

K-11011/91/2012/MKSP/NTFP/AAP/AP
 Ministry of Rural Development
 Department of Rural Development
 (Rural Livelihoods Division)
 Government of India

6th Floor, Hotel Samrat,
 Kautilya Marg, New Delhi
 Dated: 3rd October, 2013

To

The Dy. Director General
 National Institute of Rural Development
 Hyderabad, Andhra Pradesh

Subject: Release of first installment of central share in respect of Annual Action Plan (AAP) under Mahila Kisan Sashaktikaran Pariyojana (MKSP), Non Timber Forest Produce (NTFP) stream submitted by the Society for Elimination of Rural Poverty (SERP), Andhra Pradesh as a part of their livelihood action plan.

Sir,

I am directed to convey the approval of the President of India for sanction of Annual Action Plan (AAP) for 2012-13 under Mahila Kisan Sashaktikaran Pariyojana (MKSP), Non Timber Forest Produce (NTFP) stream submitted by the Society for Elimination of Rural Poverty (SERP), Andhra Pradesh as a part of their livelihood action plan. SERP will implement the project through field level implementing agencies.

2. The approval of the project is subject to following conditions:-

1. The AAP will be implemented by SERP by the field implementing agencies as mentioned below:

Annual Action Plan (AAP) for project proposal under Non Timber Forest Produce stream of Mahila Kisan Sashaktikaran Pariyojana (MKSP) from Society for Elimination of Rural Poverty, Andhra Pradesh						
Name of the Project Implementing Agencies	Sector	No. of Beneficiaries	Projected Income to the beneficiaries	Cost Components		
				Total Cost (in Rs. lakh)	Central share (in Rs. lakh)	State / CSB share (in Rs. lakh)
Kovel Foundation	NTFP procurement and regeneration	12000	27000	1495.60	1121.70	373.90 (State Share)
Jattu	Annapurna Model of agriculture Practices	3000	55000	561.00	420.750	140.250 (State Share)
Sahayog CCN	Lac Cultivation	3000	60000	728.30	546.225	182.075 (State Share)
Kovel Foundation and Sahayog CCN	Tasar Sericulture	5928	27000	1046.75	785.0625	261.688 (CSB share)
		23928		3831.65	2873.738	957.89

2. The AAP has been approved by the Empowered Committee in its meeting held on 6th December, 2012 with following cost components:-

(in Rs. lakhs)

Total budget	MoRD contribution	SERP contribution	CSB contribution
3831.65	2873.74	696.3	261.7

3. The projects are to be implemented in 3 years.

4. The Project will cover 23928 beneficiaries in proposed areas.

5. MKSP Guidelines will be followed in the implementation of the project.
6. SRLM will conduct one quarterly review meeting for the project. The representatives from the Ministry will be invited.
7. The progress in the project will be reviewed by the Empowered Committee (EC) under NRLM every six months.
8. SRLM will sign an MoU with Field Implementing Agencies (IAs) before release of funds to IAs.
9. SRLM will follow the MIS whenever developed by this Ministry.
10. The project should lead to:
 - a. Establishment of effective institutional platforms of NTFP collectors for improved access to finance and selected public services.
 - b. Development of pro poor value chain around NTFP collectors ensuring increased access to market and market information for better marketing of their products.
 - c. Promotion of community based livelihoods Organisations owned and managed by the tribal NTFP collectors that enable them to increase household income through livelihood enhancements on a sustainable basis.
 - d. Development and promotion of sustainable NTFP management practices in pre harvest, harvest and post harvest technologies to enhance the livelihoods opportunities for NTFP collectors leading to climate change resilience and improved bio diversity.
 - e. Drudgery reduction for women NTFP collectors through use of gender friendly tools/technologies.
 - f. Improved productivity of NTFP resources on a sustainable basis.
 - g. Development of value chain for access to markets leading to better price realization.
11. SRLM has to consider the following non negotiable of National Rural Livelihood Mission (NRLM) and MKSP and should ensure that these principles are respected and are not violated.
 - a. Building institutions of the poor (such as SHGs, SHG federations, Livelihoods Collectives, Social Collectives, etc.) is a prerequisite for livelihoods promotion.
 - b. Active generic institutions like women SHGs prioritized in the process.
 - c. Self reliance of institutions promoted
 - d. Ensure equity in decision making and all other common activities including benefit sharing.
 - e. Sustainable resource use (Pre-harvesting, harvesting and post harvesting) with feasible care for regeneration and development.
 - f. Development of NTFP value chain for forward and backward linkages is to be integral part of the project.
 - g. Practices are eco-friendly.
 - h. Targeting the poorest of the poor and most vulnerable such as SC/ST, minorities, landless and the particularly vulnerable tribal groups (PVTG) dependent on NTFP.
 - i. Participatory approaches and bottom up planning will constitute the core value of the MKSP.
12. MoRd retains the right to carry out internal audit of funds and financial implications of the project, if deemed necessary.
13. While identifying the target group, priority should be given to poorest of the poor and most vulnerable women such as SC/ST, minorities, landless and the Primitive Tribal Groups.
14. Reallocation of funds not exceeding to 5% of the total project cost among different project activities will be permissible to accommodate any innovation within the project. However, reallocation on account of administrative expenditure shall not be permitted.
15. Purchase of vehicles is not admissible in the project.
16. The administrative expenses for managing the project shall not exceed 5% with the condition that savings if any in the administrative component may be used for furthering the activities of the project but not vice versa.

17. After the release of first instalment of Central share by MoRD, matching share should be released by the SRLM and Central Silk Board within one month.
18. SRLM should submit the Inception report within 15 days of receipt of 1st Instalment of Central share from MoRD.
19. Before the commencement of the project, the SRLM should have a dedicated team for the implementation of the projects under AAP. The details of project implementation team should also be communicated to this Ministry alongwith Inception report.
20. Baseline survey details should also be submitted to this Ministry by the SRLM.
21. At the end of the project period, the ownership and management rights of the infrastructure and assets created if any, under the project, shall remain with the participating women groups/organizations.
22. It will be open to MoRD to have verification of the progress of the project by a third party/ independent agency
23. The completion report should be submitted by the SRLM to this Ministry within three months from the date of project completion along with final utilization certificate and audit reports and funds that remained unspent, if any.
24. Financial audit is to be carried out by the Chartered Accountant or any other authority appointed by the State Government. The audit report together with action taken on the auditor's observations and physical progress under the project shall be furnished at the time of release 2nd/3rd instalments of the Central Funds.
25. Audit reports of the project should reflect the total Govt. Grant (Central and State share and interest thereon including interest receipt with Implementing agency (IA)) and cash contribution if any from other sources with reference to cost estimates and components in the project report. In case of contribution in kind or other sources, the auditor will provide a separate certificate indicating the valuation of cost components.
26. The Ministry of Rural Development retains the right to carry out internal audit of funds and financial implications of the project, if deemed necessary.
27. The SRLM will furnish a certificate to the effect that the beneficiaries under MKSP have not been assisted /proposed for assistance under any other Government Programme for similar activities.
28. The interest amount accrued on Government releases, if any, shall be adjusted against the Government share of the project cost at the time of release of the third and final instalment. SRLM should also exhibit and account for the interest earned and accrued and utilize such interest for the project only subject to overall sanctioned project cost, under intimation to MoRD.
29. For monitoring and periodic review of the sanctioned project, a Committee at the State level, headed by the Secretary (RD) of the State is to be constituted who will be responsible for reviewing and monitoring the Project/s. The Mission Director, SRLM would be the convener of the Committee. The State Committee shall have participation from Forest and Environment, tribal development and women and Child Development Departments. The Committee shall undertake quarterly reviews with the SRLM. The State governments may also constitute a State Level Technical Project Support Group to assist field implementing agencies in the implementation of the Projects.
30. It shall be open to the Ministry of Rural Development to prescribe such conditions, as it deems fit, from time to time to ensure proper execution of the project.
31. A web based monitoring system is to be established and a web site with details regarding beneficiaries, training, income etc will have to be maintained by the SRLM.
32. SRLM should ensure that the action plan and time line should be immediately uploaded on the website by.
33. SRLM should ensure that the training content/modules under the project will be uploaded on the project website by the SRLM.

34. The project may follow the Group Approach for delivery of services and the Community based organizations should be given key role in the management, decision making and handling of finances under the Project.
35. SRLM should ensure that the field implementing agencies open and maintain a separate bank account of the project for implementing the Programme.
36. The Central Government share of funds would be released in three installments in the ratio of 25:50:25. 1st installment of Central share will be released in two tranches of 10 and 15%.
37. NIRD will release as grants-in-aid towards the first installment of Central share i.e. Rs. 2.87374 crores i.e. 10% of Central share in the project, to Society for Elimination of Rural Poverty (SERP) (SRLM from the funds already transferred by the Ministry of Rural Development vide order No. J-11011/01/2010-SGSY(I)-MKSP dated 28th February, 2012.
38. SERP will release funds to the field implementing agencies only after signing of MoU with field implementing agencies.
39. DPR should be submitted within 3 months of the receipt of 1st tranche of 1st installment of Central share by SERP. Second tranche i.e. 15% of Central share will be released after submission of a certificate by SERP that Detailed Project Report (DPR) have been submitted by the Implementing Agencies (IA) and it is in order.
40. SERP should ensure that the funds released for the project shall be maintained in a separate bank account state-wise. No fund would be kept in fixed deposit. The interest accrued on the amount deposited in the bank would be used only for the project.
41. The grants –in-aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
42. Documentation should be an inherent part of the project along with the video recording giving the status of area/beneficiaries before and after the project. It should cover the details of deliverables as indicated in the project and achievements made against these deliverables.
43. No cost escalation will be permitted for the project. Escalations, if any, would be borne by the State Government.
44. The second installment of 50% of Central share will be released upon the following:
 - a) Release of State/Donor Agency/PIA share
 - b) Submission of a Utilization Certificate along with an expenditure statement for at least 60% of the released 1st installment funds and contribution from State Government/other donor agencies and achievement of corresponding physical target.
 - c) Submission of year wise audit reports of the funds utilized
 - d) Quarterly reporting of progress in the prescribed formats.
 - e) A certificate from the SRLM that the project is being implemented as per the approved project proposal.
 - f) Any other condition which the Department of Rural Development may think necessary to prescribe.
44. The 3rd instalment of 25% of central share will be released upon the following:
 - (a) Utilization of 80% of the total available funds and achievement of corresponding physical targets.
 - (b) Submission of year-wise audit reports of the funds utilized;
 - (c) Regular reporting of progress in the prescribed format;
 - (d) A certificate from the SRLM that the project is being implemented as per the approved project proposal.
 - (e) Before the release of the 3rd instalment, it will be open to MoRD to have verification of the progress of the project by a third party/ independent agency.
 - (f) Any other condition which the Department of Rural Development may think necessary to prescribe.

All financial documents (UC, Audit report etc.) and the project report should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

3. The release of funds is subject to internal audit of the Ministry of Rural Development from time to time, and on completion of the project, to ascertain achievement of project objectives and outcomes.
4. It shall be open to this Ministry to prescribe such conditions, as it deems fit, from time to time to ensure proper execution of the project.
5. The Registrar, NIRD, Hyderabad will be the drawing and disbursing officer for this purpose.
6. The funds shall be disbursed to Chief Executive Officer, Society for Elimination of Rural Poverty (SERP) in lump sum within a fortnight after completing the pre-requisite formalities/conditions.
7. The accounts of the grantee institution or organization shall be open to inspection by Internal Audit of the Principal Accounts Office functioning under Chief Controller of Accounts, in terms of Rule 211 (1) of GFR 2005.
8. This issues under the delegated powers of this Ministry and with the concurrence of its integrated Finance Division vide U.O. No. 629/Fin.-II/dated 12th September, 2013.

Yours faithfully




(Renuka Kumar)

Dy. Secretary to the Govt. of India
Ph. 011-24122935

Copy to:

1. Principal Secretary, Department of Rural Development, Government of Andhra Pradesh.
2. Chief Executive Officer, Society for Elimination of Rural Poverty (SERP), Andhra Pradesh.
3. Member Secretary, Central Silk Board, Ministry of Textiles, Government of India, CSB Complex, BTM Layout, Madiwala, Bengaluru-560068, Karnataka.
4. Chief functionary, Kovel Foundation, Visakhapatnam, Andhra Pradesh.
5. Chief Functionary, Jattu Organisation, Parvathipuram, Vijayanagram, Andhra Pradesh.
6. Chief functionary, Sahayog CCN, Visakhapatnam, Andhra Pradesh
7. The Accountant General, Government of Andhra Pradesh.
8. The Director of Audit Economic and Services Ministries of AGCR Building, I.P. Estate, New Delhi.
9. B&A/Fin.-II
10. Branch record, RL Division, Department of Rural Development, MoRD and Guard File.



(Renuka Kumar)

Dy. Secretary to the Govt. of India