to link the other project processes to develop and disseminate communication material. Dissemination should also keep in mind constraints mentioned above. As power supply is a major constraint, the audio-visual material developed will be used in training situation where generators can be used. Also if awareness programmes are used in the village, truck batteries can be used for showing programmes. Material will be disseminated in training programmes, workshops and seminars, fairs, exhibitions, special communication and awareness programmes in village.

8.11 Completing the Loop

Feedback and monitoring is important for learning and feeding these back into the loop.

1. Baseline surveys to act as a tool for the measurement for progress on following parameters;
 - Attitude change towards life (fatalistic/non-fatalistic)
 - Behavioral change (adaptation of life skills, faith in collective approach, enterprising aptitude, rationales for trouble shooting)
 - Motivational level of members
2. Block level reporting & experience sharing among the Staff/CRPs to assess the impact of IEC materials/potential inhibitions for project progress & subsequently keeping the State office informed in a prescribed format.
3. Community empowerment & access to various services viz. bank linkages; credit leveraging and effectiveness of other project components are key indicators to assess effectiveness of the communication.
4. Structured feedback will be taken from community to complete the loop and re-feed into the system for further refining and development of communication strategy, tools and action plan.

CHAPTER 9

FINANCIAL MANAGEMENT

9.1 Introduction

The financial management system for the Bihar Rural Livelihoods Promotion Society which is the implementing agency for Jeevika is designed to ensure transparency and accountability and also richness in decision-making and allocation of financial resources to the blocks & villages.

9.2 Financial Management Framework

The financial management framework consists of simplified arrangements promoting transparency and accountability at all across the project. The financial management framework for the project is described as below in the table.

Financial Management Framework

28BLevel	Institutional Arrangement	Key Financial Management Arrangements
State Level	Executive Committee of the Bihar Rural Livelihoods Promotion Society (State Society)	• Develop, review, revise and approve financial management policies for the project • Approve annual budgets for the project • Review financial progress at the Apex level, District & Block Level • Overall oversight of financial management functions • Approve and publish the audited annual accounts and file the same with the Registrar of Societies • Receive, review and follow up audit reports
	State Project Management Unit (SPMU) Chief Executive Officer with Chief Finance Officer ,FMTSC and Accounts Team	• Compile annual budget of project based on annual action plan for SPMU and various DPCUs & BPIUs and submit the same to GoB for sanction o f the budget • Receive funds into its bank account from GoB as per the allocated budget • Distribute funds to DPCUs/BPIUs on a timely basis as per agreed annual work plans • Institute mechanisms for proper accounting and auditing of project funds at state, district, Block and village level; • Maintain database on district/Block wise, component wise fund releases and expenditure • Compile and forward regular quarterly/annual financial reports to GoB/GOI/IDA • Submit regular claims for reimbursement/FMR of

		project expenses • Implement capacity building measures for financial management for staff at SPMU, DPCU and Block • Develop policy and strategy for book keeping capacity building at the Block & village level and implement the same • Review financial progress at the District & Block level • Appoint auditors for a sample audit of BLF & VO and PC15¹⁶ Liaise with statutory auditors for the audit of the SPMU's, District & Block accounts on an annual basis and place the audited accounts before the General Body of the State Society and filing of annual returns with the Registrar of Societies.
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Level	Institutional Arrangement	Key Financial Management Arrangements
District Level	District Project Coordination Unit (DPCU): District Project Coordinator assisted by Administrative Staffs along with Finance Officer and Accountant	• Coordinate with BPIU to Institute mechanisms for proper accounting and auditing of project funds at state, district, Block and village level; • Compile annual budget for the district and submit the same to the SPMU • Receive funds into its bank account from the SPMU as per allocated budget • Coordinate and forward regular monthly/quarterly financial monitoring reports to SPMU • Coordinate with BPIU to ensure regular and timely audit for district level and Block level activities

¹⁶ Producers' Company/ Cooperative

Block Level	Block Project Implementation Unit (BPIU): Block Project Manager with Accountant (General) and Accountant (CIF)	• Compile annual budget for the Block and submit the same to the SPMU • Receive funds into its bank account from the SPMU as per allocated budget • Appraise Community Based Livelihood Business Plans and verify milestone certificates and release payments to BLF, VO & PC on a timely basis as per agreed activities and relevant contractual arrangements and utilize funds for its own activities at Block level • Maintain database on village wise agreements, releases, expenditures, contributions, monthly financial statements etc. • Compile, prepare and forward regular monthly/quarterly financial monitoring reports to SPMU • Ensure regular and timely audit for Block level and village level activities • Ensure implementation of capacity building activities for building skills in financial management for village level and Block level institutions, etc. • Facilitate linkages for easy flow of funds for the community to mobilise the community equity. • Assist the BLF & VO in implementing the accountability framework (including public displays and external audit) • Train and provide hand-holding support to the Master Book Keeper in book keeping functions and in preparing monthly & annual reports • Monitor the maintenance of books of accounts at the Village & Block Level
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Level	Institutional Arrangement	Key Financial Management Arrangements
Block Level Institution	Block Organisations Executive Committee	• Approve BLF Plan for the Block • Approve Business Plan Completion Reports of BLF • Appoint Social Audit Committee and call for action taken reports Sign MoU with State Society. • Approve and submit accounts for the Fund received from BPIU
	Block Level Federation , Secretary and Treasurer with Book Keeper as assisted by Finance and Procurement Sub Committee	• Sign financing agreements for BLF Fund with State Society through BPIU. • Receive funds from BPIU against BLF financing agreements and deposit the same in project bank. • Plan, implement and supervise activities under BLF fund • Engage an accountant and ensure that all project expenditures and income are accounted for in the books of accounts • Request for funds from BPIU along with milestones certificates • Provide all books of accounts and other records for project audit • Appoint Finance and Procurement Sub-committees with the approval of General Body and entrust them with specific financial management and procurement functions • Ensure that all financial management and procurement decisions are documented in the Minutes Books of the BLF, Finance and Procurement sub-committee meetings • Provide all financial information to Social Audit Committee • Submit monthly, quarterly, half yearly and annual financial reports to BPIU.
	CIF Committee	• With the assistance of BPIU team , prepare and submit CIF Plans to BPIU • Appraise the Micro credit Plans submitted by the Villages and recommend for sanction. • Monitor the administration of CIF Funds. • Prepare the Utilisation Certificates and Submit to the BPIU. • Provide CB support to the groups regarding CIF Fund.

	Procurement Sub Committee	• Guide BLF in their procurement functions; • Ensure that the procurement guidelines elaborated in the COM are complied with; • Assist the VOs to negotiate for highest quality and best prices
	Finance Sub Committee	• Guide BLF in its financial management functions • Ensure that the financial and accounting guidelines as laid out in the FMM and COM are complied with • Conduct periodic surprise cash checks • Facilitate the audit process
	Social Audit Committee	• Carry out periodic audits (including financial) of BLF, VO & PC handled activities. • Certify all milestone certificates and submit regular reports to BPIU.
Village Organisation	Village Organisations Executive Committee	• Approve VO Plan for the village • Approve Business Plan Completion Reports of VO • Appoint Social Audit Committee and call for action taken reports Sign MoU with State Society for the initiation phase • Approve and submit accounts for the Fund received from BPIU

Level	Institutional Arrangement	Key Financial Management Arrangements
Village Level Institution	Village Organisation Secretary and Treasurer with Book Keeper as assisted by Finance and Procurement Sub Committee	• Sign financing agreements for VO Fund with State Society through BPIU. • Receive funds from BPIU against VO financing agreements and deposit the same in project bank account to be operated by two members from among the SHG representatives who are members of VO, will be called Secretary and Treasurer • Plan, implement and supervise activities under VO fund • Engage an accountant and ensure that all project expenditures and income are accounted for in the books of accounts • Request for funds from BPIU along with graduation indicators • Provide all books of accounts and other records for project audit • Appoint Finance and Procurement Sub-committees with the approval of General Body and entrust them with specific financial management and procurement functions • Ensure that all financial management and procurement decisions are documented in the Minutes Books of the VO, Finance and Procurement sub-committee meetings • Arrange permanent public display boards at a prominent place in the village, showing updated information on financial progress, VO and PC Funds approved with beneficiary lists • Provide all financial information to Social Audit Committee • Submit monthly, quarterly, half yearly and annual financial reports to BPIU.
	CIF Committee	• With the assistance of BPIU team/BLF , prepare and submit CIF Plans to BPIU • Prepare the Micro Credit Plan for the VO. • Appraise the Micro credit Plans submitted by the Groups and recommend for sanction. • Monitor the administration of CIF Funds. • Prepare the Utilisation Certificates and Submit to the BPIU. • Provide Capacity building support to the groups regarding CIF Fund.
	Procurement Sub Committee	• Guide VO in their procurement functions; • Ensure that the procurement guidelines elaborated in the COM are complied with; • Assist the VOs to negotiate for highest quality and best prices

	Finance Sub Committee	• Guide VO in its financial management functions • Ensure that the financial and accounting guidelines as laid out in the FMM and COM are complied with • Conduct periodic surprise cash checks • Facilitate the audit process
	Social Audit Committee	• Carry out periodic audits (including financial) of BLF, VO & PG activities. • Certify all milestone certificates and submit regular reports to BPIU.

9.3 Funds Flow

The funds for project implementation will be channelised to the project implementation agencies including the VO/BLF and the fund flow envisaged for the project is summarized in the following Figure.

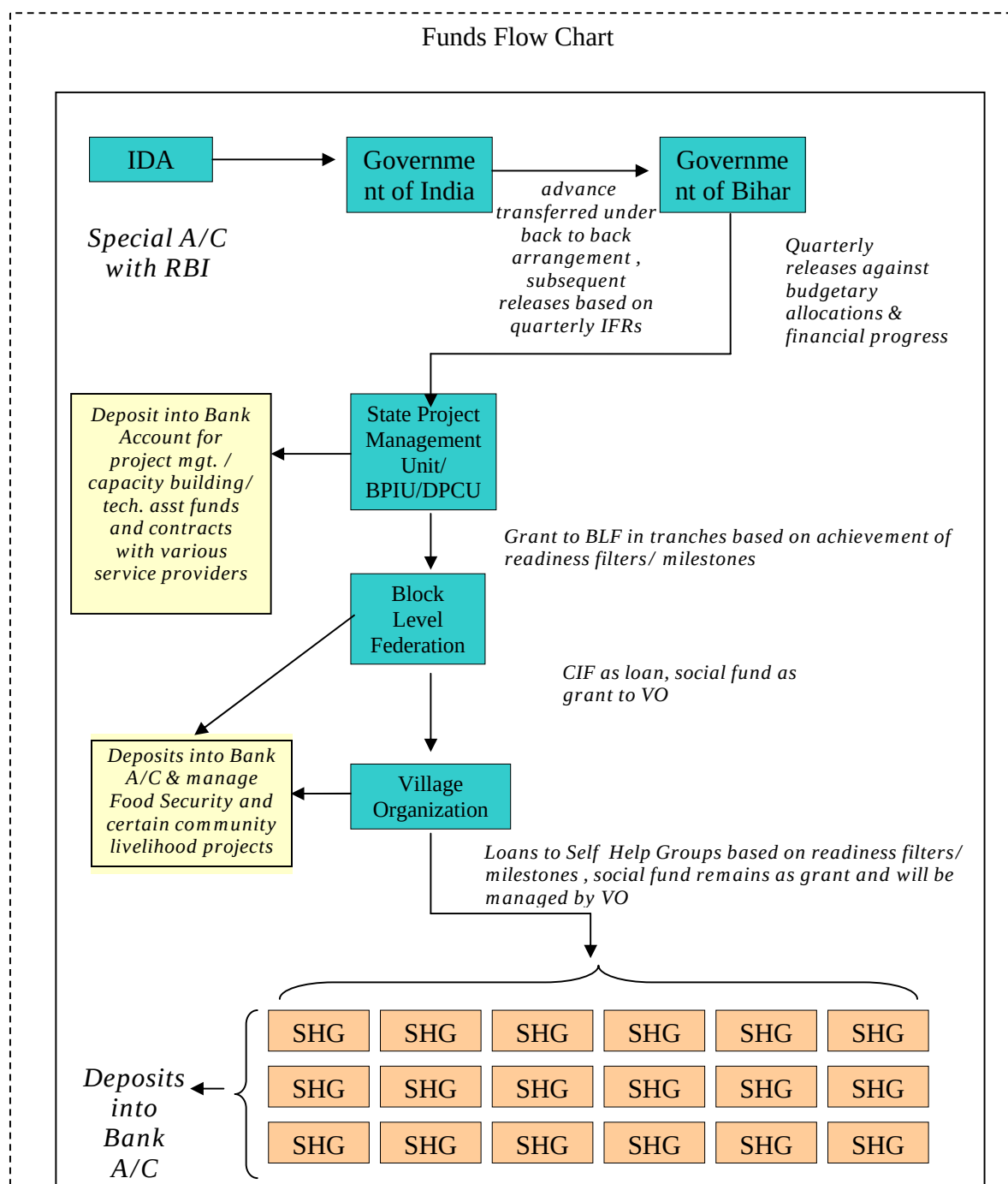


Figure – Fund Flow Arrangement

The basis for release of funds to the different levels of the project and the nature of accounts at these levels of the project are summarized in the following Table.

9.4 Overall Financing Agreement(s)

About 60% of the Project funds will be earmarked to be given directly to the community through village & Block Level Federation. The fund releases will be formalized through signing the MoU & financing agreement (Between SPMU, BPIU and BLF, VLO & SHG) specifying mainly the number and percentage of the installments and release conditions.

The terms and conditions for releasing funds to the Block and Village Federation will be elaborated in COM along with the draft MOU.

9.5 Staffing and Capacity Building

(a) Personnel

The personnel at various institutional levels of the project directly performing the financial management functions are summarized in the following Table.

Table - Key Finance Management Personnel

Position	Level	Key Roles & responsibilities
Chief Finance Officer(Chartered Accountant with 7 to 8 years post qualification experience)	State Level	The CFO will have overall responsibility for all financial and accounting aspects of the project, including necessary interaction with the BPIUs, DPCUs and Block & Village Level Organization. This professional would be responsible for development, updating and operation of the project financial management system, and financial planning and management of the project including financial forecasting.
Finance Officer (From Bihar Finance Service)	State Level	The Accounts Officer will have responsibility for accounting aspects of the project at SPMU level and will report to CFO.
One Financial Management & Technical Support Consultant(FMTSC) (A 10 years experience Chartered Accountant Firm having experience of working in similar type of Project)	State Level	The Firm will work closely with CFO and will assist the CFO in all finance and accounting functions at the State, district and Blocks of that district and lower level. Assist CFO in developing & Implementation of the Computerized Financial Management & Procurement system at all levels.

Position	Level	Key Roles & responsibilities
Accountants Cum Cashier –Post graduate with two years post qualification or Commerce Graduate with three years post qualification Experience. Semi qualified (CA Inter or ICWA Inter) with minimum two years of experience will be preferred.	State Level	Will be responsible for all finance and accounting functions at the SPMU level and coordinate the all accounting & Finance function with all the Districts Blocks within the District.
District Finance Officer for each district .Semi Professional qualifications Intermediate C.A. or ICWA) with 3-5 years experience or Professional qualifications (CA/ICWA)	District Level	One Finance Officer at each District will be responsible for all finance and accounting Functions & Administration of CIF Funds at the district, Blocks and lower levels of that district.
One Accountant Cum Cashier at each districts – Post graduate with two years post qualification or Commerce Graduate with three years post qualification Experience. Semi qualified (CA Inter or ICWA Inter) with minimum two years of experience will be preferred.	District Level	Will be responsible for all finance and accounting functions at the District and coordinate the All accounting & Finance function with all the Blocks within the District.
Accountant Cum Cashier – at each Block, Post graduate with two years post qualification or Commerce Graduate with three years post qualification Experience. Semi qualified (CA Inter or ICWA Inter) with minimum two years of experience will be preferred -2 Posts	Block Level	Will work under District finance Officer and will be responsible for all finance and accounting functions at the District and coordinate the All accounting & Finance function with all the Blocks within the District.
Accountant CIF at each Block –Post graduate with two years post qualification or Commerce Graduate with three years	Block Level	Will work under District finance Officer and will be responsible for the administration and accounting of CIF. Providing regular Training support and

post qualification Experience. Semi qualified (CA Inter or ICWA Inter) with minimum two years of experience will be preferred		assistance to the BPIU BLF, VO staff on CIF management. Preparation of Budget and statement of Expenditures and Finance & Accounting function at Block & Village level.
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(b) Capacity Building

1. **SPMU, DPCU & BPIU Staff:** The financial and accounting staff at the State, District & Block level will be trained in the requirements of accounting and reporting under the project by the separate agency. Modules will be prepared by the Agency and training will be included in their annual calendar. As the project is implementing computerized financial management & Accounting system, the staff will be trained to operate the computerized systems. The CFO will have the overall responsibility of building capacity of SPMU, DPCU & Block Staffs.
2. **Block Level Federation:** The Accountant (CIF), BPIU will act as Accounts and Monitoring Facilitator at the BLF, who with the help of Accounts resource person either Individual or firms from the training cell of BPIU will take care of the financial management aspects at the Block Level and village level. They will be trained to provide regular/day to day training at the block and village level. There will also be refresher trainings given periodically during the project period. The Accountant CIF will have the primary responsibility of building the capacity of the Block and village level Bookkeepers and Accountants.
3. **Village Level:** The office bearers of the Village Organisation and members of the various subcommittees will be trained on how to manage funds, maintaining books of accounts and financial records, financial reporting, financial accountability, maintaining transparency etc. The Block Program manager in the Block will have the key responsibility in coordinating with the Accounts and Monitoring Facilitator in the BLF in building the capacity of the bookkeeper at the village level and also to constantly give handholding support to them. Provision of books of accounts, development of standard training modules, training of trainers etc. will be done in building the financial management and accounting capacity at the village level.

9.6 Accounting Policies and Procedures

(a) Financial Management Manual

A FMM (which is an integral part of the PIP) has been prepared detailing the accounting and financial reporting (IFR) requirements for the SPMU, BPIU and DPCU. The FMM elaborates the accounting and financial management processes such as funds flow, budgeting and audit arrangements. The financial and accounting policies contained in these manuals shall supplement the policies adopted for State Society, District Units and Block Units.

(b) Community Operation Manual

The COM is being prepared detailing the accounting requirements and internal controls at VO/BLF/SHG level. The COM elaborates the accounting and financial management processes at VO/BLF/SHG level.

Internal Control

- a. A handbook for accounting and administrative rules is being prepared with delegation of financial powers, authorities and payment responsibilities. The handbook will also include administration of salary and other incentive systems including travel guidelines.
- b. The Project Director and Specialist, Financial Management will issue office orders and guidelines from time to time. The FMM has elaborated the approval processes for specific project activities. The project will review these arrangements periodically and make suitable amendments as needed for smooth project implementation.
- c. The other key internal control mechanisms are:
 - Performance standards for certification of milestones and release of payments
 - Each accounting unit will close the books of accounts within a specified number of days of the close of each month, reconcile its balances with bank statements and books of accounts and forward the same to the next level of authority in the institutional hierarchy, and State Society will provide oversight on the qualitative and timeliness aspects of the reporting.

At the BLF, VO & PC levels, recording of all financial decisions in the minute books, public displays of financial information, access of accounting records to all members and social audit procedures will ensure that transparency and oversight functions are maintained

9.7 Audit Arrangements

(a) Statutory Audit

The SPMU will appoint an independent firm of chartered accountants to conduct annual audit of the project. The audit would cover all project operations. The TOR for audit is given in the Financial Management Manual

The audit report will consist of:

- (i) financial statements and
- (ii) audit opinion confirming whether the project financial statements have been prepared in accordance with consistently applied Accounting Standards and give a true and fair view of the operations of the project during the year and that the withdrawals from the World Bank made on the basis of IFRs, procedures and internal controls involved in their preparation, can be relied on to support the related withdrawals.

Additionally, the auditor will be required to provide a management letter to project management highlighting findings during the audit. The audit will be conducted as per the accepted standards and financial reporting will follow the Accounting Standards.

The audit report with the management letter will be submitted to World Bank within six months of the close of each financial year. TORs for the audit has been prepared in agreement with World Bank and will be agreed upon with the audit firm/s

(b) Internal Audit

The project accounts will also be subjected to quarterly internal audit. Firms of chartered accountants will be engaged by the SPMU to conduct a quarterly audit of the State, District & Block Units and a sample of SHG, VO & BLF and submit management letters to the Management. The TORs of the internal audit task have been drafted and included in the Financial Management Manual. The key internal audit functions are:

1. Ascertain whether the systems of internal checks and controls operating are effective
2. Ascertain reliability of accounting financial reports
3. Ascertain the extent to which the systems in place prevent misuse of project assets
4. Ascertain whether the financial rules and procedures as laid down in the Manuals are followed.
5. Sample verification SHG, VO & BLF.

(c) Social Audit

VO/BLF/SHG/Producers Group as community based organizations, will have more of a social audit than a statutory audit by a CA firm.. However, as a demonstration of good practice, the audit of BLF, VO and SHGs will be taken up on a sample basis adopting a 10 % sample. The auditor has to give the audited accounting statements and audit reports to BPIU and VO/BLF/SHG within 5 months of the close of the financial year.

The SPMU will engage firms of chartered accountants from the panel of chartered accountant firms available with the Institute of Chartered Accountants of India.

The Social Audit function carried out by the Social Audit Committee will also include financial reviews and audits on all aspects of quality, quantity and procurement. The Social Audit Committee reports its findings directly to the Village Organisation & Block Organisation along with recommendations for rectifying short falls. The social audit will ensure transparency and accountability of project implementation at the village level.

Certification of the utilization and achievement of milestones is a pre-requisite to trigger the release of installments to VO/SHG/PC etc.

9.8 Financial Reporting

Proposed financial reporting system under the project can be divided into the following broad heads:

- (1) Objectives of the financial MIS
- (2) Type of reports – Their periodicity & objective.
- (3) Preparation of MIS reports.
- (4) Reporting Chart.

9.8.1 The proposed Financial MIS has been designed with the following main objectives

- (1) To provide project implementing agencies with relevant information that would enable them to plan, monitor and control the various project activities.
- (2) To identify and report critical areas of information which are relevant at different levels of project implementing agencies and would facilitate in decision making at those levels.
- (3) To provide a basis for evaluation of various project activities by regular comparison of actual with the budgets
- (4) To provide a basis for taking remedial actions to correct any adverse trend
- (5) To facilitate 'management by exception' by presenting critical and select information to the top management of the program, World Bank and State Governments.
- (6) To assist consolidation at various levels.

9.8.2 Types of Report

Internal Reports

Reports that are generated by the Project, which will assist in preparation of the External Reports, are Internal Reports. Following are the Internal Reports that shall be generated by the Project. The formats of these reports are enclosed in the FMM

External Reports

Reports that are generated for the purpose of submission to the World Bank are the External Reports. They are further classified into quarterly and annual reports. The formats of Financial Managements Reports (IFRs) are detailed as below.

41BS. N O	TITLE OF REPORT	REPORT NO.	PERIODICI TY	BY WHEN
Quarterly reports				
1.	Interim Financial Report by Project Components- Consolidated & Summary by each Block	IFR Format	Quarterly	30 th of following month
Annual Reports				
1	Audited Consolidated – Annual financial Statement	A-1	Annual	30 th August of following Year
2	Statement of Eligible expenditure with the expenditure as per IFRs	A-2	Annual	30 th August of following Year

MIS Report

The proposed Financial MIS would be generated from the computerized TALLY accounting system and the database maintained to track utilization of the funds transferred to CBOs. These would be based on the reports generated at each level .MIS reports shall be prepared by the respective implementing agencies in respect of activities directly carried out by them. In addition, SPMU shall consolidate the MIS reports generated by each BPIU & DPCU and shall consolidate the MIS reports.

Report from VO/BLF to the Project

S.N O	TITLE OF REPORT	REPORT NO.	PERIODICI TY	BY WHEN
Monthly Reports				
1	Monthly Receipts & payments Account	C-1	Monthly	By 15 th of the Next Month
2	Physical & Financial Statement on CIF Released	C-2	Monthly	By 15 th of the Next Month
Annual Reports				
1	Audited Annual financial Statements	C-3	Annual	30 th June of following Year
2	Utilisation Certificates	C-4	Annual	30 th June of following Year

9.9 Computerized Accounting System

The project will have a computerized accounting system on Self Accounting Software (Tally) in the initial two years which will be easy to implement at the Block level. A Customized Chart of Accounts would be developed at the SPMU level which will be used through out the Blocks and the district.

After two years period the system will be reviewed by the Consultant who will comment on the performance of the implemented software and suggests the improvement in any required and will further comment on the need of another suitable off the self Accounting Software or customized software.

CHAPTER 10

PROCUREMENT ARRANGEMENTS

This section focuses on procurement arrangements for various project investments. It also helps the project staff, particularly the procurement staff, in familiarizing with the World Bank's (referred to as Bank subsequently in this section) procurement guidelines, bidding procedures and standard bidding documents. Procurement function has an important role to play in the project for its satisfactory implementation, speedy transfer of resources by way of disbursement, and achieving economy and efficiency in the project.

10.1 Procurement Methods/Arrangements

Procurement of all goods and works under the project will be undertaken in accordance with World Bank (hereinafter referred to as Bank) guidelines for procurement (May 2004). Procurement of all consulting services (including NGO services) will be in accordance with 'Guidelines for Selection and Employment of Consultants by the World Bank Borrowers' (May 2004). All civil works, goods and services would be procured using India-specific Bank's model documents as well as the formats of the community contracts specifically approved for the Project.

10.1.1 Procurement of Works/Goods

- Works/Goods would be procured following Bank procurement guidelines (May 2004). All contracts whose estimated value exceeds US\$ 500,000 shall be subject to the Bank's prior review.
- Procurement of Works/ Goods, depending on the procurement value, would be by one of the three methods –National competitive bidding (NCB), International competitive bidding (ICB) and National shopping (NS).

The procedures of these methods are described below:

National Competitive Bidding (NCB)

Contracts estimated to cost more than US\$ 25000 but less than US\$ 500000 for works and US \$ 50000 for goods would be procured following the NCB procedures (as per the provisions of the Bank guidelines). The packages consisting of computers and related office equipment, networking and website development, other office equipment, furniture, printing materials and vehicles would be procured following the NCB procedures. NCB procedures include:

- Only the model bidding documents for NCB agreed with the Government of India task force, as amended from time to time, shall be used for bidding.

- Invitations to bid shall be advertised in at least one widely circulated national daily newspaper at least 30 days prior to the deadline for the submission of the bids.
- No special preference will be accorded to any bidder (including state-owned enterprises, small scale enterprises or enterprises from any given state), either for price or for any other terms and conditions.
- Except with the prior concurrence of Governing Body, BRLPS, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder.
- Extension of bid validity shall not be allowed without the prior concurrence of Governing Body BRLPS: (a) for the first request for extension if it is longer than four weeks; and (b) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by BRLPS only in cases of Force Majeure and circumstances beyond the control of the purchaser or employer).
- Re-bidding shall not be carried out without the prior concurrence of BRLPS. The system of rejecting bids outside a pre-determined margin or 'bracket' of prices shall not be used.
- Rate contracts entered into by DGS &D will not be acceptable as a substitute for NCB procedures.
- The two-or-three envelope system will not be used.

International Competitive Bidding (ICB)

The International Competitive Bidding (ICB) will be adopted for the procurement of works and goods depending upon threshold limit as agreed (as per the Bank's guidelines, May 2004). Domestic preference will be available in ICB.

National Shopping (NS)

- Goods (including vehicles) estimated to cost less than US\$ 50000 per contract would be procured using National shopping procedures in accordance with bank guidelines.
- DGS&D contracts will be acceptable for any procurement under National shopping procedures.
- If purchasing is on DGS&D rate contracts, there is no need to call for quotations.

10.1.2 Procurement of Services

- The BPIU, DPCU or SPMU may procure the services of consultants and consultancies required under the project. Only the SPMU shall decide what services with appropriate ceilings can be procured and the level at which this can be done. Accordingly, after the decision to procure the services is made, SPMU shall prepare the bidding documents, finalise the tenders/quotations as per Bank guidelines.
- The SPMU will circulate the services that can be procured at the District Level and the ceilings for such procurement.

- The training, technical assistance and consultancy services include hiring services of Resource Organisations (NGOs, other agencies) and Resource Persons, non-government members of District teams, State teams and capacity building consortia. Consultancies, training and studies would be contracted on terms and conditions which are in accordance with World Bank “Guidelines for Selection and Employment of Consultants by World Bank Borrowers” (May 2004) using right methods of procurement. If the estimated contract value is less than US\$ 500,000, the consultants can be entirely national consultants.

10.2 Procurement Procedures at Community level

One of the most important activities in implementing a livelihoods/business plan is procuring goods, works, materials and other support services required for implementation of the business plan. Depending upon the nature of business plans, in most cases, 60%-80% of the cost of business plans is constituted by cost towards various goods, materials and services. Therefore, procurement methods should be selected considering economy and efficiency, and appropriate procurement procedures followed. Inefficient procurement can result in:-

- Increased cost of business plan.
- Decreased quality of facilities and services
- Implementation delays

10.2.1 Principles of community Procurement

- All procurement procedures must be carried in an open and transparent manner and displaying all details of procurement at prominent places in the village. Transparency mechanisms for procurement need to be there from the beginning and not only when the procurement has taken place. The procurement process should be known and informed to all. Every body should have access to know the process; parties involved, prices offered by them, method to select the party and details of selected parties and product.
- Purchase materials and hiring of services should be done locally where ever it is possible.
- .No quotation is required for direct purchase of non comparable goods such as cattle, seeds and plants.
- Equal opportunity must be given to all suppliers interested in supplying items to the VO/BLF/SHG/PC and uniform evaluation procedures must be adopted.
- Services of experts should be utilized where ever possible.
- Items procured should meet the required technical specifications and the quality standards, and the “best price” including comparing with Govt. rates.
- Service area, guarantee period must be ensured for the materials to be purchased.

There are many advantages of Community Procurement:-

- Communities are able to get the best price from the suppliers and procure items at optimum cost which will ensure savings and quality
- Community is accountable and takes responsibility for the decision which is advantageous to the community members
- Communities can use local labour, local materials, and indigenous knowledge
- Communities will improve skills and gain confidence in implementing participatory development subprojects
- Communities will display information related to procurement actions for the information of communities thus ensuring transparency of their transactions
- Help us in procuring the best things and services within the budget on time.
- Help us in protecting our interest and judiciously use the money.
- Help us in avoiding undue pressure from political parties or leaders or others.

10.2.3 Rate Bank

The VO and BLF while preparing the procurement plans will utilize standard price lists called Rate Bank maintained by the BPIU on market rates. The BPIU will collect market rates for the likely goods, works and services to be procured by the BLF/VO. The Rate Bank will be periodically updated (preferably in every 6 months) or there is a sudden change in the market rates.

10.2.4 Accountability and Responsibility

The VO will undertake all procurements required at village level. The BLF will guide the VO in community procurement. All information relating to community procurement will be displayed prominently in the village and all procurement records will be available for verification by community members.

10.2.5 Thresholds for Community Procurement

Wherever communities have to make procurement following rules will be applicable:

Table - Thresholds for Community Procurement

Procurement	Methods
Works	
Cost below US \$ 25000 (INR 1050000)per contract	By SHG federation members themselves or by direct contract to registered CBOs or by a local contractor selected through shopping (after inviting three quotations in response to written invitation
Goods	
Cost below US \$ 250 (INR 10500)per contract	Direct Contracting
Cost below US \$ 25000(INR1050000) per contract	Through shopping (after inviting three quotations in response to written invitation

Services	
Cost below US\$ 5000 (INR 210000)	In case of individuals, as per Section V of Bank's Guidelines for selection of consultants and through single source method for technical service provider. (Advertisement is not required and Consultants do not need to submit proposals. Consultants shall be selected through comparisons of qualification of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the borrower. Individuals Considered for comparison of qualifications shall meet the minimum relevant qualifications and those selected to be employed by the borrower shall be the best qualified and shall be fully qualified for carrying the assignment. Capability is judged on the basis of back ground, experience and appropriate knowledge of local conditions.
Cost below US \$ 10000 (INR 420000)	CQS as per para 3.6 of the guidelines (In This method the borrower shall prepare the TOR , request expressions of Interest and Information on the Consultants Experience and Competence relevant to the assignment ,Establish a shortlist ,and select the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical and financial proposal and then be invited to negotiate the contract.

Conversion Rate- 1\$ = INR 42 /

NOTE: The thresholds in the above tables must be discussed in the SPMU. The SPMU, if it so wishes, can decide on lower thresholds than those mentioned in the tables but it CANNOT raise the thresholds beyond the limits given in the tables.

10.2.6 Training on Procurement

- Training on procurement must be given to VO/BLF/SHG members and PC office bearers and VO/BLF/SHG sub-committee members.
- Office bearers must visit other villages to learn about procurement methodology used by them and learn from good practices.

- Training of VO/BLF/SHG members on financial and procurement issues is a pre-requisite before signing of MOU between VO/BLF/SHG and BPIU.
- Ignorance on procurement guidelines will not be considered as an excuse for making errors in procurement activities.

10.2.7 Institutional Arrangements for Community Procurement

The project has defined prior roles to the village-level institutions and Block-level institutions in ensuring that the community will be able to implement the Village/Community Livelihoods and Business Plans by procuring goods and services, which conform to quality standards. This will also ensure cost effectiveness of the items procured and avoid delays. The roles and responsibilities of institutions involved in community procurement are given below:

Table - Roles and Responsibilities for Institutions/Committees

Sl.	Name of the Institution / Committee	Roles and Responsibilities
1.	VO/BLF/SHG	a. Seek the approval of the MCP & Livelihoods Plan including Capacity Building Requirements, b. Skill Development and Livelihoods Enhancement ideas. c. Take the procurement decisions and release the funds for procurement of goods, works and services for Capacity Building Skill Development and other component of CIF d. Guide and coordinate the activities of the various subcommittees Undertaking procurement related functions.
2.	BPIU	Only as a Guidance to VO/BLF/SHG • Maintain a panel of suppliers and service providers – who are reliable and whom the VO/BLF/SHGs can approach to procure an item. • Publish and periodically update a Rate bank consisting of the prices of all items to be procured. • Issue guidelines of procurement procedures, contract guidelines, sample agreements, etc.

Sl.	Name of the Institution / Committee	Roles and Responsibilities
3.	VO/BLF/SHG Finance and Procurement Subcommittee	Procurement for VO / BLF / SHG - Undertake procurement by following community procurement rules e.g. selection of training institutes for skill based training, requisitioning services of resource persons, aids/appliances for vulnerable etc. Procurement for PC / CBLF - Collect market information on various items needed for implementing the business plan like rates, brands/ suppliers, etc and ensure incorporation of these details in the business plan proposals and assist in procurement.
4.	VO/BLF/SHG Business Plan and Monitoring Subcommittee	- Collect market information on various items needed for implementing the business plan like rates, brands/ suppliers, etc. and ensure incorporation of these details in the business proposals and assist in procurement. - Monitor the implementation of the business plans including procurement of goods, works and services.
5	Social Audit Committee	Social Audit Committee will, as part of monitoring the VO/BLF/SHG activities, check/verify the procurement of works, goods and services at the community level – VO/BLF/SHG and PC and report to BPIU periodically.

10.3 Threshold for Procurement methods and prior review

Procurement decisions for Goods, Works and Consulting Services, irrespective of the procurement method, will be subject to Prior Review by the Bank as stated in Appendix 1 to the Bank's guidelines for procurement (May 2004).

Sl. No.	Procurement	Prior Review Threshold
1.	Works/Goods	Above US\$ 5,00,000
2.	Services - Firms, etc.	Above US\$ 1,00,000
3.	Services –Firms - Single Source	Above US\$ 50,000
4.	Services – Individuals	Above US\$ 5,000

10.4 Role of SPMU for Procurement

The role of the SPMU in the Procurement is limited to the procurement of the goods, services and works for the project at the state level, beyond certain ceilings at the district & Block level. Further, it will be responsible for the overall procurement plan and project's compliance with the procurement

methods/procedures as per the guidelines. Accordingly, its key activities in the procurement function include:

- Preparation of annual procurement plan
- Prepare Procurement Manual based on World Bank guidelines for implementation of the Project at the State, District, Block and Community levels.
- Procure the goods, services and works at the state level with due diligence
- Procure the goods, services and works at the beyond certain ceilings at the district & Block level.
- Build the procurement capacity to the district & Block staff
- Train the DPCU & BPIUs in procurement due diligence
- Ensure the procurement related capacity building to the VO/BLF/PC and SHG,

10.5 Role of DPCU & BPIU for Procurement

At the District and Block level, the role of the DPCU & BPIU in the Procurement is limited to the procurement of goods, services and works within the certain specified ceilings (as specified by the SPMU from time-to-time). Further, it will be responsible for the overall procurement plan at the district & Block level and project's compliance with procurement methods/procedures as per the guidelines at the district level. Accordingly, its key activities in the procurement function include:

- Prepare the Annual Procurement Plans for the district & Block , for incorporation in the overall project's Annual Procurement Plans
- Procure the goods, services and works within the specified ceilings at the district level with due diligence
- Train the procurement related capacity building to the VO/BLF/PC/CBLAF & SHG.
- Guide and monitor the progress of procurement at the community level (both at the VO/BLF/SHG and at the CBLAF/PC level).

10.6 Procurement Plan

Procurement plan for the first 18 months is given in annexure.

CHAPTER 11

SOCIAL & ENVIRONMENTAL SAFE GUARDS ACTION PLANS

11.1 Tribal Development Plan

The Social Assessment undertaken for the JEEViKA project clearly brought out that rural landless and those belonging to the Scheduled Caste (SCs) and also Scheduled Tribe (STs) community form an integral part of poverty-stricken and marginalized groups. Access to education and other capacity building inputs, sources of production, technology and institutions define and determine level of poverty as they are important tools to ensure access and control over opportunity and productive assets. The findings further indicated that the poor can open up, build capacity for articulation and innovation given an enabling environment and participative frame work.

The tribal population in the state is 0.9 percent of the population and of the six project districts of Muzaffarpur, Nalanda, Gaya, Khagaria, Madhubani and Purnea, it is only Purnea that has Scheduled Tribe (ST) population of 6 percent of the total population. The socio-economic data for the STs reflect a status very similar to the SCs and marginalized sections of the Bihar rural society. However, in order to gain a better understanding of the ST population, a separate study was commissioned which involved wide ranging consultation with ST population and their representatives. The STs in Purnea possess primitive traits, distinctive culture, geographical isolation, shyness of contact and backwardness. Other key findings were:

- a) The tribal population brought from the erstwhile Santhal Paragana to clean the forest and make the land cultivable, were subsequently given plots of land to cultivate in lieu of the labor they offered to the land lords.
- b) After independence a system of temporary settlement of land (called “*Sikemy*”) was worked out and given to some of the tribal families but the land rights remained illusive.
- c) The seventies saw skirmishes between the tribal communities and the landlords including court cases.
- d) The tribal communities have deficient land base and do not have access to technology and inputs to turn their land into productive asset.
- e) Tribal are not part of any social or economic institutions.
- f) As tribal population constitutes less than one percent of the state’s population, the state has no special programs nor is it a beneficiary of any central programs for tribal.

11.1.1 Key Elements of Tribal Plan

The tribal strategy has recognized and incorporated certain key elements related to Institutional strengthening and development, endowment/asset and skill development, capacity building, enabling inputs and policy influencing inputs. They are

Key elements	Key considerations and suggested interventions
<i>Information</i>	• Project information will be made available in the tribal villages and to tribal families in a culturally sensitive manner at the same time keeping in view the literacy levels and other key characteristics of tribal habitations. • Local artists and local art forms to be used.
<i>Inclusion</i>	• All ST families in villages with both dispersed and concentrated populations, will be organized into SHGs. Villages with large ST population will have exclusive tribal SHGs. • Strengthening of social institutions of the Tribal community along with federations will be taken up. Local tribal traditions and leadership will be involved in the process of institutions building
<i>Investments</i>	• Investments will be supported in land, which many tribal families own, along with improvements in production practices, productivity and marketing. • Economic empowerment through improved livelihoods and incomes will enable Tribal families their de jure rights on agriculture land which they currently possess based on temporary settlement into de facto rights. • Support will also be sought from the District Administration to strengthen land rights. • Support for skill development of Tribal youth • Potential indigenous skills to be explored for other livelihoods opportunities
<i>Implementation</i>	• Staff working in villages with significant tribal population to receive sensitization trainings • Preference for community members who are sensitive to the needs of Tribals to be given preference for para professionals • Partnerships with Technician service providers – individuals and organizations that have experience working with Tribals • Convergence with government programs for tribals to enhance benefits

11.1.2 Institutional Arrangements for Tribal Development Plan

The project's institutional arrangements are built as support structure starting from community and village level and going further to block, district and state level; and BRLPS working as a promotional and umbrella agency for rural livelihood promotion in Bihar. The communities at the village level will be organised into Self Help Groups and their Federations, and Livelihood Institutions/Producers' Groups and federations. Block Project Implementation Unit (BPIU) will be set-up in each of the 42 project blocks and will play a critical role in project implementation. District Project Coordination Unit (DPCU) will be set-up in the six project districts headed by a District Project Coordinator (DPC) and will be responsible for coordinating, implementing and managing project activities in the district.

State Project Management Unit (SPMU) is headed by the Project Director, supported by a team of professionals with expertise in institution building, capacity building, social development, livelihoods, microfinance, communication, monitoring and evaluation, human resources development, and finance. Considering the limited service providers that are available in the state, the SPMU will have in-house arrangements in the form of "Cells" to plan, manage and coordinate activities in key areas of Training and Capacity Building, Business Facilitation and Partnership Development. Bihar Rural Livelihoods Promotion Society (BRLPS) will provide guidance and advice to the program, facilitate and coordinate project's functioning and periodically monitor progress.

The overall Monitoring and Evaluation unit of Jeevika through a) input and output monitoring, b) process monitoring, and c) impact evaluation would ensure effective implementation of Tribal Development Plan. Implementation progress will be based on disaggregated data for the ST population, their institutions and livelihoods.

11.1.3 Consultations

The TDP was developed based on consultations with tribal communities and other stakeholders including Panchayat members, local agencies, and civil society institutions. The outcome of the consultations have been used while describing the tribal situation and also in formulating the TDP. A multiple stakeholders consultation was held on March 30, 2007 at Dhamdaha in Purnea district wherein the conclusions from the Tribal Development Plan, the project objective and strategy; and implementation arrangements were presented. The participants included community members, representatives of CBOs, civil society, NGOs as well as government departments. The participants endorsed the approach and the provisions of the TDP.

11.2 Community Based Gender Strategy and Action Plan

High levels of poverty, landlessness, limited livelihoods opportunities, low wage rates, and huge out migration of especially men from the poorest households, place a disproportionate burden on women in Bihar of both reproduction and

production functions. High fertility, and maternal and child mortality rates are due to poor access to health services. Rural Bihar has low literacy and awareness levels, especially among the poorest households. Social and cultural practices of child marriages, dowry, and liquor consumption have all added to indebtedness. Migration and trafficking among girl children from poor households is on the increase while boys are also trafficked for labor in hazardous enterprises. High occurrence of seasonal migration among men leads to a number of women headed households in the rural areas subject to exploitation, food insecurity and vulnerability to HIV.

GoB is committed to women's social, economic and political empowerment. Bihar is the first state in the country to reserve 50% seats for women in the three tiered panchayat bodies and also passing a legislation requiring 50% of the elected seats in municipal corporations to be reserved for women. The GoB sees Self Help Groups (SHGs) not only as an important vehicle for social and economic empowerment but in addition, the GoB's Eleventh Five Year Plan proposes to use the network of SHGs to make service delivery effective and accountable.

The World Bank's gender action plan promotes gender equality as smart economics, stating that women's economic empowerment is not only a question of rights but the benefits of their empowerment actually benefits their families, communities and national development efforts, thus putting poverty reduction on a faster track.

The objective of the gender strategy is to advance the empowerment of women so they can fully participate in the larger growth and empowerment strategy of the state. The project aims to achieve the following gender related goals:

- Strengthen poor women's asset base, increase livelihoods opportunities and income
- Reduce gender gaps in human development: education, health and nutrition
- Expand access of women to gender specific needs such as child care
- Increase participation of women in local self government and local governance
- Increase access for poor women to social protection schemes and entitlements of food security, healthcare, child care and employment
- Enhance the skill base of literate or semi literate young women and link them to jobs
- Reduce exploitative migration and trafficking of young girls
- Increase awareness of HIV and access to HIV testing and counseling

Community based Gender Action Plan in the project will include the following.

Objectives	Actions
Strengthening poor women's social capital and skill base	• Identification of poor women, especially the most vulnerable – women headed households, widows, destitute, sex workers, aged, orphan girls- during the identification of the poor Mobilizing poor women into SHGs and federations; and into livelihood groups • Providing awareness on entitlements, legal and political rights • Awareness and support on issues related to dowry, lack of mobility and domestic violence • Building skills of enterprise management, value addition, technical training to enable them to interact on fair terms with the market • Increase awareness of legal literacy
Providing women opportunities for livelihoods enhancement and asset creation	• Proving access to the community investment fund both for assetization as well as a seed fund to promote credit worthiness of women's groups Increasing access to financial services through promoting bank linkages with SHGs and federations
Promoting grass root leadership of women	• Identifying and training community mobilizers, community resource persons, para professionals and health workers Providing exposure visits to community leaders in other states • Office bearers of community organization at all levels to be women
Improving access to reproductive health and day care	• Training of health outreach worker in partnership with NGOs • Expanding the network of decentralized health care clinics in project districts Improving access to ANM workers, public drug schemes and PHCs Improving access to anganwadi and ICDS schemes through public and NGO partnerships • Awareness campaigns regarding entitlements and HIV
Promoting household food security	• Utilization of CIF for food security programs managed by women Linking women with PDS coupon systems
Reduction of exploitation of women in organized sector, reducing child trafficking and child labor	• Awareness building and sensitization of women to their rights Promoting self employment Sensitizing teachers in schools, introducing accountability systems to increase enrollment rates in schools Setting up crèches and bridge schools through partnership with NGO or public programs in project areas
Engendering Project Management	• Affirmative action in favor of women being recruited as state, district and field Staff Sensitization of all staff towards gender issues

11.3 Governance and Accountability

JEEViKA will follow good governance and accountability arrangements. For the purpose The Governing Body and the Executive Committee will be expanded to include members from the civil society, private sector and financial institutions to enable development of a broad based governance structure.

JEEViKA will proactively set up a dedicated grievance redressal cell to handle grievances and complaints regarding the project. The Cell will also have a dedicated phone number for receiving calls and a cell phone number for receiving SMS. These numbers will be publicized widely including posting on the project web site. The JEEViKA website will also have a provision for registering grievances. The Executive Committee of JEEViKA will review grievance redressal performance under the project as an agenda item in all the meetings. In addition, the project will conform to the requirements of Right to Information and appoint a focal point to deal with requests for information.

The project will enable transparency through public display of information related to release of funds, physical and financial progress and expenditures at the VO and BLF notice boards as well as displayed on the project website. The project website will also display all state level procurement related information on the website. The project will also enable comprehensive audit arrangements covering all project aspects if sources and utilization of funds, and expenditures incurred.

At the village level, social audit will be undertaken which will monitor utilization of funds, procurement of goods and services, financial efficiency and accountability. The Village Organizations and Block Level Federations will have sub-committees – social audit committee for tacking expenditure and financial supervision; and the procurement subcommittee for ensuring transparent procurement processes. Report Cards, with criteria developed in conjunction with members, will be used for evaluating VO performance periodically. Score Cards will be developed to rate all providers including Jeevika, BLF and VO on a six monthly basis. The cumulative results will be published annually with Jeevika and shared with stakeholders.

11.4 Environmental Management Framework

The BRLP focuses on rural livelihood enhancement for poverty reduction. Based on an Environmental Assessment (EA) conducted for the activities likely to supported by the proposed project, an Environmental Management Framework (EMF) has been developed with the objective of ensuring that the project activities are environmentally sustainable, in addition to meeting all regulatory requirements (the laws and regulations of the Governments of Bihar and India as well as the Safeguard Policies of the World Bank). The orientation of the EMF is on enabling the community institution partners (SHGs and their federations) to utilize the existing (Government schemes) and newly created support systems (CRPs and para professionals) for ensuring environmental sustainability of their livelihoods.

11.4.1 Process of development of the EMF

The EMF has been developed by Centre for Environment Education (CEE) in consultation with the BRLP team and representatives of the World Bank. Discussions were held with a range of stakeholders of the BRLP including: SHG members, community members; BRLP functionaries at the state and block levels; Line department representatives (agriculture, animal husbandry, fisheries, irrigation, etc.) at the state and district levels; NGOs; and Academic institutions. Field visits were made to Gaya, Nalanda, Muzaffarpur and Madhubani. Secondary research was undertaken. The exercise was undertaken during February and March 2007.

An Environmental Management Framework (EMF) has been devised to address the environmental issues and to mainstream them in the planning, design and implementation of project-supported activities. The EMF includes activity-specific Technical Environmental Guidelines (TEGs), environmental management indicators for the project monitoring and evaluation plan, and capacity-building for environmental awareness and management. A simple organizational and process structure has been developed to ensure adequate and effective implementation of the EMF in the project.

11.4.2 Environmental Profile of Livelihoods

The EA and the EMF are based on the environmental profile of the various livelihood sectors that are the focus of BRLPS intervention (Agriculture, Fisheries, and Small Enterprises), with a view to identify the environmental concerns as well as opportunities for mainstreaming environmental aspects in the design and implementation of the project-supported activities.

11.4.3 Legal and Regulatory Framework

The EMF examines the legal and regulatory framework relevant to the BRLP. This section presents a brief listing of the various Acts, Rules and Policies of the Government of India, Bihar as well as the safeguard Policies of the World Bank. The alignment of the proposed Jeevika livelihood interventions with respect to these is examined.

11.4.4 Technical Environmental Guidelines (TEGS):

The EMF includes the Technical Environmental Guidelines (TEGs) that have been developed based on the environmental profile as well as the legal and regulatory requirements. The TEGs are presented district-wise for the key livelihood interventions identified in the 'Livelihoods Study and Value Chain Analysis' conducted for the BRLPS.

The specific TEGs have been developed for each of the project district. The details are as follows:

SI	District	Activities
1	Gaya	Paddy Cultivation, Dairy, Incense stick making
2	Nalanda	Paddy cultivation, Vegetable cultivation, Dairying
3	Purnea	Banana cultivation, Jute cultivation, Winter paddy cultivation, Cultivation and processing of aromatic plants (menthol, lemon grass)
4	Madhubani	Dairying, Fisheries, Vegetable cultivation, Fruits cultivation (Makhana, Mango), Paddy cultivation
5	Muzaffarpur	Dairying, Fisheries, Vegetable cultivation, Fruits cultivation (Litchis, Mango, Maize, Bee Keeping
6	Khagaria	Dairying,
7	Other livelihood activities	Tourism, Textile weaving, Madhubani paintings, Fruit processing, Betel leaf cultivation, Leather processing, Stone cutting, Artisan handicrafts, Bangles, Aromatic plants, and Sugarcane

In addition to the activity-specific TEGs, the report presents a generic framework for environmental management that can be used for a broad range of activities.

All the TEGs as well as the generic framework for environmental management includes guidelines for mitigating, insuring and coping, with regard to the vulnerability of the supported assets to the threat of floods.

11.4.5 Environmental Management Implementation and Monitoring Manual

The EMF prescribes an Environmental Management Implementation and Monitoring Manual that gives details of the following aspects of the implementation of the Environmental Management Framework (EMF)

- Institutional arrangements
- Capacity building strategy
- Monitoring strategy

11.4.6 Institutional Arrangements

The overall responsibility for implementation of the EMF will lie with BRLPS. It will liaison closely with the community institution partners and ensures that all the provisions of the EMF are adequately met. It will also be responsible for

recruitment of additional technical assistance for the implementation of the EMF from relevant government departments, NGOs, and academic institutions in Bihar.

The environmental management process has been developed with the objectives of making it simple and user-friendly. The salient environmental aspects of the activities likely to be supported by the project are captured in the TEGs, which provide the required information to the project functionaries as well as the members of the SHG/producer group/federation which is proposing the activity.

- For each activity, a reference TEG document is to be provided to the BRLP functionaries and community institution members, giving an outline of the issues, and appropriate technical and management guidelines for action.
- A simple front-end TEG document has been prepared for the use of Community Coordinator/Community Resource Person/ Bookkeeper/SHG leaders/ SHG federation members, for discussion with SHG members/Producer Groups preceding the application for credit support. This form will be discussed and completed by the SHG/Producer Group members, and attached to the activity proposal/application form for further action.
- The environmental aspects of the proposed activities will be included in the overall appraisal of the proposals. If the environmental aspects are inadequately identified and/or addressed in the proposals (e.g. in the case of activities for which no TEGs are available), the EMF makes the provision for a rapid environmental evaluation and development of appropriate TEGs for the proposed activity, by the state-level environment resource agency.

At the community institution level, the Self Help Group (SHG) and the Commodity Based Groups or Producers' Groups are the key institutions for integration of EMF in livelihoods. The Village Organization (VO) will ensure that all members integrate the TEG into the relevant livelihood activities. The Village level federation is the key institution for liaison with line departments. The Community Resource Persons (CRPs) are the key functionaries for capacity building of community institution partners in the block.

Even though the nature and small scale of the anticipated project investments have allowed for a simple and efficient design of the EMF, awareness-raising and capacity-building for environmental management have been included as integral components of the EMF. Therefore, the capacity for environmental management will be strengthened with the initiation of the project.

11.4.7 Capacity Building Strategy

The capacity building of the various stakeholders in the BRLP and the community institution partners is aimed at enabling them to execute the above mentioned tasks effectively on a continued basis.

In order to make the capacity building strategy resource efficient the following is recommended in the EMF:

- The focus should be more on skill enhancement for environmental

management of livelihood activities at the community level so that the expertise generated will be relevant and accessible to the SHGs

- Convergence with existing institutions such as the Departments of Agriculture, Fisheries, Animal Husbandry and Krishi Vigyan Kendra (as well as with NGOs) will make the capacity building efforts sustainable

Initial orientation and refresher programmes for the EMF are planned for the BRLP functionaries at various levels from the state to the block. For the community institution partners the focus of the capacity building will be on enabling them to integrate the recommendations in the TEGs in their livelihood practices. This includes understanding the environmental implications of livelihood activities; awareness of existing technical and financial support available from line departments, NGOs and other relevant institutions; awareness of regulatory requirements; etc. Selected Community Resource Persons will be trained as para-professionals to provide specific skill-based services to the SHGs such as soil testing using mobile soil testing kit, integrated nutrient management, integrated pest management and pesticide safety, fodder cultivation (choice of species and varieties, agronomic practices), shed and compost management, monitoring of flood behavior, potential flood management measures, etc.

11.4.8 Monitoring Strategy

The monitoring of the EMF implementation is done at two levels: (i) monitoring by JEEViKA through its internal monitoring systems and (ii) monitoring by JEEViKA by sourcing external assistance. The key environmental parameters as well as the frequency of monitoring are specified in the EMF.

While JEEViKA is not expected to cause any significant negative environmental impact, an audit of the EMF will be conducted by an external agency in the second, third and fifth years of the project. The audit will include a review of SHG livelihood activities in various sectors as well as the activities taken up by Commodity Groups or Producer Groups. A sample size covering 4% of the ongoing activities in all districts and all livelihood sectors will be drawn up for the purpose.

The EMF is viewed as a dynamic document that will evolve to intelligently meet the environmental management requirements of the JEEViKA overtime. Efficient implementation of the EMF will contribute to promoting *sustainable* livelihoods.

CHAPTER 12

MONITORING, EVALUATION AND LEARNING SYSTEM

Monitoring, Evaluation and Learning are the integral component of all kinds of development projects. While the system of monitoring examines the progress of the project activities and its different components, evaluation is done for assessing the impacts of the project interventions on the targeted people/households. The learning aspect refers to the feedback and adjustment processes leading to efficiency of project implementation. Therefore, Monitoring, Evaluation and Learning, altogether ensure that all inputs (money, material, manpower etc.) earmarked for project activities are well utilized in time to produce desired output so as to achieve the chosen goals and objectives of the project.

12.1 Vision of Monitoring and Evaluation in JEEViKA

The Monitoring and Evaluation in JEEViKA has vision to design, development and making Management Information system (MIS) and monitoring and evaluation system operational, institutionalized and being utilized by the senior and lower management for the improvement of project performance.

12.2 Objectives of the Monitoring and Evaluation System in JEEViKA

The central objective of developing a monitoring and evaluation (as well learning) system for Jeevika is to provide continuous feedback to the project management and other stakeholders on the progress and quality of the project implementation. This would facilitate the project management in taking appropriate and timely decision, and to assess the output, outcome and impact of the project vis-à-vis the stated objective. Moreover, a system of learning would be developed to institutionalize the learning process and converting the field experiences and field actions into knowledge and knowledge products, which can be disseminated to internal and external audience for wider reach-out and increasing the effectiveness and efficiency of the implementation process.

The proposed system would be a very holistic one, which would not only serve the needs of the project but also to contribute to the capacity of the poorest of the poor and other stakeholders involved in the process of planning and implementation of the project. The system would be designed to arrest activities related to both progress and process. While progress monitoring would focus on physical, financial and logistic aspects of the project, the process monitoring would deal with critical processes adopted for conversion of project inputs into outputs. To strengthen the system of “Progress monitoring” a computerized system i.e. MIS based software would be developed, whereas process monitoring

would be carried out with the help of qualitative studies, often involving use of participatory methods, at regular intervals i.e. half yearly. On the other hand, the impact evaluation process, handled by an independent agency, would focus on both qualitative and quantitative measurements of project achievements in reference to its development objectives.

12.3 Components of Monitoring, Evaluation and Learning System

Monitoring, Evaluation and Learning system in Jeevika consists of two major components:

12.3.1 Impact Assessment Framework (IAF): This would focus on the evaluation and impact documentation processes of the project. It will be handled by an independent agency and it will be designed to provide both qualitative and quantitative feedback on the achievements of project development objectives. External impact evaluation involving baseline survey, follow-up survey, mid-term review and impact assessment (at end of project) are the main activities under this component. In addition, Implementation Audit of the project will also be handled under this component. This would ensure that the project is following the required procedures in community mobilization, group and cluster formation, and linkages to service providers.

12.3.2 Rural Livelihoods Management Information System (RLMIS - MIS): The project will support a decentralized and flexible RLMIS. The main objective of the system would be to assist in the decision making process by managers based on factual and verifiable data, analysis and lessons learnt at each level of project operations. This component is managed by the PMU at all levels. Beneficiary communities and stakeholders will also be involved in participatory M&L processes. In general, the M&L arrangement will function as follows:

- The project will support three types of MIS, including manual (SHG and VO levels), semi-manual and fully automated web-based computerized system during the five year project implementation period.
- Comprehensive group self-monitoring system for tracking institutional development (CBOs - assessing their own organizational capacity development as well as progress towards sustainable livelihoods by using learning tools)
- Input-output system to track the progress and performance on a periodic basis. An automated system for the same would be developed with the help of external agency for this purpose.
- Internal and External process monitoring to track the processes (to provide leads and direction on the progress towards the achievement of the various end results of the project components)
- Concurrent or ongoing evaluation through Internal management review and learning system (monthly review and planning meetings and

monthly reporting by the project staffs at various levels, particularly at district, block, cluster and village level)

A Template for the M, E & L System

S. No.	M & L Components	Information collected on	Type of information	Instruments and frequency	For whom	By whom /Output
a.	Self-tracking of institutional development of CBOs	Achievement against targets	A mix of qualitative and quantitative data including the perceptions of CBOs member.	Comprehensive self based monitoring system	By self monitoring system	Self managed CBOs and institutions - This information will feed into MIR.
b.	Progress Tracking (Output indicators, activities and inputs)	MIS based Monthly Progress Reports	Quantitative outcome indicator-wise, activity-wise and input-wise data	MIS based input and output system Monthly	For the project and for the State Unit	Internal – PPR on a half yearly basis.
C1	Project process tracking	Process indicators	Process monitoring tools	Internal process monitoring twice a year	For the project, GoB and the WB	Internal/Production and sharing of the report with major stakeholders
C2				External Process Monitoring, twice a year	For the project, State and WB	External Agency
d.	Internal Learning	BPIU, DPCU and SPMU	Success stories, default areas, areas that need attention, components that can be replicated etc.	Workshops, meetings, reviews, case studies etc., Annual	For the functionaries and project	By the project functionaries— Production of case-lets series on a half yearly basis.
e.	Impact evaluation – Baseline survey, follow-up survey, MTR and impact assessment	Village level household data taken on sample basis	Result indicators as specified in the log frame	Survey and study Midterm End of project	For the project, State and WB	External agency

12.3.3 Comprehensive Group Self-Monitoring System (to track institutional development)

The central objective of group (SHG/VO/BLF) self-monitoring is to make the primary stakeholders an integral part of the overall M&L system. The self-assessment would involve the use of learning tools by the groups to assess their own organizational capacity development as well as progress towards sustainable livelihoods. Each SHG/VO would periodically undertake self-assessment of the goals it set out for itself and measure progress towards indicators it selected. Self assessments would track levels of satisfaction/dissatisfaction of the groups to function as a collective, mobilize resources, promote bonding and bridge social capital, solve livelihood problems, manage collective activities and take responsibility.

In order for the group self-assessment to be useful and taken seriously by members, the SHG/VO would be empowered to take decisions on the basis of their collective self-assessment. They may also need to be effectively linked to a higher-level decision making body that would respond quickly and effectively as and when required.

Developing appropriate self-monitoring and learning tools is a critical step in the introduction of a self-monitoring system. Simple, flexible and yet useful tools would be developed to enable the groups to undertake self-monitoring early on in the project. However, self-monitoring tools would be so designed as to capture certain basic information about the dynamics and development of the group, apart from groups' self-perceptions. The basic group information would be fed into input-output MIS system as well as process monitoring system. To enable the groups to undertake self-monitoring, appropriate capacity building of group would be undertaken by the M&L wing of the district project management unit. The development of learning tools for self-monitoring, however, would be contracted to the agency responsible for external process monitoring and MIS development so that effective integration of the three types of monitoring would be achieved.

Key activities under this component would include:

- Development of self-monitoring and learning tools for SHG/VO by the apex process monitoring agency;
- Training of frontline staff in facilitating the use of self-monitoring tools by the CBOs;
- Capacity building of all CBOs in the use of self-monitoring tools; and
- Monitoring the impact of the use of self-monitoring tools on internal and external functioning of CBOs.

12.3.4 Internal and External Process Monitoring

JEEViKA is a process intensive project. The culmination of outcomes of the project would depend mainly on the strength of the processes adopted. Therefore, process monitoring would be undertaken to help the project management and

others involved to understand how and through what process inputs get converted into outputs and outcomes, what issues are critical in that conversion process and what action is necessary to increase effectiveness. More specifically, the objectives of process monitoring are:

- To understand how project inputs result in project outputs and identify issues critical to such conversion;
- To provide information necessary to the management to increase the effectiveness of the project in the areas of:
 - Inclusiveness;
 - Sensitivity of the project staff to the needs of the poor;
 - Internal and external functioning of the SHGs/VOs/BLFs
 - Evolution, implementation and management of sub-projects;
 - Inclusion of PRIs and civil society organizations in the project implementation; and
 - Identification, rehabilitation and empowerment of vulnerable and disabled people.
- To verify the process related assumptions of the project;
- To assess whether activities/processes as planned are carried out;
- To generate a learning and feedback mechanism, which would enhance prospects for adaptation, especially at the early stages of the project; and
- To assess whether the style of work and management is the best way to achieve the objectives.

Process monitoring is especially important in JEEViKA because the project does not go after the pre-determined targets. It, however, assumes that certain processes would take place, which would result in intended outcomes. The project's success hinges on how well these assumptions hold. If these assumptions do not hold well, the project would not achieve its intended outcomes. While input-output monitoring would highlight process issues, it would not provide adequate explanations or identify mediating structures, factors or institutions that affect performance. Such explanations are best assessed with a combination of conventional and participatory techniques and learning strategies. Process monitoring would, therefore, verify the quality of the project implementation on a continuous basis by analyzing the information gathered by:

- Input-Output MIS system;
- Self Monitoring by SHG/VO/BLF and
- The systematic qualitative work involving use of tools such as self-assessment, focus groups and other participatory techniques on randomly selected SHGs, VOs, etc.

The participatory analysis would be conducted in a manner that encourages self assessment by the community members i.e., the identification of project processes that the community members themselves regard as important, analysis by them of the extent to which these processes are operating according to plan. The process monitoring would be conducted at all levels of the project agencies (the programme, district, block and cluster) as well as the community. The participatory techniques would be explored depending on the context.

- Develop rating system that would allow inter-district comparison in different project components.

12.3.5 External impact evaluation involving baseline survey, follow-up survey, mid-term review and impact assessment

The objective of impact evaluation would be to establish the net contribution of the project to the poor with enhanced risk management ability. Measuring impact would involve comparing the livelihood outcomes of the poor "before" and "after" the project, and between the "project" and "control" areas. Since the livelihood outcomes would depend on a number of factors, some within the control of the project and several outside, an effective impact evaluation would try to estimate the "net effect" after controlling for the non-TNEPRP interventions/factors to the extent possible. Even then, attributing the net effect to the project interventions would be difficult. However, care would have to be taken to segregate the influence of non-project interventions and estimates would be provided within a reasonable level of confidence.

The changes in livelihoods of the poor would be assessed through appropriate sustainable livelihood indicators cutting across the livelihood capitals (natural, human, physical, financial and social capitals). The assessment would also capture the change in the vulnerability of the poor to different risks and their risk management capacity. In addition to capturing household level outcomes, the impact evaluation would assess the group level and the community/village level changes.

The impact evaluation activities would be carried out in three stages:

- i) Baseline data documentation through baseline survey,
- ii) Mid-term Review; and
- iii) End-of-the-Project Evaluation.

12.3.6 Internal management review and learning system

The internal systems would have the following components:

- Monthly planning/progress/process reporting systems which operate independent of MIS; and
- Monthly/quarterly internal review system for the cluster/block/district level team facilitated by District Unit and State Unit at the cluster/block/district/state level with district/state project staff participating.

The activities of this component would include:

- Development of internal monitoring and review system;

- Preparation of tools & reporting formats;
- Capacity building of the project staff in generic M&L; and
- Capacity building of M&L units at State and District level

It is important to note here that the pilot phase of the project is ongoing, so learning of the hands on experiences of working in the field will be included during the due course. To ensure this process, a study would be conducted at the end of the pilot phase.

12.4 Institutional Mechanisms:

In order to establish an efficient M,E&L system, the following institutional arrangements would be made:

- **Self-managed institutions of people and their self-monitoring systems**

The tools required to promote system of Self-monitoring would be prepared by an external process monitoring agency, which would have expertise in developing such tools in participatory mode. It would also provide capacity building support to the project frontline staff in the use of self-monitoring tools at SHG, VO, and BLF levels. The CC, AC, BPM would be expected to facilitate this process of self-monitoring at different levels.

- **Input-Output Monitoring**

The services of an external agency would be utilized to develop an MIS system including the software. The agency would also be responsible for building the capacities of the M&L functional units at the block/district level, which in turn would train the CC, AC, and other concerned functionaries in the use of the system. The state (and latter on district) level management units would be responsible for input-output monitoring of the project through the MIS. However, while input information (finances, human resources and services) can be collected at the State and district level, whereas output information would necessarily require to be collected from CBOs, SHGs, VOs, BLFs with the help of frontline staffs.

For microfinance and livelihood activities there would be a separate and specialized MIS, which would work at the Block level. However, a consolidated report of their MIS would be integrated with the "Project Management Information System (PMIS)". However, it would be desirable to keep the project financial management system independent of the input-output MIS system.

Moreover, based on the data received from the Block level, the state (and latter on District unit) would prepare a "**Management Information Report**" (MIR) and based on that a comprehensive feedbacks including "**Action Required Report**" (**ARR**) will be sent to the block units.

- **Process Monitoring (implementation audit)**

The services of a competent professional organization would be utilized for undertaking the continuous process monitoring of the project activities. The agency would also be responsible for giving the process monitoring report of each district separately to State Unit as well as to concerned District/Block Units. The District/Blocks Units and State Unit will take responsibilities to address the issues raised in these reports.

- **Baseline Survey, Mid-term Appraisal and Impact Evaluation**

For conducting Base Line Survey, Mid-term appraisal, and Impact Evaluation, appropriate and competent organizations will be identified during appropriate time

Frame of the project cycle and a detailed Term of reference would be developed for the same.

- **Peer Reviews**

From the third years of project implementation and onwards, the concept of peer reviews will be introduced. Under this an annual review of each block would be done by a specially constituted team from other blocks. The exercise will be conducted once in a year. Each block team would prepare a “**Self-review Report**” before the beginning of this review process. The visiting team would give feedbacks on this report after a short field visit and being briefed by the hosting block. This will ensure not only the participation of all levels of staffs in the review process, at least once in a year, but would also help in building a culture of learning from peers and experiences of other colleagues working under the same project in different areas. This kind of collective and decentralized monitoring would help in building the culture of “Horizontal learning” among the project team members.

12.5 The Key Outputs of the M & E System

1. Production of “Management Information Report” (MIR) at quarterly basis
2. Production of “Project Progress Report” (PPR) on a half yearly basis.
3. Production of series of case-lets in association with communication Expert.
4. Preparation of annual “Self review report” by each Block team.

12.6 Result Monitoring Framework (As described in Annexure)

Annexure - 1**Project Districts and Blocks**

Sl. No.	Districts	Total No. of Blocks	No of Blocks under project operation	No of Panchayats under project operation	Total population of the Block
1.	Gaya	24	11	142	3.4 Million
2.	Nalanda	20	7	99	2.3 Million
3.	Khagaria	7	3	60	1.2 Million
4.	Purnia	14	7	148	2.5 Million
5.	Madhubani	21	7	147	3.5 Million
6.	Muzaffarpur	16	7	180	3.7 Million
	Total	102	42	776	16.6 Million

Details of Blocks Selected Under Project Operation

District	Total Blocks	Selected no. of Blocks	Selected Blocks
Gaya	24	11	Amas; Atri; Barachatti; Bodh Gaya; Dobhi; Gurua; Khizisaraj; Manpur; Sherghati; Tankuppa; Wazirganj
Nalanda	20	7	Asthawan; Bihar; Harnaut; Nagar Nausa; Rahui; Rajgir; Sarmera
Khagaria	7	3	Alauli; Chautham; Khagaria
Purnea	14	7	Amour; Kothi; Baisi; Banmankhi ; Bhawanipur ; Dhamdaha ; Rupauli
Madhubani	21	7	Benipatti; Jainagar; Jhanjharpur; Khajauli; Lakhsaur; Pandaul; Rajnagar
Muzaffarpur	16	7	Bochaha; Dholi (Moraul); Kurhani; Minapur; Musahari; Sakra; Saraiya
6-Districts	102	42	

Comprehensive Action Plan for first 18 Months of JEEViKA Project

Pre Launch Phase

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
10 Resource Persons in each Block Identified for IB Training to the Community	Training Agency hired for Training staff on COM	Entry in 50 Villages	Pilot conducted on SRI	Development of strategic documents on communication for the Project	Appointment of PMs	Monthly reporting format introduced and functional	Placement of 250 rural youth with local and service sector job in Gaya and Nalanda	Action plan of 100 SHG members is developed on health and education issues
	Training Module Tested in the field (with existing staff)	Formation of 300 Groups	Pilot Conducted on PVSP	Assessment Conducted on communication need, monitoring and feedback in the Project	Appointment of CFO, SPM (CB and BDC) and PM (FS)	Agency hired for development of community level MIS	Agency Hired for placement of 250 youths with local and service sector job in Muzaffarpur	Agency hired for health and education services at community level (Janani and Pratham)
	Training Conducted to Project Staff on COM	CIF Released : Rs. 1.5 million	Pilot on Fishery	Development of Project Brochure, One pager on the Project and a Corporate Film	Appointment of District Coordinators (6)	Agency hired for baseline survey	Placement of spearhead team at District level (3)	30 women outreach worker are trained and functional at village level
		Bank Linkages achieved : Rs. 0.2 Million	Feasibility Study conducted on Business Opportunity for Banana and its by product	One quarterly newsletter of the Project published and disseminated	Appointment of BPM (15), AC (44), CC (143), Accountant (5), Block support staff (18), State support staff (2)	Baseline survey conducted	Publicity material published for community awareness on rural youth employment	20 new education center opened in 20 tolas in 10 villages

Prelaunch Phase (Contd...)

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
			Designing Project Intervention in Collaboration with Nalanda University Project on Livelihood/ Employment Generation in 200 Villages	Development of Awareness and information material (both audio visual and print) for Project use	Final HRD Manual adopted by the Project			100 tuition tutors trained from 30 villages
				Development of Training and awareness material for community mobilisation and institution building	Revised devolution of power is in place			MOU signed with BEP for leveraging the expertise in education
				New Website of the Project	Five Block Offices are functional			
					Key Project staff trained on Project Management			
					Plan approved for setting up of remaining (13) block offices and procurement there			

Phase - 0-6 Months

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
Entry made in 324 villages	Members of 2400 SHGs are trained on Group as well Financial Management	Regular Saving by 2400 SHGs worth Rs. 3.5 million	Rapid study commissioned on " Block Level Livelihood Opportunity"	Development of Brochure and Corporate Film completed	Block infrastructures (in 13 Blocks) are functional with bank account opened	Project Management Application is designed in the Project	Placement of 250 Candidates in market driven demand oriented trade in Muzaffarpur	Action plan of 200 SHG members is developed on health and education issues
Formation of 2400 new SHG completed	Members of 2400 SHGs are trained on MCP - 7 step process	80% of SHGs are maintaining 90% of repayment rate	MCP process being tested through pilot by Project staff	2 quarterly Newsletter of the Project published and disseminated	Recruitment of 13 block level accountant and 18 remaining support staff at block level completed.	Piloting - conducted in one block testing MIS of the Project	Placement of Spearhead Team at District Level – three position filled	Key social issue in 50 VO's are identified through MCP
2400 new SHG trained on 3 basic module of MCP	Members of 2400 SHGs are trained on VO functions and management	Work started with 1 MFI on Institutional Support	One area coordinator in each block is appointed as Cluster Livelihood Coordinator	Project Launch Workshop at State level	Induction Programme Conducted for the Project staff	Key Project Staffs are trained on MIS system and handholding/trouble shooting process	Placement of 1000 rural youth with suitable job opportunity (service sector and local job) in six district of the Project	30 women outreach worker are trained and functional at village level
External CRPs demonstrated the best practices for SHGs and MCP in 18 blocks	450 Community Mobilisers and Bookkeepers are trained	Mobilisation of Loan from Bank worth Rs. 5.2 million	Business Plan finalised for Community Based Tourism in Gaya as follow up of CBT study done earlier	Project Launch Workshop at District Level (6)	Mobility policy for the project staff is operational	Agency hired for developing community based self monitoring system	Community Level Preparedness Done through exposure and awareness campaign	50 Education center opened in 50 tolas in 25 villages
200 Book keepers identified and trained	Leaders of 2400 SHGs are trained on need and importance of bookkeeping	A sensitisation workshop with Bankers on MF issues		Awareness and information material (both audio-visual and print) developed for Project use	Grievance redressal mechanism is functional	Services procured of an agency for conducting half yearly process monitoring	Service Provider Agency is hired for Construction sector Job	50 tuition tutors are trained from 30 villages

Phase - 0-6 months (Contd..)

Phase : 6-12 months

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
Formation of 4080 SHGs Completed	All 4080 SHG's members are trained on Group Management & Financial management	80% SHG is maintaining repayment rate (90%)	12 cluster based livelihood plan developed	2 quarterly Newsletter of the Project published and disseminated	Ist annual appraisal of staff conducted	MIS design and system is freezed	Community Level Preparedness done through campaign at village level and one exposure of community	Action plan of 400 SHG members is developed on health and education issues

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
150 new VOs are formed	Cluster level training on MCP process to select SHG members	one training organised with SBI for Bank officials on SHG sensitization		Training and awareness material for community mobilisation completed for institution building	All project support staff (Both at state and block level) are trained on standard office processes and computer usage (internet as well)	Identification done of 25 potential cadre for data entry		MoU signed with Insurance Service Provider
450 Community Mobilisers identified and trained	Cluster level training of EC members of 150 VO on functioning and management of VO structure	MoU with PNB signed for leveraging support on financial linkages		Learnings from Project published and uploaded on website	All project support staff (Both at state and block level) are trained on effective communication			
First Trance of CIF (ICF) of Rs. 12.5 million released to 1500 SHGs	Block level training of 200 bookkeepers of VO	Remittance study conducted for financial orchestration			All project staff are trained on procurement norms, administrative process and finance discipline in the Project			
PIP Annexure	Block level training of office bearers of 150 VO on MCP process and its appraisal				Page 5 of 82			

Collaboration is made with 2-3 NGO per district for nurturing of older SHGs	All 4080 SHG's members are trained on Micro Credit Plan- 7 Step Process	CIF (ICF) to 3000 SHGs released worth Rs. 24 million.	CC and CMs in the project are trained on MCP based village level planning process	Block level 18 community newsletters published	ToT for all project staff conducted	MIS is installed in all 18 blocks under project operations	Placement completed of 1000 rural youth with suitable job opportunity (service sector and local job) in six district of the Project	Key social issue in 100 VOs are identified through MCP
All new 4080 SHG are trained 3 basic training module and MCP	All 4080 SHG's members are trained on VO formation, objectives, constitution & role and responsibilities	Cumulative savings of SHG members reached worth Rs. 9.3 million	100 MCP based village planning is completed	Learning from Project published and uploaded on website	Training on MIS for all project staff conducted	2nd round refresher course conducted on MIS	Placement of 250 rural youth with suitable job opportunity in construction sector	20 Villages are benefited through services of WOW
External CRPs demonstrated the best practices for VO formation and strengthening in 18 blocks	All the leaders (office bearers) of 4080 SHG are trained on the need & importance of bookkeeping and bookkeeper role	Credit disbursement worth Rs. 1 million to community through MFIs is ensured.	Workshop conducted in each district/state level on learning on MCP based village planning	Regular dissemination of awareness and information materials	Training programme conducted for project staff on conflict within CBOs and its resolution	First quarterly MIS report is released	Service Provider Agency is hired for setting up of Migration Resource Centre	40 WOW are trained as local health service providers
3 Internal CRPs per Block are identified and trained on SHG forming, forming and strengthening process	Cluster level training conducted for 3 members per SHG of 4080 SHGs on MCP Process	Bank linkages achieved to Rs. 13.9 million (cumulative)	Training of AC (as livelihood coordinator)	Training and awareness materials on Federation developed	A functional liberty in BRLPS is set up	Project Progress Report is released		100 new education center opened in 50 tolas in 50 villages

Phase : 6-12 months (Contd...)

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
Formation of 150 new VO completed	Cluster level training of EC members of 150 VO on functioning and management of VO structure	Exposure visit conducted for 5 bank officials to IKP project in AP	"TRAINING PROGRAM" developed for "community" para professional – Livelihood Associates / Skilled Extension Workers	Identification of 6 cultural team in each project district is done and training conducted for them	Need based exposure to project staff conducted	Agency hired for long term support to the Project		20% of children in education centers of 40 villages are provided mid day meal

	Cluster level training conducted for 200 Book keepers of VO	2 sensitization workshops conducted on MF issues with Bankers	2 Technical Service Providers on SRI and PVSP hired and in place	Media and Press are regularly oriented	Staffs are participating in seminars, workshops as per needs	Baseline study completed and shared with major stakeholders		100 tuition teachers are trained in 50 villages
	Cluster level training conducted for office bearers of 150 VOs on MCP process & appraisal systems	one training organised with PNB for Bank officials on SHG sensitization	ATLEAST 1000 SHG Members is partnering in PILOT TEST on SRI & PVSP		As a result of the above the Project staff is able to use their improved skill and knowledge while monitoring project activities, conducting training to community, facilitating community to apply appropriate conflict resolution mechanism and delivering output as assigned to them.	Module tested on Community based self monitoring system		increase in demand from 30 VOs of loan for meeting education and health needs of the community
	3 internal CRPs per block are trained on SHG concept and management	MoU with MBKGB signed for leveraging support on financial linkages	250 nos. of SHG HHs (having milch cattle) are linked to the existing DCS			Key staffs, CC/CRPs/CM are trained on Community based self monitoring system		10% of SHG members are benefited by life insurance cover
	1 Workshop in each project district conducted for district Government officials and line department on Project process and its progress	Action implemented in 1 block based on remittance study	10 nos. of Incense Sticks Producers' Group will be formed			First Process Monitoring Report published and shared		
			Community based tourism business plan is developed in Gaya			Identification done of 25 potential cadre for data entry		

Phase : 12-18 Months

IB	CB	MF	Livelihood	Communication	HRD	M&E	Service Sector	Social Sector initiative
Entry made in 648 villages	All 8520 SHG's members are trained on Group Management & Financial management	80% SHG is maintaining repayment rate (90%)	Cluster based livelihood plan developed	2 quarterly Newsletter of the Project published and disseminated	Need based exposure, training and workshops for the project staff conducted	feedback mechanism and MIS based MPR introduced	Placement completed of 3000 rural youth with suitable job opportunity (service sector and local job) in six district of the Project	Action plan of 600 SHG members is developed on health and education issues
Formation of 8520 new SHGs completed	All 8520 SHG's members are trained on Micro Credit Plan- 7 Step Process	CIF (ICF) released worth Rs. 60 million.	200 MCP based village planning is completed	Block level 18 community newsletters published	conflict and grievances within the project is resolved on time by regular counseling to staff	First series of case lets released	Placement of 1400 youth with suitable job opportunity in construction sector	Key social issue in 100 VOs are identified through MCP
External CRPs demonstrated the best practices in SHGs for Food Security and formation of Block level federations (BLFs)	All 8520 SHG's members are trained on VO formation, objectives, constitution & role and responsibilities	Cumulative savings of SHG members reached worth Rs. 20.8 million	Community livelihoods associates/ skilled extension workers are trained in 150 villages	Learning from Project published and uploaded on the website	Staff retention is satisfactory	Second Project progress Report (PPR) released	Initiation for Migration Resource Centre is done	100 social committees started collective social action at VO level
3 Internal CRPs per Block are identified and trained on SHG forming, forming and strengthening process	All the leaders (office bearers) of 8520 SHG are trained on bookkeeping	Credit disbursement made worth Rs. 2.5 million to community through MFIs	4 Technical Service Providers hired and placed	Regular dissemination of awareness and information materials	learning within the organization improved by staff taking part in internal workshops and regular review and feedback happening	Third and Fourth Monthly Internal Report (MIR) released		60 WOW are trained as local health service providers
Formation of 300 new VOs completed	Cluster level training conducted for 3 members per SHG of 8520 SHGs on MCP Process	Bank linkages achieved to Rs. 31.2 million (cumulative)	40 livelihoods agriculture based producers group formed and involved in procurement activities	Training and awareness materials on livelihoods developed		CBMS introduced at least twice a year and at least once in a year with all newly promoted institutions		50 new education center opened in 50 villages

Phase : 12-18 months (Contd...)

IB	CB	MF	Livelihood	Communication	HRD	M&E	Job Sector Initiative	Social Sector initiative
Formation of 4 Block level federation (BLF) completed	Cluster level training of EC members for 300 VO on functioning and management of VO structure	Exposure visit conducted for 5 bank officials to IKP project in AP	1000 bookkeepers for producers' group are trained	Themes for staging performances developed for the cultural teams		Data entry person identified and trained.		40% of children in education centers of 40 villages are provided mid day meal
	Cluster level training conducted for 450 Book keepers of VO	2 sensitization workshops conducted on MF issues with Bankers	10 Incense Sticks Producers' Group will be formed					150 tuition teachers are trained in 50 villages
	Cluster level training conducted for office bearers of 300 VOs on MCP process & appraisal systems	one training organised with MBGB for Bank officials on SHG sensitization	25 livelihoods producers group of banana are given fiber extraction machine					50 VO have raised demands of loan for meeting education needs for children
	3 internal CRPs per block are trained on SHG concept and management	MoU with UBGB signed for leveraging support on financial linkages	250 SHG HHs of fishery and 500 HHs of Makhana trained					20% of SHG members are benefited by life insurance cover
	Block level training conducted for VO functional committees- SHG bank linkage, Social, Repayment trained at the rate of 3 members per committee	Impact Evaluation of remittance implementation done.						
	Block level training conducted for VO office bearers of 300 VOs on BLF formation, objectives, constitution, role & responsibilities							

Block level training conducted for VO EC members of 300 VO on BLF formation, objectives, constitution, management & meeting norms and role & responsibilities							
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Annexure – 3

18 Months Detailed Action Plan of JEEViKA Project

Institution Building (IB)

Pre-launch	0-6 month	6-12 Months	12-18 months
10 Resource Persons per blocks identified and trained for Institution Building at Community level	Entry into 324 new villages made and initial mobilization of community initiated	Formation of 4080 new SHGs completed	Entry into 648 new villages made and initial mobilization of community initiated
	Formation of 2400 new SHGs completed	Collaboration with 2-3 NGOs per district done for the nurturing of old SHGs	Formation of 8520 new SHGs completed
	High repayment rate of almost 90% is ensured in the 80% of the SHGs formed.	High repayment rate of almost 90% is ensured in the 80% of the SHGs formed.	High repayment rate of almost 90% is ensured in the 80% of the SHGs formed.
	External Community Resource Person (CRPs) visited in 18 blocks and demonstrated the best practices in SHGs including the process of Micro Credit Planning (MCP)	All the members of 4080 SHGs have been trained on 3 basic training module and MCP	External CRPs visited and demonstrated the best practices in SHGs for Food Security and formation of Block level federations (BLFs)
	All the members of 2400 SHGs have been trained on 3 basic training module and MCP	External CRPs visited and demonstrated the best practices in SHG for VO formation and its strengthening	3 Internal CRPs per Blocks identified, trained and exposed
	Formation of 150 new Village Organisations (VO) completed	3 Internal CRPs per Blocks identified, trained and exposed	Rs. 56 million released as First trenches of CIF (ICF) to SHGs
	Identification and training of 200 VO Bookkeepers completed	Rs. 24 million released as First Tranche of CIF (ICF) to 3000 SHGs	Rs. 60 million released as Second trenches of CIF to 150 VOs
	Identification and training of 450 Community Mobilisers completed	Formation of 150 new VOs completed	Formation of 300 new VOs completed
	Rs. 12.5 million released as First Tranche of CIF (Initial Capitalisation Fund- ICF) to 1500 SHGs	Identification and training of 200 VO Bookkeepers completed	Identification and training of 450 VO Bookkeepers completed
			Formation of 4 Block level federation (BLF) completed
			Identification and training of 900 Community Mobilisers completed

Capacity Building (CB)

Prelaunch	0-6 month	6-12 Months	12-18 months
One Training Agency hired for development of training modules & related IEC material based on COM for imparting trainings to 2 district teams.	All the members of 2400 SHGs trained on Group Management & Financial management at the village level.	All the members of 4080 SHGs trained on Group Management & Financial management at the village level	All the members of 8520 SHG trained on Group Management & Financial management at the village level
Two Training agencies hired for imparting trainings to 4 district teams (2 each)	All the members of 2400 SHGs trained on Micro Credit Plan- 7 Step Process at the village level	All the members of 4080 SHGs trained on Micro Credit Plan- 7 Step Process at the village level	All the members of 8520 SHG trained on Micro Credit Plan- 7 Step Process at the village level
Development of Training modules & IEC material completed	All the members of 2400 SHGs trained on VO formation, objectives, constitution & role and responsibilities at the village level	All the members of 4080 SHGs trained on VO formation, objectives, constitution & role and responsibilities at the village level	All the members of 8520 SHG trained on VO formation, objectives, constitution & role and responsibilities at the village level
Pilot testing of Training modules & IEC materials completed in the field	450 Community mobilisers/ bookkeeper trained on SHG concept, management, bookkeeping, VO concept, CM roles & responsibilities at the cluster level	All the leaders (office bearers) of 4080 SHG trained on the need & importance of bookkeeping and bookkeeper role at the cluster level	900 Community Mobilisers/ bookkeeper trained on SHG concept, management, bookkeeping, VO concept, CM roles & responsibilities at the cluster level
Finalisation of Training modules and IEC materials completed	All the leaders (office bearers) of 2400 SHG trained on the need & importance of bookkeeping and bookkeeper role at the cluster level	Selected members of SHG (@ 3 members per SHG) of 4080 SHG trained on MCP Process at the cluster level	All the leaders (office bearers) of 8520 SHG trained on the need & importance of bookkeeping and bookkeeper role at the cluster level
Exposure of final training modules & IEC material to the project staff at all the levels completed	Selected members of SHG (@ 3 members per SHG) of 2400 SHG trained on MCP Process at the cluster level	All the VO EC members of 150 VOs trained on VO objectives, management norms, VO meeting process, role & responsibilities at the cluster level	Selected members of SHG (@ 3 members per SHG) of 8520 SHG trained on MCP Process at the cluster level
Project Staff at all levels trained on these training modules.	All the VO EC members of 150 VOs trained on VO objectives, management norms, VO meeting process, role & responsibilities at the cluster level	200 VO book keepers trained on bookkeeping and bookkeeper role at the block level	All the VO EC members of 300 VOs trained on VO objectives, management norms, VO meeting process, role & responsibilities at the cluster level
	200 VO book keepers trained on bookkeeping and bookkeeper role at the block level	All the VO office bearers of 150 VOs trained on MCP process & appraisal systems at the block level	450 VO book keepers trained on bookkeeping and bookkeeper role at the block level

Capacity Building (Contd..)

Prelaunch	0-6 month	6-12 Months	12-18 months
	All the VO office bearers of 150 VOs trained on MCP process & appraisal systems at the block level	3 internal CRP per block identified and trained on SHG concept, management and roles & responsibilities	All the VO office bearers of 300 VOs trained on MCP process & appraisal systems at the block level
		Workshop on project activities done for district govt. officials and line dept.	3 internal CRP per block identified and trained on SHG concept, management and roles & responsibilities
		Workshop on project activities done for block level line departments, PRI member and other stakeholders.	All the VO functional committees (SHG bank linkage, Social, Repayment) trained (@ 3 members per committee) trained at the block level
			All the VO office bearers of 300 VOs trained on Bloc level federation (BLF) formation, objectives, constitution, role & responsibilities at the block level
			All the VO EC members of 300 VOs trained on BLF formation, objectives, constitution, management & meeting norms and role & responsibilities at the block level

Micro Finance

Pre launch	0-6 month	6-12 Months	12-18 months
Nurturing of quality SHGs happened with priority of coverage to the poorest in Self-Exclusion Model.	Entry made in 324 villages and initial mobilization initiated.	Formation of 4080 new SHGs done	Entry made in 648 villages and initial mobilisation initiated.
Groundwork completed for taking up institution building processes among SHGs	Formation of 2400 new SHGs done	Collaboration with 2-3 NGOs per district for nurturing of old SHGs done	Formation of 8520 new SHGs done
Entry made in 50 Villages	High repayment rate of almost 90% is ensured in the 80% of the SHGs formed.	High repayment rate of almost 90% is ensured in the 80% of the SHGs formed.	High repayment rate of almost 90% is ensured in the 80% of the SHGs formed.
Formation of 300 SHGs completed	Capacity building of project staff done to take MCP exercise in more productive way	All the members of 4080 SHGs have been trained on 3 basic training module and MCP	Sensitization of the MCP process done to the left 2040 SHGs'
Rs. 1.5 million released to SHGs as CIF money	Identification and training of 200 VO Book keepers done	Identification and training of 200 VO Book keepers done	Identification and training of 150 VO Book keepers done
Bank linkages of Rs. 0.2 million done with the SHGs	Rs. 12 million released as First Tranche of CIF (ICF) to 1500 SHGs	Rs. 24 million released as First Tranche of CIF (ICF) to 3000 SHGs	Rs. 60 million released as CIF to the community
	Regular savings of Rs. 3.5 million happened among 2400 SHGs	Regular savings of Rs. 9.3 million happened among SHGs members	Regular savings of Rs. 20.8 million happened among SHGs members
	Collaboration efforts started with 1 MFI on institutional support	Disbursement of Rs. 1 million to the community through MFI is ensured	Initiation of work with 1 more MFI and disbursement of Rs.2.5 million to the community through MFI ensured.
	Bank mobilization of Rs. 5.2 million happened	Cumulative Bank mobilization of Rs. 13.9 million happened	Cumulative Bank mobilization of Rs. 31.2 million happened
	1 sensitization workshop on Micro-finance issues done with the Bankers	Exposure visit conducted for 5 bank officials from partner financial institutions to IKP project in Andhra Pradesh	Exposure visit conducted for 5 bank officials from partner financial institutions to IKP project in Andhra Pradesh
	1 training programme done with State bank of India (SBI) for bank officials on SHG sensitization	2 sensitization workshops with the bankers on Micro-finance issues completed	2 sensitization workshops with the bankers on Micro-finance issues completed
	MOU signed with Punjab National Bank (PNB) for support in financial linkages	1 training programme done with Punjab National bank (PNB) for bank officials on SHG sensitisation	1 training programme done with Madhya Bihar Gramin Bank (MBGB) for bank officials on SHG sensitization
	Remittance study completed	MOU signed with Madhya Bihar Gramin Bank (MBGB) for support in financial linkages	MOU signed with Uttar Bihar Gramin Bank (UBGB) for support in financial linkages
		Action implemented in one of the block based on the findings received from the remittance study	Impact Evaluation of remittance implementation done.

Livelihoods

Pre launch	0-6 month	6-12 Months	12-18 months
Pilot conducted on SRI	Rapid Assessment study is commissioned on 'Block level Livelihoods opportunity'	12 cluster based livelihoods plan developed	Community Training Manuals based on cluster based livelihoods plan developed
Pilot conducted on PVSP	Pilot testing of MCP conducted based on 50 village specific micro planning	Training on MCP based village level micro planning for the CCs and CMs conducted	200 MCP based village level livelihoods Plan developed
Feasibility Study conducted on Banana and its by products for gauging business opportunities	Terms of References developed and Block/ Cluster Livelihoods Coordinators appointed.	100 MCP based village level Plan developed	Community livelihoods associates/ skilled extension workers in 150 villages appointed and trained.
Pilot conducted on fishery	Business Plan for the Community based Tourism in Gaya developed and follow-up to the CBT study conducted	Workshop conducted in each district/ state on the learnings of the MCP based micro plans.	4 Technical Service Providers hired and placed
Community owned and managed business development plan identified and developed in light of Govt. of Bihar promoted Nalanda University Project		Block or Cluster level Livelihood Coordinator trained on the MCP Process	40 Livelihoods agriculture based Producers Group formed and operationalised in procurement activities.
		Training Program for Community Para Professional– Livelihood Associates/ Skilled Extension Workers conducted	500 new SHG Households (having share cattle) linked to the DCS
		2 Technical Service Providers on SRI and PVSP hired and placed.	10 Incense Sticks Producers Group formed
		Pilot testing of SRI & PVSP conducted with at least 1000 SHG members	1000 beekeepers identified, trained and one Producers Co-operative formed
		250 SHG Households (having milch cattle) linked to the existing DCS	250 SHG households of Fishery and 500 SHG households of Makhana identified and trained
		10 Incense Sticks Producers Group formed	25 Livelihoods Based Producers Groups (for Banana) provided with Fiber extraction machine

Communication

Pre launch	0-6 month	6-12 Months	12-18 months
Strategic/ thematic documents for Communication developed			Refining of Strategy Document completed based on the Feedback and Experiences
Assessment on communication needs, monitoring and feedback done			
Communication material designed and developed based on the lessons derived from the assessment exercise.	Monitoring and Feedback of designed modules done	Monitoring and Feedback of designed modules done	Monitoring and Feedback of designed modules done
Brand Image of BRLPS			
Project Brochure, One Pager about the project and the Corporate Film developed	Project Brochure, One Pager about the project and the Corporate Film developed		
Communication material disseminated	Communication material disseminated	Communication material disseminated	Communication material disseminated
One quarterly Newsletter of the project published and disseminated	One quarterly Newsletter of the project published and disseminated	Two quarterly Newsletter of the project published and disseminated	Two quarterly Newsletter of the project published and disseminated
	Project Launch Workshop done at the state (1 in no.) and district (6 in no.)		
Strategic Communication			
Plan for the development of strategic communication developed and is disseminated			
Awareness and informational material developed in both Print and Audio Visual mode.	Awareness and informational material developed in both Print and Audio Visual mode.		
Developed Print & AV material is disseminated	Developed Print & AV material is disseminated	Developed Print & AV material is disseminated	Developed Print & AV material is disseminated

Communication (Contd....)

Pre launch	0-6 month	6-12 Months	12-18 months
Institution Building (SHG)			
Training materials for community on institution building developed both in the print and AV mode.	Training materials for community on institution building developed both in the print and AV mode.		
	Training material developed is disseminated in the field	Training material developed is disseminated in the field	Training material developed is disseminated in the field
		Training material on Institution building-Federation developed	Training material on livelihoods developed
		Communication material developed on Sequencing and Phasing Concepts	Communication material developed on Sequencing and Phasing Concepts
		Development of above mentioned material both in print and AV and disseminated.	Development of above mentioned material both in print and AV and disseminated.
		6 cultural teams identified for the project	
		Capacity Building of the identified teams happened	
		Themes and Staging Performances developed from these cultural teams	Themes and Staging Performances developed from these cultural teams
		18 block level Community Newsletter released	18 block level Community Newsletter released
		Media/ press is oriented on the activities of the project	
Website			
New website of the project designed and developed			
Learning from the project published and uploaded on website	Learning from the project published and uploaded on website	Learning from the project published and uploaded on website	Learning from the project published and uploaded on website

Human Resource Development

Prelaunch	0-6 month	6-12 Months	12-18 months
PMs of Livelihood, Microfinance, Communication and M&E appointed	Block infrastructures (in 13 Blocks) became functional and bank account opened	1st annual appraisal of Project staff completed ▪ <i>Annual retreat conducted</i>	Project staffs are made functional with improved understanding on Project processes
1. Recruitment completed of following project staff ▪ Chief Finance Officer ▪ SPM - Capacity Building¹ ▪ SPMs of Business Development Cell and Partnership Cell ▪ PM (Food Security) ▪ District Coordinators (6) ▪ Block Staff - BMP (15), AC (44), CC (143) Accountant (5), others (18), support staff at State Level (2) Critical Stages ▪ Approval of new positions from the Executive Committee ▪ Signing/extension of contract with suitable/existing agency for recruitment of staff	Recruitment completed of following project staff ▪ Accountant (13), others (18) Induction Programme Conducted for the Project staff Mobility policy for the project staff became operational Grievance redressal mechanism became functional All project support staff (Both at state and block level) is trained on standard office processes, computer usage (internet as well) and using effective communication tools within project. Critical stage ▪ Training imparted on relevant subjects ▪ Training imparted on effective communication	Project staffs are made able to use their improved skill and knowledge while ▪ Monitoring project activities, Conducting training to community institutions, ▪ Facilitating community to apply appropriate conflict resolution mechanism ▪ Delivering Project output as assigned to them. Critical Stages 1) Following Training programme conducted for the project staff ▪ Training on Trainers (for District and Block Staff) ▪ Training on MIS (for all Project staff) ▪ Training programme for Project staff on understanding conflict within CBOs and their resolutions ▪ Strengthening Learning System – A functional library in the project and three internal thematic workshop on Project issues ▪ Staff Exposure Conducted to SERP or other similar project (For key project staff at State, District and Block level) 2) Project staff allowed to participate in relevant workshops and other learning events	• <i>Need based Exposure, Training and workshops for staff conducted</i> • <i>Training imparted on microfinance and livelihoods issues</i> • <i>Functional skill development training continues</i> Conflict and grievances within the Project is resolved on time • <i>Regular counseling to staff in practice</i> • <i>Staff retention is stable (not more than 10% of attrition rate in genuine cases)</i> Learning within organisation has improved • Dissemination of learning taking place by internal workshops, sharing of case studies and regular review and feedback system
Final HRD manual is adopted by the Project in May 2007	All project staffs are made aware of procurement norms, administrative process and finance discipline in the Project.		
Critical Stages ▪ Task of SIDS get completed by the end of April 2007 ▪ Approval of HRD manual by the Executive Committee in May 2007	Critical stage		
Revised Devolution of Administrative and Financial power is approved and get into practice (May 2007)	Training imparted on relevant subjects		
Proposal on setting up of block infrastructure (13) and its procurement plan is finalized (May 2007)			
Five Block Offices became functional (April 2007)			
Project staff trained on Project Management (June/Aug 2007)			

¹ As per prior arrangement with the World Bank, the present SPM was deputed to work in the Project. His Contract is ending in May 2007.

Service sector

Prelaunch	0-6 month	6-12 Months	12-18 months
Placement conducted of 250 Rural Youth with suitable Job Opportunities ² in Gaya and Nalanda - Finalisation of MoU with Dr.Reddy's Foundation (DRF) - Identification of Trainees - Training Completed - Placement done	Placement conducted of 250 Candidates in market driven demand oriented trade in Muzaffarpur - Training Completed - Placement done	Community Level Preparedness Done - Campaign Done 1 Exposure Visit of community Members is Organised	Placement of 3000 rural youth with suitable job opportunity (service sector and local job) in six district of the Project completed - Two/Three Agency Hired (MoU finalized) - Training started Placement process started
Placement conducted of 250 Candidates in market driven demand oriented trade in Muzaffarpur - Finalisation of MoU with Aid et Action - Training started	Placement of Spearhead Team at District Level – 3 positions done	Placement completed of 1000 rural youth with suitable job opportunity (service sector and local job) in six district of the Project - Training started - Placement Done	Placement of 1400 youth with suitable job opportunities in construction sector completed - Two/Three Agency Hired (MoU finalized) - Training started
Placement of Spearhead Team at District Level – 3 position done	Placement of 1000 rural youth with suitable job opportunity (service sector and local job) in six district of the Project done - Two/Three Agency Hired (MoU finalised) - Training started	Placement of 250 rural youth with suitable job opportunity in construction sector done - Training started - Placement Done	Setting up of Migration Resource Centre completed Preparatory work done
Community Level Preparedness Done Publicity material developed and printed	Community Level Preparedness Done - Campaign Done 1 Exposure Visit of community Members is Organised	Setting up of Migration Resource Centre completed Service Provider Agency Hired	
	Preparation for Construction Job for youth is done Training Institution/s is/are hired		

² Hospitality, Customer Relations and Sales, IT Enabled Services and Patient Assistant Sector

Monitoring and Evaluation

Prelaunch	0-6 month	6-12 Months	12-18 months
Community level microfinance MIS became operational and institutionalized			
Monthly reporting format prepared and introduced in the project management.	Project Management Application designed and developed	Feedback in the MIS design incorporated and the system is freed	Feedback mechanism and monthly progress reporting based on MIS data introduced
An Agency hired for designing and development of community level Management Information System (MIS)	In one block of each districts, MIS is Piloted and implemented	MIS system in all 18 blocks is Installed and implemented	A first series of case-lets/ community leaders/ torch-bearer/ flag-holder released
Recruitment of two MIS experts and one PM (M & E) done	Key/concerned staffs trained on MIS systems and also provided handholding/troubleshooting support	A Refresher course on MIS is conducted for concerned person in the project	Second Project Progress Report (PPR) released
		A quarterly Management Information Report based on the MIS is released	Third and fourth Monthly Internal Report (MIR) release
		First Project Progress Report (PPR) is released	
		An agreement made with the MIS agency for extending long-term support.	
Getting baseline study conducted			
The services of an agency for conducting baseline is procured		Study completed and the final report submitted	
Questionnaires and other key questions for Focus Group Discussion prepared.		Findings of the baseline study shared with major stakeholders.	
Focal person assigned for conducting baseline survey and other work tested and trained			
Baseline survey conducted			

Monitoring and Evaluation (Contd..)

Pre-launch	0-6 month	6-12 Months	12-18 months
	Developing a Community based Self Monitoring System		
	An agency is hired for developing a pictorial, simplified community based self monitoring system		Implementation of CBMS, at least twice a year is ensured and also at least once in year with all newly promoted institutions.
		Module tested with few institutions and feedbacks & comments received are incorporated in the module.	
		Key staffs/ CRPs/ CCs are trained on Community based monitoring systems	
	Process Monitoring		
	The services of an agency procured for conducting half yearly process monitoring.	First Process Monitoring Report is released and shared with major stakeholders.	
	Developing a cadre of 50 data entry person		
	25 potential cadre for data entry identified	Data entry person identified are trained on computer application and data entry	Data entry person identified are trained on computer application and data entry
		25 more data entry person identified.	

Social Development

Pre Launch Phase	0-6 Months	6-12 Months	12-18 Months
100 SHG members have developed action plan to get health and education services at community level especially on RCH, Immunization and identification of education centers.	200 SHG members have developed action plan to get health and education services at community level especially on RCH, Immunization and identification of education centers.	400 SHG members have developed action plan to get health and education services at community level especially on RCH, Immunization and identification of education centers.	600 SHG members have developed action plan to get health and education services at community level especially on RCH, Immunization and identification of education centers.
	Key social issues identified through MCP for 50 VOs	Key social issues identified through MCP for 100 VOs	Key social issues identified through MCP for 100 VOs
			100 Social committee started collective social action at VO level
Service Providers (Agencies) hired for providing their services on education and Reproductive Health to the project 30 Women Outreach Worker (WOW) trained as local health providers MOU signed with Bihar Education Project for leveraging the expertise on elementary education 20 new education center opened in 20 tolas in 10 villages 100 tuition tutors trained from 30 villages	30 WOW trained as local health service providers 50 new education center opened in 50 tolas in 25 villages 50 tuition tutors trained from 30 villages	Number increased in availing facilities of WOW in 20 villages 40 WOW trained as local health providers 100 new education center opened in 50 tolas in 50 villages 20% out of school children enrolled in school/ Education centers from 40 villages and provided mid day meal 100 tuition tutors trained from 50 villages	Number increased in availing facilities of WOW in 50 villages 60 WOW trained as local health service providers 50 new education center opened in 50 tolas in 50 villages 40 % out of school children enrolled in Education centre/ School and provided mid day meal Increase in the demand by students for tuition classes in 40 villages Another 150 tutors trained from other 50 villages Income Increased for 100 tuition tutors from the baseline
		Increase in demand in availing loan for meeting education and health problems in 30 VOs	Increase in demand for availing loan for meeting education and health problems needs in 50 VOs
			Count of beneficiaries increased as compare to baseline survey through convergence with Govt. line departments especially on RCH issues, PDS, NREGS, IAY, Social welfare and social Security issues
	MOU signed with service provider for Insurance instruments.	10% SHG members availed Insurance policy.	20% SHG members availed Insurance policy.

Potential Livelihoods Sectors for Jeevika Project

a. Agriculture

A large proportion (around 70%) of poor families in Bihar is small and marginal farmers. For these families; with average landholding of less than 0.5 acres - usually with no irrigation; the options in agriculture are limited to production of cereals and pulses for subsistence; and in some cases taking a small second crop. Productivity is low with an average return of Rs. 4,500 per hectare in rainfed conditions; with food security of 3 to 5 months from own lands. Further, a large proportion of Schedule Caste families are landless; depending heavily on sharecropping or wage earning in various unorganized sectors such as farming, brick kiln, stone quarrying etc. Understandably, the group, constituted of marginal farmers and landless households is the largest in the State and among the more vulnerable section of the rural poor. A large majority of them migrate to different parts of the country in search of employment in unskilled vocations. The income earned is however inadequate to create enough surpluses to withstand severe shocks on household economy and thus the ascent from poverty are neither significant nor steady.

System for Rice Intensification (SRI)

Efforts to push productivity frontiers needs to start with the main staple crop i.e., paddy. Kharif paddy has the largest crop area coverage in the state with a vast majority of farmers grow paddy for the purpose of household consumption. The current level of productivity is 2-3 MT of paddy per hectare in Bihar, which is among the lowest in the country. Thus there exists a vast scope to enhance productivity of Paddy crop to prolong the period of food security and well being in poorer households. The project shall briefly discuss about a specific methodology that has proven efficacy of increasing paddy yield very significantly without commensurate increase in the production cost.

Expected Impact of SRI

For the small and marginal farmers with average landholding of 0.50 acre, deployment of even 50% of the available land for SRI means incremental yield of 250 to 300 Kg. of paddy at the household level. This would create 3-4 months of additional food security for the family. There will also be an increase in paddy straw availability.

On the other hand, at the macro level, this level of productivity enhancement, involving 1,00,000 farmers means additional paddy production of 30,000 Metric Tonnes in the State or equivalent amount of Rs.12 Crores annually.

Considering the context of Bihar, an intervention with SRI would expectedly have a much wider multiplier effect as it involves the main staple crop. Based on the experience of SRI in Bihar, Jharkhand and Orissa; it could be stated with a level of certainty that in the very near future, at least 3,00,000-5,00,000 families would adopt the methodology through (indirect) spread effects.

Community Institution Arrangement

The SHG households involved in agriculture will be identified to take up SRI in their field for Kharif Paddy Production. A Producers' Group will be formed at the village level as Agriculture Producers' Group. Trainings, exposures, field demonstrations and handholding intercultural operation are the facilitating activities of SRI methodology by the experienced experts of SRI. The surplus paddy production will be procured at the Rural Business Hub of the Village Organization. The SHG households involved in SRI will be the members of the Rural Business Hub. This Rural Business Hub will sell their procured paddy either in the open market or meet the food security need of the same SHG members as priority basis. In the second year onwards, the spread effects of SRI will find a large numbers of farmers will adopt this methodology to improve the paddy production. The procurement of excess surplus production at RBH of VO will be sold to the Rural Livelihoods Support Centre (RLSC) of the Cluster Based Livelihoods Activity Federation i.e., Farmers Producers' Company. For each Cluster/Block one FPC will be formed and nurtured with membership coverage of about 1200-1500 farmers. The farmers or the producers' are the equity holders of the company thus provide the best framework for ownership. However, initially after 6 months of the PVSP intervention, the FPC will be formed with a threshold number of 300-400 farmers and demonstrating good practices on the ground is the key to attract others to join subsequently. This Farmers Producers' Company (FPC), which will be registered under Indian Company Act (Amendment 2002), will be the federation of all the Rural Business Hub exists at the level of Village Organizations in the same cluster. The FPC will be given with a loan amount from the Block Level Association (BLA) and will return the same amount after becoming a self sustainable entity. The excess procurement of paddy at the RLSC level of the FPC will create a scope of local processing such as paddy into rice. The processed rice either will be sold to the large traders in the open market or will meet the food security need of the SHG households as per priority of the equity holders. The key business mix for the FPC would be, Agriculture inputs supply (fertilizers, seeds, pesticides, etc.), production of seeds of farmers' preferred varieties (identified from PVSP and also offered by the market) under buy-back arrangement with the private seed companies, bulk marketing of agriculture produces, etc. The RLSC will be providing services like renting of agriculture implements, crop and general insurance, warehouse and cold storage facilities, providing knowledge services on agriculture through institutional linkages with government or private institutions. The FPC would gradually emerge as one stop facility in a block/cluster for agriculture extension.

Participatory Varietal Selection & Promotion Programme (A Participatory Crop Improvement Initiative)

Participatory Varietal Selection and Promotion methodology is - a method intended to understand the felt and perceived needs of the farmers for suitable crop varieties and allow them to test, identify, and adopt/spread the suitable "farmer preferred" varieties from a "basket of choices" provided to them.

The benefits of involving farmers in identifying appropriate varieties are significant. The most noteworthy results found are the increased awareness among the farmers, about the newly found varieties empowering them to demand for more such

technologies. The process which is designed and developed for resource poor areas, has contributed towards capacity building of farmers including women for selection of the preferred varieties and enabling them to voice for their rights. This new information and knowledge have particularly resulted in: (i) yield increment up to 30-40% by adopting new varieties against local variety, (ii) reduction in cost of components like fertilizer, irrigation, pesticides, (iii) mitigating calamity of drought to certain extent, (iv) increasing varietal diversity in the area, and (iv) very fast spread of preferred varieties in a geographical area through the farmer to farmer dissemination etc. The project learnt from other large scale project's experience that this is an empowering process, particularly for poor and women in regard to farmers' realization about their rights, enhancing knowledge base and finally ensuring food security.

The PVSP and then followed by multiplication (seed production and spread) of the farmers' preferred varieties will be the main engine in enhancing the crop productivity in the area. There is a huge pool of varieties available for rice, pulses and oilseeds in India and therefore identifying few popular varieties through farmers' selection and their subsequent adoption will not be very difficult within the time span of 3-4 years

It is proposed that about 6-8 varieties of Rice and 3-4 varieties of pulses, oilseeds and other main crop will be tested with an average of 100-120 trials for each variety in multi-location for 2-3 years. Once the farmers' preferred varieties are identified they will be multiplied through seed production programme and disseminated for their quick adoption in the region. This alone would make about 30-40% yield gain in a large geographical area with similar agro-climatic condition. The most significant characteristic with PVSP is that it does not require farmer to change/adopt any farming practices except for the variety, therefore adoption is found to be very fast and widespread. The process of PVSP will be repeated for continuous search of new and improved varieties. The point to be noted that through PVSP mainly the composite varieties will be promoted in case of crop, however, for vegetables hybrid can be introduced.

Community Institution Arrangement

The SHG households involved in agriculture will be identified to take up PVSP in their field for all kinds of crop production such as cereals, pulses, oilseeds, vegetables, spices & condiments. A Producers' Group will be formed at the village level as Agriculture Producers' Group. Trainings, exposures, field trial demonstrations (mother and baby trial) and handholding trials in all the members' agricultural field are the facilitating activities of PVSP methodology by the experienced experts of PVSP. The surplus production of any crop will be procured at the Rural Business Hub of the Village Organization. The SHG households involved in PVSP will be the members of the Rural Business Hub. This Rural Business Hub will sell the procured surplus production on a seasonal basis will be sold either in the open market or will meet the food security need of the same SHG members as priority basis. In the second year onwards, the spread effects of PVSP will find a large numbers of farmers will adopt this methodology to improve their crop production. The procurement of excess surplus production at RBH of VO will be sold to the Rural Livelihoods Support Centre (RLSC) of the Cluster Based Livelihoods Activity Federation i.e., Farmers Producers' Company. For each Cluster/Block one FPC will be formed and nurtured

with membership coverage of about 1200-1500 farmers. The farmers or the producers' are the equity holders of the company thus provide the best framework for ownership. However, initially after 6 months of the PVSP intervention, the FPC will be formed with a threshold number of 300-400 farmers and demonstrating good practices on the ground is the key to attract others to join subsequently. This Farmers Producers' Company (FPC), which will be registered under Indian Company Act (Amendment 2002), will be the federation of all the Rural Business Hub exists at the level of Village Organizations in the same cluster. The FPC will be given with a loan amount from the Block Level Association (BLA) and will return the same amount after becoming a self sustainable entity. The excess procurement at the RLSC level of the FPC will create a scope of local processing of the cereals, pulses, oilseeds, vegetables, spices & condiments. The processed commodities either will be sold in the open market or will meet the food security need of the SHG households as per priority. The key business mix for the FPC would be, Agriculture inputs supply (fertilizers, seeds, pesticides, etc.), production of seeds of farmers' preferred varieties (identified from PVSP and also offered by the market) under buy-back arrangement with the private seed companies, bulk marketing of agriculture produces, etc. The RLSC will be providing services like renting of agriculture implements, crop and general insurance, warehouse and cold storage facilities, providing knowledge services on agriculture through institutional linkages with government or private institutions. The FPC would gradually emerge as one stop facility in a block/cluster for agriculture extension.

b. Dairy Initiative

Dairy as a potential sector qualifies for rooting the development agenda within the larger framework of the economy of State and more specifically by the dominance of the agrarian sector. It may be realized that with minimum investments at the lower end of the production and supply chain, the dairy sector has the potential of absorbing considerable proportion of the workforce within agriculture into gainful economic activity. Moreover, it is probably the sector that would help large number of those at the lower end of the supply chain to move from a state of dependency on agriculture to economic empowerment through assured incomes through participation in the value chain. Basing the development interventions on the dairy sector would also signal an affirmative process of enabling social inclusion of vulnerable groups (including women) as well as a sincere effort towards inclusively in planning the development agenda. The available bovine statistics in the project operational districts of crossbred, desi cow and buffalo are 0.2 %, 62.65% and 37.13% respectively. The effort should be gone into the introduction of new cross-bred and its continuous improvement in order to improve the sector. Strong community institution requirement, organized procurement and product differentiation in marketing of the milk products will be main focus areas of the sector. Under this project, the poor involvement in the value chain will be sought and intervention will be made for organized sector development through organized community institution development i.e., formation and strengthening of the dairy co-operative society at the village level.

Cattle Ownership

The SHG households generally keep the cattle (cow / buffalo) in sharing basis but very few SHG households have cattle having lower quality. The share cattle owner keeps the cow or buffalo till it born a calf and starts giving milk. The cattle owner gives 25% of the value of the cattle cost to the share cattle owner and take the cattle & calf or give the option to charge 75% of the value of the cattle cost to the share cattle owner. Due to lack of capital, most of the times the share cattle owner gets the 25% of the value of the cattle cost and leave the cattle and the calf.

Milk Procurement

In the value chain, milk man (Dahiyar) and the village dairy co-operative society (DCS), are the two entities, which involves in the first level milk procurement / marketing. These are the two systems exists in the milk procurement. In case of DCS, the milk procurement centre, where the milk collection is done twice (morning & evening) in a day. The payment is made within 7-10 days time based on the fat content of the milk collected after testing the milk during milk collection at the milk procurement centre. This DCS also provides other monetary and non-monetary facilities to its members and non-members. But, in case of Dahiyar, usually from milk man (yadav) community who acts as a middle man trader in milk trade. He collects milk from the dairy farmers and sells in nearby market. Most of the times, he pays advance to farmers to ensure guaranteed availability of milk. He follows local measurement of milk called 'patha' which is about 1.3 liters. Often the dairy farmer complains about being cheated by Dahiyar in terms of volume, but since he gives them advances and provides a reliable income, Dahiyar has become an integral stakeholder in milk trade not only in remote villages, but also in small towns.

Community Institution Arrangement

In the operational districts of the project, The Bihar State Milk Producers' Federation Limited (COMPFED) has its DCS and District Milk Unions in their operational villages and districts respectively. A definite milk route also existing for the milk collection, by which a vehicle will move to collect milk twice a day. In the existing DCS villages, the SHG households having cattle will be convinced to pour milk in the milk procurement centre of the DCS. In case of the share cattle owner, loan provision will be made to own the cattle and pour the milk in the milk procurement centre of the DCS. In case of SHG households interested in dairy initiative as an income generating activity, will be provided with loan from the SHG to purchase cattle and pour milk in the milk procurement centre of the DCS.

In case of new villages, where neither there is milk route nor dairy co-operative society, the project will form dairy co-operative society after registering as a legal entity. Hence the DCS will be a member of the District Milk Union and the milk procurement will start. After a substantial number of DCS, as per the District Milk Union's calculation, the milk route will be extended to these newly formed DCSs. The above mentioned loan provision will be remain same for the SHG households of these newly formed DCSs. At the State level, The Bihar State Milk Producers' Federation Limited (COMPFED), which is the federation of all the District Milk Unions.

In case of excess milk production by the project intervention, the project will support to COMPFED for bulk cooler installation and chilling plant extension.

c. Apiculture

The Muzaffarpur region of Bihar, one of the largest honey producing areas of the country, famous for litchi honey, comprises more than 200 villages predominantly in the district of Muzaffarpur. Beekeeping in this region was considered to be a part time activity. In the year 1998, there were only about 278 beekeepers in Muzaffarpur district, whereas there are around 1700 beekeepers in Muzaffarpur during 2006. The majority of the beekeepers belong to the *Kushwaha (Koyari)*, a “backward” caste in the Indian social structure and average bee colony holding of beekeepers was close to 28 in 1998 to 62 in 2006. Overall production of litchi honey in the region was close to 240 MT in 1998 to 3000 MT in 2006 and it used to sell at Rs. 25-30/Kg primarily to the agents of Dabur India Ltd. but now, it is selling at Rs. 45/Kg to TIMUL and other companies. The arrival of several new buyers for raw honey to the region, the market for raw honey has become competitive and the major portion of this price increase go to the beekeepers of the region. Migration of bee colonies was limited and apart from litchi honey, only *Karanj* honey used to be extracted. But, now the migration is expanded and honey extraction also expanded to litchi, karanja, sarguja and mustard. The productivity (per box / year) of honey is 65 Kg as compared to the national average is just at 20 Kg. Beekeeping enterprises provide direct employment to more than 5,000 people in these districts. The increase in income is also phenomenal from Rs. 2,000-3,000 to Rs. 12,000-13,000 per month.

Community Institution Arrangement

The SHG households interested in the beekeeping will be identified and a beekeepers’ association will be formed and will be registered in the Bihar Self Supporting Co-operative Act. These SHG households can get the loans from their respective SHGs to purchase the basic requirements to become a beekeeper such as beehive, bee colony, hive stand, smoker, extractor, etc. Training on basic beekeeping, quality improvement of raw honey and extraction of by-products from beekeeping to the beekeepers will be imparted. A publication of a resource book on beekeeping (a practical guideline) will be published and distributed to all the beekeepers of the project. Various capacity building programmes will be conducted for the beekeepers associations on various administrative functions. These beekeepers association will help in issuing identity cards to beekeepers to facilitate the easy migration of bee colonies to other locations and reduce unwanted harassment by police at check posts and cross-border migration; as the association is also registered under the co-operative act. One association should have 31 members and the accumulation of all the beehives of 31 members can maintain the economies while hiring trucks for transporting during migration. During migration 4-5 members only will accompany all the beehives in the hired vehicle, which make this migration based income in honey production a sustainable one. A state level beekeepers’ federation will be formed to enable beekeepers to undertake input procurement and marketing of raw honey on a collective basis in addition to enabling the beekeepers to interact with policy makers and government institutions more effectively. The state level federation will link the beekeepers with remunerative markets including corporate buyers and exporters. The federation will also develop a strategic alliance of beekeepers’ federation with Timul, Muzaffarpur Dairy for honey

marketing and also facilitating the establishment of honey processing plants at the local level to add more value to raw honey at the local level. The beekeepers association and state level federation will link the beekeepers and other value chain actors with banks for meeting credit requirements. The project will develop a website www.litchihoney.com to promote the beekeeping sub-sector of the region and policy advocacy to facilitate an enabling environment in the sub-sector – activities include insurance of bee colonies, issue related to taxation on honey in Bihar.

d. Fishery

Fishery is the practice of cultivation of different breeds of fish in the organized and productive manner. There are various methods of fish cultivation such as three layer culture fishery and capture fishery. Three layer culture fishery is where three different varieties of fish are nurtured in the same pond in three different layers e.g., combination of Catla, Rohu & Mrigal. Catla feeds in the top layer, Rohu feeds in the middle layer and Mrigal in the bottom layer of the water body. Capture fishery is the fish which is captured from the natural source of water, which is not nurtured by the human being. This is practiced in the natural sources of big water bodies beyond the managing capacity of human being. Due to abundance of water bodies such as streams of big rivers, riverines and big rivers in the operational districts, the fishing communities are involved in the capture fishery. Network of rivers provides ample ground for capture fisheries and flood often adds to fish production with bringing in of new water and fish seeds and feeds to rivers and water bodies. However, the capture fishery has different complexities due to middleman involvement and hence the underdevelopment of the sector exists. In case of the three layer culture fishery; water bodies such as ponds, tanks, chauris and swampy areas are available but the under utilization of these water bodies can be attributed to the ownership issues (lies with other departments such as National Highway, Railway & Fishery department) and absence of renovation and excavation works of these water bodies. The strategic involvement of middleman, low level of awareness, local politics, less support of the concerned line department, low productivity, inadequate availability of certified seed, low seed replacement rate, poor post harvest management facilities, inadequate credit facilities and poor technological status further demotes the sector by providing lack of ownership to the real fishing community.

Community Institution Arrangement

The SHG households involved in the fishery activities will be identified to form a fishery producers' group at the village level. Required capacities will be enhanced by providing technical training on fisheries through experienced experts of the fishery from these producers' group. Financial support will be provided in the form of credit through SHGs to undertake the fishery activity. More emphasis will be on three layer culture fishery. As per the State Government's norm; fishery co-operative will be formed at the block level ranging from 7-250 members in a fishery co-operative. The members of the producers' group at the village level will be members of the fishery co-operative and will have one share per member. This Co-operative will be registered under Bihar Self Supporting Co-operative Act 1996. As per the norm of the Government, the Co-operative will be the legal entity to take land on lease or for settlement. These co-operatives will further distribute these water bodies to its members at the rate of 0.5 to 1 acre per member either to the fishery producers' group

or individual basis as per the availability and prioritization. However, trained Fisherwomen Self Help Group (SHG) can take up pond on lease for undertaking pisciculture. These fisherwomen (members of the SHGs) should be trained (training, demonstration and exposure) through experts of fishery. There are numerous private water bodies available with private individual as well as the Panchayat. These water bodies can also be taken on lease with convergence with the Panchayat by the Village Organization and give it to the fishery producers' group or individual on lease. The water bodies can also be taken on lease from the private individual by the Village Organization and distribute to the individual SHG members through fishery producers' group involved in fishery. After leasing and distribution; quality fingerlings procurement, fish seed procurement & distribution, handholding intercultural operation will be done through co-operative in order to monitor the entire activities from input supply till harvest. For the marketing of the harvested fish; a federation will be formed at the district level of all the fishery co-operatives formed in the project, other interested and existing co-operative will be allowed to become a member of the federation. This federation will look at the marketing of the fish, market yard development, provision of ice box cycle for selling fish in local villages or GPs or blocks, cold storage establishment, etc. The selling of fish can be done from different points starting from water body, fishery producers' group and co-operative; but the information and communication technology systems will be used at the federation level to know the availability of the input requirement (fingerlings, feed, training, etc.) of the fishery at different points such as individual, producers' group and co-operative and also output (availability of fish) while dealing with the market. The district level fishery federation will also involve in the policy advocacy to keep the interest of the fishery sector and its continuous improvement. This three level community institution development will be the modalities for the project implementation in the fishery.

e. Makhana

In Madhubani and Purnea, the project will focus on Makhana sector, as these districts are highly potential. This is a Gorgon nut or Fox nut, an aquatic crop, commonly known as Makhana (*Euryale ferox* Salibs) of the family Nymphaeaceae is a unique highly nutritious, fully organic non-cereal food, which is extensively grown in the stagnant water of wetlands, tanks, ponds, lakes and ditches. The Makhana plant is a large prickly acaulescent herb with floating leaves. The plant grows in standing shallow water (1.5 – 5.0 feet water depth) and has rhizomatous stem. The rhizomes remain deeply rooted in the sediment by means of thick fleshy roots in clusters. The huge, thorny elliptic or orbicular mature leaves are green above and red/purple beneath.

The leftover seeds germinate for the next crop cycle / season during October-December. Replantation is done manually if there is dense or sparse growth of plants. The tender plant is protected from pests, mostly through manually netting or roping of the plant or application of firewood ash. Of late, the Makhana growers have started using pesticides as well, if the pests menace is not controlled by the manual or natural methods. Normally, the growers would utilize his plant buds in other ponds owned by him or the same pond for re-plantation. In rare cases, it is sold or purchased. The indigenous boat made of banana trunk or earthen pot are used for pest treatment and other related operations. The decomposition of organic matter; such as decayed plants

and supplements such as dung/manure acts as fertilizing agents for the crop. Flowering starts in April-May. The Makhana growers in the state are from the *mallah* / *machhawara* / *kewat* caste with fishing and Makhana cultivation as their major economic activity. It is their traditional occupation, inherited from their forefathers for generations. There are around 1.8 lakhs *mallah* with a population of around 8 lakhs households in the state. Division of labour is categorical among them such as men folk cultivating Makhana crop, which included sowing (if required), transplanting and harvesting guris. The trading of guris and Makhana larvae is also handled by men. These men folk also engage in fishing work as wage labourers. The women folk, on the other hand, vend fish; fry Makhana seeds for popping (which is shared by men also). Although the *mallah* community is the traditional grower of Makhana, other castes have also moved into the business of Makhana cultivation and created their own niches in this market. They cultivate Makhana either in their own ponds or sub-leased Government ponds by engaging the services of *mallah* as wage earners.

Community Institution Arrangement

The SHG households (either *mallah* / *machhawara* / *kewat* caste or involved in the Makhana activity) will be identified and a Makhana Producers' Group will be formed. The training and capacity building programmes will be organized on importance of soil & water testing, pond preparation, nutrient management, organic farming, irrigation mechanism, crop diagnosis, farm inputs requirement, harvesting techniques, database management of related Makhana activity and its collective procurement for better pricing. The members of the producers' group at the village level will be members of the co-operative and will have one share per member. This Co-operative will be registered under Bihar Self Supporting Co-operative Act 1996. As per the norm of the Government, the Co-operative will be the legal entity to take land on lease or for settlement. These co-operatives will further distribute these water bodies to its members at the rate of 0.5 acre per member either to the Makhana producers' group or individual basis as per the availability and prioritization. There are numerous private water bodies available with private individual as well as the Panchayat. These water bodies can also be taken on lease with convergence with the Panchayat by the Village Organization and give it to the Makhana producers' group or individual on lease. The water bodies can also be taken on lease from the private individual by the Village Organization and distribute to the individual SHG members through Makhana producers' group involved in Makhana activity. Month wise training programmes on the entire package of practices such as cleaning of pond, manuring & weeding, soil & water testing, better seed variety & its adoption, seed sowing, transplanting, pest-disease control, water testing for acidity / alkalinity content, thorny orbicular leaf treatment, leaf & bud treatment, flowering time management, fruit formation treatment, harvesting schedule, storage, initial processing from guri to Makhana, packaging, collection of Makhana seed, dehiscence, field residual control, quality of Makhana and grading will be given from the Co-operative to the members of the Makhana producers' group. The harvested guri will be processed to Makhana pop and will be procured at the block procurement centre with a buy back arrangement with the private players available in the open market. The buy back arrangement also provided with free logistics and spot payment. The block procurement centre will come up to one stop facility to function as an extension service provider for Makhana. The collective input procurement and supply to the Makhana farmer through the Makhana co-operative and producers' group along with timely counseling and

treatment to the problems faced in the pond level by the Makhana farmer. Soil testing & water testing at free of cost will be available to all the members of the Makhana farmers. Pond renovation, cleaning and manuring cost can also be covered in the buy back arrangement. The spot payment of the Makhana farmers (growers & collectors) mechanism also ensure the credit linkage from the concerned bank, which will be one of the major activity taken up in the buy back arrangement. The Co-operative will also look at the policy issues with the Government for better or easy leasing of the water bodies and crop insurance.

f. Non Farm

The central objective of component in non farm sector is to enhance the opportunities for the SHG households (SHGs formed under the project and old SHGs, whose capacity will be developed and quality of the SHGs will be enhanced) engaged in this sector and will increase their share in the market. Currently, the Communities are involved in non-farm economic activities with limited success owing to lack of awareness of the market demands, technology (new product designing and product differentiation), credit (from the banks, financial agencies, etc.), and market linkages (backward linkage for capacity enhancement of the SHG households to undertake better product design and product differentiation and forward linkage with large corporate houses for outsourcing) and also middlemen/trader exploitation.

In the operational districts of the project, it was identified that; Madhubani painting, Sujni art, Khatwa art, Tikuli art, handicrafts, textiles and incense sticks are the existing non-farm sector activities, which will be focused in the initial stage and during the gradual process of the time many more activities will be identified and taken in the fold of non-farm sector for intervention. The aim of the intervention in the non-farm sector is to capitalize on the comparative advantage such that the producers are able to increase their share in the market.

Activities: The identified activities are as follows:

Activity	District	Blocks	Clusters	Villages	HH
Textiles	Purnea	2	5	25	2500
	Nalanda	2	6	30	3000
Madhubani Paintings	Madhubani	6	6	30	3500
Incense sticks	Gaya	4	8	50	12,500
New/induced activity		5	13	65	15000

* Note: Based on the current scenario, these project districts have been identified for the activity. It may very well happen that the activity may be taken up by community members in other project districts and hence, scope for 13 new induced clusters is factored in.

CIF (from Livelihoods & Assets) will be given as individual loans to SHG members through Micro Credit Plan (MCP) based livelihoods CIF for household level intervention (any member of the household engaged in the arts & crafts sector or the member). However, cluster level funding can be done, when the Cluster Level Community Organizations (CLCO) or Cluster Based Livelihoods Activity Federation (CBLAF) may be a formal or informal structure at the cluster level in place. Although, the Arts & Crafts cluster will be developed through a co-operative model such as

Bihar Self Supporting Co-operative Act. The CBLAF in arts and crafts cluster will be given loan initially from the Village Organization and later from the Block Level Federation. However, the loan can be given for purchasing of raw material & small machinery or implements for individual household level from the loan from the CIF but bit larger machinery (expensive or complicated in manner) will be supported to cluster level organization (CBLAF) or Producers' Group. Bank loans can also be leveraged after successfully implementing the first set of variables such as numbers of SHG member households / member involved in the activity and their performance in case of maintaining the planned repayment schedule. The Trade and Finance Facilitation Cell will cater the market support services to the artisans through CBLAF or Cluster Level Community Organization (CLCO).

Lack of access to specific credit services, such as to purchase raw material, implements, risk management instruments etc, the artisans are 'forced' to work with middlemen and traders. Hence, the trade facilitation centre would work with the artisan clusters to identify the key financial constraints and services that are critical for ensuring viability and sustainability of the activity and then, negotiate with Banks for the designing specific financial products. Specifically, the centre would design and negotiate with banks for financing following products:

- (i) Design specific loan products i.e the quantum, Repayment schedules and duration of the loan based on the business cycle.
- (ii) Develop insurance imbedded credit or as a stand alone insurance products,
- (iii) Increase awareness and support the cluster level artisans to access artisan credit card schemes
- (iv) Examine trade financing and insurance for artisan clusters
- (v) Examine options for higher level of investments for purchase of small machineries for the cluster level initiatives that would enable the business promoted by the poor artisans to grow and become sustainable.

Institutional Arrangement with Technical Service Providers

System for Rice Intensification (SRI)

A three tier project management structure is required to take up this programme such as State resource team, District resource team and Cluster resource teams at Cluster support unit is elaborated below;

State Resource Team: The technical service provider will set up its State level team at Patna that would be headed by a senior professional as the State Coordinator. The State Team will have a Training / field Coordinator. Together, they would coordinate with the district and cluster level teams and manage linkages at the state level.

District Resource Teams: The technical service provider will set up 3 district level teams to be headed by District coordinators supported by Subject Matter Specialists

who would be graduates or Post Graduates from recognized Agriculture Universities. Each district team will coordinate field operations in 2 districts through Cluster Support Units. The major role of the District teams would be to facilitate immersion of NGOs in the programme. This would entail selection of NGOs, vision sharing, capacity building, involving them in expansion of SRI and programme monitoring. The district Teams would maintain close liaison with the project functionaries at the district and cluster levels to build synergy of actions at the grassroots. Further, an important task of the district teams of the TSP would be to train a large number of local farmers who would be subsequently promoted as resource persons to take part in replication.

Cluster Support Units: The technical service provider should have to set up 25-Cluster Support Units (CSU). Such units would be based at the block or cluster level. Each CSU will work with 4,000–5,000 families. The TSP will preferably involve local NGOs at this level. This would help in creating capacities and strong anchorage for the programme at the local levels. In absence of competent NGOs, the TSP would set up its own cluster resource teams. In both the cases (NGOs or the TSP owned units) the units will be constituted of Subject Matter Specialists (SMS) to be assisted by Skilled Extension Workers (SEW). SEWs would be the staff of NGOs or they may be village based resource persons, well versed with the technology and expansion methodologies. SEWs will be deployed to organize high quality demonstrations in the villages. They will play important roles in input distribution, crop monitoring, and problem diagnosis and in suggesting corrective measures.

Participatory Varietal Selection & Promotion Programme (A Participatory Crop Improvement Initiative)

A three tier Project management structure is proposed for the project at the State, District and Cluster Level, namely, State Resource Team (SRT), District Resource Team (DRT) and Cluster Resource Team (CRT).

State Resource Team: The SRT will be located at the State level with Project Coordinator, Training Coordinator and a pool of resource persons/experts from the senior management of the Technical Service Provider (TSP) who will provide consultative support to the project by designing implementation strategies, institutional framework, designing training modules, materials and manual, O&M manual for the FPCs, market study, economic analysis of business propositions of the FPC, and several other critical strategic support that would be required to the project team for smooth implementation and achieving the desired results.

District Resource Team: The DRT, consists of a Coordinator, an SMS and an MIS person would provide support to CRTs and coordinate the implementation in the district. One DRT is proposed for 2 districts.

Cluster Resource Team: The critical would be the CRT consisting of one Cluster Coordinator with specialization in Agriculture/agribusiness and one SMS in the areas of Community mobilization and Training. Besides, there will be skilled extension workers (SEWs) from the farmer's pool / villages, one each for five villages, who will be largely involved in the PVSP and agribusiness promotion in the target villages.

Dairy Initiative

A three tier Project management structure is proposed for the project at the State, District and Village Level, namely, State Core Team (SCT) at COMPFED level, Spear Head Team (SHT) at Cluster level for District Milk Union and Secretary at newly formed DCS level.

State Core Team: The State Core Team (SCT) comprises a technical officer with dairy or animal husbandry back ground with experience in planning and project formulation in any dairy or agro industry and a milk procurement officer with a graduate and a course in co-operative management, having experience in milk procurement. The SCT will be responsible for developing project proposal, strategy formulation, approach innovation, budget preparation, pilot & its learning, preparation of implementation plan, reporting and documentation.

Spear Head Team: The Spear Head Team (SHT) comprises assistant in Procurement & Animal Husbandry. These SHT members are graduate with a course in co-operative management & training on livestock. These members have at least experience in managing in dairy co-operative society. These SHTs will establish rapport with the SHG members through the BRLP staff, Community Mobilizers of the Village Organization; build awareness about the dairy initiative of the project among the SHG members of the assigned cluster; identify the SHG members, who are willing to take up dairy as an income generating activity; find out the possibility of linkage with the state / central sponsored soft loans for the SHG members; support in procuring the milch cattle for the SHG members; facilitate in ensuring the membership incase of existing dairy cooperative society; form Women Dairy Cooperative Society and ensure membership in case of new milk route areas; training and exposure to the SHG members who will take up this activity; ensuring selling / pouring the milk of the SHG members in the existing or newly formed milk procurement centers of the existing or newly formed dairy cooperative society and their regular payment. They will also manage training on cattle breed improvement, cattle & fodder management, requirement of Veterinary Aid, fodder management in the distress conditions through COMPFED; suggest methods and techniques for improvement of milk production; train on Animal Health Care including regular vaccination, animal health care, artificial insemination, natural breeding etc.; suggest for creating new milk routes in the new villages; suggest for forming dairy cooperative society in case of new villages, where the Village Organization can be also function as a dairy cooperative society / milk procurement centre as per the suitability by following all the norms of the Anand Pattern.

Secretary or para veterinarian: The secretary or para veterinarian will be a village youth from the households of the SHG members who will be trained to become a Secretary to manage the dairy co-operative society and may be trained as a para veterinarian well equipped to provide services on veterinary aid.

Apiculture, Honey Production & Marketing

A three tier Project management structure is proposed for the project at the District and Block Level, namely, Senior Level Management Team (SLMT), District Resource Team (DRT) and Block Resource Team (BRT).

Senior Level Management Team: A senior level management team will be instrumental in designing and managing the implementation of the apiculture, honey production and marketing project in the project from the start. The support from the senior level management team will facilitate in market development, linkage and tie up for marketing of honey to the major player from the federation directly.

District Resource Team: The DRT will have a Project Manager with 2 management executive looks at various management activities of all the blocks involved in the apiculture and honey production activity. The District level team will report to the District / Block project level staffs on a regular basis. The DRT will also strengthen the federation to make it a viable one by facilitating the market honey to the large and small institutional buyer. One Chief Executive Officer (CEO) will be a marketing professional at the federation level to market honey of the beekeepers or associations or federation.

Block Resource Team: The BRT will have two experienced field executives' looks at the day to day operation at the village / cluster level. These team members will facilitate the association formation at the cluster / block level under the Bihar Self Supporting Cooperative Act 1996.

MAKHANA Production & Marketing

A two tier Project management structure is proposed for the project at the Block and Village level namely, Block Procurement Centre Team (BPCT) and Makhana Mitra (MM).

Block Procurement Centre Team: The Block Procurement Centre Team will have 5 members with resource persons from the agriculture and allied streams (basically experienced professional) for organizing training at the block level and also manage the logistics, procurement arrangement under the buy back system. One resource person will be dedicated to soil and water testing at the pond sites, attend to the problems of the Makhana farmers and provide timely solutions. The BPCT will also provide better input for Makhana cultivation in a competitive rate to the Makhana farmers.

Makhana Mitra: The Makhana Mitra (MM), will be responsible for mobilizing the Makhana farmers for availing better training facilities and better production.

FISHERY

A three tier Project management structure is proposed for the project at the State, District and Cluster Level, namely, State Resource Team (SRT), District Resource Team (DRT) and Cluster Resource Team (CRT).

State Resource Team: The State Resource Team will have a senior level experience staff from fishery qualification, which can prepare the project formulation, facilitate in the formation of federation, and report to the District staff of BRLP. The SCT will also be responsible for developing project proposal, strategy formulation, approach innovation, budget preparation, pilot & its learning, preparation of implementation

plan, reporting and documentation. The SRT will also facilitate the work on policy advocacy along with the Co-operatives and its Federation.

District Resource Team: The District Resource Team comprises an Assistant Project Coordinator from co-operative management background or experienced professional from fishery back ground, management professional and trainers. The DRT will be responsible for formation of co-operatives from the fishery producers' group. The trainer of the DRT will prepare a package of practices in case of three layer culture fishery and build the capacities of the fisherman co-operative in case of functional management and technical inputs required for fishery to the individual as well as the fishery producers' group. The DRT will also initiate the process of formation of federation by taking the minimum thresh hold number of members of the co-operatives.

Cluster Resource Team: The Cluster Resource Team comprises of field executives at the cluster level for mobilizing the fishing community involved in the SHG activities. The fishery producers' group will be the primary work for the field executive in order to organize the training programmes. The field executives will also cater timely solutions to the problems faced by the members of the fishery producers' group or co-operative.

NON-FARM (Arts and Crafts)

State Resource Team: The State Resource Team will be the staffs of Bihar Rural Livelihoods Promotion Society (BRLPS). The SRT will have 2 experienced professionals having product design and development in the arts & crafts sector is the major and marketing as the minor in their educational qualification. One from senior management with at least 7-10 years experience in the product design and marketing of the same by push or pull strategy. They will be supported by the DRT (District Resource Team) and CRT (Cluster Support Team) to organize the trade fairs, exhibitions, fashion shows, etc. of state, national and international level. The SRT will also find quality product developers (for unique or market demanded design) to organize training of the master trainers developed by the project at the village / cluster level. They will be responsible for marketing and selling of all the goods manufactured / produced by the Cluster Level Community Organization (CLCO). The SRT will also be responsible for the ICT solutions for activating the web based marketing of the arts & crafts being produced by our SHG households. Marketing Services and Financial Services will be arrangement will be done by the SRT with backward support from the DRT to give loans to the SHG members through CLCO.

District Resource Team: The District Resource Team comprises an Assistant Project Coordinator from co-operative management background or experienced professional from arts & crafts background with management background and a trainer with arts & crafts background having 1-2 years in the organizing training for the artisans of arts & crafts sector. The DRT will be responsible for formation of co-operatives of the artisans to become a legal entity for finance leveraging from Banks and schemes of the Government. The trainer of the DRT will prepare a training schedule in consultation with the Trade and Finance Facilitation Center for new product design having product differentiation for the utility of everyone rather than e.g., as

Madhubani Painting for elite class. Support the Trade and Finance Facilitation Center for organizing exhibitions and fashion shows, etc.

Cluster Resource Team: The Cluster Resource Team comprises of a field coordinator with one sahayak per village who will be regularly in touch with artisans to update the progress, timely training, support the artisans by assessing their financial requirement for undertaking the arts & crafts or handicrafts as one of the major livelihoods activity at the household level. The CRT will also form the Producers' Group or CIG based on the arts & crafts or handicrafts in order to develop a cluster. The CRT will also develop community level master trainers with support from the designers and developers provided by the State Resource Team (SRT), who will later take up as community level resource person for arts and crafts sector to take up the futuristic sustainable activities in the arts and crafts & handicrafts.

Micro Credit Plan (MCP)

Objective:

Poor shall learn the art of forming, strengthening and managing their institutions which over a period of time shall in position to leverage the institutional strength to mobilize different financial institutions to provide credit and other support. It is a powerful mechanism to repose faith in community and facilitate the process to identify their own needs and come out with a response amidst constrained resources.

Why MCP?

- To meet the credit needs of all the members in the group,
- To explore the ways and means of development by identifying and assessing the available social resources individually and group wise,
- To meet the temporary and long term needs,
- To avail loan facility from other institutions,
- To utilize the limited resources in meeting the needs of the members on priority basis,
- To strengthen the capabilities of the individuals and institutions,
- To improve the financial management skills.

Eligibility of Groups

- Groups formed with the Poor only are eligible.
- At least 3 month is to be completed from the date of the inception of the group.
- Four meetings is the general norm.
- Group should have norms and adherence to the same is required.
- Savings should be deposited and Loans should be paid regularly.
- Group shall encourage Internal Lending.
- The group shall have Bank Account.
- Regular Book Keeping is to be done.
- Members should have understanding and be aware of the transactions of the group.
- Members should know the method of management of the group.

Method for Preparation of Micro Credit Plan

- Should be prepared at a place that is agreeable to all the members.
- Points discussed at the time of preparation are to be noted down in the Minutes Book.
- In case of Income Generating Activities (IGA), the members should, first, discuss among their family members, come to a decision and present the same in the meeting.
- Members should act independently and take decisions.
- Agreements should be prepared on the lines that are decided by the members and the institutions.
- The uniform installment pattern for all the members shall be discouraged as people have different sources of cash flow.
- Rate of interest on the loans provided for Income Generating Activities should be in uniform manner.
- Installments for repayment of loans--

From members to the SHG	Up to 24 installments
From SHG to VO	Up to 60 installments
From VO to BLF	Up to 120 installments

7 steps of Micro Credit Plan

1. Comprehensive information of the Group
2. Comprehensive information of the members of the Group
3. Individual Income and Expenditure statement of the member
4. Estimate of the Income Generating Activities of the members
5. Details of the members availing the loan in first priority.
6. Details of the members availing the loan in second priority.
7. Memorandum of understanding between :
 - a) Members & SHG
 - b) SHG & VO
 - c) VO & BLF

Discussions

First discussion:- After preparing the estimate for the consumption purpose/ IGA the same should be discussed in the EC meeting of the VO. It is quite natural that while providing the Initial Capitalization Fund, VO may not be in existence and so the ICF amount can be given directly to SHG's and to be returnable to the VO.

Second discussion:-Details of selection of the members that are being given loans in the first priority Procedure for sanctioning loans on rotation should be discussed in the EC meeting of the VO.

Third discussion:-Members should make the MOU known in the SHG and EC meeting of the VO. The Leaders of the VO should read out the MOUs in the BLF meeting.

Benefits

- SHG members can immediately meet their emergency requirements including that of consumption purposes.
- Taking up Income Generating Activities combining the investment obtained through Micro Credit Plan with resources and skills.
- Can purchase assets utilizing funds on a large scale.
- Funds will be distributed not to all the SHGs, but to the deserving SHGs having good practices. (By this recovery will be done effectively and activities can be taken up multiple times at a larger scale)
- The remaining SHGs will also develop good practices and acquire the skills in preparing MCP.
- Funds will be utilized in an effective, efficient and better manner.
- Internal funds will be enhanced.

Information known through MCP

- Present status of the family.
- Their experience in various income generating fields.
- Their experience about the income and expenditure in hitherto taken up income generating activities.
- Identified activity, Implementation method, Purchase, Marketing facility will be known.

- Can affirm the additional income for the family through these activities.
- Precautions to be taken during unforeseen situations (Insurance, Conforming to the basic health principles for the cattle, Advice from experts)
- Estimation of investment (Personal contribution + Loan amount from the SHG)
- Building up the confidence in the activities to be taken up.
- After availing loans from the SHG, they invariably will take up the IGA.

Note on Trainings:

1. It will be better and easier if 20 members participate in the training programme.
2. Every 10 members should form one group in the training programme.
3. MCPs should be prepared by dividing into two groups.
4. One group, as if they were the SHG and the other one VO, should explain the MCP to the other group. The same is to be repeated with the second group also.
5. Two or three best VOs are to select from one block.
6. Two or three best SHGs are to be selected from one VO and MCP is to be prepared by them.
7. When the details of the group MCP are explained to the EC of the VO, they will accept the same. If not, the group has to discuss further, approach the EC of the VO and get approval.

Preparation of Micro Credit Plan – Seven step Process.

Step 1: Comprehensive Information of the SHG.

- Details of the SHG.
- Details of the funds of the SHG.
- Grade obtained by the SHG through financial transactions.
- Age of the SHG.
- Details of the membership in the VO.

Step 2: Comprehensive Information of the members

Each and every member of the SHG contemplating the present status of their family

- Members of the family and their occupation.
- Their income.
- Family expenses.
- Family debts.
- Their problems.
- Discussion on the grave problems.

Step 3: Individual Income & Expenditure statement of the Member.

- Existing livelihoods - Ways and means to enhance the income through them.
- Details of the earnings through the present livelihoods.
- To make them think of the opportunities that exist.
- To make them aware of the capabilities.

Step 4: Assessment of the IGA to be taken up by the members (Family Investment Plan of the members)

Explaining the activities to be taken up, enhancement of capabilities through investments

- Methods of getting out of problems through investment.

- Present income through existing activities and assessment of additional income that can be earned after investment.
- To make them think of the ways and means to get the investment.
- Explaining the activity to be taken up.
- Explaining the investment.
- Explaining the method of repayment of investment.
- Assessment of the investment required by all the members.

First Discussion

All the members of the SHG should discuss themselves, prepare the Micro Credit Plan and present the same at the VO meeting. The members are to answer the questions asked by the VO. After the discussions, if the VO is satisfied, assures some amount of financial help and asks the SHG to return for second discussions with the detailed plans for the first priority borrowers and second priority borrowers and its implementation methodology.

Step 5: Details of the first priority borrowers: -

- 1) If all the members get the loans at a time, they will compete with each other asking others to pay first.
- 2) As a result the norms of the SHG will be violated.
- 3) There would be a problem as to which member (second priority) the money obtained through recovery is to be given. Therefore, all the members should discuss among themselves and prepare a rotation plan.

An analysis should be done on the basis of the details of the first priority borrowers and a plan is to be prepared through discussion with all the members.

- Must be selected person from category of Poor
- Must be without any help
- Single women
- Poor family with no sources of income
- Without/ Little skills
- According to the season relevant to the IGA (Priority is to be given)

Step 6: Details of the second priority borrowers: -

A process is to be evolved to provide loans to the second priority members on the basis of the principle and interest recovered according to the recovery plan and the savings. The process is to be evolved in a way that all the members can get loans in a period of 9 months based on the repayments of the first priority borrowers.

Second Discussion:-

During the second round of discussions the SHG members should discuss at the VO meeting, the details of procedure for the first priority borrowers, selection process of the members, members' share and the share of the SHG. They should also explain in detail at the VO meeting, the process of providing loans to the second priority members, selection of members, recovery and interest payment method and make the VO appreciate the same.

After the VO accepts the proposal, it asks for an MOU. This should be submitted in the next meeting.

Step 7: MOUs: These are of three types.

- 1) MOU between the Members and the SHG. This should be prepared after due discussions in the SHG.
- 2) MOU between the SHG and the VO. This should be prepared after due discussions with the VO Committee at the second round of discussions itself.
- 3) MOU between the VO and the Block Level Federation (BLF). This should be prepared after due discussions by the VO at BLF meeting.

Third Discussion:-

All the members of the SHG should attend the VO meeting and read out the two MOUs. All the members should be able to speak on the MOUs at the VO meeting, i.e.

- a) MOU between the Members and the SHG
- b) MOU between the SHG and VO

Micro Credit Plan Step – 1:

Comprehensive Information of the SHG as on date

1. Name of the SHG:
2. Name of the Village:
3. No. of members in the SHG:

SC	ST	BC	OC	Total

4. Bank Account No. of the SHG:
5. Date of inception of the SHG:
6. Total amount of Savings:
7. Total amount of Interest earned:
8. (a) No. of meetings conducted so far:
9. (b) Percentage of attendance:
9. Does the SHG have membership in the VO?
10. Whether the SHG has availed any loan from any institution? If yes, how much amount? From which institution?
11. Corpus fund in the SHG:
12. Arrears in the SHG:
13. No. of loans provided by the SHG:
14. Total amount of loans provided by the SHG:
15. Names of the representatives of the SHG:
16. Signatures of the representatives of the SHG:

Micro Credit Plan Step – 2:

Comprehensive information of the SHG members

Sl.	Name of member	Age	Caste	Education	Occu pation	Details of Family members				Land		Type of house		Cattle							Poverty Status			
						Children		Adults		Wet	Dry	Pucca	Hut	Ox	Cows	Buffa los	Sheep	Goats	Others	POP	Poor	MID	RICH	
						F	M	F	M															

Micro Credit Plan Step – 3:

Household Income and Expenditure statement of the Member (1 Year)

1. Name of the Member: 2. Name of the husband: 3. Details of the land:	4. Caste 5. Age: 6. Details of the family members
Income	Expenditure
1. Total income from agriculture: 2. Income from husband's wages Days x Wage 3. Income from wife's wages Days x wage 4. Income of the son or daughter Days x wage 5. Others: a) Business: b) Job: c) Artisan works:	1. Rice Day/Kg x month x Price: 2. Red gram Day/Kg x month x Price: 3. Other commodities month x Price: 4. Electricity Charges/month: 5. Soaps/month x Price: 6. Green leafy & other vegetables Days x month x Price 7. Liquor & Tobacco/month: 8. Meat/month: 9. Exp. on children's education/month: 10. Exp. on health/month: 11. Travel exp. / month: 12. Other exp./month: Total exp x12: 13. Investment on agriculture/ year: 14. Cloths & Festivals/ year:
Details of Income & Expenditure	
1. Milk/ day Liter x Days x Price 2. Dung/ month Loads x Price 3. Milk for household consumption: Liter x Days x Price 4. Price of the calf:	1. Grass Kg x Day x Month x Price: 2. Fodder Kg x Day x Month x Price: 3. Exp. on Health: 4. Transportation Exp. 5. Wages- Day x Month x Price

Micro Credit Plan Step – 4:

FAMILY INVESTMENT PLAN

Assessment of Income Generating Activities to be taken up by Members

Name of the SHG:
Name of the Village:

Name of the VO:
Name of the CF:

Name of the C.C.:
Name of the Block:

Sl. No.	Name of the Member	Name of the Husband	Activity to be taken up for Income generation	Required amount of loan for the activity	Contribution of the member	Amount required from the SHG	Income per month	Exp. per month	No. of installments	Value of installments			Remarks
										Principle	Interest	Total	
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

Micro Credit Plan Step – 5:

Details of the members availing the loan in first priority

Sl	Name of the member	Activity to be taken up for Income generation	Required amount of loan for the activity	Contribution of the member	Amount required from the SHG	Exp. per month	No. of installments	Principle	Interest	Total	Remarks
1											
2											
3											
4											
5											
6											
	Total										

Micro Credit Plan Step – 6:

Details of the members availing the loan in second priority

Sl. No.	Name of the member	Activity to be taken up for Income generation	Required amount of loan for the activity	Contribution of the member	Amount required from the SHG	Exp. per month	No. of installments	Principle	Interest	Total	Remarks
7											
8											
9											
10											
11											
12											
	Total										

Do's in the Micro Credit Plan

- The necessity, objective and preparation method are to be discussed in the SHG meeting.
- The member of the SHG should, before the preparation of the MCP, discuss about the income generating activities with her family members.
- All the members of the SHG should discuss and prepare the MCP.
- The staff (Book keeper / Animator) should write down the MCP as per their instructions.
- Each and every member of the SHG should know the loan details of every other member and be able to let the VO know.
- All the members of the SHG should attend the VO meeting, explain the MCP and get approval. MOU should be made known to all the members.
- Two members of the SHG should attend the General Body meeting of the BLF, explain the MCP and get approval.
- Sanction of loans should be in accordance with the loan sanction plan and they should meet the requirements of the members.
- Members should spend the loan amount only to the activities mentioned in the MCP.

Don'ts in the MCP

- MCP should not be prepared without being aware of its necessity and objective.
- Members should not participate in preparation of MCP without due discussions with the family members.
- Members should not indulge in equal distribution of the amount got through MCP after approval.

Micro Credit Plan Step – 7:

a) MOU between the Members and the SHG:

1. All the members will work according to the norms of the SHG.
2. The members who availed loans from the SHG will repay the principle and interest in accordance with the installments decided upon.
3. It shall show the assets to the members of the Audit Committee during the audit.
4. Members who availed the loan will repay without any arrears.
5. It shall work in accordance with the MOU reached with the SHG.
6. It shall representatives to the VO meetings along with monthly report.

b) MOU between the SHG and the VO:

1. It shall utilize the loan taken for consumption/ income generating activities as indicated in the MCP.
2. It shall show the assets purchased at SHG to the Audit Committee of the VO.
3. SHG shall repay the principle and interest in installments as stipulated in MOU with the VO.
4. It shall utilize the services of the Mobilizers at the VO level.

c) MoU between VO and BLF:

1. The representatives of the VO will attend the BLF meetings without fail.
2. VO shall attend to the trainings being imparted by BLF.
3. VO shall utilize the loan amount taken from BLF to the activities mentioned only.
4. VO shall repay the loan amount along with principle and interest in installments as stipulated in the MOU with BLF.
5. VO shall show the assets to the BLF Audit Committee during their inspection.
6. VO shall submit the monthly reports to BLF.

STANDARD APPLICATION FOR COMMUNITY INVESTMENT FUND (CIF) LOAN FROM SELF HELP GROUP (SHG)

For VO Office use only:

To:

THE PRESIDENT
VILLAGE ORGANISATION (VO)

Application No:
Date of Receipt by VO:

VILLAGE:_____

Dear Madam,

We _____ (name of SHG) would like to avail Community Investment Fund (CIF) as loan for Income Generation for extending credit facilities to our members. Please find below the details of our SHG.

1. Name of our SHG _____
2. Date of Inception _____
3. SHG Leader(s) Smt. _____ and
(In BLOCK LETTERS)
Smt. _____
4. Our Bank Account No. _____ with _____ Bank _____ Branch.
5. Lending History of our SHG:

Sl. No	Particulars	Amount in Rs
1	Cumulative Loan Disbursed	
2	Cum. Principal Recovered	
3	Balance Principal O/S	
4	Over dues Amount	

6. Micro Credit Plan of our SHG

Sl. No	Name of Member	Category (SC/ST/BC/OT)	Poverty status	Wealth Ranking	Purpose of the loan	Amount Required in Rs
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

1. Sources of Fund for Executing Micro Credit Plan of SHG:

Total Loan Requirement for income Generation Activities in Rs	Own Savings in Rs	Bank Linkages in Rs	CIF Loan in Rs

Kindly sanction us a CIF loan of Rs _____ as per the details mentioned in para 7 above.

Signature of the President

Signature of the Treasurer

**STANDARD APPLICATION FOR COMMUNITY INVESTMENT FUND (CIF) LOAN FOR
VILLAGE ORGANISATION (VO)**

For BLF/BRLPS Office use only:

To:

THE PRESIDENT
BLF/BRLPS

Application No: Date of Appraisal by BLF/BRLPS:

BLOCK: _____

Dear Madam,

We _____ (name of VO) would like to avail Community Investment Fund (CIF) as loan for Income Generation activities including the Micro credit plans prepared by our member SHGs and working capital requirement for our food security and marketing initiatives and as a grant for executing Social Development and Physical Productive Infrastructure subprojects. Please find below the details of our VO and member SHGs.

1. Name of our Village Organization _____
2. Full Address:
Village: _____ **Post Office:** _____
District: _____ Pin code: _____ Telephone: _____
3. Date of Inception _____
4. Registered ☐ registration No: _____ Not Registered ☐
5. Associated with NGO/ Co-operatives/ Other Development Organisation: _____
6. VO Leader(s) _____
Smt. _____ and
Smt. _____
7. Our Bank Account No. _____ with _____ Bank
_____ Branch

8. SHG Wise CIF Loan Requirement for Executing Micro Credit Plan of SHGs (in Rs.).

Sl. No	Name of SHG	No. of members	Poverty Status (PoP/BPL/Others)	Total cost of Income Generation Sub Projects	Own Fund	Loan from Bank	CIF Loan
1							
2							
3							
4							
5							
6							
7							
8							
9							
Total							

9. Component Wise CIF Requirement for Executing Village Micro Plan (in Rs.)

Sl. No	Particulars*	Amount
	IG activities	
1	MCPs of SHGs	
2	Working Capital for Food Security Intervention	
3	Working Capital for marketing Activities	
	Total IG CIF:	
	Social Development subprojects	
1		
2		
	Total SD CIF	
	Productive Physical Infrastructures	
1		
2		
	Total PPI CIF	
	Total CIF (IG+SD+PPI)	

* Note: Other than micro plans of SHGs, for all categories a detailed description and assessment report is to be attached. In case of SHG micro plans micro plans of individual SHGs are to be attached.

10. Sources of Fund for Executing Village Micro Plan:

Total Loan Requirement	Own Savings in Rs	Bank Linkages in Rs	CIF in Rs

11. We have taken up some of the following activities in addition to our Savings & Credit activities.

12. Sources and Uses of Funds of VO:

Sources	Amount in Rs	Uses	Amount in Rs
Savings/ Deposits from Member SHGs			
Grants		Bank Balance	
Loans		Cash Balance	
Interest on Loans			
Commission Fees on Loans to Member SHGs			
Membership Fees & Admission Fees from Member SHGs			
Total :		Total :	

13. Lending History of VO:

Sl. No	Cumulative Loan Disbursed in Rs	Cum. Principal Recovered in Rs	Balance Principal O/S in Rs	Overdue Amount in Rs
1				

Kindly sanction us a CIF (as loan of Rs_____ and as grant of Rs_____) as per the details mentioned in para 9. MCPs of SHGs, the proposals for food security, marketing intervention, social development subprojects and Productive Physical Infrastructure subprojects are enclosed.

Signature of the President

Signature of the Treasurer

Utilisation Certificates

Name of the SHG:

Date:

Total						
-------	--	--	--	--	--	--

Certificate from VO

Details of the SHG micro plans consolidated and other VO activities for the quarter I/ II/ III/ IV of the FY _____

Name of the VO:

Date:

a. Classification of SHGs and source of funds

b.

Type of SHG	No.	Own funds	CIF	Bank loan	Recycled CIF	Other sources
PoP						
BPL						
Disabled persons						
Other						
Total						

c. Activity wise utilisation of funds

Sl.No	Name of the activity	No. of members	Amount spent	Source of funds				
				Own funds	CIF	Bank	Recycl ed CIF	Other sources
SHG Micro plans								
I	Agriculture							
I.1	Crop cultivation							
1.2	Bore-well							
1.3	Pump-set							
1.4	Bullock and cart							
1.4	Others							
Sub Total								
II	Animal Husbandry							
II.1	Milch animals							
II.2	Sheep and goats							
II.3	Others							
Sub Total								
III	Non-farm							
III.1	Production							
III.2	Service							
11I.3	Business							
Sub Total								
VO plans								
IV	Food security							
V	Marketing							
VI	Social Development							
VII	Productive Physical Infrastructure							
Grand Total								

d. Category wise utilization of funds:

SC/ST/BC/OC	No. of members	Source of funds				
		Own funds of SHGs	CIF	Banks	Recycled CIF	Other sources
SC						
ST						
BC						
Disabled						
OC						
Total						

e. Social audit certificate

Process description

Record of variations, if any

Signatures of the President, Secretary and Treasurer

Utilisation Certificate by the Block Level Federation

Details of the activities undertaken by SHGs and VOs (consolidated) and self for the quarter I, II, III, IV of the FY _____

Name of the BLF/BRLPS:

Date:

a. Classification of SHGs and source of funds

b.

Type of SHG	No.	Own funds	CIF	Bank loan	Recycled CIF	Other sources
PoP						
BPL						
Disabled						
Other						
Total						

c. Activity wise utilisation of funds

Sl. No	Name of the activity	No. of members	Amount spent	Source of funds				
				Own funds	CIF	Bank	Recycled CIF	Other sources
SHG Micro plans								
I	Agriculture							
I.1	Crop cultivation							
1.2	Bore-well							
1.3	Pump-set							
1.4	Bullock and cart							
1.4	Others							
Sub Total								
II	Animal Husbandry							
II.1	Milch animals							
II.2	Sheep and goats							
II.3	Others							
Sub Total								
III	Non-farm							
III.1	Production							
III.2	Service							
11I.3	Business							
Sub Total								
VO plans								
IV	Food security							
V	Marketing							
VI	Social Development							

VII	Productive Physical Infrastructure							
Grand Total								

d. Category wise utilisation of funds:

SC/ST/BC/OC	No. of members	Source of funds				
		Own funds of SHGs	CIF	Banks	Recycled CIF	Other sources
SC						
ST						
BC						
Disabled						
OC						
Total						

e. VO wise utilisation of funds:

Name of the VO	Source of funds				
	Own funds of SHGs	CIF	Banks	Recycled CIF	Other sources
Total					

Signatures of the President, Secretary and Treasurer

Job Details of Project Staff

State Level

Sl	Positions	Descriptions
1	State Project Managers (SPM) • Capacity Building and IB • Livelihood • Microfinance • Social Development • Human Resource Development • Monitoring and Evaluation • Communication • Innovation State Project Managers will report to CEO and additional CEO/Project Director. All SPMs will be placed at State Project Management Unit at Patna.	State project managers will responsible for designing various policy frameworks and intertwining them. Further they will also design implementation guideline according to the policy framework. They will be working closely with the CEO of the project and strive for improving project implementation guideline across the project period. SPM will strategically have threefold responsibility including specialist functions, project management at district level and leading single or multiple livelihood intervention of the project. Along with these, SPMs will be responsible for • Partnership management with service providers both public and private, coordinating relationship with project stakeholders as well as external resource agencies • Convergence with Government department, linkages with financial institutions, building capacity of NGOs and civil society organization • Team building across the Project and handholding on project management, performing administrative function, financial management and conflict resolution to district and block units • Coordinating project based studies, evaluation and research assignment • Timely reporting, review and supervision of task • Being trainer to Project staff
2	Project Managers (PM) • Capacity Building and IB • Livelihood • Microfinance • Social Development • Human Resource Development • Monitoring and Evaluation • Communication Project Managers will report to concerned SPMs and also be supervised by CEO and Additional CEO/project director as and when required. All PMs will be placed at State Project Management Unit.	Project Managers will function with specialist capacity. Their expertise will be available to district and block level. Initially they will facilitate coordination and liaison at district level. Project manager will further ensure task accomplishment against the plan at district and block unit of the project. Their hands on experience of the field will help SPMU in policy design, system improvement and upgrading implementation guidelines of the project. Besides these, PMs will be extending handholding support to district and block unit on linkages with financial institutions, convergence with Government programmes, capacity building of community institutions, planning and disbursement of CIF and team building. PMs are supposed to perform specific role of trainer to Block and District Team and act as an active link between BPIU and SPMU.

SI	Positions	Descriptions
3	Chief Financial Officer Heading the finance unit of the Project with a team of accountant and other support staff. Will be reporting to CEO/Project director. Also working closely with Financial Management and Technical Support Consultant (if hired by the project)	The CFO responsible for the both the fiduciary governance of the project funds as well as introduction of best business processes to ensure timeliness of funds flow to the field based community organizations.
	Financial Management and Technical Support Consultant	The scope of work for the consultant will be developing financial management and procurement system and assist Chief Finance Officer on budget consolidation of BRLP, preparing PMRs, SOE of BRLP, claims settlements, meeting tax obligations, preparing statutory report, liaison, making audit replies etc.
	Administrative Officer Responsible for smooth functioning of project office/es with administrative support staff. Reporting to CEO/Project director.	Responsible for meeting administrative requirement of the society especially procurements, office maintenance, office discipline, communication with Government departments, preparation for EC meeting, helping CEO in managing administrative affairs with Government, security of office premise and daily office affairs.
	Training and Capacity Building Cell	This cell will look after the large scale staff and community level training needs in a multi functional manner. At a later phase this cell may be spun off as an independent organization to look after the training needs of the state for rural development professionals.
	Business Facilitation Cell	This cell will promote livelihoods through various kinds of partnerships that would allow for sector based technical assistance, marketing tie-ups, and subsectoral based turnkey partnerships for specific commodities and products. The cell would continuously endeavour to introduce innovations in livelihoods into the project
	Partnership Cell	This Cell will look at partnering civil society institutions who will be stakeholders in specific field locations. The cell will promote partnership and assist such NGOs in their capacity building with a package of services for upgrading their SHG and Federation group quality.

District Level

SI	Positions	Descriptions
1	District Project Coordinator Will work under the supervision of SPMs and also report to them.	<i>Will be responsible for giving a district perspective to the Project and popularize it among all leading development institutions, civil society organizations and line department. DPC will be responsible for strengthening Block Level Federations and initial mentoring to them. Having consultation with DLCC and respective District Magistrate, s/he will be in regular touch with SPMU. DPC will be implementing partnership activities and business facilitation jobs in the field. Collating, consolidation and analysis of project data will be another important sphere of functioning for him/her. It is expected that DPC will position him/herself in such a way that it could fetch opportunity to represent district level committees of bankers, forum of civil society organizations and various advisory committee for Government programmes. The DPC will also be responsible for Consolidation of district plan, monitoring activities and reporting according and extending procurement support to the block units.</i>
2	District Functional Specialist • Monitoring and Evaluation • Microfinance • Livelihood • Capacity Building and IB • Communication Reporting to DPC	<i>District functional specialists will help DPC to ensure coordination in respective specialized field. This broadly includes</i> • Resource Management for Training to Community • Facilitating for livelihood activity management and market linkages • Facilitation in preparing the MCP and consolidating the same • Handholding to block unit on VO strengthening • Implementing partnership at district level • HR functions – Training to block administrative and finance staff, assisting SPMU in HRD assessment and strengthening learning process among block team • Facilitating reviews, monitoring and communication within project.

It is envisaged that the nearest block office to the district headquarter will be the office for DPCU. District Project Coordinator will look after the entire role of DPIU in the first two years of the project. As requirement evolves, District Functional Specialists will be deputed to assist the DPC.

Block Level

Sl	Positions	Descriptions
1	Block Project Manager	BPM will be the leader of the project implementation unit at Block Level. S/he will be supported with a team of three Area Coordinator and 9 Community Coordinators. BPM will be steering the effective implementation of the project activities. Key result areas of hi/her performance will be • Conceptualizing development plan and extend mentoring support to village institutions (SHGs, VOs and BLF) through block team. • Designing and fostering linkages with local financial institutions • Building project image among Government, civil society organization, PRIs, NGOs and other support institution. • Coordinating block livelihood promotion plan and facilitate functioning of service providers at block level • Implement partnership plan with NGOs in the block • Planning and ensuring implementation of capacity building activities for community institutions and project stakeholders at .block level. • Supervising MCP and facilitating CIF utilization by VOs/SHGs • Making BLF functional and extending regular handholding for managing its day to day affairs
2	Training Officer	Considering the focus of project to promote community institutions and invest much on building their capacity, training programmes at community level are planned. The plan for implementing training activities of a single block needs exclusive full time project personnel to make arrangement of it. For the purpose a full time Training Officer at block level will function.
3	Area Coordinator	A single Area Coordinator is supposed to serve for a cluster having 30-35 villages altogether. S/he will be supported by a team of three community coordinators. The AC will be the field facilitator for CC as well community institutions and supervising functioning of SHGs/VOs with decided standard parameters in the Project. In the hierarchy of village institutions being promoted by the Project, AC will be mentoring VOs. The core functional areas of AC will be • Preparing cluster plan and Operationalising the same • VO formation and strengthening (through training, handholding etc) • Training to VO members • Facilitating audit of VOs accounts • Implementation of social action plan of the Project • Facilitating CIF channeling from project to VO and to SHG members and keep regular monitoring of the same. • Facilitating bank linkages process • Conflict management at SHG and VO level. • Relation building with PRIs
4	Community Coordinator	The Community Coordinator will be the eyes and ears of the Project at the lowest implementation unit i.e. village. One CC is supposed to handle about 10-12 villages. Their prime responsibility will be mentoring SHGs of respective villages and enabling them to meet the institutional objectives. CC will be supported by the community owned Mobilisers. The key functional areas of CC will be • Rapport building with community • Participatory Identification of poor • SHG formation and their strengthening • Training to SHGs

		• Inculcating best practices and systems among SHGs • Facilitation for preparation of Micro Credit Plan to SHGs • Facilitating preparation for Bank linkages of SHGs • Supervising CIF utilization and its repayment • SHG rating and audit
5	Community Mobilisers	Community Mobilisers will be community owned project structure responsible for guiding SHGs to perform its day do day function and follow standards functional as well management practices. The community Mobilisers will be stationed at village level and mentoring minimum 10 SHGs. They will be reporting to Village Organisation. Initially the Project would nurture them and make them functional. Gradually their governance will be taken over by the VO of the respective village.
6	Book Keepers	The book keepers are hired by the SHGs for regular update of SHGs records and books of accounts.
7	Community Resource Persons	The CRPs will be those women from the community whose services will be taken for mobilizing community members across village or panchayat where they reside. Eventually their expertise will also be required outside the village or panchayat area. Their key functional areas will be • Participatory Identification of poor • Identification of CRPs/Mobilisers • Facilitate group formation process in villages through social mobilization • SHG formation and their initial orientation
8	Block Level Federation	Block Level Federation will be the constituents of representation from Village Organisations of the particular block. Block Level federation is expected to take the responsibilities over of Block Implementation Unit over project matures. Primarily the BLA is visualized to • Extend capacity building support to VO and SHGs • Help VO/SHGs for external resource mobilization • To take up social action plan with coordination of Government schemes and service provider organizations • Extend technical and managerial support to VO/SHG
9	Village Organisation (VO)	Village organization will be the constituents of representation from SHGs of the particular village. This organization will serve as umbrella for strengthened SHGs in the village and provide them a forum to take up larger livelihood activities and social development issues. Village organization will develop its bylaws for functioning and will be the ultimate unit to receive CIF from the project and manage the same through revolving it within SHGs.

Results Monitoring Framework

SI No.	Outcome Indicators (Related to PDO)							Data collection and reporting		
	Output Indicators for each component	Baseline	Y-1	Y-2	Y-3	Y-4	Y-5	Frequency & reports	Data collection instrument	Responsibility for data collection
1.1	Self managed ³ community institutional established, covering at least 80% of the target households	To be included after BLS	5%	15%	40%	70%	80%	i. monthly & annual	i. MIS	External agency
								ii. Twice-Mid term & EOP	ii. Impact evaluation - HH survey & PRA	External agency
1.2	At least 50% of those received CIF have increased income by at least 30% of the baseline	Ditto			25% of HHs with 20% income increase		50% of HHs with 30% income increase	Twice-Mid term & EOP	Impact evaluation -HH survey & PRA	External agency
1.3	At least 50% of SHG members have reduced debts from local money lenders	NA			25%		50%	Twice-Mid term & EOP	Impact evaluation -HH survey & PRA	External agency

³ Self Managed as defined by the project

Sl No.	Outcome Indicators (Related to PDO)							Data collection and reporting		
	Output Indicators for each component	Baseline	Y-1	Y-2	Y-3	Y-4	Y-5	Frequency & reports	Data collection instrument	Responsibility for data collection
1.1	% Targeted poor households including women households are organized into SHG & represented in VO and BLO 80% of targeted households into SHG 60% of formed SHG into VO; and 40% of the formed VOs into BLF	To be included after BLS	5%	30% 25%	55% 45% 12%	75% 50% 24%	80% 60% 40%	Monthly	MIS	M&L nodal officer at Block, District & State levels.
1.2	At least 75% of formed VOs accessed and managed project funds as per project processes at any point of time	Ditto-		15%	40%	60%	75%	Monthly/six monthly	MIS & thematic studies	M&L nodal officers at Block, District & State levels & External Agency.
1.3	At least Rs. 50 crores beneficiary savings mobilized leveraging Rs. 75 Crores of financial institution lending and Rs. 100 crores of inter-lending	Ditto-		Rs. 10 crores saving, Rs.15 crores lending, Rs. 20 cores inter-lending	Rs. 25 crores saving, Rs.35 crores lending, Rs. 40 cores inter-lending	Rs. 40 crores saving , Rs.55 crores lending, Rs. 75 cores inter-lending	Rs. 50 crores saving , Rs.75 crores lending, Rs. 100 cores inter-lending	Monthly	MIS	M&L nodal officers at Block, District & State levels
1.4	Food Security ⁴ increased by 3 ⁵ months from the baseline for at least 80% of target households	Ditto-			50% of HHs		80% HHs	Twice- Mid term & EOP	Impact evaluation- HH Survey & PRA	External agency

⁴ Food Security is defined by a minimum food grain consumption of 10 Kg per month for each member of a household

⁵ The extent of food insecurity will be fully known after the baseline survey. The target value will be modified during the first year of the project.

SI No.	Outcome Indicators (Related to PDO)							Data collection and reporting		
	Output Indicators for each component	Baseline	Y-1	Y-2	Y-3	Y-4	Y-5	Frequency & reports	Data collection instrument	Responsibility for data collection
1.5	At least 50% of the investments on livelihood's CIF is made on the productive assets ⁶ generating sustained income	NA	10%	20%	30%	40%	50%	Monthly/six monthly	MIS & Thematic & Process monitoring	M&L nodal person at Block, district & State levels & External agency
1.7	At least 5,000 ⁷ direct jobs created through project facilitation & at least 75% of them are getting sustained income			1000 jobs of which 20% get sustainable income	2500 jobs of which 45% get sustainable income	4500 jobs of which 65% get sustainable income	5000 jobs of which 75% get sustainable income	Annual	MIS	M&L nodal person at Block, district & State levels
1.8	At least 3 major business linkages established through public/private Partnership by CBOs	NA			1	2	3	Periodic	Thematic/process monitoring studies	External agency
1.9	Three new partners are inducted to promote additional microfinance activity with total turn over of Rs. 3 crores.	NA			1 partner with Rs. 1 Crores turnover	2 partner with Rs. 2 Crores turnover	3 partner with Rs. 3 Crores turnover	Periodic	Thematic/process monitoring studies	External agency
2.0	Project Monitoring and Learning System established, including MIS,	NA		_ baseline survey completed – MIS established	_ Learning system in place - MIS computerased	-Participatory monitoring, peer review, and stakeholders feedback system operational	Decentralized M&L _credible project	Periodic	Thematic/process monitoring studies	External agency

⁶ Productive assets refer to improved technology in crop, livestock, irrigation, handicraft and natural resource management efforts

⁷ Through skill development to the youth in the areas of driving, construction, security guard, nursing, computer etc.

SI No.	Outcome Indicators (Related to PDO)					Baseline		Data collection and reporting		
	Output Indicators for each component	Baseline	Y-1	Y-2	Y-3	Y-4	Y-5	Frequency & reports	Data collection instrument	Responsibility for data collection
2.1	learning and experience sharing forums at different levels of project management			established	computerized	stakeholders feedback system operational	information available			
2.2	Project implementation procedures and agreed business standards ⁸ are followed for at least 80% of project interventions at any point of time.	NA	5%	15%	50%	70%	80%	Periodic	Thematic/process monitoring	External agency

⁸ Assuming that the project shall develop business standards for each of the service delivery areas viz. CBO formation and development, sub-project appraisal, fund disbursement, audit compliance

PARTNERSHIP GUIDELINES FOR SERVICE PROVIDERS UNDER THE TECHNICAL ASSISTANCE FUND

1. The Bihar Rural Livelihoods Promotion Society (BRLPS) proposes to implement specific subcomponents of the Bihar Rural Livelihoods project through a variety of partners who will act as service providers and co- implementers in different sectors and districts of the project. Such partners will work jointly with the Bihar Rural Livelihoods Promotion Society (BRLPS) over the project period on **performance based contracts based** on the delivery of specific project outcomes. The service providers will be financed through the project component **Technical Assistance Fund**.
2. The service providers who will be contracted in will include the following categories:
 - i. Specialized agencies working on livelihood based interventions in specific sectors, for example PRADAN (an NGO) provides technical assistance in introducing the “System of Rice Intensification (SRI)” technology and ASA (an NGO) provides technical assistance in introducing the “Participatory Varietal Selection & Promotion (PVSP) Programme” to improve productivity levels.
 - ii. Marketing agencies providing forward linkages (i.e., linkages to market for selling their produce/product at competitive prices) to specific livelihood activities / products taken up by the project beneficiaries/SHG members. For e.g., Incense stick producers linked to agencies like ITC⁹ which markets brand incense sticks.
 - iii. Specialized agencies working in the microfinance sector, and
 - iv. Specialized agencies working for provision of health and education and related social services to the poor in the villages where the BRLP is working with poor communities
3. Given the context of Bihar, there are a limited number of agencies of national eminence and professional competence who are willing to work in Bihar or have been working in Bihar for several years. Under such circumstances specific agencies with a track record of performance is required to complement the core implementation mechanisms established within the Bihar Rural Livelihoods Promotion Society (BRLPS). One approach to address the gap in lack of availability of credible partners is to adopt an EMPANELMENT strategy whereby organizations are pre-identified based on strict and competitive selection criteria that are subsequently contracted to undertake the task. Hence a flexible, case by case, strategy of partnership needs to be built with such agencies for them to become stakeholders in the project. The society has to proactively seek out to such agencies and forge partnerships to meet the goals and results expected from the Bihar Rural Livelihoods Project. Therefore standard criteria for contracting in such agencies using a competitive bidding process may not be a feasible option.
4. The following guidelines lays down the criteria on the basis of which such service providers can be selected and contracted.
5. The following category of service providers will be contracted into the BRLP

⁹ Indian Tobacco Company (ITC), one of the TOP-10 company's in India marketing a range of products from Cigarettes to Fertilizers to FMCG products.

- i) Turnkey Based Service Providers who will implement the project model of Bihar Rural Livelihoods Project up to the village level, i.e., a) formation of SHGs, Federating SHGs at Village level, facilitating in formation of Producer Groups @ Village level and Producer Cooperative/Company @ Block level; b) providing technical assistance in improving the livelihood; and c) assistance with market linkage to sell the produce/output.
 - ii) Technical Assistance and Market Linkage Service providers who will work with the community groups/ federations organized by the BRLPS. For instance COMPFED could work with SHG members in forming both NEW Dairy Cooperatives and linking milk producers with existing Diary Cooperatives/ Milk Unions to ensure better prices and other benefits available to its members like access to cattle insurance, animal feed/fodder and veterinarian services.
 - iii) Service Delivery Agencies who will provide specialized services within a specific sub-component of the project in the selected blocks and villages where the Bihar Rural Livelihoods Project is to be implemented with the rural poor as clients. For instance JANANI, an NGO working on health care aspects, can provide assistance to the community in building its capacity to better access both public and private health care services.
6. The criteria for selection and the scope of work for each category of service provider are given below.

CATEGORY 1: TURNKEY SERVICE PROVIDERS

Scope

The scope of work for such agencies will be to fully implement the model of the Bihar Rural Livelihoods Project in a specific geographical area / block / district. The scope of work will cover mobilizing the poor and building quality SHGs and their federation at village level called the Village Organization. The agency will also have to form livelihoods based activity groups such as producer groups at the Village-level and their federation at the Block-level, facilitate bank linkage to the newly formed SHGs and providing services such as technical assistance (training, demonstration, handholding, exposure) and marketing tie up for establishing both backward and forward linkage for key livelihood activities to such groups.

Selection criteria

The selection criteria for such agencies will be the following:

- i) At least five years experience in implementing a similar model for the specific sector/geographical area in the state of Bihar or neighboring states.
- ii) At least five years experience in building quality sustainable community level organizations through a Community Driven Development approach in over 50 villages.
- iii) Fiduciary accountability and transparency to be determined by due diligence appraisal.

Rules of Engagement

- i. A mutually agreed upon area of operation will be decided keeping in view the agency's past experience in the villages / gram panchayat / block / district.
- ii. Not more than seventy villages in a block will be contracted to one agency in the initial two years period in case of implementing the project's core institution model till village level. The maximum period of contract will be for a period of three years, renewed annually, based on pre-agreed set of performance indicators. The area of operation can be extended based on performance after two years.
- iii. Not more than four blocks in a district will be contracted to any one agency in the initial three year period in case of implementing both the project's core institution model and in establishing backward and forward linkage through formation of livelihoods activity group such as producer group and producer cooperative/company. The area of operation can be extended based on pre-agreed set of performance indicators after three years.
- iv. Bihar Rural Livelihoods Promotion Society (BRLPS) will finance the following activities/items -
 - a. For community mobilization and group formation. The fee will have TWO components 1) fee per SHG GROUP formed; and 2) a performance fee based on group strength and activities i.e., attendance at regular meetings, regular savings, inter-loaning and performance of inter-loaning, and maintenance of good books. It is recommended that the SERVICE PROVIDER establish dedicated teams who operate from the VILLAGES as against commuting from neighboring towns and cities.
 - b. In addition, training, capacity building and handholding costs at the rate of Rs 500/- for old SHGs and 1000/- per new SHGs, having a minimum membership of 10 members, per YEAR will be provided for the FIRST 2-years.
 - c. Establishment of Spearhead Team at the Block level to i) provide technical assistance on livelihoods to newly formed SHGs and their federations; ii) form Producer Groups and Producer Cooperative/ Company; and c) facilitate market

linkages. The project will also support senior level personnel of the organization coordinating at the state level.

- d. Training, demonstration, exposure and handholding costs at the rate of Rs 1000/- per SHG HHs in case of livelihoods activity group.
- v. Bihar Rural Livelihoods Promotion Society (BRLPS) will finance the SET-UP COSTS of one rented office per block including office and programme overheads subject to a maximum of Rs. 15 lacs per annum per block (or of Rs 5 lacs per annum per cluster comprising around 35 villages) for implementing both the core institutional model and livelihoods activity group such as co-operative and its federation.
- vi. Bihar Rural Livelihoods Promotion Society (BRLPS) will not finance any fixed equipment or civil construction.
- vii. The community investment fund (CIF) component required by the groups / federations formed by the agency will flow directly from BRLP to the community institutions, and not be channelised through the agency.
- viii. The maximum period of contract will be for a period of three year, renewed annually, based on pre-agreed set of performance.
- ix. Case by case performance criteria will be established based on project outcomes and will include number of poor families reached and organized into groups, quality of such groups based on established rating system by the BRLP, and type, quality and services provided to such groups.
- x. In case of implementation of core institutional model and also working on establishing backward and forward linkage through formation of livelihoods activity group such as co-operative and its federation number of SHG households linked to the co-operative and federation for the same livelihoods activity and other agreed upon performance based criteria related to project outcome such as quality of technical assistance and increase in income of the linked SHG households in the co-operative and federation for the agreed upon sector.
- xi. Quarterly review and reporting system to BRLP by the service provider will be a part of the contract and be integrated into the MIS system of the Bihar Rural Livelihoods Project.

Type of Agencies Eligible

- i. NGOs/Other organizations including for profit private sector organizations with field level presence and experience, preferably in the same block or district.
- ii. At least five years experience in building SHGs or similar groups with poor communities.
- iii. Agencies with strong grassroot knowledge and experience in either a specific sectoral activity in which the poor are engaged in for their livelihoods (such as marginal farmer agriculture or fisheries) or in working with specific disadvantaged communities in Bihar (such as the Mussehers, fishermen, etc.)

CATEGORY 2: TECHNICAL ASSISTANCE AND MARKET LINKAGE SERVICE PROVIDERS

Scope

The scope of work for such agencies will be to provide technical assistance such as training, demonstration, exposure, handholding and also establishing market linkages to the community groups and federations formed by the BRLP in specific livelihood sectors in such a manner so as to link the latter to a more productive and profitable value chain in specific sectors / activities.

Selection criteria

The selection criteria for such agencies will be the following

- i) Domain knowledge and experience in terms of managing enterprises and organizations such as Co-operatives, and Producers' Company.
- ii) Strengthening the backward linkage by technical assistance program such as training (e.g., farmers' field school), field exposure, handholding and also production enhancement.
- iii) Knowledge and experience in building forward market linkages with a guaranteed minimum off-take of produce/output and/or linking up a minimum number of beneficiary households (i.e., SHG members) of Bihar Rural Livelihoods Project to a value chain in a sustained manner.
- iv) Commitment for human resources or Spear-head Teams to work exclusively to provide the services agreed upon for the benefit of the beneficiary households of BRLP at the village / cluster / block / district level.

Rules of Engagement

- i. A mutually agreed upon sector / product will be decided keeping in view the agency's past experience in the sector / product.
- ii. Not more than two products in the state will be contracted to any one agency in the initial three year period. The scope of operation can be extended based on pre-agreed set of performance indicators after three years.
- iii. Bihar Rural Livelihoods Promotion Society (BRLPS) will finance to the agency the following
 - a. Establishment of cluster / block level teams for providing technical assistance and in strengthening the backward integration through formation of livelihoods activity groups such as producer groups, co-operative & producer company, linking with banks for loans, production enhancement and also ensuring collectivization through the core institutional model or through the co-operatives depends on the sectors.
 - b. In addition to the Spearhead team it is recommended that a district / state level team assisting with higher level marketing linkage and in coordinating with BRLP at both District and State-level.
 - c. Technical training, capacity building and handholding costs at the rate of Rs 1000/- to Rs. 3,000/- (depending on the product or sector) per SHG engaged in the sector through co-operatives and federations in quality control, production techniques, sorting and grading etc, (to be specified in the contracts case by case).
- iv. Bihar Rural Livelihoods Promotion Society (BRLPS) will finance one rented office per block plus office including program overheads subject to a maximum of Rs 15 lacs per annum per block depending on the sector or products.

- v. Bihar Rural Livelihoods Promotion Society (BRLPS) will not finance any fixed equipment or civil construction.
- vi. The community investment fund (CIF) component required by the groups/federations formed by the agency will flow directly from BRLPS to the community institutions (through SHGs in case of loan required by the SHG members for a particular sector or product) or to the Block / District level Co-operatives / Federation / Farmers Producers' Company, and not be channelized through the agency.
- vii. The maximum period of contract will be for a period of three years, renewed annually, based on pre-agreed set of performance indicators.
- viii. Case by case performance criteria will be established based on the project outcomes and will include number of SHG households taking up the specific livelihood sector / product, enhancement of production, increase in turnover, increase in income through the SHGs and federations formed by BRLPS and undertaking the specific livelihoods activity in the agreed upon sector or product.
- ix. Quarterly review and reporting system to BRLP by the service provider will be a part of the contract and be integrated into the MIS system of the BRLP project.

Type of Eligible Organizations

- i. NGOs/Other organizations including for profit private sector organizations with field level presence and experience.
- ii. At least five years experience in working on the technology and market linkage for the poor communities.
- iii. Agencies with strong grass-root knowledge and experience in either a specific sectoral activity or market or both (sectoral and market) and also proved in establishing the same business linkage for the poor through formation and strengthening of the legal community institutions of poor and improve their livelihoods.

CATEGORY 3: SERVICE DELIVERY AGENCIES

Scope

The scope of work for such agencies will be to provide specific services, such as health, education, job creation through opening of retail service outlets at the village / block / district level that is accessible to the poor, training of community based para-professionals who can provide such services in the future and monitoring of outcomes in the specific area of services being provided.

Selection criteria

The selection criteria for such agencies will be the following

- i) Domain knowledge and experience in providing such services in rural areas, preferably in Bihar.
- ii) Professional personnel to manage such services in adequate number and
- iii) Capacity to provide training and technical assistance to community selected para-professionals.

Rules of Engagement

- i. A mutually agreed upon set of services will be decided keeping in view the agency's past experience in the sector.
- ii. Not more than one set of sectoral set of services in the state will be contracted to one agency in the initial two years period. The scope of assignment can be extended based on performance after two years.
- iii. The agency will be responsible for providing the service not only at the retail or village level but make all the necessary upstream linkages required to provide the services required such as linkage with input suppliers and other national and state level linkages.
- iv. BRLP will finance to the agency the following
 - a. Establishment of block level teams of three to five professionals per block for management of the service to be provided.
 - b. Establishment of retail service outlets at the village level subject or verification of unit costs per retail service outlet,
 - c. Technical training to selected SHG members as para-professionals for future management of the retail outlet and extension of services to the community in a sustainable manner.
- v. BRLP will finance one rented office per block plus office and programme overheads subject to a maximum of Rs 10/- to 15/- lacs per annum per block.
- vi. BRLP will not finance any fixed equipment or civil construction directly to the service agency. The ownership of the retail outlet will remain in the hands of the groups formed by the BRLP. The community investment fund (CIF) component required for any investment in the retail facility will flow directly to the groups / federations formed by BRLP and not are channelized through the agency.
- vii. First call on the services will be available to the community group members organized by the BRLP.
- viii. The maximum period of contract will be for a period of two years, renewed annually, based on performance.

- ix. Case by case performance criteria will be established based on project outcomes and will include number of poor families benefiting from the specific service, specific service outcome norms will be established Quarterly review and reporting system to BRLP by the service provider will be a part of the contract and be integrated into the MIS system of the BRLP project.

Type of Eligible Organizations

- i. NGOs/Other organizations including for profit private sector organizations with field level presence and experience.
- ii. At least five years experience in working on the social services such as health and education for the poor communities.
- iii. Agencies with strong grassroots knowledge and experience in either a specific health or education issues for the poor communities.

Partnership Guidelines under Microfinance Investment and Technical Assistance

Scope

Microfinance Investment and Technical Assistance (MITA) is a facility set up by Bihar Rural Livelihoods Project with an aim to capture strengths of microfinance practitioners external to the project and leverage their ideas, resources and capabilities to **co-produce** and scale up microfinance services to poor. The initiatives under MITA are incremental in nature and add value to the basic microfinance structures created under the project. As a corollary, all initiatives under MITA will be outsourced to partner agencies. The scope of work includes:

1. Creating enabling environment for investment in the microfinance sector
2. Developing **co-production models** with SHPIs/NGOs, MFIs, banks and insurance companies for increasing access to financial services for the poor
3. Enhancing capacity, quality and performance of partner microfinance structures¹⁰
4. Adopting **crowding-in** strategy by pursuing alternate channels for delivery of financial services.

Selection Criteria

The project may like to determine different thresholds appropriate for different class of service providers. The broad selection criteria areas include

1. **Expertise:** The partners/service providers are expected to have domain expertise and standing reputation in the area of collaboration.
2. **Track Record:** The partners/service providers are expected to demonstrate good track record in objectively measurable terms during last three years. Needless to say, these measures will have direct relevance to the area of collaboration. **This criterion in case of NGOs/SHPIs/Microfinance Institutions involved in microfinance sector will be adapted to reflect quality of groups formed by them. For instance, they would need to demonstrate that 85% of the Self Help Groups/Federations formed by them measure up to 'A' grade.**
3. **Experience:** The partners/service providers will have experience of at least __ years in successfully executing relevant projects. Preference may be given to their experience in execution of projects in microfinance, livelihoods and participatory community development areas. Due weightage may be given to those who have successfully implemented Bank projects.
4. **Incorporation, Business Size and Disclosure:** The partners/service provider must be a legally registered body. However, in exceptional circumstances individuals with considerable expertise could also be co-opted, may also be. The agencies will have achieved turnover of Rs.100 million in the previous fiscal year. The agency shall submit audited financial statements for the previous three years. **Again this criterion in case of NGOs/SHPIs/Microfinance Institutions involved in microfinance sector will be adapted to reflect size of mobilization and total corpus collectively handled by SHGs or SHG Federation. For instance, they would need to have formed at least 200 groups which would be managing a portfolio of at least Rs. 50 lakh.**

¹⁰ Microfinance structures include SHGs, Federation of SHGs, MFIs and others.

5. The proposals supported under MITA will be judged from the perspective of adaptability to local conditions, replicability and scalability.

Rules of Engagement:

1. The following are the list of activities that will be supported by MITA Fund, i.e., anything falling outside of the list will be excluded from MITA:

- 1. Building enabling environment**

- a. Facilitating consensual and simplified rating mechanisms for self help groups, village organizations, etc. engaging various stakeholders
- b. Assisting development of capacity building modules, training aids, common accounting and reporting systems that aid enhancing performance quality of microfinance structures
- c. Developing pool of microfinance experts for supporting capacity building initiatives and quality enhancement

- 2. Institutional partnerships**

- a. Supporting partner banks in setting up exclusive cells for microfinance and livelihood finance
- b. Inducting new partner Self Help Promoting Institutions/Microfinance Institutions to take up add-on responsibility in project areas
- c. Piloting new channels for reaching financial services (like business-facilitator, bank-correspondent, remittance facility, etc.)

- 3. Technical assistance**

- a. TA for training and capacity building initiatives in accounting, audit, reporting & MIS, financial management, product management, etc.
- b. TA for improving lending technologies by incorporating credit scoring methodologies, etc.
- c. TA for new product development for SHG Federations, MFIs and banks
- d. TA for enabling NGOs/SHPIs/SHG Federations to graduate into MFIs
- e. *TA for enabling NGOs/SHPIs/SHG Federations source investments and bulk loans (assistance could cover institutional rating, professional assistance for developing business plans, due diligence, etc.)*

- 4. Implementation Schedule and Release of Assistance** - the implementation schedule should have objectively verifiable milestones and release of each tranche should be linked to satisfactory performance.

- 5. Monitoring & Evaluation** - each proposal supported under MITA will have pre-determined objectively measurable outputs and outcomes against which the success of the project will be measured before repeat engagement is made.

- 6. Capacity Building of Project Staff** - considering the need to internalise innovations in the project, the initiatives under MITA should invariably contain an element of capacity building/exposure for the project staff associated with the project implementation and monitoring.

Type(s) of Eligible Organization

The agencies eligible to avail assistance under MITA include SHPIs, NGOs, Community Based Organizations, Microfinance Institutions, training agencies, research and consultancy organizations, banks, technology providers, etc.

Abbreviation

AC	Area Coordinator
ADRI	Asian Development Research Institute
ANM	Auxiliary Nursing Midwife
ARR	Action Required Report
BFC	Business Facilitation Cell
BLCC	Block Level Coordination Committee
BLF	Block Level Federation
BPIU	Block Project Implementation Unit
BPM	Block Project Manager
BREGP	Bihar Rural Employment Guarantee Program
BRLP	Bihar Rural Livelihoods Project
BRLPS	Bihar Rural Livelihoods Promotion Society
CA	Chartered Accountant
CB	Capacity Building
CBLF	Community Based Livelihoods Federation
CBO	Community Based Organisation
CC	Community Coordinator
CCA	City Compensatory Allowance
CDD	Community Demand Driven
CEE	Centre for Environmental Education
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CIF	Community Investment Fund
CM	Community Mobiliser
COM	Community Operational Manual
COMPFED	Bihar State Cooperative Milk Producers' Federation
CPC	Community Producer Company
CQS	Consultants Qualification Selection
CRP	Community Resource Person
CSO	Civil Society Organisation
DFID	Department for International Development

DPC	District Project Coordinator
DPCU	District Project Coordination Unit
DPIP	District Poverty Initiative Program
EA	Environmental Assessment
EC	Executive Committee
EMF	Environmental Management Framework Assessment
FMM	Financial Management Manual
FMR	Financial Management Report
FMTSC	Financial Management and Technical Support Consultant
GAP	Gender Action Plan
GEI	Gender Equity Index
GOB	Government of Bihar
GOI	Government of India
HDI	Human Development Index
HH	House Hold
HIV	Human Immune Deficiency Virus
HR	Human Resource
HRA	House Rent Allowance
HRD	Human Resource Development
HYV	High Yield Variety
ICB	International Competitive Bidding
ICDS	Integrated Child Development Scheme
ICWA	Institute of Cost & Works Accountants
IDA	International Development Agency
IEC	Information, Education and Communication
IFAD	International Fund for Agriculture Development
IFR	Interim Financial Report
IIM	Indian Institute of Management
IK/ E	Information Kiosks/ Exhibitions
INR	Indian Rupees
IRMA	Institute of Rural Management Anand
MTR	Mid Term Review
NCB	National Competitive Bidding
NGO	Non Government Organisation

NOAPS	National Old Age Pension Scheme
NREGP	National Rural Employment Guarantee Program
PVSP	Participatory Varietals Selection & Promotion
PY	Project Year
RCH	Reproductive Child Health
RLMIS	Rural Livelihoods Management Information System
RNFE	Rural Non Farm Employment
SCP	Staff Contract Policy
SERP	Society for Elimination of Rural Poverty
SGSY	<i>Swarnjayanti Gram Swa-Rojgar Yojna</i>
SHG	Self Help Group
SHPI	Self Help Promotion Institute
SIP	Staff Induction Programme
SPMU	State Project Management Unit
SPT	State Project Team
SRI	System for Rice Intensification
TCBC	Training and Capacity Building Cell
TDP	Tribal Development Plan
TEG	Technical Environment Guidelines
TISS	Tata Institute of Social Sciences
TOR	Terms of Reference
TOT	Training of Trainers
TPDS	Targeted Public Distribution System
VO	Village Organisation
WDC	Women Development Corporation
XISS	Xavier Institute of Social Sciences



JEEViKA

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