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Government of India
 Ministry of Rural Development
 Department of Rural Development

7th Floor, NDCC II Building,
 Jai Singh Road, New Delhi – 110001
 Date: 15th April, 2020

To

The SMDs/CEOs,
 All Rural Livelihood Missions of States / UTs.

Sub:

Advisory on formation and functioning of Livelihood Sub-committee of Village Organisation.

Madam / Sir,

I am directed to say that DAY-NRLM has put forward an advisory on formation and functioning of Livelihood Sub-committee of Village Organization (VO). As we know that the VO is the point of integration for all thematic interventions (IB&CB, Livelihoods, FI, FN&HW etc.) at village level with its clear-cut roles in each theme where the CRPs are nested. Thus the Executive Committee of VO forms thematic sub-committees to play respective roles and appraise the EC of VO periodically.

Livelihood sub-committee should be formed as soon as VO is promoted to ensure that the focus on livelihoods is brought in since its beginning and same is pursued at SHG level. Thus the EC of each VO mandatorily has to form a livelihood sub-committee on top priority with members from among the EC members who are active, experienced practicing farmers of agriculture, livestock, NTFP, micro-enterprises and value chain. It is to be ensured that the VO livelihood sub-committee is represented by members with different key livelihoods of the SHG members of the village. Therefore, a representative livelihood sub-committee will have members having high dependence on Agriculture, Livestock, NTFP, Dairy ng, Fisheries, Weaving, micro-enterprises, Handicrafts etc. After the initial orientation and subsequent capacity building of VO livelihood sub-committee, it should spearhead pushing livelihood promotion agenda, planning, implementation, review and monitoring of all livelihood interventions through the CRPs. A copy of the "**Advisory on formation and functioning of livelihood sub-committee of Village Organisation (VO)**" enclosed herewith for reference document for rolling out VO livelihood sub-committee formation and its functioning in the respective State Rural Livelihood Missions.

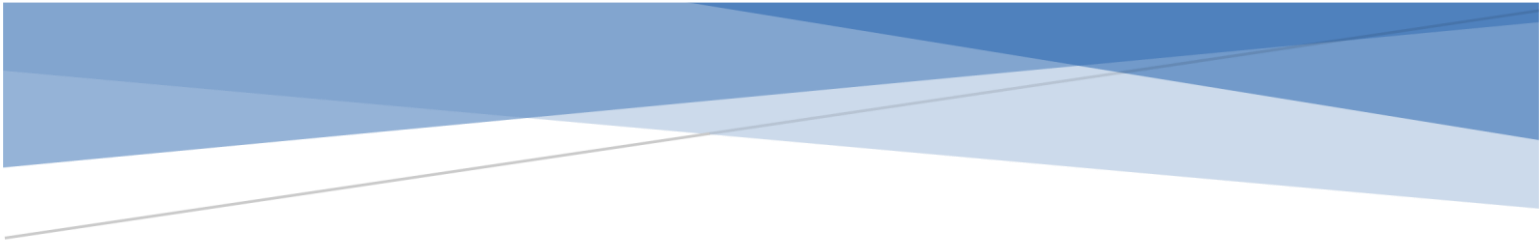
Enclosure: as above

Yours faithfully,



(H. R. Meena)

Deputy Secretary to the Govt. of India



**ADVISORY ON FORMATION AND
FUNCTIONING OF LIVELIHOOD SUB-
COMMITTEE OF VILLAGE
ORGANISATION (VO)**

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Advisory on formation and functioning of Livelihood Sub-committee of Village Organisation (VO)

DAY-NRLM Livelihoods:

Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), is a flagship programme of the Ministry of Rural Development, Government of India. It has been working towards improving the economic capacity of rural women by deepening and expanding existing livelihoods and bringing in new opportunities in farm and non-farm economic activities following the interventions on asset improvement, introduction of improved practices and skills; access to market and credit.

Rural poor have multiple livelihoods and more than a half of the rural Indian poor are dependent on agriculture either as cultivators or as agricultural labourer. Besides, livestock rearing is a key livelihood of the rural poor. People living in forest and forest fringe areas, mostly from tribal communities, Non Timber Forest Produces (NTFP) is a major livelihood source for them. Besides, a wide range of rural micro-enterprises (farm, off-farm and non-farm) with varied scale of operation strengthens the diversity in livelihoods of rural poor.

Thus in DAY-NRLM livelihoods promotion includes interventions in both farm (on-farm and off-farm) and non-farm livelihood activities. Under farm livelihoods promotion, agriculture intervention starts with promotion of various agro-ecological practices to increase productivity, with reduced cost of cultivation thereby increasing the net income, taking care of the ecology. The next logical transition is promotion of organic farming in selected areas that includes organic cultivation, its certification and establishing market linkage for better price realization. Promotion of improved practices to reduce the mortality and morbidity in ruminants, non-ruminants and poultry birds through improved feed and breed management, preventive healthcare, ethno-veterinary practices, better housing are the key in livestock intervention. Sustainable harvesting practices, sorting, short term storage, value addition and collective marketing are major interventions to enhance NTFP based livelihoods.

In non-farm livelihood promotion the primary focus is on promotion of and support to non-farm rural micro-enterprises and rural artisans.

Under the value chain intervention with selected farm and non-farm commodities, value addition, aggregation and market linkages for better price realization through promotion of need based informal Producers Group (PG) and formal Producers Enterprise (PE) are the activities carried out.

The intervention strategy of DAY-NRLM for Livelihood promotion is focused on strengthening these key livelihoods of rural poor with the objectives of intensifying and diversifying livelihood portfolio of rural poor, food and nutrition security, assured incremental income stream throughout the year and creation of social capital.

Interventions are focused on individual SHG member and is carried out through creation / augmentation of assets (individual as well as common), access to technology, credit, market and schemes / entitlements and enhancement of capabilities (knowledge, skill, awareness) around her livelihood activities.

Livelihood interventions in DAY-NRLM reaches out with quality services to individual SHG member residing in even in the remotest part of our country through community led, evidence based extension services. The Community Resource Persons (CRPs) are the backbone of such extension services. The CRPs are the best practitioners in their respective domain (agriculture, livestock NTFP, micro-enterprise etc.), selected through a structured process from among the SHG members, undergo various practice based skill and knowledge trainings. It is experienced that a CRP can serve about 100 households of a village or nearby villages in a compact geography.

It is understood that all interventions in DAY-NRLM is people centric around SHG members and their aggregations at different levels viz. village, panchayat, block etc. Building ownership through participation and involvement of SHG members and their village level aggregation or Village Organization (VO) is an integral part of the livelihood promotion process from the very beginning, starting from conceptualizing, planning, execution, monitoring and evaluation.

The Village Organisation (VO):

Village Organization (VO) is the primary federation of 5 to 30 SHGs at village / hamlet / Panchayat levels (depending on the number of SHGs). The minimum number of SHGs of a VO may further be reduced in special cases in some of the sparsely populated states. A VO has its own General Body consisting of all the members of its constituent SHGs whereas the President and the Secretary of each member SHGs of a VO constitute its Executive Committee (EC).

Role of Village Organisation (VO) in livelihood promotion:

The VO is the point of integration of all thematic interventions of DAY-NRLM at village level and it performs its role through thematic sub-committees. Livelihoods promotion is the *raison de'tre* of DAY NRLM and it is imperative that VO plays a critical role in the pursuit of enhancement of income of rural poor with clearly defined roles and responsibilities. The overriding objective of the VO livelihoods subcommittee is to ensure that every SHG household

in the village has their livelihoods strengthened and diversified as well as highlight this agenda in every VO meeting. The livelihood sub-committee through its VO will constantly pursue the agenda of livelihood promotion to its member SHGs.

Under Livelihood intervention following roles and responsibilities of a VO is envisioned:

1. Assessing the overall livelihood scenario of the village and also that of SHG members' households – resources, opportunities, constraints etc.
2. Active participation in the process of preparation and approval of village and individual livelihood intervention plan (identification of gap and intervention points in asset, access to credit, govt scheme, market and technology besides skill and knowledge upgradation) in both farm and non-farm livelihood activities.
3. Special focus on ensuring the livelihood plans of vulnerable households like SCs, STs or women headed households are included in the intervention plans
4. Integration of Micro Credit Plan (MCP) with Livelihood activities.
5. Oversight on CRPs (Krishi Sakhi, Krishi jaivik Sakhi, Pashu Sakhi, Van Sakhi, Udyog Sakhi and CRP-Enterprise Promotion (EP)) to deliver extension services related to livelihood promotion - engagement, assigning tasks, monitoring, payment, performance evaluation and also support the CRP to perform their roles.
6. Over-seeing the implementation of the livelihood plan, reviewing the livelihood plan and make course corrections.
7. Identification of MKs, enterprises and entrepreneurs under the guidance of respective SRLMs
8. Verification of assets created under programmes like SVEP
9. Ensure regular training and capacity building of the SHG members and CRPs on different livelihoods activities.
10. Manage the common facilities like CHC / Tool Bank.
11. Overseeing PGs involved in value chain activities, overseeing FFS, Pashu Pathsala and similar learning / extension forums.
12. Get access to schemes and services (MGNREGS, Departments – Agriculture, Horticulture, Animal Husbandry, Forestry etc.)
13. Identify convergence opportunities with Local Self Government (LSG) institutions and explore possibility of converting government procurements to livelihood opportunities.
14. Appraisal, approval, release and management of CIF and ensure that a large percentage of the CIF is available for taking up livelihood activities in farm and non-farm sectors for working capital and acquisition of productive assets.

15. Management of specific funds like Community Enterprise Fund (CEF) for livelihood activities including release within time limits and repayment of loans.
16. Check and authenticate all MIS and other field data collected by the CRPs

Formation of VO Livelihood sub-committee:

VO is the point of integration for all thematic interventions (IB&CB, Livelihoods, FI, FN&HW etc.) with its clear cut roles in each theme. Thus the EC of VO forms thematic sub-committees to play respective roles and appraise the EC periodically. Each sub-committee consists of a convener (non-office bearer) and 4 to 5 EC members. Livelihood sub-committee should be formed as soon as VO is promoted to ensure that the focus on livelihood promotion is brought since its beginning. EC of each VO mandatorily has to form a livelihood sub-committee on top priority with members from among the EC members who are active and willing to take up the responsibilities as outlined above. It is to be ensured that the VO livelihood sub-committee is represented by members pursuing different key livelihood activities of the SHG members. It is to be ensured that a representative livelihood sub-committee has members having high dependence on Agriculture, Livestock, NTFP, Dairying, Fisheries, Small Business, Handloom, Handicrafts etc. A CRP should not be a livelihood sub-committee member and *vice-versa*. The tenure of a livelihood sub-committee and its member will be as per the norms set by the VO for other sub-committees with guidance from SRLMs, suggestive tenure is 2 years.

Capacity Building of VO Livelihood Sub-committee:

It is understood that the members of the livelihood sub-committee are all VO EC members that means they are SHG leaders and have received various trainings related to IB&CB, Leadership etc. Thus their training needs, to function as livelihood sub-committee members are on following six broad aspects:

1. Comprehensive Village Livelihood Analysis exercise.
2. Broad understanding on different livelihood interventions promoted under DAY NRLM
3. Monitoring of CRPs.
4. Understanding on project proposal, its appraisal, economics and cost benefit analysis of various livelihood activities / projects.
5. Various government programmes having convergence potential.
6. Understanding on micro-enterprises, value chains and markets.

The details on each of the above broad aspects has been shown below:

Comprehensive Village Livelihood Analysis exercise	<ul style="list-style-type: none"> •Gap analysis of existing livelihood activities . •Village and individual HH level intervention plan on creation / augmentation of assets, access (credit, market and schemes), skill, technology
Programme understanding	<ul style="list-style-type: none"> •CHC/Tool bank •NPM shop, Seed Bank •FFS/Pashu Pathsala •Producers Group •Tasar Grainage, local NTFPs •Rural micro-enterprises
Monitoring of CRPs	<ul style="list-style-type: none"> •Assigning tasks •Reviewing, Monitoring •Approval of tasks and payment •Supporting CRP
Project appraisal and economics of LH activities	<ul style="list-style-type: none"> •Assessment and apraisal of LH project proposals. •Assessment of income potential per unit of each livelihood activities / micro-enterprises operating in the village
Government Programmes	<ul style="list-style-type: none"> •MGNREGS •Schemes of department (Ag, AH, Horti, Forest etc.) •Bank (RSETI)
Micro-enterprises, value chains and Market	<ul style="list-style-type: none"> •Basic understanding on micro-enterprises and value chains operating in the vilage •Concept of value addition on the commodities available in the village

Functioning of VO Livelihood sub-committee:

The functioning of a VO Livelihood sub-committee has been described below:

Driving LH agenda in every SHG meetings

The VO LH sub-committee will ensure that in every SHG meeting the LH issues of the SHG members are discussed and recorded in the minute book. The common issues can be the

market access, credit access, access to govt schemes, production and productivity related issues, training needs of members among others.

The VO sub-committee members will brief the VO EC about their observations emerging from the SHG meetings and the VO EC may discuss these issues and make adequate plan to resolve these issues related to livelihood promotion.

CRP identification and training:

As mentioned earlier, immediately after the formation of VO, the livelihood sub-committee will be formed. After their orientation, the first task of the livelihood sub-committee is to identify potential CRPs required, based on the criteria fixed by the SRLM.

The livelihood sub-committee will organize all village level on-field practical trainings, FFS, Pashu Pathsala or similar learning forum for capability building of MKs.

Comprehensive Village Livelihood Analysis exercise:

VO LH sub-committee will take active role in comprehensive village livelihood analysis exercise, along with the CRPs and block staff of SRLM, a comprehensive livelihood plan for the entire village and the households of SHG member will be the final output of this exercise. Once the plan is finalized, the sub-committee will get approval of the plan from the VO and the plan will be revisited every year to update it.

Convergence:

After the planning exercise, the scope for convergence will emerge with MGNREGS, banks for RSETI, departments – agriculture, animal husbandry, horticulture, forestry etc. The VO LH sub-committee along with the respective CRPs and block staff of SRLM will push forward the convergence plan with these schemes and departments directly or through Gram Sabha or other appropriate forums.

Review of CRPs:

The convener of the LH sub-committee will call review meeting initially fortnightly and later monthly where the following will be invited:

- All CRPs (Krishi Sakhi, Krishi Jaivik Sakhi, Pashu Sakhi, Van Sakhi, Udyog Sakhi, CRP-EP etc.)
- All the LH sub-committee members
- Respective managers / entrepreneurs (CHC, NPM shop, seed bank etc.)
- Block livelihood staff of SRLM (for initial support)/supporting agencies involved in projects

In the meeting review will be done on functioning of:

- CHC / Tool Bank
- FFS / Pashu Pathsala
- Producers Groups
- Farm and non-farm enterprises supported through DAY-NRLM

The decisions of the review meeting will be recorded in meeting register with signature of participants. This will be shared with the EC of VO and subsequently follow up actions will be taken on each decisions in next review meeting. The review meeting will also enable the CRPs to prepare their monthly work plan. A summary of the review and monthly plan of CRPs to be put as agenda by the Livelihood sub-committee for discussion in VO meeting.

Monitoring of CRPs¹:

- As mentioned earlier the Convener of LH sub-committee will call regular review meeting.
- The Convener can call an emergency meeting of LH sub-committee at any time if the situation demands.
- The CRPs will submit the 'Monthly plan versus achievement Report' (Annexure-2) to the LH sub-committee and take a receipt of it. The formats can also vary for other programmes like the SVEP programmes and the respective formats can be used.
- Upon receiving the 'Monthly plan versus achievement Report', the LH sub-committee will compare it with the 'Summary Plan Sheet' (Annexure-1)
- LH sub-committee will seek clarification from the CRP in case of any drastic deviation in work plan and 'Monthly plan versus achievement Report'.
- LH sub-committee will focus on the 'Monthly Plan versus Achievement Report' meticulously. Since all of the members and CRP are from the same village, the sub-committee members will be in a better position to verify the achievements claimed in the Report and actual works done.
- LH sub-committee has every right to seek clarification or ask questions on the authenticity of the 'Monthly Plan versus Achievement Report' and in each case, the CRP has to clarify to satisfy the sub-committee members.
- Once LH sub-committee members got satisfied the numbers stated in the 'Monthly Plan versus Achievement Report', the entire participants will go for an actual field visit on a sample basis to check the quality of work.

¹ *All the formats given in anexures are sample formats, which may be customized or new format may be used depending on the need of different programmes, activities and requirement of the state.*

- In case of any difference in opinion among any of the sub-committee members, CRP, block staff of SRLM on the claims by the CRP in 'Monthly Plan versus Achievement Report' with respect to the number and quality of work, the entire participants will go for census field verification where the beneficiary SHG member may be interviewed to resolve the differences in opinions.
- At the end of every quarter, in the next month's regular review meeting, in addition to the 'Monthly Plan versus Achievement Report', the CRP will submit a 'Quarterly Achievement Report' as per the format (Annexure-4) which will be discussed in details in the livelihood sub-committee meeting.
- Once the LH sub-committee is satisfied with the 'Monthly Plan versus Achievement Report' after due modifications (if required), the CRP will submit it to the VO (through the LH sub-committee) along with the application for release of payment as per prescribed format (Annexure-3).
- Once LH sub-committee is satisfied with the 'Monthly Plan versus Achievement Report', along with the application from the CRP, it will approve and submit it to the office bearer of VO. The VO, on receipt of all such Applications and Report, will keep a copy of it and submit all such reports from all the CRPs together to the BMMU with a forwarding letter.

It is extremely important to note that the LH sub-committee members will exercise the above power on LH CRPs only and only during the review meeting. Outside the meeting, they all are normal SHG members, co-exists as a member of an affinity group, neighbour etc.

Roll out of VO Livelihood sub-committee by the SRLM

Step-1: Formation of LH sub-committee:

VO livelihood sub-committee should be formed as soon as a VO is promoted. The following steps to be followed by the SRLM to form LH sub-committee. The ideal composition of a VO sub-committee has already been described above.

- One day's orientation by SRLM staff for the VO Executive Committee on:
 - Roles and responsibilities (as stated above) of LH sub-committee
 - Need for LH sub-committee
 - Tenure of office for LH sub-committee members
 - Criteria for becoming a member of LH sub-committee as mentioned above (SHG members involved in agriculture, livestock, NTFP, value chain, artisanal activities, entrepreneurial activities etc.)
- Decide the size (number of members) of the LH sub-committee
- Based on the above, the Executive Committee will be asked to select the names for the sub-committee.

- The proceedings to be recorded along with the names of LH sub-committee members.
- Fix the norms and rules on meeting interval, venue, keeping record of proceedings in every monthly meetings etc

Step-2: The Capacity Building Plan for VO Livelihood Sub-committee:

The SRLM in consultation with NMMU will develop details training module, training materials and execute training with a pre-fixed training calendar on each of the identified broad aspects viz Village planning, Orientation, Programme understanding, economics of livelihood activities, micro-enterprise, value chain and value addition, monitoring of CRP in periodic meeting, analyzing project proposals etc. Besides, exposure visits to well-functioning VOs, within as well as outside the blocks may also be considered as part of capacity building of the members of VO LH sub-committee.

Besides, the block staff of SRLM will also provide initial handholding supports to the VO LH sub-committee to put systems in place and function properly.

Step-3: Conducting regular review meeting of sub-committee:

Already discussed above.

Step-4: Keeping of records:

The key decisions and follow up plan of each meeting of livelihood sub-committee will be recorded in the minutes book that will be kept updated by the convener of sub-committee. This meeting register will be used to appraise the EC of VO as well as follow up action taken on the decisions.

Annexures:

Annexure-1

Summary of Plan Sheet

(Monthly village livelihood plan format²)

(To be prepared in triplicate, one each at VO, Block staff of SRLM and CRP)

A. FFS Plan:

Number of FFS / Pashu Pathsala planned, topics to discuss in FFS / PPS training as per calendar.

B. Adoption plan:

B.1. Agro ecological practices

Interventions	Indicators (practices to promote)	No of HHs targeted
Seed	<i>Seed treatment</i>	
	<i>Seed Production</i>	
Soil		
Water		
Plant nutrition		
Plant protection		
Agronomic practices		
Others		

B.2. Livestock

Interventions	Indicators (practices to promote)	No of HHs targeted
Vaccination	<i>Ranikhet</i>	
	<i>Swain fever</i>	
De-worming		
Sanitation		
Animal housing		
Feed and fodder		
Others		

B.3. NTFP

² Sample format subject to customization at SRLM level depending on the type of CRPs and intervention plan under each activity.

Interventions	Indicators (practices to promote)	No of HHs targeted
Tasar		
Lac		
Medicinal Plant		
Others		

B.4. Fisheries

Interventions	Indicators (practices to promote)	No of HHs targeted

B.5. Organic cluster promotion

Interventions	Indicators (practices to promote)	No of HHs targeted

B.6. Value chain intervention

Interventions	Indicators (practices to promote)	No of HHs targeted

Similar format may be developed for CRP-EP for non-farm enterprises.

(Signature of the VO office bearer) (Signature of the CRP)

Name:

Date:

Annexure-3
(To prepare in duplicate)

Application for payment of honorarium

To
The Secretary
----- VO

Dated:

Village:
Block:

Subject: Request for payment against work done.

Dear Madam

As per plan submitted, I have completed the tasks, details of which is attached as `Monthly Plan versus Achievement Report`.

Kindly release the amount to my bank account, details of it is mentioned below:

Amount (Rs) :
Name of the account holder :
Account number :
Name of the bank :
Name of the branch :
IFSC :

Thanking you
Yours sincerely

()

Name:
CRP
Village:
Block:

Enclosures:

1. Approved Plan versus Achievement Report

Annexure-4
Quarterly achievement report
 (To be submitted to the VO)

A. FFS Achievement:

Total No of FFS conducted	Minimum No of MKs participated in a FFS	Maximum No of MKs participated in a FFS	Major achievements in FFS

B. Adoption report

B.1. Agro ecological practices

Interventions	Indicators (practices to promote)	No of HHs adopted	Remarks
Seed	<i>Seed treatment</i>		
	<i>Seed Production</i>		
Soil			
Water			
Plant nutrition			
Plant protection			
Agronomic practices			
Others			

B.2. Livestock

Interventions	Indicators (practices to promote)	No of HH adopted	Remarks
Vaccination	<i>Ranikhet</i>		
	<i>Swain fever</i>		

B.3. NTFP

Interventions	Indicators (practices to promote)	No of HHs adopted	Remarks
Tasar			
Lac			
Medicinal plant			

B.4. Fisheries

Interventions	Indicators (practices to promote)	No of HHs adopted	Remarks

B.5. Organic cluster promotion

Interventions	Indicators (practices to promote)	No of HHs adopted	Remarks

B.6. Value chain intervention

Interventions	Indicators (practices to promote)	No of HHs adopted	Remarks

Similar format may be developed for CRP-EP for non-farm activities

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Signature of CRP

Name:

Date: