

North East Rural Livelihoods Project

Thematic Study on Livelihoods – Terms of Reference

I. Background

NERLP is a World Bank funded rural poverty reduction project of the Ministry of Development of North Eastern Region (DoNER). The project seeks to empower rural poor and improve livelihoods of about three lakh households in 1645 villages (58 blocks) across eleven districts of four project states, namely, Mizoram, Nagaland, Sikkim, and Tripura. The districts are Aizawl and Lunglei in Mizoram, Peren and Tuensang in Nagaland, South, and West Districts in Sikkim and West Tripura, Khowai, Sipahijala, Unokoti and North Tripura

The objective of the project is *“to improve rural livelihoods especially that of women, unemployed youth and the most disadvantaged, in four North Eastern States”*. It aims at improving communities’ access to credit and other financial services by forming more than 26,000 SHGs and 1200 VOs, sustainably increasing incomes of the poor by forming 500 producer groups/producer organizations, improving natural resource management by local communities and converging with government programs by forming 1,645 Community Development Groups (CDGs), addressing unemployment by skilling 20,000 youth, and engaging in fruitful partnerships with expert organizations to focus on cluster development through value chains development and natural resource management.

II. Project Components

The project has five components, namely, social empowerment, economic empowerment, partnership development and project management. The project components focus on improving livelihoods of the most disadvantaged people in the targeted areas by building community based organizations and developing partnership with Government and other institutions for knowledge, skill, credit, insurance, extension and market.

- **Social Empowerment:** This initiative seeks to empower rural communities by creating sustainable community institutions; improving inclusiveness and ensuring equity in social, gender and environment.
- **Economic Empowerment:** Increase livelihoods through diversification of income and employment opportunities by supporting SHG and SHG Federation with investment support; supporting Community Development Group for Community Development Plan; supporting Producer Organization for business activities based on value chain and supporting youth for skill development training and placement.
- **Partnership Development:** Development of partnership with various service providers including technical support institutions, public and private sector organizations, financial institutions, etc., with the aim of dovetailing further resources required for the success of the project.
- **Project Management:** This component includes governance, implementation, coordination, learning and quality enhancement efforts.

- **Livelihood Model & Value Chain Developments:** demonstration of successful livelihood models, value chain development in both farm sector and non-farm sector.

The thematic study is intended to focus on two of the above components: Economic Empowerment (excluding youth skills development and CDPs) and Livelihood Model and Value Chains. Within the component on Economic Empowerment, the study will focus on investment support to SHG and SHG Federations and Producer Groups and Producer Organizations for business activities based on value chains. The study is expected to capture the effectiveness and impact of the livelihoods and value chain interventions implemented by these community-based institutions, derive lessons and suggest measures towards sustainability.

III. Objectives of the Study

The objective of this assignment is the following:

- ◆ Review the typologies and outreach of livelihood interventions across different sub sectors / commodities carried out by SHG, SHG village federations and PG/ POs. MIS and other secondary sources of information can be relied upon.
- ◆ Assess the implementation effectiveness of the livelihoods and value chain interventions. The assignment should analyse the progress made by a sample of SHGs/Federations and Producer Institutions in 11 districts of the four states of the North-East in terms of livelihood investments and assess the quality and effectiveness of the livelihood interventions and their sustainability (Annex 1 has details of key livelihood activities in each district).
- ◆ Based on the assessment, the study should provide recommendations for further support needed by the SHGs and producer institutions for livelihoods enhancement in the future.
- ◆ Preparation of a best practices and lessons learnt report that can inform the Implementation Completion and Results Report of NERLP

IV. Scope of the Study

More specifically, the study will focus on the following:

1. **SHG Investment Support** – Assess the SHG loan utilisation for livelihoods. The study should analyse how the loans have affected the choice of livelihood activities (diversification, increase of scale or intensification) and an increase (if any) in household assets of the beneficiary households. The study should find out to what extent credit is a barrier to adopting production increasing technologies and the extent to which credit has enhanced production, quality and efficiency, and improved incomes. The consultant will coordinate with a parallel study on financial inclusion.
2. **Value Chain Intervention Support** – What were the most successful value chain sectors in the project? How much did the interventions lead to increase in net incomes in each sector, based on a financial analysis of cost and revenues? What interventions were most effective? Document the processes by which the intervention was delivered. Describe issues of inclusion (social, economic and gender); quality of services, partnerships

developed, quantum of value chain financing (both supported from project and mobilised from other formal institutions), input provisioning, extension services, and marketing channels established, etc. The study should find out to what extent credit combined with livelihood and value chain interventions have enhanced predictability of input usage, reduced risk and vulnerabilities, increased access to markets and improved incomes. The assessment should identify and document success stories and bottlenecks.

3. ***Producer Groups and Producer Organisations*** – The project has facilitated targeted producer households to form primary level collectives called Producer Group (PGs). In some of the selected commodity value chains, the PGs were further aggregated to form Producer Organisation (POs). What were the most successful PGs and POs and how did these institutions work towards livelihoods enhancement and income increase? Document the process of production, aggregation, processing and marketing work in the sample of PG/PO being analysed. The study should also analyse the activity/business planning at inception, current scale of operations, level of capitalisation at inception and the current profitability and growth scenarios for the collectives. It should also indicate the possible interventions required at a post project level to strengthen the quality of these institutions.
4. ***Sustainability and Institutional Performance*** –The study should assess the relevance of these organisations, the quality of their functioning (governance, management and financial), the support and services provided/ extended to their member/ member organisations, the effectiveness of their work, the outcome of their intervention and detail out the sustainability angle clearly. This will include knowledge of executive committee, adherence to processes, self-reported intentions to continue participation, funds adequacy for continuance, need for more training, governance mechanisms, monitoring and oversights, incentives for continuance.
5. ***Role of NERLP in Planning, Executing, and Supporting Economic Activities*** – The study should analyse the role of NERLP in implementing the livelihood and other economic activities. Some of the important aspects include the capacity building and exposure visits of the community organisations that the NERLP facilitated and their relevance in running these organisations and the adequacy of staff at various levels, their capacity. The assessment should also evaluate the kind of partnerships (technical, financial, market linkages, etc.) that the PMU could establish and their relevance for the enhancing the economic activities.
6. ***Environmental Aspects of Livelihood Investments*** – The assessment should also study the compliance of the livelihoods investments with provisions of the project EMF – safeguards, legal and regulatory requirements. The assessment should focus on the integration of the environmental best practices or guidelines into the livelihood activities. Specially, the study would (i) undertake a qualitative assessment of change of practices due to increased awareness levels among the community (due to trainings/technical support etc.); (ii) sector wise analysis of the extent of the target groups and area where the mainstreaming of sustainable livelihood management practices has happened e.g. number of beneficiaries following sustainable agriculture and total project area under sustainable agricultural practices; (iii) sector wise analysis of environmental and economic benefits

due to integration of the environmental best practices or guidelines such as improving the quality of surrounding environment, natural resource conservation, input cost reduction, community health and safety etc.

7. **Documenting Lessons Learnt and Best Practices** – The team will analyse the performance, challenges faced, and lessons learned in the livelihoods program in NERLP with a view to drawing institutional and design recommendations for a larger program. The study will document the best practice case studies and innovations, if any, identified in the entire livelihoods process.

V. **Approach and Methodology**

The consultant is expected to cover the following steps:

- *Desk review of Credit portfolio, PO / PG formed, key partnerships*
The selected team of consultants will review the MIS data available with NERLP to understand the credit, training and interventions provided to the beneficiary households. The consultants should also have a comprehensive list of PO/PGs registered under the project, list of partners working with the project and their scope of work.
- *Selection of Sample of SHGs, PO / PGs*
Based on the desk review the team should shortlist livelihood clusters and producer collectives such that major livelihood activities in the four states are adequately represented and the findings can be extrapolated for NERLP. The full list of livelihood clusters, PG/PO is provided in Annex 1. The final sample will be finalized in consultation with NERLP and the World Bank. Indicative guidance on how many groups and people to interview is given in the table below-

Respondent type	Numbers
No. of SHGs and SHG, federations	At least 3 federations per district and 2-3 SHGs per Federations
Livelihood clusters	At least top 5 clusters
PGs	At least one PG for every major livelihood typology in a state
POs	All registered POs

- *Field Survey of Selected SHGs, PO / PGs*
Based on the sample selected, the team will prepare a check-list/questionnaire for each set of stakeholders to be covered during the field visit. This questions will be finalized in consultation with NERLP and the World Bank

The consulting team will physically visit the SHGs and PO and PGs, hold discussions with producers, leadership of PG and POs, develop detailed financial models and assess the financial and economic performance of PG/PO. Specifically, the team will comment on the performance of PG/PO and the sustainability of the collectives from a financial and institutional point of view. The team will also review the documentation of the PG/PO, SHG loan books, etc. to corroborate the data.

- *Consultations with Stakeholders*

The team will interact with all relevant stakeholders such as Area Coordinators, District Engineer, District NRM Coordinator, District Project Manager, District Accounts Officer and relevant staff at the RPMU.

At the district level it will review the role of livelihood/district manager and the process by which they facilitated various livelihood activities in the district, and helped foster partnerships. The team will have consultations with the partner agencies that provided technical and operational support to SHG and PG/POs.

- *Preparation of Livelihoods Thematic Report*

The team will analyse the results from the field survey and other interactions carried out and prepare the “Livelihoods Thematic Report” for feedback and finalization.

VI. Qualifications and Level of Experience of Consultant(s)

The assessment can be carried out by either a group of consultants or by an agency. A team comprising the following skills sets would be needed to complete the assignment:

Consultant	Number	Skills Required	Qualifications	Time (Man Months)
Senior technical specialist	2	10+ years’ experience in managing/evaluating livelihood activities. Ability to handle both farm and non-farm enterprise based activities. Prior experience with similar studies particularly in the North East Local language skills Prefer working experience in these states before Excellent analysis and	Master degree in agriculture, rural management, economics, social sciences or related field	3.5 months each

		writing skills		
Junior Technical Specialist	2	6+ years of work experience minimum Experience in similar livelihood studies Excellent documentation and analysis skills Local language skills	PG degree in agriculture, rural management, economics, social sciences or related field	2 month each

VII. Duration of Study and Schedule of Deliverables

The duration of the study will be approximately 4 months from the time of the team signing the contract. The team can first start with covering districts that have a larger scale of livelihood activities and older producer collectives and moving onto other districts later.

The consultant is required to deliver the following key outputs against the timelines indicated:

#	Output	Time line
1.	Inception report including review of secondary data and details of sample, questionnaires, and proposed schedule of field visits	End of 2 nd week from contract date
2.	Draft report	End of 14 th week from contract date
3.	Presentation based on the draft report	End of 15 th week from contract date
4.	Final report	End of 16 th week from contract date

VIII. Services Provided to the Consultant

NERLP will provide the following support to the service provider:

- Full access to NERLP database on SHG loans, PO/PG, livelihood clusters
- Full access to documentation of producer collectives

- Facilitate interactions with the identified stakeholders including local community /SHG leadership/partners/PO/PG leadership
- Organize field visits to selected SHGs/PO/PG including logistics, stay, etc., and ensure relevant staff accompany the team in these visits
- Provide a point person at RPMU to facilitate interactions with the team on a day-to-day basis

IX. Data and Information Collected

All data and information collected as part of the study will be the property of NERLP and no portion of it can be used for any purpose other than the purpose of the intended study. The consultant shall transfer all data and information collected (electronic or otherwise) to NERLP, on completion of the study.

X. Annexure 1 – Key Livelihood Activities

Livelihood Intervention Area	Cluster HH	Non-Cluster HH
Livestock		
Piggery	3000	40000
Dairy	700	16000
Poultry	500	16000
Goatery	6100	18000
Fishery	4500	16500
Duck Rearing	0	700
Agri and Allied		
Spices	3200	29800
Vegetables	6000	12400
Pulses /Cereals/Oil seeds	0	17500
Fruits / Horticulture	2000	3000
NTFP	0	400
Floriculture	0	90
Tea	160	100

Mushroom	0	100
Non Farm / Off Farm		
Handloom & Handicrafts	1340	1060
Tailoring/ Garment Making	350	1450
Bakery	0	100
Food Processing	0	1000

Interested candidates may submit your's CV to this email id (pm.procurement.nerlp@gmail.com) on or before 9th Aug, 2018.