

**Government of Tripura**  
State Mission Management Unit  
Tripura Rural livelihood Mission  
Rural Development Department  
**Email id-smmu.trlm@gmail.com**  
**Phone no-0381-2976146**

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F. No. 1 (17)-RD (TRLM)/2022/ 11867-77

Date 17/10/2023

**To**

**The District Mission Manager**

(District Magistrate & Collector),

District Mission Management Unit,

North Tripura/ Unokoti/ Khowai/ Dhalai/

West Tripura/ Sepahijala/ Gomati/ South Tripura Districts

**Sub:** Guidelines on Viability Gap Fund (VGF) for Model Cluster Level Federations

under DAY-NRLM-regarding.

Sir/Madam

Please refer to the advisory on Viability Gap Fund vide no. J-11060/108/2017-RL-Part (1) (369316) dated 16<sup>th</sup> August 2023 shared by MoRD.

Therefore, you are requested to take necessary action to complete the triggers for making Model CLFs eligible for getting VGF. The VGF fund should be disbursed by using "**Fund Disbursement Module of DAY-NRLM**" and it has to be booked under the VGF head only as per the format enclosed in Annexure-1.

Enclosed:1. Annexure-I  
2. VGF Advisory

Yours faithfully

**Signed by Prasada Rao**  
**Vaddarapu**

**Date: 16-10-2023 18:53:38**

**Reason: Approved**

**Vaddarapu, IFS)**

Officer

**(Prasada Rao**

Chief Executive

## Tripura Rural Livelihood

## Mission

Copy to:

1. The Secretary, RD Department for kind information.
2. The Addl. CEO, TRLM for kind information.
3. The COO, CFO, DDO, Accounts Officer, PM (CB&SI), PM (MIS), CC (IBCB) vertical for kind information.

**Annexure-1****Tripura Rural Livelihood Mission (TRLM)**

## Proposal for Viability Gap Fund (VGF)

Name of the CLF:

.....

Address :

.....

A. Basic information of CLF ***(to be provided by the CLF), as on 31<sup>st</sup> August, 2023***

1	Total No of SHG in the cluster	
2	Total No of SHGs in the CLF (having membership in CLF)	
3	Total No of VOs in the cluster	
4	Total No of VOs in the CLF	

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5	Total No of SHGs in the VO (under CLF)	
6	Total Targeted HH in the CLF jurisdiction (to be taken from profile entry data of CLF)	
7	Total No of HH mobilized under SHG fold (as mapped in MIS under the CLF)	
8	% of HH mobilized into SHG	
9	% of SHG federated into VO	
10	% of VO federated into CLF	
11	No of EC members in the CLF	
12	No of staffs in the CLF	
13	Total attendance of EC in last three months (June-July-August)	
14	No of EC meetings held in last 3 months	
15	Attendance % in last 3 months	
16	Total CIF received by CLF from Mission-Rs	
17	Books of record updated upto....	
18	Number of Sub-committees formed	
19	Number of functional sub-committees	

## B. VGF proposal

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Total projected income Rs.			
Total projected expenditure (including LLP) Rs.			
Operational self-sufficiency (OSS) %			
Viability Gap (if YOP is.....) Rs.			
Total Viability Gap Fund required in 3 years	Rs.		

Signature and seal of the president

Date.....

C. Checklist for VGF Trench-1 *(to be verified by the Block level core committee)*

Sl. No	Particulars	(Yes/No)	Remarks
1	Atleast 60% of HH mobilized into SHG		
2	80 % of SHG federated into VO		
3	90 % of VO federated into CLF		
4	CLF have atleast one staff in place		



5	CLF has updated standard BOR as on 31 <sup>st</sup> August, 2023		
6	Minimum 90% attendance in last three months		
7	CLF updated baseline data in web based application and profile entry in LokOS		
8	CLF have received start up fund and have set up office		
9	CLF have received CIF and loan disbursement and repayment system is in place		
10	CIF received (including CIF transferred from VO) reported by CLF matched with the data of BMMU/DMMU.		As per CLF balance sheet & balance with VO- As per District/Block MIS-
11	CLF completed internal/external audit		
12	CLF vision document is available		
13	CLF AAP document is available		
14	CLF BDP document is available		
15	CLF has 3 functional sub-committee as per SOP		

Signature and seal of the Block Core Committee Chairperson

Date.....

D. Verification and recommendation by District level core committee

Sl. No	Particulars	(Yes/No)	Remarks
1	All information furnished and signed by CLF president		
2	Checklist prepared and signed by Block Core committee		
3	CLF meeting resolution attached (decision on VGF application)		
4	Financial plan attached and verified by District level core committee		
5	Internal/external audit report (FY 2022-23) attached		
6			
7			
8			

**Recommendation**

VGF amount requested by CLF		VGF amount recommended by District level core committee after verification	
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Signature and seal of the District Core Committee Chairperson

Date.....

**A. Final appraisal by the State Level Core Committee**

Sl. No	Particulars	Observation
1	% increase in the unit cost -year wise projection <b>(Note-should not be more than 10% year wise)</b>	
2	Last two years expenditure pattern <b>(Note- capability of the CLF)</b>	
3	CLF has proposed adequate staffs (as per SOP) <b>(Note-Manager, Accountant, MIS Asst)</b>	
4	CLF has proposed adequate cadres (as per SOP) <b>(Note- 3-4 senior cadres/community facilitators)</b>	
5	Year wise idle fund % (as per projection) <b>(Note- around 10%, decreasing trend is expected)</b>	Year-1.....; Year-2.....; Year-3.....
6	Year wise OSS (as per projection) <b>(Note-increasing trend is expected, 3<sup>rd</sup> year <math>\geq 100\%</math>)</b>	Year-1.....; Year-2.....; Year-3.....
7	Year wise profit (as per projection) <b>(Note-increasing trend is expected)</b>	Year-1: ..... Year-2..... Year-3.....
8	Year wise OER (operational expense Ratio)- <b>(Note-decreasing trend is expected)</b>	Year-1.....; Year-2.....; Year-3.....

**B. Final Approval**





VGF amount proposed by CLF	Rs.
VGF amount recommended by District level core committee	Rs.
VGF amount sanctioned by State level Core Committee	Rs.
Amount of VGF to be transferred to CLF A/C in trench -1 (50% of the sanctioned amount)	Rs.

Signature : .....

Date: .....

## Tripura Rural Livelihoods Mission (TRLM)

**Nature of expenditure allowed under VGF .**

Sl. No	Nature of expenditure
1	CLF operational expenditure-Salary of staffs and Community facilitators placed in CLF (as per guideline), office rent, water, electricity, travel, refreshment, printing and stationary, internet, mobile recharge, Meeting expenses, office expenses.
2	Program monitoring expenditure- monitoring tool, program monitoring related travel
3	System automation like -automated credit administration, fund management, cadre management systems- maintenance cost, information display in CLF
4	Audit and other compliance related expenditure
5	Livelihoods facilitation support services related expenditure - livelihood planning, marketing- market information collection-dissemination systems
6	Convergence related expenditure - meeting, workshop with line

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	departments, leaflet, brochures on Govt. schemes
7	Loan product development expenditure - Survey, meeting, workshop, piloting

**Nature of expenditure not allowed under VGF:**

Sl. No	Nature of expenditure
1	Capacity building expenditure - training and exposure of SHG, VO, CLF
2	Infrastructure and physical asset creation

1. Loan product-special target group
2. Enterprize



J-11060/108/2017-RL- Part (1) (369316)  
Government of India  
Ministry of Rural Development  
Department of Rural Development  
(RL Division)

7<sup>th</sup> Floor, NDCC-II Building  
Jai Singh Road New Delhi – 1.  
Date: 16<sup>th</sup> August 2023

To,  
The State Mission Directors/Chief executive Officers,  
All States / UTs

**Subject: Revised Guidelines on Viability Gap Fund for Model Cluster Level Federation under DAY-NRLM & NRETP Blocks.**

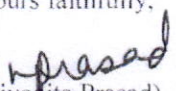
Madam/Sir,

As you are aware that DAY-NRLM aims to develop all Cluster Level Federations (CLFs) as member owned, member controlled, member managed and financially sustainable institutions. To support the CLFs for becoming financially sustainable, Ministry of Rural Development has created budget provision both under DAY-NRLM and NRETP for providing "Viability Gap Fund (VGF)" to Model CLFs. The advisory on Viability Gap Fund (VGF) for NRETP & NRLM MCLFs were issued vide this office letter no. J-11060/58/2020-RL(370499) dt. 17<sup>th</sup> June 2020 and J-11060/108/2017-RL-Part(1)(369316) dt. 11<sup>th</sup> May 2022.

Based on field observations, both the above mentioned advisories are combined and revised into a single advisory which is attached here for your information and necessary action.

You are requested to ensure that all the Mission Staff and CLF Executive Committee members are capacitated on the revised guidelines. Further, you are requested to take necessary action to complete the triggers for making Model CLFs eligible for getting VGF. The VGF fund should be disbursed by using "Fund disbursement module of DAY-NRLM" and it has to be booked under VGF head only.

Yours faithfully,

  
(Nivedita Prasad)

Deputy Secretary to the Govt. of India

Annexures:

1. Revised Guidelines on VGF for MCLF under NRETP & DAY-NRLM Blocks

Copy to:-

All States/ UTs- SPMs/PMs – IBCB, Community Funds / Finance

## **Guidelines on Viability Gap Fund (VGF) for Model CLFs under DAY-NRLM & NRETP Blocks**

### **1. Introduction**

The Ministry of Rural Development (MoRD), Government of India (GOI) has been implementing Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM) since June 2011. The main objective of the DAY-NRLM is to eliminate rural poverty through Social mobilization, Building organizations of the rural poor, enabling the institutions of rural poor to access financial services, promotion of livelihoods, Social Inclusion, Social development as well as convergence with other line departments.

### **2. Model CLF initiatives under DAY-NRLM:**

All States have completed more than 75% of Social mobilisation, promoted SHGs and their federations. The States have developed systems for building the capacities of SHGs and developing them as sustainable entities. As part of achieving its aim, DAY-NRLM is currently focusing on strengthening of higher level SHG federations.

Currently, there are two models of SHG federations prominently existing in the country- (1). All three tiers viz., SHG, Primary level federation (Village Organisation) and secondary level federation (Cluster Level Federation) are involved in lending operations, (2). Only two tiers viz., SHG and Secondary level federation (Gram Panchayat level federation) are doing the lending operations. DAY-NRLM considers Gram Panchayat level federations as equivalent to CLFs.

SRLMs have to provide necessary support to the VOs and SHGs in all the DAY-NRLM blocks in terms of formation of CLFs, preparation of vision, strategic and business development plans, customization and adoption of standard operational procedures, leadership development, strengthening of VO and CLF sub-committees, institutionalization of ICT systems for effective financial management and accounting, provision of human resources and gap financing etc. The VOs and CLFs are to be capacitated to undertake the review of their member organisations based on certain performance indicators.

### **3. Rational for revised guidelines:**

The advisory of Viability Gap Fund (VGF) for NRETP & DAY-NRLM MCLFs were issued vide this office letter no. J-11060/58/2020-RL(370499) dt. 17<sup>th</sup> June 2020 and J-11060/108/2017-RL-Part(1)(369316) dt. 11<sup>th</sup> May 2022. During the course of implementation of the VGF guidelines, it is observed that there is a need to elaborate some of the sections of the guidelines to enable Model CLFs to easily understand and implement. Thus, few sections of the guidelines are being revised and the comprehensive guidelines are being issued.

This latest guidelines shall supersede the earlier issued guidelines viz., letter no. J-11060/58/2020-RL(370499) dt. 17<sup>th</sup> June 2020 and J-11060/108/2017-RL-Part(1)(369316) dt. 11<sup>th</sup> May 2022).

### **4. Need for Viability Gap Fund:**

The DAY-NRLM provides Community Investment Support Funds (start-up fund and community investment fund) to CLFs. The CLFs are envisaged to be the custodian of CIF



and earn income to meet their *operational expenditures*. There are circumstances where CLFs still need financial support to become financially viable. Some CLFs have not been able to generate surplus income to cover their operational expenditures. Thus, some of the operational cost of the CLFs is still being subsidised by SRLMs. However, in order to be financially sustainable, it has been envisaged that all such operational cost needs to be borne by the CLFs. Thus, there is a need to support the CLFs with a gap funding to continue their operations unaffected till they reach 100% Operational Self Sufficiency (OSS). To address this gap (if any), DAY-NRLM proposes to provide Viability Gap Fund to Model CLFs under both DAY-NRLM & NRETP.

The main purpose of "Viability Gap Fund" is to fill the gap between operational income and expenditure of the federations for a period of 3 years.

**Operational income** refers to the income from the business of the CLFs. The Operational income includes:

- Interest income from loan
- Service fees, Resource fees, Penalties etc.
- Income from economic activities.

**Operational costs** refer to the costs incurred to maintain the day-to-day operations of the CLF to provide services to its member organisations effectively.

- 
- *The proposed operational expenditures to be covered under VGF are as follows - Honorarium* towards the appointment of CLFs own staff (Manager-1, CLF Accountant-1, CLF - MIS Assistant, CLF Coordinator (s) - 2 to 3, as per CBO-HR policy)
- Local conveyance and travel expenditure of staff and CLF EC, Office bearers and Sub-committees
- Remuneration to any temporary staff or guard or cleaner designated for the CLF office.
- All expenditure towards Office and Maintenance viz., office Rent, water, electricity, communication, stationary, EC, Sub committee and other meeting costs (EC/Subcommittees etc.), repair & maintenance of the office equipment, local travel charges and any other out of pocket expenditure for traveling of EC members etc.

## 5. Amount of Viability Gap Fund (VGF):

It is mandated to provide a maximum of Rs. 20 lakh / per Model CLF (in case 3 tier structure) and Rs. 3 lakh/- per Model CLF (in case of 2 tier structure where CLF is at the Village/Gram panchayat level).

Therefore, considering the need for providing VGF to bridge the gap in meeting the operational cost of CLFs, DAY-NRLM has decided to provide Rs. 3/lakh per model CLF (Where CLF is at the Village/Gram panchayat level) and Rs. 20 lakh/- per model CLF (where CLF is comprising of cluster of GPs).

*The Viability Gap Fund will be released based on the performance of CLFs in three tranches (which has been defined in section 9 and 10 of this guideline) in the ratio of 50:30:20*



## 6. Utilization of Viability Gap Fund (VGF):

- i. CLF can initiate economic activities (as per the Act of the State in which CLF has been registered) for enhancing its income to achieve operational self-sufficiency. VGF may be used **only as working capital** while initiating economic activities. Before initiating such economic activities, CLF should prepare detailed business plan along with breakeven and Return on Investment (ROI) and submit to SMMU. A tool for monitoring the progress of economic activity to be used by the EC members of the CLF during the monthly EC meeting.
- ii. In case of CLF having more than 80% loan repayment rate for the last 3 months and surplus funds after meeting its operational expenditures in a year, it can use the unspent VGF funds for on-lending of loans @ 6% interest rate per annum. However care should be taken to ensure on-time loan repayment by VOs.
- iii. Purchase of physical assets, infrastructure development and capacity building expenses **are not allowed** from this fund.

## 7. Appraisal Committee:

The CEO/SMD may constitute an Appraisal Committee at SMMU level comprising of the concerned SPMs, SPM-Finance or any other person who is experienced on accounting and development & appraisal of similar nature of documents or senior staff members. It is also suggested that a National Resource Person for model CLFs may be included in the Committee. The committee may visit the CLFs, assess the CLFs performance, study its financial status, identify the viability gap through CLFs financial projections and recommend for the release of funds. The appraisal process has to be taken up mandatorily before release of each tranche, though the committee may not necessarily physically visit the CLF for the second and third tranches.

## 8. Appraisal Process:

To receive the Viability Gap Fund, the CLF has to prepare and submit the proposal to SRLM through BMMU and DMMU for each tranche. Preparing Vision document, Business Development Plan, Annual Action plan and Financial projections based on the Annual Action plan by CLF is mandatory for accessing Viability Gap Fund. The CLF has to submit the proposal along with financial projections document and Internal Audit report for accessing the VGF funds. The financial projections (as a part of Business Development Plan) are to be revisited every year (and verify the last year's performance vis a vis the projection in order to review the estimate) after Annual Plan is prepared at CLF level. *As per the "Guidance Note for SRLMs for promoting & nurturing of Cluster Level Federations, Annexure-5, Sl. No. 34" issued vide letter no. J-11060/108/2017-RL-Part (1) (369316), Business Development Plan at CLF is to be prepared within 90 days of CLF formation (copy attached).* The Appraisal committee has to check the below mentioned aspects in financial projections document for finalizing the Viability Gap Fund requirement:

- i. Whether CLF has **requested for or has been disbursed the required CIF** as has been mentioned in the financial projection (Business Projection Tool) of the CLF
- ii. Assumptions made in the financial projections (increase in the unit cost should not more than 10% per year)

- iii. Last two financial years expenditure pattern to understand CLFs expenditure capability
- iv. Justification for increase in the operational costs
- v. Rationalization of CLF staff and community cadres
- vi. Positive trend in achieving operational self-sufficiency of CLF
- vii. Positive trend in profit earning and increased "General Reserve"
- viii. ***Presence of CLF HR (CLF manager, accountant, MIS and coordinators) as per the Guidelines***
- ix. Capital adequacy

## **9. Readiness Indicators for Model CLF to receive the Viability Fund**

### **9.1 Eligibility criteria for Tranche-1:**

- i. At least 60% eligible Households (automatically included households and households with at least one deprivation as per SECC Data) have been mobilized into SHGs
- ii. 80% SHGs federated into VOs and 90% VOs federated into CLF
- iii. CLF should have at least one staff member in place
- iv. CLF should have updated Standard books of Accounts
- v. Minimum 90% attendance in EC meetings of CLF in the last 3 months
- vi. CLF should have uploaded Baseline data on CLF web-based application (available on NRLM MIS).
- vii. CLF should have received start-up cost and have set-up the office either in rented or in own building
- viii. CLF should have received CIF and established loan disbursement and repayment mechanism. (CLF should have the details of total CIF released from the Mission in that CLF (either to SHGs or VOs or CLF) and this is to be accounted in CLF books of Accounts. CIF amount recorded in CLF books of Accounts is to be matched with the data of DMMU/BMMU)
- ix. CLF should have completed Internal or external Audit.
- x. CLF has Vision document, Annual action plan and Business Development plan documents available
- xi. CLF has at least 3 functional sub-committees as per CLF SOP

***Fulfilling all the indicators given above are mandatory for release of Viability Gap funding Tranche-I.***

### **10. Eligibility criteria for Tranche- II & III:**

- i. CLF has to ensure the completion of trainings of all sub-committees (minimum 5 functional sub-committees).
- ii. The CLF has to secure a minimum of 50 marks for release of Tranche - II and 75 marks for release Tranche - III based on the below given grading tool.



- iii. If any CLF is securing 75 marks and above after receiving Tranche-I, both Tranche-II and III funds can be together.

S. No.	Bench Mark	Marks	Weightage
1	% of Saturation of HHs	10	Below 70% - 0 marks 70% to 80% - 5 marks Above 80% - 10 marks
2	% of SHGs taken membership in VOs	5	Below 80% - 0 marks 80% to 85% - 2.5 marks Above 85% - 5 marks
3	% of VOs taken membership in CLF	5	Below 90% - 0 marks 90% to 95% - 2.5 marks Above 95% - 5 marks
4	Percentage of attendance in EC meeting in last 6 month	5	Below 90% - 0 marks Above 90% - 5 marks
5	On Time Repayment (OTR)	15	Below 70% - 0 marks 70% to 80% - 5 marks 81% to 90% - 10 marks Above 90% - 15 marks
6	Idle funds (in last 3 months)	10	Above 30% - 0 marks 16% to 30% - 5 marks Equal to and Less than 15% - 10 marks
7	Velocity of Funds	10	Below 1:1 - 0 marks 1:1 - 5 marks 1:1.1 to 1.25 - 7.5 marks 1: 1.26 and above - 10 marks
8	Registration of CLF	5	No - 0 Yes - 5
9	CBO Staff appointed and paid by CLF in place i.e. 3 staff- Manager/Coordinator-1, Accountant - 1 and MIS Coordinator -1	15	1 staff member - 5 marks Any 02 staff members - 10 marks All 3 staff members i.e. Accountant, Manager & MIS Coordinator- 15 Marks
10	Leadership rotation (at least two officer bearer change in last 3 years)	10	No- 0 Yes- 10
11	Audit Completed	10	Either Internal or External Audit - 5 marks Both Internal & External Audit - 10 marks
	<b>Total Marks</b>	<b>100</b>	

## 11. Release of Funds:

### 11.1 From NMMU to SRLM:



All the Model CLFs in the States under DAY-NRLM & NRETP may be considered as target for release of VGF. The SRLMs shall plan required budget under viability gap fund head by clearly indicating the physical targets in their Annual Action Plan for DAY-NRLM.

### 11.2 From SRLM to CLFs:

Based on the recommendation of the appraisal committee, CEO/ SMD shall approve and release funds through Fund Disbursement Module. The fund will be released in maximum of 3 tranches in the ratio of 50:30:20, based on fulfilling eligibility criteria by CLF. The second and third tranches may be combined based on good performance of the CLF, as mentioned in para 10.2 above. VGF Fund to CLF should be disbursed by using DAY-NRLM Fund Disbursement Module and expenditure should be booked under VGF budget line id.

### 12. Timeline for the release of funds:

Tranche	Provision for % of fund	Timeline
I	50% of viability gap of the CLF/GPLF or Rs. 10 lakhs in case of CLF and Rs. 1.5 lakhs in case of GPLF whichever is less	Completion of visioning exercise, Annual Action Plan, Financial Projection & Business Development Plan of the Model CLF.
II	30% of viability gap of the CLF/GPLF or Rs. 6 lakhs in case of CLF and Rs. 0.9 lakhs in case of GPLF whichever is less	After 3 months of the release of Tranche-I and fulfilment of Tranche-2 criteria
III	20% of viability gap of the CLF/GPLF or Rs. 4 lakhs in case of CLF and Rs. 0.6 lakhs in case of GPLF whichever is less	Within 6 months of the release of Tranche-II and fulfilment of Tranche-3 criteria*

\* If the SRLM proposes to release Tranche II and Tranche III simultaneously, it may be done after six months and within 9 months of release of Tranche I and fulfilment of criteria for release of Tranche III.

### 13. Nature of expenditure:

- The Fund will be released only through online fund disbursement module and manual process is not allowed.
- Disbursement of VGF to the CLF will be treated as expenditure. However, the CLF needs to maintain a record of the timeline of achieving the set triggers/physical targets, funds received under VGF component from the mission and the minutes of the meeting of Executive Committee of the CLF, in which the related discussions and decisions were taken. This needs to be followed for the release of each tranche.
- SMMU to keep track of utilization of VGF by CLF (This is a onetime activity till disbursement & utilization of 3<sup>rd</sup> tranche of VGF).

#### **14. Maintaining records of VGF at CLF level:**

- i. After assessment, release of VGF of each tranche should be made to the CLF. For the first tranche it is mandatory for CLF to prepare a 3 years financial projection as a part of the Business Development Plan of CLF referring to the Annual Action Plan of the CLF. The CLF has to revise the financial projection on yearly basis. The CLF will revise the present financial viability status and further revisit the financial projection on yearly basis.
- ii. CLF needs to maintain a record of the timeline of achieving the set triggers/physical targets, funds received under VGF component from the mission, create a separate ledger for the VGF inflow & outflow and the minutes of the meeting of the Executive Committee of the CLF, in which the related discussions and decisions were taken.

#### **15. Monitoring of Model CLFs performance:**

- i. NMMU shall monitor SRLMs regularly based on progress made against the physical targets as per approved Annual Action Plan (AAP).
- ii. SRLMs are responsible for monitoring the performance of model CLFs on a regular basis through the concerned DMMUs and BMMUs staff and submit the physical progress report to NMMU for its review. The SPM-IBCB/State Level Model CLF anchor person shall take up various capacity building activities for addressing any gaps and ensure effective functioning of the model CLFs.
- iii. The State appraisal committee formed for assessment and disbursement of VGF to do the initial assessment for disbursement of 1st tranche. 3 months after disbursement of 1st tranche, the same committee to conduct assessment of the CLF again to verify utilization status of the VGF and 2nd round of assessment for disbursement of 2nd tranche. ***In case, CLF is not eligible to receive the next tranche, i.e. it doesn't fulfil the criteria, the committee to submit the report to the CEO mentioning the gaps and suggestive action points by all concerned mentioning the timeline for completion of the tasks.*** In any case, there should not be a delay of more than 6-9 months in disbursement of the next tranche, i.e. 2nd (and / or 3rd tranche) of VGF to CLF.
- iv. The MCLF core committee at State/District/Block units should analyse at least once in a quarter, the status of financial sustainability attained. In case CLF is not making much progress in this aspect, then the facilitator from SRLM to provide inputs to the CLF EC in exploring options and opportunities in generating income at CLF (reducing cost at CLF) to attain financial sustainability within the stipulated period of 3 yrs.
- v. Utilization of VGF against the financial projection is to be reviewed by CLF OB on a monthly basis as a part of reviewing overall financial management and program management at CLF meetings. The accountant to prepare different reports such as Monthly Progress Report, Cash flow Statement etc. before the meeting for supporting CLF EC in reviewing the same. The EC members to be oriented on understanding various reports which will help them to take appropriate decisions during the meeting.

#### **16. Expected Outcomes:**

- i. Model CLFs will become self-managed, able to meet their operational costs.



- ii. Model CLFs shall demonstrate standard systems planning, execution, service-delivery, finance and administration
- iii. Model CLFs will be inclusive and equitable in nature. The CLFs shall include all eligible members especially most vulnerable into SHG fold and give priority to them in provision of all benefits and services
- iv. Model CLFs will have Portfolio At Risk (PAR) < 5% (>30 days)
- v. Model CLFs will have legal identity and fulfil statutory requirements regularly
- vi. Model CLFs will have their own staff and cadres to support CLF in delivering the services effectively
- vii. Higher order social capital will be developed @ 10 members per Model CLF
- viii. As per the demand, in addition to livelihoods and financial services, all CLFs will be implementing one or more higher order development interventions like Food, Nutrition, Health and WASH (FNHW), Gender, Social Inclusion, Convergence etc.
- ix. Model CLFs will act as demonstration sites/training centres for replication of model in the remaining blocks with necessary processes, protocols, resources in place