

Rajasthan District Poverty Initiative Project (DPIP) - Cr. No. 3339

Implementation Review Mission* - December 1-12, 2006

Aide Memoire

Introduction: A World Bank Mission visited Rajasthan from December 1-12 2006. The Mission participated in a “lessons learned from Phase I” workshop in which Mr. Vijay Kumar CEO of the “Velugu” program in Andhra Pradesh presented the State Government’s program in scaling-up rural livelihood initiatives. The Mission focused on overall project implementation progress, including issues raised by the previous mission. The Mission visited Districts in Southern and Western Rajasthan (Udaipur, Bhilwara, Dungapur, and Jhodpur) as part of identification of the proposed Second Phase of DPIP (see annex 4). The Mission met with senior government officials in Jaipur, and visited District Project Management Units (DPMUs) and a sample of Cluster-based activities in five out of the seven project districts (Jhalawar, Baran, Tonk, Churu, Dholpur). The Mission would like to thank the State Project Management Unit (SPMU), DPMU staff, NGOs, Rajasthan Cooperative Dairy Federation (RCDF), MART, BASIX, NABCON, Rajasthan Non-Farm Development Agency (RUDA) Institute of Development Studies, Jaipur and Common Interest Groups (CIGs) for their organization of the field visits and assistance during the mission.

Key Project Data

Project Data	Project Performance Ratings		
<i>Board Approval: April 25, 2000</i>	<i>Summary Ratings:</i>	<i>Last</i>	<i>Now</i>
<i>Effectiveness Date: April 25, 2000</i>	Achievement of PDO	S	S
<i>Original Closing Date: December 31, 2005</i>	Implementation Progress	MS	MS
<i>Revised Closing Date):December 31, 2007</i>			
<i>MTR Date November 4, 2003</i>			
<i>Original Ln./Cr. Amt: 75m sdr:</i>			
<i>Amount Disbursed: 64%</i>			

Ratings: **HS**=Highly Satisfactory; **S**=Satisfactory; **U**=Unsatisfactory; **HU**=Highly Unsatisfactory; **NA**=Not Applicable; **NR**=Not Rated

Achievement of Development Objectives: The Government of Rajasthan and the State Project Management Unit have made substantial progress on most of the agreed actions identified in the May 2006 Mission to address operational issues related to project implementation and strengthening of internal control systems. The mission noted the efforts made by the GoR and Project management in regular and rigorous project monitoring and support for implementation. Notable accomplishments since the last mission are: signing of Quality and Sustainability (Q&S) contracts for 10,100 CIGs, improved and better relationships with partner NGOs and better management of their contracts, reconciling underutilized funds sitting in CIG accounts, obtaining and adjusting utilization certificates, a fully operational web-based MIS system and functional complaints handling system. **Based on these accomplishments, the Project Development Objective remains satisfactory.** However, out of the three critical agreements mentioned in the management letter of the last mission two have been accomplished which are: 1) Reconciling underutilized funds sitting in CIG accounts and

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providing information to the bank on the reallocation to SPMU account; and 2) Initiating Q&S capacity building activities. The action still pending is implementation of at least 10 cluster development proposals. GoR and the Mission agreed that upgrading the implementation progress rating will depend on actions taken to meet this remaining critical agreement and maintaining progress on the others.

There are three critical actions that need to take place within the next month. These are:

- Preparing projections for project expenditure by district for the remaining project period, given the large undisbursed amount remaining in the credit,
- Implementation of at least 10 cluster development proposals,
- And, implementing an action plan for rating CIGs on Q & S parameters.

Current Implementation Status:

- 239,854 community members have been organized into 22300 Common Interest Groups (CIGs) as of November 2006.
- Some 19030 sub- projects (SPs) have been approved and funds disbursed for a cumulative total of Rs. 5486 million.
- Nearly 2203 CIGs have been linked to banks and obtained a total of Rs 42.4 million as against 728 CIGs noted during the last mission.
- Extension of contracts with 73 NGOs have been signed and are currently active.
- 52 cluster development proposals have been received out of which 12 are stitching, 30 are goats and remaining 10 are other non-farm activities, of which 3 are approved to date.
- More than 10000 CIGs have been proposed by 73 NGOs under Q&S contracts to attain Q&S status
- 48 Q&S trainings covering 810 CIGs have been conducted as of Nov, 2006 and self-assessment of 399 CIGs has been completed
- As of December 01, 2006 total disbursements from the IDA Credit were SDR 47.390 million¹, equivalent to US\$ 69.062 million (including the special account balance of approx. US\$ 7 million, which is 63.19% of the total Credit).
- There has been good progress in obtaining and adjusting utilization certificates (against the total of Rs. 326.7 million lying in CIG bank accounts with withdrawal riders, the project has recovered Rs. 236.1 million and obtained UC/CC for Rs. 84.5 million, accounting for 98% of the CIG bank account balances), the number of sub projects completed for which completion certificates have been received and adjusted remains low – at about 25%.
- The Computerized Management Information System (CMIS) at SPMU level is fully operational resulting in better management control over the inputs delivery, reporting and feedback.
- For the first time the project produced progress report against the indicators of outputs and outcomes of the Results Framework.
- Some 37500 litres (lts) of milk produced by Dairy CIGs is being marketed through RCDF (32000 lts), PRADAN (3500 lts) and SRIJAN (2000 lts).
- Two Producer companies of Goat CIG Clusters (representing 15000 members) are ready for incorporation under Chapter IX of the Companies Act as Producer Companies.

Up to November, 2006 the project received 503 complaints out of which 444 have been disposed of and 59 are under process.
