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## **Broad Guidelines for Production System and Microenterprises based Livelihood Activities under IWMP**

### **1. Introduction:**

1.1 One of the important components in the Common Guidelines for Watershed Development Projects – 2008 includes support to production/farming system based livelihood activities and enterprises. Ten percent of the total project cost has been assigned to support the production system and microenterprises for land owning households. This component aims to diversify and maximize the production and productivity of agriculture system as a whole and targets the land holders with cascading benefits to landless agriculture labour, leased -in farmers and share -croppers.

1.2 The objective is to

- a) Promote diversified production/farming systems based livelihood activities/ interventions, and.
- b) Encourage farmers to adopt and up-scale successful experiences of proven technologies, integrated farming systems and improved farming practises for livelihood augmentation.

### **2. Planning and Implementation**

2.1 The most important aspect in implementation would be provision of micro level planning for production/farming system at the planning stage itself.

- a. The PIA will be responsible to implement the production system and microenterprises related livelihood component of IWMP.
- b. The PIA should analyse the status of natural resources potential to determine the befitting production system and microenterprises based livelihoods conducive to the socio economic situation and existing livelihood capitals of the watershed village(s) in a participatory manner at village level under each micro-watershed during the preparatory phase of the project. The exercise will be undertaken by means of PRA, net planning and focus group discussion in order to facilitate

collection of information to feed into DPR which will be a prerequisite for availing the funds under the production system and microenterprises component.

- c. PIA should prepare action plan for production system and microenterprises based livelihood activities such as aquaculture, horticulture, agriculture, agro-forestry, animal husbandry, microenterprise, agro- processing, value addition, marketing etc for the project area before the release of 2<sup>nd</sup> instalment and it should form integral part of DPR.
  - d. To ensure convergence with other production system and microenterprises schemes, the PIA should work in close association with other schemes such as MGNREGS, NRLM, NHM, RKVY, NFSM, etc. This should also be duly reflected in convergence plan in the DPR.
  - e. Production system and microenterprises action plan should contain location/farmer centric schedule of activities and interventions and should be delineated on the map.
  - f. A copy of the action plan should also be made available to concerned Gram Panchayat.
  - g. The action plan may be reviewed by the PIA, if need be, and revised in consultation with the stakeholders.
3. **Mode of Operation and Eligibility for Availing the Production System Funds:**
- a. Individual land holders/owners can avail the benefits of production system on their private land. The small and marginal farming households, women headed farming households, SC & ST farmers will be given preference based on the wealth ranking exercise conducted during PRA. Those households whose land is in close proximity to the developed natural resources may be preferred to make full use of natural resource potential.
  - b. Selection of beneficiaries will be done by PIA, in consultation with WC.
  - c. Beneficiaries having common interest may be organised into User Groups to pool and manage their resources as well as manage aggregating their produce for effective disposal and marketing, besides maintaining their natural resource base.

This may also provide a means for deciding resource use arrangements based on equity and sustainability.

- d. The funds will be given for cost intensive farming system based livelihood activities/interventions such as aquaculture, agriculture, horticulture, agro-forestry, animal husbandry, agro-processing, value addition, etc.
- e. The contribution of farmers will be 20 percent for general category and 10 percent for SC/ST beneficiaries and the project funds will meet the cost of farming/production system activity to a maximum limit of an amount equal to double of the unit cost of the project for watershed development (i.e. Rs 12,000/15,000 per ha, as the case may be).
- f. Farmers' contribution i.e. 20 percent for general category and 10 percent for SC/ST of this amount (i.e. a maximum of Rs 4800/6000 and Rs 2400/3000 as the case may be, respectively for general category and SC/ST beneficiaries) will go to WDF.
- g. Farmers' contribution to WDF in such case would be acceptable in cash at the time of execution of works.

**Example:**

- i. Assuming the total cost of farming system activity/intervention = Rs 30,000
 

Cost of farming system activity to be met from Project fund (@Rs 12,000/ha project unit cost)	
(General category)	= Rs 24,000
(SC/ST)	= Rs 24,000
Farmers' contribution towards WDF	
(General category, 20% of 24,000)	= Rs 4800
(SC/ST, 10% of 24,000)	= Rs 2400
  
- ii. Assuming the total cost of farming system activity/intervention = Rs 20,000
 

Cost of farming system activity to be met from Project fund (@Rs 12,000/ha project unit cost)	
(General category)	= Rs 20,000
(SC/ST)	= Rs 20,000
Farmers' contribution towards WDF	
(General category, 20% of 20,000)	= Rs 4000
(SC/ST, 10% of 20,000)	= Rs 2000

**4. Budget, procedure of release and administration:**

- a. It has to be ensured that at least 10% of the total project funds are utilized for the benefit of production system and microenterprise based livelihood activities.

- b. The fund amount shall be taken out of the total project fund as a grant to WC in their bank account which in turn will be used to provide financial assistance to identified farmers.
- c. Based on the application received for such activities, a team consisting of WC, PIA and nodal officer of the concerned line department and Technical Expert of WDCD will approve the proposal.
- d. Once the activity is approved, payments will be made through cheques in their individual accounts.

**5. Capacity Building:**

- a. The capacity building needs of the land holder/owner should be included in the action plan prepared during PRA and baseline survey. The capacity building should aim at skill enhancement and not just knowledge and information. The capacity building component should be decided in consultation with WC for making necessary budgetary provision on annual basis.
- b. The expenditure for such trainings may be met from 5% of the budget provided for institution & capacity building in the project.
- c. The capacity building aspects will have field visits/ exposure visit to successful farming system models/demonstrations.

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