



# LIVELIHOOD IMPROVEMENT Trainer's Manual



Project for Improvement of Himachal Pradesh  
Forest Ecosystems Management & Livelihoods

## Foreword

Livelihood Improvement (LI) Trainer's Manual is designed to facilitate as a guiding document for the DMU and FTU Field Staff to develop an understanding on; (a) Basic concepts and norms of the project; (b) Process & Procedures to be followed; (c) Guidelines for planning and implementation of activities related to Livelihood Improvement, and (d) Any and all questions that may come up regarding the Livelihood Improvement component under the Project.

The overall objective of the Livelihood Improvement (LI) Trainer's Manual is to work as a reference document and training tool aimed at enhancing the capacity of the project field functionaries i.e. DMU/ FTU staff, Subject Matter Specialists, FTU Coordinators and GP Mobilisers, and Ward Facilitators so as to enable them to have better understanding of various aspects of livelihood interventions under the project. It will also serve as practical guide and help acquiring field level learning amongst our trainers and also among the representatives of Community Institutions viz. Village Forest Development Societies (VFDS), Biodiversity Management Sub-Committees (BMC Sub-Committees), Self Help Groups and Common Interest Groups.

The Livelihood Improvement (LI) Trainer's Manual aims at equipping and enhancing professional skills of trainers and practitioners, communities and Community Based organizations (CBOs) and other stakeholders with relevant knowledge and participatory approach necessary for effective and timely implementation and management of livelihood improvement component of the project.

I believe, the manual will help the project field functionaries to understand the meaning, purpose, relevance and need of various project interventions under livelihood improvement component. It will also enable them to ensure the focused approach and adoption of participatory approach during the course of project implementation and phase-out stage as well.

This Livelihood Improvement (LI) Trainer's Manual has been developed by the initiative and coordination of Project Management Unit, Shimla and inputs from Project Management Consultants engaged under the project.

I am sure this manual will be successful in meeting its objectives of comprehensive and sustainable promotion of various activities under Livelihood improvements under the project.

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## ABBREVIATIONS & ACRONYMS

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<b>BMC</b>	Biodiversity Management Committee
<b>CBMP</b>	Community Based Biodiversity Management Plan
<b>CD&amp;LIP</b>	Community Development & Livelihood Improvement Plan
<b>CD</b>	Community Development
<b>CIGs</b>	Common Interest Groups
<b>DMU</b>	Divisional Management Unit
<b>FCCU</b>	Forest Circle Management Unit
<b>FEMP</b>	Forest Ecosystems Management Plan
<b>FTU</b>	Field Technical Unit
<b>GP</b>	Gram Panchayat
<b>HP</b>	Himachal Pradesh
<b>HPFD</b>	Himachal Pradesh Forest Department
<b>JICA</b>	Japan International Cooperation Agency
<b>MoU</b>	Memorandum of Understanding
<b>NTFP</b>	Non-Timber Forest Produce
<b>PIHPFEM&amp;L</b>	Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods
<b>PMU</b>	Project Management Unit
<b>PRA</b>	Participatory Rural Appraisal
<b>SHGs</b>	Self Help Groups
<b>SMS</b>	Subject Matter Specialists
<b>SOE</b>	Statement of Expenditure
<b>UC</b>	Utilisation Certificate
<b>VFDS</b>	Village Forest Development Society

### *About the Manual*

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The JICA assisted Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (PIHPFEM&L) gives importance to local communities' participation as a means to achieve its objectives of *Sustainable Forest Ecosystems Management, Biodiversity Conservation, and Livelihood Improvement*. Therefore, it is important for the project staff and all intended users to gain a comprehensive understanding of the procedures, modes & methods of facilitation, and other necessary norms and guidelines to ensure effective and efficient Community Mobilisation.

Livelihood Improvement (LI) Trainer's Manual is designed to work as a *guidance and guideline* document for the DMU and FTU Field Staff to develop an understanding on

- ✓ Basic concepts and norms of the project;
- ✓ Process & Procedures to be followed,
- ✓ Guidelines for planning and implementation of activities related to Livelihood Improvement, and
- ✓ Any and all questions that may come up regarding the Livelihood Improvement under the Project.

The purpose of this LI Trainer's Manual is to assist and enable the field staff i.e. *FTU Coordinators, GP Mobilisers, and Ward Facilitators, Field Technical Units (FTUs), Village Forest Development Societies (VFDS), Biodiversity Management Sub-Committees (BMC Sub-Committees)* to drive, implement, and monitor the process of Livelihood Improvement in the project area.

The Manual will help the users to understand the *meaning, purpose, relevance* and *need* of Livelihood Improvement in the Project. It will be used as a tool by the field staff to ensure and support the adoption of a Participatory Approach during the course of project implementation and phase-out stage as well.

By using this Manual, the users are expected to ensure that the Livelihood Improvement processes are moving in the right direction to achieve project objectives. They will be required to refer to this Manual while supporting the formation of strong and sustainable community organizations, which can survive and thrive during the 10 years of project and post its completion as well.

### ***Intended User – Who Should Use this Manual?***

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LI Manual is specifically designed to be used by the DMU and FTU Staff associated with the JICA assisted PIHPFEM&L. This is a Training of Trainers' Manual for field facilitation that will enable the field staff at the DMU and FTU level to work with the village community, Wards, VFDSs, BMCs, CIGs and SHGs.

#### ***The main users of this Manual are:***

- ✓ DMU Staff
- ✓ FTUs (FTU Coordinators; FTU Staff)
- ✓ Subject Matter Specialists; and
- ✓ Other Project Management and Implementing Agencies.

This document would be a *Reference Document* for decision making and effective hand-holding of all community-based organizations and target groups (VFDS/ BMC Sub-committees / CIGs / SHGs) in prioritized intervention areas regarding the planning and implementation of the selected Income Generation Activities (IGA).

### ***Manual Use***

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LI Trainer's Manual is essentially a *Reference Book* with detailed information on *what, how, and when* associated with Livelihood Improvement.

Intended users are required to follow the instructions, concepts, processes, and procedures in a *Step by Step* manner to make its best use. *Reading of one topic at a time is highly recommended.*

Please refer to the *Table of Contents* attached in the beginning of this document to locate specific topic or section of the manual.



Further, various figures and tables are used in this manual to ensure correct and comprehensive understanding on concepts, wherever deemed necessary. All such depictions are for representation purpose only and are not associated with any real people, communities, or place.

*Now Let Us First Learn About the Project*

## ***About PIHPFEM&L***

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**Project Goal:** *Ecosystems Services from Forest Areas are improved for Sustainable Socio-Economic Development in the state of Himachal Pradesh*

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**Project Objective:** *To manage and enhance forest area ecosystems in the project area, by sustainable forest ecosystem management, biodiversity conservation, livelihoods improvement support and strengthening institutional capacity*

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Our 10-years project (2018-19 to 2027-2028) will be implemented in 3 phases - *Preparatory Phase* (2018-19 to 2019-2020), *Implementation Phase* (2020-21 to 2025-2026), and *Consolidation /Phase-Out* (2026-2027 to 2027-2028). There are 4 key Components through which all Project activities will be implemented, which are:

***COMPONENT 1*** - Sustainable Forest Ecosystems Management

***COMPONENT 2*** - Biodiversity Conservation

***COMPONENT 3*** - Livelihood Improvement Support

***COMPONENT 4*** - Institutional Capacity Strengthening

Under Component 3 of Livelihood Improvement Support, interventions are to be undertaken with a view to reduce anthropogenic i.e. people driven pressures on forest resources and ecosystems. In combination with the community development activities, all livelihood based interventions will be aimed to mobilize and incentivize community participation in sustainable management of forest ecosystems.

Hence, the Project's overall objectives specific to Community Development & Livelihood Improvement are:

1. Conservation of Forest Resources through Participatory Forest Management with maximum community involvement, and
2. Improvement in Livelihoods and Income Generation Capacity of forest dependent communities which can result in reduced pressures on forest resources (such as from requirements for fodder and fuel-wood)

## **Approach to Livelihood Improvement**

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To achieve the Project's Goal and Objectives, the FTU Coordinators and the DMU/FTU Staff should keep in view the following:

**S**upport the Community in Identification of Alternative Sources of Income Generation

**T**arget Activities that can Potentially Reduce Pressures on Forest Resources

**R**ights based Approach to Include Most Vulnerable Sections

**E**ngage in a People-Centric Participatory Livelihoods Improvement Approach

**N**urture Indigenous (Traditional) Skills Integration into IGA

**G**ain Confidence and Cooperation of all Impacted Members of VFDS/ BMC Sub-Committees/ CIGs/SHGs

**T**ransfer Essential Skills Related to Running a Business

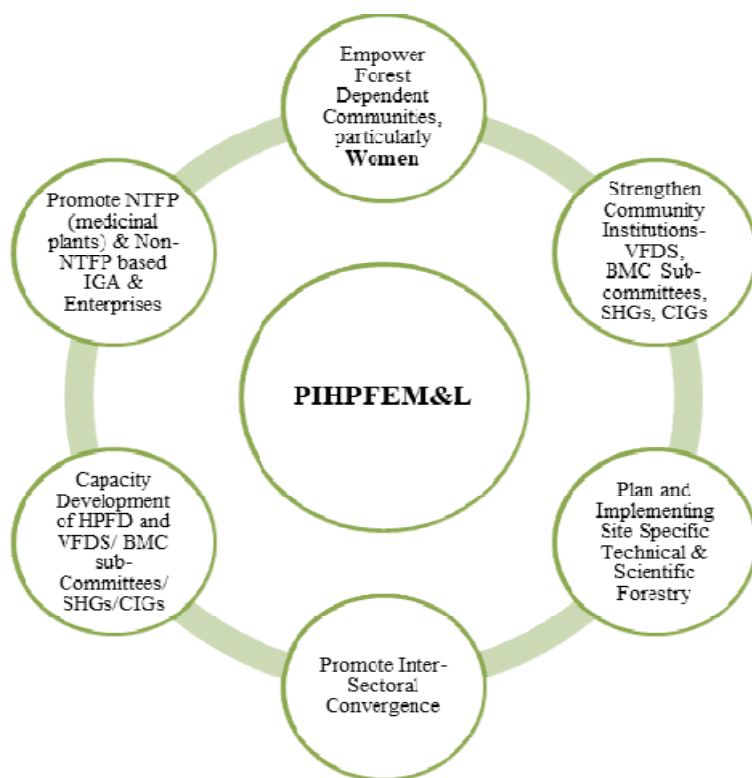
**H**and-Holding Support in Hour of Need

**E**mpower Women & Men Alike to think Beyond Traditional Businesses

**N**o Giving Up until the Community Succeeds

Keeping in view the twin-fold objectives of the Project i.e. Improvement of Forest Ecosystems while ensuring Sustainable Livelihood Support to local communities; the Livelihood approach under the Project should start with CONSERVATION (i.e. of resources such as Forest, Land, Water) moving on to GROWTH (sector specific with focus on Production, Marketing, Value Addition) and finally DEVELOPMENT (all section of the community especially women)

The following diagram shows the key aspects that are to be covered during the Project planning and implementation process.



**Fig 1: Key Aspects of JICA assisted PIHPFEM&L**

## Project Area & Target Communities

### **DISTRICTS:**

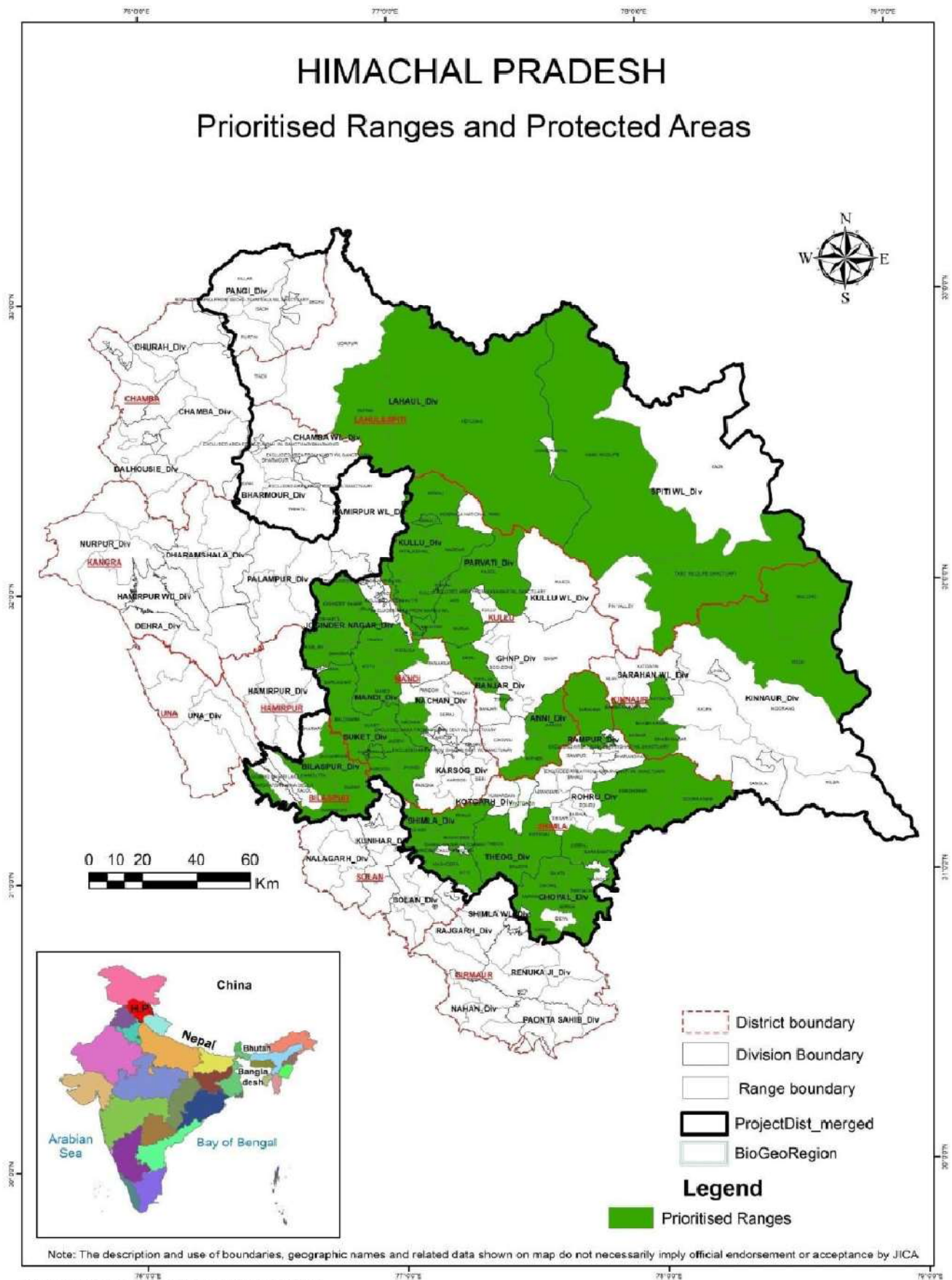
*Kinnaur, Mandi, Shimla, Kullu, Bilaspur and Lahaul & Spiti*

### **COVERAGE:**

- 7 Forest Circles (5 T and 2 WL)
- 18 Forest Divisions (16 T and 2 WL)
- 61 Ranges (56 T and 5 WL)

**Table 1: Forest Divisions and Ranges covered under JICA assisted PIHPFEM&L**

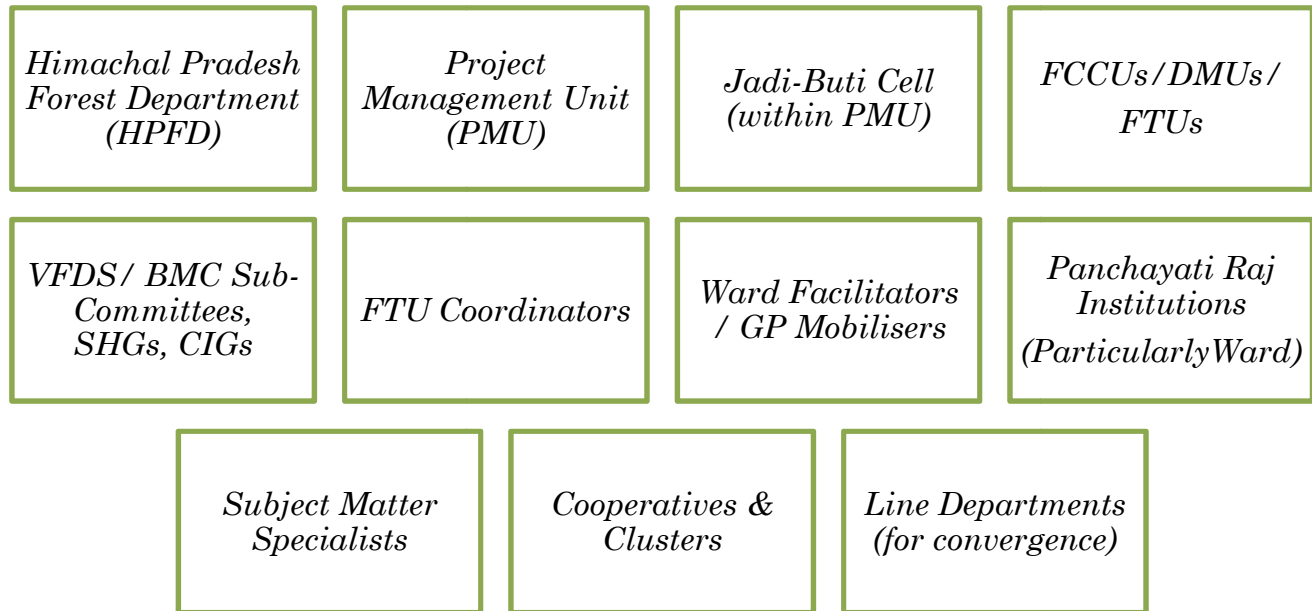
<b>Division</b>	<b>Ranges</b>
<b>Bilaspur</b>	Sadar, Ghumarwin, Swarghat, Jhanduta
<b>Mandi</b>	Drang, Kotli, Mandi, Kataula
<b>Nachan</b>	Nachan
<b>Suket</b>	Baldwara, Jhungi, Kangoo, Sarkaghat, Jaidevi, Suket
<b>Jogindernagar</b>	Dharmpur, Ladbharol, Jogindernagar, Urla, Kamlah
<b>Kullu</b>	Kullu, Patalikahal, Manali, Naggar, Bhutti
<b>Parbati</b>	Bhuntar, Jari, Hurla
<b>Banjar (Seraj)</b>	Sainj, Tirthan
<b>Ani</b>	Arsoo, Nither
<b>Lahaul</b>	Pattan, Keylong
<b>Kinnaur</b>	Katagaon, Nichar, Bhabanagar, Malling, Pooh
<b>Shimla</b>	Mashobra, Taradevi, Koti
<b>Theog</b>	Balson, Theog, Kotkhai
<b>Rohru</b>	Jubbal, Khashdhar, Saraswatinagar, DodraKwar
<b>Chopal</b>	Bamta, Nerwa, Chopal, Sarain, Kanda, Throach
<b>Rampur</b>	Sarahan
<b>Kullu Wildlife</b>	Sundernagar Wildlife Range (Bandli WLS), Manali Wildlife Range (Kias and Manali WLS) Kullu Wildlife Range (Khokhan WLS)
<b>Spiti Wildlife</b>	Kaza Wildlife Range (excluding Chandertal WLS) Tabo Wildlife Range



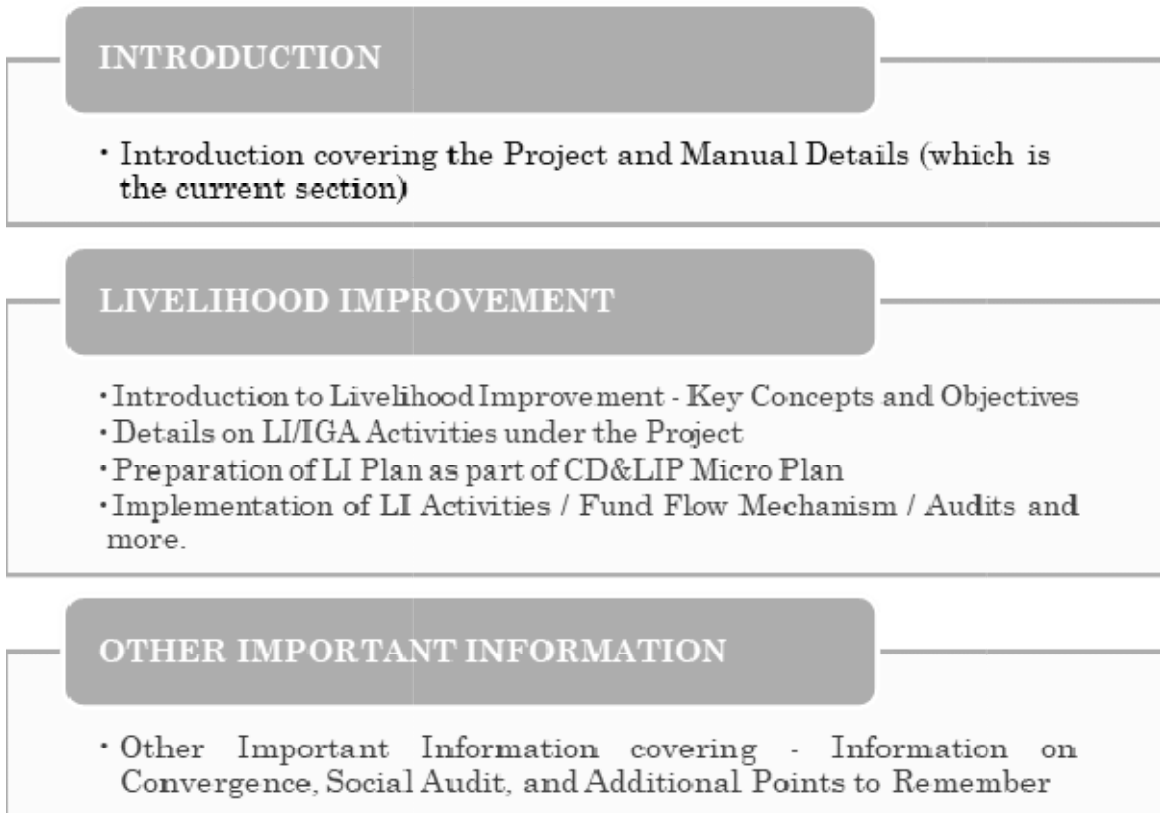
**Fig 2: Prioritised Ranges and Protected Areas covered under the PIHPFEM&L**

## Stakeholders

The figure below highlights the Stakeholders that will be directly or indirectly associated and addressed by the Project.



## Structure of the Manual



# LIVELIHOOD IMPROVEMENT

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## *What is Livelihood?*

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If you'll ask any individual what they understand by the term Livelihood, often a common reply would be *means adopted for their survival*". Primary association of Livelihood is linked to making a living. It can, in other words, be referred to as an occupation or work that we do to support our life, family, and all those dependent on us.

Livelihood is a sum-representation of an individual's capabilities, assets, income, and actual activities that s/he conducts to meet the basic necessities of life such as food, shelter, clothing, education, and healthcare.

For any Livelihood to be long-lasting and sustainable, it should enable an individual:

- ✓ To cope and recover from stresses such as natural disasters, economic shocks, social unrests etc.
- ✓ To enhance her/his well-being and of their future generations without leading to degradation of natural environment and resources.

## *Key Points to Note*

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- Livelihoods are **Complex** and are shaped by social norms, local knowledge, access to resources, and more importantly the governmental, political, and economic support.
- Livelihoods Systems are **Dynamic** that changes with change in individuals' and/or households economic and social circumstances, and changes in the natural and business conditions.
- Livelihoods are **Vulnerable** to external forces such as inflation, recession, conflict etc., which are often outside the control of individuals and/or households.
- Livelihoods are highly **Dependent** on individuals and/or households capacity to make the best use and take advantage of the proposed livelihood intervention.

## *What is the Livelihood Improvement Process?*

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It is a tool that is used to achieve a holistic, inclusive, and gender sensitive focused process aimed at enhancing the well-being of community members, particularly women.

FTU Coordinators & DMU/ FTU Staff should ensure that the Livelihood Improvement Support Process is:

- ✓ *Long term & Well-Planned*
- ✓ *Relevant to the Community*
- ✓ *Inclusive & Equitable*
- ✓ *Scalable*
- ✓ *Well-Planned*
- ✓ *Holistic & Integrated into a Bigger Picture*
- ✓ *Initiated & Supported by Community Members*
- ✓ *Benefits to the Community*
- ✓ *Based on Experiences that Results in Best Practice*
- ✓ *Customised to Groups' Needs & Capabilities*

### *Objectives of Livelihood Improvement under PIHPFEM&L*

FTU coordinators and other DMU/FTU staff are required to establish a common understanding and rapport with the local communities in the prioritized project areas. They should keep in view the following objectives of Livelihood Improvement during project planning and implementation:

- ✓ Establish ***Mutual Trust*** and ***Bonding***
- ✓ ***Motivate*** Community to Actively Participate in Identification of Income Generation Activities
- ✓ Create ***Awareness*** about Project's objectives & Interventions
- ✓ Identify Interventions to improve ***Well-being***, especially of ***Women***
- ✓ ***Help*** the Community to Identify and Create infrastructure/ assets that will benefit the entire community
- ✓ Identify activities for local communities to ***Reduce Dependency*** on forest resources for fodders and fuel wood.



## Roles & Responsibilities of Divisional Management Unit (DMU)

Component	DMU's Role
<b>Livelihood Improvement</b>	<ul style="list-style-type: none"> <li>• Supervise, Plan, Implement &amp; Review all LI Activities within their respective Divisions</li> <li>• Cross-check project work vis-à-vis financial and physical progress in accordance to the Micro Plan.</li> <li>• Operate and Report expenses to PMU through Circle Nodal Officer</li> <li>• Channelize Funds to Project FTUs as well as VFDSs/ BMCs through as system of 'Fund Advice Note' to be prepared and recommended by DMU officer and forwarded by Circle Nodal Officer to PMU for release of funds as per annual plan to project DMUs both for departmental mode and as well PFM mode activities.</li> <li>• The payment for procuring ward facilitators/ GP mobilisers shall be made by VFDSs/BMC Sub-committees from the funds obtained for the said purpose directly from DMU.</li> <li>• Under the guidance of FCCU, coordinate with District Administration for inter-sectoral convergence.</li> </ul>

## Roles & Responsibilities of Forest Technical Unit (FTU)

Component	Sub-Component	FTU's Role
<b>Livelihood Improvement</b>	<b>Non-NTFP Livelihood</b>	<ul style="list-style-type: none"> <li>• Support to the Outsourced Consultancy in Conducting Socio-Economic / Physical / Gender Baseline Survey</li> <li>• Identification/ Revival / Formation of SHGs and CIGs</li> <li>• Identification and Preparation of Inventory of Existing Livelihood Clusters</li> <li>• Preparation of Simple Business Plan for the Identified SHGs / CIGs</li> <li>• Support in Preparatory Work of identification and Planning of LI Activities</li> <li>• Facilitate Linkages of New SHGs/ CIGs with Existing Programmes such as SRLM</li> </ul>

Component	Sub-Component	FTU's Role
		<ul style="list-style-type: none"> <li>• Assist in Stakeholder Coordination, Guidance on Govt. Schemes, &amp; Technical Assistance</li> <li>• Initiate Process of Cluster based Livelihood Activities with DMU/PMU</li> <li>• Encourage CBOs to Adopt Existing Cluster based Livelihood Activities</li> <li>• Coordination with GP Mobiliser/ Ward Facilitators</li> <li>• CD&amp;LIP Discussion Approval by VFDS General House or BMC Ward Sabha and Gram Sabha</li> <li>• Ensure adherence to PMU Formats for Micro Planning and other activities</li> <li>• Prepare Range Plan for all VFDS/BMC Sub-committees and get DMU Approval for Sanction and Fund transfer</li> <li>• Assist in Preparation of Annual Plan (based on 5 Years Plan)</li> <li>• Ensure Gender Budget: 40 % of CD&amp;LIP Funds to be spent on Women's Needs or used by Women Groups</li> </ul>
	<b>NTFP Based Livelihood</b>	<ul style="list-style-type: none"> <li>• Assist the Jadi-Buti Cell in Planning and Implementing Activities related to NTFP based Livelihood Activities</li> <li>• Assist Jadi-Buti Cell/ DMU Offices in Land Identification for NTFPs (esp. Medicinal Plants) Cultivation</li> <li>• Facilitate Campaigns &amp; Promotion Drives for NTFP Cultivation</li> <li>• Support in Capacity Building of Rights Holders and Growers</li> <li>• Conduct Regular Meetings/ Camps/ Workshops in target villages/CBOs</li> </ul>
	<b>Guidelines/Manuals &amp; Training Programmes</b>	<ul style="list-style-type: none"> <li>• Training of VFDS/BMC sub-Committee members using Trainer's Manual and Field Manual Prepared by PMU</li> </ul>

## Preparation of LI Plan as part of CD&LI Micro Plan:

To be prepared by VFDS/ BMC subcommittee and approved by General House of VFDS or Ward Sabha and/or Gram Sabha in case of BMC Sub-committees. The following are the key check points that should be covered in the plan:

- ☑ *LI activities should be planned along with the preparation of **FEMP/CBMP Plan**. LI activities will be part of the CD&LI Plan*
- ☑ *As part of the Planning Process, a **SIMPLE BUSINESS PLAN** will be prepared following the format given in Appendix X. The Household/ Community Oriented Livelihood activities other than NTFPs will be identified by the members of SHGs/CIGs during the preparation of CD&LIP.*
- ☑ *CD& LI Plan should have a **10-years Vision Statement** and a **5-years Action Plan***
- ☑ ***Annual Plan** shall be prepared on the basis of the 5-years Action Plan within the Micro Plan*
- ☑ ***Gender Budget** is to be prepared for each VFDS/BMC Sub-committee and **40% of the total amount of the CD&LIP** shall be spent on activities that would address women's needs or used by women and women's group.*
- ☑ *All Approved Micro Plans (covering FEMP/CBMP and CD&LI) should be consolidated into a FTU wise **Range Plan** and submitted to DMU for further sanction and transfer of the funds.*
- ☑ ***Rs. 1,00,000** will be allotted to each CIG/SHG, which fund shall be parked with respective VFDS/ BMC, for implementation of the household and community oriented small scale IGAs which will be assisted by the revolving fund for Livelihood Improvement Fund.*

## Selection Criteria – Livelihood Improvement Activities

The first and foremost step in extending livelihood support to the local communities is:

*“To Identify the **most suitable activities** for the community and the Project”*

Now, the question arises that how will once identify and define what is suitable and what is not? That is where the usefulness of this Manual comes into play. Before jumping on to starting the works on livelihood improvement in the field Please refer to this manual at every stage of implementation. This way the chances of confusion will be less.

In the context of identification of the most suitable activity, FTU Coordinators and other DMU/FT Staff are required to take inputs from the Baseline Survey conducted by the outsourced organisation under PMU’s supervision. This preliminary information can help the field staff to pin-point the gaps or constraints in the existing livelihoods of the local community. Using this information as a starting point, the FTU Coordinators and other DMU/FTU Staff shall use the information in the following table as an *indicative list of potential activities* that can be covered and funded as Livelihood Improvement Support for each VFDS/BMC Sub-committees and SHGs/CIGs formed under them. **However**, remember this is not an exhaustive list and any other activity that comes up during the **Micro Planning Process** should be evaluated on its merit to support livelihood improvement while meeting the overall Goal and Objective of the Project.

***Livelihood Improvement activities should include activities that...***

- Can be done at home and during winter or lean season
- Are closely linked to existing livelihood pattern of the local community
- Have potential for Integration into existing marketing channels
- Have potential for cluster formation or working with existing clusters

Broad Category	Sub-Category	Specific Activities
Primary Sector	<ul style="list-style-type: none"><li>• Farm &amp; Off-Farm Based</li></ul>	<ul style="list-style-type: none"><li>• Vermi Composting</li><li>• Bio Composting</li><li>• Dairy, Wool &amp; Meat Production</li></ul>

Broad Category	Sub-Category	Specific Activities
		<ul style="list-style-type: none"> <li>• Mushroom Production</li> <li>• Beekeeping</li> </ul>
<b>Secondary Sector</b>	<ul style="list-style-type: none"> <li>• Agro based</li> <li>• Horticulture Produce Based</li> <li>• Traditional Skill Based</li> </ul>	<ul style="list-style-type: none"> <li>• Fruits &amp; Vegetable Processing</li> <li>• Herbs/Honey/Spices based</li> <li>• Wineries (local fruit/flower based)</li> <li>• Medicinal Herbs &amp; Aromatics</li> <li>• Herb Processing</li> <li>• Bio-briquetting (Pine Needles / Agro Waste)</li> <li>• Shawl Weaving</li> <li>• Handloom</li> <li>• Handicraft</li> <li>• Knitting</li> <li>• Stitching</li> </ul>
<b>Tertiary Sector</b>	<ul style="list-style-type: none"> <li>• Services</li> </ul>	<ul style="list-style-type: none"> <li>• Eco-tourism</li> <li>• Home stays</li> </ul>

## ***Selection Criteria for Livelihood Activities***

For planning of livelihood activities first we need to select the livelihood activity based on parameters, as given in the table below:

<b>Criteria</b>	<b>Remarks</b>
<b>Availability of Raw Material</b>	Very Important for enterprises based on farm production and for livestock based activities that require fodder
<b>Availability of Traditional Skills</b>	Important for activities such as handloom, handicraft
<b>Availability of Man Power</b>	Skill & Un-Skilled Full time and Part time
<b>Suitability to Climatic Conditions</b>	Favourable Temperature such as heat and humidity for mushroom cultivation
<b>Identified for Cluster Development/ programme/ possibilities of cluster</b>	Government has identified various clusters and allocated budget. DMU & FTU needs to be finding out during SHG formation.
<b>Presence of Market</b>	Finished products could be sold within working cycle
<b>Fund Requirement</b>	Critical to know the initial investment and the on-going financial requirement for any activity
<b>Religious Belief regarding a particular activity/product</b>	Certain activities may not be fit into religious beliefs like slaughtering of cattle and piggery
<b>Suitable for Women</b>	Enterprise should be easily operated by Women
<b>Environmentally Sound</b>	There should not be negative impact on forest, water etc.

## ***NTFP & Non- NTFP based Livelihoods***

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The Project supports both NTFP and Non-NTFP based alternative livelihood activities. Before going ahead with a discussion on the nature of activities that can be covered under each type of livelihood intervention, let us first understand what we mean by NTFP and Non –NTFP.

***NTFP stands for Non Timber Forest Products, which are basically any product or service other than timber this is produced in forests such as medicinal plants, aromatics, resins, bamboo, fruits, fibbers, fungi and more.***

In our Project, we will focus on medicinal and aromatic plants under NTFP based livelihood interventions. Here, a separate unit called Jadi-Buti Cell established at the PMU level will spearhead and coordinate all activities related to NTFP based livelihoods in our Project, including the following:

- ✓ Regulate the unsustainable extraction of NTFPs from Forest areas especially medicinal plants
- ✓ Standardise the ex-situ propagation of certain identified species which can be promoted to offer sustainable livelihood and income generation opportunity to the youths.
- ✓ Support formation of cluster level “Him Jadi-Buti Cooperative Societies” in 11 proposed clusters
- ✓ Work on value addition of selected NTFPs including key high altitude medicinal plants
- ✓ Streamline marketing channels for procurement and trade of medicinal plants and create a brand for medicinal plants produce in Himachal Pradesh and in the country

Non-NTFP based interventions would be all IGAs that can be undertaken by the CBOs i.e. SHGs/CIGs as a group activity on the above mentioned selection criteria.

**NOTE:** In this LI Manual, we will focus on understanding all aspects linked with Non-NTFP based livelihoods and a separate Manual will be used for all interventions linked to NTFPs (medicinal plants) and Jadi Buti Cell.

## *Group Management*

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As mentioned above, all non-NTFP based IGA will essentially be implemented by means of an SHG or CIG. Let's try to learn each such groups, activities they can perform, and how to manage them effectively.

### **Self Help Groups (SHGs)**

*“The SHGs show us how unity is STRENGTH” - NABARD*

#### **What are SHGs?**

- ✓ Community Based Groups
- ✓ Homogenous i.e. similar characteristics, circumstances, concerns
- ✓ Women Based
- ✓ Same Caste & Community
- ✓ Voluntary
- ✓ Involve in Savings, Inter-lending, may be business activity.

#### **How to Involve SHGs in our Project?**

While, as you must have in your past experiences/projects, would have started with the formation of new SHGs by visiting villages, talking to the vulnerable groups especially women, educating them about the benefits of forming an SHG etc. Nevertheless, in our Project, the focus will be on ***engagement and revival of existing SHGs into the project.*** This will help us speed up the process of community's engagement in livelihood activities. Nevertheless, even in case of revival of existing SHGs, the FTU coordinators are required to:

- 1) **Known the People and Win their Trust.** This can be done by visiting the villages under the prioritised wards in the given VFDS/ BMC area and interact with the elders, poor people, Yuvak Mandal, Mahila Mandal, vulnerable sections, and women
- 2) **Please Note:** Every time you will visit these households **ALWAYS REMEMBER** to tell them that the project is not going to distribute any subsidy. This will help you in avoiding any misunderstanding at later stage. You should talk about the Project, Its Objectives, Community's Role, Project's Role, and more importantly, you should try to explain the benefits they can reap by their association with the Project such as access to capacity building, trainings, funding of Livelihood Activities, support in bank and credit linkages etc.
- 3) Inform them about the Provision of Initial Support of Rs. 1 lakh per SHG that they will receive via VFDS/ BMC into their SHG Bank A/c only after the submission and approval of a Simple Business Plan.

Once the SHG is formed or at least the members are identified, You will be required to hold a meeting of the VFDS/ BMC Executive Committee and



members. Explain to them who are the members of the SHG and reason/rationale for their membership. At this stage, when the VFDS agrees to the formation of a given SHG, you or SHG President can briefly explain their plan and the nature of IGA they would wish to pursue.

While, this may seem like a simple step it has critical importance. This stage is called **License to Operate**, which ensure the acceptance of SHG by the entire community, and also enables them to carry out their work in the village/ward/GP.

***Following are the key questions as prescribed by NABARD that should be asked by each field staff while initiating the formation of SHGs. (source)***

- Does the family have only one earning member?
- Does the family bring drinking water from faraway place?
- Are the women compelled to go far in the open in the absence of toilet?
- Are there old illiterate members in the family?
- Are there children in the family who do not go to school?
- Is there a drug addict or drunkard in the family?
- Is their house made of kuccha material?
- Do they regularly borrow from moneylender?
- Do they eat less than 2 meals a day?
- Do they belong to Scheduled Castes or Scheduled Tribes?

If “YES” is the answer for three or more of these questions, you can **consider the family as poor and marginalised**. Therefore, you should give a preference them to be a part of the SHG.

## **Shaping the SHG**

Once the composition of a SHG is decided, FTU coordinators should facilitate the first meeting of all SHG Members. At this stage, You should be prepared to answer a lot of questions and queries of the SHG members, regarding the Project, their role, about functioning of the group etc.

The following point should be covered, answered, and agreed upon in the first meeting only, to smoothen the operation of SHGs

1. Objectives of SHG
2. Identification of Leader – The President (chairperson), Secretary , Book/Record Keeper
3. Framing of by-laws and rules such as
  - a. Group's Name
  - b. frequency of meeting,
  - c. the amount of savings that all members will contribute every week or month (depending on group consensus)
  - d. procedures for sanction of loans including loan term, interest rate on loans
  - e. maintenance of books of accounts,
  - f. penalties for dealing with defaulting members – amount of fine on late repayment, fine for non-attendance without good reason
4. Amount of cash to be kept in hand at all times for emergency situations
- 5. Regular Meeting (weekly or fortnightly)**
  - a. Regular opportunity for SHG members to interact with each other
  - b. Important to inculcate Discipline
  - c. Scope for regular and timely financial transaction such as savings, inter-lending, and interest repayment
  - d. Opportunity for the group to monitor loan repayment and follow up
  - e. Supports capacity building of SHG members especially communication skills, public speaking etc.
  - f. Chance to discuss and take up other social or community programmes such as vaccinations, cleanliness, plantation, etc.
  - g. A chance to explore IGA and work on the proposed business plan.
  - h. Important Conditions to Conduct Regular Meeting**
    - i. Accessible Place for Meeting for all Members
    - ii. Fixed time of Meeting
    - iii. Proper Electricity and Toilet Conditions
    - iv. Mats and durries/ chairs to sit
    - v. A trunk or box or almirah to keep books of accounts, to be managed by bookkeepers
    - vi. Presence of all members, except of emergency circumstance (defining of quorum)
    - vii. Books and documents with basic stationery

viii. Agenda for current meeting, last meeting, and next meeting

**i. How to Conduct a Meeting?**

- i. Sit in a circle
- ii. Sing a group song or a prayer
- iii. Welcome Address
- iv. Record the Attendance in Attendance Register
- v. Set the Agenda (covering pending issues, new issues)
- vi. Review the previous meeting's minutes
- vii. While SHGs are informal groups, Discipline should be maintained at all times
- viii. Complete financial transactions such as if it is the day to deposit savings, or repayment of interest/loans
- ix. Ensure all issues in the Agenda are discussed and the minutes are noted by the record/bookkeeper and read out to all members at the end of the meeting
- x. Chairperson should ensure equal participation of all members
- xi. Savings and Loans should not be the only Agenda item for a meeting. SHG members should ensure to discuss and act on at least one other issue
- xii. All SHG members must sign in the minutes of meeting book
- xiii. Vote of Thanks

**6. Book/Record Keeping – How and Why?**

- a. Bookkeeping is needed to maintain an accurate, contiguous, and updated record of all transactions, decisions, and actions taken by the SHG
- b. Various Types of Records to be Maintained by the SHG

**Common Interest Groups (CIG)**

CIGs can be comprised of the VFDS/ BMC sub-committee members whose socio economic status may vary and share a common interest in improving livelihoods and carrying out income generation activities and/ or marketing activities of the produces collectively. At the community level, Common Interest Groups (CIGs) would be organised which also function as a mutual may help group through internal savings and lending to mitigate the financial vulnerability which may arise at household levels.

## *Managing Livelihood Activities & Business Planning*

While the Project aims to support activities that have a potential to be expanded and sustained, FTU Coordinators and DMU staff is required to understand how to manage livelihood activities that are proposed in Micro Plans (CD&LI). Following are the series of steps that can be followed by the Field Staff. Please note some of these steps can overlap or the sequence can change depending on the in-field conditions.

1. **Baseline Survey:** Take Inputs from Baseline Survey (socio-economic/ physical/ gender survey)
2. **Micro Plan:** Combine the Inputs from Baseline Survey with the Micro Plan for a given VFDS/BMC Sub-committee.
3. **Identification of Target Groups:** Identify the Target SHG/CIG who will be the direct beneficiaries. This information will be critical to create an Inventory of existing groups and their respective activities in the project area.
4. **Build a Rapport** with the target group through good, honest, and open relationship. This step will require the Field staff to make regular visits to the group to get a better understanding on their livelihood needs and the Project objectives.
5. **Secondary Data:** Based on the Primary Data collected by the field staff, as mentioned in above steps, the PMU will collect secondary data such as reports, census data, development plans, market research reports etc to gain holistic profile and knowledge about the given area. Eventually, these profiles will be prepared for specific IGAs that will be used to manage the activities and also, in specific skill building exercises.
6. **Conduct Initial Assessment:** Based on the first hand information collected through baseline survey and the micro planning process, the FTU Coordinators and DMU/FTU Staff should try to do an initial assessment on the following key aspects:
  - Find out how the community members define Well-Being, Income and Livelihood.
  - Identify issues on Gender, Power Relations, Caste, Age etc.
  - Understand and Assess the capacity of the existing assets (as defined in the previous section), to take up alternative IGAs

- Get information on Assets (Human, Natural, Financial, Physical, Social), the Livelihood Context...
- Asses the vulnerabilities and risks that can come up if new livelihood options are to be proposed.
- Identify and Point existing connections between local stakeholders i.e. group members, and the community stakeholders to develop a subsequent plan of action

**7. Analyse the Information:** Now once you have collected information on above mentioned parameters by following different means of participatory methods, the next step is to make sense out of that data. Here, based on the primary and secondary information, you should try to first look for key trends, connections, and also the unique outputs. This step will require you to go back to the community and discuss your findings with them. Often, the data collectors and/or the field staff do make observations and decision based on their own experiences and knowledge, and BIASES. Therefore, you will need to re-examine how you saw an issues or problem or any livelihood intervention at the start of the process and how do you see it now once you have discussed it with your other team members at FTU/DMU/FCCU and PMU level. At this stage, you will also have a chance to take inputs from the consultants of PMC who will help you better analyse the information and look for key trends.

**8. Identification of Alternative IGAs:** Now at this stage, you will have lot of information regarding the IGAs that are suggested by the community through Micro plan, baseline survey, field visits etc. The task is to identify the best livelihood option among the all livelihood options. And this is the MOST CRITICAL PART. Here, we need to cover the following points to identify the most suitable IGA:

- Assessment on all Aspects of Selection Criteria of IGA as given in table selection criteria for livelihood activities
- Economic Analysis i.e. Cost Benefit Analysis
- Less Risk Factor
- Sustainability

Please Note: Before finalising on any IGA with Community's Acceptance, ensure that the IGA will benefit all stakeholders (i.e. SHGs/CIGs members) and has a potential to give additional and sustainable income to all members.

**9. Revisit & Prioritise:** Once you are able to identify the most suitable IGA, it is necessary for you to revisit the community and discuss the identified

IGA with the local people. Your aim would be to ensure that those activities are identified which the SHGs/CIGs are willing to take up unanimously and has the potential to provide maximum benefits to them. It is often observed that while the SHGs/CIGs members have the required skills, knowledge, and a brilliant idea for alternative livelihoods, it might not be practical to adopt those activities owing to issues of poor/no market, high costs, etc. It will be the responsibility of FTU Coordinators along with the GP Mobilisers and Ward Facilitators to communicate these challenges well before an activity is finalised. Therefore, any IGA should be prioritised or finalised keeping in view the willingness of the group members, and most importantly the outputs of cost benefit analysis, accessibility to raw materials, markets, and long term sustainability.

**10. Formulation of a Simple Business Plan:** For the prioritised and finalised IGA, the SHG/CIG will be required to draft a Simple Business Plan with help from GP Mobilisers/Ward Facilitators/FTU Coordinators/FTU and DMU Staff with guidance from the PMU and PMC members. The Simple Business Plan should be made in accordance with the Format Shared by the PMU.

There is a set of questions that should be answered by each SHG/CIG in discussion with the FTU/DMU Staff prior to filing of the final Simple Business Plan. It is very important to find an answer to the following key questions, before the SBP is shared with the VFDS/ BMC Sub-Committee for their approval and subsequently with the DMU office for fund transfers.

- List all IGA suggested by the SHG/CIG, and highlight the ones prioritised.
- Give the basis of selection or prioritisation of each IGA
- For each separate IGA, answer the following key questions
- How to increase the productivity?
- How to reduce the cost of production?
- How to improve the earnings for the group such as value addition, marketing etc (give specifics for each such option)
- How to address the Risks such as Raw Material, Production, Marketing, Sales etc.
- What will be the roles and responsibilities of different members in the group?

- How many people will be required for smooth functioning of IGA and at what cost?
- What are the training and capacity building requirements for the group as a whole and for individual members according to their roles.
- What linkages will be needed to support the IGA such as financial, market, technology, etc.
- Where and How Convergence can be made with other government programmes and schemes.

After getting indicative answers to above mentioned questions, a draft Simple Business Plan can be formulated by a given SHG/CIG. Please note, this will be a repetitive exercise and will require you to revisit the community time and again before finalising the Simple Business Plan (SBP).

11. Once the SBP is drafted, you will also be required to make an Annual Action Plan along with the information on breakeven points. (don't worry you can refer to the annexure of this manual to understand the definitions of all such technical terms!)

## **Convergence**

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While planning Convergence with other schemes/ programmes, the Facilitators & Coordinators should remember to:

- ✓ **Sensitize** the community members about their rights, entitlements, eligibility, and access process under various schemes and programmes run by different Government Departments.
- ✓ **Prioritize** activities at household level within in as VFDS/BMC Subcommittee and make household plans for LI activities (specific to convergence).
- ✓ **Consolidate** household plans and SHG/CIG plans at ward/ GP level and carry out resource mapping, vulnerability and livelihoods analysis.
- ✓ Where deemed necessary, with appropriate approvals a **Convergence Committee** can be constituted at GP level and Block Level to streamline and expedite activities under convergence mode.

*A sub-section titled "Convergence" has been dedicated for this sub-component under next Chapter on Other Important Information*

The basis of any efficient planning is efficient data collection. In our project, basically two key types of data collection methods will be used for identification, planning, and implementation of prioritised activities, including LI Activities.

### **Baseline Survey**

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Baseline Data is to be collected, compiled, and incorporated in the Micro Plan to capture basic information on ward members under a VFDS/BMC Sub-committee, covering but not limited to:

- ✓ Household Survey
- ✓ Population (Composition & Characteristics)
- ✓ Socio-Economic Details (Household/Community level)
- ✓ Landholdings & Land-use Pattern
- ✓ Economic Activities
- ✓ Forest Cover
- ✓ Dependency (Direct/Indirect) on Forest for Fuel-wood/ Fodder
- ✓ Common Property, Ecosystem Services, and Natural Resources Use
- ✓ Local Administrative and Community Organisation Structures
- ✓ Cultural Property
- ✓ and more...

FTU coordinators shall keep a copy of this data and use it while interacting with the community members during the course of planning and implementation process of all prioritised activities in the CD&LI Plan.

### **Participatory Rural Appraisal (PRA)**

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As the name suggests, PRA is an approach to learn and incorporate knowledge and opinions of rural people, by observing and interacting with them under a participatory set-up.

To ensure effective outcomes from a PRA exercise, you should:

- ✓ Conduct Group Discussions
- ✓ Face-to-Face Discussions
- ✓ Experience Sharing with People Participation
- ✓ Prepare illustrations and Maps by villagers and/or through their active participation
- ✓ Face-to-Face Interviews with EC Members of VFDS/BMC Sub-committees



## *PRA Tools & Techniques*

A number of Tools & Techniques can be used to conduct PRA exercise by villagers and local community on a simple chart paper. Following are some indicative techniques:

- Mapping: Making a Map that depicts the Condition & Environment of the target area. It should give information on the village surroundings as well as the physical features of the area covered under a particular VFDS/BMC Sub-committee.
- Social Mapping: A Social Map should have household information such as population density, social class, land use pattern, economic condition of the community etc.
- Resource Mapping: A Resource Map is required to show details on forest area, types of forest, water bodies, cropping pattern, minerals etc. Other natural resources available in the area with potential for livelihood interventions should also be included.
- Transact Walk: It is an Observatory Walk into the target area, to study the natural resources, topography, soil and vegetation, farming practices, problems and opportunity etc.
- Timeline Trend & Change Analysis: This technique is used to understand the changes in the status of land, water, vegetation and their effect on the socio economic pattern of the village over a specified period of time.
- Seasonal Diagram: This tool is used to obtain information on seasonal patterns of rainfall, employment, income, expenditure, crop pattern, fodder availability etc.
- Wealth Ranking: This tool is used to understand the people's perception of wealth and welfare in their own village. To draw a comparison and a realistic wealth ranking this exercise can be done with a low income group and high income group, separately.
- Matrix Ranking: This tool helps to see individual and group priorities with respect to main/types of produces obtained and needed by the communities (such as from forest, agriculture etc.). By using a Matrix, standardization of the produce in terms of quantity / quality and price can be done by discussing with VFDS/ BMC Sub-committees/ villagers / beneficiaries.
- Market Mapping: This tool is used to get detailed information on various types of markets to which villagers have access to or can have access to either sell their produces or purchase their requirements along with list of

produces sold and purchased. Such maps can also be drawn for specific produces such as NTFP, Medicinal Plants etc.

- Venn Diagram: It is used to depict key institutions, organization, individuals and their relationship with local community and others. On a Venn diagram, each institution is represented by a circle, and size of the circle represents the importance and significance of that institution.
- Pie Diagram: This is a helpful tool to know and display to the Villagers/VFDS/ BMC Sub-committee members the different components/ extent/ value of any aspect in comparison to a total/larger aspect. For example:
  - Degrees of population dependent on forests for different purposes such as fuel-wood, fodder, construction etc.
  - Community wise population ratio
  - Source of Income (Primary and Secondary)
  - NTFP Collection and Profitability
- Ladder / Step Method: This method is useful to prioritize the functions systematically and to allot funds accordingly. For example:
  - Execution of Soil Water Conservation works in VFDS/ BMC Sub-Committee area
  - Resource Development (Forest & Agriculture)
  - Social Development,
  - NTFP collection & Marketing,
  - NTFP Value Addition, etc.

*In this Manual, we have described the PRA exercise in brief to set the context and link it to LI Activities. However, Do Remember to Refer and Read the Micro Planning Guidelines Manual for an in-depth understanding.*

*With reference to LI Activities, these PRA Tools & Techniques will be useful to identify the **existing condition of the community area/household**, their **immediate and long-term requirements**, **prioritize the LI activities** that can be funded under the project, determine the **capacity of the community** to give a **beneficiary share** of any and all prioritized LI activities, and most importantly assess their **capabilities to maintain and sustain** the assets/structures/activities that would be finally implemented through **the Micro Plan**.*

## *Facilitation Skills*

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Following are the General Guidelines for Facilitators (FTU Coordinators/ FTU Staff/ SMS) to ensure preparation of an inclusive, community focused, and result oriented CD&LI Plan:

- ☑ Facilitators should ***Not Make False Promises*** to the villagers while preparing the plan.
- ☑ Facilitators should ***Encourage*** the VFDS/ BMC Sub-Committee members to give ***Relevant and Real Information***.
- ☑ All the activities like Social Mapping, Resource Mapping, Value Chain Analysis, Action Plan, and Implementation Plan should be done in ***Participatory Method*** with ***Active Involvement*** of VFDS/ BMC Sub-Committee members.
- ☑ Facilitators should ***Not Jump to Conclusions*** basing their opinion on available data. S/He should ***Patiently*** get the required information from the community members through Repeated Interactions.
- ☑ Facilitators should use ***Simple, Easily Understandable Language***, preferably in local language/dialect.
- ☑ Facilitators should ***Not Take the Lead Role***; instead they should ***Only Facilitate*** the process and let the VFDS/ BMC sub-committees members to ***Speak Out*** their concerns and opinions.
- ☑ Facilitators should ***Not Follow Stereotypes*** while the plan is being prepared.
- ☑ Facilitators should also ***Explore Possibilities for Forward & Backward Linkages*** for LI activities while discussing with VFDS/ BMC sub-committees members.
- ☑ Facilitators should ***Create Awareness*** among the VFDS/ BMC sub-committees members that the plan is for them and make them feel ***Ownership***.
- ☑ It should be made clear to the VFDS/ BMC sub-committees members that these plans are meant to ***Enhance their Livelihoods*** while simultaneously ***Protecting, Conserving and Enriching the Forests***.
- ☑ Facilitators should ensure that ***Listing of Activities*** and ***Prioritizing-Scoring Method*** are followed.

## *Fund Flow Management*

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### **Institutional Arrangement at Community Level**

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For activities in *Territorial Areas*, the basic unit of project planning and implementation is VFDS, which will be constituted as per PFM Regulations 2001, registered under the *HP Societies Registration Act, 2006* and in accordance with the approved *Bye-laws for VFDS*.

For activities in and around *Protected Areas*, BMC Sub-committees will be formed at ward level under the already formed Biodiversity Management Committees constituted by the HP State Biodiversity Board (at GP Level) in accordance with the Biological Diversity Act, 2002.

### **Bank Accounts for Implementation of Project Interventions**

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Both VFDS and BMC Sub-Committees shall open *two separate bank accounts* in the name of Executive Committee of the VFDS/BMC Sub-Committee, dedicated only to the Project, in any Nationalized Bank available, or in a nearest Gramin Bank, as follows:

- 1. Forests & Ecosystem Management (FE account)*
- 2. Community Development & Livelihood Improvement (CD&LI account)*

The **FE account** will be utilised for all activities related to Sustainable Forest Ecosystems Management in case of VFDS, and Biodiversity Conservation in case of BMC Sub-Committees.

The **CD& LI Account** will be utilised for all activities related to Community Development and Livelihood, both by VFDS and BMC Sub-Committees.

These accounts shall be operated under the signatures of the President and Treasurer of the Society (VFDS/BMC Sub-committees), and as per provisions of Himachal Pradesh VFDS/BMC rules guidelines issued by PMU in this regard.

For Project Implementation, a *Memorandum of Understanding (MoU)* would be signed between the VFDS/BMC Sub-Committee and HPFD (represented by DMU Officer), before any fund transfer is made.

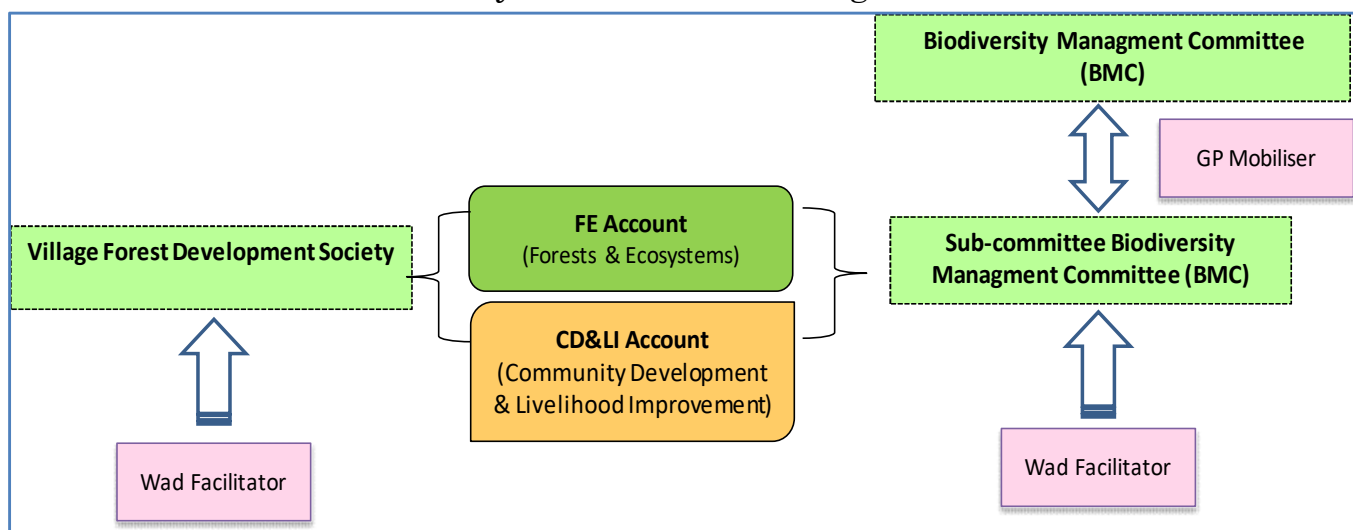
This MoU between VFDS/BMC Sub-Committee represented by the Society's President on one hand and HPFD represented by DFO (DMU Officer) on other

would act as an instrument *for executing project works* as per the FEMP/CBMP & CD&LIP Micro Plans.

Please Note:

- ✓ This MoU should clearly define Roles, Regulations, Rights & Responsibilities, etc associated with project implementation.
- ✓ The Approved FEMP/ CBMP & CD&LIP Micro Plan should be attached and form a part of the signed MoU for record and monitoring purposes.

The framework of community institutional arrangement is:



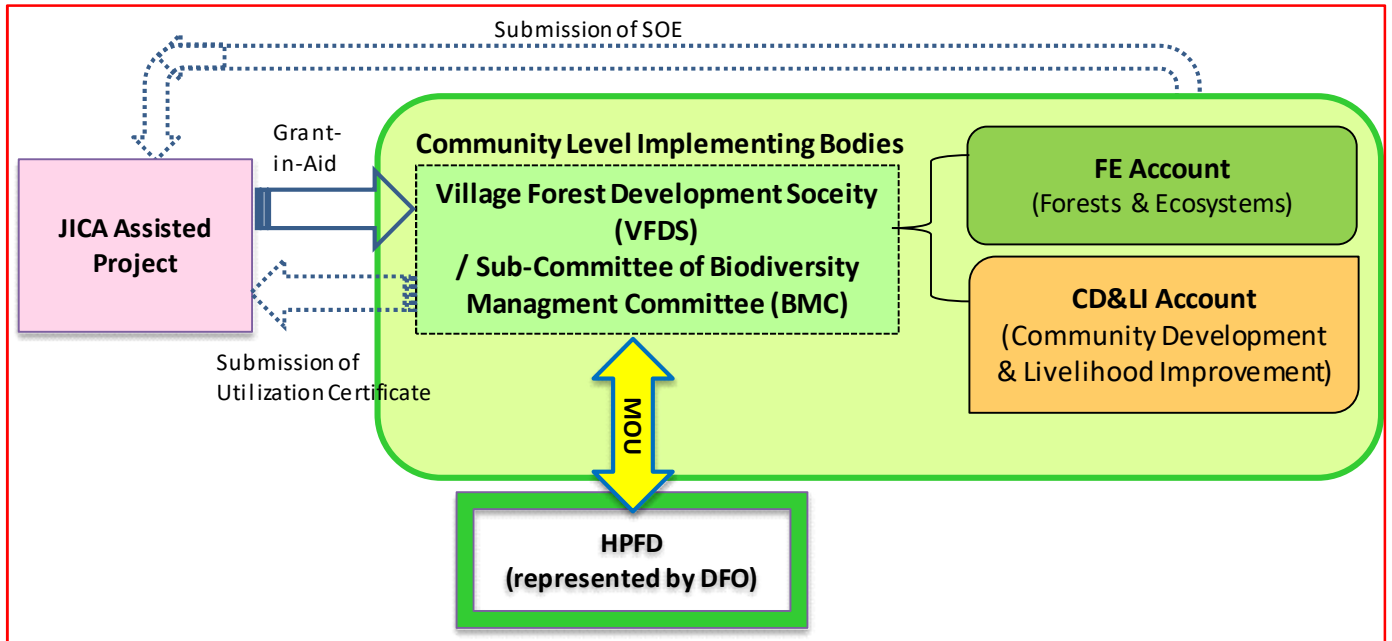
**Fig 3: Institutional Arrangement for VFDS/ BMC Sub-Committees**

### Fund Transfer Mechanism

1. A fund (in form of *Grant-in-Aid*) of Rs. 5, 00,000 will be released to each VFDS and each BMC Sub-Committees for Community Development Activities (identified & prioritized during the micro planning process), as a *one-time grant* during the project duration.
2. Funds from the project account with PMU will regularly go to the designated project bank accounts with DMUs as per the approved APO, following the guidelines and procedures mentioned in project documents.
3. DMUs would further provide the funds to the community level institutions for Community Development Activities to VFDSs/ BMC Sub-Committees' CD&LI Account *on advice of FTUs without delays and according to respective Annual Implementation Plans (AIP)*.

4. VFDS/ BMC have to submit *Statement of Expenditures (SOE)/ Utilisation Certificates (UC)* in accordance with project documents.

The figure below explains the above mentioned Fund Flow Mechanism for community development activities.



**Fig 4: Fund Flow to VFDS/ BMC Sub-Committee**

### *Points to Remember*

- ✓ As per the Annual Implementation Plan (AIP) of CD&LIP, DMU Office (represented by DFO, HPFD) will transfer the Funds for CD Activities to VFDS/BMC Sub-committee's CD&LIP Account.
- ✓ VFDS/BMC Sub-Committee would make expenditures as prescribed in the ***approved Micro Plan*** following the ***Project Norms***, and will also report the expenditures to the Gram Panchayat from time to time during Social Audits for each financial year. Through its institutional arrangements, the Project would also extend accounting and data-entry capacity building at the community level.
- ✓ The funds could be given to VFDS/ BMC Sub-Committee after a ***beneficiary share*** in terms of '***membership fee***' of ***Rs. 200 (or as decided by VFDS/BMC Sub-Committee) per Household*** is collected as per the Ward Voter's Register and deposited in the ***Community Development & Livelihoods (CD&LI) account/ FE Account***, and reported by the President of VFDS.
- ✓ The membership fee could be collected from all recognized houses in a Gram Panchayat Wards as far as possible. This will help in building a higher stake of the large set of community as well as to ensure equitable benefit sharing from the project.
- ✓ Further, it will also serve as a ***minimal up-front cost*** for receiving benefits from the target forest area or ecosystem and can be utilized as a '***Corpus Fund***'.
- ✓ The funds collected as beneficiary share along with the Project contribution to the Corpus would be fixed deposited in a nationalized bank or post office as 'Corpus Fund'.
- ✓ This Corpus Fund would act as security for the village institution in future, and could be utilized for maintenance of assets/structures created under CD Activities after project completion.

## Record Keeping

FTU Coordinators and other DMU/FTU Staff are required to ensure that the following information regarding Record Keeping is duly communicated and followed by each VFDS/ BMC Sub-Committees in their respective ranges:

- ☑ **Treasurer** would be responsible for maintaining cash book and payment register.
- ☑ **Member Secretary** will maintain membership register, project works register, proceeding register, complaint register and community development and livelihood promotion.
- ☑ **Accounting Procedures:**
  - To receive project funds, VFDS/ BMC Sub-Committees and SHGs/CIGs will operate separate bank account(s) in the nationalized banks for the purpose of the Project (as highlighted earlier).
  - VFDS/ BMC have to submit Statement of Expenditures (SOE)/ Utilization Certificates (UC) in accordance with project documents.

## Transparency

To ensure 100% transparency in planning, execution, M&E and documentation processes, it is necessary that following methods are adopted by Community Institutions. The Field Functionaries i.e. the FTU Coordinators, DMU SMS and other Field Staff are required to ensure their adoption.

- ✓ **Display of Details** of the Physical and Financial Outlay for each of the Community Development Activities along with Implementation Schedule and Benefits to be gained by the community, at a Prominent and Common places such as Gram Panchayat Office, Schools, Mahila Mandal Centre etc.
- ✓ **Placement of display boards** at the site of each community development activities with **Physical & Financial Details** along with **Implementation Schedule & Benefits**.
- ✓ **Regular Review and Monitoring** of the Execution of Works & Activities.
- ✓ **Formulation of Proceedings** for each Executive Committee Meeting by VFDS/ BMC Sub-committee, and their circulation to all members.
- ✓ Take **Photographs/ Videos** at various Stages of Work Execution.



- ✓ **Documentation of Records** (Documents / Photos / Videos) for Verification and Monitoring at later stage.
- ✓ **Maintenance of VFDS Records & Accounts** (as prescribed in the previous section)

## **Social Audit**

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### **What is Social Audit?**

***'It is a way to Measure, Understand, Report, and Improve an Organisation's Social & Ethical Performance.'***

Social Audit is directly associated with *Principles of Good Governance, Transparency, and Accountability*. Therefore, by integrating Social Audit as a means of monitoring and evaluation, the Community Institutions viz. VFDS/BMC Sub-Committee/ SHGs/CIGs would be showing their seriousness and dedication toward an inclusive implementation of project activities, both in letter and spirit.

Given below is an indicative list of activities and steps that can be covered during the Social Audit process. However, this is not an exhaustive list, and the representatives of the Community Institution can follow other indigenous ways best suited to ground situation, with the primary aim of honest and timely dissemination of project related information at all stages.

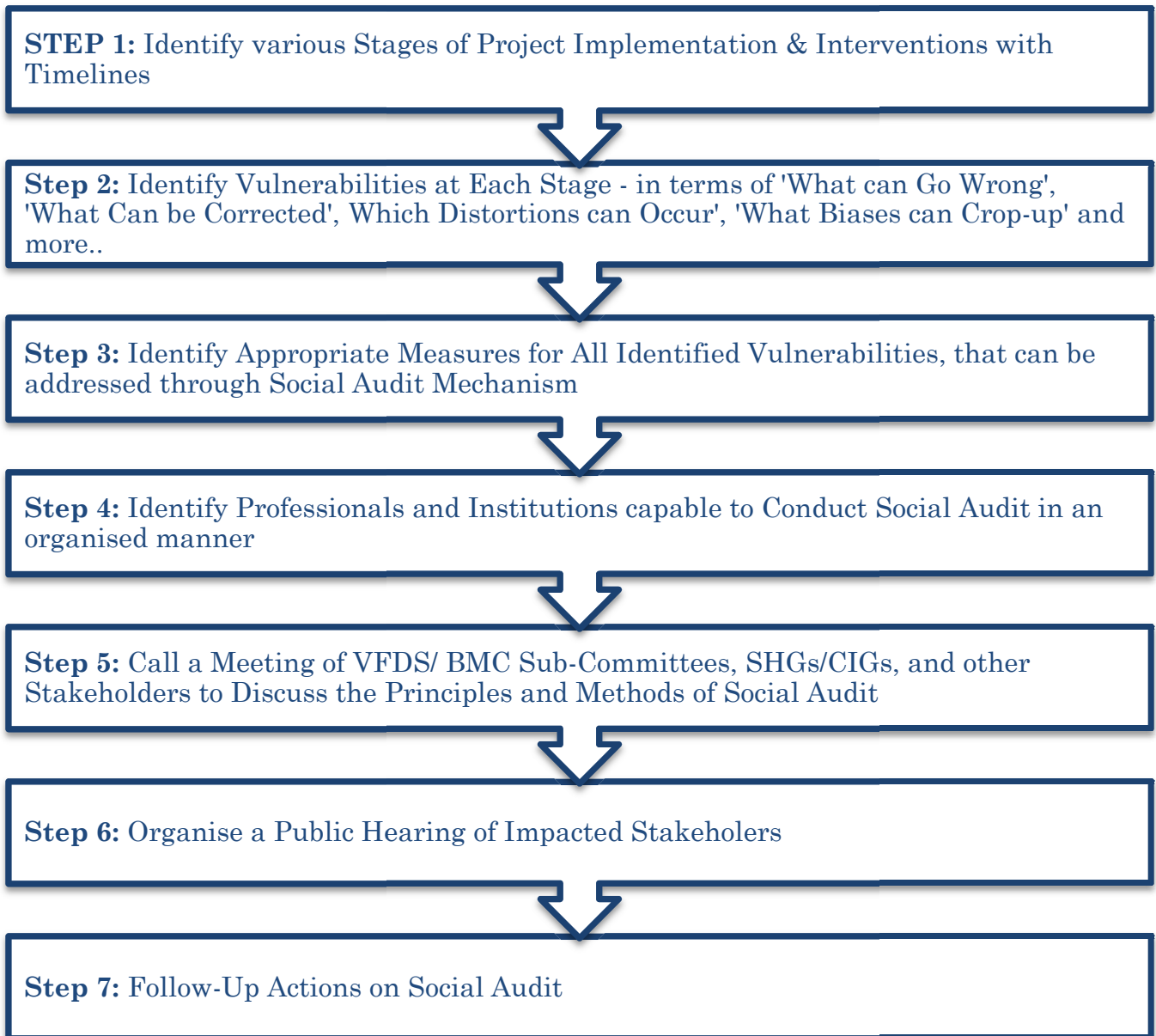
### **Activities to be covered under a Social Audit**

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- ☑ Awareness on ***Rights, Entitlements, Responsibilities & Obligations*** under the Project, especially about the Right to Participate in Social Audit.
- ☑ ***User-Friendly*** Forms, Formats & Documents to Ensure ***Ease of Participation*** for the Local Community.
- ☑ All Relevant Information Related to the Project should be ***Accessible, Displayed, & Read-out***.
- ☑ ***Transparent & Participatory*** Decision making Process inclusive of all impacted Stakeholders
- ☑ ***Frequent Meetings, Interactions, and Discussion*** among the VFDS/BMC Sub-Committees. SHGs/CIGs, Project Staff and HPFD.
- ☑ All Decisions and their Rationales to be ***Discussed & Documented*** without a Delay.

**☑ Immediate Action** on Findings of a Social Audit

## Steps in a Social Audit



*Please refer to the next chapter of this manual to get more details on Social Audit.*

## Accounting & Statutory Audits

FTU Coordinators and other DMU/FTU Staff are required to communicate the following information regarding the Accounting and Audit requirements to be fulfilled by Community Institutions.

- ☑ All cheques issued by the DMU in favor of the VFDS/BMC shall be routed through FTU. Before handling cheques to the respective VFDS/BMC, these should be entered in a register to be maintained in

appropriate format at FTU, for monitoring the progress of expenditure preparation of works bills by VFDS/BMC.

- ☑ Two Bank Accounts viz. FE Account and CD&LI Account opened by VFDS/ BMC Sub-Committees shall be operated as per provisions of Himachal Pradesh VFDS/BMC rules guidelines. It shall be the duty of the Treasurer/President of the Executive Committee to deposit the cheques issued for Project Activities immediately.
- ☑ DMUs shall not issue funds to the VFDS/BMC in one go. A single cheque Budget to the VFDS/BMC should be released on a quarterly basis (or as per need), on the bases of satisfactory expenditure and utilization by the respective VFDS/BMC.
- ☑ While cash is withdrawn from the bank for expenditure, adequate arrangements should be made for safe custody of the cash before it is disbursed. As far as possible, all payments should be made by cheque.
- ☑ Cash Book in the prescribed format shall be maintained for each VFDS/BMC by Treasurer of the VFDS/BMC and signed by the Treasurer and President both.
- ☑ Cash Book should be written in Ball Pen and any corrections in the Cash Book should not be made by overwriting/ erasing. The Incorrect Entry should be clearly stroked off and Correct Entry should be made separately under proper attention.
- ☑ Training for incurring expenditure and its accounting under the Project shall be conducted by PMU and VFDS/ BMC would be expected to follow the said procedures.

### **Audit of VFDS/ BMC Sub-committees Accounts**

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- ☑ PMU would conduct Independent Annual Audits of the VFDS/ BMC Sub-Committee Project Accounts.
- ☑ In addition, Concurrent Audits – quarterly or semi-annually or as per the frequency indicated in project documents will also be conducted.

- ☑ Also, the VFDS/BMC Sub-committees would also be liable to the audits as spelt out in the HP Societies Registration Act, 2006 / any other relevant guidelines.

## ***Gender Budgeting***

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### **What is Gender Budgeting?**

*“Gender Budgeting is a powerful tool for achieving gender mainstreaming so as to ensure that benefits of development reach women as much as men”*

*Ministry of Women & Child Development, GoI*

FTU Coordinators and other DMU/FTU Staff are advised not to consider Gender Budgeting as only an Accounting Procedure but as an ***On-Going Process*** where voices and opinions of both women and men are to be integrated into micro-planning, decision making, and implementation of LI Activities in the project.

In our Project, within the context of Sustainable Forest Ecosystems Management & Biodiversity Conservation, Women are observed to be a key stakeholder in management and conservation, as they bear the primary responsibilities of collection of fodder and fuel wood in many parts of the state.

Therefore, certain specific provisions are made under the Project to support women drudgery reduction and gender equality.

### **Provisions for Gender Budgeting**

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- ✓ ***40 % of CD&LIP Funds*** to be spent on Women’s Needs or used by Women Groups
- ✓ ***Gender Action Plan*** embedded in the project implementation process through project guidelines & training programmes.
- ✓ ***Gender Training*** of all stakeholders covering – HPFD Staff, PMU Staff, and Community Institutions
- ✓ Adoption of ***Gender Mainstreaming*** measures to give equal voice and opportunity to men and women

*Please refer to the Gender Action Plan Manual for further details on Gender Consideration in PIHPFEM&L.*

## OTHER IMPORTANT INFORMATION

### *Convergence*

To optimise the available resources such as Human Resources, Technical Expertise, Finances, Training & Capacity Building, and extend their benefits to the community in the project area, it is necessary to have close collaboration and liaison with other departmental schemes and programmes currently being implemented in Himachal Pradesh

The list of schemes/ programmes of various Departments/ Agencies/ Organizations is given in Table below:

**Table 2: List of schemes/ programmes of various Departments/ Agencies/ Organizations for Convergence**

Sector	Key Areas	Schemes/ Programmes	Department
Forest & Environment	Forest Protection and Afforestation. NTFPs	FRA (Forest Rights Act) NAP CAMPA	Forest Department
Livelihoods & Gender Mainstreaming	Livelihoods improvement, women empowerment, capacity building, skill development	National Rural Livelihood Mission	State Rural Livelihood Mission
Agriculture	Demonstration, HYV of various crops, package of practices, technical know-how	National Food security Mission, Soil health card	Agriculture department
Livestock	Veterinary services, vaccination, AI, feed management	National Livestock Mission	Animal Husbandry department
Horticulture	Floriculture, vegetable cultivation, fruit crops, drip irrigation, poly houses	National Horticulture Board	Horticulture department
Fishery	Fish Pond, fingerlings	Fishery	Horticulture department
Natural Resource Management	Soil & water conservation, water harvesting	IWMP, MGNREGA, Minor irrigation	IWMP MGREGA
Employment & Livelihoods	Wage Employment Self-Employment Skills SME Land Irrigation Agriculture & allied	MGNREGA RSETIs, KVIC DDU-GKY, PMKY ITI, Polytechnics Land distribution Watershed Mission ATMA, KVK, MKSP	Rural Development MSME RD/Agriculture Technical Education Land Resources, Revenue Irrigation

Sector	Key Areas	Schemes/ Programmes	Department
	NTFPs Non-Farm	MKSP SVEP	Agriculture Forest Department Industry Department
Health & Nutrition	HSC/SC/CHC VHSNC AWC PDS Mid-day meal	NRHM ICDS TPDS MDMS	Health & Family Welfare WCD Food & Civil Supplies Education
Water & Sanitation	Safe drinking water, Toilets, Drainage	SBM (G)	RWS / RD
Violence & Protection	Law & Order Domestic violence Prevention of sexual harassment Violence against SC/ST Child Labour & Rights Bonded Labour	Police Mitra Social Justice Committee Free legal aid NCLP/Child Marriage Bonded Labour Rehabilitation Scheme	Home Social Justice/ Welfare Women & Child Welfare Tribal Development Labour Dept./ W& CD Labour Dept.
Social security	Pensions, Insurance Maternity entitlement	NOAPS, RSBY, IGMSY (Indira Gandhi MatritvaSahyogYojana), NSAP, Atal Pension Scheme	RD/Social Justice/Revenue Finance Social Justice/Welfare Health
Education	Literacy, Schools, Vocational & technical education ST/SC Education	SSA, RMSA SC/ ST Pre & Post Scholarship Program	Education Social Welfare/ Tribal Affairs
Financial services	Savings Access to credit Insurance	MUDRA, RMK, KCC, Interest subvention PMJDY, PMJJBY, PMSBY, RSBY	Finance, NABARD, RBI, Banks
Infrastructure / community assets (road, energy, market, etc.)	Roads Energy Markets Community Buildings	PMGSY, Village Haats RBMRS MGNREGA	Rural Development
Local governance	Gram Sabha MahilaMandal GPDP	PRI, GPDP, IPPE-II IAP (Integrated Action Plan)	Rural Development Panchayati Raj

**Please Note:** Convergence Plans (activity-wise as identified and included in CD&LIP) needs to be prepared and consolidated at Ward, GP level so as to negotiate with GP to allocate a part of GPDP to meet specific needs and/or contribution to Community Development.

## Social Audit

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### Survey Method Under Social Audit

Different methods can be chosen for Social Audit to capture both quantitative and qualitative information of the VFDS/BMC Sub-Committees/ SHGs/CIGs. A few of such methods are as follows:

1. *Postal Survey*: Relatively less expensive and found to be more useful when same instrument can be sent to a large number of members of VFDS/BMC Sub-Committees/ SHGs/CIGs.
2. *Group Administered Questionnaire*: Under this method, a sample of respondents from VFDS/BMC Sub-Committees/ SHGs/CIGs are brought together and asked to respond to a structural sequence of questions. This method is ideal for collecting information with face to face clarifications from the groups who join for village meetings and therefore, offers a higher response rate.
3. *Household Drop-Off*: In this approach, a Social Auditor visits the houses of the VFDS/BMC Sub-Committees/ SHGs/CIGs members to collect relevant information. This method is expected to increase the percentage of respondents; however, its applicability is geographically limited, slow and expensive.
4. *Personal Interviews*: Face to Face interviews are conducted with VFDS/BMC Sub-Committees/ SHGs/CIGs members. It is useful in collecting personal and qualitative data and helps to learn more about the situation in detail, especially those that can be difficult to address in a group such as personal experiences
5. *Interviews with Selected Members*: The information collection is from a random sample covering representatives from VFDS/BMC Sub-Committees/ SHGs/CIGs members, who have special knowledge on key topics.
6. *Group Interviews*: This method of information collection allows a focused discussion on particular issues concerning the community and requires less resources compared to personal interviews.
7. *Telephonic Interviews*: Telephone interviews enable the Social Auditor to gather information rapidly. Like personal interviews, they help to develop some personal contact between the interviewer and the respondent and this method offers the possibility of probing into details.

8. *In-Depth Interviews*: Involves asking questions, listening to the answers and then posing additional questions to clarify or expand on particular issues.

### Framework Under Social Audit

Stage	Vulnerabilities	Steps to Transparency & Social Audit
Social Inclusion	Exclusion due to Remoteness, Bad Connectivity, Poor access etc.	<i>Wide publicity and sensitization</i>
	Physical Segregation Tribal/SC/SP groups	Selection of Beneficiaries: Effective targeting is key to ensure inclusion.
	Exclusion of Disadvantaged, Marginalized Sections	Some approaches for effective targeting used by various projects are:
	Exclusion of Disabled and Physically, Mentally Challenged People	<ul style="list-style-type: none"> <li>✓ Spatial or geographical targeting</li> <li>✓ Social group targeting</li> <li>✓ Economic or occupation targeting</li> <li>✓ A focus on women               <ul style="list-style-type: none"> <li>• Targeting areas using human development indicators.</li> <li>• Areas with poor infrastructure development</li> <li>• Areas prone to disasters.</li> <li>• Conflict- prone zones</li> <li>• Innovative Approaches to include Remote areas</li> <li>• Participatory identification of poor.</li> <li>• Landless Labourers.</li> <li>• Other occupational vulnerabilities</li> </ul> </li> </ul>
	Social Exclusion of Women	
	Social Exclusion due to domestic responsibilities	
	Exclusion due to migration	<i>Focusing on Social Groups and Women:</i> <ul style="list-style-type: none"> <li>• Women</li> <li>• Socially invisible groups</li> </ul>
Self-exclusion for various reasons	<i>Building institutions of and for the poor:</i> <ul style="list-style-type: none"> <li>• Self Help Groups/ CIGs</li> </ul>	



Stage	Vulnerabilities	Steps to Transparency & Social Audit
Institution Building	<p>Exclusion because of rigidity in the norms of the groups - particularly in case of vulnerable sections</p> <p>Dropout due to domestic responsibility, social inhibition, familial issues</p> <p>Membership Criteria may be tilted for dominant groups</p> <p>Norms and Functioning of the institutions may not be friendly to the poorest of the poor</p> <p>Influence of external forces can lead to exclusion</p> <p>Leadership styles may exclude poorest of the poor</p> <p>Project may focus on women but fails to address Gender</p> <p>Membership norms, style of functioning – not pro-poor</p>	<p>Wide Publicity &amp; Sensitization on the norms of Institution Building</p> <ul style="list-style-type: none"> <li>• Proper Analysis of People &amp; Community</li> <li>• Rapport Building with Each and Every Community and their Leaders</li> <li>• Involvement of Formal and Informal Leaders to Motivate Women to join the SHGs/CIGs movement.</li> <li>• Involve the Excluded Women in finding out and analyzing root causes of Community Problems.</li> <li>• A close relationship with each family and community by day to day contact</li> <li>• Informal sharing of development concerns and problems.</li> <li>• Proving useful to the community with sound knowledge of the project</li> <li>• Building rapport with the community</li> <li>• Demonstration of concerns for the people's cause without bias of any kind to any member in the community</li> <li>• Dialogue with village formal leaders, local officials, teachers, respected leaders in different communities and caste groups</li> <li>• Initiating development process with such activities which can show quick results and establish credibility</li> <li>• <i>Listening to everybody and then making decision</i></li> </ul>

Stage	Vulnerabilities	Steps to Transparency & Social Audit
Dependence on Forest Resources	<p>Constraints in Accessing Alternate means of Fodder and Fuel-wood</p> <p>Lack of Livelihood Options</p> <p>No Awareness on Sustainable Harvesting of Medicinal Produces from Forest Area</p> <p>Lack of mutual trust between communities and forest officials</p>	<p>Demonstration of use of alternate means of fuel such as chulhas, LPG etc.</p> <p>Capacity building and awareness for fodder cultivation on their land</p> <p>Training and capacity building of communities towards use of appropriate techniques for sustainable harvesting of NTFPs</p> <p>Providing alternate options of livelihoods to communities to reduce the dependence on forest resources.</p>
Livelihood Development	<p>Improper identification of activities</p> <p>Choice and type of livelihoods activities alienate the poor in the groups</p> <p>Improper preparation of micro credit plan</p> <p>Lack of participatory selection of activities and members for loan</p> <p>Lack of understanding the vulnerabilities of the poorest</p> <p>Inadequate access to land and other resources</p> <p>Poor infrastructure and marketing support</p> <p>Skewed delivery of services</p>	<p>Participatory identification of income generating activities</p> <p>Training on selection of activities for livelihoods and selection of micro credit plan</p> <p>Convergence of support services</p> <p>Hand holding support for marketing</p> <p>Field level technical and managerial guidance</p> <p>Frequent monitoring on availability of support services for the growth of income generating activities.</p>

Stage	Vulnerabilities	Steps to Transparency & Social Audit
	Lack of access to credit Lack of skill and managerial capacity	
Financial Inclusion	<p>Constraints in accessing bank services:</p> <ul style="list-style-type: none"> <li>• poor physical access</li> <li>• affordability</li> <li>• social distance, including discriminating attitude</li> </ul> <p>Low quality of services &amp; high transaction costs, in accessing bank services by socially marginalized section</p> <p>Complicated and Time consuming procedure for opening accounts and loans</p> <p>Inaccessible and Unfriendly Image of Formal Credit Institutions</p> <p>Collateral &amp; Security requirements for loans</p> <p>Poor often do not have clear title to land</p> <p>Opening of accounts, harrowing experience</p>	<p>Interface between rural poor and the bankers</p> <p>Financial literacy/ counseling services on savings/ credit</p> <p>Engagement of bank mitras, business facilitators, bank correspondents etc.</p> <p>Hand holding support to the SHG for financial inclusion</p> <p>Frequent interaction between bank linkage sub-committees of federations with bankers.</p> <p>Frequent interaction between project units and bank officials</p> <p>Transparency in credit disbursements</p>

## Additional Notes

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### What is a Group?

When people come together for a common purpose and agree to work toward a common objective, it is called a **GROUP**.

Within the context of Community Development, common known group formations are: *Self Help Groups, User Groups, Mahila Mandals, Yuvak Mandals, Producer Groups and more.*

A Group is characterised by:

- ✓ Similar Purpose
- ✓ Shared Goals
- ✓ Common Commitment
- ✓ Same Rules & Regulations
- ✓ Interactive & Inter-Dependent
- ✓ Collective Identity
- ✓ And, a Stable Structure

### Why Work in A Group?

***‘United We Stand, Divided We Fall’*** – this is the mantra behind working in a group.

Any task/activity/intervention/project when implemented through a group stands to:

- ✓ Achieve much more than Individual Working
- ✓ Increase Productivity & Performance
- ✓ Support Skill Development (interpersonal, team-work, time management)
- ✓ Help in Resource Mobilisation (consolidation & cooperation)
- ✓ Increase Accountability & Transparency
- ✓ Better the Monitoring & Evaluation Process (qualified data, division of work and effort)

## Basic Norms for Group Formation in PIHPFEM&L

Group	Size	Function
Self-Help Group (SHG)	At least 10 Women from economically weaker section	Savings Credit Income Generation Activities
Common Interest Group(CIG)	At least 10 VFDS/ BMC Sub-Committee members whose socio economic status may vary	Income Generation Activities Cluster based Livelihoods
Village Forest Development Society (VFDS)  BMC Sub-Committees	All members of Gram Panchayat Ward shall be entitled to be enrolled as members of Society (as per conditions prescribed in approved Bye-Laws for VFDS)  Elected Members of Executive Committees 7 to 16 members (depending on the population)  50 per cent should be Women in an Executive Committee  Local Forest Guard will be a Member  Deputy Ranger will be the Treasurer	Participatory Forest Management  Community Based Biodiversity Conservation  Community Development Activities  Livelihood Activities
<p><i>For more details on community based institutions (groups) to be formed under PIHPFEM&amp;L please refer to the Micro Planning Guidelines and other project documents</i></p>		

**BUSINESS PLAN**

**INCOME GENERATING ACTIVITY**

**(Name of IGA)**

SHG/CIG Name	::	
VFDS Name	::	
Range	::	
Division	::	

Sponsored by	Prepared By
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Sl. No.	Particulars	Page/s
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### 1. Executive Summary

## 2. Description of SHG/CIG

2.1	SHG/CIG Name	::	
2.2	SHG/CIG MIS Code No.	::	
2.3	VFDS	::	
2.4	Range		
2.5	Division	::	
2.6	Village	::	
2.7	Block	::	
2.8	District	::	
2.9	Total No. of Members in SHG	::	
2.10	Date of formation	::	
2.11	Bank a/c No.	::	
2.12	Bank Details	::	
2.13	SHG/CIG Monthly Saving	::	
2.14	Total saving	::	
2.15	Total inter-loaning	::	
2.16	Cash Credit Limit	::	
2.17	Repayment Status	::	
2.18		::	

## 3. Geographical details of the Village

3.1	Distance from the District HQ	::	
3.2	Distance from Main Road	::	
3.3	Name of local market & distance	::	
3.4	Name of main market & distance		



		::	
3.5	Name of main cities & distance	::	
3.6	Name of main cities where product will be sold/ marketed	::	
3.7	Any specific information of the village with regard to proposed IGA	::	
3.8	Status of backward & forward linkages	::	
3.9		::	
3.10		::	

#### 4. Description of product related to Income Generating Activity

4.1	Name of the Product	::	
4.2	Method of product identification	::	
4.3	Consent of SHG/ CIG / cluster members	::	
4.4		::	
4.5		::	

#### 5. Description of production Processes

## 6. Description of Production Planning

6.1	Production Cycle (in days)	::	
6.2	Manpower required per cycle (No.)	::	
6.3	Source of raw materials	::	
6.4	Source of other resources	::	
6.5	Quantity required per cycle (Kg)	::	
6.6	Expected production per cycle (Kg)	::	

## 7. Description of Marketing/ Sale

7.1	Potential market places	::	
7.2	Distance from the unit	::	
7.3	Demand of the product in market place/s	::	
7.4	Process of identification of market	::	
7.5	Impact of seasonality on marketing	::	
7.6	Potential buyers of the product	::	
7.7	Potential consumers in the area	::	
7.8	Marketing mechanism of the product	::	
7.9	Marketing Strategy of the product	::	
7.10	Product branding	::	
7.11	Product “slogan”	::	

## 8. Description of Management among members

--

## 9. SWOT Analysis

Strength	Weakness
Opportunity	Threats

## 10. Description of Potential risks and measures to mitigate them

Sl.	Details of Risks	::	Measure to mitigate
10.1		::	
10.2		::	
10.3		::	
10.4		::	
10.5		::	
10.6		::	
10.7		::	

## 11. Description of Economics of the Project:

Sl. No.	PROJECT COST	Amount (in Rs.)
<b>A.</b>	<b>CAPITAL COST</b>	
A.1		
(a)		
(b)		
(c)		
(d)		
(e)		
(f)		
	<b>Total of A.1 =</b>	
A.2		
A.3		
A.4		
A.5		
A.6		
A.7		
A.8		
	<b>Total Capital Cost =</b>	
<b>B.</b>	<b>RECURRING COST</b>	
B.1		
B.2		
B.3		
B.4		
B.5		
B.6		
B.7		
(i)	<b>Recurring Cost =</b>	
(ii)		

	<b>Total Recurring Cost B (i+ii) =</b>	
	<b>Total Project Cost (A+B) =</b>	
<b>C.</b>	<b>INCOME</b>	
<b>C.1</b>	<b>Direct Income</b>	
C.1.1		
C.1.2		
C.1.3		
C.1.4		
C.1.5		
C.1.6		
C.1.7		
C.1.8		
	<b>Total Direct Income (C.1)</b>	
<b>C.2</b>	<b>Indirect saving/ Income (Notional) – <i>if any</i></b>	
C.2.1		
C.2.2		
C.2.3		
	<b>Total Notional Income (C.2)</b>	
	<b>Gross Income (C.1 + C.2)</b>	

## 12. Summary of Economics

## 13. Assumptions

## 14. Benefit Cost Analysis

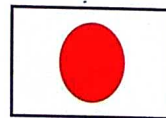
**15. Fund Requirement of SHG/CIG**

**16. Computation of break-even Point**

**17. Loan Repayment Schedule**

**18. Remark**





Project for Improvement of Himachal Pradesh  
Forest Ecosystems Management & Livelihoods