

Government of Orissa

**ORISSA WATERSHED DEVELOPMENT MISSION
BHUBANESWAR**

Letter No. 1366

Dated - 2nd June 2004

**To Project Director, WORLP/ WATERSHED
Bolangir/ Nuapada.**

Sub: Watershed Plus (Livelihoods) Guidelines

The project is seized with the task of preparing comprehensive guidelines for utilization of the watershed plus fund available in the project. Till these guidelines are prepared, the following interim guidelines will come into effect for approval of livelihoods action plans for the year 2004-05. These guidelines apply to the first and second batch of 26 WORLP watersheds in Nuapada and Bolangir.

1. The PIAs with help of LST and WDT will facilitate watershed development committee (WDC) through active participatory processes to prepare an action plan/ improved micro plan for utilization of watershed plus funds. This plan should be prepared according to the micro plan guidelines developed by the project. This plan will be submitted to the PD-Watershed for review after the same is placed before and approved by the watershed association. The plan will finally be approved by the DWAC.
2. **Budget Allocation of Watershed Fund** - Currently MoRD guideline is available for element wise budget for spending the watershed fund of Rs.6000/- per hectare. The current allocation is as follows –
 - a. 5% i.e. Rs.300/- per hectare for community mobilization.
 - b. 5% i.e. Rs.300/- per hectare for capacity building.
 - c. 5% i.e. Rs.300/- per hectare for salaries expenditure of PIA and WDTs.
 - d. 3% i.e. Rs.180/- per hectare for administrative expenses at WC level.
 - e. 1.5% i.e. Rs.90/- per hectare for administrative expenses at DRDA level.
 - f. 0.5% i.e. Rs.30/- per hectare for administrative expenses at Watershed Mission.
 - g. 80% i.e. Rs.4800/- per hectare for works.

Item 'g' i.e. Rs. 4800/- will now be further split into two parts

- G1. 60% i.e. Rs.3600/- per hectare will be utilized for works (Land/ NRM based activities for the whole community).

NRM related activities like creation of soil and water conservation structures, community plantations etc. (Details are available in the Watershed Guidelines), need to be carried out from this budget, with a view to enhance, retain & utilize natural resources like soil, water & vegetation.

- G2. 20% i.e. Rs.1200 per hectare will be spent for Common activities for the whole community as well as activities for improving quality of life. Some of the activities which could be considered are as follows (the list of activities is only illustrative and not exhaustive) :
- A) Activities like backyard kitchen garden, composting, establishment of Grain Bank/ Seed Bank, and seed exchange etc.
 - B) Preventive health activities like strengthening and augmenting the efforts of the drug distribution centres at village level for common ailments, drinking water and sanitation activities on the lines of similar program conducted by Gram Vikas, activities for prevention of malaria on the lines of similar activities conducted by CARE, activities for vaccination of human beings as well as livestock, chlorination of wells and other water bodies, promotion of homestead herbal garden on the lines of similar activities carried out by Sabuja Biplav etc.
 - C) Activities for convergence with government schemes-- These could include adult literacy, non-formal education, promoting the education of the girl child, education for the children of the migrants, activation of the village education committee, augmenting the resources for the schools, antenatal and postnatal checkups, training of traditional birth attendants, supply of horticulture plans, drinking water supply, joint forestry management etc. These activities are already planned by the government through schemes like Swajaldhara, Biju Krishak Yojna, District Sanitation Mission Schemes etc. The WDC is expected to mobilize the government machinery and hence the required funds are expected to come from the government. The WDC could make available its funds to compensate for delay in release of funds from the government. While this money may initially be available to the WDC for the purpose of leveraging resources from other sources, it has to be returned to the Watershed Corpus, i.e., Works Budget within twelve (12) to eighteen (18) months. The Watershed Association (WA) and the Pallisabha shall resolve to this effect and work in this direction.
4. **Budget Allocation of Watershed Plus Funds** - Rs.3500/- per hectare will be spent on activities focused on the poorest along with other related expenditure as per the following brake-up –
- a. Rs.166/- per hectare for additional administrative expenses of WDC.
 - b. Rs. 30/- per hectare for additional administrative expenses of the PIA.
 - c. Rs.4/- per hectare for additional administrative expenses of the watershed mission.
 - d. Rs.500/- per hectare for community mobilization & capacity building.
 - e. Rs.2800/- per hectare for livelihoods activities focused on the poorest. This budget will be called as livelihoods promotion budget (LPB).
5. **Management of Administrative Expenses** - (Rs.200/- per hectare) – An additional amount of Rs. 200/- per hector will be available to the WDC for administrative expenses like office expenses, travel, honorarium of secretary as well as other community link workers (CLWs). To strengthen the implementation of the various livelihood interventions a variety of community link workers/ volunteers may become

necessary. The WDC in consultation with the PIAs will decide upon the need for such volunteers. Appointment of such volunteers will need to be approved by PD after ensuring that the concerned individual has the necessary education, aptitude and training. Broad guidelines for different types of community workers are as follows

- a) CLW for small ruminants – The project has tied up with ISNRMPO to train CLW for small ruminants. They are expected to earn remuneration for their services, directly from the community. The project will make efforts to build the capacity of these CLW to create more income generation opportunities for them.
- b) CLW for Soil & Water conservation - The CLWs will help WDCs in implementing & supervising the soil & water conservation structures. Wages for CLW – SWC will be added to the estimates of the structure and hence will get accounted for as a part to the NRM works budget of Rs.3600 per hectare
- c) SHG Facilitator – Selected individuals will be given intensive training to act as record keepers for various SHGs and UGs in the watershed. The WDC can pay them work linked honorarium (e.g. Rs. X per meeting etc.) not exceeding Rs.400 per month. The WDC will encourage the SHGs and UGs to make alternate arrangements for the services of the facilitators. The honorarium to SHG facilitator will be paid for first two years of the functioning of SHGs and UGs
- d) Agril / Horti / Forestry CLW – Selected individuals will be trained by the project to train the farmers in various agril/horti/forestry interventions, initiated by the project or by the WDC in consultation with the PIAs. These CLWs would be paid work linked honorarium not exceeding Rs.400 per month.
- e) Accounting of livelihoods Fund – The secretary of Watershed Committee is currently paid an honorarium of up to Rs.750/- per month. From the 2nd year of the watershed, he can be paid an additional honorarium of up to Rs.500 to maintain the accounts of transactions related to watershed plus funds. The WDC in consultation with PIA will decide the amount of the honorarium in line with the work load involved.
- f) Health Para worker – The Project will make efforts to strengthen the capacity of health Para workers in the village like Anganwadi workers entrusted with the responsibility of drug distribution centre, traditional birth attendants etc. The issue of requirement of new cadre of health para workers and their honorarium will be decided after the health strategy is finalized.

6. Management of Administrative Expenses for PIAs and Watershed Mission. –
In view of the additional activities to be carried out, the PIAs will be given an additional amount of Rs.30/- per hectare to meet their administrative expenses. Similarly Rs.4/- per hectare are earmarked for strengthening of watershed mission.

7. Management of Capacity Building and Community Mobilization Budget (Rs. 500/- per hectare) - Capacity building and community mobilization budget will be spent by the PIA. This fund will be spent by the PIA on the basis of a CB Plan to be developed thorough participatory CB need assessment of the target group for fulfilling the micro plan. This plan can be a part of the overall action plan (as mentioned in point 1 to be approved by the DWAC). Alternatively this plan can be separately approved by the concerned APD in consultation with the CBT members. Expenditure

for SHG/ UG training and awareness training on social and cultural issues can be a part of CB & CM budgets of watersheds as well as watersheds plus funds.

- 8. Definition of the Poorest** – The project memorandum mentions that approximately 80% of the population can be termed as poorest (ref. page-13 para 3.7.3 of the project memorandum). They have also given broad criteria for identifying the poorest groups. As a part of the micro planning process the community is expected to come up with well being ranking by classifying various households under 4 categories of well-off, Manageable, Poor, Very Poor. The last three categories will be termed as the poorest. If in any watershed the no. of people identified under well-off category is less than 15%, project director needs to approve the classification. It is expected that even within the poorest the assistance from the project should be gradually increasing from the manageable to the poorest.

9. Management of Livelihoods Promotion Budget

- a) The livelihoods promotion budget will have grant/subsidy component of Rs. 3200/- per hectare. This component will be utilized as a grant or subsidy for activities mention in 9a. The subsidy for any one intervention could vary from 40% to 80% depending on the relative poverty of the participants. However the total grant/subsidy from watershed and watershed plus funds should not exceed Rs.15000/-for any household. Till the final guidelines are issued, the Project Director will approve the subsidy/contribution percentage as well as modalities for the same, for different activities. The higher limit for revolving fund to be agreed by the PD-watershed
- b) Out of the Livelihoods Promotion Budget Rs.4000/-hectare a sum of Rs.800/- per ha will be **created as revolving fund**. This revolving fund will be managed by the Watershed Committee (WC) to promote income generation activities.The revolving fund will be routed through the SHGs and UGs. The SHGs and UGs will approve the credit to be given depending upon the viability of the business plan prepared by the participants. The LSTs/WDTs will help the participants to prepare business plans.
- c) The poorest who can't avail of any assistance or subsidy under the works budget or activities under 9a. could request the WC to convert a part of the credit given to them under 9b. Such financial assistance should not exceed Rs.2500/- per activity.
- d) The livelihoods promotion budget will be spent by watershed development committee.

10. ACTIVITIES UNDER LIVELIHOODS PROMOTION BUDGET (Grant / Subsidy component of Rs. 2000/- per hectare)

- i. Activities for improving living condition of the poorest in groups or individual poor as identified by the community can be thought of. While any activity leading to better quality of life can be planned, it will be the endeavor of the project to promote and support such activities which will add to significant improvement in their economic status on a sustainable basis as also increasing their social status besides raising their dignity. These include activities which

reduce the expenditure of the households and improve the overall wellbeing of the community e.g. promotion of composting, joint procurement of agriculture inputs, setting up of PDS shops, etc. These could also include activities for drudgery reduction in agriculture and household jobs particularly for the women.

- ii. Common Facility Centre (CFC), provision of collective raw material procurement and marketing services, quality control and brand development etc. could also be considered.
- iii. Land improvement, provision of surface irrigation including that from Shallow Tube Wells (STW) and dug-wells and micro-irrigation, support for better seeds, and technologies including cost and drudgery reduction technologies, such as IPM and INM/IDM, micro irrigation, gochar land development to benefit the poorest, leasing in of land, crop diversification from paddy to low water requiring cash crops including Dry land horticulture and commercial utilization of CPRs for fuel, fodder, timber and horticulture crops, helping the community to undertake improved agricultural practices, initiation of horticulture and agro forestry, fodder cultivation, introduction of water lifting and water application technologies like the ones promoted by IDE, initiation of decentralized nurseries, supply of seeds, saplings etc. can be planned.
- iv. Activities where the concerned PIA has a proven track record or is willing to initiate proven interventions under the guidance of another reputed agency. These could include reclamation of mortgaged lands as practiced by Vikalp, promotion of onion cultivation, storage and marketing as practiced by SVA, etc.

11. ACTIVITIES UNDER LIVELIHOODS PROMOTION BUDGET (revolving fund component of Rs. 800/- per hectare)

- i. These activities could include enterprises like goatery, rearing of milch animals or poultry, primary processing of agricultural produce or NTFP, Group income generation activities like pisciculture, NTFP sale, extraction of mahua oil etc.
- ii. Micro-enterprise around Rural Non-Farm Sector (RNFS) can be promoted either through individual or group of entrepreneurs in the form of SHGS, UGs, LGs or CIGs in the project villages. While selecting activities/ trades/ schemes backward and forward linkages need to be worked out and gaps identified in resource, skill and infrastructure areas. These could also include non-farm enterprises like setting up a grocery store, barber shop, band party etc. Existing village entrepreneurs like blacksmiths, artisans can be given credit for purchasing or enhancing their assets etc.
- iii. Income generation opportunities can be promoted wherever market linkage opportunities exist in the project areas. These activities should be undertaken only after reaching a formal understanding between the purchasing/Marketing agency and the community. Tie-ups with OMFED, TRIFED, ORMAS, ITDA, RCDC (for NTFP), Sabuja Biplav (for commercial cultivation of medicinal herbs), and such other agencies can be explored by the PIAs with approval of PD-watersheds.

12 Institutional Arrangements – The watershed committee needs to ensure that the livelihoods promotion budget is spent for the poorest only. It could think of a separate livelihoods promotion sub-committee for administering the LPB. The PD watersheds ,

in consultation with the concerned watershed committee and PIAs can finalize the institutional arrangements.

- 13 Release of Funds** – Schedule for release of funds for different budgets is annexed.
- 14** PD Watersheds will assess whether a particular PIA has the necessary skills to implement the activities. He can initiate capacity building inputs for PIAs wherever necessary or he can arrange collaboration between the concerned PIA and an established resource agency to transfer the necessary skills through on the job support etc. PD-WORLP should discourage PIAs from initiating activities where they do not have proven track record.
- 15** WDCs in consultation with the PIAs should make efforts to initiate activities based on indigenous technology and knowledge as far as possible and should refrain from ill conceived experimentation. If the WDCs/PIAs want to initiate experiments they can do so by separately applying to the DWM.
- 16** These guidelines are interim guidelines and hence the CBTs, APD and PDs will need to utilize their expertise and wisdom in helping the PIAs to come up with relevant action plans within the project log-frame.
- 17.** These guidelines have prescribed upper limits for expenditure for various activities. Based on the micro plans prepared, the WDCs in consultation with the PIAs may feel it necessary to change those limits within the overall money available to them. All such cases can be put up to DWM through the PD watersheds for approval.
- 18.** Livelihoods activities have been initiated in the watersheds before the issue of these guidelines. If these activities are not in line with these guidelines, PD-Watersheds can regularize continuation of these activities.

Yours sincerely,

(PRADEEP JENA)
Director

Memo No. 1367

Dated 2nd June,2004

Copy forwarded to Collector Bolangir/ Nuapada for information and necessary action.

Director

Detail Budget- All figures are in Rs per Hectre

Sl. No.	Agency	Particulars	Fund	Amount	PY1	PY2	PY3	PY4	PY5
1	WM	Administrative	WS	30	18	12	0	0	0
			WS+	4	4	0	0	0	0
				34	22	12	0	0	0
2	PD WS	Administrative	WS	90	6	12	24	24	24
3	PIA	Administrative	WS	300	60	60	60	60	60
			WS+	30	4.5	9	9	4.5	3
				330	64.5	69	69	64.5	63
		Training	WS	300	180	60	60	0	0
		Community Organisation	WS	300	240	60	0	0	0
		Training & Comm Mobilisation	WS+	500	150	150	100	100	0
4	WDC	Works NRM	WS	3600	270	1170	1215	585	360
		Works Non NRM	WS	1200	90	390	405	195	120
				4800	360	1560	1620	780	480
		Livelihood Promotion Grant/ Subsidy	WS+	2000	291.5	741	741	195.5	31
		Livelihood Promotion RF	WS+	800	50	100	150	200	300
				2800	341.5	841	891	395.5	331
		Administrative	WS	180	36	36	36	36	36
			WS+	166	25	50	50	25	16
				346	61	86	86	61	52
				9500	1425	2850	2850	1425	950

Available and Proposed Budget Allocation for Watershed and Watershed Plus Funds in WORLP

Budgetary Allocation per MWS in Rs			Expenditure Heads	Cost per Ha in Rs	Cost per 500 Ha in Rs
9500	6000	1200 (20%)	Salary and other expenses of PIA and WDT	300 (5%)	1,50,000
			Administrative expenses of WC	180 (3%)	90,000
			Administrative expenses of PD Watersheds	90 (1.5%)	45,000
			Administrative expenses of WM	30 (0.5%)	15,000
			Community Mobilisation	300 (5%)	1,50,000
			Capacity Building	300 (5%)	1,50,000
	3500	4800 (80%)	WS	*3600 (60%)	18,00,000
			Livelihoods Activities	*1200 (20%)	6,00,000
		*700 (20%)	Administrative expenses for Livelihoods Promotion Committee	*200 (Approx. 6%)	1,00,000
	*2800 (80%)	Community Mobilisation and Capacity Building	*500 (Approx. 14%)	2,50,000	
		Livelihoods Activities	*2800 (80%)	14,00,000	
				TOTAL	9,500