

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Vermi-compost

by

VISHNU - Self Help Group



| | | |
|--------------|----|------------|
| SHG/CIG Name | :: | VISHNU |
| VFDS Name | :: | RAMNI |
| Range | :: | BHABANAGAR |
| Division | :: | KINNAUR |

Prepared under:



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

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1. Background

Vermiculture is the key component in promoting organic farming and the State Government of Himachal Pradesh is providing special impetus on manufacturing Vermicompost in large scale. Vermicomposting process gives us a very good quality of compost in a matter of few days with the help of earthworms. These “creepy- crawly” creatures are the most useful gardeners. They breakdown the dead plant material and other organic wastes, recycle the nutrients and turn over the soil. During this process the worms also regenerate, and their population multiplies in approximately in ten weeks. The compost is ready when the material is moderately loose and crumbly and the color of the compost is dark brown. It becomes black, granular, light weight and humus rich.

In the recent times, the Vermicomposting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic, and human health benefits associated with it. A significant number of vermincomposting units have been set up by entrepreneurs, under government support/ with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central parts of the country. The Himachal State Government is also encouraging the local masses to switch over the Vermicomposting and is providing subsidy to the farmers. The Himachal State Forest department is also using this technique in the field to provide compost for the nurseries being raised for afforestation activity in the field.

Vermicomposting has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. There are several NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted efforts to promote vermin composting technology due to its established economic and environmental advantages.

Vermicomposting

Vermicomposting process gives us very good quality compost in a matter of few days, this happens with the help of earthworms. These "creepy-crawly" creatures are the most useful gardeners.

They break down dead plant material and other organic wastes, recycle the nutrients, and turn over the soil. During this process the worms also regenerate and their population doubles in approximately 10 weeks. The compost is ready when the material is moderately loose and crumbly, and the color of the compost is dark brown. It becomes black, granular, lightweight and humus rich. Earthworms are introduced into the loamy soil bed, which the worms will inhabit as their home. About 100 earthworms (a combination of epidemics and anemics) should be introduced into a compost pit of about 4m x 1m x 0.5m, the vermibed should always be kept moist, but should never be flooded.

Handful? Lumps of fresh cattle dung are then placed at random over the vermibed. The compost pit is then layered to about 50 mm with dry leaves or preferably chopped hay/straw. For the next 30 days the pit is kept moist by watering it whenever necessary. The bed should neither be dry nor soggy. The pit may then be covered with coconut or Palmyra leaves or an old jute (gunny) bag to discourage birds. Plastic sheets on the bed are to be avoided as they trap heat.

After the first 30 days, as above, wet organic waste of animal and/or plant origin from the kitchen or hotel or hostel or farm that has been pre-digested is spread over it to a thickness of about 50 mm. This can be repeated twice a week. All these organic wastes can be turned over or mixed periodically with a pickaxe or a spade. Care should be taken not to disturb the vermibed in which the worms live. Keep adding garbage till the compost pit is nearly full. Continue to keep the pit moist for another 30 to 45 days, turning over the material in the pit with care avoiding injury to the worms. Turning over can be done on every fifth or seventh day with the help of a forked spade.

Production of compost through rearing/using earth worms is called the vermin composting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermin compost. It is one of the simplest and cost-effective methods to produce composting for both the small- and large-scale farmers. Vermicompost production unit can be set up in any land which is not under any economic use but shady and free from water stagnation. The site should also be nearer to a water resource

Vermicomposting, rightly called “gold from garbage” is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermin composting production as it invigorates soil health; soil productivity thereby reduces the cost of cultivation.

There is a gradual increase in demand for vermin compost due to the high level of nutrient contents.

2. Description of SHG/CIG

| | | |
|-----------------------------|----|---|
| SHG/CIG Name | :: | VISHNU |
| VFDS | :: | RAMNI |
| Range | :: | BHABANAGAR |
| Division | :: | Kinnaur |
| Village | :: | BHABANAGAR |
| Block | :: | SHOLTU |
| District | :: | Kinnaur |
| Total No. of Members in SHG | :: | 11 (All males) |
| Date of formation | :: | 28-12-2023 |
| Bank a/c No. | :: | 26110114434 |
| Bank Details | :: | State Co-operative Bank Tapri |
| SHG/CIG Monthly Saving | :: | 100/- per Member (held meeting to be every 10 day of month) |
| Total saving | | |
| Total inter-loaning | | |
| Cash Credit Limit | | |
| Repayment Status | | |

3. Beneficiaries Detail:

| Sr. No | Name Smt. / Kumari | Father/ HusbName Sh. | Age | Category | Cont. No | Designation | Income Source |
|--------|--------------------|----------------------|-----|----------|------------|-------------|---------------|
| 1. | Sh.Sukh Lal | Sh.Gulab Sukh | 53 | SC | 9418517144 | Pardhan | Agriculture |
| 2. | Sh.Mohan Lal | Sh.Prabhu Sukh | 46 | SC | 9419573617 | Sectary | Agriculture |
| 3. | Sh.Manoj Kumar | Sh.Jasweer Singh | 31 | SC | 9418364277 | Member | Agriculture |
| 4. | Sh.jaipal Singh | Sh.Dharm Singh | 48 | ST | 7650843983 | Member | Agriculture |
| 5. | Sh.Aman Deep | Sh.Trilok Chand | 25 | ST | 9418889896 | Member | Agriculture |
| 6. | Sh.Shayam Nar | Sh.Nargayal | 74 | SC | 9418551807 | Member | Agriculture |
| 7. | Sh.Prem Lal | Sh.Ram Jar | 54 | SC | 7650926041 | Member | Agriculture |
| 8. | Sh.Naren Sukh | Sh.Kalam | 51 | SC | 9418554426 | Member | Agriculture |
| 9. | Sh.Arvind Kumar | Sh.Shayam Nar | 49 | SC | 9459983404 | Member | Agriculture |
| 10. | Sh.Mastan Singh | Sh.Sanpur Singh | 45 | SC | 7650042994 | Member | Agriculture |
| 11 | Sh.Sidarth | Sh.Mal Dass | 25 | SC | 8628093530 | Member | Agriculture |

4. Geographical details of the Village

| | | | |
|-----|---------------------------------|----|---|
| 4.1 | Distance from the District HQ | :: | 33Km |
| 4.2 | Distance from Main Road | :: | 7km |
| 4.3 | Name of local market & distance | :: | Sholtu-7km&Bhaba Nagar-27Km |
| 4.4 | Name of main market & distance | | Bhabanagar-27Km, ReckongPeo - 33Km&Rampur- 70Km |
| 4.5 | Name of main cities & distance | | RampurBsr.76KM Bhabanagar- 27 Km |

| | | | |
|-----|--|----|--|
| 4.6 | Name of main cities where product will be sold/ marketed | :: | Bhabanagar-20Km,ReckongPeo-33Km, Katgaon&Rampur- 15 km &76Km |
|-----|--|----|--|

5. Description of Product related to Income Generating Activity

| | | | |
|-----|---------------------------------------|----|---|
| 5.1 | Name of the Product | :: | Vishnu |
| 5.2 | Method of product identification | :: | This activity has been collectively decided by group members. |
| 5.3 | Consent of SHG/ CIG / cluster members | :: | Yes |

6. Description of Production Processes

| Step | | Description |
|--------|----|--|
| Step-1 | :: | Processing involving collection of wastes, shredding, mechanical separation of the metal, glass and ceramics and storage of organic wastes. |
| Step-2 | :: | Pre digestion of organic waste for twenty days by heaping the material along with cattle dung slurry. This process partially digests the material and fit for earthworm consumption. Cattle dung and biogas slurry may be used after drying. Wet dung should not be used for vermi-compost production. |
| Step-3 | :: | Preparation of earthworm bed. A concrete base is required to put the waste for vermi-compost preparation. Loose soil will allow the worms to go into soil and also while watering, all the dissolvable nutrients go into the soil along with water. |
| Step-4 | :: | Collection of earthworm after vermi-compost collection. Sieving the composted material to separate fully composted material. The partially composted material will be again put into vermi-compost bed. |
| Step-5 | :: | Storing the vermi-compost in proper place to maintain moisture and allow the beneficial microorganisms to grow. |

7. Description of Production Planning

| | | | |
|-----|-----------------------------------|----|----------------------------------|
| 7.1 | Production Cycle (in days) | :: | 90 days (three cycles in a year) |
| 7.2 | Manpower required per cycle (No.) | :: | 10 |
| 7.3 | Source of raw materials | :: | From household and own farms |
| 7.4 | Source of other resources | :: | Open market |

| | | | |
|-----|--|----|-------------------|
| 7.5 | Raw material - quantity required per cycle (Kg) per member | :: | 1800 Kg per cycle |
| 7.6 | Expected production per cycle (Kg) per member | :: | 900 Kg per cycle |

8. Description of Marketing/ Sale

| | | | |
|-----|---|----|--|
| 8.1 | Potential market places | :: | HP Forest Deptt. |
| 8.2 | Distance from the unit | :: | Local market Use on own farm |
| 8.3 | Demand of the product in market place/s | :: | HP Forest deptt is procuring huge vermi-compost for their nurseries |
| 8.4 | Process of identification of market | :: | PMU will facilitate the tie up of procurement of vermi-compost produced by SHG by HP Forest deptt, as decided in the 9 TH GB MEETING. MOU will be signed between SHG and FD |
| 8.5 | Marketing Strategy of the product | | SHG members will also explore the additional marketing options around their villages for better sale price in future. |
| 8.6 | Product branding | | At CIG/SHG level product will be marketed by branding of respective CIG/SHG. Later this IGA may require branding at cluster level |
| 8.7 | Product “slogan” | | “Nature Friendly” |

9. SWOT Analysis

❖ Strength

- ➔ Activity is being already done by some SHG members
- ➔ Each of the SHG members are having cattle varying from 2 to 8 in each household
- ➔ Families of SHG members are cultivating high value crops & vegetables which offers adequate availability of raw materials i.e. farm organic wastes throughout the year.
- ➔ Raw material easily available at their farms
- ➔ Manufacturing process is simple
- ➔ Proper packing and easy to transport
- ➔ Other family members will also cooperate with beneficiaries
- ➔ Product self-life is long

❖ Weakness

- ➔ Effect of temperature, humidity, moisture on manufacturing process/product.
- ➔ Lack of technical know-how

❖ **Opportunity**

- Increasing demand of vermi-compost on account of awareness among farmers about organic and natural farming
- Application of vermi-compost on their own field will go a long way in improving and enhancing the soil health and production of quality farm produce which will offer better price.
- Best utilization of organic waste including household left outs of kitchens
- Potential for marketing tie up with HP Forest

❖ **Threats/Risks**

- Possibility of break of production cycle due to extreme weather
- Competitive market
- Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

10. Description of Management among Members

- ➔ **Production** – It will be taken care of by individual members including procurement of raw materials
- ➔ **Quality assurance** – Collectively
- ➔ **Cleaning & packaging** – Collectively
- ➔ **Marketing** – Collectively
- ➔ **Monitoring of the unit** - Collectively

11. Description of Economics

(Amount in actual Rs.)

| S. No | Particulars | Units | Quantity / Nos. | Cost (Rs.) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------|--|------------|-----------------|------------|-----------------|----------|----------|----------|----------|
| A. | Capital Cost | | | | | | | | |
| A.1 | Construction of Pit and shed | | | | | | | | |
| 1 | Construction as well as labour cost including shed (Size will be of 20ftX4ftX2ft) | Per member | 10 | 11000 | 110000 | 0 | 0 | 0 | 0 |
| 2 | Errection of cover shed with iron angal | Per member | 10 | 8000 | 80000 | | | | |
| | Sub-total (A.1) | | | | 190000 | 0 | 0 | 0 | 0 |
| A.2 | Machinery and equipment | | | | | | | | |
| 3 | Tools, equipment, weighing scale etc. | Per member | 10 | 3000 | 30000 | 0 | 0 | 0 | 0 |
| | Sub-total (A.2) | | | | 30000 | 0 | 0 | 0 | 0 |
| | Total Capital Costs (A.1+A.2) | | | | 2,20,000 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|----------|---|-----------|-------|------------|---------------|---------------|---------------|---------------|---------------|
| B | Recurring Costs | | | | | | | | |
| 4 | Seed earthworm | Per Kg | 28 | 500 | 14000 | 0 | 0 | 0 | 0 |
| 5 | Cost of procurement of Slurry/dung/waste | Ton | 160 | 900 | 144000 | 151200 | 158760 | 166698 | 175032 |
| 6 | Labour Cost | Per Ton | 80 | 700 | 56000 | 58800 | 61740 | 64828 | 68068 |
| 7 | Packing materials | No. | 10000 | 2 | 20000 | 21000 | 22050 | 23152 | 24310 |
| 8 | Other handling charges | Per Ton | 80 | 150 | 12000 | 12600 | 13230 | 13892 | 14586 |
| C | Other charges | | | | | | | | |
| 9 | Insurance | L/S | | | 0 | 0 | 0 | 0 | 0 |
| 10 | Interest on loan | Per annum | | 2 per cent | 0 | 0 | 0 | 0 | 0 |
| | Total recurring costs | | | | 246000 | 243600 | 255780 | 268570 | |
| | Total cost - Capital and recurring | | | | 466000 | 243600 | 255780 | 268570 | 281996 |
| D | Income from vermicomposting | | | | | | | | |
| 11 | Sale of vermicompost | Ton | 80 | 6000 | 480000 | 514000 | 529200 | 555660 | 583444 |
| 12 | Sale of earthworm | | | | | 14000 | 28000 | 28000 | 28000 |

| | | | | | | | | | |
|----|----------------------|--|--|--|---------------|---------------|---------------|---------------|---------------|
| 13 | Total revenue | | | | 480000 | 528000 | 557200 | 583660 | 611444 |
| 14 | Net returns (D-C) | | | | 14000 | 284400 | 301420 | 315090 | 329448 |

Note – As labour work will be done by SHG members themselves and Slurry/dung/waste already available at their place and these materials will be not procured by them, therefore, recurring cost (Labour Cost, Cost of procurement of Slurry/ bdung/waste) can be deducted from total recurring cost.

Economic Analysis

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|---|----------------|---------------|---------------|---------------|---------------|----------------|
| Capital cost | 220000 | 0 | 0 | 0 | 0 | |
| Recurring cost | 246000 | 243600 | 255780 | 268570 | 281996 | |
| Total cost | 466000 | 243600 | 255780 | 268570 | 281996 | 1608946 |
| Total benefits | 480000 | 528000 | 557200 | 583660 | 611444 | 2760304 |
| Net benefits | 79000 | 284400 | 301420 | 315090 | 329448 | 1309358 |
| Net present worth of cost @15 per cent | 1608946 | | | | | |
| Net present worth of benefits @15 per cent | 2760304 | | | | | |
| Benefit Cost Ratio | 1.71 | | | | | |

Distribution of net profit–As per share in production.

12. Inferences of Economic Analysis

- Pit size for each member has been planned at 20X4X2 ft for one pit.
- Cost of production of vermi-compost comes to Rs. 3.2 per Kg
- Sale of vermi-compost (conservative side) is Rs. 6 per Kg
- Net profit will be Rs. 2.8 per Kg
- It is proposed that each member will produce 5.4tonnes of vermi-compost every year resulting in production of 80 tonnesvermi-compost by all 11 members of SHG in one year.
- Cost of earthworm has been kept at Rs. 500.00 per kg
- During the second years onwards, there will be surplus earthwork for sale (as it will multiply during the process of production of vermi-compost)
- The vermi-compost making is a profitable IGA and can be taken up by the SHG members.

13. Fund requirement:

| Sl. No. | Particulars | Total Amount (Rs) | Project support | SHG contribution |
|---------|---|-------------------|-----------------|------------------|
| 1 | Total capital cost | 220000 | 165000 | 55000 |
| 2 | Total Recurring Cost | 246000 | 0 | 246000 |
| 3 | Trainings/ capacity building/skill up-gradation | 50000 | 50000 | 0 |
| | Total = | 516000 | 215000 | 301000 |

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project and 25% by the SHG
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

14. Sources of fund:

| | | |
|------------------|--|---|
| Project Support; | <ul style="list-style-type: none"> • 50% of capital cost will be utilized for construction of pit (Size will be of 20ftX4ftX2ft) • UptoRs 1 lakh will be parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost. | Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities. |
|------------------|--|---|

| | | |
|----------------|---|--|
| G contribution | <ul style="list-style-type: none"> • 50% of capital cost to be borne by SHG, this includes cost of shed/construction of shed. • Recurring cost to be borne by SHG | |
|----------------|---|--|

15. Bank loan repayment

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is not 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.

16. 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:

- ➔ Project Orientation Group Formation/ Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA (General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/ CIGs – Within the State& Outside State

17. Monitoring Mechanism

- ➔ 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.

Group members Photos –



Mastan Singh



Aman Deep



Manoj Kumar



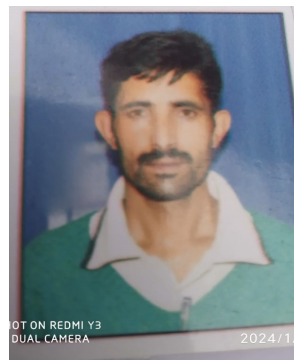
Jaipal Singh



Prem Lal



Naren Sukh



Arvind Kumar



Mohan Lal



Sidarth




Sukh Lal




Shayam Nar

समूह का सहमती पत्र

आज दिनांक 15-03-2024 विष्णु स्वयं सहायता समूह रामनी में बैठक हुई यह बैठक प्रधान श्री सुख लाल की अध्यक्षता में हुई। आज बैठक में सभी सदस्यों ने यह निर्णय लिया की वे वन जायका विभाग की तरफ से जो धन राशि मिलेगी उसका उपयोग केचुंआ खाद बनाने के लिए करेगे। जिसके लिए सभी सदस्यों ने सहमती प्रकट की है। इस बैठक में सभी सदस्यों ने भाग लिया।

प्रधान 
विष्णु स्वयं सहायता समूह रामनी,
ग्राम टहलू टापरी, जिला किन्नौर हि०प्र०
समूह के प्रधान के हस्ताक्षर

सचिव 
विष्णु स्वयं सहायता समूह रामनी,
उप-तह० टापरी, जिला किन्नौर हि०प्र०
समूह के सचिव के हस्ताक्षर

Memorandum of Understanding

Between

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

And

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

Whereas

The Ranni..... 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 Ranni...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 Ranni..... 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

2.13. Society agrees to implement the necessary corrections/improvements suggested by the Forest Officer.

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 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 forest 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 Sh. Dharm Singh....., President,..... Ramni..... 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.

Ashwini Singh
(Name and Signature of the President)

On behalf of VFDS/ BMC (Sub-committee)

विकास
गोपालपुर ग्राम वन विकास समिति समिती
जिला किन्नौर (हिमाचल प्रदेश)-172104

[Signature]
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. *Ramesh*
2. *राजकुमारी*
3. *सुदीप*
4. *गोपाल*

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

[Signature]
Range Forest Officer
Bhadrang Range
Bhadrang 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.

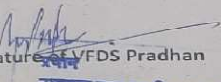
[Signature]
Kinnaur Forest Division
At R/Peo

Business Plan Approval by VFDS & DMU

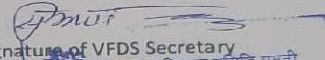
Vishnu Self help group will undertake the Vermicompost
As livelihood generation activity under the project for improvement of Himachal Pradesh
Forest Ecosystems & management & livelihood (JICA Assisted). In this regard business plan
of amount (Rs.) 220,000 has been submitted by this group on dated _____
_____ and this business plan has been approved by Kamini VFDS Business
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

Thankyou

Signature of VFDS Pradhan


नारायण राम वन विकास समिति रामनी
जिला किन्नौर (हिमाचल प्रदेश) -172104

Signature of VFDS Secretary


नारायण राम वन विकास समिति रामनी
जिला किन्नौर (हिमाचल प्रदेश) -172104

Signature of Forest Guard



Signature of Block forest officer


Block Forest Officer
Shahy Forest Block

Signature of Range Forest officer
Bhabanagar Range
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.....Vishnu..... Held onat..... that our self help group will undertake the Vermicompost.....as livelihood income generation activity under the project for improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted.)

प्रधान [Signature]
विष्णु स्वयं सहायता समूह गमनी,
उप-तहसील कानौर, जिला किन्नौर हि०प्र०
Signature of Group Pradhan

सचिव [Signature]
विष्णु स्वयं सहायता समूह रामनी,
उप-तहसील दापरी, जिला किन्नौर हि०प्र०
Signature of Group Secretary