

IFAD assisted PTSLP

Action Taken on the Recommendations of 4th Joint Review Mission

S. No.	Agreed Action	Action Taken
Component 1 - Coastal Area Resource Management		
1	Collect information on numbers of people using infrastructure and estimate the resulting benefits	The information has been collected through the Cluster Resource Centres and the resulting benefits recorded.
2	Commission studies to identify the potential for mud crabs and sea weed cultivation and to make recommendations on how the programme could support these sub-sectors.	Proposals have been called for from Specialist organizations in this regard.
3	Commission an evaluation of the effectiveness of artificial reefs. The mission report will include ToR for these studies.	Central Marine Fisheries Research Institute (CMFRI), Chennai has been requested to evaluate effectiveness of the artificial reefs in the 6 Coastal Districts. (Deployment of artificial reefs expected to be completed within December 2012)
Component 2 - Rural Finance & Risk Transfer Instruments		
4	Appoint a Senior Rural Finance Manager for effective implementation of the component.	The Senior Rural Finance Manager has already been placed.
5	Bankers' training to be carried out at the district and state level by bankers' training institutions and NABARD.	Logistics is being worked out in consultation with Banks and NABARD.
6	Engage with NABARD for pilot initiatives for deepening of savings and innovative mechanisms for lending to enterprises with interested banks.	NABARD and NABFINS have already been approached with the objective of funding the micro enterprises. The NABFINS has agreed to consider lending to the enterprises, besides

7 Carry out due diligence of proposal IFMR RC, work out appropriate funding mechanism and engage them for improving financial inclusion, product innovations and implementation of VCF.

8 Training to insurance spearheads in PLF to be focused on business planning and marketing aspects to ensure systematic implementation and adequate commission for cost coverage. A model plan will be in the mission report.

9 Levy a service charge of Rs.10 per enrolment for cost coverage. Provide Rs250-500/PLF per month for the three initial months of rolling out insurance.

10 For adequate controls and tracking of insurance, the programme in consultation with the insurance companies to devise uniform PLF accounts

11 The books of accounts at PLF and MIS at cluster level need to track over dues under VRF. This needs to be done immediately.

12 Pilot with Technical Assistance the graduation of SHG member as individual client of bank. The mission report will include draft ToR for this.

development of Products for deepening of savings.

As IFMR is very firm on high interest rates for its proposed loan products, the NABFINS has been approached. In this regard, proposal is expected from them.

Insurance ToT / Community trainings have been completed these trainings focussed mainly on business planning, marketing aspects etc.

The suggestions have been carried out.

In consultation with United India Insurance Company, a common Insurance register to be used at PLF level has been evolved.

Already complied with this suggestion.

- With a view to graduate the SHG member as individual client of bank, PTSLP has already initiated several steps to provide technical input to the SHG members in the form of training.
- The SHG members opted for micro enterprises are given specific training in the particular activity / enterprise for carrying on the enterprise.

- Besides, the SHG members are being identified for provision of training under Income Generation Activity (IGA) for various sub sector based micro enterprise activities.
- A pilot project is being implemented in association with NABFINS, Bangalore to provide loans directly to the members of the SHG for various IGA to be carried on either individually or on a group basis. Necessary training will also be provided to the identified SHG members in the respective activities. The PLFs will function as business development correspondent for this model who will take care of the entire training related activities which support from PTSLP.

13 The target for SHG bank linkages has to be set PLF-wise and cluster-wise plans

PLF wise and Cluster wise Targets have been fixed and the progress is also monitored at PLF level by the DIOs and at the cluster level by the PMU.

14 The district level co ordination committee (DLCC) now reviews the progress on bank lending under PTSLP separately. State level co-ordination with bankers needs to be improved. Programme management will share every month, with the controlling offices of banks the branch wise list of loan applications pending for more than one month. Progress in SHGs and enterprises and success stories about the programme will also be shared with the bankers.

This is now regularly being followed up. Details of SHGs applications pending with the banks are being shared with the controlling offices. Success stories of SHGs / Enterprises are being documented. They also will be shared with the bankers.

15 Work with Indian bank and private sector banks for engaging PLF as business correspondent for SHG financing

The NABFINS has been approached in this regard. The bank has agreed to engage PLFs as business correspondent in all the 6 project districts on pilot basis. A team from the bank has also completed the appraisal in the field level. The bank has assured to start financing before January 2013.

16 For forging credit linkages with enterprises, pilot with NABARD, engage with concerned banks at the district, place a note for SLBC approval and enable credit

17 PMU and SIFFS to undertake a quarterly regional review of the portfolio of each FMS and also assessment of their credit needs by engaging with the federations

Component 3 - Employment Generation & Skill Training

18 The SHG audits have to be completed prior to the automation of SHG accounts, and the audited accounts should be the basis for inputting data & commencing automation.

19 The arrangements for flow of data from SHGs to CRCs has to be worked out to ensure the success of automation.

20 Engage with PLF for planning their activities, assessing the income and expenditure, work load and facilitate appropriate payments for EC members and book keeper, and reimburse honorarium of bookkeepers on a tapering basis.

21 Design uniform books of accounts for all PLF, train PLF bookkeepers / EC members in the accounting and monitoring, facilitate quality auditors in the districts.

Preliminary discussions held with NABFINS (NABARD). Action is being pursued with other banks at the state level.

Quarterly regional reviews are being conducted and their credit needs are appraised.

Audits of all SHGs are expected to be completed before 31.12.2012, before automation.

Tally MIS solution is in the final stage of stabilisation. The process of customisation is in progress on a pilot basis. Later on it will be extended to all villages.

Capacity building of all PLFs / SHGs are being undertaken with the help of TNVRC. Payment of sitting charges for EC members and salary for book keepers on tapering basis are also being provided.

Uniform books of accounts is already introduced in all PLFs. Training to EC members and book keepers in accounting and maintenance of books will be undertaken. The DIOs of the districts have been instructed to engage the services of Chartered Accountants for auditing the PLF accounts.

22	Improve monitoring at PLF through setting agenda for discussions on key aspects and district/CRC staff to attend PLF meetings to facilitate discussions. Train the staff for hand holding of PLF	Guidelines are being issued on handholding the PLFs by CRC / DIO staff.
23	Institutional mechanisms for information sharing periodically about PLF with SHG members has to be planned.	Information sharing mechanism with SHG members on PLF activities are being strengthened via HLFs.
24	The ToR for skill training for 12,000 people needs revision. Details of this have been discussed with the PMU and will be in the mission report.	The ToR has been finalised by the mission. Based on the ToR, Service Providers have been selected. The trainings are expected to commence from 26.12.2012.
25	Technology demonstrations could be built into the proposed training courses. Alternatively proposals could be sought from technical agencies that have technologies that could be useful to members of programme groups.	Will be followed up
26	Accept the proposal by SIFFS to reduce the number of FMS planned in the three districts where illegal gear is widely used, and increase the number in the other three districts. However no new FMS should be formed after September 2013 to allow two years of support to be provided prior to the programme completion date.	The proposal of SIFFS to reduce the number of Fish Marketing Societies planned in three districts has been accepted and revised orders issued.
27	Where SIFFS is having problems in finding funds to construct FMS offices, this work may be contracted by the programme to a building contractor.	FMS Office buildings are now being constructed by DIOs only as SIFFs is struggling to undertake these works.

28	Based on the experience of constructing an initial batch of landing centres, the number of landing centres may be further reduced .– from 25 to say 12. The 2013 JRM will review this issue and make a recommendation.	Will be followed up.
29	The programme may support infrastructure development for other SIFFS FMS in the programme districts.	Initially, approval for constructing 4 FMS office buildings has been accorded.
30	Ice boxes may be procured, both for FMS and for fishermen to carry in their boats. Previously the government gave fishermen free iceboxes, but these are mostly worn out or lost. Fishermen would contribute 25% of the cost, which would be paid into FMS accounts to increase FMS capital. This can be a single source procurement from SIFFS.	The proposals submitted by SIFFS in this regard has been accepted. After getting approval of amended procurement plan, orders will be issued.
31	With fish becoming increasingly scarce boats are having to travel further to fishing grounds. The Federation of FMS in Kanyakumari would like to take a dealership to, purchase fuel in bulk and so reduce the price of fuel for its members. To do this, the programme should provide it with funds to buy 2 small pick-ups, equipment, and working capital.	Proposals submitted by the SIFFS is being scrutinized. A proposal sent to the State Level Coordinator, C/o. Indian Oil Corporation Ltd., for clarification of kerosene dealership. Report awaited.
32	Fishermen in Nagapattinam buy nets from suppliers in Kanyakumari and the Federation of FMS in this district would like to purchase nets directly from manufacturers and so reduce the cost of nets. The programme should provide Federation with working capital for this purpose.	Proposals submitted by the fishermen federation, Kanyakumari is being scrutinized. Proposal sent to Fisheries Department for clarification / Technical rates of fish nets. Report awaited.

33	The programme should investigate the possibility of developing alternative (non-fishing) livelihoods for the Irula community. Funds may be drawn from IGA and micro- enterprise, and pro poor innovation fund sub-components.	Will be followed up.
34	Staff have gained considerable experience and have learned lessons from the study of ME effectiveness, so the next round of ME development is expected to be more successful, with better selection of enterprises, business planning (with a better estimates of capital requirement), and proper definition of pilot MEs.	The quality of proposals of micro enterprise development received from the districts have considerably improved. Relevant data are furnished more accurately. Selection of the enterprises are purely done by the beneficiaries only. Moreover the proposals are scrutinised thoroughly with regard to financial viability.
35	As agreed at the MTR, the programme should engage a number of RNGOs to implement ME programmes in sub-sectors where they have specialised expertise. PTSLP has already engaged CCD in the mango sub-sector and has a proposal from Dhan Foundation for dairy development. The Dhan proposal would benefit from some improvement, and more proposals should be invited from other RNGOs.	New proposals will be invited after the activities under Mango and Dairy sub sectors are initiated and established.
36	Established ME require technical support in terms of raw material sourcing (fish pickles, tailoring), skill upgrading (almost all trades), product diversification and market tie ups. The progamme needs to engage sector specialists to provide necessary hand holding and technical support.	Two sector specialists have already been selected and will be put in place to provide necessary handholding and technical support in areas of Agriculture and garment making.

37	Established units will be bank linked for further credit needs. Develop cash flows for the established units to enable bank credit.	The DIOs of the districts have been advised to hold banker's meeting and present the success of IFAD assisted micro enterprises, followed up with a exposure visit to the units. The cash flow preparation and working capital / assessment have qualitatively improved.
38	The repayment of loans from MEs to PLF will be utilised for establishing new enterprises and will not be used for financing established MEs.	Guidelines have already been issued to PLFs and DIOs in this regard.
39	Bookkeeping and accounting for individual ME needs improvement to obtain clear information on profitability. Further ToT for programme staff should be provided so they can support PLF and ME members.	A training has already been organised for the programme staff. More such trainings are planned.
40	ME development will benefit from further follow-up and lesson learning. It is recommended that the consulting company that carried out the study on effectiveness of ME be hired again to repeat the study with a ToR modified to include key emerging issues.	Will be followed up.
41	Set targets for each district that reflects the demand for, and potential to provide, vocation training in that district.	Targets that reflect demand for potential trades have been set and trainings are provided accordingly.
42	Learn lessons from the success or failure of recent batches of trainees in finding jobs, and refine the selection of courses and training providers. Also consider using providers that are NSDC partners.	Will be followed up.

Programme Management Performance

43	The mission strongly urges the Government to allow the current PD and APD to remain in post for the rest of the period of the Programme	The issue has already been discussed with the Government by the 4 th JRM.
44	Existing vacancies at DIO and PMU should be filled up and dedicated staff officers at each DIO be appointed	Separate DIOs have been appointed in all the 6 project districts. The vacancies in the PMU have also been filled up.
45	Staff salaries and other facilities should be at par with other ongoing multilateral programmes in the state and to this effect an appropriate HRD policy should be developed and be part of the Programme Implementation Manual	In G.O. (Ms) No. 124, RD & PR (CGS-3) Department, dated 12.12.2012, the Government have revised the salary structure of all project staff.
46	The PD should have presence in the TNCDW's board of directors to participate in policy and strategic discussions	A proposal has been submitted to the Government in this regard.
47	Continue to contract FNGOs to operate CRCs, but enter into revised MoUs which clearly state the tasks to be carried out by CRC staff and the qualifications of these staff. Revise CRC staff salaries and other costs. Reporting and monitoring mechanisms, and the roles and functions of DIOs and FNGO management also need to be defined.	The guidelines are noted and appropriate action is being initiated.
48	When renewing the MoUs with FNGOs, review their performance and terminate contracts of those with poor performance, handing over their CRCs to the better performing FNGOs.	Based on the instructions and on performance appraisal, the terms of 9 out of 10 FNGOs have been extended by 2 years. One FNGO has been rejected.
49	Ensure coordination with TNWDC/NRLM via establishing a core committees at state and district levels to meet quarterly to review progress and	A sub committee has already been formed with the Heads of PTSLP, TNCDW, NRLM and TNPVP.

coordinate activities.

- 50 To assist the project to accelerate the rate of implementation IFAD will provide implantation support on a quarterly basis via short missions by an IFAD consultant or staff member.

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Monitoring and Evaluation

- 51 There is an urgent need to improve the quality of monitoring data, especially regarding microfinance. Additional training and new formats may assist in this.

Two days training given to M&EO of districts on quality management of data and additional formats have been included in MIS.

- 52 Other recommendations concerning operation of the M&E system will be in the mission report.

Will be followed up.

Gender Focus.

- 53 Finalise gender strategy with support from ICO and roll it out.

PTSLP Gender strategy formulated and it is being followed in all activities.

- 54 Implement micro-plans in a timely manner to ensure members of all PLFs are sensitised about fundamental issues of rights, discrimination against women, inclusion , benefits of accessing government schemes etc.,

Will be carried out during periodical general body meeting. Fundamental aspects of rights, women rights inclusion of poor in SHGs and convergence have been included in the training manual for the PLFs.

- 55 Organise legal aid camps for women to empower them with knowledge about their legal rights and entitlements.

There is no fund provision to conduct legal aid camps in AWPB 2012 – 13. Hence it will be carried out during 2013 – 14.

56 Engage an institution or consultants to organise sensitization camps for men, including Panchayat members, on the issue of violence against women and gender equality. The institution will undertake a needs assessment, develop a curriculum, pilot test and then launch the camps.

There is no fund provision to conduct sensitization camps for men in AWPB 2012 – 13. Hence it will be carried out during 2013 – 14.

Knowledge management

57 Finalise the KM strategy and roll it out. This would include an initial list of good practice case studies for priority documentation.

Knowledge management need assessment at community level has been completed and KM strategy will be finalised before 31.12.2012.

58 Engage a media agency or consultants to document and disseminate success stories of the programme (including video documentation), and also undertake the publication of newsletters.

Media agency hired for video documentation and process initiated to hire consultant for other documentations.

59 Ensure that staff nominated as KM Focal persons have basic skills in documentation and interest in KM. Organise reorientation of KM focal persons

The training programme to district level KM Focal persons conducted on 20.12.2012.

Partnerships

60 Partnership should be developed with private sector knowledge centers for supporting enterprise development.

Partnership with rope-in-international has ben established for Product Development and Innovation.

61 Opportunities for convergence with other government schemes should be taken up for community infrastructure, to support IGAs and micro-enterprises, and to assist the poorest communities. This includes closer links with other SHG programmes of TNWDC.

The guidelines are noted and appropriate action will be initiated.

Financial Management

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| 62 | Tally should be used for maintenance of accounts at all DPIUs and system consolidated at PMU; One week training on the basic and advanced functions to all Finance Staff to be provided; For new recruitment of accounts staff, knowledge of the software should be an essential qualification | Accounts of the District Implementation Offices are being maintained in Tally only. However, it has been suggested by the Implementation Support Mission to customize the AWP & B format in the Tally. This will be done in consultation with the Tally Solutions Pvt. Ltd., |
| 63 | In PMU, BRS to be prepared monthly and signed by the Finance Officer and required follow up action taken. Instructions to DIOs also to be issued in this regard. | Complied with. |
| 64 | Internal Auditor to be engaged with direct reporting to the Project Director. The half yearly internal audit report and the action taken on the recommendations to be sent to IFAD | Instructions noted. As suggested by the Implementation Support Mission. Internal Auditor would be engaged from year 2013 – 14. |
| 65 | The audit and project financial statements for the year 2010-11 has to be redone along with the audit for the year 2011-12. The ToR for the audit has to be approved by IFAD. The PFS should comply with IPSAS standards. | Auditor has been engaged. |
| 66 | AWPB to be disaggregated for the district level with both physical and financial targets. Quarterly review of the AWPB to be conducted to address implementation bottlenecks. | AWPB 2012 – 13 has been disaggregated for the district level with a physical and financial target and intimated to all DIOs. 1 st Quarterly review of AWPB 2012 – 13 already conducted on 30.07.2012 and 20.12.2012. |
| 67 | WAs submitted for the year 2011-12 to be checked for over/under statement of reporting of expenditure and reconciled in the next WA. A separate statement on the reconciliation to be attached to the WA.; Community infrastructure expenditure claimed under Category I to be claimed under Category II with 100% net of beneficiary contribution. | This has been done in the withdrawal application sent up to August 2012. |

68	Accounts training at PLF level to be imparted with a curriculum complying to the financial management requirements. The finance staff from DIUs to visit PLFs atleast on quarterly basis for review and support. The training should be at the Cluster level or district level and non-residential.	As suggested, training on accounts would be organised at district level, to all the PLFs. Instructions have already been issued to all the finance officers of DIUs to visit the PLFs monthly and verify the accounts. This is being monitored at the PMU level also.
69	Skill up-gradation training on financial management and procurement to be provided to all Finance staff by sponsoring them to courses/trainings.	Instructions noted.
70	All project procurement should comply with the approved procurement plan and AWPB of the PY; All local shopping using DGS&D should comply with IFAD requirements	All procurements are being made as per the IFAD Procurement Methods only.
71	Statement of ineligible procurement expenditure to be prepared and adjusted in the next WA.	This has been done in the WAs, sent up to the month of August 2012.
72	PFS should be as per IFAD formats and reported to IFAD as per the timelines in the PLA and General Conditions of Agricultural Development Financing	Instructions noted
73	Programme assets to be insured against loss/theft; Policy on loss of assets loaned to the staff to be finalised and implemented.	All programme assets are insured against loss on account of fire and theft.
74	Amendments to Programme Loan Agreement as recommended by MTR and JRM to be sent through DEA for IFAD's action	Amendments to Programme Loan Agreement has already been sent to Government for onward transmission to IFAD through DEA.
75	Internal controls specifying the responsibilities and accountability of each Finance Staff to be finalised and circulated to staff.	This is being attended and will be implemented immediately.

Sustainability

76 Pay attention to the financial viability of project institutions, especially PLF and FMS and monitor their progress to financial sustainability.

Will be closely followed up.

77 Work out a suitable sustainability plan for PLFs. FMS and enterprises to function and grow beyond programme period.

The Programme Steering Committee (PSC) has recommended that the Community Professionals Learning and Training Centre (CPLTC)C at the District level and the Second Level Institutes Federation (SLIFF) at block level which are being established under National Rural Livelihoods Mission (NRLM) / TNCDW will be tied up for the sustainability of PLF / FMS beyond project period.

78 Reports of declining fish catches are supported by evidence from a detailed study. Fishery policy measures need to be drawn up and implemented for sustainable management and to protect the access of relative poor inshore fishers to these resources. The programme should raise this issue in appropriate forums as well as supporting fishermen's organisations and other agencies that lobby for sustainable fisheries.

Will be followed up.

Impact

79	<p>Micro-enterprise development, although useful, can only reach a relatively small number of households. To have a significant impact on the livelihood of the main body of SHG members, the programme needs to focus on developing their income generating activities. Support, such as capacity building and improved technology is needed to complement the flow of credit funds to these households.</p>	<p>It is proposed to carry out the Income Generating Activities (IGA) for 12000 people of the project area. Capacity buildings / Demonstrations would be followed up with credit flow from financial institutions.</p>
80	<p>To maximise its impact on policy the programme needs to generate information products on innovations and lessons learnt. This needs to include convincing evidence of programme results and impact.</p>	<p>Booklets, Pamphlets, Newsletter, pocket diary, albums and posters have already been circulated to all the stakeholders. Work on a short film on programme activities has commenced.</p>