

File No-J-11060 /108/2017-RL- Part (1) (369316)

Government of India
Ministry of rural Development
Department of rural Development

7th Floor, NDCC-II building
Jai Singh Road New Delhi-01
Dated: 21st March,2023

To,

The State Mission Directors/ Chief Executive Officers,
All States/ UTs.

Subject – Revised advisory on Model CLF initiative under DAY-NRLM.

Ref: This office letter no. J-11060/108/2017- RL- Part (1) dated 30th April 2020.

Sir/ Madam,

Based on the learning from the field the Advisory on Model CLF initiative under DAY-NRLM is revised by NMMU. You are requested to ensure that Mission staffs at all level are orientated on the revised advisory and the Model CLF interventions are implemented in the field accordingly.

It is also to be informed that, all the CLFs are to be developed as per model CLF strategy by end of FY2025-26, thus you are requested to provide the phase wise plan as per the following format within 31st March'23 to juinrlm.2021@gmail.com and sijin.nrnc@gmail.com

No. of CLF formed as on March'23	No. of total CLFs to be formed in the States/ UTs	No. of MCLF on March'23	No. of additional MCLF to be taken during FY2023-24	No. of additional MCLF to be taken during FY2024-25	No. of additional MCLF to be taken during FY2025-26

Yours faithfully



(Nita Kejrewal)

Joint secretary to Govt. of India

Enclosure:

- Revised advisory on Model CLF initiative under DAY-NRLM

Copy to:

- The PS to AS (RL), MoRD.
- The Director, RL
- The Dy. Director, NRSPL
- All SPMs, all States/ UTs.

Advisory on Development of Model SHG Federations

1. Rationale

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) is a centrally sponsored programme that aims at eliminating rural poverty through promotion and strengthening of member-owned, member-managed, member-controlled and financially sustainable SHGs and their federations and promotion of multiple livelihoods for each rural poor household. The experiences of some of the matured States have proved that, the SHG federations are very effective in addressing the multi-dimensional issues of poverty and enhancing the income and quality of life of poor on a sustainable basis. Promotion of effective and efficient governance, financial and human resource management systems is the key in development of self-managed and financially sustainable institutions.

As part of the Institution Building component, DAY-NRLM has promoted 4.76 Lakh Primary Level Federations (PLFs) / Village Organisations (VOs) and 31,070 Secondary Level Federations (SLFs)/Cluster Level Federations (CLFs) across the country. The existing VOs/PLFs and CLFs/SLFs are at different stages of development and their performance varies from block to block and state to state.

During the implementation of mission activities, the Resource Block strategy was found very effective in enhancing the understanding levels of SRLMs staff on various processes and activities that are involved in the Social mobilization, formation and strengthening of SHGs and augmenting institution building process in other blocks. On the similar lines of the Resource block strategy, in consultation with SRLMs, MoRD has prepared the Model CLF Strategy for developing selected CLFs as **self-managed, self-reliant and financially sustainable model SHG Federations in a** phased manner and issued an advisory on 30th April 2020 vide letter no. J-11060/108/2017-RL- Part (1). The SRLMs are expected to utilize these CLFs as demonstration and training sites for replicating the best practices in other blocks.

Different States are following different models of institutional structures. Thus, the higher level institution/ federation which is the custodian of CIF and on-lending loans to member organisations needs to be considered for as an institution/ federation for development of model CLF strategy.

2. Geography Coverage:

All existing CLFs need to be strengthened as per Model CLF strategy latest by FY 2025-26 in a phased manner.

From FY 2023-24 onwards, SRLMs need to promote all new CLFs as per model CLF strategy since inception. (Refer Guidance note for SRLMs for promoting & nurturing of Cluster Level Federations (CLF) issued vide letter no. J-11060/108/2017-RL – Part (1) (369316) dated 20th December 2022.)

3. Objectives of Model CLF strategy:

- a. To develop SHG Federations as member-owned, member-managed, member-controlled and financially sustainable institutions
- b. To develop SHG federations working towards improving economic capabilities of rural women through intensifying and expanding their existing livelihoods, bringing in new farm, non-farm and other economic opportunities
- c. To develop SHG federations as more inclusive and responsive organisations in addressing social development issues viz., health, nutrition, sanitation, gender, social inclusion and access to entitlements and providing support to members in enhancing their quality of life
- d. To develop SHG Federations as demonstration sites/training center's for replication of the model in the remaining blocks
- e. To develop skilled social capital for nurturing and building the capacities of the SHG federations in the remaining blocks, in the similar lines of Resource block strategy

4. Expected Out comes:

- a. All Model CLFs will become self-managed and operationally viable organisations
- b. All Model CLFs shall demonstrate standard systems for planning, execution, service-delivery, finance and administration.
- c. All 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 leadership positions and provision of all benefits and services.
- d. All Model CLFs will have PAR<5%(>30days)
- e. All Model CLFs will have legal identity and fulfill statutory requirements regularly
- f. All Model CLFs will have their own staff and cadres to support CLF in deliver in the services effectively.
- g. Higher order social capital will be developed @10members per Model CLF
- h. A pool of resource persons viz., SRPs (@1per 3 model CLFs) 30-50 state level senior CRPs (from the model CLFs identified till date) per state will be available for replication of model CLF strategy in the states (Refer advisory on State Resource Persons, Community Spearhead team, Senior CRP for VOs, Senior CRP for CLF formation under Model CLF issued vide letter no. J-11060/108/2017-RL (358841) dated 9th August 2021.)
- i. All the mission staff involved in Model CLF strategy will be trained on facilitation skills, group processes, federation structure, VO/PLF and CLF/SLF Standard Operational Procedures(SOPs)

- j. All SHGs under MCLF should be mapped in bank for doing their transactions at Business Correspondent / CSP points available at Gram Panchayat Level and also encouraged to do all transactions recorded in formal banking system.
- k. All MCLF should have at least one Saksham Centre in their office as one stop solution for all financial Inclusion need for all SHGs under MCLF.
- l. All Model CLFs supporting universalization of livelihood activities for all members through a repertoire of activities – farm, non-farm, skilling, employment, asset creation by convergence with government programs - leading to enhanced incomes
- m. 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, Gender, Social Inclusion, Convergence etc.
- n. All model CLFs will act as demonstration sites/training center's for replication of learnings in the remaining blocks

5. Strategies:

a. Institutional strengthening:

- i. Developing Vision and preparation of Financial projections, Business development plan and Annual Action plans for CLFs
- ii. Registration and strengthening of governance systems in CLFs/SLFs
- iii. Establishment of capacity building, mentoring and nurturing Architecture
- iv. Development of HR systems in CBOs, recruitment, deployment and monitoring of all community cadres/service providers of all components
- v. Development of institutional performance monitoring systems
- vi. Development of on-line and off-line applications for accounting and MIS systems
- vii. Development of internal, external audit systems and internal control mechanisms for the CLFs
- viii. Provision of Viability Gap funding
- ix. Rating of CLFs

b. Financial intermediation and inclusion:

- i. Development of community financial management systems and lending mechanisms (including financing PGs and Non-farm Enterprises)
- ii. Imparting Financial literacy to SHG members and CBOs and bringing the digital platform for performing financial transactions

c. Livelihood enhancement activities:

- i. Developing Vision and Preparation of Livelihoods plans for CLFs
- ii. Developing Vision and Preparation of business plan for economic viability of CLFs
- iii. Developing Vision and Preparation of business plan for economic viability of livelihood institutions of CLFs such as PGs, PEs and FPOs

d. Social inclusion and social development activities:

- i. Mainstreaming of Social Inclusion, Gender, FNHW and PRI-CBO, convergence interventions
- ii. Partnership with Civil society organisations, Resource Organisations and various other Government line departments for long-term development of CBOs

6. Activities:

a. Preparatory activities:

The following activities have to be completed by SRLM before initiating model CLF implementation:

- i. Positioning of dedicated professionals for Social mobilization, Institution building and capacity building, social development and Livelihoods at state and concerned districts and blocks as per DAY-NRLM advisory.
- ii. Dedicating one senior officer at state, district and block level for monitoring the implementation of Model CLF strategy regularly. SMMU needs to share the list of nodal persons for model CLF strategy implementation with NMMU officially.
- iii. Recruitment , capacitating and placement of dedicated quality HR as per HR Advisory at state and block level (Senior Technical expert – SMF & Gender, Technical Expert-Model CLF Development, Technical Expert-Capacity building, Young professionals for IBCBSI&SD and Young Professional at block level @ 1YP in each Model CLF block in NRETP areas)
- iv. Develop State/block Resource Persons (external professionals) and Community Spearhead Team Policy and get approval from the competent authority. (Refer advisory on State Resource Persons, Community Spearhead team, Senior CRP for VOs, Senior CRP for CLF formation under Model CLF issued vide letter no. J-11060/108/2017-RL (358841) dated 9th August 2021.)
- v. Keeping the financial sustainability of CLFs in view, develop Community Cadre Policy and get approval from the competent authority

- vi. Completion of CLF Assessment as per the standard format shared by NMMU
- vii. Identification of SRPs for Model CLFs Initiative and their orientation followed by deployment

b. Selection of CLFs:

- i. Selection of CLFs to be developed as model CLFs based on the following criteria:

Mandatory Criteria:

- I. Age of CLF should be minimum 6 Months (Not applicable if CLF has been promoted as part of model CLF strategy)
- II. CLF should have functional bank account (Not applicable if CLF will be formed as part of model CLF strategy)
- III. At least 60% of eligible target HHs mobilized into SHGs (automatically included HHs and Households with one deprivation as per SECC data)
- IV. At least 50% of SC/ST HHs covered under SHG fold
- V. At least 60% SHGs are in A or B Grade
- VI. Disbursement of RF to at least 50% of eligible SHGs and CIF to at least 40% eligible SHGs
- VII. CIF repayment mechanism(member to SHG , SHG to VO and VO to CLF) in place
- VIII. CLF should have completed basic CLF management and accounting training
- IX. Pool of committed Community Cadres trained and deployed
- X. At least 60% of VOs formed and working actively as per following criteria:
 - 80% of eligible SHGs having membership in VOs
 - Completion of training on VO concept and management including book keeping
 - Presence of VO Book Keeper
 - Regularity of meetings should be 70% or more in the last 6 months
 - Regularity of attendance should be 70% or more in last 6 months
 - Having a savings bank account
 - Rotation of Fund-CIF disbursement and repayment systems in place

- Up-to-date and accurate maintenance of books of records
- Pool of committed Community Cadres trained and deployed

Desirable Criteria:

- I. Priority to be given to the CLFs identified for implementation of Digital Finance, promotion of PG/PC, Non-farm/Entrepreneurship development, Social inclusion, Gender, FNHW and PRI-CBO Convergence
- II. Mapping of CLFs having special interventions (FI,LH-Farm, LH-Nonfarm ,SI, FNHW , Gender and PRI-CBO convergence) under NRETP/NRLM

c. Kick Starting of Model CLF initiative:

i. Conducting State and CLF Level workshops:

- I. With support of NMMU IB team, a three - four days State level workshop with concerned CEO/SMD & COO/JMD, all thematic SPMs or state level officials, NRP, SRPs, DMMU -IB,SISD, FI, LH, MIS, M&E and HR, concerned BMMU staff has to be conducted for discussing Model CLF strategy and developing an action plan.
- II. SMMU needs to conduct a two to three day workshop with CLF representatives (at least 5 per CLF including OBs, CRPs and CLF staff from proposed Model CLF) in different phases @ 5 CLFs / batch for discussing Model CLF strategy and developing action plan.

ii. Assessment of Model CLFs:

Assessment of CLFs has to be done by NRP, NCRPs and SRPs along with the SRLM staff, EC members and Community Cadres for collecting the base line data and identify the strengths as well as major gaps / areas of improvement. The data has to be captured in the prescribed format and plan to be prepared to address the gaps before initiating Model CLF strategy.

d. Putting Implementation mechanism in place:

- i. Formation of State Level Core Committee under the leadership of CEO with COO and SPMs- IB, SM&CB, SI&SD, FNHW, Gender, FI, LH-Farm, LH-Non Farm and MIS and conducting monthly meetings for ensuring the effective integration among thematic areas and monitoring the progress of "Development of Model CLF Strategy" (Refer advisory on constitution and functioning of Core Committees for Model CLF issued vide letter no. J-11060/108/2017-RL (358841) dated 10th August 2021.)
- ii. Formation of district and block level core committees on the same lines of state level core committee and conducting meetings on a monthly basis, maintain minutes of the meeting and action taken reports. (Refer advisory on

constitution and functioning of Core Committees for Model CLF issued vide letter no. J-11060/108/2017-RL (358841) dated 10th August 2021.)

- iii. Nominating one dedicated staff as nodal person at state, district and block level for implementation and monitoring of model CLF strategy and share the list with NMMU officially
- iv. Development of Community Spearhead Teams (10-15 members) at block level with select active, dynamic and experienced VO/CLF members or ex-leaders and CBO staff for strengthening of SHGs, VOs and act as an advisory body to CLF to guide the continuously in realizing their visions.
- v. Planning for utilization of the services of NRPs and NCRPs
- vi. Identification, training and deployment of State Resource Persons (SRPs) @ 1 SRP for 3-4CLFs to continuously provide facilitation and mentoring support

e. Capacity Building:

- i. Customization of VO/PLF,CLF/SLF SOPs and translation into vernacular languages
- ii. Development of Training infrastructure and resource persons and training CLFs on training center management (At least one Model CLF per district should be developed as CMTC) (Refer Operational Manual on functioning of CMTC under Model CLF issued vide letter no. J-11060/108/2017-RL (358841) dated 21st June 2021.)
- iii. Training SMMU,DMMU and BMMU level staff and SRPs on facilitation skills, group processes, VO and CLF SOPs, SI, Gender, FNHW, PRICBO Convergence, FI ,Farm and non-farm Livelihoods.
- iv. Conducting exposure visits to SMMU, DMMU, BMMU staff, select CLF leaders and CBO staff to matured SHG federations
- v. Conducting Trainings to CLF and VOs Executive Committee, Sub-Committees, Office bearers and Cadres on FM, HR and Governance SOPs with specific separate inputs on leadership, cadre management, thematic area etc.
- vi. Visioning, BDP, AAP and development of financial projections training need to conducted to SRPs and nodal mission staff by NRPs

f. Vision Building:

- i. Conducting CLF wise Vision building exercise, thematic inputs on dimensions identified in visioning
- ii. Preparation of Vision document with detailed dimension wise indicators and strategies, Annual Action Plan (AAP) and Business Development plans and 3 years financial projections.

g. Governance:

- i. Identification and finalization of suitable Act to register CLFs, Preparation of Bye-laws, registration of CBOs and ensuring statutory compliances including AGM, external audits and filing of returns
- ii. Leadership training to VO/PLF,CLF/SLF Executive Committee members, Office bearers
- iii. Developing a separate pool of Senior CRPs for conducting training to all SHG members, VOs/PLFs and CLFs/SLFs on the Act, Bye-laws, members responsibilities, their rights and entitlements and legal compliances etc.
- iv. Ensuring timely internal audits of CLF/VOs/SHGs, internal control mechanism and Rotation of leadership as per norms /bye law.

h. Services and Fund Management:

- i. Disbursement of infrastructure fund (**applicable only to NRETP blocks**) and Viability Gap fund to CLFs and development of CIF loan products
- ii. Facilitation of bank linkage and insurance interventions.
- iii. SRLM has to take special care to address some of the issues in Model CLF areas like:
 - I. Inclusion of all vulnerable HHs into SHGs
 - II. Disbursement of RF&CIF to eligible SHGs,
 - III.VRP preparation, VRF disbursement and VRF utilization
 - IV. Special initiatives for social mobilization and bringing SHGs under VO etc.
 - V. Higher order livelihood activities

i. Establishment of Systems:

- i. Strengthening of Book keeping, accounting and auditing systems and introduction of LokOS, VO & CLF digital accounting systems
- ii. Loan management systems and Financial Policy of CLF including lending policies, internal control mechanisms etc
- iii. Development of Self-regulatory mechanism, including strengthened CLF & VO level sub- committees performing the role assigned to them, and grading of CLF as well as member VOs & SHGs along with reviewing the status of progress against the AAP & BDP developed.
- iv. Development of CBO staff and community cadre performance management system and HR policy of CLF

- v. Monthly review mechanism conducted by the Core Committee at State / district/ block level
- vi. Quarterly review meetings with SRLMs by NMMU

j. Grading of CLF and its VOS and SHGs

A system of regular self assessment and assessment of the member institutions at every level is to be established. This system will help the CLFs/VOs to keep track of their own health as well as the health of their member institutions. The grading tool recommended by NMMU issued vide letter no. J-11060/20/2020/RL- Part (2) (375485) to be introduced at SHG/VO/ CLF level for self-assessment. The higher level institution may refer the grading sheet to understand the present status of the member institution and take decision on next course of action to improve the performance of its member organizations (eg: SHGs to do self-grading and VOs to ensure verification & timely grading of their members SHGs & take necessary action for improvement of their members SHGs. Similarly, CLFs to ensure the same for their members VOs and SHGs). The Accountant/ book keeper of CLF/VO/ SHGs are to be trained on the grading tool. Grading of VOs/ CLFs is to be conducted at least on quarterly & annual basis based on different parameters. Grading of SHGs is to be conducted on monthly/ quarterly/ annual basis on different parameters.

k. Rating of CLFs:

SRLMs have to develop a system for rating of CLFs on a regular basis. Initially the rating may be done by SRLM staff and it can be transferred to Community Auditors at a later stage.

l. Activities to be planned in Model CLF where Digital Finance interventions & Insurance interventions are planned:

To initiate financial inclusion interventions viz., digital transaction through Business Correspondent and provision of insurance services in the select model CLFs, the following activities shall be initiated:

- i. Formation, capacity building and strengthening of Bank linkage committee at VO and CLF level for monitoring the progress of Bank linkages, insurance, pensions, enterprise financing interventions and performance of all Financial inclusion related cadres
- ii. Selection of SHG member as a BC Sakhi through VOs/PLFs and CLFs/SLFs
- iii. Provision of Loan on priority basis to BC Sakhi as per norms for purchase of the required equipment
- iv. Payment of fixed Honorarium by CLF to BC Sakhi till the business becomes profitable or maximum for 1year of initiation of the activity.
- v. Management and monitoring of Financial Inclusion related cadres viz. ,Bank Sakhi /Bima Mithra /BC Sakhi /Financial literacy CRPs

- vi. Training SHG members, SHGs and their federations on financial inclusion interventions, financial literacy including digital transactions
- vii. Facilitating SHGs, VOs and CLFs to do cashless transactions through BC point
- viii. Facilitate all SHG members to enroll under life insurance and regular payment of premium

m. Activities to be planned in Model CLF for Promotion of livelihoods and Livelihood institutions such as PGs:

Producer Groups (PGs) will be formed in some of the Model CLFs areas for livelihoods development of SHG members HHS. CLF will play an important role in areas of provision of loans to PGs, cadre deployment and monitoring, asset maintenance etc. Core Committees formed at different levels within the Mission needs to develop necessary protocols and monitoring indicators and will take the responsibility for integration at grass roots level. The following activities need to be planned in the selected CLF:

- i. Formation, capacity building and strengthening of LH Subcommittee at VOs/PLFs and CLF/SLF level
- ii. Training VO/PLF and CLF/SLF EC on objectives of PG promotion, its roles, activities, economics and cadre management and role of CLF in functioning of PGs
- iii. Management of funds, recovery and asset management specially allocated for PG
- iv. Deployment and management of trained Cadres (Udyog Sakhi, Krishi Sakhi, Pashu Sakhi etc) by CLF
- v. Collection of MPR on regular basis, update the PGs accounts in coordination with BMMU
- vi. Invite OB of PGs/PCs in EC meetings to share their activities and experiences periodically
- vii. Strengthening of Livelihoods committee at VO and CLF level for planning, monitoring the progress of various livelihood interventions, deployment and performance of all livelihood related cadres
- viii. Selection of SHG member as a Krishi / pashu sakhi / Krishi udyog sakhi through VOs/PLFs and CLFs/SLFs
- ix. Promotion of agri-nutri gardens for all the SHG members for providing nutritional security

n. Activities to be planned in Model CLF where Social Inclusion & Gender Interventions will be implemented:

The main role of CLF is to access information on members' rights, entitlements and services, creation of awareness among the members, and then negotiate for the same with the concerned line departments at the grassroots level, community as well as PRIs to address practical and strategic needs of women. The CLFs need to ensure that their members are enabled to access their rights, entitlements and services. State Mission has to negotiate with concerned line departments and create linkages for providing necessary support to the last mile of the CLFs. Interventions will be implemented as per the state operational strategy emerged during integration of these issues in SRLM activities and issues of concern as expressed by the CLFs. Core Committees formed at different levels within the Mission will develop necessary protocols and monitoring indicators and will be responsible for integration at grassroot level.

The following activities need to be planned:

- i. SMMU needs to Scan all the advisories, guidelines, protocols and training materials of all verticals with a social inclusion and gender lens and modify/make changes, if necessary, and share it with model CLFs. SMMU may seek the help of relevant CSOs, Experts, Resource Persons, if necessary.
- ii. Development and finalization of state operational strategy for SI, Gender with measurable indicators and development of resource material, implementation plan with clear role, responsibilities and activities along with review mechanism at CLF, VO and SHG level.
- iii. Facilitate CLFs and VOs in developing their vision on SI and Gender and consolidate the vision documents of all the VOs and CLFs and accordingly align the State Operational Strategy, if not already, with the consolidated vision of all the CBOs
- iv. Additionally, the SMMU shall be able to develop inclusion protocols for different kinds of vulnerable groups like PVTGs, Manual Scavengers, Transgenders, Sex Workers, Young Mothers, Rescued Bonded Laborers, etc. The protocols would include the procedure for the inclusion of these vulnerable groups into the SHG folds with relaxed norms, creating special provisions, processes to ensure their representation in the SHG federations at different levels, planning for their capacity building for different themes, etc.
- v. Effective implementation of SI and Gender interventions as indicated in the state operational strategies.
- vi. Capacity and perspective building of all mission staff, VO/CLF EC, Office Bearers and Social Action committee (SAC) members on Social inclusion and Gender strategies, VRP, VRF and MIS etc.
- vii. Strong perspective building of the CLF as an institution to emerge as a gender responsive entity within the community.
- viii. Conducting exposure visit of mission staff and CLF office bearers, Social

action committee members and CRPs

- ix. Development of institutional mechanisms at SHGs and their federations level- Gender point person (GPP) at SHG level, social action committees at VO and CLF level and Gender Forum at GP & Block level
- x. Development and deployment of Gender CRPs
- xi. Ensure equity in giving leadership positions and provision of benefits and services (schemes, insurance, community funds, credit services including banking services)
- xii. Conducting Vulnerability Reduction Planning Exercise in every VO including mapping of its vulnerable population/Households through participatory exercise and updating the same on regular intervals.
- xiii. Analyzing the VRP and different kinds of vulnerability appeared through the VRP Reports and develop strategy to address different types of vulnerability in comprehensive manner through collective efforts and convergence.
- xiv. Developing a system of tracking the inclusion of all the identified vulnerable population on regular basis.
- xv. Streamlining the system of Demand Generation, Disbursal, utilization, Repayment and augmentation of Vulnerability Reduction Fund
- xvi. Establishment of Gender Resource Centers (GRC) after saturating the CLF area with the institutional mechanism to address gender related issues. Equip the GRCs with effective Case Management System, Monitoring and review mechanism, Record Keeping systems, etc.
- xvii. Create Gender Fund for the sustainability of the GRCs using innovative and participatory ideas.
- xviii. Development of MIS indicators and regular tracking of the progress and shall be able to generate SI and Gender report cards as per the Social Management Framework (SMF).
- xix. Regular review on access to different rights, entitlements and services by the eligible members through convergence with PRIs and line departments (e.g. Health, WCD, Tribal Welfare Department, PDS, Drinking Water and Sanitation) by VOs and CLFs
- xx. Regular review on activities as per operational strategy/implementation plan and activities of community resource persons by VOs and CLFs, maintain minutes and action taken reports
- xxi. SMMU shall facilitate CLF in establishing the system of Grievance Redressal (or Grievance Redressal Mechanism (GRM)) through proper institutionalized mechanisms and procedures and establish the system of transparency and accountability of SHGs and its federations towards the vulnerable families.

- xxii. Establish the system to enforce Prevention of Sexual Harassment of Women at Work Place Act – 2013 (POSH Act 2013) and organize regular training and sensitization of all its members and staff on the Act.

o. Activities to be planned in Model CLF where FNHW Interventions will be implemented:

The main role of CLF is to anchor the planning, execution and monitoring of FNHW plans up to the SHG level. Along with this, CLFs are also expected to present community issues at appropriate forums and negotiate with the relevant departments. The planning will include consolidation of status of members related rights, entitlements and services, creation of awareness among the members, and then as required, negotiate with the concerned line departments, PRIs and community to address practical and strategic needs of women. The CLFs need to ensure that their members are enabled to access their related rights, entitlements and services. Structured support from NRO/NRP/Technical agency and SRPs will be required for ensuring these interventions. A detailed resource material in form of a digital toolkit comprising of standard operating procedures, planning and review formats, IEC material for awareness generation, capacity building of EC and SAC at CLF and VO level etc has been shared with the SRLMs.

State Mission has to create an enabling environment like developing understanding among the line departments regarding the FNHW interventions and issue orders on role clarity of ASHA, Anganwadi worker and FNHW-CRP. If required, negotiate with concerned line departments and create linkages for providing necessary support to the last mile of the CLFs. Explore opportunities of convergence and activate coordination/joint monitoring opportunities. Interventions will be implemented as per the state operational strategy, CLF visioning exercise and issues of concern as expressed by the CLFs. The Core Committees formed at different levels within the Mission will develop/adapt necessary protocols and monitoring indicators and will be responsible for integration at grassroot level.

The following activities need to be planned:

- i. Capacity and perspective building of all mission staff, VO/CLF EC, Office Bearers and Social Action committee (SAC) members on FNHW strategies, interventions and linkage of FNHW with livelihoods.
- ii. Conducting exposure visit of mission staff and CLF office bearers, Social action committee members and CRPs on FNHW interventions.
- iii. Revisit state operational strategy under the latest guidance issued from NMMU on universalization, immersion site development and Visioning 3 module. Develop implementation plan with measurable indicators and clear role, responsibilities at CLF, VO and SHG level.
- iv. Facilitate CLFs and VOs in developing their vision on FNHW and consolidate

the vision documents of all the VOs and CLFs and accordingly align the implementation plan and State Operational Strategy, if required.

- v. SMMU needs to adapt resource material from toolkit shared with the SRLMs as per the state context. SMMU may seek the help of relevant CSOs, Experts, Resource Persons, NRO, NRP if necessary.
- vi. Capacity building of EC/Social Action Committee of CLF and VO to provide supportive supervision to FNHW CRPs and strengthen review mechanism at CLF and VO level and record minutes of the meeting and subsequent action taken report. Encourage data based monitoring at all levels.
- vii. Planning and execution of Food, Nutrition, Health, and WASH related enterprises, nutri-gardens, various awareness and mobilization drives. Coordinate with the concerned CRPs i.e FNHW, Pashu Sakhi, Krishi Sakhi, Gender, CRP EP etc. for a coordinated effort.
- viii. Development of MIS indicators and regular tracking of the progress and shall be able to generate FNHW report cards as per the Social Management Framework (SMF).
- ix. Regular review on access to different rights, entitlements and services by the eligible members through convergence with PRIs and line departments (e.g. Health, WCD, Tribal Welfare Department, PDS, Drinking Water and Sanitation) by VOs and CLFs
- x. Convergence with line departments and active representation of members in relevant active committees e.g. Village Health Sanitation and Nutrition Committee and forums like gram sabha etc./ VPRP/VRP
- xi. Integrate FNHW issues in overall CLF initiatives/processes like VRP, VPRP as required. As per state operational strategy, recognize FNHW CRP/members for any good work under FNHW.

p. Activities to be planned in Model CLF where PRI Convergence interventions will be implemented:

PRI being the local self-government, partnership with PRIs, especially GP is extremely essential for CLFs to ensure that their members are aware and exercise their rights, as well as have access to entitlements and services. SHG federations have been given a clear role in preparation of Gram Panchayat Development Plan (GPDP). Priority has to be given to Village Poverty Reduction Plan prepared and shared by VO in Gram Sabha as part of GPDP preparation. In Model CLF areas, the following activities need to be planned:

- i. Training to CLF and VO OB, EC and Social Action Sub-Committee members on roles and responsibilities of PRIs, particularly GPs in state specific context, areas of convergence with GPs, role of GP and CLF/VO in effective partnership

- ii. Training to GP Elected Representatives and staff on structure and functions of SHG and its federations, roles and responsibilities of SHG federation in local development including GPDP, are as of convergence with GPs and line departments, role of GP and CLF/VO in effective partnership
- iii. Developing a pool of community cadres from among existing IBCB and LHCRPs/ Cadres for facilitating CBOs for on time completion of activities for preparing VPRP and its integration into GPDP.
- iv. Facilitate women and SHG federations to participate actively in Gram Sabhas and GPDP preparation and implementation process. Ensure that the activities identified and planning done at Vulnerability Reduction Plan are incorporated at Village Poverty Reduction Plan.
- v. Incorporation of activities identified by SHG federations as per Village Poverty Reduction Plan in to GPDP and annual plans of line departments
- vi. Active Coordination Committee at GP level and regular meeting of VOs & CLF with GPs and line department representatives for follow up and tracking execution of GPDP demands
- vii. Attendance of SHG/VO representatives in citizens' committees and CLF representatives in GP meetings as invite e members

7. Year Wise Key Performance Indicators for Model CLFs:

The year wise key performance indicators for model CLFs is attached in the annexure - 1. The year wise specific Key performance indicators are to be finalized by CLFs after conducting visioning exercise. The current status and scope of these interventions' needs to be considered while preparing the indicators and the indicators have to be fixed up realistically.

8. Implementation Mechanism:

Building institutions is a very intensive and continuous process. Providing constant facilitation, mentoring and guidance is required for building the capacities of the community institutions and establishing the required systems. To provide these higher order inputs and guidance, the following implementation mechanism has to put in place.

- a. **NMMU level:** The IBCB team of NMMU will anchor the strategy at national level and provide nurturing and mentoring support to states in the implementation of strategy, developing required systems and procedures, guidelines rolling out of SOPs, capacity building and policy advocacy. NMMU IBCB team along with other thematic members will provide necessary support and guidance for integration of Financial inclusion, Livelihoods and Social development activities in model CLFs.
- b. **National Resource Person (NRP)/ Technical Agencies:** 1-2 NRPs with extensive and relevant experience of promoting people's institutions and grooming of professionals and community shall be deployed by NIRD & PR or concerned SRLMs. He/she will devote at least 7-10 days in a month for more than 2 years for supporting SRLMs in customizing SOPs, developing standard training modules,

developing CLF wise Vision document and BDP in all Model CLF and rolling out, capacitating Resource Pool at different levels, creating Social Capital and strengthening IB components in the state. SRLMs can take support of / partner with Technical Agencies for providing strategic, mentoring and training support to the Mission in developing Model CLFs.

- c. **National Community Resource Person (NCRP):** A team NCRPs will be deployed for conducting VO trainings, establishing systems, nurturing community spearhead team, providing mentoring and hand holding support to CLFs during the process of model CLF development.

d. **SRLM level:**

- i. **Formation of Core Committees:** A state level Core Committee will be constituted with CEO, COO, SPMs -IB, SM & CB, SI & SD, Gender, FI, LH MIS, M&E and HR for effective integration among the malic areas, monitoring and development of Model CLF interventions. On the samelines of state level committee, district and block level core committee will be constituted. All these committees will review the progress of CLFs on a monthly basis.
- ii. **Community Spearhead Teams:** A Spearhead Team with selected active, dynamic and experienced VO/CLF members or ex-leaders and CBO staff will be developed for strengthening of SHGs and VOs. This Spearhead team will eventually takeover the responsibility of strengthening of SHGs, VOs and CLFs from the state missions. They will act as an advisory body to CLF and guide them continuously in realizing their visions.
- iii. **State Resource Persons:** Depending on the no. of CLFs planned to be promoted under this initiative, SRPs need to be identified by SRLM, who will be trained and mentored by the concerned NRP and NMMU team. Each SRP would be expected to be responsible for 3-4 CLFs.
- iv. **Dedicated Mission Staff to Model CLFs:** One staff at every level from the mission will be designated to this initiative of promoting model CLF with an objective of strengthening internal capacity of the mission to undertake replication in other federations of the SRLM.
- v. **Dedicated CLF staff:** The project will facilitate CLFs to hire their own staff (@1 CLF Coordinator/manager, 1 Accountant and 1 MIS Assistant / Data Entry Operator per CLF). HR details including job responsibilities of CLF staff needs to be clearly mentioned in the customized SOP and CLF Bye-Laws. CLF can plan for deployment of these staff in a phasedmanner depending on its income, as the expenditure for this purpose will have to bear by the CLF from its own income.

9. Monitoring & Learning Mechanism

- a. Regular VC by the Joint Secretary (RL), MoRD with SRLMs.
- b. NMMU and NRPs / Partner Agencies will conduct regular review, at least on quarterly basis atthe state level with representatives from concerned districts, blocks and

Model CLFs against KPIs.

- c. Process observations and feed back by NRPs/ Partner Agencies and follow up actions by SRLMs
- d. Regular field visit by NMMU and state, district and block level teams
- e. Periodical review at all levels
- f. Monitoring through Functional Sub-Committees at CLF Level
- g. Availing services of Community Monitors
- h. Documentation and case studies by NRPs/ Technical Agencies, SRPs, mission staff and Community Cadres
- i. Dissemination workshops, within and outside state learning visits

The stage-wise expected milestones in a Model CLF is given at Annexure-2.

Year wise key performance indicators for model CLFs

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
1.	Saturation Reaching all targeted HHs into SHGs	% of the targeted HHs mobilized into groups	80	85	90 and Above
2.	Social Inclusion Inclusion of SC/ST leadership roles	% of Vulnerable HH mobilized into SHGs of the total Vulnerable	60	70	80 and Above
		% of SC/ST in the Leadership roles	50	60	60
3	Governance Systems effective governance place at CLF	CLF Registered		Completed	
		AGBM conducted		Conducted	Conducted
		Statutory compliances filed			Fulfilled
		Rotation of leadership		1/3 rd	1/3 rd
		% of attendance in EC Meetings	80%	85%	90%
		Vision document	In Place	Reviewed and make necessary changes	Reviewed and make necessary changes
		AAP, BDP & Financial Planning	In place	In place	In place
4	HR Management	HR Policies in place	In Place	Updated	Updated
		Positioning of staff	50%	100%	100%
		Monthly review of staff	Yes	Yes	Yes
		Annual appraisal of Staff	Yes	Yes	Yes
5	Financial Management	Financial Management Policies in place	In Place	Updated	Updated
		Updated Books of accounts	In place	In place	In place

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
		and records			
		Digitization of BOR of SHG/VO/CLF	In place	In place	In place
		Internal Auditing of SHG/VO/CLF	50%	100%	100%
		Statutory Audit of CLF		100%	100%
6	CIF and loan Management at VO/CLF • Ensure Timely credit To SHGs • Efficient use of Community Investment Funds	Loan management system established	InPlace	InPlace	InPlace
		Lending policies in place	In Place	Updated	Updated
		Idle funds%	<15%	<10%	<5 %
		OTR - SHG-VO	>80%	>90%	>95%
		OTR - VO-CLF	>80%	>90%	>95%
		PAR at CLF (>90days)	<10%	<5%	<5%
		No. of loan products at CLF		>1	>2
7	Sustainability Federations able to Meet the cost of Operations and become independent	OSS- % of operational cost met by CLF	50%	75%	100%
		Velocity of Funds Ratio	1.1.5	1:2	1:3
		Operation Cost Ratio	<15%	<10%	6%
		Debt Equity Ratio		1:50	1:30
8	Quality of SHG/VO Ensure functional and stable groups and VOs	% of SHGs in Grade A	60%	70%	75%
		% of VOs in grade A	70%	80%	85%

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
9	Financial Inclusion Increase reach of Financial services to members-Digital services, Financial literacy and pension products	% of members covered Through BC/BF services	70%	80%	90%
		% of members with Individual Accounts	100%	-	-
		% of coverage of life insurance	70%	80%	90%
		% of coverage of pension services	10%	20%	50%
		% of SHGs having loan outstanding	70%	80%	90%
		% of SHG members doing credit disbursal to members through digital modes	80%	90%	100%
		No. of SHG members supported with individual loans for enterprise	1 member of each SHG	1 member of each SHG	1 member of each SHG
10	Enterprise development Graduate SHG members as entrepreneurs	% of members covered through individual or group enterprise			
		a. Specific scheme awareness	50%	65%	80%
		Enterprise promotion support (Business plan prepared)			
		b. % of members availed loan above Rs. 30,000 for Livelihoods	10%	15%	20%
11	Livelihoods promotion	% of SHG members taken up Agro ecological practices	60%	70 %	85%
		% of SHG members taken up livestock management activities	60%	70%	85%
12	Social development	No. of Gender Based Violence (GBV) Issues			

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
	initiatives and convergence	Resolved*	50%	70%	90%
	CLF implementing activities for social development of members and ensure access to entitlements	% of members having Agri-nutri Gardens	60%	80%	100%
		%of members HH using toilets	80%	90%	100%
		%of members attending Gram Sabhas	(as per the AAP of the CLF)	(as per the AAP of the CLF)	(as per the AAP of the CLF)
		% of eligible members accessed Govt. schemes/entitlement	(as per the AAP of the CLF)	(as per the AAP of the CLF)	(as per the AAP of the CLF)

Note: GVB issues Resolved- The issue is facilitated and addressed by CLF either directly by the CLF or through linkages and escalation to other institutions, service providers, line departments and third party agencies. Resolved would also mean there is proper closure of the case/issue and not left unaddressed or pending. Closure would mean that the beneficiary has either received the support required or is no longer in expressed need of support from the CLF.

Stage-wise Expected Milestones in Model CLF

Age	Expected Milestones/Outputs
By 3 Months	CLF EC and Cadre saw are about Model CLF initiatives
	Election of OB members ,if required as per by-laws
	EC members aware about roles, responsibilities and functions
	Active EC with regular meetings as predefined process protocol, preferably fortnightly / twice in a month-one on issues related to FM and other on non-financial issues (refer SOP on Governance) and at least 80% attendance
	CLF staff (at least one) in place
	CLF's basic norms in place and having approved By-laws
	Bank Account opened, if not yet done
By 6 Months	CLFOB and Staff received input on CLF management
	Sub-Committees for med and having clarity concept, roles & responsibilities and action plan
	CLF Office in place
	Clarity of EC members on CLF management process (fund management, HR management, reporting & monitoring mechanism etc.)
	Properly updated books of records and reporting system (internal & external) in Place
By 12 Months	Functional Sub-Committees (working as per approved Action Plan)
	CLF with Vision document and Annual Plan and BDP
	Completion of SHG Audit & VO Audit
	Quarterly audit of CLF by Internal Auditor (both non-financial & financial) completed <ul style="list-style-type: none"> • 90%EC meetings as per schedule • Approved Bye-Laws in place and EC members are aware about basic norms • Clarity on Roles & responsibilities of OBs and Sub-Committees and action taken as per the decision of OBs • Participation and decision-making process in EC members • Staff performance review in place • Financial management including parameters in place
	Another round of training imparted to EC members and SC members
	Products and services designed and provided to members as per BDP
	Link ages established with others take holders including PRIs and line departments
	Establishment of community monitoring mechanism at CLF and VO level on standard Parameters
	Inclusion of marginalized and vulnerable HHs as per AAP and priorities to be given to those members in all areas(from leader ship to livelihoods promotion)
	Draft AAP for next year in place for AGM approval
By 24 Months	Statutory Audit completed and Audit Compliance Report prepared and shared

Age	Expected Milestones/Outputs
	Annual report prepared and shared
	AGM conducted following all protocols within 28 months
	Registration of CLF
	Social development initiatives <ul style="list-style-type: none"> • Understanding and articulation of local issues & causes • Mobilization of the members around those issues • Taking up specifications for addressing the same • Partnership with GPs
	Started taking initiatives in augmenting members 'livelihoods opportunities
	Replacement of EC membership by new representatives from member VOs as per Legal provision
	Updating the base line and assess the progress against BOP by the CLF members