

MODULE ON

TOT-III

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**Training of Trainers (ToT) on
National Rural Livelihood Mission (NRLM) for Non-Intensive Blocks
(For various stakeholders like PRIs, Bank Managers, CSOs and functionaries of line Departments,
SHG leaders, Block and Village level Rural Development Officials)**

Introduction

Over 25 crore rural population in the country remain locked in poverty despite of the relatively high GDP growth rate. Rural poverty in India is multi-dimensional i.e resource-poor, majority of whom belong to the socially marginalized groups with limited skill base and are engaged in low productivity occupations. Poverty denies the poor households access to a wide range of markets and services, including credit which further intensifies their poverty and affects their food security, health and nutritional status. In this direction, Ministry of Rural Development's (MoRD), Government of India directly targeted poor families for creation of assets and self employment started with Integrated Rural Development Programme (IRDP) in the year 1980. A major reform took place in 1999, when IRDP was transformed into Swarnjayanti Gram Swarozgar Yojana (SGSY). Self-employment through organizing poor into Self Help Groups (SHGs) has emerged as the new strategy of poverty reduction and this concept is widely accepted. A review of SGSY has brought into focus certain shortcomings like vast regional variations in mobilization of rural poor; insufficient capacity building of beneficiaries; insufficient investments for building community institutions; and weak linkages with banks leading to low credit mobilization and low repeat financing. Absence of pro-poor institutions precluded the poor from accessing higher order support services for productivity enhancement, marketing linkage, risk management, etc.

Many of the BPL households still need to be organized into SHGs. Even the existing SHGs need further strengthening and greater financial support. It was in this background, Government has approved the restructuring of the SGSY as the National Rural Livelihoods Mission (NRLM). NRLM's mandate is to reach out to all the poor families, build their capacity to source and utilize the source to leverage institutional credit and link them to sustainable livelihoods opportunities and nurture them till they come out of poverty and enjoy a decent quality of life. Thus the NRLM Mission is **“To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions of the poor.”** NRLM is to be implemented in a mission mode across the country in a phased manner over a period of 5-6 years. At present it is implemented in about 600 blocks which are called intensive blocks. In other blocks, which are called as non-intensive blocks, SGSY is continued till NRLM is initiated. However, ToT is planned in intensive as well as non-intensive blocks with different modules. In non-intensive blocks the module emphasizes on SHG formation and their nurturing, formation of SHG federations and their role, micro-credit planning and about NRLM.

In this regard, the ETCs/RIRDs and some of the resource organizations, by virtue of their being closer to the rural communities are very ideally placed in terms of faculty expertise, training infrastructure and outreach to train them, can support the initiatives of MoRD in NRLM. A series of ToTs are required in order to sensitize the secondary stakeholder team members. To start with, we are proposing to organize about 300 of them across the country through ETCs / RIRDs by 31st March 2013

The objectives of these ToTs are as follows:

- To equip them with the concept of strengthening of SHGs, formation and nurturing of SHG federations and their roles
- To sensitize the secondary stakeholders on the concept and components of NRLM
- To make them understand the micro-credit plan to be prepared by SHGs and SHG federations and
- To equip them with a comprehensive range of pedagogical tools and the required training modules.

Duration

These ToTs are planned for duration of 10 days each with a provision for one day interaction with the community.

Coverage

- Poverty analysis
- SHGs - Helping to form SHG (Self Help, formation of SHG group, organisation of meetings, functions of SHG), nurturing of SHGs and SHG bank linkage
- SHG federations - Need, concept, principles, different models of SHG federations, process involved in formation of federations, roles and responsibilities)
- Institution building and capacity building and Roles and responsibilities of secondary stakeholders
- SGSY - Overview, progress and shortcomings
- NRLM: What, Why and How
- Livelihoods, best practices, innovative and pro-active initiatives in livelihood promotion
- Micro-credit plan

Expected Output

- Stakeholder sensitization on building of institutions of poor
- Stakeholder-role clarity in translation of SGSY in to NRLM
- Stakeholder sensitization on the concept and component of NRLM
- Appreciation of importance of convergence for sustainable livelihood promotion; and
- Better understanding of training modules, material and pedagogical tools.

Opening Session

Objectives:

- To get participants introduced to each other
- To set up norms to run the training more participatory way
- Participants come to know about the course objectives
- To match the expectations with the objectives of the program

Duration: 70 minutes

Expected output: To have an overview about the programme.

Module Plan

Sl.	Time	Topic/Theme	Coverage	Methodology	Material Required
1	30 minutes	Introduction	Introducing each other	Chain method introduction	
2	15 minutes	Setting up of Training norms	Setting norms for training	Brain storming	Charts & Markers
3	15 minutes	Outline of the program	Introducing about the objectives of the program	Slide show: Explain what is SGSY and what is new with NRLM	Hand out on program schedule.
4	10 minutes	Collection of expectations	Matching the expectations and course objectives	Collect expectations on a card and consolidate in plenary	cards and sketch pens
Total 70 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Topic I - Poverty Analysis

Objectives:

- To refresh and reiterate about the formation of SHGs and about the procedure about Linking SHGs to banks
- To stress upon that the quality of SHGs depends on way of formation and nurturing of SHGs

Duration: 100 minutes

Expected output: Participants will develop understanding and awareness on the importance of nurturing of SHGs for future institution building

Module Plan:

Sl.		Subtopic / Theme	Coverage	Methodology	Material Required
1	30 Minutes	What is poverty	<ul style="list-style-type: none">• Definition and explanation of poverty	Interactive lecture Method	PPT, interaction
2	60 minutes	Poverty indicators and identification	<ul style="list-style-type: none">• Different indicators• Methodology of identification	Showing Sample sheet of PoP criteria, Exercise lecture	Sample sheet PPT
3	10 Minutes	Summing up	<ul style="list-style-type: none">• Question and Answer	Large Group Discussion	
Total 100 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Tips to trainer

The trainer may elicit the information of "what is poverty?", "who are poor in their neighborhood and How to identify?".

Handout

What poverty and poverty line?

It is an important characteristic of underdeveloped countries where the per capita income is very low. Poverty is a social phenomenon where a segment of society deprived of minimum level of living and unable to fulfill even its basic necessities of life. Poverty in India is expressed in terms of minimum requirement of food in terms of calories, clothing and shelter. Poverty indicated by poverty line which is cut off point on line of distribution which decides poor and non-poor. It is also known as head count ratio/income poverty method.

Definitions of poverty: The UN and World Bank have adopted a \$ 1 per day and \$2 per day poverty line for international comparisons. In India, the Planning Commission has adopted definitions of poverty provided by "The Task force on projections of minimum needs and effective consumption demand" headed by Dr Y K Alag in 1978. It has defined as average monthly per capita expenditure class having a daily calorie intake of 2400 calories in rural area and 2100 calories in urban area. On this basis, the cut off in terms of amount is Rs. 49.09 for rural areas and Rs. 56.64 for urban areas at 1973-74 prices. The inflation adjusted present monthly per capita expenditure is Rs. 256 and Rs.538, respectively. A committee headed by Lakdawala in 1998 proposed for introduction of state specific changes in poverty line. Further, NSSO 61st Round estimated poverty based on monthly per capita expenditure calculated by Uniform Recall Period (URP) and Mixed Recall Period (MRP). The first one from the consumption data collected using 30-day **recall period** (also known as reference **period**) for all the items. The other distribution is obtained from the consumer expenditure data collected using 365-day **recall period** for five infrequently purchased non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses and 30-day **recall period** for the remaining items. Since it uses two different **recall** periods, it is called as **Mixed Recall Period**. As per NSSO 61 round, poverty level in

India in 2004-05 is 21.8% (URP method) and 27.5% (MRP method) and rural poverty is always higher than the urban poverty.

Recently 2 committees namely Tendulkar Committee set up by planning commission and N C Saxena Committee set up by MoRD. The salient recommendations of Tendulkar committee include giving up of poverty lines based on calories intake norm and suggested that the poverty estimates should continue on the basis of household consumptions expenditure collected by NSSO in mixed recall period method. MRP equivalent of the urban poverty line basket (PLB) corresponding to 25.7% urban head count ratio is the new reference PLB for rural and urban population in all the states after suitable adjustments. The above PLB takes into account all items of consumption items except conveyance on transportation and hence separate allowance for these items recommended. All India head count ratio and rural head count ratio calculated based on UPLB using recommended procedure on arrived at 37.2% and 41.8% respectively.

N C Saxena Committee indicated that the the national poverty line at Rs. 356 and 539 per capita per month in rural and urban areas at 2004-05 prices and permitted people to consume 1820 k only as against norm of 2400 and 2100 k calories in rural and urban areas, respectively. This Committee felt that many people left out of BPL category and recommended a cut-off line at Rs. 700 in rural areas and Rs. 1,000 in urban areas.

Identification of poor

Activity - Ask the participants to make list of indicators to identify BPL people?

Possible indicators are

- No land or less than five cents of land
- No house or dilapidated house
- No sanitation latrine
- Family without colour television
- No regular employed person in the family
- No access to safe drinking water
- No access to education
- Women-headed household or presence of widows or divorcee
- Most disadvantaged and marginalised like Scheduled Castes and Scheduled Tribes (SC/ST) and households living in vulnerable circumstances
- Mentally retarded or disabled member in the family

Preparation of list of poor

1. Preparation of Below Poverty Line/PoP list
2. Approval in Gram Sabha
3. Appeal to Block Development Officer and Collector
4. Display of Final List

Topic II - SHGs

Objectives:

- To refresh and reiterate about the formation of SHGs
- To explain the procedure involved in Linking SHGs to banks
- To stress upon that the quality of SHGs depends on formation and nurturing of SHGs

Duration: 130 minutes

Expected output: Participants will develop understanding and awareness on the importance of nurturing of SHGs for future institution building

Module Plan:

Sl.		Subtopic / Theme	Coverage	Methodology	Material Required
1	30 Minutes 60	Formation of SHGs	<ul style="list-style-type: none"> • What is Self-help and SHG • Starting SHG and Formation of SHG 	case study, interactive lecture method, video display	SHG CD (case), PPT on SHGs, interaction
2	30 minutes 60	Characteristics and functions	<ul style="list-style-type: none"> • Number, meetings, attendance and its recording, minutes, etc. • Explain about functions like savings, lending, etc. 	Showing sample sheet of attendance maintenance and minutes and lecture	Sample sheet PPT
3	60 minutes 120	Linking SHGs to banks	<ul style="list-style-type: none"> • Opening SB account, • savings and internal lending and related books of accounts, • assessment of SHGs • Informal credit sources • Credit sanction procedures 	Showing sample sheet of records related to savings, internal lending, cash book, general ledger and grading sheet and lecture	Sample sheets PPT Case of non-maintenance of records and its impact
4	10 Minutes	Summing up	<ul style="list-style-type: none"> • Question and Answer 	Large Group Discussion	
Total 130 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Tips to trainer

The SHG concept and procedure is key to the success of NRLM. The strength of the upper level people's institutions (federations) depends on the strength of the SHGs.

Handout (Source: NABARD's hand book on Formation of SHGs and Community trainers manual by SERP)

Self Help - All are aware or listening about 'self help is the best help', 'unity is strength' and 'united we stand, divided we fall'

(narrate the story of the birds caught in a net. They could not escape one by one. But when they flew together in a group, they escaped)

What is SHG ?

SHG shall be an informal, self managed homogenous and voluntary group of 15-20 women of a neighborhood engaged in credit and saving activities which operates on the principle of mutuality and solidarity.

Starting of a SHG

Before Self-Help Groups are formed, hold a meeting of the community leaders and elders of the village and explain to them your plan to form SHGs to gain support. *This is the right time to tell everyone that the meetings are not for “giving” anything, but to “enable” the poor families to come together and help each other (here for the success of NRLM, procedure is important than the provision of benefits).* Explain the basic principles of Self-Help Group in this meeting and procedure for identification of poorest of poor (as mentioned in previous unit). Then based on contiguity, homogeneity, the SHG group may be formed. In the areas where SHGs already existing community resource persons may be identified and those can utilised for formation of SHGs.

The process of group formation takes a period of 6 months. Once the group is formed, it takes one to one and a half years to settle to a stable pattern. Initially let the group understand the group concept like membership, leadership, organising meetings and book keeping. Under membership, the issues related to membership, steps on leaving of a member and joining a new member. Later an activity on leadership by asking questions and eliciting answers can be taken up.

Activity Q&A

Who should decide everything for the SHG ?	All members should decide
Who benefits from the SHG ?	All members benefit
Who should do the work ?	All should share the work
How can the work be shared?	Agree on one person to take up the work by rotation

During the meetings members the points related to decision on time and place of meetings, penalties for non-attendance, amount of saving, small loans to each other, availing loan from banks and repayment habits are to be discussed by group members. The facilitator of the group can explain about the characteristics of SHG (given below) during initial meetings.

- The ideal size of an SHG is 10 to 20 members.
(In a bigger group, members cannot actively participate.)
- The group need not be registered.
- From one family, only one member.
(More families can join SHGs this way.)
- The group consists of either only men or of only women as Women’s groups are generally found to perform better.
(Mixed groups are generally not preferred.)
- Members have the same social and financial background.
(Members interact more freely this way.)

- The group should meet regularly.
(Members understand each other better if they meet weekly.)
- Compulsory attendance.
- (Full attendance for larger participation.)
- Later SHG should follow the *Panchasutras* (Meetings, attendance, regular savings, internal lending, repayment)

Book keeping by the SHG :

Simple and clear books of accounts for all transactions are to be maintained. If no member is able to maintain the books, someone is to be engaged by the group for the purpose on payment basis. Initially facilitator can also help. The books on accounts include minute's book, savings cum attendance register, cash book, loan ledger, individual passbook, general ledger and their pro-forma is given below:

- Meeting minutes book pro-forma
 - Meeting number
 - Meeting time, day and date
 - Particulars of SHG - name of SHG, village, meeting place, presided by whom, total number of members, number of members attended
 - Agenda of the meeting
 - Members introduction, prayer
 - Review of decisions of previous meetings
 - Collection of savings and recording the transaction indicating each members savings, their cumulative savings, group total savings during that meeting and groups cumulative savings

Sl.No	Meeting No:			Members attendance and savings during the month										Cumulative savings
				Week 1		Week 2		Week 3		Week 4		Total for the month		
	Date:			A	S	A	S	A	S	A	S	A	S	Total Savings
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														

- o Loan ledger pro-forma and record in the following pro-forma

Date of Disbursement	Amount Disbursed	Purpose	No. of Installments	Due Date for Repayment	Date of Repayment	Amount Repaid (Principal + Interest)	Over Due (P+I)	Loan Balance	Signature of the Member

- o SHG bank linkage details like loan amount sanctioned, no. of instalments and amount, no. of instalments repaid, instalment paid till last meeting, instalment proposed to be paid.
- o Receipts and payments statement as per the pro-forma given below:

S.No.	Receipts	Amount	S.No.	Payments	Amount
1	Opening Balance		1	Loans sanctioned to members	
2	Savings received		2	VO loan repaid (Principle)	
3	Principle collected		3	VO loan repaid (Interest)	
4	Interest collected		4	Bank Loan repaid Principal Interest	
5	Fines collected		5	Bookkeeper Honorarium	
6	Amount withdrawn from Bank		6	Conveyance Charges	
7				Amount deposited in the Bank	
8				Closing Balance	
	Total			Total	

- o Repayment schedule of the SHG
- o Cash book : The book keeper shall write the cash book (pro-forma given below) during the meeting recording all transactions (savings collected, fines collected, loan repayments, amount with drawn from bank and deposited in bank, new loans sanctioned and closing cash balance. After writing the cash book, the entries are made into loan ledger, individual pass books and General ledger.
- o

Date	Minutes Book Page No	Receipts Particulars	General Ledger Page No	Amount	Date	Minutes Book Page No	Payments Particulars	General Ledger Page No	Amount	Balance

- General Ledger: In the general ledger head of account-wise folios are allotted. The book keeper will post entries under each head of account from the cash book. From the general ledger, it is known about the balance available under each head of account. From this income and expenditure statement and receipts and payments statements will be prepared.

S.No	Name of the Account	No. of Pages Allotted	
		From	To
1	Members' savings		
2	Loan Sanctioned to Members		
3	Principal collected from Members		
4	Funds received from VO		
5	Funds received from Bank		
6	Funds received from other source		
7	Income heads		
	a) Interest received from Members' loans		
	b) Fines		
	c) Resource Fees		
	d) Interest on Bank Balance		
	e) Other Incomes		
8	Expenditure heads		
	a) Interest paid to VO		
	b) Interest paid to Bank		
	c) Bookkeeper Honorarium		
	D) Conveyance Charges		
	e) Miscellaneous Charges		

- Monthly report : Every month the monthly report is prepared which includes no. of meetings held, % of attendance, savings collected, loan borrowed from different sources, amount repaid, amount over due, loan balance, income and expenditure of the group, activities taken up by SHG.

Functions of SHG

(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. Proper accounts to be kept by the SHG. Opening savings bank account with bank enable 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 Bank Linkage

The steps to be followed in SHG bank linkage are

- Opening of savings bank account
- Internal Lending by the SHG
- Assessment of the SHG
- Checklist for assessment of SHG
- Repayment of loans by the SHG

Soon after an SHG is formed and one or two meetings held where the savings are collected, a savings bank account can be opened in the name of the SHG. The following steps will explain to you how this can be done.

Opening of S/B Account for the SHG - The Reserve Bank of India has issued instructions to all commercial banks and regional rural banks, permitting them to open SB A/cs of registered or unregistered SHGs. As per then RBI, SB A/c in the name of SHG could be opened after obtaining the following documents from the group:

- Resolution from the SHG indicating their decision to open bank account
- Authorisation from the SHG authorizing at least three members, any two of whom, to jointly operate their account. The resolution along with the filled in application form duly introduced by the promoter may be filed with the bank branch.
- Copy of the rules and regulations of the SHG

Later a savings bank account passbook may be issued to the SHG. This should be in the name of the SHG and not in the name of any individual/s.

Conduct of internal lending by the SHG - After saving for a minimum period of 2 to 3 months, the common savings fund should be used by the SHG for lending to its own members. The purpose, terms and conditions for lending to its members, rate of interest etc., may be decided by the group through discussions during its meeting. (RBI and NABARD have permitted the members to decide on these aspects).

Assessment of SHGs - The status of functioning of SHG is thoroughly checked with the help of grading format. After completion of first grading, RF is given and after 6 month upon completion of 2nd grading, loan is given. The loan is *always* sanctioned and issued in the name of the group. The amount of loan to the SHG can be to the tune of 1 to 4 times of its savings.

Loan may be granted by the SHG for various purposes for both consumption as well as income generating activity. The SHG makes the repayment to the bank. (The group is collectively responsible for the repayment of the loan). RBI/NABARD rules stipulate that no collateral security should be taken from SHGs by banks. List of documents required by banks for lending to SHGs (i) Inter-se Agreement to be

executed by all the members of the Self Help Group (This is an agreement by the members with the bank, authorizing a minimum of three members to operate the group's account with the bank) (ii) Application to be submitted by SHG to bank branch while applying for loan assistance (This includes details of the purposes for which the SHG gives loan to its members) and (iii) Articles of Agreement for use by the bank while financing SHGs (This contains the duly stamped agreement between the bank and the SHG wherein both the parties agree to abide by the terms and condition set thereon). The group members are collectively responsible for the repayment of loans to the bank.

Topic III - SHG federations

Objectives:

- To develop awareness among the participants about formation of SHG federations and their role
- To emphasise upon the importance of SHG federations in institution building in future course

Duration: 160 minutes

Expected output: Participants will develop understanding and awareness on the formation, nurturing and roles of SHG federations in facilitation and provision of services

Module Plan:

Sl.		Subtopic / Theme	Coverage	Methodology	Material Required
1	30 Minutes	Need, concept, principles	<ul style="list-style-type: none"> • What is SHG federation and why, • Guiding principles of SHG federations 	Interactive lecture Method, Video display	SHG federations CD from APMAS/SERP, PPT
2	60 minutes	Formation of federations	<ul style="list-style-type: none"> • Structure /models • Process of formation • Registration /Legal frame work as identified by the state 	Film or sample structure and Role play, copy of bylaws	Sample sheet, PPT with depiction of structure
3	60 minutes	Roles and responsibilities	<ul style="list-style-type: none"> • Various Functions 	Discussion on functions and roles	PPT Case studies on roles and functions
4	10 Minutes	Summing up	<ul style="list-style-type: none"> • Question and Answer 	Large Group Discussion	
Total 160 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Tips to trainer

There is a need to emphasise on the importance of SHG federations and their activities and benefits to SHG members.

Handout

Need for federations

The SHGs are founding blocks for collective action. However, they can't achieve the larger purpose of addressing poverty and aiding economic and social development due to certain limitations. The limitations include limited scope for influence, limited bargaining power, low pool of human resources and capacities, limited capability of hiring support services. Therefore SHGs are federated at cluster level and district level to achieve economies of scale which reduces transaction costs, sharing of resources, managing partnerships, self regulation and sustainability and sustainable collective action. Thus, the SHG federation is an association of primary organisations uniting for perceived common benefits.

Guiding principles of SHG federations include defining the purpose by members, defining scope and relevance of collective action, ensuring community ownership and control, defined governance and community structures.

Types

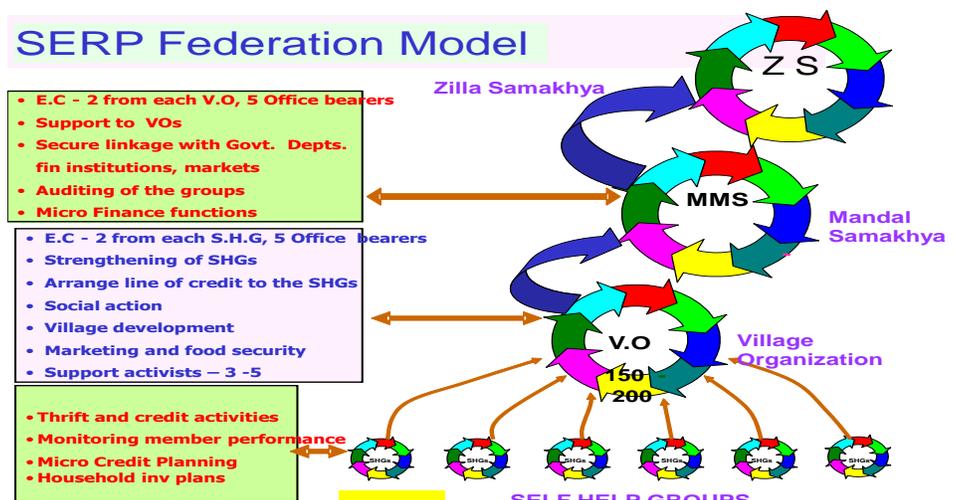
There are different types of federations based on level or functions (financial, non-financial like sector development and social functions). Based on the levels, there are primary federations (SHGs and SHG members directly represented), secondary level (block, sub-block, district level) and Apex federations (state level federations).

Structure or models of federations

There are different federation models like MYRADA model of CMRCs, Andhra Pradesh's SERP model of Indira Kranthi Patham, Tamil Nadu Women's Development Corporation model, DHAN foundation's Nested model, Orissa Government model adopted in Dhenkanal District, Kerala's Kudumbashree model, etc. However, 2 models i.e Kerala's Kudumbashree model and Andhra Pradesh's SERP model of Indira Kranthi Patham are discussed here.

- **Kudumbashree** is a women oriented community based poverty reduction programme implemented by the Kerala state Government, supported by the Government of India, NABARD and UNICEF. The grassroots of Kudumbashree are Neighborhood Groups (NHG in short) that send representatives to the ward level Area Development Societies (ADS). The ADS sends its representatives to the Community Development Society (CDS), which completes the unique **three-tier structure** of Kudumbashree. This model focuses more on community participation and convergence through Neighbourhood Group (NHG), Area Development Society (ADS), and Community Development Society (CDS). The bank loans are raised directly by the NHG or as bulk loan through the CDS—the direct linkage of NHG with the banks is the predominant model. The Government acts as a proactive facilitator of Kudumbashree programme, by deploying a mission team of those interested and committed to the institution. The focus areas include promotion of micro enterprises, food security, minimum needs fulfilment, child development, destitute development, etc.
- **Indira Kranti Patham (IKP)**- Indira Kranti Patham (IKP) is a state-wide poverty reduction project to enable the rural poor to improve their livelihoods and quality of life through their own organizations. It aims to cover all the rural poor households in the state with a special focus on the 30 lakh poorest of the poor households. It is implemented by the Society for Elimination of

Rural Poverty (SERP), Dept of Rural Development, Government of AP. SERP is an autonomous society registered under the Societies Act, and implements the project through District Rural Development Agencies (DRDAs) at the District level. IKP presently is funded by the APRPRP and Government of Andhra Pradesh. There are 1,06,75,321 exclusive women members who are organised in to SHGs, SHGs into village level federation called VO, VOs into cluster level Mandal samakyas (MS) and these MSs into Distrcit samakyas (ZS). Though initially the bank loans to SHGs were to be the primary source of loans; presently the VOs and Mandala Samakhya rotate the Community Investment Fund as revolving fund for lending to SHGs. A few of the well functioning of VOs have received bulk loans from banks. Plans are afoot to grade and link Mandala Samakhya to the banks for bulk loans. IKP implements livelihood initiatives, marketing and several social security schemes of the government for insurance, pension, etc., through the MS (Figure below).



Process of formation of SHG federations

Process of formation of SHG federations involves the following steps (role play game by trainees to form federation):

- Determine the scope of activities like financial, non-financial or both
- Situation analysis about existence of federations, their activities, effects of new federation on existing ones
- Facilitation at promoters level about concept , need, activities, legal framework, and future direction of federations
- Decision to form federation - here willingness of SHG members to form federation is necessary for its success and therefore potential leaders of SHGs are oriented towards formation of federation, acceptance of higher responsibility.
- Stake of members - Members should contribute to federation in the form of share capital

Setting norms and the norms include **panchasutras like** Regular meetings; Regular savings; Regular inter-lending; Timely repayment; and Up-to-date books of accounts

- Registration under appropriate act
- Opening bank account for federation, selection of office bearers for operation of account, approval of withdrawal by executive committee
- EC and GB - Formation of EC and GB and elect office bearers
- Federation activities

Legal Framework

Legal framework for federations is necessary to gain legal rights, to purchase and sell, create assets, to have agreements with other organisations and for perpetual succession. Members have bargaining power and have ability to build interface with outside institutions. Different legal forms where federations are registered are Trust Act, societies Act, cooperative/MACS Act and section 25/companies Act. However, many of the federations are registered under cooperative societies Act. Thus state government can decide about the legal framework.

Functions of federations

The functions of federation are Financial and Non-financial. The non-financial functions include institution development, livelihood services and social development services. The details are given below:

- **Financial functions** - Access to credit, promotion of savings, insurance, facilitates money transfer and pension products.
- **Non-Financial Functions**
 - **Livelihood services** - Market information and linking with markets, processing and value addition, business plan development, promotion of enterprises, supply of inputs, bulk procurement of required material, helping in acquiring assets, skill training, etc.
 - **Institution development functions** - Monitoring and Auditing of SHGs, Grading of groups, support for book keeping, facilitation of SHG bank linkage, conflict resolution, new group formation, training and leadership development, good governance practices among SHGs.
 - **Social development functions** - Addressing various social issues like child marriages, domestic violence, social discrimination and others, health initiatives, family counselling, etc.

Case study on Peta Agraharam VO, Puthalapattu, Chittoor

This VO has 24 SHGs in its fold, including 3 ST and 1 SC group and the rest from backwards castes, and holds its meetings twice a month; one meeting is dedicated for financial discussions and in other they have agenda related to different government schemes and other social issues. The meeting was quite chaotic. Members were huddled, especially at the far end. The VO members think that VO's role is to solve problems of SHGs and to provide them loans. VO sanctions loans to SHGs according to the MCP it receives from them. After getting a loan application, a committee of the VO checks all accounts of the SHG and decides whether VO should loan the group or not. VO has a loan ceiling of Rs 10,000 per member (Rs 50,000 per SHG, though often violated). However, all members who applied for loans have got Rs 10,000. The MCP, made in the SHG had identical data for all members. The repayment occurs in 20 installments in case of better off groups; however, for poor groups it runs up to 40 to 50 installments.

The VO has not rotated the leaders since its inception. The current president Suvarna Kumari has been president from the beginning. In between Charumati from Dhanalaxmi group came forward for becoming president, but backed off due to household responsibilities. There is no change in the SHG

leaders also and members said, “As long as the SHG is working well, we do not change the leaders.” Very few members have any idea about the MS. There is only one subcommittee here that looks after SHG affairs. Besides their regular work, the VO has also addressed isolated cases of child marriage and child labour. The loan ledger entries were correct but did not match the agreed schedule of payments – for instance, the schedule is for 50 equal installments but the members pay larger and unequal installments. There was no audit report and audited balance sheet.

Source: APMAS case studies

Topic IV - SGSY

Objectives:

- To make them aware of SGSY overview, progress and performance of SHGs under SGSY
- To develop awareness among the participants about the shortcomings of SGSY

Duration: 100 minutes

Expected output: Participants will know about SGSY progress, performance of SHGs and shortcomings

Module Plan:

Sl.		Subtopic / Theme	Coverage	Methodology	Material Required
1	30 Minutes	SGSY Overview	SGSY implementation and progress	Interactive lecture method, case study method	PPT Case studies
2	30 minutes	SGSY - Learning lessons	SHG performance Credit, livelihoods / IGA Others like marketing, training, infrastructure	Cases and lecture	PPT and case discussion
3	30 minutes	Shortcomings	Shortcomings Way forward - Transformation in to NRLM	Discussion	PPT
4	10 Minutes	Summing up	Question and Answer	Large Group Discussion	
Total 100 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Tips to trainers – The key features and shortcomings of SGSY may be stressed upon.

Handout –

In April 1999, the Integrated Rural Development Programme (IRDP) was restructured and combined with Training of Rural Youth for Self-Employment (TRYSEM), Supply of Improved Tools for Rural Artisans (SITRA), Ganga Kalyan Yojana, Million Wells scheme (MWS) and Development of Women and Children in Rural Areas (DWCRA), and a single self-employment programme known as Swarnajayanthi Gram Swarojgar Yojana (SGSY) was initiated. The main objective of SGSY is to bring the assisted poor

families above poverty line by providing them income-generating assets through bank credit and capital subsidy through group approach. SGSY has been conceived as a holistic self-governing programme covering all aspects of self-employment of the rural poor such as organization of the poor into SHGs, their capacity building, selection of key activities, planning of activity clusters, training and skill development, infrastructure build-up, technology and market support. The scheme is implemented through DRDAs with active involvement of PRIs, banks, line departments and NGOs. The salient features of SGSY are as under:

Salient Features of SGSY

- A Centrally sponsored self-employment scheme. Funding is shared between the Centre and the State in the ratio of 75:25. For North-Eastern States, the ratio is 90:10. The scheme is implemented by District Rural Development Agency (DRDAs) / Zilla Parishads through Panchayat Samithis with active involvement of Panchayats based on the funds provided for the SGSY.
- The programme envisages establishing a large number of micro-enterprises by organising the poor in rural areas into SHGs at the grass root level through social mobilization. These swarojgaris provided training and capacity building through basic orientation training and skill training. Key activities are selected based on available resources, skill and marketing and micro-enterprises are established with the help of backended capital subsidy and credit.
- NGOs, CBOs and Self Help Promoting Institutions (SHPIs) are assisted upto Rs.10,000 per group by government for the formation and development of Self Help Groups (SHGs). DRDA may incur a maximum amount of 10 per cent of allocation towards training and capacity building. SGSY Infrastructure Fund comprises upto 20 per cent of the allocation to States and 25 percent in the case of North Eastern States. DRDA provides Rs.10,000 to each SHG as Revolving Fund, banks provide cash credit of Rs.15,000 for Grade-I SHGs. Banks provide loans to Grade-II SHGs with minimum repayment period of three to five years depending on the nature of scheme. Subsidy under SGSY is uniform at 30 per cent of the project cost, subject to a maximum of Rs.7,500 per swarojgari (Rs.10,000 for SC/ST / disabled swarojgari). *Swarojgaris* are not entitled for benefit of subsidy if the loan is fully repaid before the lock-in period.

Achievement: During 2010-11 upto December, a total of 12.81 lakh Swarozgaries have been assisted out of which **8.50 lakh** (66.35%) are women Swarozgaries. An amount of Rs 2901.36 crore has been disbursed by the banks upto December, 2010 as against the target of Rs 5210.63 crore during the financial year 2010-11.

Need for restructuring : Series of studies including Prof. Radhakrishna Commttee report reviewed the SGSY programme and brought into focus certain shortcomings like vast regional variations in mobilization of rural poor, insufficient capacity building of beneficiaries, insufficient investment for community institutions, weak linkages with banks leading to low credit mobilization and repeat financing. Absence of aggregate institutions of poor such as federations precluded the poor from accessing the higher order support services for productivity enhancement, marketing, risk management, etc. These studies have shown that SGSY was relatively successful wherever systematic mobilization of the poor into SHGs, their capacity building and skill development has been taken up in a process intensive manner. Thus SGSY has been restructured into NRLM which is discussed in the next unit.

Topic V - Introduction to NRLM

Objectives:

- To develop awareness among the participants about framework and concepts of NRLM
- To sensitize the stakeholders on the need of convergence in livelihood promotion

Duration: 145 minutes

Expected output: Participants will develop understanding and awareness on the concepts and strategy in implementing NRLM.

Module Plan:

Sl.		Subtopic / Theme	Coverage	Methodology	Material Required
1	60 Minutes	Evolution of NRLM	<ul style="list-style-type: none"> • Recommendations of different committees • Need of NRLM 	case study, interactive lecture Method, Video display	PPT and NRLM (MoRD PPT)
2	45 minutes	About NRLM	<ul style="list-style-type: none"> • Restructuring of SGSY- Comparative Analysis between SGSY and NRLM Objectives of NRLM • NRLM approach and different strategies used • NRLM Support Structure 	interactive lecture method, flow chart, graphical presentation	PPT presentation and handouts (MoRD)
3	30 minutes	Convergence through NRLM	<ul style="list-style-type: none"> • Broad roles of different stakeholders, importance of convergence 	Interactive Lecture Method, success story (if any)	(NRLM / SRLMs)
4	10 Minutes	Summing up	<ul style="list-style-type: none"> • Question and Answer 	Large Group Discussion	
Total 145 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Tips to trainers – Emphasize on the importance of NRLM approach which is based on dedicated support structure, strong institutions of poor, continuous credit support to come out of poverty. The importance of support services also to be highlighted.

Handout – NRLM Mission document

Topic VI - Institution Building and Capacity Building under NRLM

Objectives:

- To understand the process of IB & CB at various levels of people's institutions by stakeholders
- To understand the functions and role of different layers of people's institutions in livelihood promotion

Expected Output:

At the end of the training the participants should be clear on;

- Capacity building strategies
- Roles and responsibilities of different stakeholders (line dept, banks, NGOs and PRIs) in IB & CB

Total Duration: 205 minutes

Module Plan:

Sl.		Topic/Theme	Coverage	Methodology	Material / Tools
1	30 min	Introduction to institution building and capacity building in NRLM	Need and importance	Lecture, Brain Storming	Concept note on NRLM
2	60 min	Capacity building of SHGs and their Federations	Various strategies- CRPs, Bank Mitra, skill development for wage employment	Experience sharing of CRPs directly or film, Skill development film, Lecturing	CRP film from NIRD and skill development Film from RTP /IL&FS and PPT
3	90 minutes	Roles and responsibilities of stakeholders in promoting the IB & CB	Dept. Wise discussion	Group discussion and presentations	Package of practices, List of various schemes of line dept./banks/ NGOs
4	15 minutes	Role of NGOs/ CSOs	<ul style="list-style-type: none"> • In IB & CB 	Lecture/ PPT/ discussion	
5	10 Minutes	Summing up	<ul style="list-style-type: none"> • Question and Answer 	Large Group Discussion	
Total 205 minutes		After a session of 1 hour 10/20 minutes, 10 minutes break may be given			

Tips to trainers: Capacity building is the key to success of institution building under NRLM. The strategies should be concentrated.

Handout: Building of institutions of poor (as mentioned under unit II) is necessary for providing higher order support services to poor under NRLM. The process of formation of SHG federation was given already under unit II. In Institution building, these steps are to be followed in a systematic manner one by one.

- Facilitation at promoter's level about concept, need, activities, legal framework, and future direction of federations and then promoters can give directions to members and build their capacity in these aspects.
- Stake of members - Members should contribute to federation in the form of share capital
- Setting norms and the norms include panchasutra like SHGs Regular meetings; Regular savings; Regular inter-loaning; Timely repayment; and Up-to-date books of accounts
- Registration under appropriate act
- Opening bank account for federation, selection of office bearers for operation of account, approval of withdrawal by executive committee
- EC and GB - Formation of EC and GB and elect office bearers and formation of sub-committees
- Committees undertaking federation activities

The strategy of building of these institutions includes continuous capacity building of the staff of dedicated support structure in a state, members, community people (CRPS, Bank mitras, etc.). It is discussed about the structure and role of dedicated support structure (SRLMs their structure in a state) in previous unit at a length. Further, all members, SHGs, their federations, bankers, NGOs and other stake holders are trained in /provided with requisite skills in managing their institutions, linking up with markets, managing livelihoods, enhancing the credit absorption capacity, etc. As per the experience of the SERP, the Community Resource Persons strategy (under guidance of SERP officials) has improved the efficiency of leaders and members of community organisations. The personal case studies of CRPs motivated the non-SHG members to join in the groups. It also motivated existing groups to adopt best practices (panchasutra) of SHGs. A brief account of CRPs is given below:

CRP strategy

CRPs are the active community leaders selected from the members of mature SHGs or cluster federations. These are the people who have at least 4 years of experience and have come out of poverty and improved their standard of living with active support of SHG institutions. They should have been recognized as role models by their SHGs and federations. Finally, they should have good communication skills and ability to train the people. Their role is to strengthen existing SHGs, promote new SHGs and their federations. Apart from institution building CRPs, there are CRP for micro-enterprises, livelihoods, marketing, audit, accounts, etc. The CRPs are selected by a district level committee consisting of community members, project staff and state project management staff. After selection CRPs are trained at state level by State project management unit (SPMU) members. Their working days would be not more than 15 days (at a stretch) in a month. Every month 1st -15th they would visit the fields. They would spend maximum five days in a village and cover maximum three villages in each round. Further, the villages visited by each CRP are fixed for the entire season.

Bank Mitra -

There is a lot of scope and opportunity for the government and the Banks to reach to the poorest of poor for financial inclusion as the strength of the SHG's is leveraged positively. Some of problems associated with banking institutions are lack of human resources in the rural branches of the mainstream financial institutions and the lesser number of the bank branches of different banks itself existing in rural areas. In different states different institutions are entrusted with the task of creating and nurturing quality community institutions that can become potential customers for the Banking System in the future. The concept of "**Bank Mitra**" is helpful in gaining access to banking services by SHG women.

Bank Mitra

Bank Mitra shall be preferably a lady from amongst the community who is provided with the knowledge of doing subsidiary banking works like documents preparation of SHG's for account opening, credit linkage, receipt filling in the bank when the members reach the bank premises either for withdrawing or depositing the amount and supporting the bank with such similar works as required by the branch. There is need to try this model also in the light of the requirement to find ways to fill the gap in the SHG portfolio of the bank and certainly of the state. This process shall also help in reducing the burden on the branch by entrusting the important but time taking works like that of documentation to the designated person. There has to be a coordination between the implementing agency and the related bank to train the BANK MITRAS. The implementing agency shall be bearing the cost of training. The bank shall be providing the services of their staff to train the BANK MITRAS. It is also proposed that concerned bank shall be providing the space and infrastructure within the premises to carry on the activities required for Bank Mitra.

Skill development for employment –

Department of Rural Development of the Andhra Pradesh (AP) Government, through its Employment Generation and Marketing Mission (EGMM) is facilitating employment to the rural unemployed youth after providing skill development training. The youth are from economically and socially underprivileged sections of the society. It works in a public-private partnership mode with Government, companies and the rural communities as its stakeholders. The entire approach is a bottom-up approach, tailored to move the rural poor from the unorganized to the organized labor market. The brand EGMM has been built by its innovative products developed like the country's first Grassroots level English, Soft Skills & Computers Academy, Textile Training Academy, and Security Academy. EGMM has also customized the trainings linked to new investments like Rural BPOs, SEZ's manufacturing units, etc. Companies that recruited large number of youth from EGMM training centers are in Retail Sector (More of Aditya Birla Group); Big Bazaar (Future's Group), Reliance Fresh; Heritage Fresh; ITC Choupal and Futures group), in Security Services (Roxa/G4 Securitas), in Sales (Hindustan Unilever; Reliance telecom; Tata Indicom; Vodafone; Airtel; Eenadu), Rural BPO (HDFC Bank), Manufacturing (Apache (Adidas Shoes), and Hospitality (Mc Donald, KFC, Pizza Corner, Cafe Coffee Day) sectors.

Role of NGOs in IB and CB : Identified good NGOs are providing their services in IB and CB of SHGs and their federations in various aspects i.e panchasutra, book keepers training, livelihoods, etc. of rural livelihood missions. At present there is requirement of massive human resources for implementation of NRLM throughout India. Therefore, the role of NGOs/CSOs is very important.

Activity :

The participants can be grouped in to 3-4 batches. Each group is assigned to work on the one of the above strategy to build SHG federations. By presentation they can be put together to have overall view.

Topic VII - Field Visit to SHGs and SHG Federations

Objectives:

- To get the first hand information from the filed/grass-root level (from neighbouring intensive blocks) about the institution structure and their activities.

Expected Output:

- At the end of the field visit the participants should be clear on the issues related to ground level implementation of SHGs and their federations, their functioning, livelihoods and socio-economic improvement

Total Duration: 360 minutes

Module Plan:

Sl.		Topic/Theme	Coverage	Methodology	Material / Tools
1	350 min	Getting first hand information	SHGs and SHG federations, their functioning, livelihoods, role of stake holders in building of these institutions, etc.	Filed exposure to nearby Intensive block	Handouts about the visiting SHGs and federations
2	10 Minutes	Summing up	<ul style="list-style-type: none"> Question and Answer 	Large Group Discussion	
Total 360 minutes					

Topic VIII - Livelihood Systems

Objectives:

- To understand the concepts of livelihood
- To understand different approaches of livelihood promotion
- To identify the community-centric, pro-active strategies for promotion of sustainable livelihoods

Expected Output

- Participants will be able to explain the concept of livelihood systems
- Participants will be able to identify and design different strategies of livelihood promotion

Time period: 320 minutes

Module Plan

Sl.	Time	Topics to be covered	Sub topics	Methodology	Tools / Materials

1	60 minutes	Concept of Livelihood Promotion	<ul style="list-style-type: none"> • Livelihood meaning • Five capital framework of livelihood 	Brain storming and presentation	Livelihood school book FAO –sustainable livelihood frame work
2	90 minutes	Different kind of intervention	<ul style="list-style-type: none"> • Possible activities 	Study of cases in the groups – from Ajeevika	Group discussion/Sharing of experiences/ Case study/films
3	60	Innovative and proactive initiatives	<ul style="list-style-type: none"> • Initiatives and strategies in livelihood promotion 	Case studies from NIRD /SERP/other livelihood missions and lecture	
4	10 minutes	Summing up	<ul style="list-style-type: none"> • Question and Answer 	Large Group Discussion	
Total 320 minutes		After a session of 1 hour 10/20 minutes,10 minutes break may be given			

Tips to trainer

What is livelihood, its frame work and strategies for promotion of livelihoods are to be emphasised.

Handout

What is Livelihood?

In simple words, livelihoods are ‘**means of making a living**’, the various activities and resources that allow people to live. Different people have different lifestyles and ways of meeting their needs. One of the earliest and most often cited definitions of livelihoods is that: “it comprises the **capabilities, assets** (including both material and social) and **activities** required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks (drought, flood, war, etc.), maintain or enhance its capabilities and assets, while not undermining the natural resource base”. “**Livelihood group**” is a group of people who access similar resources, share similar social and cultural values and have a comparable economic status. Moreover, people of the same livelihood group share the same risks and kinds of vulnerability. It is common to see more than one livelihood group in a geographical area. As livelihoods are determined by multiple factors, a combination of different types of information is needed to understand them (Source: Livelihoods assessment, FAO). This information includes:

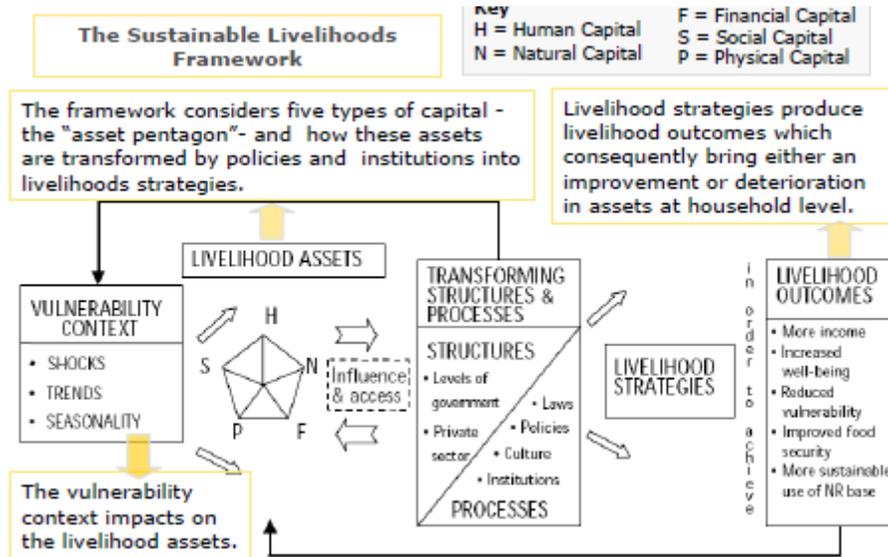
- **Vulnerability context** - The vulnerability context refers to the full range of factors that can impact on people's livelihoods and place them at risk and the factors are as under:
Over these factors one may have control or not.
 - long-term **trends** like population pressures on land, land degradation, climate change, price inflation and spread of HIV
 - **shocks** that will impact livelihoods like drought, floods, pest attack, market collapse and conflict/insecurity

- **seasonal** stresses such as disease burden, water shortages or food shortages in the hungry season
- **Livelihood resources or assets** - People require a range of assets to achieve positive livelihood outcomes. Livelihoods **assets** encompass what people have, i.e. human, social, natural, physical and financial resources. These five asset categories are interlinked. No single category on its own is sufficient to yield all the many and varied livelihood outcomes that people seek. **Human assets** represent the skills, knowledge, education, ability to work and good health that enable people to pursue different livelihood strategies and achieve their livelihood objectives. **Social assets** refer to status in society, as well as access to an extended family and other social networks. **Natural resource** stocks are which people can access and use to build their livelihoods, e.g: land, forests, water resources. **Physical assets** include livestock, land, shelter, tools and equipment but may also be community-owned, e.g. road infrastructure. **Financial assets** include income, but also access to credit and investments in several forms. They may also include regular inflows of cash, including pensions and remittances.
- **Policies, institutions and processes** - Policies, institutions and processes are an important set of man-made external factors that shape the options that people have in achieving their livelihood goals. They influence access to assets and vulnerability to shocks, and operate at all levels, from the local to the international level, and in all spheres, from the most private to the most public. Agricultural, land tenure or land use **policies** can be instrumental in increasing or reducing vulnerability to disasters.
- **Livelihood strategies** - Livelihood **strategies** are the range and combination of activities and choices that people normally make or undertake in stable and peaceful times in order to achieve their livelihood goals (e.g. productive activities, investment strategies, reproductive choices). Livelihood strategies can be divided into **natural** resource-based activities, e.g. cultivation, livestock-keeping, weaving, collection and gathering; and **non-natural** resource-based activities, e.g. trade, services, remittances. Most households employ a combination of the two. The more choice and flexibility that people have in their livelihood strategies, the greater their ability to withstand – or adapt to – the shocks and stresses of the vulnerability context.
- **Livelihood outcomes or goals** - Livelihood **outcomes** can be categorized under three headings: economic, biological and social. Sufficient food and income to meet basic needs, is essentially an **economic** outcome. Mortality and malnutrition rates or levels are essentially **biological** measures of livelihood outcome. Dignity is an all-encompassing term that includes notions like choice and control over one’s future, sense of self-worth and status. It is clearly a **social** measure and as such is hard to quantify.

Livelihood framework

The components of livelihood frame work are given below in figure. All the above types of information are components of the livelihoods framework.

Livelihood framework



Source : Livelihood assessment and analysis, E-learning series of FAO

Activity

Let participants identify different capitals (five Cs - Human, natural, social, physical and financial capital) and their importance through discussion.

Case studies from Aajivika, Bihar

- **A VO that can take initiative**

'Who will pay? Who are you buying for?' asked the farmer at Bardela village (Purnia) when Ravina Khatoon, the President of the Nirala VO of Khanwa village, negotiated with him for 46 quintal of rice. He did not believe that these simple women, five in number - Ravina Khatoon, Sita Devi, Chanki Devi, Anita Murmu, Taria Khatoon - could buy such a huge quantity. Even when the rate was finalised and truck was hired, he did not believe that they would pay him then and there. He was taken aback when Ravina Khatoon paid him Rs. 58,650 at the rate of Rs.1275/quintal (that includes transportation and jute bags). The triumphant women went back on the truck, unloading bags at different SHGs on the way. The rice was packed in 50 kg bags to avoid difficulty in weighing. They provided the rice to the Samooh at the rate of Rs.1300 / quintal, benefiting altogether 92 families of nine SHGs. The market price was Rs. 1400-1500 per quintal. Significantly, the rice was purchased with funds from the CIF with the VO. It was the initiative at the VO level much before (November 2008) the food security plan was launched officially. And Nirala VO was inspired by the collective marketing in practice by one of its SHGs - the Alhamdulillah Samooh

- **A Bridge to Collective Action**

It is the second week of June. The rainy season has not actually begun. Even then you have to wade through knee-deep water to reach Gidarahi village (Purnia district). During the rainy season the water level rises alarmingly, making communication very difficult. The chachari pul (a temporary bridge made of bamboo) which used to make communication easy is no longer usable. The issue is discussed at the meeting of Prakash Jeevika Gram Sangathan comprising exclusively santhal women (Schedules Tribe). 'Those who have bamboo groves should donate bamboos so that the chachari should be repaired,' proposed Usha Besara, a member representing Jeevan Prakash SHG. 'Those who have bamboo should give bamboos and others should contribute money to buy rope and other items needed for repairing the chachari,' added Mary Murmu, a member representing Jeevan Jyoti SHG. Finally, it was decided that the cooperation of the villagers will also be sought but the members should be ready to contribute bamboos or money to buy ropes and pay for the labour if needed and do Shramdaan.

- **The Beginning of Sujni**

Proper refinement and packaging can develop the traditional rural arts into an upmarket product. This is the case with Sujni (embroidery work). It is being promoted by JEEViKA in two villages in Bochaha block in Muzaffarpur district - Sarfuddinpur and Madan Chaupar - through two VOs - Durga and Chandani - to help the women of the deprived class earn their income and thereby alleviate their poverty. At the demand of the VOs, the BRLP arranged for training in two phases. The programme was conducted by reputed textile and fashion designers from a Delhi based agency. Altogether 15 women received training on Sujni. Two of the selected women - Shakuntala Devi and Nazma were even called to Delhi. The women make Sujni on sarees, carpets, bags, lamp covers etc. These women have been asked to keep on working as their work would be collected and paid adequately. Their works are on high demand. Several agencies keep on visiting them to purchase the art work.

- **SRI - 4 maunds per kathha**

'My husband was not at all convinced with the idea of adopting System of Rice Intensification (SRI). "What will we do if it fails?" he asked. But I was convinced. We had a plot of two kattha which had been parati (virgin, uncultivated for years) for years. I along with my son dug that parati and made it cultivable. We prepared bed as directed, did the treatment of the seed using salt solution, prepared the nursery of the seed and on the 12th day planted the seed. "You will be responsible for wasting the field and energy," my husband used to taunt me till the growth became visible on the eighth day of plantation. As the growth continued, the people became impressed. Finally, when we got the yield of 4 maunds per kathha which was four times greater than we used to get even from the best of our plots, my husband acknowledged that SRI method is useful for paddy plantation,' narrated Sunita Devi II of Bhusia village in Gaya district.

Innovative and proactive initiatives

In order to create viable income generating opportunities for rural poor the development agencies/departments have to take proactive initiatives. Often, this means building convergence with various line departments. With such convergence, the range of livelihoods could indeed be large. The Government of AP's initiative to acquire legal identity for Mandal Mahila Samakhya (MMS) has enabled these institutions to build business partnerships with governments, NGOs, insurance firms, technology

firms and similar agencies. Some of these innovative and proactive initiatives for livelihood creation are as under (source: SERP as well as workshop on innovative initiatives conducted at NIRD):

- **Food Security through bulk buying:** Bulk buying of food grains and other provisions, at wholesale price by SHG members was experimented by Society for Elimination of Rural Poverty (SERP) in a few districts in Andhra Pradesh. Under this initiative, the individual provision (rice, dal, tamarind, chillies, salt etc.) requirements are pooled into market lots. If necessary the SHG members were given loans by the village level SHG federations to facilitate the transactions. The office bearers of SHGs, SHG federations are trained to collect the information regarding the individual SHG members' demand and pool the same at SHG level and further at village federation level, MMS level (Block federation level) and Zilla Samakya level every month which are ultimately are converted into market lots.

At the MMS, these supplies are packed into standard metric units (Kgs / Lts.) as per the requirement of each SHG member and sorted out by the routes of village level federations where the provisions are door-delivered. This entire exercise is carried out in a very transparent and participatory manner. With this initiative, the members of SHGs and their leaders have acquired the dynamics of wholesale and retail markets. This has eventually improved their self-confidence.

- **Partnership with Corporate sector :** The public-private partnership with corporate bodies to sell small groups' produces like honey (the tie up with Dabur and Wipro) and tamarind (with Girijan Coop. Corporation, Visakhapatnam) have worked well. The SHGs have done better in the service sector. For instance, the courier service provided by the SHGs in Coimbatore (TN), loan recovery operations for public sector banks (Bidar, Karnataka), collecting life/cattle insurance premium products as franchises for private insurance companies (Vizayanagaram, AP), house-keeping in hospitals (TN), serving mid-day meals for rural schools, disbursing National Old Age Pensions in AP are similar examples.

- **Community Managed Micro Insurance :** The government of Andhra Pradesh through its SERP has designed a community managed micro insurance intervention with the objective of insuring the active working members of rural poor households through the SHGs. The SERP has taken pro-active initiative to identify and work out the business volume and also the terms of participation of Life Insurance Corporation of India (LIC) and similar insurance companies. To operationalise this scheme it has taken advantage of existing insurance plans, Aam Aadmi Bhima Yojana, (AABY), Janashri Bhima Yojana (JBY), presently being offered by LIC. It has also worked out with other insurance companies to implement Credit Insurance (CI) and Cattle Insurance. With these four insurances programmes, the incomes and assets of the working poor in the rural area are insured.

What is worth noting is the way these initiatives are operationalised entirely by the participation of beneficiary population. The social capital i.e. the awareness, financial discipline and networks of over 1.14 crore SHG members, SHG leaders, community resource persons and other volunteers built over 18 years is utilized for this purpose. The SERP has empowered the Zilla Samakhya (District level federation of SHG institutions) to implement the scheme. Village level teams consisting of half dozen SHG members and office bearers of village level federations are trained and deployed for enrolling the individual members into the scheme. Each member is required to pay Rs.10 as user charges. And the premium of Rs. 200 per member payable per annum is born by the central government as well as

the state government on 50:50 basis. In the event of death or permanent disability the family would get an amount of Rs. 75,000 or in case of accident an amount of Rs. 37, 500. This plan is provided to the poor and landless agricultural labourers.

The government of Andhra Pradesh has empowered Zilla samakhyas (vide, G.O.No. 93) to hire the services of half dozen para professionals (whose remuneration is paid out of the service charges collected from the insured households) to operate the insurance scheme. A custom designed software was provided for this purpose. These para professionals at district level run a twenty four hour call-center which is networked with the LIC on web base. The call-center is equipped with a computer, internet facility, scanners, printer and links with 108 Ambulance service. Soon after receiving information about the death, the Bhima Mitra at the call-center sends by internet message to the LIC. The operator at the call-center who receives the death message through the concerned village organization directs Bhima Mitra to visit the family and arrange the payment of Rs. 5,000 to the heir of the deceased and get the claim –cum –discharge forms filled by the nominee. The MMS members who accompany Bhima Mitra to the village follows up for early submission of documents (6 days). The Bhima Mitras, who number about 500 in the state, are provided with a cell phone, a bank account, an ATM card and complete set of claim cum discharge forms. The Bhima Mitras are provided an amount of Rs. 100 per each visit as service charge and actual travel. The call-center staff receives the complete set of filled in claim-cum-discharge forms, death certificate and other papers and scans them to the LIC and the mail to the original papers. The LIC remits claim amount within two days the some assure to the call-center through on-line system. The Zilla Samakhya thereafter settles the final payment by deducting Rs. 5000 which was earlier paid through Bhima Mitras. Thus the entire system runs very affectively.

Topic IX - Micro-Credit Plan

Objective:

- To expose the participants to the concept and process of Micro Credit Plan.
- To understand the role of different players in the preparation and operationalization of MCP

Expected Output

- Internalizing the concept and process of MCP and the role of key stakeholders in its operationalization

Time: 90 minutes

Module Plan:

Sl.	Time	Contents	Sub Contents	Methodology	Tool
1	20 mins	Introduction to MCP	<ul style="list-style-type: none"> ▪ What is MCP? ▪ Significance of MCP 	Films followed by small group discussions	PPT/Charts / film from SERP
2	30	Process of MCP at SHG level	<ul style="list-style-type: none"> ▪ MCP process – 7 Steps ▪ Prioritization of credit needs 	Film-based discussions, group exercise	Film PPT/Charts
3	30	MCP of SHG federation	<ul style="list-style-type: none"> ▪ Process and appraisal of MCP ▪ Stakeholders -role 	brainstorming SGD	PPT/Charts
4	10	Summing up	<ul style="list-style-type: none"> • Question and Answer 	Large Group Discussion	
Total 90 minutes After a session of 1 hour 10/20 minutes,10 minutes break may be given					

Hand out –

NRLM is based on the fact that the Poor have a tremendous willingness and potential to help themselves and the organizations of the poor will enable them to unleash their energies and harness them for their social-economic development. They have inherent skills, experience and local wisdom to access the opportunities around them for enhancing their livelihoods and coming out of poverty. Micro credit plan helps in transformation of these skills and experiences in to income generating activities through accessing credit which is documented by SERP and the gist is given below:

Each member of SHG will come up with a family investment plan and an aggregate of all the family investment plans of the members is the Micro Credit Investment Plan. The plan addresses members investment needs for income generation, health, education, consumption, housing and other social needs, if any. The plan is a process orientated document evolved through a series of dialogues at household level, SHG and their federations level respectively. Most importantly the MCP is a bottom up plan prepared the members themselves. The plan contains 7 step processes namely

- Comprehensive profile of SHG - Includes details about SHG (name, village, no. of members, bank account no.), particulars of savings and loans and status of practicing of panchasutra
- Socio-economic profiles of all the members - Includes age, caste, occupation, members of family, details of assets (like type of house, land, livestock and other assets) and poverty status
- Member wise statement of household incomes and expenditures
- Member wise portfolios of opportunities identified by them along with costs and repayment schedules - Activities identified, investment cost, sources of funds (margin, loan, subsidy, etc), calculation of ability of repayment based on household income and expenditure and loan instalment
- Prioritization plan for the members from the poorest of the poor category - Loan needs prioritized, finalized and appraised. Prioritization based on seasonality of the activity besides the poverty ranking. Priority ranking should take into account emergencies.

- Rotation for the remaining members and terms of the partnerships of the group - The terms include panchasutra, terms for utilisation of loan, asset verification by non-loanee members, etc.
- Terms of Partnerships between members and SHG, between SHG and their federations - panchasutra, terms for utilisation of loan, asset verification by non-loanee members, criteria and grading of SHGs for sanction & release of loans, etc.

Activity:

The participants may be grouped and of these 2 groups may prepare a micro-credit plan for their group assuming them as SHG members and other two groups act as SHG federations. As federation of SHGs, they consolidate the MCPs of SHGs, appraise and prioritize MCPs.

X. Recapping

Objectives:

- To recollect and assess the key lessons learnt
- To get the feedback on the entire training program

Schedule:

Sl.	Time	Topic/Theme	Coverage	Methodology	Material Required
1	25 minutes	Recapping	<ul style="list-style-type: none"> • Recapping of key messages of all the modules 	Large Group discussion:	
2	60 minutes	Assessing the lessons learnt by the participants	<ul style="list-style-type: none"> • Assessment of key lessons learnt by the participants 	Individual work: Circulate paper and request to write key lessons learnt from the program	Papers and pens
3	15 minutes	Feedback	<ul style="list-style-type: none"> • To get feedback on the program 	Individual work: Use Performa to collect the feedback on the training	Performa
4	Total time 100 minutes				

References:

1. A Handbook on forming SHGs by NABARD
2. A handbook for trainers on SHG federation by APMAS, Hyderabad
3. Community trainers training manual by SERP, Hyderabad
4. Livelihood assessment and analysis, E-learning series of FAO
5. NRLM mission document
6. Proceedings of workshop on Innovative and proactive approaches under NRLM, May 22-24, 2012
7. Report on credit related issues on SGSY by Prof.R.Radhakrishna
8. Website of SERP
9. Website of MoRD