

BUSINESS PLAN
INCOME GENERATING ACTIVITY –Vermi-compost
 by
DUPOK - Self Help Group



SHG/CIG Name	::	DUPOK
VFDS Name	::	SIASOO
Range	::	POOH
Division	::	KINNAUR

Prepared under:



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

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1. Background

The use of chemical fertilizer is severely affecting the health of the local communities & beside this it is also adding Global Warming. In view of the ill effect of the chemical fertilizer the farmer are switching over to the Vermicompost fertilizer 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 anemic) 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	::	DUPUK
VFDS	::	SIASOO
Range	::	POOH
Division	::	KINNAUR
Village	::	SIASOO
Block	::	KANAM
District	::	KINNAUR
Total No. of Members in SHG	::	14(All Females)
Date of formation	::	3-12-2022
Bank a/c No.	::	41814596933
Bank Details	::	SBI Gaiboung
SHG/CIG Monthly Saving	::	100(meeting held to be every 3 rd 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	Catego ry	Income Source	Cont.No
1	Smt.Manju Kumari (Pradhan)	Sh.Sher Singh	44	ST	Agricultur e	9418402566
2.	Smt.Sheela Kumari (Sec.)	Sh.Virander Singh	22	ST	Agricultur e	7650070292
3	Smt.Kanta Devi	Sh.Suman Singh	37	ST	Agricultu re	8988287128
4	Smt.Yontan Mani	Sh.Gopal Chand	42	ST	Agricultu re	9459228870
5	Smt.Savitri Devi	Sh.Ashwani Kumar	49	ST	Agricultu re	9418842763
6	Smt.Bhagwan Butith	Sh.Karam Singh	56	ST	Agricultur e	9459482829
7	Smt.Panma Chomo	Sh.Surender Singh	34	ST	Agricuitu re	9459033761
8	Smt.Savitri Devi	Sh.Laxmi Dass	51	ST	Agricultur e	7649913214
9	Smt.Thakur Moni	Sh.Prem Singh	63	ST	Agricultur e	9459479963
10	Smt.Tashi Norgu	Sh.Raj kumar	43	ST	Agricultu re	9459978254
11	Smt.Rattn Kumari	Sh.Inder Singh	62	ST	griculture	9459479788
12	Smt.Chitter Rekha	Sh.Samprun Anand	39	ST	griculture	9459857929
13	Smt.Yogita	Sh.Anurag	22	ST	griculture	7649936849
14	Smt.Sunder Moni	Sh.Chander Shekhr	56	ST	Agriculture	9418197933

4. Geographical details of the Village

4.1	Distance from the District HQ	::	70 KM
4.2	Distance from Main Road	::	5 Km
4.3	Name of local market & distance	::	RecongPeo-70 kms, Pooh -14 km Rampur 170 km
4.4	Name of main market & distance		RecongPeo-70 kms, Rampur 170 km
4.5	Name of main cities & distance		RecongPeo-70 kms, Rampur 170 km
4.6	Name of main cities where product will be sold/ marketed	::	RecongPeo-70 kms, Pooh -14 km Rampur 170 km

5. Description of Product related to Income Generating Activity

5.1	Name of the Product	::	SIASOO VERMICOMPOST
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.)	::	1
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. Local market& Use on own farm
8.2	Distance from the unit	::	
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.
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	15	11000	165000	0	0	0	0
2	Errection of cover shed with iron angal	Per member	15	8000	120000				
	Sub-total (A.1)				285000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	15	3300	49500	0	0	0	0
	Sub-total (A.2)				49500	0	0	0	0
	Total Capital Costs (A.1+A.2)				334500	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				580500	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)				234000	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/dung/waste) can be deducted from total recurring cost.

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital cost	334500	0	0	0	0	
Recurring cost	246000	243600	255780	268570	281996	
Total cost	580500	243600	255780	268570	281996	1608946
Total benefits	480000	528000	557200	583660	611444	2760304
Net benefits	234000	284400	301420	315090	329448	1309358

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	334500	250875	83625
2	Total Recurring Cost	246000	0	246000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	630500	300875	329625

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) • Upto Rs 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.
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IG 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 	
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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 -



Panma



Savitri



Sunder Mani



Chhiter Rekha



Rattan Kumar



Tashi Norgu



Thakur Moni



Savitri Devi



Yontan Moni



Sheela Kumari



Manju Kumari



Kanta Devi



Bhagwan Buttith



Yogita

समूह का सहमती पत्र

आज दिनांक 18-1-2023 इफूण स्वयं सहायता समूह श्यासो में बैठक हुई यह बैठक प्रधान भीमती मंजू कुमारी के अध्यक्षता में हुई। आज बैठक में यह चर्चा की सभी सदस्य ने यह निर्णय लिया की जायका वन विभाग की तरफ से जो पत्रावली मिलेगी उसका उपयोग केचुआ खाद बनाना सीखने के लिए किया जाएगा। जिसके लिए सभी सदस्यों की सहमती प्रकट की है। इस बैठक में सभी सदस्यों ने भाग लिया।

Pranjal

समूह के प्रधान के हस्ताक्षर

प्रधान सचिव
इफू स्वयं सहायता समूह
ग्राम श्यासो तें 0 पूरु
जिला किन्नौर हिमाचल प्रदेश

Sheela Kumari

समूह के सचिव के हस्ताक्षर

प्रधान सचिव
इफू स्वयं सहायता समूह
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जिला किन्नौर हिमाचल प्रदेश

Project for Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods

Memorandum of Understanding

Between

The SIASHO Village Forest Development Society/ BMC Sub Committee

And

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

Whereas

The SIASHO 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 SIASHO 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 "MoU") 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.~~

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 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.
- 5.3. provided that for the purpose of usufruct, the usufruct sharing family shall be one unit. The Society will be entitled to their share of payments from intermediate and final felling,
- 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 ... RATTAN KUMARI, President, ... STASHO 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/BMG (Sub-committee)

रवि कुमार
ग्राम वन विकास समिति
अपनी, लहो पूह, जिला किन्नोर हिमाचल

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. Savitri Devi
2. Kanta Devi
3. Yamam Mori
4. Yogita

Kanta
Yamam
Yogita

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
Pooh Range

(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 & DMU

Self help group will undertake the Vermi Compost
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.) 3,34,500 has been submitted by this group on dated _____
and this business plan has been approved by SIASHO VFDS. Business
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

Thankyou

रत्न कुमारी

प्रधान ज्यका
ग्राम वन विकास समिति
श्यासो, तह० पूह, जिला किन्नौर हि०प्र०

Signature of VFDS Pradhan

सचिव ज्यका
ग्राम वन विकास समिति श्यासो
सि० SIASHO
Signature of VFDS Secretary

[Signature]
Signature of Forest Guard

[Signature]
Signature of Block forest officer

[Signature]
Signature of Range Forest officer

Approved

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

Business Plan Approval by VFDS & DMU

Deruk Self help group will undertake the Vermi Compost
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Signature of VFDS Pradhan

सचिव ज्यका
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Signature of VFDS Secretary

[Signature]
Signature of Forest Guard

[Signature]
Signature of Block forest officer

[Signature]
Signature of Range Forest officer

Approved

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

BUSINESS PLAN
INCOME GENERATING ACTIVITY –Handloom-Galicha

(Add-on-Activity)

By

DUPAK Self Help Group



SHG/CIG Name	::	DUPAK
VFDS Name	::	SIASOO
Range	::	POOH
Division	::	KINNAUR

Prepared under:



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

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18. Background

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 Reckong 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 known 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 dominate and both the religion co-exist in harmony.

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 parts 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. The massive deforestation and over-exploitation of the tree species for various purposes during the past has caused loss/reduction of habitat in many parts of District Kinnaur particularly in Pooh Subdivision. The unrestricted grazing, loping and illegal felling for fuel wood in the tract of District Kinnaur has largely been responsible for its degradation and failure of regeneration in the forest areas.

Climatically the Kinnaur is divided into three zones viz Wet Zone, Dry Zone & Arid Zone and the VFDS Siasoo falls in Arid Zone of Pooh sub division and is about 24kms from the sub divisional head quarter Pooh. It is a beautiful and large village and local inhabitants has started raising Apple, Orchards. Beside this the local people are also cultivating Peas and potatoes in larger scale which has enhanced their income.

The Local inhabitants of Siasoo village are traditionally wearing hand-woven fabrics Pashmina wool. The traditional dresses of the Siasoo village are woollen long coat with “Churidar Pajama” which are woven from this local khadi both men women wear these dresses and locally known as “**KHOLAK**”. These articles are prepared from the wool of sheep and pashmina wool from **Chigu** which the local people are rearing from time memorial. In addition to this the local people are also making **carpets** which are famous and are sold in **Lavi Fair** at Rampur and Reckong Peo. The handloom industry in this area has a long tradition of excellent craftsmanship. The operation of this industry is common in every household of area and most of the members of the family put in joint efforts for its 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 an add-on activity so that they can earn extra money to meet their expenses and rise some saving also for the difficult times. A group of 8 women out of 10 women of vermicomposting group has decided to constitute handloom (Gallicha) as add-on-activity to raise their additional income.

19. Description of SHG/CIG

SHG/CIG Name	::	DUPAK
VFDS	::	SIASOO
Range	::	POOH
Division	::	KINNAUR
Village	::	SIASOO
Block	::	KANAM
District	::	KINNAUR
Total No. of Members in SHG	::	10(All Females but 8 members will involve in add-on activity of handloom Gallicha)
Date of formation	::	11-07-2025
Bank a/c No.	::	41814596933
Bank Details	::	SBI Gaiboung
SHG/CIG Monthly Saving	::	Rs.100(meeting held to be every 3 rd day of month)
Total saving		
Total inter-loaning		
Cash Credit Limit		
Repayment Status		

1. Beneficiaries Detail:

Sr. No	Name Smt./ Kumari	Father/Husband Name Sh.	Age	Category	Income Source	Cont. No
1	Smt. Manju Kumari (Pradhan)	Sh. Sher Singh	44	ST	Agriculture	9418402566
2	Smt. Kanta Bhandari	Sh. Suman Singh	37	ST	Agriculture	8988287128
3	Smt. Yontan Mani	Sh. Gopal Chand	42	ST	Agriculture	9459228870
4	Smt. Bhagwan Butith	Sh. Karam Singh	56	ST	Agriculture	9459482829
5	Smt. Panma Chomo	Sh. Surender Singh	34	ST	Agriculture	9459033761
6	Smt. Savitri Devi	Late Sh. Laxmi Dass	51	ST	Agriculture	7649913214
7	Smt. Tashi Norgu	Sh. Raj kumar	43	ST	Agriculture	9459978254
8	Smt. Rattin Kumari	Sh. Inder Singh	62	ST	Agriculture	9459479788

2. Geographical details of the Village

4.1	Distance from the District HQ	::	70 KM
4.2	Distance from Main Road	::	5 Km
4.3	Name of local market & distance	::	Recong Peo-70 kms, Pooh -14 km Rampur 170 km
4.4	Name of main market & distance	::	Recong Peo-70 kms, Rampur 170 km
4.5	Name of main cities & distance	::	Recong Peo-70 kms, Rampur 170 km
4.6	Name of main cities where product will be sold/ marketed	::	Recong Peo-70 kms, Pooh -14 km Rampur 170 km

3. Description of Product related to Income Generating Activity

5.1	Name of the Product	::	Full Design Gallicha (Carpeting)
5.2	Method of product identification	::	This activity has been decided by SHG members. Further, one of the members of the SHG is already doing this activity. There is heavy demand in the local market which will enhance the additional income
5.3	Consent of SHG/ CIG / cluster members	::	Yes

4. Description of Production Planning

The Members of the group will be imparted training for the manufacturing of the products that are, Full design Galicha. 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 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	::	Full design Galicha, Carpets:One full design Galicha/carpet will be ready in in one month after working for 4-5 hour by at least two members. Carpets for chair and vehicle: Five sets of different designs carpets for chair and vehicle will be made in handloom in one month after working for 4-5 hour by the members.
6.2	Number of members involved	::	8
6.3	Source of raw materials	::	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.	::	2nos' full design carpets 12 sets full design carpets for chair 5 sets full carpets for vehicle and car
6.6	Workers Required Per Cycle (Nos.)	::	04 Members for full design carpets 02 Members for chair 02 members for vehicle and car Total-8 member

5. Description of Marketing/ Sale

8.1	Potential market places	::	HP Forest Deptt. Local market&
8.2	Distance from the unit	::	Use on own farm Village itself,Pooh-24Km, Reckong Peo-65km & Rampur Bushahr-166 Km
8.3	Demand of the product in market place/s	::	Throughout the year.
8.4	Process of identification of market	::	Group members will contact nearby villages/market
8.5	Marketing Strategy of the product		SHG members will directly take orders from nearby villages/market.
8.6	Product branding		Dupak Galicha, Car and Chair Project
8.7	Product "slogan"		"Nature Friendly"

6. 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

7. Description of Management among 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.

8. Description of Economics

A. CAPITAL COST				
Sr.No.	Particulars of machinery	Quantity	Rate per unit	Total Amount
1.	Khadi-42 inch	8	12000	96,000
2.	Scissor	8	650	5200
3.	Panja	8	600	4800
4.	Chaku	1	200	200
5.	Chapti	16	150	2400
6.	Shuttle(wooden)	8	85	680
7.	Hammer(wooden)	8	350	2800
8.	Sariya(thick)	8	130	1040
9.	Sariya(thin)	8	110	880
10.	Inch Tape	8	5	40
Total capital cost				1,14,000

B. Recurring cost**1. Full design Gallicha (Carpet)**

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 Carpet
2.	Expense of Warping Machine	No.	90	25	2250	
	Total				62,250	

2. Chair Carpets

Sr.No.	Particular	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Raw Material (Warp) (Tana)	Kg	30	450	13500	10 set Carpets
	Raw Material (Weft) (Bana)	Kg	50	650	32500	
	Cost of Design multicolour	Kg	50	650	32500	
2.	Expense of Warping Machine	No.	3	100	300	
	Total				78800	

1. Vehicle Carpet

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Expected Production Volume
1.	Raw Material (Warp) (Tana)	Kg.	24	450	10800	8 Set vehicle carpets
	Raw Material (Weft) (Bana)	Kg	40	650	26000	
	Cost of Design multicolour	Kg	40	650	26000	
2.	Expense of Warping Machine	No.	3	100	300	
	Total				37100	

Sr.no	Particulars	Price	Total Amount (Rs)
1	Room Rent and Electricity	3000	2000
2	Packing Material and Storage Box	5000	5000
3	Freight Charges (Raw Material & final products)	3000	3000
4	Other (stationary, transportation, machine repair)	1500	1500
Total Recurring Cost (B)			289900
Recurring Expenditure= Total Recuring-Labour Wage=289900-197100=92800			
Total Expenditure=A+B 154240+92800			2,47,040

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	Full design Gallicha (Carpet)	12	25000	300000
2	Chair Carpet	10	8000	80000
3	Vehicle Carpet	8	8000	64000
4	Total (C)			444000

Particulars	Total Amount (Rs.)	Project contribution (75%)	SHG contribution (25%)
Total capital cost	1,14,000	85,500	28,500
Recurring cost			
Other expenditure per month	289900	-nil-	289900
Total	403,900	85,500	3,18,400

Total sale in a month = 403900

Total expenditure in first month= 2,47,040

However, an amount of **Rupees 85500** 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	85800	28,500
<u>Recurring expenditure</u>		
i) 10% depreciation on capital cost per month	1500	--
i) Other expenditure on material cost etc.	289900	
Total	291400	
Total cost	291400+28500=3,19,900	
Total sale in 1st month	403900	
Net profit	1,14,180	

9. Sharing of profit

10. The members of SHG have mutually agreed with consent voice that in the 1st month Rs. 12000 will be paid to each member as income and the remaining profit of Rs. 18,180 will be kept as emergency reserve in their bank account to meet up the future contin **Fund requirement:**

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	114000	85500	28500
2	Total Recurring Cost	289900	0	289900
3	Trainings	100000	1,00,000	0
	Total outlay	503,900	1,85,500	3,18,400

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

11. Sources of fund:

Project support;	<ul style="list-style-type: none">• 75% of capital cost will be utilized for purchase of machines.• Since it is as add-on activity therefore no revolving fund will be given to the SHG.• 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	

12. 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 no repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL. gency, if any.

13. 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

14. 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 -



Panma Chomo



Savitri



Bhagwan Buttith



Kanta Bhandari



Rattan Kumari



Tashi Norgu



Manju Kumari



Yontan Moni

List of Rules of the House of Interest

1. Group work: Handloom Gallicha;
2. Address of the group: V.P.O Sissao Tehsil- Pooh District- Kinnaur Himachal Pradesh.
3. Total members of the group: 8
4. Date of First Group Meeting: 11.07.2025
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
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 (Pooh Range Kinnaur Division).

समूह का सहमती पत्र

आज दिनांक 03.12.2025 को स्वयं सहायता समूह दुफूक VFDS शियासो में बैठक प्रधान श्रीमती मंजू कुमारी की अध्यक्षता में हुई। इस बैठक में सभी सदस्यों ने यह निर्णय लिया कि जाइका वन विभाग की तरफ से जो धनराशि मिलेगी उसका उपयोग हम खाड़ी (Handloom Add on Activity) लेने के लिए करेंगे। इस बैठक में सभी सदस्यों ने भाग लिया और अपनी सहमती प्रकट की।

Manju Kumari
समूह के प्रधान के हस्ताक्षर सचिव
डुफू स्वयं सहायता समूह
ग्राम शियासो ते0 ए
जिला किन्नौर हिमाचल

Pammy Chhama
समूह के सचिव के हस्ताक्षर
प्रधान
डुफू स्वयं सहायता समूह
ग्राम शियासो ते0 ए
जिला किन्नौर हिमाचल

Project for Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods
Memorandum of Understanding

Between

The Shaloo Village Forest Development Society/ BMC Sub Committee

And

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

Whereas

The Shaloo 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 Shaloo 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 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.

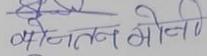
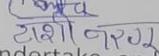
I Smt. Kallan Kumari, President, Shriso Joint VFDS/BMC

(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.

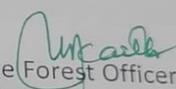
(Name and Signature of the President)
On behalf of PDS/ BMC (Sub-committee)


Divisional Forest Officer
Kinnaur Forest Officer
On behalf of HPFD)

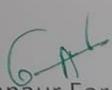
Witness: Village Forest Development Society /BMC(Sub-committee) and the Forest Department for Participatory Forest Management.

1. सवित्री देवी — 
2. गौतम मीनी — 
3. कल्याण देवी — 
4. यशो नरेश — 

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
Pooh Range Forest Officer
Pooh Forest 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

Deepti----- Self help group will undertake the Handloom (Addon Activity)
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.) 5,03,700-----has been submitted by this group on dated -----
----- and this business plan has been approved by Shajpo-----VFDS. Business
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

Thankyou

प्रधान ज्यका
ग्राम वन विकास समिति
पूह, जिला किन्नौर/हिमाचल
Signature of VFDS Pradhan

मैत्रीक विकास समिति / C
ग्राम वन विकास समिति / C
पूह, जिला किन्नौर H.P.
Signature of VFDS Secretary

[Signature]
Signature of Forest Guard

[Signature]
Signature of Block forest officer
गाथका ग्राम वन विकास समिति
पूह, तहसील पूह,
जिला किन्नौर (हिमाचल)

Signature of Range Forest officer
[Signature]
Range Forest Officer
Pooh Forest Range
Distt. Kinnaur (H.P)

[Signature] 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.....Dupak..... Held on
.....at Shappa..... that our self help group will undertake the
Handloom add on activity as livelihood income generation activity under the project for
improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted.)

Mangya Kumari
Signature of Group Pradhan
सचिव

डफू स्वयं सहायता समूह
ग्राम शिवाली ते0 पहा,
जिला किन्नौर हिमाचल प्रदेश

Panama Goma
Signature of Group Secretary

प्रधान
डफू स्वयं सहायता समूह
ग्राम शिवाली ते0 पहा,
जिला किन्नौर हिमाचल प्रदेश