



# Project Implementation Plan

## Tamil Nadu Rural Transformation Project



# TABLE OF CONTENTS

CHAPTER 1: TAMIL NADU - STATE OVERVIEW.....	1
1.1 DEMOGRAPHY.....	2
1.2 HUMAN DEVELOPMENT INDICATORS.....	2
1.3 TAMIL NADU- ECONOMIC OVERVIEW .....	3
1.4 AGRICULTURE.....	5
1.5 HORTICULTURE.....	6
1.6 FOOD PROCESSING: .....	7
1.7 ANIMAL HUSBANDRY .....	9
1.8 FISHERIES .....	9
1.9 FORESTS.....	10
1.10 MANUFACTURING SECTOR.....	10
1.11 MICRO, SMALL AND MEDIUM ENTERPRISES (MSME).....	11
1.12 TEXTILE SECTOR: .....	11
CHAPTER-2: OVERVIEW-TAMIL NADU RURAL TRANSFORMATION PROJECT ....	13
2.1 PROJECT DEVELOPMENT OBJECTIVE (PDO).....	13
2.2 KEY PROJECT INDICATORS: .....	14
2.3 PROJECT BENEFICIARIES: .....	14
2.4 PROJECT AREAS .....	15
2.5: PROJECT PHASING .....	18
2.6 PROJECT FINANCING:.....	18
CHAPTER -3 COMPONENT 1: RURAL ENTERPRISE ECOSYSTEM DEVELOPMENT	20
SUB COMPONENT 1-A: INCLUSIVE STRATEGIC INVESTMENTS, ANALYTICS AND PLANNING .....	20
3.1 OBJECTIVE: .....	20
3.2 DISTRICT DIAGNOSTIC STUDIES.....	21
3.3 STEPS FOR CONDUCTING DDS:.....	22
3.4 VALUE CHAIN ANALYSIS: .....	24
3.5 PARTICIPATORY GROWTH PLANNING (PGP): .....	26
3.6 VILLAGE INVESTMENT PLANS .....	28
3.7 BLOCK INVESTMENT PLAN: .....	29
3.8 DISTRICT INVESTMENT PLAN: .....	30
SUB COMPONENT 1B: ENTERPRISE DEVELOPMENT SUPPORT SERVICES.....	31
4.1 COMMUNITY LED SERVICE DELIVERY BY MAKAMAI:.....	31
4.2 DEVELOPING AND STRENGTHENING OF MAKAMAI: .....	31
4.3 MAKAMAI SERVICE DELIVERY PLAN: .....	32
4.4 STRATEGIC FRAMEWORK OF COMMUNITY PROFESSIONAL DRIVEN SERVICE DELIVERY: .....	33
4.5 TRAINING TO COMMUNITY PROFESSIONALS:.....	34
4.6 PHASING AND POSITIONING OF COMMUNITY PROFESSIONALS: .....	34
4.7 STRENGTHENING VILLAGE LEVEL COMMUNITY INSTITUTIONS IN TNRTP AREAS:.....	34
4.8 ONE STOP FACILITY (OSF) .....	35
4.9 ROLL OUT PROCESS FOR INITIAL GROUP OF OSF.....	36
SUB-COMPONENT 1C: ENTERPRISE PROMOTION, VALUE CHAIN STRENGTHENING AND PARTNERSHIPS.....	38
5.1 STRATEGIES.....	38
5.2 TYPES OF ENTERPRISES .....	38

5.3 INDIVIDUAL ENTERPRISES .....	39
5.4 COLLECTIVE ENTERPRISES .....	41
<i>i) Enterprise Groups (EGs)</i> .....	41
<i>ii) Producer Groups (PGs)</i> .....	42
<i>iii) Producer Collectives</i> .....	42
5.5. GUIDELINES FOR PRODUCER GROUPS/ENTERPRISE GROUPS .....	42
5.6 PG/EG PROMOTION PROCESS FLOW .....	44
5.7 PRODUCER COLLECTIVES .....	49
5.8. GUIDELINES FOR PRODUCER COLLECTIVES.....	50
5.9 PRODUCER COLLECTIVES (PC) DEVELOPMENT PROCESS FLOW: .....	51
5.10 PRODUCER COLLECTIVE -IMPLEMENTATION.....	52
5.11 VALUE CHAIN STRENGTHENING: .....	66
5.12 PARTNERSHIPS IN TNRTP.....	69
5.13 PARTNERSHIP MAP FOR TNRTP .....	69
CHAPTER-4 .....	77
COMPONENT-2: ENTERPRISE BUSINESS PLAN FINANCING .....	77
CHAPTER-4 .....	77
COMPONENT-2: ENTERPRISE BUSINESS PLAN FINANCING .....	77
SUB COMPONENT 2 A: FACILITATING BUSINESS PLAN FINANCING:.....	77
6.1 BACKGROUND ON MSME /COLLECTIVES FINANCING: .....	77
6.2 MATCHING GRANT PROGRAM (MGP) .....	80
6.3 MANAGEMENT OF MGP .....	80
6.4 PFIS-PARTICIPATING FINANCIAL INSTITUTIONS .....	82
6.5 FINANCING PRINCIPLE: .....	83
6.6 PROVIDING TECHNICAL ASSISTANCE: .....	84
6.7 NET WORKING AND INTERFACE.....	85
6.8 IMPLEMENTATION PROCESS .....	86
6.9 STEPS THAT ARE INVOLVED WHEN A BUSINESS PLAN HAS CONVERGENCE.....	89
6.10 RECOVERY MECHANISM FOR INDIVIDUAL ENTERPRISES AND COLLECTIVE ENTERPRISE .....	89
6.11 ROLES OF STAFFS AND PFIS.....	90
6.12 ICT/PFMS FOR BUSINESS PLAN FINANCE .....	91
SUB-COMPONENT-2 B: INNOVATION PROMOTION .....	95
2 B-I TAMIL NADU RURAL TRANSFORMATION MARKET PLACE (TNRTM): .....	96
7.1 KEY OBJECTIVES .....	97
7.2 APPROACH .....	98
7.3 THEMATIC AREAS.....	98
7.4 TAMIL NADU RURAL TRANSFORMATION MARKET PLACE: .....	102
7.5 TECHNICAL SUPPORT AGENCY.....	103
B.THEMATIC PILOTS-I: CREATIVE ENTERPRISES .....	103
7.6 STRATEGIC CONTEXT .....	103
7.7 PROJECT DEVELOPMENT OBJECTIVES .....	104
7.8 PROJECT BENEFICIARIES .....	104
7.9 PROJECT LOCATIONS .....	105
7.10 PROJECT COMPONENTS.....	106
<i>I. Component A: Design and Value Chain Development</i> .....	106
<i>II. Component B: Trade Facilitation, Certifications, Digital Marketing</i> .....	107
<i>III. Component C: Project Management.</i> .....	107

THEMATIC PILOTS-II) GREEN ENTERPRISES -HYGIENE AND ECO FRIENDLY SANITARY NAPKINS PRODUCTION .....	110
7.11 BACKGROUND AND CHALLENGES IN MANAGEMENT OF MENSTRUAL HYGIENE .....	110
7.12 BASELINE FINDINGS .....	112
7.13 CONSTRAINTS:.....	114
7.13 PROJECT DEVELOPMENT OBJECTIVE (PDO).....	115
7.14 PROJECT BENEFICIARIES .....	115
7.15 PILOT PROJECT LOCATIONS:.....	116
7.16 PROJECT COMPONENTS .....	116
1) <i>Component -A: Product Design, Production and Marketing</i> .....	116
2) <i>Component -B Menstrual Hygiene Education:</i> .....	118
3) <i>Component-C Project Management:</i> .....	118
2.B THEMATIC PILOT-III - NUTRITION HOUSE .....	120
CHAPTER 5: COMPONENT 3 SKILLS AND JOBS OPPORTUNITIES.....	123
CHAPTER 5: COMPONENT 3 SKILLS AND JOBS OPPORTUNITIES.....	123
8.1 TARGET SEGMENTS .....	123
8.2 OUTCOMES TARGETED .....	123
8.3 INTERVENTIONS-SKILLS AND JOB OPPORTUNITIES; .....	124
8.4 CONCEPTUAL FRAMEWORK FOR SKILLS AND JOB OPPORTUNITIES .....	125
SUB-COMPONENT 3-A: PRE AND POST TRAINING SERVICES TO ENHANCE EMPLOYMENT OUTCOMES .....	128
9.1 ACTIVITIES .....	128
SUB-COMPONENT 3-B: COMMUNITY BASED TRAINING AND SKILLING PROVISION:.....	131
10.1 <i>Community Skills School (CSS)</i> .....	131
10.2 <i>Community Farm School (CFS)</i> .....	134
10.3 ALIGNING WITH NATIONAL OCCUPATION STANDARDS (NOS)/NATIONAL SKILLS QUALIFICATION FRAMEWORK (NSQF) .....	137
SUB-COMPONENT-3C: ENTREPRENEURSHIP DEVELOPMENT .....	138
11.1 THE KEY PROCESS.....	138
11.2 REQUIREMENT FOR ENTREPRENEURSHIP DEVELOPMENT TRAINING FROM ONE STOP FACILITY (OSF) .....	138
11.3 SPECIAL INITIATIVES .....	138
11.4 IMPLEMENTATION STRUCTURE AT THE STATE: .....	139
<i>SKILLING AND JOB OPPORTUNITIES UNIT</i> .....	139
<i>Regional positions</i> .....	141
11.5 FUND FLOW MECHANISM .....	141
CHAPTER 6: PROJECT MANAGEMENT RESULTS .....	144
MONITORING, AND IMPLEMENTATION SUPPORT SYSTEMS .....	144
SUB COMPONENT 4-A (I) - IMPLEMENTATION ARRANGEMENT AND HUMAN RESOURCE MANAGEMENT .....	145
11.1 OVERVIEW .....	145
11.2 GOVERNANCE STRUCTURE .....	146
11.3 IMPLEMENTATION STRUCTURE .....	147
<i>State Project Management Unit (SPMU):</i> .....	147
11.4 REGIONAL TECHNICAL ASSISTANCE GROUP .....	148
11.5 DISTRICT LEVEL IMPLEMENTATION STRUCTURE.....	149

11.6 DISTRICT PROJECT MANAGEMENT UNIT: .....	150
11.7 BLOCK UNIT: .....	150
11.8 COMMUNITY PROFESSIONALS: .....	151
11.9 HUMAN RESOURCE STRATEGY .....	152
11.10 SUPPORT STAFF REQUIREMENTS .....	152
11.11 RECRUITMENT OF STAFF .....	152
11.12 HR MOVEMENT PHASING .....	154
<b>SUB-COMPONENT 4 A (II): FINANCIAL MANAGEMENT .....</b>	<b>155</b>
12.1 FINANCIAL MANAGEMENT FRAMEWORK .....	155
12.2 PLANNING AND BUDGETING .....	155
12.3 ORIENTATION – .....	163
12.4 FINANCIAL MANAGEMENT MANUAL .....	163
12.5 ACCOUNTING POLICIES AND PROCEDURES .....	164
12.6 INTERNAL CONTROL .....	165
12.7 AUDIT ARRANGEMENTS .....	166
12.8 REPORTING AND MONITORING .....	167
12.9 COMPUTERISED ACCOUNTING SYSTEM .....	167
<b>SUB COMPONENT 4. A (III) PROCUREMENT MANAGEMENT .....</b>	<b>168</b>
13.1 PROCUREMENT RISK ASSESSMENT .....	168
13.2 RECORD KEEPING: .....	168
13.3 DISCLOSURE OF PROCUREMENT INFORMATION: .....	168
13.4 COMPLAINT HANDLING MECHANISM: .....	169
13.5 PROCUREMENT AUDIT: .....	169
13.6 PROPOSED PROCUREMENT METHODS AND RELATED WORLD BANK’S REVIEW THRESHOLDS	169
13.7 REVIEW ARRANGEMENTS: .....	169
13.8 PROPOSED PROCUREMENT METHODS CONSULTING SERVICES .....	171
13.9 PRIOR REVIEW REQUIREMENTS: .....	171
13.10 POST REVIEW ASSIGNMENTS: .....	171
13.11 DECENTRALIZATION OF PROCUREMENT/ CONTRACT APPROVAL AUTHORITIES: .....	172
.....	173
<b>SUB COMPONENT 4. A (IV) SOCIAL AND ENVIRONMENTAL SAFEGUARDS ....</b>	<b>173</b>
14.1 SOCIAL INCLUSION (INCLUDING SAFEGUARDS): .....	174
14.2 TRIBAL DEVELOPMENT PLAN .....	185
14.3 PROJECT STRATEGY FOR IMPROVING TRIBAL LIVELIHOODS .....	188
14.4 ENVIRONMENTAL ASSESSMENT AND SOCIAL MANAGEMENT FRAMEWORK .....	194
14.5 INSTITUTIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF ESMF .....	199
14.6 PROCESS FLOW CHARTS ON EA AND GREENING OF VALUE CHAIN ACTIVITIES AND BUSINESS PLANS .....	201
14.7 GREENING OF ENTERPRISES .....	202
.....	213
<b>SUBCOMPONENT-4A (V)-INFORMATION COMMUNICATION AND TECHNOLOGY (ICT) .....</b>	<b>214</b>
15.1 ICT VISION FOR TNRTP PROJECT .....	214
15.2 GOVERNANCE FRAMEWORK FOR ICT PROJECTS AT TNRTP .....	215
15.3 ICT SOLUTION APPROACH FOR TNRTP PROJECT .....	216
15.4 CHECKLIST FOR APPLICATIONS TO BE CONSIDERED FOR IMMEDIATE IMPLEMENTATION .....	232
15.5 APPROACH FOR REALIZATION OF THE INTEGRATED ICT SYSTEM (IICTS) FOR TNRTP ....	232

15.6 HR SYSTEM FOR TNRTP PROJECT .....	235
15.8 TNRTP WEBSITE AND COLLABORATION PORTAL FOR TNRTP TEAM.....	237
15.9 HARDWARE AND INFRASTRUCTURE FOR TNRTP PROJECT.....	238
<b>SUB COMPONENT-4B MONITORING, EVALUATION AND GRIEVANCE REDRESSAL</b> .....	<b>240</b>
16.1 MONITORING AND EVALUATION: TNRTP STRATEGY.....	240
16.2 INSTITUTIONAL ARRANGEMENT FOR M&E .....	244
16.3 GRIEVANCE REDRESS MECHANISM (GRM).....	251
16.4 THE GRM VALUE CHAIN OF TNRTP:.....	251
16.5 FLOW OF GRIEVANCES RECEIVED THROUGH ONLINE E-SERVICES: .....	252
16.6 FLOW OF GRIEVANCES RECEIVED THROUGH MANUAL CHANNELS: .....	253
<b>SUB COMPONENT- 4C: DEVELOPING KNOWLEDGE, COMMUNICATION AND</b> <b>LEARNINGS SYSTEMS .....</b>	<b>256</b>
17.1 OBJECTIVES .....	256
17.2 KNOWLEDGE CAPTURE:.....	257
17.3 KNOWLEDGE TRANSFER: .....	257
17.4 PLATFORMS FOR SHARING KNOWLEDGE .....	259
17.5 IMPLEMENTATION ARRANGEMENT: .....	261
<b>GANTT CHART FOR TAMIL NADU RURAL TRANSFORMATION PROJECT (TNRTP)</b> .....	<b>264</b>
<b>COMPONENT-4 PROJECT MANAGEMENT-ICT.....</b>	<b>274</b>
<b>RESULTS FRAMEWORK AND MONITORING.....</b>	<b>278</b>
<b>RESULT CHAIN .....</b>	<b>288</b>

## **List of Figures**

FIGURE 1 : FACT FILE OF TAMIL NADU.....	1
FIGURE 2: PERCENTAGE DISTRIBUTION OF GSDP .....	4
FIGURE 3: AGRO CLIMATIC ZONES.....	6
FIGURE 4: TAMIL NADU FOOD PROCESSING OUTPUT .....	8
FIGURE 5: EXISTING AND UPCOMING INDUSTRIAL INFRASTRUCTURE PROJECTS FOR AGRO FOOD PROCESSING IN THE STATE .....	9
FIGURE 6: SHORTLISTED BLOCKS OF THE PROJECT .....	15
FIGURE 7: PROJECT DESIGN-COMPONENTS .....	16
FIGURE 8: OVERALL TNRTP PROJECT CONCEPTUALIZATION.....	17
FIGURE 9: DISTRICT DIAGNOSTIC STUDIES (DDS) PROCESS FLOW .....	21
FIGURE 10: STEPS FOR PARTICIPATORY GROWTH PLAN .....	27
FIGURE 11: FRAMEWORK OF MAKAMAI .....	32
FIGURE 12: CPS STRATEGY FOR TNRTP.....	33
FIGURE 13: FRAMEWORK OF ONE STOP FACILITY .....	36
FIGURE 14 INDIVIDUAL ENTERPRISE PROMOTION PROCESS FLOW .....	41
FIGURE 15 PRODUCER GROUP FORMATION – PROCESS FLOW .....	45
FIGURE 16 INTERRELATIONSHIPS BETWEEN ENTERPRISES AND STAKEHOLDERS .....	59
FIGURE 17 CONCEPTUAL FRAMEWORK FOR VALUE CHAIN STRENGTHENING .....	66
FIGURE 18: .....	66
FIGURE 19: FRAME WORK FOR PARTNERSHIPS -TNRTP .....	70
FIGURE 20: CONCEPTUAL FRAMEWORK FOR FACILITATING BUSINESS PLAN FINANCING.....	79
FIGURE 21: ACCESS TO FINANCE THROUGH BANK LINKAGE.....	87
FIGURE 22: ACCESS TO FINANCE THROUGH CONVERGENCE.....	88
FIGURE 23 : MATCHING GRANT PROGRAM- FUND FLOW PROCESS .....	92
FIGURE 24: HR STRUCTURE FOR SUB COMPONENT B-1 FACILITATING BUSINESS PLAN FINANCING .	93
FIGURE 25: INNOVATION PROMOTION – COMPONENTS .....	95
FIGURE 26: IMPLEMENTATION ARRANGEMENT FOR INNOVATION PROMOTION .....	121
FIGURE 27: OVERALL CONCEPTUAL FRAMEWORK OF SKILLS AND JOB OPPORTUNITIES .....	126
FIGURE 28: FLOW CHART FOR PROCESS STEPS FOR SETTING UP CSS .....	132
FIGURE 29: FLOW CHART FOR PROCESS STEPS FOR SETTING UP CFS .....	135
FIGURE 30 ORGANIZATION STRUCTURE FOR SKILLS AND JOB OPPORTUNITIES UNIT: STATE AND DISTRICT STRUCTURE .....	140
FIGURE 31 FUND FLOW MECHANISM.....	142
FIGURE 32: TNRTP GOVERNANCE STRUCTURE .....	146
FIGURE 33: THE SPMU FUNCTIONAL STRUCTURE .....	149
FIGURE 34: THE DISTRICT LEVEL INSTITUTIONAL ARRANGEMENT .....	150
FIGURE 35: THE DISTRICT AND BLOCK LEVEL STRUCTURE .....	151
FIGURE 36: FUND FLOW ARRANGEMENT .....	156
FIGURE 37: FUND FLOW MECHANISM FOR MATCHING GRANT PROGRAM .....	160
FIGURE 38: THE PROCESS AND FUND FLOW MECHANISM FOR START-UP GRANT ASSISTANCE TO PGs .....	161
FIGURE 39: THE PROCESS AND FUND FLOW MECHANISM FOR START-UP GRANT ASSISTANCE TO EGs .....	162
FIGURE 40: THE PROCESS AND FUND FLOW MECHANISM FOR START-UP GRANT ASSISTANCE TO PCs .....	163
FIGURE 41: ESMF FOR TNRTP – APPROACHES .....	199

## **List of Tables**

<b>TABLE 1: RURAL LITERACY RATES OF SCHEDULED CASTES AND TRIBES IN TAMIL NADU (2001-2011)</b> .....	3
<b>TABLE 2: MAJOR CROPS BEING CULTIVATED IN TAMIL NADU AND THE YIELDS COMPARISON WITH NATIONAL AVERAGE</b> .....	5
<b>TABLE 3: STATE RANKING FOR DIFFERENT HORTICULTURAL PRODUCTS AND PRODUCTION 2012-13</b> .....	7
<b>TABLE 4: THE AREA AND PRODUCTION OF HORTICULTURAL CROPS DURING 2010-11</b> .....	7
<b>TABLE 5: DETAILS OF AGRI-PRODUCTS BEING EXPORTED WITH DESTINATION</b> .....	8
<b>TABLE 6: LIVESTOCK SECTOR - OVERVIEW (SOURCE- STATISTICAL DIVISION AH-GOI)</b> ...	9
TABLE 7: PROJECT TARGET BENEFICIARIES .....	14
TABLE 8: TNRTP COMPONENT-WISE ALLOCATED BUDGET .....	18
TABLE 9 : KEY SOURCES FOR SECONDARY DATA COLLECTION .....	22
TABLE 10: TIMELINE FOR CONDUCTING DISTRICT DIAGNOSTIC STUDY .....	24
TABLE 11: TIMELINE FOR VALUE CHAIN ANALYSIS .....	26
TABLE 12 : PHASING OF BLOCKS .....	34
TABLE 13: MATRIX ON TECHNICAL ASSISTANCE TO DIFFERENT STAKEHOLDERS.....	84
TABLE 14: MATRIX OF PERIODIC MEETINGS AT STATE, DISTRICT AND BLOCK LEVEL .....	86
TABLE 15: YEAR WISE PHASING OF ACTIVITIES FOR SKILLS AND JOB OPPORTUNITIES .....	141
TABLE 16: HEAD COUNT FOR TNRTP STAFF .....	153
TABLE 17: DETAILS OF FUND RELEASE AT DIFFERENT LEVELS .....	159
TABLE 18: ROLES AND RESPONSIBILITY OF PROJECT STAFF AT STATE LEVEL .....	185
TABLE 19: ROLES AND RESPONSIBILITY OF PROJECT STAFF AT STATE LEVEL .....	194
TABLE 20: APPLICABILITY OF ENVIRONMENTAL SAFEGUARDS TO TNRTP COMPONENTS .....	197
TABLE 21: INSTITUTIONAL ARRANGEMENTS FOR ESMF IMPLEMENTATION.....	199
TABLE 22: MATRIX ON APPLICABILITY OF ENVIRONMENTAL AND SOCIAL ASPECTS TO THE PROJECT COMPONENTS AND ARRANGEMENTS UNDER ESMF .....	212
TABLE 23: IMPACT EVALUATION ACTIVITIES .....	244
TABLE 24: ROLES AND RESPONSIBILITIES OF M&E MIS .....	247
TABLE 25: TNRTP KNOWLEDGE PRODUCTS FROM M&E.....	249

<b>ACRONYMS</b>	
AB	Advisory Board
ASPIRE	A Scheme for Promoting Innovation and Rural Entrepreneurship
ATMA	Agriculture Technology Management Agency
BCC	Behavioural Change Communication
BER	Bid Evaluation Reports
BIP	Block investment plan
BPMU	Block Project Management Unit
BLBC	Block level Bankers Committee
BLP	Below Poverty Line
BPO	Business Processing Outsourcing
BTLs	Block Team Leads
CA	Chartered Accountant
CII	Confederation of Indian Industry
CBOs	Community Based Organization
CBS	Consumer Business Services
CE	Citizen Engagement
CEE	Centre for Environment Education
CEO	Chief Executive Officer
CFS	Community Farm Schools
CGF	Credit Guarantee Fund
CGT	Capital gain Tax
CLFs	Common Livelihood Federations
CLGs	Common Livelihood Groups
COM	Community Operational Manuals
COO	Chief Operating Officer
COTS	Commercial –Off-The- Shelf
CP	Community Professional
CPS	Country Partnership Strategy

CPLTC	Community Professional Learning Training centre
CQs	Consultants Qualifications
CSO	Community Society Organization
CSR	Corporate Social Responsibility
CSSs	Community Skills Schools
DDR	District Diagnostic Report
DDS	District Diagnostic Study
DDM	District Development Manager
DDUGKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana
DEO	District Executive Officer
DGS&D	Directorate General Of Suppliers & Disposals
DIC	District Industries Centre
DIP	District Investment Plan
DLBC	District Level Bankers Committee
DM	District Manager
DPMU	District Project Management unit
DS	Direct Selection
DVCIP	District Value Chain Investment Plan
EA	Environmental Assessment
EC	Executive Committee
ECP	Enterprise Community professional
EDI	Entrepreneur Development Institute
EG	Enterprise Group
EFA	Economic and Financial Analysis.
EIMS	Enterprise Information Management System
ELCOT	Electronics Corporation of Tamil Nadu Limited
ELI	Eligible Lending Institutions
EMF	Environmental Management Framework
EOI	Expression of Interest
ESMF	Environment Social management framework

FBs	Fixed Budget
FD	Fixed Deposit
FGD	Focus Group Discussion
FICCI	Federation of Indian Chambers of Commerce and Industry
FM	Financial Management
FMM	Financial Management manual
FMR	Financial Management Rules
FPA	Financial Public account
FPOs	Farmer Producer Organization
FRS	Functional Requirement Specification
FSSAI	Food Safety and Standard Authority of India
GB	General Body
GCPs	Green Community Professionals
GDP	Gross Domestic Product.
GER	Gross Enrollment Ratio
GFCF	Gross Fixed Capital Formation
GIM	Global Investors Meet
GIS	Geographic Information Service
GOI	Government of India
GoTN	Government of Tamil Nadu
GP	Gram Panchayat
GRM	Grievance Redressal Mechanism
GRS	Grievance Redressal Service
GSDP	Gross State Domestic Product
GST	Goods & Service Tax
HHs	House Holds
IBRD	International Bank for Reconstruction and Development
ICB	International Commercial Bank
ICT	Information and Communication Technology

IDA	International Development Association
IEC	Import , Export Code
IFAD	International Fund for Agricultural Development
IFR	Interim Financial Report
IICTS	Integrated ICT System for TNRTP
IIT	Indian Institute Of Technology
INR	Indian Rupee
IOT	Internet of Things
IPF	Investment Project Financing
IRR	Internal Rate of Return
IT	Information Technology
ITES	Information Technology and Enabled Services
ITI	Industrial Training Institutes
IUFRs	Interim Unaudited Financial Reports
JCPs	Job Community Professionals
JD	Joint Director
KPI	Key Project Indicators
KVKs	KrishiVigyanKendras
LCS	Least Cost Selection
LDM	Lead District Manager
M&E	Monitoring and Evaluation
MaKaMai	MakkalKattralMaiyam
MES	Modular Employable Skills
MFI	Micro Finance Institutions
MGF	Matching Grant Fund
MIS	Management Information System
MNCs	Multi-National Corporations
MoMs	Minutes of Meeting
MOUs	Memorandum of Understanding
MSCs	Migrants Support Centers

MSEs	Micro and small- sized enterprises
MSME	Micro Small and Medium Enterprises
NABARD	National Bank of Agriculture and Rural Development
NASSCOM	National Association for Software Services Companies
NMSE	Nano Micro and Small Enterprises
NBFCs	Non-Banking Financial Company
NCB	No Claim Bonus
NCVT	National Council for Vocational Training
NEEDS	New Entrepreneur -cum Enterprise Development Scheme.
NFDC	National Financial Development Corporation
NGOS	Non-Government Organization
NMFDC	National Minorities Development Financial Corporation
NOS	National Occupation Standards
NPA	Non-Performing assets
NPV	Net Present Value
NPL	Non- Performing Loan
NRLP	National Rural Livelihood Project
NRLM	National Rural Livelihood Mission
NSDC	National Skill Development Corporation
NSQF	National Skills Qualification Framework
NSS	National Sample Survey
NTFP	Non Timber Forest Products
OSF	One Stop Facility
PC	Producer Collective
PG	Producer Group
PDO	Project Development Objective.
PFIs	Participating financial institutions
PGP	Participatory growth plan
PIP	Participatory Investment plan

PIT	Project Implementation Team
PLF	Panchayat Level Federation
PMEGP	Prime Minister's Employment Generation Program
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMU	Project Management unit
PoC	Point of Contact
PPP	Public Private Partnership
PPSD	Project Procurement Strategy Document
PVP	Pudhu Vaazhuvu project
PVTG	Particularly Vulnerable Tribal Groups
PY	Project Year
QBS	Quality Based Selection
QCBS	Quality Cost based Selection
QPD	Quality, Profitability and Delivery
QPRs	Quarterly Project Reports
RBI	Reserve Bank Of India
RFP	Request for Proposal
ROI	Return on Investment
RSETIs	Rural Self Employment Training Institutes
RTI	Right to Information
SAC	Social Audit Committees
SBGF	State Balanced Growth Fund
SC	Scheduled Caste
SDC	Skill Development Centre's
SDK	Software Development Kit
SEWA	Self-Employed Women's Association
SEZ	Special Economic Zones
SFAC	Small Farmers Agriculture-Business Consortium
SGSY	Swarnajayanti Gram Swarajgar Yojana
SHG	Self Help Groups

SI	Systems Integrator
SIDBI	Small Industries Development Bank of India
SIP	State Investment Plan
SLA	Service Level Agreement
SLBC	State Level Bankers Committee
SMAC	Social Mobility Analytics Cloud
SMART	Specific, Measurable, Achievable, Relevant & Time based
SMF	Social Management Frame work
SPMU	State Project Management Unit
ST	Scheduled Tribes
STEP	Systematic Tracking of Exchanges in Procurement
TA/DA	Travel Arrangements / Dearness Allowance
TAHDCO	Tamil Nadu Adi Dravidar Housing & Development Corporation Ltd
TANSTIA	Tamil Nadu Small and Tiny Industries Association
TCEF	Tribal Community Enterprises Facilitator
TAHDCO	Tamil Nadu Adidravida Housing Development Corporation
TDP	Tribal Development Plan
TN	Tamil Nadu
TNEPRP	Tamil Nadu Empowerment and Poverty Reduction Project
TNPVP	Tamil Nadu Pudhu Vaazhu Project
TNRTP	Tamil Nadu Rural Transformation Project
TNRTS	Tamil Nadu Rural Transformation Society
TNTRM	Tamil Nadu Transformation Rural Marketplace
TNSDM	Tamil Nadu Skill Development Mission
TNSRLM	Tamil Nadu State Rural Livelihoods Mission
TNSRTP	Tamil Nadu Sustainable Rural Transformation Project
TOR	Terms of Reference
ToT	Training of Trainer
TPs	Training Partners

TSA	Technical Support Agency
TSS	Thematic Studies
UAT	User Acceptance Testing
UNDP	United Nation Development Program
UoM	Unit Of Measures
URP	Uniform recall period
USD	United State Dollar
UYEGP	Unemployed Youth Employment Generation Program
VAT	Value-added tax
VCA	Value Chain Analysis
VIP	Village investment Plan
VPRC	Village Poverty Reduction Committees
WIP	Work in Process



# **CHAPTER 1**

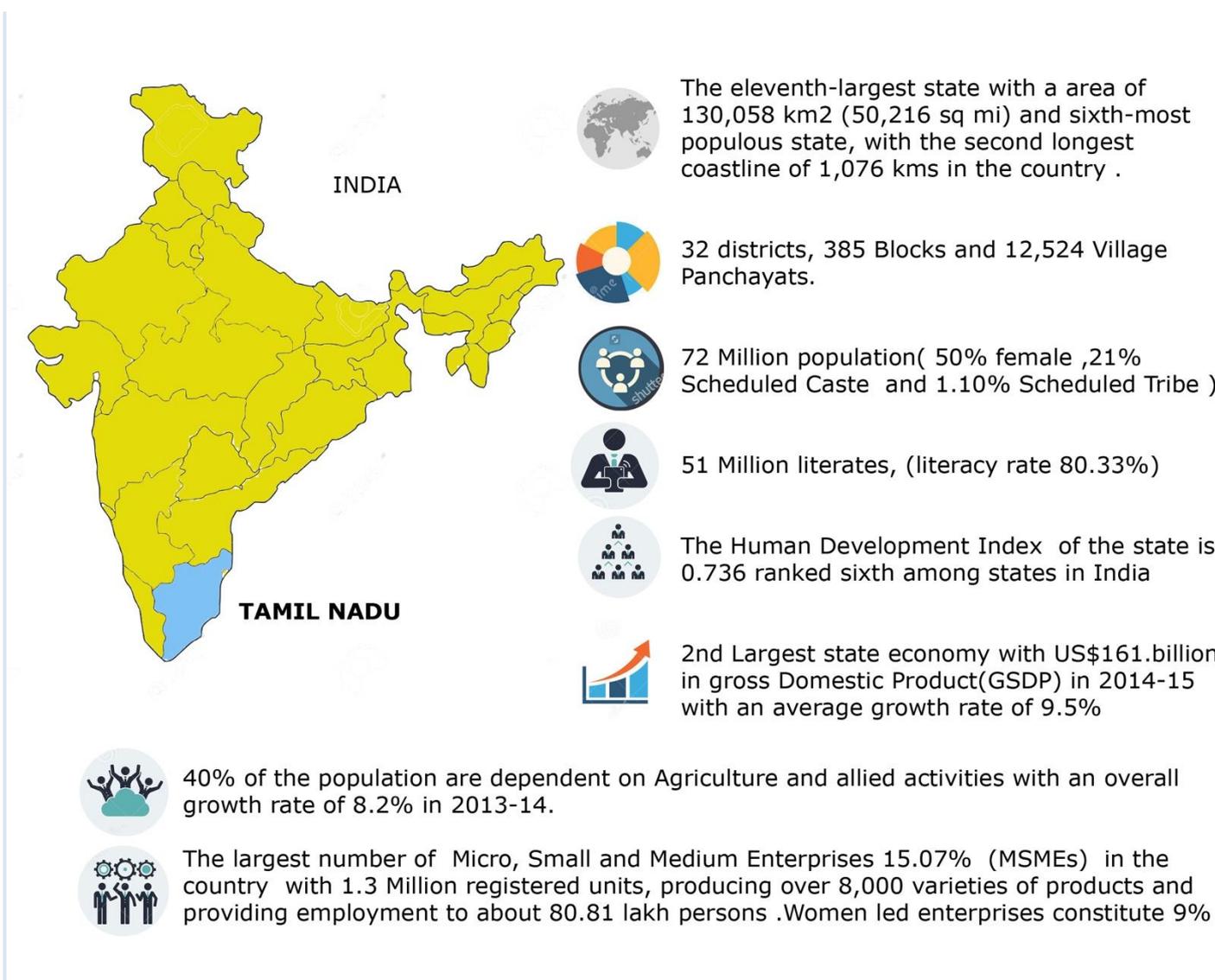
**TAMIL NADU**

**STATE OVERVIEW**

# CHAPTER 1: TAMIL NADU - STATE OVERVIEW

Tamil Nadu being the 11<sup>th</sup> largest state in India is spread over a 130,058 sq km with 2<sup>nd</sup> largest coastline of 1,076 km and is the sixth most populous state in the country. The state lies in the southernmost part of the Indian peninsula and is bordered by the union Territory of Pondicherry and the states of Kerala, Karnataka and Andhra Pradesh. The state ranks sixth in Human Development Index in 2011 and is the second largest state economy with an average growth rate of 9.5% in 2004-13.

The state is a home to many natural resources, culturally rich, vibrant, and has many historical monuments and religious places and is one of India's promising economic hubs. Facts Indicate a Large<sup>1</sup>, Resource Rich, and Industrious State<sup>2</sup> with Young population.

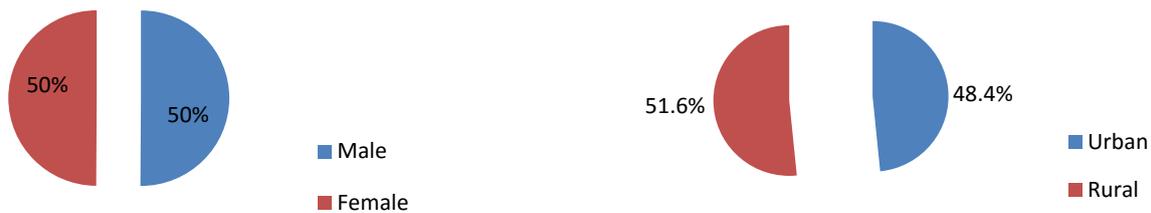


**FIGURE 1 : FACT FILE OF TAMIL NADU**

<sup>1</sup> Population figures as per 2011 census of Tamil Nadu

<sup>2</sup> Statistical data 2015, Govt of Tamil Nadu

## 1.1 DEMOGRAPHY



### Population Breakup- 2011 Census

The total population of the state is 72 Million with 36.14 million males and 36 million females. The Scheduled Castes (SC) constitutes 20.01% i.e. 14.43 million and Scheduled Tribes (ST) 1.10% i.e. 7.94 million of the total population. The sex ratio of the state is 995. Out of the 7.9 lakhs Scheduled Tribe population, 6.6 lakhs live in rural areas and 1.3 lakhs in urban areas.

## 1.2 HUMAN DEVELOPMENT INDICATORS

Tamil Nadu has been consistently growing in several economic factors. The main challenge is to ensure greater parity in development along with increasing the year on year growth.

- Tamil Nadu's Human Development Index (HDI) of 0.736 against India HDI of 0.619.
- Literacy rate of the rural women (64.55% in 2011) is higher than the national average.
- The literacy rate of Scheduled Caste communities in the rural areas is higher than that of the national average.
- Scheduled Tribes literacy rates are lower than the national average making them highly vulnerable.

The poverty in the state dropped from 51.7% in 1983 to 11.28% in 2013 as per Reserve Bank of India Report 2013 due to proactive social measures initiated by the state government in the field of social security, social assistance programs for nutritional security and schemes for unorganized poor. The state government spending on social sector is at 34% i.e. Rs.64,000<sup>3</sup> crores during 2015-16

Tamil Nadu has performed better compared to improvements made at the all-India level. According to the 2011 Census, the gender gap at national level stood at 16.6, while Tamil Nadu had a gender gap of 13. This points to both the overall pace at which literacy levels have increased and also the more equitable spread of literacy in the State in terms of gender.<sup>4</sup>

The rural literacy rates for the females show considerable improvement from 55.28% in 2001 to 64.55% in 2011 as shown in **Table 1**, these statistics reveal that Tamil Nadu is an advanced state in terms of literacy rate. The district wise HDI/GDI/Sex Ratio is at Annexure-1

<sup>3</sup> Tamil Nadu-State Report Card 2016-by Centre for Policy Research, New Delhi

<sup>4</sup> Tamil Nadu Human Development Report, State Planning Commission 2017

	Percentages					
	Male		Females		Persons	
	2001	2011	2001	2011	2001	2011
Total population <sup>5</sup>						
Tamil Nadu	77.15	82.08	55.28	65.52	66.21	73.8
All India	70.70	78.57	46.13	58.75	58.74	68.91
	Scheduled Castes			Scheduled Tribes		
	Male	Female	Persons	Male	Female	Persons
Tamil Nadu	75.6	58.7	66.6	55.8	39.2	48.8
All India	73.0	52.1	62.8	70.7	52.1	61.6

**TABLE 1: RURAL LITERACY RATES OF SCHEDULED CASTES AND TRIBES IN TAMIL NADU (2001-2011)<sup>5</sup>**

### 1.3 TAMIL NADU- ECONOMIC OVERVIEW

The state has historically been an agricultural state for several decades and is the 2<sup>nd</sup> largest economy in India with GSDP of Rs.13,842 Billion(US\$210 Billion),per capita GDP of the state is \$3000 in 2014-15 ,3<sup>rd</sup> highest in India. Some of the key features of the state are:

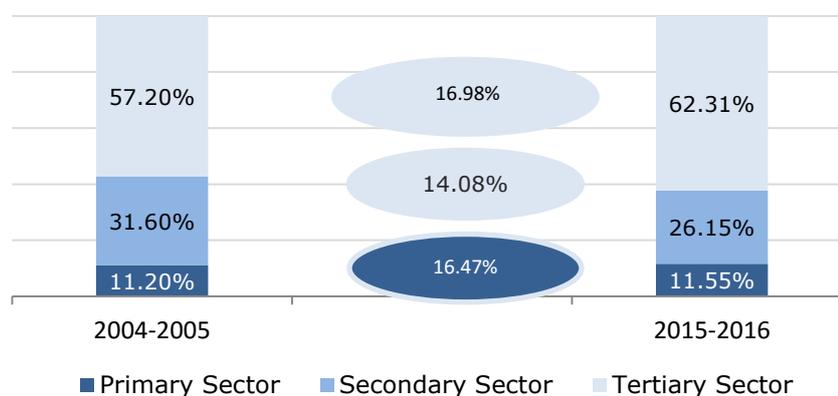
- 1) The contribution to GDP by sector during 2014-15 is detailed below:
  - Service Sector - 45%
  - Manufacturing sector - 34%
  - Agricultural sector - 21%
- 2) The secondary sector grew at an average rate of 14.08% between 2004-05 and 2015-16 mainly drawn by manufacturing and construction sectors
- 3) The primary sector grew at 16.47% correspondingly. The contribution of agriculture to GSDP remained stationary at 12% in 2012-13, 2013-14 and 7% and 6% in 2014-15, 2015-16 showed a decreasing trend
- 4) Strong GSDP growth from 2004-05 to 2015-16<sup>6</sup>
  - Gross State Domestic Product (GSDP) grew at a CAGR of 11.68% between 2004-05 & 2015-16, reaching US\$ 175.33 billion in 2015-16.
  - Per capita GSDP of US\$ 2,430.54 (at current prices) is nearly 1.75 times higher than the national average of US\$ 1,389.6.
- 5) Attractive investment destination<sup>6</sup>
  - The cumulative FDI inflows<sup>2</sup> in the state during April 2000 to March 2016 amounted to US\$ 21.54 billion, witnessing growth of 18.6% between 2014-15 and 2015-16.
- 6) Diversified Industrial Hub
  - The state has a diversified manufacturing sector and leads in several industries like automobiles & components, engineering, pharmaceutical, garments & textile products, leather products, chemicals & plastics.
  - Chennai is endeavouring to become an International financial hub due to its proximity with East Asian countries
- 7) Thriving Services Sector

<sup>5</sup>Rural Development Statistics 2011-2012.

National Institute of Rural Development. Hyderabad.

<sup>6</sup> Central Statistics Office, TechSci Research Estimates, Department of Industrial Policy and Promotion

- a. IT exports<sup>2</sup> from Tamil Nadu have increased from US\$ 7.1 billion in 2007-08 to US\$ 13.4 billion in 2014-15, registering a CAGR of 9.5%.<sup>7</sup>
  - b. Chennai is a key financial center in south India, with strong presence of major Indian financial institutions and foreign banks.
  - c. The tourism sector ranks 3<sup>rd</sup> in India in terms of number of domestic tourist arrivals and second in foreign tourist arrivals. Tamil Nadu Vision 2023 targets investments up to Rs.10, 000 crores in Tourism and Hospitality sector with emphasis on developing new streams of tourism in state i.e. Pilgrimage Tourism, Health and Wellness tourism, Eco- Tourism, Culinary tourism etc under the brand created "Enchanting Tamil Nadu-Experience yourself".<sup>8</sup>
- 8) The State is focused on infrastructure development, skill training, education and community driven initiatives. It has planned to invest Rs. 15 lakh crores by 2023 covering all sectors of the economy and achieve 14% growth rate<sup>93</sup>. Tamil Nadu Skill Development Corporation's emphasis is on creating a skilled workforce with focus on increasing women participation<sup>3</sup>.



**FIGURE 2: PERCENTAGE DISTRIBUTION OF GSDP**

There is a critical need to develop the under-served and vulnerable groups i.e. Scheduled Tribes, farmers (marginal & small), landless labourers and women. With a growing industry and planned investment these groups can add significant value to the state's next level of growth. Stabilizing development in rural areas through modernization of agriculture and supporting traditional livelihoods amidst rapid urbanization remain critical concern areas for the state.

**Women Participation in the Workforce** :As per the study commissioned by Tamil Nadu Rural Transformation Project (TNRTP), 10% of the women are involved in Economic Activity and majority of the activities are at subsistent level, 1% in collective group enterprise, and 5% of women from SCs are involved in economic activity. Major constraints faced by Scheduled Caste women are towards:

- Access to working capital,
- Non-availability of raw material,
- Finance at low interest, delayed payments, occupational health issues of lack of equipment / machinery.

According to Sixth Economic Census, around 8.05 million establishments in India are owned by women of which 1.08 million (13.5%) are in Tamil Nadu, the largest share in India.

<sup>8</sup> Ministry of Tourism

<sup>3</sup>Tamil Nadu Industrial Policy 2014

## 1.4 AGRICULTURE

Agriculture continues to be the predominant sector of the State economy, as 40% of the population is engaged in agriculture and allied activities for their livelihood.

In the State<sup>10</sup>, paddy is cultivated in about 17.75 L.Ha (31%), millets in 6.99 L.Ha (12%), pulses in 6.34 L.Ha (11%), oilseeds in 4.38 L.Ha (8%), sugarcane in 3.24 L.Ha (6%), cotton in 1.29 L.Ha (2%), coconut in 4.29 L.Ha (8%) and Horticultural crops in 12.22 L.Ha (22%).

As per the 2011 census, the Tamil Nadu state has 42.48 lakh cultivators and 96.07 lakh agricultural labourers with the gross irrigated area of 33.94 Lakh hectares out of which 79% is under food crops and 21% is under non-food crops with an average land holding of 0.80 ha, lower than the national average of 1.15 ha.

The number of operational land holders<sup>11</sup> in the state is 81.18 lakh, operating a cultivable land of 64.88 lakh hectares. The small and marginal land holders account for 92% of the total land holding operating in 61% of the area.

The state is the leading producer of Rice, Kambu, Corn, Groundnut, Oilseeds and sugarcane in India. The major crops being cultivated and the yield in the state and its position with respect to other states is mentioned in Table 2

**TABLE 2: MAJOR CROPS BEING CULTIVATED IN TAMIL NADU AND THE YIELDS COMPARISON WITH NATIONAL AVERAGE<sup>12</sup>**

Crop	State ranking at National Level	Yield in Tamil Nadu (Kg/Ha)	All India Average yield (Kg/ha)
Maize	1	5,360	2,557
Groundnut	1	2,699	1,440
Total Oilseeds	1	2,659	1,037
Sugarcane(MT)	3	93	70
Rice	2	3191	2390
Sunflower	3	1625	753
Cumbu	1	2881	1272
Jowar	3	1485	953
Coarse cereals	4	3666	1729
Cotton	1	718	461
Food grains	5	2529	2070
Total Pulses	8*	689	744

\*has advanced from the previous 14th position

Tamil Nadu has been classified into 7 distinct agro climatic zones based on rainfall distribution, irrigation pattern, soil characteristics, cropping pattern and other physical, ecological and social characteristics including administrative divisions and the details **at Annexure -2**.

Tamil Nadu Vision 2023 has a three-pronged strategy for improving agriculture productivity and thereby sustaining growth in the agriculture sector to meet the growing demand for agricultural produce as well as ensure food security for the state. The strategies are i) Improve productivity by introducing scientific agricultural practices and building an institutional network

<sup>10</sup> Source: Policy Note 2015-16, Department of Agriculture, Government of Tamil Nadu

<sup>11</sup> Agriculture Statistics at a Glance ,2015

<sup>12</sup> Agriculture Statistics at a Glance ,2015

for support; ii) Intelligent use of depleting water resources for meeting the demand of the sector and ;iii) Develop suitable post-harvest infrastructure to maximize benefits of value addition and timely marketing of the produce.

The project will be addressing and building on the above strategies through convergence with Research institutions, Government departments, and ensuring sustainable and efficient extension of technologies and partner with private sector for value chain strengthening.

**FIGURE 3: AGRO CLIMATIC ZONES**



## 1.5 HORTICULTURE

The impetus received from the National Horticulture Mission of the Government of India has led to significant growth in the horticulture production in the State since 2005-06.

- Tamil Nadu has the highest share of production of flowers (loose) during 2012-13
- Fourth Leading fruit producing state – 6699.9 '000 MT ( 8.2 % )
- Leading state in plantation crops (28.48 % ) - 4837.31 '000 MT
- Leading Loose(flower) producing state – 312.97 '000 MT (18.10 % )<sup>13</sup>

<sup>13</sup> Handbook on Horticulture Statistics 2014

**TABLE 3: STATE RANKING FOR DIFFERENT HORTICULTURAL PRODUCTS AND PRODUCTION 2012-13**

S. N.	Products	Ranking of TN at All India Level – Production	Units of Production (2012-2013)
1	Bananas	1 <sup>st</sup>	47.75 LMT
2	Fruits	4 <sup>th</sup>	4.83 MMT
3	Sugarcane	4 <sup>th</sup>	317.60LMT
4	Rice	9 <sup>th</sup>	40.49 LMT
5	Turmeric	2 <sup>nd</sup>	1.90LMT
6	Spices	6 <sup>th</sup>	0.85 MMT
7	Tea	3 <sup>rd</sup>	174.7 MMT
8	Coffee	3 <sup>rd</sup>	18775 MT
9	Loose flowers	1 <sup>st</sup>	2.61 LMT
10	Vegetables	9 <sup>th</sup>	6.15 MMT

Technology breakthrough in horticultural crops has improved the quality and yield considerably besides, bringing higher income to the farmers as a result of crop diversification. Though, the area under horticultural crops is less than 1/5th of total cropped area, its share to total agricultural growth has become significantly high.

**TABLE 4: THE AREA AND PRODUCTION OF HORTICULTURAL CROPS DURING 2010-11**

Items	India	Tamil Nadu	
		Area lakh ha	Production lakh MT
Fruits	75	3.19	79.35
Vegetables	147	2.84	83.82
Spices & Condiments	53	1.66	10.07
Plantation Crops	120	2.66	11.49
Flowers	1.30	0.1	0.55
Medicinal & Aromatic Plants	6	0.31	2.99

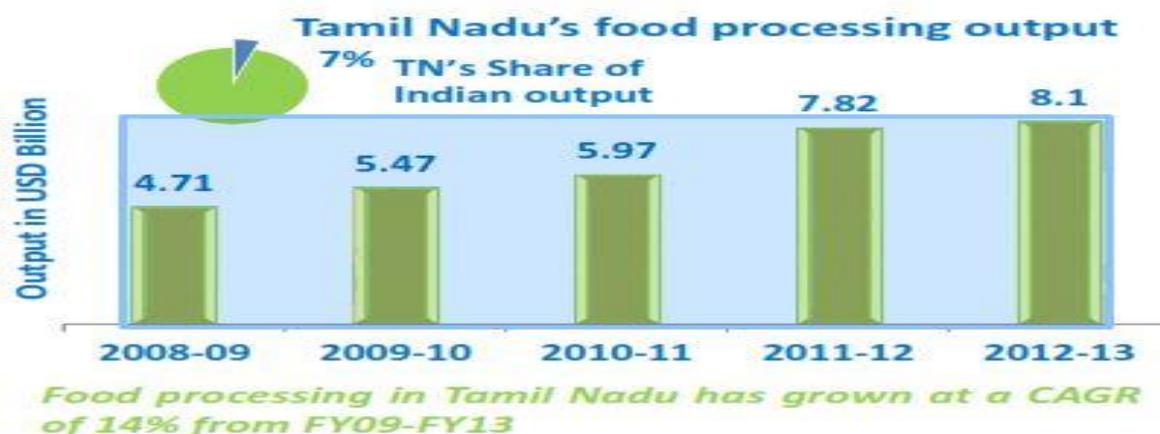
Source: Directorate of Horticulture and Plantation Crops, Department of Agriculture, GoT

#### 1.6 FOOD PROCESSING:

Tamil Nadu has about 56500<sup>14</sup> MSME units operating in the food processing sector as on March 2011 employing about 3.12 lakh people with a total investment of Rs. 2629 crore. The food processing sector has grown at a CAGR of 14%. The state is also amongst the top producers for fruits and vegetables as shown in Table6, shows the ranking of the state at the national level and production of different crops during 2012 -13.

<sup>14</sup>As per the Statistical Handbook of Tamil Nadu 2012

**FIGURE 4: TAMIL NADU FOOD PROCESSING OUTPUT**



The export of Agricultural processed foods during 2013-14 was USD 1490 Million contributed by different agricultural produces.

**TABLE 5: DETAILS OF AGRI-PRODUCTS BEING EXPORTED WITH DESTINATION**

COMMODITY	EXPORT DESTINATIONS
Non-Basmati Rice	UAE, South Africa, USA ,Malaysia
Maize	Malaysia and Gulf
Groundnut(processed)	USA ,UK, Germany
Sesame(Processed)	USA ,UK, Canada
Small Onion	South East Asia and Gulf Countries
Red Chillies	South East Asia and Gulf Countries
Turmeric	USA, Europe, Japan
Moringa	Qatar,Oman,Malaysia,UAE
Tea	Russia,Dubai,Saudi,US
Mango	UAE,UK,South Africa
Mango Pulp	USA,UK,Gulf countries
Banana	UAE,South Africa,Kuwait,Iran
Roses	UK,Germany,Netherlands
Orchids	UK,Germany,Netherlands

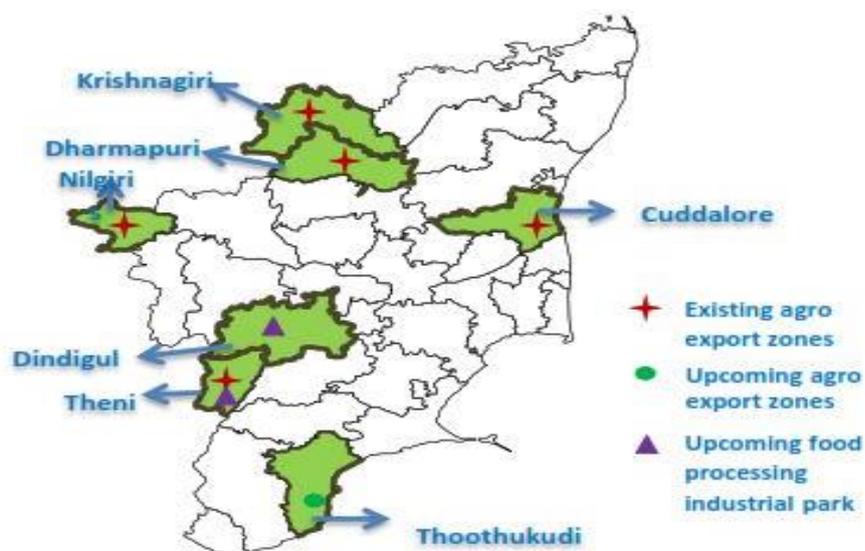
The state Government through its policy initiatives is supporting the sector through following measures:

- All profits are free from corporate Tax and profits earned are exempted from
- Minimum Alternate Tax.
- Capital goods can be freely imported including second hand ones for Food processing
- The government has set up Free Trade Zone (FTZ) and Export Processing Zone (EPZ) with all required infrastructure
- Units in FTZ and EPZ and 100% export units can retain 50% foreign exchange receipts.

Some of the important private industries operating in Tamil Nadu are Britannia Industries, Rajshree Sugars and Chemicals, Hindustan Unilever Limited, Nestle, Coco-Cola, Cavin Care, Hatsun, Suguna Foods, Tata Coffee Limited etc

*New Industrial parks being set up in Dindigul, Theni, Virudhnagar Districts and common facilities like Cold storage and warehousing being setup.*

*Marine based industry in Thoodhukudi and Kanyakumari.*



**FIGURE 5: EXISTING AND UPCOMING INDUSTRIAL INFRASTRUCTURE PROJECTS FOR AGRO FOOD PROCESSING IN THE STATE**

## 1.7 ANIMAL HUSBANDRY

The contribution of livestock sector to the Gross State Domestic Product (GSDP) is 4.31% and that to the agriculture and allied activities is 41.84% (Advanced Estimate at Current Prices). During 2006-07, the gross value of output of livestock, which was Rs. 11,535.23 crore in the State, has increased to Rs.55, 068.20 crore during 2014-15 (Advanced Estimate at Current Prices).

**TABLE 6: LIVESTOCK SECTOR - OVERVIEW (SOURCE- STATISTICAL DIVISION AH-GOI)**

Sector	Performance 2015-16	% Contribution	Ranking in the country
Milk Production	71.43LakhMetric tones	5.2%	10 <sup>th</sup>
Egg Production	1,61,252 lakh nos	19.23%	1 <sup>st</sup>
Meat Production(Incl Poultry)	5.445 Lakh Kgs	7.45%	6 <sup>th</sup>

The Animal Husbandry Department plays a major role in implementing various programs effectively and providing veterinary assistance, health care and breeding services to the livestock and poultry reared by the farmers in the State through a network of 2,679 Veterinary Institutions and 800 Veterinary Sub-Centres.

## 1.8 FISHERIES

The state has the 2<sup>nd</sup> longest coastline in the Country i.e. 1,076 kms covering 13 coastal districts with Exclusive Economic Zone (EEZ) of 1.9 Lakh sq.km and stands fourth in the country for

total fish production. During 2015-16 the fishery production was 7.08<sup>15</sup> lakh tonnes and the state exported Marine products of 85,086 metric tonnes valuing Rs.4,184 crores.

The Inland fisheries in the state has 3.83 lakh ha of inland water resources comprising of reservoirs, tanks, seasonal tanks, ponds, rivers, backwaters, which depend on seasonal rains. The inland fisher population is 2.28 lakh tons and the Brackish water fisheries is estimated as 56,000 ha and 7100 ha of area is under coastal aquaculture production (Shrimp).

Fisheries in the state is transforming into an important economic sector due to exploitation of deep sea fishery resources, introduction of package of practices of sustainable aquaculture, developing ornamental fish culture ,fisheries eco-tourism ,development of fish processing parks, mid sea fish processing units.

## 1.9 FORESTS

The state has a total forest area of 26345<sup>16</sup> sq. kms constituting 20.26 %of the geographical area and ranks 13<sup>th</sup> amongst the Indian States with reference to the total forest area (Forest Survey of India [FSI] report 2009). The forests are spread along the Western Ghats and in Eastern Ghats in Tamil Nadu.

### **Non Timber Forest Produce:**

The Non-Timber Forest Produce (NTFP) available in the state are tamarind, honey, myrobalan, hill brooms, soap nuts, shikakai, amla, and other forest produce including fodder. Of the total wage employment in the forestry sector, NTFPs account for more than 70% amongst the Tribal who live in the periphery of forests. NTFP contributes to about 20% to 40% of the annual income of forest dwellers who are most disadvantaged landless communities and are the dominant population of Tribal. Over 50 lakh people particularly women and poor tribal communities depend on forest resources for their livelihood who live in 3072 forest fringe villages. Most of the NTFPs are collected and used/sold by women, and creates financial empowerment amongst tribal women in the forest areas. However depleting resource base either because of diversion of forest land for non-forest use, or due to unsustainable harvesting practices has been the major ecological challenge in the NTFP sector.

## 1.10 MANUFACTURING SECTOR

The state has a diversified manufacturing sector and is the second most industrialized state in the country and has several robust industries such as automobiles components, engineering, pharmaceuticals, garments, textile products, leather products, chemicals, plastics, etc. The state ranks first in the country in Electronic hardware manufacturing and contributes 15% to the national production.

The state has the highest number of business enterprises estimated to be around 10.56 % and is 2<sup>nd</sup> in total employment in India that is around 9.97%. Many heavy engineering and manufacturing-based industries are located in and around Chennai which is why the area is also called "The Detroit of South Asia". Global auto giants like Hyundai, Ford, BMW, Caterpillar and Mitsubishi as well as domestic heavyweights like MRF, Ashok Leyland, TI cycles of India, Mahindra and Mahindra, Royal Enfield, TVS and TAFE Tractors have their manufacturing units around Chennai. Tiruppur is known as the knitting city while Coimbatore is called the Manchester of South India.

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<sup>15</sup> Government of Tamil Nadu Policy Note for 2016-17

<sup>16</sup> India State of Forest Report 2015

### 1.11 MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

Tamil Nadu accounts for the largest number of (15.07%) Micro, Small and Medium Enterprises (MSMEs) in the country. The women led enterprises constitute only 9% in the sector indicating the need to empower, provide training to the women workforce.

The state is also taking up new initiatives to support the MSMEs through new Policies:

1. Revamping and restructuring the offices
2. Developing single window portal
3. Setting up state industries centre and
4. Special initiatives for tea value added products

Tamil Nadu is a leader in Auto parts and components, Readymade Garments and Leather and leather goods. In order to give special drive the following 13 Industries have been identified as thrust sector-

- Electrical and electronic industry
- Leather and leather goods
- Auto parts and components
- Drugs and pharmaceuticals
- Solar energy equipment
- Gold and Diamond jewellery for exports
- Pollution Control equipment
- Sports goods and accessories
- Ready-made garments
- Food processing
- Cost effective building material
- Plastic
- Rubber

### 1.12 TEXTILE SECTOR:

Textile and apparel sector together provide employment to 35% of population of the state. It houses more than 40% of total installed capacity of spinning industry in India. Tiruppur cluster in Tamil Nadu is the biggest knitting cluster in India contributing to 90% of exports of knitwear from India.

Tamil Nadu occupies a place of pride in having the large number of handlooms in the Country with 1.54 lakhs handlooms and 3.52 lakhs handloom weavers.<sup>17</sup> The key drivers of the textile sector<sup>18</sup> in the State are:

- ✓ Tamil Nadu has 40% of total installed capacity of spinning industry in the country
- ✓ The biggest knitting cluster located in Tiruppur contributes 90% of the knitwear exports from India.
- ✓ The State also contributes 35-40% to the total yarn production with 2614 hand processing units (25% of the units in India) and 985 power processing units (40% of the units in India).
- ✓ The Textile and Apparel sector provides employment to 35% of the population in the State

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<sup>17</sup> Status of Handloom Sector Report 2016

<sup>18</sup> Source: Investing in Tamil Nadu-website



## **CHAPTER 2**

### **OVERVIEW-**

# **TAMIL NADU RURAL TRANSFORMATION PROJECT**

## CHAPTER-2: OVERVIEW-TAMIL NADU RURAL TRANSFORMATION PROJECT

Tamil Nadu Rural Transformation Project (TNRTP) is a transformative project that looks beyond poverty alleviation by building sustainability and prosperity of rural communities through enterprise promotion, access to finance and employment opportunities.

The project will build on the investments made by Tamil Nadu Empowerment and Poverty Reduction Project (TNEPRP), Tamil Nadu State Rural Livelihood Mission (TNSRLM) and National Rural Livelihood Project (NRLP) since 2005 and 2011. These projects enabled vulnerability reduction through building strong community institutional structures.

The previous projects focused on

- Developing and strengthening community institutions
- Enhancing skills and capacities of the poor (especially women, youth differently abled and the vulnerable);
- financial investments in economic activities
- Promote produce households into producer groups /federations.

The learning from these projects ascertains the following challenges for integrating rural producer households into higher level income opportunities:

1. gaps in organizations to coordinate and facilitate business promotion and development services
2. lack of access to finance for startup capital and business support services to the first-time entrepreneurs, particularly women
3. lack of technical support systems and business skills in the existing producer organizations
4. lack of coordinated planning and resource mobilization for promotion of farm or off-farm producer linked business enterprises
5. Limited engagement with private sector player due to capacity constraints leading to high transaction costs and holistic approach to market intervention.

Households	92.84 lakhs
SHGs	6.14 lakhs
PLFs	12620
VPRC	12921
MaKaMai <sup>19</sup>	26
CLGs	6184
CLFs	23

### 2.1 PROJECT DEVELOPMENT OBJECTIVE (PDO)

**The Project Development Objective (PDO) is to "Promote rural enterprises, access to finance and employment opportunities in selected blocks of Tamil Nadu".**

<sup>19</sup>*MakaMai* is the local name for the Community Professionals Learning and Training Centers (CPLTC) promoted as community owned service institutions with cluster and block-level institutions federated at the district level.

## 2.2 KEY PROJECT INDICATORS:

The project will have four key project indicators which is detailed below:

Sl. No	Indicator	End Target (Achievements)
1	Percentage of enterprises (individual and collective) with ongoing operations after 2 years of project support	60%
2	Beneficiaries engaged in self or wage employment following training facilitated by the project (Number)	60,000
3	Percentage of enterprises supported by the project receiving funds from financial institutions (individual and collective) (Cumulative Percentage)	75%
4	Project direct beneficiaries (Number) of which female beneficiaries (Percentage).	65%

## 2.3 PROJECT BENEFICIARIES:

The project will target primarily the SHG households, created in the previous projects, who have basic level of assets, resources and skills; the focus will be on women, scheduled tribes, scheduled caste, youth and differently abled. The beneficiaries will be producer households, across farm and nonfarm sectors; producer groups/producer federations and; entrepreneurs in the selected project blocks.

The project will work with a total of 411,620-targeted individuals out of which 325,000 individuals will be organized into Producer Collectives and Enterprise Groups. In addition, the project will also support around 6,620 individual entrepreneurs, 40000 youth for skills enhancement through convergence and 40000 through Community Skill Schools (CSS).

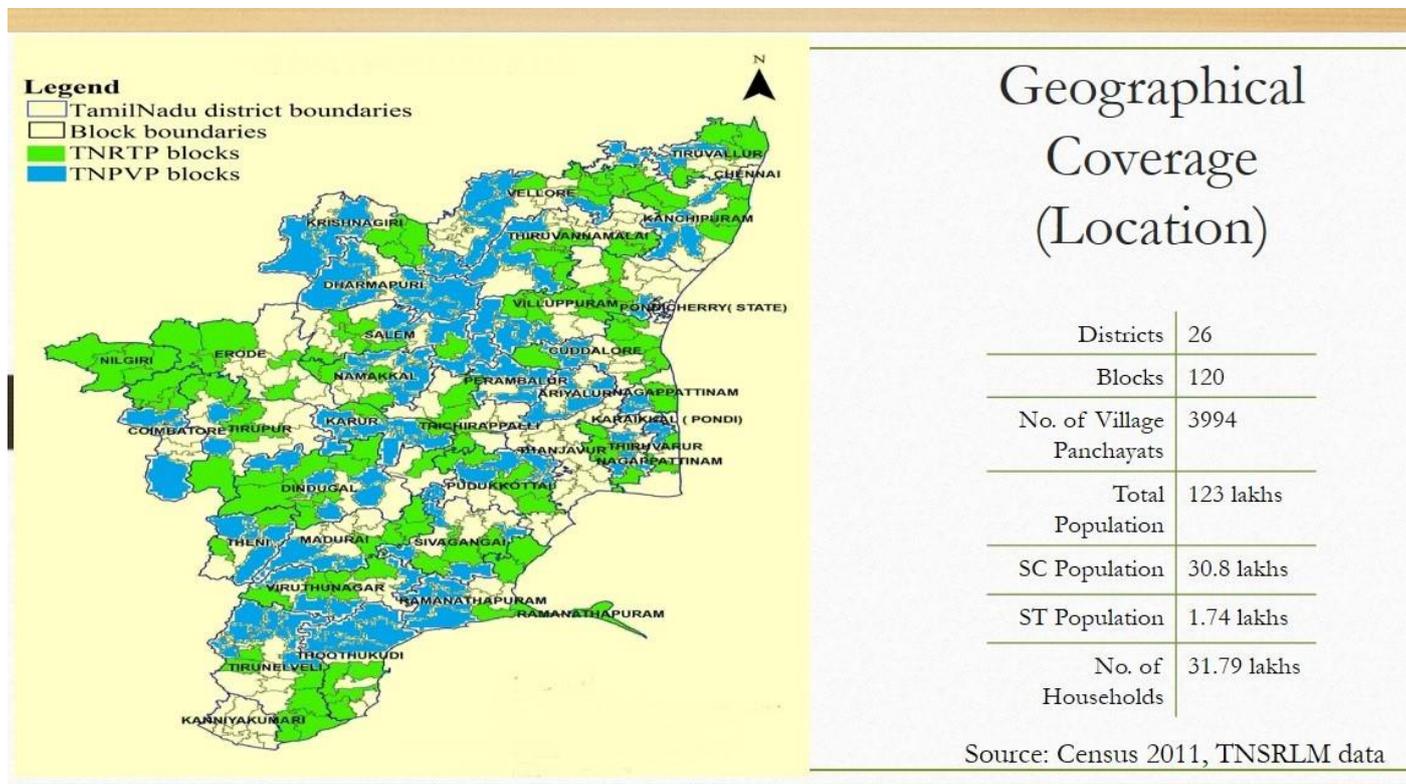
The detailed breakup of the targeted project beneficiaries is mentioned in Table -7

**TABLE 7: PROJECT TARGET BENEFICIARIES**

Group enterprises	6000 Producer groups - each PG to have an average of 50 members		3,25,000
	1000 Enterprise groups - each EG to have an average of 25 members		
Individual enterprises	6000 Nano	Entrepreneurs	6620
	500 Micro		
	120 Small		
Skilling	40000 Individual Beneficiaries through convergence and 40000 through CSS		80000
<b>Total</b>			<b>411,620</b>

## 2.4 PROJECT AREAS

The project will be operational in 26 districts specifically focusing on 120 non PVP blocks, and 3994 village panchayats of Tamil Nadu. The identified districts for the project intervention are highlighted in the map. The detailed list of blocks and village panchayats shortlisted is at Annexure-3



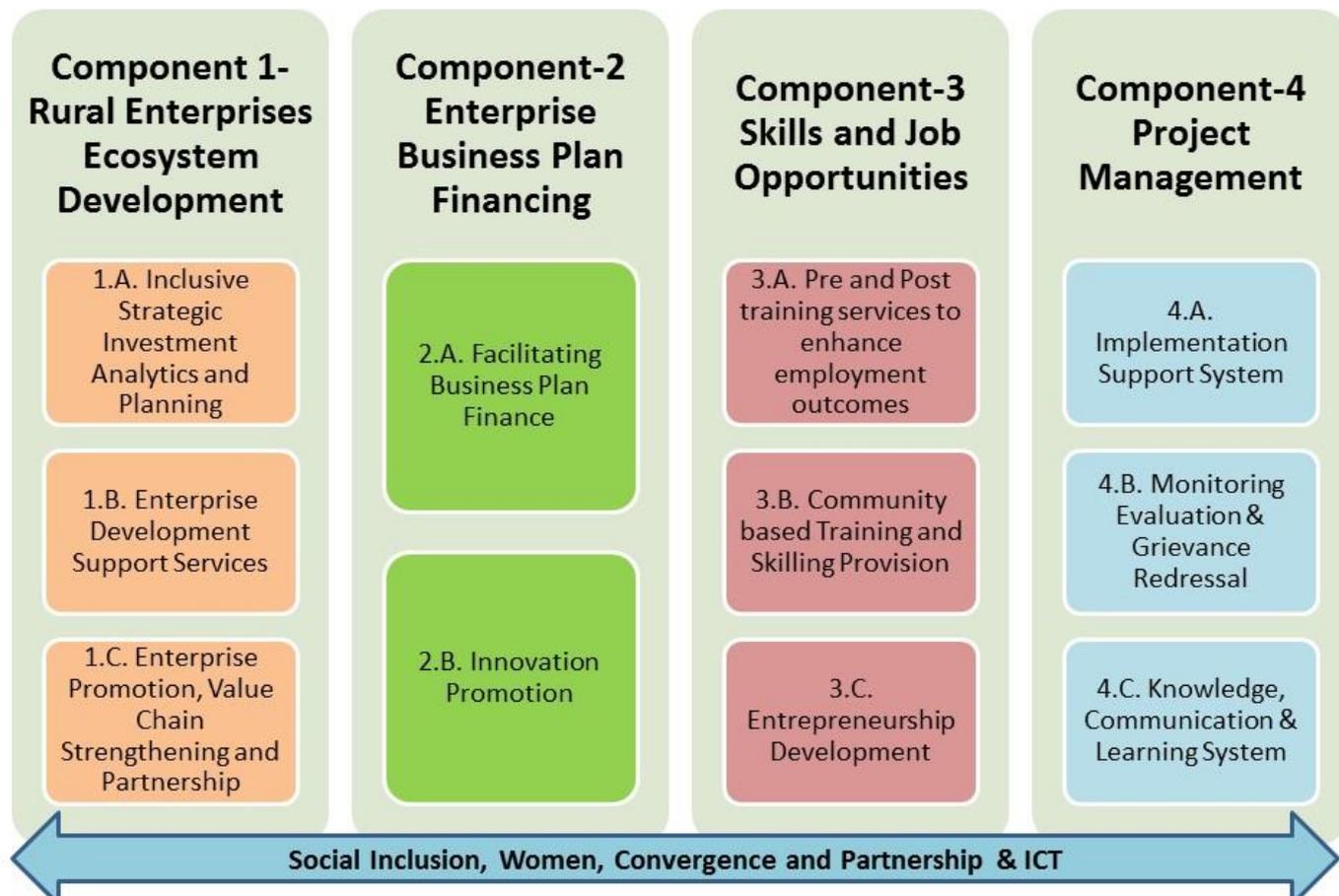
**FIGURE 6: SHORTLISTED BLOCKS OF THE PROJECT**

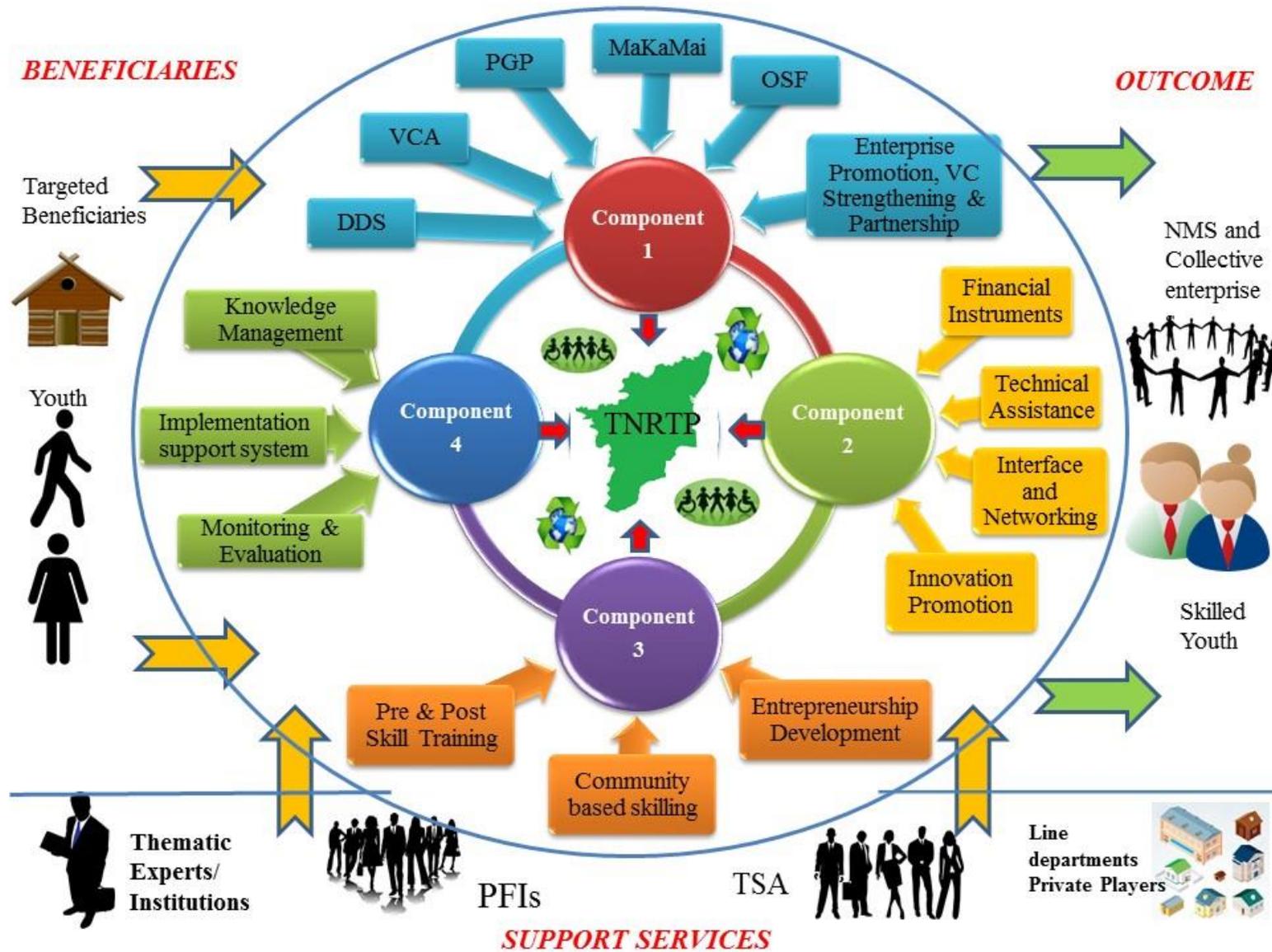
## 2.5 PROJECT DESIGN

The project will be implemented through four components and sub-components as mentioned below:

**FIGURE 7: PROJECT DESIGN-COMPONENTS**

### TNRTP Project Design





**FIGURE 8: OVERALL TNRTP PROJECT CONCEPTUALIZATION**

## 2.5: PROJECT PHASING

The project will be implemented in three phases, i.e 26 blocks in the first 8 months, 52 blocks by the end of 12 months and remaining 42 blocks by the end of 18 months covering 3994 villages as detailed in Table 8 below:

**TABLE 8: PROJECT PHASING**

### Project Phasing

Sl.No.	Phase / blocks	Panchayats (#)	Year of operation
1.	Phase 1 26 Blocks	858	(In the first 8 months)
2.	Phase 2 52 Blocks	1716	(By end of 12 months)
3.	Phase 3 42 Blocks	1420	(By end of 18 months)
	<b>Total 120 Blocks</b>	<b>3994</b>	<b>18 months</b>

## 2.6 PROJECT FINANCING:

The total project cost for six-year is US\$142.50 Million. The project will be funded by International Bank for Reconstruction and Development (IBRD) loan of (US\$ 100 Million equivalent) and Government of Tamil Nadu (Go TN) contribution of (US\$ 42.50 Million equivalent).The component wise budget allocation is shown in Table -9

**TABLE 8: TNRTP COMPONENT-WISE ALLOCATED BUDGET**

Component	Name of the Component	Proposed Budget	Proposed Budget
		(Rs. Crores) 1 USD @64.75 INR	(USD)
1	Rural Enterprise Ecosystem Development	297.20	45.90
2	Enterprise Business Plan Financing	249.28	38.5
3	Skills and Job Opportunities	187.77	29.00
4	Project Management	188.42	29.10
	<b>Total Budget</b>	<b>922.67</b>	<b>142.50</b>



## **CHAPTER 3**

### **COMPONENT -1**

# RURAL ENTERPRISE ECOSYSTEM DEVELOPMENT

# **CHAPTER -3 COMPONENT 1: RURAL ENTERPRISE ECOSYSTEM DEVELOPMENT**

**The objective of this component is to create an enabling environment for promotion and strengthening of new and existing enterprises, and to generate employment.**

The overall focus of this component is to identify markets and value chain opportunities, support development of business ecosystem, provide informed pathways for enterprise promotion, develop individual & collective enterprises and strengthen prioritized value chains.

This component has three subcomponents:

**1. A Inclusive Strategic Investment Analytics and Planning**

**1. B Enterprise Development Support Services and**

**1. C Enterprise promotion, Value chain strengthening and Partnerships**

## **SUB COMPONENT 1-A: INCLUSIVE STRATEGIC INVESTMENTS, ANALYTICS AND PLANNING**

### **3.1 OBJECTIVE:**

This sub component will identify and prioritize sectors /subsectors/ commodities for project interventions and investments through an inclusive strategy and value chain analytical approach for promotion of rural enterprises especially for women, tribals and differently abled with basic assets, skills and resources. The sequential steps to be followed in this sub component are:

- i) District Diagnostic Studies (DDS),
- ii) Value Chain Analysis (VCA),
- iii) Participatory Growth Plans (PGP),

The outputs from the first step will act as an input to the subsequent step. The DDS and VCA outputs will be used in PGP wherein the communities will be informed about the market opportunities. The community will be facilitated to participate in the validation, analysis and investment planning at the village level thus making this an inclusive exercise. Proactive measures will be instituted to ensure participation and representation of the socially disadvantaged sections<sup>20</sup> in the community in different phases of activities in analytics, planning and enterprise promotion. The PGP exercise will suitably leverage Information Communication Technology (ICT), to contribute to a spatial analytics at state level.

The overall outcome of this component will be the investment plans at the village, block and district which will be the basis for promoting and facilitating the enterprises in selected value chains.

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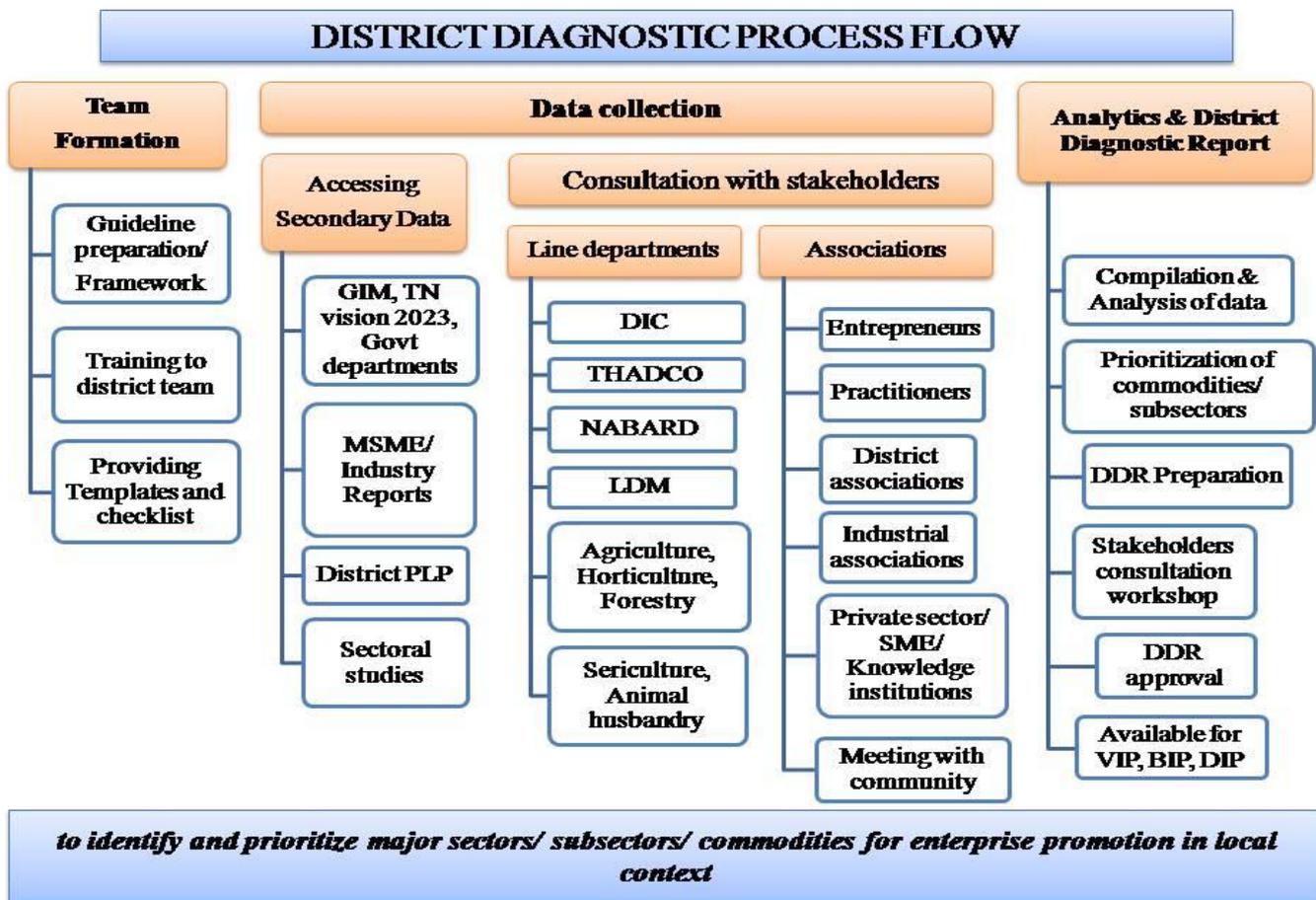
<sup>20</sup>Major focus will be on participation of tribal, women and other vulnerable sections of the community

### 3.2 DISTRICT DIAGNOSTIC STUDIES

The objective of the district diagnostics studies is “to identify and prioritize major sectors/ subsectors and commodities for enterprise promotion in the local context”.

DDS is the first level of analytics, based on stakeholder consultations and analysis of secondary information. This includes in-depth evaluation of the district for identifying the opportunities and challenges in the specific sectors, subsectors and commodities for next level of analytics through value chain approach.

The DDS will be conducted after three months of project initiation in 26 selected districts. The DDS reports will have to be approved by the Committee chaired by District Collector and will be compiled at the state level for prioritizing sectors/sub-sectors/commodities and plan for Value Chain Analysis studies.



**FIGURE 9: DISTRICT DIAGNOSTIC STUDIES (DDS) PROCESS FLOW**

### 3.3 STEPS FOR CONDUCTING DDS:

#### I. DISTRICT DIAGNOSTIC TEAM FORMATION

The study will be conducted by district diagnostic team consisting of 5 members namely District Executive Officer (#1), Executive Officer (#4). The team will be supported by

- Technical and entrepreneurial experts identified from local knowledge institutions or private sector in the district and
- At least two such members should be part of the extended district diagnostic team.

The team will be trained to perform the district diagnostic study as per the standardized guidelines prepared by the state team

- Process and the methodologies of study –at **Annexure-4**
- Standardized guidelines for district diagnostic study –at **Annexure-5**
- Templates and checklist for data collection at **Annexure-6**

#### II. DATA COLLECTION

The district diagnostic team will collect the primary and secondary data from the following sources:

Government websites	Industrial survey and reports	District annual credit plan
Department websites	Tamil Nadu Vision 2023	Sectoral studies
Government surveys and studies	Information from Global investor's meet, Chennai	District potential linked plans – NABARD
Reports from related departments	District level reports from Government of India	Reports from Private Sector
Agro climatic data, Central Ground Water Board reports	Status of Environment Reports	

**TABLE 9 : KEY SOURCES FOR SECONDARY DATA COLLECTION**

The data will be collected for sectors, subsectors, commodities, growth opportunities, status of the natural resources , key environmental and social issues, public, civil societies, knowledge institutions and private investments. Further data on socio- demographic, occupational work profile of women and men from caste categories, differently abled, women headed households and women should be collected. The collection of data will be done from multiple sources.

#### III. CONSULTATION WITH STAKEHOLDERS:

The team will have one to one meetings with various stakeholders including civil society organisations, industry associations, private firms, line departments etc. for district diagnostic exercise. This will help to assess the challenges and opportunities in the sectors to validate the inferences drawn from secondary data. Essentially, the district team should set up meetings with related line departments for deeper insights in the sectoral opportunities/challenges/issues viz., agriculture, horticulture, rural development, forestry, animal husbandry/AAVIN, sericulture, fisheries, agricultural engineering, NABARD, lead banks, TNSRLM, RSETIs, District Industries Centre (DIC), MSME, THADCO, meteorology, labour and employment and other relevant departments. Further, these meetings will help

the district team to build relationship with the departments that help in convergence during project implementation. (Checklist for the conducting the meeting at **Annexure-7**)

In addition, the district diagnostic team will organize focused group discussions (FGD)/interviews with women entrepreneurs/collectives involved in enterprise activities and include the insights in the report.

#### **i. ANALYSIS AND REPORT PREPARATION:**

The team will compile the collected data in standardized templates and analyze it based on the criterion for commodity prioritization as per format in **Annexure 8**. A standard guideline for analysis and a sample district diagnostic report of Krishnagiri is in **Annexure 9**.

#### **V. DISTRICT DIAGNOSTIC REPORT APPROVAL:**

The draft DDR will be presented in the District Rural Transformation Society<sup>21</sup> meeting chaired by District Collector and due approval will be sought.

The expected outcome from the diagnostic will be prioritized commodities, Sectors and Sub sectors at the district level for further analysis. The district diagnostic reports (DDR) will filter out the prioritized commodity at the state level for identifying the value chains for further analysis. The DDR together with VCA study reports will be used as an input for investment planning at the Village, Block and District level. Further it will be consolidated and duly updated from time to time by the district team during the project period for utilization as a knowledge product.

#### **Roles and Responsibilities of the District Diagnostic Team**

1. Inform the stakeholders regarding the diagnostic exercise at district level
2. Engage the stakeholders including community, civil society, industry association, private firms, line departments etc. for district diagnostic exercise (**Annexure-10 - DDS Questionnaire**)
3. Validation, processing, analysing the collected data and insights and preparation of draft district diagnostic report (DDR)
4. Organize a district level workshop with key stakeholders including block TNRTP team to discuss and finalize draft DDR  
Presenting the draft DDR in a meeting chaired by District Collector and seeks approval
5. Forward the approved DDR to CEO/COO, TNRTP

#### **Support from State TNRTP Team**

1. Orientation and training to the district diagnostic team for conducting DDS
2. Providing necessary guidance and support to district diagnostic team during the study viz., issuance of government order/letter of authorization, coordination with line departments etc.
3. Monitoring the progress of the diagnostic team in finalizing the reports
4. State level consolidation and compilation of DDS reports (#26) and publication as a knowledge output
5. Organizing State level consultation workshop for validation and prioritization of sectors/subsectors/commodity for the Value Chain Analysis (VCA) studies.

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<sup>21</sup> The PudhuVaazhvu Society is being renamed and reconstituted as district rural transformation society

S.N o.	Details of Activities	Timeline
1	Preparatory work Formation of district diagnostic team Orientation and training to district diagnostic team (process of conducting diagnostic study, providing templates and checklist for study, methodologies & rigour in conducting the study, do's/don'ts)	1 Week after setup of District team and training.
2	Execution of DDS <ul style="list-style-type: none"> <li>Secondary data collection-scouting of data in websites, line departments, study and assessment reports from industries etc.</li> </ul> One to one meetings with line department officials, civil societies, private firms and industries etc. <ul style="list-style-type: none"> <li>Analysis and preparation of draft report</li> </ul>	6Weeks
3	Stakeholder consultation workshop	1 day
4	Presentation of the draft report to the district society chaired by district collector and seeking approval	1 day
	<b>Total</b>	7weeks

**TABLE 10: TIMELINE FOR CONDUCTING DISTRICT DIAGNOSTIC STUDY**

### 3.4 VALUE CHAIN ANALYSIS:

**The objective of the value chain analysis is “to deep dive in the prioritized commodities/sub-sectors (identified through DDS) and obtain deeper understanding on the opportunities, challenges and risks that enable to develop strategies for enterprise promotion” with specific focus on Women, Tribal and differently abled.**

These studies will identify opportunities, constraints and risks in the value chains of identified prioritized commodities and subsectors and provide in-depth analytical insights from market constraints, opportunities for men and women in value chain and community perspectives to TNRTP interventions and investments for enterprise promotion. The study will also identify any adverse impacts of the value chain on the environment.

DDA and Value chain studies and analytics will lead to informed investment planning and subsequent promotion of enterprises / collectives in the identified commodities/sub-sectors. Additionally, the VCA will identify collaborative opportunities between the enterprises and other actors in the value chain viz., common infrastructure for storage/logistics, market information etc. The detailed template for Value Chain Analysis is given in **Annexure-11**.

#### A) Pathways for VCA studies -

1. Scouting and reviewing existing value chain studies done by various agencies relevant to TNRTP area.
2. Initiating new VCA studies for prioritized commodities/subsectors (for which no prior VC studies are available) by hiring expert consultancy firm.

## Scrutinizing and reviewing existing value chain studies

The concerned state TNRTP team will scrutinize existing value chain studies done in recent past through desk research and stakeholder consultation. The studies conducted by any organization, institutions on the prioritized commodities with relevance to the state will be reviewed and will be a part of the TNRTP Knowledge base. If found appropriate, such study reports will be used for analytics and planning the project. Further, insights from such reports could be referred to in the new VCA studies. The analysis of existing value chains will save time and resources.

Example:

1. Value chain case study for derived products from paddy prepared by Kirloskar Institute of Advanced Management studies and Maharaja Institute of Technology, Karnataka, India.
2. Value chain case study of cashew in Nagapattinam, Tamil Nadu prepared by CARE India. [https://www.careindia.org/sites/default/files/pdf\\_file/Fact%20sheets%20Tamil%20Nadu%20%28Cashew%20Value%20Chain%29\\_0.pdf](https://www.careindia.org/sites/default/files/pdf_file/Fact%20sheets%20Tamil%20Nadu%20%28Cashew%20Value%20Chain%29_0.pdf)
3. Value chain case study of mangoes done in Kenya prepared by Food and Agriculture organization of United Nations.
4. <http://ageconsearch.umn.edu/bitstream/109516/2/18-Anjani-Kumar.pdf>
5. [.http://www.cggc.duke.edu/pdfs/Duke\\_CGGC\\_Global\\_Value\\_Chain\\_GVC\\_Analysis\\_Primer\\_2nd\\_Ed\\_2016.pdf](http://www.cggc.duke.edu/pdfs/Duke_CGGC_Global_Value_Chain_GVC_Analysis_Primer_2nd_Ed_2016.pdf)
6. [.http://airccse.org/journal/mvsc/papers/6115ijmvsc04.pdf](http://airccse.org/journal/mvsc/papers/6115ijmvsc04.pdf)
7. [.http://pdf.usaid.gov/pdf\\_docs/PA00M2SZ.pdf](http://pdf.usaid.gov/pdf_docs/PA00M2SZ.pdf)

## New Value Chain Analysis Studies

For the prioritized commodities/sub-sectors, for which no existing reports are available, new VCA studies will be initiated. The agencies or consultant for conducting the studies will be hired as per Procurement guidelines within 45 days of completion of DDS. The Terms of Reference (ToR) has been prepared and procurement process will be initiated for the first prioritized commodity, identified through the pilot DDRs.

The draft VCA report will be presented by the consultancy firm in a stakeholder workshop to be arranged by TNRTP team, for bringing in additional stakeholder insights and finalize this as a toll for PGP process.

The consultancy firm/Consultant will further build the capacity of the TNRTP project staff, through engagement in a workshop for effectively using the VCA study reports/findings. This will help develop analytical understandings for the TNRTP team and facilitate them to identify potential avenues for enterprise promotion, investment opportunities, key interventions/measures for managing the VC bottlenecks and inclusion with specific focus on women, tribals and differently abled community in TNRTP.

<b>S.No</b>	<b>Details of Activities</b>	<b>Timeline</b>
1	Preparatory work <ul style="list-style-type: none"> <li>• Hiring of TSA for conducting VCA studies.</li> <li>• Inception Report</li> <li>• Interim Report</li> <li>• Draft Final Report and presentation to the CEO</li> <li>• Final Report</li> </ul>	2 Weeks 4 Weeks 4 Weeks 12 Weeks 4 Weeks
	<b>Total</b>	26 Weeks

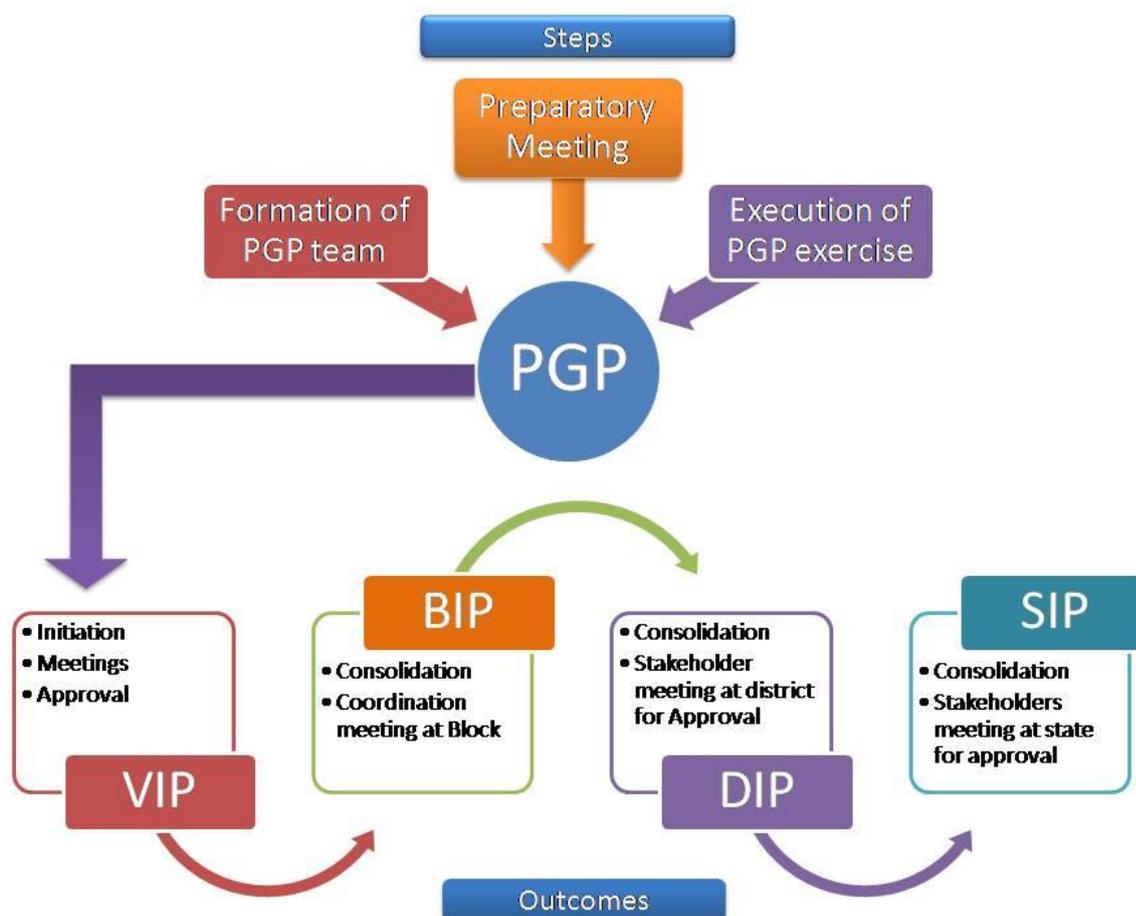
**TABLE 11: TIMELINE FOR VALUE CHAIN ANALYSIS**

### 3.5 PARTICIPATORY GROWTH PLANNING (PGP):

**The objective of the participatory growth planning is “to develop inclusive investment plans for the communities for enterprise promotion”.**

The PGP exercise will be facilitated by the District, Block and MaKaMai teams at district, block and village levels. At village level, the community members will participate in the planning process and validate whether the identified value chain activities are prevailing at their village and/or are offering any potential opportunity for enterprise development.

This village investment planning exercise will be conducted at the village Panchayat level by a dedicated team of Enterprise Community Professionals (E-CPs) selected as per the criteria laid down by MaKaMai. The Participatory growth plan in the village will be completed in 30 days’ time period. This planning process will be informed by district diagnostics reports and value chain studies. The village investment plans will be consolidated and reviewed at block and district levels respectively (detailed process for each step is enumerated below).



**FIGURE 10: STEPS FOR PARTICIPATORY GROWTH PLAN**

## Steps for Participatory Growth Plan (PGP):

### i. Formation of PGP Team

The participatory growth plan will be carried out by a team including Enterprise CPs, identified and trained by MaKaMai and the block team with the help of standardized guidelines (**Annexure-12**).

The team will consist of 7 members

- 1) Enterprise CPs -3 members ,
- 2) Self Help Group representative<sup>22</sup>-1 member,
- 3) Village Poverty Reduction Committee (VPRC) – 1member
- 4) Panchayat Level Federation (PLF) – 1 member and
- 5) Village entrepreneur<sup>23</sup>, if any -1 member.

The block team will ensure representation from women (at least 4), SC, ST groups in the PGP team. The block TN RTP team, with due support from the district TN RTP team will train the PGP team on the objective, process and expected outcomes of PGP exercise.

The PGP training kit will be prepared by the State TN RTP team and will include gender mainstreaming and social inclusion and environmental criteria suitably. The State TN RTP team will train the district team for conduct of PGP.

<sup>22</sup> Nominated by VPRC/PLF

<sup>23</sup> Volunteering entrepreneurs and duly nominated by VPRC

## ii. Preparatory Meeting

The district TNRTP team will draft the formal letters of communication to the village Panchayats (local government unit) and leaders regarding PGP objective, initiation of process their respective roles and inviting them to the preparatory meetings.

The preparatory meetings will be conducted at the block level by the district team and will be chaired by the respective District Collectors. In these meetings the presidents of the village Panchayats, office bearers of CBOs and the officials of the key line departments will participate and discuss the PGP process, respective roles and preparation of outputs in a timely manner. The action plan for the conduct of PGP exercise will be also finalized in the meeting.

## iii. Execution of PGP Exercise

The PGP exercise will involve collecting primary village level information, validating/reviewing information from the district diagnostics and value chain studies and based on the emerging enterprise promotion opportunities prepare village investment plans.

### 3.6 VILLAGE INVESTMENT PLANS

**a)** MaKaMai team along with the CBOs will inform the PGP process to the community members and self-help groups (SHGs). This will be done through SHG meetings and by displaying the information in the village notice boards. There should be representation from SHGs, producers, farmers, entrepreneurs, and CLG members. The participation of women and women headed households, SC/ST and differently abled needs to be ensured.

**b)** The PGP team will collect information about the existing natural resources, producers, cultivation pattern, crops, and existing producer groups & artisans if any. The information will be gathered from the village administrative office, Primary Agricultural Co-operative Societies (PACS), milk societies, VPRC, PLF.

**c) Village Enterprise Survey:** The Enterprise CPs, duly facilitated by Block team, will conduct village enterprise survey and collect data about the enterprises existing in the village (**Annexure-13**).

This will detail out the enterprises that can be scaled up and integrated in the value chain intervention and identify skilling requirements. The listing of entrepreneurs in the village and who own enterprises outside the boundary of villages will be also detailed out. This survey will take at the most 2 days. The Enterprise CPs will consolidate the village level data of produces, producers, productivity, enterprises, livelihoods and resources and together with findings from DDRs and VCA studies, prepare for the FGDs. The enterprise CP will share the consolidated report to the PGP team.

**d) Village Investment Plan Meetings** -The PGP team will convene planning meetings (3-4 over a period of 3 consecutive weeks) with the representatives of the Panchayat level federation, village poverty reduction committee, entrepreneurs and village community. In these meetings, enterprise CP and the PGP team will facilitate community discussions on enterprise promotion and related value chain strengthening activities using the available analytics. Efforts will be made to ensure specific investments for women, differently abled, scheduled castes, scheduled tribes and communities particularly vulnerable tribal groups (PVTG) in the tribal blocks, for producer collective and enterprise promotion and employment opportunities.

The outcome of the meeting will bring out the priority commodities, areas for enterprise promotion and job opportunities linked to the value chains. It will also analyse and identify opportunities for enterprise promotion such as Nano, micro, small, PGs, EGs, and PCs. In situations, where DDR & VCA studies doesn't match with community aspirations, the rationale will be built with the information on village's resources, capacities, produce, production and producers and accordingly Village Investment Plan (VIP) will be prepared **(Annexure-14 Template for VIP)**. The VIP will be done on an ICT enabled platform.

The salient features of VIP will be:

1. Major areas for intervention
2. Area for interventions includes investments in addressing the needs and gaps among women, differently abled (a) Project financing (Item wise value) (b) Convergence (Value and sources of convergence) (c) Partnership opportunities (areas/agencies).
3. Enterprises to be promoted (#)
4. Adverse impacts on the environment if any
5. Women led enterprises to be formed (#)
6. Enterprises to be scaled up - (#)
7. Differently abled and SC HHs in the commodity, enterprises and skills (#)
8. Producers linked to the value chain, number of women producers linked to value chain (#)
9. PGs, EGs, PCs to be promoted (#)
10. Skill development opportunities

**e) Village meeting with Panchayat to approve VIP:** The village investment plan prepared by the community and approved in the Gram Sabha will be forwarded to the block team for validation.

### 3.7 BLOCK INVESTMENT PLAN:

The block teams with the support of MaKaMai will collect the VIPs and will consolidate into a block investment plan (BIP). The analysis of the block plan will be done based on the criterion for commodity prioritization at the block level. The analysis will lead to identifying the opportunities of forming Producer Collectives and entrepreneurs in select businesses linked to value chain.

The BIP will be validated & endorsed by the block level coordination committee comprising of line department officials at the block and will be sent to the district unit for approval **(Annexure-15 Template for BIP)**. Through the ICT based platform (VIPs converging into BIPs) the BIPs will be consolidated/fine-tuned. This process will take about 4 weeks. Through BIP the project team will be able to arrive at the following -

1. Areas for intervention
2. Standardization, homogenization and phasing of interventions (avoiding duplication/overlaps, if any)
3. Strategic positioning of value chain intervention
4. Appropriateness of convergence
5. Individual enterprises / Producer Group, Enterprise Groups and PCs (#)
6. Women led enterprises (#)
7. Green enterprises (#)
8. Enterprises to be promoted and scaled up (#)
9. Area for investments - (a) Project financing (Item wise value) (b) Convergence (Value and sources of convergence) (c) Partnership opportunities (areas/agencies).

### 3.8 DISTRICT INVESTMENT PLAN:

The District unit will consolidate and prepare the district investment plans (DIP). The plan will identify potential areas for intervention, convergence, partnerships, financial linkages, department related schemes, services and infrastructure to support enterprise development. **(Template for DIP-ReferAnnexure-16)**

The DIP will also help in leveraging investments from public/private agencies which will add value and support to the value chain activity. The district plan will be validated/ endorsed in the convergence meeting of the line departments, with which a final document will be prepared and approved by the TNRTP district society chaired by the District Collector. The district investment plan will guide the project team and district administration for timely and strategic implementation of the programme and monitoring.

**For example** if Milk is identified as prioritized commodity, and dairy as the major activity in the village. A Village Investment Plan (VIP) has to be prepared in order to find out the areas of intervention by the project, by itself and through convergence and partnership. The VIP will give the broad understanding about the process and the list of activities involved in the commodity at village level. This will help the Participatory Growth Plan (PGP) team to get an idea about the activity, to propose a business plan in order to promote/support enterprises.

The VIPs from the identified villages will be collected and consolidated at block level called block investment plan (BIP), in order to increase the potential opportunity of that commodity. It will give a broader perspective, i.e. whether the activity can be promoted into a producer collective level or can be retained at a group enterprise level. This will help to create and propose a business plan to promote enterprises at a block level. The block team will identify the available opportunities according to the volume of aggregation and scale of business. The BIP from the identified blocks will be collected and consolidated at district level called district investment plan (DIP), to increase the scale of operation. This will help to propose a business plan to promote enterprises at district level. The DIP is the stage where the value addition takes place at a larger level.

The state unit will consolidate the district investment plans and will come out with a State investment plan (SIP) which will act as a guide for higher level interventions and strategic policy planning through convergence. This process will take about 2 weeks.

The state plan will help the project management in better implementation of the project and in forging partnerships with the departments at the state level, lead private sector, and public/private knowledge institutions. The State Level Steering Committee will use the document for reviewing and monitoring the project.

The information collected from the DDS will provide gainful insights into the VCA and the data will help communities prepare PGP. The community will participate in the validation, analysis and investment planning at the village level thus making this an inclusive exercise. Proactive measures will be instituted to ensure participation and representation of the socially disadvantaged sections<sup>24</sup> in the community in different phases of activities in analytics, planning and enterprise promotion. The PGP exercise will suitably leverage Information Communication Technology (ICT), to contribute to a spatial analytics at state level.

The overall outcome of this component will be the investment plans at the village, block and district which will be the basis for promoting and facilitating the enterprises in selected value chains.

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<sup>24</sup>Major focus will be on participation of tribal, women and other vulnerable sections of the community

## **SUB COMPONENT 1B: ENTERPRISE DEVELOPMENT SUPPORT SERVICES**

**The objective of this sub-component is “to develop appropriate institutions and mechanism for business development support services to the enterprises from initiation, managing and successfully running the businesses”.**

The two distinct pathways identified to provide enterprise development support services are 1. Community led service delivery through **MaKaMai** and 2. Establishment of '**One stop facility (OSF)**'

### **4.1 COMMUNITY LED SERVICE DELIVERY BY MAKAMAI:**

Tamil Nadu Empowerment and Poverty Reduction Project (Pudhu Vaazhvu Project - PVP) has developed higher order community resource centres called MaKaMai, at district and block levels, and developed community driven services (community professionals) to nurture and grow the village level community institutions.

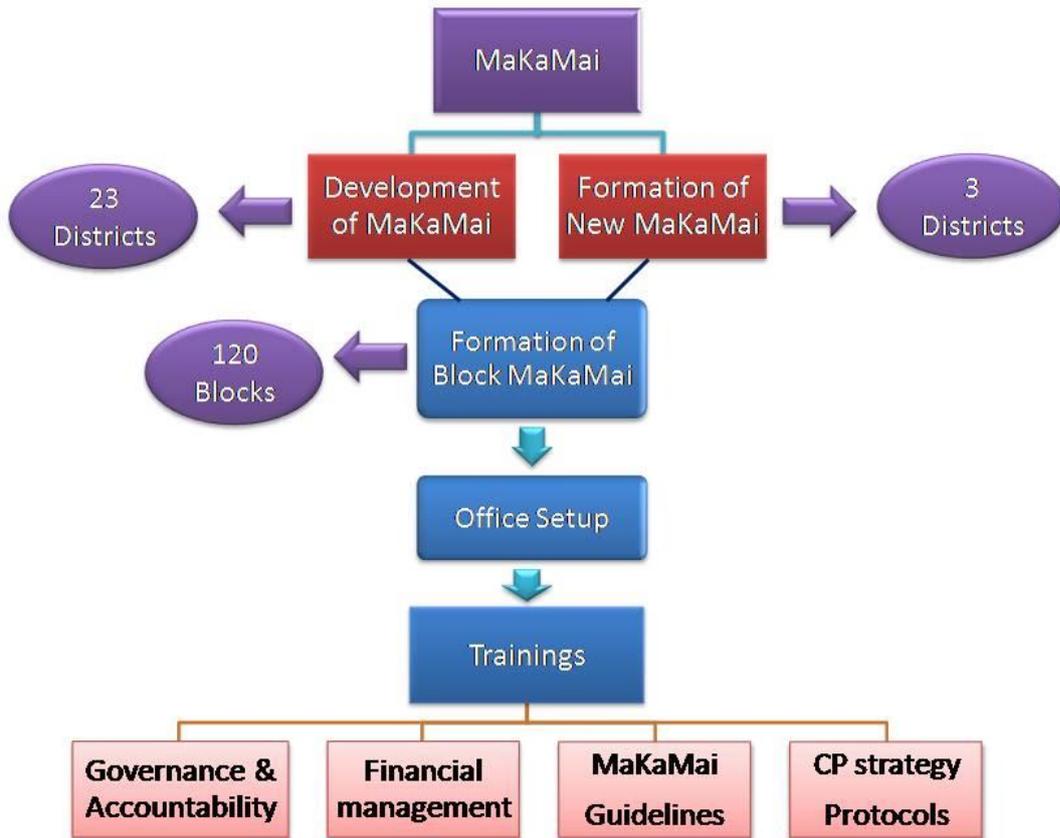
MaKaMai emerged from the primary community based institutions such as Village Poverty Reduction Committees (VPRC), Panchayat Level Federations (PLF) as independent community institutions registered under the Tamil Nadu Societies Act governed and managed by the community. MaKaMai will play an enabling role for the project to sensitize the key stakeholders and target households of the project on the inclusive approach.

At present district level MaKaMai has been established and is operational in 23 districts by the efforts of existing PVP. As the TNRTP project will be implemented in 26 districts, additional three new MaKaMails need to be formed in Trichy, Erode and The Nilgiris districts. None of the TNRTP blocks, has a block level MaKaMai. Hence, 120 blocks MaKaMai will need to be formed within this sub-component.

### **4.2 DEVELOPING AND STRENGTHENING OF MAKAMAI:**

The existing MaKaMails in districts will be developed and strengthened for better functioning of the institution as per TNRTP requirements such as development of a cadre of enterprise CPs and job CPs. For the new MaKaMai at district and block levels, a development plan will be prepared for the requirements of office space and establishment and executed within TNRTP.

The MaKaMai will independently function as an autonomous entity. Initiatives will be made to change the office bearers, as required in local context and build the capacity of the office bearers in governance and accountability systems, financial management systems, and development of community professional protocols. The state team will impart the trainings to district teams and in turn the district teams will train the MaKaMai office bearers.

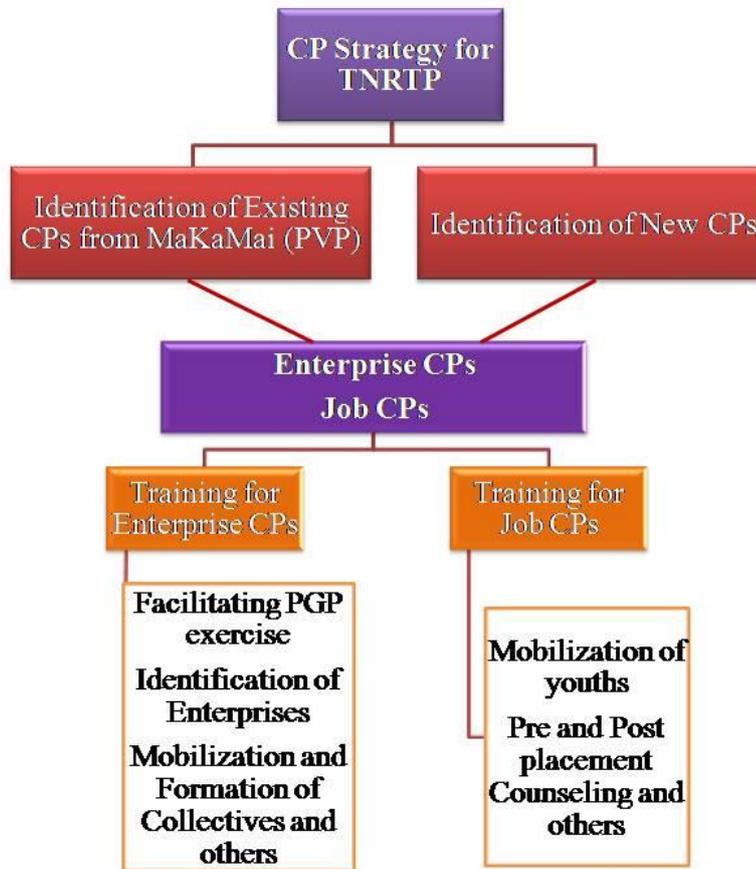


**FIGURE 11: FRAMEWORK OF MAKAMAI**

#### 4.3 MAKAMAI SERVICE DELIVERY PLAN:

MaKaMai will detail out the activities, budget, and timelines and prepare a plan for implementation of service delivery provision in the TNRTP. This will include identification and recruitment of community professionals for jobs and enterprises, and their capacity building. The OSF will be housed in the premises of block MaKaMai, and the costs towards office space and infrastructure requirements will be borne by MaKaMai.

#### 4.4 STRATEGIC FRAMEWORK OF COMMUNITY PROFESSIONAL DRIVEN SERVICE DELIVERY:



**FIGURE 12: CPs STRATEGY FOR TNRTP**

The community members who are experienced in community mobilization and have developed service delivery skills will be identified and retained as 'Community Professionals (CP)' in various themes such as Jobs, Enterprises. The major objective of the CPs is to mobilize, promote and build individual and collective enterprises and skilling.

#### **The roles of job and enterprise CPs are provided in Annexure-17**

In TNRTP, a two pronged strategy will be followed for identification of such CPs -

1. **CPs from MaKaMai (existing PVP CPs)** will be contracted for service provisioning to TNRTP, after due screening process following the criteria viz., experience in livelihood, mobilization experience, and training capacity and able to volunteer to work in TNRTP areas.
2. **Identification and promotion of CPs from the TNRTP area.** This will be done by MaKaMai in consultation with the TNRTP block team, following standard existing guidelines of MaKaMai.

#### **The eligibility criteria will include –**

1. Minimum educational qualification (12th grade pass);
2. Possessing basic computing skills and handling capacity of internet based application;
3. Good communication skills;

4. At least two years of work experience in service delivery;
5. Experience with youth mobilization; and
6. Willingness to travel and work in different Panchayats within TNRTP area.

#### 4.5 TRAINING TO COMMUNITY PROFESSIONALS:

The CPs will be trained in participatory growth planning, formation of collectives and their management, enterprise promotion, environment and social appraisal skill development, community capacity building, coordination for project management, ICT tools and monitoring. While the state team will train the CPs in various aspects (detailed in respective components but budgeted in this sub-component), the enterprise CPs will be trained by the Technical Agencies. Such agencies will be identified by the TNRTP and MOU will be signed by the respective MaKaMai for three years and after the first year the MakaMais will take over. In the first year of the project 23 MaKaMai will take over the activities in project area and 3 additional MaKaMai by the end of first year.

#### 4.6 PHASING AND POSITIONING OF COMMUNITY PROFESSIONALS:

As the processes in the TNRTP are intensive and the project is being implemented in a phase wise manner (3 phases), a detailed phasing and positioning the CPs have been worked out (see table below).

**TABLE 12 : PHASING OF BLOCKS**

S.No.	Phase / blocks	Panchayats (#)	Job CPs (#)	Enterprise CPs (#)
1.	Phase 1 - 26 Blocks	858	78	450
2.	Phase 2- 52 Blocks	1716	156	858
3.	Phase 3- 42 Blocks	1420	126	710
	<b>Blocks 120</b>	<b>3994</b>	<b>360</b>	<b>2018</b>

#### 4.7 STRENGTHENING VILLAGE LEVEL COMMUNITY INSTITUTIONS IN TNRTP AREAS:

The primary village level community institutions are SHGs and all targeted households in the TNRTP will have SHG membership. Hence, it is critical to strengthen these institutions. Strong SHGs will be positive platform for building individual and group enterprises. The inclusion of women from households who are project beneficiaries in the SHGs will help in bringing inclusive entrepreneurial growth.

The TNRTP district/block team and MaKaMai will ensure strengthening the primary village institutions viz., SHGs, VPRCs and PLFs, in coordination with Tamil Nadu State Rural Livelihood Mission for effective service delivery through Community Professionals. The CPs from the MaKaMai will be engaged in reviewing the present status of these institutions and support their strengthening.

### **Agreements and honorarium for CPs:**

The CPs selected for TNRTP will sign a tripartite agreement with MaKaMai and TNRTP. The CPs will be on the rolls of the respective MaKaMai and **not TNRTP**. The work will be monitored by the block MaKaMai and the block TNRTP teams. Their work reports will be assessed and signed by the block teams and will be sent to MaKaMai for the settlement of honorarium.

### **System monitoring in MaKaMai:**

The respective district TNRTP team will monitor the operational systems of MaKaMai from time to time and ensure smooth functioning for TNRTP requirements.

### **Community Operational Manual for Enterprise Development:**

The Community Operational Manual (COM) will be developed by the TNRTP state team along with MaKaMai for the effective implementation of the project and for easier understanding of the project staff and community. The COM will capture the activities and elements of various components and sub components. The COM will be developed within three months of the roll out of TNRTP. The community professionals will use this manual as guide for various activities.

### **Grievance Redressal mechanism:**

A grievance redressal mechanism will be developed by the state team within three months of the project roll out, to address the citizen complaints in service delivery by MaKaMai and One Stop Facility. The grievances will be addressed at different levels as required so that service standards adopted by the project is maintained for efficient services to the targeted beneficiaries and better implementation of the project.

### **Fund flow to MaKaMai:**

The district unit will sign Memorandum of Understanding (MoU) with respective district MaKaMai for various activities. TNRTP will allocate the funds to MaKaMai, routed through the District Project Management units, based on their respective annual plan which will contain the details of the planned activities, budget, timeline and implementation mechanism.

## **4.8 ONE STOP FACILITY (OSF)**

OSF is a unique initiative of TNRTP to catalyse enterprise promotion in rural areas. OSF is a small business facilitation cum incubation centre, established at the block level, through which the rural entrepreneurs and enterprises can get access to a range of business development support services viz., business ideation and conceptualization, business plan preparation, appraisal of business plans, hand holding support to initiate the business, facilitation support to access required finance, technology, skills, regulation compliances, market intelligence/information and linkages, mentoring etc.

The OSF services to the enterprises will be a fee based model. However, the performance of initial OSFs' and its business model will be tested and validated (viz., number of entrepreneurs/enterprise supported; number and nature of services provided; viability of OSFs business - at geographical levels, fee structures for the business, additional support required, if any etc.)

The OSF will be established within Block MaKaMai centre (one OSF per two blocks) in the TNRTP project area. MaKaMai will provide necessary office infrastructure support to OSF establishment. In this regard a Memorandum of Understanding between the DPMU and the MaKaMai will be put in place.

The OSF will be professionally managed by two business professionals in which one among them is women with proven expertise in small business development and required analytical

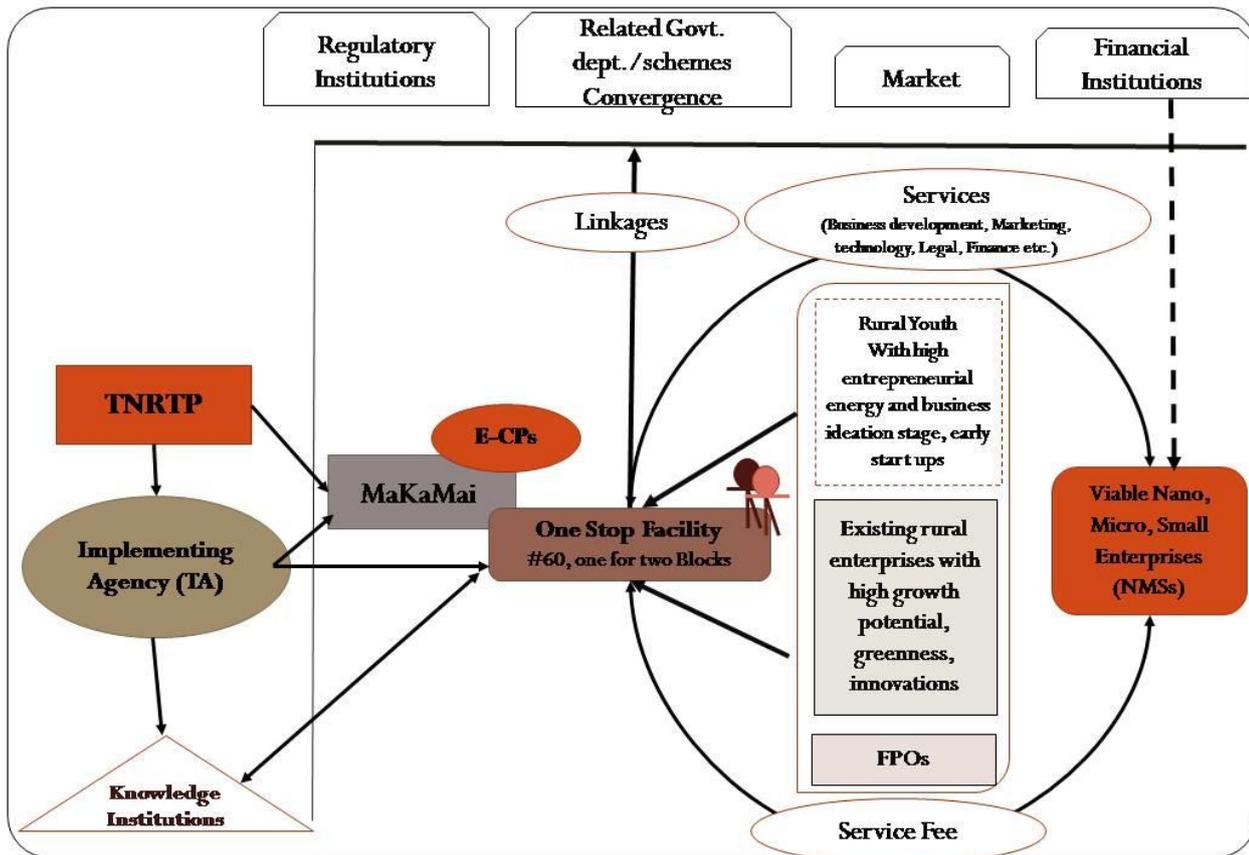
skill set in preparing business plans. **The services offered at OSF are in the Annexure-18**

A professional Technical Support Agency (TSA) will be hired at the State level, to develop first group of OSFs in one year (10 OSFs) on efficient commercial norms for validating the proof of concept of OSF and ensure sustainability of future scale ups.

The list of first 10 blocks (initially the OSF will be developed one for each block), will be identified by the State team. For the first group of OSF, professionals will be hired and managed by the TSA for coordination with the district/block teams and MaKaMai. The Enterprise CPs will actively scope and plan the enterprise promotion in the designated blocks and prepare a roll out plan for OSFs. The TSA will also ensure successful establishment and operations of the OSFs, as per prefixed success criteria defined in the TOR (To be developed) and validate the business model of OSF.

Upon validation of the OSF model, and with the recommendations received, the plan for scaling up the OSF in remaining blocks of TNRTP will be prepared.

**FIGURE 13: FRAMEWORK OF ONE STOP FACILITY**



#### 4.9 ROLL OUT PROCESS FOR INITIAL GROUP OF OSF

1. Team for OSF development: The District Executive Officer (DEO) along with three Executive Officers (Enterprise promotion, Business finance, Skills), will form a team in the designated blocks (#10 in 10 districts). This team will work closely with the State team, respective block MaKaMai's and the TSA, to ensure timely and effective establishment of the OSF, its functioning and regular monitoring. This team will coordinate with the TSA and be accountable to validate the OSF model.

2. Hiring the TSA: The Associate COO (Planning & VC Strengthening) will initiate hiring of the TSA, as per procurement guidelines.
3. Coordination workshop at state level with TSA: Post on-boarding of the TSA, a state level workshop will be arranged with relevant stakeholders including line departments, industry associations and district/block level teams and MaKaMai (of selected 10 districts), to ensure effective coordination, convergence and leverage between TSA and the key stakeholders. This will also help with the roll out of OSF.
4. TSA rollout the OSF in 10 districts
5. Internal review workshop to monitor the progress of OSF: A review workshop at state level will be organized with the TSA, after 6 months of the roll out of OSF to take stock of the progress status and share early learning's. All the 26 district level teams will be engaged in this workshop. The output of the workshop will inform the OSF development process for the next 6 months and also help start the planning process for scale up.

The overall outcome of this component will be the investment plans at the village, block and district which will be the basis for promoting and facilitating the enterprises in selected value chains. The implementation arrangement for this subcomponent is at **Annexure -19**

# SUB-COMPONENT 1C: ENTERPRISE PROMOTION, VALUE CHAIN STRENGTHENING AND PARTNERSHIPS

This sub component will promote individual and collective enterprises in prioritized commodities/ sub-sectoral value chain activities and enhance their capacity to engage with markets and other stakeholders effectively. Strategic partnerships will also be established with different stakeholders based on the need derived from value chain analytics.

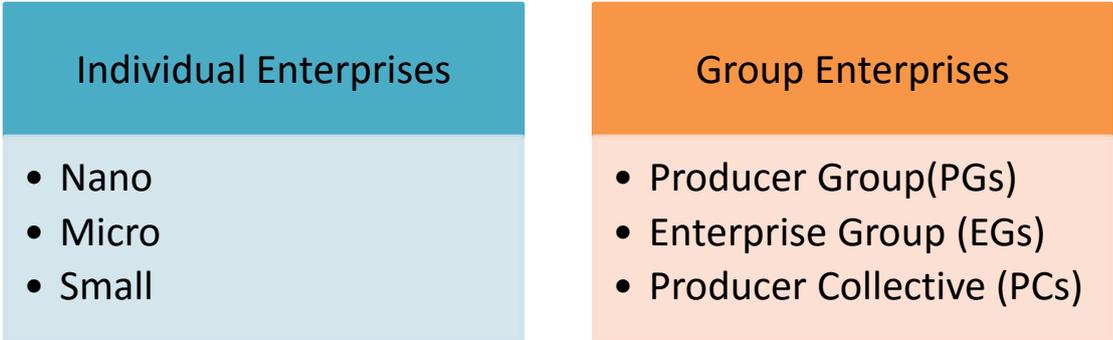
## 5.1 STRATEGIES

The strategies to achieve the objective are:



## 5.2 TYPES OF ENTERPRISES

The two types of enterprises will be promoted through the project



### 5.3 INDIVIDUAL ENTERPRISES

An enterprise owned by an individual or more than one individual in partnership. For the purpose of this project an individual enterprise is classified on the basis of following parameters detailed in the matrix below.

- The size of the investment
- Employment generated
- Business Turnover

<b>Enterprise Type</b>	<b>Investment</b>	<b>Business Turnover</b>	<b>Jobs Created</b>	<b>No of enterprises to be promoted in the project</b>
Nano	Up to 5 lakhs	10-15 lakhs	1+	6000
Micro	5-15 lakhs	20-25 lakhs	8+	Min 500
Small	15-30 lakhs	1-2.5 crores	15+	120 or more

**Table 17 Classification of Enterprises**

#### **Process of Individual Enterprise Promotion**

The project will promote new enterprises, existing enterprises that are aligned with prioritized commodities/sub-sectors and enterprises identified in VIP. The Enterprise Community Professionals (ECPs) will be involved in the identification and promotion of enterprises and they have to be capacitated by MaKaMai on the following:

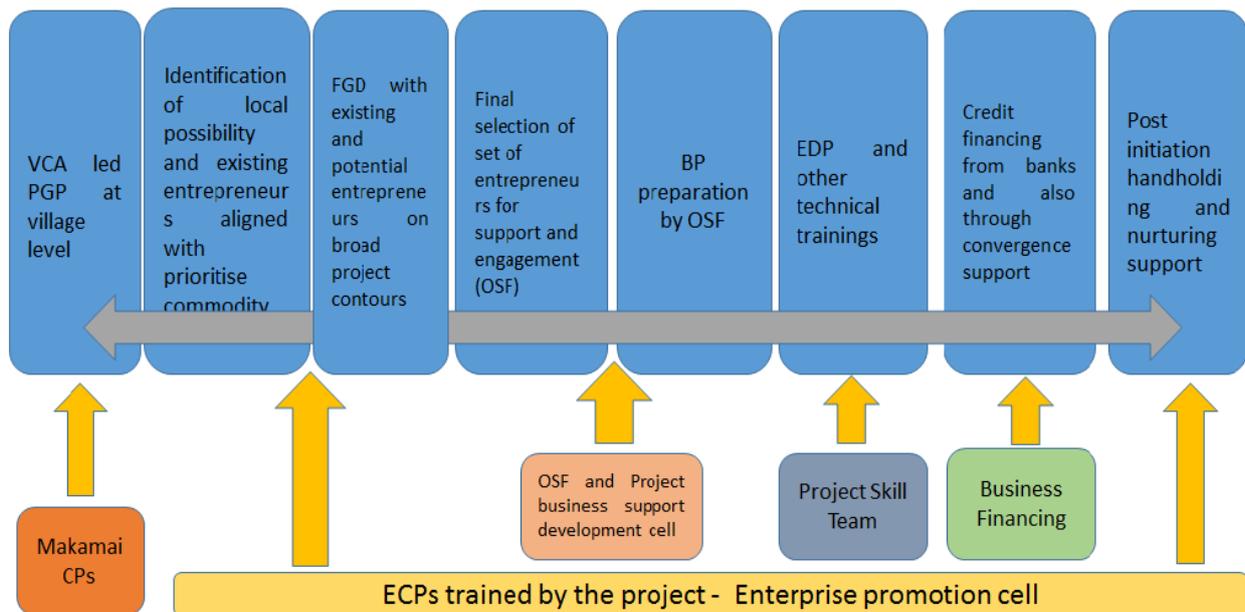
- Identification and mobilization of existing/interested entrepreneurs
- Facilitate enterprises to reach out to OSF for their final selection process/business plan preparation
- Facilitate linkages with technical institutes for training and financial institutions
- Support services to the entrepreneurs post setting up of enterprises
- Data management support for the enterprises.

The process adopted for identifying and promoting entrepreneurs will be as follows:

- **Planning Phase** - After the completion of PGP, the Block team in consultation with the VPRC will finalize dates for conducting FGDs with the entrepreneurs. The Block team will prepare a calendar for the ECPs for conducting FGDs in different villages. The ECPs along with the VPRC will be involved in promotional activities about the FGD that will be conducted for existing entrepreneurs as well as members interested in taking up an enterprise activity.

To publicize about the FGD, the ECPs will adopt the following strategies:

- Information dissemination through PLFs to SHGs
- Distribution of pamphlets briefing about the FGD to be conducted
- Display boards at common places in the villages
- Audio announcements throughout the village.
- **FGD with existing and potential entrepreneurs** - ECPs will have FGDs at the village level with existing entrepreneurs identified through the PGP process and will be briefed about the project design, prioritized commodities, potential areas for enterprise promotion, probable partnership requirement and detailing the process of participation
- During the FGD, ECP will specifically motivate and counsel the women, members from vulnerable communities and physically challenged members etc., to participate in the enterprise activity. For such proactive measures the ECP will visit the hamlet or individual houses.
- After the completion of FGD, the ECP will seek consent from existing and potential entrepreneurs to be part of the project and make a note of members who are interested in higher level of deliberation and share it with the OSF and block team.
- ECP will inform the interested members to approach the OSF within a stipulated date for filling the application form which will capture the detail of the enterprise planned to be promoted/ strengthened, the existing skills sets or the requirement of it, prior experience of running such enterprises or involvement in such an activity, etc. The application form for existing as well as new entrepreneurs is given in **Annexure 20** and **Annexure 21**
- After the final selection by the OSF, ECP through the OSF will support the entrepreneur in setting up of the enterprise and to initiate his business activities. After the initiation of business activities, the Nano, Micro and small enterprises will undergo specialized- entrepreneur motivation, entrepreneurship, risk taking, basic book keeping, procurement, inventory management, pricing mechanism etc. training programs developed by specialized institutes. Post the completion of training, the OSF will facilitate the preparation of the business plan.
- Throughout the process, ECPs will play a facilitating role between the entrepreneurs and the project staff/OSF. They will help the entrepreneurs in getting linked to various stakeholders of the project like financial institutions, government departments etc.
- Post setting up of the enterprises, specific need based support services will be provided through the ECPs as per the direction of the project team and OSF. The ECP will also be regularly visiting the entrepreneurs, fortnightly. Nano entrepreneurs will be provided with counselling services and data management by the project.



**FIGURE 14 INDIVIDUAL ENTERPRISE PROMOTION PROCESS FLOW**

## 5.4 COLLECTIVE ENTERPRISES

Three types of Collective enterprises will be promoted through the project and the key differentiate between various enterprises is detailed below:

- i) Enterprise Groups
- ii) Producer Groups
- iii) Producer Collectives

	Enterprise Group	Producer Group	Producer Collective
Definition	A group of members having joint ownership and control over the business activities with shared profit and Loss.	A group of producers engaged in a particular commodity/ subsector in a village who come together for aggregation, productivity enhancement and other collective actions.	Formal higher level collective of producers for aggregation, value addition, marketing and service provisioning for economies of scale.
Asset Ownership	Common	Individual along with some common assets	Common
Relationship with PC	Not part of Producer collective	Mostly part of producer collective	--
Membership	10 - 30	30 – 150	1500-5000
Marketing	Directly linked with Market players	Mostly linked with producer collectives for marketing	Directly linked to the market
Cost Centre	Yes	No	Yes

### i) Enterprise Groups (EGs)

70

“A group of members having joint ownership and control over the business activities with shared profit and Loss”. These groups will have a membership range of 10 to 30.

## **ii) Producer Groups (PGs)**

“A group of producers engaged in a particular commodity/ subsector in a village who come together for aggregation, productivity enhancement and other collective actions”. The membership size would range between 30 and 150.

Producer Groups are formed at the village level for the following purposes.

- Production planning , Quality Management and traceability
- Bulk procurement of inputs at a lesser cost
- Access to better production techniques and latest technological innovations.
- Utilize Common Group infrastructure
- Linkage with technical experts and business development services
- Better access to finance through convergences and bank linkages
- Aggregation of produce thereby ensuring better market prices

## **iii) Producer Collectives**

Producer Collective (PC) is a “formal higher level collective of producers for aggregation, value addition, marketing and service provisioning for economies of scale”. The membership is usually ranging between 1500-5000 producers and for certain commodities and in sparsely populated tribal areas the size of the PC may be as low as 500 producers.

The Producer collectives operation and guidelines is discussed in Point 5.7

## **5.5. GUIDELINES FOR PRODUCER GROUPS/ENTERPRISE GROUPS**

### **i. Membership Criteria for Producer Groups and Enterprise groups:**

Producer should be a member or family member of the SHG having relevant productive assets or skills to participate in the value chain or should be willing to upgrade to be a part of producer groups.

### **ii. Organizational Structure:**

#### **a) For Producer Groups:**

The membership size for PGs could be a minimum of 30 and maximum of 150. Each PG will have sub groups at hamlet level with a membership size of 10 to 20 each. These sub groups are formed to ensure transparency and participation of members in the activities of the group. These subgroups should ideally be located within the same hamlet in close proximity and may function as a Joint Liability Group (JLG) for financial linkages. The sub groups would elect 2 representatives from their group to form a Central Executive Committee at the Panchayat level to govern the functioning of the Producer Group.

For EGs, the maximum membership is up to 30. The EG will have its own byelaws and the members will select office bearers President, Secretary and treasurer who will be responsible to execute the functions of the EG as per the bye-laws framed.

To ensure that the vulnerable social groups are included, the Executive Committee should have a minimum representation of at least 1/3<sup>rd</sup> members from the vulnerable social communities like SC/ST, differently abled etc.

### **General Body**

The members of the PG/EG will form the General Body and the GB will elect the Executive Committee members. The Executive Committee will appoint 3 office bearers namely the President, General Secretary and the Treasurer. The tenure of their post would be for a period of 1 year and they cannot continue for more than 2 consecutive terms. The Executive Committee shall meet at least once in each month. The General Body should meet once in 6 months with a quorum of at least 2/3<sup>rd</sup> members.

### **Executive Committee**

The Executive Committee will comprise of 3 office bearers namely President, Secretary and the Treasurer along with members from the sub committees. The roles and responsibilities of the office bearers are detailed in the **Annexure22**.

The PG/EG would also have Sub Committees undertaking certain functionary roles. Each subcommittee will comprise of 2 members selected by the General Body.

- **Market Integration Committee** would be responsible for assessing the input needs of the individual producers and would aggregate them to prepare an input procurement plan. They should act as a liaison between the group and the PC/market players for aggregation/marketing of produce.
- **Monitoring Committee** would take the responsibility of overseeing the activities and functioning of the subgroups. They would also facilitate the formulation of activity plan, the conduct of technical trainings, ensuring quality of the produce etc. from the PG side.

### **Legal Structure**

The Producer groups will be informal or formal based on need, but Enterprise groups will be a formal registered body. The nature of legal entity for the EGs would be decided at the time of formation i.e Society, Producer Company, cooperative etc.

If the group is registered as a Society, it would be governed by the Tamil Nadu Societies Registration Act of 1975 whereas in case of Producer Company it would be governed by the Producer Companies Act of 2002. In case of Cooperative, it would be governed by the Tamil Nadu Cooperative Societies Act 1983.

The process flow involved in PG/EG is described as under:

### **Pre-Formation of Producer Groups/Enterprise Groups**

The following activities have to be completed before initiating the process of producer or enterprise group formation.

- Hiring of TSA
- Preparation of Standard operation manual
- Training of DPMU and Block units

- Engagement of trained CPs from MaKaMai
- PGP Process
- OSF in place

The Enterprise CPs who will be involved in the identification and promotion of Collective enterprises have to be capacitated by MaKaMai on the following

- Scoping and assessment of existing PGs/EGs
- Identification and mobilization of producers
- Activity plan development support to PGs
- Linking EGs to OSF for business plan preparation
- Tie up with technical experts and facilitate Financial linkages
- Facilitating for project start up grant
- Capacity Building of the groups
- Hand holding of PG/EGs (Attending regular meetings, supporting them on book keeping etc.)

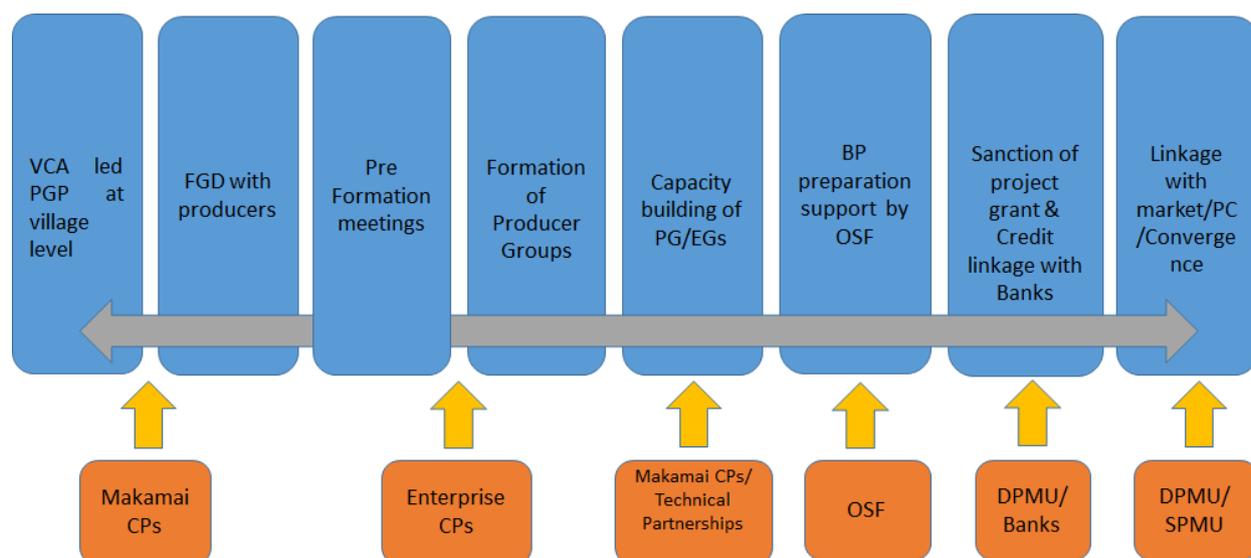
## 5.6 PG/EG PROMOTION PROCESS FLOW

### **Focus Group Discussion with the Producers**

After the completion of PGP process, the E-CP would convene a meeting of all the producers in the village and have a Focus group discussion with the producers to brief about the prioritized commodity and the possible value chain interventions that can be developed through the project. During the FGD process, the Enterprise CP would motivate the producers to become a members of the PG/EG, if no PG exists in the village. Women producers will be identified and motivated to form the producer groups or enterprise groups. Wherever an activity traditionally engages or involves women eg: In Livestock or floriculture, participation of all women members should be ensured. If the activity is non-conventional (Eg: Operating agricultural machineries), the project would take proactive measures to motivate, train and engage women in such activities.

### **Formation of PG/EGs**

- The interested producers are mobilized to form a PG/EG by the ECP.
- ECP will brief about the aims, objectives and norms of the Producer group.
- The Enterprise CPs would help in framing of the rules and bye laws based on the PG guidelines framed by the State team.
- This would be followed by the selection of office bearers and the formation of Executive Committee.
- The ECP would facilitate the opening up of bank account. The President, Secretary and Treasurer of the Producer group would be the authorized signatories of the bank account.



**FIGURE 15 PRODUCER GROUP FORMATION – PROCESS FLOW**

### **Integration of Existing PGs/EGs with the project**

The existing Producer groups in a village would be identified during the PGP process. Based on that data, the ECP has to conduct a separate focused group discussion with these PGs/EGs to assess the strength of the group in terms of governance, the activities and financial health. **The template to assess the PGs/EGs has been provided in the Annexure 23**

Based on the assessment, the ECP will have a discussion with the existing members on the inclusion of new members which would happen as per PG guidelines. The decision whether the existing office bearers should continue or new office bearers should be elected would be decided by the members internally. The capacity building programs for the PGs/EGs would be tailored based on how they are graded.

### **Establishing Systems FOR PGs/EGs**

After the formation of PGs/EGs, the ECP will support the group in establishing the systems for effective functioning of the group. This includes streamlining and strengthening the productive activities, training groups on maintaining a set of records relating to their membership register, minutes book, financial transactions, managing production data, planning & monitoring, maintaining production discipline etc. They will also train the members on basic group functioning and support them in stabilizing the group activities by attending the meetings regularly at least for a period of 6-12 months.

### **Capacity Building of PGs/EGs**

The members of the group will receive a basic training on group functioning, conduct meetings, book keepings etc. from the ECP. Apart from the above training, 2 office bearers per group will receive a 3 days specialized training on the topics listed below. These trainings will be delivered by trained senior MaKaMai CPs and will happen in

batches at the village level. Both EGs and PGs will have customized modules catering to their needs. These modules will be developed by the TSAs in consultation with the project staff. They will also undergo a 2 day refresher training after 2 years of formation of the group.

- Orientation about the project
- Institution Building
- Activity Planning
- Activity Management and Monitoring
- Management of Production data
- Book keeping and Record keeping
- Roles and responsibilities
- Linkage with PC/market/stakeholder relationships
- Conflict Resolution
- Institution Building

## **Business /Activity plan preparation**

### **Activity plan for PGs**

PGs should prepare an activity plan with the support of ECP detailing the activities of the group and sub groups, production plan, procurement and marketing activities. It will also detail out the infrastructural needs and capacity building requirements of the group if any.

### **Business Planning for EGs**

The EGs require a business plan for financial linkages with the banks. The Enterprise CP would first convene a meeting with the EG members to brief about the need for business plan preparation and availing the service of OSF. The EGs will fill in an application form requesting the services of OSF, on receipt of the form OSF would call the EG office bearers for the preparation of business plan on a suitable day. The business plan would be prepared by regional thematic experts empaneled by the OSF. After the preparation of business plan, the OSF would forward it to the district team for further appraisal and approval of the business plan.

### **Financing of Producer Groups**

The Producer Group (PG) may require finances for production activities, purchase of tools and equipment, primary processing, procurement activities etc.

Funding for PGs can be accessed through,

- Start-up fund from the Project
- Convergence with Line Departments and
- Bank linkages

### **Procedure for Release of Start-up Fund**

#### **For Producer Groups**

The project will fund a start -up grant of a maximum of Rs.75000 based on their activity plan and the fund would be released on submission of application articulating the need i.e. for establishment of common infrastructure or for the working capital of the group.

If the activity plan exceeds the start-up fund, being an activity plan as there is a less possibility of formal finance, the balance amount will be borne by the producer group.

Once the activity plan is prepared by the PGs, **an application for release of Start-up Grant as per–Annexure 24** needs to be submitted to the block team through ECPs for review whether the funds requested for the purposes and will forward it to the district team with recommendations.

Based on the recommendation the district team will release the funds to PGs bank account in one tranche. The PG will submit utilization certificate after the fund is utilized which will be authorized by the block team after due diligence. If the fund is not utilized within a year, then the PG would replan their activities which will be approved by the project.

### **For Enterprise Groups**

The project will support a startup fund of a maximum of Rs.75000 for enterprise groups based on their business plan requirements ie., working capital, purchase of group assets or infrastructure improvement etc.

The EGs with the support of OSF will prepare the business plan and forward to the block team through ECPs for review and will be forward to the District team with recommendations. Once the district team approves, the entire fund is directly transferred in one tranche to the EG bank account. The EG will submit utilization certificate after the fund is utilized which will be authorized by the block team after due diligence. If the fund is not utilized within a year, then the EG would replan their activities which will be approved by the project.

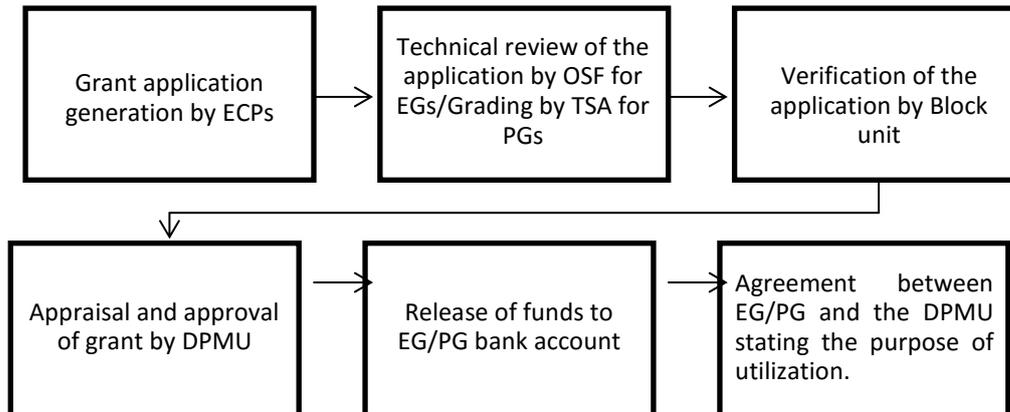
### **Milestones to be achieved for PG/EG start up grant release**

The following conditions have to be fulfilled by PGs/EGs to get Start up grant for any common infrastructure or services.

- Bank account in the name of PGs/EGs.
- Minimum 3 months should have been completed from the date of opening of Bank Account.
- 100% Collection of membership fee.
- Activity/Business plan completed.
- Grading of PGs/EGs to be done by the TSA along with block team and should be verified by the district team.
- Ensure 65% women membership

## Start Up Grant Fund Flow Arrangements for EGs/PGs

The fund flow arrangement for the PG start up grant is given below:



### Funding through convergences and bank linkages

Apart from the project funds, the PGs also need to avail finance through bank linkages and convergences depending on the requirement. The type of finance to be availed by the PGs will depend on the kind of assets to be purchased – Individual or common assets.

- The purchase of Individual (productive) assets will be financed through loans from SHGs/PLFs, bank linkages or convergences whichever is applicable. ECP will support the individual in the purchase of assets if needed.
- For group infrastructure, the project will assist PGs to access funds through convergence.

### Market Linkages for PGs & EGs

Most of the PGs promoted through the project would be linked to higher level institution (Producer Collective for marketing their produce) or directly linked to the market.

In cases where the aggregation is being done at the PG level and it is the responsibility of the Market Integration Committee of the PG to ensure timely procurement of the produce from the sub groups, aggregate it and supply it to the PC. If the PGs are directly linked to the market or private players for better economic returns the PGs will be advised to enter into formal agreement based on need. In some cases when an individual enterprise has a demand the PGs will support that as feeder unit/sub-contractor.

Market linkages for EGs can be done through direct agreement with the private players. The Market Integration Committee of the EGs will scout for private player with the help of OSF.

## 5.7 PRODUCER COLLECTIVES

Producer Collective (PC) is a “formal higher level collective of producers for aggregation, value addition, marketing and service provisioning for economies of scale”. The membership is usually ranging between 1500-5000 producers and for certain commodities and in sparsely populated tribal areas the size of the PC may be as low as 500 producers.

The business case of a PC will be the primary driver of the size of the organization. PC will be a membership based organization having representation from the PGs or producers. The Producer Groups (PGs) which are formed at the village level will be federated in the form of Producer Collectives (PC) at the appropriate (Block/Sub-district/District) level as per the requirement of the commodity/ sub sector and the type of activities. All Producer Collectives in the

Role of Producer Collective (PC):

- ✓ Enhance value by enabling access to new technology
- ✓ Technical and quality physical inputs
- ✓ Formal finances
- ✓ Market driven extension service
- ✓ Accessing remunerative markets
- ✓ Trade either in single or multiple commodities.

project will be legally registered bodies.

The Producer Collectives can initiate with a single commodity and then over a period of time can diversify into other commodities.

### Scope of Work

The PCs will leverage the scale of economies for the PGs. They will be actively engaged in aggregation, quality input supply, higher order of value addition (like primary and secondary processing), branding, and marketing and wholesale/ retail selling.

Some of the services envisaged to be taken up by the PCs are described as follows:

- **Input provision:** PCs can buy inputs in bulk, at lower prices, and then supply it to the members. However input supply should be only one of the many activities of the PC.
- **Production services:** As small-scale producers generally have limited assets and skills, they can provide extension services and access to equipment, such as tractors and other farm equipment, to help members increase their productivity and improve the quality of their produce.
- **Quality control:** to meet the demanding quality standards of some markets, PCs would monitor and control the production process and the quality of the final product they sell.

- **Co-ordinating production:** To take advantage of different market opportunities and respond to the needs of buyers, PCs may have to coordinate the individual production of their members. For example, PCs can meet the demand of buyers, who expect a continuous supply of fresh produce (Eg: Vegetables) throughout the season, by organising members to plant their crops at different stages during the planting season.
- **Processing:** Some PCs can engage in processing activities in order to add value to the produce and access markets further up the market or value chain.
- **Marketing:** Marketing members' produce is the core service provided by PCs and to perform a range of tasks, including understanding market information, identifying market opportunities, sorting & grading, packaging, branding, quality assurance and standardization, pricing, certification, negotiating sales, storing (cold storage & warehousing), distribution and logistics.
- **Trading:** Depending on the commodity, some PCs can also do trading, buying and selling produce from producers other than just their own members, in order to meet the quantity, variety, or consistency of supply demanded by certain markets. Eg. Delayed marketing of Paddy- They can procure paddy in bulk during peak production season, store and sell when the price becomes high. While trading value additions too can be undertaken based on market demand. Online Trading of produces through e-platforms will also be undertaken.

**Retailing:** They can also get involved in retailing activities and also have retail shops in the cities. The cities have a high demand for niche products and the consumers are willing to pay high prices for it.

## 5.8. GUIDELINES FOR PRODUCER COLLECTIVES

### **Organizational set up of Producer Collectives:**

- The members of the PCs could either be PGs or individual producers. In case of PGs it would be represented by the PG members. The PC should have General Body and an Executive committee.
- The existing producer collectives would be encouraged to enhance the membership of women.
- All the members of the PC will be considered as members of the General Body which will review the policy decisions taken by the executive committee. The GB will elect the office bearers and other members of the Executive committee and sub committees. The GB will approve the business plan, annual budget and accounts.
- The Executive Committee is a functional wing of the GB. It will have a President, Secretary, Joint Secretary and Treasurer apart from 7 members (up to a maximum of 11 members). The EC meetings will be conducted every month. Minimum 2/3 of members will form quorum for every meeting.
- The following sub committees will be formed to support the functioning of

the Producer Collectives(PCs):

- Procurement and Finance sub-committee (3 members)
  - Production & Business Operation sub-committee (3 members)
  - Quality assurance committee (3 members)
  - Marketing sub-committee (3 members)
- In each sub-committee one member will be from EC and two members from GB. Tenure of all sub committees will be two years. They will be selected in the General Body. The General body can decide to have more sub-committees, in future, based on the requirement of the PC activities apart from the above sub committees

The Roles and Responsibilities of the Executive Committee and The Sub-Committee for Producer Collectives are mentioned in the Annexure-26)

- The governance will be supported by a professional management structure comprising of a CEO and support staff.
- The project would ensure adequate representation of women and other socially vulnerable groups in the governance of the collectives. This would be in proportion to their membership in the collectives.

## **Legal Status of Producer Collectives**

In TNRTP, different legal options available for the producer organizations in the state and clear guidelines would be evolved. The current legal options available in the state for PC registration are Cooperatives Act, 1961, Societies Registration Act, 1975, Mutual Benefit Trust Act, and Producer Companies Act, 2002.

The producer companies have several advantages compared to other acts for undertaking producer collective. The producer company act infuses a professional attitude into the management. It takes care of the flaws in the cooperative societies but keeps its strengths. It has also borrowed the strengths of the corporate companies. However, the management of Producer Companies are more difficult and cost intensive.

The pros and cons of different options available for Producer Collectives i.e producer companies and Cooperatives is presented in the **Annexure-27**

### **5.9 PRODUCER COLLECTIVES (PC) DEVELOPMENT PROCESS FLOW:**

The PC organization building processes and activities under the project are described as under.

#### **PRE-PLANNING**

The State team(SPMU) will develop tools, guidelines, Standard Operating Procedures, Training modules on PCs. A Technical Support Agency (TSA) will be hired to support the project in promotion of PCs.

## PLANNING

The project would adopt the traditional approach of PC formation i.e., the PGs will be formed first at the village level which will later be federated into a PC. Alternatively in few cases, the initiation may start with the PC formation and slowly add on more number of producers/ PGs till the optimum size is reached. The sequence of PG and PC promotion will be based on the market demand and opportunities in the ecosystem.

In the very first year, the project will facilitate initial activities of aggregation, processing and marketing by PGs. This would be done through a nodal PG till the time a PC has been formally initiated. The DPMU, Block unit and TSA will play an important role during this time by developing the ecosystem for the PGs to graduate into PCs.

### Integration of Existing PCs

A list of the existing producer organizations functioning in the district and blocks would be obtained from the relevant Government Departments (Agricultural marketing Department, Coconut Board etc., NABARD and other NGOs).

A Joint Review of the existing producer organizations already existing in the district (promoted by SFAC and other NGOs) will be undertaken by the district, state team and technical experts. **The review will be done using an assessment tool, template for the same is at Annexure-25**

The steps to be followed for the review and integration are described as follows:

- Screening of all PCs in different blocks.
- Initiating dialogue with the promoting institutions.
- Conducting assessment of the PCs.
- Sharing the results commonly with the PCs and promoting agency.
- Work on a joint action plan effectively with the given time frame.

In cases where the Producer Collectives are very strong without presence of any promoting agency, the project will help these institutions for further expansion and growth based on their needs.

### 5.10 PRODUCER COLLECTIVE -IMPLEMENTATION

The Technical Support Agency (TSA) identified by the SPMU will train the District and Block project management on PCs. The TSAs will also play a major role in nurturing and handholding of the PCs.

## **FORMATION OF PRODUCER COLLECTIVES:**

The steps in the formation process are described as follows:

### **Preparatory meetings with PGs/Producers**

The DPMU/block team will be proactive and organize meetings with all members at the village level with the support of ECPs on formation of collectives. The meetings will address the following points:

- The Need for collective's formation will be explained
- Appraising the need for effective forward and backward linkages to the Producers
- Opportunities and possible interventions in the value chain of the commodity/commodities
- Explaining the concepts, advantages and requirements of PC like economies of scale, market interface, legal recognition, ability to deal with large market players etc.
- Bank linkages and other linkages with developmental programs of line departments.

The office bearers will be taken on an exposure visit to successful producer companies to strengthen their understanding.

### **Consultative meetings with Producers/PG representatives**

The District team along with the TSA will organize a series of consultative meetings at the block level with the member PGs willing to federate into a producer collective. Two to three consultative meetings will take place in a period of two months to facilitate visioning, frame objectives, discuss and decide stake of members, legal form, member constitution etc.

The formation process proposed for PCs during the consultative meetings are detailed below:

- **Visioning:** To help in formulating the vision and mission of the PC and develop the values.
- **Setting norms:** To assist in setting up of appropriate objectives and norms i.e role of PC in preparation of action plan for development of the farm or non-farm sector, modalities for forward and backward linkages, regular scheduled meetings, participation, decision-making, and book keeping etc.
- **Membership:** Each group will be sensitised to contribute one-time share capital and the membership process will be explained to the producers. They will also discuss on the annual membership subscription of Rs. X/- to the PC to get the services from field functionaries, book keeping, auditing etc.

The project will propose a minimum contribution of Rs.1000 per share but the members can decide the amount. They will be advised to have equal number of shares among the members to ensure a balance in the power

structure of the PC. The ECPs will support the representatives in collection of shares from the producers.

- **Organization set up:** The appropriate organizational structures will be introduced to them. The functions of the General Body, Executive Committee, modalities of the legal structure, framing of bye laws etc. will also be discussed and decided by the members.
- **Election of office bearers:** The general body members will elect the office bearers the President, Secretary and Treasurer for a tenure of two years. The roles and responsibilities of the office bearers and placing of staff will be discussed and clarified in the meeting.

### **Opening of Bank Account**

The PC will have to open a Bank Account in their name and two or three office bearers among President, Secretary and Treasurer will be authorized to open and operate the bank account. For this, an application to the bank along with the bye-laws of the PC and a resolution authorizing signatories will be submitted to the bank. Two or three office bearers among President, Secretary and Treasurer will be nominated as signatories to operate the bank account.

### **Registration**

The Block team along with the TSA/OSF will guide the representatives about the registration process, documents required etc. and initiate the statutory process required for formation of PC. While filing for registration it will be mandatory to have a Bank Account in the name of PC.

After this process, the PC will be assisted to register under appropriate act and the PC will be able to avail funds through the project only when the governing board is in place and the formal registration is completed.

### **NURTURING AND HANDHOLDING**

The TSAs will facilitate the DPMU in nurturing and handholding the PCs by placing systems, framing guidelines and policies on HR, Financial, Procurement and Marketing.

1. **Systems strengthening:** The General Body shall meet at least once in Six months. In the initial phase, the PC may be encouraged to have General Body meeting once in three months. The Executive Committee of PC shall meet at least once in a month. The DPMU with the support of TSA may handhold or facilitate the PC in conducting the meetings
2. **Identification and placing of staff:** The PC will have a team of staff comprising of a CEO and support staff in carrying out the business activities. The number of staff and support staff will be based on the business volume/ transaction. The executive committee would be involved in the identification and the selection process of the CEO, Staff and support staff. The selection and screening process will be developed and

laid down as part of PC guidelines and the steps would include the following:

- The Executive Committee (EC) will be trained on the selection and recruitment process.
- Notice for the recruitment of the staff would be given through advertisement in local papers
- The selection procedure would involve a process of interview done by the EC members
- A resolution will be passed into the EC meeting after the selection process is completed.

## **CAPACITY BUILDING**

The PCs will require systematic capacity building inputs at various levels to execute the functions effectively and efficiently. The Board of directors, Executive Committee, CEO and support staff will require various Technical inputs to develop their knowledge, skills and attitudes and build their capacity to manage the business activities. Induction program and other trainings for PC staff would also be planned. The CEO will also undergo a special certificate program in PC management.

The training curriculum will be customized based on the needs and constraints of women in pursuing economic activities.

The capacity building program would include the following areas:

- Organizational development
- Orientation on organization (Nature, Objective, Purpose, Activities)
- Statutory functions and its management
- Leadership trainings
- Business plan preparation
- Enterprise development
- Financial management
- Marketing management
- Procurement and Inventory management
- Book keeping and accounting

SPMU together with the Technical Expert Agency/Resource Agency will develop the training modules. The training events will be facilitated and coordinated by the DPMU. The CEO training development modules would be prepared in partnership with reputed management institutes. These programmes would result in strengthening of PCs on Governance, finance, business technical and management aspects

## **BUSINESS PLAN PREPARATION**

Preparation of the business plan should involve the PG representatives so that the ownership of the business plan remains with them. The members of the PC should ensure that the Business Plan contains details about selected economic activity, total cost required, members involved, other credit linkages, marketing opportunities, expected income and expenditure details. The business plan should

be planned, implemented and managed in a participatory way and agree on all aspects of the business plan, selection of technology, total cost of the project, amount of equity to be mobilized and financing the business plan.

The TSA/OSF will facilitate and provide expertise in preparing Business plans. The DPMU will support the PC in Business Plan preparation.

### **ACCESSING FINANCE**

The PC will require funds to operationalize the business plan which includes working capital requirement, operational expenses and its fixed costs (such as establish common facility infrastructures for storage, processing, drying yards, purchase of machineries, Purchase of land etc).

PCs can access finance in the following ways:

- Own funds(Share capital)
- Grants
- Convergences
- Direct Bank linkages

Once the PC is ready with the business plan, the application will be submitted to DPMU, Financial institutions, relevant Government departments to access finance.

### **Start-up funds to Producer collectives:**

Startup funds will be made available to PCs to address the gaps in terms of finance to initiate its business activities and meet its operational expenses. This will include the operating costs, meeting working capital requirements, long term infrastructure, risk fund and investment in equity.

In the present project, each PC is entitled to a start-up fund to an amount of Rs 40 lakhs. The details of the milestones to be achieved for release of start-up fund in various tranches are given in the table below

<b>Tranche</b>	<b>Amount</b>	<b>Time frame</b>	<b>Milestones</b>
Tranche 1	25% of the start-up fund (INR 10 lakh)	3 months after registration	<ul style="list-style-type: none"> <li>• PC registered</li> <li>• Business plan prepared and approved by DPMU</li> <li>• Bank account opened</li> <li>• Basic training on fund management and procurement completed</li> <li>• PC has mobilised 50% of the expected equity capital ( approximately 5 lakh) from the</li> </ul>

			members
Tranche 2	45% of the start-up fund ( INR 18 lakh)	15 months after registration	<ul style="list-style-type: none"> <li>• Has completed atleast two business cycles</li> <li>• PC membership has increased to 70% of the probable size</li> <li>• PC has mobilised 80% of the expected equity capital from the members</li> <li>• PC business plan has been approved by the bank/ PC able to mobilise fund from other external sources ( either for capital expenditure or for Working Capital)</li> </ul>
Tranche 3	35% of the start-up fund ( INR 12 lakh)	24 months after registration	<ul style="list-style-type: none"> <li>• PC has been able to recover operating cost in the last 2 cycles of operation</li> <li>• PC membership has increased to 90% of the probable size</li> <li>• PC has mobilised 90% of the expected equity capital from the members</li> <li>• PC received credit from banks/ funds from other external sources</li> </ul>

### **Start-up Fund – Fund flow and utilization.**

- Application- from the PC to the DPMU after business plan preparation.
- Evaluation by the DPMU and approved by SPMU
- Submission of PC business plan to the bank- Facilitation to be done by the DPMU
- Disbursement of the Grant from DPMU to the PC bank account
- A MOU entered between the PC and the DPMU clearly stating the purpose of utilization
- Annual Audited statement to be submitted by the PC which reflects the utilization of the grant

## BUSINESS OPERATIONS

The TSA and DPMU will handhold the PC in the initial years on the following aspects

- Providing efficient backward and forward linkages like procurement of raw materials, commodities and services, Product sales and distribution, Packaging, Branding, Marketing etc.,
- Costing and pricing of products (production, service or retail)
- Ensure quality assurance mechanisms and address quality concerns
- Support to prepare standard operating procedures and to implement them
- Helping in efficient storage, logistics /transportation of goods
- Participate in the PC review meetings in order to identify issues and take up corrective measures.

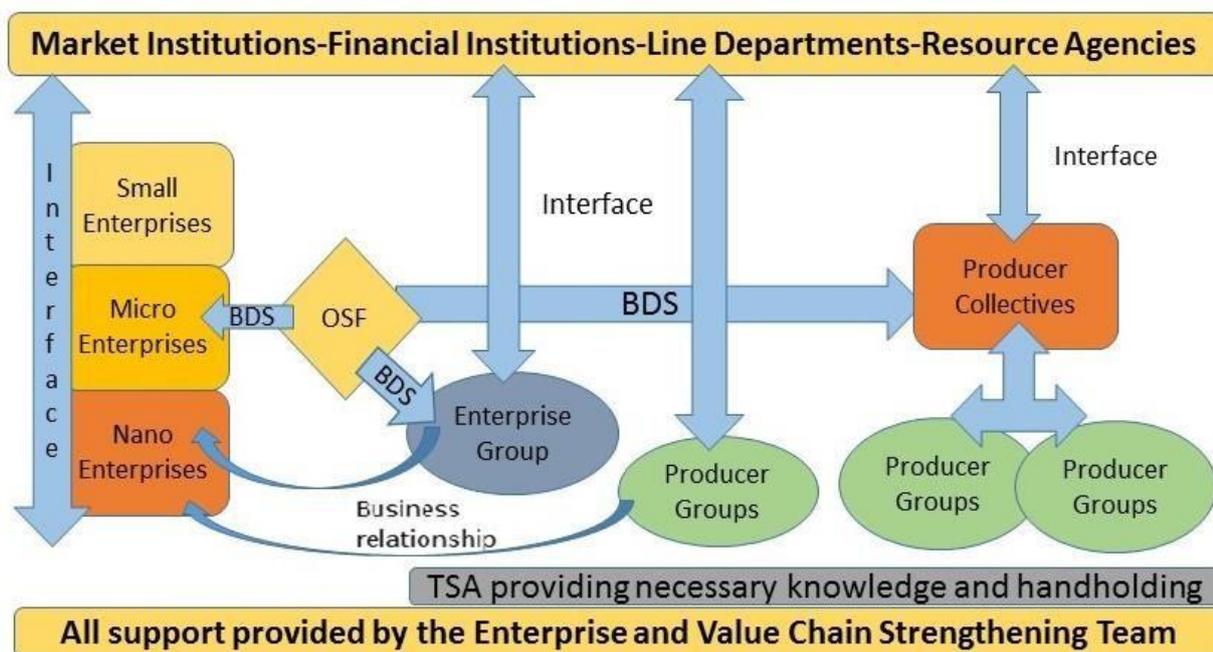
## MARKETING LINKAGES

PCs will explore various markets by participating in buyers-sellers meet, exhibitions; trade fairs etc and build suitable partnerships. The DPMU will facilitate the PCs in establishing the market linkages with the support of TSA.

## GROWTH PATH OF PRODUCER COLLECTIVES

Phases	Milestones	Timeline
Promotional- Incubation/Early	<ul style="list-style-type: none"> <li>• Legally registered</li> <li>• Governance and Management structure roles defined</li> <li>• Office and Systems established like book-keeping and accounts</li> <li>• Business plan as part of core activity</li> <li>• Initiation of business development functions</li> </ul>	18-36 Months
Emerging/Growing	<ul style="list-style-type: none"> <li>• Arrangements with financial and technological institutions, government departments established</li> <li>• Tie ups with Private market players</li> <li>• Support services in Quality control, Procurement, Grading, Storage, Processing, Marketing services initiated</li> </ul>	36-60months

<p>Maturation/Business expansion/consolidation</p>	<ul style="list-style-type: none"> <li>• Access to investment, technological and markets</li> <li>• Increased Profitability among members and economic viable</li> <li>• Institution acts as nodal agency for various government schemes</li> <li>• Increased producers/producer group willing to join the</li> </ul>	<p>&gt;60 months</p>
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**FIGURE 16 INTERRELATIONSHIPS BETWEEN ENTERPRISES AND STAKEHOLDERS**

## GREENING OF ENTERPRISES

Proactive measures would be taken to integrate the greening principles in the value chain for all the activities like production (e.g. organic production-application of bio pesticides); processing (e.g. solar power units for bulk milk chillers) or packaging (e.g. bio degradable packaging).

In farm sector the following green practices will be encouraged and adopted:

- Resource-conserving practices like zero tillage, Improved water management practices,
- Choosing water efficient crops,
- Organic methods of cultivation, zero pesticide, integrated nutrient management practices etc.
- Recycling of farm waste into manure.
- Preservation of bio-diversity

Attempt also will be made for

- Developing renewable technologies at all scales,
- Enabling eco-system for waste to resource,
- Reuse and waste to resource,
- Recycling and energy recovery from waste.

### Enterprise Promotion- Phasing plan-Outreach and Numbers

The following table highlights the key numbers to be achieved year wise for Individual and Group enterprises in the TNRTP project:

Type of enterprise	I year	II year	III year	Total
Small	10	70	40	120
Micro	50	250	200	500
Nano	400	3500	2100	6000
EG/PG	500	3300	3200	7000
PC	0	15	35	50
<b>Total</b>	<b>960</b>	<b>7135</b>	<b>5575</b>	<b>13670</b>

## Roles and responsibilities of different Actors involved in Enterprise promotion

S.No	Responsibility	Description of Role
1.	SPMU	<ul style="list-style-type: none"> <li>• Identification and Hiring of TSAs for PC promotional activities</li> <li>• Preparation of training manuals and guidelines- Standard Operating Procedures.</li> <li>• Monitoring of the work of TSAs ,Liasioning with the other state departments and resource institutions engaged in business and enterprise promotion MSME, DIC etc SFAC, NABARD, NGOs on various sectors like agri business, fisheries etc, private actors,</li> <li>• Conducting roundtables, State level workshops and Consultative Meetings.</li> <li>• Strategic inputs to the District and block team on Enterprise promotion and value chain strengthening</li> <li>• Planning of enterprise promotion and Value chain strengthening activities at the state level</li> <li>• Orientation and conducting training on enterprise promotion to the Manager-Enterprise</li> <li>• Assisting the Manager-Enterprise in conducting of assessment and review of existing producer groups, enterprise groups and producer collectives in the district</li> <li>• Assisting/Facilitating the DPMUs in planning and implementing of enterprise promotion activities</li> <li>• Coordinating and Monitoring enterprise promotion and value strengthening activities in the districts.</li> <li>• Consolidation of district reports and reporting the progress of work done at the state level for enterprise promotion and value strengthening activities.</li> </ul>

S.No	Responsibility	Description of Role
2	DPMU	<ul style="list-style-type: none"> <li>• Planning and coordination for District level activities on enterprise promotion</li> <li>• Coordination with the TSAs for promotion and trainings of collective enterprises</li> <li>• Preparing Calendar of events/activities at district for various functionaries</li> <li>• Monitoring the Activities at Block level</li> <li>• Arrangement and Managing training events at district level</li> <li>• Liaisoning and coordinating with district administration, various government departments and resource institutions, private actors on business and enterprise promotion like the agri- business departments, MSMEs, DIC, etc</li> <li>• Identification and sourcing of resource persons at district level</li> <li>• Conducting assessment and reviews on producer collectives promoted by various actors</li> <li>• Arrangements meetings and trainings at district level</li> <li>• Monitoring of the events and meetings conducted at the village and block level</li> <li>• Participation in the initial mobilization and formation meetings of PCs</li> <li>• Assisting, Handholding and monitoring of activities of PCs in the district</li> <li>• Reporting on enterprise promotion activities to the state management unit</li> <li>• Engaging Makamai for training of CPs Management of the start-up grant of EGs and PGs formation</li> <li>• Participating in the assessment of health of PGs and PCs</li> <li>• Conducting periodical planning and review meetings</li> <li>• Monitoring the performance of CPs</li> <li>• Assisting in PC staff and leaders in their operations</li> <li>• Assisting enterprises in their operations</li> <li>• Participating in the PC meetings regularly</li> <li>• Monitoring and reporting enterprise activities in the block to the district unit</li> </ul>

S.No	Responsibility	Description of Role
4	TSA	<ul style="list-style-type: none"> <li>• Supporting the state team to developing Standard Operating Procedures for the collectives</li> <li>• Handholding the staff in promotion of collective enterprises</li> <li>• Capacity building and strengthening of collective enterprises</li> <li>• Support the producer collectives in establishing linkages with market and financial institutions</li> </ul>
5	ECPs	<ul style="list-style-type: none"> <li>• Mobilisation, Formation and Handholding of PGs/EGs</li> <li>• Basic capacity building and systems establishment of PGs/EG.</li> <li>• Facilitating linkages with OSF, banks, technical institutions, markets.</li> <li>• Facilitating convergences at the village level.</li> <li>• Support formation of PC by interfacing with PC and PG</li> </ul>

### **Engagement of Enterprise Community Professionals (ECPs)**

The Enterprise Community Professionals (ECPs) will be selected through an identification and selection process by the MAKAMAI. Once these cadres are selected, they will undergo series of modular training and exposures to enrich their skills, knowledge and attitude to deliver results with quality and numbers. The ECPs will be placed in their respective villages and will serve in two villages involved in both individual enterprises, Enterprise Groups (EGs) and Producer Groups (PGs). The CPs would be engaged by the project for a period of three years and thereafter the cost will be borne by enterprises.

## Scope of work of the Technical Support Agency (TSA)

The following are the functions of TSA

<b>S.No</b>	<b>Functions</b>	<b>Scope of work</b>
<b>1</b>	Development of Standard Operating Procedures (SOP)	Standard Operating Procedures (SOP) will be developed for different prioritized commodities/sub-sectors and will be oriented to the producers.
<b>2</b>	Capacity Building	In areas of: <ul style="list-style-type: none"><li>• Institution Building and Management</li><li>• Statutory functions and its management</li><li>• Financial Management</li><li>• Leadership &amp; Visioning</li><li>• Business Model Development</li><li>• Business Planning</li><li>• Marketing Management</li><li>• Business Management</li><li>• Quality Monitoring &amp; Assurance</li></ul>
<b>3</b>	Assessment studies	To undertake Institutional Assessments, Market Assessment etc.
<b>4</b>	Financial Linkages	To devise pathways for financing the enterprises, identifying potential partners for lending, develop modalities of financing etc
<b>5</b>	Market Tie ups	For handholding to access better markets , Brand development and positioning, supply chain management

S.No	Functions	Scope of work
6.	Convergence & Partnership	<p><b>Convergence</b></p> <p>TSA along with project team – DPMU will facilitate converging of the Producer Collectives with government agencies/departments/institutions like SFAC, NABARD, MSME, agri department etc., to leverage the existing and relevant government schemes.</p> <p><b>Partnership</b></p> <p>SPMU &amp; TSA would promote wide-ranging partnerships with institutions of national repute such as IIFPT, ICRISAT, TNAU, CFTRI, National and state universities. Efforts will be taken to forge partnerships between the PCs and private players like Rabobank, Tata trust, BRLF (Bharat rural livelihoods foundation) etc. to leverage technical and financial support.</p> <p>If there is existing scheme available for vulnerable group, the DPMU will facilitate to integrate them into the schemes, as per the requirement and fulfilment of eligibility criteria. In Tribal areas, relevant schemes will be accessed and utilized as part of the tribal sub plan. Examples of existing schemes available for women and tribal are Mahila Kisan Sashakti Pariyojana (MKSP) under National Rural Livelihoods Mission (NRLM), special programmes for tribes, Tribal Development Fund under NABARD, Marketing Assistance and Technology Upgradation scheme for SC/ST under MSME</p>

The TSA procurement will be facilitated by the SPMU. The procurement would be done as per the World Bank's Procurement Norms of Agency Hiring.

The TSA - State and district team engagement protocol is as follows:

- Weekly plan and review meetings at the district level
- Joint field visits by the district project team and TSA
- Monthly Progress reports against deliverables at the state level
- Monitoring of the work by the State team

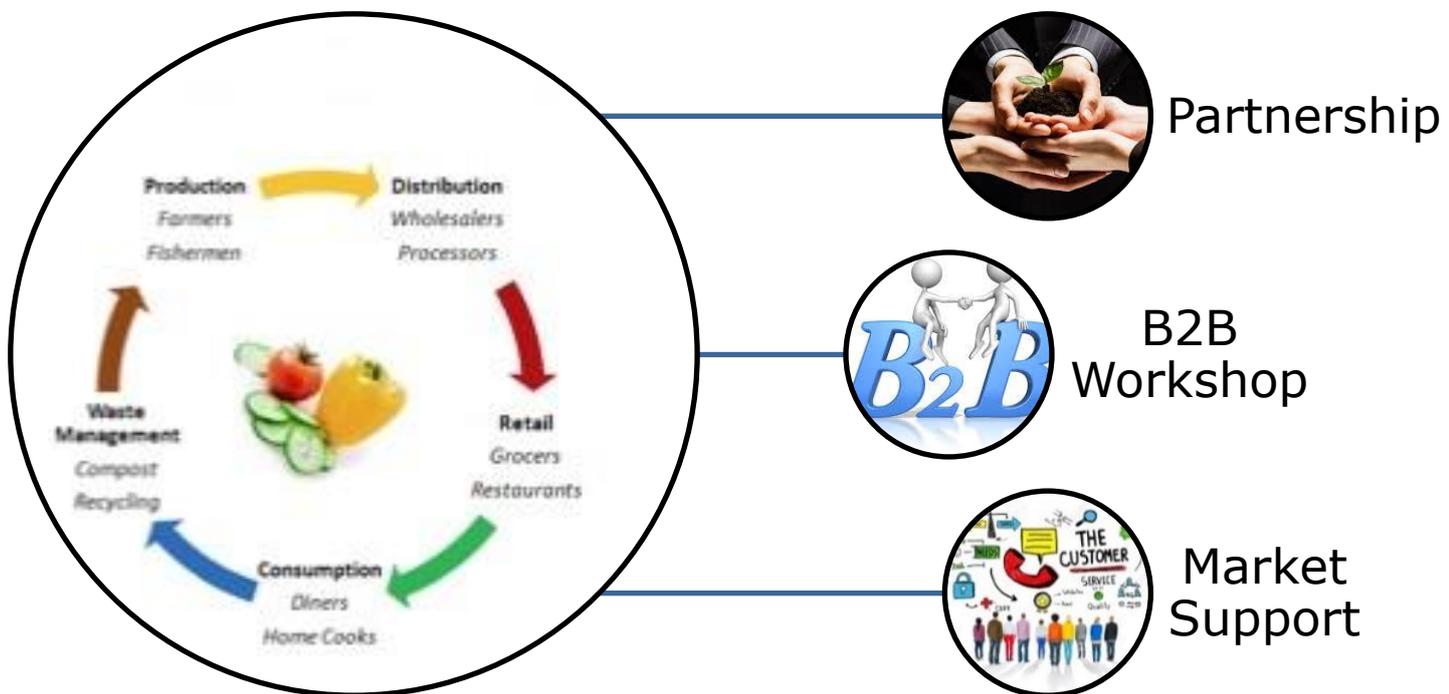
The detailed TOR is Annexure-28

### 5.11 VALUE CHAIN STRENGTHENING:

#### Objective

**“To strengthen prioritized value chains, by engaging value chain actors through partnerships and facilitating business relationship for promoted enterprises”**

#### **Value Chain Strengthening Framework**



**FIGURE 17 CONCEPTUAL FRAMEWORK FOR VALUE CHAIN STRENGTHENING**

### **Four Pathways for Value Chain Strengthening**

<b>Partnership</b>	<b>B2B Workshop</b>	<b>Market Support</b>	<b>Multi Stake holder engagements</b>
<ul style="list-style-type: none"> <li>• Cross cutting support to all 3 project components.</li> <li>• Building strategic partnerships with institutions and resource organizations for access to technology (incl. ICT), finance, innovation and best practices.</li> <li>• Strengthening implementation through Technical Support Agencies.</li> <li>• Leveraging convergence with related Govt. depts.</li> <li>• Strengthening forward and backward market linkages &amp; strengthening value chains</li> </ul>	<ul style="list-style-type: none"> <li>• Introducing project enterprises/producers to respective VC actors.</li> <li>• Collaborations for sharing of products and assets including access to Market, Technology and Finance in the Value Chain.</li> <li>• Sharing capability and knowledge/Product innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Building mutual partnerships for market access.</li> <li>• Linking to existing supply chains</li> <li>• Streamlining partnerships for developing mechanisms/systems for local, national and Global markets.</li> <li>• Logistics collaboration</li> <li>• Warehousing and cold chains.</li> <li>• Certification (fair trade, organic etc.), Compliances.</li> </ul>	<ul style="list-style-type: none"> <li>• Creating business networking platforms through workshops, interface meetings and other engagements viz., Associations, Commodity boards, Government departments/agencies .</li> <li>• To bring in system change through policy advocacy measures particularly to address gaps in technology/finance, overcome market failures, bridge digital divide, and fulfill knowledge gaps in the Value Chain.</li> </ul>

The Project with the transformative agenda in enterprise promotion needs support in relation to infrastructure, processing, logistics and availability of finance. Hence strengthening of the value chain is imperative to generate value to the enterprise.

The inference from the value chain analysis, District investment plan and business plan of the producer collectives help in formulating strategies for Value chain strengthening and partnerships.

Private sector players will help the value chain, directly or indirectly by specific interventions to the enterprises, producer groups and producer collectives. The project will facilitate corporate engagement among diverse industries and stake holders linking them as partners to maximize business operations and profits.

The partnerships and tie ups will help the producer collectives and enterprises share the infrastructure on warehousing, logistics, processing and packaging units

which will bring down the costs and increase the value of the business. The knowledge sharing of other organizations in product innovations, technical know-how, trainings, ICT and good practices to eliminate market gaps and increase efficiencies.

The state team along with the thematic team will perform the multiple activities to engage diverse actors and coordinate for enterprise led intervention which activates the cycle of productivity, expansion of business activity for broad based Value Chain strengthening.

### **1. Business to Business Workshops:**

This workshop will help the enterprises and collectives involved in production/processing and service activities have business relationships with the market actors such as wholesaler/retailers / co-packers bringing them together for business interface. The B2B will help the enterprises to maximize the profits through cost reduction, supply chain efficiency, and capitalizing the market opportunities. The B2b workshops will be conducted based on the commodity and subsectors at different levels as per the need.

### **2. Support for Market:**

The support for the market is the key element to any enterprise promotion. Inefficient marketing supply chains affect the business due to lack of timely logistics, non-warehousing and storage structure leading to distress sales of the produce. Addressing these gaps will facilitate higher returns to all the stakeholders.

The support mechanisms through market tie-ups with local partnerships can improve logistics and warehousing avoiding post-harvest losses. In the commodity value chain most of the producers face losses due to spoilage of perishable commodities which affects the producers and processing industry.

The project will facilitate the structure of forecasting demand and linking of the markets to expand the business through sourcing for local market, national and global market. The support of market intelligence and strengthening the local procurement supply chains via logistics, warehousing, dealer networks, and competitive marketing strategies.

The component will bring in the sharing of information regarding market support systems and linking them with online trading platforms by creating an interface between consumer and the producer. The linking of online platforms will help in widening the reach of the products and produce. (Through Partnerships)

To increase the efficiency of the enterprises the project will facilitate learnings, knowledge sharing to bridge the digital divide through ICT platforms.

### **Support for multi chain stakeholder workshop:**

The identified value chains will be strengthened through network and business support platforms such as industrial associations, commodity boards, and public sector undertakings. The project will provide facilitation support for arranging

meetings with value chain members to steer policy advocacy for and efficiency in the Value chain.

This will help to overcome market failures, poor access to finance and challenges in identifying pathways for collective procurement and thus facilitating development of specialized shared infrastructure /assets/ capability /knowledge.

## 5.12 PARTNERSHIPS IN TNRTP

### Rationale for Partnership Framework

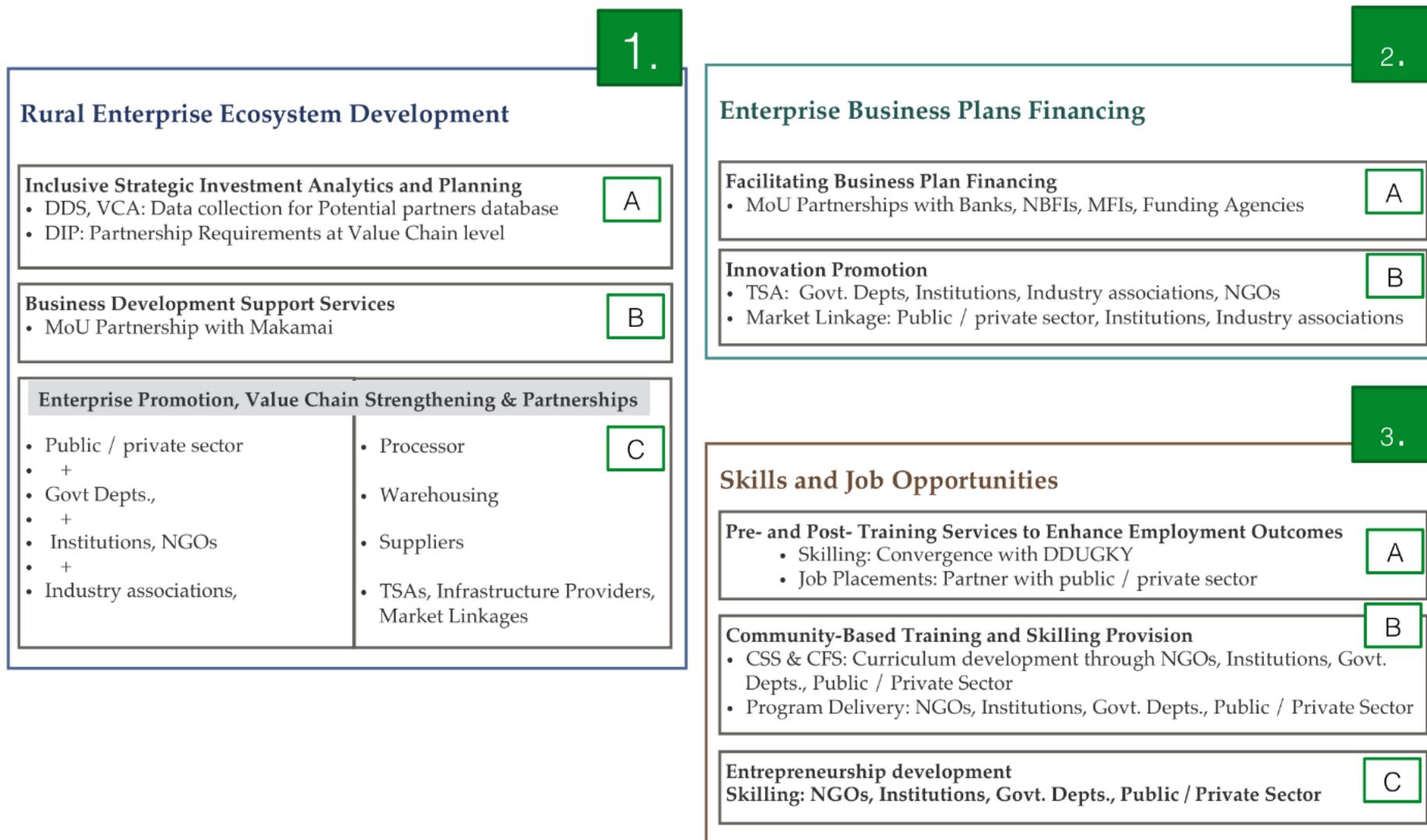
The objective of partnerships for TNRTP is to leverage technical knowhow, expertise and strengths, markets, process effectiveness and human resources to enable sustainable enterprises in specific and mutually beneficial opportunities.

The key principle behind this arrangement is to create an 'enabling environment' to increase the supply of high quality partners and facilitate mutual support and learning exchange between them. The framework draws on the lessons from the World Bank financed rural livelihoods projects in Andhra Pradesh, Bihar and Tamil Nadu, and Kerala's Kudumbashree program which have implemented large scale anti-poverty and women empowerment initiatives by building strong institutional platforms of the poor and engaging them comprehensively in program implementation. While doing so, they have developed (i) successful implementation strategies in social mobilization, institution building, financial inclusion and livelihoods enhancement; (ii) several best practices locations and immersion sites; and (iii) social capital of good quality in large numbers.

## 5.13 PARTNERSHIP MAP FOR TNRTP

In a market-driven community-led participative growth strategy, it is imperative that these enterprises facilitated by the project, envisages to benefit by participating in the existing economic ecosystem, by creating various types of partnerships with the Government departments, NGOs, Institutions and public & private sector players in the market.

The Figure-18 below shows various areas in TNRTP where partnerships will come into play.



**FIGURE 19: FRAME WORK FOR PARTNERSHIPS -TNRT**

Basis the above map, partnerships in TNRTP may be grouped as:

- Partnership with Partnering Financial Institutions (PFIs)
- Partnership with Govt. Departments' Schemes (Convergence)
- Partnership with Public / Private Sector, NGOs & Institutions

Guidelines for MOU with all partnerships is as in **Annexure 29**.

#### **5.14 Partnership with Partnering Financial Institutions (PFIs)**

Partnership with Partnering Financial Institutions (PFIs) will be in line with the definitions in Component 2.a.

#### **5.15 Partnership with Govt. Departments' Schemes (Convergence)**

Convergence with line departments would be in discussion with the line department. On mutual consent of the departments, the MOU is signed and monitored.

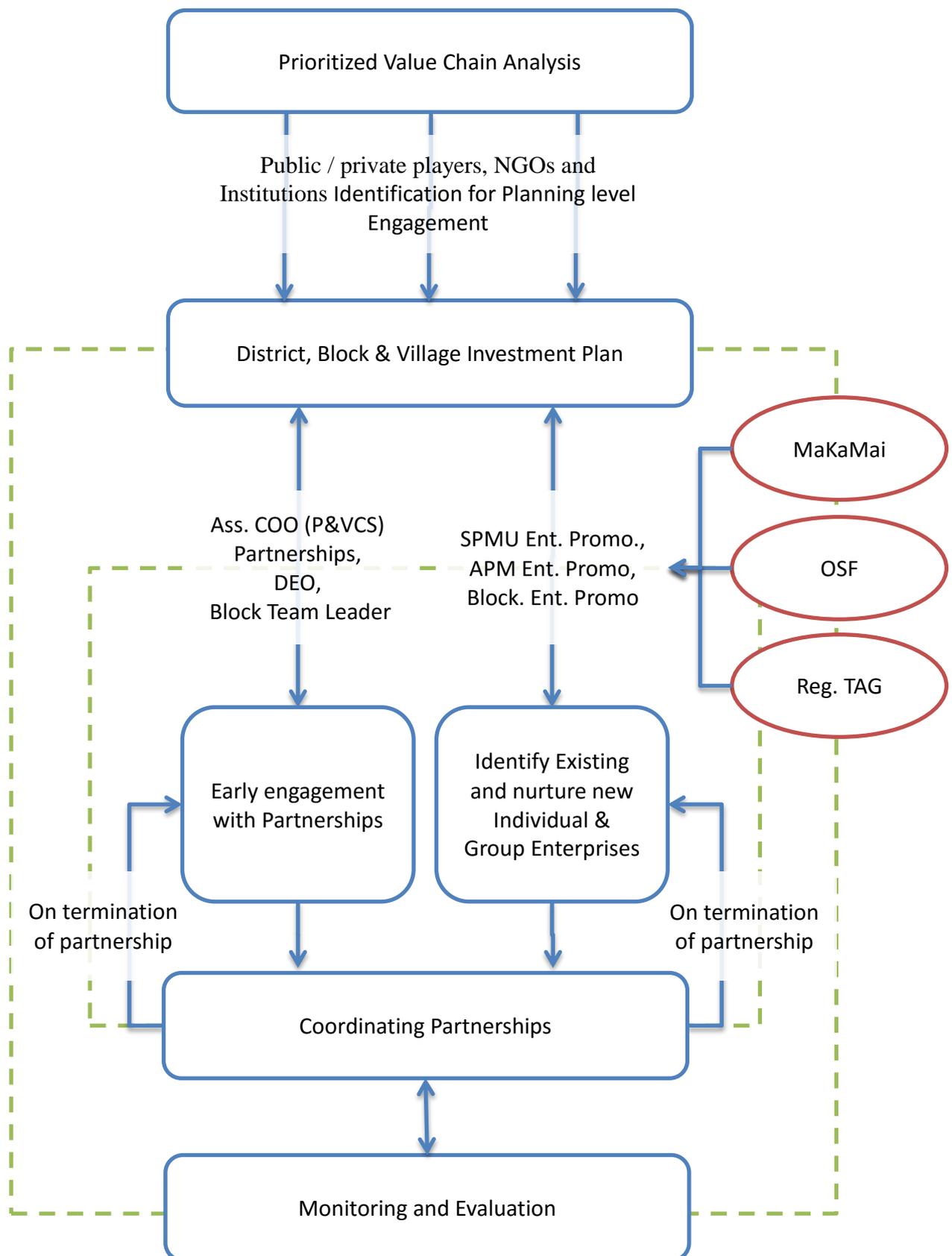
#### **5.16 Partnership with Public / Private Sector, NGOs & Institutions**

Public / Private Sector, NGOs & Institutions may be engaged in TNRTP, either as part as Technical Support Agency (TSA), a Market Linkage partner or as a Skilling & Job opportunities partner.

While the framework of engagement for Technical Support Agency (TSA) & Market Linkage partner are the same, the framework for engaging a skilling agency is different. Each of these are detailed below.

#### **5.17 Partnerships for TSA and Market Linkages**

Role of partners in TNRTP begins from participating in District Diagnostic Study, Value Chain Analysis and preparation of DIP. Post this, when the enterprises/Collectives are set up and ready to interface with market, the relevant partnerships for each enterprise are actually signed up and put to action. A map of the process is as below.



**FIGURE 19: PARTNERSHIP CONCEPTUAL FRAMEWORK**

## Steps in engaging with partners

**1. Value Chain Reports:** The primary study of the demand side Value Chain is done involving state level public / private players, NGOs and Institutions. This gives insights into, potential areas where enterprise/Collectives can be developed as part of TNRTP. The participation of large players in Value Chain analysis is to be ensured by Associate COO Planning and Value Chain Strengthening.

2. District Investment Plan (DIP): As part of the DIP local public / private players, NGOs and Institutions are involved in the process of identifying the opportunities for TNRTP initiated enterprises / collectives. The identification and facilitation of potential participants in DIP is championed by District Executive Officer (DEOs) and Block Team Leads (BTLs).

**3. Partner Database:** Post completion of the DIP, a list of public / private players, NGOs and Institutions who are interested to partner with TNRTP at State and District levels will be available. This list will be dynamic through the life of the project. Every organization that needs to be added into the list at any point would need to be vetted for its relevance by the DEO.

**4. Project Awareness among Partners:** TNRTP will reach out to Partners through Road Shows, Field Visits, and Awareness Melas, which the state and district teams creatively organize. These activities will focus on mutual benefits and how these partners can contribute. Associate COO Innovation & Knowledge Management at SPMU anchors the partnership with large corporates while other partnerships are anchored by District Executive Officer.

**5. Meeting the Partner:** For Enterprises the BTL or DEO facilitates a meeting between the enterprise/collectives and the public / private partner. To be able to initiate the first connect and facilitate thereafter, the BTL and DEO will be trained in partnership interface module as part of their induction. During meetings, the leader of the enterprise/collectives, and the key members would have to be part of the meeting.

For TSAs the meeting with the potential partner is initiated by the person responsible for the relevant component along with the Ass. COO (P & VCS). On establishment of interest and mutual consent, the terms of operations are defined.

**6. Contract Signing:** On finalizing the Terms of agreement, the actual contract / Memorandum of Understanding (MOU) is drafted. This will be legally verified, discussed and finalized. Once finalized the MOU is signed off.

**7. Managing performance for successful partnerships:** Key role of the project during implementation phase of partnership is Periodic review of partnership performance on vital performance factors as defined in the MOU.

The Project Team members keep a constant check on quality of partnership at every possible opportunity. In situations when they come across anything unfavourable, the situation is flagged to senior levels for appropriate advise and or intervention.

For a successful partnership, it should incorporate coherent management and regular review mechanisms. Every meeting has to be documented as Minutes of Meeting (MoM). Performance targets should be SMART (Specific, Measurable, Achievable, Relevant and Time-based), incentives should be meaningful and, rewards and penalties effective. All partnerships shall be coordinated and monitored by TNRTP local champions and also periodically monitored by Ass. COO – (P & VCS) at SPMU from time to time.

**8. Partnership Exit Process:** Not all partnerships that are initiated as part of TNRTP are intended to be ongoing forever. There for it is critical to have an exit strategy. Defining this strategy as part of the MOU allows all involved to agree on terms that will be fair. It's easier to make equitable decisions when an exit isn't already underway.

### **5.18 Partnership for Skilling & Jobs**

In the skilling component, partnership process is much lesser complex as against enterprise partnerships, since the risks involved are much lesser for both TNRTP and the public / private sector partner.

The framework of engagement for skilling and Jobs is as in Figure 20.

On identification of partners for job opportunity creation, the requirements of the organization in terms of skill set, head count and time period are discussed and documented on the company / RTP letter head. This is signed off at the state office or district office depending on the skill and number of people required.

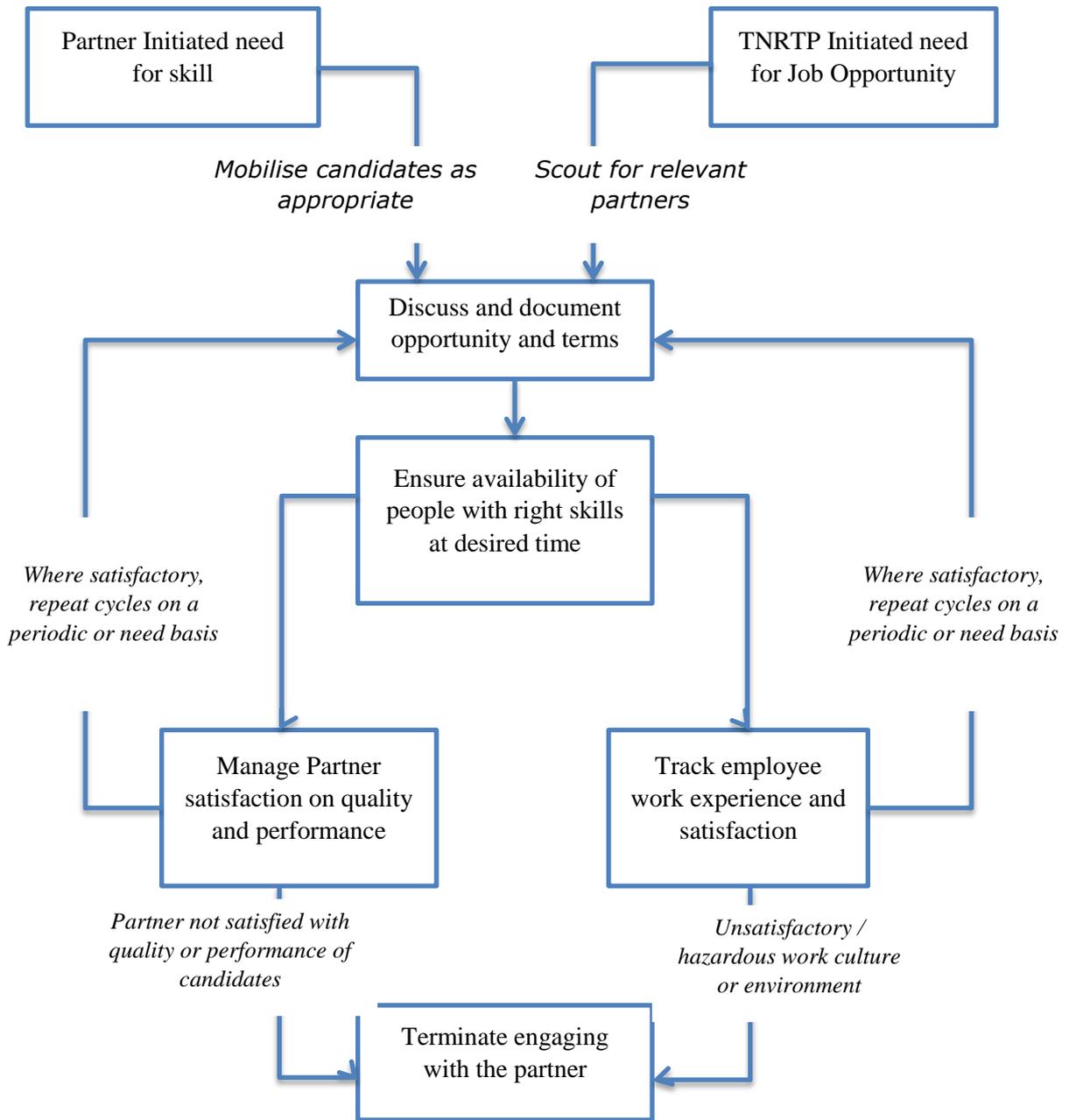
Where there is a need to integrate mobilization across districts, the Associate COO – Skills & Jobs at state level is responsible to sign up and deliver. Where the requirement is localized, the Manager – skills is responsible to sign up and deliver.

Once delivery in line with term sheet is complete, it is imperative to track

- 1) performance of the candidates at work
- 2) work culture and environment provided by the partner

As long as there are opportunities with the partner, the partnership may continue in terms of identifying more requirements and fulfilling them. Where there are partner dissatisfactions in terms of candidate quality, TNRTP will work on understanding the gaps. Necessary action to fill gaps are then taken, to keep the partnership going, unless there unrealistic expectations or lack of newer opportunities with the partner.

In case there are employee dissatisfactions in terms of work culture or environment, the project may evaluate the same and decide whether to continue partnering with them, or to terminate partnership.



**FIGURE 20: SKILLING AND JOB OPPORTUNITIES PARTNERSHIP FRAMEWORK**



## **CHAPTER 4**

### **COMPONENT – 2**

# **ENTERPRISE BUSINESS PLAN FINANCING**

## **CHAPTER-4**

### **COMPONENT-2: ENTERPRISE BUSINESS PLAN FINANCING**

## **CHAPTER-4**

### **COMPONENT-2: ENTERPRISE BUSINESS PLAN FINANCING**

This component comprises of two sub components as mentioned below

#### **i) Sub-component 2-A: Facilitating Business Plan Financing**

This subcomponent will cater to the financing needs of the Individual and Collective enterprises set up through component-1 and address the financing mechanisms i.e. Matching Grants and Performance incentives. Technical assistance will also be provided for preparing business plans, accessing enterprise financing and Matching Grant Program (MGP) and other performance incentives.

#### **ii) Subcomponent 2-B: Innovation Promotion**

This subcomponent will primarily focus on creating a platform to nurture innovations across the country by organizing a market place and launching Pilot project initiatives to test innovative ideas which has a potential for scaling up. This sub component will have two themes –i) Transformation Market Place, ii) Thematic pilots for Green enterprises, Nutrition house and Creative Industries

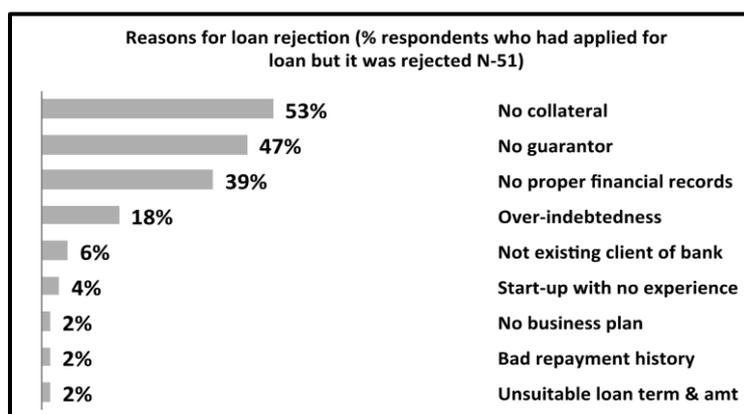
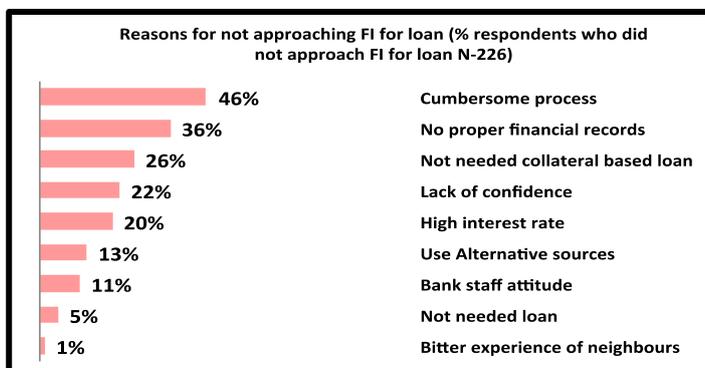
#### **SUB COMPONENT 2 A: FACILITATING BUSINESS PLAN FINANCING:**

**The objective of this sub-component is to** “facilitate access to finance for individual enterprises and group enterprises from the formal financial institutions”.

#### **6.1 BACKGROUND ON MSME /COLLECTIVES FINANCING:**

It is estimated that MSME sector in India has a total demand of INR 32.5 trillion<sup>25</sup>. Out of the total demand, only 22% is provided by the formal financial institutions and the remaining 78% is self-financed or arranged from the informal sources – friends, family and relatives. This provides an estimate of demand-supply gap. Tamil Nadu is one of the front-runners in the MSME sector in terms of units.

The recently done “Diagnostic Study on Financial Opportunities for Producers and Entrepreneurs” states that the reason for community members (Entrepreneurs) not approaching the Financial Institutions for loan are that they feel the process of loan processing at the bank side as cumbersome process, non-availability of collateral, non-availability of guarantor and lack of confidence on credit supplier.



For the group enterprises, special producer collectives, the source of data is limited. The data from SFAC suggests that only 5 (of 62 CLFs) have received their equity grant support. The data for both individual and collective enterprises suggest that Tamil Nadu has similar levels of demand-supply gap despite being a developed state in

MSME sector.

It is estimated that MSME sector in India has a total demand of INR 32.5 trillion<sup>26</sup>. Out of the total demand, only 22% is provided by the formal financial institutions and the remaining 78% is self-financed or arranged from the informal sources – friends, family and relatives.

Tamil Nadu is one of the front-runners in the MSME sector in terms of units and share of the total outstanding loans in the country; Tamil Nadu’s share is 12% of the total advances in the country. There are estimated 4 million MSME units (Individual enterprises) in Tamil Nadu, out of which only 1.8 million<sup>27</sup> are financed with an average loan size of Rs. 3.3 lakhs which falls short of total requirement of

<sup>25</sup> IFC MSME report, 2012, “Micro, small and medium enterprise finance in India”.

<sup>26</sup> IFC MSME report, 2012, “Micro, small and medium enterprise finance in India”.

<sup>27</sup> Source 146<sup>th</sup>- 147<sup>th</sup> Agenda papers of SLBC. To be noted that SLBC data is for MSMEs and not just for MSMEs.

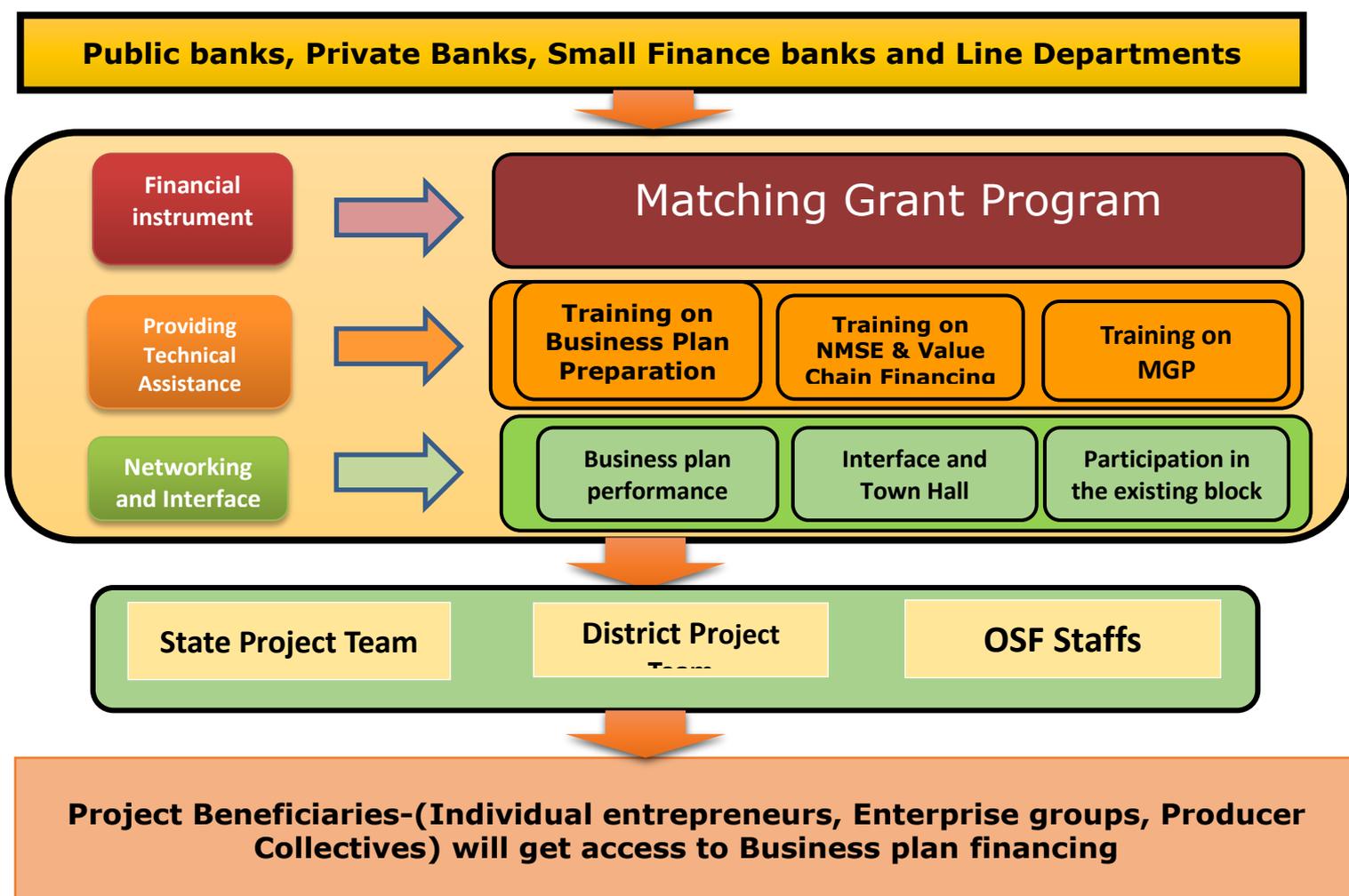
the units. According to SFAC<sup>28</sup> only 5 (of 62 CLFs) have received their equity grant support.

**The strategies adopted by the project will cater to improving the overall enterprise financing ecosystem.**

The project will offer

- a) Financial instrument-Matching Grant Program;
- b) Technical assistance to the Participating Financial Institutions <sup>29</sup>(PFI).
- c) Technical assistance to the project team and OSF staff.

**FIGURE 20: CONCEPTUAL FRAMEWORK FOR FACILITATING BUSINESS PLAN FINANCING**



<sup>28</sup> Small Farmers Agri-Business Consortium

<sup>29</sup>PFI's-Participating Financial Institutions-RBI regulated financial institutions like Public sector banks, Private sector banks and NBFCs inclusive of Small Finance Banks

## 6.2 MATCHING GRANT PROGRAM (MGP)

Matching grants would be intended for first-time entrepreneurs, women-led businesses, enterprise groups, producer collectives, differently abled and other types of enterprises perceived as challenging by the financial sector.

The Matching Grant Program is set up, to incentivize the repayment of borrowers and generate momentum amongst the financial institutions to lend the above said enterprises. Matching Grant will be available, to the borrowers, together with the loans sanctioned by the PFI. On prompt repayment of 70% of the loan amount, the borrower is eligible for 30% waiver off which will be contributed by the Project.

For example, if the loan sanctioned by PFI is Rs.1,00,000/- on prompt repayment of 70% of the loan (Rs. 70,000/-) balance 30% (Rs. 30,000) will be waived off being contributed by the project.

The PFI will receive Rs. 30,000/- at the time of disbursement of the loan. In essence this is upfront disbursement to the PFI but a conditional grant (can be considered as a back end grant) to the borrower with "prompt repayment" being the condition.

## 6.3 MANAGEMENT OF MGP

To operationalize and manage the proposed Matching Grant Fund, TNRTP intends to hire the services of a professional agency/ which will be selected through a competitive process. This agency/firm will act as a **Transaction Manager** for the MGP, and will be responsible for process management and related coordination between Borrower-PFI and TNRTP. The transaction manager of the MGP will not be directly involved in managing the funds of available under MGP at any given stage but is expected to support TNRTP by providing its expertise to enhance process efficiency and improve industry partnerships (*new financial lending institutions*). This agency/firm will manage the process -flow through an ICT-platform (to be established) which will track the loan life cycle from its origination (application) to TNRTPs recommendation/approval to PFIs, sanction, disbursement and subsequent repayment trackings under the MGP. Detailed operational guidelines of the MGP will be defined in the operational manual. Before any sanctions and activation of the said fund, the transaction manager of the MGP is expected to ensure alignment of all involved stakeholders to these guidelines. The selected MGP Transaction Manager will coordinate with the SPMU of TNRTP

for monitoring and reporting purposes including selection of eligible PFIs and oversight of the grant fund portfolio in tandem with the PFIs.

This MGP Transaction Manager will be responsible for:

- a. Identifying eligible PFIs, in coordination with the project team, as per the prescribed criterion of the World Bank.
- b. Formalize the partnership with identified PFIs based on the criteria defined by World Bank guidelines and solicit wider participation of Financial Institutions
- c. Support TNRTP ICT team in in designing the process flow and implementing the ICT fund-flow process for the MGP.
- d. Work closely with PFIs to track the performance of the credit portfolio generated under MGP and provide trend analysis etc. reports to TNRTP as required in addition to standard dash-board MIS.
- e. Coordinate with PFIs to proactively track potential delinquencies and delinquent borrowers besides taking remedial measures such as alerting relevant project staff and field level resource persons and follow up with them for suitable recoveries.
- f. Monitor the authenticity of the PFIs report on MGP through adequate sample field visits along with SPMU/DPMU and offsite verification (tele/referral etc.).
- g. Approval of the PFIs reports on MGP Beneficiaries along with SPMU.
- h. Recommend release of the funds to the PFIs as mandated in the MGP operational guidelines
- i. Ensure adherence to the prescribed turnaround times(TATs) prescribed for various process flows under the programme and timely review of the operational guidelines as required based on guidance of the managing committee of TNRTP
- j. Report to the managing committee of the TNRTP.

The State Project Management Unit (SPMU), through the project financial management and funds flow tracking system (*PFMS or Tally etc.*) will ensure timely release of the funds to the PFIs, to ensure that the 'loan disbursement process' is smooth and as per agreed timelines as specified in the MGP operational manual.

Detailed operational guidelines for the implementation of the MGP will be provided separately (**Annexure-30**) The guidelines will elaborate on ; criteria for availing the funds, the role of the PFIs, role of Transaction Manager/PFMS, fund flow mechanism and the review & monitoring mechanisms to be followed w.r.t. operating the MGP. Specifically, the following needs to be catered in the guidelines:

1. The MGP Portion of the loans given to the beneficiaries by the PFIs will be a conditional loan of which 30% will be waived off only in case of full repayment of the repayable portion (70%) of the loan.
2. Any loans above 25 lakhs will require prior approval of SPMU before sanctioning. The appraisal by SPMU will ensure that the application meets the eligibility criteria and the technical process has been duly followed.

The outcomes expected from this activity are a) increased financing by PFIs to the enterprises & b) Increase in number of beneficiaries getting credit for their enterprises.

SPMU's major role in implementing MGP will be to liaison with Transaction Manager and PFIs for streamlining the disbursements. Also, SPMU will monitor the process through the ICT platform. DPMU will primarily be involved in liaising with financial institutions at district level, technical reviews of the Business Plan to be submitted, appraisals and approvals of these plans as indicated in the operational guidelines and direct the Business Plans for financing as appropriate through PFIs or convergence. The details are provided at 6.9- Roles of Staffs.

#### 6.4 PFIs-PARTICIPATING FINANCIAL INSTITUTIONS

The Participating Financial Institutions may be Commercial banks, small finance banks, and non-banking financial institutions involved in implementing the Matching Grant Program.

Selection of borrowers will be done by the PFIs. PFIs will be involved in collection of any defaulted sub-loans, as well as for collection of the grant portion in cases of default. The PFIs for participation in the implementation of these instruments will be selected through a due diligence process, based on agreed eligibility criteria.

## 6.5 FINANCING PRINCIPLE:

<b>Enterprise Type</b>	<b>Ownership Pattern</b>	<b>Estimated Investment per Unit in INR</b>	<b>No. to be Promoted</b>	<b>Start-up Fund from project</b>	<b>Other source for Finance</b>	<b>Other funds from convergence</b>
<b>Nano enterprise</b>	1 or more individuals	1 lakh to 5 lakhs	6000	NA	30% matching grant support in loans from formal financial institutions	DIC operated schemes – NEEDS, PMEGP etc; new schemes such as MUDRA, Start-up India and others
<b>Micro enterprise</b>	1 or more individuals	5 lakhs to 15 lakhs	500 or more	NA	30% matching grant support in loans from formal financial institutions	DIC operated schemes – NEEDS, PMEGP etc ; new schemes such as MUDRA, Start-up India and others
<b>Small enterprise</b>	1 or more individuals	15 lakhs to 30 lakhs	120 or more	NA	30% matching grant support in loans from formal financial institutions	DIC operated schemes – NEEDS, PMEGP etc ; new schemes such as MUDRA, Start-up India and others
<b>PCs</b>	500–2,500 producers	Upto 2.5 crore	50	40 lakhs	30% matching grant support in loans from formal financial institutions	SBGF, SFAC, NABARD Department funds for specialized activities- ex horticulture for poly-house, etc
<b>PGs</b>	30–150 producers	Upto 1 lakh (excluding producer-level working capital requirement)	6,000	75000	-	SBGF, Department funds
<b>EGs</b>	Maximum 30 members	Upto 5 lakhs (including working capital)	1,000	75000	30% matching grant support in loans from formal financial institutions	State Balance Growth Fund (SBGF)

The project has devised other supporting activities like provision of technical assistance and developing business plan finance ecosystem.

## 6.6 PROVIDING TECHNICAL ASSISTANCE:

The project will provide technical assistance through a Technical Support Agency (ToR-**Annexure 31**) to different stakeholders – PFIs, OSF staff and project staff. The agency will develop training modules, and impart training through classroom sessions, and hands-on training based on field level case studies on NSME financing, Matching Grant program and business plan preparation. The trainings will be divided in the following heads:

**TABLE 13: MATRIX ON TECHNICAL ASSISTANCE TO DIFFERENT STAKEHOLDERS**

<b>Training heads</b>	<b>Main training activities</b>	<b>Stakeholders trained</b>
<b>Business Plan Preparation</b>	Hands on training on preparing a business plan for individual/group enterprise; understanding the different aspects of Business plan-Financial , Marketing etc; Requirement of financial institutions to approve a business plan	Project Team at State, District and Block & OSF Staffs
<b>NSME Financing &amp; Value Chain Financing</b>	Identifying and assessing the appropriate financial instrument based on business plans; various value chain financing products such as contract farming , warehouse receipts; start-up business financing modalities, risk mitigation measures, etc.	Project Team at State, District and Block & OSF Staffs and PFI
<b>Matching Grant Program Guidelines</b>	Based on operational guidelines the eligibility criteria of beneficiaries, business plan; modalities of matching grant disbursements; reporting and monitoring the loans.	Project Team at State, District and Block; OSF staff and PFIs

The agency will impart the trainings as follows:

### a. Training on Business plan preparation

- **Training manual preparation:** on Business Plan preparation for different type of enterprises – individual and group enterprises- will be prepared in consultation with the PFIs. Support maybe taken from the resource agencies i.e. TANSTIA, IIT and other selected agencies to prepare relevant and practical business plans. The modules shall include the real case studies of businesses relevant to the state of Tamil Nadu – specially focussing on NMSE and successful/failed group enterprises from different states in India. These cases will be the

premise for the hands-on trainings of the participants. Training manual includes steps involved in Business plan generation, formats for Business plans, viability indicators etc.

- **Training of the participants:** The resource agency will train the selected trainers as per the modules, who in turn will train the OSF staff and project team at district and block level

#### **b. Training on value chain financing/ NSME financing**

- **Training manual preparation:** on value chain financing and NSME financing for the different type of enterprises proposed in the project will be prepared in consultation with different resource agencies involved in value chain financing /NSME financing in the sector; Sammunati value chain finance, IFMR and other PFIs. This manual will deal on identifying and assessing the appropriate financial instrument based on business plans; various value chain financing products such as contract farming , warehouse receipts; start-up business financing modalities, risk mitigation measures, etc
- **Training of the participants:** The resource agency will train the selected trainers as per the modules, who in turn will train the OSF staff and project team at district and block level. The resource agency will orient the PFIs directly.

#### **c. Training on the financial instruments in the project**

- **Training manual preparation:** on the financial instrument – Matching Grant Program in the project for the different type of enterprises proposed in the project will be prepared in consultation with PFIs. This manual will brief on the operational guidelines **(Annex 31 –TOR for hiring an agency to develop Operation Guidelines for Matching Grant (MGP)** dealing on the eligibility criteria of beneficiaries, business plan; modalities of matching grant disbursements; reporting and monitoring the loans., etc
- **Training of the participants:** The resource agency will train the selected trainers as per the modules, who in turn will train the OSF staff and project team at district and block level. The resource agency will orient the PFIs directly.

### **6.7 NET WORKING AND INTERFACE**

To create a suitable ecosystem for business plan financing the project will adapt the following ways:

- **Interface and Town Hall meeting:** These are interaction meetings between the identified entrepreneurs, PFIs, the Project Team and OSF

Staffs on quarterly basis at block and half yearly basis at district level. The focus will be on the issues faced by entrepreneurs in preparing bankable business plans, scrutinization, appraisal at various levels etc. and build good rapport between PFIs and entrepreneurs.

- **Business Plan Performance meetings:**
  - Periodic meetings for business plan funding: The performance meetings will look at the issues in the submitted business plans (appraised by OSF but not approved by the PFIs) and the status of loan approvals/sanctions/disbursement of the submitted business plans. These meetings will review issues with respect to Business Plans submitted, approved, linked and unlinked (with due consideration to turnaround time). The project will facilitate meetings between PFIs, Project Team and OSF Staffs on a periodic basis; quarterly meetings at block level, district level and state level.
  - Periodic meetings for convergence based business plan funding: half yearly meetings at the state level & district level and quarterly meetings at block level between the Project Team and the line departments will be conducted to facilitate better convergence.
- **Participation in the existing district level and block level forums:**  
The project team and the OSF staffs will participate in the existing formal meetings; BLBC-Block Level Bankers Committee meeting, DLBC-District Level Bankers Committee meetings and SLBC-State Level Bankers Committee meetings to share and interact on the status of Business plans submitted, issues in approval, district/block target for credit approval in different portfolio

**TABLE 14: MATRIX OF PERIODIC MEETINGS AT STATE, DISTRICT AND BLOCK LEVEL**

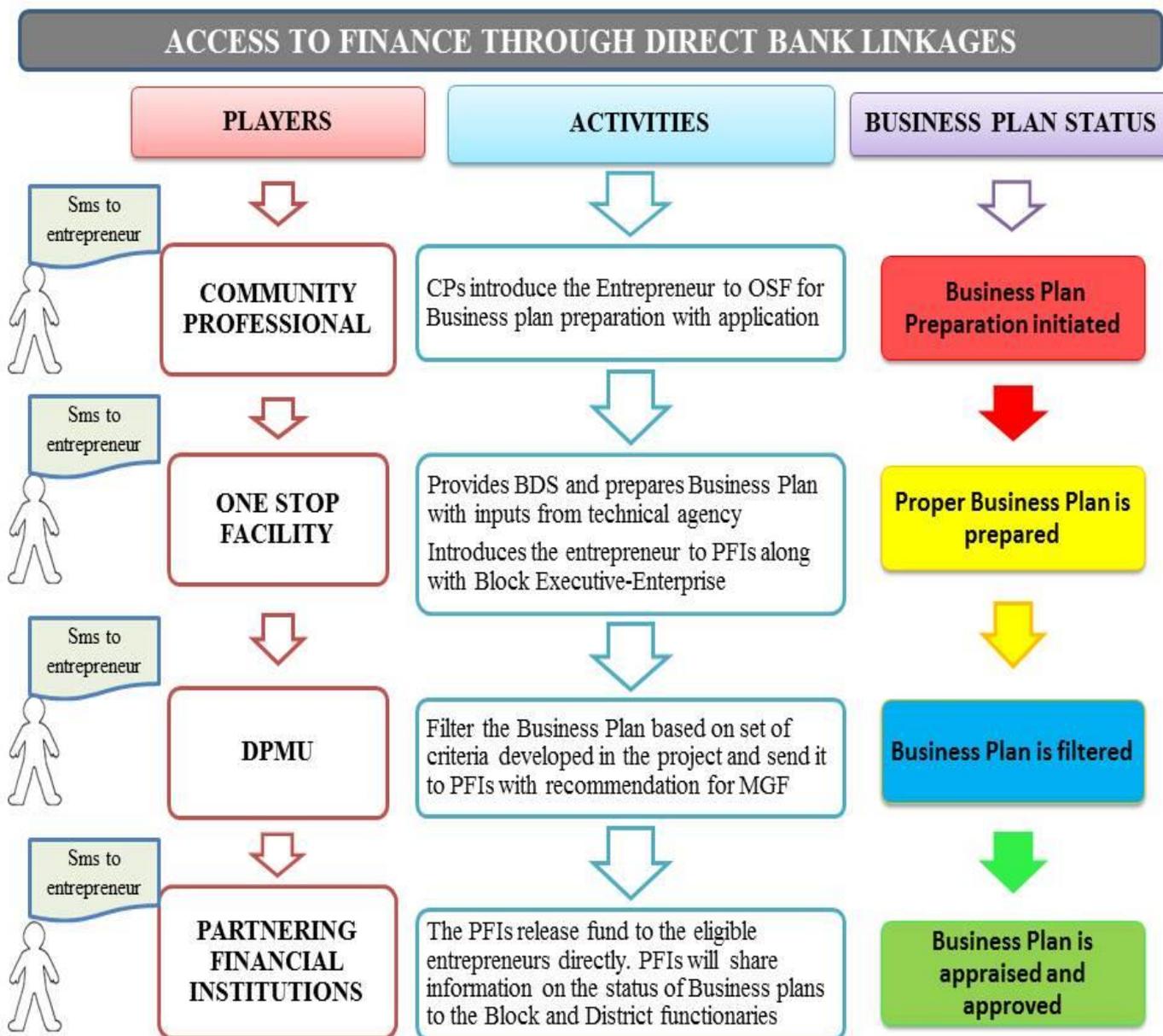
S.N	Meetings	Operational level	Periodicity
1	Interface and Town Hall meeting	Block	Quarterly
		District	Half yearly
2	Business Plan Performance meetings PFIs & Project Team	Block	Monthly/Quarterly
		District	Quarterly
		State	Quarterly
3	Participation in the existing district level and block level forums	Block	Quarterly
		District	Quarterly

## 6.8 IMPLEMENTATION PROCESS

**Direct Bank linkage:** If the Business Plan from the entrepreneur doesn't have a convergence component then the enterprises will be facilitated by the OSF to get direct Bank finance through DPMU. e.g. If a Business Plan generated by an entrepreneur for establishment of a natural fiber production unit doesn't fit into

any state/central govt. schemes then this Business plan will be directed to the PFIs. The process flow of Business Plan in this case is depicted below with roles of different project team members and stakeholders at **Figure-20**

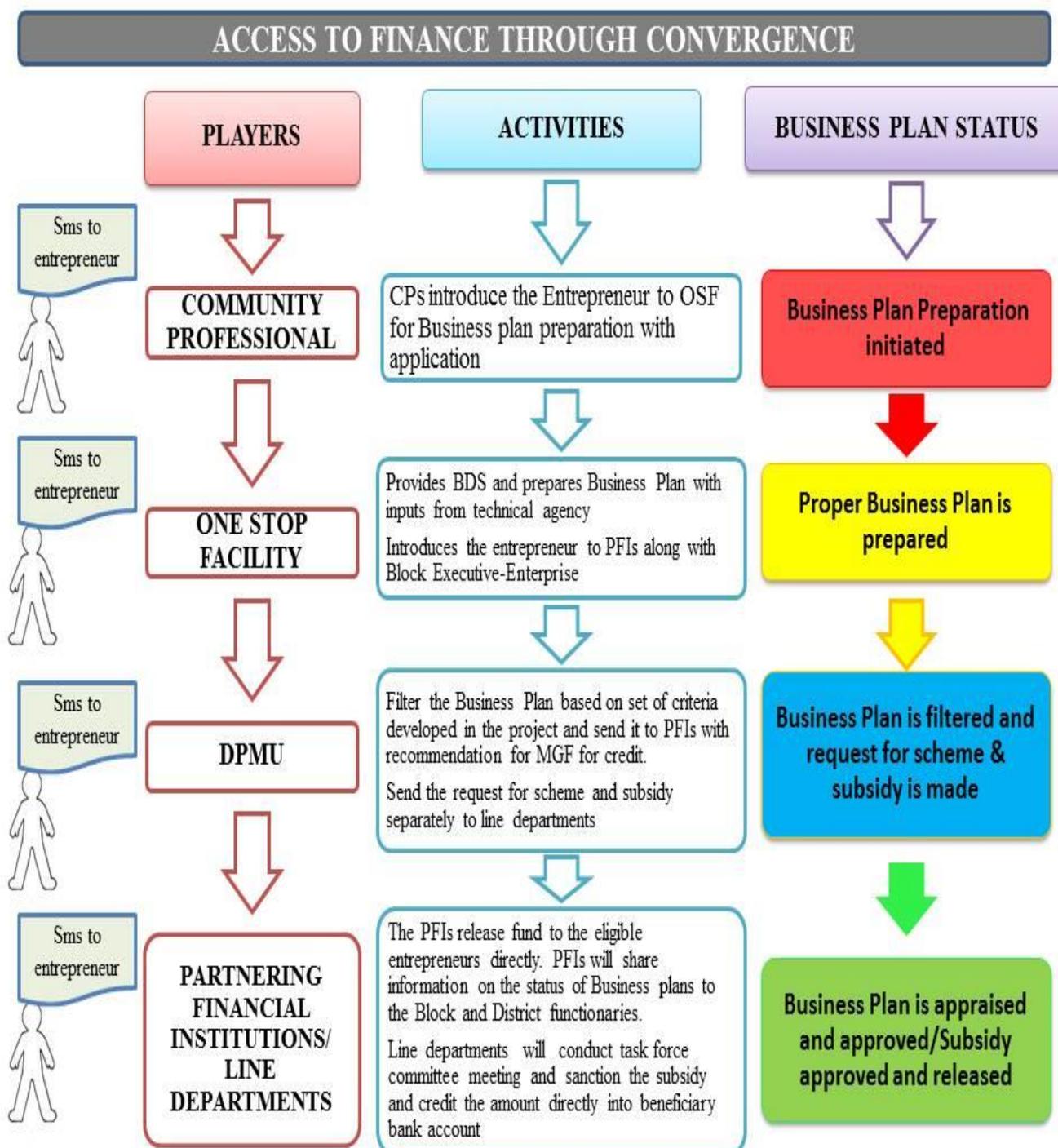
**FIGURE 21: ACCESS TO FINANCE THROUGH BANK LINKAGE**



The convergence part of this subcomponent is taken care at different levels-at State, District, Block level and Village level. At the state level a specific person is deployed as Associate COO –Financial Linkages and this person would involve in

linking the financial institutions/line departments in the state with the project with the line departments and financial institutions in the district for the purpose convergence.

**FIGURE 22: ACCESS TO FINANCE THROUGH CONVERGENCE**



## 6.9 STEPS THAT ARE INVOLVED WHEN A BUSINESS PLAN HAS CONVERGENCE

- a. OSF prepares the Business Plan and finalizes the funding requirement of the enterprise clearly defining the volume of credit by PFIs, grant support, equity contribution and funding proposed through convergence.
- b. Then the finalized Business Plan is forwarded by OSF to DPMU with information to block team.
- c. The DPMU (Executive Officer-Business Plan Finance & DEO) will filter the viable Business Plans based on criteria developed.
- d. DPMU will forward the information on convergence component in the Business Plan to the respective departments in the district-DIC, Agriculture, Horticulture, Animal Husbandry, etc.
- e. Meantime the Business Plan is sent to the PFIs for credit linkage
- f. The PFIs will conduct due appraisal process for its viability and approve the business plan.
- g. The PFIs, after approving the Business Plan will credit the loan amount directly into the beneficiary's bank account.
- h. The district departments having a task committee inclusive of Collector, Lead Bank Manager, District department of the respective department-District Manager-DIC/JD –Agriculture, JD-Animal Husbandry and DEO-TNPVP approves the convergence component of the Business Plan and send a sanction letter to the beneficiary and credit the subsidy to the beneficiary bank account.

For example Business Plan generated by an entrepreneur for establishing a poultry unit, she/he might be eligible for the Poultry scheme which has components of subsidy from AH Department (25% of total fund required on asset creation) and a Bank Loan component (75% of the total fund required).

## 6.10 RECOVERY MECHANISM FOR INDIVIDUAL ENTERPRISES AND COLLECTIVE ENTERPRISE

- When the loan falls under NPA-Non Performing Asset, the PFIs will follow all the recovery measures mentioned in the loan document as per the direction of RBI.
- The **block project team and the district project team** which attend the BLBCs and DLBCs –Block Level Bankers Committee Meeting and District Level Bankers Committee Meeting can ensure the reporting of overdue by reconciling with the respective banks on monthly basis. If needed the long pending overdue will be reported in the SLBC also.
- As an informal measure, the Enterprise CP will first try to address the issues in recovery by engaging with the enterprises and educate them about the importance of credit history and understand the reasons for non-payment.

- If issue is not addressed, then it will be addressed by the **project team** in block and MaKaMai (Linkage monitoring committee). This can be followed by the DPMU/Bank field officers.
- For CLFs NPA recovery, it can be addressed by Block level teams, MaKaMai or DPMU and as a last option by SPMU if necessary

## 6.11 ROLES OF STAFFS AND PFIS

<b>S.No</b>	<b>Staffs</b>	<b>Roles</b>
1	Associate COO-Business Plan Finance & FI linkages  (state level)	<ul style="list-style-type: none"> <li>• Select Transaction Manager and PFIs-Participating Financial Institutions</li> <li>• Build partnerships between the Transaction Manager, PFIs and Project Team-SPMU</li> <li>• Monitor and manage the portfolio health of matching grant along with Transaction Manager</li> <li>• Responsible for Resource agency selection and ToT on MGP/Technical Assistance</li> <li>• Monitor “eligibility criteria compliance “of the PFIs on a regular basis</li> <li>• Network with financial institutions at policy and implementation level</li> <li>• Develop relationship with different Line Departments, SLBC, NABARD and PFIs for converging with the project</li> <li>• Selection of Resource agency for development of Training Manuals on Business Plan Preparations, Value Chain Financing and Risk Management</li> <li>• Responsible for conducting ToT and further training to district team inclusive of OSF</li> <li>• Responsible for maintaining PFI -project beneficiary relationship</li> <li>• Responsible for health of portfolio along with district team by adapting adequate recovery mechanisms</li> <li>• Ensure Business Plan performance meetings and interface and Town Hall meeting between PFIs and Entrepreneurs.</li> </ul>
2	DEO-District Executive Officer	<ul style="list-style-type: none"> <li>• Liaise with PFIs /line departments for linkage &amp; convergence at district level</li> <li>• Filter the Business Plans obtained from Block and route the good Business Plans to PFIs.</li> <li>• Validate the PFI report on MGP along with Transaction Managers &amp; SPMU</li> <li>• Work along with CBOs-MaKaMai for recovery of overdue.</li> </ul>
3	Executive Officer- Business Plan Finance	<ul style="list-style-type: none"> <li>• Liaise with PFIs for linkage at block level</li> <li>• Route the Business Plans to DPMUs/Line Departments</li> <li>• Help in filtering the Business Plans by DEO.</li> </ul>

		<ul style="list-style-type: none"> <li>• Validate the PFI report on MGP along with SPMU &amp; Transaction Managers.</li> <li>• Work along with MaKaMai/PFI officials for recovery of overdue</li> <li>• Networking and Interface Meetings at district level</li> </ul>
4	Executive-Enterprise Development	<ul style="list-style-type: none"> <li>• Pass the Business Plans from OSF to DPMU</li> <li>• Helps in recovery of dues along with Enterprise Community Professionals.</li> <li>• Helps in field visit done for authentication of PFI reports on MGP</li> <li>• Liaise with block level line departments for convergence.</li> <li>• Networking and Interface Meetings at block level</li> </ul>
5	Enterprise CPs	<ul style="list-style-type: none"> <li>• Hand over the Business Plan application to the Entrepreneurs.</li> <li>• Route the Business Plans to OSF along with Entrepreneurs.</li> <li>• Liaise with the PFIs located at Village and Panchayat level.</li> <li>• Ensure prompt repayment of the entrepreneurs based on the dues.</li> <li>• Help recovery if there is default along with PFI officials.</li> <li>• Ensure the MGP to beneficiary if the portfolio falls under proper repayment by interacting with the PFIs.</li> </ul>
6	MaKaMai	<ul style="list-style-type: none"> <li>• MaKaMai and block team will put efforts on recovery of defaults.</li> <li>• MaKaMai can validate the PFI reports on MGP along with Block teams.</li> </ul>
7	Transaction Manager	<ul style="list-style-type: none"> <li>• Along with SPMU (For higher loans) sanction the MGP</li> <li>• Work with PFIs to track the performance of MGP</li> </ul>
8	PFIs-Partnering Financial Institutions	<ul style="list-style-type: none"> <li>• Partner with Transaction Managers and issue credit under MGP to the identified enterprises to the PFIs.</li> <li>• Report to Transaction Manager &amp; DPMU on number of beneficiaries availing MGP</li> </ul>

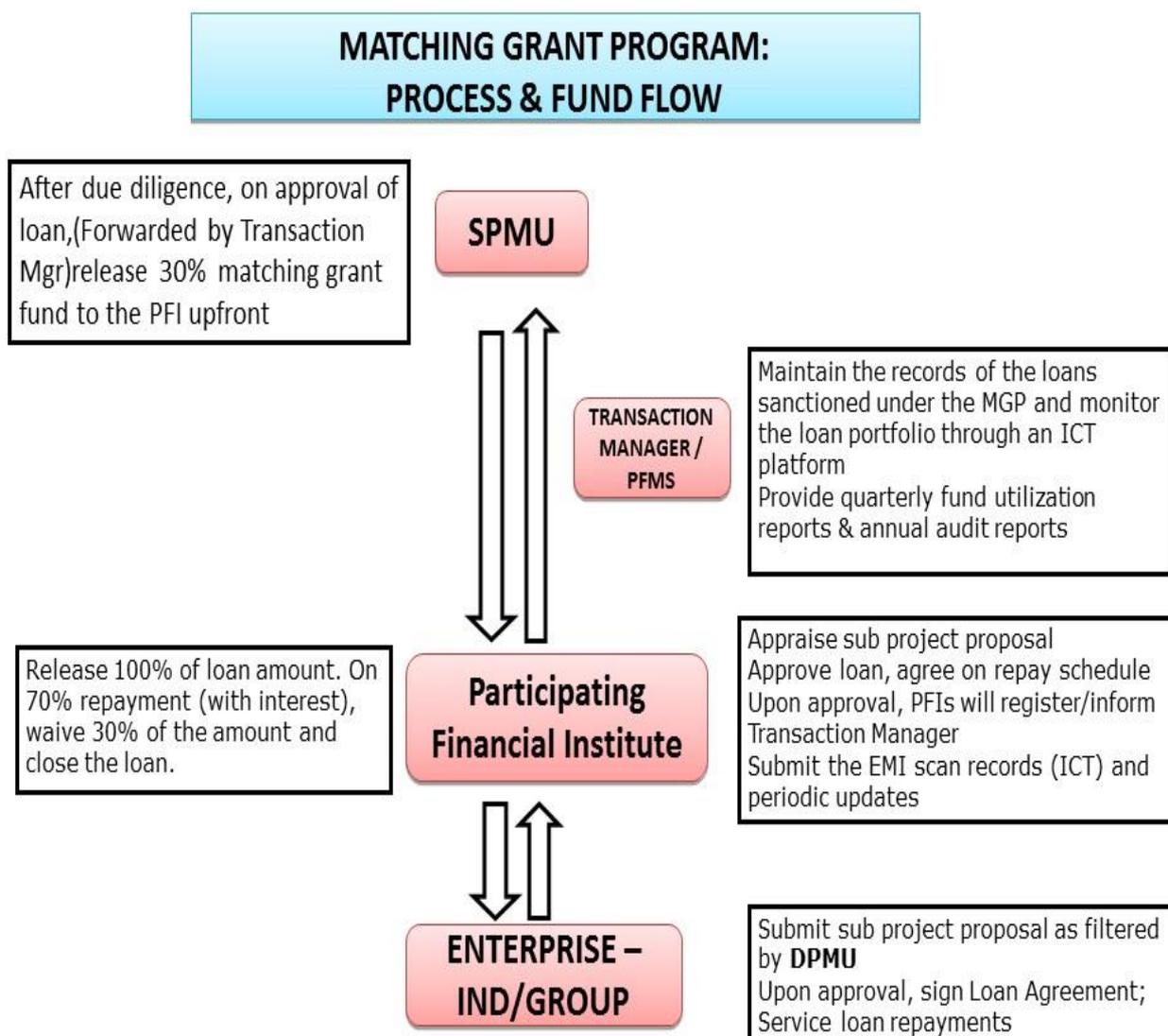
## 6.12 ICT/PFMS FOR BUSINESS PLAN FINANCE

**ICT will be required for 2 major actions for this component.**

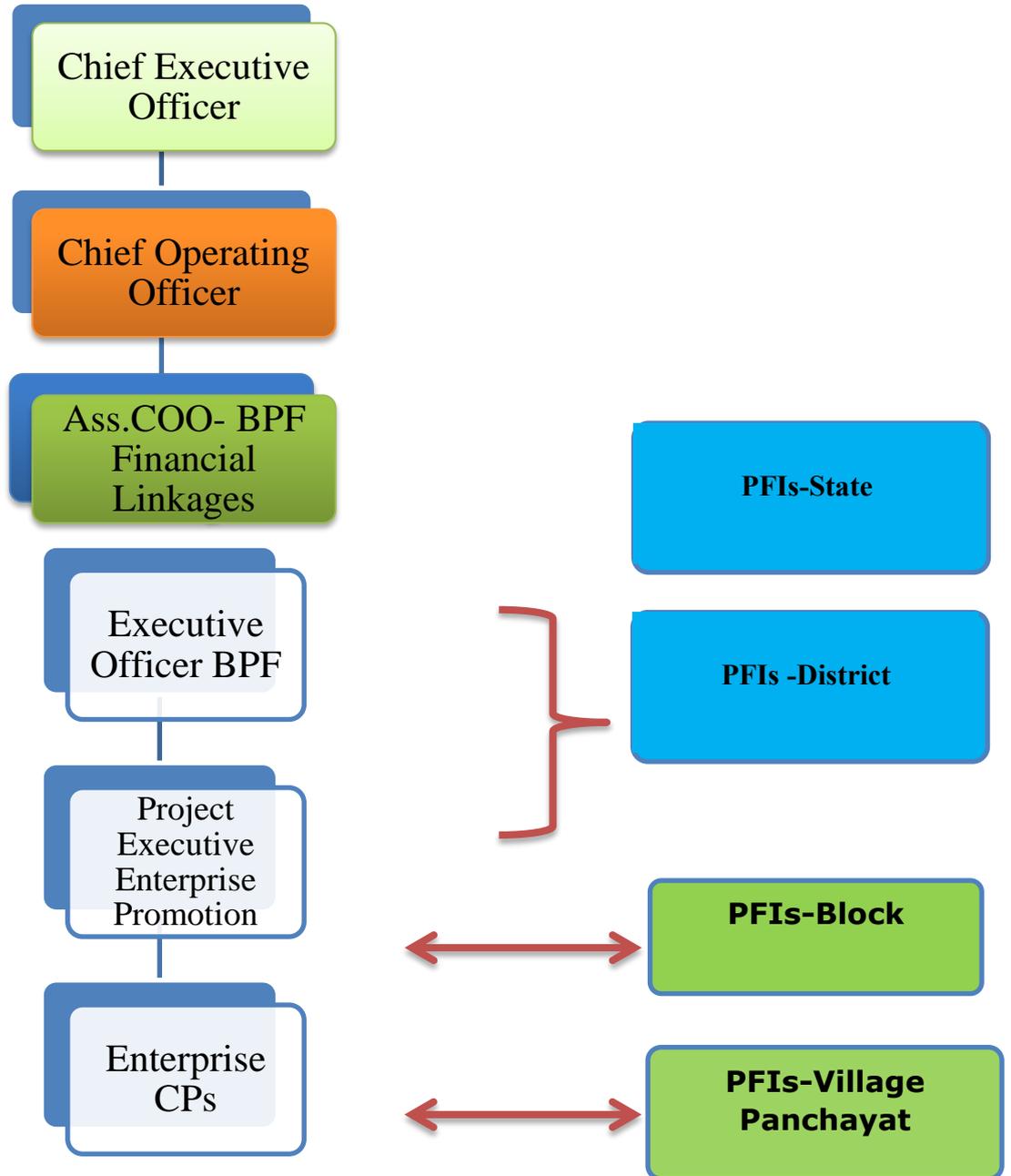
- 1. To understand the credit demand of the entrepreneur and prepare the credit history of the existing/new entrepreneurs** – to happen through integrated system of OSF functions and entrepreneurs survey done by the ECPs.
- 2. Track the business plan processing at OSF and DPMU and PFI level:** business plan from OSF to DPMU to PFI, sms services to the entrepreneurs, information to SPMU – for instance for PC loans,
- 3. ICT platform for monitoring and tracking the MGP.**

SPMU and the Transaction Manager based on the reports received will release the MGP Fund through PFMS to the PFIs and in turn it will release the funds to the entrepreneurs. This has to be tracked efficiently by PFMS and this can be part of the design in ICT.

**FIGURE 23 : MATCHING GRANT PROGRAM- FUND FLOW PROCESS**



**FIGURE 24: HR STRUCTURE FOR SUB COMPONENT B-1 FACILITATING BUSINESS PLAN FINANCING**



Sub Component -2B  
**Innovation Promotion**

## **SUB-COMPONENT–2 B: INNOVATION PROMOTION**

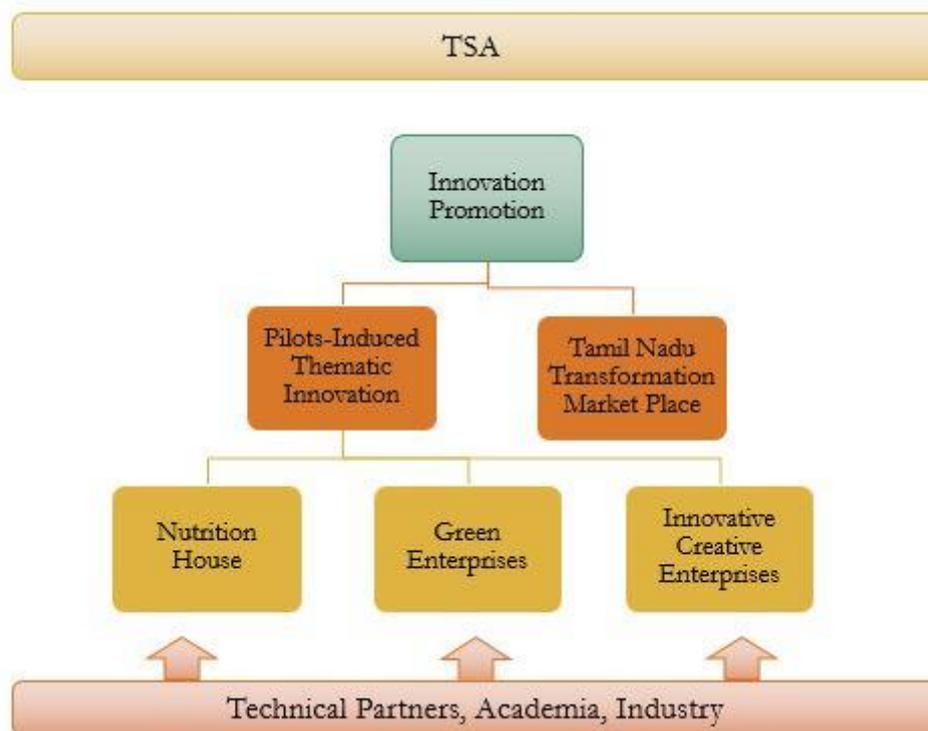
This Sub component will contribute to design, promote, and implement transformational ideas that use technology, innovation, and partnerships to tackle development challenges in Tamil Nadu and will consist of two major interventions, namely:

- i) **Tamil Nadu Rural Transformation Market Place (TNRTM)**- a platform to identify, showcase and celebrate innovations related to themes that have the potential to impact rural growth in Tamil Nadu.
- ii) **Thematic Pilot Projects** – The project will be piloting three projects that are independent, yet consciously induced by the project and are guided by global and national knowledge, experiences, and best practices.

The three pilots proposed are:

- a) Green Enterprise - Sanitary Napkins and Menstrual Hygiene,
- b) Creative Industries
- c) Nutrition House. Nutrition House

### **FIGURE 25: INNOVATION PROMOTION – COMPONENTS**



## 2 B-I TAMIL NADU RURAL TRANSFORMATION MARKET PLACE (TNRTM):

The TNRTM will be platform to showcase innovations related to themes that have a potential to impact and scale up rural economic growth for poor in Agriculture, Creative manufacturing and innovations in green enterprises.

### Introduction

The project will be launching the Tamil Nadu Rural Transformation Market place (TNRTM) a platform to identify Innovations in the livelihoods and other related themes with a potential to impact poverty in Tamil Nadu. The TNRLM will provide a opportunity to identify different players in the sector which has a potential to scale up by partnering with them.

### LEARNINGS FROM PAST PROJECTS

The Pudhu Vaazhu project was implemented in Tamil Nadu to address inequity and promote inclusive growth through Community Driven Development in the backward districts of Tamil Nadu to empower poor ,marginalized and differently abled .The project was implemented in the state .Meanwhile , over the past few

years, several organizations, firms and private entrepreneurs have translated new ideas, approaches, practices, methods and technology into tangible impacts in the areas of social empowerment, community institutional development, income generation, asset creation, improved delivery of services – food, nutrition, health, social security, education, etc. in different parts of the country. Most innovations at the grassroots remain localized in a small scale due to lack of resources and network and TNRTM aims to create an enabling environment for where both markets and public services work for the poor.

## 7.1 KEY OBJECTIVES

TNRTM aims to further build on the experience of Pudhu Vazaahu and will have the following key objectives:

- Showcase high impact and high potential innovations in rural livelihoods across various sectors and facilitate Public Private People's Partnerships by bringing together innovators and various kinds of support agencies including investor
- Focused promotion of social enterprises/entrepreneurs by fostering linkages with investments and poor communities as suppliers and consumers
- Identification and recognition grassroots level innovations and facilitating partnerships for incubation, refinement and scaling up of early ideas
- Institutionalize TNIF as platform to create an enabling environment for new approaches to be tried out in the area of rural livelihoods particularly in challenging socio economic contexts.

## 7.2 APPROACH

The innovations/innovators will be sought under two major themes viz. a) Scalable Models for Poor; and b) Innovative services for the poor. The TNRTM will have three approaches to achieve its objective as detailed below:



The TNRTM will host the market place every alternate year (Three Forums) and the following themes will be sought for:

## 7.3 THEMATIC AREAS

TNRTM aims to create a professional environment for both markets and public services for poor by partnering with different service providers and request for proposals will be invited under different categories.

### A. Scalable models

- i. **Agriculture** – Innovations in small holder agriculture could relate to land access models, introduction of Non Pesticide managed crops, better crop management, promoting seed security, increased crop productivity enhancement, improved land and water efficiency, climate smart and sustainable agriculture practices and empower poor producers through farmers organization, community based technology extension, market information, produce aggregation and localized value addition, market linkages with public-private-cooperative sectors, inclusive business models for including poor in high growth value chains, market linkages

- for NPM produce in selected retail stores resulting in higher value realization per unit of production. etc.
- ii. **Innovations in Creative Manufacturing**–Innovations in micro enterprise development and placement and skill development that generate income and employment for youth from poor households. Micro enterprise promotion will focus on traditional artisan and craft based activities including producer organization models, design and product development support, input-output linkages, and productive partnerships with private sector, social enterprises, fair trade organizations, etc. for enhancing unit value realization. Value added services in placement linked skill development programs will be particularly encouraged.
  - iii. **Innovations in up scaling waste and Garbage free towns and villages:** This category will recognize innovations made in up scaling products from used flower waste from Temples, Green waste etc and look at localized solutions for garbage disposal in the towns and Villages.

## **B. Innovative solutions**

- iv) **Rural energy** – Innovations in use of alternate fuels and renewable energy, off grid/micro grid power, energy distribution, lighting devices, energy conservation devices, CDM technologies and models, green jobs, etc. entailing community participation for improved availability and affordable access of energy services by the poor.
- v) **Information and communication technology based solutions** – Innovations that promote digital empowerment of the poor through IT literacy, rural and mobile telephony, community broadcasting, use of digital and mobile technologies for knowledge exchange, information and transactional services in agriculture, livestock, financial services, rural enterprises, health, education, public services, rural e-governance and m-governance models, call centers, BPOs, etc. that enhance rural connectivity and delivery of dependable citizen centric solutions.
- vi) **Digital Empowerment:** With the recent emphasis of Government of India on Cash less economy and the need for switching over to Digital payments, need for looking at best models to train the community members make the switch from cash based transactions to Digital Payments. TNIF -I will invite innovative solutions which can help the poor switch from Cash economy to Digital payment mode, which involves training and changing the mind-set.
- vii) **Innovations in Traditional Health practices, User friendly-Low cost sanitation models** – Tamil Nadu with its rich bio diversity will call for Innovations in using Traditional health Practices to address major

issues with rural population using affordable herbal remedies. Given the inter-relatedness of health, and sanitation the TNRTM will invest in ideas for innovative ideas which addresses the issue of service delivery both public and private, low cost alternatives for providing user friendly sanitation models at a community and/or household level which will be effective in achieving the vision of defecation free areas and overall Swachh Bharat Mission.

**viii) Innovations in access to Digital Payments for Poor** – With the recent emphasis of the Government on Cash less economy and stressing the need for Digital payments, this cannot be achieved unless poor are trained to use the platform for making Digital Payments .TNRTM will invite innovative solutions which can help the poor switch from Cash economy to Digital payment mode, which involves training and changing the mind-set.

**ix) Innovations in technology and rural energy** – lack of power have stifled the growth of rural economy by either imposing a huge operating cost (alternate sources such as diesel generators) or lost business opportunity. Apart from that, a lot of innovative ideas are tried out as an end solution in various allied sectors. Thus technological innovations including rural energy (both conventional and non-conventional) would be focused;

### **Eligible Participants**

TNRTM targets the following categories of participants – (i) individuals (ii) grassroots innovators (iii) civil society/NGOs (iv) social entrepreneurs (v) private sector (vi) public sector. The event will bring together venture capitalists, bankers, government, public and private sector corporations and funding agencies (including national and international agencies, and foundations) -thus providing an opportunity to innovators to partner with interested organizations in piloting and scaling-up their innovations.

### **Period for Innovations:**

The TNRTM will be held every alternate year starting from April 2018

### **Number of Awards:**

1. **High Impact Innovations:** About 50 innovations will be shortlisted to participate in the TNIF from the pool of applicants. From out of this, cash award and a citation will be presented to 20 best innovations across the above thematic categories. In case the Awards may be in cash or kind

through partnerships with various agencies. Among these, there will be dedicated awards for social entrepreneurs.

2. **Grassroots Innovations:** About 5 innovators will be shortlisted in each district through 'district innovation fairs', etc. out of which 1 innovators (one from each district) will be selected for cash award and a citation at TNRTP.
3. **Student Innovations:** About 5 Institutes will be shortlisted and assigned to work with different communities who want to change communities positively and learn to become socially responsible citizens by working for disadvantaged communities and improve their standard of living.

### **Selection Criteria**

4. **High Impact Innovations:** Innovations which have been implemented in the last five years, are invited to participate and the criteria for identifying/ selecting the innovations will be – a) **applicability**, as measured by its relevance to improving rural livelihoods; b) **scalability**, whether it is possible to expand in terms of geographical reach and beneficiary coverage; c) **outreach**, measured in terms of number of beneficiaries reached; d) **impact**, assessed in terms of growth in income or savings in expenditure (either household or at large); e) **sustainability**, potential for replication and sustainability without external assistance; f) **inclusion**, measured in terms of serving underserved populations; g) **growth potential**, assesses in terms of expansion and commercial viability.
5. The event will bring together venture capitalists, bankers, government, public and private sector corporations, Educational Institutions and funding agencies (including national and international agencies, and foundations). The event will thus provide an opportunity to students and innovators to partner with interested organizations in piloting and scaling-up their innovations.
6. **Grassroots Innovation:** The assistance of National Innovation Forum (NIF) and other Organizations will be sought to work with Grassroots Innovations across the Country. However, some of the above criteria that would also apply for grassroots innovations could include replication, inclusion, applicability, impact, scalability, and growth potential.

## **I. Key Selection Processes and Activities**

While some of the key activities listed below will be carried out by TNRTP, various partners will be identified for specific tasks such as process partners, media partners and award partners.

#### KEY TASKS FOR TNRTM

- **Landscaping:** for scoping best practices and innovators and develop a landscape of innovations for within Tamil Nadu and also across India.
- **Call for proposals:** for large scale innovators. For grassroots level innovators, a different identification methodology to be devised.
- **Technical assistance for facilitating proposal submission:** for both large scale and grassroots level innovators.
- **Screening of process and applications:** for developing a short list for both large scale and grassroots level innovators
- **Due diligence of short listed innovations including validation and documentation:** for both large scale and grassroots innovators and finalizing awards.
- **Event management** including innovation showcasing
- **Post TNRTM activities:** will include partnership workshop and technical assistance to innovators for developing partnership proposals for TNRTP and other funding agencies

#### SUPPORT ACTIVITIES

- **Stakeholder workshop:** to coordinate and liaison with other strategic partners including co-sponsors, investors, media partners and others
- **Finalization of rating tool and scoring methodology:** for both large scale and grassroots level innovators
- **Partnership framework development:** for working with various types of partners such as the private sector, social entrepreneurs, grassroots level innovators etc.
- **Communication strategy including user friendly website :** will involve development of AV materials such as flyers, brochures, films, roll ups, supporting media strategies and coordination with print and electronic media

#### 7.4 TAMIL NADU RURAL TRANSFORMATION MARKET PLACE:

TNRTM would be a two day event tentatively proposed to be held mid 2018 at Chennai, Tamil Nadu.

- **TNRTM- I Workshop:** The workshop will be held on the first day with parallel sessions on themes shortlisted for Innovations. The discussions during the workshop will also reflect upon the work of the finalists.

- **Innovations Showcase and Tie ups:** This platform will showcase groups shortlisted for scale-up from the state of Tamil Nadu and best innovators selected across the country and they will have an opportunity to present their activities through exhibition and informal interaction with investors, funders, delegates, public, etc. during the event and simultaneously the Innovators will identify partners with whom they wish to partner in the state for scaling up their operations.
- **Awards Ceremony:** Awards function will be held on the second day where Hon'ble Chief Minister will give away the awards. This will be followed by media briefing.

## 7.5 TECHNICAL SUPPORT AGENCY

Even while both high impact and grassroots innovations will be celebrated jointly, TNRTP will seek support of separate Technical Support Agencies for supporting knowledge management, completion and selection processes for high impact innovations and grassroots innovations. This is in light of difference in targeting strategies, innovation surfacing methodologies and other support initiatives leading to TNRTM. Further, TNRTP proposes to create a "Network of Grassroots Innovators", which will be a web-platform providing opportunity to exchange ideas and build advocacy for supporting innovations.

Draft ToRs for TSA for scouting and managing high impact innovations are given in **Annexure 32**.

## **B.THEMATIC PILOTS-I: CREATIVE ENTERPRISES**

### 7.6 STRATEGIC CONTEXT

India is the second most populous country in the world with a population of 1.2 billion and is a home to more poor people than is any other country and millions of Indians still depend on indigenous modes of production, traditional skills and techniques to make a living based on handmade products. The unorganized sector that constitutes about 93% of the workforce doesn't have a structured system to support acquiring or upgrading of skills.

The Indian handicraft and Handloom industry forms a major part of the rich cultural heritage of the country and is decentralized, labor intensive cottage industry. Artisans are the backbone of India's non-farm rural economy, with an

estimated 7 million artisans in India according to official figures (up to 200 million according to unofficial sources) engaged in craft production to earn a livelihood.

However, propelled by loss of markets, declining skills and difficulty in catering to new markets, the number of Indian artisans has been rapidly decreasing, indicating the urgent need to re-invest in India's artisans to safeguard history, culture and an important source of livelihood. The main reason for the decline in the number of Artisans and weavers across the country is the rural-urban migration due to several social and economic reasons the overarching force being a determination to improve living standards for current and future generations.

Notwithstanding the potential for such benefits, this migration also has large social and cultural costs, as families and communities are uprooted and fragmented, and social and economic safety nets are shattered. Despite the strengths, the industry faces a number of problems in the country such as low literacy and education levels, lack of modern / technological skills & lack of adequate finance.

There is a growing demand both internationally and domestically for handicraft and handloom products and a growing consumer consciousness around organic, fair trades practices that create value for marginalized populations. The global market for crafts is USD 400 billion, of which India's share is below 2%, representing a significant growth opportunity. As the production processes have low carbon footprint and promote the use of locally available materials as well as natural and organic materials thus promoting Green Livelihoods. Crafts production represents an opportunity to provide a source of earning and employment for otherwise low-skilled, home-based women, improving their status within the household and can check migration to urban cities in search of earning a better livelihood.

## 7.7 PROJECT DEVELOPMENT OBJECTIVES

**The proposed PDO is to promote selected traditional Creative Industries sector in Tamil Nadu by strengthening and developing rural artisanal enterprises through market focused product development.**

## 7.8 PROJECT BENEFICIARIES

The main beneficiaries of this pilot project would be rural artisans and youth<sup>30</sup> in the districts of Dindigul, Nilgiris, Dharmapuri, Kanchipuram, and Tirunelveli in the State of Tamil Nadu. The project expects to directly benefit approximately 1000 artisans and youth (50% female) involved in income generating activities in the

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<sup>30</sup>Beneficiaries include the following (Tribal Embroidery artisans(Toda -200, Lambani - 200),Organic Cotton growers(100) Khadi hand spinning and Hand loom weavers(100,)Handloom Weavers from Kanchipuram(100), Terracota Pottery (300)

traditional Creative and Cultural industries sector through interventions delivered over four years.

Secondary beneficiaries would be artisanal household, local communities and businesses, Research and Academic institutes, and the Private sector who would gain from new business opportunities and additional income.<sup>31</sup>

#### PDO Level Results Indicators

The project will use 4 key performance indicators (KPI) to assess toward the PDO.

- a) Direct project beneficiaries (number) of which female project beneficiaries (%)
- b) Number of Traditional crafts promoted under the project.
- c) Number of new business linkage for products supported by the project.
- d) Percentage of rural artisans receiving design trainings who develop value-added products

#### 7.9 PROJECT LOCATIONS

The project will be piloted in the following districts in the selected skill sets

SI No	Districts	Skill-sets
1	Dindigul	Khadi
2	Kanchipuram	Kanchipuram handloom
3	The Nilgiris	Toda Hand Embroidery
4	Thoothukudi	Pottery
5	Dharmapuri	Organic Cotton weaving and Lambani Embroidery

The Criteria for selection of the pilot locations was post a field visit to different pilot locations. The selection was based on the following criteria:

1. Practice of Traditional crafts – Handwoven, Handcrafted and Hand Embroidery.

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<sup>31</sup> Assuming each beneficiary financially contributes to a 5-person household; lives impacted by the project would increase to approximately 5000 people in aggregate, including direct and indirect beneficiaries

2. Potential for crafts for Design development and availability of Craft persons with enthusiasm to innovate with respect to product development, explore new markets etc.
3. Shortlisted Two Tribal crafts – Toda Embroidery and Lambini Embroidery. These are practised by women exclusively and have a potential for scale up.
4. Immense potential for catering to markets with design intervention and support for marketing.
5. The handloom clusters have seen the reduction of handloom weavers due to low incomes leading to migration to urban areas as Casual labourers.

## 7.10 PROJECT COMPONENTS

The proposed pilot intends to revive the Cultural and Creative Industries <sup>32</sup>in Tamil Nadu and incubate new businesses for artisans engaged in the selected craft practices and hand hold them to create design led products that cater to the contemporary market, using traditional hand skills and create a unique umbrella brand “Handcrafted in Tamil Nadu”

The special focus of the pilot will be to work with tribal communities, Women artisans, Transgender and differently abled communities, who are amongst the most vulnerable and isolated groups in Tamil Nadu.

The project will be i) creating two product categories i.e Home and Fashion and design products for contemporary markets in India and Abroad; ii) Will create an unique online craft map of Tamil Nadu for mapping artisans across the state and an e-commerce platform for selling the products which will be user friendly and will have an artisan interface with latest ICT; iii) and Create a brand from products and launch of these products at National and International platforms;

The pilot will be implemented through three components as detailed below;

### **I. Component A: Design and Value Chain Development**

The component will support in designing of new products with active collaboration and partnerships with leading Fashion and product designers from the Country, through a series of Design development workshops based on future market and fashion trends. Partnerships and collaborations with Design Institutes will be an integral part of this component.

This component will also support the establishment of production hubs at the Block level and fund the initial setting-up of Common Facility Centres, which will be used for production as per the local cluster’s needs. These production hubs will

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<sup>32</sup>According to international organizations such as [UNESCO](#) and the [General Agreement on Tariffs and Trade](#) (GATT), **cultural industries** (sometimes also known as "[creative industries](#)") combine the creation, production, and [distribution](#) of [goods](#) and [services](#) that are [cultural](#) in nature and usually protected by [intellectual property](#) rights

eventually allow the clusters to complete the entire value chain operations at the block level itself.

## **II. Component B: Trade Facilitation, Certifications, Digital Marketing**

This component will facilitate partnerships with Business houses in India and Overseas and support the brand building exercise for brand "Handcrafted in Tamil Nadu". Participation in Fashion shows and Trade shows promoting sustainable and eco-friendly Handloom fabrics in both National and International level will be given special focus.

The activities to be undertaken through this component are:

- i) Partner with other organizations in the sector for getting required certifications and labels like Fair trade, Craft mark, Silk Mark, handloom mark, etc.
- ii) Conduct Market research and studies to map the potential for sectors or skills the project will be facilitating.
- iii) Develop an Online Craft Map showcasing the crafts of Tamil Nadu, Map the artisans and craft processes across the state and connect the artisans directly by leveraging the growth of mobile ownership in the cities and create authentic information access to bridge this gap.
- iv) Create a Digital marketing interface and E-commerce portal for retailing the products as well as educating the customers about the whole process of creating the product. Focus will be on two aspects i.e. Discover (where content about making the craft will be showcased, both written and Videos), Experience – leading to purchase of products and also link it to craft tourism.

## **III. Component C: Project Management.**

This component will have three sub components as detailed below:

- i) **Project Management:** A core team under Innovation team and manage the implementation of this Pilot. This component has also provisioned for funds to hire consultants to provide technical assistance and professional support where TNRTP doesn't have core competence, such as in Design Development of products, Skill training in traditional crafts and Handlooms, Designers.
- ii) **Leveraging Partnerships:** Institutional partnership will be developed by identifying potential private players, research institutions and Government agencies for the project. Linkages with Design Colleges, State Institutions: The Artisans will be working in partnership with the State and local authorities of TNRTP in the project areas as this will strengthen the institutional inter-linkages at the local level. Both SHGs

and the local government (especially including linkages/convergence with line departments and programs/schemes thereof) will provide the base for sustainability of activities and linkage mechanism in the post project period.

- iii)* **Monitoring and Evaluation (M&E):** The pilot will use the services of the agency hired by the project and specific M&E strategies for this pilot will involve (i) impact evaluation (ii) process monitoring and (iii) participatory monitoring. Component deliverables include: baseline and midterm surveys, audit report and quarterly reports used for M&E, impact assessment study – mid-term and after completion of the project.
  
- iv)* **Knowledge Management and Learnings: Documentation and Mapping of all Traditional crafts of Tamil Nadu:** The project will hire a Technical agency to document the Traditional craft practices and map the number of actual artisans practicing the traditional crafts and the transfer of traditional skills to younger generations in Tamil Nadu. The main objective is to document the Traditional crafts and impart skill training to youth from these communities to continue practicing the traditional craft practices. The project envisages to create an electronic platform to directly connect the Patrons of crafts with the makers /Artisans by eliminating the middle men, and the documentation will help create content which will help customers discover the treasures of the State .The community members will be trained to create simple videos of the process of making the products which can be shared online for customers to appreciate the process of Hand creation.
  
- v)* **Environmental and Social Safeguards:** Environmental impact assessment, green enterprise audit will be done and safeguards measures will be ensured. Women involving in production unit safety measures will be ensured. Wherever necessary the need for installing effluent treatment plant where the dyeing process will be carried out.

## **Sustainability of the project**

Community Cluster Fund and Linkages with Commercial Banks In all our Bank assisted livelihood projects, the poor have mobilized substantial internal savings and have used it for negotiating and leveraging a credit line from commercial banks and other private sector organizations. Hence, it is expected that once the artisan community institutions are well developed, commercial banks and other private sector would increase their investments, thereby ensuring scalability and sustainability.

Market Strategy: The pilot will be innovating new and out of box strategies to penetrate into the different markets based on focused Market research. The focus will be on tapping the potential of online Ecommerce sales, which will be unique experience with new features, Mobile app for artisans who will be

uploading their creations instantly to educate the customers about the process of making the product to enhance the value of Hand crafted products.

The pilot will actively engage and collaborate with leading Home décor Stores i.e Ikea, Home store, etc for supporting the vulnerable tribal, artisanal communities for design inputs and marketing tie ups through their outlets, whereas the project will invest in ensuring that the backend for production is set up by establishing common facility centre's for value addition and a robust artisan institutions trained for quality production.

The result frame work for this pilot is annexed at **Annexure -33**

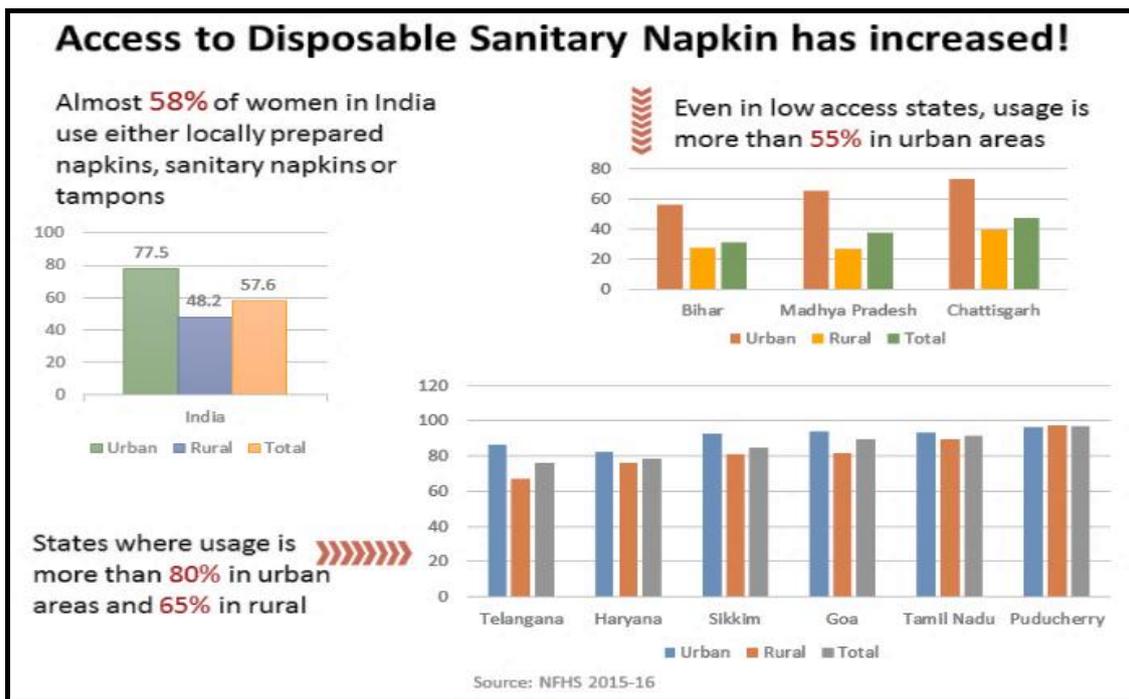
## **THEMATIC PILOTS-II) GREEN ENTERPRISES - HYGIENE AND ECO FRIENDLY SANITARY NAPKINS PRODUCTION**

### **7.11 BACKGROUND AND CHALLENGES IN MANAGEMENT OF MENSTRUAL HYGIENE**

Menstruation and menstrual hygiene are emerging as pivotal issues for gender equality, human rights and development. Menstruation is a sign of female health and vitality and cannot be left to be shrouded in fear, shame or embarrassment so the need to break the silence around it so that they reach their full potential.<sup>1-2</sup> Adolescence is a period of rapid transition in life from "childhood" to "adulthood" and Menarche signifies an important milestone in the transitory developmental journey of an adolescent. Awareness of menstruation prior to its onset will provide the ability to accept it as a normal developmental process and manage it appropriately. Poor personal hygiene and defective menstrual management practices give rise to repeated reproductive tract infections (RTIs), which are otherwise preventable<sup>3</sup>

The study conducted by ACNielsen and endorsed by Plan India in October 2010, indicated a 12% usage of Sanitary Napkins by Indian women and others adopting unsanitary methods. However, post this study titled "Sanitary Protection: Every Woman's Health Right", the NFHS 2015-16, a national survey showed an increase in the number of women using hygienic means during menstruation in a span of five years.

As per NFHS 2015-16, of the 355 million menstruating women in India about 58% of women in India used locally prepared napkins, branded napkins or tampons as hygienic methods of protection. Single use disposables have been considered hygienic. It was 78% in urban areas, 48% in rural areas. There were wide variations in usage of 'hygienic products' across different states, with Tamil Nadu, Kerala and Delhi having as high as 90% and rural Bihar as low as 30%.



The initiatives of the Government of India and Tamil Nadu have addressed the issue of access and availability to a certain extent by subsidized or free provisioning of menstrual hygiene products.

The programmes have recognized access to basic menstrual hygiene as a basic need and not as privilege. The increase in the number of menstrual hygiene products of the disposable variety have not created substantial increases in menstrual hygiene related infrastructure or disposal systems.

#### Disposal of absorbents

An average woman is expected to use about 125 – 150 kg of disposable products over her lifetime. Disposal in urban settings is mainly through routine waste and burning, while in rural settings burying and throwing away in public spaces is common and due to poor awareness flushing of sanitary pad is also prevalent across the country leading to blockage of sewerage lines. The menstrual sanitary waste estimates to be around 9,000 tonne every month and it would take about 500-800 years to degrade.

#### Sanitary napkins production and manufacturing in India, and Tamil Nadu:

**Sanitary production in India registered current retail value** growth of 21% in 2015 due to increased awareness in smaller towns and higher disposable incomes among consumers in major cities. Companies and NGOs ran campaigns in smaller towns and rural areas to spread awareness about menstrual hygiene

and women's health. These helped to raise acceptance of sanitary protection products in many regions<sup>33</sup>.

As per a study<sup>34</sup> Procter& Gamble Hygiene & Health Care Ltd remained the leader in sanitary production and accounted for 52% of retail value sales due to the popularity of its brand Whisper across regions and income levels. PGHH's introduced price cuts, while the other competitors including J&J's carefree, Stayfree was not able to keep the market share as they had the combination of several strengths – distribution reach, dedicated focus, category development efforts, backing and product portfolio from the largest Feminine Hygiene company in the world (P&G), and financial muscle. Volume growth in the Feminine Hygiene segment had averaged at ~ 15% Year on Year for the past 20 quarters which in itself indicates a good growth margin.

According to Bharadwaj & Patkar (2004), "Minimal effort has gone into the production and social marketing of low-cost napkins, reusable materials, research into biodegradables, etc. Research and development efforts have been limited to commercial ventures that are unable to market products that are affordable for the poorest of the poor." The issue of washing of soiled materials and environmentally friendly disposal of napkins is absent from waste management training, infrastructure design and impact evaluation.

It is in the above context the present project is placed and the strong need to develop social networking strategies with research and product design of napkins using bio-degradable materials emerges as an environmentally sustainable alternative.

A baseline survey to assess the awareness levels regarding menstrual hygiene, practices, impact of the free supply and the status of production units was initiated by PVP across 26 districts of Tamil Nadu and the findings of the study were used to design this pilot project and is at **Annexure -34 & 35**.

## 7.12 BASELINE FINDINGS

The major findings of the study results are presented below:

- i. Knowledge and awareness prior to menarche was only around 27% and the average age of menarche was between 13-15 years indicating that three fourth of the girls do not have knowledge on reproductive care and indicated a situation where more than 80% of them expressed negative emotions at its onset

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<sup>33</sup> Improvement in Knowledge and Practices of Adolescent Girls Regarding Reproductive Health with Special Emphasis on Hygiene during Menstruation in Five Years. 2014, National Institute of public cooperation and child development.

<sup>34</sup> Krishnan Sambamoorthy, Vishal Punmiya, Large opportunity; high barriers to entry, P&G Health and hygiene, initiating coverage, April 2016

- ii. Survey indicated that only 54% of them were aware of the organs of reproduction and 58% of them felt that menstrual blood was unhygienic
- iii. Regarding the practice of using sanitary napkins, 89 percent mentioned that they used it but 41% were in the habit of using it only when they were outside the house. This practice of combining reusable and disposable pads is mainly attributable to the economic constraints
- iv. The free supply scheme had improved the access and availability of Menstrual hygiene products to around 70-80 percent but the adequacy of supply was less than 50% and only 30% were satisfied with the quality. However, 72% mentioned that it was available in the anganwadis and schools for purchase.
- v. The survey finding is that disposal facilities in schools and public places were serious issues and nearly 60 – 65% of the respondents preferred not to disclose the process adopted. 20-25% of them dropped napkins into drains and toilets which indirectly stressed the already existing sanitation systems in rural areas and 78% dumped in bins or places outside and gets mixed with regular waste and highlights lack of the required infrastructure for menstrual hygiene like incinerators, dustbins etc. and toilets with water facilities.
- vi. The increase in napkin supplies due to the free supply and the pattern of disposal as revealed by the survey indicates that there is need to evolve sustainable menstrual hygiene management solutions in the state
- vii. The concept of access and availability though it had increased had not brought about increased adoption of menstrual hygiene practices. Nearly 40% of them mentioned that they changed napkins only twice a day while nearly 50% mentioned they would change from 4 to 6 hours. Continuous education on good hygiene practices was required. It was also seen that 30% of the respondents mentioned that menstruation did affect school attendance at least one day of schooling and this could be due to the gaps in the infrastructure for management
- viii. In terms of dietary pattern and requirements for adolescents, nearly 42 percent of the respondents, the normal diet pattern itself was changed with reduced intake during menstruation.
- ix. Baseline survey regarding the production units revealed that units that were earlier functional had lost the market share with only a few who could sustain themselves. The issue of creating social enterprises at the local level with decentralized production and sustainable disposable products needs to be evolved.

The State has been a pioneer in the field of menstrual hygiene initiatives and so well positioned to also take the lead in the development of sustainable menstrual hygiene practices. The free supply and awareness levels though better than most

states needs to be made as measurable outcomes and there is need to evolve sustainable menstrual hygiene products that do not add to the solid waste management issues of the rapidly urbanizing state. It is necessary to create locally sustainable waste disposal systems that is also eco-friendly.

It is also necessary to look at empowerment of women with regard to their reproductive rights and adoption of good hygiene practices and availability of choices in the products available for maintaining hygiene. Details of Eco friendly initiatives of sanitary napkins presently available in the market is Annexed at **Annexure - 36**

### 7.13 CONSTRAINTS:

- ✓ The enterprises that were started are almost at the brink of bankruptcy due to lack of standardization and common purchase and marketing centres to integrate the production units under a common branding and packaging.
- ✓ Need to critically work on empowering women in their choice of menstrual hygiene products, creating community awareness regarding menarche, menstruation and menstrual hygiene.
- ✓ Awareness levels have improved, but they have not moved to being accepted as regular good habits or practices. The knowledge dissemination and practice adoption based on it needs to be uniform.
- ✓ Need to design and develop menstrual hygiene products that are biodegradable and promote manufacturing that is affordable, eco-friendly, hygienic napkins with the robust and sustainable technology and market distribution. Support to the producers, social entrepreneurs within the community along with health and environmental education.
- ✓ Critical need to involve government health care institutions, research and academic institutions, private partners and social entrepreneurs to strategies and channelize the efforts with comprehensive Lab to land approach and support to the community to produce eco-friendly biodegradable safe, nontoxic, affordable sanitary napkins for use of school going girls, women in all social groups and to the larger community.
- ✓ Develop clear marketing and distribution strategy to update the end users, competitors and policy environment to promote and upgrade the product innovations.

The success of some initiatives from the field - Creating community awareness was the key as no awareness of this kind of product even existed in the communities. The help of community doctors, key influencers in the community as well as the champions out of women from the community are the key actors in providing awareness and communications. This needs to sustain in a long way

from production of affordable products, usage of hygienic napkins to the disposal and environment protection.

There is a favourable policy environment from Tamil Nadu Government in its Chief Minister Election Manifesto to produce and supply of sanitary napkins by the SHGs to the Tamil Nadu Medical Service Corporation. ( Ref: D.O.Letter No. 29699/CGS-3/2016 Dated 22.12.2016.The initiatives by TNSRLM, TNPVP on Production of Sanitary napkins through SHGs/ CLGs are functioning at varied level of performances with the project assistance. There is an opportunity to work with those existing initiatives by identifying the gaps and provide backwards and forward linkages and scaling up further.

Creating community awareness is the key for accepting product in the communities. The community professionals, key influencers in the community as well as the champions out of women from the community will be play the role of key actors in providing awareness and communication.

### 7.13 PROJECT DEVELOPMENT OBJECTIVE (PDO)

**To establish eco-friendly sanitary napkin production units and create a networking of common service hubs to promote sustainable practices in menstrual hygiene.**

### 7.14 PROJECT BENEFICIARIES

The main beneficiaries of this pilot project would be rural women and men<sup>35</sup> across the state of Tamil Nadu in locations where the production hubs will be located. The pilot expects to directly benefit approximately 100 producers involved in income generating activities in the personal health and hygiene sectors through interventions delivered over 4 years.

Secondary Beneficiaries would be households, local communities and businesses, Government agencies, private sector, research and academic institutes who would gain from access to safe health services and education and creation of new business opportunities.

#### **PDO indicators:**

1. Direct project beneficiaries (number) of which female project beneficiaries (%)
2. Percentage increase in the usage of sanitary napkin by Women and girls in selected pilot areas of which percentage of biodegradable
3. Number of training on menstrual hygiene education delivered in local communities and schools in selected pilot areas and linking with Adolescent friendly health clinics

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<sup>35</sup>Beneficiaries includes social entrepreneurs from SHGs and CLGs.

4. Number of local enterprises supported under the franchise
5. Increasing in percentage of safe disposals.

#### Intermediate Indicators

1. Number of Eco friendly product designs and line to be established and operational for feminine hygiene, incontinence pads and diapers that are eco-friendly.
2. Number of Common Service Centers (CSC) for aggregation, raw material supply, branding, product promotion etc. be established and operational.
3. Establishing/setting up of adolescent friendly health clinics with access to Hygienic safe and eco-friendly sanitary napkins at project locations and
4. Number of Menstrual Hygiene Knowledge Centres (MHKC) linked to Adolescent Friendly health services set up for value addition, Finishing, marketing and establishing linkage for production units.

#### 7.15 PILOT PROJECT LOCATIONS:

The pilot project would be located around the 100 existing production units currently existent under PVP and \TNSLRM areas, and shortlisted for this pilot project. The Criteria for selection of the pilot locations where there were functioning of SHGs having interest to produce Sanitary napkins and there exists potential for introducing sanitary napkins with education.

#### 7.16 PROJECT COMPONENTS

The project will be implemented through three main components:

- 1) Component A: Product Design, Production and Marketing
- 2) Component B: Menstrual Hygiene Education and management
- 3) Component C: Project Management.

##### **1) Component –A: Product Design, Production and Marketing**

This component will be implemented through sub components i.e. a) Product Design and development; b) Enterprise strengthening and Production; and c) Branding and Marketing.

##### **Sub Component –i: Product design and development:**

This Sub component will focus on developing a Product line that uses bio-degradable locally available natural fibres with active technical collaboration of research institute which would design and develop least cost technology for products and allow for technology transfer for production to MHM units registered under this project.

## **Sub Component –ii: Enterprise Strengthening and Production:**

This sub component will focus on identification of enterprises, capacity building of shortlisted enterprises to enable sustainable production. This will be done through the following process:

### **1. Selection of Producers and Capacity building to producers:**

Mapping and Selection of producers will be done by the following process;

#### **a. Screening of producers by following the criteria:**

- Should be from SHG/CLG with proven track record and performance of financial discipline
- Willing to take risk and take up the business activity in a long term
- Knowledge and appreciation of Hygienic menstruation
- Family support and willing to give time for the business
- previous experience and training would be an additional criteria
- Women/men from the target HHs

#### **b. Shortlisting of producers and training and counseling**

Capacity building and skilling will be done to the producers at different intervals –from exposure, on job demonstration, practices, trial run etc. on the product manufacturing, packaging to producers and social entrepreneurs.

c. Business plan preparation and Formation and registration of Menstrual Hygiene producers' company at each of the proposed regional hubs will be done.

**Production:** The project will ensure that the selection of venue for the regional hubs, linking SHGs/CLGs in the area for scaling up and other legal formalities for an enterprise, sourcing of raw materials manufacturing of products and packaging is undertaken.

A standardised mode of production will be facilitated by the project with the set-up of 10 common service centres for production aggregation and capacity building for quality control, periodic monitoring and evaluation. Production enterprises selected will be supported with technology transfer, linkages for economies of scale and financing arrangements. As part of the value chain, a set of process (aggregation, packaging, distribution) would be done through these enterprises.

### **Sub Component (iii) Branding and Marketing:**

This sub component will focus creating an umbrella brand for products being produced by various Enterprises identified through the project. Products will be procured and aggregated at the regional level, linked to central producer collective and then marketed as per orders. The Central producer collective will be responsible for marketing; establishing linkages with different stake holders for various channels, leveraging with government schemes. The project will build

capacities for Branding, advertising and supply chain dynamics for aggregation including wholesale and retail agents and work with the Government and private sector to help in establishing sales tie ups. Pilot on online services will be developed for distribution of napkins.

## **2) Component -B Menstrual Hygiene Education:**

This component will focus on Health and hygiene education to school girls, women and communities, through developing communication tools and approaches. There will be an attempt made to establish a connect with the Adolescent friendly clinics where it is existent or create avenues for establishing these at least around the production centres proposed to be connected in the project period. All the common service centres -10 proposed will also function as Menstrual Hygiene Knowledge centres (MHKC) and linked to Adolescent Friendly health services. These MHKCs will function as a nodal point for knowledge dissemination to promote hygiene education and focus on attitudes and practices too! Promotional strategies will be peer group learning and interactive sessions by developing tools like booklets, posters and using ICT. Women hygiene Champions will be identified to initiate change practices through interactions, knowledge sharing, ICT and adoption of hygienic practices. Community and households will be targeted with role plays, audio-visual communication, posters with the partnership of institutions and convergence with health department.

## **3) Component-C Project Management:**

**i) Implementation Arrangement:** Village level: Common Enterprise Groups will be promoted and registered for production of Sanitary Napkin. The enterprise groups in pilot locations will federate and form a Common enterprise federation at the project level to facilitate raw materials, sourcing of orders, marketing and distribution arrangement.

1. At the village level Enterprise CPs / Green and Health CPs will be involved in facilitating training, linking to common service centres, providing awareness to women, girls and to the community.

2. Block/ District/Regional level: Livelihood co-ordinator / enterprise co-ordinator and APM, Enterprise/ Livelihoods, District Project Manager will be responsible to ensure the functioning, capacity building and co-ordination with other departments.

3. State level: Innovation cell including Green enterprise consultant/ specialist and Social Inclusion consultant will be responsible in implementation of pilot, learning.

### **ii) Partnership, Knowledge and Learning, M&E and Project Management**

Leveraging Partnerships: Institutional partnership will be developed by identifying potential private players, research institutions and Government agencies for the project. The project will ensure convergence with existing Government schemes

and will actively partner with the Government departments especially Health and Education. Partnerships need to be developed for the following areas of activities;

1. Product design support: Technology transfer and research
2. Product promotion
3. Marketing and Distribution
4. Skilling and entrepreneurial development
5. Health Education
6. Communication tools
7. Financing support from existing programmes
8. Environmental Safety and Waste Management
9. ICT for knowledge transmission, availing product services , communication
10. Studies and documentation

**Knowledge Management and Learnings:** From the industry/ sectoral knowledge and technology on Hygienic eco- friendly sanitary napkin production, use by women and girls and education materials will be accessed through workshops, exchange visits, development of market forums for improvising, upgrading the skills of producers and production and technologies. Social entrepreneurs innovations, best practices and learnings from the field project locations will be documented and shared for further development and scaling up of project. Women, girls and community feedback will be captured and mid -course correction/ changes will be made in implementation of pilot.

**Environmental and Social Safeguards:** Environmental impact assessment, green enterprise audit will be done and safeguards will be ensured. Safety standards in production, supply and use will be ensured.

**Potential Impact:** The pilot will try to address the challenges in usage of sanitary napkins. In a state like Tamil Nadu which has made pioneering initiatives in menstrual hygiene, there is need to look at how the menstrual hygiene products are more eco-friendly and how the practices of production, distribution and disposal can be made sustainable. The existing awareness and communications programme needs to be sustained and standardized messages on approaching the reproductive rights of girls and women needs to be developed. Women members and youth will be involved in production through project investments. This will result in more productive lives, and new jobs will be created in the communities (health, environmental, and economic implications).

**The** result framework for the Green enterprises is at **Annexure –37**

## 2.B THEMATIC PILOT-III - NUTRITION HOUSE

The objective is to promote the culinary sector in Tamil Nadu around an economically viable, sustainable, and nutritious local food system model that supports employment, preserves the environment, and promotes healthier dietary trends. The main beneficiaries of this pilot program would be men and women in the districts of Madurai and Coimbatore.

This pilot will commence in the second year of implementation and the concept note for the same will involve in due course.

### Phasing for Innovation Promotion:

Sub-Component	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	Total
1. Tamil Nadu Rural Transformation Market place	1		1		1		3
2. Thematic Pilots							
i)Creative Industries	1						1
ii)Green Enterprises	1						1
iii)Nutrition House		1					1

### Implementation Arrangement for Innovation Promotion:

**State level:** The SPMU will have an Innovation cell who will be responsible for implementation of pilots and will comprise of the following team members:

- i. Associate Chief Operating Officer-Innovation Promotion (A-COO) - 1
- ii. Deputy Chief Operating Officer-Pilots (Dy-COO) - 1

In addition, SPMU will hire Specialists /Consultants for different pilots that will be implemented i.e Creative Industries, Green Enterprises and Nutrition House.

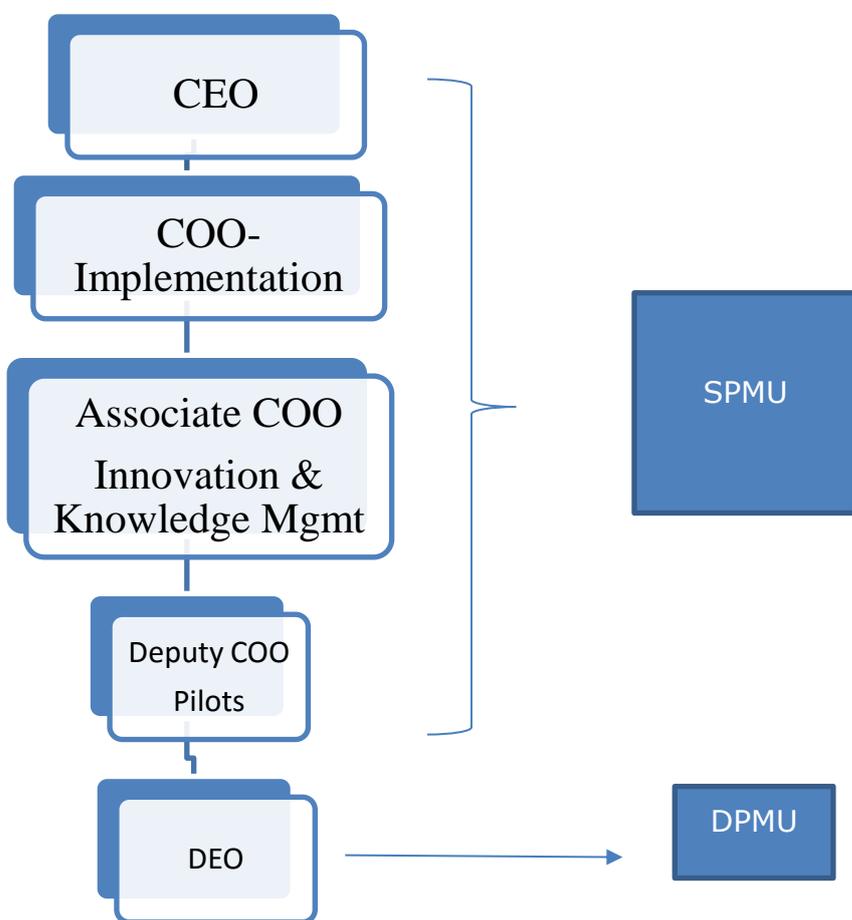
District Level: The DPMU team will consist of the following members:

- i. District Executive Officer (DEO)
- ii. Assistant Project Manager(APM)-Innovation (District-level)

Village level: Common Enterprise Groups will be promoted and registered consisting of Handloom weavers, artisans and hand spinners etc .The enterprise groups in pilot locations will federate and form a Common enterprise federation at the project level to facilitate raw materials, sourcing of orders, marketing and distribution arrangement.

- ✓ At the village level Enterprise CPs will be involved in facilitating training, supporting to sourcing of raw materials.
- ✓ Block/ District level: Livelihood co-ordinator / enterprise co-ordinator and APM, Enterprise/ Livelihoods, District Executive Officer will be responsible to ensure the functioning , capacity building and co-ordination with other departments.

**FIGURE 26: IMPLEMENTATION ARRANGEMENT FOR INNOVATION PROMOTION**





# **CHAPTER 5**

## **COMPONENT 3**

### **SKILLS AND JOB OPPURTUNITIES**

## CHAPTER 5: COMPONENT 3 SKILLS AND JOBS OPPORTUNITIES

## CHAPTER 5: COMPONENT 3 SKILLS AND JOBS OPPORTUNITIES

**The objective of this component is “to create (a) sustainable wage and self-employment opportunities, (b) promote relevant skills for higher value agriculture and allied activities; and (c) enable entrepreneurship through market responsive skills and entrepreneurship development”.**

### 8.1 TARGET SEGMENTS

- i. Target households with available basic assets.
- ii. Youth from project targeted households, with special focus for women.
- iii. Entrepreneurs in focus value chains and community service providers /Trainers (Sparks).

### 8.2 OUTCOMES TARGETED

The project outcomes targeted through this component are:

#### **Skilling 80,000 youth, women and individuals**

- 50% of the above targets will be catered through convergence with Government schemes and the other 50% through Community Skills Schools (CSSs) funded by the project.

#### **Train 180,000 producers identified by the project**

- The above producers will be trained in better Package of Practices and technologies (like micro irrigation, precision farming, etc.) for higher value agriculture and allied sectors (prioritized value chains of the project).

#### **Train 1170 entrepreneurs and service providers (SPARKS)**

- 1170 Entrepreneurs and Service Providers (Entrepreneurs micro and small (620 persons)Sparks/JCPs:50 persons and ECPS:500 persons). Sparks/JCPs & ECPs will be trained to provide fee based services.

The above outcomes along with other project interventions will lead to increased income through employment or self-employment among the targeted beneficiaries.

### 8.3 INTERVENTIONS-SKILLS AND JOB OPPORTUNITIES;

This component envisages three fold interventions:

<ul style="list-style-type: none"> <li>•Convergence with flagship government skilling programmes and provision of pre and post training services</li> </ul> <p><b>Pre and Post Training Services</b></p> 	<ul style="list-style-type: none"> <li>•Developing and delivering locally relevant, community managed skills training in sectors with market demand where existing training capacities are weak.</li> <li>•Focus on existing gaps in the prioritized value chains and provide relevant skills in identified sectors and sub sectors</li> </ul> <p><b>Community based Training &amp; Skilling Provision</b></p> 	<ul style="list-style-type: none"> <li>•Build entrepreneurship amongst new and existing entrepreneurs.</li> </ul> <p><b>Entrepreneurship Development</b></p> 
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### Building Social Inclusion:

The project will also include special initiatives for social inclusion by facilitating, promoting and accepting women into traditional professions dominated by men which women are keen on taking up and has demand in the market, for instance masonry. Likewise, in tribal blocks the focus will be to support communities who are already involved in basic commercial activities by enhancing their skills and connecting them to different markets to have better and sustained incomes e.g. bead-making, plant nursery, craft etc. Similarly for the differently-abled people best appropriate skills will be imparted- like home appliance repair, jewellery making, etc.

The project will work towards the following inclusion parameters

S no	Details	Targeted Beneficiaries	Remarks
1.	Pre & Post Training Services	80000	40% for women and 5% for Differently abled and Tribal communities totalling 36,000 beneficiaries.

2.	Community based Training and Skilling Provision	180000	65% for women and 5% Differently abled and Tribal communities totalling 126,000 nos.
3.	Entrepreneurship Development	1170	65% for women and 5% for Differently abled and Tribal communities totalling 819 individual entrepreneurs.

#### 8.4 CONCEPTUAL FRAMEWORK FOR SKILLS AND JOB OPPORTUNITIES

The conceptual framework depicts the component and sub-components of skills and job opportunities. The project will work in both the supply and the demand sides facilitating skilling and employment through convergence, community based training and skilling provision to enable both wage and self-employment. Entrepreneurship Development Program (EDP) will enable entrepreneurs in farm, non-farm and service sectors.

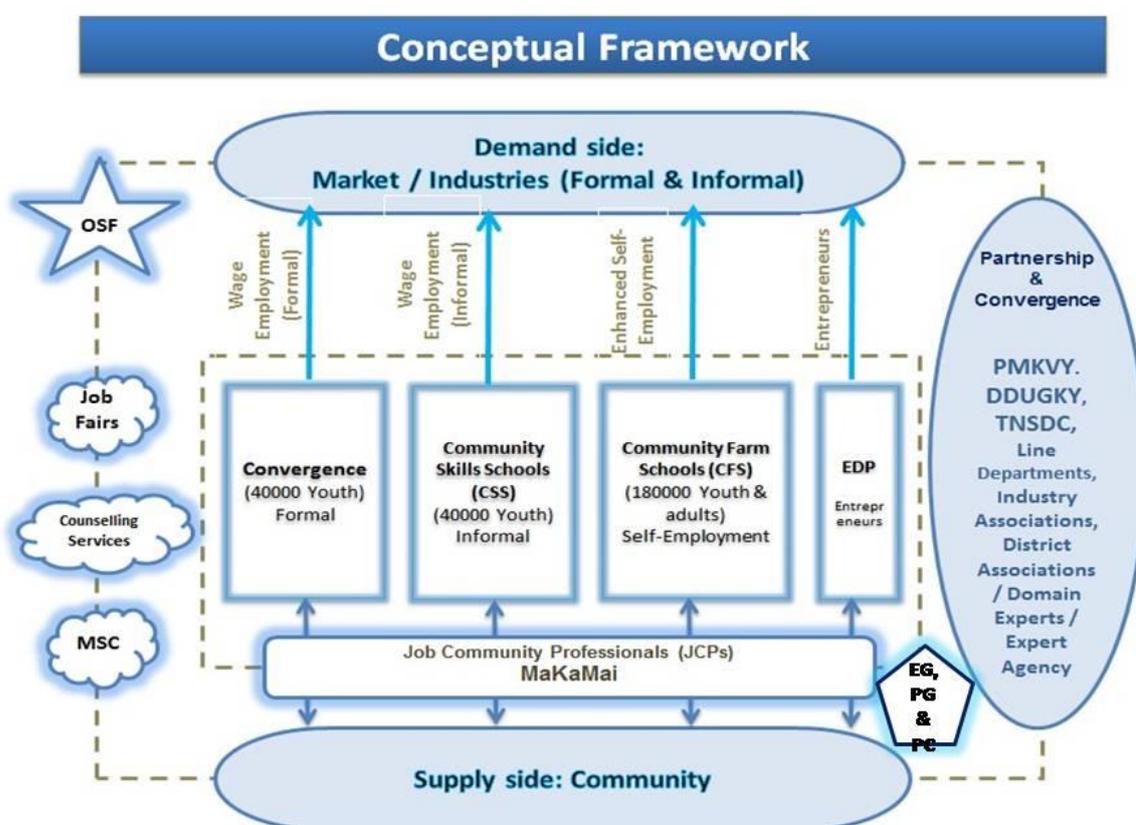
The Job CPs are community cadres who will act as a bridge between the community and markets/industries (formal and informal) through project interventions such as OSF, job fairs, counselling services and migrants support centres(MSC).

This component will be implemented through 3 sub components.

- 1) Pre and Post Training services to enhance Employment outcomes.
- 2) Community based Training and skilling provisions
- 3) Entrepreneurship Development

The detailed interventions planned for each sub component is detailed.

**FIGURE 27: OVERALL CONCEPTUAL FRAMEWORK OF SKILLS AND JOB OPPORTUNITIES**



**Sub-Components 3-A: Pre and Post Training Services to Enhance Employment Outcomes**

This sub component will primary focus on pre and post skilling services to enhance employment outcomes and will be done through the following:

- i. Outreach meetings and FGD to understand youth’s interests and aspirations
- ii. Identification and mobilization of youth; and creation of youth database
- iii. Collating training institutions’ list and developing district-wise annual calendar of trainings provided through existing schemes
- iv. Counselling youth on job opportunities, skilling opportunities and training partners
- v. Facilitating youth to join skills training being provided through flagship government programs
- vi. Community monitoring of completion of training programs and placements

- vii. Post placement services: Counselling, Job fairs, Migration Support and Post-placement tracking

### **Sub component 3-B Community Based Training and Skilling Provision**

This sub component will support activities to set up community managed skilling interventions based on the pilot experience in Pudhu Vaazhvu (PVP) Project that can lead to self-employment as well as wage employment. The existing gap between the Government interventions and learning's from TNPVP will be addressed and this project will build upon the shortcomings of earlier interventions made through the Community Skills Schools (CSS) and Community Farm Schools (CFS).

- i. Identifying sectors, sub-sectors and trades having a potential for employment and self-employment and is demanded by the community through DDS, PGP and VCS and state and District wise skill gap study by NSDC.
- ii. Shortlist community experts in selected trades and engage professionals/agencies to build their expertise in conducting training modules to become effective community trainers.
- iii. Facilitating the community and its experts to setup community managed skilling provisions.
- iv. Provide systems for assessments and certifications by accredited third party agencies and access to job markets.
- v. Facilitating interested members to become entrepreneurs by linking them to OSF.
- vi. Develop a plan to cater for those skills either through convergence or through the community based skilling.

### **Sub component 3-C Entrepreneurship Development**

The implementation will take cognizance of the skilling needs by interacting with One Stop Facility (OSF) set up by the project and deliver Entrepreneurship Development Program (EDPs) by partnering with organizations like Entrepreneurship Development Institute (EDI) through proper MOU. In addition, the project will also leverage training programs developed by IFC's Business Edge and ILO's Entrepreneurship Development Program (EDP), and network with successful entrepreneurs to leverage their skills for strong context and localization of the program.

As a whole these three sub components will engage closely with industry partners to address the skill gaps and work on strategies to fill these gaps. It will also develop on-the-job apprenticeship and skilling interventions in collaboration with the industries.

## **SUB-COMPONENT 3-A: PRE AND POST TRAINING SERVICES TO ENHANCE EMPLOYMENT OUTCOMES**

The implementation process for this sub component is detailed below.

### **9.1 ACTIVITIES**

Under this sub component following activities will be initiated.

#### **Step 1: Interviewing & Recruitment of Job Community Professionals (JCPs)**

Identification of JCPs will be done by MaKaMai by conducting interviews and recruiting them in consultation with DPMU. The project will ensure social inclusion as defined by the project. The process of selection, recruitment and training of JCPs is at **Annexure-38**

#### **Step 2: Training of JCPs**

The JCPs training and orientation plays a key role as they perform key functions i.e. meeting and effectively communicating with the community, developing youth database, introduction to convergence skill programs, youth mobilization, counselling youth, etc. The training would also focus on developing their thinking and approach towards "self-sustainability". A ready reckoner handbook in Tamil will be given to them detailing their roles, responsibilities, scope of work, counselling module, data collection form, field level application tools, etc. In addition refresher training will also be organized from time to time based on the need and demand.

#### **Step 3: Understanding the aspiration of youth and counselling**

The youth database will be collected by surveying through home visits and formal interactions. JCPs with the support of DPMU will be involved in the survey process of identifying youth and preparing a list of sectors that interest them. In addition active youth counselling and educating them about industry overview will help them understand their aspirations and guide them to choose their careers.

#### **Step 4: Identification and mobilization of youth and creation of youth database**

A database of youth (**Format for Youth database at Annexure-39**) trade wise for skilling will be prepared. JCPs will create the database at village level and Manager-Skills will create the database at block and district levels. Every district will maintain a database of youth; a consolidated database will be maintained by the SPMU.

#### **Step 5: Selecting of Empanelled Training Institutes**

Training Institutes from the empanelled list will be selected based on the dominant trades collated from the youth database and the availability of credible training institutes for those trades. Manager for Skills will create a calendar of trainings

provided through existing schemes and training institutes in consultation with SPMU.

### **Step 6: Pre-Training Counselling and Guidance**

As career development is dynamic, it is important to reflect on the current career opportunities and demand of employers. Therefore, counselling before skill training makes the skilling initiative more focused and appropriate for the youth and employer. The project will also ensure pre-training and career counselling to aspiring youth and their parents for making informed choices. JCPs will be trained in basic counselling and guidance services to targeted youth before enrolling them into any skills training.

Focused counselling will be made available through a helpline manned by an expert counsellor at the SPMU.

### **Step 7: Skills Training**

JCPs will ensure that youth begin their skilling program after enrolment and will seek regular feedback to avoid dropout. They will also monitor the attendance of the candidates.

### **Step 8: Monitoring of Completion of training**

Monitoring and reporting of the training commencement, continuation and completion for all skills training will be done. The JCPs, Manager Skills and DEOs must ensure periodical monitoring, and ensure assessment, certification and placement.

### **Step 9: Placement and Post placement services**

The following services will be rendered:

- TNRTP will develop counselling services by training JCPs to handle first level of counselling to support youths in making decisions and facing difficult situations.
- The training modules designed will assist the day-to-day work of the counsellors in the Migrants Support Centres (MSC) **as detailed in Annex 40**. The purpose of this training module is to provide counsellors of the MSCs with an interactive and practical tool to enhance employability of migrants.
- Individuals may need assistance with job search strategies such as writing a résumé and cover letter, learning interview skills, and knowing where to look for jobs that are advertised as well as those jobs that are not advertised.
- The Project will gather information through Manager Skills about the kinds of jobs that are available to youth in the District. This kind of information may be found through websites as well as through a labour market information service that tracks current labour market trends and opportunities in the District or State.
- As the youth skills training are placement linked, the training institutes must ensure placements as per Government of India notified Common Norms. JCPs and DPMU would ensure the placement. In addition, placed candidates will be given post placement counselling to reduce attrition.

#### **i) Job Fairs**

In TNPVP it was seen that 10% of 4 lacs youth skilled were from direct placements to the industry whereby companies selected candidates and skilled them on-the-job to their requirements. A thrust to such needs will be provided by organizing Job Fairs. Manager skills will conduct job fairs to the candidates who have not been placed and also facilitate employer participation. It is envisaged that each district will organize one job fair every six months. JCPs, DPMU and SPMU would jointly be involved in organizing job fairs at district level. To ensure high impact, Job fairs will have defined objectives and placement outcomes and will continually be reviewed. **The checklist for organizing Job fairs is at Annexure-41**

ii) **Migration Support Centres:**

In addition, the DPMU could also introduce the eligible youth to Migration Support Centers (MSC) (MSC is explained in subsequent sections), if they migrate to work in growth clusters that are away from their residence. The project has proposed 7 MSCs (cumulative number) over a period of six years.

**The services of the Migration Support services is at Annexure-40**

**Step 10: Post placement tracking**

The project will track placement of youth for at least six months subsequent to completion of skilling. On monthly basis, JCPs/project executive will track through personal contact, parents, and phone calls. Monitoring will be done through ICT enabled system.

## **SUB-COMPONENT 3-B: COMMUNITY BASED TRAINING AND SKILLING PROVISION:**

Many informal sectors though offering high employment opportunities does not have training partners in urban centres; or if offered are prohibitively expensive or of long duration, requiring education levels of Class X and above—trades like masonry, bar bending, welding, electrician, two-wheeler mechanic, home appliance repair, etc.

There are also those sectors which are traditional and have region specific demand but such skilling is not offered i.e. weaving, jewellery making, basket making, pottery, etc. and skilling will only be done for skills that are scalable and has potential for earning higher incomes. Constraints to skilling the rural youth is a challenge. This component will address these skills gaps by the community through the Community Skills Schools (CSS).

The issue of different productivity levels between farmers within the same community is evident in farm sector leading to the importance of access to knowledge and acquiring requisite skills. The project proposes to create Community Farm School (CFS) model which will identify specific skill gaps in farming related occupations and will also address the specific needs of women and Tribal communities.

The premise of both CSS and CFS is the same, that communities have much of the requisite skills to solve their skilling and livelihood problems. The project will assist in addressing the skill gaps through setting up of these community based schools focused on skills and livelihoods.

### **10.1 Community Skills School (CSS)**

Across communities there is high demand for certain remunerative traditional skills which are socially and culturally acceptable for both men and women to undertake; and the community has master practitioners involved with traditional occupation for many decades. For example, across TNPVP areas it was seen that many communities had a tradition of sending their men folk into the masonry trade and they learnt the skills mostly on the job.

Now, can these practitioners/experts be facilitated to setup skills schools with simple and minimally required infrastructure right in their community? Could the standards and outcomes as demanded by the industry be built into the design of this school? Community Skills School model emerged from answering these questions. It is anchored in the principles of India's ancient learning system yet aligned as per the modern industry requirements.

Imparting of skills in construction trades like masonry, bar bending, farm-work, plumbing, electrician, welding, etc. can be facilitated by CSS well. Also trades like 2/4-wheeler mechanics, home appliance repair, mobile repair easily lend themselves to this model.

Trades that lend themselves to CSS will be shortlisted based on

- 1) Opportunity areas will be identified through District Diagnostic Study (DDS), Value Chain studies, PGP process and industry meetings (incl. local industry)
- 2) FGDs, village enterprise survey, discussions with ECPs, etc.

926 CSSs have been planned for 120 blocks covering 40,000 trainees. The batch size of trainees will be decided by the master trainer based on the trades.

**FIGURE 28: FLOW CHART FOR PROCESS STEPS FOR SETTING UP CSS**



## 10.2 Key Steps for setting up the CSS.

The following key process steps will go into setting up of CSSs.

### Step 1: Identification of project intervention area and trade for CSS

Based on assessment and prospecting from the JCPs (of trades, interest of large number of youth and availability of expert trainers), the DPMU will short list the trades based on the market demand. (**Guidelines for CSS and Experts' selection at Annexure -42**)

## **Step 2: Identification and selection of an expert trainer**

Identification and selection of expert trainer will be done by the community and JCPs under the guidance of DPMU. Right selection of the expert trainer is critical. She/he should be proficient in the trade and keen to teach but also have good credentials within the community.

## **Step 3: Identification of a location for provision of training**

Suitable location with good accessibility and convenience will be identified in the CSS catchment area by the community and requisite permissions obtained from the local Panchayat leader for operating the school.

## **Step 4: Community Proposal for provisioning of training**

The community will develop a proposal at **Annexure -43** with the expert trainer for provisioning of training including information like - trainer, tenure, batch size, materials required, cost of training, outcomes expected, total number of interested youth in the catchment, name list of the first batch, etc. The school will be managed by the local VPRC or the District MaKaMai. If a CSS supports more catchment beyond one Block then it will be managed by the MaKaMai.

## **Step 5: Training of Trainer (ToT)**

With an expert trainer/agency identified for specific CSS across districts for a particular trade and given orientation on curriculum, industry standards and best practices, assessment standards and tips for setting up a school effectively. A standard structure for the CSSs will also be finalized – including duration of training, school design and layout, materials required, daily timings and criteria for student selection, though some of these aspects could be left to flexibility of the community.

Training of Trainer (ToT) ensures standardized processes and consistent delivery of the training process.

## **Step 6: Launch of CSS**

VPRCs supported by the local expert will setup CSS in the selected location with the requisite design & layout and safety aspects; also procuring relevant material, tools and students kits for the trade. The CSS should be women friendly and adhere to relevant safety guidelines.

## **Step7: Mobilization and Selection of trainees**

The VPRC assisted by the expert and JCP will mobilize interested youth. CSS will be open to youth or aspiring individuals both male and female in the age group of 18-35 years.

## **Step 8: Skilling at CSS**

The youth will be trained at the times decided jointly by them and the trainer. Attendance records will be maintained and safety measures as advised by expert trainer/agency strictly followed at all times. Punctuality will also be strictly adhered to.

## **Step 9: Pre-Assessment**

A pre-assessment will be conducted by expert trainer/agency after completing 1/3<sup>rd</sup> of its timeline to ensure CSS is proceeding well and in case of any negative feedback, a mid-term course correction will be done, if needed.

## **Step 10: Assessment and Certification**

The project will conduct assessment of the Trainer and the trainees at the end of the curriculum for each batch by a recognized agency to assess students and certify them.

## **Step 11: Placement**

One of the criteria for selection of CSSs is the keenness and ability of the VPRC to place students after skilling for wage employment. Because of an existing tradition of the trade in the community there are social networks (friends and family) that have historically emerged from the community migrating towards certain regions of employment. Through these social networks youth are easily placed when the trade is in demand. In case of certain professions where there is a scope for women to participate but are unable to do so due to social and cultural barriers, the Job CPs will counsel the women to ensure their participation.

The JCPs will ensure that post-skilling youth are monitored for their placement and performance and would collect data every three months after the completion of training. The project will ensure more placement options are provided too.

### **10.2 Community Farm School (CFS)**

CFS seeks to develop a cadre of self-employed technical service providers (Sparks) in selected agriculture and allied sub-sectors, who will in turn build skills amongst the community members in selected value chains through the use of Farm Schools run by well-trained community professionals called Sparks.<sup>36</sup>

CFS will identify specific skills gaps in farming related occupations; bringing in required technical expertise to analyse these gaps and recommending appropriate technical solutions; identify and train Sparks to train in delivering these to the community; and conduct regular "Farm Schools" by Sparks for transmission of the identified technical solutions and services to the community households.

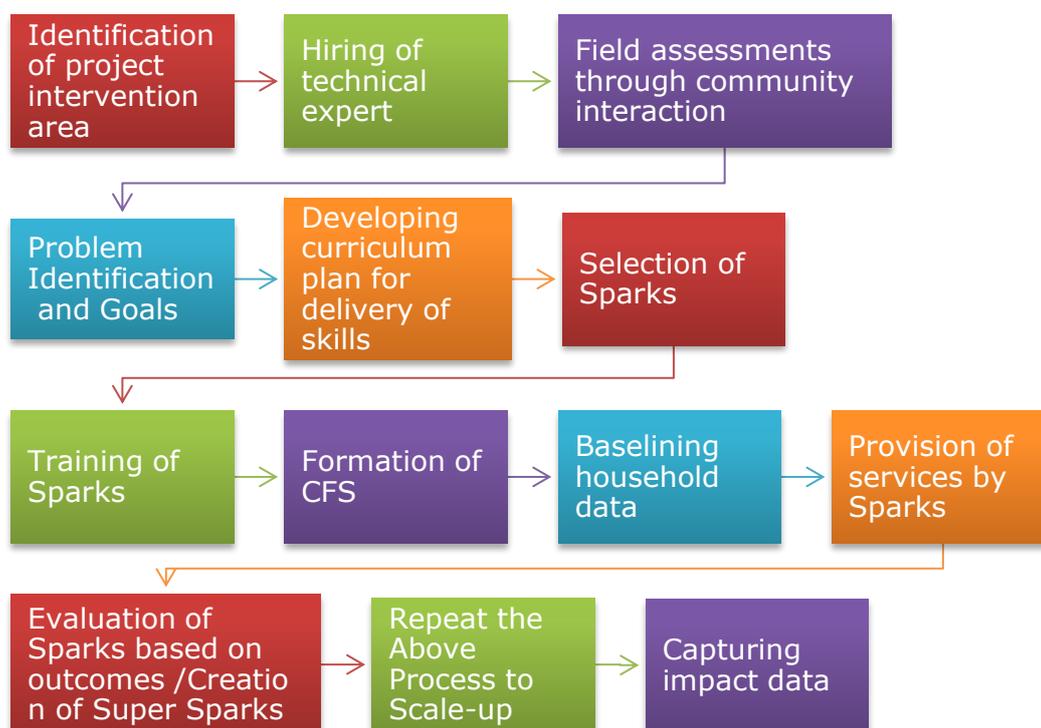
The CFS initiative will work in close conjunction and synergy with the Individual and Group enterprise promoted by the project.

The project proposes to short-list value-chains. CFS initiatives will be aligned to those value chains that are farm-based (includes off-farm). For example, the domains based on the value chains selected could be agriculture, horticulture (Floriculture & Olericulture), fisheries, dairy, goat rearing, and poultry.

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<sup>36</sup>Sparks are community members with unusually high interest in the trade, who also show keenness to teach to the community

**FIGURE 29: FLOW CHART FOR PROCESS STEPS FOR SETTING UP CFS**



### 10.3 Key Process:

#### Step 1: Identification of project intervention area

CFS intervention will be based on opportunities in terms of prevalence of the activity in the region and the communities' affinity for the selected domain to launch CFS initiative. They will be identified in close collaboration with the Producer groups and Producer collectives identified through component 1.

District Teams will then scan panchayats across a block to prospect communities who are keen to launch the CFS. After scanning of about 25 panchayats the keenest of the 10 would be selected. Selection of the panchayat will be done by the community based on their demand.

#### Step 2: Hiring of technical expert

A suitable technical expert or expert agency with substantial expertise in delivering improved productivity in farms will be identified and hired.

#### Step 3: Field assessments through community interaction

The technical expert will then conduct a field assessment of the project intervention area to identify the gaps/challenges that when overcome could enhance incomes of targeted households.

#### Step 4: Problem Identification and Goals

The technical expert in conjunction with the district team will identify problems that need attention and intervention, clearly laying out a list of skills that need to be enhanced. These will form the bases of curriculum development. Before launch

of the CFS a goal will be framed that the CFS needs to achieve. For example, goat rearing CFS may have objectives like targeting a reduced 5% kid mortality and 30% weight gain in a year.

#### **Step 5: Developing curriculum and plan for delivery of skills**

Based on the gaps and solution areas, and interaction with the community, Project Team in conjunction with the technical expert will develop a curriculum, lesson plans and delivery plan for training - few hours one day of the week over two to three months. Basic infrastructure, teaching aids and kits will also be organized. Some of the sessions may be delivered in convergence with relevant govt. departments like Animal Husbandry, Agriculture, etc.

#### **Step 6: Selection of Sparks**

Spark candidates (3-4 per each CFS) will be identified during the field assessment stage by the community members. Subsequently, the project staff sits with the community to finalize two Sparks for each CFS. It is critical that right candidates are selected as Sparks and this must be explained to the community upfront.

#### **Step 7: Training of Sparks**

Sparks across the block/district will be given a two-day training session by the technical expert at the launch, followed by 1/2-day weekly sessions over the course of the CFS. Training combines class room with on-field demonstrations. Technical expert will ensure Sparks to learn to become good teachers in their communities. The objective of Sparks is not just teaching the prescribed lesson plans well but also ensuring the new practices taught are adopted by the households. In addition to technical lessons given in CFS, a module on basic business skills will also be provided so that they manage costs and sales more effectively and hence will result in more profitability.

#### **Step 8: Formation of CFS**

Sparks will then identify 20-30 household members with high aspirations and willingness to learn and adopt new practices. Together they then develop the design aspects of the Community Farm School – like venue, time to deliver training sessions to the households, duration, etc.

#### **Step 9: Collection of Base line data**

Before launch of CFS, baseline data will be captured for each participating household which will serve as the baseline to measure impact of the CFS post implementation.

#### **Step 10: Training of households by Sparks**

The Sparks will administer a weekly 2-3 hour session combining in-classroom theory sessions assisted by Flip Charts and Picture Books with demonstrations. Demonstrations would typically be held in members' homes. Over the rest of the week, Sparks will conduct home visits and ensure that members are adopting and implementing the lessons learnt.

#### **Step 11: Provision of services by Sparks**

Sparks also serve either as service providers and/or a nodal-point for provisioning of services that may be required like – castration, fodder nursery, farm inputs, etc. as service providers; and for faecal testing, vaccination, deworming, financial loans etc. as nodal points. Some of them are provisioned via convergence with relevant Govt. departments like Animal Husbandry, Agriculture, etc. These

services will be provided only as paid service, which will be decided by the community.

The Sparks will continuously monitor adoption of practices as taught in the CFS.

### **Step 12: Evaluation of Sparks based on outcomes /Creation of Super Sparks**

Sparks will be evaluated periodically by the BPMU along with the Domain expert/Agency and at the end of CFS will be given a score based on (a) their ability to teach and demonstrate technical solutions and (b) the number of member households that have adopted technical solutions.

The top 10% Sparks will be evaluated to see if they can be groomed to become Super Sparks. Each block will have 1-2 Super Sparks and are master trainers cum managers of the Sparks and will operate at a block-level managing all Sparks in the Block.

### **Step 13: Repeat the Above Process to Scale-up**

After the first round of CFS is complete in its implementation the technical expert moves into a mentor role and facilitates the Super Sparks to takeover his/her role as they become resource persons to expand the number of CFS and provide on-going handholding to Sparks going forward. The Sparks that have qualified with high scores can continue to be the Sparks, whom the project will facilitate to scale-up the CFS across the district.

### **Step 14: Capturing Impact data**

Three to six months after the completion of CFS new data is captured against the baseline by DPMU to measure the impact of CFS.

## **10.6 Post CFS and CSS**

Post implementation of CFS and CSS following possibilities could emerge:

- i. **CSS/CFS members as Entrepreneurs:** Some of the households could also become entrepreneurs setting up enterprises like two wheeler workshops, home appliances repair shops, feed, veterinary medicines ,cattle insurance, sales outlets etc.
- ii. **Sparks as service providers:** Sparks can set up new CFS in the same or neighbouring panchayats with the support of the project. Because of the new skills acquired sparks can also become service providers dispensing paid services (Eg. for Goat rearing –castration, first aid services etc) which post CFS the households will begin to value and would require them regularly.
- iii. **Producer Collectives:** Once more than 500 households have been skilled under CFS in the block/adjoining blocks a case for setting up producer collectives like Farmer Producer Organization (FPOs) could be evaluated in Conjunction with Component 1C.

All prospective cases will be introduced to OSFs for their facilitation in setting up of enterprises.

## **10.3 ALIGNING WITH NATIONAL OCCUPATION STANDARDS (NOS)/NATIONAL SKILLS QUALIFICATION FRAMEWORK (NSQF)**

The skilling provided under CSS and CFS when aligned with National Occupation Standards (NOS)/National Skills Qualification Framework (NSQF) can increase the market acceptance of those undergoing them. The project will ensure dialogues with the relevant Sector Skills Council so that the CSS and CFS outcomes are endorsed by them.1SPARKS will be certified based on their skills and performance.

## **SUB-COMPONENT-3C: ENTREPRENEURSHIP DEVELOPMENT**

This sub component will develop a plan to cater to the skill requirement emerging from the prioritized value chains either through convergence or through the community-managed skills training. The skilling needs of Nano and Micro enterprises may be more pronounced for very short duration entrepreneurial development programs, financial literacy, book keeping, etc. While small enterprises may require domain specific skilling for garments, food processing, etc., these training will be provided by convergence program or through community based skill training.

Entrepreneurship related training could either be done in convergence with Department of MSME or by engaging a training provider/partner.

### **11.1 THE KEY PROCESS**

#### **Identification of skilled manpower requirements from One Stop Facility (OSF)**

Specific skilled manpower requirements for businesses to be setup by entrepreneurs will be communicated by the OSF on a regular basis. For example OSF may be assisting few construction contractors needing skilled masons, electricians and bar-benders. Consolidating these requirements, they could either be met by the supply of manpower from existing CSSs or convergence partners or new CSSs could be setup to cater to the need. The training will only be provided if it meets the minimum requirement of candidates.

### **11.2 REQUIREMENT FOR ENTREPRENEURSHIP DEVELOPMENT TRAINING FROM ONE STOP FACILITY (OSF)**

Many of the entrepreneurs that will be facilitated by OSF will be setting up micro and small businesses. They will need entrepreneurship development training in aspects like - finance, marketing, sourcing, human resources, etc. These will be organized by working closely with Entrepreneurship Development Institute (EDI) and established entrepreneurs from the region. Support from the local district business associations will also be leveraged.

The project has planned to train 1170 entrepreneurs of micro and small enterprises through Entrepreneurship Development Program (EDP), Sparks, JCPs and ECPs.

### **11.3 SPECIAL INITIATIVES**

Based on the community interest and demand for skills in the market, special projects would be initiated to take up new skills and minimize these gaps. For example, evidence may suggest that

- Not many women are taking up skilling program as the trainings are not focused on trades that are women friendly.
- There is a gap between industries demand and actual skilling outcomes.
- Post-placement services are not addressing the needs of women seeking employment in the formal sector.
- Differently-abled youth need to be provided skilling based on their specific requirements.
- There is high demand for very short-term up-skilling in certain trades.

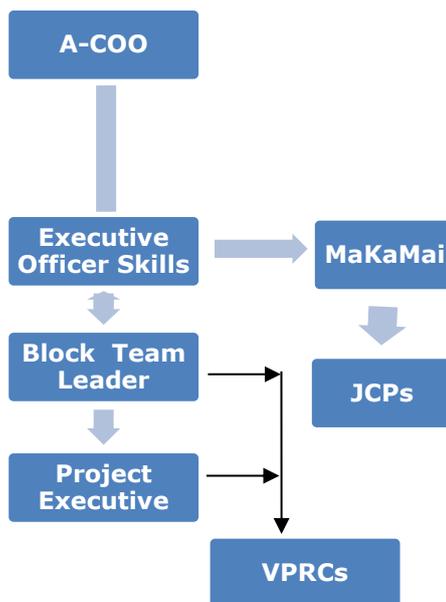
These needs will be addressed through special initiatives.

#### 11.4 IMPLEMENTATION STRUCTURE AT THE STATE:

##### SKILLING AND JOB OPPORTUNITIES UNIT

The main function of the SPMU would be to evolve a strategic implementation plan for the unit that would not only give an overall direction but also provide each district with inputs, guidelines and support to create district-level implementation plan. Specifically,

- i. Engage with industry associations like Tamil Nadu small and tiny Industries Association (TANSTIA), Coimbatore district Small Industries Associations (CODISSIA, Coimbatore Industrial Infrastructure Association (COINDIA), Confederation of Indian Industry (CII), Madras Chamber of Commerce, etc. to identify skill gaps for industry across sectors, trades and districts and come up with a collaborative model to work towards them. Facilitate the DPMU towards a similar exercise for all districts.
- ii. Engage with Government Departments managing schemes like Den Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY), Pradhan Mantri Kuashal Vikas Yojana (PMKVY) and Tamil Nadu Skill Development Corporation (TNSDC) to come up with joint targets and an action plan to achieve it. Facilitate the DPMU towards a similar exercise for all districts.
- iii. NSDC and relevant Sector Skills Council to get support and endorsement for the Community managed skilling models.
- iv. Directorate of Labour & Employment, Dept. of Agriculture and Dept. of Animal Husbandry are important partners at the district level as they can provide important inputs for CSS and CFS.
- v. Making Community Skills Schools and Community Farm Schools model a robust model of skilling and developing guidelines, templates and monitoring and evaluation process for it.
- vi. Setting up a SPMU team & developing guidelines for setting up of DPMU-Skills Unit.
- vii. Planning and operationalizing DPMU yearly plans.
- viii. Converting the project target into year-wise, sector-wise & district-wise action plan.
- ix. Conducting training and workshops at different stages for the DPMUs.
- x. Developing the JCPs into an energetic and focused unit providing a crucial link between the community and the industry and facilitating youth towards skilling.
- xi. Piloting and developing a working model for a few Counselling services and Migration Support Centres so that it can be successfully scaled-up.
- xii. Understanding the needs and gaps in skilling initiatives and initiate Pilots and Special projects.
- xiii. Ensuring the skilling agenda is women friendly & outcomes benefit them in an important way. Also sensitizing the project unit towards the inclusive growth agenda of the project so that marginalized segments of the populace are given priority.
- xiv. Evolve a monitoring and evaluation process & developing reports required for it.



**FIGURE 30 ORGANIZATION STRUCTURE FOR SKILLS AND JOB OPPORTUNITIES UNIT: STATE AND DISTRICT STRUCTURE**

SPMU would have a skills cell that comprises of following team members:

- i. Associate COO - 1

In addition, SPMU can also hire Consultants as requirements emerge. For instance, if a large number of Community Skills Schools are setup in the Construction sector (say, masonry) domain experts will be required to guide the CSS and ensure industry required skilling outcomes.

A DPMU will constitute a district level team to identify the reputed institutions in the district level. The team may consist of the following members:

- i. District Executive Officer (DEO)
- ii. Executive Officer-Skills (District-level)
- iii. Project Executive
- iv. JCPs (across Blocks in the District)

Role of Executive Officer-Skills

- i. Accountable for successful execution of assigned activities and programs.
- ii. Identify required resources and tasks.
- iii. Facilitate the development of Skills interventions
- iv. Provide leadership and direction throughout the life of the project.
- v. Report regularly on project status to all through a well-designed Communication Plan.
- vi. Strict adherence to change management procedures and policies.
- vii. Administrative responsibilities include: weekly status reporting, project plan administration, issue tracking, maintain project documents.

- viii. Monitor resource constraints or other barriers that may impact the critical path of the project and develop appropriate contingency plans.
- ix. Promptly and judiciously review project meetings and plans.
- x. Performs other duties as required

**Role of JCP**

- i. Identification of eligible youth
- ii. Database creation collection and validation
- iii. Counselling & guidance
- iv. Mobilization of youth for skilling and job fairs
- v. Communication campaigns
- vi. Placement follow ups
- vii. Prospecting opportunities for CFS and CSS

**Regional positions**

For operational effectiveness the individuals from the stat office would be sent to the five regions on deputation basis.

**TABLE 15: YEAR WISE PHASING OF ACTIVITIES FOR SKILLS AND JOB OPPORTUNITIES**

<b>Sub-Component</b>	<b>1 Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>	<b>5 Year</b>	<b>6 Year</b>	<b>Total</b>
1. Convergence	-	10000	10000	10000	10000	-	40000
2. Community Skills School (CSS)	118	5160	10320	10320	7740	6342	40000
3. Community Farm School (CFS) <sup>37</sup>	5720	26400	52800	52800	39600	2680	180000
4.EDP, Sparks, JCPs, and ECPs		50	250	250	620	-	1170
	<b>Grand Total</b>						<b>261170</b>

**Building Self-Sustainability into Design**

The project will ensure to develop a path for self-sustainability by the end of the project and that the skilling models and services will be designed to become sustainable through fees and package of services. For example, while JCPs will be fully funded at the start of the project - over a period they will start earning from the services they offer to the community – like placement, counselling services, etc. Likewise 15% of the funding of CSS and CFS will upfront come from charging the students; as the offerings mature this percentage will be increased.

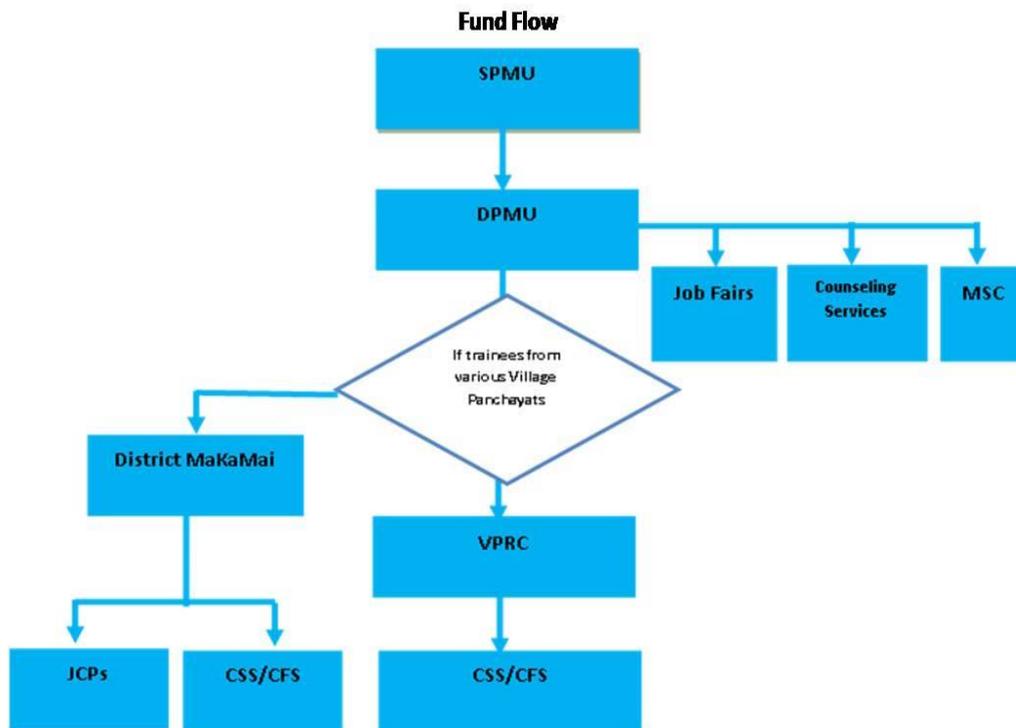
**11.5 FUND FLOW MECHANISM**

The fund flow mechanism for component-3 will flow from the State Project Management Unit (SPMU) to the District Project Management Unit (DPMU). The DPMU will directly incur expenditures for job fairs, counselling services and

<sup>37</sup> 180,000 beneficiaries identified by activities of Component 1C will be trained at the Community Farm Schools (CFS).

MSC. For community based skilling if the trainees are from multiple VPRCs the fund will flow through District MaKaMai but if the trainees are from one VPRC the fund will flow from DPMU to the VPRC. The service charges for Job CPs will be paid to the MaKaMai and based on their services the MaKaMai will release the payment.

**FIGURE 31 FUND FLOW MECHANISM**





## **CHAPTER 6**

### **COMPONENT -4**

# **PROJECT MANAGEMENT, RESULTS MONITORING, AND IMPLEMENTATION SUPPORT SYSTEMS**

## **CHAPTER 6: PROJECT MANAGEMENT RESULTS MONITORING, AND IMPLEMENTATION SUPPORT SYSTEMS**

This component consists of three sub components as mentioned below:

- 4.A) Implementation support systems
- 4.B) Monitoring, Evaluation and Grievance Redressal
- 4.C) Knowledge, Communication and Learning systems

**4.A) Implementation support systems:** This sub component will include

- i) Implementation Arrangement & Human Resource Management;
- ii) Financial Management;
- iii) Procurement Management;
- iv) Safeguards: Social, Environmental and Tribal and;
- v) Information Communications and Technology (ICT).

**4.B) Monitoring, Evaluation and Grievance Redressal :**

This sub-component will provide a blueprint for the development of an M&E strategy and the perspective of intertwining this component across the program in supporting the implementation of the project to attain the desired objective. Also a robust Grievance Redress Mechanism (hereafter referenced as GRM) will be implemented for promoting both transparency and accountability in project operations.

The MIS will relate to information which will be collected routinely or periodically related to inputs; activities, outputs and intermediate results to systematically capture of all M&E outcomes of different project components. The project will create web-based MIS which will be flexible and will have access to authorized users and efficient sharing and dissemination of information to stakeholders and decision-makers.

**4. C) Knowledge, Communication and Learning systems:**

The Knowledge Management intends at creating, capturing, sharing, distributing, leveraging and archiving knowledge for the internal use of TNRTP and to improve and enhance its implementation capabilities and service delivery mechanisms.

## SUB COMPONENT 4-A (I) - IMPLEMENTATION ARRANGEMENT AND HUMAN RESOURCE MANAGEMENT

This sub component focuses on availability of competent human resources for project implementation, continuous learning and capacity building of project teams across state, regions, districts and block levels. This component also facilitates fair, transparent and efficient in human resource administration with respect to salaries, performance management, attendance and leave, besides organisational development and team effectiveness initiatives.

### 11.1 OVERVIEW

The project calls for high human face time, as the fundamental process of achieving the results, building entrepreneurship culture among the targeted households. Therefore, the quality of human resources involved in the project plays a vital role in successful implementation of the project.

The key implementation support system incorporated into the institutional model will help attain the following that are imperative for effective project implementation:

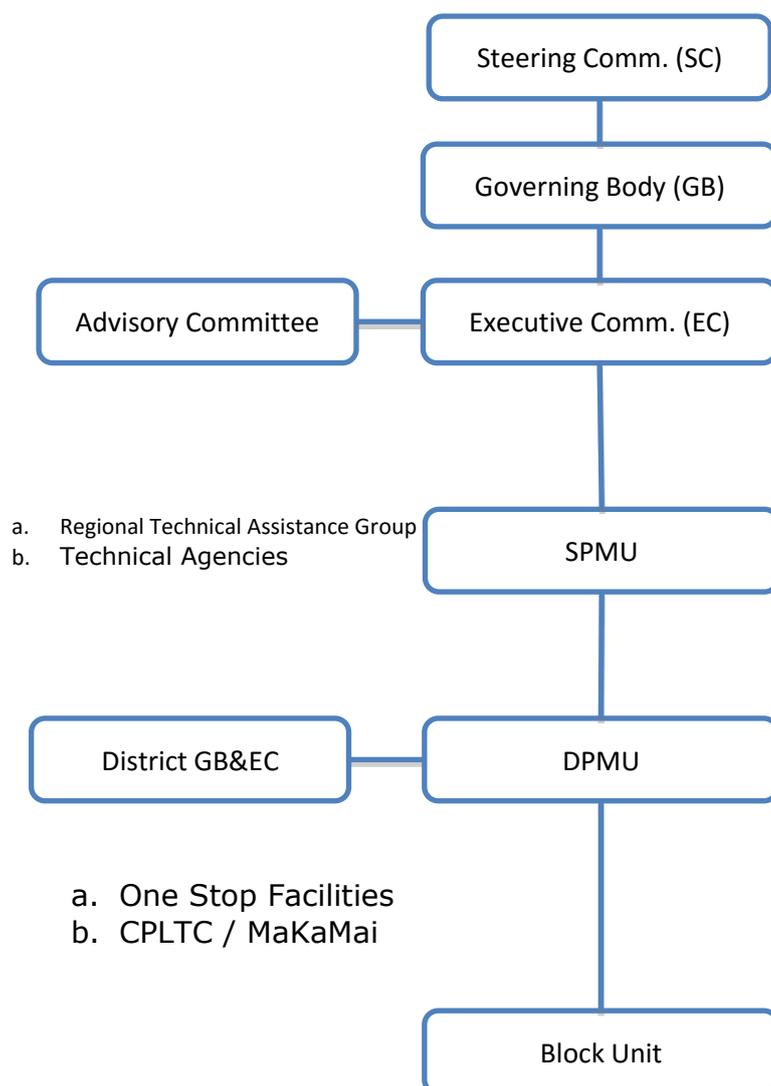


- a) **Team work and collective responsibility at all levels of project implementation:** Key strategy being partnership and convergence, the project requires support from various departments like agriculture, local administration, skill development etc. The culture of teamwork and collective responsibility need to percolate down to the district and block levels.
- b) **Devolution of responsibilities to the most appropriate level:** Devolution of responsibility comes with mechanisms of self-check and external audits. Number of levels involved in decision making need to be minimized to enhance speed and effectiveness of the program.
- c) **Participation and ownership of communities:** Sustainability comes with ownership at community level. The project puts the community first and is planned to be implemented at blocks where a network of community based organizations exist.

The team will work with consciousness that they take no decisions on behalf of the community; rather facilitate the communities to take decisions.

## 11.2 GOVERNANCE STRUCTURE

The project management and implementation is governed under Tamil Nadu Rural Transformation Society (TNRTS) formed under the Department of Rural Development and Panchayat Raj, Government of Tamil Nadu. Tamil Nadu Pudhu Vaazhvu Society (TNPVS) responsible for delivery of the Tamil Nadu Empowerment and Poverty Reduction Project (TNEPRP) has been transformed into TNRTS by making suitable changes in the bylaws, governance structure and implementation structure, which is required for a project of such nature. The overall governance structure is as in the figure- 29 below:



**FIGURE 32: TNRTS GOVERNANCE STRUCTURE**

The detailed institutional arrangement is as follows:

At the state level, the project has a high level **Steering Committee**, under the chairpersonship of Chief Secretary, Government of Tamil Nadu and comprising of Principle Secretaries from other line departments which are aligned to the focus areas of the project like MSME, Industries, Labour and Employment, Agriculture, Tourism, Textile and Handicraft etc. The Steering Committee will help in harnessing convergence and improve coordination with other line department vis-à-vis the project. The committee will be convened once in three months to provide the vision and direction for the TNRTS. The steering committee will facilitate the SPMU in leveraging additional resources and integrating with the regular government programs and schemes ensuring project sustainability. **Details of members of the Steering Committee are as in Annexure 44**

For the governance and policy guidance, the **Governing Body and Executive Committee** has been reconstituted and is headed by the Principle Secretary, Rural Department and Panchayat Raj and includes head of departments of other line departments like MSME, Industries, Labour and Employment Agriculture, Tourism, Textile and Handicraft, to provide direction to the SPMU. The EC will play an instrumental role directing the society in policy level decisions and day to day operations. Details of members of the General Body& Executive Committee are as in **Annexure 45**

The **Advisory Committee** is a non-executive body that consists of individual members of repute from relevant thematic areas to advice the project on strategic management, policy formulation and project implementation. The Committee will provide a networking platform to the project to showcase to the external stakeholders or build partnerships as and when required.

### 11.3 IMPLEMENTATION STRUCTURE

The implementation structure described below follows the State, Regional, District, Block and Cluster level management, implementation and monitoring arrangements.

**State Project Management Unit (SPMU):** The TNRTS has set up a SPMU which is directly responsible for the implementation of the project. The SPMU is headed by a Chief Executive Officer (CEO) and holds responsibility of implementation, overseeing and monitoring of the project interventions. The SPMU will have two units as mentioned below:

**Project Implementation Cell** which is headed by a Chief Operating Officer – Project Implementation, and is directly responsible for implementation of project interventions. The unit has a multi-disciplinary team comprising of thematic experts and is responsible for executing project activities in a time-bound manner to deliver quality outputs. This cell will comprise of experts from fields including Planning & Value Chain Strengthening, Enterprise Promotion, Financial Institution Linkages, Business Plan Financing, Skills and Job Opportunities, Innovation Promotion and Partnerships.

**Project Management Cell** is also headed by Chief Operating Officer – Project Management which directly supports the project implementation unit to enhance efficiency in the program implementation. This cell will also be responsible to build and implement systems which help in analysing the progress of the project and help taking policy and implementation level decisions based on the information system. The expertise in this unit would be in monitoring and evaluation systems, Information & Communication Technology (ICT), knowledge management and

learning, organization and staff development, convergence, financial management, procurement and environment and social safeguards.

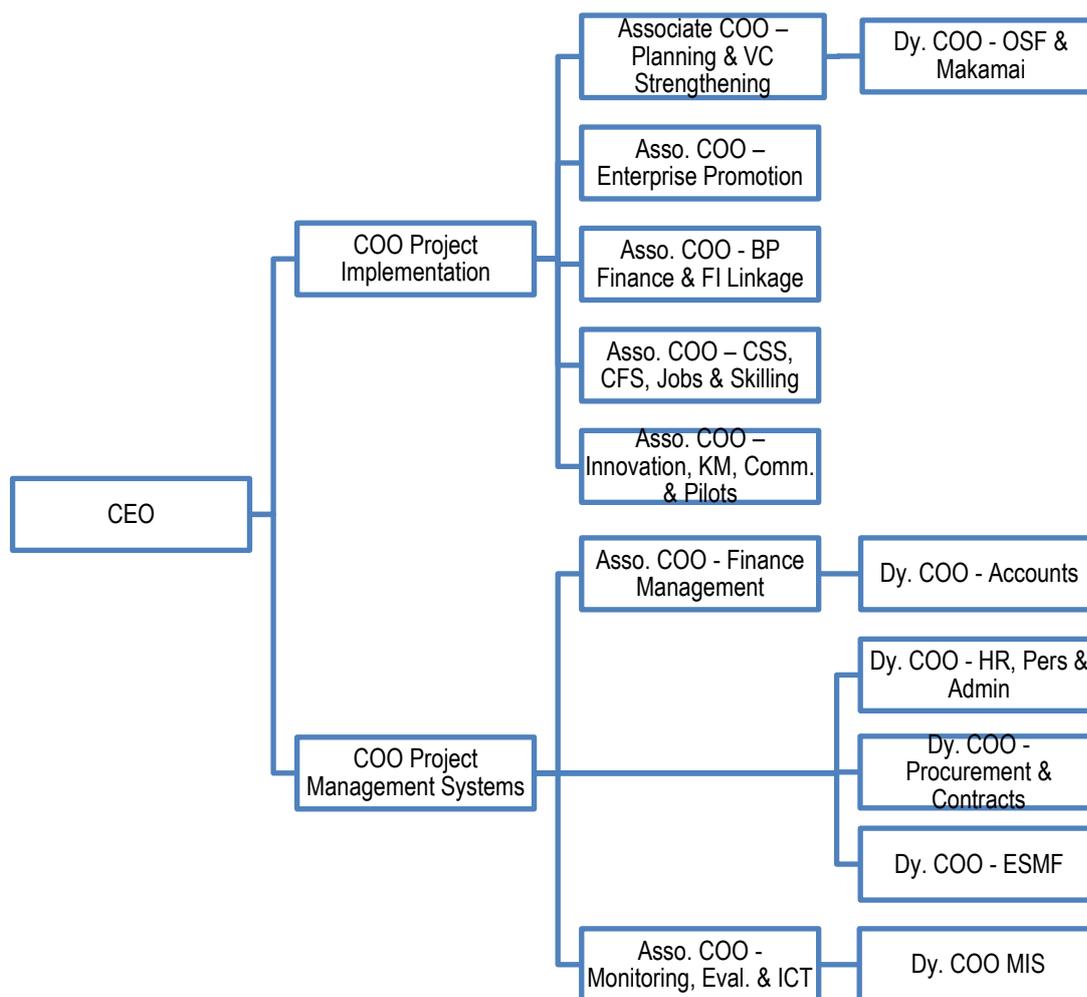
**Young Professionals (YP):** The units mentioned above are supported by young professionals whom the project will hire from premiere academic institutes across the country. These post graduates will be drawn from disciplines like business management, social work, rural development, forest management, agro business, agriculture, engineering, marketing, finance, etc. These young professionals will be recruited either through campus placement or through open market recruitment annually. Young Professionals, who are fulfilling the requisite qualifications, will also be hired from the open market through a competitive selection process. A detailed YP policy for recruitment and management of YPs is included in the HR manual.

#### 11.4 REGIONAL TECHNICAL ASSISTANCE GROUP

**Resource Persons:** As the project will implement activities on prioritized commodities under various sectors, there is a need for sectoral thematic experts in the project implementation team. The project will hire thematic experts/agencies who will work as at a regional level and provide their technical knowledge as and when required. These thematic experts will be of higher order professionals who can bring to the project high quality technical knowledge and practices required for the project. The requirement of these experts will be based on the prioritized value chain and the business proposals that will evolve from the planning process. Their expertise may not be needed on a continuous basis throughout the project period. Therefore, placement of these experts will be flexible and they will be brought in on need basis as individual expert consultants on short term or medium term basis. These experts will be few in numbers but high quality. Hence a good mechanism for hiring and management of these experts are a part of HR manual developed for the project.

**Technical Support Agencies:** The project will enter into various partnerships with a range of institutions including technical and research institutions such as the Tamil Nadu Agriculture University (TNAU), Auroville Foundation, Madras Institute of Development Studies, Indian Institute of Technology, etc. There will also be partnerships and technical service agencies that will partner to support field implementation in specific thematic areas. All partnerships will be guided through the partnership framework developed by the project team and will be governed by Memorandums of Understanding (MOUs) or a Contract to support implementation, supervision and monitoring of the project at various levels.

## SPMU Organization Structure

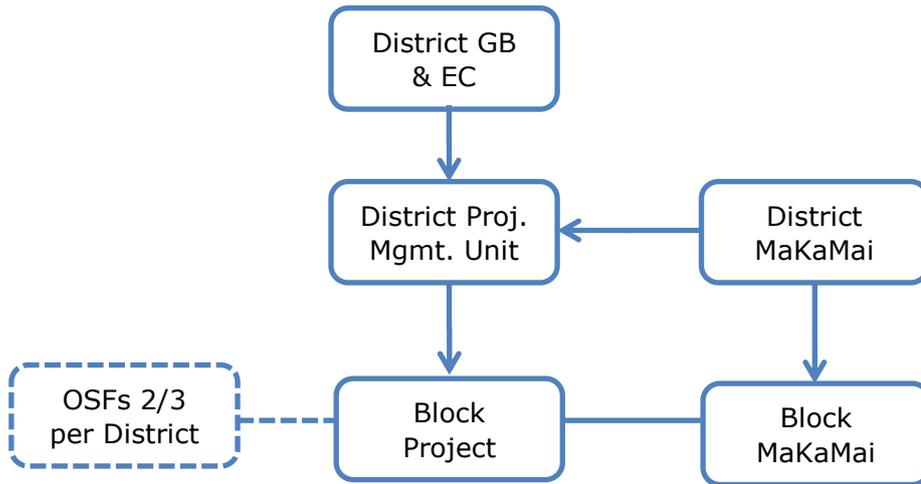


**FIGURE 33: THE SPMU FUNCTIONAL STRUCTURE**

The job description of SPMU Core Team members is summarized in **Annexure 46**

### 11.5 DISTRICT LEVEL IMPLEMENTATION STRUCTURE

At the district level the responsibility for guiding and facilitating the implementation of the project is vested with District Rural Transformation Society (District Society). The District Society is governed by the Governing Body and Executive Committee, which is chaired by the District Collector and has representation of district level officials from DRDA, district industries centre, labour and employment, agriculture, animal husbandry and the lead bank.



**FIGURE 34: THE DISTRICT LEVEL INSTITUTIONAL ARRANGEMENT**

**The Governing Body of the District Society consists of members as detailed in Annexure-47.**

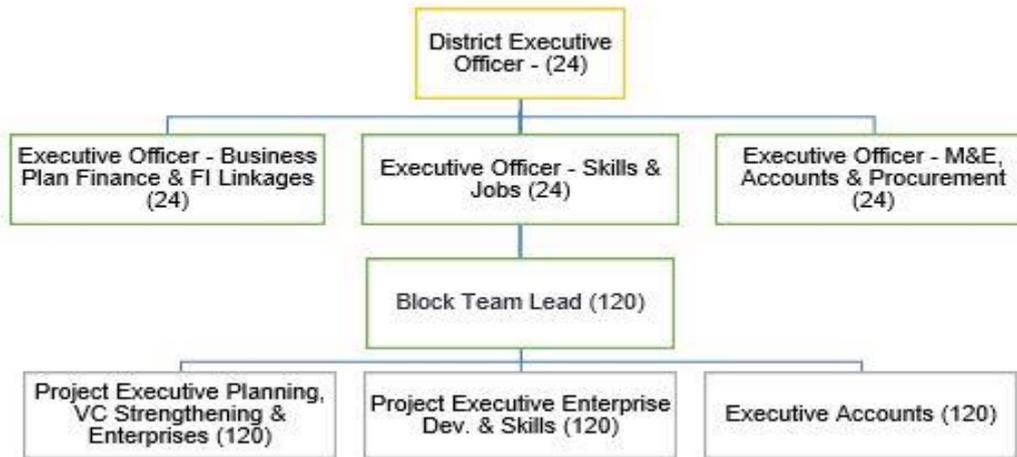
#### 11.6 DISTRICT PROJECT MANAGEMENT UNIT:

To ensure coordination and review of the project progress at the district level, a District Project Management Unit will be set up which would be responsible for planning, implementation and monitoring of project activities at the district level, resolving cross cutting implementation issues, and maximize convergence of complementary activities. The DPMU will be the operational and implementation unit of the District Society headed by the District Executive Officer (DEO) and consisting of multi-disciplinary team with experts working on planning, Value Chain strengthening & enterprises, business finance, skills and job opportunities, M&E and accounts.

There will be 24 DPMUs set up as the districts which are relatively smaller in size with 2 and 3 blocks have been merged with geographically closer districts. Karur and Theni districts have been merged with Trichy and Madurai districts respectively. Additional human resource will be provided to these two districts to manage the neighbouring district.

#### 11.7 BLOCK UNIT:

At the sub district level, a set of blocks have been identified for project implementation and a multidisciplinary team of experts will be hired for implementing the project in the field. The Block Unit will be headed by a Block Team Lead with a team of 3 professionals working on planning, VC strengthening & enterprises, skills and job opportunities and accounts & monitoring. The project executive at the block team will work closely with Community Professionals (CPs). The project will develop Enterprise CPs and Job CPs which will in turn be responsible for providing the last mile link in delivering the project services to the community.



**FIGURE 35: THE DISTRICT AND BLOCK LEVEL STRUCTURE**

**The job description of DPMU and BPMU Team members is detailed in Annexure 48**

### 11.8 COMMUNITY PROFESSIONALS:

The most important institutional entity for implementing the project is the community level institutional model. The other project in the same blocks, TNSRLM has already invested in building social capital in terms of SHGs and their federations over many years, which the TNRTP project would leverage upon. Thus, the village and cluster level activities will be the responsibility of the community professionals. These community professionals will be supported by the Block Unit and their own cluster, block and district level MaKaMai. These professionals will be working on a service fee based model and would be provided with technical trainings during the course of the project. The Community Professionals have two major areas of contribution viz. 1. Job CP and 2. Enterprise CP. These Job and Enterprise Community Professionals will be responsible for (i) forming and strengthening of the producer groups; (ii) identification of target beneficiaries; (iii) ensuring inclusion into the group enterprises; (iv) identification of youth for skilling; (v) community level financial management.

### 11.9 HUMAN RESOURCE STRATEGY

The Project will be governed by a customized HR Guidelines and Manual, which will (i) lay out the principles of staff recruitment, compensation and benefits, code of conduct, performance management systems and exit at project end; (ii) ensure better remunerations with rigorous performance based accountabilities; (iii) include provision of selection and management of experts from open market, secondment from government and technical support agencies, hiring regional teams as retainer consultants, hiring of young professionals. The project has also kept provisions for hiring of the staff from the existing TNPVP through a rigorous selection process which will be conducted by a third party human resource agency. The hired staff will also go through an induction and orientation process, which will be designed by the resource agency/institution being hired by the project.

### 11.10 SUPPORT STAFF REQUIREMENTS

It is envisaged that the project will require support staff at SPMU and DPMU levels to help office management as detailed below.

<b>S#</b>	<b>Description</b>	<b>Head count</b>
1	SPMU – Project Implementation Teams	8 at State Office
2	SPMU – Project Management Unit	7 at State Office
3	COO Office Coordination	2 at State Office
4	SPMU - Reception & Admin Coordination	4 at State Office
5	DPMU – Project Implementation Teams	24 (1 in each DPMU)
6	DPMU – Project Management Unit	24 (1 in each DPMU)
7	DPMU - Reception & Admin Coordination	24 (1 in each DPMU)

### 11.11 RECRUITMENT OF STAFF

The project will identify the team from the talent pool of TNPVP. The team is already operating at the districts that TN Rural Transformation Project (TNRTP) is proposing. Moreover, TNPVP team comes with excellent competency in building effective Community Based Organizations (CBOs). The head count requirement for TNRTP is likely to be far lesser than the current strength of TNPVP.

<b>Levels</b>	<b>SPMU</b>	<b>DPMU:</b>	<b>Block Unit</b>
CEO	1	-	-
COO	2	-	-
Associate COO	7	-	-
Deputy COO	6	-	-
State YPs	10	-	-
DEO	-	24	-
Executive Officer	-	74	-
Block Team Lead	-	-	120
Executive	-	-	360
Ministerial Staff	22	72	-
<b>Sub Total</b>	<b>48</b>	<b>170</b>	<b>480</b>
<b>Total</b>		<b>698</b>	

**TABLE 16: HEAD COUNT FOR TNRTP STAFF**

The TNRTP operates in the same 26 districts of TNPVP. However, few districts and blocks identified are different from TNPVP. Similar to TNPVP, TNRTP also builds Community Based Organizations as the primary facilitating institution. Same set of districts and primary facilitating institutions provide opportunity to identify the suitable team members from TNPVP for TNRTP program delivery. The TNRTP project components demand an organization and delivery model that has enterprise and entrepreneurship development capabilities. It is proposed to engage a third party agency that will help identify the TNPVP employees who can be effective in TNRTP. The announcement about the positions with brief description about the role and number of vacancies will be made available to all TNPVP members through DEOs and notice board at DPMU Office.

TNPVP team members with the following observations are not eligible to apply for any position:

- a Enquiry proceedings of any sort open as on date
- b Enquiry proceedings closed with negative findings - the employee guilty
- c Members held responsible for causing audit observations/involved in misappropriations that are open
- d Serious process deviations as reported by RAM and M&E team
- e Non-performance on job responsibilities and below performance on PAR
- f Consistent 3 years of bottom percentage-band rating through appraisals system
- g Upper age limit for eligibility is 53 years to provide for at least 5 years of service

The selection process will be as follows:

- a The third party agency will identify critical competencies for each role
- b They will develop selection process to be approved by the CEO
- c The selection process will be rolled out simultaneously across all locations

- d The selection will be through system driven online test process and personal interview to assess suitability to the role
- e The selection methodology may vary depending on levels. For example, DEO and above levels may go through a different methodology of selection from the rest of the levels [describe the actual level based selection ]
- f Publish the selection list the same day to ensure fair selection process implementation

#### 11.12 HR MOVEMENT PHASING

All team members will be hired from the day of project commencement and they will be deployed at one block to do the planning and phase 1 implementation. The first block to be rolled out will be carefully identified. The entire team will work in the block to learn implementation. In phase 2 roll out, the team divides into three leaving one block team at the initiated block and work in the next two blocks. After rolling out phase 2, the team breaks into individual block teams and rolls out rest of the blocks in phase 3 rollout.

All the selected team members will go through TNRTP Induction program designed and delivered by identified expert organization(s) as detailed below:

- a. Exposure visit to Auroville 3-5 days.
- b. Orientation: 10 days program by competent external agency to be identified

## **SUB-COMPONENT 4 A (II): FINANCIAL MANAGEMENT**

The Financial Management System for the Tamil Nadu Rural Transformation Project has been designed to ensure transparency and accountability and also inclusiveness in decision making and allocation of financial resources to the project beneficiaries.

### **12.1 FINANCIAL MANAGEMENT FRAMEWORK**

The financial Management framework consists of simplified arrangements to ensure transparency and accountability at all levels of the Project's institutional set up. The financial management framework for the project would involve State Society (SPMU) at the State Level, District Society (DPMU) at the district level, Block Project Management Unit (block PMU) at the block level.

The project implementation below the block level is done by the Community Professionals (CPs). These CPs will be supported by the BPMU and their own cluster, block and district level MaKaMais, a separate registered institutional body. These professionals will be engaged in the project on a service-fee model and would be provided technical trainings during the project life. A Memorandum of Undertaking / service agreement shall be entered between MaKaMai at District level to orient & provide hand-holding support to the project beneficiaries.

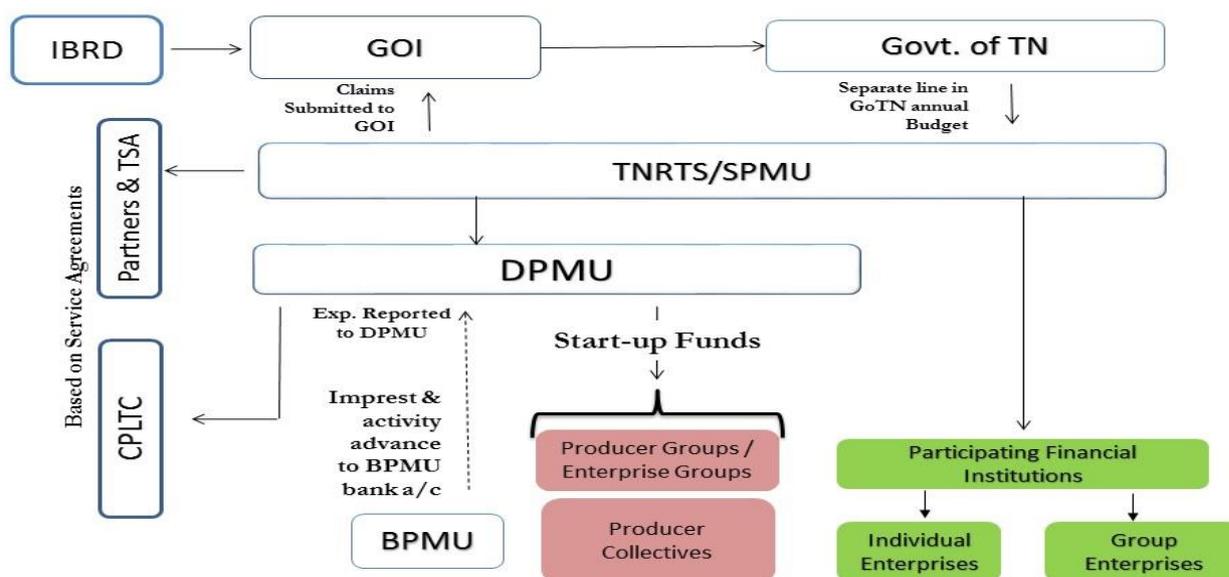
The detailed implementation arrangement of the Financial Management is given in **Annexure-49**

### **12.2 PLANNING AND BUDGETING**

The project's planning process will follow a 'bottom-up' approach i.e. it will evolve out of village level / Cluster level plans and get consolidated into blocks and further gets consolidated into district and state level annual financial plans. The project planning process for each financial year will follow the budgeting cycle of the state and will be completed when the project estimates are included in the state budget, presented and approved by the State Legislature as 'demand for grants' through the Annual Appropriation Act. The project will be budgeted as a separate line item in the State budget and the funds will be released to the State Society by GoTN

### 12.3 Funds Flow

The funds for project implementation will be channelized to the project implementation agencies and the fund flow envisaged for the project is summarized in Fig -30



**FIGURE 36:FUND FLOW ARRANGEMENT**

The basis for release of funds to the different levels of the project and the nature of accounts at these levels of the project are summarized at Table -22

Fund Flow Level	Basis of release	Nature & of Operation Accounts
GOI to GoTN	<ul style="list-style-type: none"> <li>Based on the project expenditure reported, the office of the CAAA, DEA of MoF, GoI, will submit withdrawal applications to the World Bank for disbursement.</li> <li>World Bank funds will be disbursed to the GoI, which will pass on the funds to the consolidated funds of the GoTN, in accordance with the standard procedures.</li> </ul>	Consolidated fund of the State

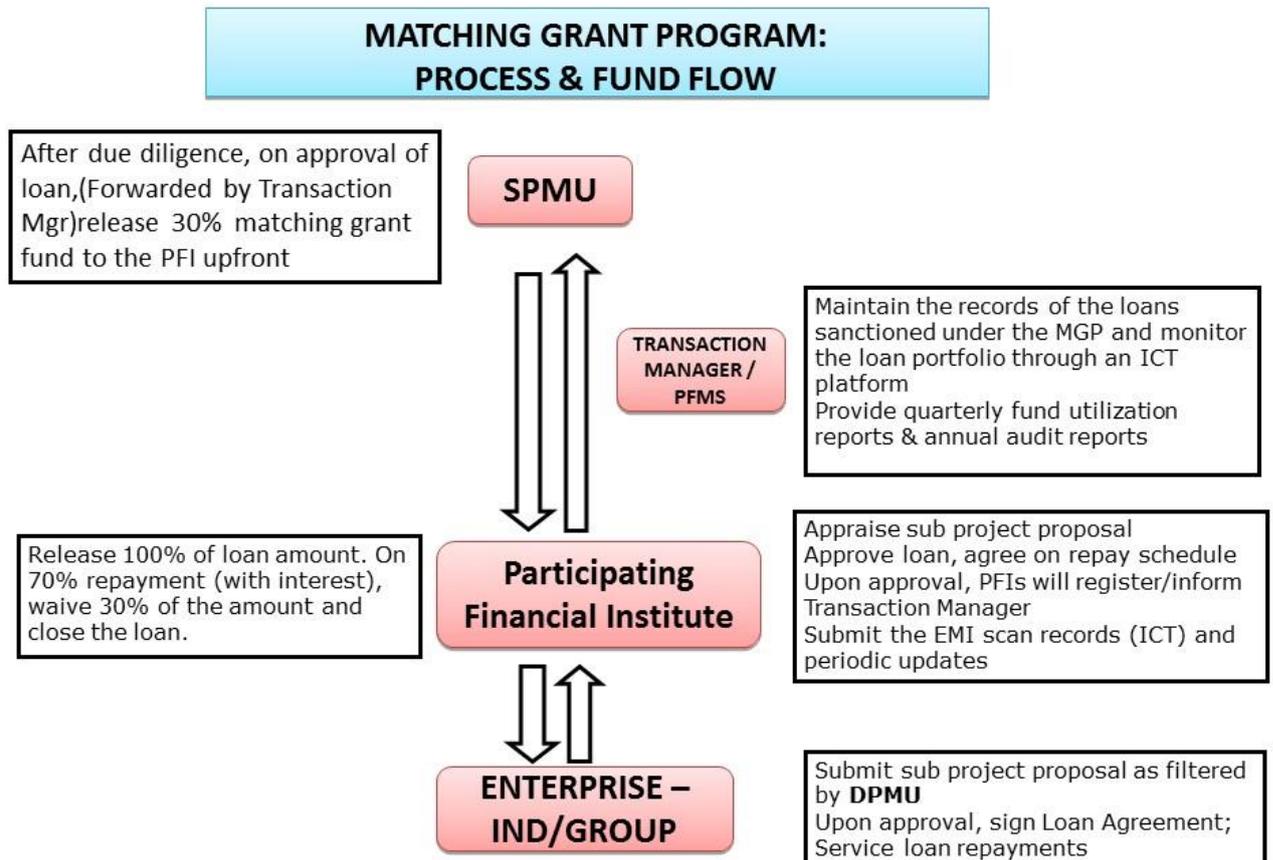
GoTN to State Society	<ul style="list-style-type: none"> <li>• State Society will prepare annual budgets and submit it to Government of Tamil Nadu.</li> <li>• Government of Tamil Nadu will include estimates in their budget estimate and obtain sanctions from the Assembly.</li> <li>• The State Society will get funds through Director of RD, who will draw funds from the state treasury based on the Government Orders releasing funds to the State Society.</li> <li>• The funds will be transferred/ deposited to the SB account of the society.</li> <li>• State Society will submit quarterly IUFRRs to the World Bank.</li> <li>• State Society will maintain computerized accounting system.</li> </ul>	Savings Account of State Society (a Parent Account)
State Society to District Society	<ul style="list-style-type: none"> <li>• District Society will prepare annual budgets and submit it to State Society</li> <li>• For operation expenses etc., quarterly sanction will be accorded by the State Society. In addition specific sanction will also be accorded by the state society from time to time.</li> <li>• DPMU shall withdraw funds based on the proceedings approved by the state society. Each DPMU shall be fixed a daily limit for withdrawal based on approved proceedings.</li> <li>• District Society will maintain computerised system of accounting, in line with the accounting system at State Society.</li> </ul>	A zero balance child account (Savings Bank) – District Society of the State Society.
District Society (DPMU) to BPMU	<ul style="list-style-type: none"> <li>• Imprest advances are received from DPMU and deposited into the bank account of BPMU</li> </ul>	Standalone bank account

	<ul style="list-style-type: none"> <li>• Such funds are used for meeting the operational expenses of the BPMU</li> <li>• Once the advance is fully utilised, the BPMU shall submit the petty cash ledger along with bills to DPMU and replenish the advance.</li> </ul>	
State Society / District society to TSAs / MaKaMais / implementing partners	<ul style="list-style-type: none"> <li>• Based on the requirements of the project, a service agreement / MoU is drawn outlining the scope of work and the cost for the same.</li> <li>• Activities to be carried out based on the agreement or MoU</li> </ul>	Direct electronic transfers to the bank account / cheques drawn favouring the TSAs / MaKaMais / implementing partners
State Society to Transaction Manager (MGP – Matching Grant Program)	<ul style="list-style-type: none"> <li>• State Society shall provide funds based on loan requirements of the business plans financed.</li> <li>• Transaction Manager shall maintain records of the loans disbursed under the scheme and report to State Society on a quarterly/half yearly basis.</li> <li>• The Transaction Manager shall provide fund utilization reports and annual audit reports.</li> </ul>	By transfer to Transaction Manager's account
District society to Producer Collectives (Start-up grant assistance)	<ul style="list-style-type: none"> <li>• A portion of funding is transferred by way of grant to Producer Collectives as Start-up grant.</li> <li>• A sub project grant agreement shall be drawn outlining the objectives and utilization of the grant.</li> <li>• The grant shall be in three tranches on reaching the milestones as specified in the grant agreement.</li> <li>• Reporting with proper evidence to ensure that the purpose is properly met by the grant amount.</li> </ul>	Direct electronic transfers to the bank account of Producer Collectives.
District Society to Producer groups/Enterprise Groups (Start-up grant assistance)	<ul style="list-style-type: none"> <li>• A portion of funding is transferred by way of grant to PGs/EGs as Start-up grant.</li> <li>• A sub project grant agreement shall be drawn</li> </ul>	Direct electronic transfers to the bank account opened by PGs/EGs

	<p>outlining the objectives and utilization of the grant.</p> <ul style="list-style-type: none"> <li>• Reporting with proper evidence to ensure that the purpose is properly met by the grant amount.</li> </ul>	
Transaction Manager to Lending Financial Institution	<ul style="list-style-type: none"> <li>• Sub-project proposal/business plan as vetted by DPMU is forwarded to PFIs for appraisal and sanction under the program.</li> <li>• Once on sanction the same is updated in the ICT portal, the Transaction Manager advises SPMU to transfer the 30% of the loan amount upfront to the PFIs under the program.</li> <li>• Once on successful repayment of upto 70% of the loan amount (including interest) by the borrower, PFI waives the 30% of the loan.</li> </ul>	Main account / Head office account of the lending financial institution.

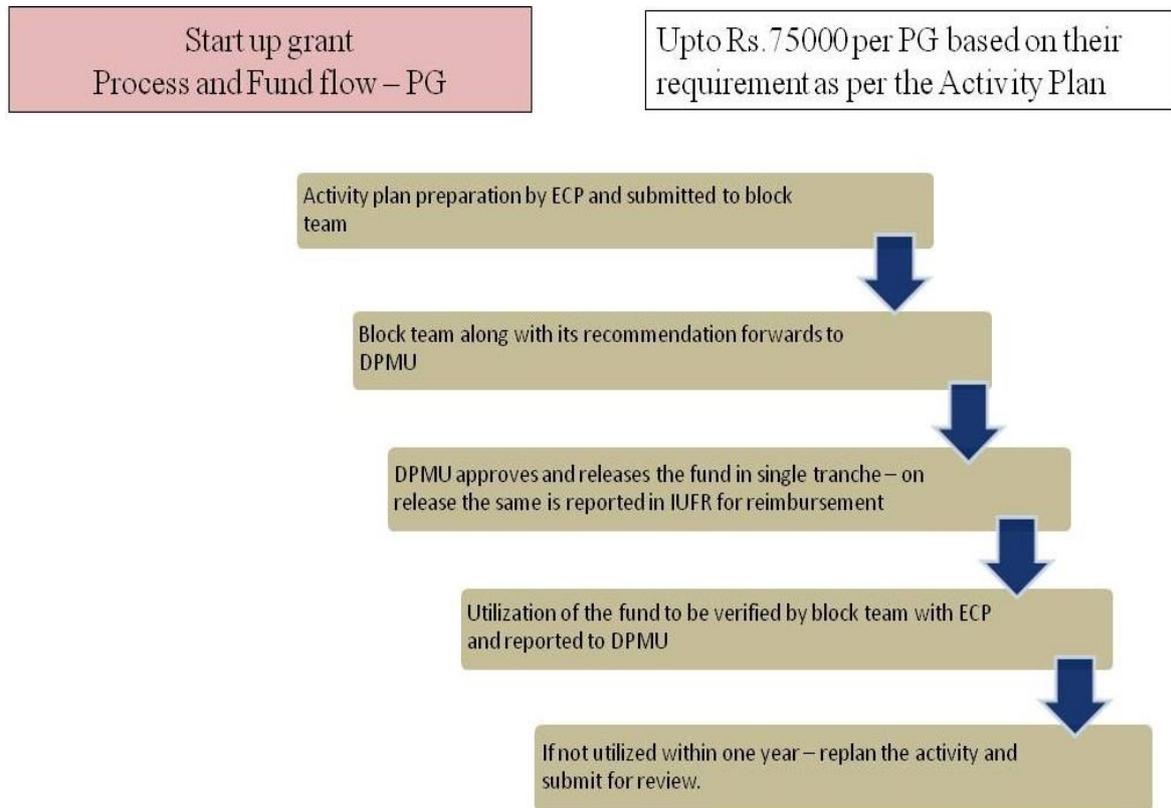
**TABLE 17: DETAILS OF FUND RELEASE AT DIFFERENT LEVELS**

The process and fund flow mechanism for Matching Grant Fund is depicted in



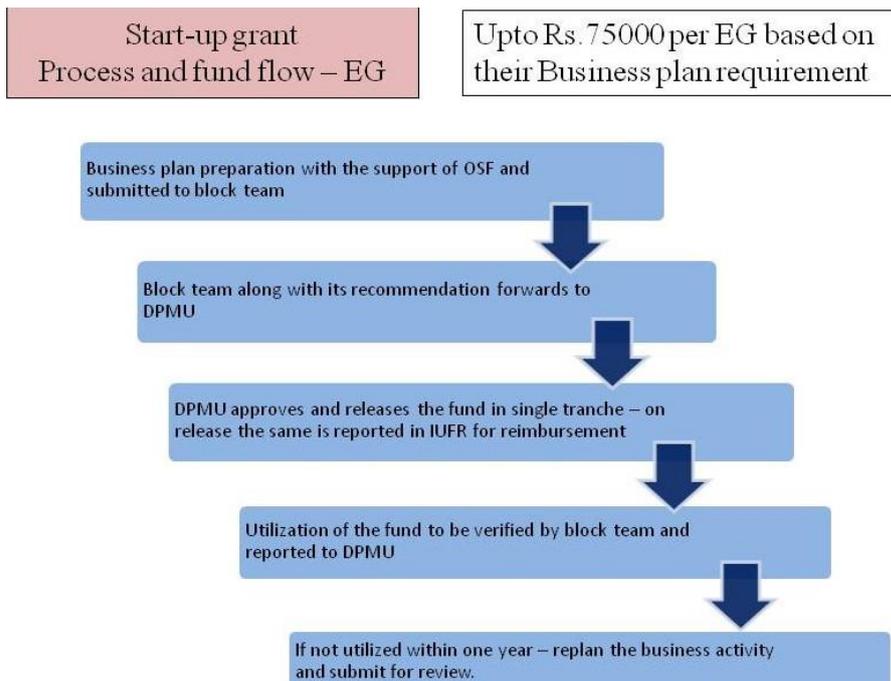
**FIGURE 37: FUND FLOW MECHANISM FOR MATCHING GRANT PROGRAM**

The process and fund flow mechanism for Start-up grant assistance to PGs is depicted in Figure 31



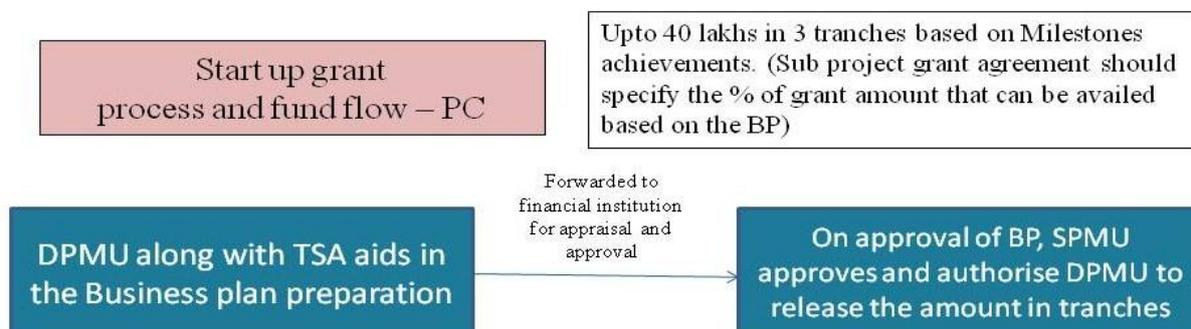
**FIGURE 38: THE PROCESS AND FUND FLOW MECHANISM FOR START-UP GRANT ASSISTANCE TO PGs**

The process and fund flow mechanism for Start-up grant assistance to EGs is depicted in Figure 31



**FIGURE 39: THE PROCESS AND FUND FLOW MECHANISM FOR START-UP GRANT ASSISTANCE TO EGs**

The process and fund flow mechanism for Start-up grant assistance to PCs is depicted in Figure 32



**FIGURE 40: THE PROCESS AND FUND FLOW MECHANISM FOR START-UP GRANT ASSISTANCE TO PCs**

### 12.3 ORIENTATION –

- i) The implementation agency will be the Tamil Nadu Rural Transformation Society (TNRTS) at the state level along with District Rural Transformation Society in the project districts.
- ii) **SPMU and DPMU Staff:** There shall be an orientation given to the financial and accounting staff at the State and District level on the requirements of accounting and reporting under the project. The Associate COO – Finance Management at SPMU will have the overall responsibility of orientation of DPMU staff and Block level staff.
- iii) **Block PMU:** The Project Executive (Accounts) will be oriented to accounting the operational expenses at the block level and other financial management reporting aspects at the field level.
- iv) **SPMU, DPMU and BPMU:** The office bearers SPMU, DPMU, BPMU will be oriented on how to manage funds, maintaining books of accounts and financial records, financial reporting, financial accountability, maintaining transparency etc.

### 12.4 FINANCIAL MANAGEMENT MANUAL

Supplementary Finance Rules, specific to the project, TNRTS has been prepared detailing the accounting, funds flow, internal control requirements, financial and administrative powers, IFR requirements, internal and external audit, which shall be supplementary to the General Finance Rules of the Society.

## 12.5 ACCOUNTING POLICIES AND PROCEDURES

- i) At the State and District Level: SPMU and DPMUs will maintain their accounts under Double entry system of book keeping on cash basis. The accounts will be maintained in Tally (off-the shelf accounting software). Currently the Tally is a stand-alone system at the SPMU and each DPMU. Options to move Tally to a web based solutions with integrated accounting is explored and the same will be implemented from the start of the project.
- ii) State and District Societies will be the primary accounting centres under the project. Double entry accounting system will be followed and accounting practices will be in line with consistently applied national Accounting Standards, in each of the accounting centres.
- iii) Materials and other assets purchased will be recorded as expenditures at the time of purchase itself. However, an asset management system (asset register) for assets procured under the project would provide guidelines for its classification, custody, security, disposal and annual verification procedures.
- iv) All release of funds from State Society to DPMUs against approved district level financial plans will be recorded as inter-unit transfers in the respective books of accounts. On consolidation of the district and state accounts, actual expenditures at each level will be reflected as per monthly/quarterly financial reports. The compilation of financial statements of District and State Societies will be carried out on a regular basis (monthly, quarterly, annual and cumulative over project period) to prepare project level consolidated statements and will be used for preparation of withdrawal claims and monitoring of project financial progress by the Project management, GoTN and World Bank.
- v) Producer Collectives, Producer Groups / Enterprise Groups will be required to maintain accounts for fund received under the project, including their own contribution and will be monitored by the project. The project will provide hand-holding accounting technical assistance (book keeping, accounting, etc.,) to the CBOs through CPs, so that they can maintain accounting records and prepare monthly/annual financial statements.
- vi) All releases of Start-up funds provided for approved and appraised Producer Groups/Enterprise Groups, Producer collectives based on business plan proposals by the District Society will be against sub project grant agreements and will be recognized as expenditures as these payments will be based on achievement of performance and financial indicators. Any unspent balances with the CBOs at the close of the project will be recovered / refunded to the project.
- vii) Other releases of funds to suppliers/Service Providers (including MaKaMais/TSAs/implementing partners) etc. will be accounted for as advances in the books of accounts and adjusted to expenditures only on submission of expenditures.
- viii) The DPMU will pay the salaries of the Block PMU members who are contracted directly on a monthly basis by credit to their Bank accounts. Similarly their mobility allowance, TA / DA etc. will also be paid directly by the DPMU by credit to the Block PMU members' Bank accounts. An imprest account will be given by the DPMU to the Block PMU to meet their monthly administrative expenses. At the end of every month, the Block PMU will submit their impress claim to the DPMU along with bills

and vouchers in original and the DPMU will reimburse the expenses to the Block PMU.

- ix) Producer Collectives, Producer/Enterprise Groups will maintain accounts for funds received from the project, including their own contribution and will be monitored by the project.
- x) In the Producer Collectives, Producer/Enterprise Groups books of accounts, assets both acquired and constructed will be valued at total gross cost of the subproject, including beneficiaries' contribution. The books of accounts will reflect all receipts and expenditures for the subproject costs (including beneficiaries' own cash/labour/material contributions as well as funds raised from Banks and Financial Institutions).
- xi) The Producer Collectives, Producer/Enterprise Groups will maintain the following simple accounts, records/registers:
  - ✓ Day Book with Cash and bank columns
  - ✓ General Ledger
  - ✓ Minutes Book
  - ✓ Procurement register
  - ✓ SAC Comments and Rectification Register
  - ✓ Community Contribution Register
  - ✓ Advances Register.
- xii) The SPMU, DPMU will retain and safe keep cheque and bank pass books, and all vouchers, bills, receipts, contracts and supporting documents. The bank passbooks will be regularly updated and bank reconciliation statements will be prepared. The Treasurer of the SPMU, DPMU will be the custodian of the Bank Pass books and cheque books and will operate the bank account along with the Secretary.

## 12.6 INTERNAL CONTROL

Project Supplementary Finance Rules for accounting and administrative procedures is being prepared with delegation of financial powers, authorities and payment responsibilities. The HR manual for the project includes administration of salary and other incentive systems including travel guidelines.

The Chief Executive Officer (CEO), will issue office orders and guidelines from time to time. The Project Supplementary Finance Rules has elaborated the approval processes for specific project activities. The project will review these arrangements periodically and make suitable amendments as needed for smooth project implementation.

The other key internal control mechanisms are:

- Performance standards for certification of milestones and release of payments. (Start-up grant assistance to PCs in tranches)
- Each accounting unit will close the books of accounts within a specified number of days of the close of each month, reconcile its balances with bank statements and books of accounts and forward the same to the next level of authority in the institutional hierarchy, and State Society will provide oversight on the qualitative and timeliness aspects of the reporting.
- At Block PMU, Producer Collectives, Producer/Enterprise Groups recording of all financial decisions in the minute books, public displays of financial information, access of accounting records to all members and social audit

procedures will ensure that transparency and oversight functions are maintained

## 12.7 AUDIT ARRANGEMENTS

**i) Statutory Audit : SPMU and DPMU Levels:** As per the requirements of the State's Societies Registration Act, the executive committee of the State Society will appoint an independent firm of chartered accountants to conduct annual audit of the project i.e. the State and all District societies. The auditor will also audit and certify the compiled consolidated annual report for the whole project. The audit would cover all project operations.

The audit report will consist of:

- i. Financial statements and
- ii. Audit opinion confirming whether the project financial statements have been prepared in accordance with consistently applied Accounting Standards issued by the ICAI and give a true and fair view of the operations of the project during the year and details reported in the SOEs together with the IUFRRs, procedures and internal controls involved in their preparation, can be relied on to support the related withdrawals.

Additionally, the auditor will be required to provide a management letter to project management-highlighting areas which require improvement. The audit will be conducted as per the national audit assurance standards issued by the ICAI.

The audit report with the management letter will be submitted to World Bank within six months of the close of each financial year. The form of annual financial statements to be certified will be as per approved format of the World Bank.

**Enterprise Groups and Producer Collectives:** The Project beneficiaries – Producer Collectives and Enterprise Groups are to maintain proper books of accounts as stipulated in the statute and get their accounts audited and submit a statutory audit report along with the follow up actions in respect of the audit observations to the authorities every year. Also forward a copy of such audit report to the district societies. There shall be a Social/Special Audit conducted by the SAC/M&E team for the unregistered Producer /Enterprise Groups funded by the project. TOR's will be agreed with the bank. The District societies will maintain an updated database of the audit reports of such Producer Collectives, Producer/Enterprise Groups and take follow up action on delayed or inadequate reports, audit observations etc.

- i) Internal Audit:** An internal auditor will be appointed by the General Body of the State and District Societies for performing audit on a quarterly basis. The internal audit will review the project financial management systems and adherence to Government Orders, approved Financial and administrative guidelines, adequacy of internal controls, adherence to the financing agreements / MOU's with partnering entities and review mechanisms in place to conduct regular audits of Producer Collectives, Producer/Enterprise Groups and follow up of audit observations.
- ii) Social Audit/Special Audit:** The Social Audit function / Special Audit Function carried out by the Social Audit Committee (SAC) / M&E team respectively will be on all aspects of quality, quantity and procurement with

specific reference to the project principles and non-negotiable points. The Social Audit Committee / M & E team reports its findings directly to the District Societies along with recommendations for rectifying short falls. The social audit / Special Audit will ensure transparency and accountability of project implementation at the Producer Collectives, Producer/Enterprise Groups

The capacity of SAC / M& E Team will be increased through a specific capacity building exercise for SAC members / M& E Special Audit member to undertake audit on the project principles for better functioning of Producer Collectives, Producer/Enterprise Groups.

## 12.8 REPORTING AND MONITORING

The monthly reporting formats from each of the accounting centres have been designed to provide summarized monthly financial information on the fund flows, balances in cash/bank, status of advances and expenditures classified by project components/activities, disbursement categories, procurement methods etc. These reports will be compiled by the DPMU on monthly and quarterly basis to provide meaningful IUFs. An important aspect of the reports would be that the information on the number of Block wise/Cluster-wise/village-wise Business plan Proposal approved, amount of the Business plan Proposal, releases made against the agreed milestones, status of financial reports submitted by the District MaKaMais will be monitored. These reports will be prepared from the start of the project, submitted to World Bank within 45 days of the close of the quarter and used by the project at the State and District level and by World Bank for monitoring and management decision making.

District MaKaMais will be required to submit regular statements of expenditures summarizing sources and uses of funds against the plans in order to build accountability and demonstrate the presence of adequate accounting and book-keeping arrangements consisting of:

- The sources and uses of funds, indicating the balances in cash/bank;
- Community Contributions in cash and kind; and
- Physical progress of works/activities.

The report will be discussed among the District MaKaMai members before submitting it to the DPMU through the Block PMU. The submission of the monthly financial report will be required as a pre-condition for release of subsequent instalments against the individual business plan agreements.

The detailed formats for the reports at all levels are provided in the Financial Management Manual.

## 12.9 COMPUTERISED ACCOUNTING SYSTEM

The Financial Management System (Tally) to be integrated to the ICT platform being developed under the project to minimize manual data intervention and capturing financial reporting data across the project via daily data integration interfaces. This will enable timely consolidation of the accounts and preparation of consolidated financial reports for project.

## **SUB COMPONENT 4. A (III) PROCUREMENT MANAGEMENT**

**Procurement** for the proposed project will be carried out in accordance with the Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services dated July 1, 2016 and applicable to Investment Project Financing (IPF) here in after referred to as "Regulations". The project will be subject to the Bank's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016. All procurement will also be in accordance with the provisions stipulated in the Financing Agreement. The project will use e-procurement system (NIC platform) for procurement. The project will use the online tool STEP (Systematic Tracking of Exchanges in Procurement).

### **13.1 PROCUREMENT RISK ASSESSMENT.**

Given the past experience and the core capacity created in the SPMU, implementation of the procurement program will be mainly led by the State Society which is the Implementing agency of the Bank funded Pudhu Vaazhvu Project and the Tamil Nadu component of the on-going National Rural Livelihood Project (NRLP).

The State Society will continue with its successful experience with community based procurement and will look at developing innovative mobile based applications for providing appropriate market and item details to the collective enterprises. Predominant items of procurement are medium to low value Goods and equipment, high value consultancy contracts for technical knowhow and marketing support agencies, minor civil works for roads and markets by the community level organisations, and community based procurement of agricultural items and implements.

The project involves many new and innovative aspects, in particular those related to promoting cluster level technical support, enhancing farmers' access to market, partnerships and engagement with large corporates and the private sector etc., which will make this more challenging than the previous World Bank funded PVP and NRLP. Apart from delays in procurement process, contract management delays and disputes are potential problem areas.

### **13.2 RECORD KEEPING:**

All records pertaining to the award of contract, including bid notification, register pertaining to sale and receipt of bids, bid opening minutes, Bid Evaluation Reports; and all correspondence pertaining to bid evaluation, communication sent to/with the World Bank in the process, bid securities, approval of invitation/evaluation of bids by the SPMU/DPMU/BPMU would be retained by the concerned Implementing Agencies

### **13.3 DISCLOSURE OF PROCUREMENT INFORMATION:**

The following documents shall be disclosed on the State society's websites: (i) procurement plan and updates, (ii) invitation for bids for goods and works for all ICB, NCB and shopping contracts, (iii) request for expression of interest for selection/hiring of consulting services, (iv) contract awards of goods and works procured following National/International procedures, (v) list of contracts/purchase orders placed following shopping procedure on quarterly basis,

(vi) shortlist of consultants, (vii) contract award of all consultancy services, (viii) list of contracts following direct selection, or consultant qualification selection or single source selection on a quarterly basis, (ix) monthly financial and physical progress report of all contracts, and (x) action taken report on the complaints received on a quarterly basis.

The following details shall be sent to the World Bank for publishing in the UNDB and World Bank external website: (i) invitation for bids for procurement of goods and works using Open International procedures, (ii) request for expression of interest for consulting services with estimated cost more than **US\$300,000**, (iii) contract award details of all procurement of goods and works using Open International procedures, (iv) contract award details of all consultancy services with an estimated cost of more than **US\$400,000** and (v) list of contracts/purchase orders placed following Direct Selection (DS procedures on a quarterly basis)

#### 13.4 COMPLAINT HANDLING MECHANISM:

**A robust** Complaint Handling Mechanism to address any procurement complaints received by the SPMU/DPMU will be put in place by the SPMU. Upon receipt of complaints, immediate action would be initiated to acknowledge the complaint and to redress it within a reasonable timeframe. All complaints will be addressed at levels higher than the level at which the procurement process was undertaken or the decision was taken.

#### 13.5 PROCUREMENT AUDIT:

All contracts not covered under prior review by the World Bank will be subject to post review/ Audit by the World Bank and also by the Procurement Unit Officials of the SPMU.

#### 13.6 PROPOSED PROCUREMENT METHODS AND RELATED WORLD BANK'S REVIEW THRESHOLDS

Type of Procurement	Method threshold (Million US\$)
Works	International Open Procurement >40 National Open Procurement <40 National Request for Quotation <0.1
Goods, IT and Non-Consulting Services	International Open Procurement >3 National Open Procurement <3 National Request for Quotation <0.1
Consultant Firms	CQS <0.3 LCS, FBS - in justified cases QCBS, QBS - in all other packages
Direct Selection	With prior agreement based on justification

#### 13.7 REVIEW ARRANGEMENTS:

Type of Procurement	Prior review threshold (Million US\$)
Works	10
Goods and Non-Consulting Services	2
Consultant Firms	1
Direct Selection	0.1

- a. In the case of contracts subject to prior review, before granting / agreeing to **(i)** a material extension of the stipulated time for performance of a contract; or **(ii)** any substantial modification or waiver of the scope of services or other significant changes to the terms and conditions of such that the contract, including issuing; or **(iii)** any change variation order or orders under such contract amendment (except in cases of extreme urgency) which would in aggregate, singly or combined with all variation orders or amendments previously issued, increase the original contract amount of the contract by more than 15% (fifteen percent); or **(iii)** the proposed termination of the original price contract, the Borrower shall seek the Bank's no objection to the proposed extension, modification, or change order. A copy of all amendments to the contract shall be furnished to the World Bank for its record.
- b. Community Procurement:** There is a substantial amount of group/community driven procurement envisaged for production/enterprise. For community works, proposed procedures whereby communities can: undertake the works themselves; implement through direct contracting with NGOs; or, invite a minimum of three quotations from the qualified contractors. Proposed procedures for community driven procurement for goods and equipment are as follows: Direct Contracting from the manufactures. For this purpose, the project authorities would seek expression of interest from a range of equipment manufactures to sell to Community Groups at predetermined prices. Community Groups would be free to choose between brands and models and purchase directly from the approved list of manufacturers/their authorized agents. The contribution from Community Groups will be as per project design matrix. Community Groups will also be free to select supply from other manufacturers, but this would be subject to prior agreement from the SPMU particularly in respect of technical specifications, quality and cost.
- c) Other Procurement Arrangements/ methods and related thresholds are as shown below: Any Other Special Procurement Arrangements:** Open **National Approach method** for procurement of goods and works as per the above value thresholds will be conducted in accordance with the World Bank's Procurement Regulations and the following provisions

- The model procurement documents for NCB agreed with the GOI Task Force (and as amended for time to time), will be used for bidding;

Invitations to bid will be advertised in at least one widely circulated national daily newspaper (or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement published in a widely circulated national daily inter-alia giving the website/electronic portal details from which the details of the invitation to bid can be downloaded), at least 30 days prior to the deadline for the submission of bids;

- No special preferences will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state owned enterprises, small scale enterprises or enterprises from any given state;
- Extension of bid validity will not be allowed with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extension irrespective of the period

(such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/ Employer).

- Re-bidding shall not be carried out with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used in the project;
- Rate contracts entered into by Directorate General of Supplies and Disposals will not be acceptable as a substitute for Open National procedures unless agreed with the Bank on case to case basis. Such contracts will be acceptable however for any procurement under the Shopping procedures. Framework Agreements using DGS&D rate contracts can be used to procure goods up to Open National threshold subject to incorporation of right to audit and Fraud & Corruption clauses.
- No negotiations are conducted even with the lowest evaluated responsive bidders
- Domestic Preference: The provisions of the Procurement Regulations, for providing domestic preference in the evaluation of bids will be applicable

### 13.8 PROPOSED PROCUREMENT METHODS CONSULTING SERVICES

All consulting contracts estimated to cost the equivalent of **US\$300,000** or more per contract will be procured following the Quality-and Cost-Based Selection (QCBS) procedure. All other consulting contracts may be procured following Quality and Cost Based Selection [QCBS]; Quality Based Selection [QBS]; Selection under a Fixed Budget [FBS]; Least Cost Selection [LCS]; Selection Based on Consultants Qualifications [CQS] or Direct Selection [DS] as appropriate and as per Procurement Plan approved by the World Bank ;

### 13.9 PRIOR REVIEW REQUIREMENTS:

In the case of contracts subject to prior review, before agreeing to: (a) an extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services, substitutions of key experts, or other significant changes to the terms and conditions of the contract; or (c) the proposed termination of the contract, the Borrower shall seek the Bank's no objection. A copy of all amendments to the contract shall be furnished to the Bank for its record. Further, in case of Prior Review Consultancy contracts, prior concurrence of the Bank will be applicable for the following: Expression of Interest (EOI); Short List; Request for proposal (RFP) and its amendments, if any; Minutes of pre-bid conference, if any and if it leads to amendment to the RFP; Technical Evaluation Report prepared in the prescribed format of the Bank; Draft Contract Agreement along with Combined Evaluation report; Final Contract.

- **Short List:** National Consultants: Short List comprising entirely of national consultants: Short list of consultants for services, estimated to cost less than **USD 800,000** equivalent per contract, may comprise entirely of national
- **Advertisement:** The Request for Expression of Interest for consultancy services estimated to cost above **USD 300,000** equivalent per contract for firms shall be advertised in UNDP online and World Bank external Website.

### 13.10 POST REVIEW ASSIGNMENTS:

All other consultancy assignments not subject to prior review by the World Bank would be Post Reviewed by the Bank.

### 13.11 DECENTRALIZATION OF PROCUREMENT/ CONTRACT APPROVAL AUTHORITIES:

- **Contracts below US\$100,000:** Contracts below US\$100,000 will be finalized by respective DPMUs using Shopping method with at least 3 quotations. The contract register incorporating such contracts shall be submitted to SPMU by the implementing agencies on monthly basis.
- **Contracts above US\$100,000:** Contracts above **US\$100,000** would be finalized with prior concurrence by DPMU: For such cases Bid Evaluation Reports (BER) should be forwarded to the SPMU for concurrence. SPMU will take concurrence of the World Bank for the prior review contracts.
- Decision on the BERs should be taken in a time bound manner and shall be finalized with 45 days from the date of bid opening in case of NCB/ ICB Procurement. Award of contract shall be completed within 60 days from the date of bid opening.

The 18 month procurement plan to be attached at Annexure .47A



## **COMPONENT 4A (IV)**

### **SAFEGUARD MANAGEMENT**

### **ENVIRONMENTAL SOCIAL**

### **MANAGEMENT FRAMEWORK**

#### **SUB COMPONENT 4. A (IV) SOCIAL AND ENVIRONMENTAL SAFEGUARDS**

**Objective of the Sub Component is “to ensure environmental and social sustainability and inclusion of socially disadvantaged groups in the selected value chain interventions, enterprises proposed under TN RTP”.**

This sub component includes

- 1. Social Inclusion (including Safeguards):** It includes strategies to ensure Social Inclusion, Gender, Women led Enterprises, Women Entrepreneurs participation and enhancing Women labour participation in the selected enterprises, value chain in the project locations.
- 2. Tribal Development Plan:** The plan outlines the key interventions, and the requisite institutional and implementation arrangements that have been incorporated into the project design to ensure that the hill tribal populations in the project area are able to effectively participate and benefit from the project.
- 3. Environmental Assessment :** This identifies the applicable legal and regulatory framework and triggered safeguard policies, potential environmental impacts of the proposed project interventions.

4. **Environmental and Social Management Framework (ESMF):** The framework for ensuring the compliance with legal and regulatory requirements, safeguards and mitigations for the potential environmental and social impacts in the selected value chain and enterprise activities in project locations.

14.1 SOCIAL INCLUSION (INCLUDING SAFEGUARDS):

**Social groups that have been identified as key beneficiaries of this project are:-**

- Scheduled Castes and Scheduled Tribes
- Minority communities (Muslims, Christian, Sikhs, etc.)
- Differently abled
- Economically vulnerable households
- Women headed households
- Transgender, bonded labourers, migrants and youth in particular from SC, and ST households

The participation of these social groups in the context of enterprise, jobs and employment in farm, off and non-farm sectors remains low with varied level of performances in the activities.

Each these groups face particular risks and disparities which can prelude their full participation in the economic activities in the society. Furthermore youth and women’s participation in economic activities and employment across different social groups remains marginal.

The project has commissioned a social assessment study <sup>38</sup> in Cuddalore, Virudhunagar, Namakkal and Tirunelveli districts covering 10 blocks with 1,735 respondents with an objective to understand the status of the marginalized and disadvantaged social groups in particular to economic activities – their participation in jobs and employment, wage labour, and individual and group enterprises with women as the primary respondent, was undertaken between December 26, 2016 and January 12, 2017 by Economic Perspectives, Chennai.

**The detailed Social assessment report is available at [www.pudhuvaazhvu.org](http://www.pudhuvaazhvu.org).**

The salient features of the study is mentioned below

**A. Economic Activity**

Women respondents in an economic activity-10%				<b>Type of economic activity</b>	
Individual-59%	Family enterprise-40%	Group activity-1%	Avg Investment-Rs.62, 802 Loan from formal banking sector- 12% Avg amount borrowed-Rs1,26,800 Avg annual income-Rs. 63,493	Tailoring	21%
				Rearing livestock	20%
				Petty/tea stall	13%
				Cultivation	12%
				Power loom	9%

<sup>38</sup>Social Assessment 2017 commissioned by the project conducted by Economic Perspective Consulting Ltd.

			Lack of working capital as a difficulty- 65%	Eatery	6%
			Not received training for economic act.- 71%	Grocery store	4%

The requirement of working capital and loan for the economic activity has been regarded as important support required for expanding the activity and all other support measures are reported as may be useful.

### **B. Employed Women:**

- 63% of the respondent women are either into employment or wage labour. 46% each get work for about 91 to 180 days and over 180 days, followed by 5% who get work for about 31 to 90 days and 3% for about 30 days and less. Only 5% of those in employment/wage labour have undergone training and the rest (95%) have not had any training.
- Among the respondents who are either employed or into wage labour 51% reported lack of finance as the reason for being employed or into wage labour and not being into any economic activity, and 25% do not have the required skills, 13% were not sure on what activity to undertake and 8% had no specific reasons.
- 35% reported that they are not interested in undertaking economic activity if they are provided.

### **C. Women Not in Workforce**

- 30% expressed interest in undertaking economic activity if they are provided with all required support and the rest (70%) were not interested.

### **D. Occupational and health Safety**

- 42.3% reported facing occupational hazard. It would therefore be critical that new initiatives supported under TNRTP pay attention to health issues, occupational hazards and safety regulation from an employer and an employee perspective.
- Water scarcity appears to be one of the most important problems in the study area, which in turn would impact any work or activity people are engaged in.

### **E. Skills and employment**

- 68.5% have no institutional support for training and skill development
- 21% reported that's skills are self-acquired.
- Most of the respondents are engaged in low income occupations to sustain their livelihood due to lack of institutional support to skill development.
- As social inclusion and mainstreaming will be the entry point for economic empowerment of the social groups, the project will smoothen entry barriers for beneficiaries.

## **Inclusion of Women, Socially disadvantaged groups in value chain, enterprises:**

TNRTP will ensure the inclusion of different socially disadvantaged groups with the necessary assets, skills and resources into the identified value chains activities through support for enterprise promotion.

1. Prioritization of commodities with a particular focus for women, beneficiaries from disadvantaged social and economic groups. This would be ensured in screening and selection of commodities at the district level.

2. Ensure the social groups participation in village investment plan:

- ✓ In Participatory Growth Team, a minimum of 4 women including representation from SC, ST in Team composition is proposed.
- ✓ The Village Investment Plan preparation, the process will ensure the eligible women, SC, ST and Vulnerable Households needs and aspirations to take part in enterprises.
- ✓ Mapping of SC, ST and Vulnerable Women headed HHs who have eligible to come under target HHs (assets, skills and aspiration for entrepreneurs) will be done by the PGP team.
- ✓ In special cases, where the SC,ST and Vulnerable HHs don't have assets, skills but have inclination and interest to take part in the economic activity, they will be considered and backup services like financial support will be facilitated through SHGs by TNSRLM. OSF and MAKAMAI CPs will capacitate the beneficiaries with specialised support and induct them into Producer/ Enterprise Groups.

3. Ensure minimum 65% of the women beneficiaries: Enterprise CPs will do facilitation at the family level to encourage women to take part and facilitate women producers into producer groups/ enterprise groups. It is one of the crucial step in inclusion of the Pre formation of Enterprise/ Producer Groups.

4. From the Village Investment Plan, the potential Women Entrepreneurs will be shortlisted by ECPs and will be screened and selected by the OSF for business plan preparation. OSF will give priorities and capacitate them in business plan process for getting bank clearance. Mentoring support to Women entrepreneurs will be provided by the OSF for initiating activities.

5. Release of Start-up Grant, the indicators in the milestone for Producer Groups, Enterprise Groups and Producer Collective should cover

1. 65% of women and SC, STs in PGs, EGs.
2. Business plan appraisal should complete the Environment and Social appraisal
3. EGs should adhere the safeguard and regulatory acts, policies in functioning of the activities.

6. State Team will facilitate and share the updates of schemes for social groups, women enterprises for convergence.

7. State Project Management Team will prepare training materials and sensitize all key stakeholders of the project on Social inclusion, guidelines and measures during district diagnostic, participatory growth plan and Enterprise promotion and ensure all communication has an "inclusive module" to sensitize on inclusive objectives.

## Gender Mainstreaming

The project will support both men and women of different socially disadvantaged groups involved in economic activities and will be supported through necessary assets, skills and resources; to better participate in the identified value chain activities.

Key interventions include:

- Investing in women and men to overcome the entry barriers to value added economic activities, and enhance their access to finance, markets, technology, information, innovations, business management skills, and other related support services. This will be informed based on gender analysis, and participatory investment planning, to design interventions for enterprise promotion through technical resource organizations support.
- Supporting growth and graduation of their current economic activities through focused project interventions.
- Enhancing women's participation in economic activity decision making process.
- Enabling learning environment to women to train them on their eligibility, laws, and legal provisions to participate and enhance their enterprises. Potential women will be trained on managing the economic activities, business plan preparation, working capital management, management of finance and accounting, and knowledge and awareness on matching grant concept and working mechanisms.

### Key process for Gender Mainstreaming

S.No	Key Interventions to ensure Gender Mainstreaming	When to do	Who will do
1.	Gender Sensitisation Training to the project staff, CPs. -Gender training material development - Training to Project Staff -TOT to CPs at the Regional level - Training to CPs	In the First year ( in first 6 months)	SPMU Social Safeguards with the support of Technical Resource persons
2.	The project will have working committee and facilitate grievance redressal mechanisms	Ongoing grievance cell at District, Project level, monitoring mechanisms	SPMU and DPMU
3.	Gender need assessment in Value Chain Analysis	First Phase of the project	TSA hired for VCA with the support of SPMU Team.

4.	Participatory Growth Plan: Interventions support required for target HHs women and men in Enterprise Groups particularly to SC,ST and vulnerable HHs, PGs and PCs should be captured.  Quality Check will be done to ensure the target HHs captured in PGP.	First Phase and quality check o	PGP Team and Block Team with the support of DPMU, SPMU.  Quality check by the District team and Process monitoring team.
5.	Facilitate family level counselling to encourage women to participate in economic activities.	Preformation process	ECPs will make a visit to Households to have a discussion with family members and facilitate women to take part in the Enterprise activities.
6.	Tailored focus on Women Enterprises through OSF services. OSF will provide package of services to women.	On going	CPs,OSF, Block team with DPMU and SPMU.
6.	Facilitate Women in managing the enterprises through capacity building on Financial management, Business management, marketing through mentoring support.	On going	TSA will provide the handholding support with Block team and DPMU .

The SPMU will hire relevant resource persons for the preparation of Gender training module, training to the project staff, Community Professionals and EC members of PGs, PCs.

### **Focus on Women’s labour force participation and women-led enterprises:**

In order to ensure women’s participation, steps will be taken at all stages of planning and implementation.

The project is seeking to address the constraints to enable women to build businesses that can generate employment and increase their access to resources leading to their economic empowerment. The project interventions envisaged to better target women members and their households for promoting individual and group enterprises, and opportunities for job and wage employment include:

**a. Targeting** – focusing on women entrepreneurs in Self Help Groups who have confidence in negotiating social norms; basic assets – physical, skills, knowledge, and/or resources including financial management, decision making, and access to some social networks and information. The project has gender sensitive approach in analytics, commodity prioritization, value chain analysis and participatory planning where the opportunity for women members in the value chain, promotion of women enterprises will be mapped and targeted.

**b. One Stop Facility** – The project provide services by setting of OSF with women staff in the management for easy facilitation to women enterprises, producers. It provides package of services to address women needs and constraints to enhance their level of investment and risk-taking, the decision to compete, the degree of

sophistication and formalization of their activity, and the type of activities and sectors in which they engage. Capacity development is one of the core supports for members needs and it will be very specific to the situation faced by the women.

**c. Mentoring** – The project will provide an enabling space to the entrepreneurs for on-going support to micro and small entrepreneurs for increased profitability, better survival rates, employee management, and a growth trajectory..

**d. Cluster approach** – It ensure access to networks and information; increase access to networks of suppliers and reduce (gender sensitive and financial) costs of accessing them.

**f. Crossover sectors** – It will assist women to enter male dominated sectors with the support of mentors –mostly men – which could potentially be more profitable.

**g. Financing**–The project will ensure that women entrepreneurs have access to a separate savings account, and the project funds for their enterprises through a matching grant would enable investment in enterprise, control over income and assets, and effective separation between business and household budgets.

**h. Access to Credit** –The project will provide capacity building to target HHs and developing a system to ensure financial discipline among women. Advocacy and partnership with banking institutions for supporting women led new enterprises is one of the promotional supports from the project to ensure long term financial assistance.

**I. Facilitate internal learning through workshops** among women enterprises, project staff to gain knowledge and co-learning from the other women enterprise holders.

**J. Best practices and impacts** will be documented and shared across the project through knowledge sharing workshops.

Resource persons will be engaged at State level to design specialized services to women enterprises, strategize support in market linkages, access to mainstreaming services, new initiatives in partnership arrangement, and convergence services. Knowledge and learning workshops will be facilitated among women enterprise promoters, entrepreneurs to obtain new knowledge and practices across the project level. The resource person will be engaged as per need for a period of 4 years.

**Key Process in implementation to ensure inclusion and women focus in the project components;**

<b>S.No</b>	<b>Component/Sub component</b>	<b>Measures to ensure Inclusion and Safeguards</b>	<b>Who will do</b>
1.	<p><b>Rural Enterprise Ecosystem Development:</b> 1.A.Inclusive Strategic Investment Analytics and Planning</p> <p>a. District Diagnostic Analysis</p>	Criteria for Prioritization of commodities those relevant for women and beneficiaries from disadvantaged social and economic groups: Percentage of women producers, women employment.	District diagnostic team with the support of state team
	b.Value Chain Analysis	Women, men producers need assessment, constraints in the prioritized value chain and suggestive measures to address it	<p>TSA scope should cover the Gender analysis in Value Chain.</p> <p>State team will ensure the scope and deliverables to capture and integrate in the design.</p>
	c.Participatory Growth Plan(PGP)	Village Investment Plan includes the number of women, SC,ST producers, women entrepreneurs.	Participatory team at the village level with the support of Block Team
	1.B. Enterprise Development support services	Enterprise CPs, Job CPs will be given orientation training on inclusion and Social Safeguards in the project	State Social Development Specialist with the support of

			<p>Technical Consultant provide TOT to train CPs.</p> <p>MaKaMai will provide training with the support of TOTs.</p>
	One Stop Facility	Package of services to Women to improve their Capacity, Space and Choices: Capacitate the OSF to provide Counselling services, legal rights and Social Safeguards appraisal for Business plan, Counselling to Women entrepreneurs to promote women enterprises and technical trainings through resource agencies.	<p>TSA and District Team will train the OSF with the support of State Team.</p> <p>OSF facilitates training and services through TSA and resource agencies.</p>
	1.C.Enterprise Promotion ,Value Chain Strengthening and Partnerships	1.Minimum 65% of Women beneficiaries in Promotion of EGs,PGs	ECPs will visit and counselling the family to ensure women to take part in productive economic activities.
		2. Proportionate representation of SC,STs in EC of PGs,PCs and EGs.It is mandatory and verified during quality check and appraisal.	Quality Check/ Appraisal team at district and by Process monitoring.
		3. Financial literacy and Business management training to Women Producers, Enterprise Groups through TSA and OSF.	TSA, OSF will do training with block and district team
		3.Milestone indicator for release of Startup Grant to EGs,PGs and PCs	Block appraisal Team with the guidance of DPMU

		<p>a. 65% of Women in EGs, PGs</p> <p>b. Business plan approved with Safeguards appraisal</p> <p>c. Adapting Safeguards Measures in running of enterprises.</p>	
		4.Training on Financial literacy and Business Management to Women in enterprises	TSA and Block Team with the support of DPMU, SPMU
		5..Incentives to promote Tribal, Green Enterprises: Project level 5 to 10% incentives for Women, Tribal and Green enterprises	Approval by DPMU with the guidance of SPMU. Project level provisioning
		6. Value chain in puts - -Product design and packages support to women enterprises. -ICT support for Market information to Women.	TSA support through District and Block team
2	Facilitating Business Plan Financing a. Business Plan Financing	1. Matching Grant Fund: Incentives provisioning of 5 to 10 % for the tribal, women led enterprises.	Technical Agency and DPMU with the guidance of SPMU.
	Innovation Promotion: Innovation Pilot	Women Enterprises, Safeguards measures in enterprise promotion and running of enterprise.	
3.	Skills and Job Opportunities: 1. Pre and Post training Services to enhance employment outcomes.	1.40% of youth trained are from Women. New upcoming sector to women: Encourage women into non-traditional vocations	Job CPs, Block Team and DPMU will implement with the support of SPMU in identifying the new sectors.

		<p>Supporting women in non-traditional jobs to make long-lasting change in their lives. Identify sectors which are upcoming and women to take over.</p> <p>Example: Skilling women in professions such as motorcycle fixing, driving, hospitality-Food Chain, Processing industries, mobile-phone fixing.</p> <p>2. Ensure Safeguard measures in place in training institutions, Community Skill School.</p>	
	2. Community Based Training and Skilling provisions	<p>1.40% of women out of 40,000 will be trained in Community Skill School</p> <p>2. Identification of clusters which is well suitable to women and has an opportunity to transform the existing skill to higher order,</p>	DPMU with the support of SPMU
	3. Entrepreneurship Development	1. Identify trades, sub sectors where women has potential to become spark	DPMU with the support of SPMU

## **Strategies for Differently abled**

TNRTP will make a departure from the traditional livelihood interventions by transitioning to mainstreaming employment through micro-enterprise, wage employment or self-employment for differently abled persons. This is being done by building on PVP experiences and learning from specific strategies deployed for bringing economic empowerment with dignity and quality of life for differently abled persons.

OSF will facilitate and enable differently abled persons to run their own business and potentially offer employment to others with support and on-going assistance from service providers, families and community for identified skill based, farm based, service based or handicraft based enterprise activities.

The various aspects to reduce the risks involved in setting up new enterprises will be considered by carefully preparing and customizing entrepreneurial skills specifically required for the differently abled rural micro-entrepreneur as follows.

- Identifying specific challenges - physical and mental capabilities of the beneficiaries based on suitability of enterprise, seed money, and physical location of the business venture, construction or other physically demanding work, required skill sets such as management, accounting, marketing, etc.
- Choosing the right business for small-scale enterprise based on the persons aptitude, interest, previous exposure, family/community support, the requirement and availability of raw materials for the identified activity, local market demand and its limitations, market competitors, seasonality.
- The CPs at the village level will be capacitated on working with differently abled persons by being sensitive to their needs, understanding the impact of disability on their functional capabilities, and the combined impacts of many other social and environmental factors; in order to gain access to the individual, the family, and the community for assisting in the enterprise development process.
- The enterprise CPs will be assisted by the project in the identification, as per project criteria, the potential enterprise activities for differently abled persons (farm, handicrafts, and service based enterprise) and selecting prospective beneficiaries.
- The target beneficiaries will be identified through the Village Investment Plan preparation process in a participatory manner. Those differently abled persons, who have been previously involved in some enterprise activity or have the aptitude for taking up enterprise activity, will be given priority.

The project will hire resource persons who have relevant experience in working with differently abled at the state level.

## **Implementing Arrangements**

The roles and responsibility for the project staff at state level to ensure Social Inclusion, Gender mainstreaming, Differently abled and Tribal development is given at Table -23:

Level	Person Responsible	Roles & Responsibility
State Office	Social Development (Inclusion and Safeguards) Specialist.  (Gender, Tribal communities, differently abled )	<p>Co-ordinate with project components, provide measures for integration of Social Inclusion, Gender mainstreaming and Tribal Development activities across the project investments.</p> <p>Monitor the project progress in integrating with MIS-disaggregate data.</p> <ul style="list-style-type: none"> <li>• Initiatives and support to women led enterprises by providing key integral measures such as in inclusion of women in selected commodities, enterprises, new initiatives, linkages, partnership. Development of modules and training to the project team on gender sensitization and inclusion of women from target HHs among SCs, STs, and women headed HHs.</li> <li>• Update the macro environment developments to the project which are favourable, implications to disadvantaged social groups, women in enterprise activities.</li> <li>• Facilitate strategies to work with private partners, public departments to bring convergence, partnership services to women and social groups.</li> <li>• Documentation of case studies and facilitate knowledge learning on Social inclusion in enterprise activities within the project.</li> </ul>

**TABLE 18: ROLES AND RESPONSIBILITY OF PROJECT STAFF AT STATE LEVEL**

The district and block level the cross cutting areas will be integrated and implemented by the project staff with implementing capacity.

## 14.2 TRIBAL DEVELOPMENT PLAN

### **Background**

The tribal population in Tamil Nadu Rural Transformation Project (TNRTP) project locations of 120 blocks is estimated to be 1.35 lakh (2011 Census). Indigenous hilly tribes live in six hilly blocks located in Nilgiris and Dindigul districts, and plain tribes are found in nine blocks in the districts of Salem, Namakkal, Coimbatore, Erode, Trichy, and Tiruvallur accounting for more than two percent of total population. The blocks with ST population are at the junction of Western Ghats with a variety of forest and vegetation type. The economy of these locations is based primarily on plantation/cash crop with some food crops mainly of potatoes and carrots.

### **Tribal Blocks: Social Assessment Summary**

The social assessment survey was undertaken amongst 135 sample households spread across the 7-Village Panchayats in Nilgiris District between December 26, 2016 and January 12, 2017 and the survey findings are presented below. The

respondents were women of the household, identified through the Participatory investment planning carried out by NSRLM.

- i) 73% of the households are headed by men and 27% are headed by women. The percentage of women headed household is significantly higher than the state average<sup>39</sup> of 13.1% comprising of widowed, divorced, separated and never married women.
- ii) Tribal language is the mother tongue of 60% of the respondents, followed by Tamil for 30%, Kannada for 7% and Telugu for 3% households.
- iii) Population mix: Irula -64%, Kota -19%, 16%kurumba and 2% to Pal Kurumba community. TheKothas, herded animals and grew some millets, cereals, garlic, mustard etc., for self-consumption through shifting cultivation. The Kurumbas and Irulas were food gatherers and hunters but they also carried out slash and burn agriculture and domesticated animals such as chickens, goats and sheep.
- iv) 98% have Aadhar Card and 84% of the individuals have bank account. 66% have MGNREGA card and only 26% of the respondent HHs reported of possessing tribal welfare card. 73% of the respondent women are in SHGs and amongst them 29% are members for less than 2 years in the SHGs.
- v) **Skills:** 34% traditionally acquired, 11% through training, 10%are self-acquired and 45% do not possess any skill.
- vi) **Economic Activity:** 18% into economic activity, 67% involved in Agriculture, 8% each into coffee plantation and into tailoring.
- vii) 87% are traditionally doing the activity and the rest reported that it was self-acquired. 67% reported it is a self-owned, followed by 25% as family owned activity and women collectively taking land on lease for collective farming through SHGs were also reported. About 69% of the economic activities are functioning for more than 10 years and 96% of respondents were aware of the quality standards.

**Problems being faced:** Lack of Working Capital -88%percent, Marketing issues – by 83%, Non availability of Raw material –by 75%and Lack of Finance and lack of low interest rates by 67 %. 58% each reported of delayed payments and lack of business knowledge as a difficulty faced by them, followed by 46% each who reported of absence of equipment and shortage of skilled labour.

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<sup>39</sup> Census, 2011

The outcome of consultations with women and stakeholders is summarized below:

- Women in SHGs collectively pooled their land and negotiated with Tea board for transport subsidy and availed it by forming a federation.
- The families who own land but do not have enough resources to start cultivating and require initial grant to cultivate.
- The Tribal communities are dependent on common property resources like forest and pasture land for livelihood (agriculture); the access to the common resources played an important role in holding the community together. Other issues faced by tribal are: (i) the people of tribal community often fall sick; (ii) lack of nutritious food is one of the reasons for the low immunity which increased the susceptibility to diseases; (iii) the women of Tribal communities suffer from low blood count and anaemia.
- Shift in the agriculture practice i.e from food crops to plantation crops.
- The Toda community people are naturally skilled in doing embroidery work. The Kota community people are good in Carpentry, Blacksmiths and Poultry and the Kurumbas are very good in Honey hunting and Painting. Irullas are experts in Bamboo related work – making baskets, broomstick etc.
- The study has suggested providing technology support for farming and reviving the traditional farming, financial support and capacity building, higher order skilling for employment.
- Women from these communities expressed that they prefer to live with their food, culture, worship, dance etc.

In the above context, the existing economic activities/enterprises of tribal households are too small in scale for a significant market impact. Many activities are traditional and will need higher order of value addition, skills and training for scaling up operations from the present level. The constraints faced by the tribal households include lack of working capital and term loan, market access for enterprises, localized job opportunities to arrest youth and male migration, effective mechanisms to work with government department to address the NTFP produce collection and entitlements.

### **Scope**

Under TNRTP, the Tribal Development Plan outlines the key interventions, and the requisite institutional and implementation arrangements that have been incorporated into the project design to ensure that the hill tribal populations in the project area are able to effectively participate and benefit from the project in a socially and culturally appropriate manner as **per Annexure -50**

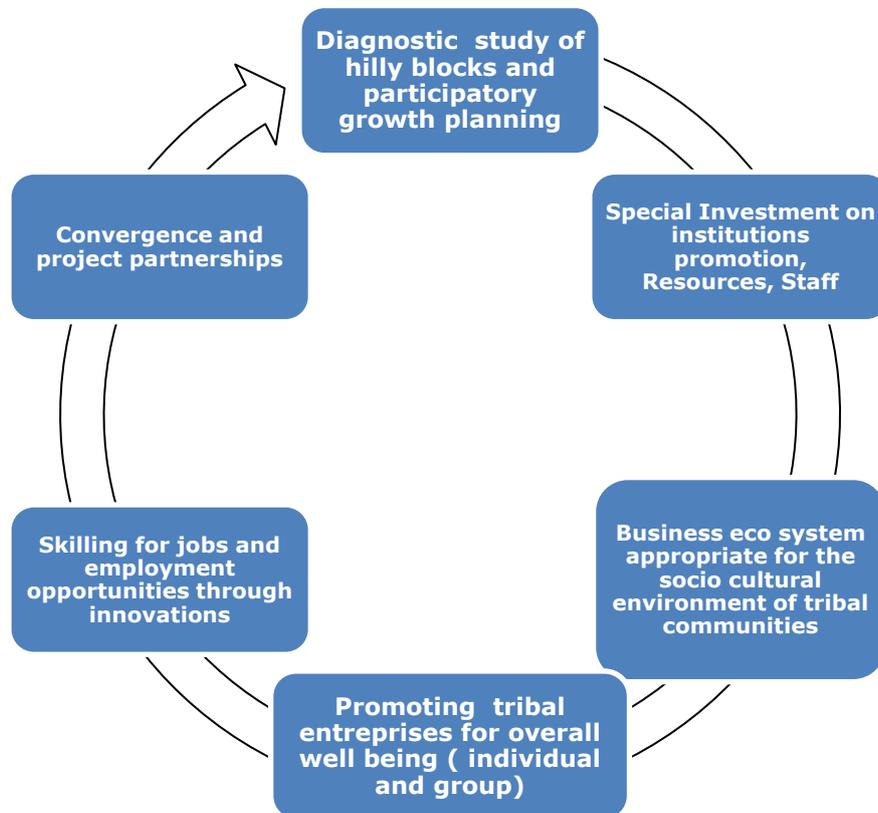
The Tribal Development Plan will build on the learning's and experiences of TNSRLM and TNPVP by

- Bringing special focus on tribal communities for both individual and group enterprises.

- Promoting Tribal-specific value chain activities like natural resources and agri-based, non- timber forest products (NTFP) based and Eco-friendly enterprises.
- Developing an inclusive approach and partnership with forest department, Tribal welfare department other government departments and private players for providing services to tribal enterprises; for imparting skills and promoting employment.

The target tribal population to be covered under TNRTP is expected to be around 3% and the required budgets will form part of the Annual Plans and Budgets of the DPMU based on the village level participatory growth plans.

### 14.3 PROJECT STRATEGY FOR IMPROVING TRIBAL LIVELIHOODS



1. The project cycle for hilly locations requires adequate time for preparations i.e.; to ensure placement of local staff; to ensure tribal community participation in institutional development; and business development services suits the needs and caters to tribal livelihoods and developing value chain, internal learning process. Hence preference to hilly blocks (with tribal HHs) in the first phase of the project implementation to allow the interventions with adequate preparatory and learning process is recommended.
2. Inclusion of plain tribes as part of the mobilization in project areas would be given emphasis to increase the access of resources to tribal communities in general population from project interventions. Special institutional arrangements in hilly tribal blocks:

- Strategic position of OSF with well-equipped staff for tribal livelihoods preferably with women.
  - Investment on human resources for the project potentially from the local areas who relate well with tribal culture and practices.
  - Natural resources and NTFP based value chains and enterprise activities would be promoted with potential producers being tribal.
3. Promotion of institutions based on potential producers and geographic clusters.
  4. Promote/strengthen enterprises involving different social groups among tribal like vulnerable and women headed households.
  5. Support for symbiotic relationship between tribal people and the natural resources in enterprise development. Example: Herbal enterprise promotion, Essential oil on natural based NTFP promotion.
  6. Engaging with existing relevant CBOs, other related organizations, and agencies for handholding tribal enterprise promotion, skill and job opportunities.
  7. Promote land based group enterprises for women to become land holders and facilitate market access.
  8. Convergence and partnership throughout the project to facilitate the financing for tribal for supporting infrastructure, imparting technology and knowledge - Example Honey production, Ecotourism
  9. Support to entrepreneurs in the areas of confidence building, technology, finance, skill and marketing support along with harnessing their indigenous knowledge and practices.

Communication Strategy shall be tailored to tribal needs to ensure effective information dissemination about the project including components, objectives, roles and responsibilities of different stakeholders. IEC strategy includes covering women and men tribal livelihoods, covering enterprises, awareness on legal rights to support enterprises, awareness on health. Methods and tools will be developed with the support of ICT in participation of resourceful tribal community leaders and organizations working for tribal.

The Grievance redress mechanism designed for the project will be appropriately tailored to the tribal areas to ensure that traditional leadership structures play a role as first points of access for communities to ensure social customs and institutions are also addressed and this should be followed by the established system through the project staff at different levels.

### Key elements for Tribal Development in project locations:

S. No	Key Elements in focusing Tribal livelihoods	Special Considerations and thrusts
1.	Analysis and investment plan for Tribal communities	<p>Commodity prioritization in hilly blocks where tribal HHs, women play a major role and would be benefitting from the project.</p> <ol style="list-style-type: none"> <li>a. Additional specific criteria will include identification of cluster based products, enterprises for tribal youth and women, and eco conservation based enterprises. Commodities in hilly blocks like Tea, Millets, Vegetables, NTFP has potential to promote women enterprises could be analysed.</li> <li>b. Scoping for skilling, opportunities for accessing services, market linkages, convergence with schemes for Tribal will be assessed.</li> <li>c. Identification of relevant CBOs, organizations, entrepreneurs working for promotion of economic activities, skill training, and financial services for Tribal would be done to establish linkages and partnership.</li> </ol> <p>In plain locations, based on the eligible tribal HHs, the inclusion strategies will be given focus.</p> <p>Value chain analysis of natural resource based commodities for tribal enterprises and where women would be needed support.</p> <p>Participatory investment plan to capture the micro plan for the tribal development</p> <p>It will have enterprises beyond the commodity to support other ethnic tribal livelihoods enterprises for women and differently abled that have the necessary assets, skills and resources.</p> <p>There will be a special provision to support human resources in hilly locations i.e.; one CPs per Village Panchayat for enterprises.</p>
2	Value chain analysis (VCA) of commodities in Tribal locations	<p>Value Chain Analysis will cover the possible potential areas for value addition for small tribal producers and other tribal involved in specific economic activities, NTFP collectors, wage labourers, lease holders, youth, women and other minority communities aiming to scope for promotion and strengthening of enterprise activities.</p> <p>For example in Nilgiris District, SHG households are currently involved in the cultivation/collection of medicinal plants and essential oil preparation at a small scale with the support of HOPE and Forest Department in Chincona Village of Udhaigai</p>

		<p>Block. The cultivation of herbs like Rosemary, Thyme and Geranium has shown positive results in the Nilgiris. (Source; NRLP). More herbs can be added to this list depending on the elevation and climatic suitability. Producers/collectors and lease holders can be organised into Producer collectives.</p>
3	<p>Strategic positioning of OSF in tribal locations</p>	<p>One Stop Facility (OSF) will be positioned as per the requirement either at the cluster level or at block level.</p> <ul style="list-style-type: none"> <li>• Persons who have field experience with tribal communities will be given preference during the selection of the project staff for OSF at tribal area or in being contracted to run the OSF. The OSF project staff will need to be sensitive to the needs of tribal communities while supporting and preparing viable business plans, ensuring convergence and partnerships.</li> <li>• The project will bring special OSF in tribal blocks by the following process; 1) Identification of the place and space for setting up the facility 2) Conducting a stakeholder meeting with participation of line department officials (AdiDravidar Welfare Department, THADCO, Forest Department, Seri Culture Department, Tourism Department, MSME Department, Banking institutions, Agriculture and Horticulture Department, NABARD, and organizations working for tribal enterprises and livelihoods), NGOs, Tribal Research Institutions, Private players. 3) Developing a business plan for one stop facility. 4) Fund requisition to state office 5) Developing a repository of business directory and services related with tribal livelihoods.</li> <li>• OSF will provide comprehensive support to individual and group enterprise activities by bringing in appropriate/relevant technical resources either from institutions or from resource persons for tribal produce/enterprises.</li> <li>• It will facilitate learning environment to tribal women in increasing their participation in and outside of the community, market and increase their access to finance and technology. It would create a platform for sharing of local cultural practices and activities, local food fair, trade fair, encouraging the producers and enterprise groups to participate in outside programs.</li> <li>• OSF will also assist in dovetailing Tribal Development Fund, partnership with the Forest Department, leveraging financial resources from various schemes and programs for enterprise activity.</li> <li>• ICT services will be made for communication, education of rights such as forest right act, legal aids and services</li> </ul>

		available and special features, activities of enterprises and market related information.
4	Promotion of land based/natural resource based Individual/ group enterprises in tribal clusters	<ul style="list-style-type: none"> <li>• The project has scope to promote group land based enterprises of producers into PGs, promote PC for the land based/natural resource based enterprises.</li> <li>• Capacity building of producers and enterprises, networking and marketing linkages will be the key strategy for Tribal PCs and it will require special investment to set up arrangements at OSF and PC levels.</li> </ul>
5	Promotion of enterprises from moving beyond commodity for overall wellbeing of Tribal	<p>Tribal community requires basic services which are accessible for their overall development. The services and needs are 1. Health and Sanitation; 2. Transport access; and 3. Information and Communication Technology.</p> <ol style="list-style-type: none"> <li>1. Package of Health and Sanitation services by community owned enterprises: Promotion of sanitary napkins and sanitation related products with local resources will be a potential enterprise activity for tribal women and adolescent girls.</li> <li>2. Batch of women and youth will be trained on local auto services provision including purchase of small commercial vehicles including auto rickshaws and mini vans to provide local transport services.</li> <li>3. ICT support internet/WLL kiosk could be set up to increase access to internet for information and ICT enabled services.</li> <li>4. Community radio for tribal livelihoods will be promoted to enhance their potential and sharing of the knowledge and practices.</li> <li>5. Community based Eco Tourism will be promoted to enhance livelihood opportunities of local tribal communities and preserve the value of natural endowments and rich cultural heritage.</li> </ol>
6	Financial education and financing support	<ol style="list-style-type: none"> <li>1. Training on financial literacy, working capital management, accounting and finance. Training will be provided by customize the training modules for the entrepreneurs.</li> <li>2. Facilitation of financial linkages by establishing specific approaches like PGs/ Joint liability groups for enterprise financing.</li> <li>3. Linkage support with Tribal welfare department, Forest department through establishing convergence mechanisms.</li> </ol>

7	Improve support to existing Skills and Job opportunities	<ul style="list-style-type: none"> <li>• Community skills school will be planned for skilling and employment for tribal youth and women with private sector partnership.</li> <li>• Traditional existing skills will be upgraded with technology and marketing support to promote and set up enterprise clusters. Example: Honey collectors: Value addition will be possible with hygienic extraction and storage practices and segregation of produce.</li> <li>• Marketable traditional skills: Youth will be trained on their traditional skills to establish self-employment or enterprise activities with value added activities like Paintings, Handlooms, Handicrafts, Fabrication, Artisans, other Arts &amp; Crafts, Plumbing, Mason, electrician, Electric &amp; Motor Winding, Fitter, Welder, Carpenter, Ayurveda &amp; Tribal Medicines, etc.</li> </ul>
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The project will bring Convergence mechanisms strategically at district and state level for developing/promoting tribal livelihoods, and ensuring benefits for promotion of enterprises.

S.No	Department	Areas of convergence
1.	Forest Department	1. Right of NTFP collection to the target HHs, PGs, PC and processing / semi-processing and value addition by SHGs for commercial NTFPs.  2. Identity Cards issued to the NTFP collectors – giving area of collection, items to be collected, season and necessary authorization.
2.	Tribal Welfare Department	Convergence with TAHDCO, AdiDravidar welfare officer, special taushildar to implement the special livelihood and social safeguard measures;  Tribal welfare card to Target HHs
3.	MSME,DIC, KVIC, Ministry of MSME	Credit Guarantee Fund, scheme financing support.
4.	NABARD	Tribal development fund

## Project Staff

The implementation arrangements for the TDP take into account the key challenges and opportunities that these areas offer.

Responsibilities at the State, district and block level staff with respect to tribal areas are well defined and elaborated below at Table 24

## Implementing Arrangements

The roles and responsibility for the project staff at state level to ensure Social Inclusion, Gender mainstreaming, Differently abled and Tribal development is given at Table -23:

Level	Person Responsible	Roles & Responsibility
State Office	Social Development (Inclusion and Safeguards) Specialist. (Gender, Tribal communities, differently abled )	Co-ordinate with project components, provide measures for integration of Social Inclusion, Gender mainstreaming and Tribal Development activities across the project investments.  Monitor the project progress in integrating with MIS-disaggregate data. <ul style="list-style-type: none"> <li>• Initiatives and support to women led enterprises by providing key integral measures such as in inclusion of women in selected commodities, enterprises, new initiatives, linkages, partnership. Development of modules and training to the project team on gender sensitization and inclusion of women from target HHs among SCs, STs, and women headed HHs.</li> <li>• Update the macro environment developments to the project which are favourable, implications to disadvantaged social groups, women in enterprise activities.</li> <li>• Facilitate strategies to work with private partners, public departments to bring convergence, partnership services to women and social groups.</li> <li>• Documentation of case studies and facilitate knowledge learning on Social inclusion in enterprise activities within the project.</li> </ul>

**TABLE 19: ROLES AND RESPONSIBILITY OF PROJECT STAFF AT STATE LEVEL**

The district and block level the cross cutting areas will be integrated and implemented by the project staff.

## 14.4 ENVIRONMENTAL ASSESSMENT AND SOCIAL MANAGEMENT FRAMEWORK

### Overview of the Environmental Assessment:

The TNRTP falls in the environmental screening category 'B' and as per the requirement of Bank's Operational Policy (OP) 4.01, an Environmental Assessment (EA) study was undertaken.

The objective of the study was to understand environmental implications of project activities, to understand the compliance requirements with the 'national and state legal and regulatory framework' concerning environment and natural resource management as well as the World Bank safeguard Policies.

The environment assessment study identified the following key potential environmental and social issues related to the project interventions.

- Possible over-exploitation of resources such as soil, water, ground water, forest products etc.
- Agriculture/Horticulture value chains:
  - Introducing high yielding varieties which could result in loss of indigenous varieties
  - Increased fertilisation without soil testing, over use of pesticides which can have negative impact on soil, water and biodiversity
- Livestock value chains:
  - Promotion of high yielding breeds/species without fodder/feed management plans may result in stress on natural resources and failure of the activity
  - Absence of manure/litter management results in contamination of surrounding environment
- Enterprises:
  - Possible demand for high use of resources – water, soil, forests, energy etc.
  - Use of chemical ingredients/alternatives, disposal of wastes etc. when not aligned with the required standards may result in health hazards to the workers, neighbouring communities and consumers.
  - Setting up mills, processing units and storage facilities will need high energy and water and may release toxic wastes to the environment
  - Possibility of issues related to worker safety, occupational health hazards etc.
  - Improper siting and operation and maintenance may result in pollution of the surrounding environment
- Social Issues:
  - Unsafe work environment for women workers, unequal opportunities and wages
  - Occupational health hazards
  - Possibility of child labour use
  - Impact on local communities

Based on the likely impact, the project triggers the following Safeguard Policies of the World Bank:

- Environmental Assessment (OP 4.01);
- Forests (OP 4.36);
- Natural habitats (OP 4.04) and Pest Management (OP 4.09).

The EA presented the baseline status of environment and natural resources in the project area, applicable legal and regulatory framework

and the potential environmental and social impacts of the project interventions.

### **Overview of the Environment and Social Management Framework (ESMF)**

Based on the Environmental Assessment<sup>40</sup> (EA) study and Environment and Social Management Framework (ESMF) was prepared in order to ensure environmental and social sustainability of the project interventions.

The specific objectives of the ESMF are;

- To prevent or mitigate adverse environmental and social impacts of the enterprises that would be promoted under TNRTP
- To enhance the environmental and social benefits of the enterprises; and to promote green enterprises
- To ensure environmental and social sustainability of value chains proposed under TNRTP

The ESMF will be applied to District Diagnostic studies, Value chain analysis and Business plans taken up by the individual and group enterprise under the project. It contains compliance requirements (legal and regulatory framework) and guidelines/mitigation measures to ensure environmental and social sustainability during project implementation and provides the institutional mechanism to operationalise the same.

### **Three pronged approach for ESMF**

The ESMF suggests a three pronged approach for environmental and social management and to enhance the environmental and social benefits from income generation activities:

1. Environmental Safeguards
2. Greening of Enterprises and Value chains
3. Promotion of Green Enterprises

### **Environmental Safeguards**

All individual and group enterprises promoted by TNRTP and value chain interventions should be compliant with the laws and regulations of the country and the state i.e. the legal and regulatory frameworks based on Government of India and Government of Tamil Nadu and Safeguard policies of World Bank. Compliance with these rules and regulations will ensure alignment of these investments with sustainable management of concerned natural resources. Ensuring compliance is important for all Enterprises (Individual and Group) and Producer Collectives (Common Livelihood Groups and Common Livelihood Federation) that are promoted by TNRTP. ESMF provides the guidelines and checklist to adopt the Safeguards and mitigation measures.

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<sup>40</sup> Study conducted by Centre for Environment Education, Chennai

<b>S. No</b>	<b>TN RTP Components</b>	<b>Applicability of safeguards</b>	<b>Impact</b>	<b>Promotion Action</b>
<b>Component 1: Rural Enterprise Ecosystem Development</b>				
1	1.1: Inclusive Strategic investments, Analytics, and Planning	Environmental aspects will be integrated into the district diagnostic studies, value chain analysis, investment plans etc. necessary guidance tools/notes are provided.	Environmental aspects analyzed and integrated into the plans/studies	Capacity building of the project teams on integration. EA to be crucial step in sanctioning the proposals/business plans.
2	1.B: Enterprise Development Support Services.	One stop facility is an offering service to all Enterprises which will be emerged from the project. Steps and necessary inputs to ensure compliance, Environmental Guidelines (EG) will be provided through OSF. The business plans to be appraised for identification of issues and integration of mitigations	Compliance and integration of guidelines is ensured individual and group enterprises	OSF will deliver the provisioning services to CLGs and PGs. Training and Guidelines to OSF and CPs.
3	1.C: Enterprise promotion and Value chain strengthening and Partnerships	Convergence with Government Programs and Schemes; Private Sector Partnerships and Tie-ups with Technical and Financial institutions for greening interventions	More green interventions in the enterprises and value chains	Trainings to project teams and OSF will facilitate this with the guidance of State Environment Specialist
<b>Component 2: Enterprise Business Plans Financing</b>				
4	2.B: Innovation Promotion	Thematic Innovation to promote Green Enterprises. This will increase the environmental benefit through innovative solution.	Innovative Green Enterprises which is replicable	Technical Support Agency to support project teams.
<b>Component 3: Skills and Job Opportunities</b>				
5	3.C: Entrepreneurship Development	Sustainable job opportunities through skilling, and enhance job placement through convergence and private sector interface, with specific strategies to include female youth.	Promotion of green jobs	Greening the value chains and enterprises creates Green jobs which will be incorporated in to Skill opportunities

**TABLE 20: APPLICABILITY OF ENVIRONMENTAL SAFEGUARDS TO TN RTP COMPONENTS**

## **Environmental and Social Appraisal:**

The process of environmental appraisal is necessary for all the value chain activities and business plans. The environmental appraisal screens the activity for compliance, categorises according to the impact, identifies key impacts and proposes mitigation measures.

All Enterprises (individual & group) that are likely to be promoted under TNRTP will be classified into two categories i) Low risk and ii) High risk, based on the amount of the usage of natural resources and impact on the environment. The mitigation measures/guidelines will vary accordingly.

## **Greening the Enterprises and Value Chains:**

Low risk enterprises/ value chains may continue with safeguards and minimum mitigation measures. For high risk enterprises, greening services will provide alternatives/suggests steps to make the activity eco-friendly – like alternative energy, water conservation, recycling of wastes etc. The Greening Guidelines will help in bringing in sustainability to project interventions.

At the state level 2 consultants will be hired for supporting the greening of enterprises and rating of the enterprises through application of 'green index'.

ESMF suggests the following tools to measure the greenness of enterprise and value chains- 'Green Index' and 'Climate Resilience Index'.

Green Index which is based on

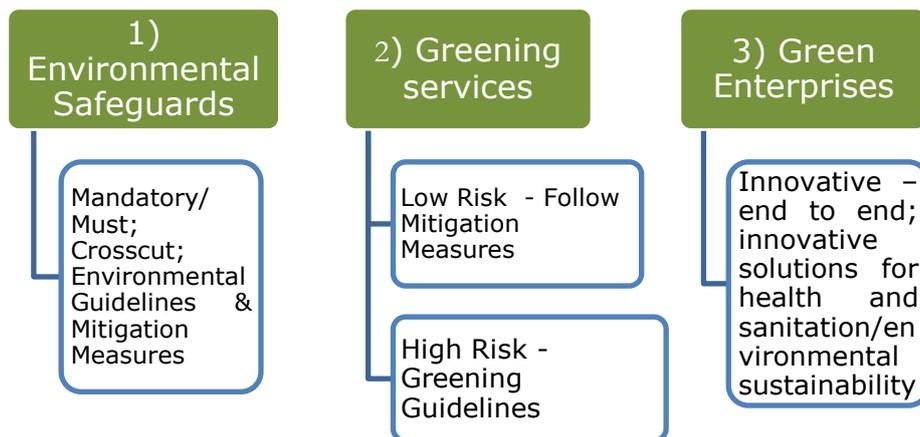
- Environmental friendliness – compliance, water and energy use, waste management etc.
- Social parameters – worker safety and standards, consumer concerns
- Economic viability

And Climate Resilience Index will be consisting of Ecological Resilience, Economic Resilience and Social Resilience.

## **Promotion of Green Enterprises**

ESMF encourages Green Enterprises on the critical environmental issues identified in the proposed activities through innovation. The objective of this component will be to enhance the environment benefits by organizing an innovative solution to address the critical issues identified through environment assessment. The theme of the innovation promotion under ESMF will be on – "Green Enterprises". Green enterprise development results in greener, environmentally friendly, safer and more productive workplaces.

Green enterprise is one amongst the innovation pilots, with the objective to support the development of a locally owned franchise to manufacture eco-friendly and affordable sanitary napkins. ESMF suggests the implementation strategies, Green justification (environment and social sustainability and economic viability), policy support available, technical support etc.



**FIGURE 41: ESMF FOR TNRTP – APPROACHES**

#### 14.5 INSTITUTIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF ESMF

The ESMF is an integral part of the implementation arrangements related to interventions and activities concerned with environmental and social implications.

Level	Key persons and roles	
State	SPMU - Environmental Specialist (ES)	Facilitation for the overall implementation of ESMF
	Capacity Building Agency	Capacity Building of Project Officials and Field Functionaries on ESMF
	Two consultants for Greening: One for Farm based activities one for and Non-Farm activities	Water, energy audits for the enterprises; Measuring Greenness
	ES and the Agency will be closely working with Enterprises and Value Chain team in the State	
District	District Executive Officer (DEO), One DPMU member (Executive Officer- Value Chain and Enterprises) anchors safeguards	Implementation of ESMF at district level; Coordination with State Team
	Executive Officer (EO - Value Chain and Enterprises)	Support for ESMF implementation Support Block Management Team for EA
Block	OSF/MaKaMai	Service provider for Compliance; Integrating NRM based convergence in the Enterprises and value chains. Vetting EA, support for mitigations.
	CPs, Block Manager; Executive- Value chain, Facilitator - Enterprises	Support for the EA of Orange class activities; Support and Cross check the EA of Green class Enterprises
Village	Enterprises CPs	Conducting EA with support of Block teams

**TABLE 21: INSTITUTIONAL ARRANGEMENTS FOR ESMF IMPLEMENTATION**

### **State Level**

Environment Specialist and Green Index consultants in State Project Management Unit (SPMU) will have the overall responsibility for implementation of ESMF. A State Environment Resource Agency (SERA) will be hired for support in Capacity Building. An external agency will be hired for environmental audits.

### **District Level**

District Executive officer positioned at district level will have the responsibility of ensuring ESMF implementation at district. Executive Officer – for Environment Appraisal of business plans and implementation Green business opportunities at respective district levels, Capacity Building cluster teams and monitoring.

### **Block Level:**

Team Leader from the PFT has the responsibility of ensuring greening of all value chains by Community Professionals (CPs) and conducting environmental appraisal (and providing support in implementation of mitigation measures. The Facilitator has the responsibility of capacity building and monitoring CPs.

### **Cluster Level:**

Community professionals for ensuring compliances and mitigations in business plans through appraisal, Capacity building of CBOs on ESMF

### **Village Level:**

The CBOs – PGs/EGS and PCs has the responsibility of integrating environment guidelines into the business plans by Enterprises (greening the value chains)

## **Monitoring Strategy**

Monitoring of ESMF implementation will be done at two levels, internal and external.

### **Internal Monitoring**

During the implementation, the activities will be monitored for integration of mitigation (sustainability) measures or environment guidelines into business plans (value chains), business proposals. The monitoring will also focus on the systems and the capacities at all levels in TNRTP for EMF implementation. Monitoring of EMF will be done by CPs at PG or village level, cluster teams at Cluster level and District teams at District level and at State Level by State Environment Expert and consultants. The monitoring will be done once every year. The internal monitoring will involve desk review of plans, field visits to producer groups and use of green rating tools for the activities visited. This can be done as part of regular visits by village, cluster and district teams.

### **External Monitoring**

Two External audits (one on safeguards and one on green index) will be conducted by hiring a third party external agency during 3<sup>rd</sup> and 4<sup>th</sup> year. The methodology can be a combination of desk reviews (to check the management aspects) and extensive field visits (to check on technical aspects) and stakeholder interactions.

## **Monitoring Indicators**

<b>Key aspects to be monitored</b>	<b>Monitoring indicators</b>
<b>Compliance of project activities with Legal and Regulatory Framework</b>	Percentage of activities in compliance with legal and regulatory framework
<b>Implementation of Environment Guidelines</b>	Number of low risk enterprises implementing minimum mitigation measures.

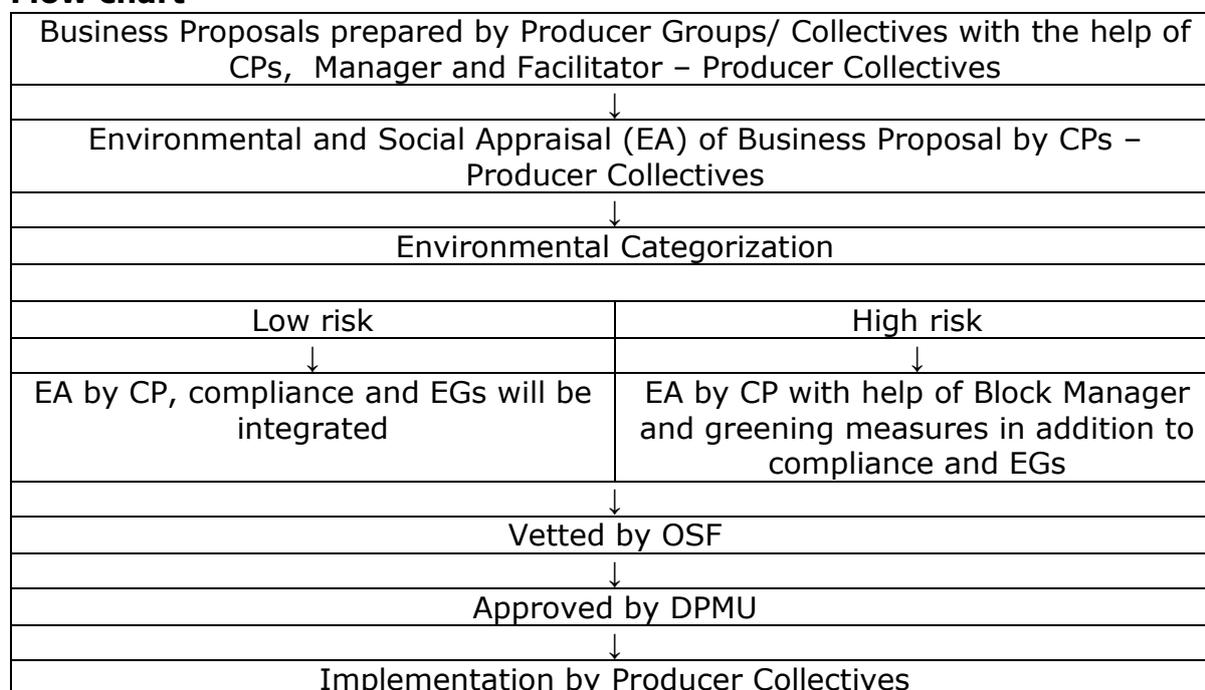
<b>Implementation of Environment friendly alternatives or Greening solutions</b>	Number of high risk enterprises implementing Environment friendly alternatives or Greening solutions
<b>Green rating of the value chains</b>	Percentage of value chains qualify under green rating.
<b>Internal Monitoring</b>	System and frequency of internal monitoring (green audits)
<b>Capacity Building of CPs, Field Functionaries and Project Officials at different levels</b>	The percentage of GCPs, Field Functionaries and Project Officials at different levels (with ESMF roles) underwent Capacity Building programmes.

### Capacity Building Plan

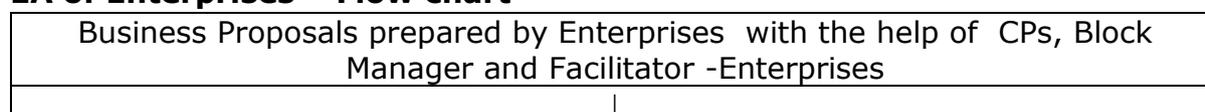
Capacity building is required for the Project Officials (DEO and EOs). The capacity building programmes will be conducted on regular basis both through integrating into the general induction training programmes (for all the staff under the project) as well as through focused training for relevant staff and project functionaries on the ESMF. An Environment Agency will be hired to train the project officials and field functionaries on ESMF. The details of the capacity building plan are provided in the ESMF document.

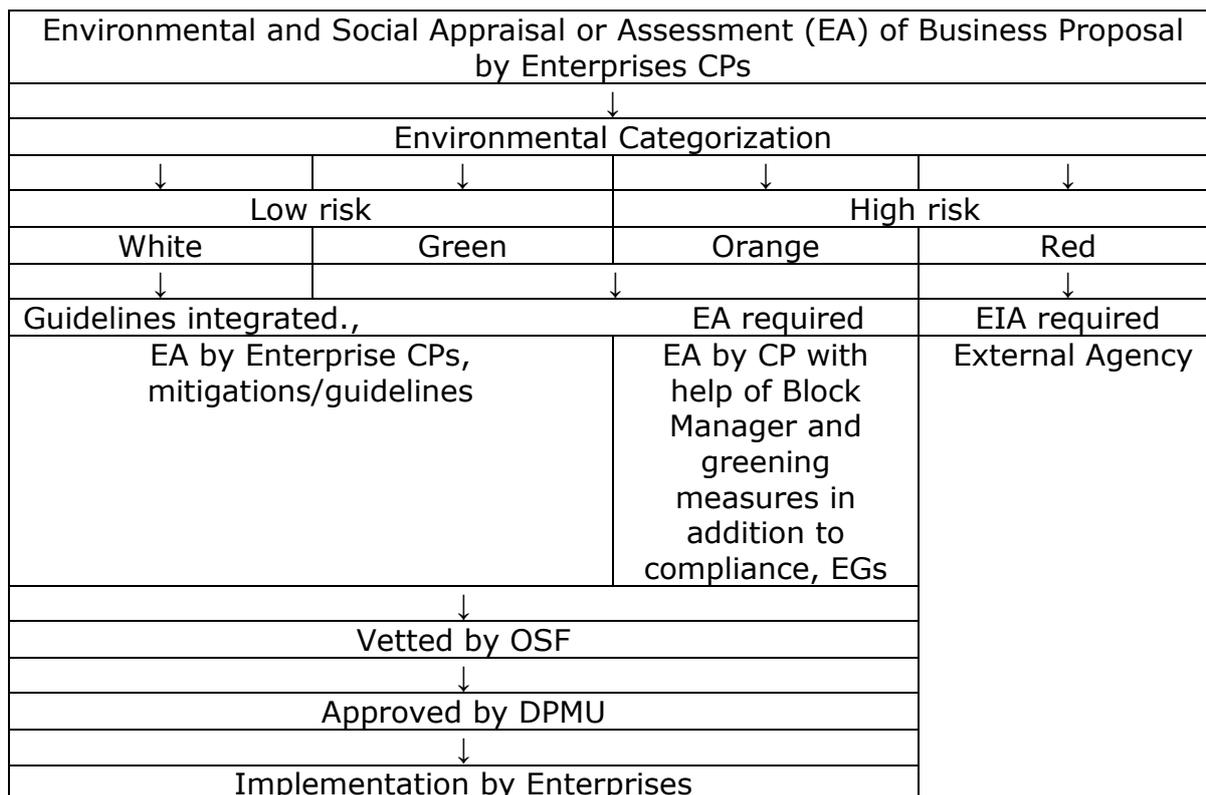
## 14.6 PROCESS FLOW CHARTS ON EA AND GREENING OF VALUE CHAIN ACTIVITIES AND BUSINESS PLANS

### EA of Production interventions (agriculture, livestock, forest based) - Flow chart

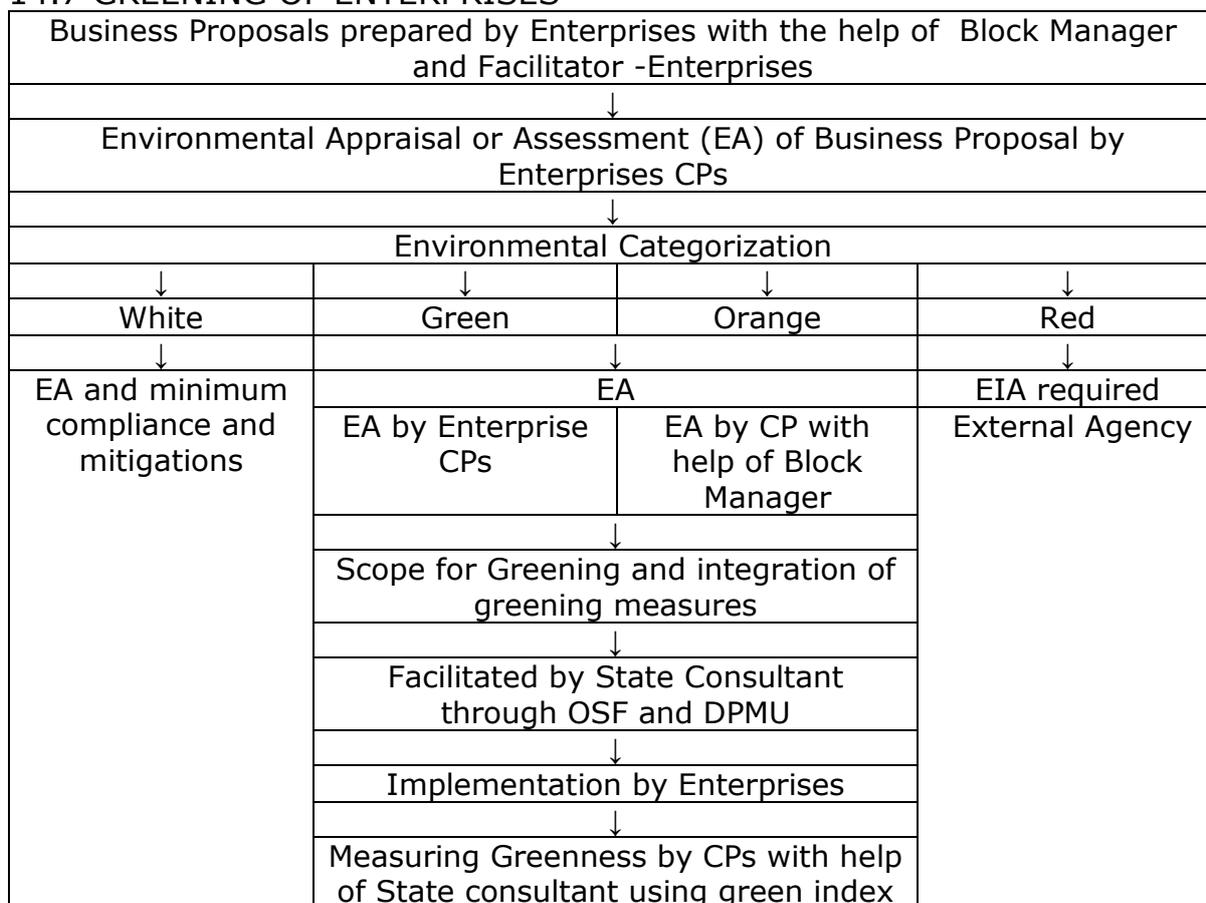


### EA of Enterprises – Flow chart





#### 14.7 GREENING OF ENTERPRISES



**Promotion of Green Enterprises:**

Promotion of Green Enterprises will be facilitated by Technical Support Agency and implemented by State Innovation Team. The concept note is being developed by the innovation team.

Combined Matrix of Environmental and Social safeguards and Management Framework for the Project

The project has triggered the following environmental and social safeguards and the following provisions and measures proposed to comply with the safeguard policies.

### Provisions and Measures to comply with Safeguard Policies

S. No	Safeguard Policies of World Bank	Key Provisions	Key actions and measures under TNRTP
1	Environmental Assessment (OP 4.01);	The Bank requires environmental assessment (EA) of projects proposed for Bank financing to ensure that they are environmentally sound and sustainable, and thus to improve decision making.	The project has conducted an EA and SA and an ESMF is developed which laid out the procedures for screening and appraisal of the activities and integration of mitigation measures/guidelines.
2	Natural Habitats (OP 4.04)	The Bank does not support projects that, in the Bank's opinion, involve the significant conversion or degradation of critical natural habitats.	<p>Applicable to TNRTP where value chain and enterprise related activities are promoted in tribal areas, near wetlands; water bodies; grazing lands etc.</p> <p>The EA has identified the key regulations related to developmental activities in and around the natural habitats and the ESMF presents a list of do's and don'ts which will be used in screening the activity for compliance. The key possible impacts on the natural habitats are identified and mitigations/guidelines are proposed. The CPs and project teams will be trained on these regulations and guidelines for effective implementation.</p> <p>The implementation will be monitored at regular intervals.</p>
3	Pest Management (OP 4.09)	In Bank-financed agriculture operations, pest populations are normally controlled through integrated pest management approaches, such as biological control, cultural practices, and the development and use of crop varieties that are resistant or tolerant to the pest.	TNRTP will not finance the procurement of the pesticides that are in the negative list (banned and restricted for use by World Health Organization) The commonly used pesticides in India and their status as per WHO classification list are attached as Annexure 14 in the Environmental Assessment document.

		<p>The Bank does not finance formulated products that fall in WHO classes IA and IB, or formulations of products in Class II (Annexure 14), if (a) the country lacks restrictions on their distribution and use; or (b) they are likely to be used by, or be accessible to, lay personnel, farmers, or others without training, equipment, and facilities to handle, store, and apply these products properly.</p>	<p>As an alternative to chemical pest control, TNRTP has prepared a Pest Management Plan (PMP) for the most common crops. The PMP comprises of non-chemical, ecofriendly methods of pest control. The plan is presented in Annexure 4 of ESMF. The CPs and project teams (who are responsible for safeguards) will be trained for effective implementation and the implementation will be monitored at regular intervals.</p>
4	Forests (OP 4.36)	<p>The Bank distinguishes investment projects that are exclusively environmentally protective (e.g., management of protected areas or reforestation of degraded watersheds) or supportive of small farmers (e.g., farm and community forestry) from all other forestry operations. Projects in this limited group may be appraised on the basis of their own social, economic, and environmental merits.</p> <p>The Bank finances plantations only on non-forested areas (including previously planted areas) or on heavily degraded forestland.</p>	<p>Applicable TNRTP where value chain and Human development related interventions happen in tribal areas located near forests.</p> <p>The EA has identified the key regulations related to developmental activities in and around the forest areas and the ESMF presents a list of do's and don'ts which will be used in screening the activity for compliance. The key possible impacts on the forests are identified and mitigations/guidelines are proposed. The CPs and project teams will be trained on these regulations and guidelines for effective implementation. The implementation will be monitored at regular intervals.</p>
5	World Bank Operational Policy OP 4.10 on Indigenous Peoples (April 2013)	<ul style="list-style-type: none"> <li>The World Bank's policy on Indigenous Peoples requires the project proponent to engage in a process of free, prior, and informed consultation. Free, prior and informed consultation results in broad community support to the project by the affected Indigenous Peoples. Such projects should include measures to (a) avoid potentially adverse effects on the Indigenous Peoples' communities; or (b) when avoidance is not</li> </ul>	<p>TNRTP has prepared a separate Tribal Development Plan (TDP) to document the free, prior and informed consultation with Tribal community leading to broad community support for the proposed project and measures to ensure the effective participation and benefits to tribal communities from the interventions proposed for the benefit of Tribal communities.</p> <p>The Tribal Development plan provides the project design framework covering the issues/ constraints faced by the tribal communities in</p>

		feasible, minimize, mitigate, or compensate for such effects. Project should also be designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and inter-generationally inclusive.	<p>promoting enterprises, possible interventions by the project components through specific measures.</p> <p>Special Considerations: Lands and Related Natural Resources. The Project may involve the commercial development of natural or cultural resources both in terms of non timber forest produce traditionally collected and used/ processed into products for sale by STs, and or traditional knowledge and skills through upgrading, links with commercial entities and markets.</p> <p>The project will have the nature and content of such agreements and includes arrangements to enable STs/PVTGs to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development.</p>
6	Operational Policy OP 4.12 on Involuntary Resettlement (July 2013):	The World Bank's policy with regard to involuntary resettlement are: (i) involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs; (ii) where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits and displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs; (iii) displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels	<p>OP 4.12 is not triggered in TNRTP as the project does not involve any activity that will cause involuntary resettlement.</p> <p>The project components aim at promoting rural enterprises, through access to finance, through value added economic activities and by increasing employment opportunities. Lands required, if any, for the sub projects would be organized by beneficiary groups/enterprises through open market land purchase or leasing arrangements. A data base of all land transactions would be maintained and monitored for adverse impacts if any.</p>

		or to levels prevailing prior to the beginning of project implementation, whichever is higher.	
7	The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Act 30 of 2013) (RFCTLARR):	The act provides for a transparent process and fair compensation in land acquisition for public purpose and provides for rehabilitation and resettlement of land owners and those affected by land acquisition. This act came into effect on January 01, 2014 and the Land Acquisition Act, 1894 stands repealed. The Central Government has notified January 01, 2014 as the effective date of the Act, in accordance with Sec 1(3) of RFCTLARR Act.	In TNRTP, no land acquisition is envisaged.

S. No	TNRTP Components	Applicability of ESMF	Promotion Action	Expected Outcomes	Supporting Arrangements
<b>Component 1: Rural Enterprise Ecosystem Development</b>					
1	1.a: Inclusive Strategic investments, Analytics, and Planning (District Diagnostic Analysis, Value Chain Analysis. Participatory Growth Plan)	<p>1. Ensuring the inclusion of women and participation of socially, culturally disadvantaged groups under target HHs –SCs, STs (scheduled tribes, including Particularly Vulnerable Tribal Groups), differently abled in District diagnostic analysis, selected value chains.</p> <p>Environmental aspects (status of natural resource, key environmental issues in the area/commodity, scope for green enterprises etc.) will be integrated into the district diagnostic studies, value chain analysis, investment plans etc.</p>	<p>1. Percentage of women producers, women employment potential is one of the criteria set for the selection of Commodities.</p> <p>2. Capacity Building of the project teams on Social Inclusion is the crucial step in district diagnostic analysis, Value Chain and Participatory Growth Plan.</p> <p>3.</p>	<p>Inclusion of Social Groups in selected Commodities will be ensured</p> <p>Environmental and Social parameters/aspects analysed and integrated into the plans/studies.</p>	<p>SPMU Social, Environmental Specialists support with Technical Resource Persons for training and Orientation, Monitoring. Dedicated budget allotment is done for the same.</p>
2	1.b: Enterprise Development Support Services: MaKaMai, One Stop Facility(OSF)	<p>Perspective building and Capacity building of Community Professionals at MaKaMai on integration of Safeguards (Environmental and Social), green measures into Business plans through the system of environmental and social appraisal.</p> <p>Steps and necessary inputs to ensure Services such as Counselling, training, assisting in business plan preparation to Women, SC,STs.</p>	<p>Environmental and Social Appraisal will be crucial step in sanctioning the proposals/business plans. The implementation of mitigations/guidelines will be supported through capacity building and monitoring.</p> <p>It is proposed to provide trainings on social and environmental safeguards, inclusion, gender mainstreaming approach and green enterprises,</p>	<p>CPs capacitated to conduct environmental and social appraisal, greening measures, and promotion of green enterprises.</p> <p>Compliance and integration of guidelines is ensured by all individual and group enterprises.</p>	<p>Environment and Social Specialists for overseeing the implementation of the system of environment and social appraisal.</p> <p>Resource agency for supporting the Capacity Building of OSF, MaKaMai's and facilitating the implementation.</p>

		<p>Providing knowledge on and ensuring compliance with the applicable 'legal and regulatory framework is one of the important service required to be provided by OSF.</p> <p>Scope for greening the enterprises. Tie-ups with Technical and Financial institutions for greening interventions.</p>	<p>measures and environment &amp; social appraisal to CPs through structured training modules. It will be developed with the support of technical consultants/resource agencies.</p> <p>Capacity building of the project teams on integration of environmental and social safeguards aspects into the business plan preparation.</p> <p>OSF will deliver the provisioning services to Enterprise Groups, PGs and PCs. Training and Guidelines to OSF and CPs.</p> <p>Facilitate Linkages and Partnership, convergence services to provide financial resources, technical knowledge and skills to Women enterprises specifically to SCs, STs.</p> <p>Package of services to include awareness on applicable legal and regulatory frameworks for the enterprises, support in obtaining consents for compliance etc.</p> <p>Integration of green/greening measures through 'green index'</p>	<p>Greening of the enterprises.</p> <p>Enhanced skills and Knowledge among women to promote enterprises.</p>	<p>Compliance and mitigations to be regular part of monitoring. Additional support to be taken from</p> <p>Technical Support Agencies/Technical resource persons/Partners as per the need.</p>
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			<p>(detailed in the ESMF and green index reports). Monitoring 'green index' through regular monitoring and external audits.</p> <p>Any emerging concerns on social and environment aspects under the components will be addressed appropriately during the project implementation'</p>		
3	<p>1.C:Enterprise promotion and Value chain strengthening and Partnerships</p> <ul style="list-style-type: none"> <li>-Promotion of Enterprise Groups</li> <li>-Promotion of Producer Groups</li> <li>-Promotion of Producer Collectives</li> </ul>	<p>Ensuring inclusion (Women, SCs, STs and differently abled) of target HHs, participation of women producers to project interventions on institution building, production, diversification, aggregation, value addition, skills and enterprise, and market linkages.</p> <p>Ensuring work space environment and policies supporting to women in enterprises.</p> <p>Ensure safety at work place and health safety.</p> <p>Ensure inclusion of eligible differently abled.</p> <p>Ensure fair and equal wages in enterprises.</p>	<p>Inclusion of environment and social appraisal as a milestone for release of Start-up grant.</p> <p>Trainings to project teams and OSF with the support of Technical Support Agencies/ Resource Persons on Guidelines on Inclusion, Environmental and Social safeguards measures to be adhered in enterprises and grievance mechanisms.</p> <p>Promote women enterprises through mentoring/ handholding support with work space policies and guidelines.</p> <p>Any emerging concerns on social and environment aspects under the components will be addressed appropriately during the project implementation'</p>	<p>Increase number of women enterprises and increase in women work force.</p> <p>Promotion of green enterprises.</p>	<p>SPMU Social, Environmental Specialists, Consultants on Green Index, Technical agencies support in promotion, guidelines and monitoring (through internal and external audits – green index). Dedicated budget allotment.</p>

		Convergence with Government Programs and Schemes; Private Sector Partnerships  Scope for promotion of green enterprises.			
<b>Component 2: Enterprise Business Plans Financing</b>					
4	2.a: Facilitating Business Plan Financing -Facilitating Business Plan Financing	Matching grant or start up support to new Women enterprises. Convergence support to SCs,STs for availing finances from Government schemes and Banks.	Appraisal and monitoring mechanisms to support and strengthening of indigenous, traditional enterprises.  Any emerging concerns on social and environment aspects under the components will be addressed appropriately during the project implementation'	Enhanced access of finance to Women to strengthen the enterprise activities.	SPMU team with Resource Institutions
5	2.B: Innovation Promotion	Thematic Innovation to promote indigenous, women led and Green Enterprises. This will increase the social, environmental benefit through innovative solution.	Technical Support Agency to support project teams. Dedicated budget.  Any emerging concerns on social and environment aspects under the components will be addressed appropriately during the project implementation'	Innovative Green Enterprises which is replicable	SPMU team with Social and Environment Specialists and Resource Institutions/Technical Support Agencies.
<b>Component 3: Skills and Job Opportunities</b>					
6	3.A: Pre and Post training services to enhance	Sustainable job opportunities through skilling, and enhance job placement through convergence and private	Community skill school and farm school for women in value chain.	Promotion of Women employment and green jobs	SPMU team with Resource Institutions, training institutions.

	<p>employment opportunities. -Community Based Training and Skilling provisions -Entrepreneurship Development.</p>	<p>sector interface, with specific strategies to include female youth. Ensure retention of jobs, employment through assuring safe work space environment, migration center support services. Ensure workers safety.</p> <p>Scope for promotion of Green skills and jobs.</p>	<p>Skilling and employment to women for Cross over sector through private partners.</p> <p>Greening the value chains and enterprises creates Green jobs which will be incorporated in to Skill opportunities</p> <p>Monitoring Safeguards measures in training environment and post feedback mechanisms.</p> <p>Any emerging concerns on social and environment aspects under the components will be addressed appropriately during the project implementation'</p>		
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**TABLE 22: MATRIX ON APPLICABILITY OF ENVIRONMENTAL AND SOCIAL ASPECTS TO THE PROJECT COMPONENTS AND ARRANGEMENTS UNDER ESMF**



## **SUB COMPONENT 4 A (V)**

### **INFORMATION COMMUNICATION AND TECHNOLOGY**

## **SUBCOMPONENT-4A (V)-INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)**

### **15.1 ICT VISION FOR TNRTP PROJECT**

The project needs to leapfrog traditional manual operation mode by using more effective and transformational ICT and new media systems for operations and planning. TNRTP project will be used to foster a culture of innovation and use of digital data solutions through mainstreaming 'proven' cost effective digital technologies, data standards and analytics for real time tracking of project activities and making evidence based decisions. The ICT and new media technologies diffusion in the project will be anchored around the principles of:

- **Digital by Default policy:** Meaning that reporting of activities undertaken under various components of the project will be carried out using digital technologies (through tablets, computers and smart phones applications with geo-tagging and time-stamping for non-repudiation) right from the inception stage.
- **Reuse not re-invent:** There are many digital applications and platforms already available through other agencies at state and central government level. (For example Public Finance Management System (PFMS) of GoI, Enterprise Information Management System (EIMS) at PWD department, Farmer Advisory system at TNAU, GIS based disease tracking system at TNAU, National Agriculture Market Portal etc.). Under TNRTP, the focus will be on re-use of existing digital platforms and solutions rather than reinventing. The project will focus on adding value to existing ICT platforms/Systems and creating new mobile based interfaces / systems only for areas where such systems do not exist.
- **Shared services concept** (Platform as a service Model): TNRTP Digital platforms will be developed around the principles of shared services and collaborative concept where multiple agencies use shared applications for common objectives such as data analysis, citizen engagement and grievance redressal. This will help utilize project finances effectively in addition to promoting the culture of collaboration and data sharing among multiple agencies (Whole of Government Approach).
- **Solutions Development Framework:** Tamil Nadu government has an efficient e-Governance department mandated to help line departments develop their strategies and solutions for e-Governance and digital development. There will be an active involvement of TN e-Governance department will be sought and ensured for development of Digital solutions of the project for swift decisions by complying with State e-Governance / IT policies and guidelines while selecting vendors for development of digital systems.

In addition, the ICT vision for the project encompasses the following points:

- Platform-based concept against pipeline-based concept – all systems will be standards-based and inter-operable.

- Centralized reporting from distributed applications – applications could be developed at different points of time by different vendors. They will however be inter-operable through open standards and will have consolidated reporting from them, through a data analytics system.
- Modular applications development for an integrated system – the applications will be prioritized for development, hence the deployment of the system is expected to be in modular way, with all applications inter-operable.
- Automated data collection at all stages of the project – applications will be built for the District Diagnostic Study, Investment Planning, Youth Database and other data collection processes, so that data is entered into the applications from day 1 of the project.
- ICT systems based on current trends and global best practices (Social Mobility Analytics Cloud (SMAC), Internet Of Things (IOT), block-chain, map-based, etc.) – will utilize the current trends so that stakeholders can benefit from the ICT interventions and they can create a positive impact.

## 15.2 GOVERNANCE FRAMEWORK FOR ICT PROJECTS AT TNRTP

The ICT Projects will be governed by an ICT Team under SPMU, which will include stakeholders from all components. The ICT Team will report to the Chief Operating Officer–Project Management System (COO) and Chief Executive Officer (CEO). Guidelines for Service Level Agreements for ICT solutions related issue resolution will be framed before the start of the project with the consultation and consent of all project stakeholders and with the approval of Chief Executive Officer (CEO).

### ICT Program & Project Review

ICT Program framework and deployment progress will be reviewed as follows:

- **COO Review:** ICT Program will be reviewed on fortnightly basis. The ICT team will provide a status update for the all the solutions being planned and commissioned for deployment, e.g. Data Collection Applications, Integrated system IICTS, HR System, Collaboration Portal, Finance System, etc.
- **Operational Review:** Status review of all ICT solutions on a weekly basis where the agency delivering the solution will provide an update on the activities performed and issues faced.
- The ICT team will help resolve the issues so that each project proceeds as per time and budget.

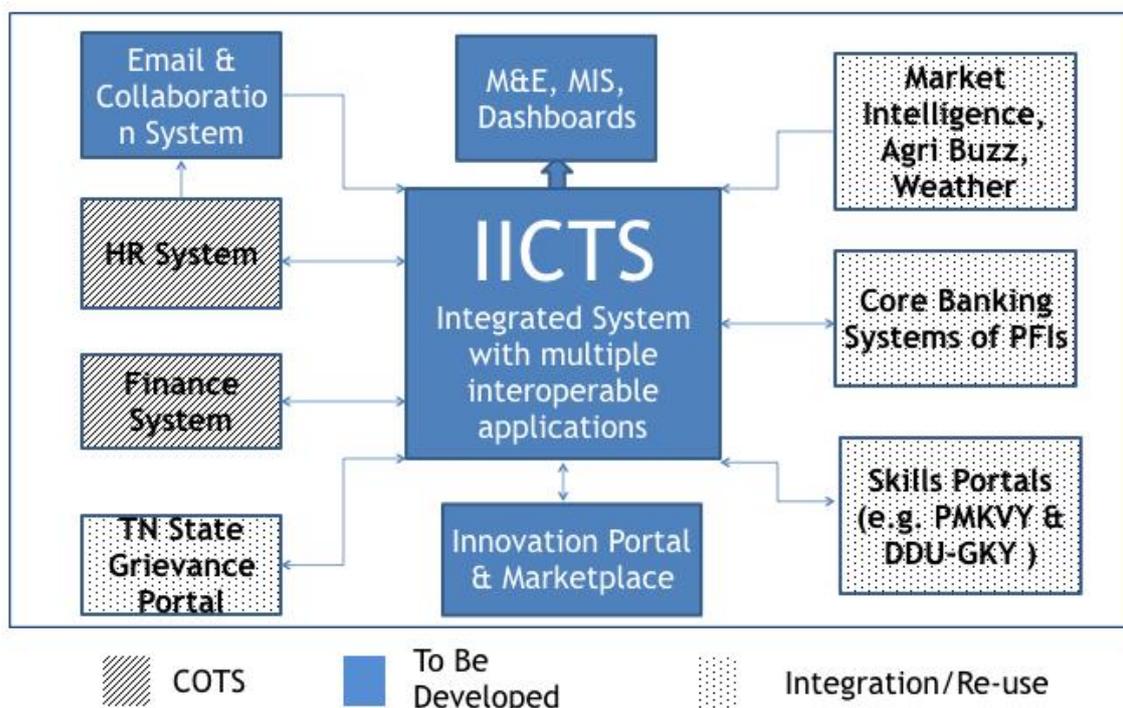
### ICT Team for TNRTP

- The ICT functions will be taken by Associate COO M&E & ICT and Deputy COO MIS. They will manage vendors and drive adoption for the core system and supporting systems respectively.
- The Associate COO will have over 15 years of experience overall with at least 5 years' experience in the management of large ICT systems.

### 15.3 ICT SOLUTION APPROACH FOR TNRTP PROJECT

The main ICT solutions to support enhancement of efficiency and improvement of service delivery to targeted beneficiaries under TNRTP project are shown in the ICT architecture diagram below:

## ICT Architecture for TNRTP



### Integrated ICT System for TNRTP (IICTS)

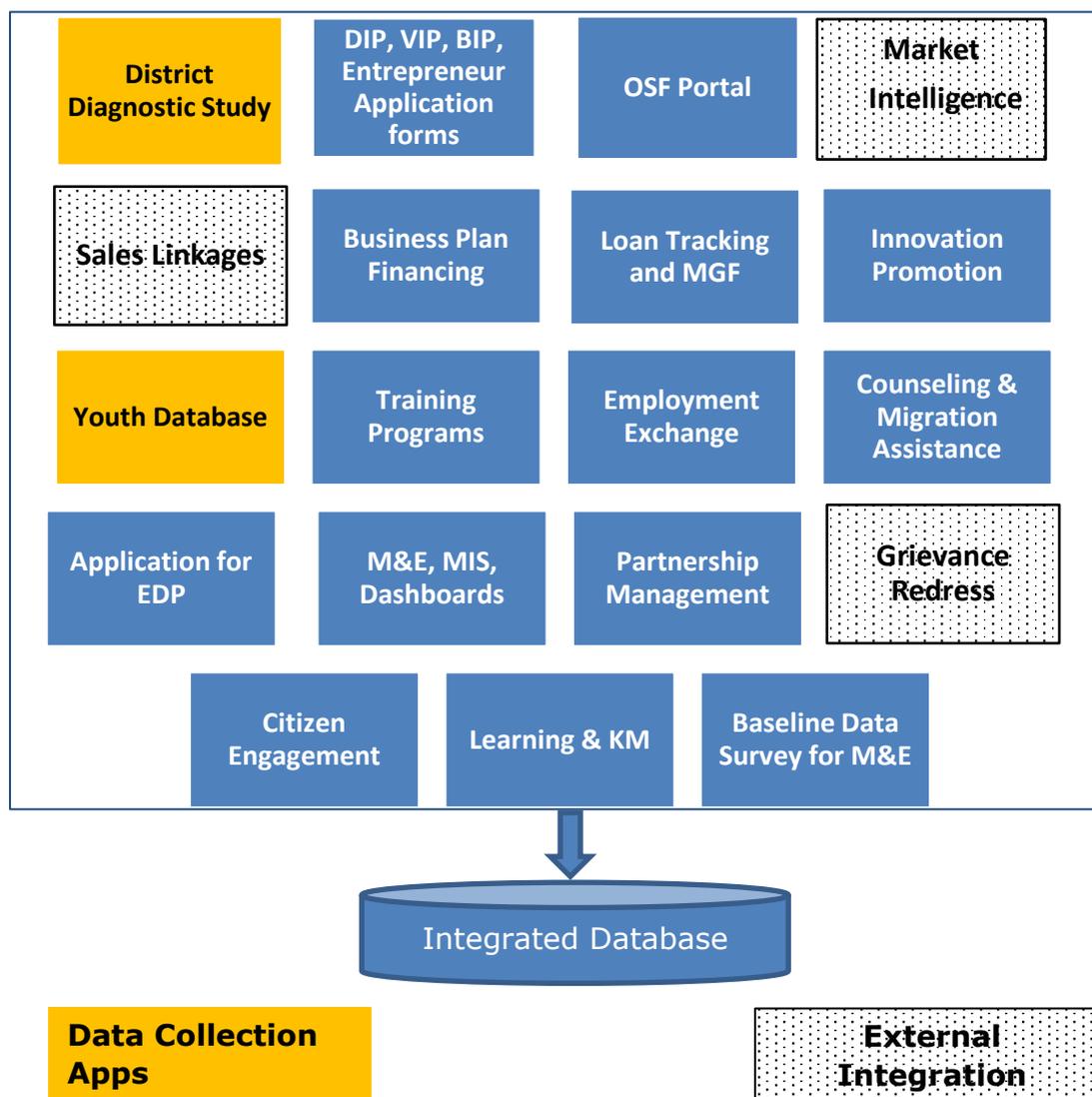
An integrated ICT system will be built to support the 3 major components and of the TNRTP project as well as cross-cutting areas such as M&E, Social and Environmental Safeguards and Knowledge and Learning Management.

The IICTS system will integrate with the HR and Finance systems, which are envisioned to be COTS packages, with the Finance system expected to be on Tally. It will also integrate with Market Intelligence aggregators to provide the market inputs that the TNRTP beneficiaries require to plan the production and sale of their commodities. Additional integrations are with Participating Financial Institutions for Business Finance as well as with Skills Portals such as DDU-GKY for their training programs. Solutions for the Innovation component are also likely to work closely with the IICTS system.

The Grievance Management solution is expected to be via the Tamil Nadu State Grievance portal. The modules included in IICTS are shown in the diagram below.

## Modules and Applications within the Integrated ICT System for TNRTP (IICTS)

The key applications in IICTS are indicated in the diagram below. Of these applications, development work for the District Diagnostic Study and Youth Database will start immediately, so that the applications are ready when the project starts. These applications will include functionality related to spatial analytics and geo-tagging, so that each record is validated and authenticated.



### Integration between Data Collection Applications and other IICTS modules.

The District Diagnostic Study and Youth Database are Data Collection Applications required at the start of the project and hence development for them will start immediately. They will share the same database as the remaining IICTS modules, hence the IICTS system design should build on the one already created.

The agency should ensure that the FRS developed for the IICTS modules above is compatible with the development done for the Data Collection Apps. The agency will also ensure that the design and development done by the selected SI is done in such a way as to have an integrated database and similar User Experience between the Data Collection applications and remaining IICTS modules.

### **IICTS System Description**

The project interventions are divided into 4 main components as below. The entire system will be workflow-enabled to minimize usage of paper to the extent possible.

1. Rural Enterprise Ecosystem Development
2. Enterprise Business Plans Financing
3. Skilling and Job Opportunities
4. Project Management, Results Monitoring and Implementation Support Systems

### **Component 1: Rural Enterprise Ecosystem Development**

The component seeks to create an enabling environment for promoting and strengthening enterprises and jobs in the target areas through identifying market and value chain development opportunities, supporting the development of favourable business conditions, and informing pathways to effective and efficient business enterprise development.

It would consist of three inter-related sub-components, including

- 1.A .Inclusive Strategic Investment analytics and planning
- 1.B. Enterprise Development Support Services
- 1.C .Enterprise Promotion and Value Chain Strengthening

#### **i) Subcomponent 1.A – Inclusive Strategic investment analytics and planning**

The ICT systems that will be developed are:

- Development of Mobile based **District Diagnostic Study (DDS) Tool** to capture all the DDS data in real time along with GIS coordinates and photographs (where necessary). The data received from the district diagnostic study exercise will be input to a Data analytics/ mining engine to produce role based dashboards for different stakeholder in the project. The analytics platform will also support query based analysis enabling personalized analytics based upon the parameters fed by the users of the system (For example, producing a dashboard on one project attribute like number of women entrepreneurs in a village cluster).
- The **District Diagnostic Report (DDR)** will be available from the app, showing the prioritized commodities and all other relevant data. **Commodity maps** across TNRTP districts and blocks can also be shown.

**In an effort to make the application available at the time of data collection, this DDS application is likely to be developed before the study is completed, with the development being governed by a separate TOR. The DDS application developed will have an integrated database with the IICTS application being planned.**

## **ii) ICT Solutions for Value Chain Planning**

The data gathered during Value Chain Planning will be stored in the system and the corresponding reports will be available. The prioritized value chains for each district, will be available thereby enabling informed decision making on the areas to be selected for investment and promotion. The value chains will also have social and environmental indicators, to indicate which ones are suitable for women, tribal groups and the green index score.

The Value Chain reports will be hosted on the TNRTP portal and made available to all stakeholders. The quantitative parts of the reports will be stored in the database and will be available for analysis and reporting.

## **iii) ICT Solutions for Participatory Growth Planning (PGP):**

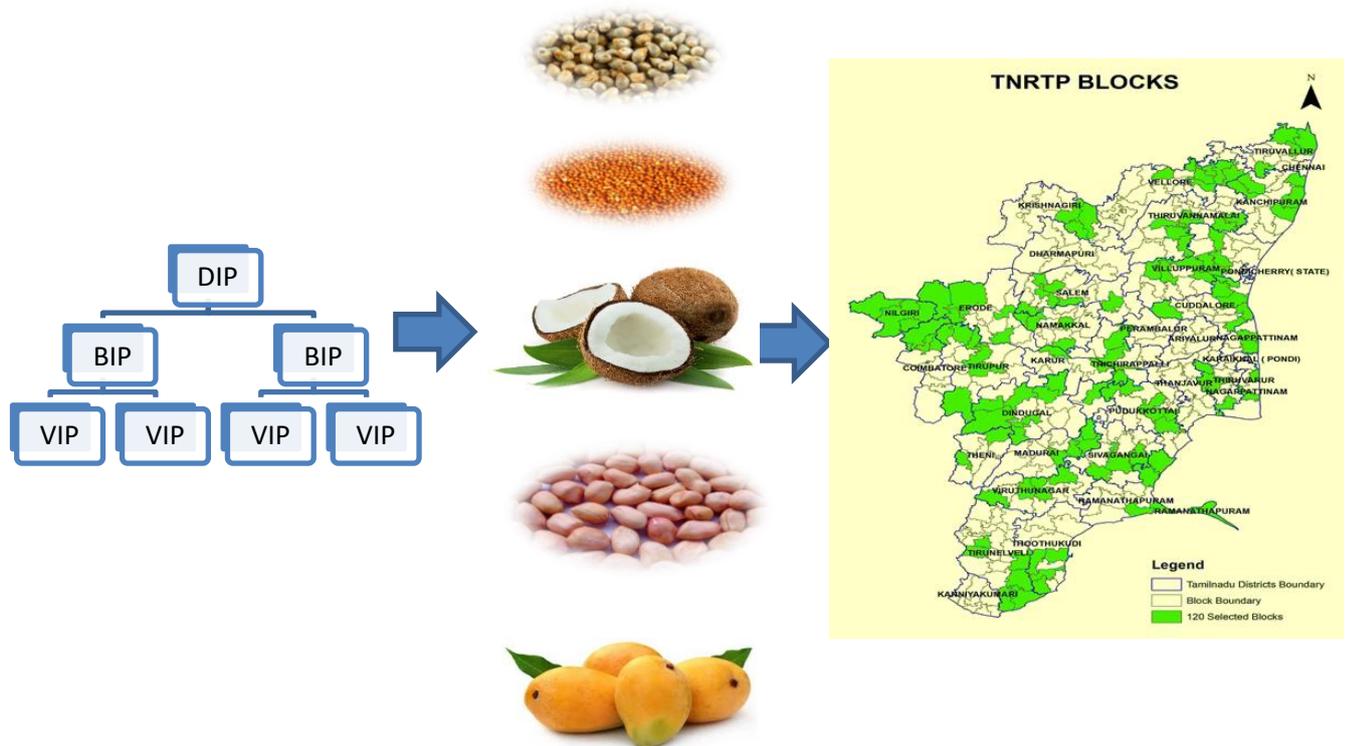
The ICT system for this component will store the results of the planning exercise, i.e. Village Investment Plans (VIP), Block Investment Plan (BIP) and District Investment Plan (DIP). The approval workflow for these plans will be automated, so as to make it a paperless operation. Once Village Investment Plans are entered they will be consolidated at the Block and District Level.

Appropriate reports and dashboards will be provided so that details of the plans are available to stakeholders and used for decision making. The reports can be by Village, Block and District and will also be by commodity, whereby the presence of a particular commodity in various blocks and districts will be highlighted.

Proactive measures will be instituted to ensure participation and representation of the socially disadvantaged sections<sup>41</sup> in the community in different phases of activities in analytics, planning, and enterprise promotion. The PGP exercise will suitably leverage ICT to contribute to the development of spatial analytics and monitoring systems at the state level. Map-based reporting will be provided.

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<sup>41</sup> Major focus will be on the participation of tribal, women, and other vulnerable sections of the community.



The additional features are:

- Monitoring and Evaluation (M&E) - Monitor the execution of the investment plans (VIP, BIP and DIP) to ensure they are efficient and effective. This will inform the stakeholders regarding the growth and performance of enterprises and help build competitiveness among the enterprises.
- Social & Environmental Framework –
  - Value Chains suitable for women and social groups such as SC/ST and Tribals will be identified
  - An indexing and grading system for enterprises, including criteria for green enterprises, will be developed
- Knowledge Sharing - Active facilitation support for cross learning within the enterprises and enthusing knowledge from other countries/states through knowledge/trade events

#### **iv) Subcomponent 1.B - Enterprise development support services**

##### **ICT Solutions for MaKaMai**

MaKaMai will receive ICT training for the basic applications, such as email, Document Creation, Spread sheets and other ICT apps for them to perform their duties.

## ICT Solution for One Stop Facility (OSF)

The One Stop Facility (OSF) which will be a single window business facilitating arm at sub-district level. The OSF will provide higher order business development services to the enterprises and will be available for in-person services, as well as an online portal and a mobile app. There will be a charge for the services provided by the OSF and a payment gateway will be enabled. Appropriate dashboards will be provided to indicate the volume of transactions handled by the OSF for each service and the revenue generated.

### v) Subcomponent 1.C –Enterprise Promotion, Value chain strengthening and partnerships

#### ICT Solutions

- Development of **Market Intelligent System and Information Portal** with a suite of mobile applications for SMS personalized information services related to :
  - livelihood opportunities,
  - current and forecast pricing trends for enterprise outputs and inputs,
  - skill training programs
  - Weather information, agricultural news, etc.
- Dashboards for all the monitoring indicators being used by this component
- Soil and water testing, as well as other ICT enabled agricultural practices to help farmers get better yield

Appropriate partners and sources will be obtained for each of the areas above and consulting agency will scan the environment to determine suitable providers. TNAU can be one of the partners based on their past work for similar projects.

This will help targeted beneficiaries enhance their revenue earning potential through information delivered directly on their mobile devices. The system will also act as a powerful resource for private players to identify producers and resources for their respective businesses. This system will also provide specific information to Women and Tribals for their enterprises as well.

An app called Kisan Suvidha, which shows the prices of commodities in Tamil Nadu is shown below.



English and Tamil apps for Millets from TNAU are also shown as below.



Appropriate apps for all the selected commodities will be identified and shared with the beneficiaries accordingly.

- **The small and medium enterprise barometer** tool will be developed to analyze district and panchayat-wise identification of small and medium enterprise status and key products around which clusters can be formed. This will also add to improving the ease of doing business policies of the state.
- **Rural e-Trading Platform** will be designed, developed and deployed based upon the best practices and learning from similar platforms operating in urban setups (Amazon, Flipkart etc.). Features of rural e-trading platform will be adapted to suit farmers, tribal artisans and other project beneficiaries. The platform will also be linked to popular rural platforms developed under e-NAM, NEGP Agriculture Mission Mode Project (NeGP A), e-Chaupal and other similar platforms. It is proposed that discussions with existing e-commerce platforms will be undertaken to examine the feasibility of extending their supply chain facilities to rural beneficiaries of the project.
- **Convergence and partnerships:** TNRTP will forge partnerships with key stakeholders (public/private/research/academia) and leverage expertise of partners to engage in specific win-win opportunities to ensure profitability of project initiatives and post project sustainability.
- A **Partnership Management Module** will be required, which will house a database of all potential partners for each value chain. The system will support the entire Partner Management Lifecycle process, including onboarding, relationship management using metrics and exit. There will be a facility to store all the Contracts and MoUs signed, as well as configurable dashboards to present the performance via the defined KPIs and metrics. This module will be available as a mobile app as well.

## **Component 2: Enterprise Business Plans Financing**

For the identified business enterprises and business plans, this component will (i) support enhanced financial access through development of appropriate financial products (such as matching grant program) through linkages with formal financial institutions and (ii) encourage and incubate transformational and innovative ideas through the scoping and piloting of innovations within and outside the project.

The objective of this component is to promote economic activities of producer collectives and enterprises linked to the value-chain opportunities. The component will provide enhanced institutional support and incentives for capital investments, including through unlocking opportunities for crowding-in private sector investments. This component consists of two sub-components, as detailed below:

### **Sub-component 2.A - Facilitating business plan financing**

### **Sub-component 2.B - Innovation Promotion**

#### **Proposed ICT Interventions**

It is proposed that state of the art ICT and new media technologies based upon tried and tested solutions for participatory development by deploying rural e-trading platform (with linkages to financing platforms of select cooperative, national and private banks), incubator tools with templates for business plan financing and virtual innovations relay networks ,capacity building platforms using peer to peer learning principles for farmer, artisans and households will be rolled out with special features for women entrepreneurs. It is proposed that all the platforms developed under the component will be interoperable or well-coordinated manner and will be linked to a centralized GIS and data analysis platform. All ICT requirements of this component will be addressed and key ICT platforms and tools to be developed and deployed are as described below:

**The Business Finance ICT platform** will be designed by the project and deployed at the Transaction Manager. The financial instrument will therefore be ICT/PFMS enabled, to ensure transparency, ease of implementation, and access to information for PFIs and the PMU. A web-based application will be developed to operationalize the MGP, including the following:

- (a) A system for submission and tracking of applications, approvals, and disbursements made by the PFIs;
- (b) An online system of appraisal and approval by the Transaction Manager/SPMU of the PFI applications to access the MGP;
- (c) A system to track the approval and disbursal of the matching grant fund by the Transaction Manager to the PFIs;
- (d) A system to generate **reports** from the software for the following:
  - (i) Funds approved by the Transaction Manager/SPMU and funds utilized by PFIs;

- (ii) Utilization of MGP in relation to different portfolios and district wise basis;
- (iii) Quarterly reports on the applications received, sanctioned, and funds disbursed;
- (iv) Tracking of the turnaround time taken by the Transaction Manager to sanction and appraise the applications;
- (v) Tracking of the turnaround time taken by the SPMU to sanction and appraise the applications in special cases;
- (vi) Tracking of the turnaround time for loan disbursement by the PFIs – from the time of receipt of loan application to the disbursement to the borrower;
- (vii) Tracking of the underlying loan portfolio quality;
- (viii) Creating suitable dashboards according to the project-specific requirements;
- (ix) Setting up a review mechanism on fund management among the Transaction Manager, PFIs, SPMU, and DPMUs.

The progress of the business plan from inception will be tracked, along with review comments and suggestions, with all versions being maintained. The progress of the plan towards financing will be visible to all stakeholders.

Enterprises will be provided an interface to provide regular data on their progress, e.g. no. of footfalls, progress of cultivation, to give an update on their activities. This update will be provided to PFIs, so that they have an update on the progress of the enterprises they have lent to.

Training will be conducted for the project staff and the PFIs. The training materials will be stored in the Knowledge Repository and will be a reference guide for the project staff in the field on the process of disbursing finances.

#### **iv) Sub component 2.B–Innovation Promotion**

This sub-component will contribute to the design, promotion, and implementation of transformational ideas that use technology, innovation, and partnerships to tackle development challenges in Tamil Nadu. The subcomponent will consist of the following interventions:

**Tamil Nadu Rural Transformation Marketplace**, which will create a platform to identify, showcase, and celebrate innovations related to themes that have the potential to impact rural economic growth in Tamil Nadu, for example, scalable models for the poor (agriculture, innovation in creative manufacturing, and innovations in green enterprises) and innovative solutions for the poor (rural energy, ICT-based solutions, digital empowerment, innovations in traditional health practices, innovations in access to payment for the poor, and so on). This platform will serve as a space where innovators, social entrepreneurs from public, private, civil society and funders, investors, and development agencies, can

nurture strategic relationships to bring innovations to markets – from idea generation to commercialization.

**ICT Solution: Innovation Promotion Platform** will be developed for the project stakeholders to showcase their innovative ideas and receive inputs from peers. Innovation relay will be encouraged by helping small entrepreneurs learn about their peers doing similar work and collaborate to expand the outreach and financial viability of their ideas. The network will be linked to Banking and Financial institutions for making finance available to innovators. The solution will help to:

- Showcase high impact and high potential innovations in rural development across various sectors and facilitate PPPs;
- Focus promotion of social enterprises and entrepreneurs by fostering linkages with investments and poor communities as suppliers and consumers;
- Identify and recognize grassroots-level innovations, and facilitate partnerships for incubation, refinement, and scaling-up of early ideas; and
- Institutionalize TNRTM as a platform to create an enabling environment for new approaches to be tried out in the area of rural livelihoods.

b) **Pilot projects-induced thematic innovations**, which will focus on the piloting of three concepts that are independent, yet consciously induced by the project, and are guided by global and national knowledge, experiences, and best practices. These pilot projects will seek additional funding through PPPs and initiatives of development agencies. The pilot projects include the following:

(i) **Creative Industries Pilot Project**, with the objective to promote the traditional creative and cultural industries sector in Tamil Nadu by strengthening and supporting rural artisanal enterprises through developing innovative products in selected pilot areas. The main beneficiaries of this pilot project would be rural artisans in selected districts of Tamil Nadu. Special focus will be to work with vulnerable groups, such as women artisans, tribal communities, transgender, and differently-abled communities.

**ICT Solution: An e-commerce portal** will be developed for Handicrafts to enable artisans to sell their products. The platform will provide additional features, such as Craft Map of Tamil Nadu, etc. Integration will also be provided to available e-commerce platforms such as Amazon so that artisans can reach a wide audience to sell their products.

(ii) **Green Enterprise – Sanitary Napkins and Menstrual Hygiene Pilot Project**, with the objective to promote access to sanitary napkins and menstrual hygiene education for girls and women, by supporting the development of a locally owned franchise to manufacture biodegradable and affordable sanitary pads. The main beneficiaries of this pilot project would be rural women and men around 100 pilot locations. The project will also aim to streamline the production processes of existing product lines, and work in the creation of economies of scale of the existing units.

**ICT Solution:** A mobile app will be developed to provide access to menstrual hygiene education for girls and women.

### **Component 3: Skills and Job Opportunities**

The following sub-components of Skills and Job Opportunities will be addressed through below mentioned ICT interventions.

#### **Sub-component 3.a: Pre- & Post-Training Services to Enhance Employment Outcomes**

#### **Sub-component 3.b: Community-Based Training and Skilling Provision**

#### **Sub-component 3.c: Entrepreneurship Development**

### **Proposed ICT Interventions**

It is proposed that the systems developed under the project are a combination of mobile applications, social media platforms and touch screen kiosks based tools with a helpdesk support given the digital literacy levels of the target beneficiaries. In particular, following ICT solutions are proposed to support the activities under the component:

- Youth database for convergence-related training programs such as those from DDU-GKY and Tamil Nadu Skills Development Corporation. **The Youth Database is being taken up for immediate development and will be developed using open standards, so that it can fully integrate into the IICTS application planned.**
- **Skills Training and job opportunities mobile application**
- **Rural Job Portal** will be created for pre and post training, placement tracking and skill enhancement options. If integration with Government employment exchange portal is required the same will also be considered. The rural job portal will be linked with the OSF for efficient performance.

### **Features supported by ICT platform**

- Youth Database creation
- Communication job fairs and placement related campaigns in the portal
- Mobilization of youth for skilling
- Connecting with migrants support centres from time to time
- Job search assistance & Job placement tracking and follow ups

### **Skills Application Requirements**

**These should be delivered through web and mobile apps.**

- The apps will have the following functions:
  - Individuals data Capture (Aadhar linked)
  - Photographs

- SMS
- Training Partners details (mapping): Bio-metric
- Types of courses & start and end dates
- Industries demand for skilled labour
- Job fairs details
- Counselling services
- Connect with WhatsApp
  - Data must be secured and must not be downloadable or transferred from the TAB but automatically get up loaded to the District database and in turn
- Must have connect with helpline

### **Community Based Training & Skilling (Requirement)**

- Capturing Master trainer database
- Aspiring youth database
- CSS venue, training details and duration
- Placement linking
- Communication
- On-line delivery of training - webinar

The CSS and CFS will be implemented by the MaKaMai and funds will flow from the district through the MaKaMai to the schools.

### **Component 4: Project Management, Results Monitoring, and Implementation Support Systems**

This component is structured around three sub-components, which are:

**Subcomponent 4.a – Implementation Support Systems (human resources (HR), FM, Procurement, Safeguards, and ICT);**

**Subcomponent 4.b – Monitoring, Evaluation, and Grievance Redressal;**

**Subcomponent 4.c – Knowledge, Communication, and Learning Systems.**

### **Proposed ICT Interventions**

- Induction and usage of ICT systems into day to day working of the components covered under the project will be undertaken by commissioning a consulting assignment to develop functional requirements specifications (FRS) document that will capture needs of all the stakeholders, study the adequacy of available ICT equipment and software tools used by the department (As is Study) and proposed requirements of hardware, field equipment and tools for the **Integrated ICT Systems (IICTS)** along with its features (To Be System).
- To ensure that the platforms developed are as per the project requirements, a Service Level Agreement (SLA) will be designed by the consulting firm which will be binding on all the software development agencies, System Integrators and Hardware suppliers selected for carrying out the assignments under the project.
  - **The IICTS system will be implemented as a Shared Services Platform** with Data Analysis/Mining Engine, GIS and Software

Development Kits (SDKs) for use by all ICT solutions in the project

- **MIS and M & E Systems** for monitoring of project activities and tracking of Results Indicators in real time. A computerized web-based MIS will be established to track and manage all monitoring data related to the activities and results of the four project components. The MIS will ensure accurate and on-time project monitoring and provide easy access to information on funds flow, implementation progress, processes, quality and performance of community institutions. This information will be made available through a user-friendly project website, accessible to all key stakeholders.
- For the evaluation of project outcomes, the project has commenced a comprehensive baseline survey to be completed within 6 months of project commencement using agreed performance indicators, to assess the situation pertaining to these indicators before project interventions start up in sampled localities. The MIS and M&E data will be available as web and mobile applications.
- The MIS application will report on all the parameters listed in the **Results Framework** and the data gathering processes will ensure that all required data is collected for the same. The table of indicators to be reported is below.
- All indicators except the one for Grievances will be measured quarterly. The Grievance indicator will be measured annually.
- In the table below (N) indicates number and (%) indicates a Percentage.

**Project Development Objective Indicators**

Indicator	Q1	Q2	Q3	Q4
Project Direct Beneficiaries (N)				
Female Beneficiaries (%)				
Enterprises with ongoing operations after 2 years of project support (N)				
Beneficiaries employed after skills training facilitated by the project (N)				
Enterprises supported by the project, leveraging funds from FIs (%)				

### Intermediate Results Indicators

Indicator	Q1	Q2	Q3	Q4
Approved VIPs leveraging finance through convergence (%)				
Enterprises that avail of technical and business development services (N)				
Collective Enterprises that received Start-up Fund (N)				
Individual Enterprises that have received the startup fund(N)				
Producer Groups/Enterprise Groups that have received the startup fund (N)				
Producer Collectives that have received the startup fund (N)				
Enterprises receiving funds from FIs (N)				
Innovation Promotion Fund (IPF) Pilots selected for scale-up (N)				
Service Providers trained and earning income through user fees (N)				
Beneficiaries accessing convergence training programs through the project (N)				
Female beneficiaries who have accessed convergence training programs through the project (N)				
Grievances registered related to the delivery of the project that are actually addressed (%) - Annual				

- Citizen Engagement and Grievance Redress System** with customized extensions to integrate functionalities of CE and GR in all other ICT solutions developed under the project. The Grievance Management system is planned to be implemented via the Tamil Nadu State Grievance redressal system. The Citizen Engagement process will conduct surveys related to the services provided by the project and get participants feedback. The number of grievances resolved as a percentage of the total number of grievances will be an important metric to measure. The score obtained from the surveys will be published on dashboards and the beneficiaries will be able to enter their grievances and surveys via mobile apps as well.

In addition there are some cross-cutting areas and ICT interventions for them are listed below:

#### **Social and Environmental Framework**

**Social:** The TNRTP project has specific plans to include Women, SC/ST and Tribal among the beneficiaries of the project and details have been worked out for the

same. The ICT system will be designed to support those requirements and there will be a specific ICT-led initiative for the benefit of Tribal.

### **ICT Provisions to Support Social Frameworks:**

1. Provision of market information, inputs costs and weather updates via apps.
2. Support for Community Radio participation by the Tribal population.
3. Educational materials will be made available through the OSF, Knowledge Base and YouTube channels.

**Environmental Management:** TNRTP is conducting an Environmental Assessment (EA) study with an objective to identify (i) The applicable 'legal and regulatory framework'; (ii) Potential impacts and mitigations for the proposed interventions; (iii) Scope for greening the enterprises; and (iv) Explore the scope for promotion of 'green enterprises', calculate a green index. Based on the EA an appropriate safeguards plan – Environmental Management Framework (EMF) is being prepared. There is also a strategy for promotion of exclusive green enterprises under 'innovations'.

The EMF provides tools, guidelines and checklists for the district diagnostic studies, value chain analysis, appraisals of business plans etc. in order to ensure better integration of principles of environment management.

**ICT Provisions** - The ICT system will provide functionality to support the above initiatives described for Environment Management and greening.

### **HR Integration**

A Commercial off the Shelf (COTS) based HR system will be implemented at the start of the project and will store the data of all associates of TNRTP. A role-based security access module will be developed for IICTS and the relevant associate and role details will be obtained via interface from the TNRTP HR system.

Each associate of TNRTP will have access to the IICTS processes and data depending on their role. The roles and privileges will be defined in the Security Module.

### **Finance Integration**

The central Finance System for TNRTP will be a COTS-based system and it will have an interface to the IICTS system.

The funds disbursed to the districts will be tracked and the expenses incurred will come back to the Finance system via the interface. The funds disbursed as part of Business Plan Financing will also be tracked and repayments fed back into the Finance system.

The COTS system will be modified for the above interfaces to work properly. The interventions in data flow will be minimized.

## **Knowledge Sharing**

ICT will be central to the knowledge harvesting and dissemination for the project. To enhance the outreach of knowledge and learning from the project (both internally and externally) appropriate platforms and applications will be developed from funding dedicated for ICT development in project design.

A knowledge sharing portal will be provided where training programs will be uploaded and made available to project members as well as beneficiaries. This will serve as the Knowledge Base for the project and will be run by a Knowledge Administrator, who will get the latest versions of documents and training programs and ensure they are available to all participants. The Knowledge base will also be available as a mobile app, so that stakeholders have access to content wherever they are.

## **Access, Role-based & Data Security**

Security will play an important role in system design and suitable authentication procedures will be designed for the project staff, applicants and beneficiaries who access the system. Each user will see the processes and data as per their role. Roles will include Project Management staff, community professionals, applicants, beneficiaries, partners, etc.

## **ICT Helpdesk**

The development vendor will establish an ICT Helpdesk to document issues which are reported by the project staff and the beneficiaries in the field. An industry-standard helpdesk system can be implemented, where issues can be accepted by phone, email, web page, mobile app, etc. Service Level Agreements (SLAs) will be defined for resolution of the issues and dashboards will be generated to track the metrics on monthly, quarterly and yearly basis

## **Measuring ICT Effectiveness**

- Feedback surveys with a rating mechanism will be conducted every quarter, to get a feedback on the effectiveness and usage of the ICT applications.
- This will enable the ICT team to understand which applications are used by participants and which can be phased out
- There will also be provision for them to indicate new requirements, which will give pointers as to which applications need to be built.

## **Summary of Mobile Apps**

The mobile apps required in the system are summarized below:

- Component 1 :
  - District Diagnostic Study
  - Value Chain Planning
  - Participatory Growth Planning
  - One-Stop Facility, available as a web portal and mobile app
  - Market Intelligence, Input Costs, forecast prices, weather information. agro news, will be available as via mobile app

- Sales through online channels will also be controlled through a mobile app
- Partnership Management module
- Component 2:
  - Mobile App which helps track progress on the loan.
  - Enterprise performance details of borrowers will be shared with participating financial institutions on a regular basis.
- Component 3 :
  - Youth profile upload
  - Visibility of training programs close to their current address
  - Application and confirmation of training
  - Access to Job Fair information and Job postings, with facility for application
  - Counseling and Migration assistance services
  - Application for Entrepreneurship Development Program
- Component 4:
  - For Social requirements, all apps relevant to respective social groups, such as women, SC/ST etc., will have content suitable for their enterprises and value chains
  - M&E and MIS dashboard reporting including Results Framework
  - Grievance and Citizen Engagement
  - Knowledge Framework
  - ICT Helpdesk system will have a mobile app, where issues can be entered via mobile

#### 15.4 CHECKLIST FOR APPLICATIONS TO BE CONSIDERED FOR IMMEDIATE IMPLEMENTATION

For data collection applications to be considered for development, the following items must be ready:

- The forms where data is to be entered should be ready
- Validations for the data should be available
- The business logic and business rules for the application should be ready

In the case of reporting applications, the following should be ready:

- The fields to be displayed on the report should be available
- The processing logic and business rules for the report should be available

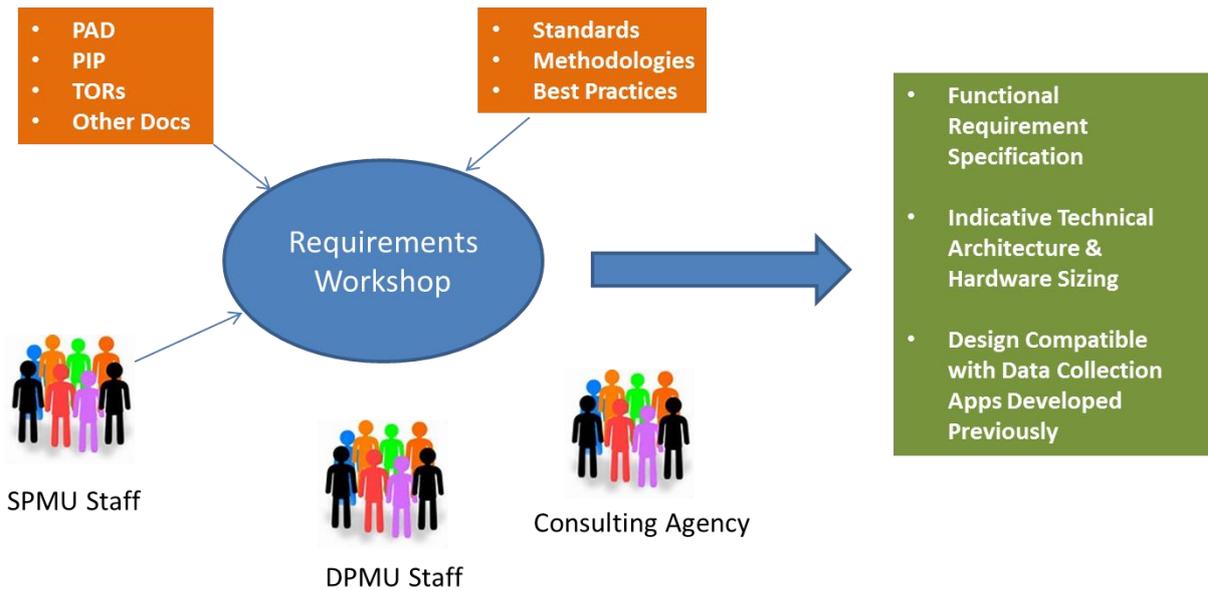
#### 15.5 APPROACH FOR REALIZATION OF THE INTEGRATED ICT SYSTEM (IICTS) FOR TN RTP

- A Data Collection App will be built for capturing the data generated through the District Diagnostic Study and the Youth Database. These applications will have features for spatial analytics, so that all data entered from the field, will be time-stamped and geo-tagged for authenticity. The main modules of IICTS will be designed so as to integrate seamlessly with the data collection applications developed.
- For the remaining modules of IICTS, there will be Requirements Study conducted for all the components and a suitable agency (Consulting

Agency) will be hired for the same through EOI and RFP Process. **The TOR for the selection of the consulting Agency is at Annexure-52**

- The Requirements Study will be completed in 4 months and will include all ICT solutions for the major components such as Ecosystem Development & Enterprise Promotion, Business Plan Financing, Skills and Job Opportunities. The cross-cutting areas like Monitoring and Evaluation and MIS, Social & Environmental Framework, Knowledge Management, Grievance Redress, Citizens Engagement and HR & Finance Integration will also be covered.
- The Consulting Agency will receive the PAD, PIP, TORs and other documents and will conduct workshops with the thematic specialists to develop the detailed requirements.
- The requirements will be documented in the Functional Requirement Specifications (FRS) and the consulting agency will also provide an indicative Technical Architecture and Hardware Sizing. The Phase 1 FRS will be available at 2 months and the Phase 2 FRS will be available after 4 months.
- The consulting agency will also prepare the RFPs to select the Systems Integrators (SI) for the Design and Development of the different applications of the project.
- Multiple SI's may be hired for development of different solutions. All solutions will need to adhere to common standards for data sharing and interoperability, as well as User Interface and Database Design.
- The consulting agency will review the design created by the SI and validate the software developed to ensure it meets the requirements as stipulated in the FRS document.
- The vendors selected for the solution development will provide training on usage of the systems in a time bound manner; governed and monitored through the SLA signed for capacity building as part of the contract.
- The thematic specialists will conduct the User Acceptance Testing along with the Consulting Agency, to ensure that the software meets all acceptance criteria and is fit for use.
- The pilot go-live for Phase 1 is expected to take place at 11 months from the start date of the project and the rollout across the other districts will take place after that.
- The pilot go-live for Phase 2 is expected to take place at 16 months from the start of the project and the rollout of this functionality across the other districts will take place after that.

The process for the **Requirements Workshop** is shown in the figure below.



**Long Term Support** – The SIs hired for different ICT systems will provide long term support from the pilot go-live till the end of the project on June 30, 2023. They will maintain an IICTS Support Helpdesk, where any ICT issues raised by the staff and the project users will be logged and resolved. In case many SI’s are involved, the support may be transitioned to a single suitable SI over the course of time to manage support till the end of the project.

The indicative timelines for these activities are given in the table below.

### Timelines for IICTS System

Activity	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18
<b>IICTS Study, Development and Rollout</b>																		
Requirements Study and FRS Preparation																		
Selection of System Integrators (SI)																		
Contract signing with SI																		
Design, Development & System Testing - Phase I																		
Design, Development & System Testing - Phase II																		
UAT and Software Validation - Phase I																		
UAT and Software Validation - Phase II																		
Pilot Go-live - Phase I																		
Pilot Go-live - Phase II																		
Rollout across other districts - Phase I																		
Rollout across other districts - Phase II																		
Support Transition - Phase I																		
Support Transition - Phase II																		

## 15.6 HR SYSTEM FOR TNRTP PROJECT

An HR & Payroll System is planned for the TNRTP project, which will have the features of Employee Life Cycle Management, Payroll, Absence and Leave Management & Performance Management.

The system will provide employee self-service facilities for:

- Remote onboarding
- Viewing Pay slips
- Leave application and tracking
- Online appraisal system
- Travel and Expenses
- Biometric access can be considered at a later stage if required

A TOR for the requirement has been prepared and demos from vendors have been initiated. An HR system developed for another government department has been demonstrated to the TNRTP team and demos from other HR solutions providers are being planned.

Once a suitable product is shortlisted, the procurement process will be followed to bring the vendor on-board. The goal is to have the HR system working from the first day of the project, so that the HR team can onboard the employees of TNRTP from the first day onwards. System implementation is expected to take 3-4 months from the date of placing the order.

### **Integration with other systems**

The hiring of TNRTP associates will take place in the HR system and employee data will be shared with other systems such as IICTS, Collaboration Portal and Finance, based on the requirement. The two main systems that the HR system will integrate with are as below.

**IICTS** – The HR system will be integrated with IICTS via an interface whereby the employee data will get transferred from the HR system to IICTS on a daily basis. Each team member will have access to IICTS based on their role. Performance reports from IICTS will be integrated with the HR system to help in the Performance Review process. The details of integration will be determined during the requirements study phase.

**Collaboration Portal** – The HR system will be integrated with the Collaboration Portal, so that all TNRTP employees have access to the portal.

**The HR system will be the database of truth for all details related to TNRTP employees.**

## 15.7 Finance System for TNRTP Project

The Pudhu Vaazvhu project had implemented its Finance system on Tally. For the TNRTP project, the recommendation is to go ahead with an upgraded version of Tally, where the SPMU and DPMU teams can enter data, to track the fund flows and keep the system up-to-date.

The Finance System will be interfaced to IICTS, which will provide data related to the business loans and MGP funds disbursed. This interface will work on a daily basis, so that the Finance system is regularly updated.

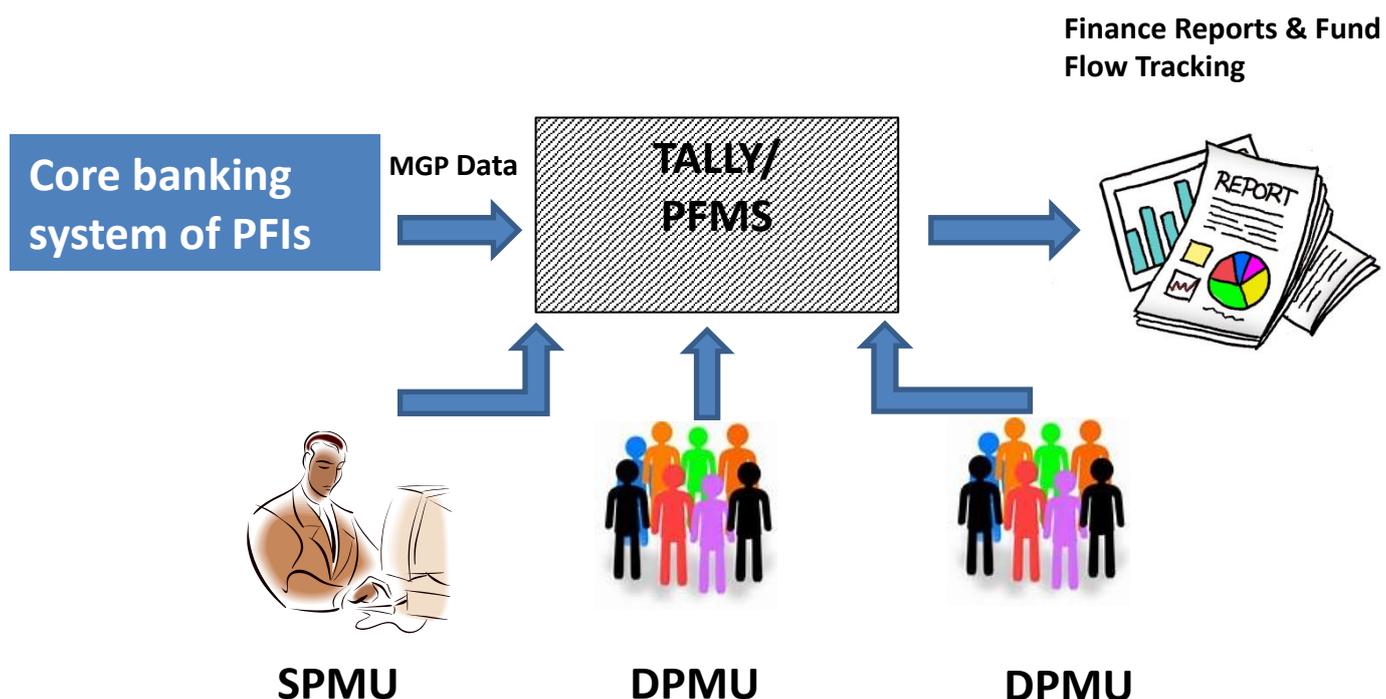
The MIS reports related to the fund-flow of the project will be obtained from Tally and are expected to be updated on a monthly basis. A major adoption and training drive will have to be undertaken to train the DPMU staff to enter the data on a monthly basis.

The Tally upgrade is expected to take 3-4 months to complete. This system is expected to be ready by the first day of the project, so that the fund-flow can be tracked from day 1.

**The Finance System will be the source of truth for all the Finance Data related to TNRTP.**

All Financial data will be entered into Tally and reports will be disseminated to stakeholders as required.

A diagram showing the updates into the Finance System is shown below:



## 15.8 TNRTP WEBSITE AND COLLABORATION PORTAL FOR TNRTP TEAM

A website for the TNRTP project will be developed, where content related to the project will be made public, such as documents, plans, progress updates and other information deemed suitable for public consumption.

The TNRTP associates will be able to enter the TNRTP intranet, through authenticated access from the website. The applications available in the intranet will be:

- Knowledge Repository and Document Management
- Procurement Application – linked to the e-Procurement system of the TN state government
- An IT Asset Management system will also be linked to the portal, which will keep track of the IT Assets of the TNRTP Project.

There are some applications developed by a vendor for IAMWARM project in Tamil Nadu, which may be suitable for TNRTP and if suitable will be made accessible through this portal. These applications are:

- Contract Management
- File Tracking
- Assembly Questions
- CM Cell
- RTI Query Management

The evaluation of these applications is underway and a decision will be taken by the time of the project approval.

### **Email for TNRTP Associates**

An email id with the **tnrtp.org domain** will be provided to all TNRTP associates.

Quotations will be taken from vendors such as Google, Zoho and Microsoft for their email applications, as well as the Collaboration Suites they provide such as Calendar, Drive, Docs, Sheets, Slides, Online meetings and chat, video conferencing website creation, etc.

All the above vendors provide these features and the solution which provides high quality and cost effectiveness will be considered.

The goal is to have the website ready by the start of the project and we would like to provide email ids to associates on the day they join TNRTP.

## 15.9 HARDWARE AND INFRASTRUCTURE FOR TNRTP PROJECT

The State Project Management Unit (SPMU) Office, will have the following features:

- **Video conferencing facility**

A videoconferencing facility will be created at the state office, as well as at the District offices, so that project reviews and discussions can be done using VC, thereby minimizing travel and saving time and cost.

- **Training and Testing Centre**

A training and testing center will be created at the SPMU office, which will house a 10-seater classroom as well as a testing center, which will be used to test the software systems being developed and provide a center for the User Acceptance Testing.

### **Hardware for TNRTP Team**

- 22 desktops and 8 laptops will be transferred from the Pudhu Vaazvhu team to the TNRTP team at the state office. Additional desktops and laptops will be procured as required.
- Each District Project Management Office will have laptops for the key personnel and 2 desktops available for community professionals (CPs) and beneficiaries to access the applications provided by the project.
- The focus will be on the staff using tablets/smartphones where possible, as they can be used in the field for taking photographs with geo-tagging, thereby helping in data validation and map based reports.
- The OSF centers will have computing facilities as well as printers and photocopier to help the beneficiaries with business plans, access to finance, etc.

### **Vendor for IT Infrastructure Maintenance**

A vendor will be selected for IT Infrastructure maintenance that will help the project staff with maintaining the IT Infrastructure and correcting issues which arise. ELCOT will also be considered for the same.



## **COMPONENT 4 B**

# **MONITORING, EVALUATION AND GRIEVANCE REDRESSAL**

## **SUB COMPONENT-4B MONITORING, EVALUATION AND GRIEVANCE REDRESSAL**

There is broad evidence on the benefits of economic growth, investments in human capital, and the provision of safety nets for the poor through development projects implemented by the Government of India. Critical to this is the ability to be able to measure the benefits produced through the intervention and the overall impact on the population. This will inform whether the program or project can be better designed to achieve the intended outcomes. It will also allow one to assess if the resources are being used efficiently? All these questions can be better answered through effective monitoring and evaluation strategy.

The following section of the PIP provides the blueprint for the development of an M&E strategy in TNRTP from the perspective of intertwining this component across the program in supporting the implementation of the project to attain the desired objective.

### **16.1 MONITORING AND EVALUATION: TNRTP STRATEGY**

**Monitoring and Evaluation (M&E)** is a continuous activity throughout the project cycle to generate feedback on performance of the project processes and activities and support project managers to take timely corrective measures to address any shortcomings and deviations. M&E system will provide realistic, real-time, and easily understandable information on various aspects of project implementation. The M&E component would monitor progress, processes and results of various project initiatives and support the dissemination of information to various levels of management for better planning and implementation.

The M&E strategy will consist of the following components: (a) concurrent progress monitoring (physical and financial achievements versus targets); (b) process monitoring (of how well agreed processes were followed); (c) intermediate results monitoring (of intermediate outcome, and how well community institutions and investments performed); (d) participatory monitoring (to obtain feedback from stakeholders on whether they are realizing the intended benefits); (e) thematic studies and case-studies; and impact evaluation. These M&E components are listed below:

- A. **Baseline, Midterm and End-line Surveys:** This will be conducted to measure the pre-post project conditions of the target population prior to and after the projects intervention. Effectively, it will allow the project to measure targeted families "before" and "after" the project and "between" the project and control areas using qualitative and quantitative methodologies. A hypothesis document will be prepared to identify key hypotheses regarding demand for different types of project interventions by specific groups as well as the impact of such interventions and the methodology will be used to measure them. Integral to this, the project has prepared a terms-of-reference for conducting these surveys outlining the key indicators, methodology and sampling frame including control and non-control areas and sample size.
- B. **Concurrent Progress Monitoring:** This component assesses progress in project implementation (physical outputs compared to implementation targets and financial expenditures against budgeted resources). This will be conducted

by an external M&E agency that will be retained for first 3 years in the lifecycle of the project (**see Annex 53 for TOR for M&E**). The external M&E agency will use a diverse range of methods to capture the data on the project including through the project MIS to generate monthly reports for project reporting. The agency will also conduct random reviews/spot-checks including independent sample surveys conducted every 3-6 months from the commencement of the project to provide independent validation of internal reports extending to those submitted to the World Bank.

- C. Intermediate Results Monitoring:** The external M&E agency will also monitor intermediate results indicators of TNRTP. This will include although not limited to whether community institutions and investments made are achieving intended project outcomes. Examples of such intermediate indicators include the inclusivity, social participation and robustness of targeted groups which are nurtured to undertake project activities, the initial achievements of groups which successfully start mobilizing themselves to participate in income-generating activities, the success of producer groups in marketing their produce, or of trained youth to find and be retained in gainful employment.
- D. Participatory Monitoring:** This is a powerful tool to know the ground reality and the project progress, from intended beneficiaries and stakeholder's perspective at the household level. It provides testimony as to whether project activities and investments are seen as being truly beneficial for the beneficiaries and enables the self-assessment of institutional capabilities. It engages participants at all levels to jointly account for success or failures and more importantly, generates authenticated testimony and ongoing lessons for improved implementation. The internal M&E team (with oversight provided by the external M&E agency and World Bank) will facilitate community based concurrent monitoring, social audit and community evaluation of all the activities by the community, which will ensure that the activities have been implemented as per the agreed processes and without any deviations. Community evaluation will ensure that the intervention gets evaluated from the point of view of the community and inform decisions regarding course corrections in implementation. Participatory Monitoring will have three components:
- i) Notice Boards:** It is an effective tool for transparency. In PVP, the details of the project like non-negotiable principles and beneficiaries identification process, details of identified beneficiaries, assistance given and the achievements of the project. The vision details are mapped. The meeting details and decision of the community sought for approval in some issues like change of office bearers, beneficiaries selected for assistance are kept on the notice board for community comment and for due approval to proceed further. The notice boards will be erected in all the habitations in order to ensure transparency in TNRTP project.
  - ii) MaKaMai as a Facilitator of Monitoring:** The process of funding and infrastructure development and financial linkages of the CLGs in accordance with the timeline will be cross verified by the Community Professionals from neighbouring districts in 2% of randomly selected panchayats quarterly.
  - iii) Social Audit:** Social audit once a year i.e 10% of randomly selected panchayats at Village level, selected block and district level CBOs will be done using the capacities of the available SAC CPs of the neighbouring block MaKaMai. The findings of the SAC would be transparently discussed during the Grama Sabha since it is identified as one of the good governance tool.

- iv) **Internal Learning Forum:** Internal Learning Forums will be conducted once in 3 months at CBO level, Block level and District level. At the State level this exercise would be conducted twice in a year. The best learning may carry forward and bitter are well discussed until solutions are sought for.

The TNRTP Results Framework for the key results indicators of TNRTP alongside the **Result Chain** will be used as the basis for establishing the M&E framework for the project, and will further evolve during project implementation (within the first 6 months of the commencement of the program) which has been detailed in Table-32 & 33.

- E. **Thematic studies and Case Studies:** This would supplement and complement other monitoring components through validation of information on indicators of the results framework, as well as provide analytical inputs, which go beyond routine monitoring functions. The need for thematic studies would emerge as the project progresses and will be triggered by the findings of the concurrent M&E system. The external M&E agency will lead in coordination with agencies and institutes of national repute with expertise in areas to be studied would be invited for the planning and conduct of these studies, which will be supervised by the internal M&E team. The studies would be in-depth and capture the good practices as well as endemic problems in project implementation. In addition to these thematic studies, the project would proactively undertake documentation of processes, case studies, best practices and lessons learnt from project experience. Such studies will also cover the process of changing social relations and empowerment among the beneficiaries. Documentation would also be conducted for internal learning as well as for disseminating project experiences to other stakeholders and would be a continuous process throughout the project duration, with participation from all the project personnel.
- F. **Impact Evaluation** will be performed by the external M&E agency to assess the project outcomes, compared to the baseline survey conducted before the commencement of project interventions in particular sampled project areas for a period of 3 years. The agreed performance indicators in the Results Framework would be central to the assessments and guide development of methods, tools and analysis protocols. Attribution of benefits to project interventions is possible with selection of control or comparison groups to provide the counterfactual. Skill is required to apply rigorous sampling methodology to identify and study representative samples to lend legitimacy and ensure reliability of the study findings, which provide important basis for evidence-based decision-making by project authorities and sponsors. Impact assessment would involve comparing qualitative and quantitative outcomes "before and after" and "with and without" the project intervention. The "without project" situation is assessed for non-project (control) areas and compared with project (treatment) areas at the start, mid-term and end of the project period, to determine the impact of the project's interventions, net of the impact of other factors affecting overall development in the region. The Evaluation will assess the sustainability of interventions and institutions supported by the project, and resultant changes in social, economic and political empowerment and wellbeing of the targeted households and communities (see Table 26).

<b>ME&amp;L Components</b>	<b>Information collected on</b>	<b>Instrument</b>	<b>Type of data &amp; Source</b>	<b>Frequency</b>	<b>Responsibility</b>
Baseline	Determining pre project conditions to establish the net contributions of the project to the sustainable livelihoods of the targeted families "before" and "after" the project and "between" the project and control areas.	Baseline study A. Hypothesis document that would identify key hypotheses regarding demand for different types of project interventions by specific groups as well as the impact of such interventions and the methodology to measure them B, Sampling document- that would describe the methodology adopted for baseline survey including control and surveyed areas, justification for choosing samples and size of samples, weightage etc. C. <u>Questionnaires</u> for households, beneficiary self-help groups, local governments and village leaders with retrospective questions wherever appropriate.	Quantitative and qualitative	Before project	External Consultants through the CPs and staff who are well trained & oriented by the M&E agency to carry out the assigned task
<b>Impact Evaluation</b>	Project impacts and outcomes	Impact study with impact and outcome indicators as a point of reference to establish the net effect of the project	Quantitative & Qualitative	Mid term	External Consultants through the CPs and staff who are well trained & oriented by the M&E agency to carry out the assigned task  MaKaMai, CPs.

				Post Project	
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**TABLE 23: IMPACT EVALUATION ACTIVITIES**

**Management Information System (MIS)** will enable the systematic capture of all M&E information, which will be collected routinely or periodically related to inputs; activities, outputs and intermediate outcomes of the project components. The web-based MIS allows flexibility and access to authorized users and efficient sharing and dissemination of information to stakeholders and decision-makers. Data from village level will be entered at the block level through authorized and trained data entry operators (Community Professional or agency staff) and will be approved at the DPMU level after which it will be available for others to see. Depending on the capacity of staff, connectivity and hardware requirements, some of the data entry might happen at the village level. Similar to the MGNREGS website (nrega.nic.in) and many other Central Government websites, the MIS will be designed to facilitate transparent implementation of the project – this will help ensure validity of the information as well as facilitate community monitoring.

An external consultancy firm would be hired to design, test and develop the MIS (overseen by the external M&E firm). The ICT cell will maintain the MIS and will also extend it to accommodate the technology requirements from the implementation teams.

## 16.2 INSTITUTIONAL ARRANGEMENT FOR M&E

M&E responsibilities would be shared engaging an external M&E agency which is hired across all the project units along with the staff. The M&E agency will coordinate with M&E specialists across the project, namely: i) internal M&E State Team; and ii) designated M&E staff members at the District and Block level and up to village level (For this purposes, the existing staff of PVP may be drawn assessing the capacity and wherever possible. The Community Professional trained by the agency may be involved so as to enhance their capacity for carrying out monitoring activities of the project once the assignment period is over for the external monitoring agency). iii). Community Monitoring system will be evolved relevant to the project objective. Technical specialists at the District and Block levels will participate in the review of the correct information. The external M&E agency will be provided support by M&E State Team and the District and Block staff in carrying out the supporting activities such as design, development, operation and maintenance of project MIS; capacity building in M&E techniques and applications, sampling design and field surveys, the design of M&E instruments, training, data collection, validation and analysis would also be provided by both the external agency and project. The different M&E participants and products to be generated are summarized in Table 27 below:

The responsibility of the agency is defined for a period of 3 years from the day of engagements and the agency is entitled to train the implementers in the M&E aspects in such a way to run the system independently soon after the exit of the hired agency.

<b>Purpose</b>	<b>Project Management</b>	<b>Project Internal M&amp;E Team</b>	<b>External M&amp;E /MIS Agency</b>
<p>Concurrent Monitoring to assess implementation progress and process</p>	<ol style="list-style-type: none"> <li>1. PMU is responsible for monitoring the project, using dedicated internal M&amp;E team and External M&amp; E firm which is hired for the project.</li> <li>2. The PMU contracts and manages external contractors, as required for:               <ol style="list-style-type: none"> <li>I) M&amp;E Firm</li> <li>II) MIS</li> <li>III) Impact Evaluation Thematic Studies Internal and External Audits (including social audits)</li> <li>IV) M&amp;E Capacity Building</li> </ol> </li> <li>3. The PMU produces "Action Taken Reports" on issues raised by the internal and external M&amp;E assessments to inform management decisions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Design, implement and evolve the M&amp;E/MIS system internally, assisted by external M&amp;E agency.</li> <li>2. Guide and support implementation units to finalize and implement monitoring plans.</li> <li>3. Oversee analysis and production of quarterly progress reports (QPRs).</li> <li>4. Provide regular updates for regular review meetings by PD/APD and stakeholders</li> </ol>	<p><b>Baseline &amp; Review</b></p> <ol style="list-style-type: none"> <li>1. At Project startup: Collect baseline information for progress and intermediate results.</li> </ol> <p>Independent review of QPRs (Half-Yearly)</p> <p><b>Implementation of MIS</b></p> <p>Design, train staff and construct &amp; troubleshoot the implementation of the MIS system, in close consultation with Project staff, all stakeholders and providers &amp; users of M&amp;E/MIS information &amp; products.</p> <p><b>Third Party Audit</b></p> <p>Third party monitoring and audit teams: Undertake sample audit of project records to verify regular monitoring reports, and highlight any issues for PMU attention.</p> <p><b>Thematic Studies:</b></p> <p>Conduct studies, submit reports &amp; detailed recommendations to PMU for Action.</p>

<p>Evaluation of project, Outcomes , Impacts and Strategies</p>	<ol style="list-style-type: none"> <li>1. Management reviews evaluation reports and makes mid-course adjustments, based on evidence of performance.</li> <li>2. Review end-term evaluation report and finalize the Projects ICR</li> </ol>	<ol style="list-style-type: none"> <li>1. Agree with internal M&amp;E team on scope and detail of evaluation survey &amp; methodology;</li> <li>2. Supervise the implementation of evaluation studies;</li> <li>3. Utilize the findings for drafting the end-term ICR</li> </ol>	<p><b>Evaluation Team</b></p> <ol style="list-style-type: none"> <li>1. Undertake baseline and mid-term surveys and studies</li> <li>2. Review Evaluation baseline survey at start-up of selected batches of Project areas and control groups</li> <li>3. undertake any supplementary work as needed to complete this exercise;</li> <li>4. Conduct panel mid-term studies</li> <li>5. To assess progress on Project Outcomes (targeted changes in behavior or situation of beneficiaries achieved in the project period) and impacts (wider results directly attributed to the project);</li> <li>6. Build the capacity of the Project team to conduct end-term study to assess project outcomes and Impacts at the end of the Project implementation</li> </ol>
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			period.
Learning (M&E Reports) & Thematic Studies (TSs).	<ol style="list-style-type: none"> <li>Quarterly: Review and discuss the findings and implications of the consolidated M&amp;E/MIS reports with Internal and External M&amp;E teams.</li> <li>Commission Thematic Studies and take Management decisions and actions related to the findings.</li> </ol>	<ol style="list-style-type: none"> <li>Units review implementation issues and design the scope of Thematic Studies to be undertaken;</li> <li>Contract External consultants to undertake TSs, including: <ul style="list-style-type: none"> <li>Case Studies on best practices/failures and lessons learnt about different project activities;</li> <li>Scoping studies on technical feasibility or viability of proposed and ongoing programs;</li> <li>Enterprise models and profitability/sustainability profiles;</li> <li>Successful convergence with government departments, line agencies and other stakeholders.</li> </ul> </li> </ol>	

**TABLE 24: ROLES AND RESPONSIBILITIES OF M&E MIS**

The sources of data for the project’s outcome and results indicators would be derived from two sources, namely:

- Periodic Data** - firstly from evaluation studies conducted by the external M&E agency, starting with baseline survey, then mid-term survey and end-term survey of both project and control groups; and secondly from thematic studies: for more in-depth investigations to shed light into areas of concern (e.g. of stakeholder response or client uptake of interventions), findings and implications to be analysed, which will be considered in making management policies and decisions.
- Concurrent Data** - firstly, progress (physical outputs and financial allocation and expenditure) data that is collected monthly by all implementing agencies at the District and State level; secondly, intermediate outcomes data which is collected quarterly or half yearly by all implementing agencies at the group, block and district levels (this data is also cross-checked through participatory monitoring and evaluation of beneficiaries and verified on sample basis by social auditors); and thirdly, by process monitoring data which comes from the District and State levels which are responsible for ensuring that the steps in all key processes (e.g. formulating a participatory plan, etc.) are followed by each

implementing unit (these units will attest that the steps are followed, including spot checks by external consultants, social auditors (where relevant and applicable). This will be supported by the M&E firm including external validation of the data.

Based on the above, table 28 provides the proposed plan for creating knowledge products during the implementation of the proposed TNRTP.

<b>M&amp;E and MIS Knowledge Products</b>	<b>Frequency</b>	<b>When</b>	<b>Who</b>
<b>Concurrent Monitoring</b>			
Baseline on key progress indicators	Once	At start-up of each set of interventions	External M&E Agency
Reports on progress, process and intermediate outcome reports (which includes inputs from participatory M&E and grievance redress)	Quarterly / Half-Yearly	Within 25 days of close of frequency period.	<b>First 3 years</b> External M&E Agency (Quarterly) with the assistance of staff and CPs
			<b>From 4th year onwards</b> Internal/ External M&E Team (MaKaMai & the project Staff) (Quarterly)
Consolidated QPR, which includes above reports plus financial procurement, social and environmental progress reports etc.	Quarterly	Within 25 days of close of frequency period.	<b>First 3 years</b> External M&E Agency (Quarterly) with the assistance of staff and CPs
			<b>From 4th year onwards</b> Internal M&E Team (MaKaMai & the project Staff) (Quarterly)
<b>Evaluation</b>			
Baseline Survey and Report	Once	Within six months of start-up of project commencement	External M&E Agency (Quarterly) with the assistance of staff and CPs
Mid-Term Evaluation Report	Once	At project mid-term	External M&E Agency (Quarterly) with the assistance of staff and CPs
End-Term Evaluation Report	Once	At end-term	Internal/External M&E Team (MaKaMai & the

			project Staff)
<b>Thematic Studies</b>			
Thematic studies and case studies as needed	As required	As required	<b>First 3 Years:</b> External M&E Agency (Quarterly) with the assistance of staff and CPs
			<b>From 4<sup>th</sup> year</b> Internal /External M&E Team (MaKaMai & the project Staff)
<b>MIS</b>			
Routine reports disseminated; Customized reports; Repository of data and information	Monthly	Continuous	<b>First 3 Years:</b> External M&E Agenc with the assistance of staff and CPs
			<b>From 4<sup>th</sup> year</b> Internal/External M&E Team (MaKaMai & the project Staff)

**TABLE 25: TNRTP KNOWLEDGE PRODUCTS FROM M&E**

Assessment of the project’s effective implementation will be enabled through: i) Continuous information collection review by project staff and stakeholders and self-correction; ii) Participatory tracking and self-assessment by local beneficiaries in open meetings; and iii) Periodic data collection, review, dissemination and decision-making at supervisory levels. Effectiveness of the project will be measured against the baseline data that will be collected in 2018, six months following commencement of the project.

### **Capacity Development & Exit Strategy**

The M&E agency will work closely with TNRTP to facilitate introduction and integration of the project M&E-impact measurement framework. This is based on the identification of need for a unified and consistent framework. The framework needs certain amount of flexibility to capture diversity of inputs by implementing partners (e.g. GoTN, World Bank) as well as generates consolidated information on outcome indicators for reviewing progress. The M&E agency will thus lead the process of co-creating the M&E-impact measurement framework for learning. While this will be one of the key milestones, the long term objective is to support the capacity development of TNRTP to conduct the M&E for the project over the long-term. Specifically, under this component the broad scope of work for selected agency’s role as learning partner include:

1. Develop, introduce, and integrate performance and impact measurement tools and framework including identified common issue areas by implementing partners;
2. To build capacities of TNRTP with specific focus on measurement, learning, and evaluation through handholding support to strengthen internal processes that facilitate reporting on indicators;
3. Build capacities of the implementing partner (through orientation, capacity building programmes- training, interaction during partners' meeting, visits to intervention sites), to adopt and integrate the framework in their implementation and impact measurement framework.
4. Work with M&E specialist of TNRTP to identify outcome level data trends and patterns and prepare infographics, factsheets and other data dissemination tools for advocacy and partnership building
5. Build capacity of TNRTP to conduct project surveys, includes design of evaluation survey, data collection tools, data collection, collation, analysis and reporting
6. Work with TNRTP to generate reports necessary for various purposes including advocacy and communication, building of partnerships and alliances, during the grant period

An indicative detailing of the above referred scope of work include:

1. Develop impact measurement framework (tools, methodologies, sample design, indicator plan and tracking sheets)
2. Develop impact measurement framework for tracking of TNRTP activities (consists of data collection tools, indicator plan and tracking sheets)
3. Conduct orientation sessions for implementing partners for use of impact measurement framework
4. Conduct results monitoring visits to assess progress of outcome level indicators
5. Develop monthly reporting templates for implementing partners to report progress of activities to TNRTP
6. Conduct monitoring visits to implementing partners for spot check of activities implemented
7. Prepare annual reports and supporting documents for advocacy using progress of output and outcome level indicators

b) Enhanced M&E Capacities of Implementing Team & Partners

1. Conduct M&E related training workshops for implementing partners
2. Customize TNRTP CMS and train and support staff to integrate/adapt
3. Establish data collection methods for TNRTP, monitoring of process and outcomes level indicators
4. Conduct trainings for implementing partners to capture lessons learned and built capacities of storytelling, capturing best practices and stories of positive change;
5. Develop and implement an exit strategy of the M&E firm from the project to TNRTP for long-term sustainability.

c) Design and Implement a Dashboard for collation and dissemination of progress against project indicators

1. Design dashboards for results dissemination among TNRTP team, partner staff and other stakeholders
2. Develop tools for dissemination (infographics, factsheets, brochures, whiteboards etc)
3. Organize data dissemination events annually sharing progress of output, outcome level indicators, best practices and lessons learned

**(4) Strategy for Staffing:** It is expected the M&E agency would be in a position to hire field staff at various levels, for the purpose of conducting the M&E operation across and within the program. The firm will be expected to provide a detail staffing plan for the M&E arrangements as part of the proposal, including Job Description for each position and detailed costing covering the entire duration of the TNRTP program. The M&E agency should reflect on the staffing pattern of the Pudhu Vaazhvu Project (PVP) which had experienced (post graduate qualified) Facilitators and Team Leaders at the Cluster Level for monitoring the project progress across components, with data capture and analysis skills. The relevant qualified persons for the agency may be selected from the State Database of the Project. This may reduce the burden of training in relevance to these assignments.

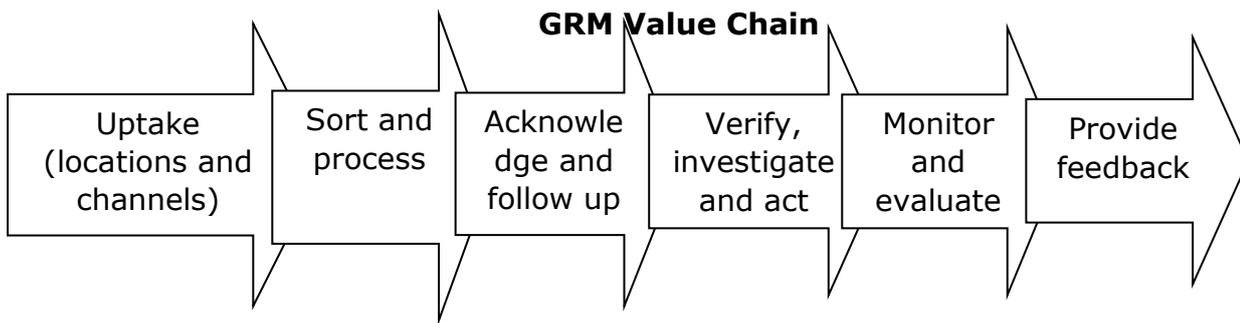
### 16.3 GRIEVANCE REDRESS MECHANISM (GRM)

In TNRTP the Grievance Redress Mechanism (hereafter referenced as GRM) is a critical tool for promoting both transparency and accountability in project operations. The GRM is embedded into the various facets and dimensions of the project through a well-designed and operational efficient mechanism drawing on international best practices (see World Bank, Governance and Anti-Corruption Policy Note, 2010). From an operational perspective, TNRTP DPM's recognize the role of the GRM as critical towards enhancing operational efficiency towards ensuring beneficiary and citizen awareness/engagement in the project. This is alongside providing multiple channels (offline and on-line) by which citizens including women, ethnic minorities and the youth can provide feedback to strengthen the operational objectives and deter miscellaneous practices while underscoring the project foundation as one that is accountable, transparent and responsive to beneficiaries.

TNRTP acknowledges that an effective GRM is built on organizational commitment both in terms of recognizing the role of the GRM as well as supporting its operationalization. It also embodies fairness in handling grievances confidentially, impartially and transparently. The project recognizes that procedures to file grievances and seeking action need to be easily understandable and accessible for the project beneficiaries to make the GRM effective. Quick response and adequate training increases the efficiency of GRM. An effective GRM also considers the principles of participation and social inclusion.

### 16.4 THE GRM VALUE CHAIN OF TNRTP:

Drawing on the World Bank Governance and Anti-Corruption Governance Policy Note (2010), the GRM for TNRTP is designed as a sequence of steps along a value chain:



TNRTP will establish multiple channels by which grievances can be received by the project. These can be broadly classified as – Online e-Services (e.g., Toll Free Helpline, SMS and via the Project web-platform) and Offline/Manual (e.g., Snail Mail, In Person and at Compliant Centers/Drop-Boxes). For all grievances, a prior review procedure will be conducted by the DPM following an established protocol for the purposes of codifying and classifying grievances, reviewing grievances for sensitivity/confidentiality, assessment of any issues pertaining to Conflict of Interest (COI) for the office/personal prior to such grievances being channelled to the Grievance Redress Officer (GRO) at the district level.

In the processing of all grievances, TNRTP will follow international best practices including adoption of basic procedures including acknowledging all grievances, assigning a central tracking number/ID for all grievances alongside basic service standards for response. TNRTP will also establish an operating procedure for the handling of unresolved grievances through a process of escalation – where unresolved grievances will be transmitted to the next higher level. The State project management office will also aggregate all grievances to a consolidated single database to monitor performance of DPMs with service standards and generate aggregated statistics on performance to be publically disclosed on the projects web-platform.

The structure of the State and District GRM is as follows: (1) a grievance redress committee will be formed to review address grievances as escalated having the following officials as members (a) State - CEO; COOs; human resources and administration specialist; finance specialist and procurement specialist; (2) District - level a nodal specialist; a district project manager; assistant project manager; block level-team leader and field staff.

#### 16.5 FLOW OF GRIEVANCES RECEIVED THROUGH ONLINE E-SERVICES:

TNRTP will adopt a multi-mode mechanism by which beneficiaries and other stakeholders can provide feedback on the project. The Online e-Services (e.g., Toll Free Helpline, SMS and via the Project web-platform) will provide an innovative platform to several GRM thereby extending the reach, accessibility and efficiency (e.g. transaction cost) of such modalities. TNRTP will establish a web-platform that will incorporate the online GRM web-form that will permit citizens to submit feedback online. This will also serve as a communication platform displaying relevant information on the GRM process including the Toll Free and SMS number.

Through the TNRTP ICT will develop a web-based system linking the District as well as the State redress cell. The grievance may be registered in the VPRC/VKC where online facility is available. One registration of a grievance, a unique registration number would be generated and the same is sent to the beneficiary's

mobile through SMS. The grievance number is stored. The beneficiary or the person will be able to track the complaint by mentioning the unique code given for their complaint (grievance). In the registry, relevant details such as the type of complaint, who is responsible, timeline for resolution would be maintained. Once the grievance is redress a reply will also be sent to the beneficiary through SMS. Certain cases depending on the type of grievance will be communicated in writing. The entire process would be recorded manually and through the online system.

The complaint/grievance of any of the Department of Government of Tamil Nadu or any of the coordinating agencies can also be registered through the project redress system, since the Departments are linked in our system so as to enable for tracking and facilitation.

#### **16.6 FLOW OF GRIEVANCES RECEIVED THROUGH MANUAL CHANNELS:**

TNRTP acknowledges the digital challenges in accessing Online e-Services particularly in reaching the target beneficiaries of the program. To this end – the offline/manual mode of GRM will be retained with a focus on improving the manual process to allow for efficiency in transactions related to a reduction in response times for each grievance.

#### **Nature of Grievances**

Given the diverse typologies of grievances/beneficiary feedback, TNRTP will use the initial classification to reflect the components of the project: Procurement, Quality of Services, Construction, Entitlements, Financial, Social, Environmental, Addressing of Grievances, etc. This will then be sub-classified according to the type of grievance: Comments/Suggestions, Queries, Non-performance of Project Obligations, Violations of Laws/Corruption and Complaints of Project Staff/Service Providers involved in project management.

#### **Accessibility by the Aggrieved Person**

Any beneficiary or citizen whom has successful submitted a grievance can verify the status of their grievance(s) at any time by referencing the acknowledgement number/unique tracking ID code provided to them at time of submission. All grievances submitted shall be handled in the utmost confidence and the SPMU (State Project Management Unit)/DPMU (District Project Management Unit) will ensure non-disclosure of all personal information. This will extend to additional arrangements for maintaining confidentiality at the request of the individual or where matters are considered sensitive. The project will publically report aggregated statistics on performance of DPMUs via the TNRTP Society website.

#### **Training on GRM**

A comprehensive set of trainings on the GRM will be conducted covering the State, District and VPRCs. The training will be cascaded from the SPMU that will train State level Officials. The SPMU and State Officials will join the training sessions for the District Level DPMs for further training.

#### **Information Dissemination on GRM**

Raising awareness through a communication strategy will be critical to the adoption and usage of the GRM. The following outlines this initial strategy including the rollout plan under TNRTP:

- Preparation of display materials including the following – communication on the multi-mode channels by which citizens can submit a grievance including the process and procedure; information on accessing the online GRM (e.g., URL of the web-platform for TNRTP project; Toll Free Helpline/SMS Number); providing information on the designation and contact details of Grievance Redressal Officer (GRO) and Appellate Authority for all implementing units both for state and district level and publishing the service standards including timelines for addressing grievances at a local level. Materials will also be developed in local language.
- Display communication materials at the project districts at prominent locations such as public places, community institutions, markets, construction sites, consultation sites, training sites, block offices under each cluster. This will also include District DPM offices of the project districts and VPRCs.
- At the State Level, all the offices to display the designation and contact details of their concerned Grievance Redressal Officer (GRO) and Appellate Authority both for the state level and for the district level in visible locations preferably in the entrances, notice boards, etc.
- Awareness generation on GRM by the Service Providers in co-ordination with the Communication Agency.
- Developing IEC materials on GRM and display and distribution in project areas during consultations, demonstrations, at construction sites & markets, etc.
- IEC materials developed by the concerned implementing units to include the details of their respective Grievance Redressal Officer (GRO) and Appellate Authority, website of TNRTP and the toll free number.

### **Monitoring and Evaluation**

Monitoring and evaluation are critical to the success of any GRM. Project Management and Information System (PMIS) shall be the tool for the monitoring and management of the GRM. All the grievances received, to be entered into the system by the respective implementing units. The status of the grievances to be updated as and when addressed or forwarded by the respective implementing units. Based on the requirements, provisions to be created in the system for generating periodical reports on GRM. Regular analysis of the data on grievances is required to identify problem areas and enhance service delivery. Indicators on grievances have been included in the project results framework both in the PAD and PIP. Moreover, the system shall be having following indicators for grievance monitoring:

- Number of grievances submitted
- Percentage of grievances resolved
- Percentage of grievances redressed within stipulated time period
- Average time required to resolve different types of grievances



## **SUB COMPONENT 4C**

# **KNOWLEDGE, COMMUNICATION AND LEARNINGS SYSTEMS**

## **SUB COMPONENT- 4C: DEVELOPING KNOWLEDGE, COMMUNICATION AND LEARNINGS SYSTEMS**

This sub component will ensure gathering, codifying and disseminating knowledge.

The ability to manage knowledge is crucial in the present knowledge economy, where creation and dissemination of knowledge is important, which is embedded in products or with employees and can be lost if not captured. In the present knowledge age it is crucial to learn, remember and act based on best available information, knowledge and know-how and a need for a deliberate and systematic approach to cultivating and sharing knowledge base of valuable lessons learnt and sharing best practices to avoid errors.

The project will ensure utilization of organizational knowledge base, individual skills, competencies, thoughts, innovations and ideas to create a more efficient system of Knowledge management and learning's.

### **17.1 OBJECTIVES**

The objective of this sub component is to develop and roll out, mechanisms and processes for effective flow of knowledge generated through the project and disseminated to the primary and secondary stakeholders and external audiences through dynamic communication package. The knowledge generated will be used effectively for project implementation related learning and capacity building.

KM is an important component for TNRTP to share the knowledge generated and also learn from external knowledge available that can be sourced .The KM practices that TNRTP will follow are :

- Provide opportunities for cross learnings through exposure visits for experienced employees learn from existing models and increase productivity and reduce the need to "reinvent the wheel."
- Minimize impacts of workforce transitions - if not carefully managed, these transitions can result in loss of important institutional knowledge.
- Ensure that the project can retain and build essential expertise "in-house"
- Create Communities of practice across various projects and learn the best practices from peers.
- Expertise directories that employees can use to identify who to contact if they have a question;
- Capture of specialized knowledge from employees before they leave the organization;
- Use of information management methods to ensure that employees can quickly find the information they need to be effective.

## 17.2 KNOWLEDGE CAPTURE:

The Retainer agency will summarize important lessons and techniques learnt during previous projects. These lessons and techniques will be recorded and made available to others, and relevant information from the ecosystem will be captured for use by the project and refined for use, codified so as to retrieve information easily and stored in a scientific manner which can be easily retrieved. This is called "knowledge capture" – and, in effect, results in transforming human knowledge into codified information. The following steps will be followed.

### 1) Harvesting Knowledge

- Refinement Facilitates adding content into the system and give guidance for the 'Collection, Creation and Validation' of content
- Create a knowledge repository of the existing documents, studies, reports and manuals, Develop, design and publish Manuals etc.
- Develop, design and Corporate Brochure ,story boards ,case studies etc
- Development of awareness materials (print/AV & new media)
- Develop documentary films on various themes  
Development of a Compendium of all guidelines at district level. A compendium, incorporating all-important guidelines and processes, is developed at each district for immediate and future reference.
- Have a clear idea on the content life cycle for maintaining and retiring content
- Ensure relevance and accuracy of content and increased user confidence

### 2) Coding and Storage :

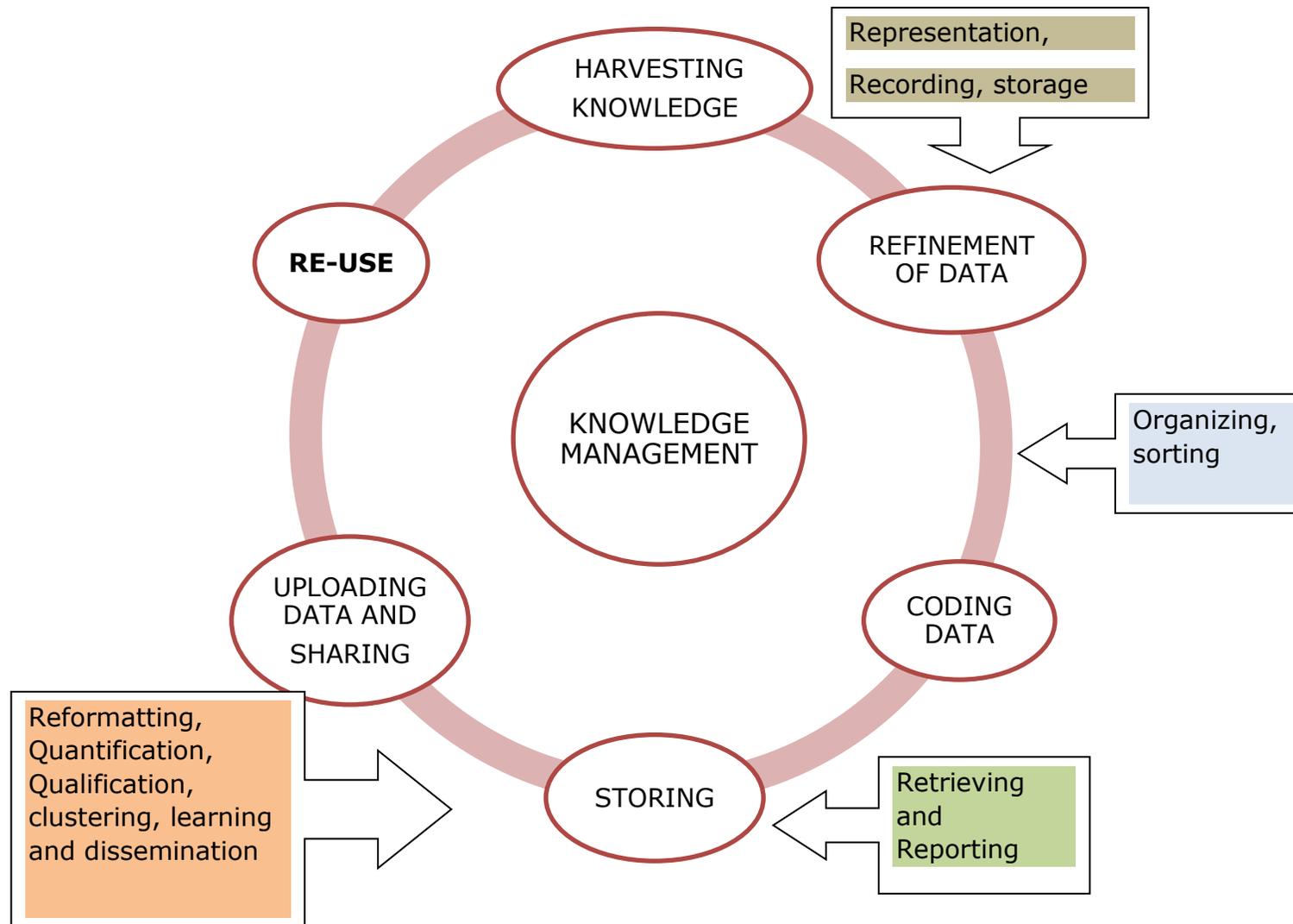
The SPMU will have a centralized content management unit

- The SPMU will create a common understanding of knowledge for use by different people at the District ,Block and Village level.
- Makes sharing and disseminating content simple and consistent
- Ensures reduced duplication of data
- 

## 17.3 KNOWLEDGE TRANSFER:

The agency will be asked to collaborate with other stakeholders and partners as the project is being implemented .This allows for "knowledge transfer" – person-to-person and intelligently pushed to users and relevant information can also be pulled in. The steps for Knowledge transfer is below;

### Process flow for Knowledge Management and Learning's



1) Uploading data :To understand the process how the data will be uploaded and how users will retrieve information:

- Content must be readily accessible - the 'three clicks rule' to be applied
- Structured content based on a developed taxonomy enables content search through full text search or browsing
- Critical content is pushed out to users, information they require may be pulled as and when needed
- Ensures effective use of the system, reduced search times

2) Sharing :

- Social Media
- You Tube
- Empower beneficiaries by training them on documentation and uploading stories using self-documented Videos which will be geo-tagged.
- Exposure Visits and cross learning's within the country and abroad.
- E-New letters & brochures
- Webinars

#### 17.4 PLATFORMS FOR SHARING KNOWLEDGE

- Partnerships with Research Institutes etc
- Organizing forums for knowledge exchange.
- TNRTP –Community of Practices : Post challenges and get community to contribute

The benefits of Knowledge sharing are:

- ✓ Leveraging intellectual capital in the organization.
- ✓ Replication of successful models/stories
- ✓ Enables transparency and accountability
- ✓ Increases social capital
- ✓ Better relationship between project staff and beneficiaries.
- ✓ Facilitates constructive dialogue amongst different stakeholders

The project website will include the following to capture the Knowledge Management and Learning's of the project through

- ✓ Good Practices Documentation:
- ✓ Creation of Short films and learning bytes for Project Beneficiaries
- ✓ Internal learning forums
- ✓ App development for knowledge dissemination
- ✓ E-brochures and e –newsletter
- ✓ Media and press releases
- ✓ Publications
- ✓ Seminars and conferences
- ✓ Fellowships and Internships

## **Out of Box KM Ideas: Generational Mentoring Programs**

The project will have a mixture of employees across multiple generations and experiences. To maximize collaboration and communication, cross-generational mentoring will be a critical component of developing a sound human capital strategy for the project. This will allow knowledge, lessons learned, and best practices to be transferred across individuals with different experiential backgrounds. Reverse mentoring (junior to senior), in addition to traditional mentoring (senior to junior) can be included as part of the cross-generational mentoring program. Based on the review of the literature, best practices, and industry reports regarding cross-generational mentoring, there are five strategies that the project can use to implement a successful cross-generational mentoring program:

1. Develop a formal mentor-mentee agreement with roles and responsibilities.
2. Apply a hybrid approach to mentoring with "formal" classroom training and "informal" learning mechanisms.
3. Alternate meetings each month between formal classroom setting and meet-at-lunch get-together.
4. Build mentoring into the Recognize and Reward structure and annual performance review. This can be included as one of several learning and knowledge sharing proficiencies considered as part of the annual review.
5. Encourage "reverse mentoring" in technology-related areas.

### **1. Develop a Mentoring Agreement**

A standard mentoring agreement to be used during the mentoring program will typically contains the following:

- The roles, responsibilities, and expectations during the program duration for a mentor and mentee
- An action plan completion date;
- The number of times (frequency) the mentor and mentee will meet;
- A confidentiality clause between the mentor and mentee;
- Termination of agreement rules; and Signatures of both the mentor and mentee.

### **2. Use Both Formal and Informal Learning Techniques**

The "formal" classroom training could include "do's and don'ts" through relevant stories/organizational narratives, before/during/after-action reviews with case studies, group projects to encourage active learning.

"Informal" learning mechanisms include online communities of practice (CoPs), Mentoring blogs, project team wikis; Knowledge Map on the intranet (FAQ→

Answers →Document site), use of e-learning and social networking sites, online video tutorials, Wikipedia and online mentoring if in different geographic locations.

### **3. Alternate Meetings Between Formal Classroom Setting and Meet-at-Lunch Get-Togethers**

By alternating the formal informal learning settings, the project will capture the interests of the personnel and the mentoring doesn't become monotonous. The informal learning mechanisms, should be utilized throughout the mentoring program to enhance the enthusiasm as per their collaborative and network-centric learning styles. This will also provide a continual mentoring and knowledge sharing process between not just the designated mentor and mentee, but through knowledge exchanges with other mentees, peers, and mentors in the project.

### **4. Build Mentoring into the Recognition and Reward Structure and Annual Performance Review**

According to the literature, extrinsic motivators (rewards) are temporary and intrinsic motivators (recognition) are more lasting and permanent. For the project staff, recognition is often more important to them than actual rewards (although, rewards like getting time off from a day of work for good performance resonates well, too). Mentors and managers should send an email to their mentees and employees, respectively, within 24 hours of the mentee/employee doing something "good" for the organization.

### **Use Reverse Mentoring, Too**

When most organizations think of mentoring, they usually think of the senior (by age) employee mentoring the junior employee. However, there are various technology areas, for example, where the younger employee could mentor the older employee. Project will use both regular and reverse mentoring with the caveat that all staff must be willing to be engaged in either the regular or reverse mentoring. In all cases, there must be interpersonal trust and respect for mentoring to take place.

If these five strategies are followed, agencies should have an enhanced mentoring program that will take into account cross generational mentoring issues and techniques. This will ultimately lead to creating and nurturing a knowledge sharing culture for building the next generation of staff and managers and instilling continuous learning within the project for organizational success.

### **Fellowships and Internships:**

The project will bring in students from reputed Institutes to intern in different components, who will bring in fresh thoughts and ideas. This will also bring in new perspectives to address development and business challenges being faced in the sector. This pool call also work on exploring new markets and out of box thinking.

### **17.5 IMPLEMENTATION ARRANGEMENT:**

A Retainer agency will be hired by the project **(TOR for hiring the Retainer Agency is at Annexure-54)** to perform the following tasks;

The key task includes:

- a. Conduct a comprehensive need assessment to map knowledge management needs of TNRTP, work out a detailed implementation strategy for SPMU, in relation to the objectives and strategy of the project.
- b. Develop an operational manual, including the process of engaging specific resources within the project or hire service providers.
- c. Design and produce knowledge products and services, ensuring quality, consistency and coherence among the various services and products and ensure that knowledge management needs of the project are met.
- d. Design feedback mechanisms to understand the effectiveness of the knowledge management strategy including holding of surveys, polls and organizing events Analyze feedbacks to fine tune the knowledge management needs and solutions or the services and products under the knowledge management strategy.
- e. Conduct needs assessment time to time and refresh/rework on knowledge products and services and be responsive to the emerging needs.

### **KM-Roles and Responsibility**

KM Key Elements	Lead - KM(DY-COO)	KM Retainer Agency	ICT
TNRTP KM Planning	•	•	•
KM Training	•	•	
Knowledge Mapping/Assessment	•	•	
<b>Social Learning and Communities</b>			
Communities of Practices	•	•	•
Peer Review	•		•
Social Networking and Collaboration platforms	•	•	•
Recognition and Rewards	•		•
<b>KNOWLEDGE CODIFICATION AND DISSEMINATION</b>			
Lessons learnt Repository	•	•	•
Organizational Narratives /Story Telling	•	•	•
Knowledge books	•		
Process Documentation/SOPS	•	•	•
Knowledge Transfer	•	•	•
Content Management /Portal/etc	•	•	•
Content Classification	•	•	•
Role based Subscriptions	•		
<b>Talent Management</b>			
Performance tracking	•		•

Mentoring	•		
Leadership training	•		
Fellowships	•		
Internships	•		
Exposure Visits	•		
Cross-learnings	•		•

## GANTT CHART FOR TAMIL NADU RURAL TRANSFORMATION PROJECT (TNRTP)

The detailed Gantt chart quarter-wise for the project is detailed below:

### Component - 1: Rural Enterprise Ecosystem Development

Sl. No.	Activity	Person Responsible	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
<b>1A B</b>	<b>Rural Enterprise Ecosystem Development</b>																									
1.	District Diagnostics Study (DDS)	DEO & Dist. Team																								
2.	<b>Value Chain Analysis</b>	TSA																								
a.	Hiring Consultancy for study on value chain analysis	Ass. COO- P & VC																								
b.	Value Chain Studies	TSA																								
3.	Development of Participatory growth plans (PGPs)	DEO & PGP Team																								
a.	Village Investment Plan	PGP team/																								
b.	Block Investment Plan	Block team /																								
c.	District Investment Plan	MaKaMai / DEO/ Dist. Admin																								
4.	Service Delivery By MaKaMai	Dy. COO MaKaMai & OSF																								
5.	One Stop Facility (OSF)	Ass. COO Job & Skilling/ DPMU																								
<b>1C</b>	<b>Enterprise Promotion, Value Chain Strengthening &amp; Partnership</b>																									





## Component -2: Business Plan Financing & Innovation Promotion

Sl. No	Activity	Person Responsible	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
1.	Creation of MGP Guidelines.	SPMU & Consultant																								
2.	Identifying MGP-Transaction Manager	SPMU & Consultant																								
3.	Identifying PFI-Participating Financial Institution	Transaction Manager/SPMU & Consultant																								
4.	Agreement between PFIs and Transaction Manager& SPMU	Transaction Manager/SPMU																								
5.	Creation of Training Manual-Business Plan Finance	SPMU & Consultancy agency																								
6.	TOT on Business Plan Finance	SPMU & Consultancy agency, trainees from district																								
7.	District level training on Business Plan Finance	Trained Trainers, DPMU Staffs and OSF Staffs																								
8.	Creation of Training Manual-MGP	SPMU &Consultancy agency																								
9.	TOT on MGP	SPMU &Consultancy																								











**Component 3: Skills and Job Opportunities**

SI. No .	Activity	Person Responsible	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
<b>I.</b>	<b>Sub-Component 1: Pre and Post Skilling Services to Enhance Employment Outcomes</b>																									
1.	Hiring of Job CPs	MaKaMai																								
2.	Identification, mobilization of youth and creation of database	Ass. COO-Skilling & AEO Skills / Job CPs																								
3.	Youth mobilization for skilling and skilling through convergence	Job CPs / Training Partners																								
4.	Placement & post placement tracking	Ass. COO-Skilling & AEO-Skilling / Job CPs / Training Partners																								
5.	Industry Interface meeting	Ass. COO, & AEO Skilling																								
6.	Job Fairs	DPMU																								
7.	Migrants Support Centers (MSCs)	Ass. COO, & DEO																								
<b>II.</b>	<b>Sub-Component 2: Community Based Training and Skilling Provision</b>																									
1.	Community Skills School (CSS)	Ass. COO, & AEO Skilling																								
2.	Community Farm Schools (CFS)	A.CO.O, & AEO Skilling																								









## RESULTS FRAMEWORK AND MONITORING

The Results Framework and Monitoring for the project is detailed below:

### Results Framework and Monitoring

<b>Project Development Objectives</b>											
<b>PDO Statement</b>											
The proposed PDO is to “promote rural enterprises, access to finance and employment opportunities in selected blocks of Tamil Nadu”.											
<b>These results are at</b>		<b>Project Level</b>									
<b>Project Development Objective Indicators</b>											
		<b>Cumulative Target Values</b>									
<b>Indicator Name</b>	<b>Baseline</b>	<b>YR1</b>	<b>YR2</b>	<b>YR3</b>	<b>YR4</b>	<b>YR5</b>	<b>YR6</b>	<b>YR7</b>	<b>YR8</b>	<b>YR9</b>	<b>End Target</b>
Project direct beneficiaries(Number)	0.00	23,210	234,530	373,120	401,620	411,620	—	—	—	—	411,620
Female beneficiaries	0.00	65	65	65	65	—	—	—	—	—	65

(Percentage - Sub-Type: Supplemental)											
Percentage of enterprises (individual and collective) with ongoing operations after 2 years of project support (Percentage)	0.00	—	—	5	25	50	60	—	—	—	60
Project beneficiaries engaged in self or wage employment following training facilitated by the project (Number)	0	1,500	11,500	21,500	41,500	60,000	—	—	—	—	60,000
Percentage of enterprises (individual and collective) supported by the project leveraging funds from financial institutions (Percentage)	0	0	4	47	75	—	—	—	—	—	75

<b>Intermediate Results Indicators</b>											
		<b>Cumulative Target Values</b>									
<b>Indicator Name</b>	<b>Baseline</b>	<b>YR1</b>	<b>YR2</b>	<b>YR3</b>	<b>YR4</b>	<b>YR5</b>	<b>YR6</b>				<b>End Target</b>
Percentage of approved VIPs leveraging finance through convergence (Percentage)	0.00	0.00	90.00	90.00	—	—	—	—	—	—	90.00
Number of project promoted enterprises (individual and collective) that avail of technical and business development services facilitated by project (Number)	0	910	8742	13658	13670	-	-	-	-	-	13,670
Individual Enterprises (Number - Sub-Type: Breakdown)	0	460	4280	6620	-						6620
Collective Enterprises, Producer Groups and Producer Collectives (Number - Sub-Type: Breakdown)	0	450	4462	7038	7050	-	-	-	-	-	7050

Number of collective enterprises that received start-up fund (Number)	0.00	100.00	2,103.00	5,422.00	7,050.00	—	—	—	—	—	7,050.00
Individual Enterprises (Number - Sub-Type: Breakdown)	0.00	100.00	1,800.00	4,700.00	6,000.00	—	—	—	—	—	6,000.00
Producer Groups / Enterprise Groups (Number - Sub-Type: Breakdown)	0.00	0.00	300.00	700.00	1,000.00	—	—	—	—	—	1,000.00
Collective Enterprises and Producer Collectives (Number - Sub-Type: Breakdown)	0.00	0.00	3.00	22.00	50.00	—	—	—	—	—	50.00
Number of enterprises (Individual and Collective) receiving funds from financial institutions (Number)	0	0	472	4868	7670	-	-	-	-	-	7670
Individual Enterprises (Number - Sub-Type: Breakdown)	0	0	460	4280	6620	-	-	-	-	-	6620

Producer Collectives (Number - Sub-Type: Breakdown)	0	0	12	38	50	-	-	-	-	-	50
Enterprise Groups (Number - Sub-Type: Breakdown)	0	0		550	1000	-	-	-	-	-	1000
Number of Innovation Promotion Fund Pilot(s) (including the innovation forums) selected for scale-up under the Project (Number)	0.00	1.00	3.00	5.00	0.00	0.00	—	—	—	—	5.00
Number of service providers trained and earning income through user fees (Number)	0.00	0.00	50	350	800	1170					1170
Sparks and Jobs Community Professionals (Number - Sub-Type: Breakdown)	0.00	0.00	50.00	250.00	450.00	670.00	—	—	—	—	670.00
Enterprise Community Professionals (Number - Sub-Type: Breakdown)	0.00	0.00	100.00	300.00	500.00	-	-	—	—	—	500.00

Number of beneficiaries accessing convergence training programs through the project (Number)	0.00	—	10,000.00	20,000.00	30,000.00	40,000.00	—	—	—	—	40,000.00
Of which are Female beneficiaries (Percentage - Sub-Type: Supplemental)	0.00	—	40.00	40.00	40.00	40.00	40.00	—	—	—	40.00
Grievances registered related to the project that are actually addressed (Percentage)	0.00	80.00	80.00	80.00	80.00	90.00	90.00	—	—	—	90.00

### Indicator Description

#### Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Project direct beneficiaries (Number)	This indicator measures the number of direct project beneficiaries (as defined as producer groups, enterprise groups, producer collectives, individuals enterprises, alongside those engaged in the government skills and community skills schools program) who directly derive benefits from interventions across the program.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency

Female beneficiaries (Percentage - Sub-Type: Supplemental)	This indicator measures the percentage of direct female project beneficiaries(as defined as producer groups, enterprise groups, producer collectives, individuals enterprises, alongside those engaged in the government skills and community skills schools program) who directly derive benefits from interventions across the program (Percentage)	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Percentage of enterprises (individual and collective) with ongoing operations after 2 years of project support (Percentage)	This indicator measures the percentage of individual and collective enterprises supported under the project that are operational (defined here as continuing business operations to generate sales and cash flows (+/- 30% variance) as per approved the business plans) post two years of project support.	Quarterly	Enterprise MIS reports; Sample surveys reports by M&E	TNRTP-PMU, independent M&E agency
Project beneficiaries engaged in self or wage employment following training facilitated by the project. (Number)	This indicator measures the number of project beneficiaries provided training through convergence initiatives placed in jobs or reporting income earned through self-employment within 6 months of the completion of the training program.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Percentage of enterprises (individual and collective) supported by the project leveraging funds from financial institutions (Percentage)	This indicator measures the percentage of individual and collective enterprises receiving funds from financial institutions.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency

<b>Intermediate Results Indicators</b>				
<b>Indicator Name</b>	<b>Description (indicator definition etc.)</b>	<b>Frequency</b>	<b>Data Source / Methodology</b>	<b>Responsibility for Data Collection</b>
Percentage of approved VIPs leveraging finance through convergence (Percentage)	This indicator measures the percentage of approved VIPs with finance from convergence initiatives.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Number of project promoted enterprises (individual and collective) that avail of technical and business development services facilitated by project (Number)	This indicator measures the number of individual and collective enterprises that are availing technical and business development services provided by the MaKaMai, One Stop Facility and the Technical Service Agencies.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Number of collective enterprises that received start-up fund (Number)	This indicator measures the number of collective enterprises (which encompasses Individual Enterprises, Enterprise Groups, Producer Groups and Producer Collectives) that has received the start-up fund from the project	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Individual Enterprises	This indicator measures the number of individual enterprises (defined here as both Nano-micro and small) that have received the start-up fund from the project	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Producer Groups/Enterprise Groups	This indicator measures the number of Producer Groups/Enterprises Groups that have received the start-up fund from the project	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency

Producer Collectives	This indicator measures the number of Producer Collectives that have received the start-up fund from the project	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Number of enterprises (Individual and Collective) receiving funds from financial institutions (Number)	This indicator measures the number of individual and collective enterprises that have received finance from financial institutions	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Number of Innovation Promotion Fund Pilot(s) (including the innovation forums) selected for scale-up under the Project (Number)	This indicator measures the number of Innovation Promotion Fundpilot(s) (including the innovation forums) selected for scale-up supported under the project (with 2 IPF pilots, 3 innovative forums planned under the project).	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Number of service providers trained and earning income through user fees (Number)	This indicator monitors the number of service providers (defined here as Sparks, Jobs Community Professionals and Enterprise Community Professionals) in selected value chains supported by the project that have been trained, certified, and earning income through user fees.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Number of beneficiaries accessing convergence training programs through the project (Number)	This indicator measures the number of beneficiaries that accessed convergence-training programs through the project.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency

Female beneficiaries (Percentage)	This indicator measures the percentage of female beneficiaries who have accessed the convergence training programs through the project.	Quarterly	Progress Reports	TNRTP-PMU, independent M&E agency
Grievances registered related to delivery of the project that are actually addressed (Percentage)	This indicator measures the transparency and accountability mechanisms adopted by the project so that the target beneficiaries have trust in the processes and are willing to participate, and feel that their grievances are attended to promptly. Thus, the project monitoring system should provide information on the number of complaints received against the number actually resolved by the TNRTP-PMU.	Annual	Project M&E	TNRTP-PMU

## RESULT CHAIN

RESULT CHAIN					
Component 1: RURAL ENTERPRISE ECOSYSTEM DEVELOPMENT					
Component 1 A: Inclusive strategic Analytics Planning and Monitoring					
Sub Component	Activities	Sub-activities	Output	Output Indicator	Outcomes
<b>1.A. Inclusive strategic Analytics Planning and Monitoring</b>	<b>District Diagnostics/ 26 Districts</b>	1.Integration of learnings from pilots	Commodity prioritization, Sub sector prioritization.	No. of Pilots promoted	Percentage of approved VIPs indicate dedicated finance earmarked from other government programs and external initiatives (Percentage)
		2. Module/ Process Guidelines development.		No. of Modules/Guidelines developed	
		3. Formation and Orientation to Teams. Dist <b>MakaMai should be Part of it.</b>		No. of Team Promoted	
		4. Collection of Secondary Data./ Statically handbooks/ Reports /Sectoral studies		No. of orientation to the team planned/completed	
		5. Stake Holder meetings/discussions.		No. of Stake Holders Meeting/Discussions Completed	
		6. Focused group discussions/Industrial associations. Leading entrepreneurs/ Enterprises.		No. of Focused group discussion planned/completed	
		7. District assessment report		No. of assessment report generated	

	<b>Value Chain Analysis</b>	1. Scouting of Existing Value chain studies, programs.	No of Value chains developed	No. of Value Chain Studies Report on prioritized commodities developed	
		2. Procurement / TOR/ EOI/RFP for agencies.		No. of Agencies identified and executed the agreement	
		3. Execution of Contract agreement.		No.of VCA training organised for project staff	
		4. Training to project staff on VCA			
<b>Participatory Growth Plans</b>	<b>1. Manual Development for Investment plan</b>	Efficient Institution/resource persons	No of Village Investment Plan, Block Investment Plan and District Investment Plan developed	Focused Investment plan for targeted investments	
		Hiring Resource persons / Institutions		Availability of Standardized Manuals	
		Preparation of Manual.		Capable TOTs to train Regional TOTs	
		Field Testing of Manuals		Availability of Training CPs	
	<b>2. Training</b>	Developing State level ToT SPMU/TNSRLM/		Village wise PGP teams formed and performing Duty	
		Imparting Training at Regional level		Village Investment plan	
	<b>3. Formation of PGP Training.</b>	Formation of PGP team/ Village and Blocks			
		Training to PGP Team			
		Activity Roll out PGP			
	<b>4. Conducting Village</b>	Orientation to Primary organisations/CBOs			
		Focussed group discussion			

	<b>investment Plan/ 3994 Village Panchayats</b>	Validation of Diagnostic Study & VCA			
				Block Investment Plan	
	<b>5. Conducting Block Investment Plan/ 120 Blocks</b>	Consolidation and validation of Village Investment Plan/ Done by Block Team & Block MaKaMai		District investment Plan	
	<b>6. District Investment Plan/ 26 Districts</b>	Consolidation and Validation of Block investment plan			
		appraisal and approval of Block Investment Plan			
		Placing the final District Investment plan in District Committee for Approval			
<b>A.2. Business Development Support services</b>	<b>1. Service delivery by Makamai</b>	Formation of MaKaMai in 3 Districts.	No of Enterprises Supported by MaKaMai	No. of MaKaMais developed	Number of project promoted enterprises (individual and collective) that avail technical and business development services facilitated by project (Number)
		Developing District MaKaMai in 23 Districts		No. of District MaKaMais developed	
		Formation of 120 Block MaKaMai		No. of Block MaKaMais developed	
		Identification of 2360 JOB & Enterprise CPs		No of Job CPs identified	
		Training to MaKaMai Office bearers of District & Block		No. Of office bearers trained	

		Training to CPs On CP Strategy I relation to TNRTP		No. of CPs trained	
		MOU with Resource Agencies for Entrepreneurial Training		No.of MOU signed	
		Entrepreneurship training to CPs		No.of CPs trained	
		Establishment of OSF by MaKaMai		OSF Operational	
	<b>2. One stop Facility/ 120 blocks</b>	Hiring of TSA for setting up and operations of One Stop Facility	No of Enterprises Serviced by OSF	OSF Operational	
		Scaling up of OSF		OSF Operational	
Providing services for Enterprises and Entrepreneur					

<b>Sub Component 1C Enterprise Promotion and Value chain strengthening</b>					
<b>Sub Component</b>	<b>Activities</b>	<b>Sub-Activities</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Outcome</b>
<b>1C Enterprise Promotion and Value chain strengthening</b>	Promotion of Enterprises	Conduct hiring of Enterprise CPs	Number of Individual Enterprises Supported with Business Operations under the Project with a Viable Business Plan & Connected	Number of Entrepreneurs Identified and Expressing Interest through ECPs	Promotion of Enterprises through the Project for Prioritised Sub-Sectoral Value Chain Activities
	Individual Enterprises	Identification of Entrepreneurs by Enterprise CPs		Number of Viable Business Plans Financed	
Number of Promoted Individual Enterprises Commencing Business					

		Linking with OSF for Business Planning	with Financial Institution(s) with Market Linkages	Operations (supported by the Project)		
		Linking with Financial Institutions				
		Linking Enterprises with Markets				
		Handholding of Enterprises in Business Operations				
	Collective enterprises	Preparation of Enterprise Promotion and VC Training Manuals and Guidelines for Collective Enterprises	Promoted Group Enterprises and Collectives Receiving Project Start-Up Grant and Financial Linkage availing Support through the One-Stop Facility	Number of PGs/EGs and PCs Promoted and Receiving Startup Capital under the Project	Increase in Number of Collective Enterprises promoted and Strengthened for Business Development through Business Plan Financing and Startup Capital	
		Contracting and on-boarding of TSA				
		Mobilisation of Producers				
		Formation of PGs/EGs				
		Formation of PCs		Number of Promoted PGs, EGs and PCs with Business Operations with Market Connections/Linkages		
Training of Office Bearers and Staff of PCs & PGs/EGs						
Linking with OSF for Business planning for PCs, EGs						
Providing Start-Up Capital for PGs/EGs						
Providing Start-Up Capital for PCs						

		Linking with Financial and Marketing Institutions			
		Assistance and Handholding in Business Development Operations			
	Financial support for PGs/EGs and IFIs (e.g. start-up grant)	Submission of Business Plan(a) (after Vetting with OSF experts) to the Block unit	Increased Access of PGs/EGs to Project Start up Funds and Other Financial Resources	Number of PGs/EGs Receiving Funds from the Project and other Financial Institutions	Percentage of PGs/EGs linked with Financial Institution by availing services of ECPs (MaKaMai) and OSF
		Appraisal, verification and recommendation of the Grant Application with a business plan by the Block unit.			
		Approval by the DPMU for Grant support			
		Sanction and Release of Start-Up Grant to the PG/EG Bank Account			
		Utilisation of the Grant by the PGs/EGs (for infrastructure support)			
		Submission of Grant Utilisation Certificate to the DPMU			
	Financial support for PCs from the	Submission of PC Business Plan for Start-Up Grant to the Project	Increased Access of PGs/EGs to Project Start up	Number of PGs/EGs Receiving Funds from the	Percentage of PCs linked with Financial Institution by availing

	Project and Financial Institutions	Linkage with Financial Institutions	Funds and other Financial Resources	Project and other Financial Institutions	services of DPMU and Thematic Heads
		Approval of the business planning by the OSF			
		Appraisal by the project team for startup fund			
		Approval by the bank for financial linkage			
		Sanction and release of business plan as start-up grant by the DPMU to the PC bank account in tranches based on milestones			
	Mobilization of part of business plan from the financial institutions as loan				
	Converging and Partnering with Government and other Technical Resource Institutions	Identifying relevant schemes from other institutions	Increase in Access by PCs of Convergence and Partnering with Resource Institutions	Promoted PCs that have mobilized funds through Convergence (other than project fund)	Percentage of PCs Mobilized Funds through Convergence for Infrastructure Development
		Application to the Institutions			
		Obtaining Approval and Sanction(s)			
Utilisation of Grants from Convergences					

	Business Linkages with Market Institutions	Exploring Relevant Financial and Market Institutions through OSF	Improved Market Access by Individual and Collective Enterprises	Number of PCs linked with Market Institutions	Percentage of PCs initiated with business operations with market institutions
		Establishing linkages			
		Access of Credit from the Financial Institutions			
		Initiating Business Operations with Market Institutions			
	Value Chain Strengthening	Organising B2B workshops	Improved coordination and understanding among different value chain actors	PGs, EGs and PCs have been facilitated for improved business platform	Number of Informal Value Chain Platforms facilitated to avail multi stakeholder support for enhancement
		Facilitation Support for Special Niche Market			
Facilitation Support for multi stakeholders Value chain Platforms					

**Component 2-Enterprise Business Financing and Innovations**

**2.A Facilitating Business Plan Financing**

<b>Sub Component</b>	<b>Activities</b>	<b>Sub-Activities</b>	<b>Output</b>	<b>Out Put Indicator</b>	<b>Outcomes</b>
<b>Facilitating Business Plan Financing</b>	<b>Matching Grant Program (MGP)</b>	The creation of MGP Guidelines/Procedures	Enterprise Business Plan processed under MGP	Viable Business Plans processed under MGP	Percentage of enterprises (Individual and Collective Enterprise) supported by the project receiving funds from financial institutions
		Identification of MGP Transaction Manager			
		Identification of PFIs			
		Agreement between PFIs and Transaction Manager			

		Validation of MGP Reports by Transaction Manager and SPMU			
<b>Technical Assistance and Business financing ecosystem development</b>	Developing a Training Manual on NSME Finance, Value Chain Financing, Business Plan, and MGP	Training of Trainers	PFI's , OSF staff , Project staff getting trained on financial products and assisted technically	Number of Participating Financial Institutions and Project Team, OSF Staffs getting trained on NMSE Lending, Value Chain Financing, Business Plan and Matching Grant Program	
	Trainers of Training for the District team and OSF Staff on the Manual				
	Business Plan Performance Meetings between the Project Team, OSF Staffs and PFI's at Block, District and State.	Business Plan Performance meeting(s) between the Project Team, OSF Staffs and Line Departments at Block on a Quarterly basis and at district and state on a half yearly basis	Participation of Project Team, OSF, PFI's and Entrepreneurs in Business Plan Performance Meetings. Line departments meetings and regular meetings enhancing the business plan finance ecosystem	Promotion of an ecosystem supporting enterprise financing	

		Business Finance Interface and Networking: Interaction between identified entrepreneurs, PFIs, the Project Team and OSF Staffs on quarterly basis at block and half yearly basis at district level.			
		Participation in the existing district level and block level forums			

<b>Component 3: Skills and Jobs Opportunities</b>					
<b>Sub Component</b>	<b>Activities</b>	<b>Sub-Activities</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Outcomes</b>
<b>3.A. Providing of Pre and Post Training Support for Better Employment Opportunities (Outcome)</b>	District Level Sector Skill Gap Analysis (Sector)	Including (a) District Diagnostic Study (DDS) and Mapping Private Sectors and Establishing A Network of Contacts	Creation of a District and Sector Wise Skills Gap Database; Youths mobilised utilising the services of the Job Community Professionals for skilling	Identification of Sectors and Sub sectors Par with potential skills in demand	(a) Project Beneficiaries engaged in Self or Wage Employment Following Training facilitated by the Project; and (b) Number of beneficiaries accessing convergence training programs through the project
	Strengthening Capacity of Job Community Professionals	Engagement of Job Community Professionals	convergence plan for training under DDUGKY, PMKVY and other schemes through	Number of Eligible youth mobilised for skilling under DDUGKY & PMKVY after attending Pre-counselling	
	Creation of a Youth Database by Job CPs	Capacity Building for Job CPs Database Capturing			

	Provisioning of Pre and Post Skilling Services	Counselling & Guidance to Targeted Youth	pre-counselling, arranging placement through industrial interface.		
	Convergence with Flagship Schemes DDUGKY, PMKVY & Other Government Schemes	Consultative Convergence Workshops with Line Departments State and District level Training Partners Identification and Partnership (e.g. District Wise & Scheme Mapping of Institutions to Various Trades) Guidelines for MoU by SPMU			
	Industry Interface	(a) Organizing Industry Interface Workshops (State & District level) and (b) Industry dialogue & orientation for HR managers and (c) Guidelines for MoU by SPMU			
		Organize Job Fairs Based on Requirements of the Private Sector by DPMU & Facilitating Placement			

Percentage of youth trained and employed of which percentage of women benefitted.

	Establishing MSC Support Centres (MSC)	Defining the Service offerings of the MSC Setting-Up and Launch of MSC	MSC Established and Providing Services	Youth Accessing Services through MSC	
<b>3.A.2. Special Initiatives and Pilots</b>	Catering to uncatered skills requirements (e.g. pottery, weaving, wood carving ,stone carving and grafting)	Mapping of Uncatered Traditional Skills at Panchayat Level Identifying Youth for Uncatered Skills Arranging Training in Uncatered Skills through Resource Institutions/CSS/CFS.	Delivery and Replication of Model Pilots	Number of Beneficiaries Mobilized for Special Training	Successful scaling of Pilots
<b>3.B. Community Based Skilling</b>	Community Skill School(s)	Odentification of Project Intervention Area and Trade for CSS Identification and Selection of Expert Trainer(s) Identification of a Location for Provision of Training Community Proposal for Provisioning of Training Training of Trainer (ToT) Setting-Up and Launch of CSS	Identification of Potential Trades and Trainee along with the Master Trainers considering the community needs made available for fruitful completion of CSS	Youth skilled in Identified Trades	Beneficiaries Trained and Certified through CSS started Earning sustainable Income through expertised guidance.

		Mobilization and Selection of Trainees			
		Skilling of Youth at CSS			
		Pre-Assessment			
		Assessment and Certification			
		Placement			
	Community Farm School	Identification of Project Intervention Area	Number of Beneficiaries Trained and Mobilized in Prioritised Commodities; Number of Trainers of Trainers Conducted; Number of Sparks Identified and Trained	Completion of Training of Beneficiaries in Prioritised Commodities	A EOP 126000 Project Beneficiaries Trained and Certified
		Hiring of Technical Expert			
		Field Assessments through Community Interaction			
		Problem Identification and Goals			
		Developing Curriculum and Plan for Delivery of Skills			
		Selection of Sparks			
		Training of Sparks			
		Formation of CFS			
		Baselining household data			
		Training of households by Sparks			Trained and Earning Income through User Fees (700) of which 50% are female

		Provision of services by Sparks			
		Evaluation of Sparks based on Outcome /Creation of Super Sparks			
<b>3C. Entrepreneurship Development Programme</b>	Identification of Skilling Opportunities from Business Plan through One Stop Facility (OSF)	Identifying Youth through OSF	Training imparted to 7000 youth	Number of beneficiaries trained under EDP Number of beneficiaries are practising the package of services	Number of Service Providers (700) and rendering services.
	Conducting Skill Training scoped out of Business Plan	Arranging training through resource institutions/CSS/CFS.	1000 youth will provide package of services		Number of Entrepreneurs Trained (4800) & successfully initiated Enterprises.

## 18 Month Procurement Plan

### FOR GOODS, WORKS AND NON-CONSULTING SERVICES

1	2	3	4	5	6	7	12
SL	Pkg. No	Description of Works/ Goods/ Non-Consulting Services	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	Review by Bank (Prior / Post)	Method of Procurement	Contract Sign (Month/ Yr)
		Conversion Rate: 1 US\$ =Rs.		64.16			
<b>A</b>	<b>GOODS</b>						
1	G - 1	Printing of Manuals for PC, Printing of IEC for PGP and Skills (Promotional material, books for SPMU/DPMU)	30,00,000	46,758	Post	Local Shopping/ RFQ	Jan-18
2	G - 2	Hardware requirements for TNRTP (150 desktops, 60 laptops, 360 tablets, 26 printer/copier, etc.)(SPMU, DPMU & Block offices)	90,00,000	140,274	post	Open National / RFQ	Jan-18
3	G - 3	Training material Community Farm School (4030 * 4000) and Community Skills School (500 *4000) (@200 per person*20)	1,81,20,000	282,419	Post	Open National / RFQ	Jan-18
4	G - 4	Machineries and Table Top Looms for selected districts under Pilot for Innovation component	10,00,000	15,586	Post	Local Shopping/ RFQ	May-18
5	G - 5	Set up cost of 7 centers for Innovation (Pilot program in selected districts)	21,00,000	32,731	Post	Local Shipping / RFQ	Jan - 18
		<b>Total (A)</b>	<b>3,32,20,000</b>	<b>517,768</b>			

<b>B</b>	<b><u>NON CONSULTING SERVICES</u></b>						
<b>1</b>	<b>NCS - 1</b>	Event Management Agency for conducting Tamil Nadu Transformation Market Place-Innovation Forums(1 innovation forum)	50,00,000	77,930	Prior	Open National	May-18
		<b>Total (B)</b>	<b>50,00,000</b>	<b>77,930</b>			
		<b>Total (A+B)</b>	<b>3,82,20,000</b>	<b>595,698</b>			

**72 MONTH PROCUREMENT PLAN – 18-09-2017**

**For Consultancy Services**

SI	Sub Component	Description of the Sub Component	Description of consultancy	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	REVIEW BY BANK PRIOR/ POST	Method of Procurement	Award of Contract (Month/ Yr)
	<b>(C)</b>		Conversion Rate: 1 US\$=Rs.64.16					
1	1A	Inclusive Strategic Investments, Analytics and Planning	Agency for conducting Value chain Studies (10 studies)	3,30,00,000	514,339	Post	Open National /QCBS	Sep-17
2	1C	Enterprise Promotion and Value chain strengthening and Partnerships	5 Technical Support Agencies for 5 regions for Enterprise Promotion Development (@ 2 crore each)	10,00,00,000	1,558,603	Prior	Open National /QCBS	Sep-17
3	2A	Enterprise Business Plan Financing	Operational credit Guidelines for establishing Matching Grant Program	10,00,000	15,586	Post	ICS	Sep-17
4	4A(I)	Implementation Arrangement and Human Resource Management	Hiring of Agency for Selection of Staff for TNRTP	50,00,000	77,930	Post	Open National /QCBS	Sep-17
5	4A(V)	Information & Communication Technology	Consulting Agency for requirements study for all components, RFP preparation and selection of SI for software development and support	1,25,00,000	194,825	Post	Open National /QCBS	Sep-17
6	4B	Developing Monitoring, Evaluation and	Hiring of an agency for conducting Baseline, Concurrent Progress	5,00,00,000	779,302	Prior	Open National /QCBS	Sep-17

		Grievance Redressal Mechanism	Monitoring, Intermediate Result Monitoring, Participatory Monitoring, Thematic Studies & Case Studies, Impact Evaluation					
7	2A	Enterprise Business Plan Financing	Engaging a Transaction Management Agency	2,25,00,000	350,686	Post	QCBS	Jun-18
8	2A	Enterprise Business Plan Financing	Agency for Module Preparation and Training-Of-Trainers Matching Grant Program, NMSE/ Business Plan Financing	50,00,000	77,930	Post	QCBS	Jun-18
9	3B	Community-based Training and Skilling Provisions(Rs.1000 x10000 beneficiaries)	Agencies For Skilling Assessment And Certification for CSS	1,00,00,000	155,860	Post	QCBS	Mar-18
10	3B	Community-based Training and Skilling Provisions (4 TSA will be hired for training Master Trainers)	Agencies for CSS & CFS TOT (Residential Training of 600 trainers for 7 days) * - Non Farm	45,00,000	70,137	Prior	QCBS	Mar-18
11	4A(I)	Implementation Arrangement and Human Resource Management	Hiring of a Resource agency for developing modules, management of induction of TNRTP staff including exposure visit across the country	30,00,000	46,758	Prior	QCBS	Jan-18

12	4A(II)	Financial Management	(a)Internal Audit Agency for the project (b) Statutory Audit Agency for the project	40,00,000	62,344	Prior	QCBS	May-18
13	4A(V)	Information & Communication Technology	System Integrator (SI) for software development of Integrated TNRTP ICT system which will be used to implement all TNRTP programs, i.e. DDS, PGP-VIP-DIP-youth data- enterprise financing, Producer Collectives. The Project Management Component is also included with HR, Finance, Contracts, Procurement, File Tracking with 5 years support	4,00,00,000	623,441	Post	QCBS	Mar-18
14		Innovation Promotion		15,00,000	23,379	Post	Local Shopping/ RFQ	
15	3 C	Entrepreneurship Development Program		1,50,00,000	233,791	Post		
		<b>Total (C)</b>		<b>30,70,00,000</b>	<b>4,784,913</b>			
<b>Total Cost (A+B+C)</b>				<b>34,52,20,000</b>	<b>5,381,079</b>			

