

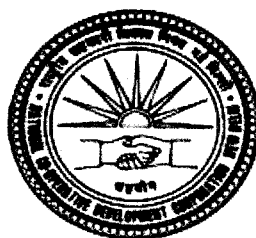
International Collaborative Training Programme
on
"Adopting Area Based Integrated Approach for Cooperative Development -
Experience of NCDC's ICDP Scheme in Indian Context"

(NCDC, TOPIC – CICTAB)

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Background Material



Organised by:

TOPIC Institute
National Cooperative Development Corporation
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NCDC – ITS CHARTER, OBJECTIVES AND FUNCTIONS AN OVERVIEW

Introduction

NCDC was established in March, 1963 under the Act of Parliament as a successor organization to National Cooperative Development and Warehousing Board set up in 1956, in pursuance of the recommendations of the All India Rural Credit Survey Committee (1954). NCDC came into being as a nodal organization for meeting the post-harvest requirements of farmers through cooperative societies. A non-equity based development financing institution, NCDC was created exclusively for the cooperative sector with the objective of planning and promoting programmes for production, processing, marketing, storage, export and import of agricultural produce, foodstuff and certain notified commodities on cooperative principles.

With amendment of the NCDC Act in 2002, its scope of activities has been widened to cover livestock, cottage and village industries, handicrafts, rural crafts and certain notified services besides enabling NCDC to lend directly to cooperative societies provided security to the satisfaction of the Corporation is furnished by the borrowing cooperatives.

The preamble and the main definition of the NCDC Act are mentioned below:-

Preamble to the Act (NCDC Act of 1962)

An Act to provide for the incorporation and regulation of a Corporation for purpose of planning and promoting programmes for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, industrial goods, livestock, certain other commodities and services on cooperative principles and for matters connected therewith or incidental thereto.

Some Main Definitions as contained in the Act

1. "Cooperative Society" means a society registered or deemed to be registered under the Cooperative Societies Act, 1912 or under the Multi-State Cooperative Societies Act, 1984 or under any other law with respect to cooperative societies for the time being in force in any State, which is engaged in any of the activities specified in Sub-Section (1) of Section 9 and includes Cooperative Land Development Bank, by whatever name called:
2. "Agricultural produce" includes the following:
 - (i) edible and non-edible oilseeds;
 - (ii) cattle feed, including oil cakes and other ingredients;
 - (iii) produce of horticulture and animal husbandry;
 - (iv) produce of forestry;
 - (v) produce of poultry farming;
 - (vi) produce of pisciculture; and
 - (vii) produce of other allied activities, whether or not undertaken jointly with agriculture
3. "foodstuffs", include:
 - (i) coconuts and arecanuts;
 - (ii) eggs and egg products;
 - (iii) fish, whether fresh, frozen dried or preserved;
 - (iv) fruits, whether fresh, dried or dehydrated;
 - (v) honey;
 - (vi) meat, whether fresh, frozen, dried or preserved;
 - (vii) milk and milk products; and vegetables
4. "industrial goods" means the products of industrial cooperatives or cottage and village industries or products of allied industries in the rural area and includes any handicrafts or rural crafts.
5. "livestock" includes all animals to be raised for milk, meat, fleece, skin, wool and other by-products;

6. "Notified Commodity" means any commodity (other than agricultural produce and foodstuffs), which the Central Government may, by notification in the Official Gazette, declare to be a notified commodity for the purposes of this Act, being a commodity with respect to which Parliament has power to make laws by virtue of entry 33 in List III in the Seventh Schedule to the Constitution.
7. "notified services" means any service which the Central Government may, by notification in the official Gazette, declare to be notified services for the purposes of this Act;
- 8(i) Subject to the provisions of this Act, the "functions of the Corporation" shall be to plan, promote and finance programmes, through cooperative societies, for:-
- (a) the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, poultry feed and notified commodities;
 - (b) The collection, processing, marketing, storage and export of minor forest produce; and
 - (c) Development of notified services
- (ii) In particular and without prejudice to the generally of the foregoing provision, the Corporation may:-
- (a) advance loans or grant subsidies to State Governments for financing cooperative societies and for employment of staff for implementing programmes of cooperative development;
 - (b) provide funds to State Governments for financing cooperative societies for the purchase of agricultural produce, foodstuffs, livestock, poultry feed, industrial goods, notified commodities and notified services on behalf of the Central Government;
 - (c) plan and promote programmes through cooperative societies for the purchase of agricultural produce, foodstuffs, livestock, poultry feed, industrial goods, notified commodities and notified services on behalf of the Central Government.
 - (d) provide loans and grants directly to the national level cooperative societies and other cooperative societies having objects extended beyond one State;

- (e) provide loans to cooperative societies on the guarantee of State Governments or in the case of cooperative societies in the Union Territories, on the guarantee of Central Government
"Provided that no such guarantee shall be required in cases in which security to the satisfaction of the Corporation is furnished by the borrowing cooperative society".
- (f) participate in the share capital of the national level cooperative societies and other cooperative societies having objects extending beyond one State.
- (iii) The Corporation shall so exercise its functions under this section as not to interfere with the activities of the Khadi and Village Industries Commission established under the Khadi and Village Industries Commission Act, 1956.

"Notified Services"

The Central Government through various gazette notifications have declared the following services/activities of cooperatives to be "notified services" for the purpose of the said Act:-

- I. Vide notification dated 13th January, 2003
 - (i) Water conservation works/services, irrigation, micro-irrigation in rural areas undertaken by cooperatives.
 - (ii) Animal care/health, disease prevention through the cooperatives.
 - (iii) Agricultural insurance and agricultural credit through the cooperatives.
 - (iv) Rural sanitation/drainage/sewage systems through the cooperatives.
- II. Vide notification dated 21st June, 2005
 - (v) Labour cooperatives
- III. Vide notification dated 18th May, 2010
 - (vi) Tourism
 - (vii) Hospitality and Transport
 - (viii) Electricity and Power
 - (ix) Rural Housing

IV. Vide notification dated 19th August, 2010

- (x) Hospital
- (xi) Healthcare; and
- (xii) Education Cooperatives

Mission

A mission statement of an organization includes its business aims, who its customers are, what its products and services are, and what distinguishes its business in terms of cost, quality, reliability and value for money. Thus, the mission states the broad purpose of the organization. It indicates the direction in which the organization is heading. A complete mission statement includes three items:

- i) The organization's basic products/services
- ii) The functions to be performed
- iii) The markets to be served

NCDC Mission is stated to "To promote, strengthen and develop cooperatives for augmenting income of people associated with agriculture and related areas".

Corporate Objectives

Because the corporate mission denotes the organization's overall purpose. It follows that corporate objective will reflect the higher goals and indicate how they are to be achieved. These are usually measurable short term and long term objectives which comprise the total range of activities of the organization.

In other words, corporate objectives are specific targets that support organizations' survival, and there is generally a set period of time in which to achieve them. This is reflected in organizations one year, three year and five year business plans. Corporate objectives are primary objectives and relate to organizations' Principal business. None the less, each division would ultimately be responsible for devising divisional strategies and plans to implement these objectives.

Functions of the Corporation

As per the charter, NCDC is an apex organization set up for planning and promoting cooperative programmes of marketing, processing, storage and export and import of agricultural produce and commodities notified under the Act.

NCDC Act, 1962 was further amended in 1974. This resulted in broad-basing of its constitution, resources and diversification of its objectives and activities. As a consequence, additional activities relating to food stuff, fishery, poultry, sericulture, dairy, handloom and minor forest produce were brought within its ambit.

It was again in 2002, NCDC Act was amended widening its scope to cover, livestock, cottage and village industries, handicrafts, rural crafts, labour cooperatives and certain notified services including water conservation, works/services, irrigation, micro-irrigation, animal care/health, disease prevention, agricultural insurance, agricultural credit, rural sanitation, drainage and sewerage systems.

- (i) To ensure the fulfillment of these functions, the Corporation is specifically empowered to:
- (a) Advance loans or grant subsidies to State Governments for financing cooperative societies and employing personnel to implement the cooperative development programmes.
 - (b) Provide funds to the State Governments for financing cooperative societies for the purchase of agricultural produce, foodstuffs and notified commodities on behalf of the Central Government.
 - (c) Plan and promote programmes through the cooperative societies for supplying seeds, manures, fertilizers, agricultural implements and other articles.
 - (d) Equip the cooperatives with facilities to promote income generating streams of activities such as poultry, dairy, fishery, handlooms, besides taking up programmes for scheduled castes/tribes for the benefit of the rural poor.
 - (e) Provide loans and grants directly to the National Level and other cooperative societies on the guarantee of the State Government and in the Union Territories on the guarantee of the Central Government.

- (f) Provide loans and grants directly to cooperative societies subject to their meeting certain conditions
 - (g) Participate in the share capital of National Level Cooperative Societies with objectives extending beyond one State.
- (ii) The Corporation shall show exercise its functions under this sector have not to interfere with the activities of the Khadi and Village Industries Commission established under the Khadi and Village Industries Commission Act, 1956.
- (iii) NCDC works as a Development Financing Institution (DFI) for Cooperative Sector. It assists cooperatives in creating infrastructure to provide farmers with agro inputs and consumer articles marketing services and storage and processing facilities. NCDC also helps cooperatives in upgrading skills and knowledge of personnel working in cooperative sector (P&D Scheme and Training Programmes). In addition, NCDC has established its National Centre for Cooperative Trainers' Training and Material Production. The Centre is popularly known by the name TOPIC at Gurgaon. The Centre has also helped State Cooperative Banks in establishing Agricultural Cooperative Staff Training Institute (ACSTI) in project States.
- (iv) NCDC extends various types of promotional and developmental services to the cooperatives. It provides consultancy/technical services with the help of its own managerial expertise in various disciplines, assistance for establishment of Technical and Promotional Cells to enable apex national federations to provide technical and promotional support to their affiliated societies, take up training programmes of cooperative functionaries, organize study visits of managing committee members and other functionaries to successful cooperative ventures, arrange management studies and undertake well organized publicity campaigns. NCDC participates in various committee/working groups constituted by the Government of India and also in the Boards of various public sector and cooperative organizations so as to promote the interests of the cooperatives and help in the successful implementation of the cooperative marketing, storage, processing and supplies programmes. NCDC also provides cooperative Excellence Award for outstanding performances by cooperative societies.

Current Strategy

The financing and promotional role that the NCDC has adopted so far can be summarized as follows:

- a) The NCDC lends to the State Governments, to cooperatives through State Governments and / or directly to cooperative societies meeting certain conditions.
- b) For financing to cooperative societies through the State Governments, the Registrar of Cooperative Societies (RCS) plays a major role in the identification and formulation of projects.

INTEGRATED COOPERATIVE DEVELOPMENT PROJECT (ICDP)
- CONCEPT, OBJECTIVES, STRATEGY AND UNIQUE FEATURES

2

1. BACKGROUND

NCDC has been providing financial assistance to cooperatives since its inception based on commodity or activity approach. On a review of NCDC schemes, it was felt that there was need to look at the business operations and financial requirements of a village society in its entirety and dovetail various schemes of NCDC to provide financial assistance in accordance with its needs. Development of PACS as a multi-purpose entity had been identified as one of the major objectives of the Seventh Plan. In view of the above, NCDC prepared a scheme for integrated development of PACS on the basis of an area-based project approach. The comprehensive scheme envisaged integrated development of primary cooperatives in the agricultural and allied sectors such as horticulture, sericulture, piggery, poultry, fishery, etc. as well as the non-farm sectors like handloom, rural industries and artisans so that these societies are strengthened to become a vibrant service and business organizations for bringing socio-economic transformation in the rural areas.

II. PROJECT OBJECTIVES

The scheme lays emphasis on the area based development in agriculture and allied activities and promotion of household business and enterprise with special focus on helping the weaker sections in selected district through cooperatives. The broad objectives of the scheme are:-

- (i) To undertake economic development of selected district through cooperative efforts, specially in the area of agriculture, agricultural related/allied activities, rural and household enterprises and cooperative banking /credit and deposit mobilization among rural populace.
- (ii) To strengthen the existing primary agricultural credit societies (PACS), primary cooperative marketing societies, other functional cooperatives such as fisheries, handloom weavers' etc. in the project area by providing infrastructural support and facilities, margin money for raising extra working capital to increase/diversify business and arranging for training and manpower development opportunities to build professional competence in the societies.

- (iii) To develop primary agricultural credit societies as multi-purpose societies to cater to the overall needs of the farming community, with special reference to credit, deposit mobilization, supply of agricultural inputs, consumer goods, irrigation facilities, extension facilities and other services for marketing of agricultural produce.
- (iv) To reorient the agricultural and other credit programme to cater to the needs of small and marginal farmers and weaker sections and strengthen organizational structure to meet timely credit requirements and development of a support system for timely recovery.
- (v) To prepare vertically integrated project for each selected district through backward and forward linkages between the primary societies and the district level and state level cooperative institutions.
- (vi) To review the existing cooperative structure and wherever necessary, revamp the structure/merge societies, dissolve societies and create new societies with a view to meet the needs of the members.
- (vii) To promote new functional cooperatives wherever not existing, for special commodities services and activities in the non-farm sector, particularly to provide services/supplies to members engaged in non-farm occupations and to generate employment opportunities.
- (viii) To strengthen the cooperative infrastructure in the project area to provide a wide range of integrated service for increasing production and productivity, employment, income and the cooperative delivery system to enable them to contribute their share towards the achievement of national targets.

Ultimately, the project must lend to strengthening of cooperatives in the district, make them more efficient and effective to help in improvement of socio-economic conditions of members.

III. BROAD STRATEGY

The broad strategy for implementation of the scheme is as follows:-

- (i) Creation of the infrastructural facilities both in farm and non-farm sector to facilitate diversified business activities (trading, marketing and processing).
- (ii) Strengthening the financial base by providing share capital and margin money assistance for activities such as marketing of agriculture and other produce, supply of consumer articles etc.
- (iii) Creation of small size units in processing of oil seeds, rice mills, Atta Chakki, Dal Mill, F&V units and service activities such as power generation, transport, hospitality & tourism, healthcare, rural housing and education etc.
- (iv) Preparation of a comprehensive business development plan for better goal orientation and effective utilisation of resources.
- (v) Streamlining of systems and procedures for better business and managerial efficiency.
- (vi) Training of society personnel, members of Board of Management and ordinary members to improve their skills and capability and create necessary awareness.
- (vii) Motivation through study visits and trainings and incentives for better performance.
- (viii) Implementation through a special created cell and project implementation team to achieve the targets in the stipulated period.
- (ix) Foster vertical, horizontal, backward and forward linkages to sustain and enhance the member's interest and business prospects of the societies.

IV. FUNDING

The funding is done as 75% - 85% loan component and 15% - 25% in the form of subsidy. Project subsidy is available to only cooperatively underdeveloped and least developed states, for all components related to agriculture and allied sector activities. However, in cooperatively developed states, subsidy @15% has been allowed for weaker section programmes only during the remaining period of 12th Five Year Plan. While subsidy is @ 20% in underdeveloped states, it is 25% in least developed states. Cost of project implementation i.e. PIT, manpower development & training, incentives, monitoring and DPR is provided as 100% grant in-aid (50% by NCDC from Central Sector and 50% by the concerned State Govt.). In case of special category states (North eastern and Hill States), 100% grants-in-aid is provided by NCDC from Central Sector for this component. Overall subsidy component including project implementation cost should not exceed 30% of the total project cost. Subsidy assistance is, however, subject to availability from Government of India.

V. IMPLEMENTATION

A multi-disciplinary expert group prepares a detailed project report, taking into account local resource endowment and potential for development through the existing cooperative set up. The existing development schemes and plans operating or proposed to be implemented in the district are also considered, based on which a perspective plan is made for the development of agriculture and allied sector, rural and industrial sector, consumer and banking sector. These are divided into sub-sectors like business planning, infrastructure planning, production planning, human resource planning and financial planning for a period of 4-5 years. The report also includes development of linkages, policy changes required, rationalization of rules and procedures etc. for effective implementation of the projects.

The State Government while sending the proposal for the selection of district also identifies the project implementing agency to be associated with the preparation of the project report in time as also for monitoring the implementation of the project after the same has been sanctioned.

The Project Implementing Agency through the constitution of a Project Implementation Team especially for execution of the project plan ensures:-

- i. To provide financial assistance to the cooperative societies covered under the scheme.
- ii. To assist the cooperative societies in formulation of Business Development Plans.
- iii. To provide management consultancy services and training for the elected and paid management of the society.
- iv. To monitor the implementation of the project.
- v. To ensure that the cooperative societies have democratically elected management.
- vi. To ensure proper training to the employees of the cooperative societies, craftsmen, artisans and other members in the project area.

Unique Features of ICDP

The concept of ICDP and its strategy whereby all possible and resources of cooperative development are integrated in one project is unique in the cooperative sector. It intends to provide, in a specific area the requisite support and assistance in a package form for all round and inclusive development of cooperatives by exploiting the available local resources in the best interest of farmer and non-farmer members. The main distinguishing features of ICDP are -

- Identification of gaps and needs of societies by an independent expert group based on field survey, analytical study and consultation with concerned authorities.
- Estimating the financial requirement to fill the gap and meet the requirements of societies in terms of infrastructure, machinery, facilities, working capital and training and manpower development through appraisal, scrutiny and due consultations.
- Focus on integration of linkages between DCCB and Primary Societies, societies at different tiers and horizontally placed primaries for sharing of resources/support and delivery systems in the interest of farming community and allied sector artisans promoting cooperative entrepreneurship.
- Special team (PIT) for execution of the Project plan within the stipulated period and allocated funds.
- Coordinated monitoring of implementation with involvement of all concerned authorities having stake in developmental process of the rural economy through cooperative efforts.

- Open-ended project to allow diversifications and modifications wherever and whenever required for better utilization of funds and improved results.
- Having features of integrated funding, integrated support, integrated implementation and integrated monitoring with a wider objective of integrated and inclusive development through increased businesses and employment generation on the one hand and strengthening cooperative institutions imbued with democratic and social values, on the other.
- For the coordination among various agencies/departments at the district and State level, a district level coordination committee under the chairmanship of District Collector having heads of various departments / agencies at district level as members and a State Level Coordination Committee under the Chairmanship of Registrar of Cooperative Societies, as Chairman and heads of concerned departments / agencies at the State level as members are constituted.
- During implementation for ascertaining the progress and problems of cooperatives and progress of project facilities at micro-level, the Project Implementation Team carries out regular monitoring in the project. As an integral part of the project, assistance is also provided for creation of a project monitoring cell preferably at the office of the RCS to coordinate and monitor the progress of various projects in the State.
- The monitoring at NCDC level is done through regular feedback from the projects in the prescribed monitoring proforma and also by review mission consisting of Senior Officers of NCDC.

Benefits of the Project

Based on the experiences on implementation of Integrated Cooperative Development Projects in various districts, following benefits have been observed:

- Increase in the active membership
- Increase in profit of PACS
- Increase in non-credit business
- Increase in Agri-input distribution, marketing and processing of agricultural produce
- Improvement and increase in distribution of credit
- Rise in investment through deposit mobilization in rural areas
- Improvement in loan recovery
- Increase in income of members
- Improvement in capacity and awareness of members

PATTERN OF ASSISTANCE

Pattern of funding under ICDP Scheme shall be as under :

SN	Activity	From NCDC to S/Govt.			From S/Govt. to Cooperatives			
		Loan	Sub	Total	Loan	S/cap.	Sub.	Total
A. Cooperatively Least Developed States								
i)	Infrastructure Creation (Component I & II)	75%	25%	100%	50%	25%	25%	100%
ii)	Margin money to beneficiaries societies	75%	25%	100%	-	75%	25%	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% @	50% @	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% @	50% @	-	-	100%	100%
B. Cooperatively Under-Developed States								
i)	Infrastructure Creation (Component I & II)	80%	20%	100%	50%	30%	20%	100%
ii)	Margin money to beneficiaries societies	80%	20%	100%	-	80%	20%	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% @	50% @	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% @	50% @	-	-	100%	100%
C. Cooperatively Developed States								
a) Weaker Section Programme / Activities								
i)	Infrastructure Creation (Component I)	85%	15%	100%	50%	35%	15%	100%
ii)	Margin money to beneficiaries societies	85%	15%	100%	50%	35%	15%	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% @	50% @	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% @	50% @	-	-	100%	100%
b) Other than Weaker Section Programme / Activities								
i)	Infrastructure Creation (Component I & II)	100%	-	100%	50%	50%	-	100%
ii)	Margin money to beneficiaries societies	100%	-	100%	50%	50%	-	100%
iii)	Share capital to DCCBs	100%	-	100%	-	100%	-	100%
iv)	Manpower Development & Training	-	50% @	50% @	-	-	100%	100%
v)	Managerial assistance to PIA and Monitoring Cell etc.	-	50% @	50% @	-	-	100%	100%
Note:								
✓	Total subsidy component under any project shall, however, not exceed 30% of the total project cost.							
✓	Subsidy assistance available from any department / ministries / agencies shall be dovetailed for passing on to the cooperatives.							
✓	The subsidy is shared between the NCDC and the State Government on 50:50 basis.							
✓	In case of special category states indicated as @ in the table above, entire subsidy component is provided by the NCDC. The special category states are all North-Eastern States, Sikkim, Himachal Pradesh, Jammu & Kashmir and Uttarakhand.							

PREPARATION OF DETAILED PROJECT REPORT (DPR)

After obtaining approval of NCDC for implementation of ICDP in the selected district, a detailed project report is got prepared in the background of existing cooperative structure and scope for further growth and improvement vis-à-vis prevailing systems, procedures and awareness of the people towards cooperative form of development model etc.

Agency for preparation of DPR :

A multi-disciplinary team of experts from agencies such as State / District Cooperative Bank, State Cooperative Union, Cooperative Training Institution and State Consultancy Organisation etc.

OR

Other Consultancy Organisation for project preparation (specialized in rural / agricultural development) may be appointed.

Approval of NCDC for appointment of Consultants:

Proposal seeking approval of NCDC for appointment of consultant should contain:

- i) Details of Consultants
- ii) Qualification and experience of Consultants
- iii) Time and cost estimates, and
- iv) Terms of reference.

Model Terms of Reference:

Model terms of reference to be given to the consultants for preparation of DPR are enumerated in Appendix.

Cost of preparation of DPR:

Cost of DPR will be part of the total project cost which may either be got sanctioned / released from NCDC in a phased manner as indicated under the heading "Mode of Payment of Project Report Preparation Cost"

OR

be borne by the State Govt. and got released alongwith ways & means advance equivalent to 1st year outlay or 25% of the project cost, whichever is less immediately after sanction / start of the project.

**Mode of Payment of Project
Report Preparation Cost :**

i.	At the time of appointment of Consultants after due approval from NCDC	:	35% of the Cost
ii.	At the time of submission of Draft Project Report	:	25% of the Cost
iii.	On submission of Final Report	:	15% of the Cost
iv.	On acceptance of the Project Report by the State Govt. and NCDC	:	25% of the Cost
			----- 100% -----

Pre-Project Plan:

For expediting and ensuring preparation of a qualitative Report (DPR) by the Consultants its finalization and continuity in implementation, the State Govt. should:

- i) Appoint / nominate the Project Implementation Agency (PIA) in the District which normally should be District Central Cooperative Bank (DCCB) or branch of the State Cooperative Bank or State Cooperative Marketing Federation or any other similar organization in consultation with NCDC.
- ii) Appoint / nominate the General Manager (Chief Executive) of the Project and associate him from the stage of formulation / preparation of the Project Report so as to ensure continuity in execution of the Project.
- iii) Formulation of District Level Coordination Committee (DLCC) under the Chairmanship of District Collector / Dy. Commissioner with membership of Distt. Registrar of Cooperative Societies / Distt. Cooperative Officer, Chief Executive of the DCCB / PIA and the G.M.(Project) as the member convener. Similarly, a State Level Coordination Committee (SLCC) be also formulated under the Chairmanship of Secretary (Cooperation) with membership of RCS, other functional registrars / Officers, State Monitoring Officer (ICDP) as member convener and representative of Regional Director, NCDC.

- Pre-operative Expenses : Cost of Salary of General Manager (Project) alongwith other pre-operative expenses including the cost of Project Report preparation would form part of the total project cost under the head "Manpower Development & Training". Expenditure on salary of G.M. should, however, not exceed for more than 6 months under this head.
- Submission of Draft DPR to NCDC : Draft Project Report prepared by the Consultants and duly screened by the DLCC and SLCC in the State be submitted to NCDC for acceptance. Corporation would then consider the report and will communicate its acceptance or otherwise seeking modifications, if any, required to be incorporated in the final DPR.
- Submission of Final DPR with State recommendation to NCDC : Final DPR duly modified be submitted to NCDC with recommendations of the State Govt. for implementation of ICDP in the District accordingly.

APPENDIX

TERMS OF REFERENCE FOR PREPARATION OF PROJECT REPORT OF INTEGRATED COOPERATIVE DEVELOPMENT PROJECT (ICDP)

TERMS OF RERERENCE

The Report should cover the following :-

1. Detailed profile of the selected district/project area covering the demographic, sociological, economic, financial, infrastructural and cooperative structure. The profile should give emphasis on activities such as agriculture, allied, rural industries, labour services and banking sectors with specific reference to the role of cooperatives in these areas.
2. Study of the existing development programme of different agencies including I.R.D.P. and possible linking dovetailing it to the proposed ICD Project specially in the Cooperative Sector.
3. Development plan to be implemented over a period of 5 years will be made, keeping in view the needs and resources of the district. The plan will be for the following broad sectors:-
 - i) Agriculture
 - ii) Allied (Horticulture, Dairy, Fishery, Animal Husbandry, Handlooms & Sericulture etc.)
 - iii) Rural and Cottage Industries
 - iv) Services including Labour Cooperatives and
 - v) Banking
4. For each sector the development plan shall include a detailed study of present status of cooperatives including :
 - i) Organisational structure
 - ii) Role and functions
 - iii) Financial health
 - iv) Business achievements
 - v) Working results
 - vi) Strengths and weaknesses
 - vii) Infrastructure already available
 - viii) Systems and procedures
 - ix) Problems being faced
 - x) Backward and forward linkages among primary societies, district level and State level cooperative institutes.

5. Sectoral development plan shall be split into 5 sub-sectors as under:-

a) Production Planning

To support production programme in the district the growth/projection for various requirements such as credit, fertilizer, other agricultural inputs need to be assessed. Likewise production plan for allied and rural industries sector need to be prepared / assessed.

b) Business Planning

For all sectors and all types of cooperatives business plan shall be prepared keeping in view the production plan, local resources and needs, capability of the cooperatives etc. Plan for agri-business and pledge loan etc. be suitably incorporated in the business plan of PACS and PCMS

c) Infrastructural Planning

To achieve the business plan, infrastructural plans shall be prepared taking into account infrastructural facilities already available.

d) Human Resource Plan

Assessment of training needs and incentives for all kinds of societies in the project area.

e) Financial Planning

Financial requirements will be assessed for the infrastructure proposed, margin money, training, incentives, project implementation etc. with annual activity wise break up.

6. Depending upon the local resources and needs, lead activity(ies) may be identified and included in the project so that the impact of the project is visible.

7. The Agriculture sector plan would focus on developing Primary Agriculture Credit Societies (PACS), Farmers Cooperative Service Societies (FCS), Large Size Agricultural Societies (LAMPS), Joint Farming Cooperatives, Primary Agricultural Marketing Societies (PAMS) and other concerned societies as multi-purpose entities so as to enable them to cater to the overall needs of the farmers with special reference to :-

- a) Credit
- b) Inputs
- c) Consumer Goods
- d) Marketing / Pledge loan
- e) Deposit mobilisation
- f) Irrigation
- g) Extension facilities
- h) Other services - grading/processing etc.
- i) Micro finance

The Plan for the agriculture sector would be functionally linked with the cooperative structure in the district (i.e.) primary societies, secondary societies and the federations with a view to economise the operating costs.

8. The allied sector plan would basically deal with cooperative in the agriculture related activities such as minor forest produce, processing, fruits and vegetables, poultry and dairy, fisheries etc. and would aim at meeting the needs for:-

- i) Inputs/raw materials
- ii) Marketing
- iii) Services and other common needs like technical support etc.
- iv) Human resources planning including training & manpower development.

9. The Plan for village and rural industries would cover rural artisans engaged in activities amenable to cooperativisation such as handlooms, handicrafts, sericulture, coir etc. The plan would provide for the common facilities required for raising the income levels of the members of the Cooperatives. Consultants may select a few good working societies and / or societies having potentials by suggesting sub-projects so as to develop them as model societies for replication elsewhere.

10. The service sector would cover water conservation, irrigation, animal care/health, agricultural insurance, rural sanitation etc. The plan would provide for common facilities required for the benefit of the members of the service cooperatives.

11. The plan for labour contract cooperatives would cover the facilities required for smooth implementation of their projects.

12. The Cooperative Banking Sector would basically deal with the State Cooperative Bank/District Cooperative Bank, their organisational structure, strength and weakness etc. and develop a five year plan for them with special reference to sustaining the growth and development of sectors mentioned earlier.

13. On the basis of data/information collected for the study, a broad approach to Integrated Cooperative Development would be developed indicating policy changes in credit disbursement, rationalisation of methods, rules and procedures with regard to distribution of inputs and raw-materials, consumer goods, deposit mobilisation, marketing of agriculture produce, output of allied and agro-based industrial cooperative societies, working capital requirement, project implementation, monitoring and evaluation. Further, the Consultants would suggest viable linkages among various types of cooperatives/activities being covered under the project.

14. The Consultants will follow project approach in preparing the Integrated Cooperative Development Project and in line with the project approach stream of costs and benefits of each activity / sector will be quantified over a period of 10 years.

15. The Consultants would also identify viable organisational and implementation framework indicating the staffing pattern and incremental cost estimates of project implementation.

16. The Project Report would give the annual phasing of the investments alongwith the physical growth, the estimated business turnover both physical and financial of the cooperatives for each sector and type of societies and manpower for implementation of the project. A detailed plan for training of personnel under each sector being worked out and given in the Report

17. The report would have the time scale for different activities and would be based on series of sub-projects prepared at the primary level. In the case of sub-projects involving agro-processing, the Consultants would work out the techno-economic feasibility and establish both backward and forward linkages. Report must also contained a schedule of suggestions / means for development of sick units and to make them operationally viable.

18. As far as possible, each component and sub-component of all the sectors of the project would be vertically and horizontally linked.

19. Preparation of Project Report will be based on :-

- i) Detailed information collected from the relevant agencies for the various economic factors of the district.
- ii) Detailed information collected from all cooperative societies in the district/project area such as primaries, district level societies including cooperative bank, land development bank and other relevant apex level societies.

- iii) A sample survey of at least 25% of the societies in the district/project area.
 - iv) Assessment of the problem area, business potential and possible remedies based on the interviews of at least 4-5 beneficiaries per society during sample survey.
 - v) Discussions with all district / State officials, society functionaries etc.
20. The words "NCDC Sponsored/Assisted Project" would suitably be mentioned on the project report.
21. The Consultant will submit 5 copies of the draft report.
22. The Consultant will submit 20 copies of the final report within one month of acceptance/clearance of draft report.
-

FUNCTIONS / ROLE OF PIA / PIT

PIA is directly responsible for implementation of the project with the help of PIT. Functions & Role of PIA / PIT are inter-dependent and inclusive. PIT, therefore, is not a distinct and separate entity in itself rather it is an inclusive part of PIA for facilitating execution of the project. Broadly, their functions are:

- Overall planning for implementation of the project
- Appraisal and financing of sub-projects / project components
- Vigorous monitoring of expenditure / utilization of funds by the beneficiary societies
- Taking up issues and causes of societies with federations / other organizations for improved performance
- Support and guide the cooperatives to adopt improved practices / systems
- Manpower development and training of non-officials / officials of societies in the project area
- Reward for good performance through incentives to the paid staff of cooperatives
- Furnishing monthly / quarterly / annual progress reports and other requisite information to NCDC
- Furnishing final accounts and project completion report to NCDC.

PIA / PIT should also initiate composition of District Level Coordination Committee (DLCC), if not constituted earlier, so as to get the required assistance from the District Collector in having proper coordination with various sectoral officers in the district. PIA / PIT should be pro-active in organizing DLCC meetings from time to time.

MONITORING OF IMPLEMENTATION

PIA / PIT shall :

- closely monitor creation of infrastructural facilities and installation of project facilities ensuring achievement of projected targets / benefits to the ultimate beneficiaries;

- monitor business performance of individual societies / sub-project and ensure that obstacles / problems in achieving the progress / projected targets, if any, are addressed through concerted efforts in collaboration / association with the concerned authorities / parties;
- arrange to collect and compile society-wise / sub-project-wise data in comparable and analytical manner so that quantitative and qualitative analysis of the project could be made;
- arrange to compile and furnish requisite reports / returns in the prescribed forms to the State Govt. through the State Monitoring Cell and NCDC ensuring proper feedback to all concerned;
- evaluate the progress of implementation with reference to the projected targets / qualitative achievements from time to time on half yearly / annual basis and arrange to initiate corrective steps / measures ensuring achievement of overall objectives of the project;
- periodically review its decisions / action plan with regard to overall implementation of the project and amend / modify the same in accordance with the requirement of the project ensuring purposeful execution of the project;
- also assist the review missions from State Govt. / NCDC and adhere to the suggestions / recommendations of such missions in overall interest of the project.

DISTRICT LEVEL COORDINATION COMMITTEE (DLCC)

DLCC will :

- * Have representation from all concerned departments e.g. Agriculture, Horticulture, Fishery, Dairy / Animal Husbandry, Handloom, Sericulture, Cottage Industry, District Industries Centre, DRDA, Banking and District Panchayat etc. etc.;

- * Comprise of all concerned departmental heads as its members with GM / CPO (PIT) as its convener;
- * Be headed by the Deputy Commissioner / Collector / Magistrate so as to ensure inter-departmental active coordination and smooth implementation of the Project;
- * Meet atleast once in every quarter to review the progress of implementation by ensuring removal of bottlenecks, if any, in the smooth implementation of the Project;
- * Monitor the project so as to ensure that project is moving in the right direction keeping in view the overall interest of cooperative development and economic growth of rural economy;
- * Provide feedback to the State Secretary (Cooperation) about implementation of the Project, if felt necessary in the circumstances, PIT is not pursuing the project in right direction.

STATE-LEVEL COORDINATION COMMITTEE (SLCC)

SLCC will :

- * Monitor implementation of all the ICDPs in the State;
- * Have all the concerned departmental heads at the State Level including RCS as its members so as to ensure inter-departmental cooperation for smooth implementation of the projects. State Monitoring / Nodal Officers (ICDP), In-charge of the State Monitoring Cell will be the convener of the SLCC;
- * Also be represented by the concerned regional director of NCDC for ensuring objective and purposeful implementation of the projects and functional efficiency in terms of the policy, procedures and systems of the State vis-à-vis NCDC's overall objective of cooperative development;

- * Meet at least twice in a year to review the progress of implementation of all the ICDPs in the State by ensuring necessary support from the State Govt. / Departments;
- * Ensure presence of Managing Director of the DCCBs / PIAs as also the GMs / CPOs of PITs of all the Projects in SLCC meetings for first hand / direct inter-action with the State authorities in the interest of effective implementation of the projects.

**TERMS AND CONDITIONS OF INTEGRATED
COOPERATIVE DEVELOPMENT PROJECT (ICDP)**

1. The loan and subsidy from the Corporation will be utilized only for the purchase for which it has been sanctioned. In the event of any violation of terms and conditions, the Corporation may at its discretion, foreclose the sanction and in that case the State Govt. would have to refund the outstanding loan and subsidy together with interest thereon in lump-sum
2. The State Govt. shall implement the project-through the project Implementing Agency (PIA) with due diligence and efficiency and in conformity with appropriate administrative, managerial, financial and engineering practices and shall promptly provide the funds, facilities, services and other resources for the purpose as needed.
3. Suitable policy changes would be made by State Govt. for effective and efficient implementation of the project including incentives/ preferential treatment to cooperative.
4. PIA would be responsible for overall implementation the project which would include besides selection and appointment of Project Implementation Team (PIT) Personal, identification or sub-projects, sanctioning of sub-projects, sanctioning of working capital, preparation of BDPs, training of Personnel, member education programme, disbursement of incentives and also monitoring of project.
5. as PIT is a party of PIA, the PIA would the PIA would be responsible for recruitment of all the PIT Personnel. A selection committee shall be constituted by the State Govt. for this purpose including one nominee of NCDC. NCDC' role shall be limited to participation in the selection committee and in no case, NCDC shall be liable for payment of salary beyond project period, PIT would work under the direct control of Chief Executive of Bank and during projects period on key personnel would be changed/ transferred.
6. Selection shall be accordingly to the prescribed qualifications and experience etc. For any relaxation therein, NCDC's approval has to be obtained. The individual cases of incumbents selected should not be referred to NCDC for approval, except where some relaxation has been solicited.
7. NCDC officers should also be considers for appointment on deputation basis in the Monitoring Cell/PIT
8. The duties and responsibilities of PIT personnel has been prescribed in the sanction letter to act6 accordingly for implementation of the project.

9. The role of monitoring cell to be created at RCS office is specified separately for effective monitoring and timely implementation of ongoing projects and also for the projects to come up in future in the State.
10. The provisions under each head are normative and the requirement for each sub-project would be assessed by PIT for individual societies. All sub-projects before sanction would be scrutinized by PIT, keeping in view the financial and economic criteria and would be subject to established norms. The sub-projects shall be approved and sanctioned by PIA.
11. The per unit cost may vary depending on location/year of undertaking the activity and design etc.
12. The year-wise phasing is normative and can be changed keeping in view the requirements.
13. Margin money requirement of individual societies would be assessed by PIA based on their business performance and potential for development and assistance provided accordingly rather than on pro-rata basis.
14. The sub-project proposals need not be referred to RCS (o)/ State Govt. for approval
15. No adjustment of loan or any type of outstanding amount against the society should be made from the funds sanctioned/ released under ICDP. The amount sanctioned/ released should strictly be utilized for the purpose for which the same is sanctioned.
16. The infrastructural facilities, such as godowns, office-cum-deposit counter building, deposit counter, furniture fixture, paddy procurement platform etc. as far as possible, be constructed/created by the beneficiary societies by constituting a Committee comprising Secretary of society, a member of the Board of Director of the Society and a representative of the PIT / PIA for the purpose. PIA would render necessary guidance.
17. It should be responsible of PIA to ensure the financing of such- projects which are not covered under NCDC Act but are essential for the overall development of the district, from other concerned financing organizations.
18. Subject to approval of DLCC or otherwise, the PIA may divert funds upto 10% of the project cost within the approved sectors / items but without any escalation in unit costs. Diversions over and above 10% and maximum upto 20% of the project cost (during entire project period) including change in unit cost, if any, can be examined and approved by a State Level Committee under the Chairmanship of RCS having representation of GM – PIT as convener, State Government, PIA and Regional director, NCDC. Such decisions with

justification shall be informed to NCDC. There should not be any change in the outlay for PIT, Manpower Development and Training and Incentives without prior approval to NCDC. Diversion for new activity shall be approved by NCDC after recommendations of the State Government. Diversions must be need based keeping construction activity including DCCCB and margin money to minimum. There should not be any diversion during first 2 years of the projects and any increase in the project cost due to such diversions shall be met by the State Government / PIA, etc.

19. The PIA would regularly submit monthly progress report and Annual Monitoring Report on the prescribed Performa to NCDC.
20. The Monitoring Cell and PIA both will ensure that Project Completion Report (PCR) has been completed and submitted to NCDC at the time of project closure. To ensure this last two months of the projects period will exclusively be utilized for preparation of PCR by the PIA and submission of the same by PIA to NCDC.
21. The project would also be regulary monitored by the Monitoring Cell.
22. For review and Monitoring of the implementation of ICDP, therefore will be two coordination committees, one at the Distt. Level and the other at the State level.

DISTRICT LEVEL COORDINATION COMMITTEE:

There will be a District Level coordination Committee (DLCC) headed by the District Collector to ensure smooth implementation of ICDP in the district. The DLCC would be represented by Divisional DRCS, Circle ARCS, Secretary of the Angul United CCB and GM, PIT being the Convener. It would meet in every quarter to review the progress of implementation and also to ensure removal of bottlenecks, if any, in its smooth implementation.

STATE LEVEL COORDINATION COMMITTEE:

The State Level Coordination Committee (SLCC) would be headed by Secretary, Cooperation an will have RCS, State Monitoring Officer, concerned Divisional DRCS & Secretary of AUCCB and GM of PIT as its member to ensure smooth implementation of ICDP. The SLCC would have Chief Director (ICDP), NCDC, New Delhi and also one officer from Regional Office, NCDC Bhubaneswar as its members. The SLCC would meet twice in a year to review the progress of implementation of all the ICDPs in the State and ensure their smooth implementation.

23. All societies covered under the project should have democratic management.
24. All societies/units/officers etc. assisted under the project mention the work:

"NCDC Assisted/Sponsored Project" on the sign board and also on the foundation stone/plaque for the project.

25. Records and accounts for operations, resources, performance and expenditure of the project and sub-projects should be maintained in accordance with appropriate accounting practices.
26. Annual plan of societies, project and sub- projects, feasibility studies, appraisal recommendation and any other information required by NCDC for monitoring and evaluation of the project/sub-projects be made available to NCDC.
27. All facilities to the representative of NCDC be provided to enable him to examine all resources, documents and physical progress relevant to the performance of the project/ sub- projects.
28. The detailed sub-projects for each activity proposed under the project will be prepared by PIT and beneficiary identified for implementation. The subsidy from Central/ State Government / other agencies wherever available for some of the activities as suggested above should be dovetailed at the time of implementation of the project by the PIA. While dovetailing the subsidies, PIA shall ensure that for the same activity/ purpose subsidy from more than one source is not availed. However, while dovetailing other scheme, it shall be ensured that the total subsidy from all sources does not exceed 30% of the total project cost.sss

PROJECT PROPOSAL AND ITS ELEMENTS

Project Proposal is an investment proposal which provides information required by the decision by the decision makers for appraising the proposal

Appraisals are done at three levels. These are

- (i) Strategic Planning Level (policy making level) i.e. promoters of the project.
- (ii) Financial institutions for financial assistance
- (iii) Government Departments for necessary permission (for land allotment: for licenses: for waste disposal etc.)

To facilitate proper appraisals, the following information/analysis would be required:

1) **General information**

b) Analysis of industry to which the project belongs

- Capacity available in the industry including capacity under implementation
- Past performance of various
 - Production and sales
 - Type of market structure operating in the industry
 - Gaps between demand and supply
 - Problems faced by the industry
 - Thrust of public policy

c) Information about the enterprise submitting the proposal

- Background of the promoters and management
- Brief history of the unit
- Analysis of the past records of the enterprise in terms of their performance with respect to implementation of previous projects (cost over runs and delays in the projects)
- Operating performance of such units.

2. Preliminary Analysis of Alternatives

Process of generation of alternatives, preliminary screening of alternatives and selection of one or a few alternatives for feasibility analysis.

- Various alternatives considered

- These could be with respect and technical processes and know how or with respect to size or both.
- Indigenous/imported technology
- Different locations

3. Project Description

- After highlight the details of technology including process details, the information is to be collected on these questions.

- Is this a more suitable technology in terms of available raw materials and products to be produced?
- Is it modern or conventional or obsolete technology?
- Has the technology proved at other places?
- How machines and equipments will be procured?
- Is there any turn key contractor for procurement and erection of plant, machinery and equipments?
 - Background of contractor
- Availability of water, power & other utility services, transport facilities.
- Suitability of site for building purpose.
- Existing environment in the vicinity of the project.
- Pollution creation by the project.
- Production build up.
- Marketing plan for different products (product, place, pricing and promotion).
- Process details and their line drawings.
- Proposed Organisation structure.

Marketing Plan

In the above chapter, information was given about demand- supply gap. The details of market analysis are to be presented in the chapter. Information should pertain to the :

- Choice of the product pattern, acceptability of product, extent of promotion, efforts required, distribution arrangements
- Location of the market area.
- The cost of marketing or selling expenses etc.
 - Commission payable to distributors and other functionaries in channel.
 - Cost of transporting products from factory to consumers.

- Demand for various products in various markets and markets and market segments
- Whether the demand is price sensitive and the degree of price sensitivity?

5. **Capital Requirements and Costs**

Details of costs to be incurred before the commencement of commercial production includes:

- Fixed costs
- Costs on Labour training, testing production
- After commencement of production, capital costs are incurred on:
 - o Replacement of machinery and equipments of certain parts (different from repairs and maintenance)

The capital costs included (Give both Indian and Foreign Exchange component)

- Preliminary expenses
- Land
- Plant and equipments
- Auxiliary equipments
- Construction
- Engineering
- Project management (Lump sum payments)

In addition

- Expenditure on building infrastructure
- Salvage values

6. **Operating requirement & Costs**

- These costs are incurred after the commencement of commercial production
- Excluding costs incurred on replacement of capital equipments
- The operating requirements of costs include
 - Raw materials
 - Fuel
 - Utilities
 - Labour
 - Repair & maintenance costs
 - Selling expenses
 - Other expenses

7. Financial Analysis

- Cost of production and working results.
 - Cash flows during the economic life of product (normally financial institutions require projections of cash flows for an economic life of 10 years)
 - Data as per performance
 - Summary of financial performance
 - Pay Back Period
 - NPV (Net Present value)
 - IRR (Internal Rate of Return)
 - ROI (Average of 10 Years)
 - ROCE (Return on Capital Employed) (Average of 10 Years)
 - Information to analysis sensitivity of rates of return to variations in assumptions
- Underlying the estimates of sales, capital costs and operating costs.

8. Economic or Social Profitability Analysis

It involves adjustment of data in the form of revaluation of inputs and outputs and to include indirect benefits and costs i.e. value of inputs and outputs from the point of view of the society

By finding a true opportunity cost of using the resources in this project as against other alternatives.

Items revaluated differently from financial analysis are.

- Labour cost
- Subsidies
- Taxes
- Use of scarce resources
- Damage to the environment (damage cost, costs of controlling the causes of environmental damage).

Similarly outputs is value at the opportunity cost of imported price or price at which it can be acquired from outside.

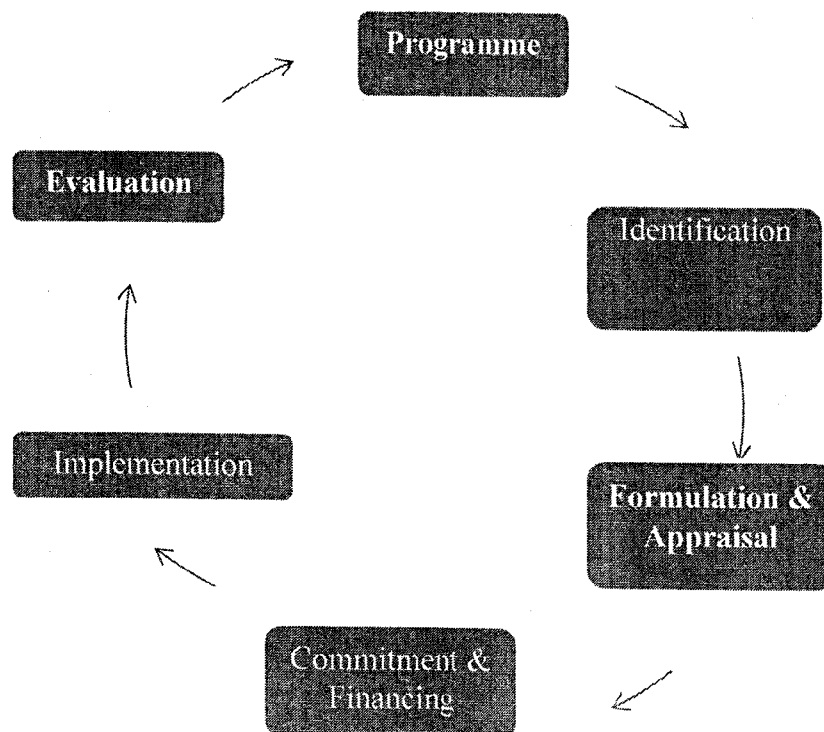
Other impacts like improvement in income distributions are also to be quantified.

Project Cycle

The project Cycle is the framework used by the financing institution to design, prepare, implement and supervise projects of the borrowing institutions (beneficiary).

As is illustrated, the project cycle includes six stages: Programme, Identification, Formulation & Appraisal, Commitment and Financing, Implementation and Evaluation. Each stage links with the preceding one and leads forward to the next one. Project Cycle Management integrates the stages of the Cycle so that issues are examined systematically. This system makes the projects concept and context in which it operates clear and visible and therefore enables better monitoring and evaluation.

Project Cycle Management Stages



Programme

To conceive an idea to establish a programme/ project in view of the present socio-economic condition, opportunities available, relevant local and Central Govt. Policies and initiatives etc.

Identification

Based on the above the project is identified, pre-feasibility and feasibility studies are conducted.

Preparation

The beneficiary agency is responsible for preparation of project proposal which indicates cost benefit, budget, and resource of funding for the project as also implementation plan of the project.

Appraisal & Commitment

Appraisal is the sole responsibility of the financing institution. They will review all the studies conducted in previous stages, including the procurement plan that identifies the types and amounts of equipment, goods, civil work and services that will be purchased. The project is supported based on the appraisal undertaken by the financing institution.

Implementation and Supervision

After the loan or credit is approved, the beneficiary can use the funds to purchase the goods and services necessary to meet the project's objectives. The borrowing institution is responsible for implementing the project. At this stage, the financing institution's role is to monitor project implementation to ensure that the terms of the loan/ credit agreement are followed.

Evaluation

Following completion of the project, the financing institution conducts an audit of the project, where the project's outcome is measured against its original objectives.

BUSINESS DEVELOPMENT PLANNING FOR PACS - CONCEPT, COMPONENTS AND PROCESS

PLANNING – A BASIC MANAGERIAL FUNCTION

Planning, controlling, organizing, staffing, motivating and directing are the managerial functions designed to realize the organizational objectives. Planning, however, is the most basic and precedes all other functions. Planning permits coordinated efforts towards the attainment of predetermined objectives. It thus provides direction to the organization. It is through well-thought planning alone that management decides what to do, when to do and who will do. It comprises of two aspects – (a) improvement of the organization within the boundaries that are laid down, and (b) questioning, evaluation and restructuring of boundaries themselves. In fact, testing and correcting the boundaries is a vital part of business planning. Planning is not an activity, it is a process which involves selection from among many alternatives.

WHAT IS PLANNING?

- Planning mean assessing the future and determining the objectives in the context of future,
- Identifying the activities to be carried out to achieve these objectives,
- and when, how any by whom activities are to be carried out,
- over a time span.

Thus a plan is 'a projected course of action'. A cooperative is a corporate body for doing business, and the planning for it requires appropriate business skills and methods.

WHAT MAKES A GOOD PLAN?

A 'good plan' is that which is:

- based on clearly defined objectives
- simple
- establishing standards

- flexible
- balanced
- uses available resources to the utmost before creating new authorities and new resources
- serves as a sound mechanism of control

ADVANTAGES DUE TO PLANNING IN PACS

Planning for Business Development is the first step to overcome the deficiencies in working of PACS. It helps a PACS in following manners:-

- Promotes Institutional Element
- Minimizes Risks and Uncertainties
- Optimizes Performance
- Provides a Basis of Control

BUSINESS DEVELOPMENT PLANNING (BDP) OF EACH PACS SHOULD DEAL WITH-

- Increasing Existing Business
- Diversifying into new profitable areas of business based on potentials and members' needs
- Enhancing members' participation
- Promoting deposit mobilization
- Reduction in overdues
- Organizing dormant members into self-help groups (SHG)
- Strengthening business linkages with marketing and consumer coops.

BDP AND ITS COMPONENTS

- Basic Business Plan
- Functional/Activity Plans
 - Credit Business Plan
 - Non Agril. Credit Plan

- Consumer Business Plan
- Inputs Business Plan
- Agril. Marketing Business Plan
- Preparation of Budgets
- Implementation of Plans
- Monitoring and Control

PLANNING PROCESS

Planning for Business Development is a rational process of deciding in advance the nature and volume of business activities which a PACS is going to undertake for the benefits of its members in a specified period. It has to be necessarily formulated in light of business potentials and threats in the area of operation of the society as well as strengths and weaknesses of the society. The plan for each business activity must also indicate the relative costs and margin of profit the society will earn from the activity. It has to be prepared well in advance for a period of one to five years.

This exercise may be carried out in two different ways (1) A plan may be prepared by covering the entire business activities of PACS in an aggregate manner for a certain period of time which is called Basic or Master Business Plan. From this, plans for each business activity are derived and implemented (2) A plan may be prepared for each of the business activity separately for one year, such as credit plan, agril. Inputs plans etc. (called operational or functional plans). These activity plans may be then integrated into one to constitute a Basic or Master Business Plan. It is the second approach which is mostly adopted by PACS.

The process of preparation of implementation of Business Development Planning consists of following phases and stages:-

- | | | | |
|----|------------|----|---|
| 1. | INITIATION | A. | Awareness Creation and acceptance of concept by the members, Managing Committee members and Managers of PACS. |
| | | B. | Data Collection |
| | | - | Preparation of area profile |

- Preparation of survey report on current performance, strengths and weaknesses of PACS
- 2. PREPARATION
 - A. Data Analysis
 - B. Identification and Definition of problems
 - C. Setting goals and objectives
 - D. Preparation of draft operational/functional Plans.
 - Estimating business turnover
 - Trade margin, total costs and net profit
 - E. Integration of operational plans into basis plan.
- 3. FINALISATION
 - A. Finalization of plans in consultation with members and obtaining their consent and commitments.
- 4. APPROVAL
 - A. Approval of Plan by Managing Committee of PACS
- 5. COMMENCEMENT OF IMPLEMENTATION
 - A. Phasing of Targets
 - B. Mobilizing support of various agencies
 - C. Raising required resources
 - D. Establishing linkages at various levels
 - E. Activising Dormant Members

INFORMATION NEEDS FOR BUSINESS PLANNING

Preparation of plans by PACS for business development basically needs two types of information – the relevant information about (1) area of operation of the society, and (2) performance of the PACS for atleast last 3 years. The important information needed under these 2 broad categories are indicated here:

I. AREA PROFILE

1. Geography
2. Demographical Aspects

3. Land Use and Distribution of Land Holding
4. Occupational Distribution of Population
5. Crops Grown and Agril. Production
6. Cropping Pattern
7. Irrigation Facilities
8. Inputs Consumption Pattern
9. Marketing Conditions & Facilities Available
10. Crop-wise Marketable Surplus
11. Market Outlets
12. Economic Activities
13. Population coverage by PACS
14. Business Potentials & Problems
15. Business competition

II. PACS PERFORMANCE

1. Name, Location and other Background
2. Types of Membership (Individual, Govt. other coops. Etc.)
3. Composition of Membership (Big, Medium, Small Farmers, Rural Artisans, Landless Labourers etc.)
4. Financial Position
 - Share Capital
 - Reserve & other funds
 - Deposits
 - Borrowings
 - Investment
 - Advances
 - Fixed Assets
 - Working Capital
 - Gross & Net profit/Loss

5. Activity-wise Business Turnover
 - Agril. Advances
 - Non-Agril. Advances
 - Sales of Agril. Inputs
 - Marketing of outputs
 - Sales of Consumer goods
6. Activitywise Income & Expenditure
7. Demand & Collection of Loans
8. Managerial Information
9. Main Problems of the society
10. Infrastructural facilities – godown, processing unit, working shed, shop, tractor other machinery etc.

PREPARATION OF FUNCTIONAL PLANS AND THEIR INTEGRATION

Once the business-wise objectives have been decided, manager has to work out targets for every business by PACS for next year. These targets after due approval of authorities, are entrusted to the respective staff to work on these and achieve them during the year. Estimating business – targets for a business activity means projection of sales (credit disbursement increase of credit plan) for the next year. The external and internal factors/elements to be considered for estimating sales for each of the functional plan (credit, input, consumer, agri. processing deposit mobilization-cum-utilization plan) may vary and must be included to workout realistic business/sales targets. Simultaneously, Trade Margin, Total Costs and Net Profit for undertaking stipulated sales are estimated. Trade margin means margin of profit available on sales price. It is difference between cost price (cost of goods sold) and sale price and is also called gross profit. Total costs include all types of running costs or overhead expenses consisting of items under profit and loss accounts. Total costs should be maintained at a lower level than trade margins, because net surplus will emerge only when trade margin is greater than total costs. If total costs are higher than trade margin, there will be a loss. Net Profit means balance of trade margin after meeting the total costs. Infact, preparing estimates of business turnover, trade margin, total cost and net surplus for each of the business activity may be said to be its business plan for a stipulated period.

Subsequently, financial requirements for each business needs to be worked out. First, the expected rate of turnover of each business in a year is decided. Next, an estimated business volume of each business activity is divided by rate of turnover to get financial requirements. The different sources to raise there funds are identified then. Basically, the manager has to see how much funds can be raised through internal resources like share capital, reserve and other funds and deposits from members and non-members. The balance requirement of funds may have to be borrowed from banks and financial institutions. Once availability of funds is decided, the required amount may be allocated to different activity.

All the functional plans are then integrated into a total Business Development Plan (Master or Basic Plan) for a PACS.

The indicative formats for preparation of BDP and projection of financial requirements are as follow:

Business Development Planning in PACS – INDICATIVE FORMATS

(Rs. in 000)

Business Activity	Business Turnover	Trade Margin Costs	Total Running	Net Surplus
Credit				
Short Term				
- Kharif				
- Rabi				
Medium Term				
- Farm Sector				
- IRDP				
- Non-Farm Sector				
Long Term				
- Consumption				
Inputs				
- Seed				
- Fertilizers				
- Implements				
- Plant Protection				
- Others				

Marketing

- Outright
- Commission
- Others

Consumer

- Controlled
- Non-Controlled
- Others

Storage**Deposit**

- Fixed
- Others

Any other Activity

Note: On the same format PACS may prepare its projected business plan for one to five years

Projected Financial Requirements and Sources to Raise the Funds

Business Activity	Business Volume	Number of Turnovers	Financial Requirements	Sources to Raise Funds own/Borrowing
+ Agri Credit				
+ Marketing				
+ Agri. Inputs				
+ Consumer				
+ Others				

TRAINING AND DEVELOPMENT IN PRIMARY COOPERATIVES AND ITS STRATEGY UNDER ICDP

8

The success of an organization or a project largely depends on the competency, commitment and performance of the people engaged in it. In the first instance, the people being appointed for the specific jobs in an organization or a project must be selected very carefully. Only those with right kind of skills and attitude be inducted. The only consideration for their selection should be their suitability to the job requirements. Secondly, they should be oriented, trained and developed in a systematic way, for special and higher level skills needed for attaining the organization /project and personal goals.

In the rural development projects like ICDP, a large number of cooperative societies are covered for assistance, promotion and development to achieve the overall objectives of the project. Thus, for the success of ICDP, it is imperative that all category of people i.e. members of project implementation team, elected management, paid employees and ordinary members of cooperative societies, already existing or likely to be positioned, are oriented and developed for their fuller participation and performance of their role for a synergistic action.

As far as a cooperative society is concerned, its each of the three category of personnel needs to be oriented and trained differently and effectively:

- Members must be oriented and educated for their full participation with awareness on their role, responsibilities and rights. Values of loyalty, initiative, enterprise and cooperation needs to be simultaneously nurtured. To enhance the production and productivity in agriculture and other occupations, the members' skills need to be refurbished and upgraded.
- Board of Directors need continuous and effective sensitization on their own role and the changes in the environment, policies and programmes. Appropriate knowledge and techniques for policy formulation, public relations, image building and performance evaluation needs to be infused to facilitate correct decision-making for the benefit of cooperatives. Their resourcefulness, tact, integrity and sincerity also have to be strengthened.

- Job-specific and need-based training and development interventions are required to be adapted to help employees to perform their roles, responsibilities to optimize their output for achieving the objectives of cooperatives

EXISTING SCENARIO:

Agricultural Credit Cooperatives in the country lack proper personnel policies, trained and professional manpower, proper systems and organizational ethos. The Expert Committee on Rural Credit (NABARD) and Vaidyanathan Committee, in their reports have recently made some of the following observations on the people related aspects of the credit cooperatives.

1. Imbalances in staffing i.e. too many people for certain jobs, too few for certain others is very common. Over staffing is widely spread in lower level staff in the banks. At the same time instances of under staffing is observed in some institutions.
2. Poor quality of personnel. The staff are mostly recruited at the level of clerk, typist, cashier and are inadequately qualified. In due course these climb up and occupy senior positions.
3. Political patronage and misuse of power in recruitment is rampant.
4. Chief Executives are selected out of the officials of State Government and appointed by the Government.
5. Unsuitability of cadre system for the PACS. The appointment, transfer, promotion, salary etc. of cadre employees are decided by cadre authorities making them less loyal to the PACS and more to their authority.
6. Lack of training to the junior level staff and the secretaries of the PACS, and sensitization of members and management committees.

7. Poor quality of training by the existing cooperative training institutions.
8. Lack of clarity on delineation of roles and responsibilities of directors and executives.

APPROACH TO ENHANCE COMPETENCIES:

Various Task Force and Committees in the recent past had also recommended many initiatives for recruiting personnel and developing them for their existing and the newer roles. Measures to sensitize and involve the management committees and members have also been enlisted. Suggestion to make higher tier apex/district cooperatives more active and responsible for training the staff and members of the lower tier cooperatives have also been made. In fact apex /district cooperatives should take over the role of state cooperative unions/junior training centres, wherever these have performed inadequately. Further, it is also suggested to create a HRD/Training Cell in the federation/cooperative banks for this purpose.

To enhance the competencies of the people, the following are continuously needed:

- Learning-defined by Bass and Vaughan (1967) as a relatively permanent change in behaviour that occurs as a result of practice or experience.
- Education-the development of the knowledge, values and understanding required in all aspects of life rather than the knowledge and skills relating to particular areas of activity.
- Development-the growth or realization of a person's ability and potential through the provision of learning and educational experiences.
- Training-the planned and systematic modification of behaviour through learning events, programmes and instruction which enable individuals to achieve the levels of knowledge, skills and competence to carry out their work effectively.

The core members of the HRD/training cell must understand these basic concepts thoroughly. They must be first trained and developed for this purpose. A clear understanding and skills on these aspects would help them to design, plan and organize these interventions.

MANPOWER DEVELOPMENT MEASURES UNDER ICDP:

Realizing the importance of training and development of cooperative personnel and project implementation team (PIT) and also the orientation of various other functionaries at the district level to seek their full support and cooperation, adequate financial provisions have been made for such mechanisms in the ICD Projects. The major items of Manpower Development and Training Component of the projects are:

- Training of PIT Personnel
- Orientation/training of elected managements of the cooperatives
- Training of paid employees i.e. manager and staff
- Member Education
- Training of worker members of cooperatives e.g. fishermen, weavers, poultry farmers etc.
- Orientation of district level officials of all concerned departments
- Training of DCCB and PACS key personnel (for strengthening linkages between the DCCB and PACS)
- Study visits
- Extensive on the job guidance and consultancy by the development officers to the cooperative personnel.
- Incentive schemes linked to business promotion.

STRATEGY FOR TRAINING OF COOPERATIVE PERSONNEL:

For the success of a cooperative society it is imperative that the three type of personnel i.e. (i) Managers and Staff (ii) Managing Committee and the (iii) Ordinary Members are capable of performing their role and responsibilities. ICDP has made provision for their training and development.

(i) Manager and Staff

At a primary level these consist of a manager/Secretary, a clerk/accountant, and a salesman and/or a godown keeper. The manager is to run a day-to-day business and also conduct liaison with elected management, members, bank etc. and also supervise the staff. For growth and prosperity of a society. He has to be expert in planning the business, adept in book-keeping, foresighted enough to plan the diversification of business and work effectively and efficiently for its success. It is important to consider his profile and find out his plus and minus points. In other words the gaps in his knowledge, skills and attitude and thereby provide him a training having a strong practical bias.

In order to achieve the objectives of ICDP, this key person needs to be thoroughly trained in the skills of preparation of a basic business plan and others such as credit business plan, input business plan, consumer business plan. Besides, skill upgradation training in various functions like credit and savings, 'Farm Input Management', 'Storage Management', 'Marketing functions', 'Consumer business', 'Financial management and Accounting and Budgeting' will immensely help. In special commodity, activity or service societies the manager/secretary has to understand the technical aspects and its effective use to promote the business of cooperative.

He must also be trained in convening the meetings and recording the minutes. The manpower development interventions should promote organizational as well as individual goals. The incentives inbuilt in the project can add to his motivation to learn and perform better. The training programmes for Managers are to be organized by ICM/ACSTIs of the respective region/state

The other staff like accountant or a clerk, salesman, godown-keeper etc. also need to be trained in performing various skills in their specific areas of work so as to support the manager and the organisation. The Development Officers can provide them formal and "on the job training" supported by regular guidance and supervision.

(ii) Elected Management of Members

It is well known that leaders do naturally possess a strong and robust sense of understanding the things. However, the new technology and modern methods of management, decision making, accounting, etc. make it obligatory to undergo a formal training to at least develop an appreciation. It is only from this point of view that elected management must be made to undergo formal training in basic management and financial management of the business of a cooperative. Basic management may cover areas like business in credit, savings, inputs, consumers, marketing, storage, welfare services, etc.-while financial management may cover training in various books of accounts in PACS, financial statements, planning in a multi-coop., etc.

Besides, proper guidance in regular conduct of the board meetings, decision making, recording minutes etc. will prove highly useful.

(iii) Members

It may be a big task to enlighten all the members and motivate them for active participation and improving their production/occupation/trade. All the people, however, may not learn from one source but may learn it through someone who has learnt directly from the main source.

Objectives of the member education programmes should be clearly spelt out and a fine balance in educating about 'rights and privileges' and 'duties and responsibilities' be maintained. A suggested design for the member education programme is as under:

- concept, values, principles and practices of cooperation
- bylaws, objectives and functions of a cooperative society
- role, responsibilities, obligations and rights of members
- appreciation on business/projects undertaken by the cooperative society
- importance of members' participation for success of the cooperative society-preparedness, means and commitment for effective participation
- various types of participation and contributions by members
- role of members in Member Education Programmes
- role and responsibilities of members in Annual General Meeting
- cooperative terminology

SUGGESTED PROCESS FOR RESULT-ORIENTED TRAININGS:

Based on clear insight of the process of learning and conditions of learning for adults, a systematic process needs to be followed for designing/developing a training programme. The steps involved in designing and implementation are:

1. Analysis of overall system (situation study) of the cooperative society
 2. Determining/Assessing Training Needs
 3. Analysis and Prioritizing of Training Needs.
 4. Preparation of Learning Objectives
 5. Preparation of Participants Profile
 6. Preparation of Session Design.
- content analysis
 - sequencing of contents
 - selection of training methods and aids

7. Finalizing of Programme Syllabus and Schedule
8. Implementation /Conducting Training Programme
9. Evaluation
10. Improving subsequent Training Programmes

For the training programmes to be organized by other institutions, General Manager and PIT members should ensure that the resources earmarked are put to the best use. The training institute/agency which has appropriate expertise and experience in successfully organizing the identified training programmes be only selected. The specific training needs for the target group must be identified and then suitable course design be worked out. The programme should be conducted as per the convenience of trainees and in a professional manner. PIT must associate closely in all the phases of training process to ensure quality, so that participants could easily apply the skills learnt during training on the job. PIT must study the course and evaluation report submitted by the training institute to review feedback and to decide on future programmes.

A large number of training/education programmes are to be organized and facilitated by the Development Officers. It is one of their main job besides providing guidance and to do trouble shooting on the spot on every visit/interaction with the society. The Development Officers are provided appropriate training design and presentation skills at TOPIC Institute of NCDC to perform their role effectively. Trainer Manuals, Teaching illustrations, Aids and additional Notes to implement the identified training/education programmes are provided to the Development Officers during training. The implementation of training /member education programmes should be phased suitably to yield maximum results to the project.

REPORT OF THE IMPACT EVALUATION STUDY OF INTEGRATED COOPERATIVE DEVELOPMENT PROJECT (ICDP) – SALEM (TAMIL NADU) CONDUCTED BY INDIAN INSTITUTE OF PUBLIC ADMINISTRATION, NEW DELHI

SUBMITTED TO THE NATIONAL COOPERATIVE DEVELOPMENT CORPORATION NEW DELHI

TERMS OF REFERENCE

- To assess the success of the project in transforming Primary Agriculture Cooperative Societies (PACS) as multipurpose entities.
- To assess the performance of the different type of cooperatives such as Mktg., Dairy, Poultry, Fishery, handloom etc. by comparing pre-project and post project performance.
- To analyse the sector-wise utilization of funds in agriculture allied sector, DCCB and Manpower development.
- To analyse the impact of training and incentives provided.
- To analyse the utilization of various infrastructure facilities especially the godown capacity created under the project (godown capacity).
- To assess the quality of project implementation.
- To identify the problems and constraints in achieving the project objectives.
- To estimate the direct and indirect employment generated by the project.

Study Objectives

- To examine to what extent the ICDP has been able to achieve the objectives envisaged at the time of sanction of the project in Salem (Tamil Nadu).
- To examine the structural constraints in achieving the project objectives and to strengthen the rural credit cooperatives with institutions to meet the credit needs of the rural poor and disadvantage groups.
- To document case studies and success stories of cooperatives in the respective states.

METHODOLOGY

- Village level in-depth study of sample credit cooperative structures.
- Data collected from the PACS, (PAMS), PLDB, Consumer's Cooperative, DCCB, Women Cooperatives, SC and ST Cooperatives were covered.

- Secondary data and information collected from the **Project implementing agency(PIA)**.
- **Structured interviews, focused group discussions (FGDs)** and physical inspection of documents was employed at the district-level studies.
- At the DCCB level, the **key informants** interacted with include the Chairman/Senior Manager of DCCB, General Manager, Deputy Manager, Development Officer and the customers.

SAMPLING OF THE STUDY

- A sample study and field visit of at 10% of the assisted cooperatives and more than 2 cooperative has been covered under the study(**ToR**).

TECHNIQUES OF DATA COLLECTION

- A **checklist** and a **model questionnaire** were administered to gather required information from the selected societies.
- The study included **pre-project and post project comparison** in assisted activities by selecting suitable indicators.
- A **SWOT Analysis** of the ICDP at various level has been done during the impact evaluation study visit to Salem(Tamil Nadu).
- To capture the impact of the ICDP, the study has employed the **Compound Annual Growth Rate analysis (CAGR)** as a useful measure to capture growth of cooperative business over multiple time periods.

COOPERATIVES IN SALEM(TAMIL NADU)

Sl No.	Type	Number
1	Primary Agricultural Credit Cooperatives(PACS)	193
2	Primary Agricultural Marketing Societies	2
3	Primary Coop. Consumer Store	6
4	Wholesale Cooperative Consumer Store	1
5	Milk Cooperative Union	1
6	Mettur Dam Fisherman Cooperative Societies	1
7	Sheep Breeding	1
8	Handloom Weavers Cooperative Societies	43

9	Industrial Cooperative Societies	3
10	Printing Press	1
11	Service cooperatives	2
12	District Central Cooperative Bank	1
13	Primary Coop Agri. & Rural Development Banks	2
Total		257

FUNDING PATTERN OF ICDP

Project cost approved by NCDC		Funds sanctioned by NCDC		From State Govt. to PIA DCCB, Salem		From PIA(DCCB) to Societies	
Loan	2172.63	Loan	2172.63	Loan	763.06	Loan	761.90
Subsidy	478.95	Subsidy	319.35	Share Capital	1409.57	Share Capital	1408.92
				Subsidy (NCDC)	319.35	Subsidy NCDC	305.44
				Subsidy (State Govt.)	159.6	Subsidy	159.60
Total	2651.58	Total	2491.98*	Total	2651.58	Total	2635.85

SECTOR WISE OUTLAYS AND UTILIZATION UNDER THE ICDP

S. No.	ITEM (Infrastructure Construction etc.)	Total outlay for Five Years (up to 31.03.2013)		Funds released by the Government		Funds released to societies up to 31.12.2014	
		Physical	Financial	Physical	Financial	Physical	Financial
I	PACCS	465	885.510	465	885.510	844	999.217
II	PAMS	19	79.500	19	79.500	41	250.275
III	Primary Consumer Store	23	57.400	23	57.400	25	58.157
IV	District Whole Sale Consumer Store	14	128.100	14	128.100	14	127.100
V	Primary Milk Cooperative Societies	3228	373.400	3228	373.400	1158	217.383
VI	Fishery Cooperatives	4	7.000	4	7.000	4	7.000
VII	Sheep Breeding	2	8.000	2	8.000	1	4.000
VIII	Handlooms & Power looms	140	265.150	140	265.150	158	189.800
IX	Power loom	4	10.000	4	10.000	2	5.000

X	Sericulture - Tansilk	1	50.000	1	50.000	0	0.000
XI	Industrial Cooperative Societies	3	18.000	3	18.000	5	18.000
XII	Salem Cooperative Printing Press	2	14.000	2	14.000	3	19.000
XIII	Service Cooperatives	28	13.700	28	13.700	6	62.500
XIV	Sago Serve	1	50.000	2	50.000	0	0.000
XV	Salem District Central Cooperative Bank Ltd.	323	372.620	323	372.620	248	372.620
	TOTAL	4258	2332.380	4258	2332.380	2509	2330.052
XVI	Manpower Development & Training Subsidy		319.200		319.200	0.000	305.799
	Grand Total	4258	2651.580	4258	2651.580	2126	2635.851

- **IMPACT OF ICDP ON COOPERATIVE SOCIETIES**
- **IMPACT ON PACS**
 - Memberships of PACS has grown from 225077 to 299623 registering a total increase of 5.89% CAGR during the project period of 2008 to 2013.
 - **Share capital of the PACS** has grown from Rs. 3174.73 lakh to Rs. 4185.72 lakh.
 - **Short term loan** distribution increased from Rs. 11910.83 lakh to Rs. 29050.84 lakh, registering 19.52% CAGR during the project terminal period.
 - **Medium term loan** distribution increased from Rs. 4015.24 lakh to 8532.26 with increased CAGR of 16.27% in the project terminal year. Recovery of loans from the farmers has increased over the years from 75% to 93% the terminal year.
 - The PACS have been able to mobilize higher amount of **deposits** from Rs.34390.84 lakhs to 77698.95 lakhs, with an increase of 17.70% CAGR.
 - **Fertilizer business** has increased from Rs. 1271.43 lakhs to Rs. 3553.31 lakhs with an increased CAGR of 22.82%.
 - **Business turnover of PACS in the PDS & Non-PDS** items has increased from Rs. 5538.30 lakhs to 8042.27 registering an increased CAGR of 7.75%. The business of the primary cooperative on other business has also shown a slightly increasing trend from Rs. 53.40 lakhs to 56.47 lakhs with increased CAGR of 1.12%.
 - The ICDP has **generated employment** of 77089 man-days in the district through godown construction, repaining etc..
- **IMPACT ON PAMS**
 - Membership of PAMS increased from 79479 to 82922; share capital has increased from Rs. 15.36 lakhs to Rs. 84.74 lakhs with 40.71% CAGR during the project period.
 - Reserve funds increased from Rs. 1447.86 lakhs to Rs.2299.98 lakhs, with an increased rate of 9.70% CAGR; the amount of profit increased by 10.96% during the terminal year
 - The business of the marketing societies like fertilizer business has increased to 3.06% during the project terminal year. Business on PDS & Non-PDS (rural consumer items) has also increased from Rs. 2820.65 lakhs to Rs. 5872.63 lakhs.
 - Profit of PAMS increased from Rs. 93.315 lakhs to Rs. 156.97 lakhs with a sharp increase in 10.96% in the project terminal year.

▪ **IMPACT ON COOPERATIVE WHOLESALE CONSUMER STORES**

- Wholesale Consumer Store received Rs. 128.10 lakhs as per the latest estimates of funds released by DCCB, Salem up to 31.12.2014 under the ICDP.
- The infrastructures created under the project includes iron safe, purchasing transport vehicles (10 ton truck), transport vehicle(1 to 2 ton), new self-service store, machineries, repairing the store, refurnishing the existing show rooms, computer software, generator, construction of multi-purpose godowns and margin money for growth of business.

➤ **IMPACT ON CONSUMER STORES**

- The Co-operative Stores were provided with financial assistance to the tune of Rs. 58.157 lakhs by means of Office Building, Godown cum office cum Shop, Medical Store, Self Service Coop store, Computer with software for billing, Iron Safe and with Margin Money.
- Membership of the Stores increased from 8188 as on 31.03.2008 to 11052 as on 31.03.2013.
- Share capital increased to Rs.24.82 lakhs from earlier Rs.6.20 lakhs.
- Growth in share capital is more than four times.
- PDS sale increased up to Rs. 577.36 lakhs as on 31.03.2013 when compared to Rs.390.77 lakhs as on 31.03.2008.
- Non-PDS sale as on 31.03.2013 is Rs.585.83 lakhs, whereas it was Rs. 549.79 Lakhs as on 31.03.08.

➤ **IMPACT ON OTHER SECTORS-FISHERY**

- Only One society in the District got assistance from ICDP as on 31.03.2013. They are provided with Mini Auto Mini Truck (Stall), Furniture, Computer, Construction of Fish Weighing Stall and Margin Money. The total assistance was Rs.7.00/- Lakhs.
- The Profit amount of the society raised to Rs.11.42 Lakhs as on 31.03.13 compared with Rs.5.28 Lakhs as 31.03.2008.

• **IMPACT ON OTHER SECTORS- SHEEP BREEDING**

- One society in the District got assistance from ICDP as on 31.03.2013. They are provided with Animal shed and Margin Money for marketing through meat stall.
- Profit amount is raised to Rs.8.72 Lakhs as on 31.03.2013 compared with Rs.1.66 Lakhs as 31.03.2008.

- **IMPACT ON DAIRY CO-OPERATIVES (PRIMARY SOCIETIES & DISTRICT UNION)**

- The number of primary milk cooperative societies in the district is 1158 and total amount of assistance received by these cooperatives till 31.12.2014 is of Rs. 217.383 lakhs.

- **IMPACT ON CO-OP. PRINTING PRESS**

- The Co-operative Printing Press was extended with an assistance of Rs.19,00,000/-.
- The assistance provided by ICDP to the printing co-op. society has resulted in increase in printing order and regular work to its employees.
- Net profit of the Printing press for the year 2012-13 is 20.38 lakhs.

- **IMPACT ON HANDLOOM CO-OPERATIVES**

- Membership has seen a notable growth as on 31.03.2013 when compared to the pre project year 2008.
- Share capital has increased to Rs.388.08 Lakhs with ICDP assistance of Rs.141.00 Lakhs as Margin money.
- Value of production has increased to Rs.3441.37 Lakhs as on 31.03.2013, when compared to Rs.2420.77 Lakhs as on 31.03.2008.
- The sales have also increased risen to Rs.4127.97 Lakhs as on 31.03.2013. It was Rs.2963.26 Lakhs as on 31.03.2008.

- **IMPACT ON AGRIL. MARKETING SOCIETIES**

- 2 Co-operative Marketing Societies in the district were given assistance to the tune of Rs.250.275 /- by ICDP.
- Compared to the pre project year i.e. as on 31.03.2008, whereas the membership was 79479, it has grown up to 82922 as on 31.03.2013.
- Share capital as on 31.03.2008 was Rs.15.36 Lakhs and it has now grown to Rs.84.74 Lakhs as on 31.03.2013. As on 31.03.2013 the Reserves have also seen a very good growth of Rs.2299.98 Lakhs when compared to Rs.1447.86 Lakhs as on 31.03.2008.
- As on 31.03.08, both societies were earning profit to the tune of Rs.93.31 Lakhs. As on 31.03.2013, both societies were earning profit to the tune of Rs.156.97 Lakhs.

Distribution of fertilizer through both the societies as on 31.03.2013 was 269. The value of fertilizer distributed as on 31.03.2013 was Rs.3.06 Lakhs.

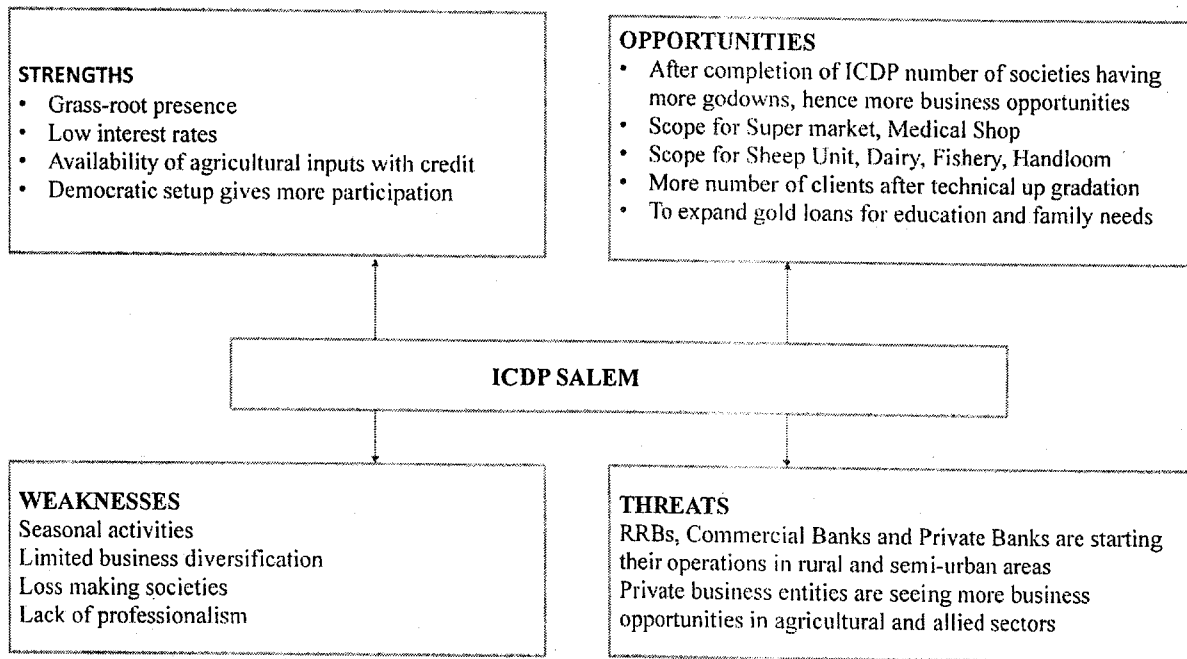
➤ **IMPACT ON WOMEN COOPERATIVES**

- Membership of the women cooperative in Salem district increased from 10961 to 42672 with an increase of 31.24% CAGR;
- Loan availed by the cooperative members in advance has also increased from 1661.37 lakhs to 4120.95 lakhs; deposit mobilization has also increased from Rs. 80.95 lakhs to Rs. 1377.37 lakhs with an increased CAGR of 76.27%.

• **IMPACT ON DCCB**

- Salem District Central Co-operative Bank (DCCB) was assisted to the tune of Rs.372.620/- the details of assistance.
- Besides repairs to buildings, DCCB was provided with iron safes and Safe Deposit Lockers for improving safety and security. This has created confidence and attracts more customers. Provision of computers and Currency counting machines has helped improvement in productivity by staff members.

➤ **SWOT ANALYSIS OF ICDP SALEM**



▪ **OBSERVATION DURING VISITS TO SALEM**

- The physical infrastructure created through the ICDP at the PACS level has enhanced the storage capacity of fertilizers, increase in consumer business activities, farm inputs distribution, disbursement of credits and other-agribusiness development activities.

- The appearance of the PACS office building has enhanced which facilitated more attraction to public and more confidence among the PACS customers.
- Strong Rooms with Defender Door, iron safe, safety lockers and burglary alarms have facilitated greater safety measures in PACS.
- Provision of Computers, Invertors, Modern Deposit counters, Electronic Jewel weighing machines, Note counting machines, Fake note detector machine and Furniture & Fittings have facilitated more confidence among staff of PACCS and results more productivity.
- PACS besides providing agricultural credit, grant Jewel Loans and loans to SHGs. The societies were permitted to accept deposits from members and non-members.
- Margin money provided to the assisted cooperatives has certainly helped in increasing the capacity of the cooperatives to avail fund from the DCCBs and continue their business as well as loaning and other income generating activities.
- Modernization of the DCCB and availability of sitting arrangements has given a new look to the bank and the faith of the cooperative members has increased. The ICDP has strengthened the share capital base of DCCB.
- Training and incentives money provided under ICDP has certainly motivated the personnel in cooperatives and the working capacity of the cooperatives has improved significantly.
- The repayment behaviour of the cooperative members on ICDP loan is high.
- As the business volume of the PACS has increased, now they want to diversify their activities. Thus, further financial support should be provided by NCDC.
- With the increase in the activities of the PACS, there is a need to right size the PACS in terms of manpower.
- Societies at PACS level should also be provided with computer and necessary software to keep the information about the quantum of business of the societies updated.

**Benefits / achievements under Integrated Cooperative Development Projects (ICDP)-
Highlights of the evaluation Study by National Productivity Council (NPC), New Delhi**

The Integrated Cooperative Development Project (ICDP), was introduced by NCDC in participation with Govt. of India and State Govt. in the Seventh Five Year Plan for overall development of selected districts through cooperative entrepreneurial efforts in the sphere of Agriculture and allied sectors such as Dairy, Fishery, Poultry/Piggery, Handloom, Coir, Rural/Cottage Industry and the like. The programme has been continued in succeeding Five Year Plans, thus gaining recognition as a unique participatory developmental effort. By December 2012, the Corporation has brought 302 districts under the Scheme across the country. The States like Kerala, Andhra Pradesh, Haryana, Arunachal Pradesh, Meghalaya, Mizoram and Himachal Pradesh have covered all their districts under the Scheme and few State out of above have taken up the programmes under Second Phase too.

NCDC gets the impact study conducted from reputed Consultants from time to time to assess the impact / benefit that have accrued to the members of the society and to ascertain whether scheme be continued in the successive Five Year Plans. To carry forward the scheme during 12th FYP, an independent evaluation of following nine ICDPs was assigned to NPC, New Delhi:

- | | |
|---------------------------|---------------------------------|
| i) Guntur, Andhra Pradesh | vi) Ratlam, Madhya Pradesh |
| ii) Jodhpur, Rajasthan | vii) Goapalganj, Bihar |
| iii) Karnal, Haryana | viii) Haridwar, Uttarakhand and |
| iv) Deoghar, Jharkhand | ix) Arunachal Pradesh |
| v) Hooghly, West Bengal | |

The selected projects were completed during 11th FYP and were selected from those States which were not considered for such study earlier. It is observed from the report that implementation of ICDP resulted in improvement of performance of societies under agriculture, consumer and allied sectors. There has been significant improvement in membership, share capital, deposit, credit business and non-credit business of PACS/LAMPs and allied sector cooperatives under the project. Creation/renovation of storage capacity helped the societies in improving their business and providing timely fertilizer and inputs to farmer members. Infrastructure such as deposit counter, strong room, safe etc. helped the societies in mobilization of rural deposit from member. Creation of super-market and shops helped the consumer societies/stores to diversify their business. Similarly, allied sector societies such as dairy, fishery, horticulture, industries, weaver societies have also been able to increase the business with creation of infrastructure and business development under the project. The findings of the evaluation study are summarized below:

- Total Investment

Rs. 8934.69 lakh

- Subsidy (out of above investment)	Rs.1654.76 lakh
- No.of cooperative assisted	1313
- Infrastructure created	
a) Storage capacity created	52,750 MT
b) Storage capacity renovated	32,900 MT
c) Deposit counter/lockers	-
d) Consumer store/shop	174
- No of persons trained(Chairman,	55905
- Managing Committee, Managers,	
Accountants and Salesmen)	
- Direct employment generated	674838
- Average annual growth rate achieved	
a) PACS/LAMPS (ICDP-wise details at Annexure-I)	
♣ Membership	0.97% to 7.50%
♣ Share capital	1.99 to 27.77%
♣ Credit Operations	3.77% to 21.59%
♣ Deposits	5.28% to 146.5%
♣ Non credit business	4.14% to 363.28%
b) Consumer Sector	1.42% to 18%
c) Business of Mkt. society	4.57% to 21.34%
d) Business of Handloom socy.	4.05% and 8.52%
(Guntur and Gopalganj)	
e) Fishery sector	3.71% to 8.74%
f) Dairy sector	8.54% and 18.32%
(Ratlam & Karnal)	
g) Horticulture sector	7.07%
(Ratlam)	

h) Industrial Cooperative

Karnal	18.41%
Guntur	-1.77%

- Pre-project status and Terminal Year Achievement/Impact (ICDP-wise details indicated below):

Arunachal Pradesh

			Rs.in lakh
Item/Activity	Pre-project	Terminal Year	Remarks
LAMPS			
No.of LAMPS	32	33	
Membership	12429	19447	
Share capital	134.07	291.9	
Deposits	0.00	0.00	
Credit business	0.00	0.00	
Non-credit business	1774.12	2454.46	
No.of LAMPS in profit	10	13	
Total amount of profit	249.81	405.58	
Coop.General societies			
No.of CGS	69	68	1 CGS was closed
Membership (Nos.)	7591	8460	
Share capital	32.45	32.9	
Business Turnover	645.17	863.16	
No.of CGS in profit	40	50	
Total amount of profit	114.97	168.51	
Multi-purpose Coop.Societies			
No.of MPCS	192	247	
Membership (Nos.)	9777	12314	
Share Capital	177.21	715.59	
Business Turnover	537.18	675.49	
No.of MPCS in profit	118	192	
Total amount of profit	162.48	226.47	
MARKFED			
Membership(Nos.)	10	25	
Share capital	1.00	41.8	
Profit	0.08	11.65	

Guntur, Andhra Pradesh

Rs.in lakh

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (No.in lakh)	9.18	10.57	
Share capital	3441.92	5000.37	
Deposits	90.10	849.37	
Credit disbursement	5301.20	7129.98	
Non credit business	1533.65	4729.56	
NO.of PACS in profit	104	59	} Due to NPA accounting practice
Profit	8720.26	6225.55	
Consumer sector			
Membership (Nos)	26372	27213	
Share capital	10.27	20.92	
Working capital	156.78	228.01	
Total business turnover	774.91	1466.81	
No.of societies in profit	4	1	} Negative
Amount of profit	1.07	-1.85	
Handloom/Weaver Sector			
No.of societies working	30	30	
Membership (Nos.)	2339	3478	
Share capital	41.05	47.64	
Business turnover	255.12	350.55	
No.of societies in profit	16	9	} Poor sales & management practices & stiff completion
Profit	3.1	-7.16	
Fisheries Cooperatives			
Membership (Nos.)	1275	1275	
Share capital	37349	37349	
Business turnover	2.4523	4.1415	
No.of societies in profit	6	6	
Net profit	-	0.72	
Farmer Service Cooperative			
Membership (Nos.)	6279	7395	
Share capital	46.51	147.38	
Business turnover	399.75	628.50	
Profit	8.98	45.27	
Industries Cooperatives			
Membership (Nos.)	112	112	
Share capital	-	-	
Business Turnover	15	13	
No.of societies in profit	3	3	
Profit	50000	50000	
Marketing Cooperatives			
Membership (Nos.)	266	140	
Share capital	1.49	1.60	
Business turnover	280.93	508.72	
Profit	-0.40	3.27	
Women Cooperatives			
Membership (Nos.)	80	80	
Working capital	1.21	1.41	
Business turnover	1.49	1.72	
No.of societies in profit	2	4	
Profit	0.06	0.08	
SHG Cooperatives			
Membership (No.s)	610	610	
Working capital	9.28	11.02	
Business turnover	11.19	12.85	
No.of societies in profit	52	52	
Profit	1.12	1.26	

Jodhpur –Rajasthan

Rs.in lakh

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (No.in lakh)	1.56	2.09	
Share capital	856.15	1196.38	
deposits	131.63	179.26	
Credit disbursement	6747.82	14778.04	
Non credit business	733.2	1094.11	
No.of societies in profit	140	155	
Profit	456.58	793.46	
Marketing societies			
Membership (Nos.)	8169	9918	
Share capital	105.48	170.42	
Business turnover	6851.08	12299.09	
No.of societies in profit	7	7	
Profit	48.48	111.6	
Wholesale Consumer Store			
Membership (No)	9739	11350	
Share capital	25.84	52.2	
Business turnover	2284.98	4110.64	
No.of store in profit	1	1	
Profit	59.66	129.82	

Karnal, Haryana

Rs.in lakh

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (No.in lakh)	1.50	1.92	
Share capital	1861.68	2709.09	
Deposits	665.4	872.03	
Credit disbursement	23154.73	38166.93	
Non credit business	1836.15	2372.96	
NO.of societies in profit	40	3	Reasons awaited
Profit	122.61	17.76	
Marketing Societies			
Membership (Nos)	5574	7152	
Share capital	18.75	16.17	
Business turnover	5065.74	11509.61	
No.of societies in profit	2	2	
Profit	63.68	102.72	
Industrial Sector			
Membership (Nos.)	18	22	
Share capital	0.37	1.02	

Business turnover	6.41	5.09	
No.of societies in profit	1	1	
Profit	0.64	0.61	
Consumer Wholesale Store			
Membership (Nos.)	6667	6671	
Share capital	34.95	36.21	
Business turnover(PDS)	424.11	394.37	Reasons awaited
No.of societies in profit	1	1	
Profit	NA	NA	
Membership (Nos.)	26537	30709	
Share capital	68.16	65.61	
Business turnover	902.32	1923.64	
No.of societies in profit	412	585	
Profit	9.13	2.95	Due to repayment of loan
Labour & Construction			
Membership (Nos.)	1760	2482	
Share capital	0.16	0.25	
No.of societies in profit	53	65	
Profit	NA	NA	

Deoghar, Jharkhand

Item/Activity	Pre-project	Terminal Year	Rs.in lakh
PACS			
Membership (No.in lakh)	0.26	0.36	
Share capital	104.42	314.58	
Deposits	3.10	179.76	PACS not involved in credit business
Credit disbursement	19.79	0.00	
Non credit business	0.02	194.13	
NO.of societies in profit	NA	NA	
Profit	NA	NA	

Hoogly, West Bengal

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (Nos)	95135	104536	
Share capital (in lakh)	238.135	412.4	
Deposits	2318.35	3210.3	
Credit disbursement	2648.85	4491.15	
Non credit business	327.75	608.00	
NO.of societies in profit	120	83	Due to NPA practice
Profit	NA	NA	
Consumer Sector			
Membership (Nos)	1565	1569	
Share capital	24.85	25.02	
Working Capital	275.35	288.78	
Business turnover	1105.22	1185.85	
No.of societies in profit	NA	NA	
Amount of profit	18.05	24.25	
Weaver Cooperatives			
Membership (Nos.)	6300	4742	
Total advance	305	320	
Total working capital	320	960	
Total deposits	177	539	
No.of societies in profit	19	37	
Profit	NA	NA	
Marketing Cooperatives			
Membership (Nos.)	3648	3599	
Business turnover	1530.92	1468.46	Lack of coord.bet-ween fedn & PDS/PACS
No.of societies in profit	3	4	
Profit	2.41	3.30	

Ratlam, Madhya Pradesh

Rs.in lakh

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (No. in lakh)	1.33	1.42	
Share capital	1021.21	1804.61	
Deposits	1081.03	2250.43	
Credit disbursement	4918.38	12669.14	
Non credit business	2881.95	4942.2	
Credit +non credit	7800.33	17611.34	
Profit	132.82	208.57	
No.of societies in profit	83	82	
Consumer Sector			
Membership (Nos)	1630	1763	
Share capital	10.86	9.36	
Business turnover	367.73	841.43	
Profit	1.31	4.02	
Dairy Sector			
No.of societies working	188	194	
Membership (Nos.)	7156	7346	
Share capital	14.42	21.47	
Business turnover	423.22	637.41	
No.of societies in profit	100	117	
Profit	20.25	19.79	
Fisheries Cooperatives			
Membership (Nos.)	212	212	
Share capital	0.12	0.15	
Business turnover	2.5	3.0	
No.of societies in profit	8	8	
Profit	0.2	0.35	
Horticulture Cooperatives			
	2 societies, membership – 92, CAGR - 7.07%. Both societies in profit.		
Industries Cooperatives			
	2 societies, membership – 112, business turnover - Rs.7.68 lakh. One society in profit.		
Marketing Cooperatives			
	3 societies, membership – 1184, share capital - Rs.9.09 lakh, business turnover - Rs.1041.67 lakh (terminal year) and Rs.832.93 lakh in pre-project year. All societies in profit. CAGR is 4.57%		
Women Cooperatives			
	5 societies, membership -1329, share capital - Rs.7.93 lakh, business turnover - Rs.13.45 lakh. Two societies in profit.		

Gopalganj, Bihar

Rs.in lakh

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (No. in lakh)	1.12	1.21	
Share capital	50.3	58.9	
Credit disbursement	160.42	766.36	
Non credit business	42.45	625.62	
Credit +non credit	202.87	1391.98	
Deposits mobilized	8.08	1060.11	
Amount of profit	9.57	18.71	
No.of societies in profit	106	113	
Vypar Mandals			
Membership (Nos)	2825	3023	
Share capital	2.14	2.58	
Business turnover	8.52	12.74	
Net profit	1.27	3.26	
No.of societies in profit	4	6	
Fisheries Sector			
Membership (Nos.)	1529	1646	
Share capital	0.26	0.26	
Business turnover	0.9	1.76	
Net profit	NA	0.22	
No.of societies in profit	4	4	
Weavers Cooperatives			
Membership (Nos.)	716	717	
Share capital	2.53	2.53	
Business turnover	0.65	1.25	
Net profit	0.17	0.18	
No.of societies in profit	3	3	

Haridwar, Uttarakhand

Rs.in lakh

Item/Activity	Pre-project	Terminal Year	Remarks
PACS			
Membership (No. in lakh)	0.95	1.10	
Share capital	253.71	453.07	
Credit disbursement	1556.35	3701.02	
Non credit business	1234.38	2158.81	
Credit +non credit	2790.73	5859.83	
No.of societies in profit	20	21	
Profit			
Marketing Societies			
Membership (Nos)	6878	3722	
Share capital	4.15	7.71	
Business turnover Mktg.Agril Produce	66.68	175.42	
No.of societies in profit	2	2	
Seed Store			
No.of Societies	7	7	
Share capital	0.57	0.80	
Business turnover	36.61	36.88	
No.of societies in profit	5	7	
District Wholesale Coop. Consumer Store			
Membership (Nos.)	2996	4919	
Share capital	0.66	1.1	
Business turnover	174.79	402.22	
Fisheries Cooperatives			
	All the 5 Fisheries Cooperatives in the district with 85 members are in profits		

Major observations of the report

1. Out of 9 Projects, 3 projects viz. Hoogly (West Bengal), Ratlam (M.P.) and Haridwar (Uttarakhand) were completed in time. Jodhpur (Rajasthan) was delayed by one year while Gopalganj (Bihar), Guntur (Andhra Pradesh) and Arunachal Pradesh were delayed by 3 years. 2 project viz. Karnal (Haryana) and Deoghar (Jharkhand) were completed before time.
2. First tea grower cooperative was assisted in Arunachal Pradesh and thus acted as nucleus for coverage of new areas under tea plantations. In addition, the project introduced the concept of micro-finance through self help groups of women from BPL category who are involved with piggery and poultry farming. These groups were linked to the cooperative societies which helped in income generation of women in the group.
3. Jodhpur ICDP resulted in tremendous achievement in terms of business undertaken by PACS, Marketing and Consumer Store. Jodhpur Wholesale Consumer Store created impressive infrastructure registering a growth from pre-project level of Rs.22.85 crores to Rs.41.11 crores during terminal period of the project.
4. There has been positive growth in number of profit making PACS in Jodhpur (Rajasthan), Gopalganj (Bihar), Arunachal Pradesh and Haridwar (Uttarakhand). However, a negative growth rate on this account was seen in Guntur (Andhra Pradesh), Karnal (Haryana), Hooghly (West Bengal), Ratlam (Madhya Pradesh). This was due to making provisions for NPA and high establishment cost due to increase in manpower.
5. Deposit counters/Iron Safe/Lockers were provided under the projects helped in increasing deposit mobilization by PACSD/LAMPS.
6. PACS in Deoghar (Jharkhand) were doing negligible business prior to implementation of ICDP. After taking up ICDP, PACS registered tremendous growth in deposit mobilization and non-credit business.
7. Creation/renovation of storage capacity resulted in diversifying the business of societies.

8. Linkage of Self Help Groups with PACS in Hooghly included economic activities for self sustenance, social activities and voluntary participation in the recovery. Women participation and empowerment came into force as around 90% of members registered were women.
9. Dairy societies in Karnal contributed in increasing sale of milk of societies as the sale of milk increased from 9.02 lakh to 19.24 lakh during terminal year of project.
10. Marketing of agriculture produce by marketing societies recorded higher achievement of Rs.4807 lakh against a target of Rs.4100 lakh in Jodhpur district. However PDS business came down on account of transfer of same to private sector.
11. DCCB Jodhpur provided timely funds to the societies from its own sources without waiting for release of funds from State Govt. so as to avoid delay in implementation due to lack of funds.
12. Several PACS have diversified business activities like storage, seeds and fertilizer business with infrastructure created under ICDP. Many PACS are planning to diversify into other businesses.
13. Under ICDP Karnal, loan amount advanced by PACS increased significantly during the project period due to infusion of funds under ICDP. Loan recovery also improved and stood at 99%.
14. Under ICDP Hooghly, West Bengal, PACS were involved in organizing SHG and credit linking activities to ensure wide reach of the credit.
15. Under ICDP Ratlam, software was got prepared by the PIT to ensure smooth and accurate maintenance of project funds and for better management of project. Recovery was 100%.
16. Under ICDP Gopalganj, Bihar, improvement on various parameters like diversified business and increase in number of profit making societies in the terminal year confirms sustainability of PACS. Funds were received in time by societies and disbursed as per project phasing.

17. Projects were delayed due to delay in constitution of PIT and release of funds by State Govt.
18. More training programmes and awareness camps under ICDP, Deoghar needed to be organized. Also skill of PACS staff under ICDP Deoghar needed to be developed.
19. Under ICDP, Hooghly, West Bengal, marketing societies could not increase its business due to stiff competition and lack of coordination between marketing federation and primary marketing societies & PACS.

Suggestions by NPC, the Consultants to make ICD Projects more effective

- i) Incentive scheme for societies should be continued after completion of projects.
- ii) Optimization of manpower in the societies should be ensured through systematic manpower assessment.
- iii) Societies should develop vertical and horizontal integration for future growth.
- iv) PACS in the districts may be made eligible to serve as Common Service Centres (CSCs) as has been done by the State Govt. of West Bengal for delivering various public, private and social sector services.
- v) There is necessity to develop professionalism and management systems in PACS.
- vi) Provision for unit cost of construction in the DPR needs to be realistic.
- vii) Long delays in putting DPR into practice should be avoided.
- viii) Training and HR capacity building of project Implementation Team should be ensured before launching of the project.

- ix) Accounting system for societies should be improved
 - x) ICDP activities should be given boost through effective PR practices.
 - xi) Participation of weaker sections and women could be improved through measures like gender based budgeting and section specific sub-plans.
 - xii) Bank guarantee and credit limit procedures for fertilizer business needs to be simplified by DCCB.
 - xiii) There is need for one officer from DCCB/PIA to be termed as coordinator and remain throughout the project implementation period.
 - xiv) Majority of PACS in Deoghar, Jharkhand need to be developed as independent business entity.
 - xv) Decentralize and transfer some of the powers of DCCB/PIA to cooperatives to speed up the pace of implementation and create a sense of belongingness.
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**Special Accomplishments under Integrated Cooperative Development Project (ICDP),
Ratlam in Madhya Pradesh through Training and Development ***

Human capital is pivotal to the success of an area specific cooperative development project like ICDP. Recognising this, development and empowerment of people – be it the members of project implementation team, elected management, ordinary members and managers of cooperatives - has been included as a key component in all ICDPs. The projects which have pursued manpower training and development consciously, sincerely and innovatively have been successfully implemented and achieved commendable results. ICDP, Ratlam, in Madhya Pradesh implemented in recent past stands testimony to this.

Manpower Training and Development Initiatives

The members of Project Implementation Agency (PIA) and Project Implementation Team (PIT) in ICDP, Ratlam realized, in the very beginning, the importance of people's role and the dynamism it can lend to the project. A willing, inspiring and energetic project manager was identified to lead the team for implementation of the project. A good extent of freedom, space and long tenure was provided by PIA to the project manager for decision-making and continuity of thought and action. The project was commenced by jointly setting a vision and a mission, reflected in the guiding slogan "Awareness and Development through Cooperatives - our Aim". Effective communications on raison d'être, strategy and challenges of the project with own team, all departments, cooperatives and their members enabled to receive unwavering support and commitment for success of the project.

The plan for training and development of human resources in the project included training interventions for all types of personnel of PIA, PIT and cooperatives including their members. Orientation training on Implementation of ICDP by TOPIC (Training of Personnel in Cooperatives) Institute of National Cooperative Development Corporation enabled managers to learn the correct meaning and spirit of the project, and their roles, and the skills for qualitative implementation to strengthen cooperatives as viable and sustainable institutions - owned, managed and used by their members. The development officers, with no earlier knowledge and background of project functioning were equipped with needed skills for their specific roles and responsibilities in the project. Their capacity building in one month long programme by TOPIC, enabled them to acquire skills to identify problems, design solutions, formulate resolutions, prepare project proposals and impart education, training and guidance to cooperatives to improve and strengthen their operations, systems and business. Project-specific, multi-skilled and inspirational trainings to all members of PIT, had set a right tone for project take off and implementation.

The HRD programmes, for all types of cooperatives in the district, were designed and delivered only after thorough discussions on training needs and possible training solutions by PIT with reputed institutions. The leading institutions involved included, Bankers' Institute for Rural Development (Lucknow), TOPIC Training Centre (Gurgaon), Institute of Cooperative Management (Bhopal), Cooperative Training Centre (Indore) and Ujjain Milk Cooperative Federation Training Centre (Ujjain). In addition, specialists and experts from Gram Vikas Trust, Indian Farm Forestry Development Cooperative (Ratlam), Krishi Vigyan Kendra (Javara) were co-opted on various occasions to share their knowledge and experiences with PIT and cooperatives. Field training programmes for elected and paid staff, and education programmes for members were organized regularly to transfer knowledge and need-based competencies.

Among other initiatives, study visits to successful cooperative societies, identified objectively to fulfill the specific learning requirements, were arranged for the cooperative personnel. Officials of the cooperatives in agriculture sector visited important societies like Warna nagar, Kolhapur etc. The managers and staff of fishery cooperatives were deputed to Hoshangabad and Satna districts for practical training on fish rearing and post harvest aspects including marketing. Similarly, the personnel of milk cooperatives visited good working milk cooperative societies in Anand, Gujarat and Jaipur, Jodhpur in Rajasthan.

Special workshops to create awareness on Kisan Credit Card, Group Insurance Scheme, Deposit Mobilization, NPAs (Non Performing Assets), Cooperative Audit, Women Cooperatives, Self Help Groups etc. were conducted by PIT. The information on various related schemes in agriculture and allied sector, which can be dovetailed for improving business and create employment in the area, was provided in the programmes. Information notes and background materials formed an integral part of the kit for trainees in various programmes organized under ICDP.

Computerization of the office of PIT and 24 primary cooperative societies in Ratlam district was unique for any ICD Project in Madhya Pradesh. Training to 88 Officers and staff to develop skills in use of computers was another distinct features of the project.

Implementation of HRD interventions led to perceptible improvements in the knowledge and competencies of the cooperative personnel to perform their roles and responsibilities. The efforts also influenced the mindset positively and helped in overall improved performance. Participation and involvement of members and also their trust in cooperatives increased significantly.

Achievements in Implementation

Concerted efforts to develop human resources paved the way for timely completion of the project and higher achievements with visible and significant early impact of the project. The project with a total provision of Rs.957.310 lakhs utilized 99.2% of the funds made available. The achievements for utilization of funds under different sectors are tabulated here :-

S.No.	Sector	Provision (Rs. in lakhs)	Utilised (Rs.in lakhs)	Percentage (%)
1.	Agriculture	634.600	634.600	100%
2.	Banking	152.600	152.600	100%
3.	Dairy	127.250	127.250	100%
4.	Marketing	19.500	19.500	100%
5.	Fisheries	6.352	4.170	66%
6.	Consumer	4.000	4.000	100%
7.	Women Cooperatives	7.908	4.670	59%
8.	Horticulture & Industrial Cooperatives	5.200	2.600	50%
	TOTAL	957.310	949.390	99.2%

Some of the special achievements in agriculture, allied sector and for other sectors/ activities, included in the project were:

- 85 godowns and 10 shops constructed, adding 73% to the existing storage capacity. Construction of godowns led to creation of 42,000 days of labour employment.
- 24 societies provided with computers and relevant softwares which helped in building transparency and modernization of operations. This facilitated in reconciliation of the old imbalances, improving efficiency and reducing the workload. 88 officials and staff received training in 'Use of Computers'.
- Number of societies involved in mobilization of savings and deposits increased from 55 (Rs.1081.03 lakhs) at the start of the project to 72 (Rs.1956.84 lakhs).
- Progress achieved under credit, public distribution system and other businesses was more than the targets. Total profit of the Primary Agricultural Cooperative Societies (PACS) increased to Rs.260.73 lakhs from Rs.136.38 lakhs at the beginning of the project.
- Collection of milk by primary milk cooperatives which stood at an average of 12,598 litres per day increased to 20,360 litres. Provision of infrastructure, equipment and the margin money facilitated in upgrading the facilities and services to increase collections.
- Four marketing societies in the project showed significant improvement in their functioning and business: Ollot Primary Cooperative Marketing Society, which was defunct, started making profit by assistance under the project. At the beginning of the project, the society with a business of Rs.2.22 lakhs reached to a level of Rs.344.74 lakhs by end of 4th year, and earned a profit of Rs.5.63 lakhs.

- Four fishery societies, out of eight existing at the start of project, were producing just 0.5 tonne of fish. Project helped in enhancing production of these four societies to 8.50 MTs with an annual sales of Rs.7.15 lakhs. Five new fishery societies were created during project tenure. Total fish production of nine societies reached to 18.25 MTs.
- 5 women cooperative societies were assisted for Rs.4.67 lakhs for making papad, wadi and spice powder etc. Total production of more than 1.00 MT of papad helped in providing employment to the weaker sections of women.
- Two cooperatives in horticultural sector and three in the industrial sector became functional by proper use of margin money/share capital assistance.
- Softwares for computerization were developed under the project to facilitate management of members, loans, kisan credit card, public distribution system and administrative work including MIS reports. The functioning of the project and societies improved by use of the need-based softwares.
- Against a demand of State Government of Rs.151.10 lakh by 4th year of the project under total disbursements of Rs.957.31 lakh in the project, an amount of Rs.169.33 lakh has been repaid. Thus at the end, the recovery of project dues was 112%.

Core Successes of PIT

The distinctive features of the successful functioning of the project implementation team were:-

- Timely completion of the Project;
- First project in the state involving computerization of the Project office and the societies;
- Selection of societies for financial assistance with due involvement of concerned departments for transparency in financial disbursement;

- Constitution of various sub-committees for transparent operations and practical solutions;
- Financial disbursement by "Account Payee Cheques"/transfer of funds in the accounts of societies;
- 100% recovery of the project dues;
- Sound financial management practices;
- About 40% savings in the establishment costs budgeted for Project Implementation Team;

Successful implementation of the ICDP, Ratlam is largely attributed to the recognition of power of peoples' education, motivation, training, management and development and preparing a sound design and delivery of HR mechanisms to achieve it.

STRATEGY FOR DEPOSITS MOBILISATION BY PRIMARY COOPERATIVES AND ITS IMPACT UNDER INTEGRATED COOPERATIVE DEVELOPMENT PROJECT (ICDP)

11

National Cooperative Development Corporation, New Delhi sanctioned ICDP for Krishna District, Andhra Pradesh in the year with an outlay of Rs.17.73 crores. Krishna District Cooperative Central Bank was designated as Project Implementing Agency (PIA) to implement the project through a specially constituted Project Implementing Team (PIT). ICDP, Krishna was aimed at developing the Primary Agriculture Cooperative Societies (PACS) as viable multipurpose societies so as to undertake facilities and supply of credit, inputs, consumer goods and agricultural marketing by providing the needed infrastructure and margin money for business promotion. The intention was also to assist societies to start deposit/savings services to enhance the financial liquidity for business development. It also contemplated to strengthen the existing functional cooperatives such as Fisheries, Handloom, Industrial, Agriculture and Horticulture in the like manner and also to develop human resources through incentives and training.

SUB PROJECT FOR INFRASTRUCTURE OF DEPOSIT COUNTERS

The project had the following outlays under the sub-project Deposit Counters to enable the societies to function as mini bank:-

(Rs. In lakhs)

S.No.	Sector/ Activity	Unit Cost	Physical Outlay	Total Financial outlay
DEPOSIT COUNTERS				
1.	Small	0.35	111	42.74
2.	Big	0.50	50	27.50
3.	Gold Safe	0.50	50	23.65
	Total:		211	93.89

This was one of the thrust areas under ICDP, Krishna and many societies approached the project for establishment of the Deposit Counters.

IMPLEMENTATION OF INFRASTRUCTURE COMPONENTS

ICDP, Krishna had assisted the beneficiary societies for creation of the infrastructure for establishment of rural bank in the following manner:

- A wooden deposit counter and a defender safe for custody of cash based on requirements/local needs.
- Some societies were provided counter furniture like wooden sofas, visitors chairs etc. to improve the customers service.
- Selected societies were also provided with strong rooms in view of demand for boosting the customers confidence.
- For facelift of societies need based repairs in buildings were undertaken.
- Project coordinated with NABARD for establishment of Locker facility in Primary Cooperatives under its Cooperative Development Fund Scheme. As a result 9 societies established locker facility and more proposals were in the pipeline.

STRATEGY FOR MOBILISING DEPOSITS THROUGH PRIMARY COOPERATIVES (PACS)

As a strategy the following activities and capacity building were integrated by the PIT for successful implementation and achievements of desired results:

A. ACTIVITIES:

- All the potential societies were provided the deposit counters and defender safes.
- Official and non-officials of the society were motivated for mobilization of deposits.
- All the deposit schemes like fixed deposits, recurring deposits, reinvestment deposits and savings bank A/Cs were introduced in societies provided with banking counters.
- Mutually acceptable targets were fixed for staff and the Board of Directors for deposits mobilization.
- List of potential depositors were prepared and constant pursuation was done with them for tapping deposits.
- All staff of the PIA, the bank branches, PIT and Field Supervisors were involved in canvassing for deposits.

- Inauguration of the deposit counters was done in a befitting manner by inviting the VIPs and Chairman of the Bank, MLA and Senior Officials of the PIA etc. to ensure publicity for success of the activity.
- Door to Door Campaign by the staff of the society, PIA and ICDP was conducted for good beginning.
- Pamphlets on various deposit schemes, comparative advantages and interest rates were printed and distributed.
- Bank supplemented the efforts of the societies by audio cassettes and video publicity through Cable TV etc. during the deposit mobilization campaigns.
- Deposit Mobilization Camps/Meetings were regularly conducted in Villages during evenings by inviting all the villagers and clarifying their doubts and explaining benefits of investing with cooperatives. In all, 110 such camps were arranged.
- Customers' meets were organized in a planned way. Door to door canvassing was done prior to the date of customers meet and on the date of customers meet by ICDP Development Officers, Bank Staff, Managing Committee members and Staff of the society.
- Leaflets with attractive slogans and rates of interest offered were distributed to each and every house before customers. Banners were displayed at society conspicuously and press coverage was also arranged on Deposit Mobilization Campaign for publicity.

B CAPACITY BUILDING INTERVENTIONS FOR DEPOSIT MOBILIZATION

- ICDP Officers conducted 110 deposit mobilization campaigns during five years of the project in potential areas at village level. Campaign enlightened the members on Self help through society and created sound awareness on the functioning of the society. Members started viewing the society not only a lending agency but also a rural bank for keeping their surplus amounts in the form of deposits.
- Project imparted training to all Secretaries of the Primary Cooperatives for maintenance of accounts and savings mobilization skills.
- Supporting staff of societies were also imparted training on delivery of better services and customer satisfaction.

- Deposit regulations for all types of deposits were formulated and distributed to Primaries to follow the regulations to ensure uniform practices for Banking Counters through out the district.
- Gold loan regulations were also finalized for issue of Gold loans by the PACS to ensure uniformity and safe deployment of deposits.
- ICDP field officers were instructed to inspect deposit counters and guide/offer suggestions for utilization of deposits, their investment and house keeping.
- Appropriate guidelines were issued from time to time for functioning of Banking Counter on the sound lines.

C. PROACTIVE ROLE OF PROJECT IMPLEMENTING AGENCY (BANK) IN MOBILIZATION OF DEPOSITS BY PRIMARY COOPERATIVES

Project Implementing Agency played a key role in accelerating the mobilization of deposits in PACS. The Krishana District Cooperative Central Bank, as federation of PACS took up the onus of creating a good image for cooperatives in the district and also of its own outstanding performance in all spheres of its activities.

The Bank regulated the deposit mobilization process by framing guidelines on utilization/investment of deposits so as to safeguard the interest of depositors of PACS and to meet the deposit obligation by the PACS on demand without any difficulty. The Bank rendered the necessary support through its staff and other means of canvassing like Audio, Video, Press Advertisements etc.

Chairman, Managing Committee, Senior Officers and the staff of the Bank took keen interest for mobilization activity in the societies which provided the necessary impetus for commandable growth of deposits.

D. UTILIZATION OF DEPOSITS AND BENEFITS BY PRIMARY COOPERATIVES

- The societies were paying 0.5% extra rate of interest on deposit than offered by the Krishna District Cooperative Central Bank. Thus the societies had an edge in attracting deposits.

- PIA allowed 0.5% extra interest on the rate offered by the society for the investment of the society with the Bank.
- PIA permitted societies to sanction labour employment, consumption loans etc. to the extent of 20% of long term deposits.
- The societies were allowed to utilize partly the mobilized deposits for non-credit business like supply of fertilizers, pesticides, seeds and consumer goods.
- The societies had option to invest surplus amount with the Krishna District Cooperative Central Bank in the form of Deposits.

ACHIEVEMENTS IN DEPOSIT MOBILISED BY PRIMARY COOPERATIVES

Primary Cooperatives in Krishna District mobilized substantial deposits from rural masses, as shown below, during the last 3 years of the project.

Year of the Project Implementation	Deposits (Rs. In lakhs)	Growth Rate
--	318.00	--
1 st Year	767.49	141 %
2 nd Year	1333.29	74 %
3 rd Year	3106.75	133 %

Deposits had increased 10 fold when compared to the year preceeding the year of commencement.

IMPACT OF DEPOSIT COUNTERS SUB-PROJECT IN DEVELOPMENT OF COOPERATIVES

The Deposit Counters created a lasting impact on the rural masses in the Krishna District in the following ways:

- Deposit Counters were established in rural areas where commercial Banks and Regional Rural Banks have not opened their branches. The banking facilities in Primary Cooperatives are now available very close to the rural people in the villages leading to financial inclusion of poor and marginalized population.
- Deposit mobilization camps (110) in rural areas led to financial literacy and the saving habits among rural masses.

- Many societies started utilizing portion of the deposits to take up non-credit business (fertilizer business) and to increase the services to its members.
- Some societies also used part of deposits for issue of consumption loans, consumer durable loans and for self employed schemes which generated more employment in rural areas.
- Some societies started activity of issue of gold loans with the deposits mobilized,
