

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Handloom (Khadi)
by

Jai Kali Mata Group - Self Help Group



SHG/CIG Name	::	Jai Kali Mata
VFDS Name	::	Rockcharang-Kacharang
Range	::	Katgaon
Division	::	Kinnaur

Prepared under:



Project for Improvement of Himachal Pradesh Forest Ecosystems
Management & Livelihoods (JICA Assisted)

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1. Introduction

Himachal Pradesh is a State in the Northern part of the India and is situated in the western Himalayas. It is characterized by an extreme landscape featuring several peaks and extensive river system. Himachal Pradesh is known as “Land of God “and is also known for its scenic beauty. Himachal Pradesh is rich in flora and fauna.

The state has diverse ecosystem, rivers and valleys, and has a population of 7.5 million and covers 55,673 sq.km ranging from foothills of Shivalik to the mid hills (300 - 6816 MT above MSL), high hills and cold dry zones of the upper Himalayas. It is spread across valleys with many perennial rivers flowing through them. Almost 90% of the state’s population lives in rural areas. Agriculture, horticulture, hydropower and tourism are important constituents of the state's economy.

The Himachal state has 12 districts and Kinnaur is one of the Twelve Administrative District of the State. The Kinnaur district is divided into three administrative sub division viz Kalpa, Nichar (Bhaba Nager) and Pooh and has six Tehsils. The district Headquarter is located at Recong Peo. It is the 2nd least populous district of Himachal Pradesh after Lahul and Spiti. The total geographical area of the district Kinnaur is 6401 Sqr.KM and the population is 84121 as per 2011 census.

The Kinnaur district once a forbidden land, is now treasure’s trove for the daring and adventurers seekers. The Mount Kinnar Kailash, Abode of Lord Shiva can be seen from Kalpa. Beside this there is pristine at Nako village. The lower Kinnaur has large influences of Hinduism with traces of Buddhism in their belief systems, and in the higher reaches it is Buddhism that dominates and both the religion coexist in harmony. The Kinnaur District is famous for its dry fruits viz. Chilgoza, Apricot, and Badam. Beside this the Apple cultivation has also gained momentum & now the apple from Kinnaur district is fetching highest value as compare to the other part of the State growing apple crop.

The Local inhabitants of District Kinnaur are traditionally wearing hand-woven fabrics that have existed since beyond the reach of memory. Climatically the Kinnaur is divided into 3 zones viz Wet Zone, Dry Zone & Arid Zone. The Jani Area falls in the Wet Zone and the local people attire with Woollen Clothes known as ‘**Dohru, Shawl, Stall, Mafler, Kinnouripattu**’ for Ladies and Woollen Clothes from ‘**Patti**’ for Men. Beside this Men and Women put Woollen Caps (Kinnauri **Topi**). These articles are prepared from the wool of sheep which local people are rearing from time memorial.

The Handloom Industry in Kinnaur has a long tradition of excellent craftsmanship, representing and preserving the vibrant Indian culture. The operations of this industry are

primarily household based, wherein various members of the family put in joint efforts for production.

The women in this SHG are already in activity to meet the need of their family members. Now the members have chosen this activity as IGA so that they can earn extra money to meet their expenses and raise some saving also for the difficult times. A group of 12 women of different age group came together to form a SHG under JICA project and decided to craft a business plan which can help them to take this IGA in collective manner and raise their additional income.

2. Description of SHG/CIG

3.1	SHG/CIG Name	::	Jai Kali Mata Group
3.2	VFDS	::	Rockhrang-Kachrang
3.3	Range	::	Katgoan
3.4	Division	::	Kinnaur
3.5	Village	::	Rockhrang-Kachrang
3.6	Block	::	Rockhrang-Kachrang
3.7	District	::	Kinnaur
3.8	Total No. of Members in SHG	::	15– females
3.9	Date of formation	::	17/01/2022
3.10	Bank a/c No.	::	14160110040690_
3.11	Bank Details	::	UCO Bank B/Nagar
3.12	SHG/CIG Monthly Saving	::	100/- (held meeting to be every 10 th month of day)
3.13	Total saving	::	
3.14	.Total inter-loaning	::	
3.15	Cash Credit Limit	::	--
3.16	Repayment Status	::	--

3. Beneficiaries Detail:

Sr.No	Name	Father/Husband Name (Sh.)	Age	Category	Cont.No	Designation	Occupation
1	Tar pati	Sh.Fakir Chand	32	ST	8894218935	Pradhan	Agriculture
2	Manikakumari	Sh. Govind	38	ST	8627074237	(Sectary.)	Agriculture
3	Anuradha	Sh.Tikamsingh	21	8	7876721762	Member	Agriculture
4	Roshani Kumari	Sh. Anuj	40	ST	82196206450	Member	Agriculture
5	Kanyakumari	Sh. Fakir Chand	44	ST	9805826918	Member	Agriculture
6	Rima Kumari	Sh.Suresh Kumar	25	ST	8580620453	Member	Agriculture
7	Birma Devi	Sh.Ramesh Chand	44	ST	8219245302	Member	Agriculture
8	Anisha	Sh.Kishan Chand	26	ST	8219193541	Member	Agriculture
9	Babita	Sh.Dhalut Ram	29	ST	9805851914	Member	Agriculture
10	Durga Devi	Sh.Diwan Singh	32	ST	7807547813	Member	Agriculture
11	sapna	Sh. Sanam var	18	ST	8625840637	Member	Agriculture
12	Ram Dasi	Sh. Klam Singh	40	ST	6230569314	Member	Agriculture
13	Yalchand Shakti	Sh. Satpal Singh	30	ST	8894565622	Member	Agriculture
14	Pooja	Sh.Ram	50	ST	8628813120	Member	Agriculture
15	Santosh kumari	Sh.Kiran Chand	45	ST	8219473899	Member	Agriculture

4. Geographical details of the Village:

4.1	Distance from the District HQ	::	40km
4.2	Distance from Main Road	::	8Km from NH 5
4.3	Name of local market & distance	::	Tapri-25 Km,Bhaba Nagar-8 Km, Recong Peo-58km
4.4	Name of main market & distance	::	Tapri-25 Km, RecongPeo-58 Km& Rampur-58Km
4.5	Name of main cities & distance	::	RecongPeo-58Km& Rampur-58Km
4.6	Name of places/locations where product will be sold/ marketed	::	Tapri-25 Km, Jeori, RecongPeo-58 Km& Rampur- Km

5. Description of product related to income generating activity

1	Name of the Product		Full design Shawl&ordinaryShwal, Stall, Border, Full design Pattu, (Full design & ordinary Dohru)&woolan Patti and Maflar
2	Method of product identification		This activity has been decided by SHG members. Further, one of the members of the SHG is already is doing this activity. There is heavy demand in the local market which will enhance the additional income.
3	Consent of SHG/ CIG / cluster members		Yes

6. Description of Production Planning:

The Members of the group will be imparted training for the manufacturing of the products that are Shawl&ordinaryShwal, Stall, Border, Full design Pattu, (Full design & ordinary Dohru)&woolan PattiMaflaretc. After training the following steps will be followed by the members of the group: -

1. The Warp and Weft (Tana and Bana) for the manufacturing of Shawl and Stall will be carried by Warping Machines. It will save the time and labour expenditure.
2. There will be division of the labour by the group members for the manufacturing of the articles.
3. The Members will bring the raw material and the distribution of articles turn by turn.
4. The Members have to work for at least 4-5 hours/day.

6.1	Time taken	::	<p>Shawl/Stall: One design shawl will be ready in 10 days after working for 4-5 hour by at least two members.</p> <p>Border: Two Border of different designs will be made in handloom in one day after working for 4-5 hour by a member.</p> <p>Pattu: Pattu of different design will be ready by 3 members in 15 days after working for 4-5 hours/day.</p> <p>Patti: Patti for Stitching coat will be ready by 3 members in 10 days after working for 4-5 hours/day</p> <p>Maflar: Maflar of different design will be ready by 3 members in 15 days after working for 4-5 hours/day</p> <p>Dhoru: Dhoru of different design will be ready by 3 members in 15 days after working for 4-5 hours/day</p>
6.2	Number of members involved	::	15.
6.3	Source of raw materials	::	Bhabanagar & Rampur
6.4	Source of other resources	::	Local market/ Main market
6.5	Production cycle (in days) 30 days per day after 4-5 hour/day work.	::	<p>30 shawls</p> <p>30 stalls</p> <p>50 Border</p> <p>15 Pattu</p> <p>40 Patti</p> <p>10 Dhoru</p> <p>10 Maflar</p>
6.6	Workers Required Per Cycle (Nos.)	::	<p>03 Members for Shawl</p> <p>03 Member Stalls</p> <p>01 member for Border</p> <p>02 member for Pattu</p> <p>02 Member for patti</p> <p>02 member for Dohru</p> <p>02 member for Maflar</p> <p>Total-15members</p>

7. Raw Material Requirement and Estimated Production:

1. Shawl

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Raw Material (Warp&Weft) (Oswal)	Kg.	30	2000	60000	30 Shawl
2.	Expense of Warping Machine for 30 Shawls	No.	90	25	2250	
	Total				62,250	

2. Stall

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana & Bana	Kg.	30	2000	60000	30 Stall
2.	Total				60000	

3. Border(woolen/Cashmilon)

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana Woollen	Kg.	0.36	1500	540	50 Pieces (16 inch)
2.	BanaCashmilon	Kg.	0.36	430	155	
	Total				695	

4. Pattu(Full Design)

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	6	L/S	27000	15 Pattu
2.	Bana (100% Wool)	Kg.	12			
3.	Oswal	Nos	30			
	Total				27000	

5. Patti

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	16	L/S		

2.	Bana (100% Wool)	Kg.	40		60000	40Patti
3.	Marina Wool	Kg	40			
	Total				60000	

6. Dhoru(Full Design)

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	8	L/S	30000	10 Dhoru
2.	Bana (100% Wool)	Kg.	15			
3.	Oswal	Nos	20			
4.	Marina	Kg	6			
	Total				30000	

7. Maflar

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	4	L/S	20000	10 Maflar
2.	Bana (100% Wool)	Kg.	4			

3.	Oswal	Nos	600			
	Total				20000	

8. Description of Marketing/Sale:

7.1	Potential market places/locations	::	Village itself, Tapri-25Km, Jeori, Recong Peo-58 Km & Rampur-58 Km
7.2	Demand	::	Throughout the year.
7.3	Process of identification of market	::	Group members will contact nearby villages/market
7.4	Marketing Strategy	::	SHG members will directly take orders from nearby villages/market.
7.5	Brand of the Product	::	Handloom Project

9. Details of management among group members:

- Rules will be made for management.
- The group members will distribute the tasks by mutual consent.
- The allocation will be done on the basis of efficiency and capacity of the work.
- The distribution of profit will also be done on the basis of quality of work and skill and hard work.
- 04 members having experience in marketing will do marketing in turn.
- Pradhan and Secretary will continue to evaluate and observe the management at the same time.

10. Customers

The primary customers of our centre will mostly be local people around village Nigulsari but later on this business can be scaled up by catering to nearby small townships.

11. Target of the centre

The centre primarily aims at to provide unique modern and high-class knitting service to the residents of Rockcharng –Kachrangvillage in particular and all other residents of nearby villages.

This centre will ensure to become the most renowned knitting centre with quality work in its area of operation in coming years.

12. SWOT Analysis

❖ Strength

- ➔ Activity is being already done by some SHG members
- ➔ Raw material easily available from nearby markets
- ➔ Manufacturing process is simple
- ➔ Proper packing and easy to transport
- ➔ Other family members will also cooperate with beneficiaries
- ➔ Product self-life is long

❖ Weakness

- ➔ Lack of technical know-how

❖ Opportunity

- ➔ Increasing demand for good products

❖ Threats/Risks

- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

13. Description of potential challenges and measures to mitigate them:

Sr.no	Description of Risks	::	Measures for Risk Mitigation
13.2	It might be possible that there can be short demand in the market which will affect the sale and income.	::	For Marketing purpose additional market should be explored.
13.3	Due to decline in quality of production the sales may go down.	::	In order to maintain the quality of product, the SHG members have to follow strict guidelines.

14. Machinery, tools and other Equipment's

A. CAPITAL COST				
Sr. No.	Particulars of machinery.	Quantity	Rate per unit	Total Amount

1.	Khadi-33 inch	15	12000	180,000
2.	Iron Press (2 kg)	5	1000	5000
3.	Spinning Wheels	10	2500	25,000
4.	Peg Wrapping Machine	15	3500	52500
5.	Storage Box(Trunk)	2	5000	10,000
6	Pit Loom	15	3000	45000
7	Scissor	15	100	1500
Total capital cost				319000

B.	Recurring cost
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1. Shawl

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Raw Material (Warp&Weft) (Oswal)	Kg.	30	2000	60000	30 Shawl
2.	Expense of Warping Machine for 30 Shawls	No.	90	25	2250	
	Total				62,250	

2. Stall

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
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1.	Tana & Bana	Kg.	30	2000	60000	30 Stall
2.	Total				60000	

3. Border(Boolen/Cashmilon)

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana Woollen	Kg.	0.36	1500	540	50 Pieces (16 inch)
2.	BanaCashmilon	Kg.	0.36	430	155	
	Total				695	

4. Pattu(Teen Phool Tara Guddi Bel)

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	6	L/S	27000	15 Pattu
2.	Bana (100% Wool)	Kg.	12			
3.	Oswal	Nos	30			
	Total				27000	

5. Patti

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	16	L/S	60000	40 Patti
2.	Bana (100% Wool)	Kg.	40			
3.	Marina Wool	Kg	40			
	Total				60000	

6. Dhoru (Full Design)

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	8	L/S	30000	10 Dhoru
2.	Bana (100% Wool)	Kg.	15			
3.	Oswal	Nos	20			
4.	Marina	Kg	6			
	Total				30000	

7. Maflar

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Tana (100% Wool)	Kg.	4	L/S	20000	10 Maflar
2.	Bana (100% Wool)	Kg.	4			
3.	Oswal	Nos	600			
	Total				20000	

Sr.no	Particulars	Price	Total (Rs)	Amount
1	Room Rent and Electricity	3000	3000	
2	Packing Material and Storage Box	7000	7000	
3	Freight Charges (Raw Material & final products)	3000	3000	
4	Other (stationary, transportation, machine repair)	1500	1500	
Total Recurring Cost (B)				259,945
Recurring Expenditure= Total Recuring-Labour Wage =259,945-157,500				102,445
Total Expenditure=A+B =319000+102,445				421,445

15. Total production and sale amount in month

Since it is an additional activity in the SHG apart from their routine household work the outcome will be proportionate to the working hours of each member. It is always better initially to keep the production on conservative side which can always be scaled up with passage of time and work experience.

C)				
Total Sale				
Sr.no	Particular	Quantity	Rate (Rs.)	Amount (Rs.)
1	Shawl	30	5000	1,50000
2	Stall	30	3000	90,000
3	Border	50	1000	50000
4	Pattu	15	10000	150,000
5	Patti	40	2500	100000
6	Dhoru	10	10000	100000
7	Maflar	10	10000	100000
Total (C)				7,40,000

Particulars	Total Amount (Rs.)	Project contribution (75%)	SHG contribution (25%)
Total capital cost	319,000	239,250	79,750
Recurring cost			
Other expenditure per month	102,445	-nil-	102,445
Total	421,445	239,250	182,195

Total sale in a month = 7, 40000

Total expenditure in first month (319,000+ 102,445) = 421,445

However, an amount of rupees 239,250 is the project support therefore for calculation purpose this amount can safely be deducted from the expenditure column and the net income can be re-cast again. Moreover the members of SHG will be doing the job collectively therefore their wages have not been taken into account. The net income at the end of the month is re-cast as under:

<u>Capital cost</u>		
Particulars	Amount	SHG contribution
Capital cost	319000	79,750
<u>Recurring expenditure</u>		
i) 10% depreciation on capital cost per month	3190	
i) Other expenditure on material cost etc.	102,445	
Total	105,635	
Total cost	79,750+105,635=185,385	
Total sale in 1st month	7,40000	
Net profit	554,615	

8. Sharing of the profit

The members of SHG have mutually agreed with consent voice that in the 1st month Rs. 28,571 will be paid to each member as income and the remaining profit of Rs. 154,615 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

9. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	319000	239,250	79,750
2	Total Recurring Cost	102,445	0	102,445
3	Trainings	100000 (for 2 training)	1,00,000	0
	Total outlay	521,445	339,250	182,195

Note-

- **Capital Cost** - 75% of the total capital cost will be borne by the Project
- **Recurring Cost** –The entire cost will be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** –Total cost to be borne by the Project

16. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none">• 75% of capital cost will be utilized for purchase of machines.• UptoRs. 1 lakh will be parked in the SHG bank account as a revolving fund.• Trainings/capacity building/skill up-gradation cost.	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• 25% of capital cost to be borne by SHG.• Recurring cost to be borne by SHG	

17. Trainings/capacity building/skill up-gradation

Trainings/capacity building/ skill up-gradation cost will be borne by project.

Following are some trainings/capacity building/ skill up-gradation proposed/needed:

- Team work
- Quality control
- Packaging and Marketing
- Financial Management

18. Loan Repayment Schedule-

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is no repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL.

- In CCL, the principal loan outstanding of the SHG must be fully paid to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans, the repayment must be made as per the repayment schedule in the banks.

19. Monitoring Method –

- Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection

20. Remarks

Group members Photos-



TavarPati



Menika Kumari



Anisha



Roshani



Anuradha



Rima



Durga Devi



Birma Devi



Kanya Kumari



Gyalchan Shakti



Sapna



Pooja



Ram Dassi



Ram Dassi



Santosh Kumari

List of Rules of the House of Interest

1. Group work: handloom;
2. Address of the Group: Village-Rockcharng-Kacharng Post Office Nathpa-Nichar District- Kinnaur Himachal Pradesh.
3. Total members of the group: 15
4. Date of First Group Meeting: 17.01.2022
5. Interest will be Rs.2 for every Rs.100 in the group.
6. Monthly meeting of the group will be held on 10th of every month.
7. All the members of the group will deposit the amount saved every month in the group.
8. All the members will have to attend the meeting of the Self Help Group.

9. Self help group account will be opened in UCOBBank branch Account number is

14160110040690

10. In order to be present in the group meeting, permission will have to be taken by telling the principal and secretary the proper work.

11. In the group who does not deposit the amount of savings or remains absent from the group for 3 meetings, then that person will be removed from the group.

12. The person who remains present in the group without giving reasons, then the next meeting will be held in the house of that person whose expenses will have to be paid by that person himself, if there are two members, then the expenses will have to be paid together.

13. The head and the secretary of the Self Help Group will be elected by consensus.

14. Principal and Secretary can do transactions with the bank, this post will be valid for one year.

15. The head, secretary or member will not do any work against the group and will always use the amount of the group.

16. If the member wants to leave the group due to any reason, if this person has taken the loan, then the group has to be returned, only then he is able to leave the group otherwise not

17. The purpose of the loan, the time of repayment of the amount, the instalment of the loan and the rate of interest will be decided in the meeting.

18. In case of emergency, the principal and the secretary should have at least Rs 1000.

19. The register of SHGs should be read and written in front of all the members.

20. Large borrowers will have to give a week's advance notice.

21. Loans should be available to all the members in times of need.

22. If the member wants to leave the group without any reason, then the deposits of that member will be divided in the group.

23. The group will have to submit its monthly report every month to the office of the Technical Regional Unit (Bhabanagar Range Kinnaur Division).

समूह का सहमती पत्र

आज दिनांक जय काली माता सव्यम-सहायता समूह रोकघराड0 काथराड0 में बैठक हुई यह बैठक प्रधान श्रीमती तार पती के अध्यक्षता में हुई। आज बैठक में यह चर्चा की सभी सदस्यों ने यह निर्णय लिया कि जाईका वन विभाग की तरफ से जो धन राशि मिलेगी उसका उपयोग खाड़ी सिखने के लिए किया जाएगा जिसके लिए सभी सदस्यों की सहमती प्रकट की है इस बैठक में सभी सदस्यों ने भाग लिया ।

प्रधान *Twarpati*
जय कालीमाता सव्यम-सहायता
समूह काथराड0 काथराड0
समूह के प्रधान के हस्ताक्षर

सचिव *Menka Kumari*
समूह काथराड0 काथराड0
समूह के सचिव के हस्ताक्षर

Project for Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods

Memorandum of Understanding

Between

The Rockhasang Kachra Village Forest Development Society/ BMC Sub Committee

And

The Forest Department (represented by DFO KINNAUR for Participatory Forest Management.

Whereas

- The Rockhasang Kachra Village Forest Development Society/ BMC Sub-Committee (hereinafter called "Society") has been constituted as per procedure described in the HP PFM Regulations notified by Govt. of HP vide No. FFE-C (9) 1/2001 dated 23.8.2001 and vide No.FFE-B-F (5) 5/2016- Pam III dated 19.11.2018, by the Villagers of Rockhasang Kachra Village Forest Development Society/ BMC Sub-Committee in district KINNAUR and Forest Division KINNAUR Himachal Pradesh and has an elected Executive Committee (hereinafter called "EC"),
- as part of the Japan International cooperation Agency (JICA) supported "Project For Improvement of Himachal Pradesh Forest Ecosystems Management and livelihoods" (hereinafter called -Project") the Micro plan (Forest Ecosystems Management Plan & Community Development & Livelihood Improvement Plan) for Forest Management and Community Development (hereinafter called "Plan") for Forest protection, rehabilitation and management of the specified forest areas has been jointly prepared by the Society and the Forest Division
- the Plan contains details of program for conservation, management and development of forest areas, Biodiversity conservation, Livelihood improvement works and also the description of equitable distribution of usufructs obtained from allocated forest areas and public resources of the ward/village;
- the Plan has been approved by the Officer in Charge of the Forest Division (here- in after called "Forest Officer") on behalf of Government of Himachal Pradesh;

Now here with

The KINNAUR Forest Division and the Society have mutually agreed on this MoU, and consequently. This MoU is executed with the following articles;

1. Purpose of the Memorandum of Understanding

This Memorandum of Understanding (hereinafter called -Man details the responsibilities of the Society regarding management and protection of forest areas) and village(s) resource development, in the manner specified in the Plan and for equitable distribution of benefits amongst its members. It further details payments and support to be provided by the project and the associated conditions.

2 Responsibilities of the Society

- 2.1 With regard to its Constitution, working, powers, duties and benefits, the Society agrees to act in accordance with the HP Government Notification No. FFE-B-F (9) 1/2001 dated 23.8.2001 and vide No.FFE-B-F (5) 5/2016- Part- III dated 19.11.2018, and other relevant Government orders and instructions.
- 2.2 The Society agrees to provide all necessary assistance to the Forest Officer in selection of forest area(s) to be allotted to it for forest management and development so that there is no dispute regarding areas of common use of nearby villages.
- 2.3. The Society agrees to prepare and submit general house approved, quarterly physical & financial plans with budget requirements to FTU concerned for releasing funds after Plan's approval from PMU.
- 2.4. The Society agrees to identify Community Development Activities (CDAs) in conformity with the CDA guidelines, decide on these through a consultative process and implement them according to the relevant standards as applicable.
- 2.5. The Society agrees to carry out works laid out in the Plan for the forest area (such as planting, fencing, maintenance and protection) and in doing so, follow the principles of management of forest and wildlife specified therein, also taking into account the guidelines of the Government, prevalent legal provisions and technical principles. The Society will ensure that no existing acts/rules of forest/wildlife management are being violated.
- 2.6. The Society agrees to contribute membership fee through its members/user groups. The amount with interest will be available to VFDS/BMC (Sub-Committee) after project closure and can be used by VFDS/BMC (Sub-Committee) consensus. The amount deposition to be done within six months.
- 2.7. The Society agrees, after completion of the related works, to protect the forest area from fire, illicit grazing, illicit felling, and illicit transport. Illicit mining, encroachments and poaching and shall help the forest department in this regard.
- 2.8. The Society agrees to pass the information regarding person(s) engaged in banning the wild animals and forests or those engaged in illegal activities on to the Forest Department. The Society agrees to help forest employees in apprehending such person(s) and provide all possible assistance in protecting any seized produce etc.
- 2.9 The Society agrees to rectify any shortcomings found during review of its works by the Forest Officer/monitoring agency.

- 2.10 The Society agrees to keep accounts of income and expenditure of the funds from various sources and also to get regular annual audits done by the agency assigned by the Forest Officer.
- 2.11. The Society agrees to maintain the records specified by the project regularly and in prescribed formats.
- 2.12. The Society agrees that the distribution of products and services generated as a result of implementation of the Plan among its members/User Groups is done in an equitable manner. If the Forest Officer points out any mismanagement or irregularity in the equitable distribution of such products and services, then the

- ☞ Society agrees to implement the necessary corrections/improvements suggested by the Forest Officer.
- 2.13. Society agrees to ensure that there will be no miss utilization of funds provided by Forest Department for implementing project activities.
- 2.14. Society will open two accounts of VFDS/BMC (Sub-Committee), One for FEMP implementation (FE Account) and second one as; revolving fund under Livelihood activities (CD&LI Account).
- 2.15 The funds and maintenance of account would be in accordance with Para-36 to 43 of the Bye-laws notified by Govt. on dated 19-11-2018 for VFDS under the Project.

3. Responsibilities of the Forest Department

- 3.1. The Forest Department will provide to the Society the related input materials required to carry out the works specified in the Plan, such as saplings, fencing materials, etc. in a timely manner.
- 3.2. The Forest Department will provide the payments specified in the Plan to the Society for implementation of works carried out in the forest area on the basis of the Plan in a timely manner. The Society to prepare and submit general house approved, six monthly physical & financial plans with budget requirements to DMU through FTU concerned for release of funds. DMU to release the fund to the VFDS/BMC (Sub-Committee)
- 3.3. Funds from other department's schemes as the Panchayat may be able to garner/ converge, may also be used for activities that help meet the project's objectives.
- 3.4. The Forest Department shall provide the necessary advice and guidance to the Society for implementation of works carried out in the forest area on the basis of the Plan.
- 3.5 The Forest Department shall NOT be responsible for any loss in any of the works related to implementation of the Plan and no claim of any sort can be presented against Forest Department.
- 3.6 Forest Department will take legal action against any mis appropriation of fund by VFDS/BMC (Sub-Committee).

4. Support by the Project

- 4.1. The Project will provide funds for Community Development & Livelihood activities (CDAs) identified by the Society and in conformity with the CD&LIP guidelines, which will be implemented by the Society.
- 4.2. The Project will provide to the Society if required the related input/materials required to carry out the works specified in the Plan, such as saplings, fencing materials, etc. in the required qualities and quantities.
- 4.3. The Project will provide to the Society the payments specified in the Plan for implementation of works carried out in the PFM area on the basis of the Plan.
- 4.4. The Project will provide to the Society members training and other capacity building measures, as well as support for income generating activities as specified in the Plan.

5. The funds earmarked for Plantations, soil and water conservation, Biodiversity conservation etc., will be credited into the VFDS/BMC (Sub-Committee) bank account according to six-month plan requirement (prepared from Micro plan) of VFDS/BMC (Sub-Committee). In addition, VFDS/BMC (Sub-Committee) to open an account for Livelihoods activity.
- 4.6. Payment and receipt of project funds will be strictly by means of cheques online payment/RTGS etc. or bank transfers to the account of the Society. Society will further distribute fund similarly.
- 5. Rights and Benefit Sharing**
- 5.1. The Rights of right holders as admitted in the Forest Settlement will remain unaffected due to constitution of the Society and will continue to be exercised as heretofore.
- 5.2. The Benefits which Society members and their user groups will be entitled to after closure of plots / patches in the forest for various project interventions are as follows:
- i) to collect the yield such as fallen twigs, branches, lopping, grass, bamboos, fruits, flowers, seeds, leaf fodder and non-timber forests products free of cost through individual or collective arrangements as decided by the Society;
 - ii) to the sale proceeds of all intermediate harvest, subject to protection of forest and plantations for at least 3 years from the date of agreement;
 - iii) to organize and promote vocational activities related to forest produce and land; and other activities such as promotion of self-help groups which may provide direct benefits, including micro-lending to women. None of the activities so promoted shall affect the legal status of the forest land;
 - iv) recorded rights over the forest shall not be affected by these benefits;
 - v) after 5 years, the Society may expand the area, on the basis of a fresh agreement deed, by inclusion of adjoining or nearby areas;
 - vi) to utilize at least 40 percent of the sale proceeds on forest regeneration activities including soil and water conservation.
- provided that for the purpose of usufruct, the usufruct sharing family shall be one unit.
- 5.3. The Society will be entitled to their share of payments from intermediate and final felling, whenever they take place in this forest, as laid out in the PFM Regulations of HP, 2001,
- 6. Monitoring & Evaluation**
- 6.1. Monitoring and Evaluation of project activities will be done at different levels, including by the EC, a participatory monitoring committee and an independent third party apart from Project authorities.
- 6.2. The EC of VFDS/BMC (Sub-Committee) or any of its members will monitor progress and quality of work during execution of various works. The Member Secretary will record the date, places and names of EC members who checked the work(s) and whether works were satisfactory and any instructions given.

- 6.3. A participatory monitoring committee made up of members of the Society, a member from the Panchayat as well as a representative from the Forest Department (e.g. Deputy RO) will on quarterly basis review objectives, inputs and work progress and report to the whole Society. Their reports will then be sent to the Forest Officer for further action.
- 6.4. Where Society groups have carried out or are responsible for activities like social fencing, fire prevention, plantations or maintenance of plantations, annual monitoring will be carried out by Project-approved monitors (Third Party) and the results of this monitoring linked to release of payments, a) for social fencing in lieu of barbed wire fencing, b) for fire prevention as specified in the Plan and c) for survival in forest plantations as given in the agreed to norms for that activity.
- 6.5. Settlement of Disputes: Settlement of disputes and conflict resolution will be governed as laid out under para 47, 48 and 49 of the Bye Laws notified by GoHP.

Memorandum of Understanding

We are aware that the benefits mentioned in this agreement shall be available to the Society only when it discharges its duties, responsibilities and works in a satisfactory manner and this is certified by the Forest Officer every year. However, if the Forest Officer fails to fulfill conditions mentioned in Para 3 and 4 of this agreement and this is a cause for the Committee not able to discharge its responsibilities and works, and then it will be kept in mind while evaluating the works of the Committee every year.

I ... Dobli Sand President, Rockhsang Kachsang Joint VFDS/BMC

(Sub-committee), declare on behalf of the Society, that I am committee to follow all the conditions mentioned I this MOU ad am singing this memo after reading/understanding all conditions mentioned herein, literally and I their original meaning.

(Name and Signature of the President)
On behalf of VFDS/ BMC (Sub-committee)

Divisional Forest Officer
Kinnaur Forest Officer
On behalf of HPFD)

Witness: Village Forest Development Society /BMC (Sub-committee) and the Forest Department for Participatory Forest Management.

1. Tawas Pati
2. Ganga Singh
3. Padam Lal
4. Kanya Kumari

1 _____, (Position) undertake, on behalf of Kinnaur Division Forest Department to implement all duties responsibilities of the Forest Department mentioned in this memorandum.

Range Forest Officer
Katgaon Range
Distt. Kinnaur (H.P.)

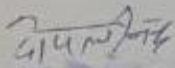
(Name and Signature of the Divisional Forest Officer or other officer authorized by him) On behalf of Kinnaur Forest Department.

Kinnaur Forest Division
At R/Peo

Business Plan Approval by VFDS & DMU

Vai Kaei mata Self help group will undertake the Handloom (Khadi)
As livelihood generation activity under the project for improvement of Himachal Pradesh
Forest Ecosystems & management & livelihood (JICA Assisted). In this regard business plan
of amount (Rs.) 521,445 has been submitted by this group on dated _____
_____ and this business plan has been approved by Pradip Singh Kachroo VFDS Business
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

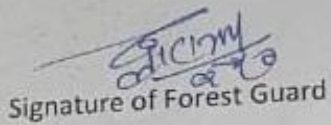
Thankyou



Signature of VFDS Pradhan



Signature of VFDS Secretary



Signature of Forest Guard



Block Forest Officer

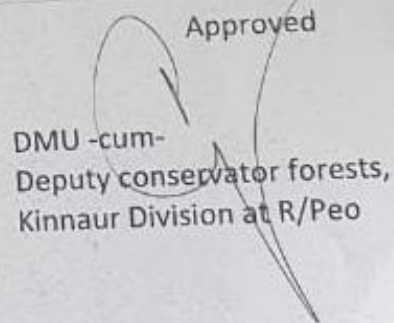
Signature of Block Forest Officer



Range Forest Officer
Kinnaur Range
Distt. Kinnaur (H.P.)

Signature of Range Forest Officer

Approved



DMU -cum-
Deputy conservator forests,
Kinnaur Division at R/Peo

Resolution-cum-group consensus form

It is decided in the General House meeting of the Self Help Group Jai Kali Mata held on at Rosikhas ng kachayang that our self help group will undertake the heard from Khadi as livelihood income generation activity under the project for improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted.)

प्रधान Jai Kali Mata
जय कालीमाता स्वयं सहायता
समाचार्य तहसील तिसार
जिला किन्नोर हि० प्रा०
Signature of Group Pradhan

Menka Kumari
सहसचिव
जय कालीमाता स्वयं सहायता
समाचार्य तहसील तिसार
जिला किन्नोर हि० प्रा०
Signature of Group Secretary