Summer Training at
Rajasthan Grameen Aajeevika Vikas Parishad,
Jaipur

Study of Self Help Group, Village Organization and Cluster Level Federation

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INSTITUTE OF HEALTH
MANAGEMENT RESEARCH
(WHO Collaborating Centre for District Health System Based on Primary Health Care)

IIHMR UNIVERSITY

CERTIFICATE

This is to certify that **Deepa Gautam** has undergone Summer Training in **Rajasthan Grameen Aajeevika Vikas Parishad,** jaipur from 11st April to11st June 2016.

The candidate herself completed the project assigned to her during summer training. Her approach to the project was sincere and proactive. This summer training is partial fulfillment of the course requirement recommended for the award of MBA in Rural Management.

I wish her success in all her future endeavors.

Dr. Aalok Mathur June 14/2016

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Content:

Abbreviations

SHG	Self-Help Group
VO	Village Organization
CLF	Cluster Level Federation
PIP	Participatory Identification of Poor
POP	Poorest of Poor
NRLM	National Rural Livelihoods Mission
SRLM	State Rural Livelihoods Mission
RF	Revolving Fund
VRF	Vulnerability Reduction Fund
CIF	Community Investment Fund
CIP	Community Resource Person
PwD	Person with Disabilities
PRI	Panchayat Raj Institutions
AAP	Annual Action Plan
EC	Executive Committee
GB	General Body
AGM	Annual General Meeting
MCP/MIP/MP	Micro Credit Plan/Micro Investment Plan/Micro Plan

CHAPTER 1

INTRODUCTION

Background

National Rural Livelihood Mission (NRLM) is a poverty alleviation project implemented by Ministry of Rural Development, Government of India. This scheme is focused on promoting self-employment and organization of rural poor. The basic idea behind this programmer is to organize the poor into SHG (Self Help Groups) groups and make them capable for self-employment. In 1999 after restructuring Integrated Rural Development Programmer(IRDP), Ministry of Rural Development (MoRD) launched SwarnajayantiGrameenSwarojgarYojana (SGSY) to focus on promoting self-employment among rural poor. SGSY is now remodeled to form NRLM thereby plugging the shortfalls of SGSY programmers. This scheme was launched in 2011 with a budget of $ 5.1 billion and is one of the flagship programmers' of Ministry of Rural Development. This is one of the world's largest initiatives to improve the livelihood of poor. This programmers is supported by World Bank with a credit of $1 Billion.

The magnitude of the task of rural poverty alleviation through direct interventions in self-employment is enormous. Out of the estimated 7 crore rural BPL households, 4.5 crore households still need to be organized into SHG. A significant number of these households are extremely vulnerable .Even the existing SHG need further strengthening.

NRLM has a ambitious mandate. It aims to reach out to all the rural poor families (BPL families) and link them to sustainable livelihood opportunities. It will nurture them till they come out of poverty and enjoy a decent quality of life. To achieve this NRLM will put in place dedicated and sensitive support structures at varies levels These structure will work towards organizing the poor, building their capacities and the capacities of their organization enabling them access to fiancé and other livelihood resources.

The support institutions' will play the roles of initiating the processes of organizing them in the beginning, providing the livelihood services and sustaining the livelihoods outcomes subsequently. The support structures will also work with the unemployed rural poor youth for skilling them and providing employment either in jobs, mostly in high growth sectors, or in remunerative self-employment and micro-enterprises. The institutions of the poor –SHGs, their federations and livelihood collectives-provide the poor the platforms for collective action based on self help and mutual cooperation.

Institution building the objective of this component is to help the poor women to mobilize themselves into Self Help Groups, and gradually develop their own capacity to initiate and expand sustainable livelihoods activities through SHG, VO and CLF and capacity building .

Following is the training plan for different community cadres and institutions

Cadre/Institution	**Total days of training**	**Description**	**Subject area**	**Trainers**
SHG Book Keeper	14 days	5 days by CRP + three 3 days refresher training at 3 months interval	SHG Book Keeping	CRP, PRP and MBK
Active Women	30 days	10 days attachment with CRP+ 10 day immersion in NRO+ 10 days SHG training	SHG concept & Management	CRP and trainers from NRO
VOA	10 days	10 days training by NRO	VO concept & Management , VO book keeping	Sr. CRP and trainers from NRO
MBK	13 days	5 days class room + 5 days field practice + 3 days refresher	SHG book Keeping	State level trainers and PRP
MCLP cadre	15 days	Class room and field practice	MCP process	Trainers from NRO
SHG	10 days	5 days by CRP + five one day training on different module + Hand holding support by AW	SHG concept & management, leadership development, Bank operation , Bank Linkage, MCP orientation	CRP and Active Women
VO	7 days	7 days by Sr. CRP+ hand holding support by VOA	SHG concept & management, leadership development	Sr. CRP and PRP

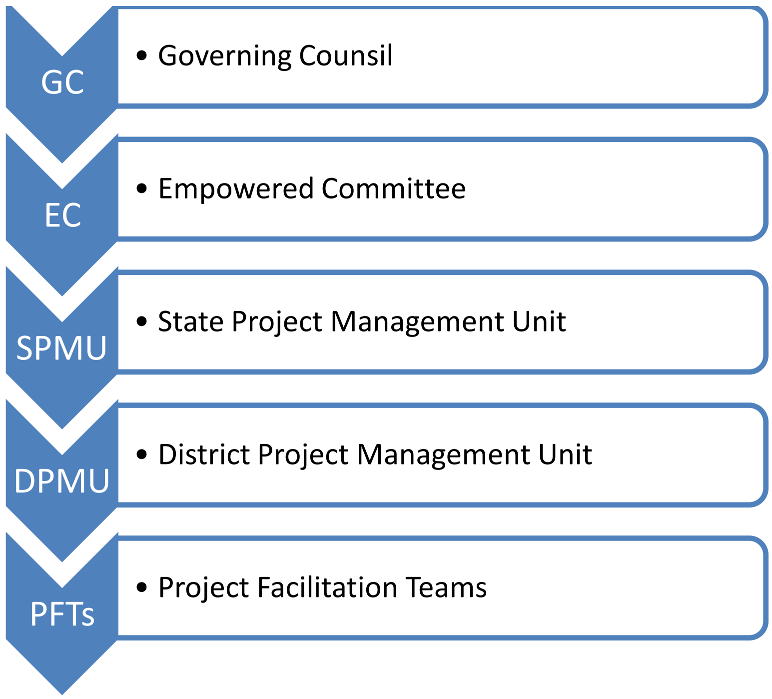
Approach

In order to build, support and sustain livelihood of the poor, NRLM will them with capacities (information, knowledge, skill, tools, finance and collectivization), so that the poor can deal with the external world. building skills for the job market outside; and nurturing self-employed and entrepreneurs.

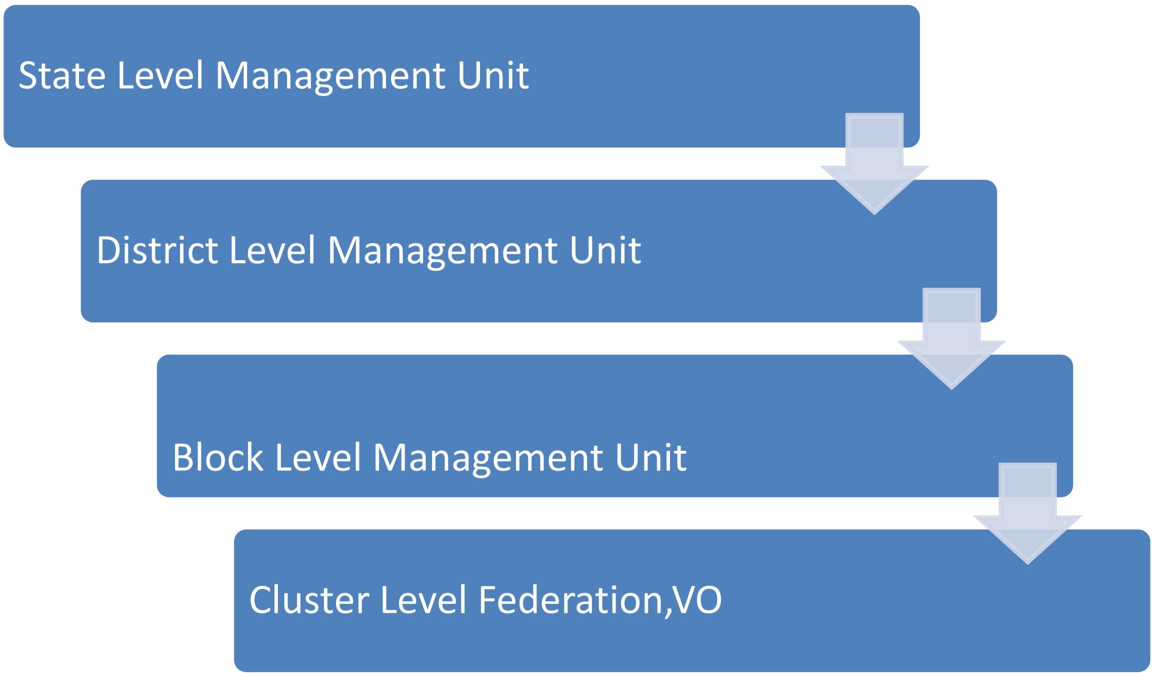
These services include financial and capital services, production and productivity enhancement services that include technology, knowledge, skills and inputs, market linkages etc. The interested rural BPL youth would be offered skill development.

Self-employed and entrepreneurial oriented poor would be provided skills and financial linkages and nurtured to establish and grow with micro-enterprises for products and services in demand.) focus on targets, outcomes and time bound delivery. continuous capacity building, imparting requisite skills and creating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector monitoring against targets of poverty outcomes.

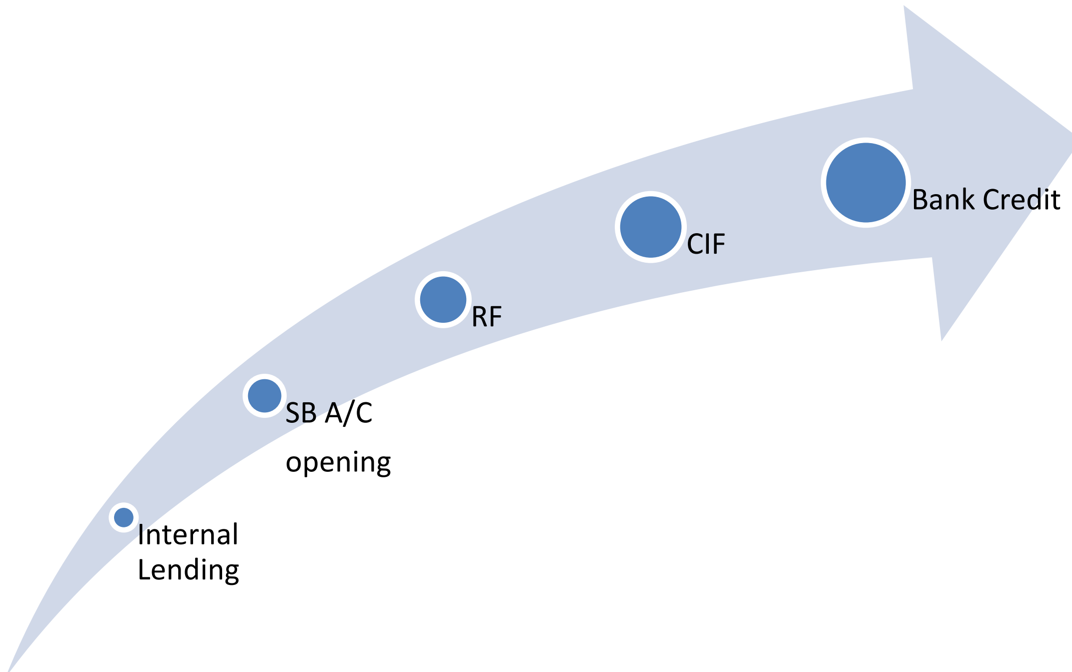
ORGANSATION STRUCTURE



Structure of Rajeevika



Capitalization Structure of SHG



Introduction of SHG

We are the members of Self-help Groups (SHGs) in our villages. We are poor and belong to marginalized sections of society. We organize ourselves into SHGs of 10-15 members each. We prefer to include one woman member from every poor household in the village in our SHGs. As members of SHGs, we follow the Panchasutra – regular meetings, regular savings, regular internal lending, regular repayment and regular bookkeeping. We access financial services (savings, loans, etc.) and skill building support from our groups. This helps us enhance our livelihoods and increase our household income. Our institutions increase our voice, space, bargaining power and change of policies in our favor. All SHG groups are compulsory follow of panchasutra then SHG group are successfully.

Objective of SHG

The institutional arrangements to be built by the community and village level are designed to enable the poor to form their membership organizations and subsequently federate themselves at higher levels for undertaking various functions in a self sustainable manner. Such federating structures will enable the poor to achieve both economies of scale and greater voice in negotiating better services for themselves. The overall goal of the Project is to improve the quality of life of the poor and create sustainable livelihood opportunities for vulnerable and marginalized groups in the project area. Develop skills of rural youth .Financial Inclusion through Project fund & Bank linkage and women empowerment.

CHAPTER TWO

ORGANIZATIONAL FRAMEWORK

HISTORY AND ORGANIZATIONAL FRAMEWORK

RGAVP registered as Society on 27.10.2011. Society registered under Rajasthan Societies Act-1958. Hon'ble Chief Minister is the Chairman of the Society. Chief Secretary, GoR is the Chairman of the Empowered Committee. State Mission Director (LPs & SHGs) is the Member Secretary of the Society. All rural livelihood programmers in the State will be henceforth implemented under the aegis of the RGAVP. Conceiving effective poverty alleviation schemes and getting them funded from the State Government, Government of India, and other Funding Agencies. Bring about effective convergence amongst government and non government initiatives being undertaken for rural development. Facilitate formation and strengthening of SHGs, producers organization, community development organizations, federations of SHGs. Facilitate promotion of small and micro enterprises in the areas of farm and nonfarm sectors for income enhancement of the poor.

Mission

- Economic opportunities and empowerment of rural poor with focus on women and marginalized groups in Rajasthan.
- The core belief of National Rural Livelihood Mission (NRLM) is that the poor have innate capabilities and a strong desire to come out of poverty.
- To reduce poverty by poor households to access gainful self-employment and skill development.

Guiding Principles

Poor have a strong desire to come out of poverty.

- An external dedicated and sensitive support structure is required to induce the social mobilization, institution building and empowerment process.
- Facilitating knowledge dissemination, skill building, access to credit, access to marketing, and access to other livelihoods services enables them to enjoy a portfolio of sustainable livelihoods.

Values

The core values which guide all the activities under NRLM are as follows:

- Inclusion of the poorest, and meaningful role to the poorest in all the processes
- Transparency and accountability of all processes and institutions.
- Ownership and key role of the poor and their institutions in all stages – planning, implementation, and, monitoring
- Community self-reliance and self-dependence

Objective

- The overall goal of the Project is to improve the quality of life of the poor and create sustainable livelihood opportunities for vulnerable and marginalized groups in the project area.
- Promote community institutions – Women self-help groups, Federations, Producer Organizations
- Financial Inclusion through Project fund & Bank linkage
- Provide livelihood support
- Develop skills of rural youth
- Converge with other government programs including various departments for leveraging impact
- Income enhancement and employment generation
- Market led productivity improvements.

Project run by National Rural Livelihood Mission

Jaipur

- **Self help group ,Village Organization and Cluster Level Federation**

Udaypur

- **Self help group ,Village Organization and Cluster Level Federation**

Tonk

- **Self help group ,Village Organization and Cluster Level Federation**

CHAPTER-3

RESEARCH METHODOLOGY

METHODOLOGY

Two type of Data Collection

1. Primary Data
2. Secondary Data

Primary Data:- primary data is called first time collected and first time use of reports. Like Field visit, individual interaction, Groups discussion and groups meeting, project staff interaction, Home visit, books of account etc.

Secondary Data:- secondary data is collect already any other person. Secondary data are use second time because these data are use any other project .secondary data is already collected and second time use in this report. Its report secondary sources of data collected MIS (Management Information Systems) read many type of report in Raieevika website.

For the purpose of exploratory study of CLF I'm using many type of Primary sources and secondary sources. The study methodology is both quantitative and qualitative. I use primary and secondary sources of data to support in finding and solutions. Primary sources of information were taken from SHG (self help group), VO (Village organization) and CLF (Cluster level federation) in meetings and group discussion with SHG Members and active women, MBK, RBK, PFT and other staffs. Interaction with staff, home visit and individual interaction.

A descriptive questionnaire has been prepared. Am working with two cluster sunara and niwai cluster. These SHG members help collect primary source of data and completed my questionnaire. SHG Members told how can follow process of SHG groups. How follows of all groups can follow panachsutr and these groups are following panachsutr defineded successfully.

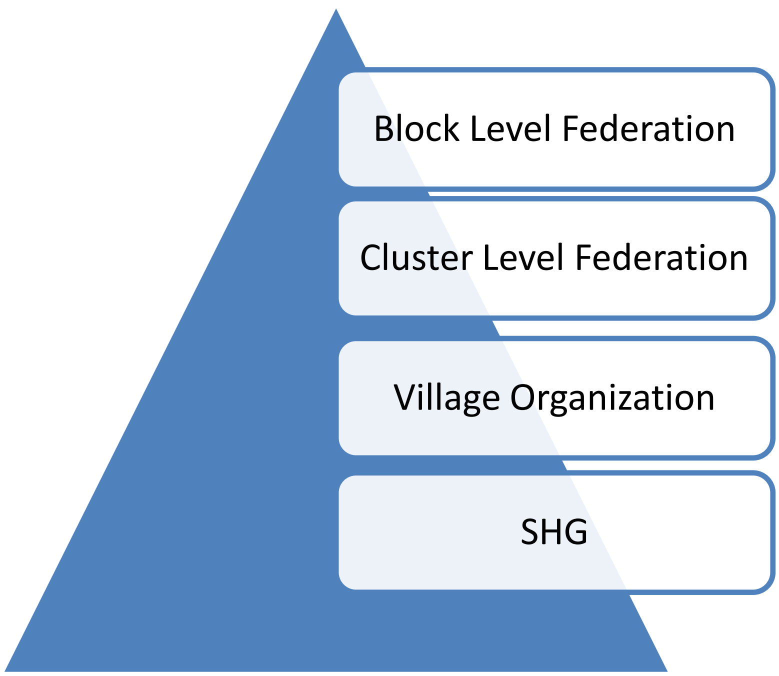
CHAPTER – FOUR

About study of self help group, village Organization and Cluster Level Federation

Self help group:-

Our institutions are based on the principles of self-help and mutual cooperation. At Present, we have a three-tier structure – SHGs, Village Organization [VO] and Cluster Level Federation (CLF). We envisage that all the SHGs in a block would come together to form a Block Level Federation (BLF) in the near future

Community Institutional Architecture Envisaged under NRLM



Formation and Size of SHG

SHG will be formed among the target families of the project. The minimum 10-11 and maximum 20 members (especially women) will form SHG. In case of hard terrain like hilly area, low density population area or in case of physically challenged members SHG can be of less than 10 but not less than 5 members. State unit will decide hard terrain areas and can give relaxation in number of members.

Concept of formation of SHG

What is Self Help Group?

Self help group first stage of PIP (Participants identification for poor). In the initial stage, s/he will be identified by the group of SHGs in the same village where subsequently VO will be formed as per prescribed eligibility conditions. The number of VO Facilitators will be one per VO All members of SHG 10-15 Women. We adhere to the Panchasutra – regular weekly meetings, regular weekly savings, regular inter-loaning, regular repayment and regular weekly bookkeeping in our SHGs.CRP round is make SHG groups.

Once we identify the members of our SHG, we participate in training programmers organized by the Mission. We hold our first meeting where we decide the group's name, weekly meeting day, time and venue and the amount of savings each member would save every week.

At the next meeting, we fix norms and regulation of our SHG; elect the leaders – President and Secretary.

Why?

It is important to hold meetings with target beneficiaries as it is important to ensure their willingness to participate in the project activities. The principle of “informed decision” enables a member or household to own decision. Thus concept sharing will overcome confusions, will enable member to understand functions of SHG and to overcome and identify initial inhibitions with respect to savings, gender, social stratification based issues. This will be done to enable the members to understand what is SHG, how members will be benefited by forming SHG‟s? This meeting will thrash out the dilemmas within the members about the SHG & project activities.

By Whom?

Community mobilizes with community resource person and PFT.

How?

The meeting will enable the facilitator to motivate members by clarifying on how SHG support members in adversaries through self help. It is their own organization and they will take decision to enhance their livelihood. The examples of unity and what roles women, downtrodden social groups like SC, ST can take for enhancing their livelihoods, will build confidence and motivation of participants.

Model Agenda for SHG Meeting

- Prayer
- Attendance (just like in school)
- Electing the chairperson
- Setting agenda for the meeting
- Saving from each member
- Writing the books of accounts simultaneously
- Repayment
- Prioritization
- Extending credit
- Discussion on common issues
- Other issues
- Fixing next meeting place
- Reading aloud the minutes
- Signature of members

SHG Bookkeeping

- At the SHG level, we maintain the following records -
- 1. Minutes book
- 2. Cash Book
- 3. Attendance & Savings Register
- 4. Loan Ledger
- 5. General Ledger and
- 6. Individual Pass Book.

Grading of SHG

On completion of six months of group formation and groups those, who have received Livelihood Investment Tranche-1s managing well would be graded for livelihood support. Grading would be done jointly by banker and PFT team. SHG would prepare their MCLP for all individual members and draw a consolidated MCLP for group as a whole. Once PFT receive the MCLP, detailed grading would be organized, Grading of groups of VO (village organization) meeting one-three. A grading , B grading, C grading

Village Organization (VO)

Village Organization (VO) is a federation of SHGs at village/hamlet or Panchayat leve(Depending on the number of SHGs).

We form a loose VO soon after disbursement of RF in our bank account and after 6 months a formal VO formation will take place. The number of SHGs in a VO must not be less than 5 and should not exceed 30. In case there more than 30 SHGs in the village/ hamlet/ Panchayat, we form another VO.

Structure of the VO

All the SHGs which are following *Panchsutra* are members of the VO. The VO consists of a General body (there may be a Representative General Body), and an Executive Committee

General Body

(All members of all SHSs in the village)

↓

Executive committee

(Presidents & secretaries of all members SHG)

↓

office bearers

(Office Bearers elected)

VO Bookkeeping

- **Minutes Book:** Records all proceedings and the decisions of a VO EC meeting.
- **Cash Book:** It contains every cash transaction of VO date wise.
- **Bank Book:** Records every bank transaction of VO date-wise.
- **Loan ledger:** Consists of details of loan and repayment of all member-SHGs.
- **General Ledger:** Records control accounts of all personal ledgers, the profit and loss account and different asset and liability accounts.
- **Fixed Asset Register (FAR):** Consists of details of assets purchased by the VO.

FUNDS

VO receives funds - **Vulnerability Reduction Fund (VRF) and Community Investment Fund (CIF)** from NRLM against Micro Credit Plans (MCPs). The Mission also provides start-up costs to the VO for one year. These funds help us stabilize the operations of the VO.

Monitoring VO

The VOs submit a *maasik nivedika* (monthly progress report) covering three major areas
(a) Progress of VO level financial and non-financial transactions:

(b) VO level report of SHGs prepared and used for review of our groups: and

(c) Progress of convergence and other activities at the VO level.

The VO Facilitator is responsible for preparing monthly progress report to be sent to CLF.

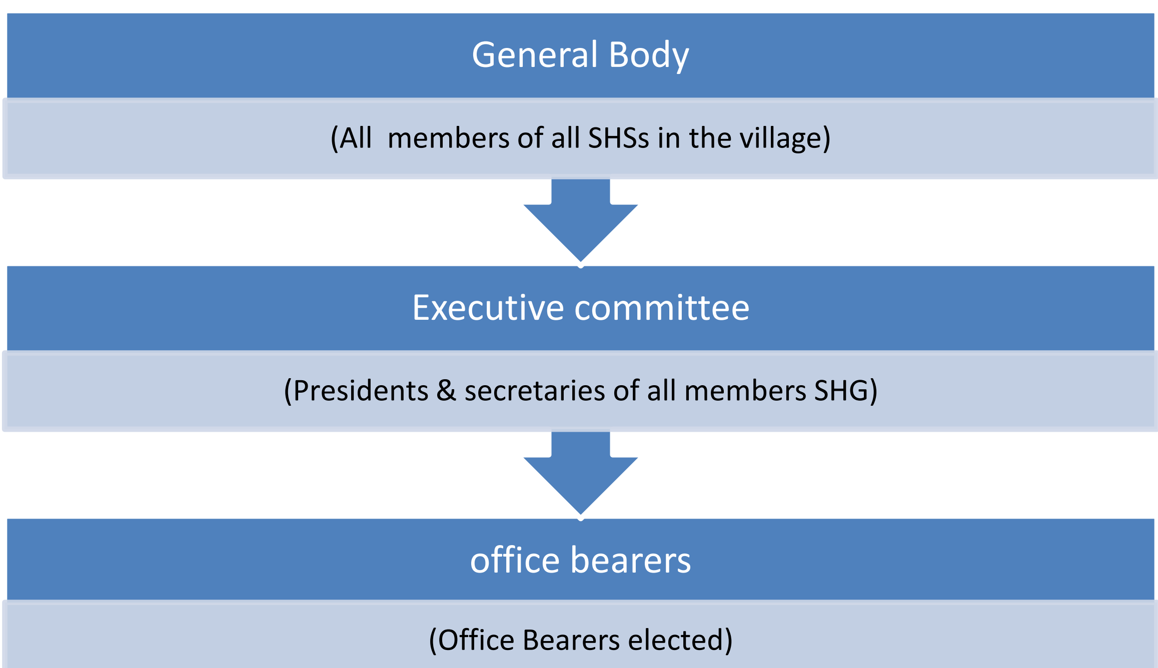
Cluster Level Federation

Cluster Level Federation (CLF) is a federation of all VOs in our cluster.

- VO would be functional and following Panchsutra.
- 90% repayment of CIF at the VO level
- Our VO should update books of records
- At least 2 to 3 social actions under the ambit of VO
- We need to ensure that the total loan outstanding would be greater than 70% of total corpus.

Structure of CLF

The CLF is registered under the MACS Act or Societies Act. The CLF charges a onetime Membership fee for the VOs. Apart from this member-VOs also have share capital in the CLF.



Funds

Once we form the CLF, the Mission transfers the remaining CIF to the CLF against its plan. Our SHGs and VOs repay the CIF they received to the CLFs.

Financial Services

Savings

We save a fixed amount (as decided by the members) of money **on a weekly basis**.

Inter-lending

The corpus generated from our savings is used to give loans to individual members in our group. The SHG lends up to 90% of its corpus to members and the remaining 10% is kept to meet emergency needs.

Savings Bank Account

Within 3 months of forming the SHG, the group takes a resolution to open a SB A/C in the bank. However, the process starts after 4 weekly meetings. The Mission staff helps us in completing the formalities to open the bank account.

Financial Assistance from NRLM

- Revolving Fund to the SHGs @ Rs. 15,000/SHG;

- Vulnerability Reduction Fund (VRF) to the VO, @ Rs. 1,500/member or Rs. 1.5 lakh per VO
- Community Investment Fund to the CLF @ Rs. 3000/member or Rs. 50,000 to 1,10,000 per SHG

	Rate of Interest	Repayment Schedule
Cluster Level Federation (CLF)	**6%**	24 installments
Village Organization (VO)	**9%**	18 installments
Self Help Group (SHG)	**12%**	12 installments

The repayment and applicable interest rate on CIF will be as under:-

CHAPTER-FIVE

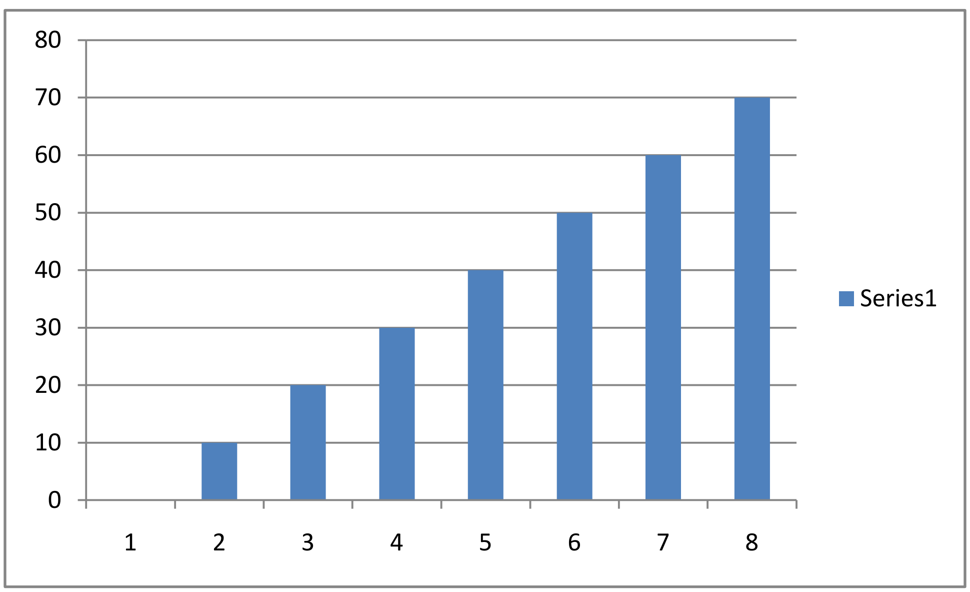
FINDING

Facts and findings

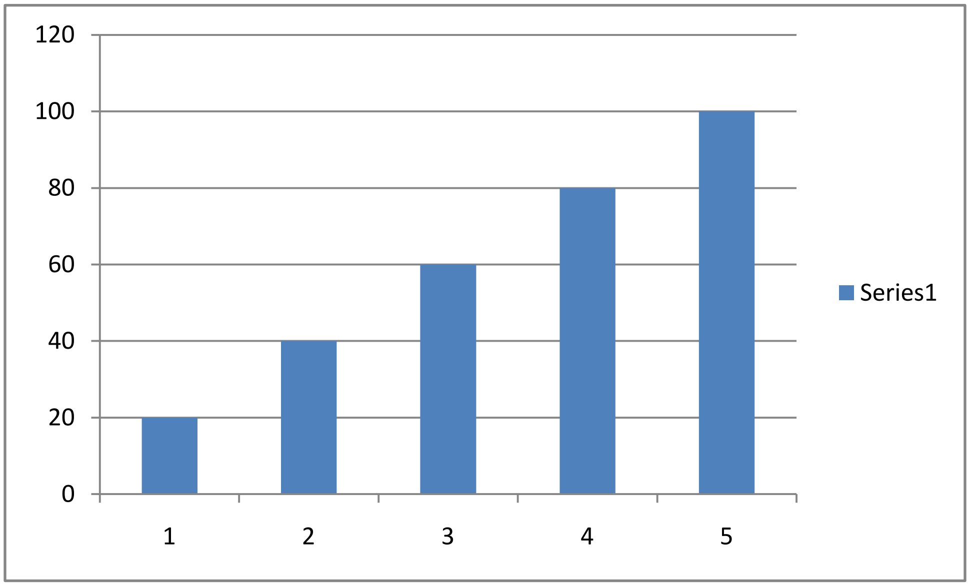
- These project implemtations of the poor families.
- These project are start alleviation of poverty.
- These project aim alleviation of poverty and women empowerment.
- Increase capacity building.
- Aware women of human rights.
- Mostly these project focus women groups.
- Social status
- Level of literacy
- Increase social status
- After joining groups of them are increase income.
- Once added to the increase in groups information of groups members.
- Three-tire structure of NRLM SHG (self help group), VO(Village organization) and CLF (Cluster level federation)
- After joining groups all groups open saving bank account.
- After joining groups more benefit of SHG members because all members are open self account.
- Joining groups are known members how can follow bank process.
- All SHG groups are follow rules and regulations make NRLM.
- Follow up Panchasutra – regular weekly meetings, regular weekly savings, regular inter-loaning, regular repayment and regular weekly bookkeeping in our SHGs.
- After joining groups women are felling independent because women increase self income
- After joining a groups of women meet their needs does not take money from anyone.

Level of literacy

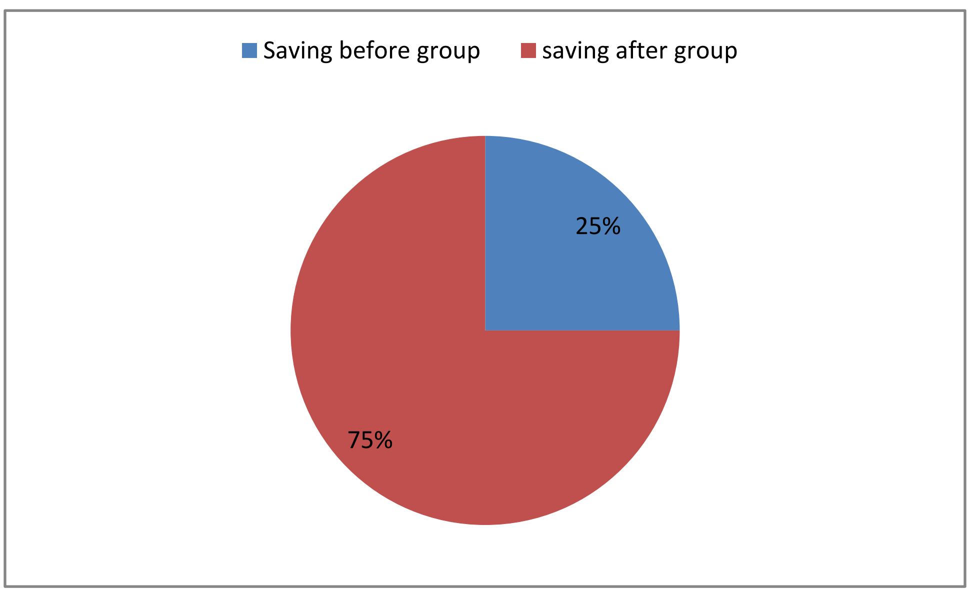
Increase in Social Status



Increase Income



Saving before group and after group



CHAPTER-SIX

Recommendation

Recommendation

1 Improve capacity building of SHG members.

- Group Dynamics & Working team.
- Linkage building.(bank &financial institution)
- Record keeping
- Discuss social and local issues.

2 Skill development

3 Provide education of women groups.

4 To make aware of human right.

5 Socially and women related issues discuss in the monthly meeting of groups.

ANNEXURE

ANNEXURE:-

General information:-

Case style study format

1. Name of member ---------------------------------------
2. group name --
3. Name of village ---
4. Village organization name --------------------------------
5. Education ---
6. Age ------------------------------------
7. family information ------------------------
8. Group linked to ----------------------------
9. Prior to joining the group of family employment, income, social status.
10. After joining the group life changes.
11. Group participation, and responsibilities:_

S.No	Institution	Post	Time

12. Own savings.
13. Present at the meeting yet.
14. The group's total meeting. -------------------
15. The group's total savings.---------------------

16. Small loan details:_-----------------------------

S.No	Loan purpose	Loan number	Loan Amount

17. The total number of small loans.-------------------------------

18. The total amount of small loans.--------------------------------

19. Large loan details- --

S.No	Loan purpose	Loan number	Loan Amount

20. The total number of large loans.----------------

21. Total (small and large) number of loans------------------------.

22. Total (Small and large) amount of debt.---------------------------

23. The group purchased the property and its current price from.

S.No	Property Name	Current price

24 Family income-

S.NO	Add to the group	Total Amount	S.NO	Add to the group after	Total amount

	before				

25 future planning.