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Document of
The World Bank

Report No: ICR00003538

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-44720)

ON A

CREDIT

IN THE AMOUNT OF SDR 50.6 MILLION
(US$ 82.4 MILLION EQUIVALENT)

TO THE

REPUBLIC OF INDIA

FOR A

ORISSA RURAL LIVELIHOODS 'TRIPTI' PROJECT (ORLP)

March 5, 2016

Food and Agriculture Global Practice
India Country Management Unit
South Asia Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective June 30, 2015)
Currency Unit = Indian Rupees (INR)
US$1 = INR 63.53
US$1 = SDR 0.71

FISCAL YEAR
April 1- March 31

ABBREVIATIONS AND ACRONYMS

AABY	Aam Admi Bima Yojana
BLF	Block level Federation
BPL	Below Poverty Line
CAS	Country Assistance Strategy
CBOs	Community-Based Organizations
CCs	Community Coordinators
CDD	Community Driven Development
CIF	Community Investment Fund
CLF	Cluster-level Forum
CMIS	Computerized Management Information System
CoE	Centre of Excellence
CPS	Country Partnership Strategy
CRPs	Community Resource Persons
CRP-CM	Community Resource Person for Community Mobilization
CSO	Civil Society Organization
CWS	Centre for World Solidarity
DEA	Department of Economic Affairs
DFID	Department for International Development, UK
DRI	Differential Rate of Interest
EFA	Economic and Financial Analysis
EMF	Environment Management Framework
EPVGs	Extremely Poor and Vulnerable Groups
FAO	Food and Agriculture Organization
FGDs	Focus group discussions
FLD	Farmer Livelihood Development
GAAP	Governance and Accountability Plan
GoI	Government of India
GoO	Government of Orissa
GPLF	Gram Panchayat Level Federation
IBF	Institutional Building Fund
ICRR	Implementation Completion Report Review
IFAD	International Fund for Agricultural Development
IPP	Improved Paddy Production
JLG	Joint Liability Group
KPI	Key Performance Indicator
LALL	Live and Let Live
M&E	Monitoring and eEaluation
ME&L	Monitoring, Evaluation and Learning
MFI	Micro-Finance Institution
MIP	Micro-Investment plans
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MoRD	Ministry of Rural Development
MoU	Memorandum of Understanding
NABARD	National Bank For Agriculture and Rural Development
NGOs	Non-government organizations
NRLM	National Rural Livelihoods Mission
NRLP	National Rural Livelihoods Project
NRMP	Natural Resource Management Project
OBC	Other Backward Caste
OLM	Odisha Livelihoods Mission
OPRM	Orissa Poverty Reduction Mission
ORMAS	Orissa Rural Marketing and Advancement Society
P&EPVG	Poor and Extremely Poor and Vulnerable Group
PAD	Project Appraisal Document
PAR	Portfolio-at-Risk
PCR	Project Completion Report
PD	Project Director
PDO	Project Development Objective
PIP	Participatory Identification of the Poor
PLFs	Panchayat Level Federations
PMU	Project Management Unit
PPIF	Pro-poor Inclusion Fund
PRIs	Panchayati Raj Institutions
PVP	Pudhu Vazhu Project
PWD	People with Disability
RDI	Rural Development Institute (Landesa)
RF	Revolving Fund
RSETI	Rural Self Employment Training Institutes
RTI	Right to Information Act
SCs	Scheduled Castes
SGSY	Swarnajayanti Gram Swarojgar Yojana
SHGs	Self-Help Groups
SHPI	Self-Help Promoting Institution
SIRD	State Institute of Rural Development
SPMU	State Project Management Unit
SRI	System of Rice Intensification
STs	Scheduled Tribes
SVP	Seed Village Programme
TDP	Tribal Development Plan
TRIPTI	Targeted Rural Initiative for Poverty Termination & Infrastructure
UNICEF	United Nations Child Education Fund

Vice President:	Annette Dixon
Country Director:	Onno Ruhl
Sector Manager:	Shobha Shetty
Project Team leader:	Samik Sundar Das
ICR Team Leader:	Jim Hancock

CONTENTS

A. Basic Information			
Country:	India	Project Name:	Orissa Rural Livelihoods Project
Project ID:	P093478	L/C/TF Number(s):	IDA-44720
ICR Date:	11/11/2015	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	GOVERNMENT OF INDIA
Original Total Commitment:	XDR 50.60M	Disbursed Amount:	XDR 46.71M
Revised Amount:	XDR 50.60M		
Environmental Category: B			
Implementing Agencies: Orissa Poverty Reduction Mission			
Co-financiers and Other External Partners:			

B. Key Dates				
Process	**Date**	**Process**	**Original Date**	**Revised / Actual Date(s)**
Concept Review:	10/17/2005	Effectiveness:	03/31/2009	03/31/2009
Appraisal:	02/07/2008	Restructuring(s):		10/22/2013 05/21/2015
Approval:	07/31/2008	Mid-term review:	09/02/2012	11/04/2012
		Closing:	12/31/2013	06/30/2015

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	**Ratings**	**Borrower**	**Ratings**
Quality at Entry:	Moderately Unsatisfactory	Government:	Moderately Unsatisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	**Overall Borrower Performance:**	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Agro-industry, marketing, and trade	36	36
General agriculture, fishing and forestry sector	57	57
Public administration- Agriculture, fishing and forestry	7	7
Theme Code (as % of total Bank financing)		
Gender	10	10
Participation and civic engagement	20	20
Rural markets	30	30
Rural non-farm income generation	30	30
Rural policies and institutions	10	10

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)
Enhancing the socio-economic status of the poor, especially women and disadvantaged groups, in selected districts.

Revised Project Development Objectives (as approved by original approving authority)

(a) **PDO Indicator(s)**

	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Values Achieved at Completion or Target Years
Indicator 1:	50% of the 30,000 SHGs (300,000 households) saved at least INR 2,500 in SHG/CBOs; availed at least INR 10,000 as investment credit annually from CBOs, and are covered for the risk of at least INR 20,000 for life/asset			
Value	Could not be	50%		More than 50%

(quantitative or qualitative)	established.			achieved for all sub-indicators
Date achieved	09/10/2009	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** i) Average of INR 2,050 for about 750,000 members; ii) Average of INR 10,580 was availed as credit from SHGs; iii) Project facilitated insurance cover for 770,000 SHG members, under the Government AABY scheme, with INR 30,000 cover.			
Indicator 2:	At least 60% of all types of CBOs scored "Satisfactory" consistently in the Institutional Maturity Indicators (on parameters like organizational development, functioning, inclusiveness, accountability, transparency, resource mobilization, cost coverage, etc.).			
Value (quantitative or qualitative)	i) **SHGs:** 55% graded above C ii) **GPLFs:** 10% graded above C	60%		**SHGs:** 74% graded above C **GPLFs:** 100% graded above C, but none A
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	i)***Considerably exceeded:*** 74% of 79,000 SHGs, is over 58,000 SHGs, ii) ***Achieved:*** 100% of random sample of 1,005 GPLFs were graded B or BB, but none graded A 'Self-sustaining' iii) ***Not achieved:*** No major activities undertaken with BLFs.			
Indicator 3:	At least 50% of households (including the EPVGs) increased productive and sustainable asset base.			
Value (quantitative or qualitative)	0 project households	150,000 households = 50% of 300,000		140,897 = 93.3% of original beneficiaries target
Date achieved	08/31/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved***: SRI IPP farmers: 72,216; seed village direct farmers: 1,794; seed village in-direct farmers: 30,000; poultry: 15,000; Mo-Badi: 38,878; Total: 140,897.			
Indicator 4:	At least 75% of households directly benefiting from the project reported reduced dependency on high cost private moneylending sources.			
Value (quantitative or qualitative)	Not established	75% of 300,000 = 225,000 households		More than 250,000 have reduced household debt
Date achieved	08/31/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** EFA sample of members of SHG with loans (representing at least 250,000 members) showed considerably reduced total household debt, and reduced debt repayments for the poor (Annex 2 and 3). Not directly measured.			

(b) Intermediate Outcome Indicator(s) - from Project Appraisal Document

	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Values Achieved at Completion or Target Years
Indicator 1:	*At least 60% of federations have at least two representatives from the EPVGs in their executive committees*			
Value (quantitative or qualitative)	0	60% of 1,000 = 600		99% of 1010.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Considerably exceeded:*** In GPLF leadership, two of the five office bearers in GPLF Executive Committee belonged to P&EPVG for 99% of GPLFs.			
Indicator 2:	*80% of the BPLs in the 2002 survey list are members of the CBOs.*			
Value (quantitative or qualitative)	Could not be established.	80% of 730,290 = 584,232 P/EPVG.		Total members in CBOs = 625,425 (82%) are Poor or EPVG
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Considerably exceeded:*** Of the total 730,290 P&EPVG households, 625,425 were members in SHGs. This alone was twice the original total beneficiary target of 300,000.			
Indicator 3:	*At least 50% of the households of the GPLFs reporting improved access to the Mid-Day-Meal program*			
Value (quantitative or qualitative)		50% of P&EPVG Households		n/a
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Not achieved:*** This indicator could not be tracked and attributed to any activities of the project.			
Indicator 4:	*At least 60% of the CRPs providing technical support on self-sustaining basis (either through CBOs or on their own)*			
Value (quantitative or qualitative)	0%	60% of 10,700 CRPs = 6,300 (project set target in terms of numbers)		8,536 (79% of CRPs) functioning but self-sustenance could not be established.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** Although paid through their CBOs, the project nurtured 8,356 CRPs (19% more than planned by the project), However, it could not be established if the CRP could be self-sustaining in the future.			
Indicator 5:	*At least 60% of CBOs meet graduation criteria of the project.*			
Value (quantitative or	None	60% of 1,000 GPLFs = 600		96.5% , 965 GPLFs

qualitative)				
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Considerably exceeded:*** CBO graduation was measured as graded GPLFs that received the CIF second installment; 965 GPLFs received CIF II.			
Indicator 6:	*At least 80% of MIPs are appraised, approved and financed.*			
Value (quantitative or qualitative)	None	80% of 1000 GPLFs = 800 GPLFs		1005 GPLF's received CIF funds.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved.*** Those MIPs that are apprised and approved are financed through the CIF for GPLF level consolidated MIPs.			
Indicator 7:	*At least 80% of the identified EPVGs are members of the CBOs.*			
Value (quantitative or qualitative)	45.80%	80% of 72,865 identified EPVG households		92% EPVG in GPLFs through SHGs membership
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved.*** This was measured as number of identified left-out eligible EPVG households who have been mobilized into SHGs and connected to GPLFs. 53,000 in SHGs and 2700 in other types of groups, out of 65,000 eligible EPVG = 92%.			
Indicator 8:	*At least 80% of the GPLFs have successfully implemented the inclusion plan.*			
Value (quantitative or qualitative)	None	80% of 1,000 = 800		1,010 = 101%
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** Number of GPLF that successfully received and disbursed pro-poor inclusion fund (PPIF) to the targeted P/EPVG.			
Indicator 9:	*At least 10,000 direct jobs created through project facilitation and at least 75% of the trained and placed rural youths are getting sustained income*			
Value (quantitative or qualitative)	None	7,500 youth getting sustained income		2,366 placed in jobs
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Partially Achieved.*** 2366 youth out of 4568 trained were placed (that is about 52%).			
Indicator 10:	*10% increased share of the poorer households in the financed value chain leading to enhanced income.*			
Value (quantitative or qualitative)	None	10% of sector specific value chain investments		Not measured.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Partially Achieved.*** Project did make sector specific investment on paddy, seed, onion, vegetables etc., but indicator too ambiguous to track and attribute.			

Indicator 11:	*At least 50% of the producers' organization are commercially viable (having balance sheets indicating positive turnover trends)*			
Value (quantitative or qualitative)	None	50% of total producer organizations/groups promoted by the project, i.e. 50% of 1,500 producer groups = 750		473 producer groups (63%) but commercial viability not established.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Partially Achieved.*** The assumption is that the producer groups that have received project support for 3 years or more and were functioning at project closure have high possibility of sustaining.			
Indicator 12:	*At least 15 major business linkages established for producers.*			
Value (quantitative or qualitative)	None	15 linkages on input, technology, knowledge and marketing.		10 linkages were established.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Partially Achieved.*** Business linkages were defined as input, technology-knowledge and produce marketing. 3 in seed production; 2 linkages in agriculture productivity enhancement; 2 in poultry; 3 in non-farm initiatives were established.			
Indicator 13:	*At least nine local innovations identified, financed and publicized (innovations identified through the Development Market Place)*			
Value (quantitative or qualitative)	0	9		0
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Partially Achieved.*** Project could not organize the Development Market Place to identify innovative ideas to finance, although some innovations for example, Mo-Badi, Seed village, Bank Mitra were piloted and scaled up.			
Indicator 14:	*On-time completion of project outputs (MIPs, review and update of work plan, progress reports, financial monitoring reports, procurement plans, etc.) against the implementation plan.*			
Value (quantitative or qualitative)	None	On-time completion		Project closing date was extended by 18 months.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved***. The project implemented the project components as per the PIP, PAD and the suggestions made by World Bank missions, albeit initially with delays.			
Indicator 15:	*Project implementation procedures and agreed business standards are followed and compliance monitored.*			
Value (quantitative or qualitative)	0	Compliance with standards		Complied with standards.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments	***Achieved:*** Project followed agreed procedures and closed with no major fiduciary			

(incl. % achievement)	risks but systemic in-efficiency in complying with business standards and effective decision making were noted till project closure.			
Indicator 16:	Performance based incentive mechanisms developed and implemented for project staff.			
Value (quantitative or qualitative)	None	Incentive mechanism implemented		Implemented but not as integrated system.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** Performance based incentive system was developed and implemented whereby annual staff increment of 3% increase was based on KPI assessment of staff.			
Indicator 17:	*80% of the block team receive positive scoring from the community during participatory monitoring*			
Value (quantitative or qualitative)	None	80% of the total staff directing providing facilitation support to the communities.		Not measured.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Not achieved:*** Community based scoring system could not be established, although efforts were made to set-up a participatory monitoring system.			
Indicator 18:	Complaints handling mechanism was established and complaints disposal rate was at 95% as per Governance and Accountability Action Plan (GAAP)			
Value (quantitative or qualitative)	None	Not applicable		Mechanism established and functioning
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** The project followed Section-4(1) of the RTI Act and voluntarily web enabled all reports. All complaints received by the project were attended in timely manner. A toll free number for receiving grievance was established.			
Indicator 19:	*Harmonization of project's policies and procedures with Mission Shakti.*			
Value (quantitative or qualitative)	None	Not applicable		Harmonization took place for a number of processes.
Date achieved	09/10/2012	02/26/2015		06/30/2015
Comments (incl. % achievement)	***Achieved:*** With Mission Shakti developed standardized books of accounts for all SHGs, linked CLF structure to SHGs and GPLFs. Various guidelines on CRPs, PPIF were jointly developed and were adopted by Mission Shakti to promote GPLFs.			

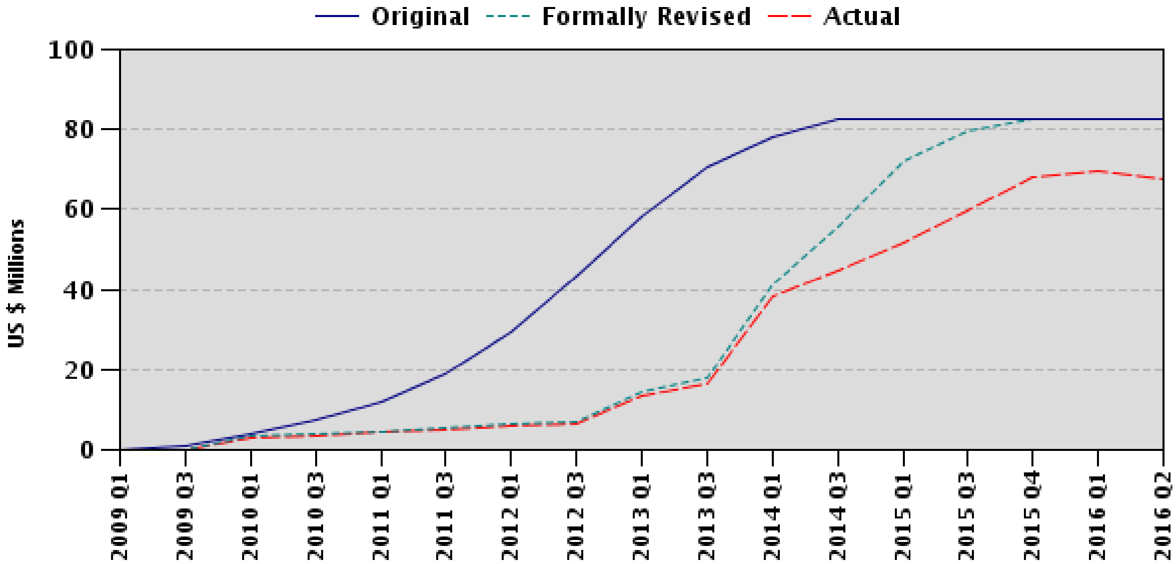
G. Ratings of Project Performance in ISI

No.	Date ISR Archived	DO	IP	Actual Disbursements (US$ millions)
1	01/24/2009	Satisfactory	Satisfactory	0.00
2	06/09/2009	Satisfactory	Satisfactory	3.09
3	12/01/2009	Satisfactory	Satisfactory	3.19
4	04/03/2010	Satisfactory	Moderately Satisfactory	3.62
5	11/10/2010	Satisfactory	Moderately Satisfactory	4.29
6	06/05/2011	Satisfactory	Moderately Satisfactory	4.89
7	01/21/2012	Satisfactory	Moderately Satisfactory	6.44
8	09/14/2012	Moderately Satisfactory	Unsatisfactory	13.51
9	02/17/2013	Moderately Satisfactory	Moderately Unsatisfactory	16.58
10	06/10/2013	Moderately Satisfactory	Moderately Satisfactory	18.49
11	11/06/2013	Moderately Satisfactory	Moderately Satisfactory	38.32
12	04/28/2014	Moderately Satisfactory	Moderately Satisfactory	44.85
13	10/04/2014	Moderately Satisfactory	Moderately Satisfactory	51.69
14	04/07/2015	Moderately Satisfactory	Moderately Satisfactory	59.66
15	09/01/2015	Moderately Satisfactory	Moderately Satisfactory	69.43

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		DO	IP		
10/22/2013		MS	MS	38.32	Extending the closing date from December 31, 2013 to June 30, 2015. The proposed extension is necessary to achieve the project objectives and the Borrower has prepared a detailed action plan acceptable to the Bank to complete the project within the requested extension period.
05/21/2015	N	MS	MS	66.86	Extension of timeline for submission of annual audit report. No key changes made.

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at appraisal

1. Odisha[1] is among the poorest states in India despite being richly endowed with natural resources and a coastline. At the inception of the project, Odisha had the highest proportion of poor population relative to other states in India. The poverty rates in Odisha declined from 47 percent to 39.9 percent between 1999–2000 and 2004–2005 owing to positive developments during the time.[2] However, poverty rates in Odisha remained almost twice as high compared to the rest of India, with a poverty headcount ratio of 21.8 percent. Eighty seven percent of Odisha's 37 million inhabitants, including the majority of the poor have been rural,[3] with substantial regional variations in the extent of rural poverty. Across the three regions of the state, poverty rates varied from 87 percent in the southern interior region to 50 percent in the northern interior region to 32 percent in the coastal region. This variation could be attributed to varied population density, as the absolute number of rural poor was almost equally distributed across all regions. As per various reports, the high incidence in poverty in Odisha is due to challenges related to regional disparities, governance, infrastructure, natural disasters, fiscal management, economic planning, human development strategies, etc.

2. At the time of project design, about 17 million people lived below the poverty line, with a relatively slow change in poverty ratio compared to other Indian states. Non-monetary indicators of poverty too confirmed the low-welfare status of households.[4] Household incomes were unstable and even better-off areas were vulnerable. Household members were not only vulnerable to sudden illness and economic changes, but also to cyclones, floods and droughts, as well as issues arising from environmental degradation and climate change.

3. Against this backdrop, the Government of Odisha (GoO) articulated a strategy to accelerate growth and poverty reduction as reflected in its Tenth Five Year Plan and draft "Vision 2020". The core development strategies were to: (i) encourage private sector growth; (ii) enhance the quantity and quality of public investment in infrastructure and human capital so that rapid growth can be sustained and its benefits more equitably distributed than in the past; and (iii) empower the poor through the formation and strengthening of resource-user associations and women's self-help groups (SHGs).

4. Based on these core strategies, the GoO under the Women and Child Development Department established Mission Shakti in 2001, an umbrella program for empowering the poor through formation and strengthening of SHGs. SHGs were the predominant mode of channeling microcredit to the poor in Odisha, with a number of SHG federation levels, such as block-level federations (BLFs) and gram panchayat-level federations (GPLFs). Despite being ranked fourth in the country in terms of SHG outreach and credit disbursement, Odisha faced issues that constrained the impact of the program. Some of the key issues were that: (i) significant proportion of SHGs were either defunct or functioning at very low levels of potential; (ii) a large

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[1] The name of the project Orissa Rural Livelihoods Project reflected the State's name at the time of Board approval. The name of the State was changed to Odisha in 2011 and the ICR uses this new name throughout the document.
[2] Data from Project Appraisal Document
[3] Orissa has one of the lowest population densities among Indian States
[4] National Family Health Surveys (2005-06) Fact Sheet – Orissa

proportion of SHGs were not following self-help principles, such as internal lending, savings habit, regular meetings; (iii) quality of bookkeeping was poor; (iv) on-time recovery of SHG loans had fallen; (v) a large number of GPLFs and BLFs had been promoted without clarity of purpose; and (vi) a substantial number of poorer households were not in the SHGs. Despite the rapid growth of the SHG–bank linkage programs, outreach of financial, insurance and marketing services did not match the demand, and services continued to be very rudimentary in Odisha. Livelihoods portfolio of the rural poor households remained poorly developed, with low productivity, low investment by farmers, limited capacity of producer organizations, and inadequate livelihood support services. Furthermore, poor people had very limited access to entitlements, such as ration cards, and were often excluded from basic services.

5. The GoO requested World Bank assistance for implementing a project under which innovative, scalable and sustainable models for livelihoods enhancement of the rural poor would be piloted to "build institutions of the poor." This three-pronged strategy would include: (i) investment in processes to build the "voice" (empowerment) of the rural poor, (ii) increased access to productive assets, and (iii) providing a platform for "scaling-up" of livelihoods activities. The platform essentially would be people's institutions that would enable the poor to negotiate and bargain with the market for better economic gains and subsequently negotiate with service providers (government, private sector, civil society) for better service delivery. This was to build on several models initiated by the GoO, non-government organizations (NGOs), the private sector and Bank-supported projects in India. These strategies conformed to the 2004 World Bank Country Assistance Strategy (CAS), with its focus on key 'lagging' states, which included Odisha, and the CAS goal of investing in people and empowering communities.

1.2 Original Project Development Objective (PDO) and key indicators

6. The PDO was "enhancing the socio-economic status of the poor, especially women and disadvantaged groups, in selected districts of Orissa"

7. Key indicators to measure project outcomes were listed as:

1. 50 percent of the 30,000 SHGs (300,000 households) to have saved at least INR 2,500 in SHG/community-based organizations (CBOs); availed at least INR 10,000 as investment credit annually from CBOs, and insured for risk at least INR 20,000 for life/per asset.
2. At least 60 percent of all types of CBOs to score "satisfactory" consistently in institutional maturity indicators (on parameters such as organizational development, functioning, inclusiveness, accountability, transparency, resource mobilization, cost coverage).
3. At least 50 percent of households (including the extremely poor and vulnerable groups) to have increased their productive and sustainable asset base.
4. At least 75 percent of households directly benefiting from the project to report reduced dependency on high cost private money lending support.

1.3 Revised PDO and key indicators, and reasons/justifications

8. The PDO and indicators were not revised during project implementation.

1.4 Main beneficiaries

9. As per the original design the primary target group was women members from the poor and extremely poor and vulnerable groups (P&EPVGs; such as destitute, widow, disabled) in 38 blocks of the 10 project districts. According to the PDO indicator, the total number of beneficiaries was expected to be around 300,000. Also important groups for inclusion were commonly marginalized groups, such as scheduled caste and scheduled tribes (SC/ST). The project aimed to strengthen existing institutions and form new institutions for these communities, wherever required. The impetus was to make federations at panchayat and block levels. Another important aspect of the project was to bring in the 'left-out' poor into the SHGs.

1.5 Original components

10. There were four approved components in the project.

Component I: Institution building (base cost US$17.73 million)

11. The objective of this component was to build capacities of the CBOs of the poor and vulnerable, for managing their institutions and improving livelihood initiatives. There were two sub-components: (i) community level institutional building and (ii) capacity development of project staff. The *community level institutional building* sub-component entailed providing finance for start-up activities, such as situational analysis to identify the target groups in project villages, institutional development investments through capacity building and exposure, preparation and appraisal of micro-investment plans (MIPs) and activities related to strengthening and sustainability of people's institutions. The CBOs to be strengthened or formed were the SHGs, GPLFs and BLFs. The *capacity development of project staff* sub-component aimed at developing project staff capacity for effective program implementation. Project staff capacity would be developed at state, district, block and cluster levels. One of the key project principles was to nurture strong community coordinators (CCs) and community resource persons (CRPs), who would be at the forefront of the institutional building process and provide timely support to SHGs and their federations. Capacity building activities were to be developed and implemented by the state, district and block teams, who would support the cluster teams and CRPs.

Component II: Community Investment Fund (base cost US$38.18 million)

12. The objective of this component was to target household plans and to meet the credit demand for household and investment needs. There were two sub-components: (i) Community Investment Fund (CIF) and (ii) Pro-poor Inclusion Fund (PPIF). The CIF would provide financial resources to panchayat level federations (PLFs) and BLFs of SHGs as grants for onward financing to SHGs, which in turn would lend to members for household investments. CIF was also expected to help CBOs in building institutional capacity, leveraging additional funds from mainstream financial institutions, and developing new financial products to better address the needs of the poor and their organizations. CIF was to be released in tranches to SHG federations depending on the achievement of certain pre-decided and agreed upon milestones. A process of MIPs at the household level, and the aggregation and prioritization of these plans at the SHG and SHG federation levels were to be the key milestones to guide investment requirements. The PPIF would provide an incentive to CBOs to include and support the EPVGs, to organize themselves into SHGs. Around 10 percent of the CIF was earmarked for inclusion of EPVGs, integrating the differently-abled through 'bridging capital'. The PPIF would also provide technical assistance and pro-poor innovation funds to support investments to increase

and enhance the productive capacity of the EPVGs. Identification and assessment of needs was to be a key first year activity under the project and funds were to be allocated on the basis of inclusion plans produced by the GPLFs. Priority was given to the inclusion of the 'left-out' poor (as defined by the 2002 below poverty line (BPL) Survey List) in federations, and towards funding the MIP of these groups as part of the eligibility criterion to receive second and third tranche of CIF.

Component III: Livelihood Promotion Fund (base cost US$15.59 million)

13. The aim of this component was to finance value chains, skills development for employment and livelihoods innovations. There were three sub-components: (i) value chain proposals; (ii) skills development and jobs for rural youth; and (iii) a livelihood innovations fund. The *value chain proposals* component would primarily focus on livelihoods enhancement by strategic investments based on a value chain analysis. Livelihoods enhancement would include enhanced production, productivity and profitability in sectors such as agriculture, horticulture, handlooms, fisheries and livestock. This would be achieved through strengthening producer organizations, improvements in production technologies and management practices, better market linkages, more efficient and effective delivery of key support services, and augmentation of community-level productive capacities as well as infrastructure provision to production clusters. Some of the value chain proposals would explore the possibility of carbon finance opportunities. The *skills development and jobs for the rural youth* component would be available for SHG members and their households to receive skills training linked to service sector jobs, or to support migration. The *livelihood innovations fund* component would support an annual "development market-place" event on the best livelihood innovations in Odisha to encourage the community and NGOs to innovate and present new livelihood ideas that could be scaled up **through the project.**

Component IV: Project management, knowledge management and replication (base cost US$5.05 million)

14. The aim of this component was to ensure that effective project management and knowledge management systems were established and key learnings were replicated. Financing under this component would mainly go towards project staffing costs, monitoring, learning and evaluation activities and undertaking certain learning and thematic studies and pilots. Activities to be financed (*with detailing of costs*) included: (i) establishing and supporting project management units at the state and district levels; (ii) project MIS; (iii) internal monitoring, evaluation and learning activities including conducting studies; (iv) information and communications support including establishment of a project website, documentation of project experience and its dissemination to the wider development community; and (v) thematic studies and pilots that could be tested in some project blocks for future scaling-up.

1.6 Revised components

15. The sub-component on skills was not pursued after mid-term as it was largely under government programs (see section 1.7, para 17).

1.7 Other significant changes

16. No major changes were proposed in the design during the implementation period. The general scope and scale of the project remain unchanged, although project implementation worked on a much larger target group identified during the situational analysis. The definition

and interpretation of the results framework indicators were discussed at mid-term review and at the project extension stage. The original matrix was part of the restructuring package submitted for extension of the project's closing date. However, the indicators remained unchanged and none were refined or dropped.

17. By the time of the mid-term review in late 2012, the State's Skills Mission and other programs implemented by the Ministry of Rural Development (MoRD, Government of India (GoI)) had taken up activities on youth jobs and skills development. Hence, it was decided not to duplicate efforts and the skill component (5 percent of project cost) was dropped after the mid-term review. The budget was reallocated to CIFs (Component II). More importantly, at mid-term review it became clear that the CBOs would need more time for strengthening and working on the members' primary livelihoods activities.

18. In 2013, on request from the GoO, the project was granted an extension for a period of 18 months. The restructuring of the project in 2013,[5] also included extending the closing date of the project to June 30, 2015. The extension would enable the project to: (i) complete transfer of financial resources to community institutions and establish firm linkages with commercial banks; (ii) expand livelihood interventions to include livestock, fisheries, and the non-farm sector; (iii) develop select GPLFs as 'centers of excellence' and strengthen BLFs to support community institutions and help them achieve sustainability indicators; (iv) pilot Panchayati Raj Institution (PRI) convergence; and (v) link agriculture with nutrition outcomes (through nutrition gardens, backyard poultry, and behavior change communication campaign). The extension phase would also address any further fiduciary risks.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project preparation, design and quality at entry

19. The detailed project design process by the Bank and state teams addressed the identified needs of the state in terms of inclusion and community capacity. It had critical design elements for addressing inclusion of P&EPVGs – situational analysis for targeting and the PPIF. It also built on the lessons from within the state and from Bank supported livelihoods projects in India and South Asia. This enabled the program to achieve expansion on social inclusion, capacity building, federation development, producer organizations, access to services and monitoring and evaluation systems. Lessons adopted were specifically on: ensuring special funding for the poorest, building capacity on financial sustainability, strengthening federations of SHGs for sustainability, encouraging direct benefit transfers to communities to prevent misuse of funds, as well as establishing community resource cadres, strong and decentralized implementation units with good linkages to local authorities, and strong linkages with partners especially on livelihoods. The project design also considered alternate poverty program approaches, mainly through PRIs, but then rightly identified that dedicated programs would be more suitable.

20. The design also considered a number of moderate risks, mainly with community institutional development and functioning, as well as higher risks on some fiduciary aspects, such as procurement accountability. The design and implementation processes (discussed below)

[5] The World Bank. 2013. Orissa Rural Livelihood Project: Restructuring Paper. Washington DC: World Bank. http://documents.worldbank.org/curated/en/2013/10/18432916/india-orissa-rural-livelihoods-project-restructuring

focused on addressing these risks through substantial emphasis on building community institutions to manage their own growth, governance, and well developed project accountability mechanisms.

21. The design process was substantive and involved a range of stakeholder participation. During the preparation of the project the task team along with the GoO team undertook several focused consultations with stakeholders, which included various government departments, commercial banks, micro-finance institutions (MFIs) and civil society organizations (CSOs). There were focus group discussions (FGDs) with community groups and thematic meetings with experts in the rural livelihoods sector that directly fed into the design of the project. The team also engaged with implementing agencies, visited field sites and learned from other livelihoods projects supported by the Department for International Development, UK (DFID) and International Fund for Agricultural Development (IFAD) in the state.

22. On hindsight, perhaps the design could have been more realistic in terms of capacity and ground reality on the scale of need. The potential target group was much greater as the original design list using BPL was out of date.[6] The project design did recognize the exclusionary dimensions of the pre-existing GPLFs and SHGs, as well as the significant 'exclusion error' in the formal process of identifying beneficiaries based on officially designated BPL status. The project design included pilot testing, finalization and scaling up of Participatory Identification of the Poor (PIP) methodology. However, the design could have been clearer about the implications of PIP on the targeted scope of the project.

23. Despite the state being committed, the challenges faced in institutional development were enormous and the time required to set-up procedures and fund flow processes affected the project. The design assumptions, particularly for Component III on livelihoods were quite advanced for the state in terms of financing sector-specific value chain proposals and innovations, and providing technical assistance.

2.2 Implementation

24. The project showed promise during the initial six months with recruitment and induction of quality staff at various levels for project implementation and getting all the required policy level clearances. However, project implementation was not very smooth in the first two years due to a number of factors that affected the quality and efficiency of the implementation leading to delays. The project took considerable time to finalize the methodology for situational analysis and did not follow the phasing of project blocks as designed. In addition, there were significant delays in obtaining clearances for certain project-specific policies (such as the CRP policy). Implementation of core project activities got further affected due to program management issues because of frequent transfer of project directors. Inter-departmental cooperation and policy harmonization at the higher levels, natural calamities[7] and hold-ups in key decisions also contributed to project delays.

[6] The BPL Survey 2002 was outdated at project initiation in 2008; the GoO decided to undertake participatory surveys for identifying the target group for project support. (Refer Annex 2 on BPL lists and situational analysis).

[7] During the project period, the state experienced two major cyclones namely Phailin in 2013 and Hud Hud in 2014, apart from two incidents of floods. The effect of these calamities was severe in many project blocks and several households lost major assets. The entire state machinery, including the project team was directed to work on emergency relief and mitigation.

25. The Bank team proactively engaged with top officials at the GoO and GoI levels to address issues related to project management and policy decisions. For example, in October 2012, the Bank team proactively worked with the DEA and convened a joint meeting with the Secretary of the project's parent department and ensured that a time-bound action plan and commitment was made to fast-track project implementation and improve disbursement. As a result, the Bank team engaged intensively when the project was rated *moderately unsatisfactory* and *unsatisfactory* and helped the project draw-up weekly and monthly deliverable plans. The mid-term review was delayed to ensure that there was sufficient implementation progress on the ground and program management issues were addressed to accelerate implementation of core activities. Thus, by the time of the mid-term review in November 2012, the project had accelerated its disbursements and the implementation process had gained considerable momentum. For the first time the overall project design fell into place creating the assurance that with an extension, this project could deliver on all outcomes. At that time, the project had built a dedicated staff support structure and a considerable cadre of CRPs who helped accelerating project implementation.

26. The mid-term review provided a good analysis on progress as well as issues (including institutional analysis) and priorities to accelerate the project (see section 1.7). Following the mid-term review, the project and the Bank team jointly monitored implementation progress and disbursements based on agreed plans which helped turn around the project to become one of the top disbursing projects in the country's portfolio. The overall disbursement within a span of nine months improved from 18 percent to 50 percent. The project was listed and recognized as the: (i) top five best disbursing projects by disbursement ratio in financial year 2015; and (ii) top five best disbursing projects as per highest amount disbursed in financial year 2015. The visible client responsiveness and turnaround in disbursement and implementation progress provided the Bank management the confidence to authorize the extension of the project closing date by 18 months. However, just after approval of the extension the project director changed which again brought uncertainties and lethargy to the implementation process. Hence, many of the new activities as envisaged under the project extension action plan could not be fully accomplished but most of core activities were implemented as planned with considerable rigor.

27. Despite delays the project achieved notable outputs beyond the indicators outlined in the results framework. These included: (i) mobilizing twice the number of target households into SHGs, including 83 percent of the eligible P&EPVGs; (ii) achieving total member savings of US$27.9 million; (iii) linking 35 percent of the SHGs to institutional credit with US$49.4 million accessed from commercial banks; (iv) leveraging total capitalization of US$151 million, which was 3.7 times the original CIF and PPIF disbursed by the project; (v) significantly improving the mobility of women; and (vi) increasing community awareness and responses on issues such as violence to women, action against alcoholism, and others.

28. **The key factors contributing to successful interventions** that enabled the project to effectively implement the design, especially with regards to large-scale inclusion were:

29. ***Dedicated, capable, professional and sensitive implementation architecture down to the gram panchayat level:*** The structure, competencies and skills required for building strong

community institutions were not available in the government system. Hence, the project hired competent young but experienced professionals from the market. They also formed the basis for an expanded state livelihoods program and this was a good strategy for inducing implementation of community driven participatory approach.

30. ***A thorough implementation of key inclusion mechanisms:*** This included a participatory process of targeting and reaching out to the poor and the extremely poor through a situational analysis and mobilization process; making the household-level MIP process a central tool for identifying household livelihood interventions, followed by focused financial support to EPVG (especially using the PPIF, CIF and incentives); bringing all SHGs (old and new) of the village under the project umbrella; ensuring representativeness and leadership, and accountability mechanisms of and by the poor; building the strength of federations to oversee the above; and linking to external agencies.

31. ***Factors resulting in implementation delays and quality of implementation:*** A number of factors affected the quality and efficiency of the implementation, leading to considerable delays in project implementation.

32. ***Factors outside the control of the government or implementing agency (e.g. cyclones):*** During the initial years many important implementation agendas were delayed, such as PPIF release and the policy on CRPs. Odisha is a climate vulnerable state, with repeated floods and cyclones. During the project period, the state witnessed two major cyclones (Phylin in 2013 and Hud Hud in 2014), and two incidents of flooding. The effect of these calamities was severe in many project blocks and several households lost major assets. The entire state machinery, including the project team, was directed to work on emergency relief and mitigation. These events slowed down the institutional development of CBOs and members' livelihoods, considerably.

33. ***Factors generally subject to government and implementing agency control, contributed to implementation delays.*** Before the project started, the GoO established the Orissa Poverty Reduction Mission (OPRM – a registered society, later called Odisha Livelihoods Mission (OLM)[8]) as a body to formulate policies and guide implementation. Although, a mission approach was conceived to deliver better governance and faster decision making, it did not fulfill the purpose of bringing in efficiency. Instead of strong decision making, the governing body and executive committee gravitated towards slow departmental file clearing processes. Frequent transfer of the project leadership with nine project directors taking charge in a span of six-and-a-half years led to delays in decisions, such as finalizing key funding mechanisms and methods to support CRPs; change in project priorities; and slow pace of implementation. It led to weakness in inter-departmental cooperation and policy harmonization at the higher level. It also resulted in the project adopting a linear approach in implementation, for example situational analysis became the main implemented activity, which was completed in the initial two years. This coupled with political reasons to roll out project activities in all 38 blocks at the same time without a phased approach (contrary to the original design), ended up using all project efforts and capacity. There were substantial delays due to issues in harmonization with Mission Shakti, launch of National Rural Livelihoods Mission (NRLM) and staffing. Initially the Mission Shakti field staffs were opposed to the project, and there were disruptions owing to clarity on functions

[8] Odisha Livelihoods Mission is the State Rural Livelihoods Mission equivalent being established under NRLM also supported through World Bank funded NRLP.

and roles at the field level. Sufficient guidance at the highest levels could have addressed these issues immediately and firmly. Integration with the NRLM, including setting up of the implementation structure and integration of project staff into the proposed NRLM in the state took a very long time.

2.3 Monitoring and evaluation design, implementation and utilization

34. ***Design***: The monitoring, evaluation and learning (ME&L) aspects of the project were well designed, comprehensive and followed good practices. They included: progress monitoring of project inputs, outputs and outcomes by a computerized management information system (CMIS); performance tracking of community institutions, especially for institutional maturity; a process monitoring system; strengthening of the internal learning system for the project; participatory ME&L; monitoring of social accountability and transparency; thematic studies; and independent baseline and impact evaluation. Communication aspects for both internal and external audience were to be part of the ME&L system.

35. ***Implementation and use****:* The project implementation of the planned ME&L system was moderately satisfactory. The implementation teams and community institutions were engaged in regular reporting and review processes. The project did use a fairly sophisticated system of Excel spreadsheets, consolidated data at various levels, provided state and Bank summaries in monthly and quarterly progress reports on a regular basis, but it did not develop a fully functional CMIS due to contract issues. The project prepared an annual action plan, which was a key technical and financial guidance tool. Simpler systems may have been appropriate for the available capacities in the state but would have resulted in difficulty in using data for deeper analysis. At Implementation Completion Report Review (ICRR) some data were difficult to interpret.[9] Process monitoring was not done formally on a regular basis, but as part of the mid-term review. Studies were carried out to assess quality of processes and provide recommendations. Business process efficiency studies were carried out to assess bottlenecks in business process for funds flows, procurement activities, etc.

36. The project commissioned very high quality institutional reports (on SHGs, GPLFs) at baseline, mid-term and end-line. Recommendations from mid-term review studies were adopted to a great extent by the project. As input to ICRR and to have better analytics on various technical interventions, the project also produced a range of reports. The Project Completion Report (PCR), prepared by an independent expert with the project team, provided a comprehensive and candid overview of project achievements and lessons. The baseline assessment and the follow up end-line impact evaluation (*Summary of Impact Evaluation study at Annex 5*) were of the highest technical quality, and the consultant survey team was also guided by Bank staff who worked as part of the Social Observatory[10] in India. A rigorous sampling process was followed with control villages, and reporting was based on concrete statistical analysis (relatively rare in most livelihoods investment projects). As explained in Annex 2, the analytical findings provided an overall picture of outcomes and impacts at the overall village level in the treatment villages compared to control villages. However, for statistical reasons the

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[9] Nevertheless, by the end of the project certain data modules were to be taken up under the OLM - MIS.

[10] The Social Observatory, a part of the World Bank's Development Research Group, was established in 2012 to improve the adaptive capacity of anti-poverty projects, by working in partnership with operational units.

analysis could not be conducted specifically on direct SHG household beneficiaries, which was a smaller subset of households in the village.

2.4 Safeguards and fiduciary compliance

37. ***Social Inclusion and Safeguards:*** The project had in-built processes for social inclusion, as it was the core of the project. It included the situational analysis and participatory identification of the P/EPVGs which were critical for targeting households, especially P/EPVGs for inclusion. The PPIF was also a major social inclusion mechanism as it prioritized SHGs with majority membership from SC/ST, P/EPVG and people with disabilities for accessing PPIF and CIF. The SHGs used the PPIF to kick start the group dynamics and internal lending; CIF also had an inclusion filter. The project promoted representation of P/EPVG HH in the leadership positions across CBOs. No compulsory land acquisition was undertaken, and no involuntary resettlement impacts were identified as part of the Mo Badi Program.

38. *Tribal Development:* The project was implemented in 38 blocks, of which 5 blocks had significant tribal populations[11]. The core interventions included in the Tribal Development Plan such as identification and inclusion of tribal households in the PIP, inclusion of tribal households in membership and leadership of SHGs/GPLFs, financing of tribal households' through PPIF and CIF, and inclusion of tribal households in livelihood interventions were carried out as mainstream project interventions. Information sharing and awareness in tribal villages that included periodic consultations with tribal leaders/beneficiaries for better outreach and promotion of livelihoods in tribal regions were the main strategies. Inclusion of tribal households in SHGs was made the key qualifying criterion for accessing PPIF and CIF. Tribal households participated in the household MIP process and attained roles as CRPs and in ECs and sub-committees of GPLF. Since land alienation is a major issue with the tribal population, the project partnered with RDI (LANDESA), an international NGO on a pilot focusing on land rights to enable the landless tribals to access homestead land. However, due to the lack of focused monitoring and tracking of changes in tribal communities, the overall, implementation of the TDP is rated as *moderately satisfactory*.

39. *Gender and Women's Empowerment:* In line with the PDO of "enhancing the socio-economic status of the poor especially women and disadvantaged groups", the project adopted and implemented its core principle and Gender Action Plan of identification and inclusion of the poorest women from the most excluded and disadvantaged sections of the community (*disabled, widows, destitute and other vulnerable*). The inclusion and capacity building was completely focused on women and their institutions, and promoting their roles in leadership and as CRPs. The project also initiated a pilot intervention on mobilizing and capacity building of pregnant and lactating mothers, adolescent girls around nutrition and water and sanitation in partnership with UNICEF in a few blocks.

40. *Environmental safeguards – Environmental Management Framework (EMF) design:* The project included many small-scale activities that had the possibility of minor and direct environmental impacts. However, given the large numbers of such works, there was the possibility that the impacts cumulatively would be on a larger and wider scale. The project was therefore classified as Category B and developed an EMF to address the identified issues and to

[11] Sukinda, Danagadi (Jajpur), Palahada (Angul), and Daspalla (Nayagarh); tribal population is present in low density in many other blocks and GPs.

mainstream environmental management in planning, design and implementation of activities. The objectives of the EMF were to: mitigate adverse impacts of proposed sub-projects; enhance the environmental benefits of sub-projects and promote livelihood activities that are environment enhancing; and ensure the long term sustainability of benefits from sub-projects by securing the natural resource base on which they are dependent. The EMF included activity-specific technical environmental guidelines, environmental management indicators for project monitoring and evaluation, a capacity building plan, and an organizational and process structure.

41. *Implementation of the EMF*: During the initial years of project implementation (2009 to 2010), the emphasis of the project was on institution building. There was no disbursement of CIF or the Livelihood Fund and the roll out of the EMF did not occur during this period. In 2011, with the launch of NRLM, the EMF of the ORLP was made consistent with the World Bank-supported National Rural Livelihoods Project (NRLP). The key focus of the EMF was on: screening of MIPs against the environmental negative list, preparation of Natural Resource Management Project (NRMPs) for environmental sustainability of livelihoods, exploring 'green opportunities' that yield both environmental and livelihood benefits, and capacity building of project staff and communities. An external technical support agency was appointed to provide capacity building support and the State Project Management Unit (SPMU) designated the theme to a Livelihoods Specialist. The agency developed an environmental management toolkit and manual, provided training to the project staff, and piloted the development of NRMPs in two districts.

42. *The implementation of the EMF is rated as moderately satisfactory:* The EMF of the project as originally designed involved an elaborate process of environmental appraisal for livelihood activities. However, implementation revealed mixed results. The focus shifted from appraisal of numerous, low-impact, micro-scale activities to: (i) screening out high-impact activities, (ii) focusing on natural resource management for strengthening livelihoods, and (iii) promotion of eco-friendly activities. Through the project's livelihoods interventions, pilots on System of Rice Intensification (SRI), seed production, kitchen gardens, etc. (all of which qualify as 'green opportunities'), were launched and significantly scaled up. However, implementation of the EMF was not institutionalized and capacity building was not sustained over time. This resulted in several initiatives that did not reach the completion stage.

43. *Financial management:* Performance during the project's life was significantly challenged by: (i) vacancies in accounting positions at district and block levels for the initial three to four years of the project's life; and (ii) lack of efficient systems to track and monitor end use of funds at the community level. The accounting functions at the district and block levels remained outsourced to chartered accountancy firms for a large part of the project's life. While this ensured timely and reliable financial information that was required to prepare periodic financial reports, the weaknesses in the overall control framework of the project remained. Legal issues in the selection of chartered accountancy firms for internal audit in the first year of the project prevented the project from putting in place acceptable internal audit arrangements through the life of the entire project. Efforts to establish systems to track and monitor end use of project funds at the GPLF level were affected initially on account of inadequate management attention; and later due to contractual issues with the consultants engaged to develop CMIS. As a consequence, the project lost the opportunity to institute integrated management information systems and thereby the ability to enhance the capacity of GPLFs to manage the funds, governance and community oversight well beyond the life of the project. An elaborate exercise

of financial audits of all GPLFs was conducted in the last year to ascertain the closing unspent balances remaining with GPLFs.

44. *Procurement arrangements:* The project faced several challenges in the beginning, such as non-availability of trained procurement staff, delays in procurement of several consultancy services which were crucial for the project (such as for the baseline study), selection of a human resources agency, selection of a firm for the implementation of EMF, selection of an MIS consultant; and delays in payments to consultants. This delayed the implementation of the project at the program level. However, after three years, on account of extensive capacity building by the Bank, and handholding and trainings, the procurement capacity improved and several major consultancy services were granted. Despite improvement in the procurement capacity, the issue of pending payments remained an area of concern due to lack of co-ordination between the respective program heads. Overall, the procurement risk mitigation framework designed during project preparation was implemented by the project. The project used some good procurement practices, as part of the governance and accountability system discussed below (see para 42).

45. *Governance and accountability system:* The project implemented a rigorous Governance and Accountability Action Plan. It set up a right-to-information cell, which received 81 complaints all of which were addressed and closed. Several instances and decisions taken suggested that the project had zero tolerance for any kind of misuse of funds or other malpractices. For example, there were cases where project staff contracts were terminated for unacceptable practices. The project also terminated contracts of vendors who did not follow acceptable ethical practices. Except for one complaint in the hiring of a human resources agency, no procurement-related complaint was reported. In order to redress grievances faster, a system was institutionalized to address grievances at the cluster level forums (CLFs) and GPLFs. These mechanisms are detailed in Annex 2.

2.5 Post-completion operation/next phase

46. Strengthened community institutions are expected to continue and their operations mainstreamed under the wider government programs led by the Odisha Livelihoods Mission (OLM). [12]

47. *Continuing community institution activity:* A three-tier community institutional architecture, based mainly on a savings and credit system, was created through the project which was much more robust than the existing CBO structures. All CBOs received capacity building and quality support from the project. Post project, most of these organizations were expected to continue operating on their own, with facilitation support and oversight from the OLM. (The institutions that were built up and strengthened are discussed further in section 3.2 on outcomes and in section 4 on sustainability).

48. *Post project support to CBOs mainstreamed under government programs:* The NRLM, a national program of the GoI has been in operation across the country since 2011. Odisha was also one of the 13 states that received the World Bank funded NRLP – a subset of the NRLM that implements the OLM under the Department of Panchayat Raj, GoO. Post June 2015, all the project blocks graduated to intensive blocks in OLM, meaning that community organizations and existing initiatives were already receiving ongoing support from the NRLM superstructure. A

[12] OLM is the implementing agency for NRLM in Odisha.

similar staffing pattern at the block level would continue while the district teams would be expanded with more number of thematic specialists. A similar state-level team would continue to provide strategic inputs and support services to the district and block level teams. The monitoring and evaluation system of the project was rolled out in other OLM blocks and it was expected that the team would continue with a similar or a better modified process for data capture in all the blocks, along with increased computerization, including in the project blocks.

3. Assessment of Outcomes

3.1 Relevance of objectives, design and implementation

49. In 2015, Odisha was still one of the poorest states in India, along with a very high concentration of poor households. It was also one of the most climate vulnerable states (in terms of both drought and floods). The majority of the poor households in the state had no access to institutional low-cost finance for investments, little access to basic services, entitlements and some key livelihood services, and little bargaining power. Thus at the end of the project, the objectives, design and implementation were still of high relevance and aligned with the Country Partnership Strategy (CPS) (2013–2017). The overarching goal of the CPS was economic growth, poverty reduction and shared prosperity where inclusion was the main part of engagement. The expected outcomes were increased access to financial services, enhanced rural livelihood opportunities and increased coverage of social protection programs.

50. For the state government, the project design and the methodologies continued to remain highly relevant, not only for the continuing project of NRLM in the state, but also for the states having similar socio-economic and poverty situations. While the relevance of the actual implementation approach compared to the original design had some weaknesses, such as being too linear a process of expansion (rather than a more phased approach), it delayed the implementation of livelihoods activities and refinements that could have been made to the results framework. Overall however, the main elements remained relevant.

3.2 Achievement of Project Development Objectives[13]

51. *Overview:* The achievement of the PDO of "enhancement of socio-economic status of the poor, especially women" was enabled by two key strategies that the project adopted; i) the project worked and targeted <u>only women</u> and they were the medium through which their households also benefited; and ii) the project had instituted rigorous and transparent systems that ensured the identification, targeting and social mobilization of the poor and extremely poor and vulnerable groups (P/EPVG) households into the community-based organizations (CBOs).

52. *Economic aspects*: The project benefitted around 625,000 women through the mobilization and support to 79,000 SHGs and 1000 GPLFs. Participation in SHGs ensured that on average each woman member had a per capita saving of INR 1,882 (US$29.6) and an average loan size of INR 10,500 (US$165.2). Over 540,000 women prepared their individual household MIPs, which indicate their eligibility to access finance for consumption and productive

[13] As the impact evaluation sample was on the whole population in the villages, alternative information was also be drawn from the EFA (section 3.3 and Annex 3) by focusing on a more limited but direct sample of beneficiaries.

expenditure and financial inclusion through linkage to the formal banking network.[14] As a result, 388,800 direct beneficiary households[15] showed increased net total, agriculture and enterprise incomes in poor households, and also shifts in expenditure patterns at the household level. The study on Improved Paddy Production (IPP) and System of Rice Intensification (SRI) – two major agricultural interventions under the project - showed that in addition to the production and income increases (in the estimates of INR 5,600 (US$93) income increment for EPVG households and INR 10,000 (US$166) for poor households.) there were substantial positive changes in food security among the participating women members from the P&EPVG category. For example, among the EPVGs, the proportion of households with less than eight months of food insecurity reduced from 25 percent to 3 percent[16].

53. On the impact of the project on household-level finances as per the EFA (Annex 3), the average 'poor' household results showed 12 percent growth in real total incomes and 2 percent in real total expenditures. Real gains were recorded for education and food expenditure as well as entrepreneurial and agricultural incomes. A notable finding was that there was significant debt reduction (over 40 percent) in real terms for these households. The estimates of the project's IRR exceeded those made at project appraisal by a large margin indicating that the project has made a larger-than-expected economic impact. The results of the impact evaluation on the project villages, as a whole (i.e. not only beneficiaries), showed that while there was no significant change in overall consumption compared to the control villages, there were statistically significant relative increases in spending on healthcare, as well as women's and children's goods (but not inclusive of food)[17].

54. *Social Aspects:* With its clear mandate of positive results for women, the P&EPVG (including SC/ST), and in capacity building and institutional change, the project contributed considerably to improvement of social status for women at the individual and group levels. The women in the CBOs used special interventions on their own initiative to address the issues of the most vulnerable households in the village (such as the widows/single women-headed households, children with disability). According to the impact evaluation, women in project areas were 13 percent more willing to address community problems through their own community institutions, and more likely to address issues of violence and alcoholism compared to control villages. CBO leaders and members were active in pursuing external public support for their communities. They were also more active in local elections. The most significant change has been noticed in the attitudes/behavior of the disadvantaged and poor women as they no longer hesitate in speaking, being seen in public, and in voicing their opinions. Women in the project areas are now financially disciplined and secure participate actively in financial transactions; have considerable

[14] Micro Investment Plan (MIP) is the financial plan prepared by every female SHG member. The plan analyzes the household's financial and non-financial vulnerability & risks based on their income sources, available productive assets, savings and credit needs over a period of three years. The preparation of the MIP is preceded by financial literacy training and opening of a bank account for financial inclusion. The approval of the MIP is a pre-requisite for accessing credit through formal financial institutions.

[15] Direct beneficiaries defined as women SHG members who prepared household MIPs and received finance for consumption or productive purposes.

[16] Annex 2: Output by Components, Summary results from Impact Assessment Study of "Agri and Allied sectors interventions with focus on IPPI including SRI supported by the project" Final Report. August 2015. Manu Sinha, Pg.49.

[17] Impact Evaluation Results - Odisha Rural Livelihoods Project (the project), Social Observatory, September 2015

savings[18] and access to institutional credit.[19] Results showed an increased role of poorer women in financial and livelihoods empowerment within the household and in all aspects of the development process[20]. This is particularly visible in economic empowerment which has enabled young girls to aspire for higher education and jobs. A prominent change was the increased mobility of women. They were able to move about independently with more of them going out alone, especially to SHG meetings and banks; this was significant at the overall village level as reported in the impact evaluation.

55. The PDO, related key indicators, and associated component objectives essentially defined the project outcomes in terms of change in socio-economic status of the poor through the creation and capacity building of the institutional platforms and the socio-economic benefits accruing thereof to the members all of whom were poor women and with a focus on EPVGs. The PDO together with the component objectives provided a wide-ranging and logical framework for an outcome analysis that was consistent with other livelihoods projects in India. The key outcomes used for structure of the analysis includes: i) identification and mobilization of P&EPVG women; ii) institutional transformation and maturity of all levels of CBOs; iii) financial inclusion of the P&EPVG women through strengthened investment mechanisms; iv) strengthened livelihoods activities and productive assets (Annex 2). The summary of achievements, are listed below.

Summary of achievements contributing to PDO

(i) Mobilization of the poor, especially women and disadvantaged groups in CBOs	Intermediate Indicator 1.2	625,000 women in SHGs **Considerably exceeded (260 percent of target)**
(ii) Institutional transformation and maturity of all levels of CBOs	PDO 2	SHGs: **Achieved and exceeded** GPLFs: Partially achieved
(iii) Financial inclusion benefits at household level though CBO members	PDO 1 PDO 4	Savings: **Achieved** Loans: **Achieved** Insurance: **Achieved** Low interest loans – indebtedness: **Achieved**
(iv) Enhancing productive assets, livelihoods, skills and links to value chains	PDO 3	**Partially achieved**

56. As discussed in section 2.3 and Annex 2 the project reports and impact evaluations provided a comprehensive and rigorous methodology, and useful subject studies on many fronts, but did not always deliver easily interpretable data on results. The economic and financial analysis (EFA) provided information on livelihoods changes on a more limited sample set. This was complicated by the project reaching many more beneficiaries than expected, with results indicators often based on percentage of original targets. Annex 2 presents the outputs of the

18 The impact assessment, which measured the effect on the villages as a whole, noted a small but statistically significant increase (2 percent) in the average volume of household savings in project villages compared to control villages.

19 The impact evaluation did not record a significant increase in the overall individual household loan volumes at village level compared to households in control villages, but did note that there was a relative 7.7 percent switch to institutional loans (SHGs and bank loans).

20 "We want to drive!" – Understanding Tripti's Contribution to Women's Empowerment, Gitanjali Chaturvedi and Garima Sahai, October, 2015

project by component and analysis of related outcomes. The majority of the important results and indicators were achieved, but some remained un-achieved. The overview and summary of achievements contributing to PDO interpretation as outlined above suggests that with moderate short comings, the *overall PDO achievement could be considered as "moderately satisfactory"*.

3.3 Efficiency

57. Similar to other livelihoods projects in India, the project design was based on demand-driven MIPs. Thus the economic assessment did not attempt to evaluate all the components in terms of quantifiable economic and financial returns. However, using the experience from other projects in India and based on cost–benefit estimates of some potential livelihood interventions, analysis was undertaken to determine the net benefits of a few typical potential economic activities at the household level. These household activities were expected to be largely enhanced by community loans from the CIF, where a large portion of the fund was expected to flow into productive livelihood activities. The potential activities had an expected financial return within the range of 10–46 percent. At the economic/fiscal level the project was expected to directly benefit 300,000 poor households, with a very large portion of the funds flowing to the target communities. Other non-quantified impacts expected were: scale up of cost-effective antipoverty with the state's own program diversification and increased local economic vigor; and improved targeting and delivery of services.

58. The EFA at ICRR (Annex 3) reiterated the overall expected benefits and approach. It examined the effect of sustainable improvement on productive capacity brought about as a result of the project. It captured the potential to generate improvements in output on a sustainable basis. Without comprehensive baseline data and a full breakdown of costs, the ICRR analysis followed a case study approach to understand the extent to which typical project activities contributed to enhance the capacity of beneficiary households to operate as viable economic entities, within a framework of a wider households' livelihoods perspective (multiple cash flows, seasonality, expenditures and debts). It focused on a list of 11 most common household-level activities implemented in the project area and a mix of investment funding for typical livelihoods activities of a household. An independent consultant surveyed 50 stratified random samples of households post project, with recall information. A financial model developed by the Food and Agriculture Organization (FAO)[21] was used to develop budgets for each activity for a sample of typical households in the form of an average 'annualized' income–expenditure account.

59. The estimates of the project's impact exceeded those made at project appraisal. At the time of project appraisal, the project preparation team identified a set of four typical activities (handloom, dairy, horticulture and fisheries) to represent the expected range of economic returns to be realized by households targeted by the project. As traditional measures of economic and financial Internal Rates of Return could not be used for consistent comparison of returns from activities of different sizes, the EFA used benefit–cost ratio and return on costs as its two indicators of economic and financial returns, respectively. For CIF and household cash funded activities the benefit–cost ratios ranged from 1.66 for fisheries to 3.41 for traditional paddy cultivation, and net cash incomes ranged from INR 6,255 (US$98) for onion cultivation to INR 22,444 (US$353) for fisheries. The returns on costs were very high; with the lowest return of 65 percent estimated for fisheries to the highest return of 157 percent for traditional paddy

[21] Also used for MPDPDIP-II ICRR.

cultivation. Larger investments, typically funded by a combination of CIF and bank loans, also had highly attractive benefits ranging from a benefit–cost ratio of 1.26 for petty business to 5.48 for vegetable production. The returns on costs varied from 15 percent for petty business to 416 percent for vegetable production, but with high net cash incomes ranging from INR 30,000 (US$472) to 160,000 (US$2,518).

60. As the project exceeded its intended 300,000 households and reached out to many more SHG members, the overall efficiency was high because the project cost per beneficiary household was much lower than envisaged at the design stage. Thus, some of the expectations of the fiscal impact in the PAD could be addressed by the positive results shown by the project, namely, the scaling up of an efficient and effective anti-poverty model, livelihoods diversification and stimulus to the economy. Overall, the efficiency of the project is noted satisfactory.

3.4 Justification of overall outcome rating

Rating: Moderately Satisfactory

70. The objectives and the design remained relevant till the end of the project. The project achieved its development objective of enhancing the socio-economic status of poor especially women through extensive outreach and inclusion of the poor and very poor women beneficiaries to a much higher extent than expected, with particularly extensive financial inclusion in terms of household savings, loans and insurance coverage. It was successful in transforming the organizational and financial management systems and overall resources available to the CBOs, especially the SHGs, one of the core aims of the project. However, there were moderate shortcomings in the project's achievement of some outcomes, mainly in deepening the degree of maturity of the GPLFs and achieving scale in livelihood interventions as designed. Despite delays and extension of the closing date, efficiency was deemed satisfactory.

3.5 Overarching themes, other outcomes and impacts

(a) Poverty impacts, gender aspects, and social development

71. Many aspects of gender, social development and poverty impacts are covered above, as they are inherent to the PDO and efficiency. Some further points are highlighted below.

72. ***Poverty impact:*** The greatest achievement of the project was the process of targeting the poor and vulnerable and the methodology of integrating them with the SHG through: membership, increasing access to finance for transformative investment, reducing debt and pressures from moneylenders, and improving social relations. All these factors were major contributors to wider poverty reduction, causing considerable positive change to occur. A change in socio-economic status should also ultimately lead to changes in the household poverty situation. Poverty reduction indicators like incomes and expenditure were not part of the PDO results framework, partly due to well-known difficulties involved in assessing them, but also owing to the uncertainty of such changes in very poor households within the five-year project timeframe.

73. The results of the impact evaluation on project villages, as a whole, displayed very little change compared to control villages, i.e. there was no net change in consumption, although there were some small but statistically significant relative increases in spending on healthcare, as well as women's and children's goods (but not inclusive of food). As the impact evaluation sample

was on the whole population in the villages, alternative information could also be gleaned from the EFA (section 3.3 and Annex 3) by focusing on a more limited but direct sample of beneficiaries.

74. ***Gender empowerment:*** In general, the entire focus of the project was directly on women and indirectly on the household. The project gave women members a platform to share their concerns about some of the basic problems they faced on a day-to-day basis. The collective action and trainings provided incentives and gave confidence to many of these women to take charge of problems outside the direct sphere of the project. The complement of institutional, financial, livelihood and awareness building interventions, resulted in building women's emerging leadership and voice in social and political spheres. In some GPLFs, the members also started working on issues of girl child trafficking and more importantly rehabilitating some of the rescued girls and women. There was widespread increase in awareness and often action with respect to nutrition, sanitation, dowry and child marriage, domestic violence, alcoholism, infanticide and feticide.

75. A majority of women underwent individual transformation in project communities as a result of their engagement in CBOs (*a detailed account of gender and social changes is provided in Annex 2*). Results showed an increased role of poorer women in financial and livelihoods empowerment within the household and in all aspects of the development process. A prominent change was the increased mobility of women. They were able to move about independently with more of them going out alone, especially to SHG meetings and banks; this was significant at the overall village level as reported in the impact evaluation.

76. ***Social development.*** With its clear mandate of positive results for women, the P&EPVG (including SC/ST), and in capacity building and institutional change, the project contributed considerably to improvement of social status at the individual and group levels. The CBOs used special interventions on their own initiative to address the issues of the most vulnerable households in the village (such as the widows/single women-headed households, children with disability). SHGs and federations spent considerable effort on community relations and conflict resolution (especially caste relationships). Individuals and community organizations were significantly more engaged with formal institutions. According to the impact evaluation statistics, women in project areas were 13 percent more willing to address community problems through their own community institutions, and more likely to address issues of violence and alcoholism compared to control villages. CBO leaders and members were active in pursuing external public support for their communities. They were also more active in local elections.

(b) Institutional change/strengthening

77. ***Community level:*** As discussed in section 3.2, the project's core element was institutional transformation of CBOs, formation of new SHGs and strengthening of existing SHGs and GPLFs. The project strongly reformed the existing community institution architecture in the state. The project also created a system of regular support at the SHG level through the deployment of community resource persons for community mobilization (CRP-CM) and specialized CRPs, generating an important cadre for delivering last-mile services, which has now become a resource pool for the state. The project restructured the GPLFs to make them pro-poor democratic organizations with transparent systems, and built in a layer of CLFs between SHGs and GPLFs for easy flow of information, monitoring and outreach. The producer groups that emerged were ready for further collective activities.

78. ***Partners:*** The strength of the community architecture also created interest among the

government departments to converge their existing work with this community platform for larger outreach, as well as for easy and transparent delivery of services, such as with the horticulture department on produce storage, and the Panchayati Raj (local government) Department on the Biju Pucca Ghar Yojana (state-funded cemented housing schemes targeted to P&EVPG households).

79. ***State and policy levels:*** Project innovations and efforts resulted in policy changes. At the state level, the project built a cadre of trained and expert community development staff, accompanied by a range of procedures for further rolling out of the community institutional development model for the state through the OLM. Mission Shakti as a department officially handed over all SHG-related work to OLM. The experience of Mission Shakti enabled OLM to contribute to the development of training material for NRLM intervention in the state.

80. The range of policy changes that emerged from the project was adopted widely. All project strategies were built into the NRLM strategy, guidelines and informed action plans. The Bank Mitra training module of the project was adopted for the entire country and the grading format of the project was accepted by commercial banks as a standard for all SHGs in the state. The project played an important role in leading the implementation of the AABY scheme in the state. The project's community institutional architecture of SHG–CLF–GPLF was integrated with the NRLM in the state.

(c) **Other unintended outcomes and impacts (positive or negative)**

81. There were two main types of unintended outcomes. The first outcomes were activities not foreseen during the initial phases, but taken up in pilots and scaled up during the project with positive results. For example, the Mo-Badi initiative that started as a pilot on a small scale after mid-term later spread across the project area. This was because it deeply resonated with the community because of its suitability and focus on the poorest women SHG members. The second outcome was initiated by community institutions responding to the needs of members with their own resources. There were examples of schools being set-up for disabled children, support provided to destitute women, resettlement of trafficked women, campaigns against alcoholism, and support to members affected by natural calamities, such as floods, cyclone or a house fire.

3.6 Summary of findings of beneficiary survey and/or stakeholder workshops

N.A.

4. Assessment of Risk to Development Outcome

Rating: Moderate

82. For this project, the reduced risk and sustained benefits that flowed from project outcomes depended on: (i) continued economic activities and benefits at the household level from technically appropriate livelihoods systems; (ii) savings services and credit flows to households from SHGs and technical support from producer groups; (iii) SHGs getting continued organizational and financial management, and extension support, and links to external services from CLFs, CRPs and GPLFs; and (iv) federations in turn getting technical and organizational support and handholding from the state or partners, to sustain credit links and support services.

83. ***Continued economic benefit flows at the household level:*** Section 3.3 (EFA) discussed the considerable financial returns to livelihoods from project-supported thrift and credit and noted positive returns. Section 3.2 described the benefits from productive livelihoods

enhancements (SRI, seed replacements). This provided a high likelihood that the beneficiaries would have the motivation to sustain activities (as these were relatively low risk) by depending on traditional local markets and their ability to build on existing technical practices.

84. ***Continued institutional and financial strength of the CBOs:*** Sections 3.2 and 3.5(b) described the institutional changes at different levels with regards to progress on institutional maturity. SHGs underwent considerable strengthening, CRPs and CLFs emerged, and GPLFs transformed into much more robust organizations to support them. The SHG–bank linkage system also generated considerable confidence in furthering financial flows to members. This provided a strong mechanism to support households in continuing and expanding their economic activities, and to also identify new opportunities. While federations were considerably stronger by the end of the project, a large proportion of GPLFs still needed further support for at least a year. Some of this support would come from the state under OLM.

85. ***Institutional and policy support at state:*** The project beneficiaries and community institutions had good follow-up support (*see section 2.5 on post project scenario*) with project areas formally coming under the purview of the OLM (*also the Bank-funded NRLP*), and being offered continued and more specific technical assistance under the same program model. At project closure the GoO took a policy decision to integrate the core institutional design of the project with that of OLM for NRLM investments in the whole state. The processes and systems that worked well in the project were already integrated into the state's implementation manuals for NRLM. Staff and CRPs from the project areas were being strategically used for scaling-up and expansion of the project to other blocks of the state, including the 29 blocks supported under the World Bank-funded NRLP.

5. Assessment of Bank and Borrower Performance

5.1 Bank performance

(a) Bank performance in ensuring quality at entry

Rating: Moderately Unsatisfactory

86. The Bank's performance in the identification, preparation and appraisal of the project was moderately unsatisfactory. The project was designed taking into account the government's development priorities and the Bank's CAS. The project design reflected the key lessons and the successful design features from experiences of other livelihood projects around India. During the design of the project the Bank team provided strong technical support (with the help of Bank staff as well as from the sector) to understand the issues and development challenges in Odisha, and to develop appropriate intervention strategies. The provision of inclusion of 'left-out' households, and the flexibility to innovate and do pilots in conjunction with the core set of components enriched the design. The design was comprehensive in its focus on 1) women, poor and the vulnerable, 2) appreciation of the overall economic household situation and livelihoods strategies, 3) giving importance to community institutions/financial inclusion and economic enhancement, and 4) a quality design process that had relevance for key implementation stages. However, at the design stage further refinement in potential beneficiary estimates and a more detailed assessment of state implementation capacity would have informed and strengthened the design further.

87. **Quality of supervision**

Rating: Moderately Satisfactory

88. Supervision has been continuous, comprehensive, and responsive to the emerging issues during implementation, with the team being consistent in providing frequent and need based support to the implementing agency. Implementation support and technical assistance on a regular basis was recognized and appreciated by the implementing agency. A key strategy for the supervision missions was to undertake a series of thematic missions and capacity building, which focused on key issues during each mission rather than covering all aspects under the project. This allowed the Project and Bank team to focus on addressing critical issues that assisted in unlocking implementation bottlenecks. The missions focused on short term action points and key agreed actions from missions were backed-up by continuous implementation support through a full-time resident consultant positioned in the State capital for on-call operational support.

89. During supervision, the Bank team showed high proactivity in working with the client in ensuring that project disbursements were improved with minimized fiduciary risks and worked closely with the client drawing up short term action plans with joint monitoring systems to ensure implementation outputs were accomplished, as noted earlier under section 2.2.

90. In retrospect, it can be considered that the Bank team erred in its assessment of the impending risks at MTR stage and was perhaps over-optimistic in not pursuing a formal restructuring of the project to redefine the results framework and align it to the evolved scope of the project.

(c) Justification of rating for overall Bank performance

Rating: Moderately Satisfactory

91. The Bank provided consistent and intensive support to the project and built up the project skill sets and project management capacity considerably. It also contributed to unblocking delays and accelerating the project especially with the mid-term review. The Bank provided the project with lot of flexibility to initiate and pilot new ideas and evolve the implementation frameworks and guidelines based on learnings. This helped in better preparation for and understanding of operational issues prior to initiation of any defined intervention. Although the Bank team did not take an appropriate strategic decision for restructuring the project prior to or during mid-term review (including refining the results indicators), the regular and substantive implementation support and technical assistance (outside of the regular supervision cycles) was provided throughout that helped the state project team improve overall implementation performance. Overall, the Bank performance is therefore rated Moderately Satisfactory.

5.2 Borrower performance

(a) Government performance

Rating: Moderately Unsatisfactory

92. The level of commitment from the political system in the state is critical to the success of any program. This includes providing consistent project leadership, and guiding project staff with respect to responsibilities and flexibility in addressing the needs of the rural poor. While the GoO was encouraging of the principles of the project, its participation could have been more supportive on a number of issues. The state government leadership was consistently appreciative of the project's work. However, this did not always translate into creating more enabling

governance for the project to function efficiently. This was particularly the case with regard to a high turnover in project leaders and delays or lack of clarity on strategic decisions (see section 2.2). The GoO proactively leveraged the strength of community organizations, and built convergence, but this tended to be based more on individual relations, rather than on a reliable systematic approach.

(b) Implementing agency performance

Rating: Moderately Satisfactory

93. *The implementing agency, after some delays managed to achieve considerable outreach and capacity building of community institutions at scale.*

- The project was generally responsive, and decisions were based on field-level realities. For example, the project supported increases in PPIF to boost EPVG involvement. It also developed an intermediate community structure (the CLF) to ensure a proper bridge between SHGs and GPLFs; and supported a third tranche CIF (CIF 3) for building long-term sustainability of the GPLFs.
- The focus of the agency was on building strong grassroots community architecture, and substantial efforts were geared towards this, by transferring institution building to GPLFs for capacity building of constituent member SHG, or by selecting and managing community cadres.
- The project was flexible, adaptive, and open to learning from projects in Andhra Pradesh, Bihar and Tamil Nadu, and to integrate those learnings into the revised design and processes.

94. *The performance of the implementing agency was not fully consistent, and could have been more effective and efficient.*

- Different leaders had their own priorities and styles of operation, but a few were able to excel and deliver outputs in short timeframes.
- The project failed to create a system of incentives for high performers and penalties for underperformers. Since the project failed to provide incentives and opportunities for the young staff that were contracted from the open market, it created tension among the staff at the ground level, which adversely affected the implementation of the project at various stages.

(c) Justification of rating for overall borrower performance

Rating: Moderately Satisfactory

95. The implementing agency (now the OLM) and the GoO were committed to the aims and objectives of the project. Due to persistence of the OLM, strong institutions for the poor were developed. During implementation, the GoO did not provide enough continuity in project leadership for strategic decision-making and guidance. Also the project could not attract high-level professionals at the strategic level to bring in more knowledge and ideas to influence overall project outcomes. Both the GoO and the implementing agency could have done much more to leverage the project model for even greater change at the state level. However, the implementing agency worked closely with the Bank team and went the extra mile after the mid-term review to expedite project implementation, which resulted in the steep uptick of disbursements and getting the project out of problem status. In view of these commendable efforts at de-bottlenecking the project and putting it on a higher trajectory that resulted in an outcome in the satisfactory range for the development objectives, the overall rating for the

borrower was rated as moderately satisfactory.

6. Lessons Learned

96. The success and challenges faced in the project in terms of implementation of the rural livelihoods program by focusing on very poor women provided lessons for further programs in the state and similar livelihoods initiatives in the rest of the country.

97. *Identification and mobilization of the poor and poorest is a fundamental step in the inclusion process, which requires specific targeting, incentives and processes.* The process of participatory targeting was the first major step for identifying the potential target group, thus determining the beneficiaries and refining the design for inclusion. This targeting was followed by a focus on inclusion through all the project components in a consistent manner, namely in the mobilization processes, incentives and leadership positions for the poor. The project deliberately worked with the entire village, with older and new SHGs, with the poor and vulnerable and with the better-off population. This helped the poor and vulnerable to be seen as part of the wider community. To reduce elite capture, special focus was placed on capacity building and leadership of the EPVG, and developing systems of accountability and transparency at all levels.

98. *The project reaffirmed that building solid community institutions provides the basic support architecture for the rural poverty reduction program, and is very critical for sustained interventions and further scaling up.* An essential element of the project was building up of peoples' own support capacity at the grassroots level, and developing CRPs to lead the implementation and be local change agents in the long run. The transfer of funds directly to the community generated further maturity, ownership, implementation capacity, transparency, trust, overall program efficiency and effectiveness, largely enabled by placing greater responsibility for devolved funds with the community.

99. *Boosting livelihoods requires collective economic activities and building on the producer group base, with lessons for wider inclusive value chain development.* A more holistic household MIP helped to generate appropriate demand for finances and shape new requirements and priorities for livelihoods interventions. A combined extension model – with demonstrations, farmer field schools and dedicated CRPs, working with producer groups identified by the CBOs – helped in spreading the interventions. On the other hand, it was clear that market-responsive livelihoods approaches need to be considerably stepped up to work with the private sector and market players, as well as a dedicated technical support system that is sensitive to the poorer producer's needs and vulnerabilities needs to be in place.

100. *The state support system needs dedicated staff architecture, champions, political traction, systematic partnerships and convergence for continued scaling up.* A strong and devolved implementation architecture was one of the key strategies for implementation success, and the project had well-trained and dedicated professionals from the state to the gram panchayat levels. This bridged the gaps in the state institutions. While the project had some useful experiences it could have been more systematic in involving experienced local partners such as NGOs, for capacity building and innovations. A more systematic and transformational program of convergence would help to leverage more services to communities, especially entitlements.

101. *Key project processes, such as phasing, adaptive management, concurrent results monitoring, and good mid-term reviews help build efficiency, sustainability, and scaling up.* The complexity and context specificity of livelihoods and community-based projects meant that they

must incorporate flexibility and room for lower level decision-making. Hence, to support this, results and performance-based approaches to management, and monitoring and evaluation were required. Incorporating situational analysis data into project databases is important. For livelihoods projects, household economic changes should be measured to better assess the needs and results, and adjust interventions. Clearly the mid-term review played a major role also and needed to be structured so as to maximize strategic decisions on time, scope and sustainability of the program.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

Feedback on Implementation Completion and Results Report (IDA-44720) of Orissa Rural Livelihoods 'TRIPTI' Project (ORLP)

by

Odisha Livelihoods Mission, Panchayati Raj Department, Govt. of Odisha

102. Odisha Livelihoods Mission appreciates the facts presented by the World Bank on the performance and achievements of the project in the Implementation Completion and Results Report (ICRR). The facts and figures are presented based on the observation of the World Bank during the ICRR mission, Project Completion reports on various short studies commissioned by the project and the World Bank and that of the Impact Evaluation studies. When the project accepts and appreciates the observation and remarks of the World Bank, it makes an attempt to interpret the following aspects from its own perspective which are presented as follows:

103. The ICR report acknowledges the fact that inclusion of the Poor and EPVG in the project exceeds considerably (by 260 percent). This has been calculated based on the original target of 300,000 households. It is true that livelihoods interventions require external push through value chain actors and processes. However, these types of interventions are relatively long term in nature and demand strong preparedness on the part of communities. TRIPTI has contributed immensely towards preparedness of community to take advantage of value chain processes. In fact, many activities as mentioned under component – III page no. 49 of ICRR testimonies such community preparedness. In view of this, for PDO Indicator 3 [At least 50 percent of households (including poor and EPVGs) have increased productive and sustainable asset base] the ICRR clearly defines that inclusion of households in different value chain based livelihood activities like SRI-IPP, Seed village, Poultry etc. is 93.3 percent, which exceeds the targets in terms of coverage. Similarly, the report also mentions that 73 percent of household loans were planned for use on agriculture and other livelihoods activities in the MIPs. This could be well substantiated with the figure derived from the analysis of 1, 42,552 households who have availed loan from CIF-I as on February 2014. It reveals that 75 percent of the total households including poor and EPVG who received the first tranche of CIF have utilized it for different livelihood activities like agriculture, dairy, poultry, goatery, fishery, small business, debt swapping etc. and 73 percent of the total loan amount is invested for this purpose.

104. The ICR report also mentions that "It would be fair to state that all households did not increase their productive assets sustainably, in a strict sense. Notwithstanding the limitations, the results were impressive." As the exact number of households who have increased their productive and sustainable asset base could not be figured out in the report and at the same time

many positive outcomes are observed and presented under programs like SRI, SVP, Mo Badi etc., the achievements made under livelihood promotion could be considered satisfactory.

105. Further, the project made many more achievements with regard to food security, social development, women empowerment, social inclusion etc. These were not directly a part of the results framework indicators but were appropriately placed in the ICCR. More so, contribution of the project towards scaling up of similar activities under the National Rural Livelihoods Mission (NRLM) outside the TRIPTI project areas cannot be ignored. Besides, the delay made in implementation of some of the activities in the initial years has been recognized as being non-intentional. However, it was context specific, for example in the initiation of a process like the situational analysis, bringing up a structure like the CLF, restructuring of GPLF, etc. However, these are some of the experiences and lessons learned during the implementation of TRIPTI, which paved the way for a more systematic and quality expansion under NRLM. Some of the activities, which could not be achieved fully under TRIPTI, would be completed under the NRLM through continued financial and technical support.

106. While it is evident that there have been changes in leadership, results on the ground witnessed greater resilience of institutions. The programme team was consistent and ground level functionaries were quite committed to the case. This perhaps needs a mention in section 5.2 (Borrower's Performance sub-clause c) of the ICRR. In addition, as a practice, the Minister of Panchyati Raj conducted regular review meetings to assess the progress and process on ground. The Honorable Chief Minister was briefed about the progress of the project on an annual basis in the capacity of chairman of the Governing Body of OLM (OPRM). This elucidates the political and government ownership by the state.

(b) Co-financiers - None required.

(c) Other partners and stakeholders - None required.

Annex 1. Project Costs and Financing

(a) Project cost by component (in US$ million equivalent)

Components	Appraisal Estimate	Revised Project cost	Actual /Latest Estimate	Percentage of Appraisal
	US$ million	US$ million	US$ million	
1. Institution Building	17.73	25.11	25.53	28.2%
2. Community Investment Fund	45.58	43.37	42.42	46.9%
3. Livelihoods Fund	15.59	10.95	5.94	6.6%
4. Project Management	5.05	4.67	3.26	3.6%
Total Baseline Cost	**83.95**	**84.10**	**77.16**	**85.3%**
Physical Contingencies	-			
Price Contingencies	6.55	6.41		
Total Project Costs	**90.50**	**90.50**	**77.16**	**85.3%**

Note: The project closed with 85.30 percent disbursement of US$69.426 million. The undisbursed balance at close stood at US$7.713 million [as of 30 Nov 2015] @9.36 percent and included US$1.905 million of DA balances to be refunded. Cumulative losses due to exchange variations [SDR/US$] stood at US$5.262 million @6.4 percent.

(b) Financing

Source of Funds	Appraisal Estimate	Actual/Latest Estimate	Percentage of Appraisal
	(US$ million)	(US$ million)	
Borrower (government share)	4.26	9.64	10.6%
IDA-International Development Association (Bank financing share)	82.40	67.52	74.6%
Local communities (beneficiaries' share)	3.84	0.00	0.0%
Total	**90.50**	**77.16**	**85.3%**

Annex 2: Outputs by Component

The project was designed to assist SHGs and their federations achieve their full potential as membership organizations of the poor and key service providers to a wide rural community. The project envisaged the following five key activities related to SHGs:

1. Facilitate mobilization of poor families that were not yet in the SHG fold by the formation of and inclusion in new SHGs and/or by their induction into existing SHGs.
2. Transform SHGs into effective and efficient groups through a wide range of initiatives. SHG-level initiatives would include member-education programs on financial literacy, information on roles and responsibilities, skill building of office-bearers and bookkeepers, facilitation of periodic financial audit and grading, and development of sustainable bank linkages.
3. Facilitate the development of a multi-tier integrated network of SHG federations that follow a 'bottom-up' institution-building process, and the formation of higher-level federations after lower-level federations achieve measurable levels of institutional maturity. Supportive activities would include: processes to develop role-clarity between federations at various levels, skill-building of office-bearers and staff, development of computerized accounting and management of information systems and processes (such as regular elections, executive committee and general body meetings), and facilitation of sustainable external linkages, particularly with financial institutions (such as banks and insurance companies).
4. Provide SHG federations with start-up capital grants that would indirectly strengthen SHGs and SHG federations. The SHG federations would be able to use the capital grants to partially off-set their initial operational costs and for a variety of purposes including bridge funding, as a means of leveraging additional funds from commercial sources, and to finance new activities that banks and other financial organizations had traditionally not financed (such as bulk procurement of food).
5. Support new product development in savings, credit, insurance and remittances for SHGs and SHG federations.

Note on measuring indicators: While project reports, studies and impact evaluations provided information for addressing achievement of outcomes, a number of challenges complicated the measurement of the outcomes. While the PAD referred to 300,000 beneficiary households/members of SHGs, indicators in the project results framework (*RF, see Table F in this ICRR*) often referred to percentage of households or CBOs involved, and project monitoring and evaluation reports referred to percentage achievements, but without taking into account the overall increased coverage of the project. Also, numerous baseline numbers in the RF were to be defined after project commencement, but this was not done effectively. Measurements of key PDO parameters were only indirectly measured by the monitoring and evaluation system or impact evaluation (*see annex 5*) in many cases.

The otherwise very thorough and high quality impact assessment largely measured project effects on the overall village population statistically, but the identified group was much bigger than the intended target group for direct support (940,000 members in SHGs); a strategy which was not adequately articulated in the PAD. Both monitoring and evaluation, and impact evaluation sources therefore did not strictly refer to the originally expected (and much more restricted) target beneficiary population of the project design (PAD: 300,000 households), resulting in the likelihood of underestimating impacts. The rapid assessment of direct effects and changes on beneficiary household livelihoods was based on a small, not strictly representative, random sample in the economic and financial analysis (EFA, Annex 3). Nevertheless, together with a number of project studies, workshops and project interviews, a reasonable representation of PDO achievements was constructed, taking into consideration that some parameters were considerably exceeded while others were not fully achieved.

Component I: Institution building (base costs US$17.73 million)

Subcomponent 1(a) Community Level Institutional Building

i) Inclusion

Processes: The PIP has been a significant social inclusion strategy and implemented in more than 1,000 gram panchayats. The BPL Survey 2002 used in the original design was out-dated at project initiation in 2008. As a solution, the GoO undertook a participatory survey to create the target group list for the project. A more participatory and inclusive situational analysis was adopted which established that the original potential target group estimation (of 300,000 households based on existing households) mobilized into SHGs in the 10 project districts; this was lower than the reality in the field. PIP involved social and wellbeing mapping to identify the poorest and most vulnerable households that were excluded from the SHGs. PIP categorized the households into 'well-off', 'manageable', and 'P&EPVG'. In addition to identification of the P&EPVG, PIP also identified 'left-out' households that had never been part of any community institution. Project performance was tracked through 'inclusion percentage'. This ensured inclusion of poor households that were left out in earlier government programs, on a priority basis. On completion of the situational analysis, the number of excluded households from the SHGs fold was considerably higher than the figures available at the state government level in the preparation stage of the project (see more below).

The project made special efforts to include socially excluded groups in its ambit. EPVG consisted of: (i) widows, (ii) female-headed households, (iii) differently-abled persons, (iv) destitute, (v) tribal groups and (vi) people vulnerable to seasonal shocks. Post mid-term review, the project focused on inclusion and livelihood development of EPVG households. The major areas of the project's work was on mobilization of EPVG households in joint liability groups (JLGs) and producer groups, preparation and financing of individual micro-plans, provision of health insurance and pensions for the aged and widows, people with disabilities (PWDs), as well as individual grants.

The PPIF proved to be an important social inclusion mechanism as it prioritized SHGs with its majority membership from SC/ST, EPVG and PWD for accessing PPIF and CIF. The SHGs used PPIF to kick-start the group dynamics and internal savings and lending. It used the funds for reducing vulnerabilities and shocks, encouraging income generating activities, meeting social needs, and supporting investments in housing, education. An inclusion filter was added for the disbursement of CIF, which mandated that at least 50 percent of SHG members be from P&EPVG households.

The project promoted representation of P&EPVG households in leadership positions, such as, executive committee members and office-bearers for SHGs, CLFs and GPLFs. The social action committees, with three P&EPVG women members, monitored the social inclusion processes and performance of the CLF and the SHGs, playing a crucial role in the inclusion of excluded households into SHGs. CRPs were provided financial incentives to target SC and ST farmers in livelihood programs.

Results: A thorough situational analysis, which included participatory wealth-ranking and involvement of community social action committees, enabled the project team to identify a higher number of eligible households than estimated in the PAD. The team included a larger number of households in the SHG fold with women being central to the project focus. The team also ensured inclusion of the poor, EPVGs, the disabled, among others. The inclusion of the EPVGs was followed up by efforts to ensure benefits through capacity building, leadership training, special mechanisms to reach the poorest, and investments. Due to the special focus on EPVGs, specific coordination efforts and individual follow-ups were taken up by the project to avoid mistrust among well-to-do members of SHGs.

The project identified 580,000 households as members of the SHGs, a much higher number compared to the original target of 300,000 households (*all encompassing; not specific to P&EPVG*). Nearly, 60 percent of the identified 5.8 lakh households belonged to EPVGs. An additional 650,000 households identified by the project were not included in any SHGs; 350,000 of them were P&EPVG (Table 1).

Table 1: Eligible Households for Project Support (in Thousand)

Targets	Total	Including P&EPVG
Anticipated in the PAD	300,000	Not mentioned (estimate 60% ~ 180,000)
Identified by the Project, including: In existing SHGs Not in SHGs*	941,798 580,000 370,000	625,425 380,000 253,072

* Of the 650,000 eligible estimated (including 350,000 EPVG)

Once the identification was complete, the project focused on including as many potential members as possible. The team ensured inclusion of 370,000 households in SHGs, of which ≈250,000 were P&EPVG. The total population covered by the project was 940,000, including ≈630,000 P&EPVG households which was higher than the original target estimated in the PAD.

The impact evaluation showed a 22 percent increase in household memberships in SHGs in project areas compared to control ones. The project managed to reach out to 83 percent of eligible P&EPVG households in the project villages, i.e. *over two and a half times* the original estimated inclusion of P&EPVG members as per intermediate indicator 1.2 (*80 percent of 300,000 households, i.e. 240,000*)

Of the total identified EPVG households, 86 percent joined SHGs or similar institutions. This satisfied intermediate indicator 2.2 comfortably (80 percent EPVGs in CBOs). Of the total 72,835 EPVG identified (*5.7 percent of total village households*), 43,456 were not in SHGs (*about 29,000 were members in existing groups*); of the excluded members, 36,332 were considered eligible for inclusion in SHGs. The project ensured the inclusion of 23,738 EPVG households in SHGs by the end of the project term. The total count of included EPVG in SHGs reached 53,000.

Post mid-term, after taking stock of the existing inclusion strategy, the project developed a new strategy for reaching out to the ‘un-reachable’ households through methods other than SHG. This included linking the households to various entitlements, mobilizing them into other institutions like producer groups and JLGs as well as providing some of these households with individual CIF support. This led to support of 14,861 more EPVG (Table 2). Taking into account the EPVGs in SHGs, this meant a large majority (over 93 percent EPVGs) was included in some form of support system, and over 90 percent in some kind of CBO.

Table 2: Additional inclusion of the EPVG

Particulars	Achievements till June 2015
Total inclusion of EPVG, other than SHG	14,861
Mobilized into JLG	47
Included in producer groups	2,630
CIF through individual support	637
Under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	3,426
Differential Rate of Interest (DRI) loan	33
Receiving entitlement under old age pension/widow pension/PWD pension/AABY	8,088

ii) Institutional transformation

Improving the maturity of community institutions was a cornerstone of the project that focused on strengthening of existing SHGs and federations and institutionalizing new ones. These institutions were essentially women centric. The strategies adopted were embedded in the core project components. After the identification of P&EPVG women through situational analysis and PIP processes and mobilizing them in SHGs, the focus was to develop their skills with regard to: (i) microcredit and financial services, (ii) functional and institutional aspects of SHGs, (iii) involvement in household micro planning for credit and livelihood, and (iv) awareness of social services and entitlements. In addition to these core interventions, the project introduced additional interventions such as training and awareness programs about gender, social security schemes and financial literacy. The project also created a cadre of women known as "Bank Mitra" to promote financial literacy, credit counselling, and financial inclusion among the P&EPVG women (see more under Financial Inclusion). The project implemented the innovative model of Mo-Badi that brought together interventions on vegetable cultivation, nutrition security, and livelihoods for poorer women (see later on Livelihoods).

Capacity building of CBOs: For smooth functioning of the SHGs and associated federations, the project organized a number of trainings for the SHGs, CLFs and the GPLFs (six modules for SHGs, two modules for CLF members, 10 modules of training for the GPLF executive committee members and various sub-committee members). The data indicated that almost all of the institutions received some capacity building training and handheld support.

Table 3: Number of CBOs receiving training

Type of CBO receiving training	Number of Groups	Total Groups/Federations
SHGs (various modules)	70,263	79,000
CLFs (various modules)	6,494	7,300
GPLFs (various modules)	974	1,000

There were two types of exposure visits for community members: (i) strategic exposure visits arranged for a select group of community members (SHGs as well as producer groups from Professional Assistance for Development Action (PRADAN) and Live and Let Live (LALL) areas) to review best practices in sites within the state (e.g. NGO PRADAN locations in Odisha) and outside the state of Odisha (e.g. Bihar JEEViKA project as well as Kerala's Kudumbashree program); and (ii) group exposure visits made across all the blocks where selected SHGs and members were exposed to the good practices of other SHGs in the adjoining block or in the adjoining district.

Self-help groups: Working with the old SHGs, which were primary targets in the original design, took a lot of effort due to the challenges of elite dominance, weak financial and organizational practices, and low transparency. With the very large number of identified P&EPVG, the project provided a large thrust for the formation of new inclusive SHGs (32,563) that had to undergo steep learning curves. The project put in huge efforts to build the capacity of institutions, ensuring they were inclusive and following good practices (Pancha Sutras), as well as, eventually channeling investments to members with a high number of identifiable potential memberships. The number of SHGs directly under the project support system was over 79,000 (with some form of training) of which 72,000 were directly linked to reformed GPLFs (see below).

Based on the grading system developed by the project and adopted in due course across the state and the banks,[22] the quality of the SHGs improved from 55 percent of SHGs graded A and B at the start of the project (*ACCESS* report, 2009) to 74 percent by the end of it. This translated as a transformation from around 25,000 SHGs initially to over 58,000 SHGs.[23]

In the strengthening of SHGs, specific efforts were made to foster acceptance of P&EPVG, develop collaboration between old and new SHGs, develop leadership capacity in poorer members of institutions, and address decision making issues and conflict resolution openly in public.

Gram Panchayat Level Federations and Cluster level forums: The extensive push for comprehensive inclusion and ensuring a bottom-up build-up of institutions (specific gap identified for existing GPLFs in the state), to some degree, delayed the strengthening and formation of the GPLFs that were created or restructured in 2012.

While at the start of the project there were about 1,000 existing GPLFs, a large portion of these were completely inactive and the rest were very weak. After 2012, the project put in considerable effort into federation restructure and reform. Part of the challenge of this process meant recognition of a large 'distance' between SHGs and GPLFs, causing oversight and lack of support, and the existence of too many SHGs within one GPLF for effective governance. Thus the project introduced the concept of CLFs as an informal bridge-group between SHGs and GPLFs. Over 7,300 CLFs that were formed initially with representatives from SHGs provided monitoring of SHGs, and these CLFs evolved into an important mentoring and support system. CLFs played an important part in identifying CRPs and in ensuring inclusion and channeling of village funds to the poor. In turn, the representation and leadership of GPLFs evolved, and by the end of the project all GPLFs had at least two leaders who were EPVG representatives through a participatory and transparent selection process (target 60 percent, intermediate indicator 1.1).

To strengthen the function of the GPLFs, the project transferred to the GPLFs the responsibility of SHG capacity-building as well as managing of the Institutional Building Fund

[22] Based on the NABARD grading system for the SHG–bank linkage program with some additional indicators related to membership and leadership inclusion and MIP.

[23] If 56 percent of old SHGs were 'taken over' during the project, the direct benefits due to project are likely to be even greater if measurement focused on these. It would useful to analyze the changes in old SHGs separately but data were not broken down this way.

used for training SHGs, CLFs and GPLFs. Plans were developed by each GPLF based on the actual training needs of the SHGs and the other community institutions. To meet the basic infrastructure requirement of the GPLFs as well as initial cost of operations for the first couple of years, a small fund called the Start-up Fund was also transferred to the GPLFs.

Table 4: Start-up and Institution Building Fund to GPLFs

Particulars	Achievement by end of project
Startup Fund to GPLFs (number)	1006
Startup Fund to GPLFs (amount in crores)	5.03
Startup fund utilization (%)	89
Institution Building Fund to GPLFs (number)	1006
Institution Building Fund to GPLFs (amount in crores)	89.99
Institution Building Fund utilization (percent)	89

GPLF maturity: The GPLFs, with considerable capacity building through the project especially on planning and financial management, would play a key role in the channeling of the project and other investment funds (see below on Financial Inclusion), and providing additional linkages to SHGs. Nearly all GPLFs had pre-established offices with office-bearers, support service providers (such as master bookkeepers and CRPs), management systems, business processes, and equipment. The consultancy firm that assessed the SHGs and GPLFs at the start of the project also undertook a thorough analysis at the end of the project,[24] using a well-established grading criterion for federations. This study firstly noted the improved quality of SHGs that was established as a base for GPLFs, and showed from a sample of GPLFs that all were either in the B or BB category, (54 percent were BB, i.e. 'Leading to Sustainability'. This was a major improvement from the baseline situation when only 10 percent of GPLFs were in a category above C.[25]

While half of the GPLFs in the study had operational self-sufficiency (revenues covering all operational expenses), none of the GPLFs were completely self-sustaining (providing services independently on a fee basis), and pricing with interest rates had not considered the required margins for supporting operational costs. Additionally, only a few GPLFs could sustain strict repayments from SHGs and quality loan portfolios. The B category GPLFs, while functioning, still required a minimum of one year of handholding, and their legal status had not solidified by the end of the project. Since statutory registration under any legal avenue would impose certain rules, these rules in many cases had unintentionally led to stunting of evolution of institutions. It was also acknowledged that the legal option for registration would be examined in more detail once institutions acquired sufficient experience, most likely post project completion. Cluster coordinators were only at the initial stages of being taken on board by GPLFs.[26]

The GPLFs did a lot of convergence, especially local Panchayat Raj Institutions (PRIs) in particular, but most of these were not well documented. These activities were extensively localized, depending on the quality of the block team. In Nimapara, Puri district, the GPLF converged with the PRI for the household latrine issue. Also, many GPLFs converged with PRIs for ensuring that entitlements reached the elderly, widows and the disabled. One GPLF in

[24] Dr A. K. Mohanty, 2015. A Study on the Viability and Sustainability of GPLF under TRIPTI Project. Draft. ACCESS

[25] A Study of SHG and their Federation in Orissa, Access Development Services, 2009

[26] Page 75 of the Project Completion Report

Ersama did some work with the Public Works Department for rural housing. A potential convergence in design for improving access to mid-day meals, however, was not followed through systematically (hence the intermediate indicator 1.3 should ideally have been dropped at mid-term review or restructured for extension). Key initiatives for GPLF convergence were in technical support and resources for onion storage (horticulture department), agriculture training (agriculture department) and vegetable seed mini kits (horticulture department).

Community resource persons (CRPs): [27] As per the project plan, CRPs played a key role in the implementation of the project, providing an essential and fundamental element in a community-driven process and creating links between the various levels. Once the project made possible the identification, creation and capacity building of more than 6,982 CRP-CM who provided direct and regular services to SHGs, the project gathered momentum. An entire set of CRPs, community trainers, and community professionals were identified and selected by the community itself through a very rigorous selection method. CRPs were mostly SHG members who received quality training and handholding support before being placed at the institution level. The trained CRP-CMs then assisted a group of SHGs in updating SHG's books of accounts and also provided training and strategic handholding support to the concerned SHGs.

In addition, there were 1,000 master bookkeepers, also mostly SHG members, trained and actively working under the GPLFs to maintain records and provide further capacity building to SHGs through CRPs, keeping an oversight of SHG accounts. CRPs established in 1948 began supporting the implementation of OLM activities by the end of the project. After a mid-term review of the building-up of Bank Mitras the SHG moved forward on the matter of bank loans. Additional livelihoods CRPs, primarily the top practitioners, were trained and in turn the CRPs provided key extension services to SHGs on livelihoods. While 8,356 CRPs were financed through community institutions (against a target of 6500),[28] they were still to be fully self-financed by the CBOs by end of project (intermediate indicator 1.4). Bank Mitras and bookkeepers were to be funded through GPLF interest earnings.

Table 5: Number of various CRPs

Particulars	Achievements till June 2015
Number of trained grass root functionaries/professionals developed to support the CBOs	Total: 10,306
CRP-CM	6,982
Master bookkeepers	999
Bank Mitras	377
Livelihood CRPs	1,948

Block Level Federations (BLFs): The project design accorded an important role for BLFs as a higher tier structure for capacity support, linkages to agencies, etc. However, this did not occur due to the slower than expected capacity-building in CLFs and GPLFs and the projected 'three to four year' development process required for BLFs. The project did however

[27] CRPs including community mobilizer (CRP-CM), master bookkeepers and other community level professionals (like Bank Mitra) that were directly selected by the GPLF, worked under the supervision of GPLF and got paid through GPLF interest earning.

[28] For 1,000 GPLFs, it was estimated that there would be around 7,300 CRP-CM (i.e. one per CLF, 1,000 master bookkeepers, 2,000 various livelihoods based CRPs and around 400 Bank Mitras totaling around 10,700 CRPs overall), hence 60 percent of the total was 6,300. Based on this logic a target of 6,500 CRPs was arrived at by the project for sustaining after the project period.

develop 15 GPLFs as Centre of Excellence (CoE). These CoEs acted as local training hubs for community institutions and also as testing grounds for new initiatives. The BLFs were given very little support through the project fund because though all BLFs received 25 lakhs each as a corpus from the state government, the project decided not over-capitalize the BLFs.

In some districts, efforts were made to understand the issues with existing BLFs that were interested in reforms. However, interaction with BLFs became decentralized during 2013–2014.

Outcomes on gender and social inclusion

Women empowerment and gender relations: Component I and II were solely targeted to include women. The resulting capacity at CBO and individual levels caused changes in basic institutional maturity and financial change, along with subsequent changes on social platforms. Certain GPLF members worked on issues of girl-child trafficking and the rehabilitation of rescued girls and women. A widespread increase in awareness of and subsequent actions in nutrition, sanitation, dowry and child marriage, domestic violence, alcoholism, infanticide and feticide were also noted. The complementary institutional, financial, livelihood and awareness building interventions resulted in increasing women's emerging leadership and voice in political and social spheres.

Implementation completion and result report (ICRR) mission observations, along with several case studies and reports (mainly PCR, Women's Empowerment Study, Mo-Badi study), included a large number of female testimonies of individual transformations in project communities as a result of their engagement with CBOs. This included special appreciation for the improved role of poorer women in financial and livelihoods empowerment within the household, and in related developmental aspects, such as, being resource persons with indigenous skills and expertise. Men also noted the importance of a progressive economic role for women, and recognized the active leadership functions of CRPs and SHGs in the village.

Most prominent change in communities, noted by different studies, was the increase in mobility of women. Women began to move about independently, especially to SHG meetings and for bank related matters, resulting in a general increase in their participation in community activities. The effect of increased mobility was significant at the project village level compared to that in control villages (as reported in the impact evaluation) with 18 percent of project village women now more likely to go to SHG meetings alone and 5 percent more likely to go to banks alone. However, they still had to ask permission from the family to do so.

Despite these social changes, the impact evaluation noted that there was no significant change in decision-making between men and women within the household. The impact evaluation sample was the average for the village as a whole, rather than being focused on the most direct beneficiaries. However, numerous anecdotal observations displayed small shifts in the household psyche, despite the relatively short period of intensive P&EPVG households, it was clear that the majority of the P&EPVG households also belonged to the SC and ST community. The project worked in a focused manner for the wellbeing of the SC and STs of the region, who were also the most vulnerable (see section 2.4 on tribal strategies).

With a clear focus on women in its mandate and implementation, the P&EPVG capacity building and institutional-change project contributed considerably to improvement in their social status at individual and group levels. Change in social status was an expectation of the PDO, although it was not linked to any results indicator. The CBOs proactively worked to address the issues of the most vulnerable households in the village, such as widows, single-women headed households, children with disability, etc. In a few cases, special interventions were initiated by GPLFs to initiate schools for children with disability. In the selection of the CRPs, priority was given to members who were physically challenged. Also individual MIPs were conducted for members who could not be part of SHGs (widows, the old and sick) with all GPLFs providing them support in some form. Stakeholders recognized that EPVGs need to play a larger role in societal progress and hence supported their involvement as dignified leaders in SHGs and federations. Initially these changes (such as increased awareness of rights) often worked against traditions and faced wide community and political reluctance.

A reflection of change in social status and empowerment was witnessed in the extensive work that SHGs and federations carried out in community relations and conflict resolution. In particular, this included addressing respect for different castes and social groups (including EPVG) and working together at the CLF and GPLF levels. Progressive change was also reflected in women's group activities outside their daily engagement in financial spheres. According to the impact evaluation, statistically, when compared to control villages, women in project areas were 13 percent more willing to address community problems through their own institutions. They were also, on average, more likely to pursue issues of violence and alcoholism, and the functioning of public distribution system (see also unintended effects below). Women participated in planning of the Mid-Day-Meal program and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) work among other beneficial programs. Some GPLFs were active in promoting rural housing schemes.

Political engagement: The first level of political impact was increased participation of women in the Gram Sabha and gram panchayat meetings as a result of their new prominence in village activities through their own institutions. The main purpose of the project was to put forward issues faced by women in villages, in their households, etc. All villages had engaged in Palli (village) elections in 2015, with an increase in women's participation at the Palli and Gram Sabha, as well as, at the International Women's Day celebrations in almost all the GPLFs (more below). Though no official data were available, a large number of women members contested in local panchayat elections and one of the members was even elected as a Member of Parliament during the last parliamentary elections.

Mechanisms for Governance and Accountability: This encompassed the display of all information related to tenders and bids on the project website; dedicated staff to review transparency, information disclosure, and grievance redress; proactive disclosure of financial and progress information on the notice board at the GPLF offices; dedicated toll-free grievance helpline for project related queries; updated rate for commonly procured items at the block level in bank systems; monthly contract-monitoring at project level; procurement audit at GPLF level; preparation and dissemination of community procurement manual; community procurement trainings to GPLFs; grievance-redress system at GPLF level; and establishment of wider governance mechanisms. The OLM adopted a disclosure policy in compliance with their duties under the Right to Information Act. This included development of a project website, information management systems, and a document management system. To the extent possible, all project related information was disseminated through the project website. The project established a grievance handling system. At the district and village levels, oversight mechanisms were developed through social accountability mechanisms including participatory monitoring and public display of information.

Sub-component I (b) Project Staff Development

The block staff underwent training on social inclusion, financial inclusion, livelihoods and project management. Below are details of the training programs. Field staff played a key role in the full implementation of the project, after which they were taken on board to continue and further scale up project-based mechanisms in the NRLM.

Table 6: Training on project themes

Training type	**Participants (block staff)**	**Remarks**
Training on Social Inclusion	207	(38 blocks*all 4 staff*1.3 trainings attended)
Training on Financial Inclusion	181	(38 blocks*2 relevant staff*2.38 trainings attended)
Training on Livelihoods (farm and non-farm)	298	(38 blocks*2 livelihood staff*3.9 trainings attended)
Training on Project Management (human resources, monitoring and evaluation, finance, procurement, MIS)	112	(38 blocks*2 relevant staff*1.4 trainings attended)

Component II: Community Investment and Financial inclusion (base cost US$38.18 million)

A total of 77,756 (almost 99 percent) of the supported SHGs were graded and 59,896 (75 percent were SHGs i.e. 44,922) covering over 540,000 members developed micro-investment plans (MIPs) and received CIF and/or bank loans. As an important basis for identifying livelihoods and credit needs, the project extensively assessed needs from households to SHGs though consolidated MIPs for 44,922 SHGs who received the CIF.

An analysis of MIPs for 690 GPLFs showed that 367,888 of the 536,376 households (almost 69 percent) that developed their MIP and received money belonged to the P&EPVG category. The project reported that 72 percent of MIPs were financed against the PAD intended target of 80 percent (Intermediate indicator 1.5). Due to the larger than anticipated coverage of SHGs and its members, in absolute terms, the project largely exceeded the PAD target of 24,000 SHGs (80 percent of 30,000 SHGs). At mid-term review, it was reported that to some degree the implementation of MIPs was relatively weakly monitored in terms of what was financed (SUCHORSOD Study), and this weakness persisted to some degree until the end of the project.

Sub-component II (a)

Community Investment Fund (CIF):

The CIF formed a key financial impetus to help build capital and capacity of the community institutions to handle large funds in the project. The demands articulated in the MIPs were financed from CIF, thus making it the first level catalytic credit line for creating livelihoods assets, smoothening consumption expenditures, creating behavior around credit, and building

SHG members' creditworthiness.[29] Funds were channeled to SHGs through GPLFs. With the late reforms of the federations, fund-release and overall project-based disbursements were delayed. After the mid-term, however, the pace of financial activities picked up.

The CIF amount disbursement was the sum total of SHG members and the total P/EPVG households in the GPLF. There was a 70 percent weightage on the P/EVPG and a 30 percent weightage based on total membership. CIF was given in two tranches; the second tranche (CIF 2) was given after 60 percent utilization of the first tranche. The CIF amount was 5–25 lakhs per GPLF. During the last year of the project the GPLF needed to have a corpus amount of at least 15 lakh for recovering its cost of operation and a CIF 3 was given to well-performing GPLFs who had a corpus of less than 15 lakhs. Being in remote low-density population areas they would otherwise have been allocated less due to lower membership.

Table 7: CIF releases to GPLFs

Particulars	Number	INR million	US$ million
GPLF with CIF I	1005	804.9	12.6
GPLF with CIF II	965	1180.2	17.4
GPLF with CIF III	216	70.91	1.1
Total CIF to GPLFs		2056	32.3

By the end of the project, 1,005 GPLFs received INR 2,056 million (US$32.3 million) as CIF, and on-lending of INR 3,063[30] million (US$48.2 million) in loans including relending. This was borrowed by 78 percent of all the members in the concerned SHGs; 74 percent of the members who took CIF credit from the SHGs belonged to the P&EPVG category. As per the project Management Information Systems, approximately 59,896 SHGs acquired one CIF loan; and around 10,000 SHGs took a second CIF loan from the GPLF. A total of 18,049 SHGs were able to completely pay-off their CIF loans.

The project reported that the CIF loan velocity at the end of the project was 149 percent and the average idle fund at the GPLF level was 23.51 percent (indicating that GPLFs and SHGs actively used large portions of available funds). While on a number of investment and repayment parameters, GPLF and SHG performances were relatively healthy (see table below), a study conducted by an external consultant on purposively sampled 50 GPLFs to measure GPLF sustainability, showed that there was huge potential for improvement in the financial parameters of portfolio management and portfolio-at-risk (PAR) reduction.

[29] The project received authorization from the Regional Vice President under OP/BP 6.00 for financing food, education and health needs and retiring high cost debts. The project transferred grants to community federations against MIPs under the CIF component, which was further used as line of credit for financing MIPs of SHGs and their members. These MIPs for livelihoods included finance for access to assets, income generation activities, skills development; access to education and health services, consumption needs (food) and retiring high cost debt. Support for this comprehensive range of livelihood-related activities was essential for the CBOs to become self-managed and self-reliant over time. This enabled P&EPVGs to participate more exclusively in their aspect of the project's primary demands in consumption needs.

[30] Analytics from a survey of 690 GPLFs indicated the loan velocity at 149 percent. The same velocity was extrapolated for the entire CIF amount of INR 2,056 million to arrive at the estimated figure of INR 3,063 million.

Table 8: CIF performance (based on the analysis of a sample of 690 GPLFs)

Particulars	Percent and Number	Notes
CIF rotation velocity	149.17 percent	This is at the GPLF level. Loan velocity is defined as the rate at which the GPLF corpus (in this case the CIF) is being rotated among the constituent SHGs. It is calculated as a ratio of total credit forwarded to SHGs to total CIF received.
CIF PAR 90	1.56 percent of SHGs	PAR 90 means that if the installment is overdue for more than three months then the entire outstanding loan are considered as "portfolio at risk". A 90-day payment period is often used in the development sector in India since the poor usually go through seasonal cash crunches and may default if expectations are tightened. PAR is a very important indicator to ascertain the financial health of any financial institution.
CIF idle fund (percent)	23.5 percent	This is the average of three months cash in the bank (CIF account) and is defined at the GPLF level. A 20 percent idle fund position is permissible as community requirements are also very seasonal.
Average CIF loan/SHG (INR)	58,739	This is the average of CIF loans taken by all SHGs in a sample of 690 GPLFs
Income from interest	INR 222.7 million (US$3.5 million)	@3.22 lakh per GPLF over an average period of 2.5 years
Percentage of SHGs who availed CIF	70.97 percent	From a sample of 690 GPLFs
Percentage of SHGs who availed CIF more than once	18 percent	From a sample of 690 GPLFs
Percentage of SHGs who availed CIF and repaid entire loan amount	36.55 percent	From a sample of 690 GPLFs
Percentage of SHGs with delayed repayment of CIF principal (more than six months)	0.49 percent	This is a small number of SHGs which are in critical repayment situation – PAR 180 (based sample of 690 GPLFs)

GPLFs were able to use funds with considerable flexibility. Two types of additional financing services were designed. One was an agriculture credit line using the CIF. This agriculture loan service was open to all SHG members who were cultivators (including sharecroppers) and was for INR 3,000 per acre with a cap of INR 6,000 to be repaid after harvesting of the particular crop for which the loan had been taken. The other service was an INR 50,000 (US$787) untied fund to be designed by the GPLF as per the need of the community/individual. Thus GPLF gave individual loans, grants, soft loans, etc. using this fund. An analysis of 690 GPLFs showed that 11,333 (21 percent) of the SHGs received agriculture loans. A total of 2,734 EPVG members received interest-free loans and grants from GPLFs, amounting to INR 3.32 million (US$0.52 million).

Performance on financial inclusion – savings, SHG loans and low interest lending

The built-up resources available for CBO members due to the project were substantial. Cumulative savings by members in SHGs (and further by GPLFs) during the project period amounted to INR 1,772 million (US$27.8 million). The number of SHGs and the volume of lending were greatly enhanced by the project, especially of course, with the formation of new SHGs and strengthening of existing SHGs. As per the project survey of 690 GPLFs and 52,616 SHGs, 94.5 percent of the SHGs had a system of inter-loaning to members. 78 percent of the total SHG members availed loans from their SHGs and 74 percent members belonging to the P&EPVG category availed loans.

It was observed that there was easy accessibility of SHG funds and its low interest rates and security of savings was very important to households (see more below). The SHGs lent their own saving corpus and CIF funds at 12 percent per annum that was significantly lower than the traditional rates by local moneylenders (often above 50 percent).

Table 9: Savings and lending of SHGs based on data from sample of 690 GPLFs, except where indicated

Particulars	Number/Amount	Remarks
Total savings of all SHGs – based on all SHGs	INR 1,772.4 million (US$27.8 million)	
Average SHG savings	INR 23,058 (US$362)	
Average members savings	INR1,882 (US$29.6)	Based on calculation using total SHG membership of 941,798
SHGs practicing inter-loaning	94.49 percent	All types of lending
Percentage of members availed loan from SHG	78 percent	This included all types of lending (SHG's own fund, bank loan, CIF, PPIF, etc.)
Number of members availed loan - One time	78.5 percent	
Number of members availed loan - Two times	35.4 percent	
Number of members availed loan - Three to Five times	18.1 percent	
Number of members availed loan more than five times	8.3 percent	
Percentage of P&EPVG members availed loan from SHG*	74 percent	
Average internal loan size per	INR10,580	This included all loans (SHG internal loan,

member (INR)*	(US$166.5)	bank loan and CIF loan)
Internal loan rotation velocity	1.36	Loan velocity was defined as the rate at which the GPLF corpus (in this case the CIF) was being rotated among the constituent SHGs. It was calculated as a ratio of total credit forwarded to SHGs to total CIF received.

Sub-component II(b)

Pro-Poor Investment Fund (PPIF)

During the design it was recognized that the poorest would not be able to immediately contribute savings to SHGs. Thus the project provided an incentive for including EPVGs through the PPIF, helping them with grants to build their capital in the SHGs and for special livelihoods support activities.

At the end of the project, 39,993 SHGs (out of a total target of 50,546 who were eligible) accessed PPIF amounting to INR 497 million (US$7.8 million), which reached an estimated 80,000 P&EPVG. This in turn contributed to maximum number of EPVGs accessing regular funds from the SHGs.

Table 10: Distribution of PPIF releases

Particulars	Achievements till June 2015
Number of SHGs that received PPIF	39,993[31]
Amount of PPIF received by SHGs	INR 496.6 million (US$7.8 million)
Percentage of total eligible SHGs that received PPIF	78.65 percent

Table 11: Details on types of SHGs by social class receiving PPIF

Type of SHG	Number of SHGs
Number of predominantly SC SHG that received PPIF/RF	5,164
Number of predominantly ST SHG that received PPIF/RF	1,289
Number of predominantly minority SHG that received PPIF/RF	153

In terms of financial inclusion, the data gathered by the project from 690 GPLFs and 52,616 SHGs showed that 74 percent of the members who availed loans (PPIF and CIF) from the SHGs belonged to the P&EPVG category.

Bank linkage: The project greatly facilitated the relationships between community institutions, member households, and banks, and facilitated commercial credit (*i.e. bank linkages*). A total of 377 Bank Mitras (*friends for banking*) were positioned at local bank branch levels in order to facilitate interface between SHG members and banks, account opening,

[31] Not all eligible SHGs received PPIF as it was decided that no PPIF would be issued after a certain timeframe. 39,993 SHGs were given PPIF in the pre-decided timeframe out of 50, 546 eligible households.

facilitate SHG-Bank linkage and timely repayment of loans.

Further facilitation of linkage was created through the project's liaison and awareness work with managers and branches of local commercial banks, thus developing a common SHG database for credit. The project also helped set-up 171 bank linkage recovery committees, and a community based recovery mechanism to deal with non-performing assets. At end of project ICRR, interviews with bankers indicated that the project helped in building trust with SHGs and role of Bank Mitras was crucial. The bankers recognized the need to sustain these mechanisms set up by the project for facilitating better linkages, which also helped in enhancing the bank's penetration in terms of branch level targets with good loans.

A total of 31,960 SHGs of the 32,563 formed under the project opened savings accounts; 193,000 individual savings accounts were also opened. Women extensively reported to the ICRR mission that their relationships, confidence, and visits to banks had increased considerably, while the impact evaluation showed a statistically significant increase of 5 percent in women (not just SHG members) going to banks by themselves in project villages, compared to the control villages.

- Nearly 32 percent of all SHGs were credit linked during the project period (approximately 25,000 SHGs) as a result of project efforts.
- The total cumulative loan from banks was INR 3,150 million (US$49.5 million).
- The repayment rates of SHGs to the banks in the project blocks were considerably better than the rest of the state, taking the net non-performing assets account into consideration.
- Approximately 16 percent of total SHGs received repeat financing from banks.

According to the NABARD[32] 2011–2012 data sheet, 50,000 SHGs were credit linked in Odisha with an amount of approximately INR 541 crore. This means in that particular year, 8.7 percent of the credit linkage happened in project areas with 5.5 percent of the credit volume flowing to project SHGs. This changed significantly in the project's final year 2014–2015 when 23 percent of credit linkage occurred for the entire project SHGs and 26 percent of the credit volume flowed to the project SHGs.

The average loan size to SHGs in the project blocks was INR 133,000 (US$2,093) in 2014–2015, which was greater compared to the state average (INR 117,000 (US$1,841)). While the difference may not seem large, (INR 10,000 (US$157.4) – INR 15,000 (US$236) per SHG), this had long-term implications. A higher credit to 23 percent of the SHGs and a lower credit to 77 percent of the SHGs implied that banks could look for potential business in project blocks in the coming years. Feedback from bankers in the ICRR mission indicated keen interest. This was also very significant from the point of view that post Swarnajayanti Gram Swarojgar Yojana (SGSY),[33] where there was no subsidy component, commercial banks were still willing to give large credit, especially to the project blocks (which were previously known for high levels of non-performing assets).

Overall financial leverage as a result of the project: The CIF and PPIF infusion into the strengthened community financial system (with savings and repayments) assisted further

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[32] National Bank for Agriculture and Rural Development (NABARD) which oversees the SHG–bank linkage program in India

[33] SGSY was the previous GoI scheme (currently replaced by the NRLM) that provided back-end subsidy to banks for financing SHGs.

leveraging of credit from banks, and the project overall contributed to total capitalization of INR 9,610 million (US$151.2 million). This was largely excluding earlier financial activities of existing SHGs. The result was a project leverage of 3.75 times, due to the effect of CIF/PPIF, and institution- and capacity-building.

Table 12: Mobilization, leverage ratios

Particular	Data	Remarks
Total project cost	INR 4,440 million (US$90.5 million)	From Annex 1
Amount transferred to community in PPIF+CIF	INR 2,444 million (US$45.6 million)	From Annex 1
Internal savings mobilized	INR 1,772.4 million (US$27.8 million)	
Bank credit mobilized	INR 314.0 million (US$4.9 million)	
External finance mobilization ratio	1.23	This is a ratio of the total external funds mobilized to the total capital transferred to community institutions (in this case the total of CIF+PPIF)
Total capitalization [34] = total credit generated (CIF*1.49 times +PPIF*2 times+ bank credit+ internal savings*1.36 times) – in crore	960.71	Defined as the total volume of credit that was available to the community during the project period in order to develop their capital base (asset creation, working capital need, etc.).
Capitalization ratio against investment of CIF+PPIF (project support)	3.76	

Effects of financial inclusion at the household level: Central to the project outcomes was the improvement to financial assets and flows at the household level. Feedback from a number of ICRR workshops and interviews, and qualitative studies (including from main male informants in the project communities) clearly indicated that financial inclusion was a crucial expectation and achievement for the project's main beneficiaries, women and the poor. As a key intervention, the MIP process was recognized as an important contributor at the community level that improved financial literacy in the long term. An SHG member quoted that "the MIP process and the project provided learning on how to manage household finances and take financial decisions keeping all aspects of income, expenditure and risks in mind over the next two to three years". Initially the broad household approach was rigorously followed, but this approach was difficult to monitor while operating at a large scale thus became narrowly focused on credit needs during the later stage of the project.

[34] Analytics based on a survey of 690 GPLFs indicated that the CIF rotation velocity was approximately 1.49; the PPIF velocity rotation was approximately twice that of SHGs' own fund rotation velocity of 1.36, and bank linkage was 1 since the bank loan amount goes back to the bank and does not re-circulate.

The PDO outcome indicators could not be clearly interpreted, nor measured directly during the project or through the impact evaluation. The PDO indicator 1 on savings, loans and insurance was based on an expected effect on 50 percent of 300,000 households, i.e. 150,000 households. However, the project reached approximately 733,000 [35] households, even when considering lending activities alone.

Savings: The impact assessment, which measured the effect on the villages as a whole, noted a small but statistically significant increase (2 percent) in the average volume of household savings in project villages compared to control villages. Most significantly, 21 percent more households in the project villages relied on a SHG for savings. The estimated average per capita savings of INR 1,882 (US$29.6) per SHG was less than the PDO 1 indicator target of INR 2,500 (US$39.3). Hence, if all the 940,000[36] SHG members were saving, then a smaller target group of 150,000 saving more than INR 2,500 would be more likely, and the project could thus achieve the indicator. In any case, the total savings volume generated among the members far exceeded the same estimated from design targets.

Loans: The impact evaluation did not record a significant increase in the overall individual household loan volumes at village level compared to households in control villages, but did note that there was a relative 7.7 percent switch to institutional loans (SHGs and bank loans). The project reported an average loan size of INR 10,500 per SHG member. Again, this is when all members take SHG loans (which is a much greater number), i.e. approximately 733,000[37] than the target of 150,000. It is thus highly likely that a smaller but still significant number of households would have taken more than INR 10,000 in loans per year. There is also another way of looking at the target assumption. If savings could be calculated annually for four years after the project was started, the projected savings for 150,000 members in four years would be INR 6 billion. During the project, an average of INR 10,580 was availed as credit from SHGs by over 700,000 members in approximately three years during the main SHG activity (assume total loans = INR 7.4 billion). The second part of PDO indicator 1 was thus considered to be achieved.

Insurance: The project facilitated INR 30,000 (US$472.2) insurance coverage for a large number of households – 770,000 compared to the target 150,000. The central government-sponsored AABY insurance scheme was implemented in the state as a result of the project's persistent lobbying and connecting the institutional platform of SHG and GPLFs to the said scheme. The project, jointly with the Life Insurance Corporation, was the main supervisor of the scheme and was responsible for mobilizing and enrolling all target households in the project area. The third part of PDO indicator 1 was substantially achieved.

Reduction in high cost private moneylending sources: Various qualitative sources (PCR, empowerment interviews, etc.), and ICRR beneficiary responses in the field indicated that, reduced interest rates, ease of borrowing, and ownership of funds were key goals for direct beneficiaries, as well as for real effect on households, reducing transaction time and repayment

[35] Analytics based on a survey of 690 GPLFs indicates that 78 percent of the members had access to credit from SHGs. The corresponding figure was calculated by extrapolating that data to the whole membership universe of 940,000.
[36] It is mandatory for all SHG members to save. The total number of SHG members was 941,978.
[37] Analytics based on a survey of 690 GPLFs indicated that 78 percent of the members had access to credit from SHG. Data were extrapolated to calculate the corresponding figure for the entire membership of 941,798.

costs, and providing a sense of security in accessing loans. The PDO indicator 4 focused on '75 percent of households *directly* benefiting from the project', which was a more restricted group than the whole village (target estimated at 75 percent of 300,000 would be 225,000).

The EFA (Annex 3) examined changes in household debt based on a smaller profile of typical project households. This provided estimates showing considerable benefits, especially for poor households, with an over 40 percent reduction in total household debt and reduced share of debt repayment in overall household expenditure. The EFA sample roughly represented SHG households taking SHG loans. These were well over 250,000 households and considerably more than the PDO target (this included CIF borrowers alone, not taking into consideration loans from PPIF, regular SHG and bank loans). *The target was thus considered likely to have been achieved.* At the overall village level, impact evaluation showed an increase in the use of institutional loans; however there were no significant changes in expenditure on informal payments compared to controls (informal includes family and relatives, where interest rates may be low, as well as moneylenders with high interest rates).

Component III: Livelihood Promotion Fund (base cost US$15.59 million)

The PDO indicator 3 target was to increase the productive and sustainable asset base of at least 50 percent of households (including the EPVG). This would be equivalent to 150,000 SHG households of which 50 percent of the estimated 17,000 EPVG households would be expected to benefit (estimated from their proportion in the population, although no clear target numbers for EPVGs were provided at design or during the project). A productive and sustainable asset base meant improvement in long-term assets such as tools and machinery for production, long-term land change and key local production resources. While this improvement was not defined further, the project seems to have had important achievements in these areas as discussed later.

However, the results of the project on livelihoods did not fulfill the expectations of the design, with regard to linking households and groups to value chains and businesses (intermediate indicators 3.2, 3.3. and 3.4). Some value chain analysis on paddy was done, such as an investment in small local onion storage in convergence with the horticulture department to deal with surpluses, but this was not adequate to address the requirements of increased production, with potential risk to prices and product losses. The impact evaluation examined whether households were likely to cultivate on their own land or engage in agricultural labor, but no significant difference was found in its assessment when compared to control villages. It was noted, that this overall trend in project villages did not reflect effects on the smaller group of village house beneficiaries directly involved in more intense productive and livelihoods activities.

Process: The project focused more on individual production level rather than a scaled up value chain and collective economic activities, and did so on a more limited subgroup. This subgroup included farmers and households, mainly men,[38] however SHG women farmers along with their family members, were oriented about the benefits of SRI. Activities focusing solely on production groups were emphasized in 2013 (after the mid-term review) as before this priority was on building-up of SHGs and federation institutions. Considerable financial resources were generated with CIF and PPIF, through relending and bank credit, which were used by households

[38] The men became eligible because their wives were members of SHGs and who had taken credit support through their SHGs for livelihood investments.

for upgrading basic household productive activities, as discussed in the ICRR financial analysis (Annex 3). Nearly, 73 percent of household loans were planned for use on agriculture and other livelihoods activities in the MIPs. The agriculture loan product was open to all SHG members who were cultivators (including those who were sharecroppers) for INR 3,000 per acre, with a cap of INR 6,000 to be repaid after harvesting of a particular crop for which the loan had been taken.

After late 2012, with the support of livelihoods CRPs, livelihoods mapping, training and linking, there was an accelerated focus on the development of producer groups, mainly in agriculture. By the end of the project INR 284 million (US$4.4 million) livelihood funds were sanctioned, of which INR 169 million (US$2.6 million) was utilized by communities on startup capital and input costs, capacity building, various linkages, and technical assistance. The project strategically worked in convergence with the state's agriculture and horticulture departments for a number of initiatives. In partnership with the agriculture department, the project mobilized paddy seed subsidy for the paddy seed producers for which an amount of INR 12.8 million (US$2.0 million) was provided.

Likewise, the project partnered with the horticulture department on the onion initiative where the department provided the producers with inputs costing INR 20.6 million (US$3.2 million) and INR 14 million (US$2.2 million) towards construction of 70 low-cost onion-storage facilities. The project also partnered with the state's chick producing units for supply of "one day old chick" to the members. For technical support and strengthening of the livelihood initiative, the project partnered with both financial and non-financial institutions and reputed NGOs of the state, such as Centre for World Solidarity (CWS), LALL, Harsha Trust, PRADAN. While male members of SHG households largely handled most agriculture activities, they recognized the role of women and SHGs in the outreach processes. Mo-Badi, poultry and non-farm activities engaged women directly. While some middle level and well-to-do farmers were involved for rice related support especially for seeds, studies noted that gains were often as great, if not more, for poorer smaller-scale farmers. The studies emphasized that there was considerable scope for further enhancing women's and poorer farmer's roles in production and processing related activities in the future. (*Annex 9*)

Results: The project helped to form 1,500 producer groups in paddy, poultry, dairy, fisheries and livestock, and also nutrition security and non-farm livelihoods. In addition to rice and seed production (discussed below), the project supported onion cultivation with 6,080 farmers (127 producer groups), producing 80,000 quintals of onion with an average yield of 44 quintals per acre. Poultry was undertaken with 2,970 households (68 producer groups), and around 6.5 lakh eggs and 1.7 tons of chicken meat were produced. In the non-farm sector, support to 86 producer groups was ongoing. The Mo-Badi, on backyard gardening, was designed to strengthen nutrition security, and expanded to address the needs of the P&EPVGs. The livelihoods program was supported by a large cadre of trained livelihoods CRPs. In total, about 115,000 farmers were directly supported under the project.

Table13: Livelihoods activity coverage under project

Particulars	Improved Agricultural Practices (SRI)	Seed Village	Mo-Badi	Backyard Poultry	Others (non-farm)
Area coverage	32 blocks	5 blocks in 3	All 38 blocks	14 blocks in 4 districts	32 blocks

		districts			
Households covered	72, 216	1, 794	38,878	3, 050	5,854 households
Producer groups formed	1102	82	Individual	40	85
Area under coverage/number of birds	18,308 hectares	1,104 hectares	50,000 households	67100 birds	NA

Table 14: Rabi season production activities

Particulars	Achievements till June 2015
Number of farmers involved in agriculture – SRI rabi (at the end of the project)	9,472
Total area intervened in agriculture – SRI rabi (at the end of the project – hectares)	4,987
Number of farmers involved in agriculture -onion rabi (at the end of the project)	6,080
Total area intervened in agriculture – onion rabi (at the end of the project – hectares)	1,654

Table 15: Livelihood community extension mechanisms

Particulars	Numbers
Agriculture productivity enhancement	
• Farmer field school	276
• Farmer Livelihood Development (FLD)	103
• Demo plots	724
• CRP	924
• Master CRP	323
• Resource persons	56
Poultry	
• CRPs	64
Mo-Badi	
• CRPs	421
Seed village	
• CRPs	49
• Master CRP	18
• Demo plots	29
• Resource persons	8
Non-farm livelihoods	
• Non-farm CRPs	85

Improved Paddy Production (IPP) and System of Rice Intensification (SRI): Most important of the initiatives was the strengthening of IPP, including the SRI, which focused on improving long term soil and water use. These initiatives reached a considerable scale in a short time. While NGOs had introduced the concept of SRI several years prior to the project, the demonstration plots, community extension mechanisms (especially farmer field schools), and project outreach through federations, triggered rapid results and spread effectively. Key players were livelihoods coordinators and specialized CRPs trained by specialist NGOs. The project initiated support in 2011 with 190 farmers, and by 2014 it had reached 72,000 farmers in 974 producer groups (kharif) with a total area of 18,210 hectares.

A study examining the impact of rice-based activities indicated positive production and livelihoods benefits (see box below). While farmers with more land tended to benefit slightly more, the overall spread of benefits to small farmers and EPVG was also considerable. Total estimated production was up from 132,429 quintals in 2012 to 932,239 quintals in 2014 (about 93,000 tons, i.e. approximately one ton extra per farmer). This was estimated to contribute over INR 1,200 million (US$1.9 million) in total incremental income in three years. Farmers were keen to continue and cover wider areas of their land, and there was considerable interest among neighbors in further uptake. However, little had been done in the way of marketing activities or building of firm linkages with other support agencies.

Summary results from Impact Assessment Study of "Agri and Allied sectors interventions with focus on IPPI including SRI supported by the project" Final Report. August 2015. Manu Sinha

- The majority of farmers (76 percent) belonged to other backward caste (OBC) category; 9 percent belonged to SC category, 11 percent was from the general category; and only 4 percent belonged to ST category).
- The sampled farmers belonged in equal proportion (46 percent each) to "marginal" and "small" farmer categories. There were no "big" farmers in the sample.
- 20 percent of the farmers adopted 'line transplanting' while continuing/discontinuing with the traditional methods. The remaining 78 percent farmers cultivated paddy utilizing SRI methodology in addition to the traditional/line transplanting methodology.
- There was a difference of 15 quintals/hectare and 20 quintals/hectare over traditional methods in case of line transplanting and SRI, respectively. There was an increase in productivity of about 48 percent in line transplanting and 64 percent in SRI over the traditional method.
- At the state level, the yield of paddy from participating farmers under the traditional system of cultivation was 62 percent higher than the average yield in the state as per GoO data.
- EPVG had substantially better results in terms of yield from line transplanting than SRI. Among the poor, there was a very marginal difference between the yields achieved through line transplanting and SRI.
- Under IPP, a 151 percent increase of area in the second year over the first year was noted, and a 71 percent increase in the third year over the second year was noted.
- In terms of productivity, the average yield decreased from 34.14 quintals/hectare in 2012 to 26.71 quintals/hectare in 2013, but increased to 50.58 quintals/hectare in 2014.
- There was substantial change in food security among the participating farmers from the P&EPVG category. EPVG reduced food insecurity from 25 percent (less than eight month food security) to 3 percent; and 84 percent of poor farmers had surplus after the intervention, compared to 32 percent before.
- There was an increase in income as a result of increased surplus. With about 5 quintals per households (*every household participated with half an acre*) of surplus across all categories, the results are in estimates of INR 5,600 income increment for EPVG, to INR 10,000 among the poor and INR 13,500 for the well-off.

Seed Village Program (SVP)*:* An important production resource for poorer farmers was reliably available quality seeds. The overall paddy seed replacement rates in the project blocks were less than 25 percent, lower than the state average, and often below 15 percent, and remaining so in the 2014–2015 season for non-participating farmers. The project supported the SVP[39] with the assistance of specialized CRPs and state agencies. Selected farmers were assisted to develop certified seed production, making it a profitable and sustainable system, while helping farmers raise their seed replacement rates and increase overall productivity. The project involved 1,775 seed-producing farmers, which included 43 percent poor farmers, and covered an area of 607 hectares. Seed production required a carefully managed process to ensure technical quality and meeting of standards in production, harvesting and processing. Nearly, 20,000 quintals of certified seed were produced by 2015, and seed replacement rates increased by 25–80 percent for seed farmers, and 12–75 percent for other farmers using quality seeds, with yield improvements of over 40 percent for seed farmers (32 quintals/hectare to 45 quintals/hectare), and 28 percent for other farmers (31–41 quintals/hectare). Income thus increased to INR 43 million (US$676,846) for seed farmers, and an incremental income of INR 888 million (US$13.9 million) for other farmers. An estimated 30,000[40] farmers benefited from their income as a direct result of improved seed replacement rates and yields. There was considerable scope for furthering the project's reach in introducing community seed banking and local institutional development.

The Mo-Badi initiative was undertaken with mainly 38,878 EPVG households, starting mid-2014. The activities supported targeting very poor women in key households, identifying suitable small pieces of land, providing training and planting materials, and focusing on backyard gardening with nutrition enhancing production. Although there were limitations in the amount of resources allocated, overall monitoring, and wider dissemination of nutrition information, the individuals targeted perceived this activity as one of the most successful initiatives of the project as it focused on the needs of the marginalized EPVG women. As noted by a small survey conducted by the project in one district, the members experienced an increase in vegetable availability, reduced spending on buying vegetables (*reduced spending of INR 430 per household per month*), and underwent some changes in eating patterns.

In spite of some notable achievements in a relatively short period towards the end of the project, these did not meet the expected number of beneficiaries or provide solid linkages to critical value chain activities. However, based on project MIS, an estimated outreach of 140,897[41] household livelihoods were strengthened considerably by various initiatives of the project, namely, agriculture productivity enhancement, seed development program, backyard poultry, and non-farm initiatives in partnership with Odisha Rural Development and Marketing Society (ORMAS)–CIF funding an additional 530,000[42] households, strengthening their livelihoods by either building a sustainable asset base (livestock, irrigation sources, land development, agriculture equipment) or by investing in existing or new businesses (agriculture,

[39] Sri Ekadashi Nandi 2015. Impact Assessment Study of "Tripti Seed Village Programme" in Odisha (2011-12 to 2014-15.)

[40] Total seed production in three years was 12,814 quintals, i.e. 64,070 bags; about 30 percent of seeds were locally procured through a community procurement mechanism and the distribution was managed by the GPLFs. Thus it is estimated that over three years nearly 4,000 quintals would have been locally sold and around 30,000 famers would have directly benefited.

[41] SRI+IPP farmers: 72,216; seed village direct farmers: 1,794; seed village in direct farmers: 30,000; poultry: 15,000; Mo-Badi: 38,878; Total: 140,897.

[42] Survey of 690 PLFs indicated that 78 percent of the members had access to credit and of this 73 percent who took loan used the money for various livelihood enhancement purposes.

animal husbandry, petty business, small shops, etc.).

Skill Development and Jobs

During the situational analysis process in 988 (97 percent) of the targeted 1,020 gram panchayats, the project identified unemployed male and female youth belonging to P&EPVG categories in the age group 18–35 years. Sensitization and registration of identified youth profiles and their preferred trades were recorded in the OLM database. However, the project did not directly implement this sub-component since none of the project implementation agencies who had applied for the recruitment met the project's evaluation criteria. As an alternative, the project linked 4,568 identified youth to various project implementation agencies empanelled by the MoRD for the SGSY Special Project. A total of 3,332 youth were trained and 2,366 (71 percent) were placed in jobs in 2011. The project also developed a concept note for self-employment, which was pending at the end of the project, which stated that Rural Self Employment Training Institutes (RSETI) would train 2,500 youth by the end of the project and provide INR 10,000 (US$157.4) per person as startup capital through GPLFs.

In August 2012, the project signed a Memorandum of Understanding with ORMAS to act as a project implementation agency and coordinate with other vocational training institutes to provide skills training, placement services, and conduct a sample based post-placement tracer study for the project. ORMAS was also the coordinating agency for all activities under the SGSY-Special Project over the previous two years in Odisha and possessed sufficient expertise in placement-linked skills development. ORMAS planned to train 10,000 youth by the end of the project.

**Table 16: Jobs (data for project handled portfolio) **

Particulars	**Number of individuals**	**Number of individuals**	**Number of individuals**	
No of candidates trained (Project +RSETI+Others)	3,332	Successfully completed training with project implementation agency	Placed by project implementation agency	Average salary/month (INR)
Female	1,409	1,392	1,060	4,116
Male	1,923	1,895	1,310	4,534
SC	859			
ST	112			
SEBC	988			
Others	1,373			

Table 17: Types of trades and average salaries

Trade	**Male (Number)**	**Female (Number)**	**Total (Number)**	**Average salary/ month (INR)**
Basic computer and office management	14	1	15	NA
BSPA	0	141	141	2,394
CNC operator	41	0	41	5,200
Computer and Accounts	226	191		3,450
Customer service	70	38		3,820
Diamond cutting	1	1	2	3,500
Electrical and Fitter	129	0	129	5,000
Garment checker and finisher	5	0	5	4,868

Computer hardware and networking	8	1	9	3,500
Hospitality and tourism	175	8		3,941
Industrial SMO	79	117		4,260
ITES and mobile	119	45		3,550
Retail	183	82		4,525
Sales and marketing	429	258		4,482
Security	124	4		5,671
Sewing machine, spinning and weaving	141	522		4,500
Welding and fabrication	66	0		4,000
Other trade	87	26		NA

Annex 3: Economic and Financial Analysis

Introduction

The project generated a range of benefits, such as skills for strategic planning, MIP preparation and livelihoods promotion activities. It also provided a strong foundation for further investment and welfare improvement among participating households, often from the poorer and marginalized communities. The project lifted the morale and self-confidence of local household groups and gave them a leading role in shaping their own destinies. All these project achievements could be summarized as 'empowerment', which means that households could articulate their own problems and make choices as to the most appropriate means of reviving and sustaining their livelihoods. Many of these valuable, though intangible, project achievements were critical for long-term economic viability of individuals, households and their enterprises.

In this context, the economic analysis methodology considered capacity building and livelihood promotion activities as essential building blocks of the development 'tripod' comprising improvement in economic well-being, enhancement of self-esteem and 'life chances' of individuals in rural areas. In evaluating the returns from the CIF, the economic analysis distinguished between the demand and supply side effects. The demand side benefits relate to the 'multiplier' effects on the level of value-added in a particular socio-economic system from the infusion of public expenditure into the local economy. While undoubtedly important, no attempt was made to quantify these benefits due to extensive data requirements. Instead, the economic analysis focused on evaluation of the supply side effects to establish whether or not the project had generated sustainable economic improvement in rural livelihoods.

Analytical methodology

The PDO aimed to enhance the socio-economic status of the poor, especially women and disadvantageous groups, in selected districts of Odisha. The project concept was based on the premise of attaining household-level livelihood improvement solutions in terms of correcting or improving market performance in rural areas and offering resources for guiding local development. 'Supply side' effects captured the sustainable improvement in productive capacity brought about as a result of the project. In other words, the supply side effects encapsulated the potential to generate improvements in output on a sustainable basis.

Project benefits

According to the general approach, the relevant variable to focus on was the level of additional economic productive capacity attributable to the project. As a next step, it was necessary to measure the overall rate of return on the total project investment costs. To generate such an estimate a comprehensive baseline data covering the revenue and cost structure of each economic activity supported by the project (as well as relevant 'control group' information) together with procedures for periodic updating was required. However, following this approach would have been impractical and therefore as appropriate for projects of this type, instead of attempting to compute an overall economic rate of return, the economic analysis followed the 'case study' approach to understand the degree to which 'typical' project activities contributed to enhancement of the capacity of beneficiary households to operate as viable economic entities. The project's interventions were designed to improve market performance and correct 'market failures' in rural areas. In the context of livelihood improvements there could be many such 'market failures'. For example, one such 'market failure' could be household level financial constraints. In this case incremental benefits could be clearly attributed to the project, because in the absence of an enhanced financial inflow the modified household enterprise would not have gone ahead.

To enable an informed selection of typical investment activities for the preparation of 'case studies', the project staff prepared a list of most common household-level activities implemented in the project area. Table 17 lists these activities together with different combinations of funding sources typically available to households for funding each activity. The table indicates that the CIF offers the widest range of funding possibilities, particularly when compared to more restrictive funding sources, such as from moneylenders or bank loans. Generally, from consultations with the project and GPLF staff and the data analysis it would appear that the demand for CIF resources was highest for activities that were too big to be funded by households' own cash surpluses and were too small to be funded by a bank loan.[43]

Table 18: Range of typical social and economic activities and funding sources

Activity/Source of funding	**Own resources**	**CIF**	**Bank loan**	**Moneylender**
Health	+	x	x	+
Food and home consumption	+	x	x	x
Education	+	+	x	x
Marriage	+	+	x	+
High cost old debt redemption	+	+	+	x
Inputs for paddy	+	+	x	+
Backyard poultry	+	+	x	x
Inputs for vegetable cultivation	+	+	x	x
Working capital for trading	+	+	x	x
Goat purchase	X	+	+	+
Cow purchase	X	+	+	+
Fisheries	X	+	+	x
Mushroom cultivation	X	+	x	x
Irrigation/machinery	X	+	+	x
Small off farm enterprise	X	+	+	x
Small shops	X	+	+	x

Source: Project database[44]

The selection of economic activities for economic analysis was done in consultation with the project team. The idea behind the selection was to cover major livelihood activities in the project villages which were being typically undertaken by households with their own funds, CIF funding or bank loans. Four activities (traditional paddy cultivation, backyard poultry, onion

[43] The borrowing from moneylenders is typically reserved for family emergencies.
[44] "+" denotes the institutions from which funds are accessed for the activity ; "X" denotes institutions from which funds are not accessed for the activity

cultivation and fishery) were identified to represent the returns from the combined use of household's own and borrowed CIF resources, with seven further activities (vegetable production, handloom, paddy seed, dairy, handicraft, trading and petty business) chosen to represent the returns from a combination of CIF and bank loan funding. The first set of activities was at a smaller scale requiring an annual investment of INR 5,000–20,000. The activities normally funded by a combination of CIF funds and bank loans were understandably larger and required an annual expenditure of INR 25,000–250,000.

A total of 50 households were surveyed during August–September 2015. The financial modeling template was developed by FAO with the general approach to develop budgets for each activity for a sample of typical households in the form of an average 'annualized' income–expenditure account. In addition to the income–expenditure account, particular care was taken to estimate the number of days of household labor utilized during the activity period. Of the selected activities, some activities such as paddy and onion cultivation had a greater geographical spread. For such activities samples were drawn from three locations with different agro-climatic conditions. On the other hand for fisheries and dairy (which were limited to few agro-climatic zones), the sample was taken from those particular locations. The villages for the study were picked by the project block teams based on the availability of the respondents on the given visit dates. The selection of households for the economic analysis was done on a random basis, though preference was given to respondents belonging to P&EPVG families. A standard template for data collection was utilized for all activities.[45]

The summary of findings is presented in Table 18. Because more traditional measures of economic and financial internal rates of return could not be used for consistent comparison of returns from activities of varying magnitudes, the economic analysis employed the 'benefit–cost ratio' and 'return on costs' as its two indicators of economic and financial returns, respectively. The former represents a conventional economic benefit–cost analysis measure while the latter was defined as the value of net cash returns relative to total cash expenditure – a measure commonly used by entrepreneurs for ranking investment options according to attractiveness of their financial returns.

For CIF and household cash funded activities the benefit–cost ratios ranged from 1.66 for fisheries to 3.41 for traditional paddy cultivation. The net cash income from a typical CIF/household cash-funded activity was INR 6,255 (for onion cultivation) to INR 22,444 (for fisheries). The returns on costs were very high – with the lowest return of 65 percent estimated for fisheries and 157 percent for traditional paddy cultivation. Larger investments, typically funded by a combination of CIF and bank loan financing, also demonstrated highly attractive benefits ranging from the benefit–cost ratio of 1.26 for petty business to 5.48 for vegetable production. The returns on costs were more varied with the lowest estimate (15 percent) for petty business and highest estimate (416 percent) for vegetable production. This group of activities also brought about much higher net cash income ranging from INR 30,000 to 160,000 per activity.

[45] The same template had been utilized during the economic analysis of livelihood activities for World Bank supported "District Poverty Initiative Project" in Madhya Pradesh, India.

Table 19: Summary of the financial analysis of the selected activities (in INR)

Household's own cash surplus and CIF funding						
Activity	**Economic Benefits**	**Economic Costs**	**Benefit-Cost Ratio**	**Cash Net Income**	**Cash Costs**	**Return on Costs (in %)**
Paddy	33,225	9,740	3.41	16,641	10,584	157%
Poultry	13,844	4,650	2.98	8,201	5,643	145%
Onion	20,783	9,058	2.29	6,255	11,930	52%
Fishery	35,750	21,601	1.66	14,548	22,444	65%
CIF and Bank loan funding						
Activity	**Economic Benefits**	**Economic Costs**	**Benefit-Cost Ratio**	**Cash Net Income**	**Cash Costs**	**Return on Costs (in %)**
Vegetable Production	203,040	37,054	5.48	163,682	39,358	416%
Handloom	99,400	24,200	4.11	73,032	26,368	277%
Paddy Seed	58,850	26,626	2.21	24,734	27,556	90%
Dairy	77,186	41,658	1.85	30,769	45,959	67%
Handicraft	195,000	121,500	1.60	61,051	127,349	48%
Trading	209,000	151,900	1.38	46,879	159,121	29%
Petty Business	317,700	252,900	1.26	40,404	265,056	15%

Source: Project database

These estimates of the project impact exceeded those made at project appraisal. At the time of the project appraisal the project preparation team identified a set of four typical activities (handloom, dairy, horticulture and fisheries) to represent the expected range of economic returns to be realized by households targeted by the project. Table 19 compares the original estimates of the expected range of benefit–cost ratios with that estimated at the time of project closure. The latter exceeds the former by a very large margin indicating that the project could have made a larger-than-expected economic impact.

Table 20: Benefit–cost ratios for selected activities

Activity	**At project appraisal**	**At project evaluation**
Handloom	2.67	4.11
Dairy	1.57	1.85
Horticulture	1.44	2.29
Fishery	1.22	1.66

Source: Project Appraisal Document

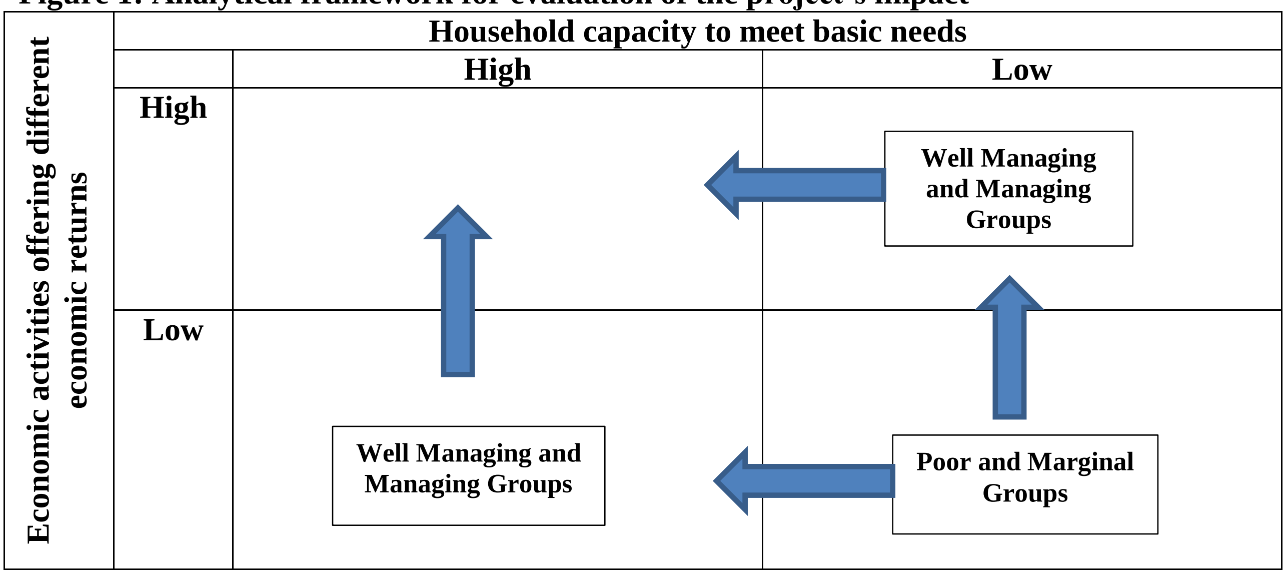
In closing, it is important to temper the interpretation of the higher-than-expected estimated returns with a couple of considerations. First, a very short history of the project intervention implied that current estimates could not provide an impression of the 'steady state' outcome. Apart from this, the main difficulty with inferring project impact from representative micro-project data was that these measures were gross estimates.

Project impact at household level

The capacity of rural households to take advantage of income earning opportunities depends on their performance as economic entities and the extent to which they can draw resources away from their households' basic needs. This analytical framework recognizes both of these parameters because both are essential for household income growth. Income gains can be realized by households who are not only viable as economic units but also have the ability to meet their essential livelihood needs (nutritional, clothing, health and debt repayment requirements) at the same time.

In this analytical framework the project impact was discerned from the observed capacity of the households to: (i) realize income gains from economic activity, and (ii) meet basic household needs (food and health related expenditures and debt repayment). Figure 1 below uses this framework to explain the project impact on households with different capacity levels for meeting their basic needs. Horizontal movement (from right to left) could relate to an increase in household cash surplus due to growth in household income and/or lower household expenditure on debt repayment due to reduction in household indebtedness level. Vertical (upward) movement could mean scaling up or intensification of present income-generating activity and/or engagement in a more lucrative business opportunity available to a household for a given level of capacity.

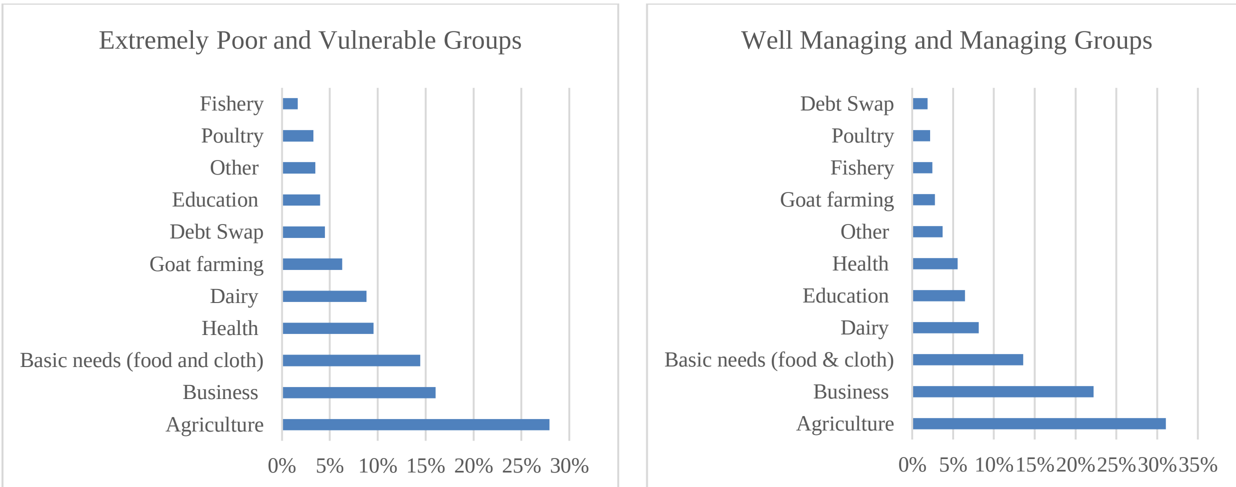
Figure 1: Analytical framework for evaluation of the project's impact

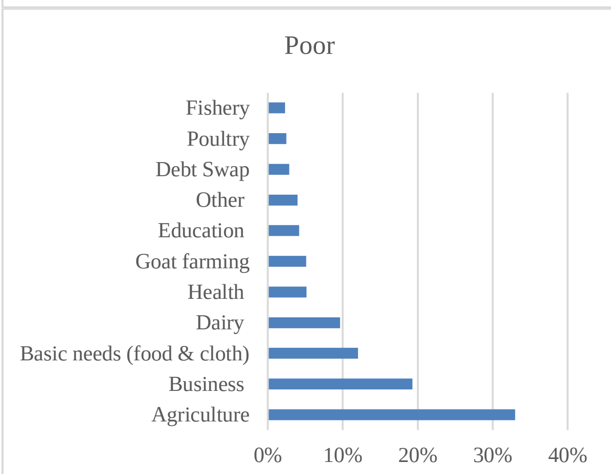


The attractiveness or returns of economic activities can be measured using normal financial modeling tools. The household capacity to engage in an economic activity can be defined as a feasible set of activities available to households in each income group. For example, some economic activities require higher level of expenditure and therefore will be attainable only by relatively better-off households or households with higher-than-average asset endowment (land, labor and capital) or households with lower levels of indebtedness.

The analysis of CIF utilization by households belonging to different income groups provided further insight and helped to clarify this framework. Among EPVG households about 28 percent of the total credit use was linked with basic needs (food, clothing, health and debt swaps) while among the relatively well-off households this share amounted to 20 percent. Well managing households were also using credit resources more extensively for business activities (Figure 2).

Figure 2. Utilization of Community Investment Fund by different income groups





Source: Data from Project Implementing Agency

These results (and analysis from the preceding section) showed that while the attractiveness of many agricultural activities appears to be inherently high, the ability of the households to engage in them can vary depending on how well they could meet their pressing livelihood needs (food, clothing, health and debt repayment obligations). Some of these constraints can be overcome by access to reasonably priced credit provided by the project.

To better understand the impact of the project on household level finances the project collated information for the same 60 households collected over the two rounds of MIP preparation in 2012 and 2014. The households chosen to represent all socio-economic groups and three main economic locations ('peri-urban'; 'coastal' and 'remote' or 'inland') were selected from GPLFs with good reputation for consistently producing high quality reports. In each GPLF the quarterly income and expenditure data reported in two consecutive set of reports (MIPs and other reports collected by SHGs and GPLF) were collected for six typical households from each income group ('well-off and managing'; 'poor'; and 'extremely poor and vulnerable'). Information was also collected separately for households belonging to the following groups:

sharecroppers; tribal, SC and other marginalized groups; 'new' SHGs created with project support; and SHGs that were in place before the project. The key findings are presented below.

Average impact: Table 20 shows the average change in total income and expenditure figures for 54 households. While the data did not show any growth in real incomes or expenditures it indicated a major reduction in average household debt status (37 percent reduction in real terms) as well as modest gains in education and food expenditures.

Table 21: Average change in household income, expenditure and indebtedness of sample (in 2012 INR)

	1st MIP (2012)	2nd MIP (2014)	Average change	% change
Average total income	75,630	73,571	(2,058)	-3%
Average total expenditure	58,591	57,277	(1,315)	-2%
Average food expenditure	25,066	25,754	4,881	3%
Average expenditure on education	8,415	9,075	2,137	8%
Average expenditure on health	6,224	5,784	502	-7%
Average indebtedness status (beginning of the year)	32,111	20,340	(8,460)	-37%

Source: GPLF records

Impact on poor: Table 21 presents the changes in incomes and expenditures of an average 'poor' household (sample size 24) in real 2012 INR. The data shows 12 percent growth in real total incomes and 2 percent in real total expenditures. Real gains were recorded for education and food expenditure as well as entrepreneurial and agricultural incomes.

Table 22: Impact on poor SHG members (real 2012 INR)

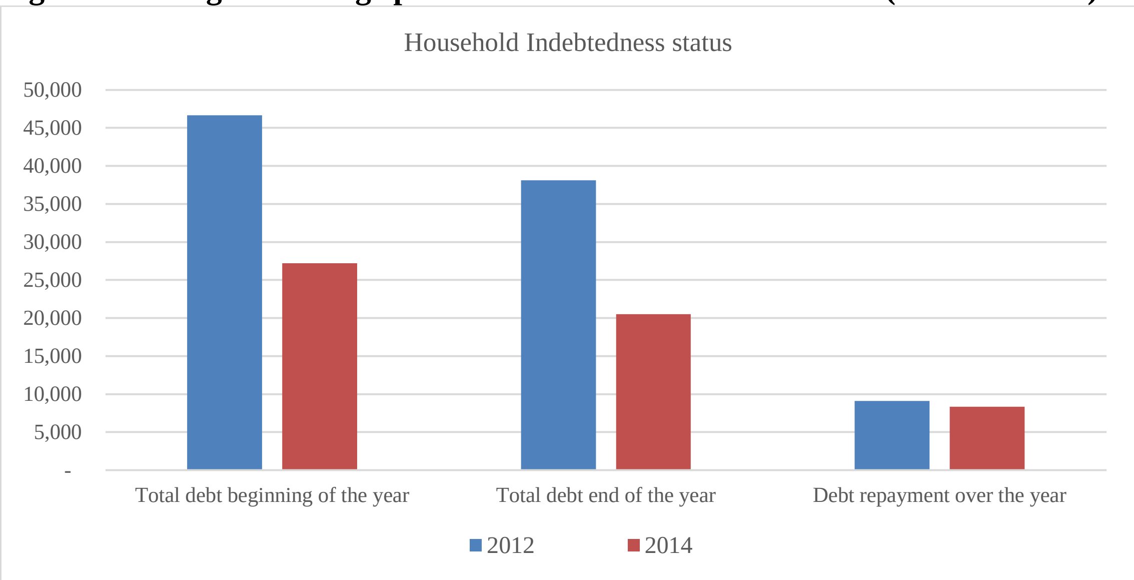
	1st MIP (2012)	2nd MIP (2014)	Average change	% change
Total income	**57,500**	**64,256**	**6,756**	**12%**
Agricultural	15,263	17,351	2,088	14%
Labor	17,713	16,315	(1,398)	-8%
Entrepreneurial	19,583	23,912	4,328	22%
State transfers	1,500	2,007	507	34%
Private transfers	1,000	2,222	1,222	122%
Other	2,442	2,451	9	0%
Total expenditure	**55,627**	**56,472**	**845**	**2%**
Food	23,973	25,696	1,723	7%
Education	7,308	8,206	898	12%
Health	6,675	6,325	(350)	-5%
Transport	1,413	1,415	2	0%
Entertainment	2,090	2,781	690	33%
Debt repayment	9,097	8,352	(745)	-8%
Household debt status				
Total debt (reported in the beginning of the year)	46,642	27,186	(19,456)	-42%

Total debt (reported at the end of the year)	38,095	20,504	(17,591)	-46%
Debt repayment as a share of total expenditure	16%	15%	(0)	-10%

Source: GPLF records

Other notable findings included significant debt reduction in real terms (over 40 percent), but not a very significant reduction in annual debt expenditure indicating that households could be taking new short-term loans (while managing to reduce their overall indebtedness levels at the same time) (Figure 3).

Figure 3. Change in average poor household indebtedness status (real 2012 INR)



Source: GPLF records

In general, the data showed very high level of indebtedness in 'before the project' situation with the debt levels being the highest (both in absolute values and as a share of total income) among the poorer households. Further data analysis (not shown here) indicated that the share of total debt to total income had declined, particularly for the poor who showed the largest (absolute and relative) reduction in total debt as well as the largest (absolute and relative) increase in income among all household income groups.

Impact on household in remote locations, marginal groups, sharecroppers: Table 22 contains the summary analysis of income and expenditure of average households belonging to different geographic groups. It was based on 54 households, but the data was tested to see if there was an effect by location. The analyses revealed the following:

- Peri-urban households had the highest income and indebtedness levels, but also recorded the highest growth (absolute and relative) in food expenditure (13 percent) and the highest (absolute and relative) reduction in indebtedness (42 percent);
- Households residing in coastal areas made the largest (absolute and relative) gain in total incomes (25 percent) and the largest (in relative but not in absolute terms) increase in education expenditure (32 percent);

- Coastal households were the only household group for whom indebtedness had increased (80 percent), but from a very low base;
- Households residing in remote or inland locations belonged to a group with the lowest total income but also with the smallest degree of indebtedness compared to all other households;
- Inland and remote households had the highest absolute level of spending on health (the only group where education and health expenditure exceeds expenditure on food) and spent as much on education and health as peri-urban households despite being considerably poorer.

Table 23: Impact on SHG members residing in different socio-economic locations (real 2012 INR)

	1st MIP (2012)	2nd MIP (2014)	Average change	% change
Peri-Urban				
Average income	109,767	100,410	(9,357)	-9%
Average expenditure	77,187	71,956	(5,231)	-7%
Average expenditure on food	35,306	39,765	4,460	13%
Average expenditure on education	13,522	12,843	(680)	-5%
Average expenditure on health	6,667	5,752	(914)	-14%
Average indebtedness	80,806	46,535	(34,271)	-42%
Coastal				
Average income	50,411	63,229	12,818	25%
Average expenditure	47,843	48,504	660	1%
Average expenditure on food	25,392	23,067	(2,325)	-9%
Average expenditure on education	4,656	6,125	1,470	32%
Average expenditure on health	3,867	2,771	(1,096)	-28%
Average indebtedness	4,861	8,752	3,891	80%
Remote or Inland				
Average income	66,711	57,075	(9,636)	-14%
Average expenditure	50,744	51,371	626	1%
Average expenditure on food	14,500	14,429	(71)	0%
Average expenditure on education	7,067	8,256	1,189	17%
Average expenditure on health	8,139	8,829	690	8%
Average indebtedness	10,667	5,734	(4,933)	-46%

Source: GPLF records

Table 23 shows the changes in average income and expenditure of sharecroppers in real 2012 INR (sample size 14 households). Sharecroppers were the poorest income group in 2012 and 2014 and showed the highest (relative and absolute) gain in total income (38 percent) as well as a sizable reduction in indebtedness (46 percent). Despite these impressive gains their total expenditure on health and education remained the lowest among all other groups.

Table 24: Project impact on share croppers (real 2012 INR)

Item	1st MIP (2012)	2nd MIP (2014)	Average change	% change
Average income	43,064	59,260	16,196	38%
Average expenditure	46,584	51,144	4,560	10%
Average expenditure on food	24,275	27,569	3,294	14%
Average expenditure on education	7,014	5,897	(1,117)	-16%
Average expenditure on health	4,864	4,533	(331)	-7%
Average indebtedness	16,171	8,765	(7,407)	-46%

Source: GPLF records

Project impact on households in newly created SHGs (sample size 42): Table 24 shows changes in average income and expenditure of households of the newly created SHGs in real 2012 INR (sample size 42 households). The data indicated significant growth in entrepreneurial and agricultural incomes however the main impact appeared to be a major reduction in both debt repayment expenditure (27 percent) and debt indebtedness status (more than 60 percent). A closer look (Figure 4) showed that the project could have contributed to higher cash surpluses (difference between total cash income and total cash expenditure) particularly during the first two quarters. The total average gain in cash surplus was estimated at 10 percent (or INR 1,663 in 2012 prices).

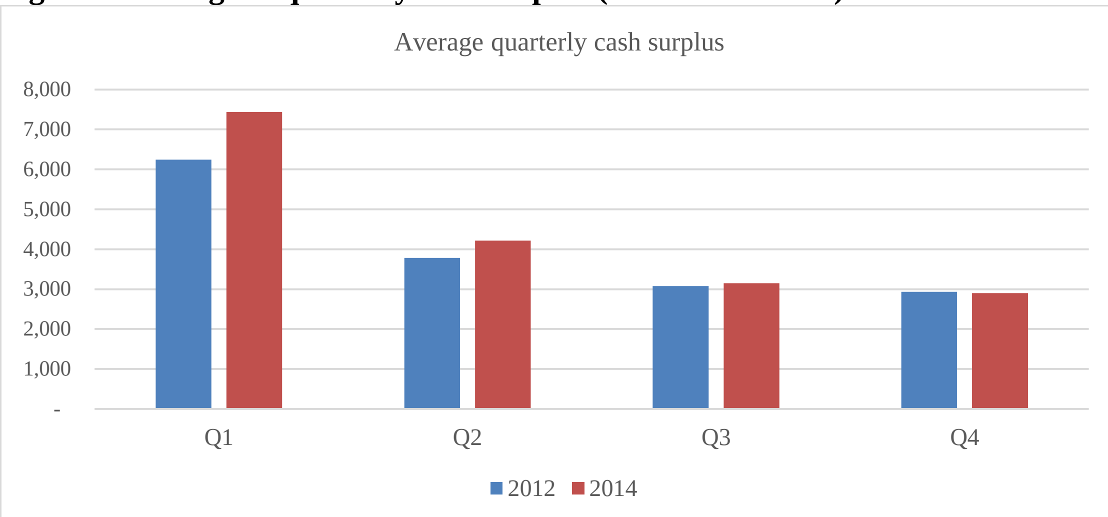
Table 25: Project impact on average income and expenditure of households from newly created SHGs (in 2012 INR)

	1st MIP (2012)	2nd MIP (2014)	Average change	% change
Total income	**69,686**	**67,823**	**(1,862)**	**-3%**
Agricultural	14,652	15,660	1,008	7%
Labor	17,816	15,814	(2,002)	-11%
Entrepreneurial	21,512	24,268	2,756	13%
State transfers	2,146	1,392	(754)	-35%
Private transfers	9,034	5,545	(3,489)	-39%
Other	5,537	5,144	(393)	-7%
Total expenditure	**53,649**	**50,123**	**(3,525)**	**-7%**
Food	24,811	24,891	80	0%
Education	5,376	6,708	1,332	25%
Health	5,900	5,498	(402)	-7%
Transport	1,351	1,188	(164)	-12%
Entertainment	1,901	2,359	458	24%
Debt repayment	8,496	6,168	(2,328)	-27%
Debt repayment as a share of total expenditure	**16%**	**12%**	**(0)**	**-22%**

Total debt beginning of the year	20,348	7,467	(12,880)	-63%
Total debt end of the year	14,802	4,218	(10,584)	-72%

Source: GPLF records

Figure 4: Change in quarterly cash surplus (in real 2012 INR)



Source: GPLF records

Findings from similar projects

An increase in the productive asset of the poor was an important impact for many livelihood-improvement projects, in the mid-to-late 2000s. The poor in the Andhra Pradesh District Poverty Initiatives (APDPIP) and Madhya Pradesh District Poverty Initiatives Project Phase I (MPDPIP-I) increased the ownership of both movable and immovable property (Hancock J. and Bauman P, 2012). An ex-post economic analysis conducted during 2006–2007 revealed that 88 percent of the assets created under the MPDPIP were still functional. Similarly, the value of household-owned productive assets increased in response to the livelihoods project in Rajasthan. APDPIP tripled the value of household-owned assets over the six-year-long duration of the project. Most of these assets were land leases, livestock and house construction. When measured in current prices, the average household asset value for project beneficiaries, according to the project's Implementation Completion Report (ICR), increased from US$746 (INR 32,808) in mid-2000 to US$2,001 (INR 88,061) with an annual growth of 31 percent. This is despite a considerable increase in the value of owned assets among the non-project households. The sustainability of project benefits in livelihoods projects were measured by the percentage of assets remaining in use several years after project completion.[46] In Madhya Pradesh, an ex-post economic analysis conducted in 2006–2007 revealed that 88 percent of the project-funded assets were in productive use.

Studies looking at long-term economic impact of such projects revealed significant economic impact three to six years after group formation. There was strong evidence of project

[46] Hancock J. and Bauman P, 2012, 'Stocktaking of livelihood projects in India - a synthesis paper', FAO Investment Centre.

benefits being shared by the poorest. Other notable findings included evidence of asset accumulation and considerable gains in consumption. Some studies found significant positive externalities in terms of social impact on people not participating in the project. Poor households were seen to benefit even in the absence of measurable gains on income and asset accumulation with a consumption smoothing effect being the key early benefit of program participation.

It was interesting to note that these projects were based on earlier generation livelihoods project model in India focusing on common interest groups (CIGs, often men) with direct grant support to productive activities. The findings from such projects also showed limitations on institutional sustainability and the possibility to spread benefits, and communities' ability to continue to diversify activities. The present analysis showed that benefits can also be obtained from livelihoods activities stimulated by a grassroots credit system, and with appropriate support in place sustain continued financing to households as well as expand membership.

Conclusion

In the long-term the project would have failed as an intervention if it had not succeeded in promoting local development – a concept embracing not just an improvement in economic wellbeing of individual households but also enhancement of their sense of self-esteem and the enrichment of their range of 'life chances'. For local development to succeed the project must harness all elements of the rural base: community groups, farmers, the private sector, local authorities and the state agencies for the benefit of the targeted household groups. In this regard the qualitative project impact assessment studies suggested that the project be considered successful in complementing the role of existing agencies and measures in socio-economic development, both in relation to the scale of activities and specific socio-economic locations.

The project endowed a large number of individuals with skills in social mobilization and thus enabled household groups to influence their own development. In general, the project helped empower communities to build social capital and to be more effective in addressing their priority needs. These project contributions can improve rural livelihoods and local development in the long run. However, given the timeframe of the current project any attempt at gauging the impact on economic wellbeing cannot pretend to capture effects due to these processes.

The 'case study' analysis of typical project interventions carried out at the household project level indicated that project-funded economic activities generated attractive returns. With due consideration of the limitations of the chosen approach, the 'case study' analysis confirmed superior levels of financial viability of the typical activities implemented under the CIF program. The analysis was primarily based on post-financial appraisal of 50 households undertaken during 2015 by an independent consultant. The comparison of estimated economic and financial returns with those prepared during the project appraisal seems to indicate that the project had generated higher than the expected volume of economic benefits and could be considered a success. The sustainability of the project's benefits would depend on the success with which the GoO could maintain and upgrade the knowledge of GPLF staff in financial management together as well as the mechanisms for accountability and transparency. The World Bank and project staff working on livelihood improvement projects should adopt the practice of conducting household level project post financial appraisal (on a sample basis) of its on-going and future operations.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Asmeen Khan	Senior Rural Development Specialist	SASSD	TTL
Samik Sundar Das	Senior Rural Development Specialist	SASSD	Co-TTL
Manvinder Mamak	Senior Financial Management Specialist	SARFM	Financial Management
Manmohan Singh Bajaj/Sushil Bahl	Senior Procurement Specialist	SARPS	Procurement
Parimal Sadaphal	Environmental Consultant	SASSD	Environment
Benjamin Powis	Social Development Consultant	SASSD	Social Development
Philip O' Keefe	Lead Social Protection Specialist	SASHD	Poverty
Samir Ghosh	Social Inclusion Consultant	SASHD	Social Protection
Parmesh Shah	Lead Rural Development Specialist	SASSD	Livelihoods
Talib B. K. Esmail	Senior Operations Office	SAROQ	Ex-TTL
Sanjay Pahuja	Environmental Specialist	SASSD	Environment
Ajai Nair	Livelihood Finance Consultant	ARD	Micro-finance
Ashish Mondal	Monitoring and Evaluation Consultant	SASSD	M&E
Vikram Menon	Senior Public Sector Specialist	SASPR	Poverty
Sandra U Sousa	Program Assistant	SASSD	Admin. Assistance
Naseer Ahmad Rana	Adviser	SASSQ	Governance
Jacqueline Julian	Senior Program Assistant	SASSD	Cost Tables
Thao La Nguyen	Disbursement Officer	LOAF	Disbursements
Philip Beauregard/Raj Soopramanien	Senior Counsel	LEGES	Legal Documents
Adarsh Kumar	Economic Analysis Consultant	SASSD	Economist
Rukmani Dutta	Strategic Communications Consultant	SASSD	Communication
Deborah L Ricks	Program Assistant (HQs)	SASSD	Program Assistance
Supervision/ICR			
Samik Sundar Das	Senior Rural Development Specialist	GFADR	TTL
Sitaramachandra Machiraju	Senior Water & Sanitation Specialist	GWASP	Co-TTL
Manvinder Mamak	Senior Financial Management Specialist	GGODR	Financial Management
Swayamsiddha Mohanty	Procurement Specialist	GGODR	Procurement
Nethra Palaniswamy	Team member	DECPI	Social Observatory
Parmesh Shah	Team Member	GFADR	Strategic Advise
Ruma Tavorath	Team member	GENDR	Environment
Sandra U Sousa	Team Member	SACIN	Admin. Assistance
Sanjay Pahuja	Safeguards Specialist	GWADR	Environment
Shouvik Mitra	Team member	GFADR	Livelihoods
Shruti Gaur	Team member	GFADR	Program Management
Varun Singh	Senior Social Development Specialist	GSURR	Social Development

(b) Staff time and cost

Stage of project cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	**US$ thousands (including travel and consultant costs)**
Lending		
FY05	18.44	91.69
FY06	24.94	132.53
FY07	5.61	33.92
FY08	20.55	162.91
FY09	6.11	19.38
Total:	75.65	440.42
Supervision/ICR		
FY09	19.47	97.58
FY10	20.44	80.97
FY11	21.87	58.44
FY12	24.25	82.14
FY13	28.30	90.20
FY14	20.14	102.16
FY15	21.32	95.77
FY16	6.14	29.33
Total:	161.93	636.62

Annex 5. Beneficiary Survey Results

Results Brief: Impact Evaluation Results - Odisha Rural Livelihoods (the project) Project Social Observatory - September 2015

Introduction

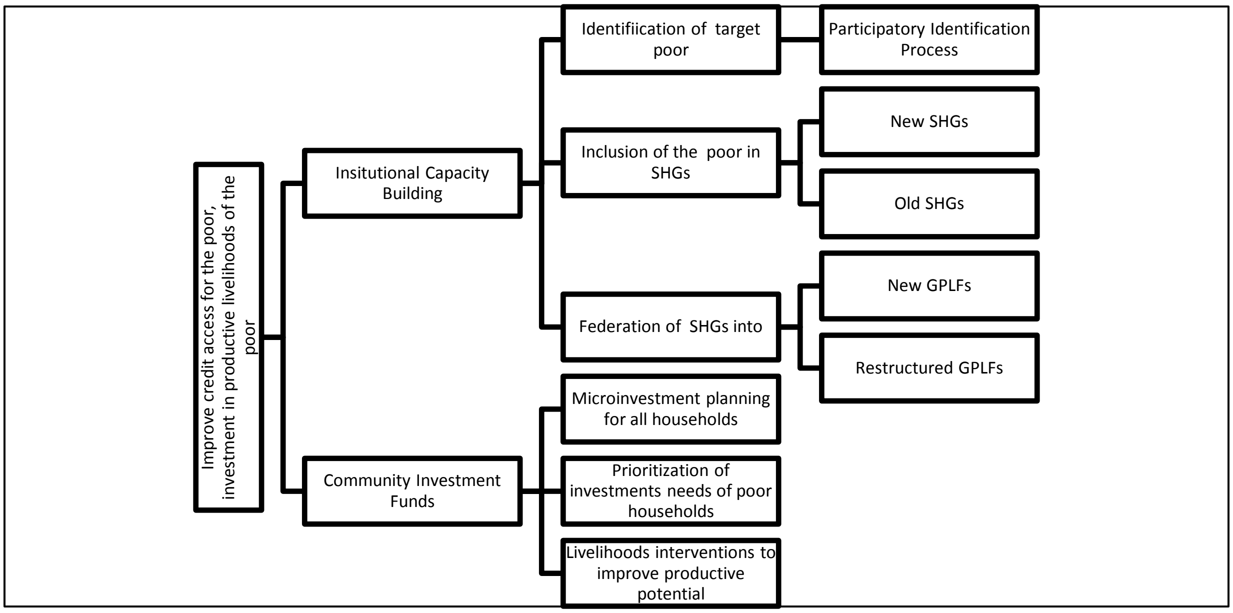
Participatory livelihoods projects are a popular model for anti-poverty projects in India. Such projects are implemented in several states of India through various partners that include the national government, state governments, and donor-funded programs. Based on the idea that multiple interventions are needed to address the multiple causes of poverty, the typical livelihoods project deploys some form of community or citizen involvement to implement these. Taken together, these SHG-centered interventions – that always include household targeted programs that involve credit, livelihoods support, investments in institution building, and at times seek to improve access to public services – define a multi-dimensional approach to improving household welfare and reducing poverty. The empirical evidence on whether these projects did in fact create better livelihoods and employment and improve the economic and social welfare of households has been largely unclear, despite the investment of significant public resources in the latter for over two decades (Mansuri and Rao, 2013).

Designing rigorous impact evaluations for such demand driven and multi-dimensional projects is often challenging, as the core intervention of creating networks of SHGs often has a long implementation history. This makes the task of designing a rigorous impact evaluation, which requires a scientifically valid "control" or comparison group that is as similar as possible to the project or "treatment" area, difficult. The project (launched in 2009 and implemented by GoO with assistance from the World Bank) was provided the opportunity to design a rigorous evaluation. In particular, the selection of the project area, which was based on objective and verifiable selection criterion, could be used to identify a valid control group. The project and the World Bank's Social Observatory team jointly designed this evaluation.

Project Intervention

While the GoO had initiated a formal SHG program with its Mission Sakthi in 2001, it was acknowledged that challenges of exclusion of the poor from SHGs along with the ability of these SHGs to sustainably reduce debt and to support diversification in livelihoods portfolios (World Bank, 2009) remained. The present project was designed to address these challenges of inclusion and limited productive potential. Therefore, this evaluation measured the impact of this project on the target population it sought to affect by oversampling SC and ST households, which were the identifiably disadvantaged and more likely to be poor (and therefore more likely to form the target population of the project) at baseline.

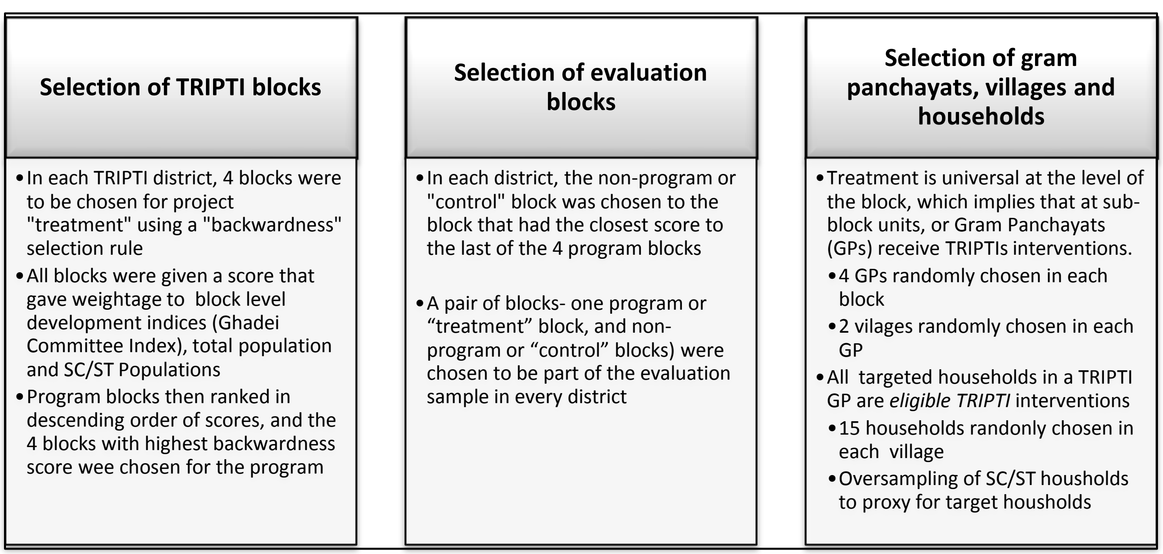
It was intended that the project's inclusion mandates would be met through the process of forming new SHGs and GPLFs, and restructuring old ones. The project provided CIFs that were to utilized by GPLFs based on a detailed MIP for each household, and prioritized based on credit needs of the poor, and linked to livelihood interventions. These were designed to improve credit access and promote the productive use of these funds. A stylized theory of change, through which the project interventions aimed to improve access of the poor to credit, and to improve their productive potential, is depicted in the figure below.



This project evaluation therefore assesses the impacts on economic and social welfare of targeted households as measured by access to credit, savings, indebtedness, livelihoods, consumption expenditures, and asset portfolios over a three-year period (2011–2014).

Evaluation design

This evaluation was designed in 2011 after the project areas were chosen, which meant that a "gold standard" impact evaluation with a randomized control trial method was not feasible. The selection rule for project areas however allowed for the next best available tool of regression discontinuity design (see box below). This design measured the change in outcomes between project or "treatment" and comparable non-project or "control" areas over the evaluation time period to evaluate the impact the project.



Evaluation data

The data used in this evaluation were collected from two surveys commissioned by the project with technical assistance from the World Bank. An independent survey firm implemented both surveys. The baseline survey was completed before the initiation of the project in the evaluation sample area during September–November 2011; and the follow up survey was implemented over the same month in 2014. Data therefore covered a three-year period during which the project was in operation.

The data collected focused on four modules. A *general household module* to collect data on household consumption expenditures (following the same format as India's National Sample Surveys used to measure poverty; and detailed information on the livelihoods portfolio and debt profile of households). A *woman's module* administered to an adult married woman in each household. This module measured different metrics of women's empowerment and included questions on decision-making within the household, and on women's participation in local public action. *Two focus group discussions* with the village in general, and women in the villages separately were also implemented in order to understand key elements related to local politics and civic action. In addition, a GPLF survey module that covered 58 project gram panchayats was implemented during the follow up survey.

As part of this evaluation, data was to be collected from a sample of 3,000 households selected at random from these 160 villages twice: once before the launch of project interventions in these 80 gram panchayats at baseline (2011), and once at the end of the project. The baseline survey included 2,875 households and the end-line survey included 2,874 households. The working sample was the total set of these households with reliable data. In each round of the survey, each household was linked to village-level data from that round.

Results

- Households in the project areas reported higher SHG membership compared to non-project areas. There was a 22 percent increase in SHG membership in the project areas compared to non-project areas. This increase was in addition to an already high baseline value of 67.9 percent SHG membership in project areas and 74.2 percent membership in control areas
- With this increased membership in SHGs, households in the project areas were less dependent on informal sources of credit, and more likely to rely on SHGs for savings, and more likely to save. They were 7.7 percent more likely to report borrowing from formal or institutional sources of credit. These institutional sources of credit included SHG or bank loans and excluded high-cost loans from moneylenders or relatives. About one quarter of the households in the project and control areas reported access to these formal credit sources at baseline.
- Improved access to cheaper credit however did not translate into improved economic welfare of households, as measured by increases in household consumption expenditures or assets.
- Despite no overall increases in household expenditures, the project households reported larger expenditures on healthcare (INR 303 more per capita per month compared to non-project areas), and a larger share of household expenditures towards women and children's goods (2 per cent more than in non-project areas). At baseline, households in the project areas reported an expenditure of INR 839 per capita on healthcare and a 3 percent share of expenditures on children and women's goods.
- There was no change in the livelihood portfolios of households in the project areas. These households however reported working two more days on the National Rural Employment

Guarantee Scheme compared to households in non-project areas. Women in these households reported working 1.8 days more on NREGA job-card than in non-project areas. It should also be noted that the baseline values for participation were very low (less than two days) for households and women in these households.

- The project also impacted on some measures of women's empowerment. While empowering women was not an explicit goal for the project, individual empowerment effects were fairly well established in evaluations of women-centered SHG interventions (Cartwright et al., 2006, Banerjee et al., 2013; Khandekar & Pitt, 1998; Datta, 2013; Khanna et al 2013). Evidence suggests that these types of programs can empower women in the private and public spheres (Sanyal, 2009, Blattman et al., 2011)). Notably, the project's impacts on credit access also improved the mobility of women in terms of being able to independently go to SHG meetings and banks. Women in the project areas were 17.8 percent more likely to go alone to an SHG meeting and 5.3 percent more likely visit a bank alone. This was however conditioned on them seeking permission to do so; 28.1 percent were more likely to seek permission before leaving the house in general, 17.3 percent were more likely to seek permission to go SHG meetings, and 8.5 percent were more likely to seek permission to visit a bank. However, this improved mobility related to credit services did not translate into women's individual empowerment or their input into decision-making within the household.
- The project also empowered women in the public sphere. More women in the project areas reported that they were likely to pursue local public problems that related to domestic violence and alcoholism (5.6 percent). The functioning of the public distribution system to act on these problems was higher by 8.1 percent in project areas. There was a 12.8 percent greater increase in the index of willingness of women to pursue institutional responses to these community problems in the project areas.

Discussion

This impact evaluation was one of a set of five evaluations in the World Bank's portfolio of livelihoods focussed CDD projects in India. The two completed evaluations used retrospective propensity score methods to assess the first phase of livelihoods-focussed participatory projects in Bihar (the JEEViKA project) and Tamil Nadu (the PVP project). These first phases covered a span of five to six years. While the methodologically was weaker than the evaluation of gold standard of randomized control trials and the second-best of RDD based evaluations, both these evaluations had significant effects on debt reduction, women's mobility and agency in intra-household decisions, and consumption impacts for SC/ST households in Tamil Nadu. There was evidence of women's participation in public action where these projects were linked to local governments, and some evidence on a shift in livelihoods portfolios (Datta, 2014, Khanna et al, 2015).

Two similar evaluations that focused on the second (and larger) phase of project operations are currently ongoing. In Bihar, the JEEViKA project is being evaluated using a randomized control trial with mixed methods; and in Tamil Nadu the PVP project is being evaluated using RDD. There were six evaluations of large-scale interventions across different states of India (that had very different socio-economic contexts) to prove the external validity of these results, and therefore reliably inform learning on the impacts of the portfolio of World Bank assisted livelihoods projects in India.

Acknowledgments

This note is based on a research paper authored by Shareen Joshi, Nethra Palaniswamy and Vijayendra Rao in September 2015. The research paper and evaluation were a joint output of the World Bank's Social Observatory team and the project. Discussions with the project team led by the Additional Project Director Babita Mohapatra, and the World Bank task team led by Samik Das were critical to the design of this evaluation. Support from Arvind Padhee and D.V. Swamy who served as Project Directors, and from Sitaramachandra Machiraju of the World Bank, and Radu Ban (*with World Bank during project period*) during the initial phase of this evaluation is gratefully acknowledged. We also thank Shantanu Bhoi and Suchismita Padhi from the project for support during survey implementation, SUTRA consultancy for implementing the survey and the Social Observatory team for implementation support.

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Table 26: Analysis of covariance (ANCOVA) estimates: conditional

		Treatment		R-squared	N
(1)	Household has a sewing machine	0.004	(0.008)	0.092	2333
(2)	Household has a kerosene stove	0.041*	(0.022)	0.135	2333
(3)	Household has jewelry	-0.007*	(0.004)	0.016	2333
(4)	Household has a mobile phone	-0.006	(0.016)	0.197	2333
(5)	Expenses per-capita: Total (monthly)	-1.715	(279.341)	0.122	1886
(6)	Expenses per-capita: Food (monthly)	-83.469	(259.389)	0.120	2125
(7)	Expenses per-capita: Non-Food (monthly)	11.365	(44.606)	0.063	1886
(8)	Expenses per woman on adult women's goods (annual)	73.280	(97.527)	0.104	1995
(9)	Expenses per child on children's goods (annual)	85.098	(55.326)	0.060	2044
(10)	Expenses per capita: healthcare (annual)	303.954**	(128.600)	0.024	2056
(11)	Fraction of household budget for food	-0.005	(0.009)	0.120	1901
(12)	Fraction of household budget for women and child goods	0.002	(0.001)	0.170	1901
(13)	Fraction of household budget on social expenses	0.001	(0.005)	0.107	1901
(14)	Expenditure on informal payments	31.040	(41.311)	0.010	2094
(15)	Cultivate own land: Kharif	0.001	(0.023)	0.236	2258
(16)	Cultivate own land: Rabi	0.015	(0.022)	0.083	2258
(17)	Agricultural labor: Kharif	0.020	(0.017)	0.104	2258
(18)	Agricultural labor: Rabi	0.019	(0.014)	0.101	2258
(19)	Non-farm business: Kharif	-0.006	(0.004)	0.022	2258
(20)	Non-farm business: Rabi	-0.007	(0.004)	0.023	2258
(21)	Number of days worked on job card	2.212***	(0.592)	0.047	2117
(22)	Number of days woman is paid on job card	1.807**	(0.776)	0.026	2117

(23)	Household performs any casual labor	-0.024	(0.021)	0.142	2333
(24)	Household performs any skilled labor	0.018	(0.022)	0.077	2333
(25)	Any one in the household has any outstanding loans	0.051**	(0.021)	0.056	2169
(26)	Total loans (INR)	5426.002	(4667.273)	0.080	2163
(27)	Any institutional loans	0.077***	(0.025)	0.121	2169
(28)	Savings	0.023***	(0.008)	0.072	2169
(29)	Rely on SHG for savings	0.207***	(0.025)	0.250	2169
(30)	Belong to an SHG	0.224***	(0.027)	0.154	2333
(31)	Would report to institution: Alcoholism	0.056***	(0.020)	0.071	2117
(32)	Would report to institution: Dealer shop is closed	0.049**	(0.020)	0.053	2117
(33)	Would report to institution: Midday meal problems	0.051**	(0.020)	0.072	2117
(34)	Woman needs permission to leave home: Panchayat	0.016	(0.012)	0.020	2117
(35)	Woman needs permission to leave home: SHG	0.173***	(0.023)	0.115	2117
(36)	Woman needs permission to leave home: Bank	0.085***	(0.019)	0.077	2117
(37)	Woman goes alone: Panchayat	0.002	(0.014)	0.022	2117
(38)	Woman goes alone: SHG	0.178***	(0.024)	0.153	2117
(39)	Woman goes alone: Bank	0.053***	(0.017)	0.064	2117
(40)	Index: Need permission to leave the home	0.281***	(0.042)	0.131	2117
(41)	Index: Willingness to act on community problems	0.081*	(0.048)	0.080	2117
(42)	Index: Institutional responses to community problems	0.128***	(0.049)	0.060	2117
(43)	Index: Willingness to use SHG to act on community problems	0.003	(0.045)	0.061	2117
(44)	Index: Freedom to visit alone	0.137***	(0.048)	0.075	2117
(45)	Index: Civic Action	0.024	(0.049)	0.079	2117
(46)	Index: Reliance on government programs	0.029	(0.028)	0.644	2169
(47)	Index: Input in household decision making	-0.001	(0.045)	0.090	2117

Annex 6. Stakeholder Workshop Report and Results

(if any)

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Program Closure Report – TRIPTI, OLM - June 2015 by Sankar Datta

Executive Summary

Odisha is among the poorest of India's major states. Despite its rich endowment of natural resources and coastline, Odisha has the highest proportion of poor persons in its population. Recognizing the importance and gravity of poverty alleviation with the perspective of their livelihoods, the GoO, under the aegis of the Panchayati Raj Department initiated a World Bank (IDA) assisted livelihood project: Targeted Rural Initiatives for Poverty Termination and Infrastructure (henceforth referred to as the project). This project was started in March 2009 with a World Bank support of US$82.4 million (approximately INR 5.1 billion at current exchange rate).

Odisha was the third state in India to initiate such a program. Therefore, it had the advantage of learning from the experiences of Andhra Pradesh and Bihar. But adapting these practices in the local context was a challenge for the project that also faced several other serious hurdles. There were earlier projects in the state that had organized women into their SHGs, many of which needed additional efforts to be sustainable with adequate social cohesion and trust. In spite of many difficulties, the project was able to achieve much more than what was envisaged at the time of its formulation.

It was envisaged that the project would be working with 30,000 old and new SHGs, which would involve strengthening the SHGs already formed under other programs such as Mission Shakti, in addition to forming new SHGs. These 30,000 SHGs catering to about 1.5 million households would be federated at the block or the gram panchayat level into about 1,000 federations.[47]

It was observed in most of the earlier efforts that the EPVG did not get included in the intervention. Therefore, it was also envisaged that the project would pay special attention to include them and bring up the engagement of such people from 47.3 percent (at the beginning of the project) to 80 percent by the end of the project.

The project until June 2015 had about 1,018 GPLFs (102 percent of what was proposed), federating 7,378 CLFs, with about 79,289 SHGs (263 percent of what was proposed) covering about a million households (67 percent of what was proposed) benefitting about 3.5 million people.

Recognizing that the EPVG often cannot become part of the regular institutional process, the project included them in other forms like facilitating access to various services that they were entitled to. As often 15 to 20 EPVGs did not stay in a neighborhood or have an affinity group, the project worked specially with them as JLGs or producers groups, or in exceptional cases helped them individually. With these initiatives the overall inclusion of 'left-out'[48] households until June 2015 was 71.5 percent, up from the baseline figure of 44.5 percent. By then, 82.2 percent women belonging to the P&EPVG categories were included in the purview of the project initiative against the 80 percent envisaged in the results framework of the project. The overall

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[47] Detailed out in Annex 4: Detailed Project Description; INDIA: Orissa Rural Livelihoods Project (ORLP) – "TRIPTI", Project Appraisal Document on a proposed credit, Report No: 41198 – IN, World Bank

[48] A 'left-out households' is not included in any SHG nor is a beneficiary of any scheme which provides benefit.

inclusion across the sections of the society was 56.4 percent.

In addition to substantial reach to P&EPVGs discussed above, significant contributions were seen, such as (i) triggering off several small but significant initiatives for social change and women empowerment; (ii) building a network of community institutions; (iii) facilitating adoption of best practices initiated by the project, by other agencies; (iv) helping strengthen livelihoods of the participants through various initiatives; (v) building up systems for community marketing of their produces; (vi) building a team of professionals equipped to work in rural Odisha; (vii) helping the poor access entitlements and social security schemes of the government; (viii) helping poor households build up their MIP, and (ix) making diverse financial services required for alleviation of poverty accessible.

Unlike most other government initiatives the project did not use the BPL list as the benchmark for identifying poor people. It developed a methodology of PIP for identifying the poor and extremely poor in the village.

In place of conducting a regular survey, project work started with a situational analysis of a large majority (60 percent of all village households was used) of potential households. A detailed process of this comprehensive livelihood mapping was developed and documented. This process looked at livelihood activities that people were engaged in, livelihood resources accessible to people, as well as risks, shocks and stress faced by them, while categorizing them into four groups: (i) Bhala chalani (well-off), (ii) Chalaniya (manageable), (iii) Abhabi (poor), and (iv) Nisahaya (EPVG), as perceived by the people. This process was appreciated by many other livelihood promotion/support institutions, including the NRLM.

Introduction of CLFs was one of the significant design innovations by the project. Many villagers who never went outside their village found it difficult to affiliate with a virtual ‘organization’ spread over ‘too large’ an area for them to conceive or affiliate with. As a result, they found it difficult to build a sense of ownership of a body that they could not relate to. Therefore, the project introduced an intermediate level CLF, which was not engaged in any financial intermediation (which would have increased cost) but provided a forum for women from different SHGs to interact. Later, these CLFs were federated at gram panchayat level and known as GPLFs.

In its attempt to empower the women members of society and giving them a voice, the project initiated several processes for social change. It was observed that there were significant changes in the lives of several women who now had new-found respect and self-confidence. This made them take part in individual household investment planning, budgeting and decision-making. There was an increase in women participation at the Palli (village) and Gram (gram panchayat) Sabha. The women now take part in planning processes of the Mid-Day-Meal program, the MGNREGS, and others. There were several examples where the SHGs intervened in social issues, such as dowry, alcohol abuse and other domestic violence. The SHGs gave these women a platform to express and share their feelings, and build solidarity amongst them. They now feel the need to be together and fight inequalities in the society. There were many cases in which the SHG supported destitute women who were abandoned by their husbands, by fighting their legal right to get the property share, taking care during pregnancy and continuing to support these women.

By engaging in regular thrift and credit activities, the SHG members started developing a habit of savings. By regular repayment of subsistence loans, they were now confident to borrow higher amounts and make regular repayments (hence increasing their credit worthiness). This had resulted in the initiation of new activities around livelihoods.

The project invested substantially in building and strengthening of social capital. The innovative design of selecting CRPs for extension and using the services of CMs from within the community itself, based on their demonstrated performance helped carry the project a long way. Instead of using external professionals to undertake extension activities, progressive producers were identified who adapted and adopted some of the scientific practices. They were then trained to undertake extension activities for a fee paid by community institutions. This to a great extent helped overcome some of the initial barriers of other farmers. This process is being used widely in the NRLM across various states of the country. This approach is called 'communitization' of the livelihood intervention process.

In furtherance of the principle of 'communitization', the project developed a system of Center of Excellence (CoE). Under this initiative some of the well performing GPLF were selected and entrusted with the responsibility of transferring knowledge gained from their experience to other federations. These GPLFs designated as CoE took care of capacity building needs of four to five gram panchayats in a cluster. The project identified 152 GPLFs with the potential to become CoEs.

Other significant process innovations in the project included: (i) a situational analysis guideline that contributed in developing and approving of the PIP process for NRLM; (ii) a Community Operational Manual drafted for the project that was found suitable to be adapted for various SRLMs across the country; (iii) other such manuals for the operation of community institutions (i.e. SHG, CLF, and GPLF), that were extensively used by the SRLMs in preparation of their manuals; (iv) provision of some grant for pro-poor inclusion that helped the NRLM to have an allocation for similar processes, and was accepted as a policy; (v) uniqueness of the CIF to recognize each and every personal need of the P&EPVG that was accepted as a policy which could cater to immediate livelihood funding needs; (vi) the best practices for forming the producers' groups and initiatives of varied farm and non-farm activities experienced with the project that were included in the NRLM directives; (vii) guidelines developed by the project for induction, training, and support of CRP-CM, master bookkeepers, and Bank Mitra that were included in the guidelines of the NRLM.

In addition to these significant process innovations, the project also introduced several innovative financial products and services to facilitate financial inclusion, especially of the P&EPVG. To help them break out of the vicious cycle of poverty it created a flexible CIF with the aim to: (i) act as a catalytic fund for addressing livelihood and household needs of members of SHGs based on their MIPs in the short term; (ii) demonstrate credit worthiness and investment worthiness of poor and extremely poor SHG members, in the medium term; (iii) capacity building and initial support for SHG federations; and (iv) financial product development suited to the rural poor in the long term. The project also made provision of a PPIF that was part of community investment (roughly 10 percent), specifically to enhance the inclusion and productive capacity of the P&EPVG. Further, a product to provide credit for agricultural production within the ambit of CIF was envisaged.

For effective inclusion of the P/EPVG, the project used a multi-pronged strategy. One was to identify specific activities where the P&EPVGs could engage in within their capability matrix. When they could not make the initial contribution either in the form of savings or voluntary contributions, these requirements were supplemented by PPIF support. It however designed incentive schemes for functionaries and community level institutions to include such disadvantaged people. In addition, as mentioned earlier, the project modified the institutional design for P&EPVGs, and did not insist upon their joining the SHGs, but created an alternate support structure.

As one of the important elements of an SHG, every group after starting their saving process was required to open their account with one of the commercial/regional rural banks. The project like most other Self-Help Promoting Institution (SHPI) also insisted that the SHGs open their own bank accounts.

To help SHGs overcome bottlenecks of linking with banks, the project took various initiatives. It conducted a '*Samanway Mela*' creating a platform for interaction between the bank officials and members of the groups. It also facilitated loans, leveraging CIF investments made in these groups. It also trained and placed 377 Bank Mitras to facilitate banking transactions by less 'formally educated' rural people. Today, many bankers are asking for posting of Bank Mitras in their branches.

However, in spite of such efforts, complete engagement with formal financial institutions is far from expected. On one hand, linking 16,000 SHGs to banks, who obtained a loan of INR 1,317.8 million from these banks, with an average loan size of INR 82,000 against a state average of INR 60,000, was quite impressive. But on the whole only 21 percent of the SHGs had been linked to banks. The 34,000 new SHGs formed by the project had a cumulative savings of INR 716.4 million. In addition, the project released CIF I to 1,001 GPLFs amounting to INR 785.7 million; CIF II proposals amounting to INR 1,141.6 million to 935 GPLFs; and CIF III of INR 69.7 million to 168 GPLFs, which were also deposited with the banks.

Many of the livelihood challenges being faced by the people surfaced during the situational analysis process. Action on some initial surveys conducted in 2010 started only in the subsequent year. The project could start taking these groups forward into livelihood interventions only in 2011–12.

The project tried to address individual capabilities[49] about livelihoods rather than scaling up any economic activities. In a sense, the project started delving into the immediate consumption/subsistence issues, after the institution building process became stabilized, rather than doing large-scale economic interventions. Livelihood interventions would be an answer to issues that emerged during individual household MIP preparation.

Within these limitations the project initiated some livelihood interventions. These included the introduction of SRI methodology, taking up SVP in collaboration with Department of Agriculture and Seed Certification Corporation, introduction of backyard poultry, and designing and implementation of the Mo-Badi kitchen garden (thus linking vegetable production to the health of the children and not as a marketable commodity). All these interventions, except the SVP, revealed the basic approach of addressing the aspirations of the people and building their capabilities to address them.

Under the SVP, developed to enhance the stock of quality of seeds being used by

[49] Unlike the earlier approaches such as utilitarianism or resourcism, which focus exclusively on subjective well- being or the availability of means to the good life, the present day approaches focus on individuals' capability of achieving the kind of lives they have reason to value. The Capability Approach, as it is known today, was first articulated by the Indian economist and philosopher Amartya Sen in the 1980s, and have been extensively discussed in Development as Capability Expansion (2003), which has been adopted as one of the key principles of livelihood interventions views that individuals can differ greatly in their abilities to convert the same resources into valuable functioning ('beings' and 'doings').

members, more than 1,700 farmers produced seed in more than 1,100 acres in the Kharif season (2014). About 225 households were engaged in backyard poultry production. More than 12,000 households started Mo-Badi in their backyards. This was looked at as wholesome livelihood interventions as it not only enhanced the productivity of some of these otherwise underutilized patches of land, but also raised awareness about nutrition among mothers. It was too early however to determine if this actually had an effect on the health of the children.

The project's livelihood interventions and even building peoples' institutions is too recent to conclude that they would be sustainable. It was recognized that each SHG has its own growth path depending on the socio-economic scenario of the members and would need support for several years. The SHG-federations (which are primarily an association of all SHGs operating in nearby geographical areas) could extend support to these SHGs and also work as a platform for strengthening demands from external agencies. Thus, it becomes inevitable to address the issue of sustainability and viability of SHG-federations as their sustainability could be correlated to the sustainability of SHGs in the long term. As an experience, working in an organization was a new idea in itself for the member-owners of these institutions. Federations, which existed virtually, with no physical infrastructure were harder for people to affiliate with and take charge of.

The range of services provided by federations to SHGs and for which it could charge a service fee, in a traditional economy that often worked on the basis of relationships and reciprocity, was another question people struggled with. Though the model presumed that the organization would survive from its own revenue, it would require years of commercial thinking before people understand this.

It was observed that most of the community institutions (SHGs, CLFs, and GPLFs) were not yet ready to work independently and needed support for some more time to be sustainable. None of the institutions were doing enough business, or even had a business model, by which they could meet their total costs. In most of the groups visited by us, people were not sure what business they would undertake to keep the institution running. Though at a verbal level all of them knew that it was 'their institution' their behavior and/or thinking did not reflect that. There was some resistance about taking on CCs on their own payroll, as envisaged in the original project. Where community institutions agreed to take them on board, the CCs, who perceived themselves as an employee of a government project, were reluctant. Various committees envisaged at the CLF and GPLF level were yet to even function. The focus should be to activate such committees and take it forward. Though a common response to this from the project team was that 'it was a matter of time', 'the institutions had just about started working', in our view, the processes of building commercial viability were weak. The project team members had a high time-bound performance pressure. Therefore, the questions they asked or training they imparted were very output oriented and not commercially oriented. Though intervention by the project triggered off various social and institutional processes in the villages covered by them, none of them really started addressing some of the crises arising from free-riding, tragedy of commons, etc. that breaks down collective action. Further, whenever some crisis emerged, it was resolved with an intervention from the project. This initiative went beyond the parlance of asset creation and income generation. Several concrete steps were taken in softer areas such as trust building, mutual cooperation, social initiatives, etc. It is too early to conclude, if these people's institutions and some of the livelihood interventions taken up by them will sustain.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Not applicable.

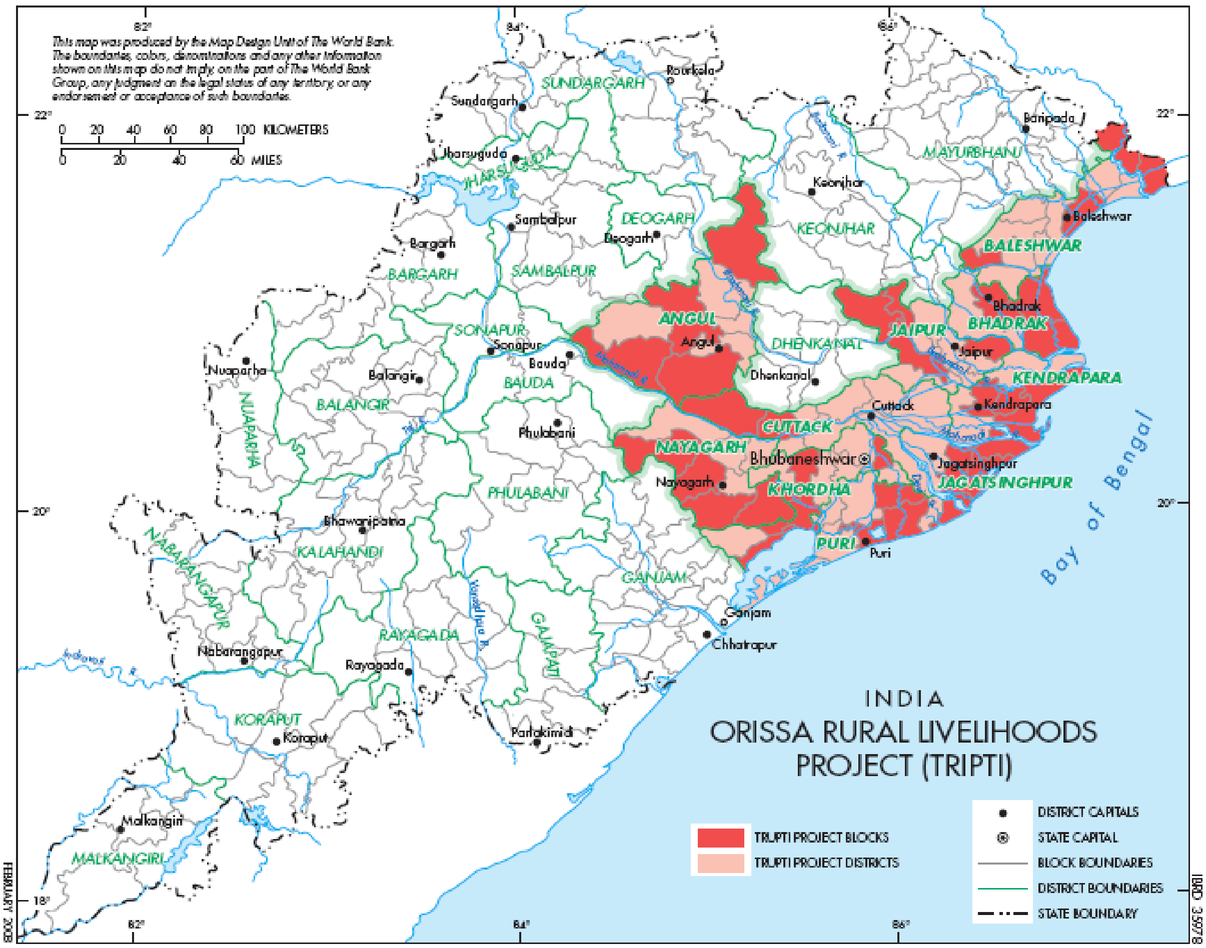
Annex 9. List of Supporting Documents

World Bank documents:
Project Concept Note, August, 2007
Orissa: Rural Livelihoods Project “the project” Project Appraisal Document 2008
Mid Term Review, Aide Memoire, November, 2012
Restructuring Paper and Annexes, July, 2008

Project reports:
Project Implementation Plan, TRIPTI, Orissa Poverty Reduction Mission, April, 2008
TRIPTI, Progress Report for Mid Term Review, June 2012
Quarterly Project Progress Report (May 2015)
TRIPTI Program Closure Report, Dr Sankar Datta , July 2015
Impact Evaluation Results - Odisha Rural Livelihoods Project (the project), Social Observatory, September 2015

Studies:
An Assessment of Social Inclusion and Quality of Community Institutions, V.J. Naidu & Associates, SOCHURSOD, October, 2012
Operational Viability and Sustainability if GPLF under the project. Dr Amulya Mohany 2015
Impact Assessment of “Mo Badi” Program Supported by the project – A report. Prakash Nayak. Draft July 2015
Impact Assessment Study of “Agri and Allied Sectors Interventions with focus on IPPI including SRI supported by Tripti Project”, June 2015.
Impact Assessment Study of Tripti Seed Village Program” in Odisha, June, 2015
“We Want to Drive” – Understanding TRIPTI’s Contribution to Women’s Empowerment – Gitanjali Chaturvedi & Garima Sahai, October 2015.

MAP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0 20 40 60 MILES
82°
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SUNDARGARH
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MAYURBHANJ
Baripada
Keonjhar
KEONJHAR
DEOGARH
Deogarh
Sambalpur
SAMBALPUR
Bargarh
BARGARH
Baleshwar
BALESHWAR
ANGUL
Angul
SONAPUR
Sonapur
Bauda
BAUDA
DHENKANAL
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Nuaparha
NUAPARHA
Balangir
BALANGIR
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NABARANGAPUR
Nabarangapur
GANJAM
Ganjam
Chhatrapur
RAYAGADA
Rayagada
GAJAPATI
Paralakimidi
KORAPUT
Koraput
Malkangiri
MALKANGIRI
Bay of Bengal
INDIA
ORISSA RURAL LIVELIHOODS PROJECT (TRIPTI)
TRUPTI PROJECT BLOCKS
TRUPTI PROJECT DISTRICTS
DISTRICT CAPITALS
STATE CAPITAL
BLOCK BOUNDARIES
DISTRICT BOUNDARIES
STATE BOUNDARY
FEBRUARY 2008
IBRD 35978