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Government of India
Ministry of rural Development
Department of rural Development
(RL Division)

7th Floor, NDCC-II Building
Jai Singh Road New Delhi – 1.
Dated: 20th December, 2022

To,
The State Mission Directors/Chief executive Officers,
All States/ UTs

Subject: Guidance note for SRLMs for promotion & nurturing of Cluster Level Federations (CLFs).

Sir/Madam,

I am directed to forward herewith the Guidance note for SRLMs for promotion & nurturing of Cluster Level Federations (CLFs) for further necessary action. You are requested to ensure that all the Mission staff may be oriented on the document and refer it as a guidance note which promotion & nurturing of CLFs.

Encl: Guidance note.

Yours faithfully,



(H. R. Meena)

Deputy Secretary to the Govt. of India

Copy to:

- All States/ UTs- All SPMs/PMs

Guidance Note for SRLM

For the Promotion and strengthening Of Cluster Level Federation

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1. Introduction

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) is a centrally sponsored programme that aims at eliminating rural poverty through promotion and strengthening of member owned, member managed, member controlled financially sustainable SHGs and their federations and promotion of multiple livelihoods for each rural poor household. Over the years DAY-NRLM has built strong institutions of the poor women, and enabled them to access a range of financial services and livelihoods. The cluster level federation and its member organizations (VO or SHG) have been supporting the SHG members to fulfill their socio-economic needs. Promotion of effective and efficient governance system, financial system and human resource management systems are key in development of self-managed and financially sustainable institutions. There is an emerging need to envision Cluster Level Federations (CLFs) as robust institutions for women which can be built through better governance, financial sustainability and appropriate organizational structures and systems.

Under DAY-NRLM, each state has dedicated program delivery structure from Mission side at state, district and block level, where dedicated human resources have been placed to promote strong institutions of SHGs and nurture them to build an effective, efficient and self-reliant community institution. Over the years SRLMs have been putting sincere effort to orient these institutions towards delivery of financial & livelihoods support services and ensuring members' access to social entitlements/protections. SRLMs along with the support of National Mission Management Unit have developed standard processes and tools and have been orienting SRLM staffs to enable them providing quality support to these federations.

Recently there has been a strong focus to formalize these community institutions, especially the CLFs by registering them under suitable Act. For formalization process and adherence to the compliance of CLFs, it requires higher level knowledge and prompt support services to these institutes.

On the above backdrop, it is felt that a program standard with quality benchmark will enhance the efficiency and effectiveness of both SRLM and community institutions. This will help SRLM in providing quality support to community institutions which will instill confidence in the organisation. This manual has been developed with the intent of supporting SRLM in adopting a *program quality management system* which will give advantage to the organisation in defining, improving, and controlling its process, preventing mistakes, facilitating and identifying scope of improvement and a readiness to produce consistent results.

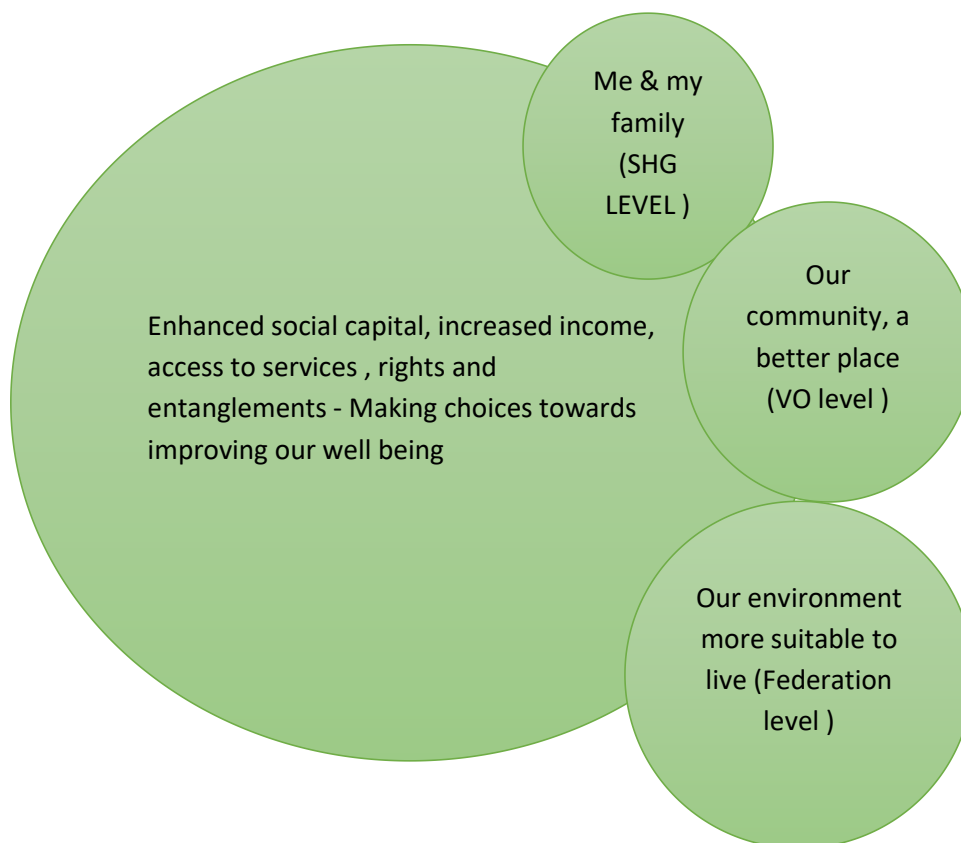
1.1. Concept on federation-Need, Objective and Function

Federation is a member owned, member managed, member controlled organisation striving towards social, political & economic empowerment of women of its primary group i.e. SHG. Federation, being the part of a block/district level community institution with very large membership has a significant impact on a rural women's sense of self efficacy and opens up possibilities for her to engage with the larger social and political landscape.

This forum provides space to SHGs to share their experience in helping members to set goals and attain them. It also helps the groups to reflect on their progress against goals and desired level of functioning. It would address all the needs related to economies of scale, reduction in cost of transactions, ensuring co-learning and peer review. The federation would help SHGs to identify member needs and set common well-being goals according to their situation and facilitate linkages with relevant apex institutions.

People's Institution

The holistic needs of the people are catered for, at the personal, community and governance levels.

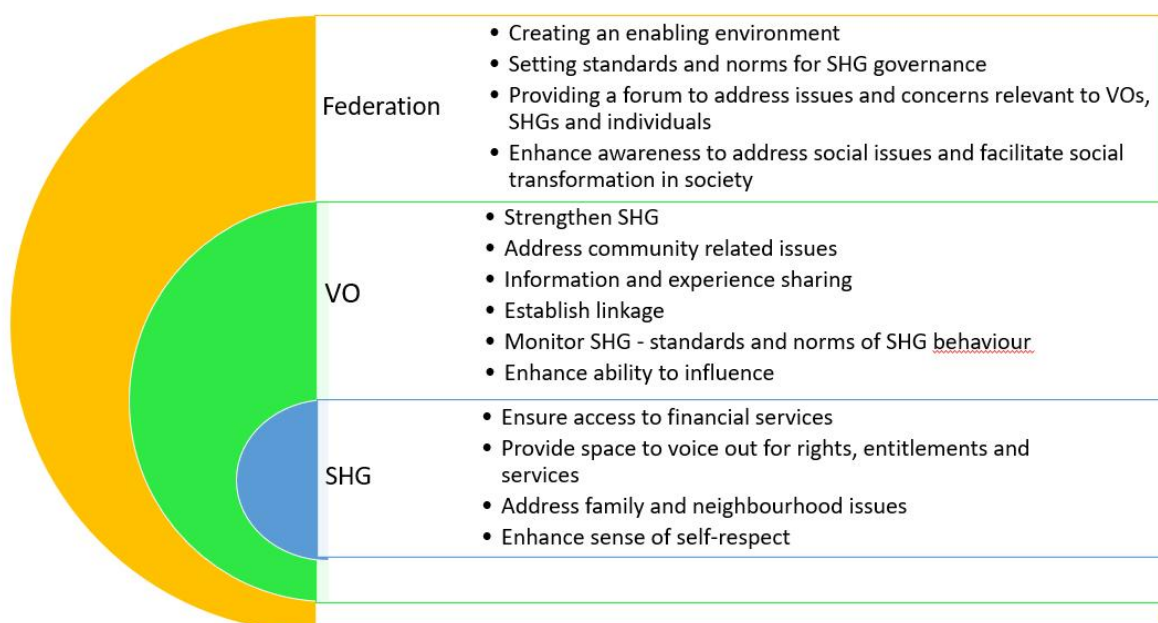


People’s need taken care by the institutions are given below:

SHGs cater needs like.....	VOs cater needs like.....	CLFs cater needs like.....
<ol style="list-style-type: none"> 1. Empathetic social collectivization 2. Financial transactions for economic and personal needs 3. Visibility and inclusion of vulnerable and marginalized in the village, 4. Access to micro level services and entitlements 5. Becoming means for marginalized and poor to make them stakeholders 6. Means of improving voicing the unheard and self respect 7. Catering family level and neighborhood level issues 	<ol style="list-style-type: none"> 1. Nurturing of member SHGs, through training, hand holding & mentoring support 2. Inclusion of all eligible HHs into SHGs 3. Improve quality of SHGs, monitoring key activities (meeting, savings, repayments, bookkeeping etc.), promoting self-grading and audit of the SHGs 4. Accessing information on different government schemes and services and sharing with all members 5. Acting as a forum for accessing all the rights, entitlements, schemes, amenities & services to derive the benefits. 6. To create a platform to negotiate with partners and other stakeholders 7. Coordinate for sanctioning and channeling credit support from CLFs to the SHGs. 8. Handling and judiciously using VRF for vulnerable. 9. Identification and orientation to community cadre 10. Review activities / performance of subcommittees and community cadre 11. To prepare Village Poverty Reduction Plan and present it in Gram Sabha and ensures that the plan gets incorporated in GPDP 	<ol style="list-style-type: none"> 1. Nurture member VOs through training, handholding & mentoring support 2. Training and capacity building support to member SHGs as per need 3. Act as a liasioning, negotiations, lobbying & convergence forum for various schemes and should also act like pressure group 4. Acts as both financial and social intermediary 5. Mutual learning forums for VOs and SHGs 6. Create social capital (Community Cadre, Community Resource Persons) for nurturing member SHGs and VOs 7. Create livelihoods opportunities for member HHs through convergence and partnership 8. To create a platform to negotiate with partners and other stakeholders on larger issues

Thus to ensure that the institutions are able to cater the needs, CBOs are formed at different levels with the following objectives:

Objective of three tier institutions

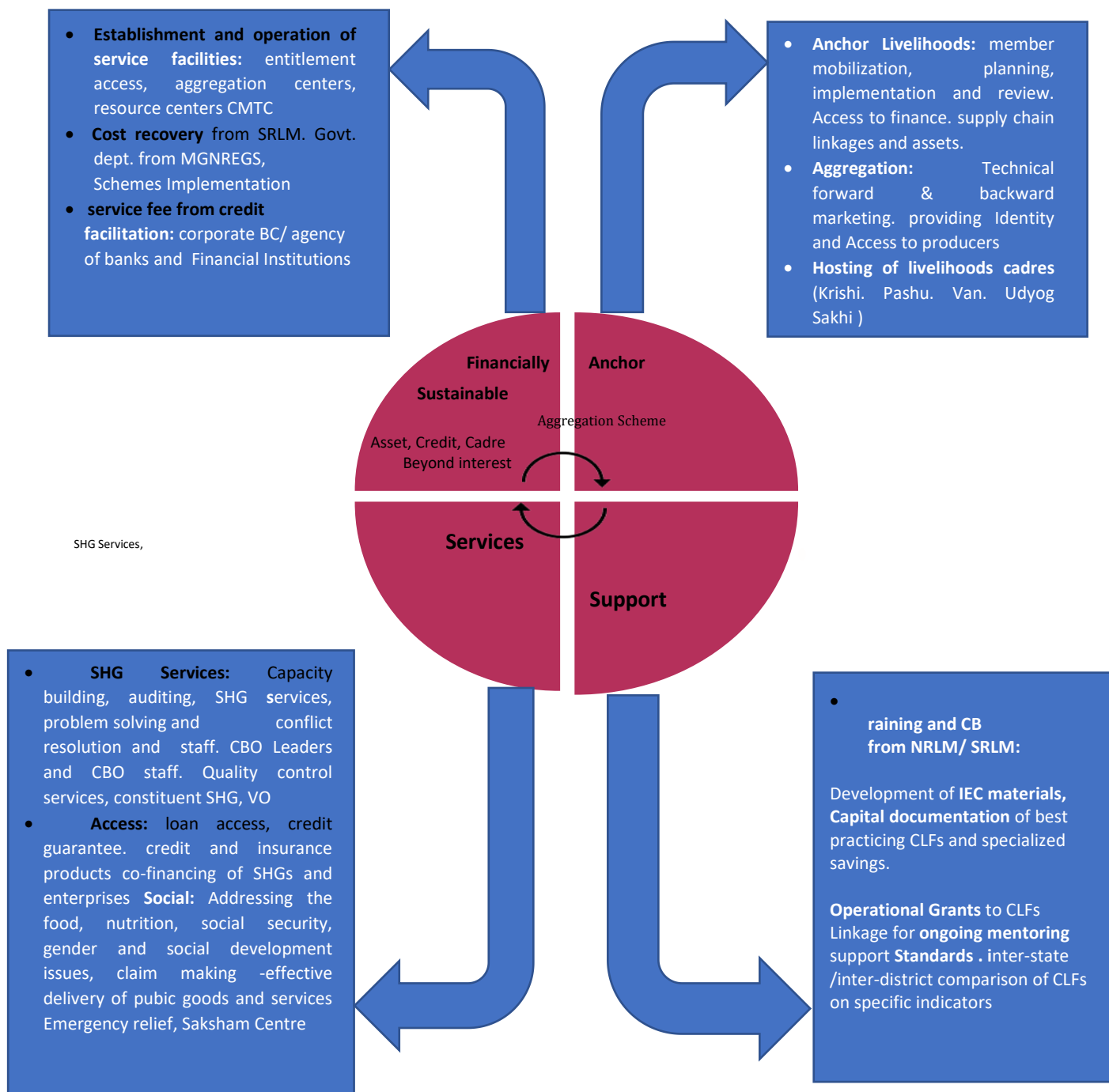


The design and development of Cluster level federations/secondary level federations weaves a coherent programme for the CLF around both economic development and the normative aspects, broad directions of the “coherent programme” axis includes (a) social inclusion of the vulnerable and left outs eg. support for Single women, Elders, differently abled, PVTGs etc (b) gender responsive solidarity activities eg. support for Violence Against Women (c) access to government services eg. support for claim making and planning engagement around health, education infrastructure augmentation and services entitlements (VPRP), NSAP, MGNREGS, IBS investments etc. (d) market making around access to solutions in education (nursery, budget schools, private tutorials etc.), health & sanitation (access to private care through Ayushman Bharat, nutrition supplements), skills, financial services – credit, insurance etc. (e) personal member responsibility and action for better quality of life, essentially around practice adoption (eg. use of toilets) and normative shifts. Women have shown (a) massive spirit of volunteerism and aspirations of women are there, (b) demonstrated to bring productive investment for economic transformation.

CLF/secondary level federation is an institution of poor women that brings together on an average around 20- 30 VOs, 300-400 SHGs, and about 3000-5000 members. In addition to the DAY NRLM program activities including credit across various levels, the CLFs are expected to support livelihood activities, social inclusion, and access to entitlements, and it is expected that these organizations will have effective governance, management, and autonomy within the associative two or three-tier institutional system.

The entire schema of collectivization of most deprived sections of societies and enabling them towards socio-economic transformation is conducted by the complex design of DeendayalAntyodayaYojana - National Rural Livelihoods Mission (DAY NRLM), represented as multiple state-level functioning via cascade, through their multi-thematic & multi-tier system, interacting with CLFs running as cascade through their member organization (SHG-VO-CLF) system.

Cluster level Federation



1.2. Envisaged State of CLFs

“Member owned, member controlled, member managed formal entity which is financial sustainable, enabling members to increase household income through sustainable livelihood enhancements and improved quality of life & access to financial and public services”

CLF can be ideated in a manner that it will be able to translate or facilitate the aspirations of its members to reality and be able to make its institutional form sustainable.

Guiding Principles for CLFs are as follows:

- Have well-articulated vision and mission
- Sensitive, responsive and inclusive institution and focusing on equity and equality of all members
- Addressing livelihoods, food, nutrition, gender and social development needs of members
- Support members in developing livelihood, quality of life, assets, enterprises both individually and as groups for all members
- Have the capacity to respond to Changing Aspirations of Members and Environment
- Having well defined growth trajectory with focus on cost recovery and Financial sustainability

Thus to make the CLFs work on the above guiding principles focus of strengthening CLFs is to be on various aspects. Such as

- (a) Organize aspirations of its members and convert them into collective aspirations,**
- (b) Develop its action plan and confidence to translate collective aspirations into reality,**
- (c) Handholding support to SHGs and VOs.**

Therefore the following components are desirable at CLFs:

- a. Vision of CLF:** A CLF is not a mere mobilization of its large number of members but also a union of widely varied member aspirations, Set of principles are critical to ensure consistent and coherent behavior, actions, and outcomes. CLF should develop a clear “Vision” developed and owned by its members.
- b. System of Governance:** A strong Governance system as guided as per the registration Act is key to ensure that the pitfalls of democratic process do not over-power the organization, and CLF remains member sensitive, inclusive, ensure no elite capture. Standard Operating Processes on its internal governance, membership management, financial management, HR management are important to ensure this.
 - **Internal Governance System:** There should be properly functioning governance forums like Executive Committee, Office-bearers, Sub Committees, General Body at VO and CLF Level to ensure a transparent and Effective Governance System. Ensure leadership rotation as per the defined bylaws
 - **Member’s Opinion is to be valued:** There should be an effective communication loop to ensure clear and regular communication between member and Forums.
 - **Operation Management:** There should be a proper review, control, and direction mechanism for Human Resources reporting to Governance of the institution.
 - **Panning & Review Mechanism:** In light of the vision of CLF, they should have an Annual Action Plan with regular Review and planning mechanism.
 - **Leadership:** Mechanism like constitution of community spearhead team (CST) to play an advisory role to the new Board Members is critical to ensure leadership continuity and strength.
- c. Financially Sustainable:** Well developed Business Plan for financial sustainability required to generate enough revenue to meet its operating expenses along with expenses for managing social & economic programmes.
- d. Multi-Dimensional Intervention by Federation:** To translate a varied range of aspirations and needs of members CLF has to engage in or facilitate various types of interventions. Such interventions may be implemented by CLF or by any Partner agencies of CLF or by institutions facilitated by CLF that can collectively create an environment for desired change. Interventions are around (a) Financial Support & Services (b) Livelihood Support - ensuring Individual Beneficiary Schemes, Integrated Farming Cluster-based Business, Integrated Non-Farming Cluster-based Business, Ensuring Skill Upgradation & Placement Services (c) CLF as PIA for MGNREGS Implementation (d) Social development services like rights and Entitlements, Health and Nutrition, sanitation access to the members, etc.

1.3. Enablement and Supportive Requirements by SRLM

Please refer the following letters and advisories:

- (1). Letter and advisory on Development of model CLF under DAY-NRLM dated 30th April, 2020;
- (2.) Promotion of all CLFs as per Protocols/Processes as per model CLF since formation; letter dated 24th May 2022)

It is important to focus on long-term program objectives, design, and management of the program. SRLMs need to support CLFs capacity building for effective programmatic implementations. This requires (a) well laid out mandate and growth path for CLF (b) clarity at all levels on the relationship and respective responsibilities, accountabilities as also mutual expectations (c) staff capacity, and continuity of priorities.

It is critical for SRLMs to incorporate strategies for decentralizing the processes and ensuring effective alignment among various verticals (the alignment amongst various verticals - IBCB, FI, Livelihoods in terms of the role of CLF and task delivery expectation at different stages). Currently, CLFs, as an idea and community entity are in a nascent stage wherein new pilots and interventions, are being implemented to enhance member value in a sustained way.

Some steps which will help movement on desired direction:

- a. Annual action plans developed under each thematic be connected and simplified for the development of AAP for a CLF wherein there are effective overlaps and connections between different activities based on the needs and capacities of the CLF.
- b. Draft a formal MoU between CLF and SRLM providing for implementation, respective expectations, responsibilities, and accountabilities

1.4. Life cycle of CLF

There are four key stages in the CLF life-cycle which describe the journey from pre-formation to maturity in CLFs. It is important for state mission and its team members to ensure integration of action at all levels (SMMU/DMMU/BMMU) so that proactive, appropriate and sought support can be provided to the CLFs in every stage. A brief description of the four stages and recommended role of SMMU staff has been shared below, each CLF needs to be assessed which stage it is and accordingly supported.

- i. **Pre-formation Stage:** In this stage, the 2-tier structure on women federation, i.e., Village Organizations and SHGs are functioning effectively and are ready to expand the scale and scope of activities. It is important for SRLM to assess the readiness of VOs and SHGs to form a higher-level federation. SMMU team's key role is to create awareness of the need to develop the next tier of institutions and their scope. The key focus area for SRLM in this stage, are:

At CLF level

- Understand the vulnerabilities and need
- Assess the readiness of community and its CBOs (SHG, VO)
- Vibrancy assessment and design program to address the gap or weakness

At SRLM Level

- Build SRLM's vision around CLF
- Develop road map for CLF promotion and strengthening
- Decision on clusterization and finalization of area for CLF to be promoted

- Developing broad action plan
- Enhance conceptual understanding and skills of SRLM staffs on Higher level federation promotion
- Core Committee formation and regular functioning

ii. Formalization stage: This stage refers to the setting up of institutions. There are three sub-stages under the Formalization Stage. In the initial sub-stage CLF formation process starts with visioning exercise and selection of EC and OB members and initiate key activities such as setting norms, setting up an office, opening of bank account, conducting monthly meetings, develop basic financial systems, rotation of funds via VO, and SHGs and registration. 2nd sub stage mainly covers the capacity building of capacity building of leaders, cadres and sub-committees . Initiation of internal compliances and facilitation of visioning , AAP, BDP and convergence. In the final sub stage CLF setup the MIS based review and monitoring system, capacity building of 2nd line leaders for emerging activities and completion of HR and financial compliances. The key focus area for SRLM in this stage, are:

At CLF level

- Building capacities of members on the concept of CLF, formulating mission, vision, direction, ownership, and control of CLF
- Defining clear roles and responsibilities of CLF members and leaders
- SHG health assessment and institutionalization at VO/CLF
- Ensure representation and social inclusion of most vulnerable social groups in leadership and decision-making.
- Introduce basic books of records
- Initial training and capacity building of leaders on CLF operations, setting up subcommittees with the help of CLF leaders and their need-based training
- Mutually develop a checklist of activities with CLF leaders' help and distribution of responsibilities among office bearers, subcommittees, community cadre, and monthly minutes documentation.
- Preparing Byelaws and registration of CLF under appropriate Act.

At SRLM level

- Enhance conceptual understanding and skills on visioning, leadership and basic financial management of SRLM staffs
- Define role and responsibilities of SRLM staffs
- Engage dedicated staff for CLF at the cluster level
- Define operational manual and financial management policy

iii. Growth stage: In this stage CLF make their strategic plan like Annual action plan, business plan, Leaders are trained on SOPs, operation team are placed and financial and administrative systems are strengthened. The key focus area for the SRLM in this stage are:

At CLF level

- Strengthening Governance of CLF-
- Structure and management
- Planning-Annual planning & BDP
- Functioning Sub-committees
- HR &Admin
- Financial Management & compliances
- Putting Financial, HR and administrative systems in place
- Hand-holding CLF members in facilitating audits and conducting AGMs.

- Instituting federation review mechanisms where the members are also involved and ensuring transparency
- Revisiting the vision of CLF and co-creating the plans and objectives and thus defining the mandate of CLF.
- Prioritizing the activities under the plans and objectives and setting up milestones for effective tracking and monitoring
- Development of institutional performance monitoring mechanisms(scorecard)
- Development of KPIs
- Designing, deployment and regular tracking of institutional performance scorecard
- Developing pilot intervention for activity under the plan and rolling out the pilot intervention
- Developing calendar for activities, regular and pilot, with a checklist for mandatory activities such as AGM, Internal and External Annual audit, ITR submission, review of cadre, etc.,
- Preparation for rotation of leaders by building understanding in CLF members and passing due resolutions

At SRLM level

- Designing training modules for strengthening Governance, annual planning and BDP
- Capacitate own staffs on the CLF Governance, strategic planning, financial management, Compliances etc.
- Introduce CLF performance review systems on basic parameters at BMMU, DMMU and SMMU level
- Introduce program quality assurance systems

iv. Maturation Stage: The maturation stage refers to establishing the SOPs and implementing the regular processes effectively over a sustained period and building the capacity to design and implement new interventions and partnerships as per requirement. The Maturation Stage can be divided into two sub-stages:

- a. Expansion:** During this stage, the CLF is in the expansion stage and rolling out multiple interventions (pilot and scaling-up) based on learning from the experience of developing a scalable prototype. The CLF now is in the stage to take up activities as per the mandate developed by its members and leaders. The foci for the SRLM are:

At CLF level

- Ensuring sustainability and efficiency
- Design and introduce service charges
- Loan product development
- Digital Accounting systems
- Supporting the CLF leaders in prioritizing the activities under the mandate based on feasibility (resources, capacity, and benefits).
- Designing the interventions as per the requirements in the priority list
- Assisting CLF in conducting the AAP review and supporting CLF in formative assessment/monitoring of the programs.
- Formation of Community Spearhead Teams (CST)
- Setting up mechanisms to run the routine activities on auto-pilot mode.

At SRLM level

- Assisting CLF in implementation of their mandate
- Facilitating Leadership Rotation and CB
- Facilitating in increasing their scope
- Facilitating Partnerships
- Developing mechanisms for regular activities implementation and tracking

- Assisting in analyzing the progress and providing insights revenue
 - Transit from Hand holding role to Assisting role.
- b. **Maturation:** CLFs have developed capacities and have conducted the routine key activities of CLF with sustained regularity. CLF, based on its experience of running newer interventions, looks towards establishing a partnership for expanding its reach and scope. CLF acts as a mentor to the new CLFs in establishing processes and capacity building of leaders and members. CLF is running at least one intervention successfully catering to one of the requirements in the mandate.
- The key points in the role of SRLM in this stage are:
- Reviewing with CLFs mechanisms for routine activities and ensuring that they are running effectively.
 - Continuous support to CLFs in strengthening the quality of interventions run by CLF.
 - Supporting the CLFs in understanding the books of records and taking corrective actions for ensuring good financial health at CLF and VO.
 - Strengthening CLFs in developing partnerships with government agencies and private firms to expand the scope of CLF and fulfill the mandate.

At this stage, the key role of SRLMs will be to establish a service delivery model within CLFs and identify the need to develop an external partnership based on the capacities and scope of CLF. After the effective development of the partnership, the SRLM's next step will be to strengthen CLF. CLF takes complete ownership of the operations and objectives and treats SRLM as one of the external partners providing service to CLF. The maturity phase for an institution comprises strengthening the operating and governance systems, increasing member services, and creating sustained revenue generation sources. This is primarily achieved by setting up standardized systems and processes, integrating diverse programs and investments, forming partnerships with government and non-government agencies, and making CLF independent. The lack of long-term vision at the CLF level inhibits the process of setting up the standardized process and systems and creating diverse revenue sources for sustenance. The CLF may require hand-holding support to make this transition, and there should be a range of alternatives present to smoothen the process. The CLF may choose to take support SRLM or its technical support unit or a group of professionals or some local NGOs or other federations to help it manage the different functions and continue to grow. The transition plan should feature in the growth plan and vision that the CLF prepares in the first formation stage or whenever visioning exercise is done. Experiences from matured federations highlight that since the inception phase, promoting organizations have been clear on the role transition and this has helped them in creating strong institutions. Such a transition pathway is needed to be defined clearly.

1. Focus on setting the standard processes and systems from the formalization stage itself with the CLF members' active involvement along with the systems like Book keeping, Regularity of meetings etc., of these systems' members to embed them in their regular interaction with the CLF, SRLM, and the staff.
2. Planning for increasing revenue sources to create adequacy at the CLF level through diverse programs and partnerships (few examples to be added for such partnerships) ; should be done with SRLM's help.
3. Identification of various local/ regional level resource agencies to partner and collaborate with based on the members' needs and requirements. Increasing the member services with the institution's maturity will also help create greater member allegiance and ownership towards the CLF.
4. Modules of setting standard procedures for operations, finance, and governance, Module for the transition from SRLM-managed to CLF led federation, Guidelines for partnership and collaboration/convergence with govt. and non-govt. agencies.

For CLF to attain institutional sustainability (self-governed, self-managed, and self-reliant) and financial sustainability, the seed needs to be sown right from the formalization stage and appropriate processes should be set up. For designing the programs, graduation approach may be adopted with clear

guidelines for implementation and management by CLF and the PO, and as the CLF matures, SRLM may slowly transition out to give the reins in CLF's hand.

The core of the envisaged CLFs are its leaders and members having medium to long term vision and then having developed well-articulated strategies, prioritized programs and activities planned and reviewed in short-cycles with appropriate structures and processes at CLF and VO levels. The envisaged CLF of this kind would have robust systems and processes required to plan, track and pivot to reach goals it has set for itself in 1-2 years frame. The envisaged CLF of this kind would incorporate an architecture of institutional structures and processes with integrate strongly with public system delivery – especially around the basic services – Health, nutrition, PDS, WASH, Primary education, etc.

More specifically the CLF will focus on identification of the specific change area, the specific indicators of proposed impact and then creating an action strategy to get there – looking at change pathways of (a) what communities can do themselves; (b) what communities can do with a little support and (c) what needs to be brought in by the Public System Delivery or as a solution by private market player. i.e. in addition to the “financial intermediation” function, the CLF would engage upon the significantly untapped potential of the collectivization to create / facilitate ‘public goods’ access for its members – e.g. access to public system delivery around basic services – health, nutrition, early education, safe-water, etc. The CLF will use its collective strength to amplify engagement and outcomes of the mandated line-department community interface bodies e.g. VHND, SMCs, VHSC, etc. to strengthen last mile delivery improving access to public services. CLFs will also focus on creating effective peer processes for adoption of new practices across livelihood, health, gender, etc.

In terms of visible indicators of a high-performing CLF few characteristics include:

- a. An articulated vision and strategy (captured in written form in local language and available as live document) with aligned structures for implementation of **the detailed business plan** linked to various prioritized developmental outcome, along with functional management capability for the same including relevant monitoring systems.
- b. Support systems in place for **all members with livelihood action plan; and revenue generating activities at CLF level**
- c. CLF and VO **governance and management structures** empowered and enabled to discharge their responsibilities effectively and be accountable for specific performance metric based on “vision” and medium-term goals of the CLF members.
- d. The CLF leadership would have the expertise and skills in **supporting SHGs** and women around **gender issues** or new challenges as they come.
- e. A detailed operational plan for improving access **to government provided services and schemes, universal access to social protection** and plugging the last mile gaps challenges working closely with village, panchayat and block level functionaries.

An **operational business plan with a diverse and gainful revenue generation opportunity ensures sustainability of the CLFs.** One of the key issues that need to work upon revenue creation for the CLF, first ensuring what they are supposed to earn from financial intermediation and then look for ways to diversify. These opportunities could be in nature of unlocking the value proposition of the aggregation available – could be in bringing new financial products to the unserved clients, aggregation of demand for variety of life and livelihood needs, or opening up the last mile connect of the CLFs to be used by private players who are looking for that deep connect-e.g. e-commerce distribution, etc. The investment will look for out-of-box ideas and experiment to find ways for revenue strengthening and diversification of sources, helping the CLFs to link with the new age-economy. The revenue generation part needs to go beyond FI streamlining, to ensure that the revenue targets are achieved, and then look for other options

– insurance facilitation, providing access to an aggregated pool of members for market access by e-commerce as a distribution hub, or demand aggregation and supply for household products, agri-products.

CIF is necessary to kick off the activities at the CLF level as activities are what make a CLF vibrant and functional. The management of CIF at the CLF level with strong leadership and streamlined financial systems will help in strengthening the institution. With the expansion of the program, the funds under CLF may reduce and CLF may receive funds from diverse other sources. The priority should be on the disbursement and utilization of CIF funds and then based on the needs of the members, funds from bank linkage should be availed. It would be optimum to give the IB/CB and FI functions to CLF to enable it to operate as a community microfinance institution focused on the welfare of its members. The primary source of funds at the CLF level is the SRLM's fund for various programs. For CLF to progress towards expanding the operations/activities, stabilizing the institution, and generating multiple services for the members, it must have diverse funding sources. CLFs should be able to take up some livelihoods activity on their own like Procurement centers of aggregation of products or Community Managed Training Centers which will generate revenues so that they have finances to manage their activities. Some limited viability Gap Funding will be provided by SRLMs but a continued source of income at the CLF level, besides the interest income is necessary.

Management of loans for its members (VOs and SHGs) and levying various service fees could be the starting point for creating revenue adequacy. Membership fee and service fee, interest income and personnel support, and grants can be augmented by dovetailing with various government programs to bring more funds at the CLF level and create meaningful programs for the members. There is also a need to assess the members' absorption capacity and develop better CIF utilization processes.

Support for managing CIF at CLFs are critical, these include:

- a. Modules and digital tools for loan management.
- b. Modules on processes for revenue generation from various sources.
- c. Guideline for the management of funds and recording in books.

2. Program Implementation

2.1. Implementation Mechanism:

It is understood that building institutions in a way is a very intensive process. Providing constant facilitation, mentoring and guidance is required for building the capacities of the community institutions and establishing the required systems. To provide these higher order inputs and guidance, it is essential that both NMMU and SRLMs need to work as team and develop an implementation mechanism.

At SRLM level:

1. **Formation of Core Committees:** State level Core Committee will be constituted with CEO, COO, SPMs – IB, SM&CB, SI&SD, Gender, FI and LH for effective integration among thematic areas, monitoring and development of Model CLF interventions. On the same lines of state level committee, district and block level core committee will be constituted. All these committees will review the progress of CLFs on a monthly basis.

(Please Refer the Advisory issued by NMMU on "Formation and Functioning of Core Committees for MCLFs; Dated 10th August 2021)

2. **Community Spearhead Teams:** Spearhead Team with selected active, dynamic and experienced ex-leaders and ex-cadre will be developed. They will act as an advisory body to CLF and guide/mentor them continuously in realizing their vision and nurturing the new leaders.

(Please Refer the Advisory issued by NMMU on ""State Resource Person- Sr. CRP and Community Spearhead Team for Model CLFs" dated 9th August 2021)

3. **State Resource Persons: As per the advisory issued by NMMU as mentioned at point no.2 above,** depending on the no. of CLFs planned to be promoted under this initiative, SRPs need to be identified by SRLM, who will be trained and mentored by the concerned NRP, NMMU and SMMU team. Each SRP would be expected to be responsible for 3-4 CLFs.
4. **Dedicated Mission Staff to Model CLFs:** Each model CLF will have One dedicated staff (CC/AC/YP/BMM) from the mission to anchor this initiative of promoting model CLF with an objective of strengthening internal capacity of the mission to undertake replication in other federations of the SRLM.
(Please Refer the Advisory issued by NMMU on “Advisory on Development of model CLFs; Dated 30th April 2020)
5. **Dedicated CLF staff:** The SRLM will facilitate CLFs to hire their own staff (@ 1 CLF Coordinator/manager, 1 Accountant and 1 Computer Operator/MIS assistant and community coordinators per CLF) *(Please Refer the Advisory issued by NMMU on “ Advisory on Development of model CLFs; Dated 30th April 2020).* CLF will hire their own staff one by one based on requirement and expansion of work.

2.2. Check list for implementation of Model CLF strategy:

Preparedness at SRLM level

- Presence of dedicated professionals for Social mobilization, Institution building and capacity building at state and all concerned districts level
- Placement of dedicated and trained Mission staff at block level as suggested in the State HR policy
- Approved State/district/block Resource Persons Policy (for external professionals) in place
- Approved Community Cadre Policy in place aligning with CLFs where cadres will be placed
- At NRLM area too dedicated HR for MCLFs to be placed at States and Block level. (Can we make a common point -Recruitment of HR as per advisory. Ensuring dedicated staff is positioned at state /district / block/cluster level for facilitating and hand holding CLF.

2.3. Integration of activities related to different themes are to be taken up at CLF level as given below:

In addition to the above mentioned activities integration of different thematic activities also need to be initiated in selected CLFs. Once these selected CLFs run those activities successfully these can be expanded at all CLFs.

i. Activities to be planned in Model CLF where Digital Finance Interventions & Insurance interventions are planned (in selected CLFs)

In selected CLFs, financial inclusion interventions viz., digital transaction through Business correspondent and provision of insurance services will be rolled out and for this purpose, the following activities need to be planned:

1. Formation, capacity building and strengthening of bank linkage and loan committee at VO and CLF level for monitoring the progress of Bank linkages, insurance, pensions, enterprise financing interventions and performance of all FI related cadres. This committee may work with SAC for ensurance of pension of families.
2. Training VOs and CLFs on FI interventions
3. Selection of SHG member as a BC Sakhi through VOs and CLFs along with mission staff.
4. Provision of Loan on priority basis to BC Sakhi as per norms for purchase of required equipment
5. Payment of fixed honorarium through CLF to BC Sakhi for some period till the business becomes profitable

6. Management and monitoring of FI related cadres viz., Bank Sakhi/ Mitra/BC Sakhi/Financial literacy CRPs
7. Training SHG members, SHGs and their federations on financial literacy including digital transactions
8. Facilitating SHGs, VOs and CLFs to do cashless transactions through BC point
9. Facilitate all SHG members to enroll under life insurance and paying regular premium

ii. Activities to be planned in Model CLF where Promotion of PGs intervention is planned (in selected CLFs)

Producer Groups (PGs) will be formed in some of the Model CLFs areas for livelihoods development of SHG members HHs. Producers Company (PC) will be a different entity all together and CLF will have collaborative role in PC. CLF will play an important role in areas of provision of loans to PGs, cadre deployment and monitoring, asset maintenance etc. Core Committees formed at different levels within the Mission will develop necessary protocols and monitoring indicators and will be responsible for integration at grass root level. The following activities need to be planned in CLF:

1. Formation, capacity building and strengthening of LH Subcommittee at VO and CLF level
2. Training VO and CLF EC on objectives of PG promotion, its roles, activities, economics and cadre management and role of CLF in functioning of PGs
3. Management of funds (loan provided to PGs from CLF @7% p.a., its repayment and rotation), recovery and asset management specially allocated for PG
4. Deployment and management of trained Cadres (Udyog Sakhi, Krishi Sakhi, Pashu Sakhi etc) by CLF
5. Seek MPR on regular basis, update the PGs account and seek support with BMMU in case of issues.
6. Invite OB of PGs/ PCs in EC meetings to share their activities and experiences periodically

iii. Activities to be planned in Model CLF where Social Inclusion, FNHW & Gender Interventions will be implemented (in selected CLFs)

The main role of CLF is to access information on members rights, entitlements and services, creation of awareness among the members, negotiate with concerned departments at the grassroots level and PRIs to ensure members access their rights, entitlements and services. Structured support from NRP and SRPs will be required for ensuring these interventions. State Mission has to negotiate with concerned line departments for providing necessary support to CLFs. Core Committees formed at different levels within the Mission will develop necessary protocols and monitoring indicators and will be responsible for integration at grassroots level. Following activities need to be planned:

1. Scanning of the advisories, guidelines, protocols and training materials by all verticals with a social inclusion and gender lens and modification/making changes if necessary
2. Development and roll out of Gender and FNHW Operational strategy for the CLF
3. Capacity building of all mission staff and CBOs on Social inclusion, Gender and FNHW strategies, VRF, VRF and MIS
4. Development of institutional mechanisms at SHGs and their federations- Gender point person at SHG level, social action committees at VO and CLF level
5. Development and deployment of Gender and Health CRPs
6. Development of Gender Justice centers (at the block or district level)
7. Disbursal and utilization of VRF
8. Development MIS indicators and regular tracking
9. Regular review on access to different rights, entitlements and services by the eligible members through convergence with PRIs and line departments (e.g. Health, WCD, Tribal Welfare Department) by VOs and CLFs

iv. Activities to be planned in Model CLF where PRI Convergence interventions will be implemented (in selected CLFs)

PRI being the local self-government, partnership with PRIs, especially at GP is extremely essential for CLF to ensure that their members access the rights, entitlements and services. SHG federations have been given clear role in preparation of GPDP. Priority has to be given to Village Poverty Reduction Plan prepared and shared by VO in Gram Sabha as part of GPDP preparation. In Model CLF areas, the following activities need to be planned -

1. Training to CLF and VO OB, EC and Social Action Sub-Committee members on roles and responsibilities of PRIs, particularly GPs in state specific context, areas of convergence with GPs, role of GP and CLF/VO in effective partnership
2. Training to GP Elected Representatives and staff on structure and functions of SHG and its federations, roles and responsibilities of SHG federation in local development including GPDP, areas of convergence with GPs, role of GP and CLF/VO in effective partnership
3. Developing a pool of community cadre from among the existing cadre for facilitating CBOs for VPRP preparation and GPDP integration.
4. Facilitate women and SHG federations to participate actively in Gram Sabhas and GPDP preparation and implementation process. Ensure activities identified and planning done during Vulnerability Reduction Plan exercise are incorporated at VPRP.
5. Incorporation of activities identified by SHG federations as per Village Poverty Reduction Plan into GPDP
6. Active Coordination Committee at GP level and regular meeting of VOs & CLF with GPs
7. Attendance of CLF representatives in GP meetings as invitee members

A Gant chart of activities are attached as Annexure and stage wise critical milestones are attached as Annexure-2.

2.4. Key Performance Indicators of CLFs:

(Please refer the Advisory sent by NMMU on model CLF dated 30th April 2020)

Specific year wise KPIs as per the MCLF strategy advisory is given below:

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
1.	Saturation Reaching all targeted HHS into SHGs	<ul style="list-style-type: none"> • %Targeted HHS in groups 	80	85	90 and above
2.	Social Inclusion Inclusion of SC/ST in leadership roles	<ul style="list-style-type: none"> • % Vulnerable HH in SHGs of the total Vulnerable • %SC/ST in Leadership 	60 50	70 60	80 and above 60
3.	Governance Systems of effective governance in place at CLF	<ul style="list-style-type: none"> • CLF Registered • AGBM conducted • Statutory compliances filed • Rotation of leadership • % Attendance in EC • Meetings • Vision & BDP • AAP & Financial Planning 	- - - - 80% In Place In Place	Completed Conducted - 1/3 rd 85% Reviewed and make necessary changes In Place	Conducted -Fulfilled 1/3 rd 90% Reviewed and make necessary changes In Place
4.	HR Management	<ul style="list-style-type: none"> • HR Policies in place • Positioning of staff • Monthly review of staff • Annual appraisal of Staff 	In Place 50% Yes Yes -	Updated 100% Yes Yes	Updated 100% Yes Yes

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
5.	Financial Management	<ul style="list-style-type: none"> Financial Management Policies in place Updated Books and Records Digitization of BOR of SHG/VO/CLF Internal Auditing of SHG/VO/CLF Statutory Audit of CLF 	In Place In Place - 50% -	Updated In Place In Place 100% 100%	Updated In Place In Place 100% 100%
6.	CIF and loan management at VO/CLF	<ul style="list-style-type: none"> Loan management system Established Lending policies in place Idle funds % OTR SHG-VO OTR VO-CLF PAR at CLF (>90 days) No. of loan products at CLF 	In Place In Place < 15% >80% >80% <10% -	In Place Updated <10% >90% >90% <5% >1	In Place Updated <5% >95% >95% <5% >2
6.	Sustainability Federations able to meet the cost of operations and Become Independent	<ul style="list-style-type: none"> OSS cost coverage % Velocity of Funds Ratio Operation Cost Ratio Debt Equity Ratio 	50% 1:1.5 <15% -	75% 1:2 <10% 1:50	100% 1:3 6% 1:30
7.	Quality of SHG/VO Ensure functional and stable groups and VOs	<ul style="list-style-type: none"> %SHGs in Grade A %VOs in grade A 	60% 70%	70% 80%	75% 85%
8.	Financial Inclusion Increase outreach of financial services to members-Digital services, Financial literacy and pension products	<ul style="list-style-type: none"> % members covered through BC/BF services % members with Individual Accounts % coverage of insurance % coverage of pension Services 			
9.	Enterprise Development Graduate SHG Members as entrepreneurs	<ul style="list-style-type: none"> % members in PG % members availed loan above Rs 30,000 for Livelihoods 			
10.	Social development Initiatives and Convergence CLF implementing activities for social	<ul style="list-style-type: none"> No. of Gender Issues Handled % of members having Kitchen Gardens % of members HH using 			

Sl. No.	Key Area	Indicator	Y 1	Y2	Y3
	development of members and ensure access to entitlements (Basedon the AAP targets of the CLF)	Toilets <ul style="list-style-type: none"> • % of members attendingGS • % of eligible members accessed Govt. schemes/entitlements 			

Additional Year wise KPIs to be developed with the concerned thematic personnel at SMMU for FI, Gender, Livelihoods etc.

2.5. Task Structure of CLF

CLF is an apex body in the structure of women federations. One of the key principles which bind the CLFs, VOs, and SHGs together is the effective governance system and the independence of CLFs, Vos, and SHGs. For the structure to function effectively, it is important to establish the institutions' scope and control. CLF being the apex body in the structure should be able to manage and review VO functions and their SHGs. Establishing a relationship between CLF and VOs via governance is crucial in the autonomy of the federations and effective control of CLFs.

One of the means to establish governance processes for effective engagement between CLFs and VOs is to **reduce SRLMs' participation in the daily activities of VOs and create a space for CLFs to manage** and support the VOs. Newer interventions or activities related to any thematic areas planned by SRLM at VO and SHG should be routed via CLFs. This would help build the capacities of CLFs and ensure their ownership and interests in running the VOs and SHGs effectively. Thus, CLFs can do capacity building of VO and SHG members in managing routine activities at VO level, reviewing cadre, reviewing the financial status of VO, and establishing VO roles as part of 3 tier structure. The capacity building of leaders at CLF and VO is critical in this scenario. Unless the capacities at CLF aren't built, it damages the reputation and confidence of CLF and at the same time creates the dependency on SRLM. There is a need to focus on governance and limiting the dependencies created in the system between SRLM and CLF. There is a need to identify core tasks and supportive contextual tasks that the CLF can undertake.

With the deepening of the interventions and scaling wide, SRLM's attention to SHG and VO gets limited. In such a scenario, SRLM can delegate capacity building and institution building along with Financial Inclusion to the CLF. In addition to this, establishing effective control, the hiring of the resource person to support the CLF in their day to-day activities, and the community cadre should be done at the CLF level. The review of care and resource person at CLF will increase accountability and ownership within CLF.

CLF may sign MoU with SRLM as an agency for remuneration charges of activity cost and operating cost for carrying out any activity . SRLM will taper year-wise remuneration. CLF can sign MoU with SRLMs as an agency that conducts any activities and charges for program activity cost and operational cost which will be year wise tapering remuneration from SRLMs. This can be a model wherein SRLM, that can help

CLF more and more to be in charge of the institutions, and thereby SRLM can withdraw its involvement in a phased manner. SRLM should support CLFs as a partner organization wherein it can provide certain services to the CLFs while CLFs run the entire operation and management. With time, CLFs may broadly be engaged in running and managing financial services within the organizations in the 3 tier institutions, business development, and entrepreneurship promotion for its members, social inclusion and initiatives, and institution strengthening & governance. Based on the scope of CLF, it may engage itself directly or partner with other organizations to achieve its mandate.

Guidelines for the transition of tasks/functions and Capacity building of CLF on the management of these tasks and development of modules with focus to develop institutions of poor which plays an important role in leveraging collective strength to actively intermediate members relationship with business environment. Broad area of this “programme” will includes:

- a. Access to government services: CLFs should be able to liaison with the concerned Govt departments and support institutions or the market players on behalf their members (eg. support for claim making and planning engagement around health, education infrastructure augmentation and services entitlements (VPRP), NSAP, MGNREGS, IBS investments etc.)
- b. Market building around local solutions solving for access issues related to - education (nursery, budget schools, private tutorials etc.), health (access to private care through Ayushman Bharat, nutrition supplements), skills, financial services – credit, insurance etc.
- c. Triggering a sense of personal responsibility and action for better quality of life - Social development related activities like FNHW, are to be taken up by CLF, as lack of awareness regarding these issues can lead to drain on expenditures of members, So CLF should focus essentially around practice adoption (eg. use of toilets, IYCF practices, etc.) and other normative shifts (marriage age of girl child, etc.).
- d. Gender responsive solidarity activities (eg. support for Violence against women) For all the above functions to happen effectively CLF should take the responsibility of CB of staff, members and cadres

3. Program quality management at SRLM

The adoption of a program quality management system is a strategic decision for organization that can help to improve its overall performance and provide a sound basis for sustainable development initiatives.

The potential benefits to SRLM of implementing a program quality management system based on the International Standards are:

- the ability to consistently provide support that meet stakeholders need and applicable statutory and regulatory requirements;
- facilitating opportunities to enhance stakeholders' satisfaction;
- addressing risks and opportunities associated with its context and objectives;
- the ability to demonstrate conformity to specified program quality management system requirements.

This Standard employs the process approach, which incorporates the Plan-Do-Check-Act (PDCA) cycle and risk-based thinking.

The process approach enables an organization to plan its processes and their interactions. The PDCA cycle enables an organization to ensure that its processes are adequately resourced and managed, and that opportunities for improvement are determined and acted on.

Risk-based thinking enables an organization to determine the factors that could cause its processes and its quality management system to deviate from the planned results, to put in place preventive controls, to minimize negative effects and to make maximum use of opportunities as they arise.

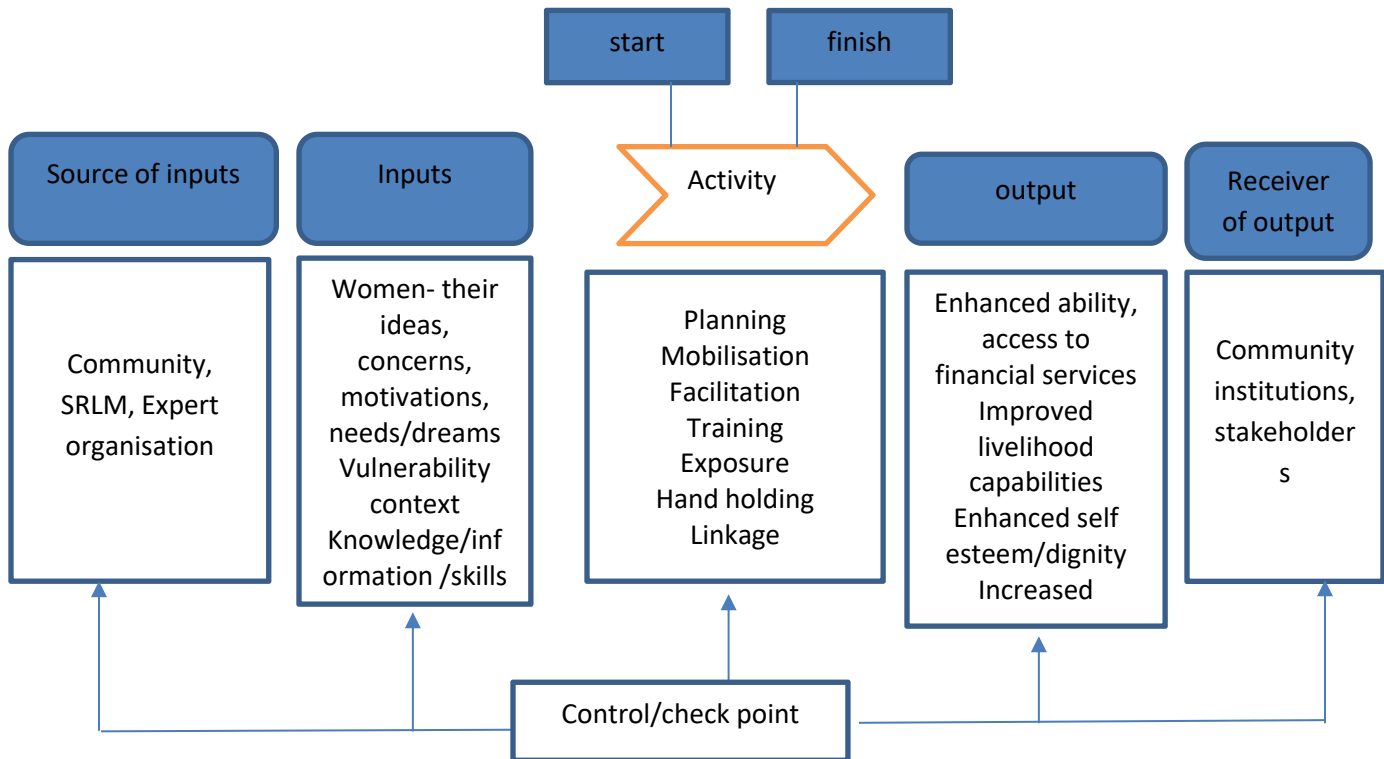
3.1. Program Quality management principles

The quality management principles are:

- community focus;
- leadership;
- engagement of people;
- standardized process approach;
- improvement;
- evidence-based decision making;

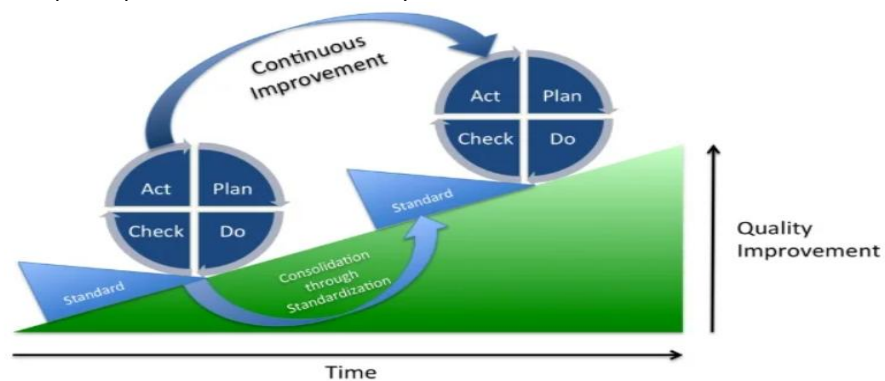
3.2. Process approach

This Standard promotes the adoption of a process approach when developing, implementing and improving the effectiveness of a program quality management system, to enhance stakeholders' satisfaction by meeting their requirements. Understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its intended results. In the SRLM context the process approach can be defined in following diagram.



The Plan-Do-check-Act cycle can be applied to all processes and to the quality management system as a whole.

- **Plan:** establish the objectives of the system and its processes, and the resources needed to deliver results within timeframe.
- **Do:** implement what was planned;
- **Check:** monitor and (where applicable) measure processes and the results and report the results;
- **Act:** Take action to improve performance, as necessary



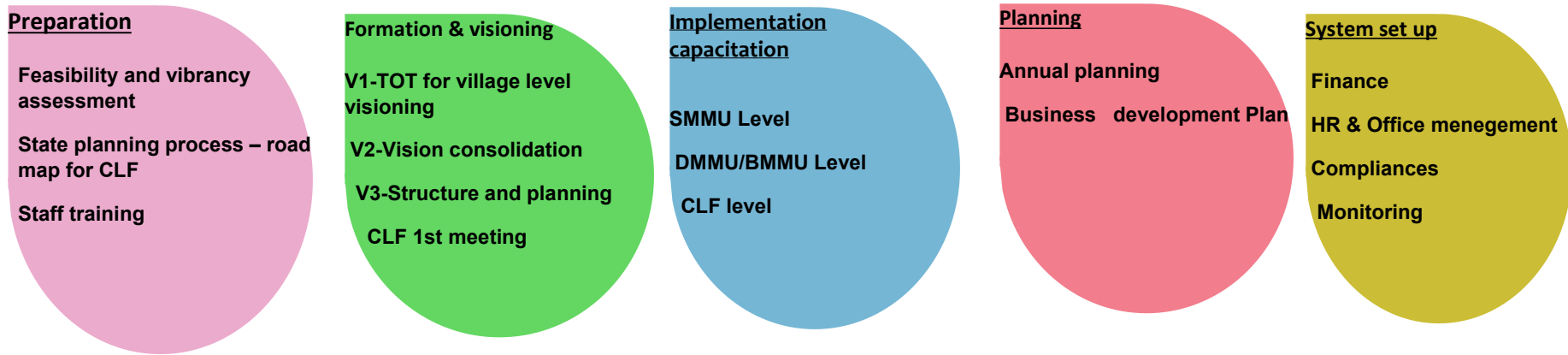
3.3. Critical points and risk analysis in promotion and strengthening of Cluster Level Federation

There are various critical points and risk at each of the stage of CLF promotion. Stage wise critical points & risks is in the table below:

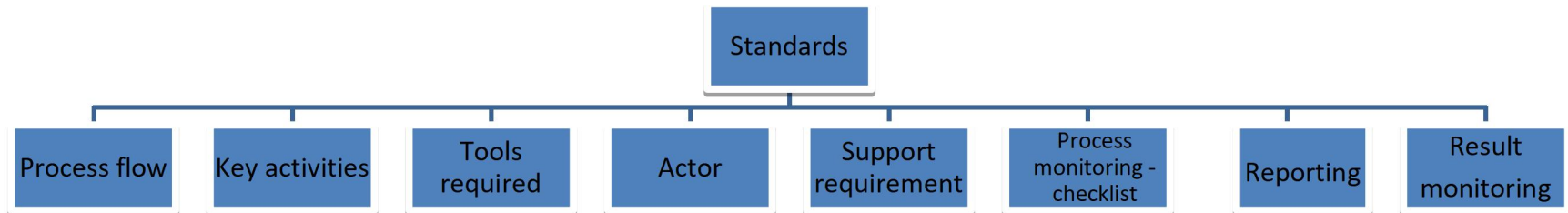
Stages	Critical points	Risk
Pre-formation	<ul style="list-style-type: none"> - Member organization's vibrancy - SRLM staff conceptual clarity federation - Facilitation skill of frontline staffs - Road map for CLF promotion & strengthening - Program governance structure at SRLM-Core committees - Dedicated staff for CLF 	<ul style="list-style-type: none"> - Member organization i.e. SHG, VO not vibrant (governance, systems, operation are weak) - False start - Weak planning and monitoring system at SRLM level - Delay in program implementation
Formalization	<p>Initial stage</p> <ul style="list-style-type: none"> - Skills of SRLM staffs - Engagement of staffs - Timely Resource allocation from SMMU - Strategic plan- Long term vision, articulated strategies and action plan - Books of records - Inclusion – POP in governance - Representation in EC 	<ul style="list-style-type: none"> - Poor result - Delay in implementation - Needs for higher level federation not internalized - Community not taking charge - Confusion among leaders, false start and low result - Mixing operation and governance (conflict of interest)
Growth	<ul style="list-style-type: none"> - Business development plan - Credit administration - Compliances - CLF HR - Finance, Admin, HR policies and procedures - Capacity building of governance - Meeting process - Decision making process - Compliances (AGM, Audit, return file etc) 	<ul style="list-style-type: none"> - Control by few, dominance - Proxy member in EC meeting - Portfolio Risk: Risk with overall loan portfolio - Fraud risk - Less involvement in monitoring and controlling - Lack of robust systems for EC to check - Compliance related risk
Maturation	<ul style="list-style-type: none"> - Sustainability- diversifying revenue sources - Efficiency-digitalisation - Thematic integration - Expansion – services, multiple intervention - Performance monitoring - Partnership - Second line leadership 	<ul style="list-style-type: none"> - Deficit- CLF not sustainable - System failure - Poor results - Purpose not achieved

3.3. Establish standards

Based on the above conceptual framework (PDCA cycle) and risk analysis at critical points, standards, process and result monitoring system has been suggested on few important areas like

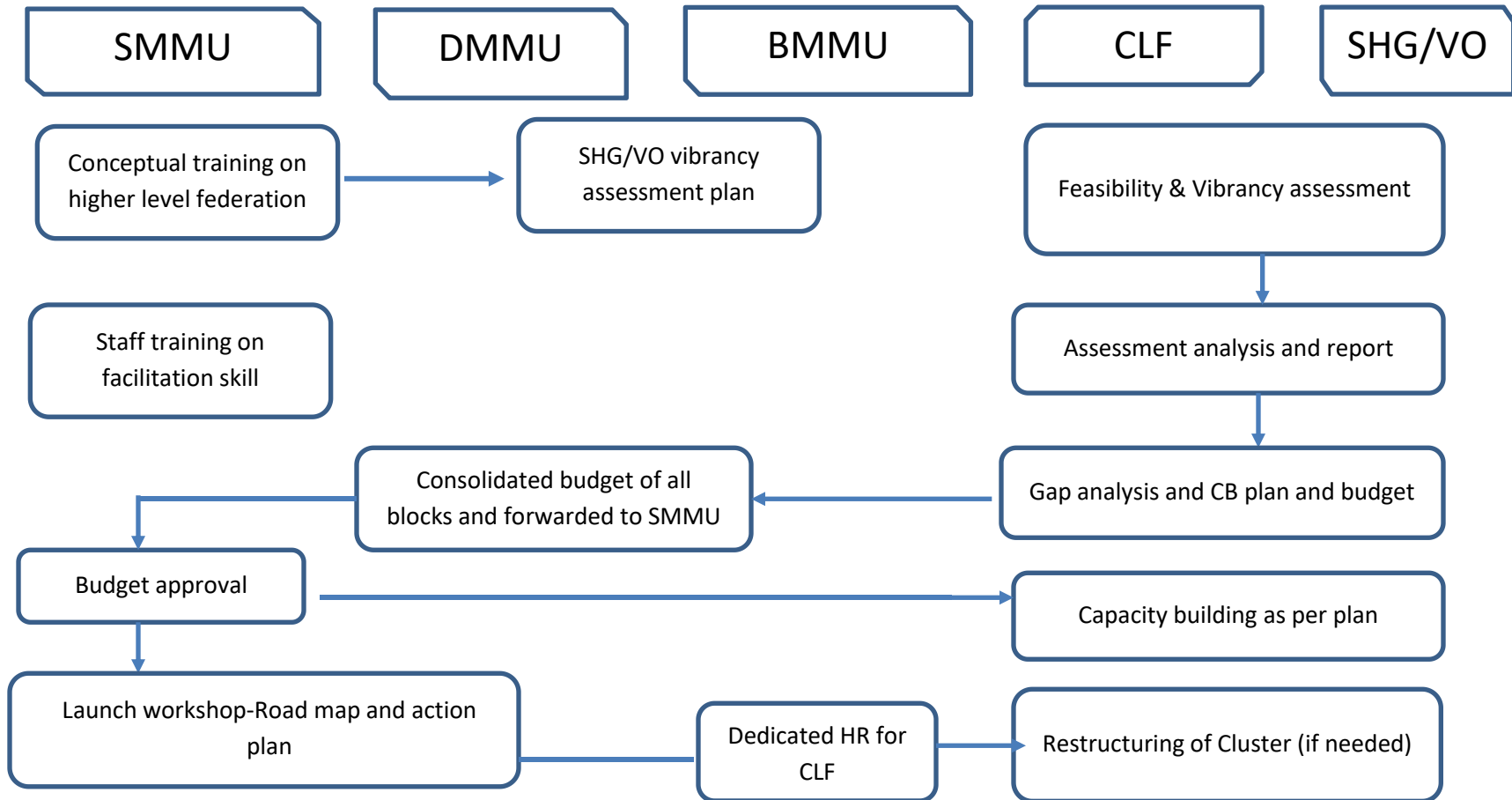


Standards have been defined in terms of the following 8 points as given in the figure below:



3.4. Standard procedures

Pre-formation stage



3.5. Process and quality check points

Step	Key activities	Tools required	Actor	Support required
Readiness assessment of VO and SHG	Letter issued from SMMU with assessment tools and guideline CLF in-charge trained CLF in-charge conducted the assessment CLF in-charge submit report to DMMU DMMU sent proposal to state SMMU sanction the fund for capacity building	Readiness assessment tools	SMMU-SPM BMMU – CLF In-charge DMMU-DMM(IGCB) SMMU-SPM	Letter from SMMU Tool design Training module Report framework Sanction letter CB proposal to state CB planning template

Process and output monitoring

Process monitoring –checklist	Yes/ No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Tool available		DMM (IGCB) – before training	DMM (IGCB) need to submit this program quality checklist along with the fund proposal to SMMU	Readiness assessment done Capacity building plan prepared Potential for CLF to be promoted worked out	% of block completed readiness assessment	DMMU
Staff trained on tool		DMM (IGCB)			% of block submitted assessment report and CB proposal	DMMU
Planning done by CLF incharge		BMM (IGCB) during training			% of district submitted report and proposal	SMMU
Standard procedures followed during assessment		CLF Nodal During assessment (DMM need to verify during assessment)				
Assessment done within stipulated time		DMM (IGCB) – during assessment				
Critical gap identified		BMM (IGCB)- after assessment				
Capacity building plan prepared		BMM (IGCB)-after assessment				

Proposal submitted to DMMU		BMM (ICB)- after assessment				
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Verification: BMM needs to verify during assessment, whether standard procedures have been followed or not. After three months, a sample would be verified again to ensure that SHG, VO has started working on the issues identified during the assessment

3.6. CLF feasibility/ Readiness and institutional vibrancy assessment:

Process: Steps in feasibility Assessment

Collect basic information of different cluster Analyze the information

Having sufficient number of SHG

SHGs enrolment in VO

Age of VO

SHG/VO experience on Fund management/ credit utilization i.e. RF & CIF

Output: Identify potential cluster for CLF promotion

Vibrancy Assessment:

Objective: To understand the readiness of the VO and SHGs to form a higher-level institution.

Process:

1. Collect baseline information on SHG and VO (Basic parameters), a template is provided as Google sheet by NMMU
2. Identify at least 3 VO for assessment from the baseline data
 - Maturity
 - Size
3. Assess the VO vibrancy
 - VO as institution
 - Governance
 - VO Functioning
 - Membership
 - CB input received

Output :

- a. Recommendation for CLF formation
- b. Action to be taken before initiating CLF formation process

State level workshop

Step	Key activities	Tools required	Actor	Support required
State level CLF launch workshop –	<p>A two days state level workshop to design the road map for CLF promotion</p> <ul style="list-style-type: none"> - Assessment report presentation - SRLM’s vision around CLF developed - Model CLF strategy and road map presentation - Decision on Clusterization and finalization of CLF to be promoted - Developing broad action plan 	<p>Workshop design CLF strategy document Action plan template</p>	SMMU-SPM/PM (IBCB)	Workshop report

Process and output monitoring

Process monitoring –checklist	Yes/ No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Workshop schedule prepared and communicated to all verticals		SMM/PM (IBCB) – before workshop	SMM/PM (IBCB) need to prepare this process quality checklist and workshop report with action plan. S/he needs to share it with all program verticals and DMMU	-CLF promotion and strengthening road map with action plan prepared - Clusterization and decision on CLF (Numbers and place) taken	Model CLF promotion strategy and Action plan prepared and across SRLM within 15 days of the workshop	SMM (IBCB)
CLF strategy document, PPT, Action plan template available		SMM/PM (IBCB)- Before workshop				
Readiness Assessment report ready		DMM/BMM (IBCB) before workshop				
All program verticals attended the workshop		SMM (IBCB)				
Cluster map with SHG-VO level data available		BMM (IBCB or Nodal) – Before workshop				
Clear road map with timeline						
CLF anchor (nodal) identified for each CLF						

Staff training on “concept of federation”

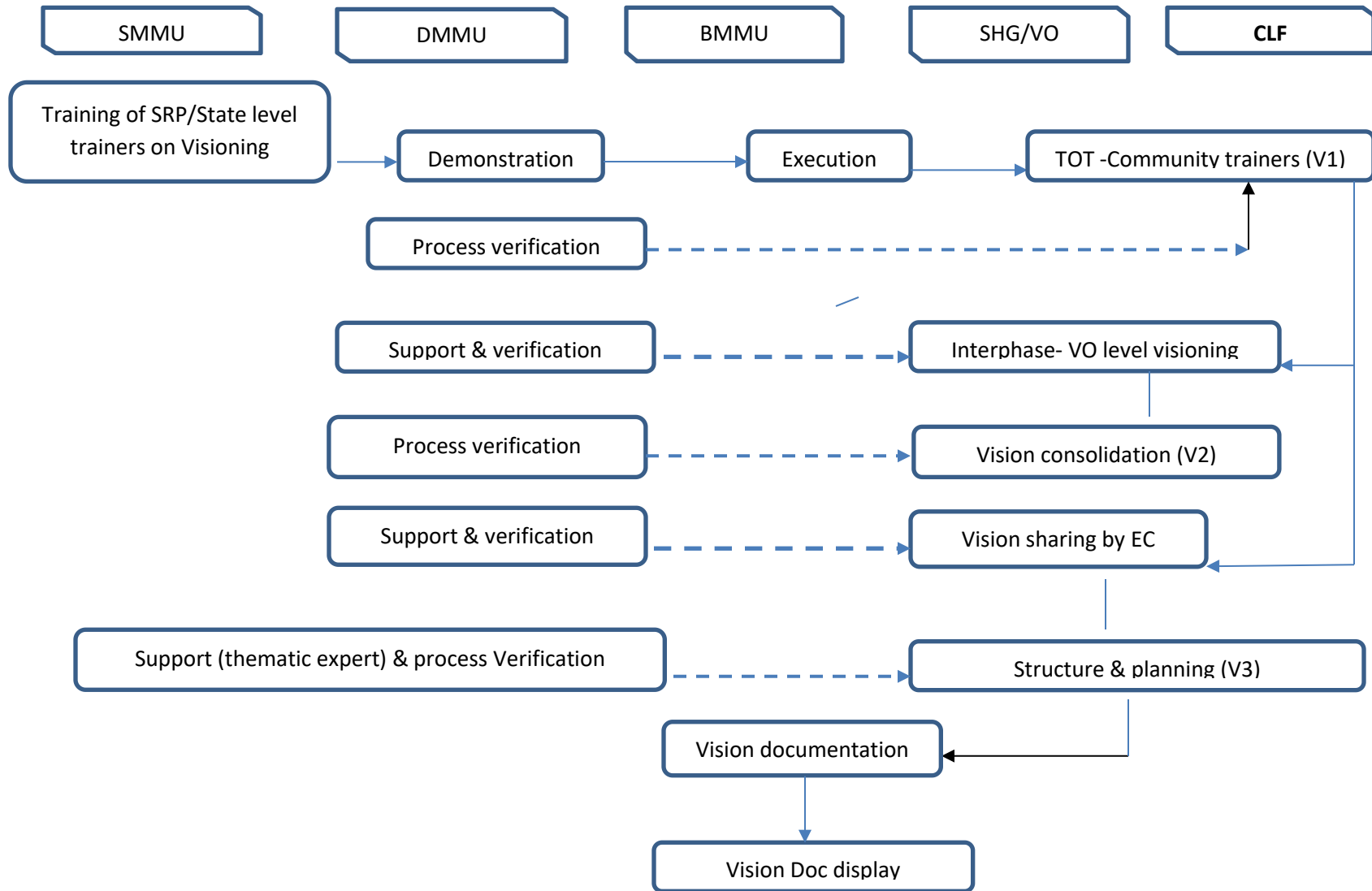
Step	Key activities	Tools required	Actor	Support required
Staff training on “concept of higherlevel federation”	<ol style="list-style-type: none"> 1. Identify key staffs who will attend the training – MCLF Anchor, DMMs 2. Issue letter from SMMU 3. Share module in advance 4. Identify resource person 5. Evaluate training programs 6. Prepare plan for MCLF promotion/Visioning with budget 7. Prepare training report 8. SMMU sanction as per the CLF formation/visioning proposal 	<ol style="list-style-type: none"> 1. Training manual 2. Training evaluation format 3. Planning format 4. Report format 	SMMU-SPM/PM (IBCB)	Training manual Training evaluation format Planning format Report format District level proposal to State for MCLF formation/Visioning

Process and output monitoring

Process monitoring –checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Manual available		SMM/PM (IBCB) – before training	SMM/PM (IBCB) need to prepare this program quality checklist	All MCLF anchors are trained Detailed plan with prepared	% of block completed readiness assessment	DMMU
Module shared with participants in advance		SMM/PM (IBCB)			% of block submitted assessment report and CB proposal	DMMU
All MCLF anchors, DMMs-all vertical attended		SMM (IBCB) during training			% of district submitted report and proposal	SMMU

Module followed in the training		SMM/PM (IBCB) During assessment (DMM need to verify during training)				
Participants learning Assessment done		SMM/PM (IBCB)- after training				
Detailed plan for MCLF formation/Visioning with budget prepared		SMM/PM (IBCB)- after training				
Training report and proposal for visioning/formation submitted to SMMU		SMM/PM (IBCB)- after training				

Formation stage -Visioning



4. CLF formation, Visioning & Meeting

4.1 CLF Formation and visioning Stage

(Refer the advisory sent by NMMU on “Rolling of vision building & Business development plan in all CLFs”; Dated 3rd march 2022)

Step	Key activities	Tools required	Actor	Support required
Staff training and demo V-1: “TOT on Village level visioning”- 3 days	Identify community trainers – 2 from each VO (For new MCLF formation) otherwise two EC members from each VO Training of Trainers/EC members on “Village level visioning” Planning for village level visioning (vo wise) Report (v1 documentation) preparation	TOT module Interphase – VO level visioning planning template Interphase - checklist and report template	State Resource persons who are trained by NRPs	Visioning schedule with proposal from BMMU should be submitted to DMMU well in advance TOT module Interphase – VO level visioning planning template Interphase -checklist and report template

Process and output monitoring of module 1 of visioning exercise - V1 (this check list can be used for each visioning training beside demo)

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Module, planning template, interphase checklist available		DMM-IBCB (During demonstration)	Trainer (CLF Nodal) needs to submit TOT report with checklist to DMMU/BMMU	Community trainers are trained on village level visioning Village level visioning plan prepared	No of block completed TOT on time	DMM-IBCB
Module/instruction sheet for community trainer (VO level visioning) available		Trainer (CLF Nodal)			No of Block submitted TOT report as per template	

All VOs were informed well in advance		Trainer (CLF Nodal)			% of staffs (CLF Nodal) attended Demo by SRPs	
2 trainers from each VOs participated		Trainer (CLF Nodal)				
All community trainers participated 3 days		Trainer (CLF Nodal)				
Training done as per module		Trainer (CLF Nodal)				
Trainers attended the demo by SRP		DMM (ICB)				

Verification: DMM-ICB should attend at least 10% of the TOT process and prepare the process monitoring checklist

Interphase – Village level visioning

Step	Key activities	Tools required	Actor	Support required
Interphase – Village level visioning – 1 day	Village level visioning by community trainers/CLF EC members Vision for member, family and village developed Identification of change dimension VO level prioritization of change dimension Documentation on chart paper and safe keeping of the documents Interphase report with checklist prepared EC member for proposed CLF identified (for new CLF)	Interphase (VO level visioning) module Interphase report and checklist	Community trainers/trained EC members	Interphase (VO level visioning) module Interphase report and checklist Support from other VO (trainer/trained EC members) during VO visioning

Process and output monitoring of Village level visioning interphase 1

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
All SHGs were informed well in advance		Community trainer/EC members	Trained community trainer/EC members need to submit interphase report to CLF	VO level visioning done	% of VO completed visioning as per timeline	BMM at block level DMM- IBCB-at district
75% or more of all SHG members of a VO participated at village level visioning		Trainer (CLF Nodal)	CLF nodal needs to submit the process monitoring checklist to BMMU		% of VO where visioning done as per standard (checklist)	

Trained community trainer/EC members did the visioning		Trainer (CLF Nodal)				
Visioning done as per module		Trainer (CLF Nodal)				
Prioritization done		Trainer (CLF Nodal)				
Documentation (chart paper) prepared and preserved		Trainer (CLF Nodal)				
Interphase report submitted to CLF		DMM (IBCB)				

Verification: CLF nodal would attend atleast 30% of the VO visioning process and prepare the process monitoring checklist; BMM-IBCB (where CC is the CLF nodal) needs to verify the process in atleast 5% of the VO visioning pro

V2-Vision consolidation

Step	Key activities	Tools required	Actor	Support required
V2-Consolidation of Village level vision – 3 days	Experience sharing by EC members on VO visioning Consolidation of vision at CLF level CLF level prioritization of change dimension done Articulation of Vision statement Setting Indicators with target Understanding importance of strategy Broad strategy and Action areas identification the prioritized change dimension	V-2 Module	CLF nodal	State/District/block level indicators on prioritized change dimension – DMM-IBCB can prepare and circulate to all Blocks

Process and output monitoring of V2

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
VO visioning done with all VOs		CLF nodal	CLF nodal submits report to BMMU	CLF level vision consolidation done – Vision statement, prioritized dimension, change indicators with target, Broad strategy and Action areas identified	% of CLF completed visioning-V2 as per timeline	BMM at block level DMM- IBCB-at district
State/District/block level indicators on prioritized change dimension available		CLF nodal	CLF nodal needs to submit the process monitoring checklist to BMMU		% of CLF where V2-visioning done as per standard (checklist)	
VO level vision documents (chart papers) available and displayed during consolidation		CLF nodal	CLF nodal needs to update google sheet on Visioning process monitoring			
VO level prioritization done and displayed		CLF nodal				
All EC members participated for 3 days		CLF nodal				
V2 done as per module		CLF nodal				
Vision statement prepared and Prioritization done		CLF nodal				
Documentation (chart paper) prepared and preserved		CLF nodal				
V2 done by trained Nodal CLF		CLF nodal				
No cadres are selected as EC members (for new CLF formation)		CLF nodal				

V2 report submitted to BMMU		CLF nodal				
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Verification: DMM would attend V-2, at least one CLF and prepare the process monitoring checklist.

Interphase

Step	Key activities	Tools required	Actor	Support required
Vision sharing at VO	Sharing experience from vision consolidation training at CLF Sharing the vision statement at VO EC meeting Sharing prioritized change dimension, indicators and target Sharing key strategies and action areas identified Display of charts in VO office	Vision sharing module/instruction sheet	EC members	Vision sharing module/instruction sheet Chart paper preparation

Process and output monitoring for interphase 2

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
EC members prepared the charts for sharing in VO		CLF nodal	CLF nodal needs to submit the process monitoring checklist to BMMU	CLF level consolidated vision shared at VO	% of VO shared the consolidated vision as per timeline	BMM at block level DMM- IBCB-at district
Charts displayed in VO during sharing		CLF nodal	CLF nodal needs to update or keep track of Visioning process CLFs wise google sheet on Visioning process monitoring		% of CLF where V3-visioning done as per standard (checklist)	
V2 interphase report submitted to CLF		CLF nodal			Vision Charts displayed in VO	

Verification: CLF nodal would attend at least 20% of the VO vision sharing process and prepare the process monitoring checklist; BMM-IBCB (where CC is the CLF nodal) needs to verify the process in at least 5% of the VO visioning process

V3-Structure and planning

Step	Key activities	Tools required	Actor	Support required
V3-Structure and planning	Defining role and responsibility of 3 tier structure Strategy finalization with Experts/Expert organisation Action plan developed for next six months Vision document prepared Decision on first meeting date (OB selection/election and meeting norms) decided (for new CLF)	V-3 Module Action plan template Vision document template	CLF nodal	V-3 Module Action plan template Vision document template

Process and output monitoring of V3

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Legos prepared and other materials (large brown sheet) ready		CLF nodal	CLF nodal submits report to BMMU CLF nodal needs to submit the process monitoring checklist to BMMU	Vision document prepared and displayed in CLF office	% of CLF completed visioning-V3 as per timeline and standard	BMM at block level DMM-IBCB-at district
80% EC members participated for 3 days		CLF nodal				
Expert / expert organisation engaged		CLF nodal	CLF nodal needs to update google sheet on Visioning process monitoring		% of CLF where V2-visioning done as per standard (checklist)	

Six months plan prepared		CLF nodal				
Vision document on chart paper ready		CLF nodal				
CLF nodal attended the demo before conducting the same in CLF		CLF nodal				
V3 report submitted to BMMU		CLF nodal				
Date for 1 st meeting decided (for new CLF)		CLF nodal				

Verification: DMM would attend V-2, at least one CLF and prepare the process monitoring checklist.

CLF 1st Meeting (for newly formed CLF)

Step	Key activities	Timeline	Tools required	Actor	Support required
CLF 1st Meeting-	Naming of CLF OB selection/election Resolution for bank account opening Basic norms-Membership, meeting frequency Decision for office identification Documentation- Final resolution on naming, OB election/selection, bank account opening, meeting and membership norms documented		OB election/selection process and templates Standard resolution	CLF nodal	Support for OB election – representative from neighbouring CLF/VO to conduct the election process

4.2. CLF 1st meeting

The First meeting of CLF body after election plays important role. The SRLM has to be prepared for the meeting and the staff to be oriented on the facilitation skills. The higher-level federation needs higher level understanding and experienced staff to hand hold the CBO. SRLM to develop the staff capacities and provide with necessary material related to registration, compliance and thematic aspects etc.

Process and output monitoring of CLF 1st meeting

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
All EC members participated in election/selection		CLF nodal	CLF nodal submits report to BMMU CLF nodal needs to submit the process monitoring checklist to BMMU	OB members elected/selected Basic norms are set Bank account opening resolution submitted	% of CLF completed OB selection as per timeline	BMM at block level DMM- IBCB-at district
Standard process followed in OB selection/election		CLF nodal			% of CLF completed OB selection as per standard (checklist)	
Reservation made as per CLF Governance SOP (atleast one POP member as OB and signatory)		CLF nodal			% of CLF opened bank account	
Resolution made in prescribed template		CLF nodal				
Committee formed for office identification		CLF nodal				
Report submitted to BMMU		CLF nodal				

Verification: DMM would attend OB election/selection, at least one CLF and prepare the process monitoring checklist.

4.3.Sub-committees

- The Federation shall constitute five Committees from amongst its members to carry out various developmental activities for the betterment of members of Self Help Groups and the village (1. Bank linkage and loan Sub-Committee; 2. Asset Verification Sub-Committee ; 3. Livelihoods promotion Sub-Committee ; 4. Monitoring sub committee; 5. Social action sub-committee)

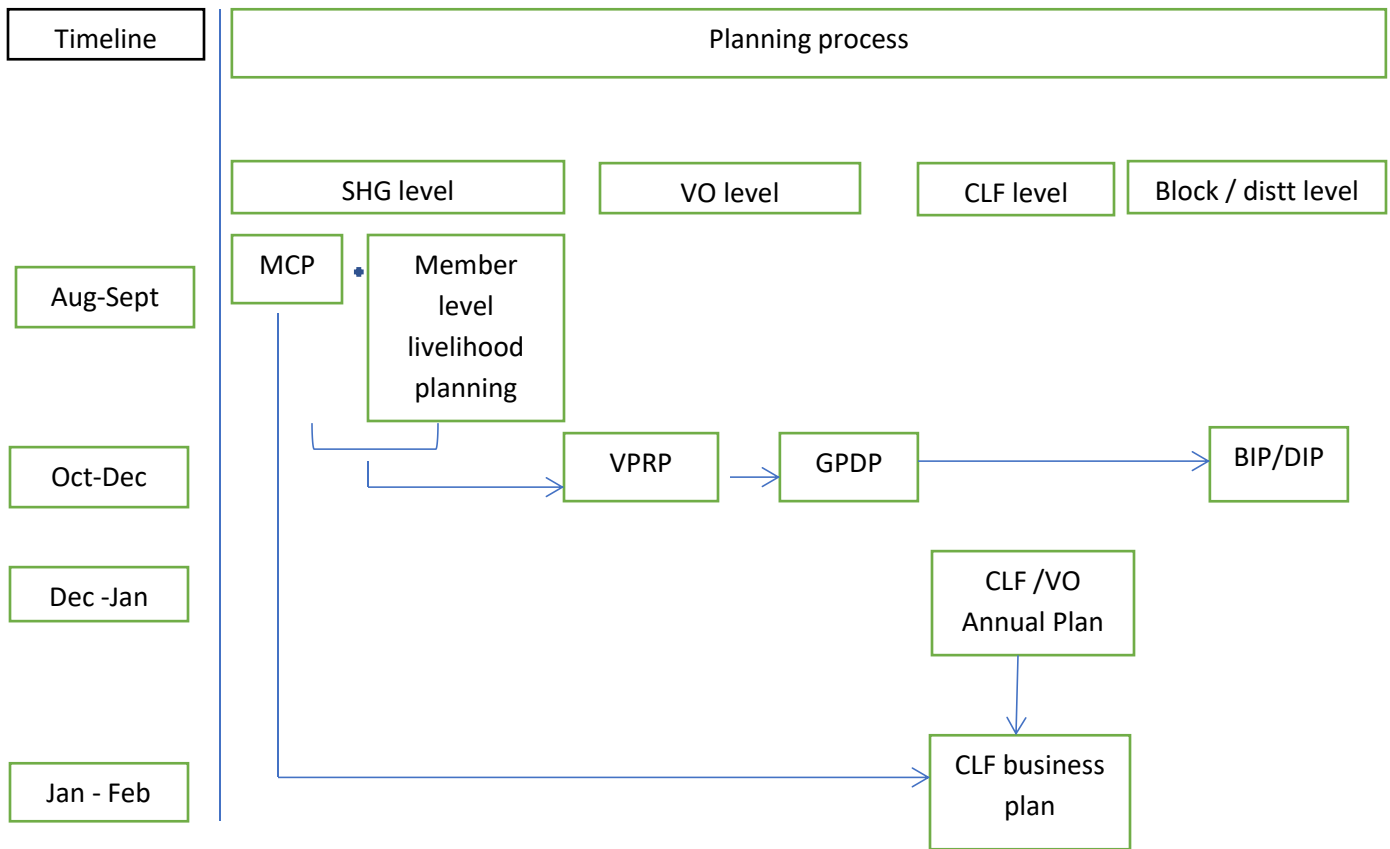
- The size of each Committee shall be maximum 5(five) members. The members of the sub - committee need to be from the Executive Committee, but if necessary member of the sub- Committee may be selected from General Member i.e. member of Self Help Groups;
- The tenure of each Committee shall be maximum 2. years;
- Each committee will meet at least once every month;
- Each Committee shall appoint one convenor amongst its members who will lead the agenda of the Committee. The covenor shall be a member of the Executive Committee.

Process monitoring check list for Sub-committee:

Process monitoring checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Orientation to CLF Board about Sub-committees need		CLF nodal	CLF nodal submits report to BMMU about the completion of formation and training of sub-committees Sub-committee report to be ensured by CLF manager	Sub-committees formed and functioning to support EC in implementation of CLF planned activities	% of CLFs completed orientation of sub-committee	BMM at block level DMM-IBCB-at district
Standard process followed in selection of Sub-committees		CLF nodal			% of CLF completed Sub-committee formation	CLF nodal person
Training of Each sub-committee on subject and roles and responsibilities		CLF nodal			% of CLFs completed sub-committee trainings	CLF nodal person
Regular Sub-committee meetings		CLF nodal/CLF OB and manager			% of CLFs having functioning sub-committees	CLF in-charge/nodal person
(Sub-committee reporting		CLF manager/OB				

5. CLF centred planning process

The BMMU and CLF nodal person must ensure that all development initiatives in the cluster would be anchored by CLF. So, CLF centered planning process would be adopted. Block team (team members of all verticals) will prepare a comprehensive planning process for integrating all program at the CLF level. The following diagram represents the timeline and integration of different planning exercise anchored by CLF. The detailed planning process is described in “**DIP (district implementation plan)- Whole of Rural Development Initiative**” document.

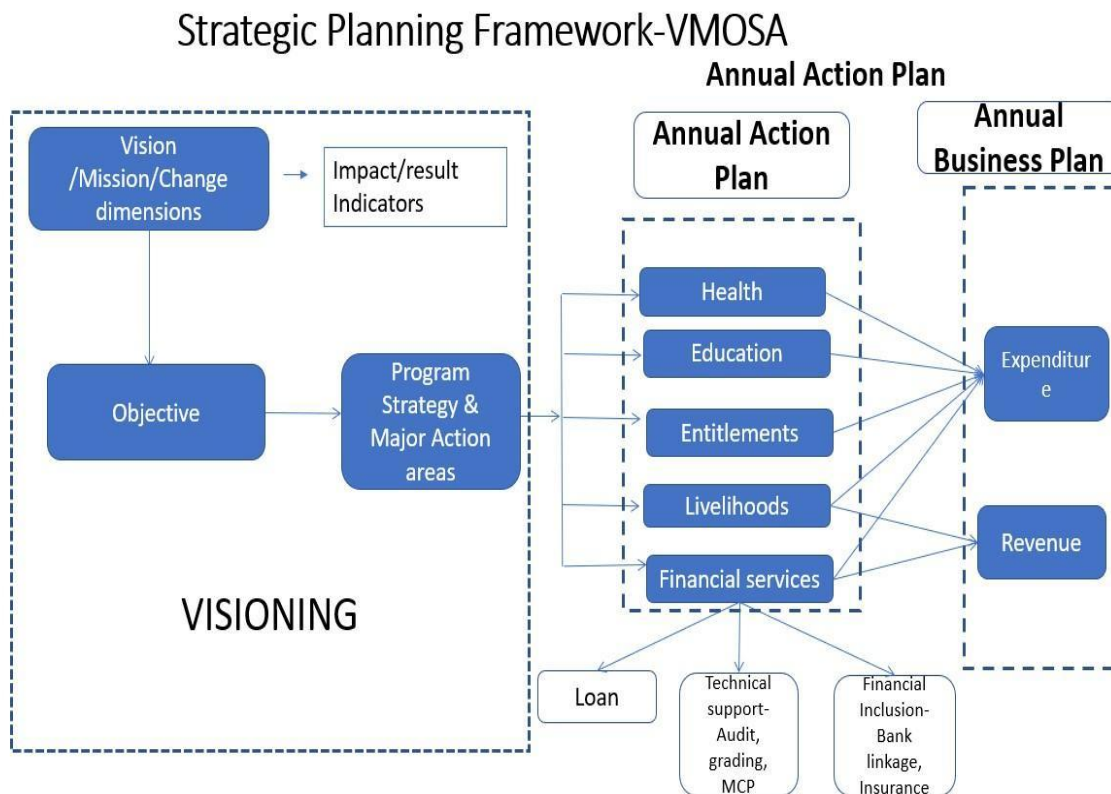


CLF annual planning and business planning process and related standards are mentioned in the subsequent sections.

Note: SHGs can prepare MCP based on their immediate demand. Some activities which may need further lever planning can be taken up to the next level planning.

5.1. CLF Annual planning process

Once visioning exercise done by VO and CLF, VO and CLF develop detailed annual action plan. VO/CLF EC members to put their annual plan which will be consolidated at the CLF level. CLF can develop their annual plan based on the VO's consolidated plan and also incorporate CLF's plan of action based on their strategic plan developed during visioning process.



**(Note: VMOSA- Vision, Mission, Objectives, Strategy and Activities)*

When Annual plan should be done?

Annual planning exercise should be done every year during Dec-Jan for next Financial Year. The planning should start in Dec 1st /2nd week so that it can be completed in all VO within 15th January. CLF annual planning exercise (Consolidation of VO annual plan plus CLF's own plan) should be completed within February.

CLF annual planning process

CLF annual planning process will be anchored by CLF nodal. State would arrange a demonstration for all CLF nodal through trained SRPs (who will be trained by NRPs). The flow of the planning process is described in the following table.




**(Note: Demonstration of Annual planning can be done in one PLF in 2 or 3 days)*

STEPS	Timeline	Facilitator/ Actor	Duration	Output	Preparedness	Tools
<p>1 CLF orientation (EC members & cadres) & planning for execution</p> <p>2 Demonstration</p> <p>3 PLF profiling (Baseline)</p>	Day-1	CLF-Anchor (SRLM)	6 hours	Members oriented & execution plan prepared	Vision document to be ready and displayed	Orientation module PLF profile
	Day-3	CLF-Anchor (SRLM)	2 days	Cadres are skilled	PLF level Vision document to be ready and displayed	PLF annual process guideline & Tools
	Day-10	PLF Cadres	2 days	All PLF profile (Baseline) done	PLF level monthly report to be ready	PLF profile

STEPS	Timeline	Facilitator/ Actor	Durat ion	Output	Preparedness	Tools
<p>4 PLF - annual planning</p> <p>5 Annual plan sub-mission to CLF</p> <p>6 Plan Consolidation at CLF level</p>	Day-20	PLF cadres & additional sr. cadres from CLF and oriented EC members	2 days	All PLF prepared their draft plan	Advance planning- Presence of EC members	Annual planning process guideline & Tools
	Day-25	PLF representativ e (EC) in CLF	1 day	All PLF submitted their plan to CLF		
	Day-30	CLF Manager/ CLF-Anchor (SRLM)	3 days	Consolidation done	Timely completion and collection of PLF plan	Consolidation template

Detailed VO level annual planning process

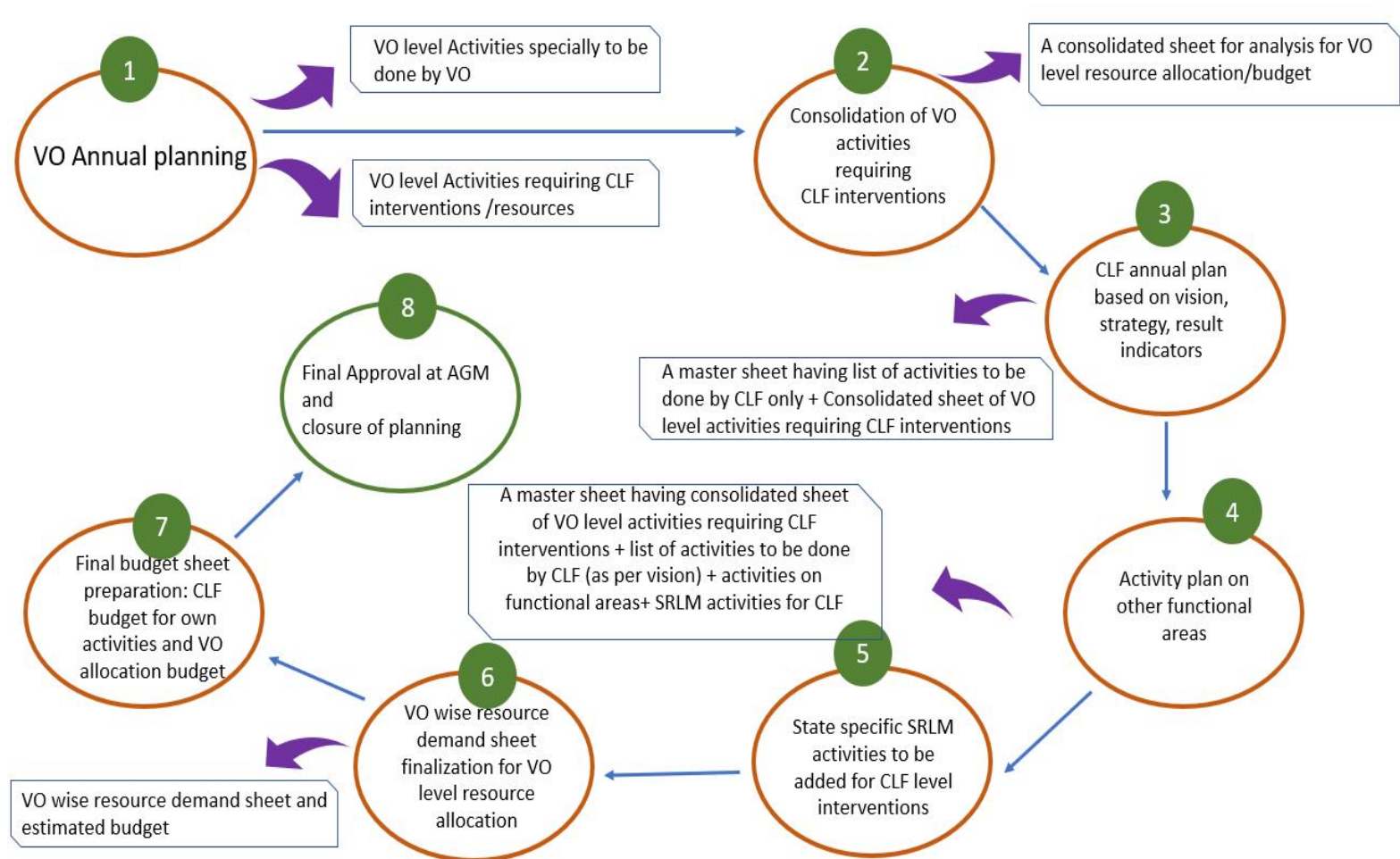
VO level annual planning is the first mile stone in the entire planning process. The VO planning process is described in the following table.

STEPS	Duration	Process	Output	Preparedness	Tools/Materials
 <p>1 Recap of visioning exercise</p>	60 Mins	All the vision documents (Chart paper) should be displayed and EC members will be asked to share their vision documents		PLF Vision document to be ready and displayed	PLF Vision document
 <p>2 Sharing CLF vision</p>	30 mins	CLF level vision document will be shared by the facilitator	Dimension finalized for planning –(It is advisable to focus on 3 prioritized dimensions)	CLF level Vision document to be ready and displayed	PLF Vision document
 <p>3 Finalize/revise prioritization of change dimension</p>	30 mins	Interactive discussion- CLF change dimensions will be prioritized and if PLF feel to add any dimension/s important for them, they can include it.			

STEPS	Duration	Process	Output	Preparedness	Tools
<p>4 Set/Finalizing detailed indicators and target (Process/result indicators)</p> <p>Day-2</p> <p>5 Detailed activity planning</p> <p>6 Budget Finalization</p>	120 mins	Sub-group activity – as per the number of dimension (ensure that <u>atleast</u> one member in the sub-group can read and write) (Facilitator can refer the standard process & result indicator and activity list during the discussion)	Indicator finalized		Planning template
	Day-2		Activity plan ready		
	120 mins + Presentation (60 mins)		Final budget prepared		Budget template
	30 mins	Presentation by sub-group			

Detailed CLF level annual planning process

The VO level plans will further be consolidated at CLF through the following standardized process.



5.2. Process and output monitoring in VO and CLF Annual planning

Process monitoring – checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Actor
Manual available (including training module for VO/CLF EC members, Templates)		SMM/PM (IBCB) – before training	CLF nodal submits report to BMMU CLF nodal needs to submit the process monitoring checklist to BMMU CLF nodal needs to update google sheet on planning process monitoring	All CLF nodal are trained All VO and CLF prepared their Annual Action plan as per standard	% of CLF completed AAP	DMMU/BMMU
All MCLF anchors, DMMs-all vertical are trained by SRP		SMM/PM (IBCB)			% of VO completed AAP	BMMU
Detailed plan prepared for annual planning with budget		DMM (IBCB) Before training			% of VO where planning done as per standard	SMMU
Budget sanctioned and fund transferred from SMMU		SMM/PM (IBCB)			% of CLF where planning done as per standard	DMMU/BMMU
CLF orientation done by trained CLF nodal		CLF nodal			% of block/district submitted completion report	DMMU/BMMU
All community trainers/EC and cadres from each VO participated during demonstration		CLF nodal				
Planning done for VO level annual planning by CLF EC		CLF nodal				
VO profiling done		CLF nodal				
VO level planning done trained person (EC & Cadre)		CLF nodal				
Vision chart papers were available at VO		CLF nodal				

Planning completed as per process and templates		CLF nodal				
Budget prepared by VO		CLF nodal				
VO level plan consolidated before CLF level planning		CLF nodal				
All VO shared their plan in CLF EC meeting		CLF nodal				
Quorum maintained during CLF planning		CLF nodal				
Planning completed as per process and templates		CLF nodal				
Planning document prepared and preserved		CLF nodal				

Verification :

- DMM-IBCB should attend atleast 10% of the planning done at CLF by CLF nodal and prepare checklist on process monitoring checklist
- BMM should attend the TOT done for Cadres and EC on VO annual planning by CLF nodal and prepare checklist on process monitoring checklist
- CLF nodal would attend at least 30% of the VO annual planning process done by trained EC/Cadres and prepare the process monitoring checklist;
- SPM/ PM (IB &CB) to submit a report to the State Core Committee on the above verification done.

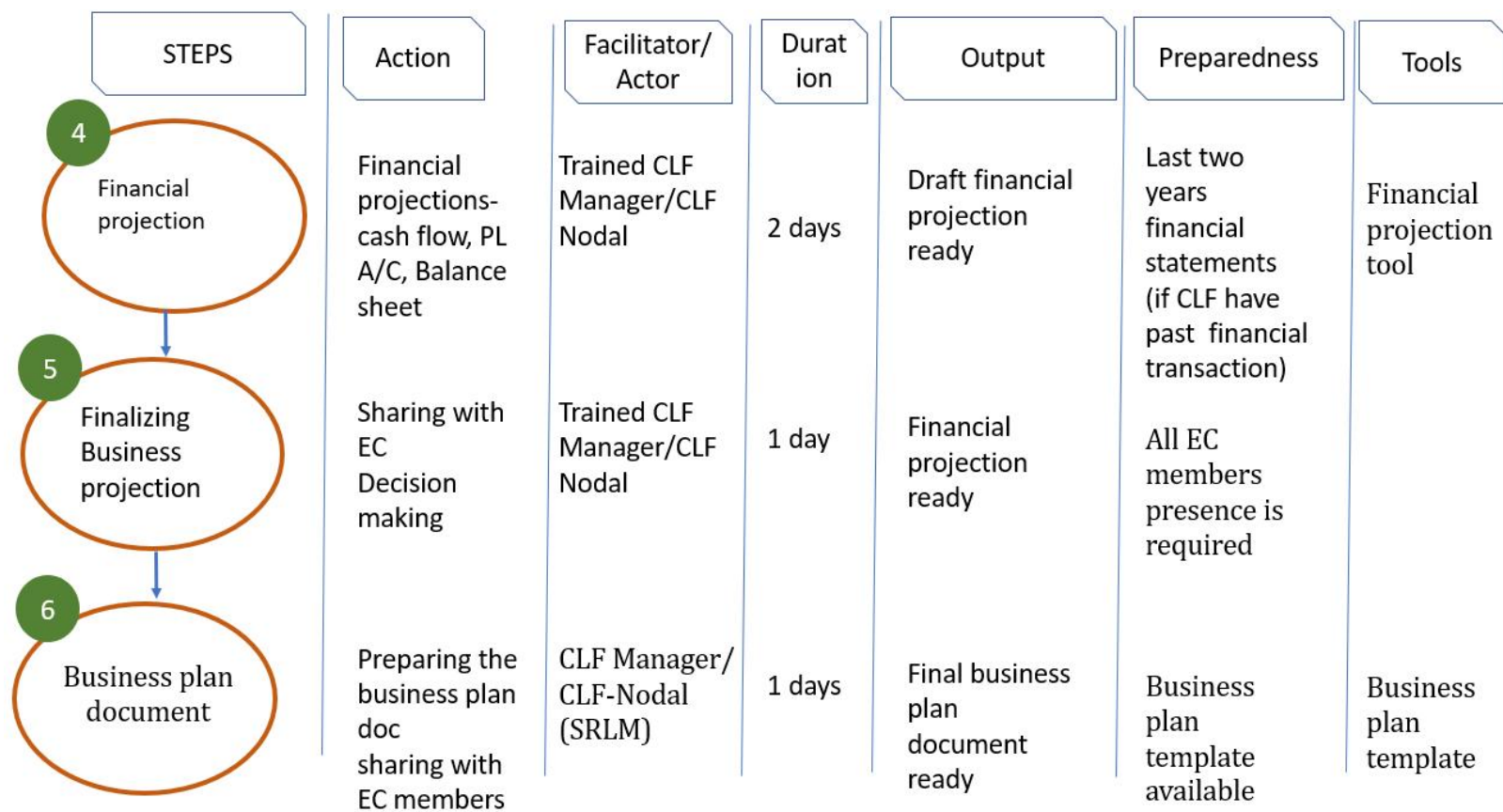
5.3. CLF Business planning

CLF Business planning process will be anchored by CLF nodal. Business plan will be done for the FY based on Annual plan of the CLF. The Business plan focuses on the available funds and planning of funds. State would arrange a demonstration for all CLF nodal through trained SRPs (who will be trained by NRPs). The flow of the planning process is described in the following table.

- Setting business goal aligning with CLF's vision and objective
- Product (including services) development and business Model feasibility and strategy formulation
- Forecast business projection with efficient use of capital
- Forecast CLF's financial sustainability
- Help CLF EC Members to track performance of CLF and plan accordingly

5.4. Business planning Process

STEPS	Action	Facilitator/ Actor	Duration	Output	Preparedness	Tools
<p>1 Objective, Goal setting and business model</p>	Facilitative Discussion with EC	CLF-Nodal (SRLM)/Manager	1 day	Define objective, Programs/business verticals, set goals, business model strategies, activities	Vision document to be ready and displayed, operational data	Business plan module and templates
<p>2 Review of Loan Product and services (if decided in step-1)</p>	FGD with SHG, VO, interview loanee members	Trained CLF Manager/CLF Nodal With Cadres	5 days	Member's perspective, credit need, feedback on existing access (quantum, process), other sources –loan size, terms and conditions	All past loan data analysis (member, SHG and VO level)	Market research tools
<p>3 Finalizing loan products, savings, other business assumptions</p>	Sharing with EC members about the findings, members need & Decision on change in product attributes	Trained CLF Manager/CLF Nodal With Cadres	1 days	Final loan products, finalizing membership fees, share money value, HR requirements etc.	Field observation PPT ready	Business assumption , loan product template



5.5. Process and output monitoring in Business planning

Process monitoring –checklist	Yes/No	Who will ensure it (Accountable) and when	Reporting	Output/Result	Result monitoring	Level
Manual available (including training module for staff/EC members, Templates)		SMM/PM (IBCB) – before training	CLF nodal submits report to BMMU CLF nodal needs to submit the process monitoring checklist to BMMU CLF nodal needs to update google sheet on planning process monitoring	All CLF nodal are trained All CLF prepared their Business plan as per standard	% of CLF completed Business plan	SMMU/DMMU/BMMU
All MCLF anchors, BMMs are trained by SRP		SMM/PM (IBCB)			% of CLF where planning done as per standard	SMMU/DMMU/BMMU
Detailed plan prepared for Business planning with budget		DMM (IBCB) Before training			% of CLF prepared final BDP document	SMMU/DMMU/BMMU
Budget sanctioned and fund transferred from SMMU		SMM/PM (IBCB)			% of block/district submitted completion report	DMMU
CLF orientation on Business planning done by trained CLF nodal		CLF nodal				
CLF financial statements for previous two year prepared		CLF nodal, before business planning				
Business planning done with CLF EC members		CLF nodal				

Budget from annual planning sheet included in Business plan		CLF nodal				
Quorum maintained during CLF planning		CLF nodal				
Planning completed as per process and templates		CLF nodal				
Final plan shared with CLF EC members		CLF nodal				
Business plan final document prepared and preserved		CLF nodal				

6. Financial Systems in CLF

To make the CLF self-reliant and sustainable it requires strong focus on building financial systems and processes. This will ensure the organization operates with greater accountability, efficiency and minimal risk. Financial system helps to define inter and intra relationships of CLF between different parts which form a federation – including staff, assets, resources, other stakeholders, time and information. It helps solve present problems and problems that could occur in future. System defines in detail the roles, policy as well as the process that would guide the work of the federation.

CLF needs to develop and adopt a strong financial policy on the following aspects

- Services offered by CLF and related policies
- Financial Management
- Credit administration systems
- Accounting policies
- Internal control & Audit
- Financial ratios

SRLM would focus on developing a model financial management policy and train the CLF governance in adopting the policy.

Some critical aspects which need to be ensured by SRLM are

- Each CLF adopt financial management policy
- Regular updating of Books of Records (BoR)as per SOP
- Generating financial performance report
- Quarterly internal audit and Statutory audit
- A strong fund management policy including control on financial transaction
- Financial transparency- building a systems of disclosing financial status and transaction in each CLF EC meeting
- Annual budget preparation and approval by GB in AGM
- Credit related norms- limit, repayment methods, period etc.
- Efficient credit administration procedures
- Strong delinquency management systems
- Procurement systems
- Regular Capacity building of Governance and CLF staff on Financial management systems

(Reference: Please Refer to the Financial management modules shared by NMMU as Annexures)

7. HR and Office management

(Reference: please refer the SOP/Advisory on CBO-HR shared by NMMU)

The CLF will implement its entire program through an operations wing. The activities of that operation wing will be monitored by the executive committee of the CLF. Part time (temporary) or full time (full time) staff will be recruited as per the requirement of Operation wing.

The operations wing of the Federation would include two categories of staff: Full time and Temporary appointments.

Full time appointments would include:

1. Federation Manager
2. Federation Accountant
3. Federation MIS Assistant
4. Community coordinators

The federation shall give preference to SHG members as well as their family members for the full time appointments. The minimum age requirement is 18 years for applying to the full time posts.

Temporary appointments would include the following:

1. All the community cadre for different categories of tasks and assignments.

CLF nodal should ensure following standards followed in recruitment of CLF HR

Before recruitment

1. HR policy developed and are approved by EC
2. EC members are trained on HR and Office administration
3. Job Description (roles and responsibilities) of each position to be developed before recruitment and discussed in EC meeting
4. Decision made in CLF EC meeting on number of post, qualification, salary to be offered
5. Recruitment Committee and process finalized by EC
6. Advertisement published/circulated to member VO/SHG as per HR policy, The notice should be displayed in the notice boards of VOs and CLF. VOs need to be informed in the meeting.
7. Engaged competent person/BMMU for preparing question paper
8. Examination center identified

During recruitment

Scrutiny of application

1. Recruitment committee done the scrutiny and short list eligible candidates
2. Publish the name of the short listed candidate in the CLF office notice board
3. Inform the shortlisted candidates regarding examination date

Written exam

1. Confidentiality maintained on question paper
2. Committee was involved during written exam
3. Conducted written exam as per policy
4. Engaged competent person/BMMU for evaluation of paper and result making
5. Publish results

Interview

1. Recruitment committee was involved
2. Prior meeting conducted with recruitment committee on evaluation process and marks

Final result

1. Final result signed by President and recruitment committee members
2. Final result published in CLF notice board

After recruitment

- CLF president will communicate through letter (offer letter) to the final selected candidate.
- On the day of joining all appointment related formalities i.e. Appointment letter with terms and condition and job description will be finalized and informed to the appointed staff/ cadre.
- Induction & training to be planned for the new joiners as per the HR advisory and CLF SOP. (*Reference: please refer the SOP/Advisory on CBO-HR shared by NMMU*)

Verification: DMM will verify the recruitment process on sample basis with the checklist **(Attached in Annexure 9)**

CLF nodal will also ensure CLF maintains following document/file related to CLF HR

- Staff recruitment file
- Cadre recruitment application file
- Staff / Cadre offer Letter
- Staff/cadre appointment letter/contract letter and removing/releasing letters
- Staff / Cadre KYC
- Staff appraisals
- Employees leave application / grant
- Grievance file

Capacity building of CLF HR: the Manager, Accountant and MIS Assistant would be trained on following areas

1. Orientation training
2. Training on CLF Financial management
3. Training on CLF Accounting and MIS
4. Training on Compliances

HR and office related norms

The detailed norms are described in the HR and office management policy. Here are few examples

Office hour and Holidays



MONDAY TO SATURDAY
EVERY DAY FROM 10 AM
TO 6 PM.



NO LATE ARRIVAL AFTER
10.30 AM IS ALLOWED
MORE THAN THREE
TIMES IN A MONTH.
HALF DAY OFF CAN BE
TAKEN FOR BEING LATE
FOR EVERY THREE
TIMES.



IT IS EXPECTED THAT
EMPLOYEES WILL
COMPLY WITH THE
REQUIREMENTS OF THE
WORK REQUIREMENTS.
THE CLF WILL NOT MAKE
ANY PAYMENT FOR
OVERTIME WORK.



THE CLF WILL KEEP AN
ATTENDANCE REGISTER
SO THAT EACH
EMPLOYEE AND RECORD
IN AND OUT TIME



CLF WILL ANNOUNCE
ANNUAL CALENDAR
HOLIDAYS AND DISPLAY
IN THE OFFICE NOTICE
BOARD

Office set up and maintenance

The office will be clean, hygienic and well-organized, especially for women. Members of the executive committee and guests will be provided with comfortable seating. In the office, important files, registrars, vouchers, letters and other documents will be kept properly secured.



CLF SHALL ESTABLISH AN
OFFICE TO CARRY OUT IT
DAY TO DAY OPERATION



THE OFFICE MUST HAVE A
MEETING ROOM, A SEATING
AREA FOR MANAGERS AND
ACCOUNTANTS, AND A
DESIGNATED SEATING AREA
FOR OFFICE BEARERS.



THE OFFICE SHALL BE CLEAN,
HYGIENIC AND WELL-
ORGANIZED

Facilities in the office

- Separate seating arrangement/rooms for OB
- Meeting room with all basic facilities
- White board
- White board stand
- Chart paper display board (attached to the wall)
- Wall mounted clock
- Sufficient number of dustbin
- Drinking water
- Adequate lighting should be provided in all room

Office maintenance



The cleanliness of the office should be ensured with the highest priority. The office should be kept clean and tidy, it should be cleaned every day before the start of office.



To keep the office clean and tidy, the CLF will hire a temporary staff to maintain the cleanliness in the office premises.



All toilets should be cleaned daily



Notices regarding cleanliness should be posted everywhere in the office.



No chart paper should be affixed on the wall of the training hall. Chart paper should be placed in the specified place (chart paper display board).



Flex should be applied in specific places. Can't be glued to the wall.

Visibility Guideline of CLF

Board in the name of the federation

A signboard should be put up in a suitable place in front of the office of the federation which is easily visible to everyone. The name, address and registration number of the federation should be clearly written on the board. The size of the board should be at least 4 feet in length and 3 feet in width.

Notice board

Two notice boards should be put up in a suitable place in the office of the federation which is easily visible to all. Clear display of photocopy of registration certificate, names of members of executive committee, names and phone numbers of office bearers, grievance redressal committee and work information, monthly plan, financial statement, name of defaulter, work photograph etc. The size of the notice board should be at least 5 feet in length and 3 feet in width.

Office equipment and furniture

Some office furniture and equipment will be procured to create a suitable working environment according to the financial capacity of the federation:

1. Computers, printers, internet and scanner
2. Glass and drinking water filters
3. Notice board
4. Cabinets that can be locked for books, records, cash, checks, pass books and other documents
5. Fans, lights, tables and chairs
6. Cup board for holding stationery and other office equipment
7. Round tables and chairs for meeting rooms
8. Chairs and tables for office bearers
9. Chairs and tables for managers, accountants and MIS assistants
10. White board for office and meeting room

Fixed asset protection measures

Fixed assets such as computers, printers, fans, lights, tables and chairs, cupboards should all be numbered and special attention should be paid to maintenance and the manager of the federation should be responsible for ensuring regular maintenance and proper management for safety.

- Asset register should be maintained to ensure protection, regular maintenance and proper management of fixed assets.
- There will be information about the asset price, tag number, serial number and guarantee or warranty details and where it was purchased from.
- Each asset must be tagged with a reference number for identification purposes.

Administrative records

The federation will keep the following records and files

1. File of members of the executive committee
2. Register of assets and stocks
3. Attendance Register
4. Membership application file
5. Shareholder file
6. Annual report file

7. Business plan file
8. Rent agreement file
9. Voter list file
10. Monthly action plan file
11. Leave application and grant file
12. AGM related files
13. Staff related files
14. Visitor Book
15. Register of incoming and outgoing letters
16. File internal policies and procedures such as fund management policies
17. Subcommittee related files
18. Other books (training)

Statutory / legal records and registers

1. Minute book
2. Bylaws of the federation
3. Copy of cooperative law book.
4. Certificate of registration
5. File or register of members and shareholders
6. Statutory audit file
7. Annual Returns
8. File Record Board of Directors
9. Electoral Board of Directors/ Executive Committee/OB

Display in the meeting room

1. Vision document (template attached) annexure no 3
2. Name of EC members and OB members with contact number (template attached) –annexure no 3
3. Information display – Membership, Governance and operation related information (template attached) – annexure no 3
4. Plan v/s achievement flex

8. Compliances

CLF incorporation and compliances

CLF's success lies in (a) instituting systems, processes at SRLM level including ensuring their engagement with local service providers, (b) development and deployment of technology applications, (c) guidance on grounding systems of compliance in CLFs and most important (d) instituting mechanisms in SRLM to carrying the **"CLF Incorporation and Compliance Support"**

SRLM have already started incorporating the CLF under suitable Act. After incorporation SRLM needs to ensure the adherence to the compliances as per the Act under which the CLF is registered.

In general, incorporated CLF needs to comply the following compliances within specific timeline

A. CLF registered under co-operative Act (this may vary as per state Act)

➤ Registrar compliances

Board/ Director Meeting <i>(Board can meet any time with prior notice in case any necessity arises. For better effective management of the affairs of the CLF, Board shall meet once in every six months.)</i>	One meeting in Every Six Month/ or as per the state specific Registration bye-laws
	For the Period
	April 1 to September 30
	October 01 to March 31
Annual General Meeting <i>(Primarily, the AGM should be convened as specified in State specific 'Bye-laws'. Within 6 months from the closure of FY i.e. latest by 30th September (as the last date of filing ITR is 30th Sept. and financials are to be signed and adopted in duly convened AGM)</i>	Once in a Year
Annual return (ROs) Annually Audited accounts submit to the registrar	within 9 Month after closing financial year Sep -30

<p>AGM Minutes and list of member submit to the registrar</p> <p><i>(As defined in their bye-laws, apart from audited financials and list of members, (1) Annual Activity Report, (2) Copy of Signed Minutes of the AGM, (3) List of Board/Executive Committee Members, (4) copy of Registration Certificate of the Society, (5) copy of amended bye-laws approved in General Body Meeting and by the Registrar (if any) and Any other information required by the Registrar in pursuance of the provision of the Act.)</i></p>	
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B. CLF registered under Producers' Company Act and Section 8 Company under Companies Act,2013,

COMPLIANCE SHEET FOR Registrar of companies (ROC)	
<p>Board/ Director meeting</p> <p><i>(In case of Section 8 Company: The first meeting of the Board of Directors shall be held within 30 days from the date of incorporation.)</i></p>	<p>One meeting in Every Three Month/ or as specified in the bye laws</p> <p>For the Period</p> <p>April 1 to June 30</p> <p>July 31 to September 30</p> <p>October 01 to December 31</p> <p>January 01 to March 31</p>
<p>General Meeting</p>	<p>At least Twice in One Year</p> <p>Period up to</p> <p>Within 90 days of incorporation</p> <p>within 6 Month after closing Financial year</p>
Addition of New Member & Director	
<p>Share allotment of new members</p>	<p>Within 60 days after payment is received from member</p>
<p>Issuance share certificate</p>	<p>within 15 days after allotment</p>
<p>Addition of New Directors</p>	<p>Apply DSC</p> <p>Apply Din</p>
Annual return (ROC)	
<p>Annually</p> <p>AOC -4 Financial Statements –</p> <p><i>(Financial Statements in AOC-4 to be filed electronically</i></p> <p><i>It is to be filed within 30 days of holding AGM. Latest by 30th October in usual circumstances. To be filed along with the attachments such as (1) Notice of the AGM, (2) Audited Financials, (3) Directors' Report and (4) Auditors' Report)</i></p>	<p>Oct-30</p>

<p>MGT-7(Annual Return): 1. Annual Return in MGT-7 to be filed electronically 2. Annual Return in MGT-7 to be filed within 60 days of holding of Annual General Meeting. Latest by 29th November in usual circumstances. 3. To be filed along with the attachments such as, (1) List of shareholders, (2) Approval letter for extension of AGM (if any).</p>	<p>29th November</p>
<p>DIR-3 KYC of Directors: (filing of DIR-3 KYC is mandatory for all the Directors of a company having approved DIN to file DIR-3 KYC form electronically every year. if not filed the DIN is deactivated and to activate INR 5000/- is payable)</p>	<p>Before 30th Sep.</p>
<p>Auditor Appointment</p>	
<p>ADT-1</p>	<p>Within 15 days of AGM</p>

C. CLF registered under Society Act

<p>Board/ Director meeting</p>	<p>One meeting in Every Six Month</p>
	<p>For the Period</p>
	<p>April 1 to September 30 October 01 to March 31</p>
<p>Annual General Meeting</p>	<p>Once in a Year 30th Sep. /As defined in their bye-laws</p>
<p>Annual return (ROs)</p>	
<p>Annually Audited accounts submit to the registrar</p>	<p>As defined in the bye-laws/ latest by 30th Sept. under usual circumstances</p>
<p>AGM Minutes and list of member submit to the registrar and Intimation of Governing Body List on Annual Basis/ Change of Governing Body to Registrar of Societies</p>	

Income Tax and TDS for All (TDS and other deductions would change regularly hence CLF in nodal and others need to stay updated)

TDS Deduct and deposit	
Period upto	Due date for Deposit
April	7th of Next Month
May	7th of Next Month
June	7th of Next Month
July	7th of Next Month
August	7th of Next Month
September	7th of Next Month
October	7th of Next Month
November	7th of Next Month
December	7th of Next Month
January	7th of Next Month
February	7th of Next Month
March	30th of Next Month

Quarterly Return	
April to June	Jul-30
July to September	Oct-30
October to December	Jan-30
January To March	May-31

Income tax	
Annually	Sep-30

➤ **GST Compliances**

GST Registration

The due dates for paying GST and filing GSTR-3B as notified for the months October 2020 till March 2021 as follows:

Annual Turnover in Previous Financial Year	GST Registration in States and Union Territories	New Due Dates
More than or equal to Rs 5 crore	All	20th of the succeeding month
Less than Rs 5 crore	Category X: Chhattisgarh, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli and Daman and Diu, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh	22nd of the succeeding month*
	Category Y: Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha	24th of the succeeding month*
<i>*GSTR-3 to be filed quarterly on 22nd of the following month of each quarter end for X Category States/UTs and 24th for Y Category States/UTs.</i>	<i>*GSTR -1 to be filed Quarterly on 13th of the following month of each quarter end.</i>	<i>*GSTR-9 Annual GST Return to be filed on 31st Dec every year.</i>

**Those opting for the QRMP scheme must file by 22nd or 24th of the month succeeding the quarter. Further, tax payments shall be done every month in PMT-06 by 20th day of next month for the first two months of the quarter.*

➤ **Monitoring of compliances by SRLM**

At CLF level

Question	Response
Registration	
Incorporation	Society ; Co-operative Society ; Trust ; Section-8 Companies ; Producers Company Not registered
Other	
a. PAN	Yes/No
b. TAN	Yes/No
c. GST	Yes/No/NA
d. License –Shop & establishment	Yes/No/NA
If no then, when it is going to be incorporated?	Month
If no then, when it is going to apply for PAN/TAN/GST?	Month
If no then, when it is going to apply for License –Shop & establishment?	Month
General compliances (Incorporation)	
Have you submitted Annual return (previous FY) to the registrar?	Submitted Not submitted
When will you submit it?	Month
Date for submission of annual return for current FY.	Date
Have you conducted AGM within 90 days of your incorporation?	Yes/No
When you have planned for AGM?	Month
Is statutory audit done for previous FY?	Yes/No
If no, when it has planned?	Month
When are you going to conduct statutory audit current FY?	Date
Income Tax/TDS/GST	
Does the CLF deduct TDS?	Yes/No
Do they submit monthly/quarterly TDS return?	Yes/No
Do they submit monthly/quarterly GST return?	Yes/No/NA
When are you going to file Income Tax return for previous FY?	Date
When are you going to file Annual return-TDS for previous FY?	Date
When are you going to file Annual return-GST for previous FY?	Date
Shop and establishment Act related compliance	
Does it fulfil compliance as per the state Act?	Yes/No
Date of renewal for license	Date
Labour law	

Have they sent the information relating Annual Return (Form XXV) to licensing authority by 15th February;	Yes/No/NA
Have they submitted Monthly ECR by 15th of the month under The Employees` Provident Funds & MP Act 1952 (Provident Fund)	Yes/No/NA
Have they submitted Monthly ECR by 15th of the month under The Employees` State Insurance Act 1948;	Yes/No/NA

At SRLM level

- At Block/District level
- State level
- National level

Indicator	Status
% of CLF incorporated	Society ; Co-operative Society ; Trust ; Section-8 Companies ; Producers Company Not registered
% of CLF have	a. PAN b. TAN c. GST d. License –Shop & establishment
% CLF (incorporated) has submitted Annual return (previousFY) to the registrar?	
% of CLF conducted AGM within 90 days of your incorporation?	
% of CLF has done their statutory audit for previousFY?	
% of CLF deduct TDS	
% of CLF (who deduct TDS) file regular (monthly/quarterly) TDS return	
% of CLF (have GST) file regular (monthly/quarterly) TDS return	
% of CLF filed Income Tax return for previous FY?	
% of CLF fulfils compliance on Shop and Establishment Act as per the state Act?	
% of CLF sent the information relating Annual Return (Form XXV) to licensing authority by 15th February;	
% of CLF submitted Monthly ECR by 15th of the month under The Employees` Provident Funds & MP Act 1952 (Provident Fund)	
% of CLF submitted Monthly ECR by 15th of the month under The Employees` State Insurance Act 1948;	

9. Implementation capacitation

Implementation capacitation will be done through a “cascading model of capacity strengthening” led by National Resource Person (NRP). National Resource Person (NRP) will support SRLM by creating SRLM level resource pool who will further capacitate the district and block level professional engaged with CLF.

The implementation capacitation will focus on knowledge and skill building of SRLM staffs engaged in CLF promotion and strengthening and community resource persons in extending hand holding support to CLF. Some of the identified CLFs will also be facilitated to run community managed training center.

CMTC (Community Managed Training Centers):

(Refer to the operational manual sent by NMMU on CMTC dated -21-6-2021)

As per the geographical location, One of the CLF per district/ block can develop and manage a Training center to meet the capacity building need of that block (both Institutional, cadre) . Based on the operational manual given by NMMU, Training can be planned for members, leaders and cadre. The CMTC can be a business model for the CLF. A separate business plan can be prepared for CMTC management. Annual business plan will help the CLF to plan the funds.

A team of community Resource persons to be developed thematically. Some professional RPs can be hired at CMTC. The CMTC can be equipped with all the necessary training tools and equipment using Infrastructure fund ***(Refer to the advisory sent on Infrastructure fund sent by NMMU dated – 15-6-2020)*** provided or from the income of the CLF. There should be a separate team or sub-committee to manage the CMTC. CLF may place separate staff such as CMTC Coordinator and accountant cum MIS coordinator for CMTC.

Capacity building plan at different level for promotion and strengthening CLF

Type of Training program	Theme	Participants	Trainer	Duration
SMMU level				
Training of Trainers (TOT).	Concept on higher level federation	SMM Resource Persons (Thematic Anchors, SPMs, SRP	NRPs	3 Days
Training of Trainers (TOT)	Advanced level Training on Group facilitation and VO and CLF Nurturing			3 days
Training of Trainers (TOT)	Feasibility and vibrancy assessment			2 days
TOT & Field Demo	CLF Visioning (3 phases)			9days (Days may increase based on thematic inputs of V3)
TOT and Field Demo	VO and CLF Annual planning -Phase-I & II			6 Days
TOT and Field Demo	Business planning			3 days
TOT and Field Demo	VPRP-GPDP process			6 Days
TOT	Financial Management (Phase-I)			3 Days
TOT	Financial Management (Phase-II)			3 Days

TOT	CLF Accounting and MIS- phase-I			3 Days
TOT and Field Demo	CLF internal audit			3 Days
TOT and Field Demo	SOP- Governance- (structure and management and Byelaws)			2 Days
TOT	Leadership training to CLF leaders on SOP-HR and Administration			3 Days
TOT and Field Demo	CLF sub-committee and Meeting Process Separate training for each sub-committee thematic training			1 Day
TOT	CLF compliances			2 Days
TOT and Field Demo	CLF AGM process			1 Day
TOT	Cadre management			5 days
TOT	CLF Accounting and MIS- phase-I (Digital Accounting systems) Loan product design			3 Days
TOTs	Training on SI, Gender and Health, FNHW			12 Days
DMMU/BMMU				
DMMU/BMMU	Same training would be done	CLF Nodal, BMM, Thematic coordinator/Anchor (district level), DMM, CLF-HR-(Accountant Manager, MIS)	SMM Resource Persons (Thematic Anchors, SPMs, SRPs)	
CLF LEVEL				
TOT -Residential	Visioning of federation Module-I (TOT to community leaders)	CLF EC members	CLF Nodal and thematic anchor	3 days
Residential Training	Consolidation of village level vision Visioning Module-2			3 Days
Residential Training	organization structure, Role & Responsibility Visioning Module-3			3 days
Residential Training	Leadership training to CLF leaders on “basic processes (Communication, Problem solving, Decision making and leadership)”			3 days
Non-Residential	Training on SOP-Governance-(structure and management and Byelaws)			2 days
Non-Residential	Training on “sub-committee formation and functioning and CLF meeting process”			2 days
Non-Residential	Separate training for each sub-committee thematic training			5 days

Non-Residential	Training on HR and Office management			1 day
Non-Residential	Training on financial management -Ph-I			2 days
Non-Residential	Training on financial management -PH-2			2 days
Non-Residential	Training on Annual planning -ph-I			1 days
Non-Residential	Training on Annual planning -ph-II			3 Day
Non-Residential	Orientation on Business plan and progress tracking			2 days
Non-Residential	Training on cadre management systems (planning, monitoring and payment)			2 days
Non-Residential	Orientation of CLF EC members on Various schemes, Rights and Entitlement and MGNREGA			2 days
Non-Residential	Training to CLF and VO OB, EC and Social Action Sub-Committee members on roles and responsibilities of PRIs, particularly GPs in state specific context			2 days
Non-Residential	Facilitate women and SHG federations to participate actively in Gram Sabhas and GDPD preparation and implementation process			3 days
Non-Residential	Orientation of CLF EC members on FNHW activities			2 days
Non-Residential	Thematic orientation of sub-committees			2 days
Residential	CMTC Business plan development			5 days
Non-Residential	Orientation of Audit			3 days
Non-Residential	Orientation of registration and legal compliances			1 days
Non-Residential	Orientation and facilitation of conducting AGM			1 days

10. Monitoring and review

Each CLF performance will be monitored on monthly basis by the Mission at all level. As per the NMMU guideline a **Core Committee will be formed at block, district and state level.**

- **State level core committee:** A state level Core Committee will be constituted with CEO, COO, SPMs – IB, SM&CB, SI&SD, Gender, FI and LH for effective integration among thematic areas, monitoring and development of Model CLF interventions.
- **District and block level core committee:** On the same lines of state level committee, district and block level core committee will be constituted.

All these committees will review the progress of CLFs on a monthly basis. Beside the regular review, physical monitoring will be done from these committees on regular basis.

CLF in charge /Nodal person: One professional has been exclusively given responsibility to facilitate CLF strengthening process and implement the MCLF SOP (Standard Operating procedures). S/he will ensure adoption of financial, Governance and Operation level systems and handhold CLF own staffs (Manager ,and Accountant). CLF in charge need to ensure timely submission of CLF monthly performance report to BMMU and regularly update the google sheet/ MIS/ any system to be monitored at District and state level.

BMM : The BMM needs to attend initial 3-4 meetings to streamline the standard operating procedures developed for each CLF. BMM will regularly monitor the performance of all CLFs in his/her blocks on the performance indicators mentioned above and report to the District as per the reporting schedule.

DMM : DMM needs to analyze the performance of CLFs in the districts and provide strategic support on capacity building, capital mobilization and convergence and other strategic support required at CLF level. DMM needs to attend CLF meeting during his/her block monitoring visit and submit CLF level observation report to SMMU.

State level monitoring: IBCB in charge needs to provide strategic and program implementation support as per the annual action plan on MCLF. S/he needs to ensure regular updation of all MCLF level performance indicator level data and place an analytical report to the State level core committee for review. A Google sheet/ system/ MIS/ Application will be maintained to monitor the performance of all CLFs in the state.

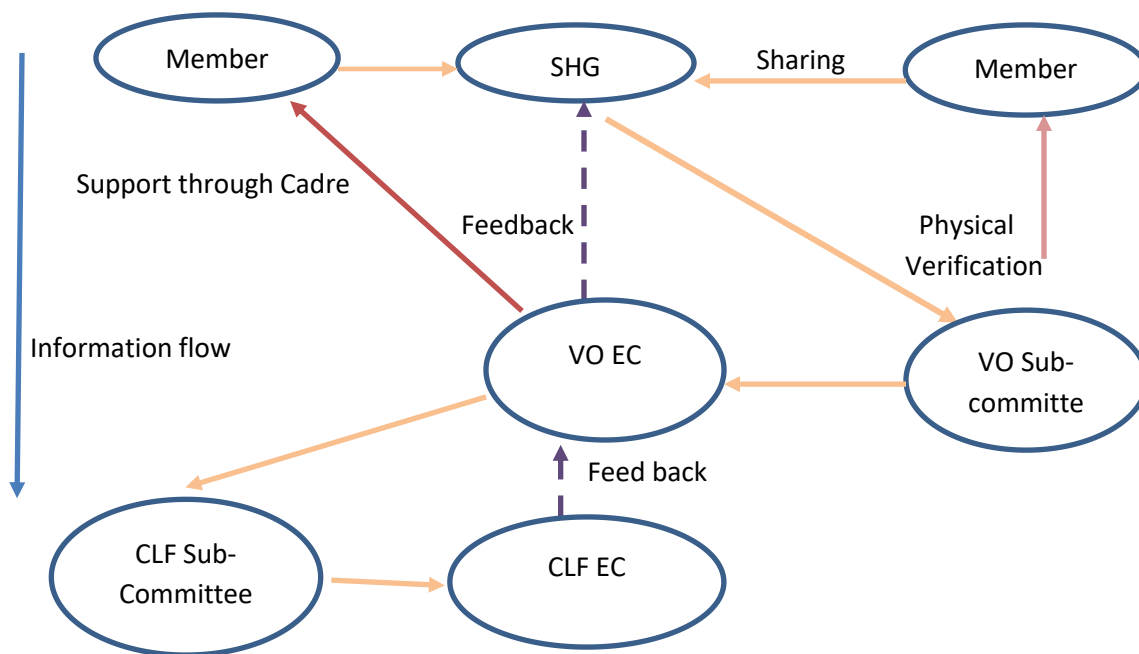
CLF level monitoring

All CLFs will develop annual action plan and business plan every year. The executive committee will review the performance of CLF in their monthly meeting. All the CLFs will prepare monthly progress report on the indicators developed by each CLF during the annual planning and business planning exercise. The Manager of the CLF will prepare financial report every month and place in the EC meeting. Manager also needs to update the plan-achievement template which will be displayed in the EC meeting room every month.

The annual report both (financial and program) needs to be placed at the General body Meeting every year in which the performance of the EC will be reviewed by the GB member.

CLF manager will specifically focus on monitoring the financial and statutory aspects. In financial aspects, fund management (CIF) in terms of monitoring the cash flow, on time repayment, loan forecasting, default management and proper record keeping will be the key focus.

The progress on the implementation at member level will be reviewed and monitored by the sub-Committees formed for different thematic areas at VO and CLF. Information will flow from SHG members to CLF through VO as per the figure given below.



SHG will discuss the member level progress in their weekly meeting and send report to VO-Sub-committee. VO sub-committee will present the progress report to VO EC. VO will send the report to CLF through CLF sub-committee. The feedback from CLF will be sent to concerned SHG through VO.

Business Plan Tracking and Monitoring:

The Business Plan Tool shall assist the CLF in tracking its projections throughout the year by entering the critical indicators to calculate the target vs actual data. This greatly help them in making a course correction and also improve in their financial planning.

A system is required to generate report on certain parameters to create a schedule Monitoring Dashboard for Target vs Actual:

- Membership
- SHG/VO formation
- Staff deployment
- Capital mobilisation
- Loan disbursement
- Loan repayment
- Loan outstanding
- Operational income
- Operational expenditure

The system should also develop some analytical reports on the KPI of MCLF on quarterly basis including few of the following financial management indicators.

- Idle fund%
- OSS
- Operating Expense Ratio (OER)
- Portfolio yield

The progress tracking report gives information regarding CLF achievement against the plan. CLF manager can present the report to EC during monthly meeting. This greatly helps them in making a course correction and also improvises in their financial planning.

At SRLM level

- Block, district and state level staff can see and track on the progress on business plan development every year
- Analytical report on the MCLF business plan can be generated at different level
- Monthly progress on KPIs can be monitored at block, district and state level

The following table may be used to track the achievement in different performance indicators.

Parameters	% of CLF			
	<50%	50-74%	75-100 %	>100%
Achievement against BP				
Membership				
Capital Mobilization				
Operational income				
Loan disbursement				
Loan Outstanding				
Financial ratios				
idle fund%	<10%	10-20%	21-25%	>25%
OSS	<50%	50-89%	90-100%	>100%
OER	<1%	1-3%	3.1-5%	>5%
YOP	<3%	3-5%	5.1-7%	>7%

The year-to-Year performance report will also help to understand the performance of those CLFs on these parameters.

Parameters	% of CLF		
	-ve Growth	1-10 % growth	➤ 10% growth
Loan outstanding			
Operational income			
OSS			
YOP			
Other Ratios			
	Reduced	Increased	Remarks
OER			
Idle fund %			

BMMU can keep track of individual CLF (Different tracking parameter are given at annexure 8)

Name of CLF	Members hip	Capital Mobilizati on	Revenue	Loan disbursement	Loan Outstandin g	Ratios			
						Idle fund%	OSS	OER	YOP

12. Annexures

Annexure-1 : Steps in CLF annual planning

Timeline	Steps	Action	Participants	Who will do it?/Facilitator	Duration	Output	Preparedness	Tools
0	CLF EC orientation	Orientation of CLF EC members on Annual plan (Purpose, Component, Process and execution plan)	CLF EC members	CLF-Anchor (SRLM)	Half day (four hours)	CLF EC members will internalize the need of AAP and prepare execution plan	Vision document to be ready and displayed	CLF orientation module
3	Orientation of VO profiling	Orientation of VO cadres on VO profile	VO cadres (All)	CLF-Anchor (SRLM)	Half day (four hours)	Cadres acquire skill on VO profiling	Timely information to all cadres	VO profile template
7	VO profiling	VO profiling – baseline (As is analysis)		VO cadres	Two days per VO (one day meeting with VO EC members)	VO profile (As is analysis) done	VO level monthly report to be ready	VO profile template
15	VO - annual planning	VO level annual planning	VO EC members	VO cadres and additional sr. cadres from CLF and oriented EC members (other panchayat/ village level cadres may be involved)	Two days	All VO prepared their draft plan	Inform all VO in advance so that most of the EC members remain present during planning	Annual planning process guideline & Tools

22	Annual plan submission	Submission of VO Annual to CLF		VO representative (EC) in CLF		All VO submitted their plan to CLF		
30	Plan Consolidation	Consolidation of all VO plan at CLF level		CLF Manager/ CLF-Anchor (SRLM)	2-3 days	VO consolidated plan ready	Timely completion and collection of VO plan	VO plan consolidation template
30	CLF profiling	Consolidation of all VO profile and “As is analysis” on any other aspects		CLF Manager/ CLF-Anchor (SRLM)	2-3 days	CLF profile ready	Timely completion and collection of VO profile	CLF profile tool
45	CLF annual plan	CLF level annual planning exercise with EC	CLF EC members and Sr. cadres	CLF Manager/ CLF-Anchor (SRLM)	3 days	CLF Annual plan prepared	VO consolidated plan ready	CLF planning template

Who and how it will be used?

VO EC members will use planning data and will be reviewed and monitored by relevant sub-committees during their monthly meeting for review and monitor purpose. Each VO will prepare a monthly report on the prescribed format will submit a consolidated report to the CLF.

CLF EC members can see the consolidated plan and also individual VO’s plan and would be further reviewed and monitored by CLF sub-committee in their monthly meeting.

VO wise and consolidated plan on different change dimension, where plan on each thematic areas under each change dimension can be tracked, SHG wise, individual member wise (on specific areas like rights and entitlement, health & education, livelihood plan). Both VO and CLF can see the variance report, tracking budget plan, budget utilization.

Each sub-committee of VO take the relevant dimension for eg the Monitoring Sub committee can take up the dimension of SHG maintenance and finalise the charts for the same.

Approval of the plan in VO GB members

In the final plan VO maps the activities which can be done by themselves and support required from other agencies like GP, Govt. dept., expert agencies and CLF. As per the activity chart VO workout the budget for the activities which will be done by them. Each VO conduct their AGM where EC members share their annual action plan with budget for GB approval.

Approval of the plan in CLF GB members

Review and monitoring of plan

Each sub-committee (Livelihood, Social action Committee, Financial and fund management committee, SHG monitoring sub-committee, Asset verification committee) review the progress under each change dimension in each meeting (monthly) and prepare a report which they present in VO EC meeting. VO consolidate the report of each sub-committee and send the report to CLF. Activities are monitored in terms of completion and units achieved like status of activities at both VO and CLF level.

Annexure-2: Activity Gantt chart

	Activity	Progress Till	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
A	Preparation for MCLF formation													
	Training of staffs on concept of federation, its structure and its management													
	Advanced level Training on Group facilitation and VO and CLF Nurturing													
	Institutional assessment of SHG/VO													
	Restructuring of VO													
	Strengthening VO on governance/FM/Operation													
	Finalization of CLF Geographical area (Restructuring of cluster)													
	Formation of State Level Core Committee under leadership of CEO with SMMs													
	Formation of district and block level core committees on the same lines of state level core committee and conducting meetings on a monthly basis													
B	CLF visioning - TOT and demonstration													
	Visioning of federation Module-I (TOT to community leaders), Demo for staffs													
	Visioning Module-1 interphase at VO													
	TOT to staffs (Demo) on consolidation of village level vision Visioning Module-2													
	Visioning Module-II interphase at VO													
	TOT to Staffs (Demo) on organisation structure, Role & Responsibility Visioning Module-3													
	Visioning Module-III interphase at VO													
	Vision Document preparation													

	Revisiting the vision at CLF and sharing with VO for selective CLF																			
	Formation of CLF/Bank account opening																			
C	Governance system strengthening																			
	Training and demonstration on “Leadership training to CLF leaders on “basic processes (Communication, Problem solving, Decision making and leadership)”																			
	Training and demonstration on “CLF byelaws and other norms																			
	Training and demonstration on “CLF and VO standard operating procedures-Governance”																			
	Training and demonstration on “sub-committee formation and functioning and CLF meeting process”																			
	Training on HR management																			
	Orientation on “Business plan and business progress monitoring”																			
	Training on “financial management in CLF”																			
	Training on “office Management”																			
	CLF office establishment- Model CLF office																			
	Training on “Cadre selection and management”																			
	Training on “legal compliances”																			
	Exposure of CLF EC members																			
	Develop thematic KPIs for CLF by CLF EC																			
	Demonstration in CLF Annual General Meeting																			
	Completion of AGM in all CLF																			
	Subcommittee thematic orientation																			
D	Office establishment																			
	Office finalization																			
	Proper office set up with Vision/Information display																			
	Office administration system set up																			

E	Annual Planning																					
	Training and Demo on VO annual planning and demonstration																					
	Annual planning at VO level (All VO)																					
	Training and demonstration on CLF annual action plan (consolidation of VO's plan)																					
	CLF Annual planning of all CLF																					
F	Cadre management																					
	Workshop on Cadre rationalization at state level																					
	Cadre rationalization demonstration-Facilitation																					
	Training and demonstration on cadre selection process (Senior thematic cadres at CLF Level)																					
	Training on cadre management systems (planning, monitoring and payment) and demonstration																					
G	Staff Recruitment and grooming																					
	Recruitment of Accountant																					
	Recruitment of Manager																					
	Recruitment of MIS -Phase-I&II CLF																					
	Induction training to CLF staffs																					
	Training on CLF Accounting																					
	Training on Financial Management																					
	Other trainings to be added as per CBO-HR advisory																					
H	Internal Resource Person																					
	Formation of Community Spearhead Teams (CST)																					

	Community Auditor identification																		
	Training of CST & Community auditors may be added																		
I	Business plan and management																		
	Workshop on review of existing loan products and services																		
	Loan product design (finalization with EC members) and rollout –demonstration																		
	Training of Staffs on business plan development and demo in CLF																		
	Loan forecasting and cash flow management by Manager every month																		
	Business progress tracking by EC																		
	Review of credit administration process																		
J	Information flow and management																		
	Review of information flow formats																		
	Demonstration on information flow mechanism (SHG-VO-CLF) and Demo																		
	Rollout of information flow systems																		
K	Financial and operational management systems																		
	Training on CLF Books of Accounts and introduction of BOA in CLF																		
	Introduction of BOR																		
	MPR generation																		
	Staff training on Financial management																		
	Financial management Policies adoption in CLFs																		

	Fund management tracking system (Manage idle fund) by Manager																		
	CLF operational manual in place																		
	Training of Procurement committee																		
	Training and Demo on VO and CLF audit																		
	Completion of all VO audit																		
	Completion of all CLF Half yearly internal audit																		
	Completion of all CLF quarterly internal audit																		
	Introducing CLF digital accounting systems																		
	Completion of CLF annual internal audit																		
	Define delinquency management process																		
L	Compliances																		
	Staff training on Compliance																		
	Annual return submission to Cooperative Dept																		
	Annual statutory audit																		
	Income tax return file																		
	PAN and TAN number of CLF																		
	Introduction of TDS																		
M	Sustainability																		
	Introduction of service fee -Demo on introduction of service fee																		
	Introduction of service fee in selected CLF																		
N	Convergence																		
	Orientation of CLF EC members on Various schemes, Rights and Entitlement and MGNREGA																		
	Training to CLF and VO OB, EC and Social Action Sub-Committee members on roles and responsibilities of PRIs, particularly GPs in state specific context																		

	Concept Seeding with CLF on Right and Entitlement and MGNREGA																			
	Facilitate women and SHG federations to participate actively in Gram Sabhas and GPDP preparation and implementation process																			
	Attendance of CLF representatives in GP meetings as invitee members																			
O	Livelihoods																			
	Training of livelihood sub-committee																			
	Training VO and CLF EC on objectives of PG promotion, its roles, activities, economics																			
	PG promotion																			
	PG financing																			
	Monitoring of CHC, WFFS by CLF																			
P	Financial Inclusion																			
	Oreintation of CLF EC members on financial inclusion																			
	Deployment of BC Sakhi in CLF operational area																			
	Facilitating SHGs, VOs and CLFs to do cashless transactions through BC point																			
	Conducting FLC																			
	Credit linkage of SHGs																			
	Linkage on Insurance and Pension																			
	Liasioning with bank for credit linkage																			
Q	SI, Gender and Health																			
	Identification and Inclusion of Left out households in SHG through VRP																			
	Promotion of Special SHGs																			

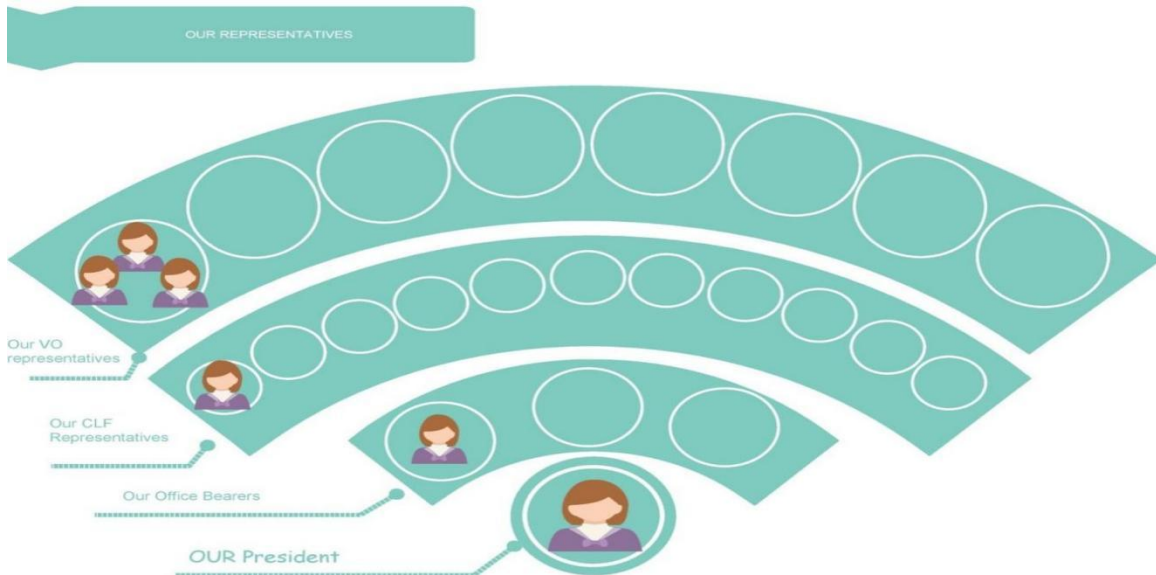
	Development of institutional mechanisms at SHGs and their federations- Gender point person																		
	Development and deployment of Gender and Health CRPs																		
	Development of Gender Justice centers																		
R	FNHW																		
	Orientation of CLF EC members on FNHW activities																		
	Integration of FNHW activities in Annual plan																		
	Organise camp/Rally/campaign etc																		
	Review and monitoring of FNHW indicators in Monthly meeting																		
S	CLF & VO assessment																		
	Training and demonstration on VO & CLF health assessment																		
	Completion of all CLF and VO assessment																		
T	Monitoring and review mechanism																		
	Monthly review of core committee																		
	Program quality monitoring framework development																		

Annexure - 3: Displays at CLF office

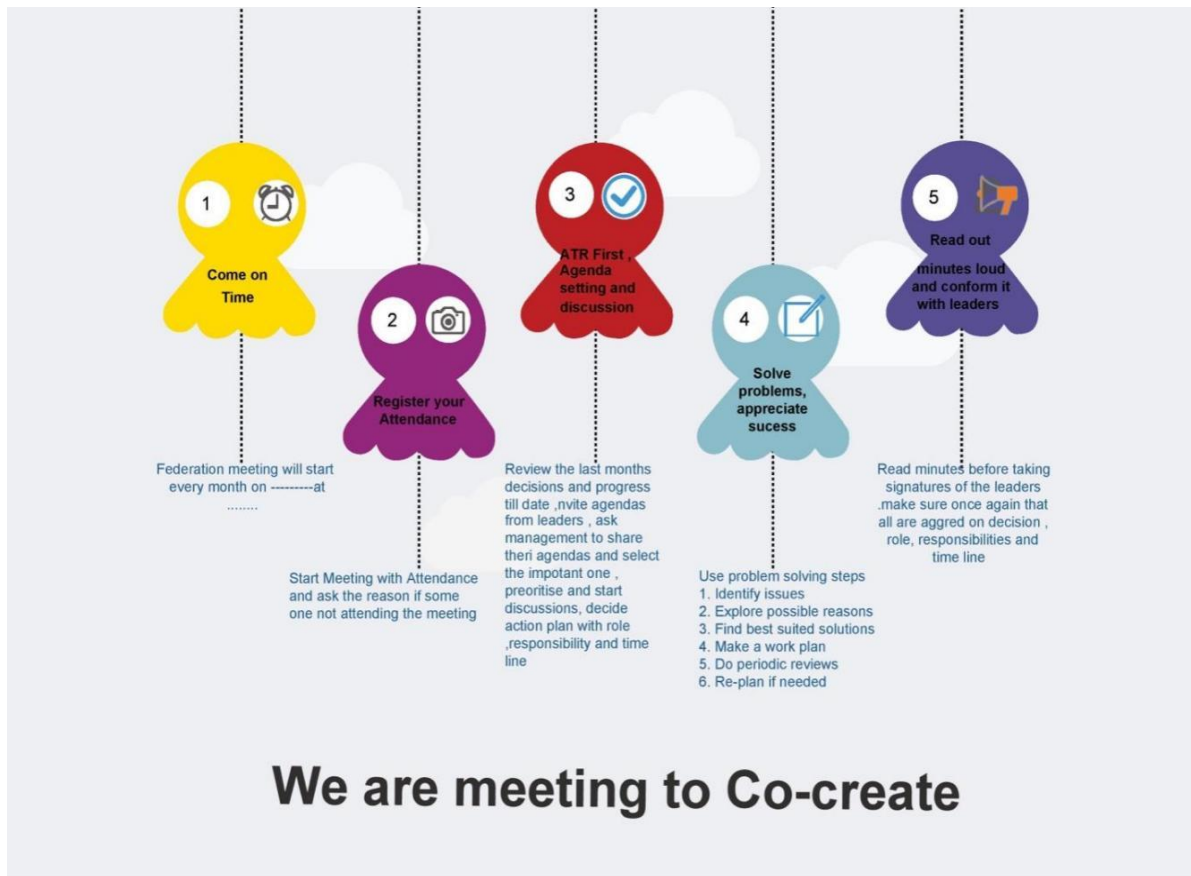
Display1



Display2



Display3



Display 4-

MONTHLY TASK PLAN								
Task Role	Who is accountable	Who is responsible	Who would be ..	Who would be informed	When will be reviewed	Task duration	Expected result	Details

Display5

VO process chart	This month	VO Progress Chart	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Annual achievement
Meeting on time		Meeting organized														
Last month's decision reviewed		Attendance total														
Prayer done		SC Edu att.														
Sub-committee meeting done		SC health att.														
SC presented in penal		SC livelihood att.														
VO shared plan		SC														
Role responsibilities distributed		SC														
Minutes read out		MCP DONE														
Signature taken		CLF loan sanctioned														
Loan approved after discussion		CCL														
		Insurance														
		Fashion design														
		Project management														

CLF Assessment format:

Basic information			
Name of the CLF		Date of formation	31st October'2016
Address		Age in Year/Months	3 years 4 months
Contact No. of Leader/s		No of Representatives	33
Email if any			
Membership and Other Information			
No. SHG		Total SHG Members	
No. of VOs		Total VO Representatives	
No. Sub-Committee		No. Cadre/s	
Registration date		Registration Under (Act) and Date	
Vision Statement if Any		Area of interventions (Finance, Health, Education)	Financial inclusion, livelihood
Contact person 1		Contact person 2	
Name.		Name.	
Designation.		Designation.	
Contact No.		Contact No.	
Email.		Email.	
No. Groups Received CIF		Groups received RF	

Total Amount		A Grade Groups	
Total outstanding as on date		B Grade Groups	
Available Fund at CLF		C Grade Groups	
Accountant Name		Contact No.	
Enabler		Enabler (NGO)	
Name CC -		Local anchor (CLF)	Ar
Total experience with the CLF		Contact No.	
Strength Areas		Email.	
Contact No.			
Office, Systems and documentation			
Status of Vision Document		Status of Business Plan	
Account Documentation		Use of Recommended Books of account	
Orientation on CLF BayLaws		Copy of Baylaws with Leaders	
CLF Own /Rental Office		Establishment found received	
HR Placement (Manager)		Accountant	
Other		Others	
Others		Others	
Email.			

CLF representative			
Name	Address	Age	Duration as a representatives

Annexure - 4 :Spearheading change

Parameters		1	2	3	4	5	Rate	Remark
Identity	VRs Role articulation	NGO's messenger	SHG's Messenger to CLF	One who works on village level issues	One who monitor and achieve CLF	One who plan, monitor, review process quality to achieve CLF objective and coordinate with federation and other forums		

	Space of CLF in member's life	Not much aware about CLF and its contribution	Leaders and EF Forum for discussing financial health of SHGs and Interventions	Our Forum to help SHGs and members	Our forum to deal with members issues and to help each other	Our forum to achieve our vision , deal with issues concerning our life and for collective action		
	Members identification with CLF	They don't identify with CLF	CLF is NGOs forum for review and information sharing	We are the member of the forum , its our forum	Its ours forum, we have to contribute in each endeavours of CLF	Aware about rights and duties as a member		
Parameters		1	2	3	4	5	Rate	Remark
Vision	Collective Vision for members	Doesn't have	vision done once but not documented /forgotten by VRs	Documented vision is there but strategy has not been planned to achieve the same	Documented vision is there with achievement strategy	Documented vision is there with CLF strategy to achieve the same , Action plan initiated		
	Collective vision for village	Only EF articulate	Few senior leaders articulate with EF help	Senior leaders articulate without and external support	Most of the leaders articulate the vision and strategy	Leaders are aware of their Vision , strategy and task to achieve the same		

Parameters		1	2	3	4	5	Rate	Remark
Planning and execution	Availability Plan and Review System	CLF doesn't have any plan	Enabler has plan but not shared with leaders	enabler has plan . Enabler had shared plan with leader , leaders articulate the same	CLF has plan and initiatives have been taken by leaders to achieve the same	CLF has plan, and leaders regularly review the same and provide the guidance to achieve the same		
	Ability to mobilise member resources	Members don't contribute to their CLF	Few members come together at the time of crisis after leaders initiatives	large number of members come together at the time of crisis , few members contribute financially too	Large number of members give fees to federation , they also come together , spend their time for the larger benefits or to help an individual	almost all SHG's members give fees to federation , they also come together , spend their time for the larger benefits or to help an individual		
Parameters		1	2	3	4	5	Rate	Remark
Leadership	Leader's influence in village issues	No evidence of any influence	They tried but could succeed	Leader can mobilise few SHG members	Leaders can mobilise fair number of SHG members	Leader can mobilise members as and have required		

						Skill		
	Leaders ability to mobilise and convene special meeting	Not tried till date	Leaders willing but not done so far	Leaders tried but could not succeeded	Leaders had done special meeting/s and feel confident to do so if required	Mobilising and facilitating meetings is very common among leaders		

Annexure - 4 :Institutionalizing change

Institutionalizing change									
Parameters	Category	Area of Exploration	1	2	3	4	5	Rate	Remark
Governance	Locus of control	Internal locus of control (what they think when they achieve something)	God was in our favour	EF / NGO has put efforts	circumstances were in our favour	We have tried our best and EF also encouraged us	We have planned well and made good efforts		
		External locus of control (What they think if something goes	every thing in the hand of god	Things are in other's hand	EF/NGO has not given their attention	We tried best but something was missing	It was due to improper plan and lack of efforts from our		

		wrong)					side		
		Norms, rules and application	EF decides new norms, rules, we accept and follow	EF suggests new rules and norms and we discuss and accept	VR gives feedback and raise issues, if needed we discuss and make new norms and rules for the CLF and SHGs	VR gives feedback and raise issues, if needed we discuss and make new norms and rules for the CLF and SHGs	We regularly analyse our groups and makes new norms and rules for the benefits of members and organization		
Category	Area of Exploration	1	2	3	4	5	Rate	Remark	
Patronage cohesiveness	Member centric issues	CLF gives preferences to enabler's issues only	CLF gives most preferences to enabler's issues and some time Members issues also taken	CLF gives some preferences to enabler's issues and most of the time Members	CLF gives little preferences to enabler's issues and regularly taken up Members issues	CLF focuses on members issues and continue makes effort on the same			

				up	issues taken up				
		Member's awareness on Vision and work done by CLF	SHGs are not aware on CLF vision	Few SHGs are aware of CLF Vision	Some SHGs are Aware of CLF Vision	Large number of SHGs are aware of CLF vision	All SHGs and its members are aware of CLF vision		
		CLF awareness on SHGs members and their issues	CLF is not aware of SHGs issues	CLF has little awareness on SHGs issues by Name	CLF has some awareness on SHGs issues, they can name the SHGs having issues	CLF is aware of SHGs issues and can recall all the issues they worked for	CLF is aware of all issues of their SHGs, CLF can share SHG wise all issues concerning SHGs		
Parameters	Category	Area of Exploration	1	2	3	4	5	Rate	Remark
Financial sustenance	Financial sustenance	Financial sustenance	Highly Dependent on Enabler	Dependent on Enablers	Partially dependent on Enabler	Low dependent on Enabler	Not dependent on Enabler		

Parameters	Area of Exploration	1	2	3	4	5	Rate	Remark
Meeting Regularity	What is frequency of the meeting ?	Not decided	Every three months	Every two months	Every months	Bi-monthly		
	Adherence to date and time of the meeting	Not fixed	EF fixes every month	Fixed but not followed	Fixed by leaders and mostly followed	Fixed, takes place on time or as per leaders decision		
	Meeting regularity	2 meetings in last 6 months	3 meetings in last 6 months	4 meetings in last 6 months	4 Meetings in last 6 months and last 3 meetings on time	More than 4 regular meeting in last 6 months		
Parameters	Area of Exploration	1	2	3	4	5	Rate	Remark
	Who Introduces agendas?	Always by EF	Mostly by EF	EF and sometime VRs asked add	VR and EF both invites agenda	VRs/ CLF's President		
	Who invites sharing ?	EF only	Mostly by EF	EF and request VR to invite	President invites , leaders also intervene	Selected president		

	Who suggests action ?	EF	EF suggests and get consent from VRs	VRs suggests and ask EF to comment /add	Leaders suggests and invite others	Leaders /VRs generate s idea , selects best one after review , president finalize		
	Who decides in the meeting	Mostly EF	EF with VRs consents	VRs with EF suggestions	Leaders	Leaders with House consent		
Parameters	Area of Exploration	1	2	3	4	5	Rate	Remark
	What they capture in records?	Not specific	Specified but not captured	Some aspect captured	Major specified aspects captured	All discussions, transactions, decisions , plans, reviews are captured in different books		
	C Quality of records keeping	Poor	Average	Good	Above Average	Excellent		
	Who keeps the records ?	EF	Enabler's staff	One of the leader	CRP	CLF office		

	Use of records	NO use /rarely used	EF and enabler	EF with VRs	VRs some time	VRs in meeting, plan, monitoring, reviews, audits		
Parameters	Area of Exploration	1	2	3	4	5	Rate	Remark
	Representatives Attendance	Far below than expected	Below expectation	More than 40 %	More than 60 %	More than 80%		
	Continuity of selected representatives	Very frequent change in leadership without genuine reasons	Few leadership change without any genuine reason	Few leadership changed with una CLF identifiable/genuine reasons	Very few/rare change in leadership	Leadership is stable from last 6 months		
Parameters	Area of Exploration	1	2	3	4	5	Rate	Remark
	Regularity of information flow	Not regular from long time	Recently discontinued	irregular flow	Continued but needs improvements	Continued		
	Dependency on enabler for assuring information flow and use ?	Very high	High	Low	Very low	Not dependant		

	Use of information and validation of the same ?	Very low/no	EF uses as per requirement	Some time by leaders	Frequently by leaders	Regularly by leaders		
Parameters	Area of Exploration	1	2	3	4	5	Rate	Remark
	Awareness on source of information	Not aware	Guessing but not confident	Know about few dimension	Know about most of the dimension	Aware about all dimensions		
	Awareness on information process (application or forms)	EF and VRs both don't know	EF knows but VRs don't	EF and few VRS both knows	EF and most VRS both knows	VRs Know very well		
	Efforts on getting information	EF	EF and CRPs	EF and VRs	VRs with support from CRP	VRs		
	Use of enabling information	NO	Very Low	Low	Medium	High		

Annexure -5:Involvement of Professional for CLF Inputs/Training & Timeline

Involvement of Professional for CLF Inputs / Training & Timeline

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
1	CLF formation & nurturing plan with staff specially with CC and BMC- short term & long term	1	-150	0.5	-180
2	Demographical identifying & demarcation of area for forming viable CLF	0.5	-150	0.5	-170
3	SHG & VO vibrancy mapping in proposed cluster (Readiness Assessment)	0.2	-140	0.5	-140
4	VO restructuring (if required)	0.5	-135	0.2	-135
5	Concept seeding & CLF representatives selection process finalisation	0.5	-135	0.5	-135
6	CLF Leaders selection sharing with Vos	0.5	-125	0.5	-125
7	CLF Leader's selection process completion with Vos	0.5	-90	0.5	-90
8	CLF representatives ToT on community/ VO Visioning (M1)	3	-75	3	-75
9	VO visioning and process assurance plan	0.5	-75	0.5	-75
10	Interface - Vo visioning (all SHG member)	0.5	-55	0.5	-55
11	Visioning data consolidation and analysis	0.5	-50	0.5	-50
12	VO visioning - visioning consolidation (M2)	3	-48	3	-48
13	Interface- sharing of visioning consolidation	0.5	-35	0.5	-35

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
14	Consolidation, vision statement finalization & prioritization of change dimensions (M3)	4-5	-30	4-5	-30
15	CLF Vision statement , change dimension sharing in Vill org & SHGs	0.5	-20	0.5	-20
16	CLF having Vision document (in printed form)	-	-15	-	-15
17	CLF formation(1st Meeting) and naming of the federation	1	0	1	0
18	Attending clf meetings to facilitate and observe the processes	0.5	30,60,90,...	0.5	30,60,90,...
19	Governance concept sharing with CLF leaders/representatives and OB selection process facilitation	1	30	1	30
20	CLF having office room	-	25	-	25
21	Opening of CLF bank account	-	30	-	30
22	Disbursement of Start up cost to CLF	-	30	-	30
23	Training on Books of Records	2	30	2	30
24	Initiate transfer of CIF fund from VO to CLF	-	40	-	40
25	Federation structuring , role, responsibility of community forums (SHG, VO, CLF including OB, subcommittee) and change process awareness - (M4)	3	45	3	45
26	VPRP preparation by all VOs in the CLF	To be done in Oct prior to AAP from FY 2023-24 onwards		To be done in Oct prior to AAP from FY 2023-24 onwards	

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
27	Concept seeding on AAP at CLF	0.5		0.5	
28	Detailed training on any specific dimensions - M5 (expert organization support)	need based		need based	
29	VO annual action plan preparation and implementation strategy	2	60	2	60
30	CLF Annual Action Plan and monitoring mechanism	3	75	3	75
31	Understanding business plan and role of GOM (Governance, Operation and Membership)	1	75	1	75
32	Training for Enhancing Understanding on bylaws - major rules and role of Governance, operation and membership for all the VOs & SHGs and cadres/ staff	2	to be completed within 120	2	80
33	CLF business Plan	3	85	3	85
34	Sharing BDP with CLFs and CLF having AAP & BDP along with monitoring mechanism and is in use	1	90	1	90
35	By-laws preparation & finalization (involving the CLF EC members)	2	90	2	90
36	Submission of Document for CLF registration and functions	0.5	95	0.5	90

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
37	Training on loan disbursement - 1st Loan transaction by CLF to SHGs / VOs (all VOs)	90 (if Mission provide CIF to CLF before this timeline then CLF will start loan disbursement early, else just after finalizing their FM policy)		Training may be given at the time of loan disbursement	
38	Products and services designed and provided to members as per CLF business plan	after 1st year of BDP		1	95
39	Transfer of CIF fund from VO to CLF as per AAP & BDP as per plan	-	100	-	100
40	Transfer of CIF fund from SRLM to CLF as per AAP & BDP as per plan	-	100	-	100
41	Training on FM for CLF EC, module 1	2	100	2	100
42	quarterly audit of CLF	1	100	1	100
43	VO health audit and rectification plan for identified issues	0.5	100	0.5	100
44	Formation of Sub-committee at CLF	0.5	100	0.5	100
45	CLF having HR policy	1	105	1	105
46	Training of each sub-committee	5 (1 day for each sub-committee)	110	5 (1 day for each sub-committee)	110
47	Setting up HR system in the CLF	2	115	2	115
48	Getting CLF registered	-	120	-	120
49	CLF having FM policy	-	120	-	120

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
50	CLF office setup	-	120	-	120
51	VO meeting process training to VO representatives	1	120	1	120
52	Training of VO sub-committees	0.5	120	0.5	120
53	HR review system initiation	1	120	1	120
54	Appointment of CLF Accountant	-	140	-	140
55	Training on FM for CLF Staff, module 1	2	150	2	150
56	Training on FM for CLF Staff, module 2	2	150	2	150
57	VO information system introduction (information format and its use)	3	150	3	150
58	CLF Leadership Training (Processes - communication, problem solving, leadership, decision making each for a day)- Refresher	1	150	1	150
59	Appointment of CLF Manager	-	180	-	180
60	Progress monitoring methods and feedback management (understanding CLF data -loan and other)	2	180	2	180
61	VO financial Audit and understanding audit report	1	180	1	180
62	Awareness training on documentation and legal compliance for CLF	0.5	200	0.5	200
63	Half yearly internal audit of CLF	2	200	2	200
64	Appointment of CLF MIS Assistant	-	210	-	210

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
65	Half yearly review and planning meetings	1	210	1	210
66	Appointment of CLF CA	-	210	-	210
67	Understanding CLF audit report	0.5	210	0.5	210
68	Establishment of community monitoring mechanism at CLF and VO level on standard parameters	-	210	-	210
69	Inclusion of vulnerable HHs as per AAP and priorities to be given to those members in all areas	-	210	-	210
70	CLF health /vibrancy /process audit	1	240	1	240
71	Linkages established with other stakeholders including PRIs and line departments	-	270	-	270
72	Planning for Annual General meeting (process awareness)	-	300	-	300
73	Draft AAP for next year in place for AGM approval	0.5	310	0.5	310
74	Statutory audit completed and audit compliance report prepared and shared	-	330	-	330
75	Annual report prepared and shared	-	330	-	330
76	Organizing AGM	1	360	1	360
77	Annual report submission to the cooperative department / Registrar Society	-	360	-	360
78	Replacements of EC membership by new representatives from member Vos as per	0.5	2nd yr	0.5	2nd year

S.no	Name of Training / Inputs	Duration of Training (No. of Days) New CLFs	CLF Age/days (days in '-' means preparatory days before formation of new CLF)	Duration of Training (No. of Days per unit) Existing CLF	CLF Age/days (days in '-' means preparatory days before declaring a CLF as MCLF) Existing CLF
	legal provision		onwards		onwards
79	Social development initiatives understanding and articulation of local issues and causes mobilization of the members around those issues taking up specific actions for addressing the same partnership with GPs	-	As per CLF's decision	-	As per CLF's decision
80	Started taking initiatives in augmenting members livelihoods opportunities	-	365	-	365
81	Updating the baseline and asses the progress against CLF business plan by the CLF members	-	365	-	365
82	Completion of statutory audit	-	425	-	425
83	Report sharing on statutory audit	-	440	-	440
84	Submission of Annual Returns & IT return	-	455	-	455
85	Rotation of leadership at CLF/VO	-	460	-	460
86	Formation of Community Spearhead Team	as per CST advisory		as per CST advisory	
87	Training of CST team members	as per CST advisory		as per CST advisory	

Annexure -6 Stage-wise Expected Milestones in CLF

Age	Expected Milestones / Outputs
By 3 Months	CLF EC and Cadres aware about Model CLF initiatives
	Election of OB members, if required as per by-laws
	EC members aware about roles, responsibilities and functions
	Active EC with regular meetings as per defined process protocol, preferably fortnightly / twice in a month – one on issues related to FM and other on non-financial issues (refer SOP on Governance) and at least 80% attendance
	CLF staff (at least one) in place
	CLF's basic norms in place and having approved By-laws
	Bank Account opened, if not yet done
By 6 Months	CLF OB and Staff received input on CLF management
	CLF with Vision document and Annual Plan and BDP
	Sub-Committees formed and having clarity concept, roles & responsibilities and action plan
	CLF Office in place
	Clarity of EC members on CLF management process (fund management, HR management, reporting & monitoring mechanism etc.)
	Properly updated books of records and reporting system (internal & external) in place
By 12 Months	Functional Sub-Committees (working as per approved Action Plan)
	Completion of SHG Audit & VO Audit
	Half-early audit of CLF by Internal Auditor (both non-financial & financial) completed <ul style="list-style-type: none"> - 90% EC meetings as per schedule - Approved Bye-Laws in place and EC members are aware about basic norms - Clarity on Roles & responsibilities of OBs and Sub-Committees and action taken as per the decision of OBs - Participation and decision-making process in EC members - Staff performance review in place - Financial management including parameters in place
	Another round of training imparted to EC members and SC members
	Products and services designed and provided to members as per BDP
	Linkages established with other stakeholders including PRIs and line departments
	Establishment of community monitoring mechanism at CLF and VO level on standard parameters
	Inclusion of marginalised and vulnerable HHs as per AAP and priorities to be given to those members in all areas (from leadership to livelihoods promotion)
	Draft AAP for next year in place for AGM approval
By 24 Months	Statutory Audit completed and Audit Compliance Report prepared and shared
	Annual report prepared and shared
	AGM conducted following all protocols within 18 months
	Registration of CLF

	<p>Social Development Initiatives</p> <ul style="list-style-type: none"> • Understanding and articulation of local issues & causes • Mobilisation of the members around those issues • Taking up specific actions for addressing the same • Partnership with GPs
	Started taking initiatives in augmenting members' livelihoods opportunities
	Replacement of EC membership by new representatives from member VOs as per legal provision
	Updating the baseline and assess the progress against BDP by the CLF members

Annexure -7 Key Activities to be performed by CLF and SRLM at different stages

Stage wise Activities of Cluster Level Federation				
	Stage	Activities for the CLF	Activities for the SRLM	Time line
1	Preformati on	<ul style="list-style-type: none"> • Mobilization of Community • VO restructuring • Finalization of CLF Geographical area (Restructuring of cluster if required) 	<ul style="list-style-type: none"> • Feasibility and vibrancy assessment • VO meetings on orientation of CLF concept • Road map and action plan development • Modules preparation (concept seeding, Recruitment modules and Training and capacity building modules for VO members) • Strengthening VO on governance/FM/Operation • Formation of State Level Core Committee under leadership of CEO with SMMs • Formation of district and block level core committees on the same lines of state level core committee • Staff placement (young professionals, Anchor persons etc) • Staff training on Concept on federation and facilitation skill 	minus 3 to 0 months
	Formalizati on	<ul style="list-style-type: none"> • Setting up an office, • opening of bank account, • conducting monthly meetings, rotation of funds via VO, and SHGs, • Review of community cadre, 	<ul style="list-style-type: none"> • Capacity building of CLF leaders on the concept • Sub - Committee formation ,Sub-committee Trainings, community cadre placement process • Trainings to Cadre • Facilitation of Roles and Responsibilities of all and preparing check list • Facilitation of Visioning, AAP and BDP • Internal compliances (internal audit, Grading) 	0 to 6 months

		<ul style="list-style-type: none"> • Complete registration • Annual general meeting and Annual audits. • Review system established and functioning • Convergence 	<ul style="list-style-type: none"> • Hand holding of CLF in implementation of their activities like reviews, registration, Statutory compliance and Develop systems for the regularity of review and monitoring • Facilitating convergence • Revisiting the Visioning and plan and objectives 	Up to 12 months
		<ul style="list-style-type: none"> • Implementation of Functional activities and business activities (AAP implementation related) on their own, • Revisiting visioning to track progress as per vision, AAP and BDP • Prepared AAP/BDP for every year • increasing the scope of CLF according to the emerging needs of the members implementing Pilot programs 	<ul style="list-style-type: none"> • institutionalization of MIS and other necessary mechanisms for all the activities of CLF like plan, Data collection, progress, Review, Compliances, financial and HR etc. • initiation of Leadership rotation • CB of 2nd line leaders and for other emerging activities 	Upto 2nd Year
	Growth stage	<p>Expansion</p> <ul style="list-style-type: none"> • Implementation continuation without support • Expansion of interventions (pilots to scaling) from pilots • Taking up activities as per the mandate prepared by CLF • partnerships according to the needs of the members • Formation of Community Spearhead Teams (CST) 	<ul style="list-style-type: none"> • Assisting CLF in implementation of their mandate • Facilitating Leadership Rotation and CB • Facilitating in increasing their scope • Facilitating Partnerships • Developing mechanisms for regular activities implementation and tracking • Assisting in analyzing the progress and providing insights Revenue • Transit from Hand holding role to Assisting role. 	2nd and 3rd year
	Maturatio n stage	<ul style="list-style-type: none"> • Taking complete control/ Transition • Self - Sustainability, Self reliant , Self-Governed institution • Established well-functioning systems • Regular and well established service Delivery system and established partnerships to provide external support • Mentor other CLFs 	<ul style="list-style-type: none"> • Facilitate Transition • Assist CLF where it is necessary to increase the scope • Assist in Partnerships with Govt. and others • Transit from Assisting role to mentoring role 	4th year

Annexure 8 -A suggestive quality assurance mechanism

QA Parameter			
Monitoring aspects for CLF (Governance - Planning, Monitoring, Review, Evaluation, Adherence to Policy & Procedures, Service Quality)			
Role of Community Institution	Frequency	Role of CC	Frequency
CLF sub-committees doing program review as per AAP	Every month	Attending CLF meetings to review meeting process and ensure group processes	Every month
Ensure timely input		Ensure all systems in place in CLF through the operation wing	Every month
Discussion by the CLF monitoring sub-committee In every CLF meeting	Every month	Provide timely input/training to the Governance of CLF	As per the timeline
Non-financial /program Audit of CLF by external resource person	Half-yearly		
Submitting Monthly Health Report and Non-financial Audit Report to BMMU	Monthly/ Half-yearly		
Program outcome evaluation (relevance, efficiency, effectiveness, sustainability, to be done by external evaluator	Yearly		
Grading of VO	Every Month		
Role of BMM	Frequency	Role of DTC, IBCB	Frequency
Attending CLF monthly meeting to review meeting process and group processes	Every month	Field visit - at least one CLF meeting (prioritising weak CLF)	Quarterly
Ensure timely disbursement of RF/CIF to SHGs and timely organising training programs	Every month	Maintaining Quality checklist of CLFs	Quarterly
Action-taken report to be submitted to DTC, IBCB	Quarterly	Action-to-be-taken report to be given to BMM	Quarterly
Deployment of internal auditor for Program and process audit of VO/CLF		Attending CLF-level Training program to ensure its quality	Quarterly
Grading of CLF	Quarterly	Ensure timely grading of CLFs	Quarterly

Role of DMM	Frequency	Role of State IBCB team	Frequency	Action for State IBCB team
Field visit - at least one CLF meeting (prioritising weak CLF)	Quarterly	Analytical report on district-wise CLF Health Status to be presented at Monthly State Team Meeting	Every month	Develop CLF Health Indicator format

Ensure timely disbursement of RF/CIF to SHGs and timely organizing training programs in CLF	Every month	Feedback to DMMU on quality adherence	Every month	Quality checklist for CLF
Rating of CLF	Annual	Timely Capacity Building of all staff Timely ensure of rating		Dashboard for all timely input/training to be given to VO/CLF to be updated by BMMU/DMMU Annually

QA Parameter			
Monitoring aspects for VO (Governance - Planning, Monitoring, Review, Policy Adherence, Service Quality)			
Role of Community Institution	Frequency	Role of CC	Frequency
VO sub-committees doing program review as per AAP	Every month	Attending VO meetings to review meeting process and group processes	Alternate meetings of all VOs
Discussion by the CLF monitoring sub-committee In every CLF meeting	Every month	VO Health report of the VO visited during the month to BMMU	Every monthly team meeting
Ensure timely input	Every month		
Non-financial Audit of VO by internal community auditor	Half-yearly	Sharing VO non-financial Audit report to BMMU	In BMMU team meeting every 6 months
Submitting Monthly Health Report and Non-financial Audit Report to CL	Monthly/ Half-yearly		
Cadre performance review by VO EC on Quality of services (MCP, Grading, Audit etc.)	Every month		
Field level verification on cadre service delivery by Monitoring sub-committee	Every month		
Feedback from members on quality of services by Monitoring sub-committee	Quarterly		
Grading of SHGs	Every month		
Role of BMM	Frequency	Role of DTC, IBCB	Frequency
Visit to attend VO meetings (prioritizing weak VO) with each concerned CC	1 VO per CC per month	Field visit - at least one VO meeting (prioritizing weak VO)	Quarterly
Consolidated report on VO Health Status at block level	Every month	Consolidated report on block-wise VO Health Status at district level	Every month (District Team Meeting)

Role of DMM	Frequency	Role of State IBCB team	Frequency	Action for State IBCB team
Field visit - at least one VO meeting (prioritizing weak VO)	Quarterly	Analytical report on district-wise VO Health Status to be presented at Monthly State Team Meeting	Every month	Develop VO Quality Indicator sheet
				Develop non-financial audit process and formats

				Develop service verification formats
				Develop feedback format

QA Parameter			
Monitoring aspects for SHG (Panchasutra & Group Processes - Communication, Problem Solving, Decision Making and Leadership)			
Role of Community Institution	Frequency	Role of CC	Frequency
Discussion by the monitoring sub-committee In every VO meeting	Every month	Facilitation of SHG meetings	20% to 30% of SHG visit every month
Feedback and support provided by the VO sub-committee		Attending VO meetings to check the SHG health review done by VO	Alternate meetings of all VOs
		Consolidated report on SHG Health Status of the VO visited during the month to BMMU	Every monthly team meeting
Role of BMM	Frequency	Role of DTC, IBCB	Frequency
Visit to attend SHG meetings (prioritising weak SHG) with each concerned CC to observe his/her facilitation skill	1 SHG per CC per month	Attending monthly team meetings to ensure the QA mechanism at the block level	Quarterly
Consolidated report on SHG Health Status at block level	Every month	Field visit (at least one SHG & one VO) - proposing weak SHG/VO	Quarterly
		Consolidated report on block-wise SHG Health Status at district level	Every month (District Team Meeting)

Role of DMM	Frequency	Role of State IBCB team	Frequency	Action for State IBCB team
Attending monthly team meetings to ensure the QA mechanism at the block level	Quarterly	Analytical report on district-wise SHG Health Status to be presented at Monthly State Team Meeting	Every month	Standardized Health review format for SHG
		Attending District Team Meetings	Quarterly	Reporting format for CC/DTC to be used in monthly team meeting

VO level planning Module

Step	Duration	Methodology	Tools/Material
Day-1			

Introduction & objective sharing	15 mins		
Recap of visioning exercise - Vision statement - Prioritized dimensions (At VO level)	30 mins	All the vision documents (Chart paper) should be displayed and EC members will be asked to share their vision documents	VO Visioning chart paper
Sharing CLF vision -Vision statement -Prioritized dimensions (At CLF level) -Indicators	60 mins	CLF level vision document will be shared by the facilitator	CLF Visioning chart paper
Finalize/revise prioritization of change dimension	30 mins	Interactive discussion- CLF change dimensions will be prioritized and if VO feel to add any dimension/s important for them, they can include it. It is advisable to focus on 3 prioritized dimensions	Prioritization chart paper
Set/Finalizing detailed indicators and target (Process/result indicators)- 5 years This would be done for this time only	2 hours	Sub-group activity – as per the number of dimension (ensure that atleast one member in the sub-group can read and write) (Facilitator can refer the standard process & result indicator during the discussion) Presentation by sub-group	Standard indicators
Day-2			
Recap	30 mins		

Dimension wise Action plan preparation	120 mins	Sub-group activity – as per the number of dimension (the same group) (Facilitator can refer the standard activity list during the discussion)	Standard activity chart
Finalization of the Action plan by VO EC members	90 mins	Each sub-group will present their activity plan and EC members will give feedback and approve the plan	
Budget summary and source of fund	30 mins	Dimension wise budget will be summarized and presented EC members can revisit the activity based on the budget required and VO capacity to contribute	Budget template

Annexure 9 - Recruitment process checklist for verification

S. no	Particular	Status (Yes/No)	Comment
1	Whether CLF EC has taken decision for requirement		
2.	Whether CLF EC has fixed requirement norms		
2.a	No of position		
2.b	Salary/ Honorarium for position		
2.c	Eligibility for position		
3.	Whether advertisement has published		
4.	Whether requirement committee formed		
5.	Whether requirement completed as per process		
5.a	Written test conducted		
5.b	Group discussion conducted (Not applicable for every position)		
5.c	Interview conducted		
6	Whether offer letter issued		
7	Whether offer letter accepted by selected candidate		
8	Whether appointment letter and Job description given to selected candidate		
9	Whether personal file of appointed candidate is maintained		
10.	Whether induction conducted for appointed candidate		

The list of advisories , SOPs and important letters related to model CLFs given at annexure.

Annexure 10 Table of Relevant SOPs and Advisories sent by NMMU to Refer

S.No	Advisory/SoP/Module/Letter	Dated	Remarks
1	Letter and Advisory on Development of Model CLF	30 th April 2020	Initially this advisory applied to only NRETP but later same is applied to NRLM
2	Advisory on SRPs, CST, Senior CRPs etc	9 th August 2021	
3	Advisory on core committee formation and functioning for Model CLF	10 th August 2021	
4	Operational Manual on Functioning of CMTC under MCLF	21 st June 2021	
5	Guideline on Viability Gap Fund under NRETP	17 th June 2020	
6	Guideline on Infrastructure Fund to Model CLF and Training Centres under NRETP	June 2020	
7	FM Training module1,2		Refer the mail from Gayathri dated 15 th Sept 2021
8	SOP on CBO- Governance, Finance and HR	24-12-2021	
9	Letter and SOP on rolling out of Visioning	3 rd March 2022	
10	Advisory on meetings	27 th September 2022	