

MONITORING MECHANISM FOR RIDF PROJECTS

In-house Monitoring:

The National Bank lays considerable emphasis on systematic and sustained monitoring of the projects sanctioned under RIDF. Field monitoring is supplemented with desk reviews and periodic returns. With a view to ensure smooth implementation of projects, designated officers from Head Office and Regional Offices at the State level and the District Development Managers at the district level undertake regular field visits to monitor the progress of projects and discuss the problems with field level functionaries.

The objectives of monitoring are:

- Facilitate timely physical completion of the projects
- Avoid cost and time overruns
- Ensure compliance to the approved design and quality parameters
- Increase visibility of NABARD monitoring; and
- Identify new investment opportunities that complement and supplement rural prosperity

GUIDELINES FOR MONITORING OF RIDF PROJECTS

1. Desk Monitoring Desk monitoring helps in identifying critical issues such as non-starter projects, slow moving projects, areas having concentration of projects and areas within adequate/zero projects.

2. Field Monitoring

2.1 RIDF projects are currently being monitored on a project basis. However, due to an increase in the number of projects, area-based stratified field monitoring mechanism could be more effective. The desk monitoring will facilitate crystallization of issues, and selection of proper sample(s) in turn will help in field monitoring.

2.2 Monitoring of Projects of Variable Outlay:

In order to ensure that the frequency of field monitoring is, in general, based on the amount of loan involved, the projects are classified on the basis of loan amount sanctioned. Accordingly, projects are classified into three categories, i.e.

- (i) projects with loan amount upto and inclusive of Rs.50 crore,
- (ii) projects with loan amount more than Rs. 50 crore and upto Rs. 100 crore and
- (iii) projects with loan amount of Rs. 100 crore and above.

As regards the number of projects to be monitored, in case of projects coming under category (i) and (ii) above, zonal/sectoral monitoring, to the extent of about 6% and 75% of the projects to be monitored once during the project implementation. For projects under category (iii), 100% of the projects respectively are to be monitored once in a year during implementation.

2.3 Selection Criteria:

Selection of projects is based on physical progress (at least 20% physical progress is achieved), physical progress in commensurate with financial progress, slow progress in drawals, projects not visited, projects in different geographical/ecological regions, problematic projects, successful projects eligible for documentation as case study, etc.

2.4 Reporting of Findings:

The Regional Offices convey the sector-wise findings on core issues for necessary follow-up at appropriate level of the State Government but for projects under category (ii) & (iii), the individual project wise issues/constraints identified are communicated to appropriate level of the State Government for early necessary follow up.

2.5 Social Monitoring Tools:

With a view to supplement our monitoring efforts, it is desirable to encourage 'social monitoring' through display of the physical and financial details in local language, especially of smaller projects having people's participation. The physical details should generally be in a layman's understandable local language. In smaller projects which are sanctioned in large numbers like check dams etc. the available space on the walls in the vicinity is used for this purpose instead of metal boards to reduce expenditure on this head.

3. Supervisory Monitoring Mechanism -High Power Committees

3.1 High Power Committee (HPC) meetings are held under the Chairmanship of Chief Secretary/Additional Chief Secretary or in case of unavailability/preoccupation of Chief Secretary/Additional Chief Secretary to chair HPC meeting, the Secretary incharge of Finance Dept. of the State (nodal dept.), on quarterly basis by the Regional Offices of NABARD with the Administrative Secretaries and Heads of the implementing departments. This system will necessitate preparation of suitable agenda by the Regional Office and depending upon local situations, zonal heads of the implementing departments should also be invited to these meetings.

3.2 Supplementary Review Meetings: Some of the Regional Offices have introduced the system of District Level Review Committee under the chairmanship of District Collector with participation of local officers of implementing departments and the DDM. These committees have proved to be useful in sorting out various local operational problems.

4. Project Completion Certificate (PCC) Implementing Departments may submit a Project Completion Certificate (PCC) to NABARD, immediately on completion of the physical works in respect of the project executed with financial assistance under RIDF.

5. Project Completion Report (PCR) The objective in obtaining PCRs, inter alia, is to chalk out strategy for funding identical projects in future as also to ensure project completion, make overall assessment of the potential created for generation of income and employment in rural areas, etc.