

# BUSINESS PLAN

INCOME GENERATING ACTIVITY – Backyard Poultry  
By  
SUNRISE POULTRY FARM-Self Help Group



SHG/CIG Name	::	SUNRISE POULTRY FARM
VFDS Name	::	Chaura
Range	::	Bhaba Nagar
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 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 Reckong Peo. It is the 2<sup>nd</sup> 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 district has number of valleys varying from an altitude of 1000 mt to 5000 mt. Most of the area in kinnaur has temperate climate due to its high elevation. The lower part of the Satluj valley and Baspa valley receive monsoon rains. The upper areas of the Kinnaur District mainly Pooh sub division fall in rain shadow area. These areas are considered as cold desert areas, having climate similar to that of Tibet.

Poultry industry is the fastest growing sector in Indian agriculture. Egg being an excellent source of proteins is fast becoming a favourite among urban Indians. India, today is the fourth largest egg producer in the world. The layer segment in India is all set to grow and is currently estimated at Rs. 10,000 crores (INR 100 billion). According to the Ministry of Agriculture, India's egg production is estimated at 47.3 billion eggs per annum. Today, with more and more ‘egg eaters’ on the rise, egg consumption is growing at 8% - 10% annually. It is an important source of subsidiary income to small/marginal farmers and agricultural laborers. The manure from birds

provides a good source of organic matter for improving soil fertility and crop yields. Since agriculture is mostly seasonal, there is a possibility of fine dining employment throughout the year for many persons through poultry farming. With the adequate infrastructural facilities especially for egg production has become increasingly popular in and around . The present demand in the area is more. It is increasing day by day & the present strength of the flock in the area is not in a position to meet the growing demand. include increased adoption of integrated farming system, contact farming, awareness of people about diet and health, cost effectiveness of poultry meat compared to other meat, its low-fat content, superior protein quality and change of life style of the people are also responsible for spectacular development of Poultry Sector.

The main Objectives of the Poultry Farming is:-

- i) To meet the growing demand of eggs.
- ii) To raise the income of poor farmers of Kinnaur.

The women in the VFDS Chaura has decided Poultry as their IGA instead of cultivation of Mushroom which was earlier decided by the groups of 10 male members. Now, they have decided Poultry Farming and some of the 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 rise some saving also for the difficult times. A group of 14 men of different age groups came together to form a SHG under JICA project and decided to draft a business plan which can help them to take this IGA in collective manner and raise their additional income.

The proposed unit will be located on a piece of land for which the Gram Panchayat Chaura have given and passed resolution/NOC to start this activity. The site is almost levelled& is well connected to approach road. Electricity is an essential component for poultry farming as it is required for brooding of chicks and pumps used for water supply as well as lighting of the area. It is

available near the farm site. In the absence of assured of water supply, a tube well/ hand pump is proposed on the farm. Underground water is adequately available & is of good quality.

For Housing, provision has been made for the construction of a brooder-cum-grower house measuring at a rate of 1 sq. feet in a case of layer. Besides it, the farm will have a small store room, office & servants quarters.

Construction of house will be pukka with asbestos roofing. Provision has also been made for the construction of built in laying nests. The installation of a tube well & laying of pipeline is also to be done.

One day old commercial hybrid chicks will be transported from the nearby hatcheries and chicks will be vaccinated against Rd & Marek's at source. Chicks will be purchased in lots at regular intervals.

The Feed for the chicks will be bought from the nearest market where feed is available or will be made available directly through the feed company if possible. Similarly, the MEDICINE & VETERINARY AID facilities will be made available from the nearby Veterinary Department.

## 2. Description of SHG/CIG

2.1	SHG/CIG Name	::	SUNRISE POULTRY FARM
2.2	VFDS Name	::	CHAURA
3	Range	::	BHABA NAGAR
3.4	Division	::	Kinnaur
3.5	Village	::	CHAURA
3.6	Block	::	BHABA NAGAR
3.7	District	::	Kinnaur
3.8	Total No. of Members in SHG	::	14-MALE
3.9	Date of formation	::	07/01/2022
3.10	Bank a/c No.	::	25110114272
3.11	Bank Details	::	Co-Oprative Bank B/Nagar
3.12	SHG/CIG Monthly Saving	::	100-(meeting held to be every 6 <sup>th</sup> day of month)
3.13	Total saving	::	
3.14	Total inter-loaning	::	
3.15	Cash Credit Limit	::	
3.16	Repayment Status	::	

## Beneficiaries Detail:

Sr. No	Name (Sh/Smt.)	Father/Husb and Name (Sh.)	Age	Category	Cont. no	Designation	Income Source
1	Sh. ChhreingTan zin	Sh.Ram Sain	35	ST	9459906613	Pradhan	Farmer
2	Sh.BharatBus han	Sh.Hukum Chand	32	ST	8219414766	Sectary	Farmer
3	Sh.Harbans Kumar	Sh.Thakur Singh	42	ST	7807117342	Member	Farmer
4	Sh.Anil Kumar	Sh. Chander Singh	33	ST	9805490111	Member	Farmer
5	Sh.Amit Kumar	Sh.Tashi Ram	35	ST	7807022119	Member	Farmer
6	Sh.Nitin Negi	Sh.Bhagat Singh	28	ST	8263804002	Member	Farmer
7	Sh.Nikhil Negi	Sh.Balwant Singh	26	ST	8219703593	Member	Farmer
8	Sh.Vijay Kumar	Sh.Gopi Chand	38	ST	9736315321	Member	Farmer
9	Sh.Jai Singh	Sh.Shanker Dass	31	ST	8628845113	Member	Farmer
10	Sh.Beem Sain	Sh.Mehar Chand	19	ST	8544730885	Member	Farmer
11	Sh.Budh Gain	Sh. Sukh Dev Singh	27	ST	8894359758	Member	Farmer
12	Abhinav Sayoyi	Sh.Narender Singh	24	ST	8219246855	Member	Farmer
13	Sunil Dut	Sh.Kundan Dut	33	ST	8894573022	Member	Farmer
14	Robhi	Sh.Govind	24	ST	787662464	Member	Farmer

### 3. Geographical details of the Village:

4.1	Distance from the District HQ	::	67 Km
4.2	Distance from the Range Office	::	17 Km
4.3	Distance from Main Road	::	Approx. 250-500 meter
4.4	Name of local market & distance	::	Chaura & Nigulsari –200 meter-4Km

4.5	Name of main market & distance	::	Bhabanagar- 17 Km, Reckong Peo - 67 Km & Rampur- 33 Km
4.6	Name of main cities & distance	::	Bhabanagar- 17 Km, Reckong Peo - 67 Km & Rampur- 33 Km
4.7	Name of places/locations where product will be sold/ marketed		Surrounding Villages Viz WARD NO. 5 (CHAURA), WARD NO. 6 (SHILANI) & WARD NO. 7 (KAFOUR), Nigulsari, Jeori & Jhakri

#### 4. Description of product related to income generating activity

1	Name of the Product		Sunrise Poultry Eggs
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

#### 5. Description of Production Planning:

Initially, through the project of poultry farming, the guidance from animal husbandry department located at Reckong Peo will be sought and also from the private hatcheries located at Dharampur and Parwanoo. After training each chicken coops and trays etc. 75% subsidy will be given by capital expenditure of the project as per guideline of the Project. The group has decided that initially the Chicks will be reared and when they grow up, it will be reared in open and natural



environment. Therefore, after 18 weeks when the Chickens attain a weight of up to 2 kg and after 6 months, the chickens grow up to lay eggs. There is a huge demand for chicken meat and eggs in the local market . Marketing them will be no problem for all the members of group. Each member will be doing marketing of reared chicken and chickens and eggs. By dividing the work collectively, they will do it in the local market, after that, from the eggs of the broiler chicken& desi chickens will also be marketed.

### **Planning for Production**

#### **:First round**

**Working day**      days 365 :

**Persons working** :14 persons (1 hour out of 2 hours per day, one hour in the morning&In the evening

**Source of chicken and raw material** : Parwanoo Poultry Farm for chicken and other similar Farms situated at .Dharampur

**: Source of other resources**      Local Hatcheries at Chaura & Rampur

**Material required**            :      pieces 720

**: Estimated production**      30x12 = 360 number of chickens will be ready !for chicken mass

X 25 = 9000 eggs per month 360

**: Total egg production in cycle**      x 6 = 54000 9000

6.1	Time taken	::	As above
6.2	Number of members involved	::	14
6.3	Source of raw materials	::	Parwanoo, Dharampur, Local Hatcheries at Chaura & Rampur
6.4	Source of other resources	::	Local Hatcheries at Chaura & Rampur
6.5	Production cycle (in days) 30 days per day after 4-5 hour/day work.	::	30x12 = 360 number of ch X 25 = 9000 eggs per month 360
6.6	Workers Required Per Cycle (Nos.)	::	<b>Total-14 member</b>

## **6. Raw Material Requirement and Estimated Production**

## 1. Description of Marketing/Sale:

7.1	Potential market places/locations	::	Villages covered - Bhabanagar, Reckong Peo & Rampur, Nigulsari, Jeori, Jhakri, Shilani, Kafour & Chaura
7.2	Demand	::	Throughout year and high demand at the time of festive and marriage occasions.
7.3	Process of identification of market	::	Group members will contact nearby villagers/households/Restaurants & Hotels.
7.4	Marketing Strategy	::	Villages covered - Bhabanagar, Reckong Peo & Rampur, Nigulsari, Jeori, Jhakri, Shilani, Kafour & Chaura
7.5	Brand of the Product	::	SUNRISE POULTRY FARM

## 2. 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.

## 3. Customers

The primary customers of our centre will mostly be local people, Restaurants & Hotels around village CHAURA, Reckong Peo, Jeori & Rampur but later on this business can be scaled up by catering to nearby small townships.

## 4. Target of the centre

The centre primarily aims at to provide high quality and Fresh Eggs and Chickens to the residents of CHAURA village in particular and all other residents of nearby villages.

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

## 5. SWOT Analysis

### ❖ Strength

- ➔ Poultry has the potential to meet the protein requirements of a nation where malnutrition is rampant- since both eggs/broilers are a good source of protein.
- ➔ Helps to augment the income of the rural masses. Thus improve the socio-economic status of rural population.
- ➔ Poultry is one of the most efficient converters of plant products / waste into edible food that can in some measure tackle the problem of malnutrition especially in a country like India.
- ➔ Unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat.
- ➔ Poultry litter has high manure value and can be used in agriculture activities.
- ➔ It has tremendous potential to create non – farm employment and check migration from rural to urban areas.
- ➔ Generates relatively quick returns with low investment requirements.

### ❖ Weakness

- ➔ Poultry farming is labour intensive.
- ➔ A peculiar feature of the poultry industry is that it is highly fragmented
- ➔ Poor transport, infrastructure and lack of cold chain facilities currently limit the feasibility of handling significant volumes of chilled or frozen products.
- ➔ Low growing charges coupled with the cost of making investments in the infrastructure such as sheds, feeders, breeders, heating and cooling systems result in a low income for farmers.
- ➔ The stringent mortality norms (only a 5% mortality is permitted in most integration contracts-else the farmer gets penalized and is offered a lower rate) leaves the farmers in a vulnerable position and with no avenue to voice their grievances.

### ❖ Opportunity

- ➔ Present per capita Unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat.

Consumption in India is increasing day by day, therefore there is large scope for poultry farming.

- ➔ Besides this, India has also great potential to exploit the international market.
- ➔ The increasing awareness of the need for balanced nutrition has led to changes in the eating habits with vegetarians accepting eggs as a part of their diet compared to all other

### **Threats/Risks**

- ➔ Natural calamities
- ➔ If adequate health precautions are not taken infectious/ contagious diseases can be spread. The recent avian flu has spread a wave of panic across the globe. The other aspects that have dragged the poultry industry are the recent SARS and Ebola and also the older diseases like tuberculosis and malaria.
- ➔ Shortage in major feed ingredient i.e., maize, which constitutes more than 50 percent of feed rations. Therefore, even a small increase in costs can wipe out the profits.

## **6. Description of potential challenges and measures to mitigate them:**

<b>Sr.no</b>	<b>Description of Risks</b>	<b>::</b>	<b>Measures for Risk Mitigation</b>
<b>6.1</b>	It might be possible that there can be short demand in the market which will affect the sale and income.	<b>::</b>	For Marketing purpose additional market should be explored.
<b>6.2</b>	Due to decline in quality of production the sales may go down.	<b>::</b>	In order to maintain the quality of product, the SHG members have to follow strict guidelines.

## **7. Machinery, tools and other Equipment's**

### **A. BASICS AND PREASUMPTIONS**

S.No.	Particulars	Unit	Quantity
<b>I. Techno-economic parameters</b>			
1	No. of birds	No.	1000
2	Batches per year	No.	2
3	Batch size	Nos.	500
4	Birds considered for laying	Nos.	500
5	Birds considered for culling	Nos.	450
6	Brooding cum growing period in weeks		20
7	Laying period in weeks		52
8	Type of housing		Deep Litter
9	Space required per bird in brooder cum grower house	Sq.ft.	1
10	Floor space per bird in layer shed (Cage system)	Sq.ft.	0.8
11	Repayment period	year	5
12	Rate of interest for bank loan	%	12
<b>II. Expenditure norms</b>			
1	Cost of construction of brooder cum grower shed	Rs./sq.ft	125
2	Cost of construction of Layer shed	Rs./sq.ft	140
3	Cost of construction of store room	Rs./sq.ft	250
4	Cost of cages for layers	Rs./bird	90
5	Feeders, waterers and dressing equipment	Rs.	20
6	Cost of day old Chicks	Rs./bird	40
7	Feed requirement during laying-52 weeks laying	Rs./bird	21
8	Feed requirement during growers-20 weeks	Rs./bird	6
9	Chick/grower mash	Rs./kg	14
10	Cost of layer mash	Rs./kg	12
11	Medicine, vaccine, labour & misc charges	Rs./bird	8
12	Insurance	Rs./bird	1
<b>III. Income norms</b>			
1	Number of eggs produced per bird	Eggs per cycle	300
2	Selling price of egg	Rs./egg	3
3	Selling price of culled birds	Rs./bird	70
4	Income from manure & gunny bags	Rs./bird	22

<b>A. CAPITAL COST</b>				
<b>Sr. No.</b>	<b>Particulars of machinery.</b>	<b>Quantity</b>	<b>Rate per unit</b>	<b>Total Amount</b>
1.	Cost of housing (1 sq. ft/bird) (60*12=720 sq.ft)	100	3000	3,00,000
2.	Cost of Kuroiler Chicks (day old)	2000	45	90000
3.	Brooder cum grower equipment	500	30	15000
4.	Laying house	750	100	75000
5.	Water supply system	LS	LS	12000
6.	Cost of Transportation	-	30000	30000
<b>Total capital cost</b>				<b>5,22,000</b>

**B. Recurring cost**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Quantity</b>	<b>Rate per unit (Rs.)</b>	<b>Amount (Rs.)</b>
1.	Cost of day old chicks	Rs/bird	500	40	20000
2.	Grower feed for first two batches	Qtl.	12	2600	31200
3.	Chick feed from 1 to 4 weeks	Qtl.	4	3000	12000

4.	Layer feed from 20 to 52 weeks	Qtl.	20	2700	54000
5.	Egg Packing/Tray	Number	2400	5	12000
6.	Medicine , vaccine, labour and miscellaneous charges	Rs./bird	500	10	5000
7.	Carriage/ Transportation	LS	LS	LS	10000
8.	<b>Insurance</b>	%	500	1	500
	<b>Total</b>				<b>1,44,700</b>

### 7. 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	Eggs	20000	6	1,80,000
2	Meat/Chicken	500	400	2,00,000
	<b>Total (C)</b>			<b>3,80,000</b>

<b>Particulars</b>	<b>Total Amount (Rs.)</b>	<b>Project contribution (75%)</b>	<b>SHG contribution (25%)</b>
Total capital cost	5,22,000	3,91,500	1,30,500
<b>Recurring cost</b>	<b>1,44,700</b>	-	<b>1,44,700</b>
<b>Total</b>	<b>6,66,700</b>	<b>391500</b>	<b>2,75,200</b>

Total sale in a month = 1,87,500

However, an amount of **Rupees 3,91,500** 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:

<b><u>Capital cost</u></b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capital cost	5,22,000	1,30,500
<b><u>Recurring expenditure</u></b>		
i) 10% depreciation on capital cost per month	5000	
i) Other expenditure on material cost etc.	144700	
Total	149700	
<b>Total cost</b>	<b>130500+149700=2,80,200</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>3,80,000</b>	
<b>Net profit</b>	<b>99,800</b>	

## 8. Sharing of the profit



The members of SHG have mutually agreed with consent voice that in the 1<sup>st</sup> month Rs. 4,000 will be paid to each member as income and the remaining profit of Rs.43,800 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	5,22,000	3,91,500	1,30,500
2	Total Recurring Cost	1,44,700	-	1,44,700
3	Trainings	80000 (for 2 training)	80,000	0
	<b>Total outlay</b>	<b>7,46,700</b>	<b>4,71,500</b>	<b>2,75,200</b>

#### 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

### 8. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none"> <li>• 75% of capital cost will be utilized for purchase of machines.</li> <li>• Upto Rs. 1 lakh will be parked in the SHG bank account as a revolving fund.</li> <li>• Trainings/capacity building/ skill up-gradation cost.</li> </ul>	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
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SHG contribution	<ul style="list-style-type: none"> <li>• 25% of capital cost to be borne by SHG.</li> <li>• Recurring cost to be borne by SHG</li> </ul>	
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## 9. 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

## 10. 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.

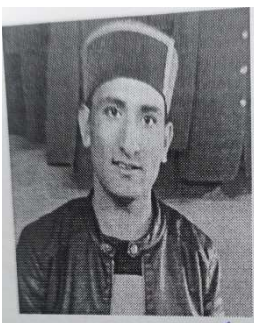
## 11. Monitoring Method –

- 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.

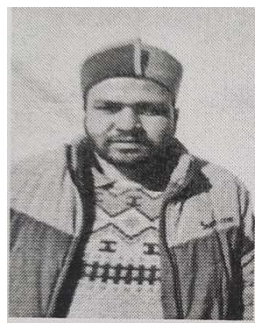
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

## 12.Remarks

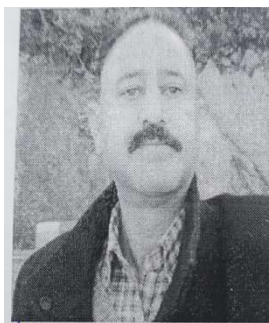
## Group members Photos-



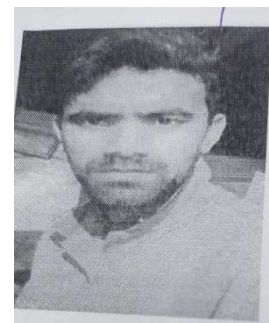
Bharat Bhushan



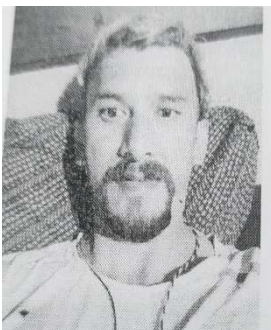
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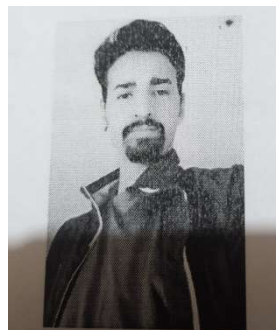
Harbans Singh



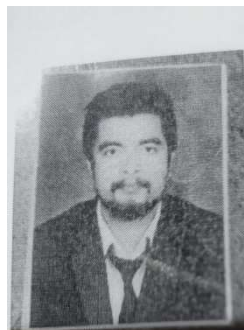
Anil Kumar



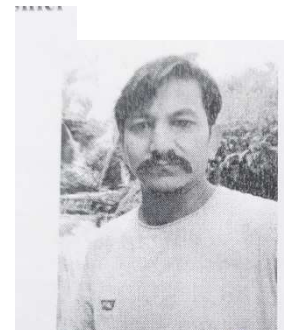
Vijay Kumar



Nitin



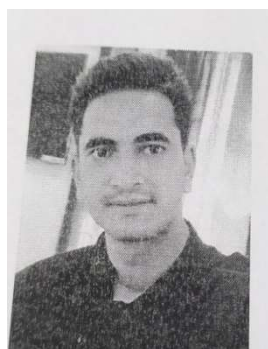
Nikhil



Vijay Kumar



Jai Singh



Budh Gain



Bhim Sain



Robin



Sunil Dut



Abhinav Sayogi

### List of Rules of the House of Interest

1. Group work: Sunrise Poultry Farm;
2. Address of the group: V.P.O CHAURA Tehsil- Nichar District- Kinnaur Himachal Pradesh.
3. Total members of the group: 14
4. Date of First Group Meeting: 07/01/2022
5. Interest will be Rs.2 for every Rs.100 in the group.
6. Monthly meeting of the group will be held on 6<sup>th</sup> 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
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 Field Technical Unit (Bhaba Nagar Range Kinnaur Division).



Project for Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods

**Memorandum of Understanding**

Between

The Chaura..... Village Forest Development Society/ BMC Sub Committee

And

The Forest Department (represented by DFO Kinnaur) for Participatory Forest Management.

Whereas

The Chaura..... 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 Chaura 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.



4.5. 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 a 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 Harban....., President, N.P.S. Chaura..... Joint VFDS/BMC

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

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

*GA*  
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. Chandar Deri *चंद्र देरी*
2. Chhering Naojan *Chhering Naojan*
3. Naveen *नवीन*
4. *Arsh Singh - Naojan*

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

*Arsh Singh*  
Range Forest Officer  
~~Range Forest Officer~~  
Distt. Kinnaur (H. P.)

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

*GA*  
Kinnaur Forest Division  
At R/Peo

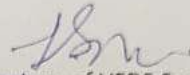
**Business Plan Approval by VFDS & DM**

Sam Riba Self help group will undertake the Poultry Farm  
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.) 7,46,702/- has been submitted by this group on dated -----  
----- and this business plan has been approved by Chaura VFDS. Business  
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

Thankyou



Signature of VFDS Pradhan  
ग्राम वन विकास समिति चौरा  
तड्डो निघार, जिला किन्नौर, हि०प्र०



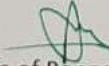
Signature of VFDS Secretary  
ग्राम वन विकास समिति चौरा  
तड्डो निघार, जिला किन्नौर, हि०प्र०



Signature of Forest Guard



Signature of Block forest officer



Signature of Range Forest officer  
**Range Forest Officer**  
**Bheba Singh**  
**Distt. Kinnaur (H. P.)**

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 Sunries..... Held on  
.....at Chaura..... that our self help group will undertake the  
Poultry Farm.....as livelihood income generation activity under the project for  
improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted.)

**President** *Chaji*  
**Sunries Poultry Farm**  
**Chaura**  
Signature of Group Pradhan

**Secretary** *Pradip*  
**Sunries Poultry Farm**  
**Chaura**  
Signature of Group Secretary