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Tripura Rural Livelihood Mission
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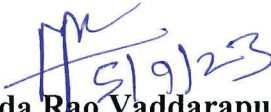
MEMORANDUM

To create a sustainable eco-system in a collective manner and to promote nonfarm group based enterprise, TRLM shall form the Non-farm Collective (NFC). As a part of the value chain development interventions, setting up of common aggregation centers, common facilities & infrastructures and ensuring better price realization these NFCs shall play a vital role.

For rendering sustainable benefit to the common livelihood practices by the SHG members through the act of aggregation, sorting, grading, packaging, branding, promotion and marketing for both input and output, these NFCs will have a major role.

In view of the above, an advisory is hereby issued for promotion and strengthening of Non-farm Collectives (NFCs).

Enclosed: As stated

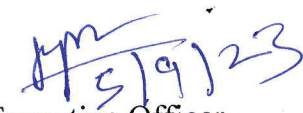

(Prasada Rao Vaddarapu, IFS)
Chief Executive Officer
Tripura Rural Livelihood Mission

To
The District Mission Manager (DM & Collector)
North Tripura/ Unakoti/ Dhalai/ Khowai
West Tripura/ Sepahijala/ Gomati/ South Tripura

To
All Block Mission Manager (BMMs)/Block Development Officers (BDOs)

Copy to

1. The Secretary, RD Department, Govt. of Tripura for kind information.
2. The Addl. CEO, TRLM for kind information.
3. All Addl. District Mission Manager (Addl. DMMs), DMMUs for kind information.
4. The CFO, SMMU, TRLM for information.
5. The Accounts Officer (DDO), SMMU for information.


Chief Executive Officer
Tripura Rural Livelihood Mission

**Advisory on promotion and
strengthening of Non-farm Collectives
(NFC)**



**Tripura Rural Livelihood Mission (TRLM)
Rural Development Department
Govt. of Tripura**

1. Background

TRLM has been working with poor and vulnerable women and organizing them into Self Help Groups (SHGs) to improve their livelihoods and enhance their income. A substantial no of women SHG members are being engaged with multi- dynamics likelihood practices in farm-based intervention, nonfarm-based intervention, livestock rearing, services and trading. These livelihood activities are augmenting the rural income sources at the individual level. To create a sustainable eco-system in a collectives manner and to promote group based enterprise, TRLM may create Non-farm Collective (NCF). As a part of the value chain development interventions, setting up of common aggregation centres, common facilities & infrastructures and ensuring better price realization these NFCs will play a pivotal role. It envisages to provide benefit to its members through the act of aggregation, will play a major role in helping SHG member accessing the local/block level/district level markets for more price realization and quality input supply in reasonable cost through reduction in transaction cost.

Non-farm Collectives (NFCs) are seen as a business centric institution that will continue to have organic links with the community institution architecture of SHGs and federations but will focus more on creating value for small artisan/ farmers and producers by enabling direct market linkage through aggregation & primary value addition. The overall aim is to make the Non-farm Collectives (NFC) efficient to reduce transactions costs & be market ready. In order to bring a common understanding across the TRLMs on the promotion of the Non-farm Collectives (NFC)s for marketing support to small and marginal producers this advisory is being issued. This advisory also covers the broad steps and activities to be undertaken to promote and strengthen a Non-farm Collectives (NFC) using a participatory approach.

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(TUHIN MITRA)
PM (LH-NON FARM)
TRIM, R.D. Deptt. Tripura.



Section-I: About Non-farm Collectives (NFC)

1.1: Non-farm Collectives (NFC) and its need

DAY-NRLM has been working with the poor and vulnerable women and organizing them into Self Help Groups (SHG) to improve their livelihoods and enhance their income. Self Help groups are further federated into Primary Level Federation (VO) which are then further federated into Cluster Level Federations (CLF). The Primary level and cluster level federation has envisioned multidimensional (Health, education, livelihoods, Governance, Social protection etc.) changes in the life of women, in the family and village. VO and CLF have been continuously putting effort in achieving desired changes in the life of women through collective efforts in most of the domains.

In the livelihood domain, it aims to bring a strong focus to address the issues of the small and marginal women producers and improved livelihood capabilities. **The majority of the members are involved in similar kind of activities in agriculture/horticulture, livestock, fisheries and sometime in non-farm activities also.** Being individual farmers/producers, members face multifaceted issues in access to markets, access to credit, access to technology and inputs. Collectivizing the primary producers of similar products (farm and non-farm) into village level Nonfarm collectives will help the producers to address these issues collectively and leverage the economies of scale in accessing various services (technical and financial) and better bargaining power and participate in higher order value addition.

In short, the formation of NFCs would benefit the small and marginal women producers through:

- 1) Economies of scale and increased bargaining power
- 2) Improved market reach
- 3) Access to finance
- 4) Risk mitigation

A Nonfarm Collective is an informal group of small and marginal women producers or small entrepreneur for their mutual benefit to have

- enhanced income
- enhanced ability of accessing resource, services, market and other facilities
- improved livelihood capabilities

The Non-farm Collectives (NFCs) would be organized when artisans/producers have common interests and there is an opportunity for collectivization, aggregation, value addition and marketing linkage for input and produces. The NFCs are small-sized, unregistered entities with little scope for significant business transactions and a few of them engaged in localized marketing activities catering to the local demand and supply situations.

1.2: Objectives of Non-farm Collectives (NFC)

The main objective of establishing the Non-farm Collectives (NFCs) is to increase the income level of the small and marginal women artisans/producers by developing increased bargaining power and improved market access. Primary role of the NFC would focus on aggregation, shorting, grading, packaging, branding promotion and marketing for both input and outputs.


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1.3: Specific objectives of promoting Non-farm Collectives (NFCs)

- To provide the collective strength and bargaining power of members for better price realization of their produce and improved access to input and other services such as credit, processing and marketing at reasonable rates;
- To leverage fund through convergence with various other government programs for the benefits of member producers/ farmers;
- To strengthen risk mitigation approaches of rural Producer/Business with the increased bargaining power and access to better markets.

1.4: The function of Non-farm Collectives (NFC):

Key Functions of Non-farm Collectives (NFCs) may cover selection of potential commodities, continuous market engagement and access to market information, continuous assessment of transaction costs and strive to reduce it with each transaction cycle, organize market led production planning, establish and run Village level Aggregation Centre (VLAC) for aggregation inputs, processed output, develop a relationship with market players and work towards the assured market for aggregated nonfarm commodities, recording transactions and disbursement of proportional sale of receipt.

1.5: Key Functionalities:

- Product mapping and potentiality analysis.
- Product planning, designing, value addition plan.
- Product development & collectives production.
- Creating supply chain mechanism for both input and output.
- Creation of village level aggregation points.
- Creation of storing, grading and quality check facilities.
- Linkage with technical agencies, Line Dept., Institution to obtain technical and financial support.
- Establishing channels to access the financial resources.

1.6: Principle of Non-farm Collectives (NFC) under TRLM

Non Negotiables:

- Any active women SHG members under TRLM.
- Nominated SHG member age should be 18 years and above.
- NFC member should not be a loan defaulter (CIF/CEF/ Bank credit).
- Nominated SHG members should belong to minimum 1 year old SHG.

Voluntary and open membership	Anyone can join—no discrimination based, social, racial, political or religious factors.
Group discipline	Holding regular activities such as regular meetings, having a set of norms, periodic review of the predefined plan of action.
Participation	Commitment by all group members to work together. All members should participate in group's activities. Proper representation of the most vulnerable groups will be ensured and a participatory process will be adopted at every level.

Equality	Members are all equal. It does not depend on the social and economic status of the member. <i>(Prior to formation of NFC and during identification of SHG members)</i>
Equity	Members should be treated equitably in how they are rewarded for their participation in NFC. <i>(Post formation of NFC and while the NFC is operational)</i>
Profit orientation	The Collectives will have 'for profit' business orientation. They shall be able to recover all costs of operations and make a small surplus for sustaining and expanding the activities of their group. <i>(Business oriented/ entrepreneurial mind set to be established for all NFC members)</i>

Voluntary and open membership: Participation of the SHG members in the Nonfarm Collectives (NFCs) should ensure:

- Affinity
- Self-driven attitude
- Similar economic background
- Mutual respect to fellow NFC members.
- Belongs from SHG HH
- Priority ranking for participation of the deprived or PoP HH.

Group discipline: Following group discipline parameter to be ensured by the Nonfarm Collectives (NFCs).

- Monthly **twice meeting** by the general members of the NFC.
- **Fixed date and time** for the fortnightly meeting.
- **90% attendance** to be maintained to fill up the quorum of the meeting.
- If predefined quorum is not fulfilled then the meeting to be rescheduled within next **3 (Three) days** and notified accordingly.
- Joint consensus to be ensured while taking decision (**100 % signature in the resolution**).
- The members are **free to impose fine on defaulting members** so that attendance can be ensured.
- Proper procurement norms to be followed while purchasing (**Existing CLF procurement norms may be followed by the NFC- Enclosed**). In the procurement process no external personal can be involved and it is non negotiable. In case of any misappropriation of fund at NFC level found then all the assets shall be seized and legal procedure may be initiated.


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Section-2: Establishment of Non-farm Collectives (NFC)

2.1: Non-farm Collectives (NFC) formation and management

2.1.1: Pre-formation stage

Scoping at Block level : Repeated discussions over the need of an organization at the village/VO level are essential to develop consensus for formation of Non-farm Collectives (NFC). The BMMU must do an analysis of farm and non farm products at block level and guide the VO in taking appropriate decision. A VO level meeting must be organized to discuss the proposal of formation of a NFC and the VO must pass a resolution to this effect. Following aspects need to be explored in the block level scoping Value chain actors, production Data, seasonality of the commodities, Production constraints and challenges, flow of products, information and payments to end markets and value, market information

Feasibility of NFC at village level: An assessment need to be done to understand the area and livelihood profile of village, nonfarm based commodity production, availability of raw metarial and availability of critical volume (surplus produces), skill set, aspiration of the community for the identified activity, local market demand, cost involved in aggregation & marketing, better earnings to the prospective members, value proposition, pricing and risk involved.

2.1.2: Formation stage

Revisiting the articulated needs of the group must be done at village level before NFC formation. Interested members engaged in similar economic activities, commodities and socio-economic background, from same hamlet give their consent for formation of Non-farm Collectives (NFC). Newly formed NFC defines their objective, goal, roles and responsibilities of the group and set up certain basic norms of the NFC like frequency of meeting, day and time of meeting, attendance norms, sticking to activity schedule norms.

2.1.3: Execution stage

Business planning: Each Non-farm Collectives (NFC) must have a clearly articulated business plan. Non-farm Collectives (NFC) make an estimation of capital required for the business, work out the volume of business, analyze the cost involve and take a decision on market (market price, volume, transportation cost etc.) they will link their members . The business plan is also critical to access credit from CLF or bank.

Business management and systems protocol: Once business plan is approved by the members, NFC needs to develop a business management system like procurement, quality control, storage, selling, financial management, payment systems etc. Non-farm Collectives (NFC) appoints CRP-EP, who manage the entire operation as business manager. Non-farm Collectives (NFC) establish Village Level Aggregation Centre (VLAC) or processing centre to facilitate aggregation/processing of produce at a common point. Non-farm Collectives (NFC) collect produces as per the plan and do primary processing like shorting, grading, cleaning, packaging (if required) at this point and then sell in the market. Non-farm Collectives (NFC) may also identify a place for storage of inputs.

Monitoring and evaluation: As the activity starts, group members need to arrange meeting to discuss regular business issues, marketing plan, whether every activity is


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scheduled properly, any support required at any level, whether all members are adhering to the activity schedule and if not what is the problem. The Non-farm Collectives (NFCs) need to have monitoring system alongside the execution of activities. It helps assess whether the group's activities are on the right track. It involves discussion over the impact of the program, what went well and what need improvement. Discussion over how to expand the initiative across the village. Three level monitoring system may be followed as proposed below:

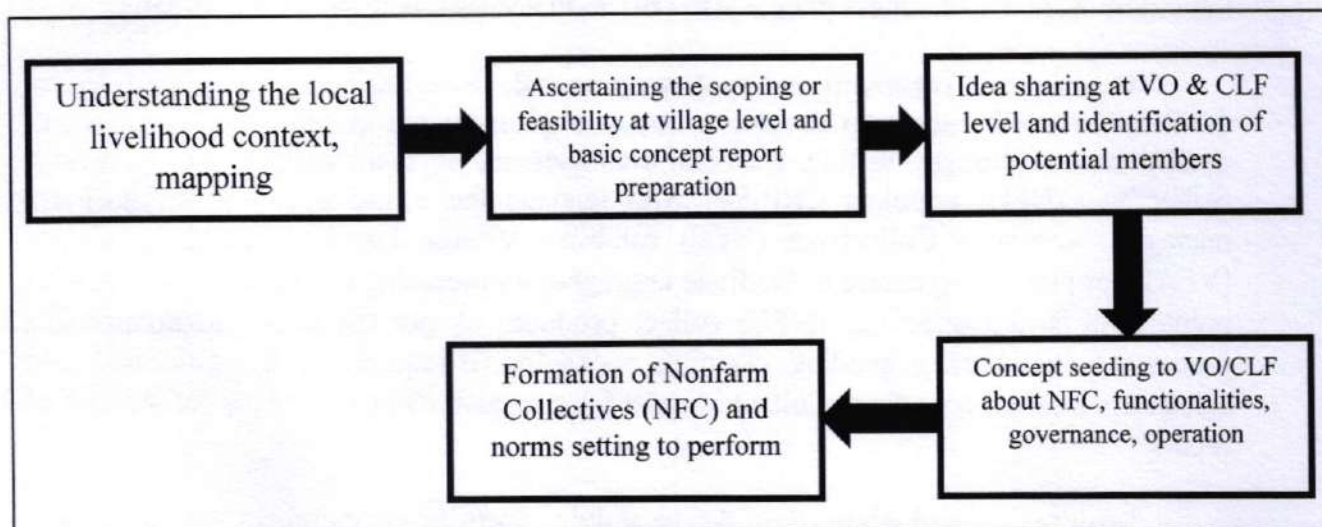
- **Self monitoring:** Weekly meeting based on the pre formulated KPIs such as-
 - Collection of raw materials.
 - Product design
 - Productivity
 - Inventory (Input & Output)
 - Sale and revenue monitoring.

- **Monitoring by VO/CLF:** VO and CLF shall be monitoring the following aspect
 - Machineries procurement done as per the specification.
 - Procurement norms are being followed.
 - Meetings are being conducted as per the schedule or not.
 - Attendance and minutes of the meeting are being kept.
 - Sales record and inventory ledger are being maintained.
 - Updating the prescribed BoR.

- **Monitoring by TRLM:** From the mission side the monitoring of the each NFC shall be done based on the blow listed parameters:
 - Income and sales.
 - Production and output.
 - Group dynamics and pre-decided KPIs.
 - Financial discipline and transparency.

2.2: Detailed process Guideline on Non-farm Collectives (NFC) formation

A systematic process is to be adopted to set up a Non-farm Collectives (NFC). A five steps process to be followed during NFC formation.



Step-1: Understanding the local livelihood context, mapping

Before NFC formation a basic livelihood practices and enterprise details need to be assessed or mapped by the Livelihoods team at the block level. Thematic integration and facilitation is much required to get the ground level livelihood data. The major information such as:-

1. Production Data and artisan mapping.
2. Production time line or calendar
3. Production constraints and challenges
4. Market information for both input and produces

The format in connection with the above context is attached as Annexure-I

Step-2: Ascertaining the scoping or feasibility at village level and basic concept report preparation

Before formation it is important to understand the scope of formation of NFC in a particular village or panchayat. An assessment, needs to be done to understand the present production system, future prospect (in case of new commodity) of the proposed commodities/produces in the village, availability of critical volume (surplus produces), nearby markets, cost involved in aggregation, processing, storage, transportation etc. So, an assessment needs to be done by the livelihoods team member.

The steps for feasibility assessment and process is attached as Annexure-II

Step-3: Idea sharing at VO & CLF level and identification of potential members

A Meeting with VO/CLF should be organized to develop consensus for formation of Nonfarm Collectives. The agenda of the meeting would be

- Need for NFC formation
- Sharing the business opportunities
- NFC formation planning

Process

- CRP-EP/ LC Nonfarm should start discussion on Women's Aspirations: understanding and standing up for individual and collective dreams
 - What is the image of a micro enterprises?
 - How do we want to see progress in the life of a micro enterprises?
 - What are the issues in livelihood that stop this progress?
 - How can we solve these issues?

- Lead the discussion in such a way that women aspirations/enterprises come out and they start thinking about the issues in livelihood and how a collective action is required to solve them.
- Use the chart papers to write down the issues and solutions that came out of the discussions.
- Now, elaborate on the results of assessment done in the village (s) and the opportunity available.
- Introduce the concept of Nonfarm Collectives and why a separate platform (apart from SHG) is required to discuss the livelihood issues.
- Get the consent of the VO/CLF members to form a Nonfarm Collectives.
- Prepare a plan for village level meeting with SHG members

Step-4: Formation of Nonfarm Collectives (NFC) and initiation for formalization

Adopting a systematic process to set up a Non-farm Collectives (NFC) would be critical in promotion of a NFC with a clear business idea and execution of the plan. It starts with awareness among the prospective producers/artisans in the villages about the concept and facilitation to form a Non-farm Collectives (NFC). Setting up of a Non-farm Collectives (NFC) may include broad steps like awareness creation and mobilisation of producers, formation of Non-farm Collectives (NFC)s and establishment of system and process.

Women are introduced to the concept of Non-farm Collectives (NFC). More often, women involved in multiple activities are part of the SHG group. It is important to create a platform for women to discuss about their livelihood activities and the issues around them. Non-farm Collectives (NFC) brings together women involved in similar livelihood activities; from the various SHG groups. Women who are into common livelihood practices falling under manufacturing, service and trading can all become part of the Non-farm Collectives (NFC). Following listed steps may be referred while forming of Non-farm Collectives.

- Organise a meeting with all the SHG members in the village.
 - Start the discussion around their aspirations. What change do they want to see in themselves?
 - Find out common issues & problems around livelihoods that hinder them to achieve their aspirations.
 - How these issues would be resolved?
- Lead the discussion so that member will realise the need of collective efforts.
- Share the concept of Non-farm Collectives (NFC) and how it addresses the challenges of small and marginal farmers/producers.
- Share the findings from feasibility assessment.
- Decide of the Business Model and Revenue Model: Business Model and the revenue model should be identified which cover the approach, size, products, markets, pricing revenue and profit.
- Assess the profitability of the business, estimates the business volume in terms of quantity or value at which the business is expected to meet all its costs, i.e., fixed and variable costs.

- Let the group finally decides whether they want a NFC or not in the village.
- Finalize the commodities to be handled by the Non-farm Collectives (NFC).
- Explain about the composition of Non-farm Collectives (NFC) like similar economic activities, commodities and socio-economic background, from same hamlet etc.
- Collect potential names of the members.

Step-5: Formation of Nonfarm Collectives (NFC) and norms setting to perform

Non-farm Collectives (NFC) formation can be done on the same day of concept seeding at village level, if members are interested and decide to form the group. The detailed process is furnished below:

Process: After the concept seeding meeting, the shortlisted members may be asked to arrange a meeting separately. Then follow the process described below.

2.3: Naming the Non-farm Collectives (NFC): The Non-farm Collectives (NFC) should be named in the meeting in the presence of all members with consensus of all members. The same has to be recorded in the resolution / in the minute's book. Once the name is decided, it cannot be changed in any circumstances. The name cannot also be duplicated with any other NFC of same VO/CLF.

2.4: Select office bearers: All members need to select office bearers for their group- President, Secretary and Treasurer Setting and their Objective, Goal and basic norms to be decided. The proposed discussion points are:

- Norms setting for the collectives for meeting, execution of businesses.
- Promote open discussion on what they had discussed the purpose of coming together.
- Explain the rationale, objective and value proposition of the Non-farm Collectives (NFC).
- Discuss what NFC wants to achieve, its activities and goals, write it down in the Object, Goal setting format.
- Discuss and set up basic NFC norms (Rule and Regulation) like membership norms, meeting norms, meeting frequency etc.
- Discussion on preparation of business plan and approval of business plan for submission to VO/CLF.
- Regular interaction with VO/CLF and attending meetings of the collectives.

2.5: Membership norms:

- Must be a SHG member.
- Should be an entrepreneur or having sustainable enterprise/s of her own (Any enterprises owned by the other member of the SHG HH, can be considered)
- A member shall belong to the same village or adjoining villages producing similar products.
- NFC to be formed under the concerned CLF and its jurisdiction for ensuring better coordination and monitoring.

- A member shall be required to abide by the rules and regulations of the NFC.
- A member shall be ready to pay annual or regular contribution as per the group decision (Decision to be taken at NFC level and to be vetted by VO/CLF).
- The NFC member should not be a loan defaulter.
- No external person are eligible to take part in any internal decision making process of NFC's and it is non-negotiable.

Note:

- Non-farm Collectives (NFC) should be formed on the basis of the produced or manufactured items/goods/processed agri-commodities/ similar nature of service/trading by the identified members.
- In revenue village more than one producer group can be formed.
- One entrepreneur cannot have membership in multiple Non-farm Collectives (NFC).
- One Non-farm Collectives (NFC) can handle multiple commodities.

A model resolution on NFC formation is attached as Annexure-III

2.6: Size of Non-farm Collectives (NFC):

Size of the NFC depends on nature of livelihood activities, proximities between village and business volume. A NFC can be formed in a village / GP with minimum member of 15 and the upper limit can be decided on the geographical proximity. **Considering the multi dynamics of the nonfarm livelihood portfolio it is advised to keep the number between 15-20 (in exceptional cases and considering the livelihood context the no of members may be less than 15 and more than 20, but proper justification must be cited on the same)** as it would be easy for the group to manage the similar nature of operation and the institution. In exceptional cases, permission need to be taken from DMMU mentioning the reason for less or more number mentioned in the advisory.

The members under NFC should involve with the similar kind of activity/livelihood practices. For example if in a particular area 12-15 nos. contiguous SHG household are involved with Jute bag making, then these members can be incorporated in the NFC and collective procurement, production, promotion and marketing can be ensured for minimizing the cost.

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2.7: Type of NFC: Non-farm Collectives (NFC) should be formed under :

Manufacturing based NFC: Similar livelihood practices in Agri & Horti produces, Livestock, Fisheries, Poultry, Handicraft & handloom, food processing, construction material, consumption based commodities, FMCG products, apparel, pottery, personal care, furniture and fixtures, health & hygiene, home décor etc.

Service sector based NFC: Similar livelihood practices in Food & catering, decorator, beauty and wellness service, transportation, carpentry, masonry, other skill based service etc.

Trading sector based NFC: Similar livelihood practices in Trading of agri and allied commodities, trading of livestock and allied products, trading of FMCG and consumption based items, other tradable commodities.

Note: Nonfarm collective should not deal or trade with such product or services which having adverse effect on the socio-culture norms, health hazardous or having adverse effect on the environmental and bio-diversity aspects. The NFC should follow the brand name provided by the TRLM and also follow the non-negotiables provided by TRLM.

2.8: Membership Fees: Each member should contributeas annual membership fee, which is not refundable. (Amt. to be decided with mutual consent of the members and minuted and to be intimated to the concerned CLF). The amount of membership fee shall be utilised for miscellaneous expenses such as purchased of office articles, pen, pad, diaries etc.

2.9: Meeting related norms: Non-farm Collectives (NFC) will meet at least twice in a month. But there may be multiple numbers of meetings as per the need, particularly during the harvesting season/ production to take decision on collection mechanism, exploring markets, setting price or any other important aspects.

2.10: Bank account: After naming the group, NFC should open a bank account in the name of Non-farm Collectives (NFC). The bank account will be operated with joint signatory of President and Secretary. Bank a/c no will be communicated to BMMU. Only 1(one) a/c no will be maintained in the name of NFC for transaction with TRLM.

Thematic integration while forming of Nonfarm Collective:

Sl.	Stages of formation	Integration required from SRLM
1	Understanding the local livelihood context, mapping	Concerned Cluster Coordinator and Livelihood Coordinator (Nonfarm and Farm)
2	Ascertaining the scoping or feasibility at village level and basic concept report preparation	Concerned Cluster Coordinator and Livelihood Coordinator (Nonfarm and Farm)
3	Idea sharing at VO & CLF level and identification of potential members	Concerned Cluster Coordinator and Livelihood Coordinator (Nonfarm and Farm)
4	Concept seeding to VO/CLF about NFC, functionalities, governance, operation	Livelihood Coordinator (Nonfarm)
5	Formation of Nonfarm Collectives (NFC) and norms setting to perform	Livelihood Coordinator (Nonfarm)

Section -3: Structure and Governance of NFC

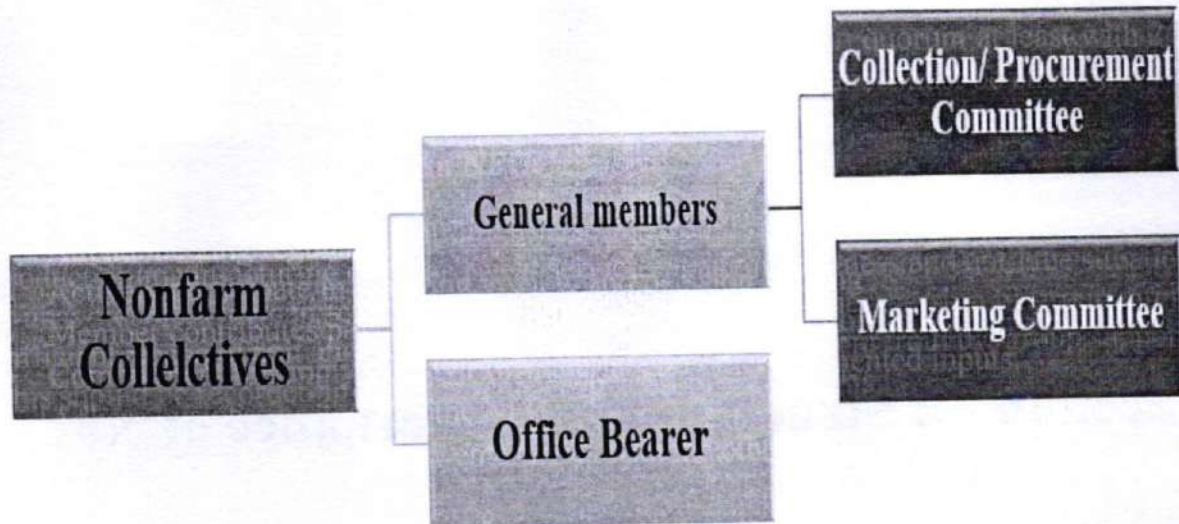

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Non-farm Collectives is an SHG member owned and governed organization. Basic functions of NFC in terms of governance are.

- It governs the action or decides on manner of governing the collective.
- Major decisions towards forwarding the interest of the members at large
- It creates norms for performance, creates penalties
- It rewards performance

The basic structure of the nonfarm collectives is given below:



3.1: General Member: All the members of the Non-farm Collectives (NFC) will be general member. The Non-farm Collectives (NFC) can maintain quorum at least with 2/3 representatives in the meeting, but in any meeting 100% attendance must be ensured.

3.2: Role of General Members in NFC:

- Attend meeting regularly
- Actively participate in planning, review and decision making
- Member contributes payments (fees, share etc.) as per set norms.
- Commitment to supply quality raw material and other augmented inputs.
- Adhere business protocol of the NFC.
- Share own experience on new enterprises with the other and encourage others to do the same.
- Select Office Bearer for the NFC
- Become member of committees/OB as per the requirement.
- Timely repayment of loan.
- Following the protocol and norms of the NFC.

3.3: Exit norms of the general members:

A member should not refrain herself from group activity within one-production/manufacturing cycle or 1 year service engagement unless and until the situation is unavoidable. One can render resignation from the primary membership of group citing sufficient reason of exit and in such case she cannot have any claim from the group support. This should be recorded in minutes register in subsequent meeting.

3.4: Office Bearers: Office Bearers are a team of three leaders selected by the group for a fixed tenure of two years, to run the day to day operations of the producers' group. They are President, Secretary and the Treasurer. They will be the bank account operators for the NFC.

3.5: Role of Office Bearers

Role of President

- Conduct regular meeting of NFC.
- To chair the meetings and facilitate discussions engaging all members in NFC meeting
- To help the group in making profitable financial decisions.
- To oversee implementation of collectives decisions.
- Review the work of committees
- To represent the group in different forums and meetings/seminars
- To support conflict resolution efforts
- Facilitate linkage with Govt. departments and other organisation.
- To impose fine and to ensure group norms.
- To ensure all records are updated.

Role of Secretary

- The secretary shall be in charge of all the correspondence and records of the Nonfarm collectives, keep the meeting minutes
- To convene meetings in consultation with President
- Ensure adherence to rules made by Nonfarm collectives and responsibility to maintain discipline.
- To ensure attendance and participation of members
- To get the minutes of discussions recorded
- To execute the decisions of the collectives.
- To report the members on the progress of groups activity
- To coordinate and facilitate linkage with public and private agencies.
- Preparation of various reports, submission of monthly progress report to the VO/CLF.

Role of Treasurer

- To become custodian of cash and bank balance of the collectives.
- To ensure safeguarding and accounting for all funds received by the collectives
- To issue receipts for the fund received
- To arrange up to date record keeping
- To present financial picture of the group from time to time
- To finalize accounts at the end of each financial year and facilitate timely audit -at least 1 audits per year.
- To maintain all financial norms of NFC's with transparency and integrity.
- To always updated the OB and general members of the NFC's about the financial status.

3.6: Committee: Non-farm Collectives (NFC) is a business entity, which manage production, market linkage, convergence with Govt. Dept etc. In this business unit, control over the quality and control on cost price of raw materials is essential to ensure continuous increase in the income of the members. OB needs to share responsibilities among other members through formation of Committees who will undertake certain functionary roles.

The Committees will help the NFC in accomplishing following task:

- Providing support to the group in arranging raw materials.
- To arrange required capital for the business activities.
- To help in providing the required facilities for productivity enhancement.
- Help in accessing local market and maintaining quality
- Help in financial management.

It is advised to form following committees comprising the **representative from General Members** for effective functioning of Non-farm Collectives (NFC).

- **Committee-1:** Collection/procurement Committee (Representatives from General Members)
- **Committee-2:** Marketing Committee (Representatives from General Members)

There should be at least 3-5 members in each committee. Each committee will be given a specific functional role in the Collectives. In case of collectives all general members may be the part of the production system.

Collection/procurement committee

- Prepare a plan for collection of produces from members
- Make arrangement for timely collection of produces at Village Level Aggregation Centre (VLAC)
- Manage VLAC , value addition and quality inspection

Marketing Committee

- Identify market and collect information on price on regular basis
- Decision on purchase and sale price of produces
- Arrange logistics for taking produce to the market
- Taking produces to the market

3.7: Social Capital support to the Non-farm Collectives (NFC)

Before promotion of the NFC the CRP-EP has to be identified, trained and deployed for day to day support to the NFC. The operation of the Non-farm Collectives (NFC) will be managed and facilitated by a dedicated pool of community cadre namely Community Resource Person-Enterprise Promotion (CRP-EP). One CRP-EP can be deployed for multiple NFC but with the increase business volume, CLF/VO and Collectives jointly can decide for deployment of CRP-EPs. *(For detail ToR of a CRP-EP the memo vide F.No. 2(46)-RD/TRLM/Non SVEP Blocks/2022/4051-17 dated 7/6/2023 may be referred)*

Section 4: Business planning

Each Non-farm Collectives (NFC) must have a clearly articulated business plan. NFC must be oriented on the importance of Business Plan and to be provided hand holding support on making their Business plan. The facilitator would first convene a meeting with the NFC members to brief about the need for business plan preparation. Business planning meeting will be organised with NFC members. It must be prepared by NFC with the support from the CLF/VO, BMMU and DMMU. Business plan will be prepared for each season.

4.1: The components of the business plan shall be as follows:

- Background of NFC
 - Need for NFC-Issues in livelihoods and how it can be addressed through NFC
 - Basic information of Non-farm Collectives (NFC)
- Vision, Mission, Goal and objective of NFC
- Business Proposal
 - Business Name
 - Business assumptions
 - Market information
- How will they sale? which market? Market type etc.
 - Stakeholder/Support agency
- Financial projection
- Fund requirement

4.2: Business planning process

- Convene a meeting with NFC members to brief about the need for business plan preparation.
- Explain the importance of Business planning
 - Why is business planning required?
 - What are the components of business plan?
 - When is business planning done?
 - Who makes business plan?
- Discuss the issues of producers discussed in the formation meetings and the action items planned. This will provide some business idea and business opportunity can be identified from these ideas.
- Take the discussion back to goal setting and ask the members to identify value proposition i.e. offering/action to be taken by the NFC to deliver the value proposition to its member.

Along with the members discuss each aspects mentioned in the business plan format, estimate business volumes, cost etc.

4.3: Support to Nonfarm collectives under DAY-NRLM:

Under DAY-NRLM, during the Financial Year 2023-24 the provisions have been made to create and rendering financial support to the Nonfarm Collectives. Minutes of the Empowered Committee (EC), MoRD, Govt. India vide Ref. No.12035/01/2023-RL (E-383612) dated 4/5/2023 may kindly be referred to fund the Nonfarm Collectives under DAYNRLM”.

To get the infrastructure and working capital support, NFC needs to submit the business plan to CLF. The Non-farm Collectives (NFC) will place proposal (Business plan) to the VO/CLF. The VO/ CLF on receipt of proposal may consider releasing whole or part of the fund to the NFC adhering to the fund flow mechanism. Wherever, the CLF is already in existence the fund shall be disbursed from CLF.

The NFC would be provided the following funds through the VO/CLF to create the value chain development and market linkage with better price realization. Tentative financial implication against each eligible NFC is furnished below. However, the NCF may adjust the sub head allocation considering the nature of livelihood activity but not exceeding the ceiling amount of mentioned in each component.

Sl.	Budget head	Component	Maximum ceiling amount (In lakh)	Remarks
1	B3.1.2 (CEF for enterprise Nonfarm Collectives)	Working capital	5.00	As per the business plan.
2	B3.2.1 (Facilitation to the Collectives-Infrastructure support)	Procurement of Low scale machineries, Tools & equipment	2.00	As per the business plan.
Total			7.00	
3	E.1.1 (Infrastructure facilities for livelihood activities)	High end machineries, minor renovation, upgradation existing fixed asset, if any (Excluding purchase of Land, Civil construction)		To be funded against the detailed business plan, availability of Fund as per approved AAP and recommendation made by the Technical Committee Notified vide F.No.9(3)- RD (TRLM)/2023/4457-62 dated 9/6/2023.

Financial implication for the proposed components under NFC:

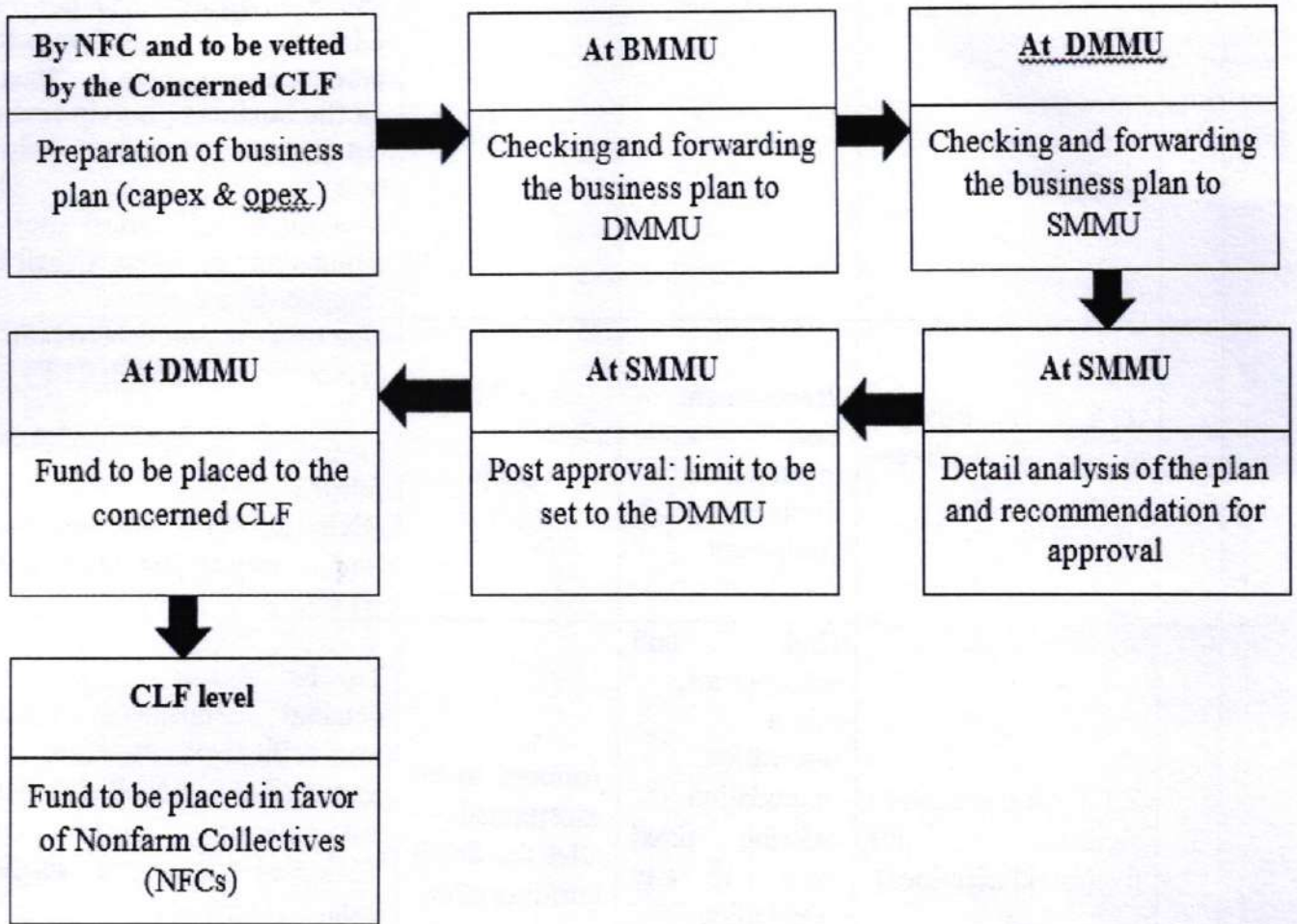
Sl.	Budget head	Component	Maximum ceiling amount (In lakh)	Financial implication
1	B3.1.2 (CEF for enterprise-Nonfarm Collectives)	Working capital	5.00	Working capital fund to be availed from the CLF as Loan/ Credit with an interest rate of

				7% Per Annum (As per the CIF). NCF can avail 6 months moratorium period (or based on the business plan) in case of repayment to render initial business support. The repayment shall start after 6 months and no interest shall be charged till that period.
2	B3.2.1 (Facilitation to the Collectives-Infrastructure support)	Procurement of Low scale machineries, Tools & equipment	2.00	One time support cost to NFC (To be routed through CLF) Proper procurement norms to be followed while purchasing (Existing CLF procurement norms may be followed by the NFC).
3	E.1.1 (Infrastructure facilities for livelihood activities)	High end machineries, minor renovation, upgradation existing fixed asset, if any (Excluding purchase of Land, Civil construction)	Amount to be ascertained after the detail business plan.	To be funded against the detailed business plan, availability of Fund as per approved AAP and recommendation made by the Technical Committee Notified vide F.No.9(3)- RD (TRLM)/2023/4457-62 dated 9/6/2023.


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Fund Flow mechanism:



Time line to process and approval the business proposal:

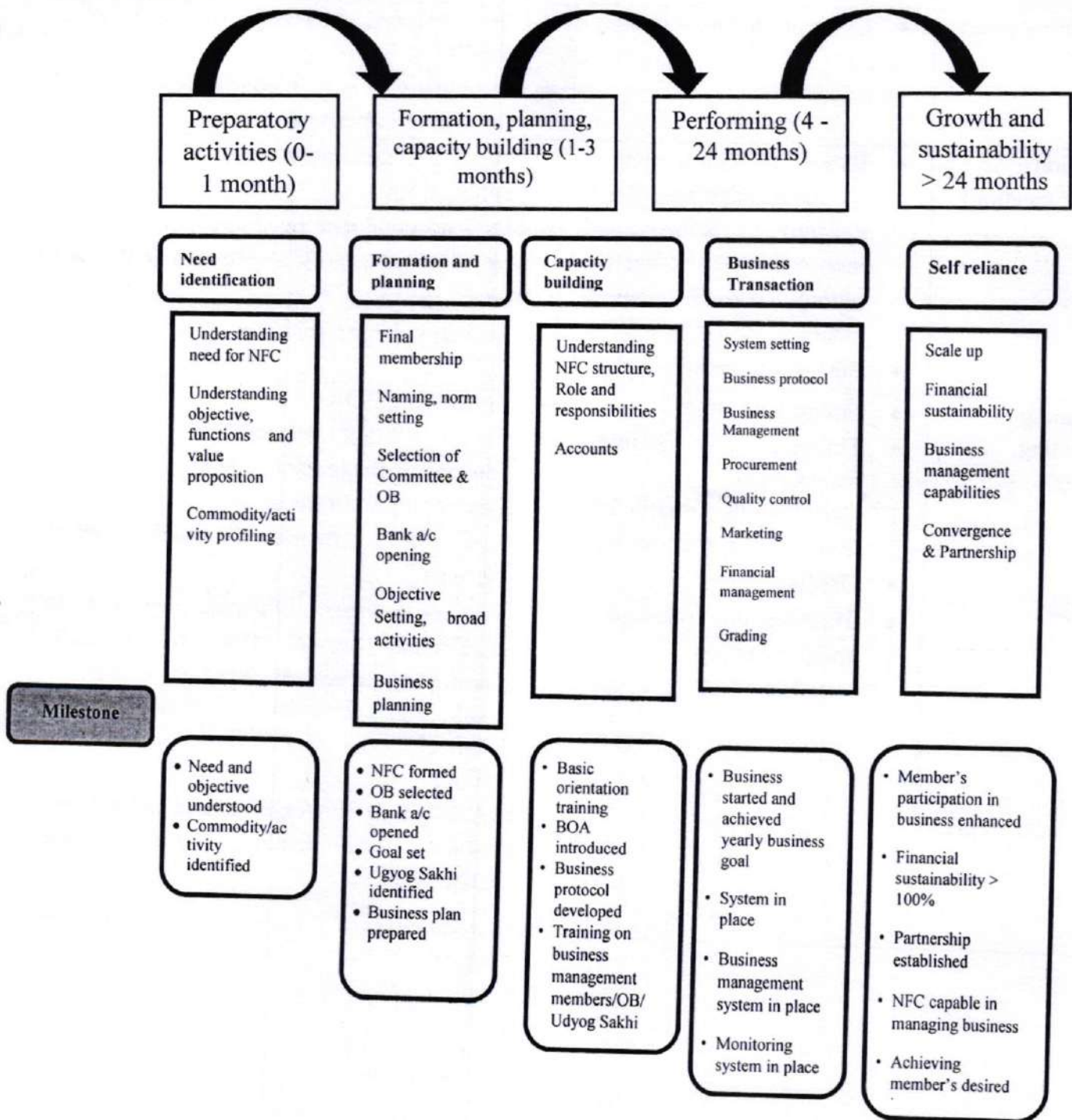
Activity	BMMU Level	DMMU Level	SMMU Level
Checking and forwarding the business plan to DMMU	7 days	-	-
Checking and forwarding the business plan to SMMU	-	5 days	-
Detail analysis of the plan and recommendation for approval	-	-	5 days

4.4: Criteria for providing funds to Non-farm Collectives (NFC): The criteria of for the transfer of funds are given below:

- Nonfarm Collectives should have a very clear business plan with very clear profit margin projections
- The proposed business model should not be based on a speculative model.
- The relation between quality and price of the produce should be analysed in the business plan.
- Clear costing of the operations and the transparent, quality-based pricing mechanism should be defined.
- The commodity risk would be borne by the members as the working capital fund is a loan product. So very prudent business model should be established with low risk element.
- A membership fee would be collected from the members by the Nonfarm Collectives.
- No credit-based sales should be encouraged.
- Proper books of records, like cash book, stock book and farmer-wise ledger should be maintained.
- Nonfarm Collectives has to settle its account with the CLF on a season by season basis. The Nonfarm Collectives will not be eligible for any further loans until the account has been settled for the previous season.
- In case of business loss, the Nonfarm Collectives members should repay working capital loan in proportion to their patronage.

Section-5: Strengthening of Non-farm Collectives (NFC)

Stronger emphasis will be on strengthening of Non-farm Collectives (NFC) from the day of its formation. Structured institution building and capacity development inputs will be designed based on the stages of the Non-farm Collectives (NFC). The process will proceed as per the following stages



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As per the above framework NFC members will be capacitated and hand holding support will be provided to achieve the milestone.

Stage	Training support	Hand holding support
Preparatory phase	<ul style="list-style-type: none"> • Concept seeding training 	<ul style="list-style-type: none"> • Understanding need, objective and function of NFC • Participatory identification of Commodities/activities
Formation (1 st -3 rd meeting)	<ul style="list-style-type: none"> • Basic Orientation training – understanding NFC structure, Role and responsibilities, objective setting, Broad activity planning • Business planning 	<ul style="list-style-type: none"> • Support on meeting process • Setting norms • Bank account opening • Introducing basic BOA-minutes book, cash book • Business plan preparation
Performing (4 th meeting onwards)	<ul style="list-style-type: none"> • Training on BOA • Training on Business management – Procurement, marketing, finance, progress tracking • Grading • Training on convergence and partnership 	<ul style="list-style-type: none"> • Introducing BOA • Group facilitation support • Business management support • Developing business protocol • Establishing procurement, quality control systems • Market linkage - Organize exposure- to understand present flow of products, identifying space of NFC to engage in marketing, establish alternate market channel • Audit • Establishing convergence and partnership- capital mobilization, infrastructure, technology

Section-6: Business Management



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6.1: Collection plan and process

NFC should prepare an aggregation & collectivization plan based on the identified livelihood and potentiality. NFC should arrange a special meeting on input requirement estimation of surplus production and work out a tentative collection/aggregation plan.

6.2: Collection Process: A standard operating procedures on procurement, weighing, record keeping, storage, sales, quality control to be worked out. This will ensure:

- Fair and transparent procurement, storage and transportation
- Fair and transparent record-keeping
- Ensure quality of the commodity procured.

The procurement process and quality parameters will depend on the type of the commodity and location of availability. NFC will decide on procurement process for each commodity. As per the commodity and available facilities (collection centre) NFC may decide collection of produce at collection centre. The costing will also be done according to the procurement process.

6.3: Collection price: The marketing committee will collect prices/quote offered by the local artisans/SHG/producers ; and after factoring in the expenses involved in weighing, loading and unloading and final cost of storage, packing expenses, etc. arrive at a collection price, which is communicated to all producers but NFC should finalize the procurement price after sale only. NFC should ensure that members get paid within 1-2 days. This will build confidence among the members about the transparency in procurement systems. NFC can also make some advance payment (<50% of the commodity sold by the member) during collection.

6.4: Quality parameters

NFC will defined quality parameters for each commodity and decide procurement price as per the grade. Here are some examples of quality parameters for few commodities. NFC needs to prepare grade chart of each selected commodity.

NFC members needs to be trained in quality parameters like measuring, testing, grading and weighing methods, which will instill confidence among the members in the new system owing to its transparency. The members can understand the exploitative practices of local traders.

6.5: Establishment of Village Level Aggregation Centre (VLAC)/Common facility centre

Based on the requirement in the business plan, it is important to establish a VLAC to keep the assets they have and to facilitate aggregation of produce/products at a common point. For establishment of VLAC, following are the critical points that need to be looked into carefully and addressed accordingly while establishing the VLAC:

- Already constructed space may be rented as per business requirements which are expected volume of the commodities to be handled, storing assets, e.g., crates, weighing scale, any other equipment required for processing.
- No land should be purchased or taken on lease for setting VLAC, unless explicitly indicated in the business plan
- Cost of running the VLAC is to be borne by the NFC, hence generating profit from operations is a must.
- Orient Committee supervising activities of VLAC.
- CRP-EP would be oriented on various aspects to build her capacity to run the VLAC.
- VLAC establishment & management plan may be developed as per the category of commodities/products to be handled like Food Grains & Cereals, Fruits and Vegetables, NTFPs and Medicinal Plants which have different requirement as per their characteristics.

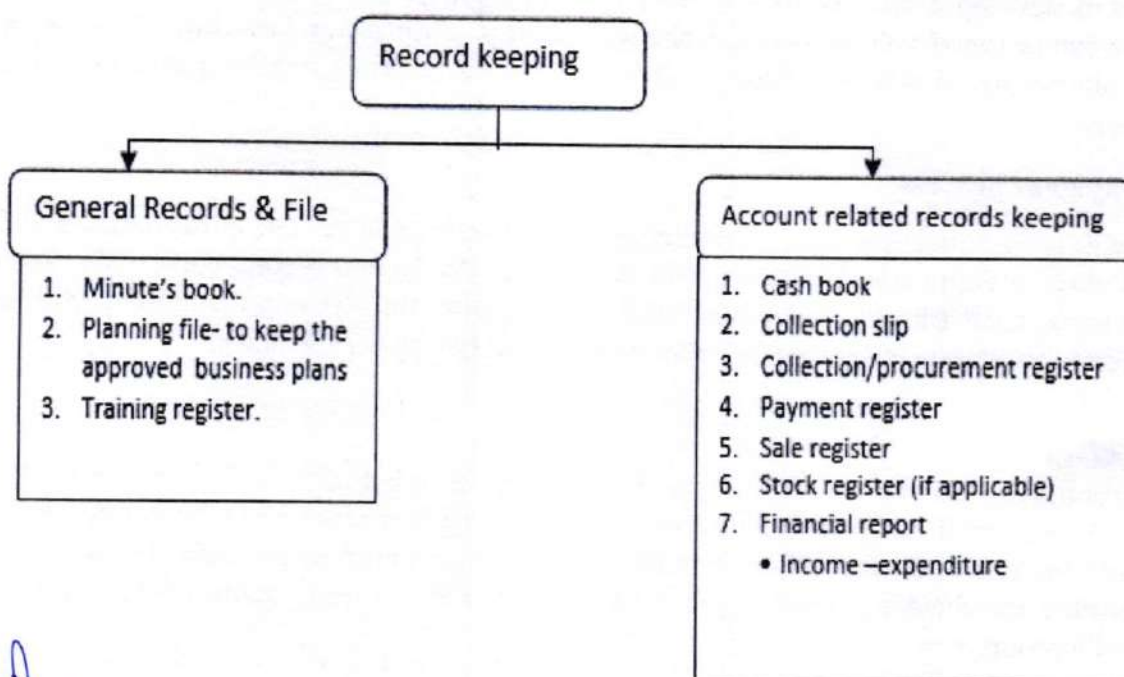
6.6: Financial Management

6.6.1: Working capital management

Working capital management is a critical aspect in NFC. NFC requires working capital mainly for payment to producers while procuring the commodities. The cash availability with NFC drives timely payment to members for their produce. These are critical value proposition of the NFC. NFC needs to forecast capital requirement well ahead during annual planning and business planning exercise.

6.6.2: Maintenance of Records

NFC must internalize the importance of book keeping. NFC will engage CRP-EP for maintaining accounts and records. Records should be kept simple so that all group members can understand them. The records keeping can be divided into two broad categories:



NFC should make records on daily business transaction. On each day CRP-EP should keep records on following transaction.

- Cash book
- Collection slip
- Collection/procurement register –Commodity wise
- Daily sale register - commodity wise
- Member ledger -Payment register
- Stock book

The formats are attached as Annexure-IV

6.7: Operating Profit & Loss Statement:

In order to track the business growth & effectiveness of the NFC, “**Operating Profit & Loss Statement**” will be prepared for every business cycle as proposed in the business plan proposal.

Based on the operating profit and loss statement, profit may be distributed among members after every business cycle. Consequent upon calculation of operating profit / loss, 75% of the profit should be distributed among all active members based on their patronage (in term of value of commodities) and rest 25% of the profit may be kept as corpus fund with the NFC which can be used to compensate any loss or meet any exigency expenses in future. However the final decision on profit distribution will be taken by NFC members.

6.8: Payment terms

A payment term is an important aspect in NFC. Payment terms decide the risk factor in the NFC and it also influence the members participation in NFC business. Timely payment to the producers is a major value proposition for the members in NFC.

NFC will develop a well-defined system for making payment to the farmers in which amount can be transferred to members account directly within a stipulated time. NFC needs to decide norms on payment mode and time limit (after purchase) for payment to the members.

6.9: Payment process

NFC will issue collection slip to members at the collection centre. The collection slip will be filled up in duplicates. First copy will be given to Producers, second copy will remain in the book. CRP-EP will make a payment advice as per the slip and the amount will be transferred to artisans/producers account within 1/2 day/s as per the norm.

6:10 Audit

NFC should do half yearly and yearly audit. NFC may take help of VO/CLF to conduct the audit. Auditor will not only looking for faults or irregularities. She or he has to verify whether the cashbook and other financial records are maintained properly. He or she is responsible for checking whether the final accounts show a true picture of the financial state of a group.

Section-7: Monitoring of Non-farm Collectives (NFC)



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Monitoring means keeping regular records of group decisions, actions and finances, and checking that actions are taken according to plan. Since participation is a basic principle of our approach, monitoring and evaluation should be participatory too. This means that all the members have to take part in participatory monitoring and ongoing evaluation.

- It helps assess whether the group's activities are on the right track
- It suggests ways of adjusting or changing plans if necessary to improve performance of NFC
- It involves members in the planning and implementation of activities as much as possible.
- It helps the NFC to improve its effectiveness by continuously assessing its own progress and periodically evaluating the results. In this way, member can learn from past mistakes and thus increase its self-reliance and strength.

NFC needs to decide following aspects in monitoring and evaluation

- What needs to be monitored?
- Who will monitor the needs?
- What needs to be reviewed and at what intervals, who will do what?
- What will be evaluated, at what level and who will be the one to evaluate?

So in the monitoring chart members need to identify the task from the planning sheet. Then they need to put agreed target and timelines for each task. This will be displayed in the meeting place of the NFC.

In each meeting or at the end of any business cycle, CRP-EP need to update the monitoring chart. Members also mention whether they are happy or unhappy about the results of each planned task, draw a symbol (such as a face) representing their judgement. Discuss problems and constraints they encountered. Based on the discussion, members can make new plans for the next time period on another sheet.

NFC also need to be monitor on their performance as group e.g. attendance and participation at meetings, sharing of responsibilities, financial records, distribution of benefits and progress toward self-reliance. **A half yearly grading** can be done by CLF on regular basis to see the status of NFC functioning (**Annexure-V**). Livelihood subcommittee of the CLF to be engaged to monitor the functionalities, operation, marketing, business of the NFC time to time basis (timeline to be decided by the CLF) along with the assigned CRP-EP. The performance report/status of the NFCs to be shared in the monthly meeting of the CLF by the concerned Livelihood sub-committee and the concerned CRP-EP.

7.1: Monitoring the business

NFC will monitor their businesses performance regularly during their monthly meeting. The monitoring indicators will be drawn from the business plan. The Treasurer of the NFC will need to keep the group informed about the financial performance of the NFC in each meeting. CRP-EP will prepare monthly purchase, sale account and share in the NFC meeting so that members always know how well the business is doing. Each committee will also share their report in the NFC meeting. A basic business monitoring format is proposed to be followed while collecting the information.

7.2: Result framework for NFC

Sl.	Indicator	Desired outcome	Time line
1	Setting of NFC group norms and vetted by the VO/CLF	Written group norms	Within one month after concept seeding with the potential members.
2	Bank account opening of the NFC	Savings account to be opened by the name of NFC	Within 15 days of formation.
3	NFC shall start the input aggregation.	Setting up of input collectivization centre	Within 1 to 1.5 months after formation.
4	Procurement of low scale machineries	NFC shall procure the machineries as per the approved business plan	Within 2 months after formation.
5	NFC shall start collective production	Setting up of common production centre	Within 3 months after formation.
6	Maintenance of BoR	NFC should start maintaining of BoR	Within 1 months after formation.
7	Achieving of break even point	NFC must attain the breakeven point through sale/revenue per month	Within 24 months after formation of NFC.

7.3: Business performance monitoring chart

Performance area	Target	Achievement	Remarks
Capital mobilization			
Sale of produce/Input			
Stock			
Profit			

Role of SMMU/DMMU/BMMU in promotion of and strengthening of NFC

SMMU	DMMU	BMMU
<ul style="list-style-type: none"> • Provide immediate basic guidelines through DMMUs. • Financial support, provide timely training to the staffs, convergence at state level and stake holders, MoU, data and report collection from DMMU • Check & confirm up-dation of profiles of NFCs formed. • Keep record of number of NFCs formed in the state. • Monitor number of NFCs formed under the CLF. • State level staff to visit at least 30% of the NFCs in a FY. • Any issue at block regarding NFC should be taken into consideration and find immediate solution of it. • Provide exposure to NFC (flow of markets, different market channels etc.) • Assist the DMMU/BMMU team in market study. • Financial support for infra development. 	<ul style="list-style-type: none"> • Timely sharing of guidelines/information regarding NFC. • Perform monthly review on development of NFCs of every block. • Monitor utilization of funds. • Organize training to block staffs on NFC, if require. • Report the monthly progress data of NFCs to SMMU. • Field inspection periodically, convergence with line department at district level • Detailed market study and market linkage district wise. • Share working of NFCs of one block to other so that blocks under one DMMU can learn and progress from each other. • Support and guide BMMU in carrying out their tasks easily and smoothly. • Analysis of infra gap and fund proposal. • Infra design and estimation. 	<ul style="list-style-type: none"> • Facilitation and mobilization/formation of NFC. • Market study at block level • Regular follow up with the help of CRP and LH subcommittee. • Ensuring convergence at Block level • Imparting training & capacity building. • Keep record of number of NFC promoted in the block (NFC profiling, data collection & update in online module). • Monitoring whether NFC has prepared business plan & submitted to VO/CLF. • Keep eyes on whether NFC receive fund from CLF. • Monitor volume & value of business for a FY. • Follow up & update every development in NFC/MPR in monthly basis. • Work as a team for the success of NFCs • Help in accountability of NFCs • Documentation of success stories

Section-8: Convergence and Partnership




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The Nonfarm Collectives do require technical and managerial expertise to carry on their requisite work, including forward-backwards linkages, quality control, value addition, market linkage etc. to make their business operation sustainable and more profitable. An inclusive yet affable ecosystem is required for any Nonfarm Collectives to develop and nurture, because they have to deal with issues starting from farm till far-away markets. This ecosystem must comprise of various services like credit, support for agriculture inputs, storage, transportation and other agricultural production services required by the small and marginal producers. The Nonfarm Collectives need support services related to facilitating linkage with the banks and line departments for ensuring the infrastructure access for the business.

Convergence with the schemes/programs of other Ministries / Departments to leverage support is key to support the Nonfarm Collectives on various aspects. Looking at the prospect convergence opportunities may be explored and support may be leveraged from the scheme/program like Article 275 and Van Dhan Vikas Kendra of Ministry of Tribal Affairs, establishment of community assets from MGNREGA of the Ministry of Rural Development, training support from RSETI/KVK/TRIFED, PM Formalisation of Micro Enterprise of MoFPI, Agri Infrastructure Fund of Ministry of Agriculture etc. Further, any State-run program/scheme compatible for the activities of the Non-farm Collectives (NFC)s may also be leveraged.

Section – 9: Graduation of Non-farm Collectives (NFC) as a formal entity


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Non-farm Collectives (NFC) based on their business plan requirements and increase in membership over a period of time may need to be registered into a legal entity say Cooperative, Producer Company, Producer Enterprise, LLP etc. Non-farm Collectives (NFC)s should endeavour for this after a 2 – 3 years of operation. This may be assessed based on its

- Business performance.
- Member strength
- Articulated plan to move forward for registration as a Legal Entity (Cooperative, LLP etc.).

Consultation with legal experts may be planned to get a comparison of various legal forms. The comparison may be shared with NFCs to elicit their choice and take a well-informed decision to either go /not go for registration as a legal entity. If the NFC have already done business for minimum of two years with significant volume of business & business processes are adopted then it may be considered to be promoted as Producer Enterprise or Producer Company.

Annexure-I

Understanding the local livelihood context and mapping

A. Production/manufacturing data and Clusterization of village (Para/ Hamlets/ habitation)

Name of the Commodity/ product	No of village, para, habitation involved	No of producers	Peak production/ business period (Months)	Approx. Production (quantity)	Approx. Surplus estimation (quantity)

B. Production constraints and challenges (write up 500 words):

C. Markets details where presently SHG members/ Artisans sell their produces and their location, distance from Block head quarter/villages

Sl.	Type of market (Retail/wholesale/mandi)	No of available market ((Retail/wholesale/mandi)	Distance from Block H.Q (Km)	Villages/Para/ Hamlets which access this market

D. Price trend analysis of shortlisted commodities (Tick the pick business cycle when the sell price is high)

Product name	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec

E. Price Gap analysis for input/raw material

Input details	Purchase price at village	Wholesale/bulk rate of purchasing

E. Price Gap analysis for output/ final products

Finished product details	Selling price at village	Wholesale/bulk rate

Annexure-II

Ascertaining the scoping or feasibility at village level (Step-1)

Inputs:

Sl. No	Products/ produced	Input details	No months in terms of availability	No of location at the local level where the raw materials is available	Volume of availability (Unit/ Kg/ Lit./ Nos.)	Input/ Raw material requirement in (Unit/ Kg/ Lit./ Nos.)

Output:

Sl. No	Products/ produced	Peak production period	No of producers	Total production (Unit/ Kg/ Lit./ Nos.)

Tentative business plan:

Items -1: Required Capital expenditure Details:


Sl.	Particular/ Asset details	Rate	Unit	Total	Remarks

Item-2: Working capital details:

Sl.	Particular/ Asset details	Rate	Unit	Total	Remarks

Item-3:

Monthly sale value projection/ analysis:


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Item-4:

Cost benefit analysis (1 month)

Sl.	Particular/ Fixed cost details/ recurring expenditure details	Rate/ month	Unit/ Months/	Nos/ Times	Total amt./ month	Remarks
	Expenditure head-1					
	Expenditure head-2					
	Expenditure head-3					
	Subtotal: Tentative recurring expenditure per month					
	Estimated Sale per month					
	Net profit per month					
	Break Even Period (<i>Capital investment amount ÷ Net profit × 12 months</i>)					

Item-5:

Proposed source of fund:

Total projected budget of the NFC	Rs. xxxxx.xx
Fund from NCF budget	Rs. xxxxx.xx
Fund from bank credit	Rs. xxxxx.xx
Own contribution (investment)	Rs. xxxxx.xx
Convergence	Rs. xxxxx.xx
CSR	Rs. xxxxx.xx
Other source	Rs. xxxxx.xx

Annexure-III

Model resolution on Nonfarm Collectives formation:

Today,day atPM/AM all the producers/ manufacturer of (name of the activities/commodities) organized a general meeting. In the general meeting the all producers/ manufacturer felt need of forming a Nonfarm Collectives in the village to improve the livelihood of the producers/ manufacturer engage in the activities. After a detail discussion all the producers/ manufacturer present in the meeting decided to form a Nonfarm Collectives in the village. And the general body decided the following for the NCF.

Name of the Nonfarm Collectives:

Address of the Nonfarm Collectives:

Objectives of the Nonfarm Collectives:

- (a)
- (b)
- (c)

Selection and appointment office bearers

Sl. No.	Name	Designation
		President
		Secretary
		Treasurer

Norms for membership:

- (a) Must be a SHG member.
- (b) Should be primary producers
- (c) A member shall belong to the same village or adjoining villages producing similar products.
- (d) A member shall be required to abide by the rules and regulations of the NFC.
- (e) A member shall be ready to pay annual or regular contribution as per the group decision.
- (f) She is not a member of any other NFC

Other Norms

- a. Meeting Norms of NFC : Meeting will take place once in every month. The date and time of meeting isdate of every month onAM/PM atvenue.
- b. But there may be multiple number of meeting as per the need, particularly during the harvesting season to take decision on collection mechanism, exploring markets, setting price etc.

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- c. Quorum: In meeting quorum is minimum presence of 2/3rd members.
- d. Decision making process: Decision will be taken on the basis of consensus of all the NFC members. If consensus cannot be build then the decision will taken by majority voting basis.

Membership Fees:

Each member should contributeas annual membership fee, which is not refundable

Bank account opening:

To manage the fund of the NFC in a transparent and effective way the NFC will open a saving bank account of the NFC at bank. The three office bearer will be joint signatory of the saving bank account.

We the recent undersigned members of Nonfarm collectives established onhave read, understood and accepted the rules and regulations of the Nonfarm collectives.

Sl. No.	Name	Address	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Certified to be a true copy of the Rules and Regulations of the Nonfarm Collectives.

Date :

Seal of the Collectives

Signature & Stamp of President & Secretary

Annexure-IV

A: Cash book:

RECEIPT						PAYMENT					
Date	From whom Recd & Purpose /chq. No	Receipt No.	Ledger page No	Cash (INR)	Bank (INR)	Date	To whom paid & Purpose /Chq No.	Voucher. No.	Ledger page No	Cash (INR)	Bank (INR)
Opening Balance											
Total Receipts						Total Payments					
Grand Total						Closing Balance					
						Grand Total					

B: Raw Material Consumption Register

Date	Particular	Purchased receipt no	Details of the raw materials/ Input details				
			Item-1	Item-2	Item-3	Item-4	Item-5
	Closing stock of raw materials						

Example:

Date	Particular	Purchased receipt no	Details of the raw materials/ Input consumption details				
			Broom Flower	Nails	Plastic binding wire	Plastic Cap	Glue
4/7/2023	Input purchased	Ref. receipt No-01	100 Kg	5 Kg	2 bundles	120 nos.	10 nos. tubes
10/7/2023	Input Consumed	-	20 Kg	500 Gram.	1 bundle	20 nos.	2 nos. tubes
	Closing stock of raw materials as on 10/7/2023	-	80 Kg	4.5 Kg	1 bundle	100 nos.	8 nos. tubes

C: Collection/Payment register

Supplier Name:.....

Date of collection	Name of Product/ Input/ Raw Material	Collection Receipt No	Quantity (Kg)	Rate/Kg	Amount	Date of payment	Mode of payment

(TUHIN MITRA)
PM (LH-NON FARM)
TRLM, R.D. Deptt. Tripura.

Sandip dinda

D: Collection slip

.....Nonfarm collective
Address.....

Collection receipt

Receipt No..... Date.....
Name of Farmer
Mobile No.....

Sl. No	Commodity/code	Grade	Quantity (Kg)	No of Bag

Signature of collection agent/ CRP-EP

Signature of Supplier

E: Finished goods stock and Sale Register

Date	Particular	Sale receipt no.	Produced Finished Products Details			Sale value (Rs.)
			Product name-1	Product name-2	Product name-3	
	Closing finished stock					

Example:

Date	Particular	Sale receipt no.	Produced Finished Products Details			Sale value (Rs.)
			Broom Normal	Broom with Bamboo Stick	Refill Broom Stick	
4/7/2023	Total production	-	20 nos.	30 nos.	25 nos.	10,000.00
7/7/2023	Sale	Ref. receipt no-01	5 nos.	20 nos.	15 nos.	6,000.00
10/7/2023	Sale	Ref. receipt no-02	5 nos.	5 nos.	7 nos.	3,000.00
Closing finished stock as on 10/7/2023			10 nos.	5 nos.	3 nos.	1,000.00

F: Asset ledger

Sr.	Name of Asset	Date of purchase	Value of Asset (Rupees)	Remarks
1	2	3	4	5

G: Stock ledger (Index Page)

Sl. No	Name of Item	Page Nos.

Stock ledger (Stock inflow/outflow)

Date of purchase	Bill No	Supplier	Quantity purchased	Unit price	Total Price	Date of issue/sale	Receipt No	Description of item

(TUHIN MITRA)
PM (LH-NON FARM)
T. R. D. Deptt. Tripura.

Sanjib Sinha

Annexure-V

Nonfarm Collectives Grading Sheet (Half Yearly)

Sl. No	Indicator	Max. Marks	Formula	Marks Obtained
1	Regularity of meetings	10	As per the schedule in meeting settings, (total Number of meetings held during the period) / (Total meetings to be held during the period) * 100	Meetings regularity %age * 0.01
2	Regularity of Members attendance	10	(Total Number of Members attended meetings during the period) / (Total No. of Members in SHG * No. of meetings held during the period) * 100	Member Attendance Regularity %age * 0.01
3	Regularity of savings	10	(Total compulsory savings deposited during the period) / (Total savings amount required to be deposited during the period) * 100	Savings Regularity %age * 0.01
4	Principal Repayment by NFC (Working Capital Fund)	20	(Total Principal Amount collected - total prepayments towards loan repayment of all loans) / (Total Principal Demand Amount + part overdue) * 100 for all loans	Principal Repayment %age * 0.2
5	Interest Repayment by NFC (Working Capital Fund)	20	(Total Interest Amount collected in the month) / (Total Interest Demand Amount + part overdue during the period) * 100 for all loans	Interest repayment %age * 0.2
6	Updated BoR	10	All books of records are updated: 10 50% books of records are updated: 5 No Update: 0	Marks obtained
7	Sale/ Revenue generation as per the targeted figure	10	100% sale target achieved: 10 50% sale target achieved: 5 30% sale target achieved: 3 Below 30%: 0	Marks obtained
8	Online Transaction System	10	If data updated for the period – 10 marks, if not updated – 0 marks	Marks obtained
Total		100		
80% and above: A GRADE				
60 %to Below 80%: B GRADE				
Below 60%: C GRADE				

Government of Tripura
Tripura Rural Livelihood Mission
State Mission Management Unit, Agartala
Rural Development Department
Email-trlm.smmu@gmail.com

Phone-0381-2976146

F.No. F.1 (17)-RD/ (TRLM)/2020/2176-87

Date: 2.06.2022

To
The District Mission Manager (DM & Collector)
District Mission Management Units
West/Sephijala/Gomati/South/Dhalai/Unakoti/North/Khowai

Subject: **Community Procurement Manual: - Regarding**

Sir,

To promote a uniform approach for procurement of Goods/Services at Cluster Level Federation, Community Procurement Guidelines has been developed, which was also circulated as a part of the CLF Operational Manual. The "Procurement Guidelines" provides the essential information and brief step-by-step procedures for procurement of goods, works and services. This document is also intended to guide the Cluster Level Federation's members who are directly involved in the procurement activities, in understanding the procurement processes.

A copy of the said portion of operational manual is enclosed herewith for ready reference.

Therefore, you are kindly requested to ensure enforcement of "Procurement Guidelines" across all the Cluster Level Federations.

Enclosed:

Community Procurement Guidelines.

Yours faithfully

Vishal Kumar

(Dr. Vishal Kumar, IAS)

Chief Executive Officer

Tripura Rural Livelihood Mission

Copy to:

1. PS to the Principal Secretary RD for information.
2. All BMM for information and for enforcement of the guidelines.
3. All the CLF anchors for necessary information and to follow in spirit.
4. All CLF's Presidents/Secretary for necessary compliance.

১.১ প্রকিউরমেন্ট এবং পলিসি (সামগ্রী ক্রয়ের নীতি)

সমিতি ক্রয় সংক্রান্ত একটি উপকমিটি তৈরি করবেন। উক্ত উপ-কমিটিতে সর্বাধিক ৫ (পাঁচ) জন সদস্য নির্বাচিত / মনোনীত হইবেন। উপ-কমিটির সদস্যগণ সাধারণতঃ প্রতিটি উপ-কমিটি থেকে একজন নির্বাচিত / মনোনীত সদস্য নিয়ে তৈরি হইবে। তবে, প্রয়োজনে উপ-কমিটির সদস্যগণ সাধারণ সভ্যদের মধ্য থেকেও নির্বাচিত / মনোনীত হইবেন। সাধারণ পরিষদের প্রতিনিধি, কার্যনির্বাহ কমিটির ও সাধারণ পরিষদ এর সদস্য কে উপ-কমিটির জন্য মনোনীত করবে যা সাধারণ পরিষদের অনুমোদন সাপেক্ষ।

সমিতি মূলত তিনটি উপায়ে সামগ্রী ক্রয় করতে পারে

- ১। ক্ষুদ্র ক্রয়
- ২। স্থানীয় কেনাকাটা
- ৩। টেন্ডার

১.১.১ ক্ষুদ্র ক্রয়

সামগ্রীর নাম	ক্রয়ের সর্বাধিক সীমা	প্রযোজ্য শর্তাবলী এবং প্রক্রিয়ার পদক্ষেপ
অফিসের স্টেশনারি, সাধারণ পণ্য ইত্যাদি	১০০০০ টাকা	সমিতির ম্যানেজার একটি সামগ্রী ক্রয়ের স্লিপ তৈরি করবেন সামগ্রী ক্রয়ের স্লিপ সমিতির কার্যনির্বাহ কমিটির সভায় অনুমোদন হবে। স্টেশনারি, পণ্যদ্রব্য এবং পণ্য ও মেরামতের জন্য বা সাধারণ আইটেমগুলির জন্য, পুনর্নির্মাণ কোন দরপত্র / কোটেশনস প্রয়োজন হবে না। একটি প্রতিযোগিতামূলক প্রক্রিয়া অনুসরণ করার জন্য কোন প্রয়োজন নেই। এই পদ্ধতি ব্যবহার করে বার্ষিক বাজেটের ৫% সর্বোচ্চ সিলিং ব্যয় করা যেতে পারে।

১.১.২ স্থানীয় কেনাকাটা

সামগ্রীর নাম	ক্রয়ের সর্বাধিক সীমা	প্রযোজ্য শর্তাবলী এবং প্রক্রিয়ার পদক্ষেপ
পণ্য, সরঞ্জাম, কাঁচামাল, নির্মাণ কাজ, উদ্ভিদ এবং যন্ত্রপাতি, চেয়ার, টেবিল, ইলেক্ট্রিক সরঞ্জাম, আলমারি, কম্পিউটার, প্রিন্টার ইত্যাদি।	১,০০,০০০ টাকা	১। সমিতির ম্যানেজার একটি সামগ্রী ক্রয়ের স্লিপ তৈরি করবেন সামগ্রী ক্রয়ের স্লিপ সমিতির কার্যনির্বাহ কমিটির সভায় অনুমোদন হবে। ২। কোটেশন এর জন্য একটি অনুরোধ ইস্যু করা, এটি সমিতির নোটিশ বোর্ডে পোস্ট করা হবে স্থানীয় সমস্ত সরবরাহকারীকে জানানো হবে। ৩। কোটেশন জমা দেওয়ার জন্য ৭ দিন সময় দেওয়া হবে কোটেশন লিখিতভাবে গ্রহণ করা হবে

	<p>তবে ৪-১০ সংস্থা ভাল প্রতিক্রিয়া এবং আরো প্রতিযোগিতামূলক হার নিশ্চিত করবে)</p> <p>৬। অনুমোদনের উপর ভিত্তি করে আমন্ত্রণপত্র জারি করা, অফার জমা দেওয়ার জন্য ১৪ দিন সময় দেওয়া হবে</p> <p>৭। নির্বাচন প্রক্রিয়া শুধুমাত্র কমপক্ষে ৩ টি দরপত্র প্রাপ্তির পরেই সম্পন্ন হবে।</p> <p>৮। দরখাস্ত/দরপত্র প্রতিনিধিদের উপস্থিতিতে নির্ধারিত তারিখ ও সময়ে ক্রয় সংক্রান্ত উপ-কমিটির সামনে খোলা হবে।</p> <p>৯। সবথেকে কম কোটেশনকারী কে চূড়ান্ত করন করা হবে এবং ক্রয় সংক্রান্ত উপ-কমিটির অনুমোদন নেওয়া হবে।</p> <p>১০। সরবরাহকৃত আইটেমগুলি, মূল্য, ডেলিভারি তারিখ, পূর্ব / পোস্ট ডেলিভারি পরিদর্শন, ওয়ারেন্টি এবং অন্যান্য প্রয়োজনীয় শর্তাদি সম্পর্কে বিস্তারিত বিবরণ সহ ক্রয় আদেশ প্রদান করা হবে।</p> <p>১১। রাষ্ট্রীয় মালিকানাধীন প্রতিষ্ঠানগুলি, ছোট-বড় উদ্যোগ বা কোনও প্রদত্ত রাজ্য বা বিদেশী দরপত্রের সংস্থার সাথে প্রতিদ্বন্দ্বিতা করার সময় মূল্যের জন্য বা অন্য কোনও শর্তের জন্য কোনও বিশেষ অগ্রাধিকার দেওয়া হবে না।</p> <p>১২। সামগ্রী ক্রয়ের পর ক্রয় সংক্রান্ত উপ-কমিটি সামগ্রীর গুণাবলি যাচাই করবেন</p> <p>১৩। ক্রয় সংক্রান্ত উপ-কমিটির সুপারিশ পেলেই সরবরাহকারীকে পেমেন্ট করা হবে।</p>
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১.২ স্থায়ী সম্পদ ব্যবস্থাপনা

সমিতি কম্পিউটার (ডেস্কটপ এবং ল্যাপটপ), প্রিন্টার, স্ক্যানার, ট্যাবলেট, মোবাইল, টেলিভিশন, প্রজেক্টর, ক্যামেরা, হ্যান্ডিকাম, টেবিল, চেয়ার, প্রভৃতি সম্পদ থাকতে পারে। সম্পদের তালিকাটি সম্পত্তির নিবন্ধন সম্পর্কিত সমস্ত সম্পর্কিত নথি (নগদ মেমো, ওয়ারেন্টি কার্ড, এএমসি) পাশাপাশি সঠিকভাবে রক্ষণাবেক্ষণ করতে হবে।

কার্যনির্বাহ কমিটির সভায় কোনো ধরনের সম্পত্তির / সম্পত্তির ক্রয় সম্পর্কে সিদ্ধান্ত নেওয়া হলে, অ্যাকাউন্টেন্ট / কোষাধ্যক্ষকে ক্রয়ের জন্য তিনটি কোটেশন আমন্ত্রণ জানাতে এবং ক্রয় সংক্রান্ত উপ-কমিটির সভায় এটির তুলনামূলক বিশ্লেষণ উপস্থাপন করতে হবে। যে সরবরাহকারীর কাছ থেকে ক্রয় করা হবে সে সম্পর্কে সিদ্ধান্তটি সংক্রান্ত উপ-কমিটির সভায় নেওয়া উচিত। ১০০০০ টাকার উপরে কোনও সম্পদের ক্রয়ের জন্য তিনটি কোটেশন প্রয়োজন

সমস্ত সম্পদ সমিতির নামে কেনা হবে। সম্পদ ক্রয়ের ক্ষেত্রে সমস্ত কর দেওয়া উচিত এবং সম্পত্তির স্থানান্তর নিশ্চিত করতে আইনি সম্মতি নেওয়া হবে। বার্ষিক কাজ এবং আর্থিক পরিকল্পনাতে সম্পত্তির রক্ষণাবেক্ষণের জন্য বরাদ্দকৃত পৃথক তহবিল থাকা উচিত।

১.৩ সম্পদ এবং স্টক রেজিস্ট্রারের আপডেট

সমিতির প্রতিদিনের কার্যক্রমের জন্য প্রয়োজনীয় সম্পদ এবং স্টক সম্পদ এবং স্টক রেজিস্ট্রারের মধ্যে এন্ট্রি করতে হবে এবং নিয়মিত আপডেট করা উচিত। সমস্ত প্রাপ্তি ও প্রদান রসিদ এবং নথি সঠিক নথি (বিল, অনুমোদিত অনুরোধ স্লিপ) সঙ্গে যোগ করতে হবে। আইটেম প্যাক আকার, ওজন এবং অন্যান্য পরিমাপ সূচক উপর ভিত্তি করে সঠিকভাবে শ্রেণীবদ্ধ করা উচিত। সমস্ত স্থায়ী সম্পদ কে একটি নির্দিষ্ট নাম্বার দিতে হবে এবং সম্পদ এবং স্টক রেজিস্ট্রারের এন্ট্রি করতে হবে।

১.৪ সম্পদ যাচাই

সমস্ত স্টক সামগ্রী শারীরিকভাবে যাচাই করা হয়, যেকোনো সম্পদ, মাসে অন্তত একবার ক্রয় সংক্রান্ত উপ-কমিটি দ্বারা বার্ষিক ভিত্তিতে যাচাই করা হবে। কোনও বৈষম্য যদি লক্ষ্য করা যায় তবে তা প্রথমেই কার্যনির্বাহ কমিটির সভায় উত্থাপন করা হবে।

১.৫ সম্পদ তহাবধান

নিরাপদ স্থানে সুবিধা এবং সরঞ্জাম সহ সম্পদের বজায় রাখা গুরুত্বপূর্ণ।

সময়মত পরিদর্শন, নিয়মিত এবং প্রতিরোধমূলক রক্ষণাবেক্ষণ, সময়মত মেরামত এবং প্রয়োজনীয় সম্পদগুলি প্রতিস্থাপন করা উচিত।

কম্পিউটার, প্রিন্টার ও অন্যান্য ইলেক্ট্রিক সামগ্রী রক্ষণাবেক্ষণের জন্য কার্যনির্বাহ কমিটির বার্ষিক রক্ষণাবেক্ষণ চুক্তি মাধ্যমে একটি সংস্থা নিয়োগ করতে পারেন।

১.৬ সম্পদের মূল্য হ্রাস

সমস্ত স্থায়ী সম্পদের সময়ের পরিপেক্ষিতে মূল্য হ্রাস হয়। তাই প্রতি বছর সম্পদের মূল্য (ভূমি বাদে) হ্রাস নির্দিষ্ট করতে হয় যা আয়করের নিয়ম অনুসারে নির্ধারিত হয়। সমিতি প্রতি বছর সম্পদের মূল্য হ্রাস নিম্নলিখিত ভাবে স্থির হবে।

সামগ্রী	মূল্য হ্রাস
বিল্ডিং	৫%
ফার্নিচার	১০%
কম্পিউটার , প্রিন্টার	৩০%
মোটর সাইকেল	১৫%
ক্যামেরা	২০%
টেলিভিশন, প্রোজেক্টর	১৫%