

Sustainability of rural development projects

Best practices and lessons learned
by IFAD in Asia

INDIA CASE STUDY

Asia and the Pacific Division



Enabling poor rural people to overcome poverty

Sustainability of rural development projects

Best practices and lessons learned by IFAD in Asia

INDIA CASE STUDY

North Eastern Region Community Resource Management
Project for Upland Areas

by

TANGO International

This case study was carried out as part of a larger review on "Sustainability of rural development projects. Best practices and lessons learned by IFAD in Asia", published as the eighth occasional paper produced by the Asia and the Pacific Division, IFAD



Enabling poor rural people to overcome poverty

IFAD

Acronyms

ARRI	Annual Report on Results and Impact of IFAD Operations
BILCHAM	Banking Institute & Learning Centre of Excellence for Holistic Aspiration of Mothers
CBO	community-based organization
IGA	income generating activity
MFI	micro-finance institution
M&E	monitoring and evaluation
NaRMG	Natural Resource Management Group
NERCORMP	North Eastern Region Community Resource Management Project for Upland Areas
NGO	non-governmental organization
NREGS	National Rural Employment Guarantee Scheme
PCR	Project Completion Report
SGSY	Sarnjayanti Gram Swarozgar Yojana
SHG	self-help group
TANGO	Technical Assistance to Non-Governmental Organizations, Inc.
UNOPS	United Nations Office for Project Services
WGHCRRMS	West Garo Hills Community Resource Management Society

Table of contents

	Executive Summary	4
I	Introduction	6
	A. Purpose of the Study	6
	B. Methods and Limitations of the Study	6
	C. Definition and Dimensions of Sustainability	7
	D. Conceptual Description of Sustainability	8
II	Design Elements and Their Relationship to Sustainability	9
	A. Project Overview	9
	B. Programme Model	10
	C. Community Participation in Design	10
	D. Targeting Approach	10
	E. Linkages among Components	11
	F. Strategy for Institutional Development and Partnership	12
	G. Consideration of Environmental Issues	14
	H. Exit/Sustainability Strategy	14
III	Implementation Issues Related to Sustainability	16
	A. Project Management	16
	B. Supervision Missions	16
IV	Internal Monitoring and Evaluation	18
	A. Strengths and Weaknesses of Existing System	18
	B. Sustainability Indicators	18
	C. Proposal for Ex-Post Evaluation of Sustainability	19
V	Outcomes and Challenges for Addressing Different Dimensions of Sustainability	20
	A. Sustainability of Outcomes	20
	B. Institutional Sustainability	21
	C. Risk and Resilience	22
	D. Environmental Sustainability	22
VI	Conclusions and Lessons Learned	24
	Annex A. Terms of Reference	26
	Annex B. Itinerary	29
	Annex C. List of Persons Met	30
	Annex D. Documents Reviewed	31

Executive Summary

The International Fund for Agricultural Development (IFAD) has funded and supported the North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP) since 1999. This project has sought to improve the livelihood of vulnerable groups in a sustainable manner through improved management of their natural resource base that would restore and protect the environment. To achieve this goal, IFAD and its government, NGO and community partners have created community-based organizations and engaged them in income generating activities, supported the development of transportation, market and health/sanitation infrastructure, and promoted environmental protection. Originally scheduled to end in 2006, the project received a two-year extension through September 2008, in part to help assure sustainability.

IFAD has included NERCORMP in a set of case studies on project sustainability being developed throughout the Asia and Pacific Division. As NERCORMP is nearing completion, an analysis of the sustainability gains made during the course of the project is particularly pertinent. A mission conducted from May 3-May 9 included a review of secondary data, interviews with a wide range of project stakeholders, and discussions with beneficiaries and representatives of associated institutions. This report offers an analysis of sustainability from the point of view of a range of stakeholders, considers the quality and adequacy of IFAD efforts in seeking and achieving sustainability, and offers a set of conclusions and recommendations that may help to inform future initiatives.

Stakeholders had varied perceptions of what sustainability means and how the project has worked to achieve it. For community members, it was particularly important that the new enterprises would remain viable and grow, and that the opportunities provided to them by the project would continue to be available. Project staff and partners shared these views and also noted the importance of empowerment of beneficiaries, particularly women, to future sustainability. Government counterparts felt that sustainability meant a continuing flow of financial assistance as well as a government takeover of services provided by the project. IFAD senior stakeholders placed greatest emphasis on the durability of the institutions created by the project.

These inputs were summarized into three categories of sustainability, as follows: sustainability of outcomes, i.e. whether the improvements in quality of life or standard of living of project beneficiaries will endure beyond the project completion; sustainability of process, i.e. individuals and institutions continue providing appropriate services after the assistance and subsidies of a project end; and sustainability of resources, i.e. activities promoted or introduced by the project will preserve/deplete the natural resource base. In addition, sustainability of livelihoods was analyzed from a perspective of risk management and resilience.

While true sustainability can only be determined after time has passed, this study concludes that NERCORMP has employed many appropriate strategies and has a very good potential for achieving sustainability. The following notes the most significant of those strategies:

- The project did not rush to create quick outputs but engaged in a slow, patient process of group formation and sensitization to gain trust and encourage participation at the community level.
- Community projects were always selected based on community priorities and implemented with significant local contributions of labour, materials, and sometimes cash.
- The project worked with community-based organizations with a positive credit history and experience in using credit to build viable micro-enterprises. This incremental increase in loan amounts and concurrent risk built self-confidence and viability.
- Resilience of poor households (and thus the sustainability of their livelihood systems) was achieved by diversifying income sources and building household and community assets that can serve as resources during times of difficulty.
- Attitudinal and behavioural change regarding protection of the environment was brought about through links with cultural traditions and by first promoting self-interest (e.g. protecting sources of potable water).
- By successfully integrating government stakeholders into the District Societies (essentially project field offices), NERCORMP helped establish local ownership of the project and significantly increased awareness among government stakeholders.
- Project managers and IFAD supervisors were flexible in their approach, allowing design modifications and an extension period in an attempt to assure sustainability.

The progress towards sustainability came despite some important gaps. While the NERCORMP appraisal makes frequent mention of sustainability, the theme received less attention during the first years of the project. A documented sustainability strategy was developed late and never finalized. Finally, the project's monitoring and evaluation system did not make use of a comprehensive set of sustainability indicators with which to track progress and make adjustments. As sustainability can only be determined with certainty after project support ends, an ex-post evaluation was suggested as a way to make those determinations and analyze the factors that led to any setbacks.

This study was conducted and its report authored by John Meyer, of TANGO International, with the gracious support of IFAD staff in Rome, Delhi, Shillong and Tura, and the patient collaboration of many community and institutional representatives. Special thanks are due to Moses Chalai and his staff with the NERCORMP office in Shillong and Daniel Ingty and his staff with the West Garo Hills district office in Tura. While many people contributed their insights and ideas, these findings and conclusions were produced solely by the author who regrets any and all errors or misrepresentations.

I. Introduction

Recent evaluations of IFAD programming have highlighted the shortcomings of many of its projects in terms of sustainability. For example, the Annual Report on Results and Impact (ARRI) of IFAD Operations for 2006 noted that sustainability remains a major challenge for the organization. In response to these findings, the IFAD strategic framework for 2007-2010 commits the organization to enhancing sustainability, acknowledging that ensuring sustainability has been a challenging endeavour, not just for IFAD but for all international development agencies.

This case study forms part of a larger effort, undertaken by the Asia and the Pacific Division of IFAD, to improve the sustainability of its programming. This study, along with others from IFAD-supported projects throughout Asia, will inform the development of user-friendly guidelines to be used by IFAD and its partners to systematically enhance the sustainability of IFAD's investments in the region.

A. Purpose of the Study

IFAD-India works in close partnership with the Government of India and other donors, on a range of programming themes including rural development, women's empowerment, natural resources management and rural finance. Since 1979, the organization has financed 21 programmes and projects, approving loans for US\$564.4 million. The country strategy for 2005-09 includes: providing access to micro-finance services, improving livelihood opportunities for communities in semi-arid tropical areas through better water management and new technologies for agriculture; improving productivity for coastal fishing communities; and emphasizing sustainability of fishing resources. The strategy aims for improved partnerships with NGOs and the private sector to reinforce community-based organizations (CBOs).

This case study serves to identify the enabling factors that contribute to the sustainability of NERCORMP or, in case of negative findings, the constraints that the project has faced in achieving sustainability.¹ More precisely, the study: a) collected and documented the views of the various projects' stakeholders on what sustainability means for them; b) documented the experience and performance of the project in ensuring sustainability of project benefits beyond project implementation; c) helped IFAD better understand how project designs, monitoring and evaluation (M&E) systems, supervisions and overall implementation relates to the issue of sustainability; and d) generated lessons learned on the specific approaches that have greater chances to lead to sustainability. Detailed Terms of Reference for the study are attached as Annex A.

B. Methods and Limitations of the Study

This study was conducted via a three-step process. First, documents produced by the project were reviewed for information and insights pertinent to sustainability issues. Second, discussions were held with a range of project staff and associates, in Rome, and

¹ While the case study is intended to cover the entirety of the NERCORMP, site visits and in-depth discussions primarily took place in the West Garo Hills District, one of the six districts included in the project area.

at NERCORMP offices in Meghalaya State. Finally, a number of sites were visited for observation of field work as well as discussion with beneficiaries and others. Data collection in India took place between May 3 and May 9, 2008. Details on the itinerary, persons met and documents reviewed are included as Annexes B, C, and D.

Two main constraints could affect the accuracy of the findings and conclusions presented later in this report. This was a short timeframe for a study of a complex project covering a vast geographic footprint. Only one out of six project districts was visited; the literature makes it clear that there has been some variability of experience and success among the districts, an observation that cannot be explored significantly in this report. In addition, the unpredictability of sustainability must be considered. Any sustainability claims made now are basically predictions about the future, which can only be validated after sufficient time passes.

C. Definition and Dimensions of Sustainability

During interviews and discussions, respondents were asked to share what sustainability means to them. The goal in asking such a question was not to create a list of definitions but to gauge the diversity of perceptions and personal priorities. Some responses were conceptual in nature but more often people responded in practical terms, as paraphrased in the following paragraphs.

Community members/beneficiaries made comments to the effect that sustainability meant that their new enterprises would remain viable and that markets would be stable. In addition, some felt that sustainability meant that the opportunities made available to them would also be available to their children and that the gains that they made would not suffer setbacks if, for instance, an adult family member became ill or died. A key to sustainability for one group related to continued improvements in the education of their children. Finally, some respondents felt that sustainability meant a continuation of the assistance being received.

NERCORMP and partner staff had views that were often similar to those of the beneficiaries. Among the responses from this group were: income generating activities continue and grow; infrastructure is maintained and repaired locally, based on a sense of local ownership; women retain their empowerment after project ends; and institutions continue with their prescribed/expected functions. The NERCORMP sustainability strategy contemplated whether beneficiary communities would maintain the same pace and vibrancy after project support was withdrawn. For the most part, IFAD senior managers and technical advisors placed the greatest emphasis on the sustainability of institutions, i.e. that those created or supported by the project have reached a suitable level of strength and solvency, to assure continuity of function into the future.

Government counterparts defined sustainability as sustained funding and government takeover of the services provided by the project and a continuing flow of capital and credit into rural areas. In addition, sustainability would be marked by strong, well-prepared community groups with a sense of ownership of project outputs and a willingness to maintain the structures. Sustainability would be assured if community groups assume the functions of the project.

IFAD uses the following criteria in its Project Completion Reports (PCRs) to denote a highly sustainable project, *"A large number of supporting factors are in place that will ensure project impact remains sustainable. Ownership is established and accepted, necessary*

funding secured". The PCR is designed to examine sustainability through these lenses: political, social, institutional, economic/financial and environmental sustainability, as well as the degree of ownership felt by beneficiaries.

D. Conceptual Description of Sustainability

While individuals can and should have their own points of reference and areas of interest regarding sustainability, a single project needs to have a broad, clear and well-defined concept of sustainability to guide implementation and serve as a basis for evaluation. For the purposes of this study, sustainability can be considered through three different lenses: sustainability of outcomes, sustainability of processes, and sustainability of resources. The paragraphs below briefly describe these elements.

Sustainability of Outcomes: Simply put, this concerns whether the improvements in quality of life or standard of living of project beneficiaries will endure beyond the project completion. In the case of NERCORMP, the anticipated impacts were increased income and well-being of beneficiaries. Implied therein is the resilience of households in the face of shortages or hardship. Secondary outcomes were related to behaviours associated with health, hygiene, environmental conservation and market access, among others. An assessment of sustainability in this regard would measure the gains made due to the project, then predict the durability of those gains in the years following the project.

Sustainability of Process: A development project provides a set of direct and indirect services – its process – to beneficiary communities. Sustainability of the process depends on individuals and institutions to continue providing those same services after the assistance and subsidies of a project end. More often than not, and certainly in the case of NERCORMP, a project seeks and expects this type of sustainability, which depends on the viability of institutions and their capacity and potential for survival and continued function.

Sustainability of Resources: This theme refers to the extent to which activities promoted by the project will preserve/deplete the natural resource base. Obviously a lucrative activity that gradually exhausts the resources upon which it depends will not be sustained.

Section V of this report offers tentative conclusions regarding the sustainability of NERCORMP outcomes, processes and resources and describes many of the factors working for or against the sustainability of each.

II. Design Elements and Their Relationship to Sustainability

A project design establishes objectives and proposes a set of interventions that, if successfully implemented, would logically lead to achievement of those objectives. A design should also describe delivery mechanisms, including institutional partnership arrangements. It is considered fundamental that sustainability be factored into project design decisions, and not left until the last minute.² Few current project staff members were involved at the time of the NERCORMP design.

The better source of information on design is the appraisal document, an IFAD format which combines the analysis of context and need with strategy formulation. Although not presented within a dedicated 'sustainability strategy' section, the NERCORMP Appraisal Report (IFAD-India 1997) clearly outlines a strategy whereby the development of income generating activities (IGAs) by "self-reliant" village groups would relieve pressure on the natural resource base. NERCORMP staff feel that sustainability was not a significant talking point early in the project life and that it only became so later, towards the end of the original project timeframe. However, as noted above, PCRs place significant emphasis on sustainability.

A. Project Overview

NERCORMP's design was finalized in 1997 for an implementation period to run through 2006, later extended to 2008. The design responded to identified problems in India's northeast, including the failure of previous top-down, "culturally inept" development initiatives; economic stagnation and resultant chronic poverty; and inability of the traditional *jhum*³ system to cope with increasing population density resulting in decreasing soil fertility and threats to the environment and biodiversity. IFAD sought to introduce a community-based development approach, ultimately covering up to 1,000 villages in Assam, Meghalaya and Manipur States. Specific emphasis was placed on empowerment of women; water catchment integrity; and a pro-poor, differential benefit entitlement. The goal of the project was "to improve the livelihood of vulnerable groups in a sustainable manner through improved management of their natural resource base". The project had the following components: Institutional Support (~7 per cent of funding); a Village Development Fund, contributing to IGAs (~52 per cent); Social Sector (~5 per cent); Village Infrastructure (~20 per cent); Natural Resource Management (~4 per cent); and Project Management (~11 per cent). The West Garo Hills Community Resource Management Society (WGHCRMS) exists as a geographic sub-division of NERCORMP (covering villages in the West Garo Hills District of Meghalaya State) and largely shares its goals and strategies.

2 Experience shows that the development industry as a whole has a fairly poor track record regarding designing projects for sustainability. While this would not excuse IFAD or the project for any shortcomings discovered, it does provide a reference point against which NERCORPM efforts should be judged very positively.

3 *Jhum* is the local term for shifting or slash-and-burn cultivation. In the past, low population densities and long cycles between land clearing likely made *jhum* a reasonably secure and sustainable livelihood activity. It has also been an important cultural feature, with many traditional holidays associated with steps in the *jhum* process. Currently, however, land pressures and shorter rotations (from 15 years down to 5-7 years) have made *jhum* an economically inefficient and environmentally destructive activity. One gets the sense that *jhum* is increasingly looked upon almost as a last resort - what a household does if it has no better means of income.

B. Programme Model

Though not necessarily new or unique in the global sense, the NERCORMP model of local contributions and ownership, community participation in decision-making, and empowerment of women is considered quite innovative locally. Prior to NERCORMP – and to this day in most non-project areas – investments in rural development are planned in a top-down manner, excluding local populations, and women in particular, from any significant decision-making. Most centrally funded initiatives were funneled through Block Officers, generally considered to be obstacles to participation and local control. To counter this tradition, the NERCORMP proposed a *“new approach to development, which focuses on interventions which are technically appropriate, culturally sensitive and institutionally effective”*. Interventions would be demand-driven making ample use of indigenous knowledge and capabilities. Partnership between communities and institutions would be based on transparency and accountability.

C. Community Participation in Design

For the most part, respondents were not involved in the project at the time of its appraisal and design, which occurred more than ten years ago, and could not describe the extent or nature of community participation. The appraisal report itself describes a project design process that was *“highly participatory ... to ensure that the ... project meets the expectations of the ... target ... population”*. While the opinions of potential beneficiaries are only rarely highlighted in the report’s text, there is no reason to believe that the appraisal team ignored local perceptions and expressions of need.

More pertinent perhaps is the way in which interventions in participating communities are designed. A process was described whereby great care is given to mobilize and sensitize community members, and to help them form groups through which project activities might be undertaken. At that point, the local groups are given great latitude in selecting the activities that make the most sense for them. Project staff and their NGO partners play the role of facilitators. Although the project may have played a more assertive role in selecting activities than was described during this brief visit, it was obvious that the community groups feel a strong sense of ownership of both the processes and products. A good example of this is the Dilni bridge project. This particular activity was not highly favored by the project because of its large scope and tricky engineering requirements. However, community members felt strongly about its value and have done much of the leg work in attracting essential non-NERCORMP support. This bridge will soon be a highly valued community asset.

D. Targeting Approach

Poor targeting can compromise the sustainability of a project when social inequities are reinforced or marginalized groups are neglected. Rural communities in Meghalaya State, and the West Garo Hills District in particular, are somewhat unique in that they are largely free of the wide disparities of wealth seen elsewhere in the region, and do not have large sub-groups of the population that are marginalized due to caste, economic status, cultural heritage or other factors. Issues of equity and inclusion were important, however, with regard to gender. The project overtly sought to assist women both economically and socially, and did so by creating and supporting women-only self-help groups (SHGs).

Geographic targeting, according to the appraisal report, used these criteria: dependence on *jhum*; small farm acreage; rain-fed cultivation; and prevalence of disadvantaged, vulnerable families. The targeting approach for WGHCRMS started in communities near threatened natural areas, as the improved livelihood status of households would discourage shifting agriculture and protect the natural resource base. Approximately 15-20 per cent of all villages in the targeted districts were ultimately selected to participate in the project, a target that was almost met by the end of the extension period.

Selection of beneficiaries within communities was largely outside of the project's control. Each Natural Resource Management Group (NaRMG) was required to include a male and female representative of each household, meaning that each member of the community was liable for the responsibilities, if not the benefits, of the project. SHGs were formed based on voluntary participation of women; no data were available to show the proportion of women that did not join a SHG. When asked whether significant numbers of households could not participate in project activities because of financial constraints, beneficiary respondents invariably stated that this was rarely if ever the case. Some respondents did say that time constraints or resistance from husbands discouraged a few women from joining. In one village, vegetable growers were described as the poorest class (due to the land constraints they otherwise suffer) but were active in SHGs and in line to benefit greatly from improved market access due to road improvements and bridge construction. Ultimately, an assessment of far greater depth than this would be required to reach precise estimates of inclusion or exclusion error.

E. Linkages among Components

A key element for sustainable project outcomes is a design that is based on a holistic consideration of livelihoods systems, needs and opportunities. Narrow, sector-focused interventions can be a risk to sustainability in a variety of ways. Gains made in household food security can easily be lost due to disease outbreaks or adult mortality. Improved economic status can be compromised by shocks – natural or man-made – that deplete household assets and destroy community assets. In short, if households and communities lack resilience in the face of natural, social or economic shocks, project impacts can quickly be lost.

The NERCORMP grades fairly well in this regard. The project has a broad mix of interventions that as a set respond well to the observed and expressed needs of communities and are often complementary. For instance, infrastructure development such as road construction and maintenance is linked with the expansion of cash crop production and market linkages. As a slightly different illustration, women's groups in Ganol Songma, ostensibly formed around economic activities, have provided a forum for awareness on health and hygiene and have empowered women to become proactive in promoting education for their children and resolving social ills such as excessive alcohol consumption by men.

While it is clear that IFAD has had success in linking NERCORMP components, a word of caution is necessary. A number of respondents felt that limited progress in certain components may compromise some positive outcomes in the long-term. For instance, while some progress has been made regarding reduction in *jhum* practice and conservation of primary forest, some respondents felt that this is not based on any heightened environmental ethic among beneficiaries, but rather motivations of

self-interest. In contrast, others stated that the tribal groups have a long tradition for sustainable environmental conservation that the project has worked to reintroduce and/or reinforce.

F. Strategy for Institutional Development and Partnership

IFAD traditionally implements its projects through host country institutions: government agencies, NGOs, CBOs, or some combination of these. The core idea behind this approach is not to implement through local proxies as a cost-cutting measure, but rather to build the capacity and experience of partner institutions in ways that will permit them to sustain the types of services provided by the project into the future.

NERCORMP has functioned under this strategy with what appears to be a fair degree of success. The appraisal document established capacity building of communities and participating agencies as the first objective of the project. In addition to creating “*viable, equitable and sustainable village institutions*” the project design anticipated considerable training and capacity building of government agencies and NGOs. NERCORMP staff feel that the heavy emphasis on training for members of partner institutions has been an important factor in assuring their sustainability. The following sections describe strategies for three types of institutional partners.

Community-based Organizations

At the community level, NERCORMP has developed two distinct types of CBOs: SHGs made up of women who join voluntarily; and NaRMGs to which each household in the targeted community must contribute a male and female member. A recent accounting by the WGHCRMS reports 854 SHGs formed in that district alone. Sustainability of the SHGs has been sought by fostering a sense of unity and group power and, more importantly, by helping them start up lucrative micro-enterprises. Ultimately, these groups will be sustained as long as economic returns persist and grow, which seems likely for many if not all of them.

The NaRMGs have a different background and will have a more challenging road towards sustainability. According to respondents, these groups were formed largely to serve as a conduit for project investments and to help plan project-funded activities. It was sometime later that their long-term sustainability became an objective. Forces that will encourage the sustainability of NaRMGs include their increasing participation in economic activities and the fact that they are beginning to serve as a model for other government initiatives in community-based development. Factors that may work against sustainability include internal challenges in maintaining gender-balance and transparency, and avoiding co-option by wealthier or more powerful (typically male) members. In addition, sustainability would likely require ever larger, more lucrative enterprises, with adequate returns for all. Community respondents express a surprising level of confidence in their ability to navigate the treacherous waters of India’s bureaucracy and business environment.⁴ As of spring 2008, the WGHCRMS had formed 257 NaRMGs.

The project has joined sets of SHGs and NaRMGs into clusters, federations and ‘apex’ bodies as a part of its sustainability strategy. Clusters of SHGs allow producers to attain commercial volumes and critical mass. Recent reports show that 18 cluster

⁴ As illustration, members of the Rongram Tea Growers’ Federation recounted a bitter history of exploitation by private sector buyers and neglect by government agents. By joining together and developing their own processing capability, 8,000 producer households will gain power in the marketplace. The project has facilitated linkages with government technical advisors.

associations had already been registered with the government and 11 registrations were under process. All these groups are meant to look after the interests of the members, lobby for policies that would benefit their constituents, and be a source or conduit of services and credit to the individual groups. The most prominent of these groups, called Banking Institute & Learning Centre of Excellence for Holistic Aspiration of Mothers (BILCHAM) is the apex body for SHGs in the West Garo Hills District. It has assumed a role as credit provider (to members only), and provides larger loans in a fairly straightforward manner.

An additional design feature added for sustainability is the use of Community Organizers. These local volunteers are to serve as technical advisors to community groups beyond the life of the project. In general, skepticism of such creations usually relates to doubts about their motivation/compensation in the long-term. However, those few met during site visits seemed actively involved without tangible project support, drawing their compensation from community enterprises that they help to establish and manage. Deeper research, conducted 2-3 years after the end of the project, would be necessary to determine the ultimate sustainability of this project element.

Non-Governmental Organizations

The bulk of project work done in NERCORMP communities was done primarily by local NGOs, who were contracted by IFAD and received a non-negotiable service charge for their contributions. The NGOs were vital partners and were said to have grown with the project and have become more professional and capable now than before. In at least a few cases, NaRMGs are contracting NGOs to do certain tasks that they previously might have done under the NERCORMP contract. NGO respondents reported that their relationship with IFAD has been fair and open, unlike previous attempts at cooperation with government. It was noted that in many cases the project actively sought to build capacity of NGOs, mainly through training in tools and methods employed by NERCORMP. The success of this capacity building was said to vary among NGO. A new project of this nature should likely include a more comprehensive NGO capacity building component.

Government Partners

The project did not seek to build capacity of any government agencies and should not be judged on sustainability of some transformed government function. Project respondents stated that links with government are highly variable from district to district, largely due to personalities of the individuals involved. For instance, the District Rural Development Agency should be implicated in infrastructure development efforts but reportedly is excluded or remains aloof, despite project efforts to recruit them into active partnership. Block/Rural Development Officers, not comfortable with ceding control of money to communities, were often obstacles. The experience in West Garo Hills was among the exceptions; district government has been a valuable and supportive partner to the project in the district.

A core strategy in the project extension period has been seeking increased convergence between NERCORMP activities and government initiatives. A major example of this relates to the National Rural Employment Guarantee Scheme (NREGS) whereby centrally funded infrastructure projects will be planned through Village Employment Councils (an NaRMG-type body) in line with local priorities, i.e. the

NERCORMP way. Another example is the aloe vera production and processing, on-going in at least one community in West Garo Hills. The local group has been linked with Sarnjayanti Gram Swarozgar Yojana (SGSY), a national employment scheme, which has provided training and other support.

A large World Bank-funded rural development project is planned in Meghalaya State, along with the other seven states of northeast India. While it would be a mistake to think of this as proof of NERCORMP's sustainability, the fact that the government, the North Eastern Council and Ministry of Development of North Eastern Region in particular, is shaping the new project based on NERCORMP successes can be taken as evidence that the project has affected some sustainable attitudinal change in government. More to the point, it is anticipated that the new project will provide follow-up support, e.g. in marketing, to enterprises created during NERCORMP.

G. Consideration of Environmental Issues

As noted earlier, sustainable use and/or conservation of natural resources is an important element in any analysis of project sustainability. Unlike other donors, IFAD does not put its project designs through a rigorous environmental review process (project staff stated that so much ground is covered during the appraisal process that some themes, like environmental review, must receive less attention. The appraisal does note that major infrastructure development such as road construction, would be subject to environmental impact assessment). The interim evaluation of NERCORMP, which primarily speaks of environmental impact as a proposed project objective, describes some positive developments such as the establishment of elephant preserves, but states that positive environmental impact was minimal (IFAD 2006).

Nonetheless, the NERCORMP project was designed with a focus on the environment and aimed to slow the alarming environmental deterioration on-going in the project area. Approximately 1,836 sq. km of natural forest land are reportedly newly under a protection through community-based management. The strategies employed by project staff seem very sensible, e.g. conservation work started with a focus on water conservation and not top-down dictates about preserving natural areas. In addition, the project made use of local folk traditions for sustainable management of natural resources to rebuild awareness. It is generally acknowledged that not enough investment was made in the area of promoting a conservation ethic, particularly since environmental awareness and protection is a long-term process. However, local staff are optimistic that links to local traditions and awareness of the benefits of environmental protection will continue to push this process into the future.

H. Exit/Sustainability Strategy

As noted earlier, despite fairly significant mention of sustainability in the appraisal report, the project did not devote much attention to developing or implementing a specific exit or sustainability strategy until fairly late in the project life. A supervisory mission advised NERCORMP managers to begin developing a sustainability strategy for the project as its original end date approached. The resultant strategy has undergone at least one review in IFAD and was adapted based on feedback received. The main objectives/themes of this plan are: a) that projects interventions continue and grow; b) that successes are replicated; c) that Regional and District Societies are maintained as "windows" into communities; and d) that follow-up work be done for those not helped by NERCORMP.

One element of the proposed sustainability strategy that had to be discarded was the creation of a major micro-finance institution (MFI) that would serve the project area into the future. This idea was debated for quite awhile before being nixed by IFAD due to the fact that it would not be community-based, as well as for regulatory concerns and other factors. The project replaced the MFI idea with smaller, revolving savings and credit functions within the SHG federations and apex bodies created by the project.

In 2006, the WGHRMS also undertook to document a sustainability strategy for its area. The key sustainability elements noted include:

- Bamboo marketing and processing;
- Collective procurement and marketing;
- Micro-credit enterprise and rural banking network;
- Joint forest management; and
- Cluster organizations formed and involved in advocacy.

The strategy also noted the importance of linking NERCORMP villages and systems with the upcoming NREGS, specifically by formalizing roles and relationships among government and NGO institutions.

The fact that these documents exist at all is very positive. The breadth of their distribution is not clear but it was noted that partners within Regional and District Societies were at least made aware of the plans, and perhaps actively involved in their creation. It was also hard to tell to what extent these strategies have caused implementation plans to be modified, as opposed to recounting what the project was already doing or planning to do. NERCORMP staff stated that they feel now that sustainability strategies or plans should be created as the project is designed and not towards the end of its life.

III. Implementation Issues Related to Sustainability

A project design only goes so far in dictating what the project does and how it does it. The chances for sustainability can also be influenced by how the project is managed, monitored and evaluated. The following sections offer insights into those aspects.

A. Project Management

Management can influence sustainability in many ways, for instance by fostering participatory approaches, being flexible in the face of setbacks, or focusing on capacity and future actions of partner institutions. While this subject could not be explored comprehensively during the mission, the impression given was that management has performed well in this regard, most significantly with regard to maintaining flexibility and adjusting to changing circumstances. Not irrelevant is the positive influence due to the fact that many NERCORMP managers and their NGO partners come from the tribal areas and share language and culture with beneficiaries. Their innate understanding of the local context greatly facilitated integration and interactions with communities as well as allowing them to understand cultural norms and expectations better than outsiders would have. The creation of District Societies as a proxy for project management units was a very useful strategy for sustainability. These societies (at least in West Garo District) incorporated important government representatives, created the impression of being a local institution as opposed to the office of an international agency, and have plans and funding in place for post-project activities.

The only potential issue with NERCORMP management that may work against sustainability would be a preoccupation with major outputs, which in general tends to shift focus away from the poor people who may or may not be served by the output in question. The question might be asked whether it was IFAD's objective that a large tea processing plant, for instance, be constructed and made to function or, rather, whether it was the project's main concern that a certain number of poor rural households reach an appropriate level of livelihood security, perhaps by participating in a tea production/marketing scheme but also in many other ways. This is doubly important in an area of differentiated land access; IFAD would not be pleased to learn that, in the long-term, those who benefited most from a NERCORMP activity were primarily wealthier households. There is no definitive evidence that project managers were indeed overly preoccupied with major outputs, to the disadvantage of ultra poor households. However, nor is there data that show to what extent the poorest wealth classes were included/excluded in the benefits created by NERCORMP. The most recent external evaluation could only speculate on the accuracy of targeting and felt that the poorest households may indeed be excluded from project benefits in some cases (IFAD 2006).

B. Supervision Missions

Supervision missions would not have had the same innate understanding of context as field staff, which perhaps made insightful feedback more difficult. Project staff shared a perception that sustainability was not a key concern for those conducting supervisory visits and evaluation exercises early in the project life. This changed as the original project end date neared. In fact, it was during a supervisory mission by the United Nations Office for Project Services (UNOPS) in 2004 or 2005 that the need for a project sustainability strategy was first made explicit. The interim evaluation, conducted just prior to the original project end date, also noted that an exit strategy should be developed regarding the continuing development of community groups and transfer of responsibilities to block and district authorities. The evaluation did not, however, measure any indicators selected specifically to assess sustainability, although some commentary was forthcoming (IFAD 2006). On the other hand, the PCR devotes considerable attention to assessing sustainability through a variety of lenses.

IV. Internal Monitoring and Evaluation

M&E is critical to considerations of sustainability in two ways. First, it is typically within the M&E system that sustainability criteria are identified and methods for their measurement described. Second, the M&E system should be the source of information for anyone seeking to determine the extent to which progress towards sustainable outcomes is being made. Only a very cursory review of NERCORMP M&E was possible during this study, leading to the following observations and suggestions.

A. Strengths and Weaknesses of Existing System

Notwithstanding the generally strong performance of the project itself, M&E was described as being less successful, particularly during its early years, despite considerable effort in developing both quantitative and qualitative tools. Complex formats were introduced and discarded, which would have been confusing to local institutions. As a result, the federations and apex bodies that would theoretically assume a monitoring role of SHGs, for instance, may not be well prepared for the required duties. These gaps in M&E may be indicative of IFAD-supported projects, particularly those dating from the late 1990s. It certainly is not uncommon in the larger world of development programmes. Recent technical assistance inputs have attempted to upgrade M&E capacity of the project and IFAD-India in general. Still, a review of M&E instruments and products revealed that much could still be done to tighten and focus the system, particularly in terms of outcome/impact assessment.

In the absence of rigorous quantitative surveys to measure impact, projects often choose to develop case studies or stories that provide a qualitative description of the impacts of the project on individuals or individual households. This approach is defensible and is often more appealing to stakeholders uncomfortable with statistical analyses. NERCORMP has made a significant effort to document cases, but the choices almost invariably focus on success stories. Harder to find are any stories of SHGs that failed with an analysis of why that happened. In seeking to document impact through stories, the project has so far done so in a somewhat biased manner that obscures some of the information necessary for comprehensive learning. In similar fashion, the project's most recent evaluation decries the absence of systematic measurement of impact (IFAD 2006).

B. Sustainability Indicators

The project does not have a comprehensive, written M&E plan, which would facilitate an evaluation of the indicators proposed or in use. Project staff reported that the NERCORMP M&E system has had no role to play in measuring the sustainability of institutions. This may represent a conceptual gap as sustainable institutions are an important outcome sought by the project. The project M&E team should measure progress towards that goal. The project – or at least the WGHCRMS – does measure a range of institutional criteria, providing information which seems to be primarily used for decisions regarding loan applications. These indicators, for which rating scores

are assigned, include: age of the SHG, number and attendance rates of members, savings and internal loan history, rotation of leadership, and quality of bookkeeping and accounting.

A mechanism that has worked well elsewhere is to determine the nature/level of support to provide a CBO based on its rating (e.g. highly rated SHGs allowed to function independently; average SHGs given targeted support; poorly rated SHGs allowed to fold). This approach is an efficient way to promote institutional sustainability. Reports indicate that SHGs graded poorly are provided an opportunity to visit and learn from those graded highly, but other support decisions based on the ranking were not described. It was also not verified whether local banks were fully comfortable with the NERCORMP grading system and would continue to use it after the project ends.

The main environmental indicators measured seem to be area of land under the *jhum* and number of years in the *jhum* rotation. The most recent annual report noted two sample achievements: a) a village in West Garo Hills where *jhum* area was reduced from 120 to 40 ha and the cycle had increased from 7 years earlier to 15 years; and b) villages in Karbi Anglong District where the *jhum* area was reduced by up to 40 per cent or more. An additional indicator used was sq. km of forest/catchment areas clearly demarcated and under protection (NERCORMP-IFAD 2008).

C. Proposal for Ex-Post Evaluation of Sustainability

To state the obvious, a determination of whether a project's outcomes endure beyond the end of that project can only be determined with certainty after the project has ended. Unfortunately, project evaluations are usually scheduled for some months prior to the closing date so that accounts can be resolved prior to closure. To reach a more precise understanding of project sustainability, IFAD might schedule an ex-post evaluation, approximately two years after project closure, to assess predetermined indicators and analyze factors related to sustainability.

This evaluation should include both qualitative and quantitative measures and would sample targeted and non-targeted villages. As only 20 per cent or fewer villages actually received project services, the extent to which NERCORMP outcomes were felt in non-project villages would be important to learn. A quantitative survey would need to randomly sample households from the population for a determination of inclusion and exclusion error (currently not done) and an estimation of benefit flow to different categories of households. In addition, it would be interesting to track some of the households that have reportedly moved out of poverty.⁵ Verifying that for the most part they did not slide back into poverty after the project ended would be a powerful indicator of sustainable outcomes.

⁵ A figure of 18 per cent was reported from wealth ranking exercises (IFAD 2006). Anecdotally, the number of households escaping poverty is now much higher, perhaps 70 per cent. However, little explanatory information was available about those exercises to allow a validation of the results presented. In any case, the results of participatory activities such as wealth rankings should be considered as indicative and not definitive.

V. Outcomes and Challenges for Addressing Different Dimensions of Sustainability

A. Sustainability of Outcomes

A relatively quick review of the project leads to the conclusion that income generation from SHG activities, with all the benefits that increased household income can bring, are by far the most significant outcomes of the NERCORMP. The range of activities undertaken is broad, as illustrated in the list below (Brara 2008 and respondent feedback):

- Tailoring, weaving, embroidery, silk products;
- Animal husbandry (e.g. cattle/dairy, goats, pigs, chicken/eggs, fish ponds);
- Cash crops (e.g. tea, aloe vera, rubber plantations, bamboo, cashew, areca nut);
- Handicrafts (e.g. baskets, soap, candles, brooms);
- Shops (e.g. tea shop, restaurants, groceries, dry goods, Fair Price shops, shoe store);
- Food industries (e.g. bakery, pickles, fruit juice, patchouli and bay leaf oil);
- Automobile repair and auto parts shop; and
- Vehicle purchase for transport of people/goods.

Additional benefits of the project identified by female community participants included: unity and harmony; women's solidarity and empowerment; BILCHAM and the credit it provides; savings and banking; land purchase; self-confidence; the ability to be charitable; roads and transport; no longer doing daily labour; access to business opportunities; linkages with other institutions; education and literacy training; involvement in politics; increased contact with the external world; a plan/vision for themselves and group; awareness and knowledge sharing; willingness to receive health care; use of toilets; increased school attendance; more responsible behaviour by men. In the words of more than one female respondent, *"Everything has changed for us"*.

This breadth of experience and impact, along with the fact that some of the IGAs have not yet yielded significant returns, makes it difficult to reach conclusions as to their long-term sustainability. The failure rate of new, small businesses in the U.S. has been estimated at anywhere from 50 – 90 per cent. Even if exaggerated as some claim, these figures illustrate the point that all business is risky; IFAD cannot realistically guarantee the long-term viability of any of the SHG enterprises. Two related outcomes, however, point towards some assurance of sustainability. First, many of the individuals/groups visited or cited are persistent and resourceful, trying new activities when the first attempts fail. Second, the project strategy whereby SHGs access and repay ever increasing loan amounts has established a credibility or track record that should gain them support for any reasonable ideas they may have in the future. These community groups access and control information and use it to their advantage and actively pursue credit and technical assistance.

Concerns about the future sustainability of the project outcomes include these possibilities: credit will dry up, technical assistance for new initiatives will become difficult to access, motivation of members declines over time, or the poorest households become marginalized. Even though at least one case is documented where the poorest

households were benefiting (landless vegetable growers living in an area where a new bridge gives much improved market access), there is some evidence that the poorest households have not been able to benefit at a commensurate level. In addition, it was acknowledged that the institutions aligned to follow-up with NERCORMP processes could lose touch with the poorest households, due to their need for financial solvency, outweighing the social ethic they may possess. Finally, some respondents felt that many current IGAs are too small and market links too tenuous.⁶ They suggested a need for up-scaling to larger-scale enterprises to sustain all members of SHGs into the future.

A secondary outcome with major sustainability implications is the future status of infrastructure (e.g. roads, bridges, culverts, schools and community halls) both in terms of new development and maintenance. New structures, based on the NERCORMP model, must still be installed since what the project proposed to do and was able to accomplish falls far short of need. Even more significant is the issue of future maintenance and repairs to existing structures, which is a problem area for many development projects. However, respondents expressed full confidence that these tasks would take place, primarily because the infrastructure installed responded to community priorities for which they invested heavily.

B. Institutional Sustainability

This category includes the durability of the institutions created by the project, such as SHGs and NaRMGs, as well as the continuity of the services and resources provided by the project. Regarding the first theme, the sustainability of at least most SHGs seems assured, based on reports of cohesive membership, lucrative enterprises, and equitable distribution of benefits. Two elements of NERCORMP's strategy seem critical to this success. First, the formation of the groups was a slow, patient process, with appropriate systems/structures put into place. Second, an incremental approach was applied to credit provision, with a larger amount made available to groups successfully repaying their first loan. For NaRMGs to be sustained, two separate but related factors can be described: 1) internal sense of mission and motivation for meeting, planning, etc.; and 2) an external community that validates the NaRMG existence. NaRMGs seem to be migrating towards income generation in some cases, which may result in a sustained institution. However, some respondents felt that NaRMGs are not perceived as entrepreneurial groups and, as such, will have difficulty qualifying for credit. More generally, some of the CBOs were said to remain highly dependent and will face failure when project support is withdrawn. A respondent felt this might be due in part to tribal affiliation. No other reasons were mentioned. As the project is still functioning, it is too early to report whether a certain proportion of the SHGs and NaRMGs have ultimately failed. However, only about 13 per cent of SHGs and slightly less than 8 per cent of NaRMGs received grades of C or D (related to apparent credit risk) during the 2006-07 project cycle.

As NERCORMP was considered a pilot project by many local stakeholders, it seems particularly important that its process continue and expand. At least in the case of West Garo Hills, this expansion is most definitely occurring. Two new schemes in particular, an upcoming World Bank project and the NREGS described earlier, are said to have

⁶ The experience of one SHG might serve as illustration. It has been in existence for five years but was still waiting for its first profits, from a small dairy operation. Some technical setbacks and difficulties repaying loans with the limited returns from milk sales seem to be sapping the members' enthusiasm. Without a change of fortune in the near future, this group could conceivably fold.

shaped their strategies based on the NERCORMP model. Other government initiatives are assisting NERCORMP communities based on the strength of the CBOs and their past contributions to planning and implementing local projects.

Possible constraints to longer-term sustainability of institutional processes fall mainly into two groups. First, there are no guarantees that non-NERCORMP initiatives will maintain the key elements of the model, e.g. will truly invite participation of women and seek benefits for the poorest households. Second, the possibility exists that without project facilitators, government agents will gradually become less responsive to demands for service by community groups and banks will be less anxious to provide credit to those groups.

C. Risk and Resilience

Much of the NERCORMP area is essentially immune from the extreme climatic, social and economic shocks that so often plague other underdeveloped areas. For example, although located in a seismic area, Meghalaya does not suffer frequent earthquakes or tremors. Cyclones that wreak havoc in neighboring areas cause at most moderate flooding, with human impacts well below crisis conditions.⁷ Rather, risk in the area can be characterized by a slow decline in on-farm productivity, food insecurity, and environmental degradation.

The NERCORMP interim evaluation (IFAD 2006) mentions resilience only in relation to household financial status. The project has made participating communities and households more resilient in several other ways as well. While the *jhum* farming system itself was a strategy for mitigating risk (multiple crops planted together to space harvests and mitigate failure of some crops), the project has helped households diversify their production and income in other ways, e.g. by growing a variety of perennial cash crops and becoming involved in non-farm enterprises. Bridge and causeway construction will make communities more resilient to temporary flood conditions. Finally, solidarity, women's empowerment and income are already bolstering traditional social capital, allowing the community to support households facing difficulties. In sum, NERCORMP beneficiaries are more resilient and better able to manage the risks that they face.

D. Environmental Sustainability

Without further evidence, it can safely be concluded that NERCORMP interventions meet the test for environmental sustainability. New economic activities in which beneficiaries are engaged do not deplete the resource base and, to the extent they replace the need for *jhum* cultivation, they represent a net gain in natural resource conservation. The project's conservation component, acknowledged to have been less significant than anticipated, still resulted in protection for large areas of forest and watershed catchments. These developments seem likely to persist, particularly due to increased community involvement in management of the natural resource base.

A small number of factors could threaten environmental sustainability. If income generation should stagnate or decrease, most households would definitely return to *jhum* as a source of livelihood. It remains a socially acceptable act, even though the

⁷ Some project areas outside of Meghalaya and not visited during this mission are subject to violence from low-key separatist activity, which has discouraged government investment. Research of greater depth into the effects of conflict on livelihoods in such areas was not possible within the constraints of this mission.

environmental damage it causes is recognized. As populations continue to grow and land is converted to tree plantations, land availability for food production may become a critical issue. At least one community respondent worried that increases in orchards and perennial crop plots may squeeze more people into smaller *jhum* land, decreasing their rotation cycles. Finally, NERCORMP's interest in sustaining biodiversity, particularly of macro-fauna, might be compromised by fragmentation of natural areas. For instance, it may be that the size of the protected areas and connecting corridors is insufficient to maintain a viable population of forest elephants, a key protected species.

VI. Conclusions and Lessons Learned

The NERCORMP interim evaluation (IFAD 2006) rated the sustainability of the project as moderately low, primarily due to uncertainty regarding factors such as future funding, repair and maintenance of infrastructure, and markets for agricultural products. While uncertainty will always be a factor, the project's potential for sustainability at this time would certainly deserve a much higher rating. Most CBOs are well prepared and already functioning with a high level of independence. They are creating ideas and plans for IGAs and are accessing credit and technical assistance without the direct support of the project. The sense of local empowerment, particularly of women, and ownership of project outputs is high. Natural areas are being restored and protected. A range of government initiatives, many modeled after NERCORMP, are providing similar services to communities in the project area.

A number of factors can be cited that explain the project's positive accomplishments regarding sustainability of outcomes, processes and resources. Although the successes seen here may be due in part to local contextual factors, these points should also serve as lessons that can be applied to programming in other contexts.

- The project did not rush to create quick outputs but engaged in a slow, patient process of group formation and sensitization to gain trust and encourage participation at the community level. Although this approach meant minimal tangible 'progress' during early years, it has led to a set of groups with high potential for sustainability.
- Community projects were always selected based on community priorities and implemented with significant local contributions of labour, materials, and sometimes cash. This strengthened groups, empowered members, and better assured maintenance/repair of outputs.
- The project worked with CBOs to build a positive credit history and experience in using credit to build viable micro-enterprises. This incremental increase in loan amounts and concurrent risk built self-confidence internally and viability in the eyes of external institutions such as banks.
- Attitudinal and behavioural change regarding protection of the environment was brought about through links with cultural traditions and by first promoting self-interest (e.g. protecting sources of potable water) rather than moralistic entreaties regarding biodiversity or heavy enforcement and stiff penalties.
- By successfully integrating government stakeholders into the District Societies (essentially project field offices), NERCORMP helped established local ownership of the project and significantly increased awareness among government stakeholders about the project development model.
- Project managers and IFAD supervisors were flexible in their approach, allowing design modifications and an extension period in an attempt to assure sustainability. This is important since things seldom work as planned and withdrawal of support prematurely or at inopportune times will usually compromise the gains made.

- While all projects should consider sustainability from the design stage, it is important to note that sustainability strategies will have significant differences in approach from project to project and even from village to village. The details of the strategy must be based on the whole spectrum of environmental, social and political conditions. The relative performance, continuity and local knowledge of staff are also critical considerations.

A factor that may be fairly unique to India is that both government development funding and qualified technical assistance are in relative abundance, although not previously accessible by most communities in the project area. The strategy of empowering beneficiaries, forming credible and viable community groups, and facilitating their links with sources of cash, credit, market opportunities and technical advisors worked in NERCORMP, while often unsuccessful in less developed countries.

The progress towards sustainability of the project came despite some gaps that might be considered as important, if not essential, ingredients. While the NERCORMP appraisal makes frequent mention of sustainability, and seems to have set the project on the right path, the theme was said to have received little attention during the first several years of the project. It was rather late before the project was asked to create a documented sustainability strategy and even at the end of the project the strategy had the appearance of being in draft form. Finally, the project's M&E system did not make use of a comprehensive set of sustainability indicators with which to track progress and make adjustments. In some cases, this set of gaps would have led to a project with poor prospects for sustainability.⁸

As noted earlier, sustainability can only be determined with certainty some time after project support ends. An ex-post evaluation was suggested as a way to make those determinations and analyze the factors that led to successes or setbacks. While perhaps not feasible for each and every IFAD-supported project, ex-post evaluations would be a logical follow-on to the research done during these case studies.

⁸ It should be noted that the elements noted here, particularly a sustainability strategy created during the design phase with its complement of sustainability indicators, are more the exception than the norm in development projects around the world. NERCORMP's emphasis on sustainability probably exceeds industry standards.

Annex A

Terms of Reference

1) Background

The issue of sustainability is a key concern for IFAD which has been highlighted by the Independent External Evaluation (IEE) and in successive Annual Reports on Results and Impact of IFAD Operations (ARRI). The 2006 ARRI evaluation confirms that sustainability remains a major challenge for IFAD with only 40 per cent of operations being rated as substantial or better.

The IFAD Strategic Framework 2007-2010 acknowledges that ensuring sustainability is a challenging endeavour – and for all international development agencies – but also that without sustainability it is not possible to claim lasting impact in terms of rural poverty reduction.

The Asia and the Pacific division of IFAD has undertaken initiatives on sustainability – especially of rural poor organizations – through its grant programme and the SCOPE (Strengthening Capacities of Organizations of the Poor - Experiences in Asia) project in particular, and consultations with the World Bank. It now plans to extend the investigation on the factors that affect the sustainability at large of the investment projects it funds in the region.

To this end, a study has been initiated which is to be conducted in three different stages:

- a) Desk Review: the desk review has involved an analysis of selected documents and interviews with key resource persons at IFAD Headquarters. The ultimate purpose of the review was to set the boundaries of a theoretical framework for approaching the concept of sustainability and to start defining the term as it applies to IFAD-funded operations.
- b) Case studies.
- c) Source Book preparation: the Source Book will be the ultimate output expected from the whole study. Building on the theoretical framework defined in the context of the Desk Review and on the findings of the case studies, this user-friendly guide for development practitioners should among others:
 - Suggest a very clear and practical definition of the multi-faceted concept of sustainability as it applies to IFAD-funded field operations;
 - Identify enabling factors (or constraints) for sustainability;
 - Identify important criteria for improved project design;
 - Identify indicators that will measure progress towards sustainability during project implementation.

2) Objectives

Overall objectives: the present consultancy will focus on conducting a field case study in selected Asian country as a second step of the initiative described above. It will therefore build on the Desk Review work and further advance the multifaceted definition of sustainability as it applies to IFAD-funded operations.

The case studies will represent an opportunity to shed some light on the reality of IFAD-funded field operations as they are currently being implemented, supervised and evaluated by IFAD and its countries' partners. The overall goal is to identify the enabling factors that led to sustainability or, in case of negative findings, the constraints that projects face (or may face) for sustaining project benefits after completion. The ultimate purpose is to improve the development effectiveness of IFAD-funded operations in the region.

Detailed objectives: more precisely, the objectives of the case studies are:

- a) To collect and document the views of the various projects' stakeholders on what sustainability means for them, with particular attention on the views of projects' ultimate beneficiaries (farmers, livestock owners, rural producers, farmers' organizations, women, etc.).
- b) To document the experience and performance of selected IFAD-funded projects in aiming at ensuring sustainability of project benefits beyond project implementation.
- c) To help IFAD better understand how project designs, M&E systems, supervisions and overall implementation in selected IFAD-funded projects and specific country contexts have addressed – or should address – the issue of sustainability.
- d) To generate lessons learned on the specific approaches that have greater chances to lead to sustainability and/or on the specific constraints that may impede prospects of sustainability.

3) Scope

The consultant will travel to the North Eastern Region Community Resource Management Project for Upland Areas and visit selected project areas. The project was chosen on an agreed set of criteria (including status at implementation, type of project, previous work on sustainability, environmental context) in order to offer a wide representation of IFAD's experience on sustainability in Asia.

4) Output

On the basis of the revised methodological note illustrating the methodology, processes and tools to be used in the development of the case studies and on the main results of the desk review, the consultant is expected to deliver a case study report.

5) Report's outline

While a detailed final report's outline will be agreed upon between IFAD and the consultant submission of the first draft, the report should at a minimum include the following:

- a) A brief methodological note.
- b) An assessment of the sustainability approaches and exit strategies used in IFAD-funded project and/or planned to be used, including the definition of sustainability.
- c) A documentation of project stakeholders' views on sustainability (definition and performance so far).
- d) A presentation of the key determining factors recognized as essential to ensure sustainability after project completion.

- e) A presentation of the key risks or potential obstacles to sustainability.
- f) An assessment of the indicators used to measure sustainability.
- g) A presentation of the major lessons learned.

The case studies reports will have to be of such nature as to feed into the final Source Book. The reports should be kept as short and practical as possible (max. 20 pages).

6) Methodology

The methodology will include focus group discussions and interviews with key informants (beneficiaries, project and government staff). Outlines developed for these discussions will have a sustainability focus covering economic benefits accrued by individuals and households as a result of project interventions, changes in power structures and social capital, enhancement in or protection of productive resources, resilience of household and community-level livelihood strategies.

Prior to the field trip, the consultant will review key project documents for each project (appraisal reports, supervision reports, annual workplan and budget, progress report, M&E documentation and others as available). These documents will be provided by IFAD and reviewed prior to field travel, and will influence the formation of qualitative field instruments.

7) Schedule

The consultant will report to the Portfolio Management Cluster of the Asia and the Pacific Division. The assignment will take place during 3-11 May 2008.

Annex B Itinerary

Date	Activity
May 3	Arrival in Delhi.
May 4	Arrival in Shillong via Guwahati.
May 5	Orientation to NERCORMP, discussions with NERCORMP staff. Working dinner with staff.
May 6	Interviews with NERCORMP program staff. Discussions of management and M&E issues with NERCORMP managers. Travel to Guwahati.
May 7	Travel to Shillong. Meet with members of BILCHAM, Koucholsan SHG Federation, and Bawegre Multipurpose Society. Visit Rengsanggre Diary Enterprise. Workshop meeting in Tura with representatives of partner NGOs, banking institutions, and government counterparts.
May 8	Visit to BILCHAM and Society office and Herbal Hospital construction sites. Meeting at Dilni Bridge with Nengjabolchugre Cluster Leaders and Gisiksan SHG Federation Members. Discussion with Ganol Songma NaRMG and SHGs. Travel to Rongram Tea Factory and interview of factory staff and tea growers' federation.
May 9	Travel from Shillong to Delhi via Guwahati.
May 10	Compilation of notes and report writing.
May 11	Travel from Delhi to USA.

Annex C

List of Persons Met

Rome

Carla De Gregorio, Grants Coordinator
Maria Donnat, Results Management Specialist
Silvia Guizzardi, M&E Specialist
Mattia Prayer Galletti, Country Programme Manager, India
Anirudh Tewari, Coordinator India Country Programme

NERCORMP Shillong

Moses Chalai, Programme Coordinator
Ajit Sharma, Marketing Coordinator
N.A. Pfoze, Micro-Credit Officer
Adrian Marbaniang, Monitoring and Evaluation Officer
Dhrubajyoti Nath, Finance-cum-Accounts Officer
Shakeel R. Swer, System Administrator cum Communication Officer
Vincent Darlong, Natural Resource Mgmt and Extension Coordinator
K. Hrishikesh Singh, Technical Coordinator and Administrative Officer
N. Vijaylakshmi Brara, Gender and NGO Coordinator

Dr. Binay Singh, North Eastern Council
Dr. R.P. Singh, Visiting Technical Advisor

WGHRMS-Tura

Daniel Ingti, WGHRMS Project Manager
Sitaram Prasad, Institutional Development Organizer

BILCHAM Executive Committee
Bawegre Multipurpose Society
Rengsanggre SHG
Nengjabolchugre Cluster Leaders
Gisiksan SHG Federation
Ganol Songma SHG and NaRMG
Rongram Tea Growers' Federation

NGO Partners (Bethany Society, NRMG, AEA, BYACID, WEDS, AWS, SEWS)
Deputy District Administrator
District Government Officials

Annex D

Documents Reviewed

- Bhuyan, P., et al. 2007. Study on Shifting Cultivation and Food Security in Project Villages of Karbi Anglong District, Assam. NERCORMP-IFAD, International Fund for Agricultural Development, Delhi.
- Brara, N.V. 2008. The NERCORMP-IFAD Women Entrepreneurs. North Eastern Region Community Resource Management Project for Upland Areas, Shillong, Meghalaya State, India.
- Cordone, A. (undated). Case Study on Hunger and Poverty in Nonglang Village, State of Meghalaya, India. For International Fund for Agricultural Development, Delhi.
- IFAD. 2008 (draft). Aide memoire North Eastern Region Community Resource Management Project for Upland Areas Support for Preparing the Project Completion Report. International Fund for Agricultural Development, Rome.
- IFAD. 2006. North Eastern Region Community Resource Management Project for Upland Areas: Interim Evaluation. International Fund for Agricultural Development, Rome.
- IFAD-India. 1997. North Eastern Region Community Resource Management Project for Upland Areas: Appraisal Report. International Fund for Agricultural Development, Delhi.
- IFAD-India. 2007. North Eastern Region Community Resource Management Project for Upland Areas: Annual Status Report. International Fund for Agricultural Development, Shillong, India.
- NERCORMP. 2008. Sustainability Strategy of NERCORMP. North Eastern Region Community Resource Management Project for Upland Areas (IFAD). Shillong, Meghalaya State, India.
- NERCORMP. 2008. The Long Journey towards Inclusive Development: a Project Overview of NERCORMP. North Eastern Region Community Resource Management Project for Upland Areas (IFAD). Shillong, Meghalaya State, India.
- NERCORMP-IFAD. 2008. Annual Report 2007-2008. North Eastern Region Community Resource Management Project for Upland Areas. Shillong, Meghalaya State, India.
- Ronghang, A., et al. 2007. The Enabling Sector: A report on water, sanitation & health in Karbi Anglong. North Eastern Region Community Resource Management Project, IFAD-India.
- TANGO International (2009). Sustainability of rural development projects. Best practices and lessons learned by IFAD in Asia. International Fund for Agricultural Development (IFAD). Occasional Paper No. 8. May 2009.
- Timung, L., et al. 2007. Understanding SHGs and the process of Women Empowerment. NERCORMP-IFAD, International Fund for Agricultural Development, Delhi.
- UNOPS. 2007. North Eastern Region Community Resource Management Project for Upland Areas, Review Mission 25 October – 3 November, 2007: Aide Memoire. United Nations Office of Project Services.
- UNOPS. 2006. North Eastern Region Community Resource Management Project for Upland Areas, Review Mission 27 November – 8 December, 2006: Aide Memoire. United Nations Office of Project Services.
- Vincent, N.K.H. and Khyriemujat, A.C. 2007. Study on Business Approach, Marketing Practices and Promotion of Model Enterprises Case Study On CBOs of Karbi Anglong Community Resource Management Society. NERCORMP-IFAD, International Fund for Agricultural Development, Delhi.

IFAD

The International Fund for Agricultural Development (IFAD) is an international financial institution and a specialized agency of the United Nations dedicated to eradicating poverty and hunger in rural areas of developing countries. Through low-interest loans and grants, it develops and finances programmes and projects that enable poor rural people to overcome poverty themselves.

Contacts:

Ganesh Thapa
Asia and the Pacific Division
IFAD
Via Paolo di Dono, 44
00142 Rome, Italy
Tel: +39 06 54592098
E-mail: g.thapa@ifad.org

Valentina Camaleonte
Asia and the Pacific Division
IFAD
Via Paolo di Dono, 44
00142 Rome, Italy
Tel: +39 06 54592670
E-mail: v.camaleonte@ifad.org
www.ifad.org

© 2009 by the International Fund for Agricultural Development (IFAD)

The opinions expressed in this publication are those of the authors and do not necessarily represent those of the International Fund for Agricultural Development (IFAD). The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations 'developed' and 'developing' countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

All rights reserved

ISBN 978-92-9072-064-5
Printed, August 2009



International Fund for
Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy
Telephone: +39 06 54591
Facsimile: +39 06 5043463
E-mail: ifad@ifad.org
www.ifad.org
www.ruralpovertyportal.org

