NORTH EAST RURAL LIVELIHOOD PROJECT
MINISTRY OF DoNER
GOVT. OF INDIA

DRAFT

COMMUNITY OPERATIONAL MANUAL
(COM)

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CHAPTER I: ABOUT COMMUNITY OPERATIONAL MANUAL

This is a Community Operational Manual (COM) for North East Rural Livelihood Project (NERLP) a World Bank assisted project in four states of North East region under the Ministry of DONER, Government of India.

- What is Community Operational Manual?

The Community Operational Manual is a document giving comprehensive and systematic presentation on the concepts, processes, and procedures related to NERLP. COM is primarily a reference book with information on what and how the project will work. It presents the overall information regarding the Project. COM would be available in the public domain and hence would bring greater transparency.

- Whom is this manual meant for?

This manual is primarily for people that are engaged in project implementation. The manual will be a guide to the project staffs aimed to make them understand about the project flow and the processes involved. In the manual not only the reasons for interventions but graduation indicators are also mentioned which will tell the project staffs as also the community about the next course of interventions thus enabling the smooth flow of project with right impetus.

COM is also for various stakeholders including the community and its institutions that would be formed as part of the project. The manual would acquaint the Target Community on how to improve their lives and reduce poverty by working together. Unlike other projects, NERLP is a bottom up project with community deciding their needs and priorities. Community through its various institutions would participate in the project and the COM would facilitate community involvement in various project processes.

- What is there in this manual?

The COM describes the project objectives, components and institutional arrangements that are established under the project. The arrangements made for the various institutions at village, district or state level that would be involved in the implementation of the project are also described. It describes different partners in the project and the role and responsibility of staffs and stakeholders. Besides, COM gives salient features of various community institutions, formation process and mechanism of fund flow, reporting, etc.

The COM is a living document and may be changed as and when required as learning accumulates in the project. All participants in the NERLP are encouraged to share their learning from their experience in project implementation so as to improve the steps, procedures, formats, arrangements, etc. to attain the project objectives effectively and efficiently. The changes in the COM would be affected after formal notified by the project. The changes would not alter the basic tenets of the project as laid out in the Project Implementation Plan (PIP).
CHAPTER 2: KEY PRINCIPLES AND NON-NEGOTIABLES

The main issue which hampers the developmental process of the North East region is multidimensional and complex nature of poverty involving inability to satisfy basic needs, lack of control over resources, lack of education and skills, poor access to water and sanitation etc. Based on this North East Rural Livelihood Project (NERLP), is aiming at the livelihood promotion by reducing the rural poverty.

PROJECT OBJECTIVE

The Project Development Objective is “To improve rural livelihoods especially that of women, unemployed youth and the most disadvantaged, in four North Eastern States”.

Following from the above, the specific project objectives are to:

i. Create sustainable community institutions around women Self-Help Groups (SHGs), youth groups of men and women (YG) and Community Development Groups (CDG).

ii. Build capacity of community institutions for self governance, bottom up planning, democratic functioning with transparency and accountability.

iii. Increase economic and livelihood opportunities by

   a. Managing natural resources and improving agriculture for food security and income enhancement from farming and allied activities

   b. Skill development of youth for employability and establishment of self and/or group managed enterprises

   c. Establishing backward and forward linkages for economic enterprises

   d. Creating access to finance through linkages with banks and other financial institutions

   e. Creating critical infrastructures

iv. Develop partnership of community institutions for natural resource management, microfinance, market linkages, and sectoral economic services.

PROJECT GUIDING PRINCIPLES

The project has following core guiding principles that are applicable across the organization. These guiding principles are as follows.

- Empathy with the community and addressing the needs of most disadvantaged people first. Providing livelihood opportunities for the most disadvantaged which include women led households, physically handicapped, tribal community, poorest of the poor, etc. is a priority.
The project staff and other stakeholders would be sensitive to community’s needs, wants, customs and traditions.

- Democratic, participatory and bottom up approach – At the community level the decision would be taken up by discussing the same in a participatory manner. The people at the grassroots would decide what is best for them. The participatory processes would delay the decision making initially but once the decisions are taken, these would be implemented with a sense of urgency and in a time bound manner.

- Time bound performance with sense of urgency – The decisions once taken by the community would then be implemented forthright.

- Transparency and accountability at all levels – The project would promote transparency by putting maximum information about various projects and investments on the web-site of the NERLP and would follow all disclosure norms as prescribed by Right to Information Act (RTI). At the community level also transparency and accountability will be ensured.

- Recognition for outstanding performance – The project would develop a culture and core value of high performance. The performance parameters would be clearly laid out for people, teams and institutions at different levels.

- Learning orientation – The project would encourage new things and innovation in the process of doing things, in activities and products etc. and create avenues and forums for sharing and learning from each other.

- Holistic Development – The project would aim at holistic development of the community for ensuring attainment of well-being. It would encourage the empowered communities to access other government supports in health, education etc.

**PROJECT DURATION AND AREA**

The project is for a period of five years. It covers two districts each in Mizoram, Nagaland, Sikkim and Tripura. The districts are:

- **Mizoram** - Aizawl and Lunglei
- **Nagaland** - Peren and Tuensang
- **Sikkim** - South, West and 15 Panchayat wards of East District
- **Tripura** - West and North Districts

Within these districts, the Project will adopt a saturation approach and identify villages and communities initially based on poverty data, including below poverty line (BPL) figures. However, the target population will be finally determined on the basis of participatory wealth ranking, using participatory rural appraisal (PRA) techniques. The project will cover nearly **300,000 households** in **1624 villages** in **58 blocks** falling in **8 districts** of the **4 states**.

In the first year only two blocks would be selected in each district as a pilot intervention. The project
approach and strategies would be tested in these blocks. These blocks would also become demonstration blocks. The pilot blocks would be selected on the basis of poverty situation and well as access. This is to increase the chances of success in the initial stage. This would set stage for rest of the project.

The details of the blocks selected are given in the table below:

<table>
<thead>
<tr>
<th>State</th>
<th>District</th>
<th>Blocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mizoram</td>
<td>Aizawl</td>
<td>Phullen, Aibawk, Darlawn, Thingsulthliah, Tlangnuam</td>
</tr>
<tr>
<td></td>
<td>Lunglei</td>
<td>Lungsen, Bunghmun, Lunglei, Hnahthial</td>
</tr>
<tr>
<td>Nagaland</td>
<td>Peren</td>
<td>Tenning, Peren, Jalukie</td>
</tr>
<tr>
<td></td>
<td>Tuensang</td>
<td>Longkhim, Chare, Nokken, Sangsangyu, Shamator, Chessore, Noklak, Thonoknyu</td>
</tr>
<tr>
<td>Sikkim</td>
<td>South</td>
<td>Namchi, Jorethang, Namthang, Ravongla, Yangang, Temi- Tarku, Sumbuk, Sikkip</td>
</tr>
<tr>
<td></td>
<td>West</td>
<td>Gyalshing, Soreng, Yuksom, Dentam, Kaluk, Darmadin</td>
</tr>
<tr>
<td></td>
<td>15 poorest Panchayat wards of East district</td>
<td>Ben, Thasa, Upper Lingtam, Dhanbari, Lower Samlik, Mamring (Amba Mamring Gumpa), Premlakha, Singaneybas, Lower Tarpin, Dokchin, East Machong, Namrang (Tumin Karma Choling Gumpa), Simik (Simik Daduling Gumpa), Kutitar, Namin</td>
</tr>
<tr>
<td>Tripura</td>
<td>West</td>
<td>Khatalia, Melaghar, Boxanagar, Bishalgarh, Jampuijala, Dukli, Hezamara, Mohanpur, Jirania, Mandwai, Mungiakami, Teliamura, Kalyanpur, Khowai, Tulasikhar, Padmabill</td>
</tr>
<tr>
<td></td>
<td>North</td>
<td>Kumarghat, Gaurnagar, Kadamtala, Panisagar, Dhamchhara, Pechartal, Dasda, Jampuihill</td>
</tr>
</tbody>
</table>

**Beneficiary Targeting and Selection**

Initially villages and communities will be identified based on poverty data, including below poverty line (BPL) figures. Villages that have worse human development, food security and health vulnerability indicators would be taken up early on priority. The target population will be finally determined on the basis of participatory wealth ranking, using participatory rural appraisal (PRA) techniques.

The project would adopt a **saturation approach** at the village level. Under saturation approach project would endeavour to reach to **70%** of the poorer households in the village.
However, the project proposes to target the poorest of the poor on priority so that they have more time for project support. These would specifically include more disadvantaged groups like women-led households, physically challenged and under privileged.

While proposing to undertake a saturation approach, the project will make a beginning with two carefully selected blocks in each district after taking into account risk management factors in order to ensure that replicable models are created around successful interventions.

PROJECT APPROACH

Though there are several rural development programs underway in the region, still there are major challenges and gaps in the poverty and livelihood sector. The project would have three pronged approach to livelihood strengthening in view of the above guiding principles and experiences of achieving sustainable development. These are:

- Social empowerment
- Economic empowerment
- Partnership and linkages

Under each of these approaches the project would seek to achieve the following.

SOCIAL EMPOWERMENT

- Empower the most disadvantaged1 people in the community – women and the youth in particular – through building their groups and coalitions to participate more effectively in the developmental process supported by the project and to increase their access and control over assets and services,
- Enhance saving capacity of the SHGs and increase their access to sources of credit through linkages with banks and other financial institutions,
- Involve the youth to participate in social developmental activities,
- Achieve increased participation of women in local institutions and in the decision-making process,
- Enable the target group to take full advantage of the poverty reduction programme of government and other agencies through effective convergent action with local government, line departments and technical agencies, and
- Scale up the innovative approaches for poverty reduction and increased food security as successfully demonstrated in the NERCORM Project.

ECONOMIC EMPOWERMENT

- Provide linkage to the communities with credit and financial institutions,

1 Most disadvantaged as decided through Poverty Wealth Ranking and would include, Poor, Widow, handicapped, SC/ST
• Provide opportunity to improve food security through interventions in farm, non-farm and NRM activities,
• Promote business around natural resource base & current farming practices,
• Provide skill development programmes/vocational trainings to village youth (men and women) for gainful employment,
• Assess value addition needs and facilitate value addition at community level for better value realization,
• Create micro businesses around value addition activities,
• Develop fair value chain relationship,
• Develop enterprise around market demands, especially with youth groups and
• Asset enhancement strategies built around SHGs and Producer Groups.
• Enhance capacities of the communities involved in implementing the economic development programmes.

PARTNERSHIP DEVELOPMENT

• Develop linkage with banks and financial institutions (government and/or privately owned) for credit access to members of groups and their economic organizations,
• Develop linkage with government departments for accessing and co-implementing various schemes and programmes of the government,
• Facilitate market based interventions for agricultural productivity,
• Strengthen such tie ups into sustainable business partnerships,
• Work with service providers to access various professional services related to accounts and finance, legal rights, technology, markets, etc.
• Develop linkages with research institutions and technology providers,
• Develop partnerships with input suppliers and other value chain participants including value chain stakeholders and
• Assess capabilities & infrastructural gaps and look for point of convergence at local levels to avoid crowded playing fields.
CHAPTER 3: PROJECT INSTITUTIONAL ARRANGEMENTS

The project’s institutional arrangement is designed to plan, implement and monitor the project right from the community level to the Regional level and includes Ministry of DONER at the Govt. of India level. The project organization will have basically four levels namely, the Ministry of DONER, Regional level covering four project states, District level covering the individual project districts and Block level covering individual blocks. Additionally there will be a State level Project Support unit for convergence with the corresponding government development programmes.

MINISTRY OF DONER
The project is under the overall governance of Ministry of DONER. Ministry of DONER would constitute a Project Governance Committee (GC) consisting of Secretary DONER, representative from Planning Commission, Ministry of Finance, Rural Development, and Chief Secretaries of respective States. The Joint Secretary (JS) DONER would be the Member Secretary of this Committee. The Member Secretary would be assisted by a small secretariat consisting of a professional consultant hired on contractual basis.

The Project Governance Committee would meet twice a year to review the project and take up policy issues affecting the project. It would also advise convergence of various government schemes at the level of community.

REGIONAL SOCIETY (NELPS)
The project would be implemented by the autonomous regional level Society registered and established by the Ministry of DONER, under the name North East Livelihood Promotion Society (NELPS). It is chaired by the Secretary, NEC and represented in the general body by all participating state governments as well as important institutions working in the region.

The Executive Committee of NELPS consists of 7 members in which Secretary, NEC is the Chairman, the Joint Secretary, DONER is the Vice-Chairperson, the Project Director, NERLP is the Member Secretary and Nodal officers of the four project states are the members. From Tripura, Commissioner, Rural Development, from Nagaland Commissioner & Secretary Planning and Coordination, from Mizoram, Director, Rural Development and from Sikkim, Project Director, Sikkim Rural Development Agency are the members.

The structure for implementation is visualized as a long term investment in promoting rural livelihoods in the region, beyond just the scope of the proposed NERLP project. The NELPS is headquartered in Guwahati. The World Bank supported NERLP would be implemented by a separate Regional Project Management Unit (RPMU) headed by a Project Director.

The RPMU will implement the project through establishment of eight District Project Management Units (DPMUs) and district teams that will manage the field level implementation through the Project Facilitation Teams (PFTs) set up covering cluster of villages. The project implementation in
each of the four states will be supported by a small State Project Support Unit (SPSU), housed within the respective state governments.

**REGIONAL PROJECT MANAGEMENT UNIT (RPMU)**

RPMU would have the overall responsibility for management and implementation of the project. It will be headed by the Project Director. S/he will be the operational and managerial in charge of the project and head the organizational structure established at the district and lower levels for implementing the program. The Project Director will be supported by team of Managers, Assistant Managers and support staffs for different functions for managing and implementing the Project.

RPMU would consist of following key personnel to support the Project Director:

i. Project Manager (Livelihoods and Rural Marketing)
   a. Assistant Project Manager (Livelihoods and Rural Marketing)
   b. Assistant Project Manager (Skill Development and Placement)

ii. Project Manager (Social, Gender and Community mobilization).
   a. Assistant Project Manager (Social, Gender and Community Mobilization)

iii. Project Manager (NRM and Environment)
   a. Assistant Project Manager (NRM and Environment)

iv. Project Manager (Microfinance)
   a. Assistant Project Manager (Micro Finance).

v. Project Manager (Monitoring & Evaluation)

vi. Project Manager (Administration)

vii. Assistant Project Manager (Human Resource)

viii. Project Manager (Procurement)

ix. Finance and Accounts Officer
   a. Assistant Project Manager - Finance & Accounts

x. Assistant Project Manager (Communications)

**Support Staff**

- M&E Assistant (1)
- Office Assistant (2)
- Driver (1)
- Accounts Clerk (2)
- Office Attendant (2)

There would be phasing of staff recruitment with assistant staff hired as the project grows and expands its operations. The MIS design, uploading, maintenance and updating will be outsourced. Besides, RPMU would hire the services of subject matter specialists, viz. in NRM, agriculture, dairy, etc. as and when found necessary to increase effectiveness of the project.

**STATE PROJECT COORDINATOR**

In each Project states there will be one State Project Coordinator (SPC) to assist the State Nodal Officer, NERLP in execution of the Project. The concerned State Nodal Department shall
designate/appoint a State Project Coordinator purely on contractual/temporary basis. SPC will ensure full involvement in project preparation and extend help to RPMU in design of Project. The major role of the State Project Coordinator would be in achieving convergence with various government schemes. To ensure that the SPC will maintain close liaison & effective communication between relevant departments of the State Government, Commercial banks, RRBs, Development Agencies & Project Office.

**DISTRICT PROJECT MANAGEMENT UNITS (DPMU)**

District Project Management Units (DPMU) would be set up in all the eight district headquarters of the selected districts in the four States. However, in the case of Sikkim the two DPMUs would operate from same office as two districts are logistically connected to a central point.

There will be a District Project Advisory Committee (DPAC) established jointly by the NELPS and the state government for oversight, monitoring and convergence with other programmes at the district level. DPAC would be chaired by the Deputy Commissioner and would have other district officers from line departments and banks, etc.

The DPMU would be headed by the District Manager and would have following officers & support staff:

- Coordinator Social, Gender and Community mobilization
- Coordinator Microfinance
- Coordinator Livelihoods and Marketing
- Coordinator NRM and Environment
- Coordinator M&E
- Accounts Officer

**Support Staffs:**

- Accountant
- Office Assistant
- Driver
- MIS operator
- Office Attendant

Besides, DPMU would also hire technical experts in sectors for which expertise is not available locally, e.g. horticulture, agriculture, animal husbandry, etc.

**PROJECT FACILITATION TEAM (PFT)**

Project Facilitation Teams (PFT) would be working at the cutting edge at the interface of the project and the community. PFT is one of the most important units in the project implementation. All other institutional arrangements would help the PFT to work effectively and achieve the desired outcomes of the project.
The PFTs would be directly recruited by the project or alternatively the services of NGOs would be taken for them to set up the PFTs. The selection of NGO would be based on detailed criteria as spelt out in the Community Operations Manual.

The PFTs will operate at the block level. The block will be sub-divided into six clusters of average of five villages. The PFTs will be headed by a Block Project Coordinator (BPC) who will be responsible for all the project villages of the block. Below the BPC there will be six Area Coordinators (ACs) (1 for each of the 6 clusters).

**Structure of PFT**

- Block Project Coordinator
- Area Coordinators - (6 Nos)
- Accountant

**Support Staff**

- MIS Assistant
- Office Assistant

PFTs would be forming the community organizations envisaged viz. CDGs, SHGs, SHG village Federations and Producer Organizations.

**Overview of the Organization**

<table>
<thead>
<tr>
<th>Governance Committee</th>
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<tbody>
<tr>
<td>Chaired by Secretary (DONER)</td>
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<tr>
<td>Member Secretary Joint Secretary (DONER)</td>
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<tr>
<td>Secretariat</td>
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<tr>
<th>Executive Committee</th>
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<tbody>
<tr>
<td>Chaired by Secretary NEC</td>
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<tr>
<td>Vice Chair Joint Secretary (DONER)</td>
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<tr>
<td>Member Secretary Project Director (RPMU)</td>
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<table>
<thead>
<tr>
<th>Regional Project Management Unit (RPMU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Director</td>
</tr>
<tr>
<td>Project Managers (Sectoral Heads)</td>
</tr>
<tr>
<td>Assistant Project Managers</td>
</tr>
</tbody>
</table>
The key roles and responsibilities of the Project units are given in the Table below.

**KEY ROLES AND RESPONSIBILITIES OF PROJECT UNITS**

| Regional Project Management Unit (RPMU) | • Implement the programme as per PIP and COM  
| • Recruit, orient and train the project staff  
| • Hire technical assistance and other people/agencies for specific purpose, tasks, activities, etc.  
| • Guide the Districts to work in accordance with the spirit and principles of NERLP  
| • Ensure speedy arrangement and disbursement of funds.  
| • Monitor the work being done in the field  
| • Establish norms for partnership with NGOs and other agencies.  
| • Ensure timely release of funds for project activities and to various institutions  
| • Ensure timely reporting of state level activities  
| • Coordinate with WB, GOI and States for smooth functioning of the Project  
| • Redressal of grievances.  
| • Establish a platform for information exchange within the project  
| • Work with the state government for convergence with government schemes |
| State Project Support Unit (SPSU) | • Providing strategic support to DPMU.  
| • Identify the gaps and facilitating the process to plug the gaps.  
| • Ensure convergence with various government schemes.  
<p>| • Coordinate with heads of line departments, district administration for necessary |</p>
<table>
<thead>
<tr>
<th><strong>District Project Management Unit (DPMU)</strong></th>
<th><strong>Project Facilitating Teams (PFTs)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare Annual District Plan</td>
<td>• Village entry and mobilization in villages</td>
</tr>
<tr>
<td>• Coordination with State Project Support Unit</td>
<td>• Conducting PRA exercise - Social &amp; Resource Mapping, Wealth Ranking, etc.</td>
</tr>
<tr>
<td>• Coordination with District Administration, Concerned line departments, local government and banks.</td>
<td>• Identification of existing SHGs and other groups in the village</td>
</tr>
<tr>
<td>• Administrative and guidance to the PFTs</td>
<td>• Formation of CDGs</td>
</tr>
<tr>
<td>• Support to PFTs in the relevant subjects/sectors like land development and NRM, agriculture development, livestock development, business development for higher level linkages.</td>
<td>• Training and capacity building of CDG Executive Committee and Work and Oversight Committees</td>
</tr>
<tr>
<td>• Monitor the work being done in the field.</td>
<td>• Sensitization for formation of SHGs</td>
</tr>
<tr>
<td>• Maintenance of records and MIS</td>
<td>• Capacity building of SHGs.</td>
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<tr>
<td>• Ensure speedy disbursement of funds, both for village level implementation, as well as for administrative purposes</td>
<td>• Grading of SHGs and CDGs</td>
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<tr>
<td>• Ensure need based training to Community Institutions, Community Service Providers and Project staff.</td>
<td>• Reviving and training of dormant SHGs</td>
</tr>
<tr>
<td>• Ensure timely reporting of district level activities to RPMU</td>
<td>• Formation of Youth Groups (YGs)</td>
</tr>
<tr>
<td>• Redressal of grievances.</td>
<td>• Support to CDG for developing annual Community Development Plan and budget</td>
</tr>
<tr>
<td>• Coordinating with local authorities and banks.</td>
<td>• Strengthening of SHGs and CDGs.</td>
</tr>
<tr>
<td>• Marketing and linkage support to the community.</td>
<td>• Facilitation and support to CDGs and SHGs for implementation of activities.</td>
</tr>
<tr>
<td></td>
<td>• Identification and selection of Community Service Providers</td>
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<td></td>
<td>• Facilitation and support for skill mapping of job seekers.</td>
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<tr>
<td></td>
<td>• Maintaining databank of youth seeking training and their placement</td>
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<tr>
<td></td>
<td>• Arranging training of youth – linking with DPMU for the purpose</td>
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<tr>
<td></td>
<td>• Sensitization of Primary Producers for federating in a Producer/Service Organizations/Associations</td>
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<tr>
<td></td>
<td>• Support of formation of Producer/Service Organizations/Associations</td>
</tr>
<tr>
<td></td>
<td>• Ensure timely reporting of PFT level activities.</td>
</tr>
<tr>
<td></td>
<td>• Coordinating with local authorities and banks.</td>
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<tr>
<td></td>
<td>• Marketing and linkage support to the community.</td>
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- areas with District Project Management Unit.
- Grievance redressal
<p>| | |</p>
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<tbody>
<tr>
<td></td>
<td>Maintenance of records and MIS.</td>
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<tr>
<td></td>
<td>Redressal of grievances.</td>
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CHAPTER 4: OVERVIEW OF COMMUNITY BASED INSTITUTIONS

COMMUNITY INSTITUTIONS

Project entails creation of strong community institutions. Forming community institutions of the poor is the central strategy for effective social and livelihood development. The community institutions provide “voice” to the poor. They are formed to aggregate the needs and demands of people and provide a platform to them to effectively engage in the decision making process for economic empowerment. The project would develop and support inclusive, self-reliant, self-managed and sustainable community organizations and their higher aggregates for livelihood improvement.

The project would have community structure at the village level where Community Development Groups (CDGs) are formed for planning overall development of the village community. There could be more than one CDG in a village depending on the spread and number of households in the village.

The project gives lot of emphasis on Self Help Groups (SHGs) comprising of women as a building block of community structure. The poor and disadvantaged households in the village would be organized into SHGs. The SHGs would be federated at the village into Village SHG Federations.

The youth comprise of sizable segment in the North East and would be organized into Youth Groups at the village level.

The members from various community institutions formed and are involved in sector based livelihood activities would be encouraged to form Producer organizations for collectivizing and achieving economies of scale by pooling for marketing, input procurement, knowledge/technology access, etc.

FIGURE 1: COMMUNITY INSTITUTIONAL STRUCTURE
The strategy behind forming the Community Groups is to involve the community members in the process of defining and transforming social problems and empower them to address their own need and problems and plan for development. In the tribal communities, the formal and traditional village institutions are very strong. It is important for the project to ensure their acceptance as well as to utilize their hold in the community in order to reach to the larger deprived communities of that village.

One of the first institutions that would be formed would preferably consist of entire village and would be called Community Development Group (CDG). It would consist of three members from each household viz. husband, wife and adult child (preferably female) and would constitute the General Body of CDGs. The formal and traditional chiefs and/or ward members would be co-opted in the CDGs. In case of large villages or spread out in hamlets more than one CDG can be formed. CDGs would be a sub-committee of the Village Panchayat/Council.

2 The CDG structure could vary from one state to other as different states in North East have their unique methods and arrangements to ensure participation and involvement of community in the planning and decision making. These would be detailed in the respective state PIPs.
CDG would have an elected Executive Committee (EC). The Committee consists of nine representatives out of which four members will be women and at least one member from the Panchayat/ Village Council.

One of the major tasks of the CDG is to make Community Development Plans (CDPs). CDPs would try to address the livelihood infrastructure gaps of the CDG members. Investments in CDPs should benefit at least 50% of the CDG members. CDPs would also draw upon various government scheme funds like MNREGA and as far as possible use the project funds for activities that cannot be covered under any scheme.

**SELF HELP GROUPS (SHGs)**

The project will give emphasis on formation of sustainable and vibrant primary institutions of the poor based on the principle of the thrift and credit in the form of Self Help Groups (SHGs). This is mainly because by working in groups, rather than as individuals, the rural poor are able to combine and make best use of their skills and resources. They can exchange views and ideas and choose the best options. Working together makes work lighter and easier. Most important of all, a group has more bargaining power than an individual. SHGs are the basic units of people’s participation. SHG is an informal association of like-minded, homogenous persons numbering 10 to 20, with a common objective of socio economic development.

Along with formation of new self help groups, strengthening of existing self help groups will be a major part of the community institution building. However, the pre-existing SHGs in the village would not be integrated outright.

**SHG VILLAGE FEDERATIONS**

SHGs in a village would come together to form a village Federations. The vision behind establishing a SHG federation is to promote a self-reliant and a collective women force which will work towards financial independence and social empowerment in a sustainable fashion. Federations not only help SHGs become institutionally and financially sustainable because they provide the economies of scale that reduce transaction costs and make the provision of these services viable, but there is also a possibility to meet the credit needs of SHGs. SHG federations can act as financial intermediaries and service providers facilitating bank linkage of groups.

The Federations would work as a social service provider, business entity and valued client of the formal banking system. Such community organizations would also partner a variety of organizations for providing back end services to different market institutions, such as, correspondents for banks and insurance companies, procurement franchises for private sector corporations and delivery mechanisms for a variety of government programmes.

**YOUTH GROUPS (YG)**

There is a sizable segment of young people in all the NE States. They often have school level or primary education. Many discontinue studies either after failing in the public examination at the 5th, 8th or 12th class level or due to poverty and non-availability of educational facilities. They form nearly 25%
of village population. As the scope for public sector employment is getting reduced, rural areas are having large number of young persons with some education but with little skills suitable for employment. The youth energy has remained under utilized and can be channelized for livelihoods through skill building.

All the young men and women in the age group of 18-35 would be eligible to become members of the Youth Groups. It would have a core committee of five persons with one President and a Vice President from among the Core Committee.

Developing skills for employability of young men and women would be a significant activity under the Project. The project will identify the special sectors of skill development for the youth with the help of industry for trends and possibilities of employment and will provide the support to youth by funding up to eighty percent of the course fees. Should it be required, the Project would facilitate youth to take bank loans for meeting remaining fee cost. If a family member is also part of SHG youth may access loan for the balance fee from the group. The YGs would also undertake various social and recreational activities.

**PRODUCER ORGANIZATIONS**

The social capital developed and strengthened through the above process of formation and capacity building of SHGs, YGs and CDGs will serve as the foundation and building block for planning and implementing common livelihood activities. Viable business activities will be identified and linked with a wider market to provide the poor with sustainable opportunities for increasing their household income.

The project will also facilitate SHG members, youth group members, members of CDGs, in forming economic organizations, like, producer organizations (producer-companies/cooperatives/associations, mutual benefit trusts, etc.)

3 to access higher level services by leveraging on economies of scale for procurement of inputs, marketing, finance, services, knowledge access, developing and managing common facilities and infrastructure, and for accessing higher value in the value chain, etc. They would be able to access wider markets and make collective investments in value addition.

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3 As per the Companies Act 1956, amended in 2002 or Mutually Aided Cooperative Societies Act - 1999 or such other available instruments.
CHAPTER 5: COMMUNITY SERVICE PROVIDERS (CSPs)

The PFTs at the cutting edge of the project would use the services of Community Service Providers (CSP) that would be identified, engaged and trained to work with PFTs in the villages. CSPs would be hired in the villages to provide various services during the project period and afterwards. Being local the CSPs would be able to better communicate the project objectives, methods and processes. They would have better social acceptance resulting in greater confidence in the Project. CSPs would ensure smooth functioning of the community groups that would be formed by the project.

Community cadres are active individuals selected from within the community and provided with adequate training so that they can render the services to the community institutions as and when required. The kind and number of CSPs promoted will depend on the service requirement in a particular area. CSPs would be required as:

- SHG Facilitators (SFs)
- Village Para-professionals (VPP)
- Bank Facilitators

**SHG Facilitators:** These are required for mobilisation of community, institution building and facilitation of their management and operations. They would support the groups in meetings.

**Village Para professionals:** Knowledge experts would be required in various fields of livelihood activities like in agriculture, horticulture, apiculture, pisciculture, etc, Para-veterinary service providers would be required in animal husbandry activities. Technical people would required for all land and water related work, e.g. in land measurement, civil technician, mechanic, support in watershed /spring shed development, etc. Accountants would required for SHGs, CDGs, Federations, producer organizations, etc.

**Bank Facilitator (BF):** Banks are important source of credit for taking up various livelihood activities by members of the SHGs. However, the rural branches of banks are generally understaffed. Bank facilitators would help the groups in opening the bank account, carrying out transactions, documentation of loan proposals and whatever it take for providing smoother access of bank services to the SHG and YG members.

BF will be formed and placed in Bank branches where there is more than 100 Nos of project beneficiary accounts and the bank desires such support.

The general criteria for selection of CSP are:

- Should be hailing & residing in the village/cluster for which selected
- Should be able and interested to work with the targeted families
- Should have effective communication and community mobilization skills
- Should not be the defaulter of any financial institution
- Should not have been prosecuted in a cognizable offence
- Should be acceptable to the community
- Should be preferably a women and a person from deprived class.
The roles and responsibilities, eligibility etc. for CSPs is given in the table below.
<table>
<thead>
<tr>
<th>Name of CSP</th>
<th>Specific Eligibility criteria</th>
<th>Roles and responsibilities</th>
<th>Project inputs</th>
<th>Project outputs</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHG Facilitator (SFs)</td>
<td>• Min 8&lt;sup&gt;th&lt;/sup&gt; standard pass and be able to write minutes of meetings. • Preferably women • From the same village. • Have effective communication and community mobilization skills</td>
<td>• Motivate the community to form SHGs • Attend all the meetings of SHGs • Ensure proper maintenance of books and records. • Conflict resolution in the group. • Facilitate preparation of SHG livelihood plan. • Update the M&amp;E formats</td>
<td>• Training and capacity building • Remuneration @ Rs 400/- per SHG group formed and nurtured till the end of 3 and half year of project implementation.</td>
<td>• Internal facilitation leads to more social acceptance. • Smooth functioning of the groups. • Women empowerment</td>
<td>• Shall be recommended by CDG &amp; PFT and appointed by DPMU. • The Number of groups under each SF would not be more than 10 from operational efficiency considerations • Activity to be monitored by SHG-VF and PFT</td>
</tr>
<tr>
<td>Village Para-Professionals (VPPs) (Type and number will depend upon the need in the community)</td>
<td>• Should be able to read and write. • Has aptitude for the specified area of expertise. • Should be from the same village. • Preferably a practitioner of related trade.</td>
<td>• Promote the concept and guide the community on the technical aspects of the related field • Monitor the progress of adoption of the technology • Submit regular progress reports to the SHG Village Federation</td>
<td>• Training and capacity building • Tools etc. wherever required • Part of the service charges till 4&lt;sup&gt;th&lt;/sup&gt; Year of project implementation on progressively reducing basis. • Basis of service charges would be the number of community members/ institutions served.</td>
<td>• Smooth transfer of technology • Reduce transmission loss in knowledge transfer • Pool of village level technical persons. • Employment generation</td>
<td>• Names to be recommended by SHG-VF and PFT. Appointed by DPMU • Project contribution against service charges: -1&lt;sup&gt;st&lt;/sup&gt; year: 100% -next 1 year: 70% -next 1 year: 50% -next 1 year: 25% -subsequent period: Nil Actual amount of service charges will depend on the nature of service and prevailing rates. Hence would be determined at appropriate future time.</td>
</tr>
<tr>
<td>Bank Facilitators (BFs)</td>
<td>• At least Class Xth pass. • Have good communication skill • Computer literacy would be an added advantage.</td>
<td>• Facilitate opening of bank account and conducting the bank transactions of the rural people.</td>
<td>• Training on bank account opening procedures, filling of formats for various transactions and if necessary then on operating computers.</td>
<td>• Promote bank linkage • Lubricate the interface between the banks and the community. • Encourage sustainable and bankable community institutions</td>
<td>• Nominated by SHGVF and PFT • He will get service charge against the delivery of service from the community.</td>
</tr>
</tbody>
</table>
CSP TRAINING

The trainings imparted to the CSPs would be as per their job responsibilities. Immediately after their selection, they would be taken through round of trainings at cost of the project. The following are the broad modules of training planned out for each category of CSP.

<table>
<thead>
<tr>
<th>Type of CSP</th>
<th>Type of Training/ Topics</th>
<th>Duration</th>
<th>Method</th>
<th>Place of training</th>
<th>Expected outcome</th>
</tr>
</thead>
</table>
| **SHG Facilitator** *(Residential training for 20 working days at block level)* | Module I:  
• Concept of poverty,  
• Overview, concept and relevance of SHGs | 2 day    | Participatory Methods  
(to use Flip Chart, interactive session, Film show etc. and 1 day field visit) | Block level       | Trainees should be able to understand the poverty in local context and be able to understand the concept of SHG as a means to alleviate poverty |
|                   | Module II:  
• Tools and techniques of community mobilisation  
• Organising people into SHGs, stepwise procedures  
• Conducting meetings, recording minutes, roles & responsibilities of SHG office bearers, and SHG facilitator,  
• Framing rules and regulations | 5 days   | Classroom participatory discussion, Role playing, practical sessions, | Block level       | At the end of the training, the trainees should be able to demonstrate motivational skills, write minutes of meetings, understand their own roles and of members of SHG and be able to frame rules and non negotiable for the SHG. |
|                   | • Module III:  
• Savings and inter loaning in SHGs, Calculation of interest,  
• SHG books of records, Accounting and book keeping,  
• Grading of SHGs  
• Project fund flow to SHGs | 7 days   | Classroom teachings, practical sessions | Block level       | Trainees should understand the method of savings and inter loaning, calculation of interest. Should know the need and the parameters of grading SHG  
Should understand the project financial support for SHGs |
<table>
<thead>
<tr>
<th>Type of CSP</th>
<th>Type of Training/ Topics</th>
<th>Duration</th>
<th>Method</th>
<th>Place of training</th>
<th>Expected outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Module IV:</td>
<td>3 days</td>
<td>Class room discussions, practical sessions and exposure visit</td>
<td>Block level</td>
<td>Trainees should know the need and procedure of opening bank account. Understand the concept of federation. Be able to fill the required reporting formats.</td>
</tr>
<tr>
<td></td>
<td>• Opening and operating Bank accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• SHG Federation concept, its relevance, structure and functions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reporting/filling up M&amp;E Formats</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Module V:</td>
<td>3 days</td>
<td>Class room discussion and practice, exposure visit to microcredit institutions</td>
<td>Block level</td>
<td>The trainees should be able to prepare livelihood plans. Should understand microcredit/microfinance vis a vis SHGs.</td>
</tr>
<tr>
<td></td>
<td>• SHG Livelihood Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Concept of Microcredit and microfinance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Village Para Professional</td>
<td>• The training would be specific to the job responsibility of the VPP and hence would vary widely. However it would have 3-4 modules</td>
<td>2-3 days per module</td>
<td>Combination of Class room, field visit, practical demonstration, hands on training</td>
<td>Block level and Village level</td>
<td>Motivated VPPs who would be technically sound and be able to deliver the required services to individuals and institutions.</td>
</tr>
<tr>
<td>Bank Facilitator</td>
<td>• Training on Bank procedures, filling required formats and various needed banking products</td>
<td>5 days</td>
<td>Class room, visit to banks and village institutions</td>
<td>Block/distric t level</td>
<td>At the end of training the BFIs should be able to understand the banking needs of the individuals and institutions, able to understand the bank procedures and can fill up the required formats for bank transactions correctly.</td>
</tr>
</tbody>
</table>

In addition to the above mentioned trainings there will be round of refresher trainings which will be imparted to them on an intermittent manner so as to update them on recent developments in their fields or to refresh their skills in a more focused manner. The time, duration and location of the trainings would be decided as the implementation of project progresses. Further some exposure visits would also be organised for motivating them and adoption of best practices elsewhere in India or within the project areas.
CHAPTER 6: VILLAGE ENTRY AND SOCIAL MOBILIZATION

Social mobilization is the keystone of participatory approaches in rural development and poverty alleviation programs. Participatory approaches empower people to participate actively in development processes – through their own local initiatives and through well-informed and constructive dialogue. It is an essential tool for mobilizing and engaging isolated, passive, poor and vulnerable sections of society. Its effectiveness depends to a large extent on the appropriateness of the approaches used within a given cultural, socio-economic and political environment. On the whole, it is an effective tool for building well-informed, proactive and strong local institutions, making it a valuable partner for government and the private sector in shaping a life that is equitable and sustainable. Experience has shown that one of the greatest causes of failure in rural development Programme is a lack of follow-up and commitment by the community members. The project will carry out extensive social mobilization to allow communities and local institutions to identify and emphasize their successes and strengths as a means to empower them, so that they can manage their own development and make use of valuable local knowledge, resources and skills.

The core **objective of social mobilization** is:-

- To build rapport with the community
- To Identify the target community
- To get active participation from the community in all stages of project, i.e. from planning, designing, implementation & monitoring and evaluation.
- To ensure project’s sustainability in long run.

Process of Social Mobilization and the project cycle is given in the Figure below.
Contact with village Council/PRI

Social acceptance by village

Entry point activity by PFT

PRA (Social Mapping, Resource Mapping Wealth ranking)

Motivation for Formation of CDG

Formation of CDG, A/c

Training on preparing Community Development

Submissions of 1st Year Action Plan

Transfer of Project fund – Yr 1

Utilization of fund by CDG

Grading of CDG

Submission of 2nd year Action Plan

Transfer of Capital to CDG

Motivation for Formation of SHG

Identification of old SHGs

Assessment of old SHGs

If no support received under other

1st Grading of SHG

Seed grant to SHG

Second grading of SHGs

Livelihood grant to SHG

Higher level of capacity building & formation of Village SHG Federation

Identification of old SHGs

If no support received under other

Formation of new SHG

NB: Producer Organisations (Block level and District level) would be formed by individuals from CDGs, SHGs and Youth Groups
VILLAGE ENTRY

The first few interactions with the villagers, particularly in the early stages of the project, are very crucial. Later on as the project progresses the impressions in the first few villages spread around in other neighbouring villages too. Therefore, it is important to tread cautiously in the beginning. The village entry is vital to make people understand the difference in the approach of this project in contrast to other projects/development programmes implemented by government.

It is important that no promises of largess from the project be made order to buy people’s participation. Initially the responses may be lukewarm and frustrating. To obviate people’s initial skepticism number of repeat visits and interactions may be required but in no circumstances commitments should be made that project is not in a position to fulfill. The COM lays down clearly what is possible to be provided by the project subject to certain conditions. Often in order to hasten the involvement of people there is tendency to gloss over or undermine the conditions. This too should be avoided. Rather people should be made aware of conditions upfront so that they fulfil these and are not frustrated later on, if conditions have been glossed over. By not telling the conditions upfront lot of injustice may be done to people. Often conditions are there for betterment of the people.

Who does the village entry?

Project Facilitation Team (PFT) is responsible for the village entry. In the beginning of the project and up to six months, the PFT Coordinator should be directly involved in the village entry. This is an important since Coordinator gets the experience of village entry and community mobilization first hand. This experience would help the Coordinator relate to the village situation and hence guide the newer team members. this would also ensure there is right communication in the village and as per the project guidelines given in the manual.

After the initial phase, the village entry task would be primarily done by Area Coordinator with support from Community Mobiliser. While the Area Coordinator would be responsible for the cluster of villages they would be able to draw other PFT members including the technical staffs for oversight, support and/or guidance. Village entry is seen as a PFT team effort.

How is village entry done?

Before entering the village, project team should make some preparation. They should collect some secondary data about the village from statistical records which will increase the effectiveness of the village visit. They should also collect data on the village formal leaders, viz. Panchayat/Village Council leaders. These data are easily available from the Block office.

It is not possible to meet entire village and have a discussion during initial entry. In the beginning, it is essential for the PFT Team and the Community Mobilizer to together meet and provide information
about the project to the formal leaders, community leaders, elders and other informal opinion makers in the village. It is not possible to meet all of them at once hence the exercise would be repeated at least 3-5 places in a village over 2 to 3 visits. This would increases the spread of information to non-leaders of the village as more and more villagers would join these meetings as the word spreads. Meeting in different locations in the villages demonstrates that the programme is not going to be captured by the village elite or the formal/informal leaders of the village. Meeting in different places and localities also provides opportunities to individual and families access even at a later date. Informal and independent channel of information gets established this way. Only when PFT feels that sufficient base and interest has been created in the village should a formal village meeting/Gram Sabha be organized.

**Opening messages:**

The impressions formed by the villages about the project in the beginning remain for long. Hence, it is essential to give the right message in the beginning. The key messages that should be communicated and repeated over time are given below.

- The project is meant for improvement of livelihoods and incomes of the poor
- It is based on the requirements of the communities which the people themselves decide and prioritize
- The community consensus about various activities and interventions is achieved by formation of groups and higher collectives
- Savings & credit groups of women are the building blocks of community organization
- There is increasing support from the project based on performance by the groups
- Contribution by the people for development activities is important and is an indication of their participation and requirement (people would obviously not agree to contribute in something that is not benefitting them).
- Project would try to achieve convergence with other government programmes so that there is better utilization of resources and compliment the scheme/funding
- Linkage with banks is essential for higher end resources – this would ensure sustainability of financial resources even after the project
- Maintenance and operation of the created assets and community resources
- The community institutions formed should be sustainable - so that they are able to carryout their functions smoothly without excess dependence on others
- The project for a period of 5 years and final year is for the withdrawl of the project and taking over by community groups.
- The project is secular, non-religious and non political. Community should get over the social, political & religious affiliations and work together for the development of village
- There should be utmost transparency in working and dealing in the project at all levels – project and community institutions.
During the course of discussion with the villagers the PFT should also collect, process and cross check, preliminary village information about the village like the following.

- No of Households and total population of the village
- Existing schemes and benefits the community is getting form it
- Existing gaps is the scheme design and implementations
- Utilization of schemes and experience of community.
- Name and contact details of PRI, VDC representatives and village leaders.

The PFT would create one masterfile for each village. All the information about the village collected including what was done (copy of visit report) should be kept in the file.

**Expected output:**

The expected outputs of the first part of the village entry are as under.

- First hand impression of the village is captured
- A brief understanding about the opinion leaders including PRI’s/VDC representatives are developed
- Preliminary village information is collected
- Date & time for first village meeting/Gram Sabha is finalized
- Information of the proposed meeting is widely available in the village.

**FIRST VILLAGE MEETING**

This is the first village level formal meeting among villagers, PRI/VDC members and Project Staff. It is the platform for dialogue with all concerned stakeholders to reach a common understanding about the project.

**What is the purpose of the meeting?**

This is the first formal communication with the village formal chiefs and opinion makers in the village where the project is explained in detail all over again. The informal discussion earlier on may have generated lot of questions in the mind of people as well as expectations. This needs to be dealt with formally before these impressions freeze.

The project time frame and road map should be placed in front of village elders. This is important as the villagers are used to schemes in past which is a one time affair where is focus is on getting as much out in the first instance. Contrast to the above the Project is a five year affair and people should plan long term rather than short term.
The project messages communicated earlier (see previous section) should be re-emphasised in this meeting all over again. Also the rationale and thinking behind each should be discussed.

Entry point activity should be discussed in this meeting. There should be discussion on PRA exercises that would be carried out including the rationale behind them. There should be buy-in by the community and their participation ensured. The time frame for carrying out PRA exercise should to discussed and finalised.

Who does the meeting?

Project Facilitation Team (PFT) headed by Block Project Coordinator convenes this meeting.

How to do it?

The village meeting date, time and place should be fixed at least 10 days in advance in consultation with village formal leaders, elders and opinion makers, etc.

In the meeting people including the project personnel should sit in a circle so that it gives opportunity to everyone to speak and be heard. The project team should sit at the same level as others. Sometimes, people may use dais or special chairs and sitting arrangements for project personnel. The discrimination of villagers sitting on floor and project members sitting on chairs should be avoided. It is important to convey the message of equality in participation in the project in the beginning itself.

In the meeting process is discussed below.

- Have a round of introductions of villagers and give personal introduction as well
- Repeat the opening messages
- Inform about the project – vision and mission, strategies, components – emphasise community groups and structures that would be formed.
- Discussion on problems being faced by the villagers and specifically poor among them and what could be done under the mandate of the project.
- Discussion on broad constraints in economic development of the village
- Check out data base – verify if it is correct and update the same
- Discussion of PRA exercises including their rationale
- Finalise he PRA Exercise plan - Social & Resource mapping, Wealth ranking
- Discussion on entry point activity (EPA) as a confidence building measure and plan for its execution.

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4 As given is project PIP
At the end of the meeting leave behind some written communication material about the project so that they can refer to it later on. Also leave behind contact details – or it should be part of the written material.

**Expected output:**

- General awareness among the community about the project and general buy-in by the village community in the project
- The date, convenient time and location for PRA exercise is taken from the community
- One or more than one EPA would be identified

**ENTRY POINT ACTIVITY**

*What is the purpose of EPA?*

Entry Point Activity (EPA) is to be taken up for confidence building since the village people often treat outsiders with some suspicion and disbelief since promises made by outsiders remain unfulfilled. There is no reason for them to believe the project personnel till they have a positive experience. To demonstrate and win over the confidence of people an EPA is carried out.

*Who will do?*

Project Facilitation Team (PFT) will facilitate the villagers to conduct/organise the EPA.

*How to do it?*

The EPA should be a common activity that benefits most of the community members. It should address some problem that they face in general. The maximum budget for the activity is Rs 50,000. It is carried out by PFTs directly. More than one activity can be taken up under EPA subject to the ceiling amount. Some examples of EPA are as under.

- Health camp – for medical check-up with provision of providing basic medicines
- Veterinary camp – for checking animal health
- Sponsorship of village games tournament or competition for children or youth
- Supplementing provision of drinking water or such small investment that benefits many
- Any other activity that villagers may suggest within the budget.

Religious activities, activities for individual benefits are not permitted under EPA. Activity will be decided after a threadbare discussion in the village meeting. The planning of EPA including estimates has to be done by involving the community and Village Councils/Panchayats. They should own the implementation as much as possible.
**Expected output:**

General awareness among the community about the project and win over the confidence of villagers.

**PRA Exercise**

*What is PRA?*

Participatory Rural Appraisal (PRA) is a semi structured and relatively quick way of learning with the rural people, about their situations, problems and opportunities. This way of learning presupposes the cultivation of certain attitudes crucial to support people’s participation, innovation, opinions and aspirations. The objective of PRA is to have a better understanding of the village situation and arrive at an agreed set of possibilities for development focusing ‘development from within’.

*Why PRA is required?*

The objective of PRA exercise is to,

- Enhance people participation in development process
- Increase sense of belongingness among target group
- Ensure effective planning & implementation of developmental process
- Provide opportunities to all the people in the village to express their views
- Develop local perspective by becoming more responsive to local people, local situation and the local eco-system
- Mobilize local resources
- Identify and address real needs
- Make effective follow up & monitoring
- Prioritize identified needs
- Have mutual learning.

*Basic Principles of PRA*

It is important for the PFT members to understand the basic principles in conducting the PRAs. If these are not followed the PRA exercise would not achieve some of the above objectives.

- The right attitude: openness, humility, curiosity, acceptance, sensitivity
- The right behaviour: Sharing, being friendly, showing respect, Embracing Error,
- Listening – not Lecturing
• Flexibility and innovation: the PRA exercise should be converted into locally acceptable language and jargons should be avoided
• Triangulation: it is important to cross-verify the data that is being collected. There should be more than one source for any information being collected.
• Optimal information: only information that is relevant should be sought. Collecting too much information that cannot be used is wastage of time and effort.

**Who will do it?**

PRA would be carried out by the PFT in the villages.

**How to do it?**

PFTs must in consultation with the villagers, carefully select the right resource persons for the exercises.

For each exercise, they should a thorough discussion on the purpose of the exercise, and prepare a checklist of factors to be studied. Responsibilities of interviewing, recording of process, recording of content/output, observing, etc should be clearly assigned to different people. The main methods in PRA are semi-structured interviews, observations and visual representations. In PRA visual representation is emphasized because most of rural population is illiterate. They are able to provide information more correctly when the same is being plotted. Pictorial representation enables illiterates to acquire a clear perspective of the issue being discussed, thereby ensuring that they actively participate in the generation of information and its analysis. Three PRA tools - social mapping, resource mapping and wealth ranking - would be used for data collection and social mobilization. Each of the PRA exercise is discussed in brief below.

**Social Mapping**

A social map gives a clear picture of the physical structure of the village, its infrastructure, demography, socio-cultural characteristics and any other details which can be represented on a map. The objective of social map is to assess and analyze the availability and access of basic amenities existing, public institutions, demography, social and religious groups and their habitats. It helps in understanding the social structure of the village and in planning village activities.

The Social map is prepared in the following way:

1. The mapping exercise is done at a public place, particularly at the place where poor, more vulnerable and women can participate with ease. There should be enough space where people can stand around and participate in the map making.

2. The map is usually drawn on the ground in a suitable place, using locally available materials, for example stones, sticks, seeds, color/rangoli powder, etc.
3. The process of map making is facilitated and people are encouraged to give data even as one person (preferably from among the community) draws the map on the ground.

4. Social map is a pictorial representation of the village. Individual households, with pathways, public amenities like school building, post office, banks etc. are located on the map. The women headed family, migrant family, landless, religious/caste groups, etc. are separately counted and indicated. Road connectivity and distance is indicated. Also given is status of electricity and households electrified, small business units, shops, etc. if any are similarly mapped.

5. Various schemes being implemented and households benefitting can be indicated using colours. Also various infrastructure, e.g. road etc. that are coming up or are in pipeline under different schemes is also indicated along with the name of the scheme.

6. Various village institutions formal and informal, e.g. SHGs, cooperatives, federation, clubs, etc. are indicated with numbers. The households in these institutions can be indicated in the mapped.

7. Once mapping is finished, one person of the village is motivated to transfer the map on the chart paper and it shown it to all participating people for its correctness.

8. Some of the information especially figures can be given in tabular form on the chart being prepared or as a separate attachment to the social map.

The secondary information collected from census and other government records with block or PRI is collected and triangulated.

**RESOURCE MAPPING**

Resource map enables the study of the land, trees/forests, water and other resources like farm and non-farm outputs from the village, availability of skills, firms, industries, service centers, **haat/bazaars** and regular markets in the vicinity of the village. Migration and remittances are important economic resource available in the village. It maps the features and quality of these resources as also people controlling and benefiting from these resources. The resources need to be quantified, e.g. land, forest extent in acres, etc. The objective of resource mapping is to assess and analyze the existence of natural resources- types, extent, utility, availability & accessibility and identification of untapped resources and other resources that can be tapped for development of the village poor.

On the basis of available resources indicated in resource map, new activities/works can be proposed by the people. It is also possible to prioritize and locate the activity required. It is a very important and supportive tool for resource development and exploitation and value chain planning.

The resource planning exercise is carried out with villagers in an open meeting. It is helpful to have a village map from the revenue department in advance and use the same to plot the following...
information on the map. In case the revenue map is not available it can be generated in the mapping meeting. Following information is mapped on the village resource map.

1. Plot wise area of Agriculture land / grazing land / Westland
2. Type of agriculture land (Plain/Sloppy)
3. Irrigation source and bund at agriculture land
4. Type of Soil
5. Drainage
6. Plantation
7. Type of NTFP and distance from village.

By analyzing of resources available at present and required additional resource need we can get information as follow:

1. Proposed wells / location of irrigation sources / condition and number.
2. Proposed ponds / location of stop dams / condition and number.
3. Location of proposed bund / condition and approx quantity.
4. Location of proposed plantation / condition and approx quantity.
5. Proposed region and its area for land development.

Present available resources and proposed works should indicate by different colours. After completion of map draw it on a paper and show it to community whether it is correct or not.

The data collected from the resource mapping would be used for Community Development Plan (CDP) of Community Development Group (CDG).

WEALTH RANKING

This exercise assists in ascertaining the relative socio-economic status/well being of individuals and families in a village. It is a process by which all the households, in a participatory way, make a list of families, ranking them in order of their poverty. This ranking is done with at least three different groups of villagers from different economic or social groups. Other techniques can also be used to make such a list, such as distribution of natural resources between families, etc.

The objectives of the process are as follows:
i. To add those eligible families, which are left in to BPL list

ii. To know the eligible families of the village that can be linked with the project.

iii. To know economic comparative status of village family.

iv. To make understanding about village families.

One meeting of the villagers will be organized and according to them poorest, poor, medium and reach family will be defined. First we should ask to villagers to define poorest family or ask to set criteria for categorization of income level. For example villagers define poorest families like the families who have less than 1 hac. Non-irrigated land, Mud house, landless family, depends upon labor work. After that families who have less than 2 hac. Non-irrigated land, Mud house, dependent upon labour work, have cycle will be the poor family. Likewise family who have 2 – 5 hac. Agriculture land, source of irrigation, Motor, mud house, motorcycle will be known as medium family. The family which is having 5 hac. or more than 5 hac. Irrigated land, tractor, Tractor, big house and also have servants would be the rich family. For economic status we should give the simple example like 100 paisa in one rupee. The person who will have 100, 75, 50, 25 paisa will be known as rich, medium, poor and poorest respectively.

On the basis of village's list of family census cards will be prepared for different families. Each card will have the name of head of the family, Father's name, and Caste etc. The card will be given to the person who knows the villagers and request him to identify the head of the family also categories that inn which category (Poorest, Poor, Medium, and Rich) that family comes. This process should repeat with different person of different section of village.

1. After wealth ranking, list of all 4 categories' families should be prepared and read it in front of entire village body (Gram sabha). List of Family of the village should prepare in sequential order richest to poorest in the village.

2. Changes should be done in the list as per feedback. Care however, should be taken to ensure that the better offs are not hijacking the process in their favour.

3. Wealth ranking of those families who are added by Gram Sabha or disputed families should be done in entire village body (Gram sabha) only.

4. After changes again list should be read in Gram Sabha.

5. If any families trying to influence or pressurize the team to include their name in the list of target group in that case team should clear those families' status in front of Gram Sabha as per the data / information collected by them. If situation has gone out of control in that case they should stop the process and try to get approval of family list in next Gram Sabha meeting.

6. After getting approval of Gram Sabha the process to add in BPL list should start for those families which were left previously.
The outcome of the PRA may be placed before the villagers for their kind information and taking their suggestion about how to improve the weak areas.

**Expected output:**

- Generate sense of participation among the community and they would feel “Our resources..............our planning ............... our future”
- A village profile is prepared which captures key features including demographics, livelihoods, resources and other key issues.
- The poor hamlets /pockets are identified and a list of women headed HH and vulnerable communities are prepared.
- The information would be shared with the community including PRI/VDC members.

**2ND VILLAGE LEVEL GENERAL MEETING**

**What is the purpose ?**

This is very crucial meeting to discuss on findings of PRA exercise & to evolve strategy for the village and initiation of formation of community groups.

**Who will do it?**

Project Facilitation Team (PFT) particularly Block Project Coordinator, Area Coordinators & external Community Mobilizer.

**How to do it?**

Repeat the opening message. The outcome of the PRA exercise will be placed before the villagers and taking their suggestion about how to improve the weak areas. Communication material like posters, flip charts and brochures should be used to brief the villagers about the project. Facilitate to form Community Development Group.

**Expected output**

CDG is formed covering all the families in the village with husband, wife and one adult child (preferably girl child) as member of General Body of CDG.
## Summarized Version – Stages of Social Mobilization

<table>
<thead>
<tr>
<th>Stages</th>
<th>Purpose</th>
<th>Who will do</th>
<th>Process</th>
<th>Expected Output</th>
</tr>
</thead>
</table>
| Village Entry            | The first few interactions with the villagers will make people understand the difference in the approach of this project in contrast to other development programmes. | Project Facilitation Team (PFT)                                               | • Collect secondary data about the village from statistical records. Block office etc.  
• Also collect data from the social and PRI/Village Council leaders.  
• Informal meeting in different locations in villages.                                                                                      | • First hand impression of the village is captured.  
• Date & time for first village meeting/Gram Sabha is finalized                                                                                   |
| First Village Meeting/Gram Sabha | This is the first formal communication with the village formal chiefs and opinion makers in the village where the project is explained in detail | Project Facilitation Team (PFT) headed by Block Project Coordinator          | • Date, time and place of village meeting should be fixed at least 10 days in advance in consultation with community.  
• During the meeting people including the project personnel should sit in a circle so that it gives opportunity to everyone to speak and to be heard.                                                      | • Create general awareness among the community about the project.  
• Entry Point Activity would be identified.                                                                                                       |
| Entry Point Activity (EPA) | It is taken up for confidence building of community.                      | PFT will facilitate the villagers to conduct/organise the EPA.                | • It should be a common activity that benefits most of the community members.  
• The maximum budget for the activity is Rs 50,000.                                                                                           | • Project will win the confidence of community.  
• It will ensure better rapport in future.                                                                                                         |
| Participatory Rural Appraisal (PRA) | Enhance people participation in development process and boost sense of belongingness among targeted population. | PRA would be carried out by the community and facilitated by the PFT         | • For each PRA exercise, PFT should have detailed discussion on the purpose of the exercise, and prepare a checklist of factors to be studied.  
• Responsibilities of interviewing, recording of process, recording of content/output, observing, etc should be clearly assigned to different people.                                      | • Sense of participation and overall involvement among the community for the project will develop.                                                                                                      |
| 2nd Village General Meeting/Gram Sabha | This is very crucial meeting to discuss on findings of PRA exercise & to evolve strategy for the village and initiation of formation of community groups. | Project Facilitation Team (PFT)                                               | • Outcome of the PRA exercise will be placed before the villagers and their suggestions will be taken note of.  
• Facilitate to form Community Development Group.                                                                                             | Community Development Group is formed.                                                                                                          |
CHAPTER 7: FORMATION & DEVELOPMENT OF SELF HELP GROUPS (SHGs)

WHAT IS SHG?

SHG is a small group of rural poor, who have voluntarily come forward to form a group for improvement of the social and economic status of the members. It can be formal (registered) or informal. The basic concept of SHG, underlines the principle of Thrift, Credit and Self Help. Members of SHG agree to save regularly and contribute to a common fund. The members agree to use this common fund and such other funds (like grants from the project and loans from banks in future), which they may receive as a group, to give small loans to needy members as per the decision of the group. The Self Help Groups are conceived as a self sustainable microfinance system at the community level.

WHO CAN BE THE MEMBERS OF SELF HELP GROUPS?

• Woman member of the poorest of the poor or poor household.
• One woman from one family can be a member of SHG [One HH means a family having their own kitchen.]
• Of 18-60 years of age
• Able to save whatever possible regularly and as decided by the members
• Willing to work in a group and follow group norms
• Ready to spare time for the meeting
• Group formed on self-selection basis. Members should select each other and finalize the membership of their group.
• Minimum of 10 and a maximum of 20 members would be there in one SHG.

THE PROCESS OF SHG FORMATION:

SHG formation to maturity has number of stages. The process starts well before the group formation during which period method are employed so that the members are clear of the purpose of coming together before they actually do.
Different stages of SHG formation are given in the Figure alongside and elucidated in table that follows.
### STAGES OF SHG FORMATION AND GROWTH

#### FORMATION PROCESS

<table>
<thead>
<tr>
<th>Stage</th>
<th>The Process</th>
<th>Suggested Tool</th>
<th>Responsible Party</th>
<th>Time Frame</th>
<th>Outcome</th>
</tr>
</thead>
</table>
| Pre formation stage | • Rapport Building with the community e.g. Household level mobilization of targeted poor and Conducting a hamlet/pocket level general meeting.  
• Understanding the village situation – social, economic, and livelihood pattern etc.  
• Awareness raising especially on project indicators  
• Identifying the target groups  
• PRA exercise. | Casual Visits /Transect walk  
Community Meeting, Small Group Meeting, Individual Contact  
Social mapping, resource mapping, seasonal calendar | Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer. | One month | Targeted community is sensitized about the need to form a group. |
| Dissemination of SHG concept | • Follow up meeting  
• SHG concept is explained to community  
• Identification of members  
• Assessment of old SHG (gradation, capacity building, receipt of fund from other schemes etc) | Small Group Meeting, Individual Contact, & by means of Assessment tool | Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer. | 15 Days | The concept of SHG is understood and adopted by the community |
| Group initiation Stage | • Registration of the old matured SHG in the project  
• Rules and regulations in self help groups are talked about  
• Familiarize members with Books to be maintained in SHG  
• Elect Representative and explain responsibilities of Members | Various Training Programmes Meetings | Project Facilitation Team (PFT) particularly Area Coordinator & external Community Mobilizer.  
DPSU team | One month | SHG groups are formed |
<table>
<thead>
<tr>
<th><strong>Group Formation process</strong></th>
<th><strong>Strengthening</strong></th>
<th><strong>Livelihood Planning Stage</strong></th>
<th><strong>Graduation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Give the group a name</td>
<td>- Utilization of seed capital</td>
<td>- Capacity building, skill trainings</td>
<td>- Utilization of fund</td>
</tr>
<tr>
<td>- Starting of group saving activities,</td>
<td>- Internal loaning</td>
<td>- Orientation on Livelihood plans</td>
<td>- Formation of SHG Village Federation</td>
</tr>
<tr>
<td>- Internal loaning</td>
<td>- Repayment</td>
<td>- Livelihood plans prepared and submitted</td>
<td>- Bank linkage</td>
</tr>
<tr>
<td>- Repayment</td>
<td>- Opening Bank account</td>
<td>- Second grading</td>
<td>- Third grading</td>
</tr>
<tr>
<td>- Opening Bank account</td>
<td>- First Grading</td>
<td>- Fund transferred – first tranche (after 3 months of seed capital)</td>
<td></td>
</tr>
<tr>
<td>- First Grading</td>
<td></td>
<td>- 2nd Trench transferred after 3 months of first trench</td>
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<tr>
<td>- Seed capital transferred.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Meetings, Trainings,</td>
<td>First Grading Training programmes</td>
<td>Trainings</td>
<td>Trainings</td>
</tr>
<tr>
<td>Exposure Visits etc.</td>
<td></td>
<td></td>
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<tr>
<td>Project Facilitation Team</td>
<td></td>
<td>Project Facilitation Team</td>
<td>Project Facilitation Team</td>
</tr>
<tr>
<td>(PFT) particularly Area</td>
<td></td>
<td>(PFT) particularly Area</td>
<td>(PFT) particularly Area</td>
</tr>
<tr>
<td>Coordinator &amp; external</td>
<td></td>
<td>Coordinator &amp; external</td>
<td>Coordinator &amp; external</td>
</tr>
<tr>
<td>Six Month</td>
<td></td>
<td>One month</td>
<td>Three Month</td>
</tr>
<tr>
<td>SHG groups formed and</td>
<td></td>
<td>SHG are functioning</td>
<td>SHG qualifies</td>
</tr>
<tr>
<td>begin functioning</td>
<td></td>
<td>effectively</td>
<td>the third grading.</td>
</tr>
</tbody>
</table>
OFFICE BEARERS AND LEADERSHIP

SHG would have a President, Secretary and a Treasurer. The roles and responsibilities of various office bearers is given in the following Table.

<table>
<thead>
<tr>
<th>Office Bearer</th>
<th>Roles and Responsibility</th>
</tr>
</thead>
</table>
| **President** | ° To organize meetings and review sessions  
° To chair meetings and sum them up at the end  
° To encourage participation by all members in discussion, decision making and work  
° To ensure that the group norms and rules are followed and obeyed.  
° To ensure that the Secretary and Treasurer do their jobs properly.  
° To ensure that members pay their contributions as decided.  
° To delegate work and assignments  
° To ensure that the work plan is followed.  
° To maintain harmony in the group.  
° To represent the group at meetings with others.  
° To facilitate the SHG’s access to the banks & government offices/programs.  
° To resolve the conflicts and ensure building of trust among the members.  
° To inform the financial position of the group to members in the meeting and ensure transparency in money matters.  
° Ensure appointment of his successor by rotation. |
| **Secretary** | ° To write the agenda and the minutes.  
° To keep record of attendance at meetings.  
° To maintain all group records  
° To read aloud the minutes of meetings.  
° To deal with letters to and from the group as also within various committees.  
° To assist the President in day to day affairs.  
° Secretary will give information about previous expenses and forecast of future expenses |
| **Treasurer** | ° To keep the financial records of the group & ensure their safety.  
° To safeguard and manage the cash.  
° To report to the members about expenditures and receipts and the balance available in cash or at the bank  
° To give receipts for money received.  
° To count the money kept by the group in the presence of the members. |
| **Bank Signatory** | President, Secretary and Treasurer will jointly operate the SHG account.  
° To manage the use of the group fund.  
° For withdrawal of money from bank after getting approval from the members, bank signatories will sign the cheque.  
° Every year a new member will become bank signatory in addition to President/Secretary so that all members become aware of the banking process |
Bank Account of SHG: It will be necessary for the group to open an account in nearby bank in the name of group. Cheque book, passbook, and other documents of the group will be kept with the President or secretary. Bank signatory should be literate (at least know to sign) otherwise it will be difficult to operate bank account.

Functions of SHGs:

(a) Savings and Thrift:
- The amount may be small, but savings have to be a regular and continuous habit with all the members.
- ‘Savings first — Credit later’ should be the motto of every group member.
- Group members learn how to handle large amounts of cash through savings. This is useful when they use bank loans.

(b) Internal lending:
- The savings to be used as loans for members.
- The purpose, amount, rate of interest, etc., to be decided by the group itself.
- Opening savings bank account with bank.
- Enabling SHG members to obtain loans from banks, and repaying the same.

(c) Discussing problems:
- Every meeting, the group will discuss and try to find solutions to the problems faced by the members of the group.

SHG ASSESSMENT
The SHGs would be graded using the standard NABARD tool for assessment of SHGs.
<table>
<thead>
<tr>
<th>Type of CBO/Cadr es</th>
<th>Type of Training/ topic of training</th>
<th>Objective</th>
<th>Target group (Nos of participants)</th>
<th>Duration</th>
<th>Stage</th>
<th>Place/ level of training</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHGs</td>
<td>Module-I</td>
<td>To build vibrant and bankable Self help Groups</td>
<td>All SHG members</td>
<td>2 days</td>
<td>Just after formation of SHGs.</td>
<td>Village level</td>
</tr>
<tr>
<td></td>
<td>Concept of poverty, Overview, concept and relevance of SHGs to alleviate poverty</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Module-II</td>
<td>To guide the SHGs in framing their rules and regulations (bye-laws).</td>
<td>All SHG members</td>
<td>5 days</td>
<td>After completion of one month</td>
<td>Village level</td>
</tr>
<tr>
<td></td>
<td>Detailed presentation of stages of SHG development- Formation, Conducting meetings, recording minutes, capacity building, savings and credit as group activities, entrepreneurship and empowerment</td>
<td></td>
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<tr>
<td></td>
<td>Module-III</td>
<td>To educate the SHG members on credit needs and maintenance of records of books of account</td>
<td></td>
<td>7 days</td>
<td>After completion of three month</td>
<td>Village level/ block level</td>
</tr>
<tr>
<td></td>
<td>Savings and inter loaning in SHGs, Calculation of interest, SHG books of records, Accounting and book keeping,</td>
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<tr>
<td></td>
<td>Module-IV</td>
<td>To educate the SHGs about Shg Federation and its impact</td>
<td>Group leaders Selected promising members</td>
<td>3 day</td>
<td>After completion of Six month After 1st Grading</td>
<td>Village level/ block level/ state</td>
</tr>
<tr>
<td></td>
<td>Opening and operating Bank accounts SHG Federation concept, its relevance, structure and functions. Reporting/filling up M&amp;E Formats</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Module V:</td>
<td>To capable the shg to plan for their own livelihood.</td>
<td></td>
<td>3 days</td>
<td>After getting seed capital</td>
<td>Village /block /district</td>
</tr>
<tr>
<td></td>
<td>SHG livelihood Plan Concept of Microcredit and microfinance</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
## Project Funding Support

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of fund</th>
<th>Objective</th>
<th>Manage d by</th>
<th>Utilis ed by</th>
<th>Conditions for availing</th>
<th>Limits</th>
</tr>
</thead>
</table>
| 1      | SHG Seed fund | - To support SHGs to have initial capital for urgent requirement of members and experience of managing fund | DPMU-PFT | SHG | – Group having no assistance from any other source  
– Completed 6 months of savings and inter lending  
– Passed 1st grading | Rs 10000 |
| 2      | SHG Livelihood Plan fund - Tranche1 | - To support SHG members in taking up individual level livelihood activities | DPMU-PFT | SHG | – After 6 months of seed capital  
– Passed the 2nd grading  
– Preparation of livelihood plan | Rs 50000 per group |
| 3      | SHG Livelihood Plan fund - Tranche2 | - To support SHG members in taking up individual level livelihood activities | DPMU-PFT | SHG | – After 3months of 1st tranche  
– Proper utilization of the money  
– Repayment by other members started | Rs 50000 per group |
| 4      | Community development plan - 1 | - To support the village in filling gaps in the village plan – 1st time – year 2 | DPMU-PFT | CDG | – After achieving minimum marks in grading  
– Village planning excise by CDG  
– Should be able to leverage money from other Govt schemes in a ratio of 1:1  
– Should at least benefit at least 40 HHs  
– Should be in aligned with the SHG plan | Up to Rs 50000 |
| 5      | Community development plan - 2 | - To support the village in filling gaps in the village plan – year 3 or 4 | DPMU-PFT | CDG | – After achieving minimum marks in 2nd grading  
– Village planning excise  
– Should be able to leverage money from other Govt schemes in a ratio of 1:2  
– Should at least benefit at least 60 HHs  
– Should be in aligned with the SHG plan | Up to Rs 50,000 |
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of fund</th>
<th>Objective</th>
<th>Managed by</th>
<th>Utilised by</th>
<th>Conditions for availing</th>
<th>Limits</th>
</tr>
</thead>
</table>
| 6     | Producer organization startup support | - To meet the initial start up expenses | DPMU-PFT | Producer Org. | - Registration with the project
- Clear business plan | Rs 10,000 |
| 7     | Producer organization working capital + investment support | - To leverage working capital and assets from financial institutions | DPMU-PFT | Producer Org. | - Organization should be formally registered with the project
- Proper business plan
- Acceptance of business plan for financing by a bank or financial institution | Rs 50,000 |
| 8     | Youth group member | - To support the young people to acquire employable skills and provide them gainful engagement | DPMU | Trg. Org. | - Recommended by Youth Group for particular training
- Youth depositing 20% of the fees upfront in the training institute. | 80% of training cost or maximum of Rs 6000 per trainee whichever is less. |
Model/ Suggested Agenda of SHG meeting

It is compulsory for group to organize meeting on a prescribed day. The meeting will be organized at a members house. Time and place of the meeting should be decided by consensus. The information should be given to all members to ensure that everyone participates. The time of meeting and place can be changed but prior intimation of the same would be desirable. The meeting process should be simple. Different steps will focus on financial discipline but the overall objective will be socio-economic development.

The following steps are proposed for group meeting:

**Step – 1: - Initiation of Meeting:**

I. All members will gather on a pre-decided day, place and time.

II. The meeting should be started with songs or oath to make it interesting.

III. After this one member will read all the rules one by one and other member will repeat the same.

IV. All members will sit in circle and if, book keeper is not a member of group then it is compulsory for him/her to participate in a meeting.

V. Cash box and records/ books will be kept in the middle.

VI. Secretary will start the meeting.

VII. Although President will chair the meeting formally, yet, the present members will select one member to chair that meeting with a view to develop leadership qualities in all.

VIII. If book keeper is absent, group can take decision to authorize any other educated person to write the records and minutes.

IX. Book keeper should write minutes and different details like name of group, meeting date, attendance, reason of absence etc.

X. All decisions in a group should be taken through consensus. Although presence of everyone is expected, a decision can be taken with the support of 60% of the members.

XI. If minimum number of members do not participate in a meeting, decision taken therein will not be valid. Group should not sanction and disburse loan in such meeting.

XII. Absence of 80% of the members at a stretch will be a negative factor. In such a situation, the group will not be able to get the eligible marks in grading and will also not be eligible for other schemes and bank loans.
XIII. If any member remains absent in continuous three meetings, the reasons thereof should be found out. In the event of ground being unsatisfactory, a notice should be served on her/him.

**Step – 2: - Discussion in Meeting**

I. Member can start discussion with topics like education, health, governance system etc. so that all members will become aware about the present conditions and will be able to give the suggestions to improve the same. Through these discussions the knowledge level of the members and understanding will increase. After that member can discuss the issues on which decision has to taken. Book keeper should write these discussions and decisions taken, in minutes register.

**Step – 3: Reconciliation of Cash**

I. Book keeper will do entry of opening balance, which is a closing balance of last month, in cash book.

II. One member will reconcile the cash of cash box with cash book and details will be written in minutes register.

III. After reconciliation, member should keep cash back into cash box.

**Step – 4: Verification of Purpose of Loan**

I. Book keeper will give information about loan disbursed in last meeting by reading cash book and meeting minutes register.

II. Chairman of the meeting will ask the members about utilization status of loan amount. Any important information should be entered in the meeting register.

**Step – 5: - Receipts**

I. One member will collect the amount. It will be recorded in the following order.

Savings

Interest

Repayment of principal sum.

Penalty

Others.
II. If any member is unable to repay, the group will be informed. After discussion, group will fix the next date and amount for repayment.

III. If any member, due to any reason is unable to repay the loan and due to this he/she is not attending the meeting, group will motivate such member by identifying the reason. Repayment should be ensured, however, in coming months.

IV. If any member is unable to attend a meeting due to any reason and wants to deposit savings and installment of loan amount, he/she can send it through any member. The amount will be deposited in his/her name but in the meeting register he will be marked absent.

V. After getting all receipts, accounts will be reconciled with cash and bank pass book and information to this effect will be shared with all members.

VI. Any other payment like member’s traveling allowance, bank interest, payment to book keeper etc. will be made at the same time.

VII. Cash shall be kept in cash box.

Step – 6: Loan Proposal Approval and Distribution Process

I. Chairman will ask members to disclose the loan amount.

II. Before assessment of any new proposal it may be ensured that member has returned previous loan amount completely with interest.

III. It will also be ensured that member is doing saving regularly and timely.

IV. Book keeper will inform the members about applicant’s attendance details, proposed loan amount, purpose of loan and repayment period.

V. Applicant will inform the group about loan repayment period, installments, and type of loan and about resources through with he will repay the loan.

VI. All members, through consensus will take decision whether approval should be given or not? And what will be the loan amount.

VII. Book keeper will enter the transactions detail in cash book, meeting minute register of SHG and in member’s pass book.

VIII. In case of lack of available corpus fund, SHG can reduce the requested amount of loan.

Step – 7: Reconciliation of Cash Book
I. After completion of all receipts and payments, book keeper will enter remaining cash in cash book and group register. This amount should reconcile with cash book and amount written in meeting minute register.

II. If remaining cash amount will not reconcile with cash book and entry of meeting minutes register, other member should recount the remaining amount. If amount still does not tally, with the consensus of all members, book keeper will reconcile the amount by showing the difference as an income or expenditure. Book keeper will prepare note on it and will get the signature of president and the members present.

III. Any entry cannot be deleted. Only amount received and amount in balance can be change in cash book and meeting minutes register.

IV. Cash box should be under lock and key.

**Step – 8: - Reminder to Loan Receiver about Principal and Interest Amount**

I. Book keeper will inform about the status of principal loan amount.

II. President or chairman of the meeting will remind the members about loan repayment.

III. Likewise reminder will be given for repayment of interest amount.

**Step – 9: - Attendance and Valediction of Meeting**

I. Group will take decision, which member will keep the cash box and which one will keep the key. Likewise decision for account books and registers.

II. Any member or book keeper will do entry of attendance in cash book and meeting minutes register and all members will do the signature.

III. Book keeper will read the name of members who came late in the meeting and penalty will be collected in this meeting or in next meeting.

IV. Return the pass books to the members.

V. Book keeper will read the entry of cash book and meeting minutes register in front of members.

VI. Book keeper and any member will do signature in cash book and meeting minutes register.

VII. One member will be selected to send the monthly progress report to PFT officer.

VIII. Fix the place for next meeting.

IX. Chairman, will close the meeting and all member will keep the materials with them safely.
X. In the next day of the meeting saving should be deposited in bank account and deposit slip will be kept for record. In the next meeting deposit slip will be shown to all members. This will help to keep transparency among the members.
CHAPTER 8: SHG LIVELIHOOD PLAN

SHG Livelihood Plan is the planning process by which every SHG prepare to meet loan requirement for activities of members as well as to full fill the long term needs. It ensure process and development road through identification and evaluation of assets available at family and at group level. SHG Livelihood Plan not only empower the SHGs in the development of the financial management skills but also strengthen the capabilities of members and SHG.

Why:

- To empower community in identification of their needs.
- Developing dynamics where the community exercises the process of analyzing priorities of the members.
- Learning the skill of aggregating demand and accessing financial resources for meeting the demands.
- Readiness to catalyze group dynamics.

What:

- Micro-credit plan prepared by the community shall go in a uniform way and thus will follow the following process:

Who:

- Block Team led by AC shall help the group to prepare the above mentioned process that shall aid the process of SHG and its members profiling.

How:

- At First, Area Coordinator shall facilitate the group in understanding the issues of providing priority to an individual based on the community driven mechanism and understanding.
- This will become very important as the dynamics within the group will be evolving on performance parameters and it shall be an exercise for community to sympathize with the concerns of the other.
- The team shall be facilitating the task of profiling of an individual member and then getting it ratified by the group.
- The team shall be facilitating the group in becoming the spokesperson for their own cause and SHG LIVELIHOOD PLAN preparation shall be a guiding phenomenon for them.
Information known through SHG Livelihood Plan

- Present status of the family.
- Their experience in various income generating fields.
- Their experience about the income and expenditure in hitherto taken up income generating activities.
- Identified activity, Implementation method, Purchase, Marketing facility will be known.
- Can affirm the additional income for the family through these activities.
- Precautions to be taken during unforeseen situations (Insurance, Conforming to the basic health principles for the cattle, Advice from experts)
- Estimation of investment (Personal contribution + Loan amount from the SHG)
- Building up the confidence in the activities to be taken up.
- After availing loans from the SHG, they invariably will take up the IGA.
THE PROCESS OF PREPARATION OF SHG LIVELIHOOD PLAN

**First Stage:** - (Need Assessment at Family / Member Level): in the first stage, primary information relating to members and SHGs is collected. The CCs, CRPs and VO leaders facilitate the collection of primary information; information about number of family members in a family, type of land, animals, assets and yearly income and expenditure, loan etc. in this format family level need assessment has been done for activity going to be implement through group..

**Second Stage:** - the second stage consists of intensive interaction within the SHGs. The CCs, CVs, CRPs and VO leaders facilitate such interaction. This interaction is normally done in three to four sessions. For each session, a three to four day gap is allowed for paper work and reassessment by the
beneficiary households, the SHG as a whole and the PFT staff. The first session is meant for awareness creation on Livelihood Plan and livelihood opportunities. During the second session, identification of livelihood opportunities by the beneficiaries, cost-benefit analysis of each livelihood opportunity chosen by the beneficiaries, deletions of and additions to the opportunities based on the cost-benefit and viability analysis, are undertaken. During this exercise, the beneficiaries are required to convince the other SHG members, VO leaders and DPIP staff about the existence of the opportunity, its favourable cost-benefit ratio and viability. During this session, issues and strategies related to CIF support, bank financing and beneficiary contribution, are discussed. The third session is used for prioritization of beneficiaries based on the need and economic status. The POP women are given priority in the provision of loan.

PFT should do the following assessment with group:

- Participation Analysis
- Problem Analysis
- Target Analysis
- Alternative Analysis

PFT with the support of all SHG members should do the analysis of activity in following points:

I. For proper implementation of activity proposed by group members, what type of facilities and infrastructure available with the group?

II. For implementation of activity what type of materials, equipments, machinery, infrastructure, facility etc. required.

III. Through what sources/ schemes member will manage required materials, equipments, machinery etc.

IV. Which works member will take in hand through group. According to that member will identify the work selected through group.

V. Out of selected works, how much money required to do the work selected on priority basis?

VI. For implementation of selected work how much money available with the member and how much money he/she needs from the group.

VII. According to family survey format monthly income and expenditure of family will be analyzed. On the basis of it this will assess that on which period member can repay the amount without any problem to group. According to that number of repayment installments will be fixed.

On the basis of this analysis SHG livelihood Plans are prepared.

**Third Stage**: Sanction of SHG Livelihood Plan-Livelihood Plan prepared by SHG with the help of PFT will be verified by PFT. SHG, through PFT will send the livelihood plan to DPSU for examination and
evaluation. The “Loan Committee” of DPSU, according to condition of area and required assets and facilities, will examine and evaluate the livelihood plan. Subject matter specialist of the loan committee will ensure that for propose activity required assets/ infrastructure, market facilities are available in the area and in future which type of facilities can be developed through different schemes. After Loan Committee approves, the Livelihood plan proposal is sanctioned project, and information to respective SHG will be sent. After The Village Federations are formed the livelihood plan is sent to the VF for its approval. The first step here is the presentation of the plan by the SHG leaders and members, to the VF. All the beneficiaries included in the livelihood plan, attend this meeting. This step is meant to assess the level of awareness of beneficiaries on the livelihood plan, transparency in the livelihood plan preparation and to reiterate the responsibility of the beneficiaries and SHG members.

**Fourth Stage:** Implementation of SHG Livelihood Plan is carried out.

The SHG Livelihood Plan provides the following informations at various steps..

**Step 1: SHG Profiling:** This format gives the Comprehensive Information of the SHG including Name & age of SHG, detail of membership in VF, Details of the funds SHG, grade obtained by the SHG

**Step 2: Members Profiling:** This formats provides Comprehensive Information of the members including Each and every member of the SHG contemplating the present status of their family, Members of the family and their occupation, Their income, Family expenses, Family debts and Their problems.

**Step 3: Individual Income & Expenditure statement of the Member.** -This helps in developing a better understanding about the source of livelihood, make the members aware of their of capabilities and opportunities that exists. This format provide information's related to Existing livelihoods - Ways and means to enhance the income through them;details of the earnings through the present livelihoods.

**Step 4: Family Investment Plan** - This is the assessment of the IGA to be taken up by the members. This explains the activities to be taken up, enhancement of capabilities through investments, methods of getting out of problems through investment, Present income through existing activities and assessment of additional income that can be earned after investment. This also explains the repayment procedure.

**Step 5: First Prioritization:** As per the need nad requirement of the members pritoraziation is carried out. The rotation plan should be discussed among the members and finalized. The members with POP family or family with or without little skills may be given preference with seasonality of the IGA proposed.

**Step 6: Details of the second priority borrowers:** -A process is to be evolved to provide loans to the second priority members on the basis of the principle and interest recovered according to the
recovery plan and the savings. The process is to be evolved in a way that all the members can get loans in a period of 9 months based on the repayments of the first priority borrowers.

**Step 7: Memorandum Of Understanding (MOU):** 1) MOU between the SHG and the Village Federation. This should be prepared after due discussions with the Village Federation Committee at the second round of discussions itself.

**Do’s in the Micro Credit Plan**

- The necessity, objective and preparation method are to be discussed in the SHG meeting.
- The member of the SHG should, before the preparation of the SHG LIVELIHOOD PLAN, discuss about the income generating activities with her family members.
- All the members of the SHG should discuss and prepare the SHG LIVELIHOOD PLAN.
- The staff (Book keeper / Animator) should write down the SHG LIVELIHOOD PLAN as per their instructions.
- Each and every member of the SHG should know the loan details of every other member and be able to let the VO know.
- All the members of the SHG should attend the VO meeting, explain the SHG LIVELIHOOD PLAN and get approval. MOU should be made known to all the members.
- Two members of the SHG should attend the General Body meeting of the BLF, explain the SHG LIVELIHOOD PLAN and get approval.
- Sanction of loans should be in accordance with the loan sanction plan and they should meet the requirements of the members.
- Members should spend the loan amount only on the activities mentioned in the SHG LIVELIHOOD PLAN.

**Don’ts in the SHG LIVELIHOOD PLAN**

- SHG LIVELIHOOD PLAN should not be prepared without being aware of its necessity and objective.
- Members should not participate in preparation of SHG LIVELIHOOD PLAN without due discussions with the family members.
- Members should not indulge in equal distribution of the amount got through SHG LIVELIHOOD PLAN after approval.

**Benefits**

- SHG members can immediately meet their emergency requirements including that for consumption purposes.
- Taking up Income Generating Activities combining the investment obtained through Micro Credit Plan with resources and skills.
- Can purchase assets utilizing funds on a large scale.
• Funds will be distributed not to all the SHGs, but to the deserving SHGs having good practices. (By this recovery will be done effectively and activities can be taken up multiple times at a larger scale)
• The remaining SHGs will also develop good practices and acquire the skills in preparing MCP.
• Funds will be utilized in an effective, efficient and better manner.
• Internal funds will be enhanced.
LIVELIHOOD PLAN STEPS AND FORMATS

**Micro Credit Plan Step – 1:**

**Comprehensive Information of the SHG as on date**

1. Name of the SHG:

2. Name of the Village:

3. Name of the CDG:

4. No. of members in the SHG:

5. Bank Account No. of the SHG:

6. Date of inception of the SHG:

7. Total amount of Savings:

8. Total amount of Interest earned:

9. (a) No. of meetings conducted so far:

9. (b) Percentage of attendance:

10. Does the SHG have membership in the SHG Federation?

12. Whether the SHG has availed any loan from any institution? If yes, how much amount? From which institution?

13. Corpus fund in the SHG:

14. Arrears in the SHG:

15. No. of loans provided by the SHG:

16. Total amount of loans provided by the SHG:

17. Names of the representatives of the SHG:
   
   a)
   
   b)
18. Signatures of the representatives of the SHG:
**Micro Credit Plan Step – 2:**

**Comprehensive information of the SHG members**

<table>
<thead>
<tr>
<th>Name of the Member</th>
<th>Age</th>
<th>Caste</th>
<th>Education</th>
<th>Occupation</th>
<th>Details of Family Member</th>
<th>Land</th>
<th>Type Of House</th>
<th>Cattle</th>
<th>Poverty Status</th>
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<th>Children</th>
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**Micro Credit Plan Step – 3:**

**Household Income and Expenditure statement of the Member (1 Year)**

<table>
<thead>
<tr>
<th>Income</th>
<th>Total Amount</th>
</tr>
</thead>
</table>
| 1. Total income from agriculture  
   a) Wet terrace  
   b) Jhum Fields  
   c) Others (Kitchen garden/NTFP etc) | |
| 2. Income from selling vegetables / NTFP products | |
| 3. Income from animal husbandry  
   a) Selling piglets  
   b) Selling pig meat  
   b) Selling goat  
   b) Selling poultry products  
   d) Selling milk | |
| 3. Income from husband's wages  
   Days x Wage | |
| 4. Income from wife's wages  
   Days x wage | |
| 5. Income of the son or daughter  
   Days x wage | |
| 6. Others:  
   a) Business:  
   b) Job:  
   c) Artisan works: | |
| **Total Income** | |

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Total Amount</th>
</tr>
</thead>
</table>
| 1. Food:  
   • Rice Day/Kg × month × Price  
   • Red gram Day/Kg × month × Price  
   • Green leafy & other vegetables Days × month × Price  
   • Liquor & Tobacco/month:  
   • Meat/month:  
   • Fish/month  
   • Milk/month  
   • Any other | |
| 2. Soaps/month × Price: | |
| 3. Exp. children's education/month: | |
| 4. Exp. on health/month | |
| 5. Travel exp. / month: | |
| 6. Electricity Charges/month: | |
| 7. Investment on agriculture/year (Buying of seeds, fertilizers, etc) | |
| 8. Investment on Animal Husbandry (Fodder medicine etc) | |
| 9. Cloths & Festivals/year: | |
| 10. Other exp./month: | |
| **Total Expenditure** | |
**Micro Credit Plan Step – 4:**

**FAMILY INVESTMENT PLAN**

*Assessment of Income Generating Activities to be taken up by Members*

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Member</th>
<th>Activity to be taken up for Income generation</th>
<th>Required amt of loan for the activity</th>
<th>Contribution of the member</th>
<th>Amount required from the SHG</th>
<th>Income per month</th>
<th>Exp. per month</th>
<th>No. of installments</th>
<th>Value of installments</th>
<th>Remarks</th>
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**Market Linkage:** Indicate name of market from where materials going to be purchased / sell and distance from village in K.M.

**Bank Linkage:** Name of Bank, proposed for taking fund or working capital for activity.

**Distribution of profit among members:** Give detail about use of activity/assets, maintenance and member-wise profit distribution.
Micro Credit Plan Step – 5:

**Details of the members availing the loan in first priority**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Member</th>
<th>Activity to be taken up for Income generation</th>
<th>Required amount of loan for the activity</th>
<th>Contribution of the member</th>
<th>Amount required from the SHG</th>
<th>Income per month</th>
<th>Exp. Per month</th>
<th>No. of installments</th>
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Principal | Interest | Total
### Micro Credit Plan Step – 6:

**Details of the members availing the loan in second priority**

<table>
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<tr>
<th>Sl. No.</th>
<th>Name of the Member</th>
<th>Activity to be taken up for Income generation</th>
<th>Required amount of loan for the activity</th>
<th>Contribution of the member</th>
<th>Amount required from the SHG</th>
<th>Income per month</th>
<th>Exp. Per month</th>
<th>No. of installments</th>
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<th>Principal</th>
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Utilization Certificates

Certificate from SHG

Details of loan activities of the SHG for the quarter I/II/III/IV of the FY _________

Name of the SHG:

Code No:

Status of the SHG: Poorest/ Poor/ Better off/ Rich

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<tr>
<th>Sl. no</th>
<th>Name of the member</th>
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<td>Others</td>
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This to certify that the above mentioned amount of loans have been utilized by respective members of the SHG with reference to the livelihood grant sanctioned vide letter ref. No. _____ dated _____.

President

Secretary

Treasurer

Signatures

Date:
CHAPTER 9: COMMUNITY DEVELOPMENT GROUP (CDG)

Community Development Group is one of the first institutions of NERLP. CDG would consist of entire village. It would consist of three members from each household viz. husband, wife and adult child (preferably female) and would constitute the General Body of CDG. The formal and traditional chiefs would thus be included in the CDGs.

WHY CDG?
Community Development Group is the first institution and it provides an opportunity to all of us in the village - elders and the young, the poor and the rich and women etc - to work as one team and facilitate the involvement of people in various issues. It helps interaction among all in the community. It enables the people to meet their own needs and to have greater control over the decision making processes which affect their lives. It also act as a bigger platform which helps in voice on economic, political, social and environmental problems in a greater way.

THE MAIN ROLES OF CDG
The main role of CDGs are as follows.

- Encouraging non-discriminatory and participative practices within communities.
- Developing practice and policy which protect the environment.
- Encouraging partnership working with outcomes of benefit to communities.
- Ensuring access and choice for all groups and individuals within society, and supporting their independence.
- Influencing policy and programmes from the perspective of communities.
- Prioritizing the issues of concern to people experiencing poverty and social exclusion.
- Promoting social change which is long-term and sustainable
- Assisting people and communities in taking control of their own lives
- Supporting appropriate community-led collective initiatives.

PROCESS OF FORMATION
Community Development Group is a major institution of the project through which capacity building and empowerment of the community will take place at the village level.

Stage I (1st Month): Appraisal and Rapport Building

Objective: To initiate dialogue.

Time Frame: One Month
Methodology: As described in the social mobilization

**Stage II (4th Month):** Organizing the village people and formation of CDG with the facilitation from PFT and DPMU. Opening of Bank Account of CDG in the nearby bank and registration of CDG in the project.

**Stage III (6th Month):** Training and capacity building on the preparation of Community Development Plan and implementation.

**Stage IV (After six months):** Preparation and submission of the Community development Plan to DPMU.

**Stage V (Month Eight):** Release of fund
ROLE AND RESPONSIBLY

Power of General Body

° The General Body shall decide amount for monthly savings in Community Development Groups [CDGs].

° It shall have the right to remove or dissolve the Executive Committee and member of Executive Committees at any time during their tenure and elect new ones.

° It shall review and control the work of Executive Committee,

° It shall have the power to change decisions, make modifications, stay or cancel the decisions.

° It shall approve new or modify the rules prepared by Executive Committee

° It shall provide approval to the rules prepared by Executive Committee.

° It shall evaluate and control the work of Executive Committee.

Conduct of General Body Meeting

The General Body shall meet at every one months, preferably at a predetermined date or at a date convened by the Secretary in consultation with the President.

° The quorum of General Body Meeting of CDG shall be fulfilled by 60 % representation of total members.

° The representation of women at the general body meeting should be 50%

Executive Committee: CDG would elect an Executive Committee (EC) consisting of nine representatives of which minimum of four would be women. The EC would comprise of Chairperson, Secretary and treasure. One of them should be a woman. The village Headman will also be a member of a committee

Functions of Executive Committee:

• To place the proposal of selection on vacant posts, expulsion of any member before the General Body.
• To chalk out village plans for the development of the village with the discussion general body and identify the activities for development

• To ensure monitoring and evaluation of the works carried out by Work Oversight Team and submit the progress report of WOT in the monthly meeting.

• Presentation of Report and Annual Accounts before the General Body.

• The attendance of the Members attending the meeting of the Executive Committee shall be recorded in the prescribed register given as Form-..........  

• The Minutes, proceeding and the decisions, of the Executive Committee shall be recorded in the prescribed register as given in Form-.......... and shall be confirmed by the person presiding that meeting.

• All the matters placed before the executive committee shall be decided unanimously.

Tenure of Executive Committee [ EC ] members: The Executive committee shall have an elected tenure of one year.

**Conduct of Executive Committee [ EC ] Meeting:**

• The Executive Committee shall meet regularly at least once in a month, preferably on a predetermined date or on a date convened by the Secretary in consultation with the President.

• The quorum of Executive Body Meeting of CDG shall be fulfilled by 60 % representation of total members.

**Office Bearers**

<table>
<thead>
<tr>
<th>Name of the office bearer</th>
<th>Role &amp; Responsibility</th>
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| President                 | The President shall preside over all the Executive Committee and General Body meetings of the CDG  
The President shall represent the CDG in other forums/organizations.  
The President endorses, transfers and negotiates promissory notes, securities and other instruments on behalf of the CDG.  
The President shall be one of the signatory on all legal documents |
| Vice-President            | The Vice President shall perform the functions and exercise the powers of the President during the vacancy in the office of the President.  
In the absence of the President, the Vice President and in the absence of both, |
any member of the meeting may be chosen to preside over that particular meeting.

| Secretary       | Convene and participate in the General Body, Executive Committee and arrange for implementation of their resolutions and decisions.  
To arrange for maintenance and security of the records and properties of Community Development Group,  
To manage the funds subject to the control of President/ Executive Committee and arrange for maintenance of the accounts of the Community Development Group [CDG]  
To perform all functions assigned by the Executive Committee and the President |
|-----------------|-------------------------------------------------------------------------------------------------|

| Bank signatories | The bank signatories will be selected for a period of one year from the date of election.  
- The Executive Committee has the right to remove bank signatories at any time during their tenure and elect new ones from among the existing committee members.  
- The bank signatories operate the accounts of CDG with banks and other institutions, endorses, signs, encashes the cheques. |

Formation of Work and Oversight Team

Work and oversight teams will be constituted for planning and implementing various activities taken up by CDG. These teams will be appointed to assist the CDGs in implementing the proposed projects of VDP. The Executive Committee will select the members of the WOT in consultation with CDG. WOTs would have to be approved by the CDGs and the CDG would have power to ask for withdrawal of WOT members and constitute a new one instead.

Membership of WOT: WOT would have one member from the EC and two to three members drawn from CDG, depending on the activity. It is expected that WOT would be formed for natural resource management, community enterprise promotion, infrastructure development projects, etc. It will be disbanded once the concerned activity/task over. WOT would formally report progress on activities to the EC.

COMMUNITY DEVELOPMENT PLAN

Community Development Plan is a summary of all the development activities that have been decided to undertake within the community to improve the quality of the lives of the villagers. It is necessary to identify the activities which are required for the development of the village and the CDP should be based on that.

Why Community Development Plan:
• To Enhance the living standards of the community
• To establish unity among the villagers
• To create ownership feeling
• Fulfills basic needs of the community at village level
• Planned and implemented by the community themselves
• Create an opportunity to share experiences
• Value for physical and human resources available at village level
• Operation and maintenance undertaken by the community

THE PROCESS OF COMMUNITY DEVELOPMENT PLAN

Step 1. Problem Identification
Step 2: Prioritisation and ranking of the identified problems
Step 3: Planning on the basis of the analysis of problems and potentials
Step 4: Accumulation of the analysis
Step 5: Preparation of the village Development Plan

Step 1. Problem Identification:

Objective:

• Identification of various problems related to the community that can be tackled with a community development plan that builds on people’s existing resources and potentials

Note:

☐ Focus should be on the natural resource management etc
☐ Such a focus is necessary as resources for CDG plan is limited to one lakh in the first year and two lakhs from second year onwards.
☐ Focus will help in avoiding the communities from making unrealistic and nonsupportable plans.

How to facilitate

☐ Group exercise
☐ Groups will be formed according to the geographical location of the residence.
e.g. those from western part of the village, centre of the village..........  
☐ Brain storm on problems. Some key questions will be:
1) What are the various problems (No market shade, storage problems, connecting bridge etc)
2. Categorise the listed problems

Step 2: Prioritisation and ranking of Identified Problems
Objective:

- Select priority problems for the further planning and to make a ranked list of all the proposals / ideas that will be used as a priority list for further planning.

How to facilitate

1. Explain the objective of the ranking to all participants and remind them about the selection criteria and conditions for CDP.
2. Score and rank the suggested Community proposals in order of importance – highest to low, in groups.
3. A number of criteria can be used to rank the interventions identified during the planning process. The objective is mainly to identify the project ideas which are considered the most important and relevant, not to undertake a more thorough feasibility assessment.

Potential criteria are:

- Expected socio-economic impacts (high, medium, low) in terms of food security, sustainable livelihoods;
- Number of beneficiaries (number of households);
- Probability of achieving the objective (yes or no);
- Environmental impact (high, medium, low);
- Estimated financial cost;
- Any other reasons.

Step 3: PAPP MATRIX - Planning on the basis of Analysis of Problems and Potentials

Objective:

To let groups of community members analyse problems, causes, livelihood strategies and potentials and proposed activities to address this problems.

How to facilitate:

a. Divide all participants into groups and provide each group with two to three of the highest ranked problems to be considered in the PAPP Matrix.
b. Clarify the objectives of this task. Refer to the different columns of the PAPP Matrix to explain the matrix.

c. Explain to the participants that they will now discuss the different problems they mentioned during the brainstorming. This process will take some time. Start with the problem which was ranked highest among the two problems.

Keep in mind:

- The problem needs to be formulated as a negative statement and the direct impact this has on the community, for instance: "The drinking water is dirty and is a health risk. People have to fetch water from the river, which is far." Do not just write: "water problem". That could be anything. Always write down the location of the problem. There might be many different water points the village.

- Do not formulate problems as an absence of a solution: "Many poor families do not have a cows / buffalo to plough their field". This will limit the following steps of the analysis. This statement already suggests a solution: "let's get our own cow". Obtaining a loan to buy a cow might be too expensive and therefore maybe not feasible. Instead, the statement could be "We do have to give away a big share of my harvest to the person who is ploughing my land". This would problem statement would leave it open to find some alternative solutions. Members of the group might for example have ideas on how to reduce the costs for ploughing through some collaboration among cow less households.

- It is important to formulate the problem in the way it is directly experienced by the community: "There are no trees left in this area and we have to walk many hours to find some fire wood."

- The facilitator must only deal with one problem at a time. Fill in each column separately, working from the left to the right. Do not write down all the different problems from the brainstorming at one time, as you do not know yet how much space of the matrix you will need for each problem.

d. Causes of the problem

- Move to the 2nd column by constantly asking "why questions" for each problem in order to find out about underlying problems and causes of the problem. For every problem, you usually find more than one underlying problem.

- Ask question like: Why is the drinking water so dirty? Answer: Because it was protected but it is damaged now. Why was it not fixed? Answer: There is nobody who is taking
care of it? We had somebody who used to do this, but he is not there anymore? Why has nobody else taken over this task? etc.

e. strategy for the solution of the problem

• Once the causes are sufficiently discussed, ask the participants about what they already do to address or cope with the problem. These could be very small activities which help the farmers to make small changes to their income or food availability situation. These activities are livelihood strategies and coping mechanisms and are written down in the Livelihood strategies column of the matrix.

• Ask questions like: How do yo cope with this problem? What activities have the village done to solve or minimize the problem?

f. Potentials

• Ask about other resources available inside and outside the community that can be used to solve the problem. Potentials or resources to solve problems include:

  □ natural resources - river water, stones, sand, uncultivated land,

  □ human resources - manpower, skills, knowledge, influential individuals

  □ social resources - local institutions, church groups, saving groups, labour sharing arrangements, committees, projects, developmental programmes of NGOs or government that attends to the problem; remark: you can remind them about the Venn diagram which was done previously

  □ material resources (tools, transport, machinery, bore hole, empty building, funds from the community or elsewhere.

4. Accumulation of the analysis: After the PAPP exercise the analysis will be accumulated and a draft Community Development Plan will be proposed. The facilitator will

• Write the measures that are suggested to solve the problem. These measures (proposed community plan) can either target the problem as listed in the first column or tackle the problem causes listed in column two.

• Encourage the group to discuss different options and alternative solutions. If the community identifies many causes of a problem, a package of measures might have to be formulated to address the problems in an adequate (integrated) manner.

• Now ask the participants to do the same analysis for the second problem to be discussed in the group.
5. **Final Preparation of the CDP and submission of the plan**: Once the plan is prepared it will be submitted to the PFT.
Baseline survey and PRA

Summarizing the Collected Information

Problem Identification

Prioritization of Problems

Identification of Solutions

Preparing the Community Development Plan

Submission of the CDP

Appraisal of the CDP

Sanction of the CDP

Release of first installment

Release of 2nd installment

Village meeting for the CDP
CRITERIA FOR ACCEPTANCE OF PROPOSALS

The under mentioned criteria will be applicable for acceptance of the various proposals/projects/activities that had been suggested in the CDG meeting.

A. Target: The plan should benefit the maximum number of poor peoples of the village (scheduled caste/tribes, women, landless families, families whose heads are women, peoples working with backward professions etc.)

B) Technical appropriateness- The proposal should be true and simple technically so that it can be run by the community and they can maintain it.

C) Financial Appropriateness - The total cost of the activity must be calculated properly along with the time frame.

d) The community should agree to give a 30% community contribution in terms of labour in the proposal.

e) All the members are contributing equally.

f) Environment precaution - The proposal should not effect the environment adversely and if so then steps must be taken to solve it.

g) Maintenance- CDG should be agreed upon to arrange for money and other things to further maintenance of the property.

PROCESS OF APPRAISAL OF THE CDP

An Appraisal Committee will be formed at provincial level to appraise proposals submitted by the CDG. The objective of appraisal is to ensure that the proposals are in accordance with the NERLP principles and are viable for implementation with community participation. The appraisal team will observe the processes of planning, implementing, monitoring and evaluation of proposals under each of the sub sectors such as capacity building, livelihood support and infrastructure development. The monitoring process consists of assisting and guiding the community to strengthen their village organization as a people’s company with adequate empowerment from the beginning of project formulation to the end, until they get the expected benefits. The monitoring process will also involve maintaining a data base for executing the project according to the project implementation plan.

COMPOSITION OF THE APPRAISAL COMMITTEE

- Project Appraiser from the district (Technical person as per the need Social/ Natural Resource/ Micro enterprise)
- Block Project Manager
- Area Coordinator
Representative of the CDG

CDP process flow

1. Submission of the CDP
2. Desk appraisal of the CDP
3. Field Appraisal
   - Not recommended
   - Recommended
   - Re appraisal
4. Approval of the CDP
5. Release of Fund
CHAPTER 10: SHG VILLAGE FEDERATION

WHAT IS SHG FEDERATION?

SHG Village Federation is the village level association of the SHGs. It is a democratic body formed with certain number of SHGs functioning in a village with the objective of uniting such SHGs for common cause and for achieving these causes which an individual SHG would not. In short, the SHG Federation has to be necessarily of SHGs, by SHGs and for SHGs.

RATIONAL FOR FORMATION OF SHG FEDERATION.

Any institution that promotes groups only helps to build capacity of group members through various training and exposure programmes for a limited time, this project—as explained elsewhere, - for a period of five years only, after which the groups are left to themselves. No institution can afford to nurture groups or any programme, for an indefinite period of time after the project period. Moreover this would be contrary to principles of sustainability and process of development. The problem of sustainability is very vital to any development project/programme. Therefore, as part of project strategy, Village SHG Federation would be formed to ensure sustainability through ongoing reflection and action with the groups and ongoing skill up gradation programmes, which are organised and financed by the Federation through their own income and financial self sufficiency. Creating a sense of ownership is important since SHGs are not self—promoted organizations and the small size of SHGs makes it difficult for their members to visualise them as sustainable organization. Hence, SHG federation offer a means to sustain SHGs.

ROLE OF SHG VILLAGE FEDERATION:

SHG Village Federation is to help the Self Help Groups in the following aspects:

- To assist in strengthening the performance of member SHGs.
- To review, regulate, supervise the functioning of member SHGs.
- To resolve any conflict that may arise within and across SHGs.
- To take up various social issues of non inclusion of the poor, establishing norms for social accountability.
- Facilitating SHG-Bank linkages with commercial banks.
- To manage SHGs’ seed grants.
- To monitor the implementation of livelihoods plans.
- Monitoring the activities of Community Service Providers (CSP)
- Facilitate group formation for leftover poor in the village
- Provide technical assistance to members SHGs
- Develop resource base through linkages to implement the livelihood investment plans and thus ensure the economic and social empowerment of the poor households.
• Act as platform to share the experiences and concerns of member SHGs
• Make periodic appraisal and review of financial operations, plan and budget of the SHGVF
• Raise funds for SHGVF and control all financial affairs,
• Fix fees, subscription; contribution, etc. to be paid by Self Help Groups and their members.
• Appoint sub committee committees with specific functions, powers, tenure etc., and reconstitute the same or recall any or all the committee members at any time.
• Lend loans to members through Self Help Groups on the basis of their ranking
• Organises agitations at the local and District level, to address issues of injustices, oppression and exploitation.

ORGANISATION STRUCTURE AND MANAGEMENT

• The matured SHGs who qualified first grading will form a SHGVF.

• The formation and strengthening of SHGVF will be initiated when,
  o At least three (3) SHGs are formed and functionally matured in a village.
  o The matured SHGs are ready to deposit the membership fee to become member of SHGVF and the SHGs are ready to deposit regular monthly savings in the SHGVF(amount to be decided by the SHGs themselves).

• Two members from a SHG would represent in the SHG Village Federation. The SHG representatives would be decided by the SHGs themselves. At least one of them would be either of the two current leaders in the SHG. They can be changed at the discretion of the SHG members. One member would, however, necessarily be changed after one year, on rotational basis.

• All the SHG representatives would constitute the General Body of the Federation.

• The GB of the Federation would elect an Executive Committee in the first general body meeting.

• The Executive Committee will constitute of five members. The five EC members would be President, Secretary, Treasurer and 2 Members.

• The SHGVF will have various committees to discharge specific functions as per the need. These committees will be consisting of 3-5 members depending on size of federation. These Committees are as follows :

• **Social Audit Committee (SAC):** SAC will monitor the loan Utilization by participating in the SHG weekly meeting and holding discussion with the SHG members. If loan has been taken by some members to purchase assets and if that assets is not purchase within a fortnight then SAC will raise the issue in the SHG weekly meeting and discuss on the reason of delay. If
assets are not procured within 30 days the SHG and the member will have to give sufficient reason for not utilizing the loan and the matter will be taken up to the Federation. If reason cited is not sufficient the Federation may take up harsh decision by announcing the concern SHG as defaulter and next time all members of that SHG will be debarred from getting any loan.

- **Community Procurement Committee (CPC):** The Procurement Committee will ensure that all community procurement rules are followed in procuring goods or services. The procurement Committee will scrutinize all the payment and recommend it for the disbursement. The committee will collect and maintain schedule of rates for every item

- **Bank Linkage Committee (BLC):** The committee assesses the SHGs for bank linkages and facilitates bank linkage to SHGs.

- **Social Action Committee:** The committee identifies the social issues in the village that needs attention. It creates awareness on social issues.

**PROCESS OF FORMATION OF SHG VILLAGE FEDERATION:**

**STEP I: Motivation for formation of SHGVF**

- Area Coordinator (AC) and SHG Facilitator(SF) should discuss about the objectives and benefits of SHGVF in SHG meetings.

- By organizing a meeting of matured SHGs, AC and SF should ensure that the groups are aware about formulation process of SHGVF.

- Once there is agreement on formation of SHGVF, a General Body meeting will be called.

- AC and SF will facilitate the matured SHGs to hold the General body meeting for selection of executive committee office bearers with consensus of all members. This meeting will be the first meeting of general body.

*How to select the office Bearers and their roles:* In the 1st GB meeting, all the members will select the office bearers by

- Proposing the name of candidate by a member and seconded by another. If there is disagreement for that candidate, then,

- Through Voting

The Executive Committee will meet every month on a prefixed date or any date as intimated by the Secretary on approval of President.

**STEP II: 1st Meeting of Executive Committee**

In this meeting two major decisions are to be taken regarding:
• Opening of Bank Account and
• Registration of SHGVF under the project.

STEP III: Preparation of broad Bylaws of SHGVF

The bylaws of the Federation would broadly include:

• Objective of SHG Village Federation
• Who can be the Members of SHGVF?
• How to become the member?
• Roles and responsibilities of EC members.
• Admission and expulsion of members.

STEP IV: Opening of Bank account of SHGVF:- Open an bank account in any near by nationalized bank in the name of "SHG Village Federation," village( with name)

STEP V: Registration of SHGVF under the project. Objective of registration is to give identity to SHGVF. Project support team will give registration code to SHG Village Federation.

STEP VI: Deposit of membership fees and monthly saving amount from SHGs.

STEP IV: Formation of Various sub-committees under SHGVF and their Roles.

Tenure of EC members

• The Executive committee shall have an elected tenure of two years.

Conduction of EC Meeting

• The Executive Committee shall meet regularly at least once in a month, preferably on a predetermined date or on a date convened by the Secretary in consultation with the President.
• 60% representation of total members will fulfil the quorum of Executive Committee Meeting.

A model agenda for EC meeting

• Prayer (Common Song)
• Attendance
• Last meeting issues
• Review of performance of SHGVF
• Review of performance of SHG
• Review of committee
• Repayments
- SHG Livelihood Plan appraisal and sanctioning
- Discussion on Social and other Issues.

**Role and Power of General Body**

- Reviewing and supervising overall functioning and performance of SHG
- Reviewing and analyzing adherence of bylaws, discipline, rules in day to day functioning of the SHG/Federation
- Reviewing status of contribution from fee, subscription, contribution to be paid by SHGs
- SHG livelihood plan appraisal and sanctioning. Reviewing implementation of livelihood plan
- Reviewing loan disbursement and repayment issues.
- Reviewing financial status of Federation and SHGs including plan and budget
- Taking up social issues in the village
- Catalytic role in conflict resolution
- Reviewing the status of SHG-Bank linkages and set guideline there for.
- Reviewing functioning of the Sub Committees
- Regular contact and interaction with PFT particularly Area Coordinator
- Entrusting ‘president’ of the Executive Committee to endorse, transfer, negotiate promissory notes, securities and other instruments on behalf of federation.
- Conducting of GB Meeting
  - The General Body shall meet every three months, preferably on a predetermined date or on a date convened by the Secretary in consultation with the President.
  - 60% representation of total members will fulfill the quorum of General Body Meeting of SHGVF.

**Role of Office Bearers**

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<th>Name of the office</th>
<th>Role and Responsibility</th>
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**President**

President is selected or elected for a period of one year from the date of election.

The President shall preside over all the Executive Committee and General Body meetings of the SHGVF. In the absence of the President, any member of the meeting may be chosen to preside over that particular meeting.

The President shall represent the SHGVF in other forums/organizations.

The President would endorse, transfer, negotiate promissory notes, securities and other instruments on behalf of SHGVF.

Be the officer of the SHGVF to sue or be sued on behalf of the SHGVF;

The President shall be one of the signatory on all legal documents.

Shall recommend the names of community persons to PFT for appointment as CSP.

Shall constitute different committees for the functions of SHGVF.

President will operate the bank account of the SHGVF jointly with the Secretary.

**Secretary**

- Convene and participate in the General Body, Executive Committee and arrange for implementation of their resolutions and decisions;
- Arrange for maintenance and security of the records and properties of SHG Village Federation;
- Manage the funds subject to the control of President/Executive Committee and arrange for maintenance of the accounts of the SHGVF;
- Perform all functions assigned by the Executive Committee and the President;
- Take corrective or transitory measures when any constitutional or management crisis arises and particularly when the Executive Committee is unable to discharge its functions.

**Treasurer:**

- To maintain cash book of the Federation
- To update passbook
- To maintain Cheque issue register
- Preparation of monthly financial report
TRAINING:

Training is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts and rules. SHG Federation requires human resources of much higher capacity than that required by individual SHGs because of variety of task involved. It is compulsory that all its Executive Members have to go through three module of training for effective functioning of the federation. An overview of training plan for SHG Village Federation is as follows:
CHAPTER 11: PRODUCER ORGANIZATION

WHAT IS A PRODUCER ORGANIZATION?

Aggregation through integration of smaller groups at the higher levels is essential both for achieving scale and ensuring benefit from the growing market economy of India. The Producer organizations is an organization having only producers as its members having specified objectives and agreeing to make use of the services. The group of members will initiate and establish this organization. These will take on business activities such as marketing as well as deliver relevant services to members such as skill training and agro-extension.

Individuals from the community drawn from SHGs, youth groups and CDGs will become members and will be share holders of such producer organizations. Such producer organizations will essentially be community owned business entities which will undertake various activates such as bulk purchases of inputs and supply to individual members, marketing of produce, grading and quality control and first level processing through value chain investments and linkage to markets.

The producer organisation will provide comprehensive package of economic and technical services to all members as per need to carry out the livelihood activity undertaken by them. The benefits to individual members of such producer organizations will be both through sharing of profits and lower cost of inputs and services due to aggregation. Some of these activities may be decentralized to the village level depending on the specific business needs and maturity of the institution building process.

The Producer Organizations formed under respective Acts shall have a Board of Directors and will have a professionally qualified staff comprising of Chief Executive Officer, Production managers, Marketing Officer, Accounts Officer and other such functionaries as and when required. These professionals will be hired by the organization as per the HR policy framework of the organization.

It is envisaged that the producer organisations can Block level or a District level body.

These Producer Organizations being a new initiative in this region, shall need lots of handholding in various areas during the process of establishment and operations. Hence, there is a need for organisations that would provide the required services. Such technical support agency may be engaged directly by the DPMU or the RPMU depending upon the situation. The project will help for tie up with private/public sector especially for marketing; for example, with food retail chains and milk retail chains. The various types of supports expected from such support organisations are:

- Value chain analysis of a sub-sector.
- Preparation of Business Plan and facilitation for its approval.

---

5 Formed as Producer Company under Companies Act, as cooperative under Cooperative Acts, as society or trust under Societies and Trust Acts in the respective States
• Establishment of market/technical and financial linkages.
• Capacity building and strengthening of the organization.
• All Technical Support required for conforming to concerned law.

HOW IS A PRODUCER ORGANIZATION FORMED?

The process of formation of Producer Organisations will be assisted by the PFT with the support of DPMU. The project personal will facilitate right from preparatory stage till the incorporation and operations. The process of formation of these organisations will have the following key steps:

• Sensitization of the community for formation of Producer Organisations by PFT.
• Community members involve in the same livelihood activity will be encouraged to form Producer Organisations to achieve economies of scale and other benefits of aggregation. Such organisation could be formed either as per Companies Act 1956, amended in 2002 or Mutually aided Cooperative Societies Act, 1999, Mutual Benefit Trust (MBT) or such other available instruments. Such Producer Organisations could be at the Block level or at the District level. For Block level organisation, the number of community members should be at least 50 nos as direct beneficiary. While for District level organisation, the number should be at least 250 Nos.
• The members will elect a board and its chairperson.
• The newly formed organisation will adopt its bylaw called Memorandum of Association and Articles of Association.
• The Producer Organisations will be registered with appropriate authority completing all necessary administrative and legal procedures.
• After the Producer Organisation(PO) is formed, the Value chain analysis of sub sector would be undertaken to explore intervention points. PFTs and DPMUs will analyze the gap in value chain with the participation of PO.
• Accordingly PO will prepare business proposals with feasibility analysis and projections with the assistance of PFT and DPMU and submit them to DPMU through PFT for their appraisal and approval.

WHAT ARE THE PROJECT FUND SUPPORTS TO PRODUCER ORGANISATION?
1. Establishment and Handholding support: The project will provide expenses associated with the formulation and registration of the Producer organizations. This will cover expenses like:

- Expenses incurred for documentation (Byelaws, MOA preparation etc).
- Consultancy Charges for Sector support organisations.
- Registration Charges.
- Miscellaneous Expenses (Travel, stationary costs etc.).

The Maximum support from project for these activities would be Rs 1.0 lakh for Block level organisation and 2 lakh for District Level Organisation.

Working Capital and Value Chain Investment Support: Once the business plan is approved, the project would provide 25% of the total project cost while the PO has to leverage 4 times this figure to get the full project funding. The source of such funding could be commercial banks, Financial Institutions or convergence with government schemes. There could be a scope of public private partnership too.

The maximum support from the project against this head would be Rs 4 lakh for Block level Organisation and Rs 20 lakh for District level Organisation or 25% of the project cost whichever is less. This fund will be disbursed in a single tranche directly to the P.Os Bank Account.

Training: The Producer organization members/office bearers will be imparted training as per the need at appropriate time. These trainings would be funded under Value Chain Investment support. The trainings expected for the Producer organisation may be broadly, Organisational, Technical, Marketing, Accounting etc.

What is the process of release of fund to POs?

i) Establishment and Hand holding support fund:

a) Triggers for receiving the Establishment fund:-

- Selection of board of directors (BOD)
- Resolution of BOD.
- Ready with establishment cost estimate duly approved by Chartered Accountant.
- There should be a Bank A/c in the name of Producer Organization.

Process for releasing of formation fund to producer organization:

- The Producer Organization will prepare the cost estimate for formation expenditures duly approved by Chartered accountant/Company Secretary and submit it to the DPMU through the PFT.
• The DPMU will examine and analyse the cost estimate.

• Release of the amount to the bank account of the Producer Organisation.

• The Producer Organizations will submit the account of expenditure to the DPMU with utilization certificate.

b) Triggers for receiving the handholding support fund by the producer organizations:

• The Producer Organization should be registered under Company Act or Mutually Aided Cooperative Society Act (MACS) etc.

• Resolution of Board of Directors.

• Utilization Certificate on account of the Formation Fund

• Agreement with consultant

• MOU between DPMU and PO

• No overdue un-audited quarterly financial reports and annual audited financial statements (if applicable).

Process for releasing of handholding support fund:

• The Producer Organizations will procure the services of the consultant as per the World Bank procurement guidelines.

• The Producer Organizations will sign an agreement with the consultant/s.

• The Producer Organization will apply for the fund to DPMU through PFT with the following documents:
  o Agreement with consultant and TOR.
  o Registration certificate
  o Details of Bank Account
  o Resolution of Board of Directors.
  o Copy of documents related to consultant selection process.

• The DPMU will analyze and submit the same with its recommendations to the RPMU.

• After approval from RPMU the DPMU will transfer the fund to them.

• The Producer Organizations will submit the un-audited quarterly financial reports and annual audited financial statements to the DPMU.
• The Producer Organization after the completion of the Task will submit the utilization certificate to the DPMU.

Working Capital and Value Chain Investment Support:
- Triggers for receiving the working capital and Value Chain Investment Support fund:-
  • The producer organization registered under Company Act or Mutually Aided Cooperative Society Act (MACS) or any other relevant Act.
  • Business Plans duly approved by the commercial bank.
  • Value chain Analysis with detailed work plan of all the proposed activities with the cost estimates and source of funds
  • Proposal of the activities on the basis of identified gaps with cost estimate duly approved technically for the project assistance
  • Resolution of Board of Directors with the demand of working capital and value chain investment.
  • Details of Bank A/c
  • Utilization Certificate of the Establishment and Handholding Fund.
  • MOU between PO and DPMU
  • No overdue un-audited quarterly financial reports and annual audited financial statements (if applicable).

Process for releasing of Working Capital and Value chain Investment fund:

i) The producer organization will submit the proposal with the cost estimates as per their business plan to the DPMU. The proposal includes:
   • Bank approved Business Plan.
   • Registration certificate
   • Details of Bank Account
   • Resolution of Board of Directors.

ii) The DPMU will analyze and submit the same with its recommendations to the RPMU for approval.

According to the sanction of the RPMU the DPMU will release the fund.

This money will be deposited as margin money in the bank.
The Producer Organization will submit the Xerox copy of deposit counterfoil to the DPMU which will be treated as a utilization certificate.

iii) The Producer Organizations will submit the un-audited quarterly financial reports and annual audited financial statements to the DPMU.

---

**AGREEMENT FORMAT**

**North East Rural Livelihood Project (NERLP) And ........................................................ Producer Company/Co-operative, for financial support**

The agreement is made the ..... day of the month of ............ 20.... , between the North East Livelihood Promotion (NELPS), 3rd floor, Rajrishi complex, Six Mile, Guwahati-22 and Producer Federation i.e. Producer Company/Co-Operative (PC) ........................................... (Hereinafter called the "Second Party").

**Whereas**, the NELPS is registered society formulated under Ministry of Development of North Eastern Region (DoNER) for implementation of a world bank financed Livelihood Project named North East Rural Livelihood Project(NERLP)

**And Whereas**, the Producer Company/ co-operative....................... is the legal commercial federation of Producers of district ................ covered under NERLP and now registered in .................................... Act............, registered office at Village ....................... Block .................., District ..................., State........

The objective of the proposed agreement would be to provide financial support to the Producer Companies/co-operative and making them a viable business organization.

The parties hereof agree as follows: -

1) The Second party shall establish Block level / District level office/business outlet.

2) The Second party shall keep complete team of professionals required for carryout business activities. It shall comprise team of professionals of different disciplines like agriculture, agribusiness, management, marketing professionals, finance and accounts.

3) The Second party shall be directly responsible for implementation of the business plan as submitted to the first party.

4) If there is any change made in the business plan, the second party shall be responsible to take prior permission from The First party.
5) Second party shall be responsible for the compliance of Operation Manual and guidelines framed by The First party.

6) The Second party shall maintain systematic and accurate accounts and records.

7) For effective implementation of business plan, expansion & growth of business and finally the betterment of beneficiaries of the NERLP the second party shall mobilize funds from different Government/Private funding agencies/Govt. schemes/banks like SGSY, NABARD scheme or other schemes for infrastructure development, working capital and operational expenses.

8) The first party shall provide support required for conceptualisation, formation and operations of the business organisation.

9) Meanwhile The first party shall provide financial support to second party as one time grant subject to a maximum of -

   • Rs. 1.0 lakh/2 Lakh (Rupees One/Two Lakh only) as Establishment and hand holding support.

   • Rs. 4 Lakhs/20 Lakhs (Rupees Four/Twenty Lakhs) as the Working Capital and Value Chain Investment Support.

1) The second party shall ensure effective and efficient use of grant allocated and are liable to submit the utilisation certificate.

2) The First party shall release the fund on the basis of the actual estimate or maximum limit specified against the component, which ever is less.

3) The Second party shall pay the Taxes, duties fee, levies and other impositions levied under the applicable law and the First party shall perform such duties in this regard to the deduction of such tax as may be lawfully imposed.

4) The Second party will be responsible for appropriate insurance coverage. In this regard The Second part shall maintain workers compensation, employment liability insurance for their staff on the assignment.

5) The Second party shall submit full accounts of proposed business plan in writing taking into accounts all receipts and payments and commitments incurred for the purpose of the agreement and the termination.

6) The first party will act as observer & advisor for the execution of the business plan of the company.

7) Any information/document/record/details requested by the first party would be promptly attended and supplied by the second party within a reasonable time frame.
8) If felt required, The First party can appoint any auditor/agency/officers for review and audit of the records, however annual audit and keeping all record shall be sole responsibility of second party.

9) The Second party shall cooperate and produce relevant document to the auditor/agency/officers appointed by The First party.

10) If The Second party fails to abide by the terms of reference of the agreement or the instructions of The First party, then, The First party is authorized to take appropriate action.

11) If the Second party fails to use the money as per the agreement and for the approved purpose then the First party is empowered to recover the amount provided to them.

12) The agreement shall automatically be terminated with immediate effect in case the second party become bankrupt/wound up/blacklisted/convicted by any government agencies/court.

13) The agreement shall be terminated when the programme or any part thereof is not carried out to the satisfaction of the first party.

14) Any dispute arising out of this agreement shall be liable to mutual arbitration and the Project Director of NERLP is authorized for settlement of conflict.

15) However any dispute arising out of the contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with Arbitration & Conciliation Act 1996.

16) This agreement shall remain in force from the date..................... to ..................

17) For effective implementation and monitoring of the contract envisaged in the agreement ........................................ will be the Nodal officer on behalf of the 'THE FIRST PARTY',
 and ........................................... .................Will be the Nodal officer on behalf of the 'THE SECOND PARTY

In WITNESS WHEREOF, the parties hereto have caused this agreement to be made in English and executed by their respective duly authorized representatives of the day and the year first above written

Signed at ....................... on ....................... , 200 .

For and on behalf of

NELPS

(...................)

For and on behalf of Producer Company/Co-Operative (Second Party)
(..................)

Witness        Witness
CHAPTER 12: COMMUNITY BOOK KEEPING & ACCOUNTING

COMMUNITY BOOKKEEPING & ACCOUNTING

Sound Financial Management and Book Keeping System is very important to achieve the objective of developing self sustainable Community Institutions. Community Institutions should be able to manage their resources effectively and efficiently and should also be utilized the fund for which it was intended. Systematic track record of fund/resource received and utilization thereof would be in transparent and easily accessible by its members/community. It will bring faithfulness among the members and also create amicable atmosphere of the institutions.

Community institutions have to open joint Bank Account in the name of SHG/SHGF/CDG/PO at Nationalized/Scheduled/RR Bank. All the fund/grant receipts are to be deposited into the joint bank account. Withdrawal and deposit can be made as & when required as per normal procedures.

Books of Account at the Community level will be prepared manually. Accounting shall be done at the following levels-

- SHG
- SHG Federation
- Community Development Group (CDG)
- Producer Organization (PO)

ACCOUNTING AT CBOs LEVEL

The Accounting at CBOs level shall be done to ensure that savings, Inter loaning among the members, Utilization of Funds received from the project and from other sources are properly recorded and also to ensure that grant and loan received are properly managed and utilized for the purpose it was intended.

The following books of Accounts shall be maintained-

1. Minute Book
2. Meeting Attendance Register
3. Fund/Grant Received Register
4. Cash/ Bank Book
5. Vouchers
6. Loan Register (for SHG/SHGF)
7. Savings Ledger (for SHG/SHGF)
8. Visitors Register

**Minute Book**

Minute Book is a Book where proceedings of the meetings are recorded. SHG members would discuss the various matters and take the decisions through resolutions which have to be passed through majority of votes. Every decisions passed through the resolutions are recorded in the minute book systematically duly authenticated by the President/Secretary.

**Meeting Attendance Register**

SHG/SHGF/CDG/PO has to maintained attendance register for all meetings. The President/Secretary has to certify the attendance of the meeting mentioning the total nos. of members present and absent.

**Grant/Fund Received Register**

All grant/fund received from the project are to be recorded in this register. This register will help in tracing out, how much grant or fund was received for the particular purpose in a year.

**FORMAT**

<table>
<thead>
<tr>
<th>Date</th>
<th>Sanction Letter No.</th>
<th>Purpose</th>
<th>Cheque/Draft No. and Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cash Book

Cash Book is the original entry where all cash received and payments and all received & payments through cheques (financial transactions) are recorded. Cash Book shall be written and closed daily. It enables to know the balance of cash in hand and at bank at any point of time. The following points are to be taken in to care while writing Cash Book:

- All the financial transactions are to be recorded in the Cash Book.
- All cash received are to be recorded in the Cash column on the Receipts side.
- All cheque/bank drafts received are to be recorded in the Bank column on the Receipts side.
- All cash payments are to be recorded in the Cash column on the Payments side.
- All payments through cheque/bank draft are to be recorded in the Bank column on the Payments side.
- Cash withdrawal from the bank are to be recorded:
  a) In the Cash column on the Receipts side.
  b) In the Bank column on the Payments side.
- Interests credited by the Bank are to be recorded in the Bank column on the Receipts side.
- Bank charges/commissions debited by Bank are to be recorded in the Bank column on the Payments side.
- For each Cash Book entry a brief narration is to be written at Particulars column.

**FORMAT**

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Particulars</td>
</tr>
</tbody>
</table>
Receipts and Payments Account

Received and Payments Account is a summary of Cash Book. This account is prepared at the end of every month. From this account it can be know how much amount was received during the month and how much amount was paid during the month for the particular head.

**FORMAT**

<table>
<thead>
<tr>
<th>Head of Account</th>
<th>Particulars</th>
<th>Amount</th>
<th>Head of Account</th>
<th>Particulars</th>
<th>Advance Amount</th>
<th>Actual Amount</th>
<th>Total</th>
</tr>
</thead>
</table>

Name of SHG/HSGF/CDG/PO

Receipts and Payments Account

For the month of ............

<table>
<thead>
<tr>
<th>Head of Account</th>
<th>Particulars</th>
<th>Amount</th>
<th>Head of Account</th>
<th>Particulars</th>
<th>Advance Amount</th>
<th>Actual Amount</th>
<th>Total</th>
</tr>
</thead>
</table>

| 107 |
Cheque Issue/Withdrawal Register

Community Institutions are required to maintain a Cheque Issue/Withdrawal Register. This will help the community institution members to see whether the cheque issues and withdrawals have been made as per delegated powers.

**FORMAT**

<table>
<thead>
<tr>
<th>Date</th>
<th>To whom issued</th>
<th>Particulars /Purpose (Ref.)</th>
<th>Cheque No.</th>
<th>Amount</th>
<th>Signature of Issuing Authority</th>
<th>Signature of Issuing Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Bank Reconciliation Statement:

Bank reconciliation statement is to be prepared at the end of every month to know whether the Pass Book balance tally with the Bank column of Cash Book or not. Sometimes pass book balance do not tally with the Cash Book balance due to various reasons. Bank reconciliation statement would give the details of all differences between Pass Book and Cash Book balances. If differences arise and correction is required then the necessary correction would be made in the Cash Book or Bank with the approval of head of the institution or president/secretary.

### Bank Reconciliation Statement

As on ........................................

Savings Account No.....................

Name of SHG/SHGF/CDG/PO...............  

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank balance as per Cash Book</strong></td>
<td>Rs............</td>
</tr>
<tr>
<td><strong>Add:</strong> Cheque issued but not presented for Payment</td>
<td>Rs............</td>
</tr>
<tr>
<td><strong>Add:</strong> Interest credited but not recorded in the Cash Book</td>
<td>Rs............</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>Rs............</td>
</tr>
<tr>
<td>Less : Cheque/draft deposited into bank but not credited</td>
<td>Rs............</td>
</tr>
<tr>
<td>Less : Bank charges debited by the bank but not recorded in the Cash Book</td>
<td>Rs............</td>
</tr>
<tr>
<td><strong>Bank balance as per Pass Book</strong></td>
<td></td>
</tr>
</tbody>
</table>
Vouchers

Voucher is a supporting documents for cash received & payments and received & payments through cheque. The date-wise systematic maintenances of voucher will bring more clarity amongst the members on all financial transactions of the institution.

Receipts Vouchers-
SHG/SHG Fed/CDG/PO shall issue receipts vouchers for every received by the groups against all received.
The formats of the receipt Voucher is shown below-

FORMAT
Name of SHG/SHGF/CDG/PO:
Village Name:

RECEIPT
Receipt No.(SL.NO.):                              Date:
Received from :
Name :
Address:
Membership No.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Loan Repayment</td>
<td></td>
</tr>
<tr>
<td>Membership Fees</td>
<td></td>
</tr>
<tr>
<td>Interest on Loan</td>
<td></td>
</tr>
<tr>
<td>Others to be specified</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

Signature of Treasurer            Signature of President/Secretary
Points to be noted in preparing receipts:

1. All receipts are to be prepared in duplicate.
2. The duplicate copy of the receipt will be retained by the SHG and the original copy to the person paying the amount to the SHG.
3. All receipts must be serially numbered and dated.
4. All receipts must be signed by the Treasurer.
5. All receipts must be accounted for in the Cash Book on the date of received.
6. Any corrections in the receipts must be countersigned by the Treasurer.
7. The amount in figures and words must agree.

PAYMENT/EXPENDITURE VOUCHERS

1. Every payment/expenditure must have some evidence which shows that payments has been made.
2. Vouchers must be prepared for every payments/expenditure.
3. Every payment/expenditure vouchers must serially number.
4. Every voucher should be duly signed by the person who has power to make the payment and expenditure. In SHG the voucher must be signed by Secretary and treasurer.

FORMAT

Name of SHG/SHGF/CDG/PO:
Village Name:

PAYMENT VOUCHER

Voucher No.: Date:
Mode of Payment: Cash/Cheque.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Debit Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>


How to Prepare a Payment Voucher

1. Payment Voucher shall be prepared whenever the CBO makes a payment.
2. Bills for materials supplied are to be attached with the Payment Voucher.
3. Receipts have to be obtained for all payments and later on attached to the Payment Voucher.
4. Payments vouchers must be authenticated by the person authorize to approve the payments.
5. Whenever advance payments are made, it should be mentioned in the Payment Voucher as “Payment of Advance for ……..”

Heads of Accounts:

1. Head of Accounts should not be complicated. It should be very simple.
2. Head of Account represents the nature of the transaction. For example, the payment of rent, electricity charges, conveyance are all administrative
expenses and are grouped under the head of account “Administrative expenses”.

3. Heads of account help us in knowing how much we have spent for a particular head.

**LOAN LEDGER (REGISTER)**

Since the major activity in a SHG/SHG Fed is providing loan to the members a separate loan ledger/register are to be maintained in a simple and easily understandable format.

**SAVINGS LEDGER (REGISTER)**

Saving ledger must be maintained for each and every member to record the regular savings of the members. From saving ledger it is easy to know total savings of a member at a given point of time. The Savings Ledger/Register is to be maintained in a simple and easily understandable format.

**Stock Register**

Need of stock register arises when the community institution involves itself in the activity of sale and purchase. All the purchase of stationery materials/furniture/equipments etc. must be made entry in the stock register first and issue in accordance of the need of the members and the groups. The closing stock at any point of time must be match with the actual stock in the godown. Separate page shall be open for each category of items like furniture, table, chair etc.

**FORMAT**

<table>
<thead>
<tr>
<th>Name of Article</th>
<th>Stock Register</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Particulars</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Note: User’s indent in original shall be treated as issue voucher. Issue voucher number shall be in consecutive order, financial year, wise and it should be noted on each indent.

Fixed Asset Register

Community Institutions should maintain fixed asset registers for all the fixed assets purchased/received from the DPMU. Separate page shall be open for each category of items like furniture, table, chair etc.

FORMAT

Register of Fixed Assets

Name and description of the Fixed Assets".........".

<table>
<thead>
<tr>
<th>Date</th>
<th>Particulars of Asset</th>
<th>Particulars of supplier</th>
<th>Cost of the Assets</th>
<th>Location of the Asset</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Name and Address</td>
<td>Bill No. &amp; Date</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTE.- The items of similar nature but having significant distinctive features (e.g., study table, office table, computer table, etc.) should be accounted for separately in stock.

**Utilization Certificate**

All the community institutions must submit utilization certificate to the PFT as soon as grants/funds are utilized or at the end of last quarter of the financial year. The PFT then compile and send it to the DPMU quarterly.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details (purpose of expenditure incurred/utilization)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Certified that the above mentioned amount was spent for the purpose for which it was sanctioned. The books of record are up to date and kept ready for inspection. At the time of inspection, if it is found that any of the above amounts have been mis-utilized, we will be held jointly responsible.

Seal & Signature (Member Secretary of SHG/SHGF/CDG/PO)

Seal & Signature (President of SHG/SHGF/CDG/PO)

* Expenditure/Utilization is to be approved in the meeting of SHG/SHGF/CDG/PO and Photocopy of Minutes & Attendance Register of Meeting is to be attached with this UC.
<table>
<thead>
<tr>
<th>Objective</th>
<th>Type of Training/ topic of training</th>
<th>Target group (Nos of participants)</th>
<th>Duration</th>
<th>Method</th>
<th>Stage</th>
<th>Place/level of training</th>
<th>Expected outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>To build strong and bankable SHG Federation.</td>
<td>Module-I Concept of Micro credit, management norms, meeting process, roles, responsibilities &amp; activities, Record keeping. Module-II Concept of Sub committees &amp; their roles &amp; activities. Module-III Livelihood &amp; Marketing, Conflict Management, Monitoring &amp; Evaluation Exposure visit.</td>
<td>All Executive Committee members</td>
<td>3 days</td>
<td>Participatory Methods (to use Flip Chart, interactive session, Film show etc)</td>
<td>Just after formation of federation</td>
<td>Cluster level</td>
<td>Emerge as strong financial organization at the village level.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All members</td>
<td>1 day</td>
<td></td>
<td></td>
<td>Village level</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>All Executive Committee members Selected members</td>
<td>2 days</td>
<td></td>
<td></td>
<td>Cluster level</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7-10 days</td>
<td></td>
<td></td>
<td>State/ National level</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER 13: EMPLOYMENT ORIENTED TRAINING PROGRAM

What?

Employment oriented training programme is referred to as technical education as the learners directly develop expertise in a particular group of techniques or technology. It prepares the learners for jobs by acquisition of knowledge, skills and competencies as a result of teaching of vocational or practical skills and knowledge that relate to specific useful competencies. It forms the core of apprenticeship. EOTP has specific goals of improving one’s capability, capacity and performance leading to skilled behavior.

Objective

The objective of employment oriented training programme is to enable the youth in the project areas to capture new employment opportunities arising out of the overall growth of the regional and national economy and set up small enterprises in their local areas based on market potential as well.

Why?

Youth are the backbone of a nation and the future of a country depends on how well trained and properly guided they are to lead the country in the path of development. Unemployment is the burning problem and it is one of the major reasons that the youth get deviated from the right track and choose some illicit activities. Moreover, in the globalization era, there is a tough competition in the market where quality is being given more emphasized for which skill up gradation is required. Rural areas are having large number of young persons with some education but with little skills suitable for employment. Therefore, to cope up with the threat and challenges of the present employment scenario and market potential, employment oriented training programme is of utmost importance to the youth of the project areas.

How?

Studies would be conducted at the block level by the PFT to assess the existing level of skill or interest and correlate them with the market potential to finally select and develop skill development plan. Youth group would be identified that would take up different skill building courses as per their aptitude and interest. The request for training would be consolidated and training institutions are advised to develop such courses and after successful completion of training programme necessary arrangement for placement would be made.

For whom?

All youth, both male and female in the age group of 18 to 35 years within the project areas will be the target group.

Types of investment:

The various types of investments under this subcomponent would be:
1. Study of market demand for skills and potential employment possibilities.

2. Study of training need analysis of the youth on a market demand and employment potential.

3. 80% to 90% of training cost (percent may vary for different youth groups) plus incentive to Training institute for placement.

4. Linking up with various placement Agencies/Training Institutes within the Region.

5. Arrange for job fair/job placement fairs with the help of event management group.

**THE STAGES OF TRAINING AND PLACEMENT:**

1. Create awareness about Employment Oriented Training among the youth of the selected Project areas and create a positive environment.

2. Registration of youth at DPMU who are interested to undergo training programme for further placement. An application detailing profile along with a photograph is to be submitted by the youth.

3. Prepare a list of the Youth Groups seeking employment oriented training programme and broadly categorize them into:

   - Unemployed youth of Class X standard passed and above (upto graduate level).
   - Unemployed youth of less than Class X standard educational level (minimum 5th standard passed).
   - The categorization of youth is done with a view of what kind of training programme can be imparted for their skill upgradation based on their educational level.

4. Detailed dialogue or informal personal interview by PFT to know their expertise/interest/hidden potential in various fields and to know their personal profile.

5. Prepare a list of the youth mentioning their expertise/interest in various fields.

6. Assess the Training needs of the youth from the prepared list of interest.

7. Prepare the areas where Training is required based on market demand and assessed training needs.

8. Prioritization and phase wise selection of youth to undergo training programme.

9. Training areas may include:

   (1) For unemployed youth of Class X standard passed and above (upto graduate level), the training areas may be:

   Personality development & improving communication skills, Call centre/BPO, Hotel management and catering, Fashion designing, beautician course, architecture, aviation industry, Automobiles &
Electronics, computerized mobile repairing course, Computer, Agricultural practices, Tourism and any other self entrepreneurial activities etc.

(2) For unemployed youth of less than Class X standard educational level (minimum 5th standard passed, the training areas may be:

Improved agricultural practices, Floriculture, Horticulture, Pisciculture, sericulture, beekeeping, Petty business, Small Enterprise management, Village tourism, handicraft, handloom, Tailoring, Processed items etc..

° Liaisoning with various Training Institutes either Government/ Semi Govt/Private Sectors and reputed placement Agencies and Companies.
° Necessary arrangement of imparting training programmes for skill up gradation.
° Selection of Training Institute Private, Govt or Semi Govt through advertisement either at Regional or District level.
° PFT will intimate the youth about the date, place, venue, duration, lodging arrangement etc. of the training programme.
° After the Training programme, Training Institute will arrange for placement of at least 80% of the trained youth.
° The placement assessment by PFT after 3 months.
° Maintain a separate data bank for both the categories of the unemployed youth at the Regional, District and PFT level.
FLOW CHART OF TRAINING:

Youth Group

Awareness Programme

Registration of youth

Listing and categorization of Youth seeking Training

Dialogue with youth to explore their Expertise/potential by PFT

Assessing Training Need

Areas of Training

Prioritization & phase wise selection of Youth

Liasioning with Training Institutes

Selection of Training Institute(s)

Necessary arrangement of training programme

80%Placement by Training Institute

Placement Assessment after 3 months b PFT

Maintain Data Bank
Roles to be played by different Project Management Units:

<table>
<thead>
<tr>
<th>RPMU</th>
<th>DPMU</th>
<th>PFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity building of DPMU and PFT regarding Employment Oriented Training Programmes.</td>
<td>Arrange Awareness Programme on Employment Oriented Training Programme.</td>
<td>PFT will be responsible for mobilization of the youth in the employment oriented training programme.</td>
</tr>
<tr>
<td>Provide technical support and guidance to DPMU for arranging need based/market demand based employment oriented Training Programmes.</td>
<td>Registration of the youth in the DPMU.</td>
<td>PFT through coordination with DPMU will assist in all the employment oriented training programmes.</td>
</tr>
<tr>
<td>Liaisoning with various Training Institutes/Government Department/Semi Government/ Autonomous Bodies/Private Sector for technical inputs.</td>
<td>A list of the youth seeking training programme are to be prepared.</td>
<td>PFT will communicate the necessary information regarding training / placement to the youth from time to time.</td>
</tr>
<tr>
<td>Coordination and partnership with various reputed placement agencies/companies.</td>
<td>The prepared list of the youth will be forwarded to RPMU for approval to incorporate them in the Project beneficiaries.</td>
<td>PFT will maintain the data bank of the youth</td>
</tr>
<tr>
<td>Arrange Job fairs/ placement fairs either at Regional/District level.</td>
<td>Identify the areas of Training to be imparted to the youth based on their expertise/interest and market demand based.</td>
<td></td>
</tr>
<tr>
<td>Maintain a separate Data Bank of both the youth categories</td>
<td>Submit the proposal of need based/market demand based employment oriented Training Programmes of the youth to RPMU for guidance, support and approval.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintain Contact with related Training Institutes/Training Agencies either Govt. or Semi Govt. or Private sector.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintain a separate Data Bank of both the youth categories</td>
<td></td>
</tr>
</tbody>
</table>

**ELIGIBILITY CRITERIA**

Eligibility criteria for registration of the youth:

1. The youth should be within the age group of 18-35 years,
2. They should strictly belong to the selected project areas and Youth Groups,
3. Based on the educational qualification, two categories of youth are to be taken into consideration – one category is class x standard passed and above (Max. graduate level), another category is less than class x passed (Min. 5th standard pass),

4. They can belong to both gender, male or female,

5. Tribal youth groups are to be included in the training programme,

6. They should be dynamic, energetic and willing to set up their own enterprises or any other income generating activities.

**SELECTION OF TRAINING AGENCY:**

The following process will be adopted for the selection of training agency:

- The RPMU will publish advertisements for selection of training agency giving details of requirement of training programmes. The DPMU will directly establish contact with Technical institutions, government / semi govt/ autonomous and private training institutions.

- Applications from Training Institutes will be accepted as per requirement.

- The selection of training institutions will be a continuous process.

- RPMU/DPMU will sign a MOU with selected training institutions.

- The training institutes will propose the training program according to the demand of industries so that after training, placement will be available for the candidates.

- The training institute will tie up with various placement cells and those list are to be submitted to DPMU.

- The training programs proposed by training institutions will be presented to RPMU/ DPMU. This presentation will include the duration of training program, subject, detailed course content, training place, member wise training fee, required eligibility, admission process, batch size etc.

- Short Diploma course or short certificate program will be included in employment oriented training programme.

- No degree will be awarded to the trainees.

- The training institute will provide at least 80% placement to youth who have successfully completed training programme.

**Duration of Training Programme:**
The duration of training programmes may be broadly divided into 2 categories.

1. **Basic training**: Maximum Training duration of 3 months in a slot.

2. **Advanced Training**: Maximum training duration of 6 months to one year

**TRAINING COST AND TRAINING INCENTIVE:**

*Training cost* include tuition fees together with fooding and lodging cost incurred during the entire training programme. Training cost to be borne by NELPS ranges from 80 to 90% (vary for different youth groups) and remaining portion are to be borne by the trainee herself/himself.

*Training incentive* is the monetary reward given to the training institute after placement of at least 80% of the trained youth. It will be given after three months of placement. The percent of incentive is ( % ) of the tuition fees per trainee.

**Percentage of training cost for different youth groups and for different places:**

- 80% of the training cost will be borne by the project and remaining 20% by the trainee which is to be deposited in the DPMU at the time of admission.

For contributing to the portion of training cost, the youth may obtain loan from SHGs if either S/he or someone else from the household is a member of SHG.

**Outside the State**: The project will sponsor the 100% of training cost for all the youth groups.

**Within the State or District**: 80% of the training cost will be borne by the project.

**Organize training program and placement:**

The training organization will have to do the following arrangements:

- Provide proper accommodation for trainees.
- The training programme should include required skill development course and exposure visits at different industries.
- Proper arrangement of equipments, tools and materials required during the training.
- The training organization will issue an identity card to the trainees.
- After completion of training, training organization has to conduct an examination and have to give certificate to successful trainee.
• Certificate will be given with the join signature of the head of the training organization and DPM of the district. It will be necessary to print the name of project with the Logo in certificate.

• As per proposal, training organization has to arrange for placement( 80%) for successful trainees.

• Follow up will be done by PFT after three months of placement.

Process of Payment to Training Institutions: -

During the training program PFT/DPMU will monitor the level of training, attendance of trainees, facilities provided to them etc. During the visit, information sent by the training institutions will be verified. For the payment of each installment, training institute has to give application to DPMU with the progress report of respective phase.

Accordingly DPMU will make payment to training institutes in four installments: -

- **First Installment:** 30% of total training fee fixed for each trainee will be given at the time of admission in training program.

- **Second Installment:** 30% of total training fee fixed for each trainee will be given during the middle of training programme

- **Third installment:** 30% of total training fee fixed for each trainee will be given after successful completion of training programme and on distribution of certificate.

- **Fourth installment:** 10% of total training fee fixed for each trainee will be given at the time of placement.

An incentive of Rs 1000 will be given to training institute after three months of placement.

Placement Facility/Job Fair: - The job fair or placement facility will be the continuous process for the youth.

The following process will be adopted for organizing the job fair:-

- Job fair can be arranged either at Regional or at District level

- Event management groups can be involved in arranging job fairs

- Only registered and eligible members will be entertained in job fair.

- PFT will select the members according to their eligibility criteria.

- The PFT will inform the DPMU about the number of interested and eligible members.
• The venue of the should be approachable and nearer so that the members can be easily participated in the job fair.
• PFT will intimate the youth about the place, date, venue of the training programme.
• The PFT/DPMU will maintain the database/progress.

REGISTRATION FORMAT

1. Name:
2. Fathers Name/Guardian’s Name:
3. Village:
4. Block:
5. District:
6. Date of Birth:
7. Sex:
8. Category:
9. Educational Qualification:
10. Any other Qualification:
11. Any other Training Programme/ vocational Training/workshop attended:
12. Area of Interest where Training/Skill development required
13. Address for Communication:

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Examination</th>
<th>Name of School/College</th>
<th>Name of the Board</th>
<th>Year of passing</th>
<th>Percentage of marks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
No objection certificate

TO WHOM IT MAY CONCERN

I, Mr/Ms.................................................. d/o s/o Mr................................. of village ........................................... Block .......................... Dist.............................. P.O...................... .........P.S................................. State.............. has undergone the training programme on ........................................... at........................................... on my own free will. Subsequently, I have joined the services with ..........................................................

The NERLP is not responsible for any of my actions and services during the tenure of the employment.

Name of the Trainee :.................................

Signature of the Trainee :...............................

Date:

Name of the Witness:.................................

Signature of the Witness:............................

Date :

NO OBJECTION CERTIFICATE

TO WHOM IT MAY CONCERN!

Mr/Ms.................................................. d/o, s/o Mr................................. of village ........................................... Block .......................... Dist.............................. P.O...................... .........P.S................................. State.............. hereby declare that my ward Mr/Ms.................................................. has undergone training programme at .......................................................... with my prior permission.

I have no any objection to his/her joining the services after undergoing training programme.

Name of the Guardian :.................................

Date: Signature of the Guardian: ............................

Name of the Witness:.................................
CHAPTER 14: MONITORING AND EVALUATION

WHAT IS MONITORING AND EVALUATION?
Monitoring and Evaluation is an inherent activity throughout the project cycle for feed-back on performance of the project processes and activities. M&E system would provide realistic, real-time, and easily interpretable information on various aspects of the project which would be helpful in its proper implementation.

WHY M&E?
- To assess the outcomes and impact of the project vis-à-vis the objectives
- To track the project input/output based on the Project Management Matrix.
- For Collection and dissemination of information at the various levels for better planning & appropriate and timely decision making.
- For taking timely corrective measures to address the short comings and deviations.

WHAT ARE THE COMPONENTS INCLUDED IN THE M&E SYSTEM?
- Setting up a Project Baseline for assessing pre-project conditions(both for project areas and non-project areas).
- Progress and Performance Monitoring MIS based input-output tracking for planned activities.
- Tracking of Institutional Performance to assess performance of different CBOs against Institutional Development Indicators.
- Internal learning, feedback and Social accountability measures
- Impact assessment through external impact evaluation involving, mid-term review and impact assessment by independent agency for comparison of qualitative and quantitative outcomes before and after the project and between the project and control areas.

The Progress Monitoring refers to the project input and output with quantitative data which depicts the achievement in specific measurable outcomes.

Performance Monitoring refers to the process aspect especially where the process related to the management as well as the project component is measured through qualitative information and validated for further improvement.

HOW WILL THE M&E SYSTEM FUNCTION?
A Computerized Web Based Management Information System (MIS) will be the main instrument for tracking physical progress against the quarterly, annual and cumulative targets/activities of the project. The MIS would capture information related to activities (its immediate results or outputs) that are conducted under each of the four project components. A consultancy firm would be hired to develop and maintain the MIS system of the project.

**PROCESS AND RESULT MONITORING:**

The Process Monitoring would be undertaken to help the project management and others involved in the project to understand factors responsible for deviation in the implementation process and actions necessary to increase management effectiveness. Process Monitoring would, therefore, verify the quality and performances of the project implementation on a continuous basis and give inputs for correction. The monitorable processes on which project needs qualitative assessment can be broadly divided into two categories –

(i) *Field Implementation related processes*

(ii) *Project Management and organizational development related processes.*

The processes would be identified on the basis of their critical importance in the project. Some examples under these two categories are given below:

(i). Field implementation related processes that can be monitored are:

- Process of formation and development of Community Based Institutions.
- Community Development plan and SHG livelihood plan preparation process.
- Producer Organisation Project Proposal preparing process.
- Training and capacity building processes
- Inclusiveness in planning, execution and benefits sharing
- Performance of community institutions
- Development and Livelihood plan implementation
- Utilization of infrastructure created by the project, etc.
- Compliance to the social and environmental safeguards
- Intermediate impacts of project activities/inputs
- Convergence and linkage of Community Based Institutions with Government, Private sectors including financial institutions etc.

(ii). Project Management and Organizational development related issues

- Staff recruitment and capacity building process
- Relationship between different levels of project management units
- Role clarity of staff
- Process of procurement of goods, works and services
- Village and beneficiary selection process
- Adherence to the COM
• Development Plan, Livelihood Plan and Value chain proposal appraisal process
• Fund disbursal process to the Community Based Institutions
• Process of social accountability/information disclosure plan
• Performance of MIS and internal learning system, etc.
• Adherence to the business standards
• Coordination among various stakeholders at the field level, etc.
• Performance of communication system of the project
### Framework for M&E System:

<table>
<thead>
<tr>
<th>M&amp;E Component</th>
<th>Information Collection</th>
<th>Instrument</th>
<th>Type of Data &amp; Source</th>
<th>Frequency</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting up Project Baseline</td>
<td>To determine the net contribution of the project towards sustainable livelihood</td>
<td>Baseline study</td>
<td>Quantitative and Qualitative</td>
<td>Before beginning of project</td>
<td>The respective state government</td>
</tr>
<tr>
<td>Progress and performance monitoring</td>
<td>Tracking progress against planned activities (inputs and outputs). Project progress against key performance indicators</td>
<td>Pro-forma Computerized MIS</td>
<td>Quantitative and Qualitative Computerized MIS</td>
<td>Monthly, Half Yearly</td>
<td>SHG, SHGVF, CDG, PO, PFT, DPMU, RPMU</td>
</tr>
<tr>
<td>Tracking Institutional performance</td>
<td>Grading parameters of CBOs</td>
<td>External Studies</td>
<td>Qualitative</td>
<td>Half Yearly and Annual</td>
<td>DPMU and RPMU for engaging external consultant</td>
</tr>
<tr>
<td>Internal Learning, feedback and Social Accountability</td>
<td>Monitoring and Evaluation of project processes and inputs for its effectiveness and efficiency of project implementation</td>
<td>Participatory Monitoring, Evaluation and Learning Concurrent Process Monitoring</td>
<td>Qualitative</td>
<td>Quarterly and annual</td>
<td>External Consultant</td>
</tr>
<tr>
<td>Impact Assessment</td>
<td>Impacts and outcomes of project</td>
<td>Impact study</td>
<td>Qualitative and Quantitative</td>
<td>Mid Term and Post Project</td>
<td>External Consultant</td>
</tr>
</tbody>
</table>
**Impact Assessments**

Impact assessment would involve comparing qualitative and quantitative outcomes before and after the project. The outcome and output indicators would be the point of reference to establish the net effect of the project. The impact evaluation would consider major assumptions to establish causal relationship between activities, outputs and outcomes. The net impact of the project will be analysed by comparing the parameters with non-project areas (control) so as to neutralize the impact of other factors affecting development in the region.

The impact evaluation study would require rigorous methodology and quality analysis. Two impact evaluations are planned during the project period. The mid-term evaluation would be commissioned at the end of 3rd year of project intervention, while the final impact study would be conducted at the end of the project period.

**INSTITUTIONAL ARRANGEMENTS AND PROCESS FLOW FOR M&E SYSTEM:**

**Institutional Arrangements for M&E system**

<table>
<thead>
<tr>
<th>Organisational Structure</th>
<th>Positions</th>
<th>Responsible Roles and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPMU</td>
<td>PM(M&amp;E) &amp; MIS Consultants</td>
<td>Triangulation of data, Analysis, Reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information generation and dissemination</td>
</tr>
<tr>
<td>DPMU</td>
<td>Coordinator (M&amp;E)</td>
<td>Consolidation of data, Analysis, Reports</td>
</tr>
<tr>
<td></td>
<td>Block Coordinator, MIS Asstt</td>
<td>Verification and Entry of data into MIS system</td>
</tr>
<tr>
<td></td>
<td>Area Coordinators(AC)</td>
<td>Train Community level persons to collect filled formats and submit information to MIS Asstt.</td>
</tr>
<tr>
<td></td>
<td>CDG Book Keeper</td>
<td>SHG Facilitator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collect data on M&amp;E formats</td>
</tr>
<tr>
<td>Level</td>
<td>Institution/(person)</td>
<td>Key responsibilities</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Village Level | SHG, SHG Village Federation, CDG (SHG Facilitator, CDG Book Keeper) | • Collect Village level Data/information  
• Preparing and submitting Monthly progress report  
• Update village level display/bulletin board |
| Block Level   | PFT(Area Coordinator, Block Project Coordinator, MIS Asstt) | • Capacity Building of SHG-F, CDG Book Keeper and community leaders on M&E system and social accountability monitoring  
• Collect, consolidate and upload village level information  
• Facilitate interactive and learning forums at community level  
• Facilitate External agencies for M&E related activities |
| District Level| DPMU(M&E Coordinator, DPM)                                | • Train PFT members on M&E  
• Collect and Consolidate PFT data  
• Analyse data and generate reports in line with M&E results framework for the district |
| Regional Level| PM(M&E), M&E Officer and MIS Consultant                    | • Design and implement M&E and MIS system for the project  
• Training District level officers on M&E system  
• Closely monitor M&E and MIS implementation  
• Manage and Maintain database at regional level  
• Facilitate learning forums at regional, state, district level  
• Consolidate District level data  
• Generate Quarterly/half yearly/annual progress reports and disseminate required information for strategic and corrective decision making |
## Component wise key Monitoring Indicators

<table>
<thead>
<tr>
<th>Name of Component</th>
<th>Process Indicator</th>
<th>Output Indicator</th>
<th>Financial Indicator</th>
<th>Result Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Mobilisation &amp; Institution Building</strong></td>
<td>Number of Gram sabhas organised</td>
<td>No of CDGs formed</td>
<td>Amount of SHG seed capital released</td>
<td>At least 50% of households in project area are members of Project-supported community groups</td>
</tr>
<tr>
<td></td>
<td>Number of target community organised into groups</td>
<td>Number of SHGs formed and registered with project</td>
<td>Amount of money spent for entry point activity</td>
<td>At least 60% of the community institutions are “A” Grade.</td>
</tr>
<tr>
<td></td>
<td>Number of vulnerable households brought into SHG fold</td>
<td>Number of Tribal SHGs formed and registered with project</td>
<td>Amount of Establishment and handholding fund disbursed</td>
<td>At least 50% of institutions created are sustainable (are able to meet entire operating expenses from internal revenues)</td>
</tr>
<tr>
<td></td>
<td>Monthly reports from CDG</td>
<td>Number of Producer Organisations formed and MOU signed with project</td>
<td>Utilisation certificates received from Community institutions</td>
<td>Increase in proportion of representation from the most disadvantaged group into traditional/formal village level institutions by 10%</td>
</tr>
<tr>
<td></td>
<td>Number of individuals resolving to form Producer Organisation</td>
<td></td>
<td></td>
<td>At least 50% of the Producer Organizations are operating profitably.</td>
</tr>
<tr>
<td><strong>Support to PFT</strong></td>
<td>Number of PFTs formed and operational</td>
<td>Number of Community Based organisations formed</td>
<td>Amount of money disbursed by DPMU towards Salary of PFT</td>
<td>Each PFT have been able to mobilize community organizations of at least 80% of the targeted number.</td>
</tr>
<tr>
<td></td>
<td>Number of Trainings imparted to PFTs</td>
<td>Number of Community organisations getting timely support from PFT</td>
<td>Amount of money spent for training of PFT</td>
<td>90% of the PFTs should be able to qualify in the community assessment of governance</td>
</tr>
<tr>
<td></td>
<td>PFT personnel visiting field and collecting reports.</td>
<td>Receipt of Monthly/quarterly reports from PFT at DPMU level</td>
<td>Amount of Money utilised against TA etc for PFT</td>
<td></td>
</tr>
<tr>
<td>Name of Component</td>
<td>Process Indicator</td>
<td>Output Indicator</td>
<td>Financial Indicator</td>
<td>Result Indicator</td>
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<tr>
<td>------------------------------------------</td>
<td>--------------------------------------------------------</td>
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</tr>
<tr>
<td>Forming community based cadres</td>
<td>Selection and training of Community Service providers</td>
<td>Number of Community Service providers Number of trainings conducted</td>
<td>Amount of money disbursed for training and for operational support to CSPs</td>
<td>Required technical services available to individuals and institutions at village level. Of the total Paraprofessionals, at least 30% are woman and 10% are from most disadvantaged households or from tribal community. At least 30% of men and women adopting project promoted practices, both i) farm and ii) /non-farm</td>
</tr>
<tr>
<td>2. Economic Empowerment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 SHG Investment Support</td>
<td>Training schedule for SHGs.</td>
<td>No of SHG trainings completed Number of SHGs getting seed fund Number of SHGs getting Livelihood fund.</td>
<td>Amount of training fund released Amount of SHG seed capital released Amount of SHG Livelihood fund released.</td>
<td>At least 60% of the SHG women have access to credit at village level, 90% loan repayment rate of SHGs At least 80% of the community organization members have received support from SHG Strengthening and diversification of livelihood source of 50% of the HH in the various community organizations . 50% of HHs in project villages increase their savings and investments to the extent of 50% from baseline</td>
</tr>
<tr>
<td>2.2 Community Development Fund</td>
<td>Training schedule of CDG members Number of Community Development Fund</td>
<td>Number of trainings conducted Number of People trained</td>
<td>Amount of money transferred for training of CDG members Amount of money</td>
<td>80% of the Community Development Fund investments result in increasing the value of commodities/services produced at community level. The infrastructural gaps at community level for taking up livelihood activities is reduced by at least</td>
</tr>
<tr>
<td>Name of Component</td>
<td>Process Indicator</td>
<td>Output Indicator</td>
<td>Financial Indicator</td>
<td>Result Indicator</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 2.3 Support to Producer Organizations | Number of P.Os registered  
Number of P.Os Submitting Business plans | Number of P.Os formed  
Number of P.Os who completed training.  
Number of Youth applying and getting admitted into training courses | Amount of establishment and handholding support fund released  
Amount of Margin money released to POs | At least 60% of the POs formed are operating in profit  
Each PO should benefit at least 50 H/H at block level and at least 250 H/Hs at District Level |
| 2.4 Skill Devt. and Placement     | Number of workshops on Skill Dev and Placement  
Number of Training institutes with whom MOU has been signed  
Number of Youth applying and getting admitted into training courses | Number of Youth who completed training.  
Number of Job Fairs conducted  
Number of youth who got employment | Amount of money transferred for Skill Development and Placement workshop/trainings and job fairs. | At least 50% village youth (both women and men) that are trained by the project are gainfully employed as employees, entrepreneurs, traders, para-techs and engaged in income generation activities in the villages. |
| 2.5 Innovation Support            | Number of Proposals received for innovation fund  
Number of Innovations adopted in the project | Number of Innovations adopted in the project | Amount of money released for innovation support | The innovative approach adopted should be able to increase the productivity/benefits by at least 10% than the base line. |
<table>
<thead>
<tr>
<th>Name of Component</th>
<th>Process Indicator</th>
<th>Output Indicator</th>
<th>Financial Indicator</th>
<th>Result Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microfinance and capacity building</td>
<td>Number of trainings on microfinance conducted Number of linkages with microfinance organisations</td>
<td>Number of People trained in microfinance Number of people benefited from microfinance linkage</td>
<td>Amount of fund coming to project areas due to linkage to microfinance</td>
<td>Partnership with government institutions results in 15% of resources coming from the government and quasi government sources through convergence. At least 30% of the women/youth/HHs are able to access credit from formal sources due to linkage with financial institutions</td>
</tr>
<tr>
<td>Value chain interventions</td>
<td>Number of trainings/workshops on Value chain analysis Number of sub-sectors for which value chain analysis is done Number of partnerships done on value chain support</td>
<td>Value chain interventions put into effect Number of value addition activities/ units started.</td>
<td>Net benefit to community due to value chain interventions Amount of fund disbursed for value chain interventions</td>
<td>Partnership is established with other organizations for value addition, service support, etc. with at least 5% of project community institutions (a higher level linkage would mean linkage with subordinate organizations also) Partnerships with other organizations for different economic activities should result in at least 10% increment in value over the base line Partnership is established with minimum of eight different resource organizations for various sectors (SSO)</td>
</tr>
<tr>
<td>Project Management &amp; Governance Management</td>
<td>Meetings held</td>
<td>Minutes of the Meetings</td>
<td>Amount of Expenditure under project management</td>
<td>Quarterly IUFR is submitted to the Mo DoNER and CAAA as per timeline agreed upon for reimbursement. Project management has conducted statutory audit</td>
</tr>
<tr>
<td>Name of Component</td>
<td>Process Indicator</td>
<td>Output Indicator</td>
<td>Financial Indicator</td>
<td>Result Indicator</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------</td>
<td>------------------</td>
<td>--------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>in time and satisfactorily addressed the audit findings according to FMM.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Statutory audit reports are submitted to the Mo DoNER and WB as per time line agreed upon for necessary action.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Project management takes and records all necessary actions related to findings of regular monitoring and evaluation reports that it receives in a timely manner, as per PIP business and transparency standards.</td>
</tr>
</tbody>
</table>
CHAPTER-15: Natural Resource Management (NRM)

Natural Resource Management refers to the management of natural resources such as land, water, soil, plants and animals, with a particular focus on how management affects the quality of life for both present and future generations. Natural resource management specifically focuses on a scientific and technical understanding of resources and ecology and the life-supporting capacity of those resources. In a natural ecosystem this natural elements are interlink each other maintaining a natural equilibrium.

North East Rural Livelihood Project will be emphasizing on participatory community natural resource management with active participation of village community. The broad natural resource management plan is summarized below,

**A. Forest**
- Community biodiversity conservation
- Pasture land development
- Jhum modification
- Development of perennial mixed crop model
- NTFPs Plantation
- On farm production of biomass and compost
- Neem plantation
- NDM

**B. Land**
- Land tenure
- Soil and Water conservation
- Integrated nutrient management
- Soil and water conservation
- Participatory 3D model

**C. Water**
- Watershed management
- Water resource management for irrigation /drinking purposes
- GIS in watershed management
- Water harvesting
- Vermicomposting
- Seed bank/grain bank
- Common property resource management
- Community managed food security
- Traditional grain storage method

**D. Human**
- Awareness & capacity building
- Training
- Exposures visit
- Workshop
- Field day/field trial
- Demonstration model
A. Forest

Forests are the source of traditional and modern medicines, and the wild relatives of domestic crops, while deforestation and land degradation have been correlated with higher incidence of malaria and other diseases. Forests are home to an estimated 80 percent of all terrestrial plants and animals, which regulate the quality and quantity of freshwater in a landscape, providing a critical resource for people, wildlife, industry, livestock, crop irrigation, and even hydropower.

1. Community Biodiversity Conservation

i) Promotion of community biodiversity areas such as, village/community wildlife reserve, community forest reserve, village reserve forest, village bamboo/broom/thatch reserve, village water catchment reserve, community fuel and timber reserves.

ii) Promotion of community rules and regulations (Do’s & Don’t’s) with awareness creation and making good practices. Rules and regulation that are punitive, preventive, prohibitive, facilitative and remunerative besides addressing equity in access resources by every household of the communities and gender sensivity.

iii) Promotion of biodiversity awareness toolkit for community.

iv) Exploring possibility of linking biodiversity conservation with environmental service payment.

v) Linking community conservation programme with government programmes like JFM, IJDP for greater benefit of the communities.

vi) Developing appropriate interventions that utilized the natural biological resources and associate knowledge.

vii) Observing various important national and international days for awareness creation of the communities.
viii) To guide and influence an appropriate policy regime that integrates biodiversity conservation in social development paradigm.

2. Pasture Land Development
   - Awareness creation among the communities for pasture land development and its importance in animal husbandry.
   - Development of social norms for animal husbandry purposes.
   - Plan and execution through AWPB in every year for pasture development.
   - Physical fencing in pasture development areas.
   - A forestation and other social programmes for pasture development in social & private land.
   - Plantation of fodder species in different location for pasture development.

3. Jhum Modification
   - Crop intensification (increasing the cropping phase from traditional one year cropping to 2 year or more).
   - Crop diversification (Jhum crops are changed from traditional varieties to introduced high yielding annual crop varieties).
   - Jhum comodification (introduction of commodity crops such as perennial horticultural crops or such cash crops such as tea in jhum land in place of traditional plants/crops.
   - Conversion of jhum land into agro forestry (combination of two or more horticultural crops along with local species of trees/fruit trees which is called agro forestry for initial 1-2years, agricultural crops are cultivated along with horticultural crops, subsequently the operations turns into horti-forestry. In some cases farmers do tree farming along with agricultural crops.

4. Development of perennial mixed crop model
   - Various mixed cropped model such as Areca nut + Banana, Areca nut + Pineapple, Orange + lemon, Areca nut + Banana + Pineapple, Orange +
Pineapple, Pear + Apple, Pear + Apple + Pomegranate etc will be developed in project villages.

5. **Non timber Forest Produces (NTFPs)**
   - The most common NTFPs among communities are bamboo, broom, thatch grass, bay leaf, mushroom, honey, lichen, wild leaves, roots, shoots, and flowers etc.
   - Promotion of some rules and regulations for collection of NTFPs (prohibitive, punitive, facilitative etc.).
   - Construction of storage godown/collection centre for NTFPs so as to avoid distress sale.
   - Promotion of CFC for productive and economic use of bamboos and other NFFPs with modernized machines.
   - Capacity building for NTFPs harvesting/extraction, processing, and biological monitoring

6. **On Farm Production of Biomass and Compost**
   - To increase soil fertility and organic matter status by using biomass.
   - To stabilize field based and improve fuel wood supply for household needs.

7. **Neem Plantation**
   - Neem oil
   - Neem as manure
   - As pest control
   - As pest repellent
   - Neem seed extract
   - Neem leaves as bio-pesticides

8. **Integrated Pest Management (IPM)**
   - Concept
   - Cultural method
   - Bio-pesticides
• Avian predators
• Chemical pesticides
• Indigenous ways of protecting crops from birds and wild animals

B. Land

Land as a natural resource inelastic in nature. They are essential for the survival of humans who depend on these for basic needs such as food, medicines, fuel, fiber, fodder, timber etc. However continued pressure and over exploitation to meet the demands over an ever increasing population depletes these resources.

9. Land Tenure

• Study land tenure system in the project communities in all the sates and linking to jhum management approaches.
• Awareness raising on importance of equitable land distribution for ecological, economic and food security along with social security.
• Awareness raising for increasing the fallow period of jhum, so as to better rejuvenation of soil and microbes.
• Linking of land tenure and tradition institution in soil mobilization and common property management.

10. Soil and Nutrient Management

• Developing TOT of soil, water and nutrient conservation practices.
• Training on management of soil, water and nutrient conservation through agronomic or mechanical measures.
• Development of extension materials for soil, water and nutrient conservation practices in the form of training manual/poster/pamphlets
• Strengthening of adoption of soil, water and nutrient conservation measures in the farmers field
• Development of demonstration model/field day/farmers day so as to horizontal spreading of techniques and technologies.
• Using of ITKs and modern technologies for community awareness on soil and water conservation.

11. Integrated Nutrient Management (INM)
• Concept of INM
• Sources of nutrient
• INM strategy
• Biological input for nutrient management
• Biological nitrogen fixatuion
• Organic fertilizer
• Mineral fertilizer

12. Soil & Water Conservation (Agronomic measure)
• Contour tillage
• Dead furrows
• Organic matter
• Strip cropping
• Wind erosion
• Mixed/inter cropping
• Mulching
• Contingent planning
• Buffer stripes

13. Participatory 3D Model
• Promoting 3D model and linking with planning in project villages
• Awareness creation among villagers/line departments regarding uses of 3D model in activity planning.
• Promotion of 3D model of land use planning for natural resource management by community of selected village.

14. Cropping System
• Concept of cropping system
• Types of cropping system
• Types of multiple cropping
• Factors influencing cropping system
• Crop interaction

C. Water

Water is the source of life for all living creatures. The total amount of water available on earth is approximately 400 million cubic kilometers. Of which 97% is saline (ocean water), while 2% is frozen in the form of icecaps and glaciers. The remaining 1% is ground water with only minute proportion in fresh water lakes, rivers, soil moisture and biological system. The water necessary for supporting life on the planet is found in the hydrological cycle within which the remaining 1% circulates.


• Documentation of available perennial water sources in the villages and opportunistic calculation there off.
• Discussion on linkages between conservation of local forest resources and availability of water.
• Surveying of water sources for development of irrigation or drinking purposes.
• Developing some do’s & don’ts for irrigation and drinking facilities.
• Promotion of new minor irrigation
• Promotion of social mobilization to strengthen the ideas of good practices in water shearing/prevention/avoidance of conflict over water resources management of water catchment etc.
• Building linkages with concern line department for technology upgradation and value addition of schemes.

16. Watershed Management
• Concept of watershed management
• Objective of watershed management
• Component of watershed management
• Principle of watershed management
• Land capability classification

17. GIS in Watershed Management
• Application of remote sensing in NR management
• Natural resource mapping
• Natural resource monitoring
• Comprehensive planning
• Commonly use parameters in planning

18. Water Harvesting
• Concept and benefits
• Indigenous practices
• Farmers water harvesting techniques in different parts of the region/country
• Rainwater harvesting in upland areas.
• Improved water harvesting in-situ conservation, check dam percolating pond, irrigation tank etc.

19. Vermicomposting and Biocomposting
• Promotion of vermin composting with traditional and improved technologies
• Enterprise development with vermin-composting unit and connecting the agriculture technologies to organic zone.

20. Seed Bank/Grain Bank
• Conceptualization of seed bank and its importance in traditional agriculture
• Approaches for seed bank-hybrid seed, pure seed, Local high yielding varieties.
• Seed bank development for agri-horti crops.
• Seed testing and disinfection for agricultural purposes.
• Indigenous seed and approaches for preservation & conservation.
• Seed preservation and certification.
• Traditional method of seed preservation.
• IPR for farming community.

• Why participatory management
• How to make CPR management
• Forest
• Drinking water/Irrigation
• Grazing land
• Road

22. Community Managed Food Security
• Eco-employment
• Land use
• Eco-insurance
• Community grain fund
• Community gene fund

23. Traditional Grain Storage Methods: In rural areas farmers store harvested grain for their personal use for the entire season. They adopt several methods to protect grain from rodent and insect dung storage
• Dry straw cover- grains are storing seed in a container made up of straw ropes, suitable for storing pulses.
• Earthen container-Earthen pots of varying size are made of clay from 10-300kg capacity. A small outlet is provided at the bottom for drawing small quantity of grain from time to time.

24. **Climate Change**: Green house effect due to trapping of long wave radiation emitted from the earth surface which in turn change the heat balance on the earth surface in due to increasing concentration of carbon and nitrogen based gases.

• Land use and land cover change
• Deforestation and land degradation
• Biological invasion
• Biodiversity depletion

C. **Capacity Building**

Successes and failure of any programme/project depend on capacity building of its stakeholders. Once this is done almost half battle is succeed.

25. **Awareness and Capacity Building**

• Lead farmer will be developed in each sectors of livelihood development
• Annual review workshop in each district for NRM issues
• Recognition of best lead farmers and CSPs
• Training and Exposure visit
• In house discussion for horizontal extension of technologies & techniques.
• Skill up gradation training
ANNEXURE 1 – FORMATS

FORMAT -1 VILLAGE PROFILE

Date: ....................

District: .........................  Block: ..............................

Gram Panchayat/VDC: .......................  Village: ..............................

Village Code: ..............................

1. Population (as per present census format – total)

   Male: ............  Female: ...............  Total: .....................

2. Total number of family (as per census format): SC ...... ST.......OBC.......
Minority.......... General................. Total .................

3. Is village linked with road? (Yes/No) .........................

4. If not then distance of village from road (in K.M.): .....................

4.1. Status of approach road (Kuchcha /WBM/ Pukka): .....................

5. Is electricity available in village – Yes/No : ..........................

6. Is telephone facility available in village – Yes/No: ......................

7. Facilities/Services available in village

<table>
<thead>
<tr>
<th>Place</th>
<th>Detail</th>
<th>Yes/No, if No. than distance</th>
<th>From village (in K.M.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Agriculture Related</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i.</td>
<td>Agri. Cooperative Committee</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>ii.</td>
<td>Mandi</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>iii.</td>
<td>Storage Facility</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>iv.</td>
<td>Shop to purchase Certified Seed</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>v.</td>
<td>Shop for fertilizer</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>vi.</td>
<td>Agency for Agri.-equipment</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>vii.</td>
<td>Grading Plant</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>viii.</td>
<td>Product Marketing Center</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>B. Animal Husbandry Related</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i.</td>
<td>Animal Market</td>
<td>........</td>
<td>......</td>
</tr>
<tr>
<td>ii.</td>
<td>Animal Hospital/Dispensary</td>
<td>........</td>
<td>......</td>
</tr>
</tbody>
</table>
iii. Milk Cooperative Committee ............ ......
iv. Milk Chilling Centre ............ ......
v. Product Market Centre ............ ......
vi. Artificial Insemination Center ............ ......
vii. Shop for Animal Fodder ............ ......

C. Panchayat/Council Building ............ ......

D. Public Distribution System ............ ......

E. Others
i. Post Office ............ ......
ii. Bus Stand ............ ......
iii. Bank ............ ......
iv. Weekly Hat ............ ......
v. Flour Mill ............ ......
vi. Grocery Shop ............ ......

vii. Agri.-equipment Repairing Shop ............ ......

Petrol Pump

8. **Area of Village (As per revenue record)**

   Total Area (In Hac.): ............... Total Agricultural Land (In Hac.): ...........

   Irrigated Area (In Hac.): ............... Garaging Land (In Hac.): ...................

9. **Irrigation Facility:-**
<table>
<thead>
<tr>
<th>Name of Source</th>
<th>Number</th>
<th>Functional/ Defunct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stop Dam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shallow Tube Well / Deep Tube Well/ Low Lift Pump etc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Detail of SHG previously formed in the village

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of SHG</th>
<th>Formation Year</th>
<th>Type of SHG</th>
<th>Total member</th>
<th>Passing date of First Grading</th>
<th>Revolving fund received from SGSY Amount</th>
<th>Passing date of Second Grading</th>
<th>Support for activity from Scheme/bank Activity</th>
<th>Scheme</th>
<th>Name of Agency who formed the SHG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

Note: In column of type of SHG write male/female/mixed and as per guideline write caste code of SHG.
## FORMAT -2 COMPILATION OF WEALTH RANKING EXERCISE

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Head</th>
<th>Father/Husband Name</th>
<th>Caste</th>
<th>Name in BPL List Yes/No</th>
<th>If yes, then BPL No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

### Rich

|  |  |  |  |  |  |
|---|---|---|---|---|
|  |  |  |  |  |
|  |  |  |  |  |

### Medium

|  |  |  |  |  |  |
|---|---|---|---|---|
|  |  |  |  |  |
|  |  |  |  |  |

### Poor

|  |  |  |  |  |  |
|---|---|---|---|---|
|  |  |  |  |  |
|  |  |  |  |  |

### Very Poor

|  |  |  |  |  |  |
|---|---|---|---|---|
|  |  |  |  |  |
|  |  |  |  |  |

---

Village: .......................... Block .......................... District ..........................

**Signature of PFT Coordinator**

Proposal No.: .......... Date: .....

Gram Sabha meeting have been organized on dated .......... at time............ at ................. Village. ..........members participate in the meeting. Unanimously wealth ranking list have been approved by the members.

**Signature of Secretary**  **Signature of President**
**Grading of SHG**

**Format A**

*Grading of Self – Help Group for seed capital*

**Group Details**

Name of SHG: .................. Registration No.: ............../....../....../......

Village: ............ Cluster ............. District: ............ Formation Date: ........

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indicators</th>
<th>Max. Marks</th>
<th>Marks obtained</th>
<th>Calculation and Standards</th>
</tr>
</thead>
</table>
| 1      | Homogeneity of group                             | 10         |                | 100 % members are poorest – 10  
90 % members are poorest – 9  
80 % members are poorest – 8  
70 % members are poorest – 7  
60 % members are poorest – 6  
Less than 60 % members are poorest – 0                                      |
| 2      | Weekly Meetings during last 6 months             | 10         |                | More than 20 meetings – 10  
15- 19 meetings – 8  
10-14 meetings – 6  
5-9 meetings – 4  
1-4 meetings – 2  
Less than 1 meeting – 0                                                |
| 3      | Attendance of members in meetings during last six months | 10         |                | One meeting attendance percentage =  
( no. of members attended / total no. of members) X 100  
Average of all meeting attendance percentage is 100 percent – 10  
90 percent – 9  
80 percent – 8  
Like wise in descending order  
10 percent – 1 and |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Less than 10 percent – 0</th>
</tr>
</thead>
</table>
| 4 | Regular Saving by members | 10 | Percentage of members doing regular saving = (no. of members doing saving / Total no. of members) X 100 
Average of all meeting percentage 
100 percent – 10 
90 percent – 9 
80 percent – 8 
Like wise in descending order 
10 percent – 1 and 
Less than 10 percent – 0 |
| 5 | Saving Amount | 10 | More than Rs. 1200 – 10 
Rs 600 – Rs 1200 – 7 
Less than Rs 600 – 5 
No saving – 0 |
| 6 | Utilization of group corpus in inter loaning. | 10 | (Total loan amount distributed/Total group corpus)X 100 
90 - 100 percent – 10; 80 - 89 percent – 9 
70 - 79 percent – 8; 60 - 69 percent – 7 
50 - 59 percent – 6; 40 - 49 percent – 5 
30 - 39 percent – 4; 20 - 29 percent – 3 
10 - 19 percent – 2; 70 - 79 percent – 8 
Less than 10 percent – 1 Not utilized – 0 |
| 7 | Repayment rate | 10 | Repayment rate = (recovered amount / actual amount to be recovered) X 100 
Average of 6 months repayment percentage is 100 percent – 10 
90 percent – 9 
80 percent – 8 
Like wise in descending order 
10 percent – 1 and 
Less than 10 percent – 0 |
|   | Members having knowledge about group rules, work, process management, etc. | 10 | All members – 10  
50% or more – 5  
Less than 50% members – 0 |
|---|---|---|---|
| 9 | Regular Entry on bank pass book | 10 | Timely deposition of amount in bank and entry on passbook – 10  
Some times – 5  
Never – 0 |
| 10 | Account and Record keeping | 10 | 1. All entry written correctly.  
2. Calculation of entry is correct and signed by president and treasurer.  
3. Minutes of each meeting has written with date.  
4. Signature of members on attendance sheet.  
If answer of above 4 questions is yes than 8 – 10 marks  
If 3 of above is yes than 5 – 7 marks  
If any 2 of above is yes than 2 – 4 marks  
If any 1 of above is yes than 1 marks  
If all above questions’ answer is not yes than 0 marks. |
| 11 | Decision making process | 10 | Take decision after participation in few meetings that how decision are taken within the group  
Democratically and transparently – 10  
By Influenced members/ post holders – 0 |
|   | Total Marks | 110 |   |

Note: For indicator 1 – 7, Calculation and marks will automatically received from MIS.

**SHG qualifying fro the seed capital by minimum 60% marks (66 marks)**

**Certificate**

Certified that the SHG have scored .......... Marks out of 110 marks i. e. ............ percentage marks and qualified with .......... grade.

(                      ) (                      ) (                       )
**Format – B**

**Second Grading of Self – Help Group for the livelihood grant**

**Group Detail**

Name of SHG: .................... Registration No.: ............../ ....../ ....../ ....../......

Village: ............ Cluster ............. District: ............ Formation Date: ...........

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indicators</th>
<th>Max. Marks</th>
<th>Calculation and Standards</th>
</tr>
</thead>
</table>
| 1 | Weekly Meetings during last 3 months | 10 | More than 10 meetings – 10  
8-9 meetings – 8  
6-7 meetings – 6  
4-5 meetings – 4  
3-2 meetings – 2  
Less than 1 meeting – 0 |
| 2 | Attendance of members in meetings during last three months | 10 | One meeting attendance percentage = ( no. of members attended / total no. of members) X 100  
Average of all meeting attendance percentage is 100 percent – 10  
90 percent – 9  
80 percent – 8  
Like wise in descending order  
10 percent – 1 and  
Less than 10 percent – 0 |
| 3 | Regular Saving by members during last three months. | 10 | Percentage of members doing regular saving = (no. of members doing saving / Total no. of members) X 100  
Average of all meeting percentage  
100 percent – 10  
90 percent – 9  
80 percent – 8 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Like wise in descending order</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>10 percent – 1 and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Less than 10 percent – 0</td>
</tr>
<tr>
<td>4</td>
<td>Total saving</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than Rs. 3000 – 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs 2000 – Rs 3000 – 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs 1000- Rs, 2000 – 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs. 500- Rs. 1000-3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Below Rs. 500-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No saving – 0</td>
</tr>
<tr>
<td>5</td>
<td>Members benefited from Seed Capital</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(No. of members received loan / total no. of members) X 100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 60 % - 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30 – 60 % members – 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Less than 30 % members – 6</td>
</tr>
<tr>
<td>6</td>
<td>Utilization of fund in inter loaning.</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Total loan amount distributed / Total group corpus including first trench amount) X 100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90 - 100 percent – 10; 80 - 89 percent – 9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>70 - 79 percent – 8; 60 - 69 percent – 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50 - 59 percent – 6; 40 - 49 percent – 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30 - 39 percent – 4; 20 - 29 percent – 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 - 19 percent – 2; 70 - 79 percent – 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Less than 10 percent – 1 Not utilized – 0</td>
</tr>
<tr>
<td>7</td>
<td>Repayment rate in SHG</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Repayment rate = (recovered amount / actual amount to be recovered) X 100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average of 3 months repayment percentage is 100 percent – 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90 percent – 9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80 percent – 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Like wise in descending order</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 percent – 1 and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Less than 10 percent – 0</td>
</tr>
<tr>
<td>8</td>
<td>Loan proposal appraisal and distribution process</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ensure by review meeting minutes and records 1. Decision on all loan application is taking in same day. 2. Repayment schedule enclosed by members. 3. Distribution of loan is doing on priority basis. 4. All members’ signature on final decision.</td>
</tr>
<tr>
<td>Indicators</td>
<td>Description</td>
<td>Marks</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>Timely deposition of amount in bank and entry on passbook – 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Some times – 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Never – 0</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Account and Record keeping</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>1. All entry written correctly.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Calculation of entry is correct and signed by president and treasurer.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Minutes of each meeting has written with date.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Signature of members on attendance sheet.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If answer of above 4 questions is yes than 8 – 10 marks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If 3 of above is yes than 5 – 7 marks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If any 2 of above is yes than 2 – 4 marks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If any 1 of above is yes than 1 marks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If all above questions’ answer is no than 0 marks</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Participation of members in group discussion</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Decide after participation in few meetings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>80 – 100% members’ participation – 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>60 – 80% members’ participation – 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less than 60% members’ participation – 5</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Decision making process</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Take decision after participation in few meetings that how decision are taken in group</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Democratically and transparently – 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>By Influenced members/ post holders – 0</td>
<td></td>
</tr>
<tr>
<td>Total Marks</td>
<td></td>
<td>140 1</td>
</tr>
</tbody>
</table>

Note: For indicator 1 – 9, Calculation and marks will automatically received from MIS.

Those groups qualify the second grading by 50% marks (70) and are ready to carry out livelihoods plan will be active groups

Certificate
Certified that the SHG have scored ......... Marks out of 140 marks i. e. ............

Percentage marks.

(                      ) (                      ) (                       )

Signature, and Name of Area Coordinator
## Planning Matrix - Planning on the basis of the analysis of problems and potentials

<table>
<thead>
<tr>
<th>Existing situation</th>
<th>Influencing factors</th>
<th>How do you cope with this problem? What activities do help you to minimize the problem or the cause? (Communities’ solution)</th>
<th>Human/natural/material/social resources available to solve the problem or causes of problem. What has the village already done to solve the problem? (Local resources)</th>
<th>Measures to be taken. How to solve the problem or causes of problems (Proposed community Proposal)</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of the problem, its location and impacts. (Problem)</td>
<td>Why do we have this problem? (Causes of the problem)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**FORMAT 3: FORMAT FOR THE DEVELOPMENTAL PROPOSALS OF CDG**

1. Name of the Village

2. Name of the Proposals

3. Detail of the bank account:

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the bank</th>
<th>Account Type</th>
<th>Account No</th>
<th>Name and designation of the bank signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. The objectives of the Activity/Proposal *(State the main solutions we are trying to bring in and anticipated outputs with quantitative details on number of people to be covered, extent of benefits, time periods etc.)*

5. Explain the current status, problems and hardships faced by the community and how the proposed project resolves the problems:

6. Estimated cost *(The detailed costing bifurcated for materials, labour, technical support, transportation, administration and should include capital cost as well as management and maintenance costs)*

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Cost of Materials &amp; Equip. (1)</th>
<th>Transportation cost (2)</th>
<th>Cost of Labor (Skilled and unskilled) (3)</th>
<th>Cost of Technical Assistance &amp; Training (4)</th>
<th>Total Cost 1+2+3+4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

(Plans and other engineering drawings with estimates for the buildings and other infrastructure should be attached):
7. Financing plan – (Indicate source of funds as well as Community contribution bifurcated into labour, material) – (Indicate source of funds as well as Community contribution bifurcated into labour, material) –

8. Details of activity/proposal/project benefits – (Indicate the details of the village population, expected to benefit by the Subproject, with classification as to women, youth, poor etc.)

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the Proposed activity (Priority Basis)</th>
<th>Total HH to be benefited by the activity</th>
<th>No of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Poorest</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Availability of resource at the village level (Human & others) – (Indicate the availability of human and other resources at the village level.)

9. Implementation details

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Requirement of materials</th>
<th>Requirement of technical support</th>
<th>Training requirement for WOT members</th>
<th>Duration of the each activity with likely starting and finishing dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Detail of the Work and oversight Team:

<table>
<thead>
<tr>
<th>Total Number</th>
<th>Name (Indicate male / female)</th>
<th>Responsibilities assigned</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Management and Maintenance Plan

a) Arrangement for management – (Indicate the arrangements for management and maintenance.)

----------------------------------------------------------------------------------------------------------------------------------
b) Arrangement for maintenance

12. Community Monitoring

13. Social Impact

14. Environmental impacts and mitigation measures

15. Names and addresses of beneficiary members of the CDG

a)

b)

c)

d)

e)
Format-4 SHG GRANT AGREEMENT

This agreement is made on the ...... day of the month of ............... 20…. , between the North East Livelihood Promotion Society (NELPS), 3rd floor, Six Mile, Guwahati-22 duly represented by the District Project Management Unit (DPMU) of District:..........., State:.......... (Hereinafter called the "First Party") and the ..........SHG of..............Village and .........................Block (Hereinafter called the "Second Party").

Whereas, the NELPS is a registered Society under the Ministry of Development of North Eastern Region (DoNER) for implementation of the World Bank funded ‘North East Rural Livelihood Project (NERLP)’

And Whereas, the ..................SHG is a group of people of ..................Village ............................... Block. .................., District ........ ............, State, formed to undertake various livelihood activities.

Now, both the Parties mutually agree to oblige and discharge the following responsibilities and duties for Smooth and Successful implementation of the Project and as per the Terms and Conditions laid down hereinafter.

Duties and Responsibilities of the 2nd Party:

That the 2nd Party agrees as follows:

1. SHG will abide by the aims, objectives and the principles of the NERLP.

2. SHG will ensure full democracy and transparency in all its activities and decision making processes and will respect the voice of the poorest.

3. The SHG shall have to open a joint Bank Account in Nationalized/Regional Rural Bank as the case may be and shall maintain relevant books of records for all transactions following the prescribed financial management procedures. It would be binding on the part of the SHG to submit timely activity progress report and Utilization certificate.

4. The books of records maintained by the SHG shall at all reasonable time be open for audit/inspection /verification by the project authorities.

5. SHG will ensure that the activities are carried out in accordance with specification and management practice as per provision of the Environment Management Framework (EMF) and Tribal Development Framework (TDF) are met in letter and spirit.

6. Ensure that all procurement of Goods, Works and Services are made as per the procedure set in the community procurement manual of NERLP as provided by the First party.
7. SHG will ensure proper utilization of fund of the individual member and timely repayment.

8. SHG will ensure timely submission of progress report to the Federation/DPMU.

9. In the event of misappropriation of project fund, any irregularities or in the event of failure to perform any of its obligations, the SHG would be liable to repay the same to the Federation/DPMU.

10. Apart from what has been mentioned above, the SHG will be governed by their bye laws as mentioned in the COM.

11. Any difficulty, problems, complexity relating to the functioning shall be brought to the notice of the PFT and DPMU. If any dispute arises in the SHGs, it will be resolved amicably by SHG.

**Duties and Responsibilities of the 1st Party:**

1. The 1st Party shall ensure timely release of fund to the SHG on fulfillment of following conditions.
   a) Qualified on grading.
   b) Submission of Livelihood Plan.

2. The 1st party will extend necessary guidance to SHG in preparation of livelihood plan.

3. Necessary training and capacity building programmes will be arranged by the 1st party from time to time.

4. The 1st party shall undertake regular monitoring of implementation of activities of SHGs and shall inter alia be responsible for providing regular guidance.

5. The First Party shall have the right to stop or suspend implementation at any stage in case gross irregularities are found to have occurred.

**Special Clause/Provision:**

This Grant Agreement is subject to change/modification depending upon the requirements of the project as the project activities expand based on mutually agreeable Terms and Conditions.
Signed and Delivered by-

Shri____________________________
Secretary (name of the SHG), 2nd Party

Block:____________________________
District:__________
State:__________

Place:
Date:

Signed and Delivered by-

Shri____________________________
District Project Manager (1st Party)

District: ________________
State:____________________
Place:
Date:
Witnesses:

1. Block Co-ordinator
2. SHG Representative

Format-5  CDG GRANT AGREEMENT

This agreement is made on the ...... day of the month of ............... 20.... , between the North East Livelihood Promotion Society (NELPS), 3rd floor, Six Mile, Guwahati-22 duly represented by the District Project Management Unit (DPMU) of District:........., State:.......... (Hereinafter called the "First Party") and the ..............Community Development Group (CDG) of ................. Village and ................................... Block (Hereinafter called the "Second Party").

Whereas, the NELPS is a registered Society under the Ministry of Development of North Eastern Region (DoNER) for implementation of the World Bank funded ‘North East Rural Livelihood Project (NERLP)’

And Whereas, the ........................................ CDG is a community institution covered under NERLP of Village ........................................, Block. ........................, District ........................, State..............
Now, both the Parties mutually agree to oblige and discharge the following responsibilities and duties for Smooth and Successful implementation of the Project and as per the Terms and Conditions laid down hereinafter.

**Duties and Responsibilities of the 2\textsuperscript{nd} Party:**

That the 2\textsuperscript{nd} Party agrees as follows:

12. CDG will abide by the aims, objectives and the principles of the NERLP and will preserve the history, culture and tradition of the village.

13. CDG will ensure community participation, democracy and transparency in all the activities and decision making processes and will respect the voice of the poorest.

14. The CDG shall have to open a joint Bank Account in Nationalized/Regional Rural Bank as the case may be and shall maintain relevant books of records for all transactions following the prescribed financial management procedures. It would be binding on the part of the CDG to submit timely activity progress report and Utilization certificate.

15. The books of records maintained by the CDG shall at all reasonable time be open for inspection and verification by the project authorities.

16. Ensure that the work is carried out in accordance with specification and management practice as per Project guidelines

17. CDG will promote ecologically sound technologies and will ensure protection and management of Natural Resource Base as prescribed in the Environment Management Framework (EMF).

18. The CDG will ensure that the principles and guidelines of the Tribal Development Framework (TDF) are met in letter and spirit.

19. Ensure that all procurement of Goods, Works and Services are made as per the procedure set in the community procurement manual of NERLP as provided by the First party.

20. CDG will identify suitable community service providers in consultation with the 1\textsuperscript{st} Party and may form sub-committees as may be required for smooth implementation of project activities.

21. Executive Committee of CDG will keep the General Body informed about the progress and expenditure details of the development works undertaken at specified intervals.
22. Ensure that the fund is utilized for the intended purposes and there is no mis-utilisation of the fund. In the event of misappropriation of project fund, any irregularities or in the event of failure to perform any of its obligations, the CDG would be liable to repay the same to Project Implementing Entity. Under such circumstances the 1st Party may even suspend project activities and the matter may be taken up under relevant laws as the authority (ies) may deem fit.

23. Any difficulty, problem, complexity relating to implementation of the developmental activities shall be brought to the notice of the PFT and DPMU.

24. CDG will facilitate conduct of Social Audit as and when required.

25. Apart from what has been mentioned above, the CDG will be governed by their bye laws as mentioned in the COM.

26. If any problems and dispute arises in the village out of the Project activities, it will be amicably resolved in the village/Community in consultation with Project Implementing Entity.

**Duties and Responsibilities of the 1st Party:**

6. The 1st Party shall ensure timely release of fund to the CDG in two tranches on fulfillment of following conditions.

   a) Preparation of Community Development Plan (CDP)

   b) Be able to leverage fund from other Govt. schemes in the following ratio

      i. 1st tranche : 1:1
      ii. 2nd tranche : 1:2

   c) The CDG, through the CDP should benefit at least 40 households by utilizing fund received under 1st tranche and 60 households after receipt of the 2nd tranche

7. The 1st party will extend necessary guidance to CDG in preparation of CDP

8. Necessary training and capacity building programmes will be arranged by the 1st party from time to time
9. The 1st party shall undertake regular monitoring of implementation of activities of CDG and shall inter alia be responsible for providing regular and frequent supervision and guidance to the 2nd party for carrying out the works as per the CDP.

10. The First Party shall have the right to stop or suspend implementation at any stage in case gross irregularities are found to have occurred.

Special Clause/Provision:

This Grant Agreement is subject to change/modification depending upon the requirements of the project as the project activities expand based on mutually agreeable Terms and Conditions.

Signed and Delivered by-

Shri______________________________
Secretary (name of the CDG), 2nd Party
Block:__________________________
District:___________
State:__________
Place:
Date:

Signed and Delivered by-

Shri________________________
District Project Manager (1st Party)
District: ____________________
State:______________________
Place:
Date:
Witnesses:

3. Block Co-ordinator

4. CDG Representative

**Format -6  SHG FEDERATION GRANT AGREEMENT**

This agreement is made on the ....... day of the month of ................ 20.... , between the North East Livelihood Promotion Society (NELPS), 3rd floor, Six Mile, Guwahati-22 duly represented by the District Project Management Unit (DPMU) of District:..........., State:............ (Hereinafter called the "First Party") and the ............. SHG FEDERATION of.................Village ...............Block .................District (Hereinafter called the "Second Party").

**Whereas**, the NELPS is a registered Society under the Ministry of Development of North Eastern Region (DoNER) for implementation of the World Bank funded ‘North East Rural Livelihood Project (NERLP)’

**And Whereas**, the SHG FEDERATION is an association of SHGs of.......................Village.................................... Block. ..................., District ................., State, democratically formed to extend support to the SHGs in undertaking their activities.

Now, both the Parties mutually agree to oblige and discharge the following responsibilities and duties for Smooth and Successful implementation of the Project and as per the Terms and Conditions laid down hereinafter.

**Duties and Responsibilities of the 2\textsuperscript{nd} Party:**

That the 2\textsuperscript{nd} Party agrees as follows:

27. SHG FEDERATION will abide by the aims, objectives and the principles of the NERLP.

28. SHG FEDERATION will ensure full democracy and transparency in all its activities and decision making processes and will respect the voice of the poorest.
29. The SHG FEDERATION shall have to open a joint Bank Account in Nationalized/Regional Rural Bank as the case may be and shall maintain relevant books of records for all transactions following the prescribed financial management procedures. It would be binding on the part of the SHG FEDERATION to submit timely activity progress report and Utilization certificate.

30. SHG FEDERATION will primarily play the advocacy role in overall functioning and/or management of SHGs like preparation of livelihood development plan, capacity building of SHGs, maintenance of books and records, forward & backward linkages etc.

31. The books of records maintained by the SHG FEDERATION shall at all reasonable time be open for audit/inspection/verification by the project authorities.

32. SHG FEDERATION will ensure that the work is carried out in accordance with specification and management practice as per provision of the Environment Management Framework (EMF) and Tribal Development Framework (TDF) are met in letter and spirit.

33. Ensure that all procurement of Goods, Works and Services are made as per the procedure set in the community procurement manual of NERLP as provided by the First party.

34. SHG FEDERATION will identify suitable community service providers in consultation with the 1st Party and may form sub-committees as may be required for smooth implementation of project activities.

35. Executive Committee of SHG FEDERATION will keep the General Body informed about the progress and expenditure details of the activities undertaken by SHGs at specified intervals.

36. Ensure that member SHGs will monitor the utilization of fund of the individual member so that fund is utilized for intended purpose.

37. SHG Federation will ensure timely submission of progress report of the member SHGs to the Federation.

38. In the event of misappropriation of project fund, any irregularities or in the event of failure to perform any of its obligations, the SHG FEDERATION would be liable to recover the same and ensure proper utilization.

39. SHG FEDERATION will facilitate conduct of Social Audit as and when required.

40. Apart from what has been mentioned above, the SHG FEDERATION will be governed by their bye laws as mentioned in the COM.
41. Any difficulty, problems, complexity relating to the functioning shall be brought to the notice of the PFT and DPMU. If any dispute arises in the SHGs, it will be resolved amicably by SHG Federation.

**Duties and Responsibilities of the 1st Party:**

11. The 1st Party shall ensure timely release of fund to the SHG FEDERATION on submission of Livelihood Plan by the SHGs through the federation.

12. The 1st party will extend necessary guidance to SHG FEDERATION in preparation of SHG livelihood plan.

13. Necessary training and capacity building programmes will be arranged by the 1st party from time to time.

14. The 1st party shall ensure necessary assistance from the SHG Federation to undertake regular monitoring of implementation of activities of SHGs and shall inter alia be responsible for providing regular guidance.

15. The First Party shall have the right to stop or suspend implementation at any stage in case gross irregularities are found to have occurred.

**Special Clause/Provision:**

This Grant Agreement is subject to change/modification depending upon the requirements of the project as the project activities expand based on mutually agreeable Terms and Conditions.

**Signed and Delivered by-**

Shri______________________________  
Secretary (name of the SHG FEDERATION), 2nd Party

Block:______________________________

District:__________  
State:__________  

Place:  
Date:
Signed and Delivered by-

Shri________________________

District Project Manager (1st Party)

District: ____________________

State: ______________________

Place:

Date:

Witnesses:

5. Block Co-ordinator

6. SHG FEDERATION Representative

Format-7 PRODUCER ORGANIZATION GRANT AGREEMENT

This agreement is made on the ...... day of the month of ............... 20.... , between the North East Livelihood Promotion Society (NELPS), 3rd floor, Six Mile, Guwahati-22 duly represented by the District Project Management Unit (DPMU) of District:.........., State:......... (Hereinafter called the "First Party") and the ...............Producer Organization (PO) of.................Block ..................................District ...................... (Hereinafter called the "Second Party").

Whereas, the NELPS is a registered Society under the Ministry of Development of North Eastern Region (DoNER) for implementation of the World Bank funded ‘North East Rural Livelihood Project (NERLP)’
And Whereas, the ............................................... Producer Organization is the commercial entity of Producers registered under Company/Co-operative Act..........., formed for undertaking business activities having registered office at ......................................, Block................., District ...................., State............... 

Now, both the Parties mutually agree to oblige and discharge the following responsibilities and duties for Smooth and Successful implementation of the Project and as per the Terms and Conditions laid down hereinafter.

**Duties and Responsibilities of the 2nd Party:**

That the 2nd Party agrees as follows:

42. PO will abide by the aims, objectives and the principles of the NERLP.

43. PO will ensure member’s participation, democracy and transparency in all its business activities and decision making processes.

44. The PO shall have to open a joint Bank Account in Nationalized/Regional Rural Bank as the case may be and shall maintain relevant books of records for all transactions following the prescribed financial management procedures. It would be binding on the part of the PO to submit timely activity progress report and Utilization certificate.

45. Any information/document/records/detailed/books of accounts maintained by the PO shall at all reasonable time be open for audit/inspection/verification by the project authorities. However, annual audit and keeping all records shall be the sole responsibility of 2nd party.

46. The 2nd party will have to develop a business plan with due consultation with the 1st party. For any change made in the business plan, 2nd party shall take permission from 1st party. For effective implementation of business plan, expansion and growth, the 2nd party shall mobilized fund from different govt/pvt. Funding agencies/govt. schemes/bank etc. for infrastructural development, working capital and operational expenses.

47. Ensure that the work is carried out in accordance with specification and management practice as per Project guidelines

48. PO will adhere to the principles and guidelines of Environment Management Framework (EMF) and Tribal Development Framework (TDF).

49. Ensure that all procurement of Goods, Works and Services are made as per the procedure set in the community procurement manual of NERLP as provided by the First party.
50. All the members will be informed about the progress and expenditure details of the business activities at specified intervals at right forum.

51. Ensure that the fund is utilized for the intended purposes and there is no mis-utilisation of the fund. In the event of misappropriation of project fund, any irregularities or in the event of failure to perform any of its obligations, the PO would be liable to repay the same to Project Implementing Entity. Under such circumstances the 1st Party may even suspend project activities and the matter may be taken up under relevant laws as the authority (ies) may deem fit.

52. PO will have the responsibility for payment of any taxes, duties, levies as may arise in all business transactions.

53. In case of default in repayment against their loan and in case the 2nd party becomes bankrupt/wound-up/blacklisted/convicted by any govt. agency/court, the 1st Party will not take the responsibility and the agreement shall automatically be terminated.

54. Any difficulty, problem, complexity relating to implementation of the developmental activities shall be brought to the notice of the PFT and DPMU.

55. PO will facilitate conduct of Social Audit as and when required.

56. Apart from what has been mentioned above, the PO will be governed by their bye laws and guideline outlined in PIP and COM.

57. If any problems and dispute arises in the block/district, it will be amicably resolved in consultation with Project Implementing Entity.

**Duties and Responsibilities of the 1st Party:**

16. The 1st Party shall ensure timely release of fund to the PO in two tranches on fulfillment of following conditions.

   d) Tranche -1: Registration with the project.

   e) Tranche-2: Preparation of business plan and be able to leverage fund from other financial institution.

17. The 1st party will extend necessary guidance to PO in preparation of business plan.
18. Necessary training and capacity building programmes will be arranged by the 1\textsuperscript{st} party from time to time.

19. The 1\textsuperscript{st} party shall undertake regular monitoring of implementation of activities of PO and shall inter alia be responsible for providing regular and frequent supervision and guidance to the 2\textsuperscript{nd} party for carrying out the works as per the business plan.

20. The First Party shall have the right to stop or suspend implementation at any stage in case gross irregularities are found to have occurred.

\textbf{Special Clause/Provision:}

1. This Grant Agreement is subject to change/modification depending upon the requirements of the project as the project activities expand based on mutually agreeable Terms and Conditions.

2. In case the assigned duties/ responsibilities are not performed for reasons that are beyond the control of the 2\textsuperscript{nd} party, it shall give in writing to the 1\textsuperscript{st} party reasons thereof and seek necessary corrective measures/time and the 1\textsuperscript{st} party on its part would provide the same to the 2\textsuperscript{nd} party after it has satisfied itself that the claims made by the 2\textsuperscript{nd} party are genuine and worthy.

3. This agreement shall be terminated on willful default of discharge of any obligation by both the parties.

\textbf{Signed and Delivered by-}

Shri______________________________

Secretary/Authorized Signatory (name of the PO with seal), 2\textsuperscript{nd} Party

Block:____________________________

District:___________

State:__________

Place:____________________________

Date:
Signed and Delivered by-

Shri________________________

District Project Manager (1st Party)

District: _________________

State:_____________________

Place:

Date:

Witnesses:

7. Block Co-ordinator

8. PO Representative