SUPPLY CHAIN FUND OPERATIONAL GUIDELINES

1. Supply Chain Fund (SCF)

Supply Chain Fund (SCF) is a grant mechanism within the Livelihood Access to Market Project’s (LAMP) Component 3: Inclusive Supply Chain & Enterprise Development which is implemented by Meghalaya Basin Management Agency (MBMA) in all the 11 districts and 18 selected blocks. It is designed to stimulate private investment in small and medium scale enterprises through the development of competitive and inclusive agricultural clusters that are part of supply chains serving wider markets, often outside the local area.

SCF will provide a matching grant to private investors (farmer producers groups/organisations, Medium Small Enterprises, Self Help Group/ Village Organisations, Integrated Village Cooperative Society, agribusinesses or others) based on selected investment plans through a competitive process targeted specifically at the identified bottlenecks in each Supply Chain that are prioritised by the Supply Chain actors through the Multi-Stakeholder Platforms (MSPs) and similar consultative process. The priority of the matching grant will be mainly early adopter private investors along the selected supply chains who invest in new planting materials, post harvest production technologies or new services/functions needed in the supply chain to absorb part of the additional risk associated with “first mover” investments.

The matching grants are expected to represent 50% for Windows 3: Small/Medium Enterprises Investment of total fixed capital investments costs on average with the balance contributed by the investor from either their own capital or loaned by financial institutions.

2. Objectives:

The objectives of SCF are to provide direct financial support to stimulate private investment in various stages of supply chain from inputs supply, production, and post-harvest management, processing / marketing and also support service market so as to facilitate and develop competitive supply chains and create overall growth in terms of market led production, sales turnover, income and employment including fostering growth of networks of competent market-based (fee based) service providers.

3. Supply Chain Fund Guidelines

Supply Chain Fund Guidelines is intended as a practical written guide to support decision on how the investment proposal under the fund should be selected, implemented and administered. In particular, the purpose of this guideline is as below:

• To provide guiding principle, procedures, eligibility and evaluation criteria for selecting viable co-investment and their smooth implementation.

• To enhance the capacity and understanding of the project stakeholders and implementing partners on the implementation of SCF at field level.

• To assist and guide the Project Management Team in planning, implementing, supervision and monitoring project investment through SCF.

4. Commencement and modification of Guidelines

SCF Guidelines will be effective immediately after approval from the IFAD and Board, Meghalaya Basin Management Agency (MBMA). It is expected that these Guidelines will be updated and refined from during the course of Project implementation if required based on the experience and lessons learned during the implementation of these guidelines in ground. However, the processes for updating these guidelines are followed.

These guidelines shall be reviewed periodically at review meetings, support mission and joint supervision missions of Government/M-LAMP and IFAD. During the time, the appropriateness of the guidelines including terms and conditions and procedures shall be assessed against the project objective, and the ambition to establish sustainable solutions for supply chain development. The recommendations for changes to the Guidelines will be specified and agreed in the Aide Memoire during the joint supervision missions, that shall come into force immediately and not subject to further approval.
5. Grant category under Window - 3

The SCF which has different categories under the Window 3 for investments, each targeting a particular scale of innovation investment and linked to the function and support services along the Supply chain, as summarized in table 1 below.

Table 1. Summary of Different category of Window -3

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>WINDOW 3: MEDIUM ENTERPRISE INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area of Support</td>
<td>Small /Medium enterprises investments in initial production, and post-harvest management, processing / marketing and also support service market of the listed supply chain</td>
</tr>
</tbody>
</table>
| Examples of Investment Activities | • Semi processing Equipment's  
• Medium-scale mobile or stationary dryers.  
• Private Service Providers (Livestock Breed Improvement Centre, High tech Nurseries, Scion Bank, Scientific testing Laboratory, Custom Hiring Centres)  
• Packaging & Labelling Unit  
• Embedded technical support & services  
• Small Warehouse facilities /Warehouse logistics  
• Farmers Markets / Collection centres  
• Ordinary transportation facilities |
| Maximum amount of Matching Grant** and Matching Grant percentage | • Rs. 25 lakhs  
or  
50% of total fixed capital investment and Technical support cost whichever is lower |
| Eligible Beneficiaries / Eligibility Criteria | Farmer Producers Company/ Organisations/ Groups/, Small &Medium Enterprises, Integrated Village Cooperative Society, Self Help Group/ Village Organisations, Private Agribusiness or Other Community Based Organisations / Cooperatives registered in Meghalaya and having a business prototype or experience of at least 1 years in similar business /Commodities Within the project areas or even outside villages but within the project district. |
| Minimum number of Beneficiary household Covered ** | 50HHs minimum involved in supplying products in initial 6 months. 100 HHs minimum involved in supplying products in 1 year and 200 HHs minimum involved in supplying products in 2 year of setting up of the unit |
| Projected No of Grantees | 108 Agribusiness |
| Initial Assessment & Evaluation of Proposal / Business Plan | DCIC / DC |
| Appraisal & Recommendation | CSIC / SPMU |
| Approval, Contract & Fund Release | PD/ SPMU |
| Payment Method | Reimbursement on the actual basis as per completion of pre-defined milestones mentioned in the grant agreement |

** Lower amount in pro-rata basis if the number of potential beneficiaries/groups are less.
Mobilization of farm and non-farm individuals and households into the clusters and project activities will be led by a MBMA team of market-oriented Supply Chain personnel from the respective project districts / blocks. In working with small producers in supply chains, including smallholder farmers, the project will be free to work with existing producer groups and organizations or mobilize new producer groups focusing on the particular product depending on the reality of bottleneck faced by the community.

In case the Agribusiness and Producers group shows interest to work under contract farming or similar arrangements. Both parties need to submit the combined proposal, which will be evaluated and supported under respective windows as per the SCF guidelines. A tripartite agreement will be signed between Agribusiness, Producers group and project and the fund will be release based on the reimbursement basis channelized as against the progress made as per the milestones and actual expenditure incurred during that period.

6. Eligibility criteria for Window-3

The following eligibility criteria shall be applied to Window-3:

- Eligible actors shall be all Farmer Producers Company/ Organisations/ Groups/, Small & Medium Enterprises, Integrated Village Cooperative Society, Self Help Group/ Village Organisations, Private Agribusiness or Other Cooperatives registered in Meghalaya engaged in initial production, post-harvest management, processing / marketing and also support service market of the listed supply chain and working in the Identified supply chain cluster.
- Producers may be individuals or those organized in informal farmer groups or formal associations or agricultural cooperatives; other private sector actors may have different legal status such as company/joint stock, partnership or sole proprietorship;
- Individual entrepreneur / firms applying for a matching grant must have a workable business prototype or professional experience in their respective domain, e.g. Agriculture/ Horticulture farming, animal husbandry, processing and others as specified in table 1; in the case of groups, this condition should be met by the majority of members;
- The applicant / applicants should has sufficient knowledge or technical expertise with managerial skills and experience for the sound management and implementation of the project (which can be evaluated by the concept note provided by them);
- The identified supply chain that is intended to be supported shall address confirmed specific "bottlenecks/constraints" which have been explicitly endorsed as a significant constraint by a majority of either producers or buyers or both through the MSP meetings and associated dialogue process; a "bottleneck" is a defined priority constraint to SC growth either in the local cluster or regional supply chain (as appropriate to the type of bottleneck) e.g.:
  - Not enough harvesting capacity to get the crop in on time, need for additional agronomists to support farmers to produce exactly what the buyers/traders want and when,
  - Need for collection centres, transport and/or packaging to aggregate supply and reduce transport losses,
  - Need of a reliable locally available supply of healthy planting material or seeds,
  - Need to test and adopt modern on-farm production technologies from outside the country in order to be competitive;
- Applicants should have access to sufficient funds for investment and working capital;
- The intended sub project is financially viable and technically feasible;
- An accredited financial institutions has approved /sanctioned the loan in principle (for grant applicants requiring a loan);
- Solid business plans which include a proper assessment of markets, risks, technical feasibility, financial viability, cost per beneficiary, reliability of other actors in the supply chain;
- An affidavit to make certain that there is no double financing of the same activity under different grant mechanisms of any other source.
7. Selection criteria

For each application, the following ratios shall be calculated and presented in the application form.

Table 2. Ratios to be calculated for grant projects

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Window 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal rates of return of the investment over the average lifespan of the investments to be made</td>
<td>Yes</td>
</tr>
<tr>
<td>Cost-benefit ratio of the investment</td>
<td>Yes</td>
</tr>
<tr>
<td>No. of benefitting HHs</td>
<td>Yes</td>
</tr>
<tr>
<td>Average value of grant per beneficiary</td>
<td>Yes</td>
</tr>
<tr>
<td>Net benefit for the involved HHs over a period of:</td>
<td>3-5 years</td>
</tr>
</tbody>
</table>

Based on a preliminary assessment of the investment type prioritised by the MSPs, actual ratios shall be calculated, and selection criteria be defined for each window, and eventually for main types of investment. These shall then be used to more systematically select the best projects for an award.

8. Eligible and non-eligible items

In principle, only investment costs can be supported under the SCF, not working capital. The following table shows eligible and non-eligible cost items for funding under the SCF.

Table 3. Eligible and non-eligible cost items

<table>
<thead>
<tr>
<th>Eligible cost items</th>
<th>Non-eligible cost items</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Investments into production, post-harvest and processing tools/equipment as listed in Table 1 above</td>
<td>• Working capital</td>
</tr>
<tr>
<td>• Costs for technical assistance, extension services, and certification</td>
<td>• Acquisition of land and buildings</td>
</tr>
<tr>
<td></td>
<td>• Office construction and equipment</td>
</tr>
</tbody>
</table>

The fact that items are not eligible for grant support does not indicate that these items are not needed; the opposite may be the truth. It only means that they cannot be included under the grant and that the potential investor may have to provide the needed finances from third party, such as a financial institution.

9. Overview of Grant Approval Procedure

- SC team will identify the area of investment, confirming with SC bottlenecks/ constraints and action plan developed by MSP (Multi-stakeholder Platform) held at Hub and cluster level.
- Supply chain Team finalise EoI/Notice as identified through MSPs and disseminate through appropriate media and means.
- Solicitation of Application / Expression of Interest (EoI) will be done through local/regional/National newspaper and media for Window 3.
- For grant application under Window 3, District Project Management Units will facilitate and make arrangement for field verification through committee assigned by DC.
- District Project Management Units shall prepare list of selected EoI after field verification and recommend SPMU to dispatch letter /mail for detailed investment proposal
• A committee formed by PD at LAMP-SPMU will conduct a desk review of the concept note /EoI using template with specified criteria followed by field verification. The concept note that pass the minimum requirements will be asked to submit detail business plan/Proposal as per prescribed.
• SPMU team may also facilitate through an empanelled private service provider to develop grant application/proposal for Window 3.
• The business plan submitted by Window 3 applicants will be evaluated by by Central Level Supply Chain Investment Committee (CSIC) at SPMU and also negotiate with the Applicants if required for finalising the proposal. CSIC shall invite experts (technical, financial, Management) as required for appraisal of proposal having higher grants size if required.
• The CSIC will submit the evaluation sheet including relevant documents to State Level Procurement Committee (SLPC) chaired by PD.
• The SLPC will conduct compliance check with selection criteria and MSP recommendations, supply arrangement of raw materials etc. using standard templates and will approve/reject/seek modification of the proposal.
• SLPC then recommend to PD for final approval and contract (MoU) as shown in figure 2.
• Project Director will sign MoU with the eligible applicant (Window 3).
• In case of beneficiaries’ contribution through loan finance, the beneficiaries must submit the approved loan before signing the agreement. Failure to submit such document will lead for cancelation of approved proposal.
• Payment will be released as per pre-defined schedule confirming achievement of pre-defined milestones (given in table 1) as per grant agreement through reimbursement basis for Windows 3.
• District Project Management Units staff from Component 3: Inclusive Supply Chain & Enterprise Development at various level will provide support as required in sub-project implementation, conduct regular monitoring visit, interacts with the grant recipient group of the Farmer Producers Company/ Organisations/ Groups/, Small & Medium Enterprises, Integrated Village Cooperative Society, Self Help Group/ Village Organisations, Private Agribusiness or Other Cooperatives to confirm that the grant fund is being used only for the intended purpose and the intended output are in right track.
• Grant recipient with support from District Project Management Units staff from Inclusive Supply Chain & Enterprise Development at various level submits sub-project progress and final reports as defined in grant agreement.
Figure 1. Overview of Grant origination, Appraisal and Recommendation process for Window 3 (Medium Enterprises)

- MSP: Multi stakeholder cluster platform
- SCT: Supply Chain Team
- CSIC: Central level Supply chain Investment Committee
- BP: Business Plan (Proposal)
- DGIC: District Commerce & Industries Center
- SPMU: State Level Project Management Unit
- SLPC: State Level Procurement Committee
- PD: Project Director
10. Grant Processing, Approval and Implementation Procedure

1.1. Identification of Investment priorities
Investment areas supported under this grant should address the critical bottlenecks as specified in the particular supply chains identified through the district/block level Multi-stakeholders Platform (MSP) process, facilitated by District Supply Chain team.

1.2. Formation of Central Level Supply Chain Investment Committee (CSIC)
Megha LAMP Project Director will form Central Level Supply Chain Investment Committee (CSIC) at State Level and it will be responsible toward Project Director.

The Central Level Supply Chain Investment Committee (CSIC) comprises of:

- Project Director
- Additional Project Director
- Deputy Commissioner (of proposed project district)
- Director -District Commerce and Industries Centre
- General Manager of MBMA
- Representative from Relevant Department/Agencies

The role and responsibility of Central Level Investment Committee will be as follow:

- Evaluation of Window 3 proposals using prescribed BP assessment template attached in Annex and recommend to State Level Procurement Committee (SLPC) /SPMU for approval.

The CSIC shall recommend PD to invite expert (technical, Management, Financial) as needed for appraisal of Window 3 proposal

The role and responsibility of State Level Procurement Committee (SLPC), chaired by PD will be as follows:

- Appraisal and Check compliance with procedures /selection criteria/MSP recommendations etc. of Window 3 proposal evaluation submitted by CSIC and then Approve/Reject / revised if needed and then recommend to PD for final approval and grant agreement

The field verification and due diligence of Window 3 proposal shall be done in coordination with supply chain team by Field verification committee formed by the Project director.

1.3. Solicitation for Investment Proposal

- Call for EOI or proposals under Window-3 will be driven by the priorities determined through the MSP processes and consultations in the relevant supply chains and clusters. Solicitation notice should include those priorities investment areas along with the clusters.

- For Window 3, Solicitation for Proposal will be in two stages: (a) Call for Expression of Interest and (b) Call for detail Investment Proposal /Business plan. Only the applicants passed through the desk review and field verification of EOI will be requested to submit detail investment proposal. Call for EOI are disseminated primarily through media: National and Regional Newspapers and FMs for Window 3.

- The solicitation notice will also be made accessible to potential partners in all windows through other possible means such as: field visit of project staff, IVCS/INRM group meetings/interaction events, formal or informal business networks of producers and enterprises, and local level authority. All the solicitation notice and related application forms are also uploaded in public domain of project website.
1.4. Submission of Expression of Interest / Application

Interested and eligible applicants should submit EOI or proposal in prescribed format (included in Annex) including a summary of business idea, area of investment and total cost involved for the proposed investment. The applicant should also submit relevant documents to prove their eligibility along with the EoI. EoI can be submitted to DPMU Office for Window 3.

In the situation where the Agribusiness (Market Player) and Farmers Producers Organisation / Company shows interest to work under contract farming or similar arrangements, both parties shall submit the combined proposal to DPMU which will be evaluated using Window 3 process and then supported under respective windows as per the SCF guidelines.

1.5. Desk Review and short listing of EOI

Application submitted for Window 3a desk review of EoI/Concept note will be done by District Commerce and Industries Centre & District Supply Chain team. All the EoIs meeting eligibility criteria and the proposed investment consistent with the priority investment area and within the budget limit set out by these guidelines will be short-listed.

1.6. Field Verification

All Window EoIs / Proposals short-listed through desk review will be verified in the field. District Supply chain team along with officials of District Commerce and Industries Centre will arrange for field verification. The field verification team will conduct onsite visit, interact with proponents and stakeholders to ensure the credibility of both the proponent and the investment plan. The verification team will verify following:

- Documents supporting eligibility criteria,
- Records of past financial documents (books of account, financial reports),
- Technical feasibility of the proposed investment,
- Reliability and correctness of the proposal,
- Credibility, management and financial capacity of the applicant,
- Expected benefit to beneficiary community.

If the proposed investment is found not feasible regarding technical, financial, business or managerial perspective during field verification, the verification team will report to SPMU and which will immediately notify the applicant on the rejection of proposed investment along with the ground of rejection.

1.7. Call for detail Investment Proposal

All Window 3 short-listed applicants will be notified of their selection for further process by e-mail or letter (as convenient) and requested to submit detail investment proposal within specified time (generally within one month).

1.8. Technical Support for Proposal Development

Applicants of all Windows may require technical support to complete prescribed application template as well as well-informed investments plans. The District Supply chain team in case of Window 3, may facilitate linkages with business service providers to prepare investments plans and also other business services (Audit, Accounting, report preparation etc.) if required. It is encouraged to involve a private business service provider to support proposal development to the extent possible.

1.9. Submission of Investment Proposal

The short-listed Window 3 applicants should submit full investment proposal in the prescribed format directly to DPMU /SPMU in hard copy or through e-mail (as convenient) within the deadline.
indicated in the proposal solicitation notice. The Window 3 Investment Proposal should include following documents to confirm their eligibility:

- Workable Business Prototype
- Organisation registration and renewal documents (if an existing entity)
- Last two years Audited financial report (if an existing entity), except for entity registered under Meghalaya Cooperative Society Act.
- Tax clearance document of last financial year (if an existing entity)
- Any other documents/license from the respective ADC’s or Departments

This may not be applicable to the Individual Entrepreneur who, however, should clearly articulate the proposal and has sufficient experience and resources to manage the proposed investment in his investment proposal.

For Windows3, the investment proposal should contain:

- Present situation analysis, SC constraints and opportunities
- Innovative business idea to address those constraints opportunities
- Area of intervention and associated cost
- Analysis of advantage and associated business risk
- Arrangement of financing (project grants, own capital and/or loan from financial institution)
- Expected result (productivity enhancement, market expansion, economic return, replicable and catalysing factors to attract other investor, expected socio economic impact)

1.10. Evaluation of Investment Proposal

- Initial screening of all applications, Expression of Interest (EoI) and investments proposals shall be done by respective District Project Management Units staff from Component 3: Inclusive Supply Chain & Enterprise Development at various level before forwarding to respective committees as mentioned below:
- Evaluation of application/investment proposal will be done by DCIC / DC for Window 3.
- Likewise, appraisal/Second level screening and compliance check of window 3 investment proposals will be done by State Level Procurement Committee (SLPC) for Window 3.
- All the members of Evaluation Committees should disclose any potential conflict of interest. If any member has potential conflict of interest s/he will not be involved in evaluation process. In such case Project Director will arrange for replacement of such member.

1.11. Approval of Investment Proposal

Final approval of Investment proposal will be done by Project Director in the recommendation of State Level Procurement Committee for Window 3.

The CSIC will invite relevant experts for appraisal of proposal/investment plan to evaluate the proposals and submit evaluation report to Project Director through CSIC for approval/rejection.

1.12. Negotiation and Grant Agreement

CSIC/SLPC will ensure that all the eligibility and selection criteria, grant solicitation, evaluation and approval process are complied, and the proposed cost are eligible as mentioned in table 1 above. If required, they may prepare list of items to be negotiated along with their recommendation. The Supply chain team will arrange a negotiation meeting with the grant applicant to make amendments in the proposal, if needed, before signature on Grant Agreement. Project Director will sign MoU with Window 3 Applicants. In case of joint/combined proposal submitted by Individual Agribusiness Entrepreneur / Farmer Producer Organisation / Company, a tripartite agreement will be signed.
between Individual Agribusiness Entrepreneur, Farmer Producer Organisation / Company and Project Director.

The grant agreement shall comprise, among others, the details of the applicant, the project, the respective duties, roles and responsibilities of the applicant and eventually other persons and institutions, grant disbursement schedule and associated verifiable performance milestones, and the conditions under which the grant is approved.

1.13. Modification of Grant Agreement

Grant Agreement may be modified if felt necessary during the implementation. Any of the party (M-LAMP or the grant recipient), who felt necessity for modification should submit written request to other party with sufficient reason justifying modification. The conditions for modification may normally be as below:

a) Substantial increase/decrease in market price of the goods and services which is beyond the control of grant recipient and M-LAMP, or changes in the specification of the inputs, machineries, equipment etc., as specified in the already approved investment proposal.
b) In case of additional project support is needed to include additional beneficiaries and up scaling in terms of increase in area of production.
c) Availability of new or better technology with different specification as replacement.
d) Any works or services need to be suspended because of changes in government policies or new regulatory instruction.
e) In any of the above situation; it is not permitted to go beyond the maximum threshold limit.

Note: Apart from the above if during the implementation, it shows the grant recipient is unable to meet the milestones, output from the investment is not realised as desired. There will be a provision for an external support which will not be limited to a modification in the business plan, but also technical support with a nominal fee charged to the recipients.

1.14. Disbursement of Grant Fund

Disbursement of grant fund will be made to Grant recipient bank account directly by MBMA for Window 3. The grant recipient under Window-3 should have bank account preferably separate for M-LAMP Fund.

In case of Window 3, the payment will be made based on the reimbursement basis as against the progress made as per the milestones and actual expenditure incurred during that period. Similarly, in case of joint Applicants (Agribusiness and Producers group), the payment will made to their respective account on the reimbursement basis as against the progress made as per the milestones and actual expenditure incurred during that period.

1.15. Implementation and Management

Responsibility for implementation and management of investment activities rests with grant recipient. However, M-LAMP Supply Chain Team at Block, District, and Central level will provide technical support (as necessary) during implementation of investment proposal. Where the investments are expected to require additional technical support during implementation, the costs of such advice/support must be included in the investment plans themselves. Such services can be purchased from any experienced NGOs/private service providers extending the services in project target area.

1.16. Procurement of goods and services

Procurement of goods and services for the investment activities will be managed by the grant recipient as long as they are in-line with the approved investment plan. Grant recipient will follow IFAD standard procurement procedure and will be solely responsible for the final decision on which suppliers to use. M-LAMP project team at various level can provide support to determine the
specification and quality of the goods and services and suggest possible and reliable supplier if needed, however the final decision rests with the grant recipient.

1.17. Accounting of investment fund
- The Grant recipient should maintain a separate book of accounts and bank statement for the approved investment fund.
- The grant recipient should keep all the bills, receipts, quotations, contracts, minutes of meeting and any other documents related to payments from the investment fund.
- Competent authorities from IFAD and Government including M-LAMP staff from SPMU or their authorised representative can verify those documents any time.

1.18. Repair and maintenance arrangement
The responsibility for repair & maintenance of equipment and facilities created from co-investment fund remains with the grant recipient. M-LAMP will not provide extra fund for this purpose. For this purpose, the grant recipient should prepare operation and maintenance plan and can create, as possible, a repair maintenance and operational fund by collecting service charge against use of facilities by beneficiary household. All those arrangements should specifically spell out in the investment proposal.

1.19. Reporting schedule
The Grant recipient should submit progress and final report as per the milestones and reporting schedule agreed in grant agreement. Subsequent grant instalment will be released based on the approved progress report. SC team will provide technical assistance for Window applicants to prepare progress report (as needed).

The report should include:
- Sources and use of fund as of reporting date
- Activities conducted during the reporting period and detail of expenditure
- Progress in achieving pre-defined milestone
- Relevant data on achievement of targeted production and coverage of beneficiaries
- Achievement of economic benefit as of reporting date
- Challenges faced and recommended way-out to address the challenges and future move

1.20. Ownership
The ownership of the assets/property created by the co-investment will remain with the investor (producer, producer groups, Private firms, RMSE as applicable).

1.21. Transparency and public awareness
- Grant recipient should make public announcement of co-investment progress and status in their regular meeting with beneficiaries. The Grant recipient should make the beneficiaries and affected community people aware of the investment program and provide them the opportunity to raise their voice through a public audit event at least two times (at the start and completion of investment program).
- A Public Notice Board should be maintained by all project under Window- 3 at all the infrastructure site to publicise the co-investment information including sources and uses of fund and the number of beneficiaries segregated by gender and ethnicity on format developed by the project.
- The Grant recipients under Window 3 should arrange the financial audit according to their own statute, policy, norms and regulations and submit a copy of the audit report to SPMU.
1.22. Monitoring and Evaluation

Regular monitoring of the investment program will be conducted by the District, and Central level Supply chain team as well as M & E staff (if required). They will be responsible to collect data on the format developed by the project and updating it regularly.

Supply chain team will be responsible for monitoring and evaluation of the investment activities based on the business plan and recommendation for the payment. In some specific case, team can request for the assistance of PM&E team at SPMU.

M-LAMP monitoring and evaluation team will conduct the sample survey of the investment activities regularly depending upon the nature of investment. Findings of such survey will be shared in DPMU and SPMU level and reports will be made available to the public through the project website. Project will conduct Household level data collection, annual outcome survey etc. for the implementation activities.

The monitoring and evaluation activities should focus on, but not limited to, following:

- Project grant fund and matching fund contributions received in time and properly recorded.
- Fund accounting system has been set up.
- Fund is being used only for the purpose as per agreed business plan.
- Physical progress and financial delivery target are met or are in right track.
- Machineries/equipment and facilities created by co-investment are running effectively.
- MOU, norms and policies internally developed as well as grant agreement and guidelines for fund management are being complied.
- Documentation related to co-investment activities (minutes, decisions and accounting documents) are well maintained.
- Impact on target beneficiaries.
- Adverse effects/impact on the environment (if any).

### LAMP Project Blocks (Top 3 Product)

<table>
<thead>
<tr>
<th>#</th>
<th>District</th>
<th>Blocks</th>
<th>Product 1</th>
<th>Product 2</th>
<th>Product 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ri Bhoi</td>
<td>Umling</td>
<td>Ginger</td>
<td>Pineapple</td>
<td>Piggery</td>
</tr>
<tr>
<td>2</td>
<td>South West Khasi Hills</td>
<td>Ranikor</td>
<td>Pepper</td>
<td>Piggery</td>
<td>Bay leaf</td>
</tr>
<tr>
<td>3</td>
<td>West Jaintia Hills</td>
<td>Amlarem</td>
<td>Black pepper</td>
<td>Piggery</td>
<td>Apiculture</td>
</tr>
<tr>
<td>4</td>
<td>Thadlaskein</td>
<td>Giner</td>
<td>Piggery</td>
<td>Tomato</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>East Jaintia Hills</td>
<td>Khliehriet</td>
<td>Ginger</td>
<td>Black pepper</td>
<td>Piggery</td>
</tr>
<tr>
<td>6</td>
<td>West Khasi Hills</td>
<td>Mawshynrut</td>
<td>Ginger</td>
<td>Piggery</td>
<td>Sericulture</td>
</tr>
<tr>
<td>7</td>
<td>East Khasi Hills</td>
<td>Khatarshnong</td>
<td>Potato</td>
<td>Blackpepper</td>
<td>Piggery</td>
</tr>
<tr>
<td>8</td>
<td>Mawphlang</td>
<td>Mawshynrut</td>
<td>Potato</td>
<td>Ginger</td>
<td>Piggery</td>
</tr>
<tr>
<td>9</td>
<td>Shella</td>
<td>Blackpepper</td>
<td>Piggery</td>
<td>Bayleaf</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>South West Garo Hills</td>
<td>Zikzak</td>
<td>Cashewnut</td>
<td>BlackPepper</td>
<td>Piggery</td>
</tr>
<tr>
<td>11</td>
<td>South Garo Hills</td>
<td>Baghmara</td>
<td>Cashewnut</td>
<td>Blackpepper</td>
<td>Piggery</td>
</tr>
<tr>
<td>12</td>
<td>Chokpot</td>
<td>Cashewnut</td>
<td>Piggery</td>
<td>Ginger</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>North Garo Hills</td>
<td>Kharkutta</td>
<td>Banana</td>
<td>Ginger</td>
<td>Sericulture</td>
</tr>
<tr>
<td>14</td>
<td>East Garo Hills</td>
<td>Dambo Ronjeng</td>
<td>Rice</td>
<td>Ginger</td>
<td>Piggery</td>
</tr>
<tr>
<td>15</td>
<td>Songsak</td>
<td>Ginger</td>
<td>Pineapple</td>
<td>Piggery</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>West Garo Hills</td>
<td>Tikrikilla</td>
<td>Blackpepper</td>
<td>Piggery</td>
<td>Rice</td>
</tr>
<tr>
<td>17</td>
<td>Dadenggre</td>
<td>Ginger</td>
<td>Piggery</td>
<td>Cashewnut</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Selsella</td>
<td>Cashewnut</td>
<td>Blackpepper</td>
<td>Piggery</td>
<td></td>
</tr>
</tbody>
</table>
Identified Bottlenecks:
1) Unavailability of Processing Center,
2) Most of the products are Sun dried,
3) Lack of knowledge in Labeling & Packaging,
4) No proper Warehouse/ Cold Storage,
5) Unavailability of Collection Centers,
6) High cost in transportation and logistics issues,
7) Unavailability of quality seeds and Agri Input Supply,
8) No soil testing kits,
9) Unavailability of good variety sapling and Scion Bank,
10) No proper certification of produce,
11) Proper Livestock breeding unit and supply of piglets, feed and medicine high cost.
12) Any Others which can be justified in concept note.

Supply Chain:
1) Black Pepper
2) Ginger
3) Bay leaf
4) Turmeric
5) Fruits (Pineapple, Banana, Oranges, Jackfruit)
6) Vegetable (Potato, Tomato, Off Season Vegetables)
7) Cashew
8) Rice (Scented, Black/Local)
9) Sericulture
10) Livestock - Piggery
11) Apiculture
12) Areca nut
13) Broomstick
14) Root Tuber Crop (Yam, Cassava, Sweet Potato)

Supply Chain actors
1) Farmers/ Producers
2) Aggregators/ Middlemen
3) Supplier/Traders
4) Subject Matter Specialist/ Line Department Officials
5) Primary Processers
6) Consumers

Multi-Stakeholder Platforms-(MSP)
Supply Chain Development (SCD) upgrading strategies mainly includes: technical capacities development for processes; managerial capacities development for functions and networking capacities development for cooperation. Creating mutual benefits for the producers, traders, input suppliers and service providers involved in the supply chain and surrounding market is key to the success of supply chain development.

In the process of supply chain upgrading, linkages will be established within and between these three layers of network actors as many emerging issues, either bottlenecks or opportunities for market development as well as in the broader development setting, cannot and will not be addressed by individual actors alone. Stakeholders become aware that together they must agree on solutions for systemic constraints in the supply chain and work together to take collective action to address these challenges and seize opportunities. For this reason, MSP have been widely used as an avenue for enhancing collaboration within supply chain networks.

MSPs bring together different actors at local, regional or national level and create space for dialogue to develop joint action that can bridge different values, objectives, and ways of working. Producers, Traders/Buyers, Processors, Commercial and non-commercial suppliers of technical/financial services, or inputs as well as government agencies and other supporters including research institutions, insurance companies are participants of such MSP meetings. MSP can be used as instrument to
address complex issues in upgrading the supply chains whereby the actual form and function of the MSPs are contextual.

**Supply Chain personnel**
1) Supply Chain Coordinator
2) District Enterprise Manager
3) Enterprise Resource Person
4) Producer Group Facilitator