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JEEViKA

An Initiative of Government of Bihar for Poverty Alleviation

Bihar Rural Livelihoods Promotion Society
State Rural Livelihoods Mission, Bihar



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Office Order

Strengthening of JEEViKA Model CLFs (JMCLFs) in BTDP

Jeevika Model CLF (JMCLF) programme of BTDP project aims to develop and demonstrate various **context-specific best practices and processes over the next 12 months** that would help in making the **32 JMCLFs as independent and self-managed community institutions**. It will then act as a demonstration site for replication of best practices in other CLFs in the future.

In this backdrop, certain documents have been prepared which will provide actionable points and strategies in the development of JMCLFs, it is also important that in order to strengthen these CLFs, certain systems and processes needs to be further strengthened and streamlined, and all the activities need to be completed in a focussed and time-bound manner.

DPM/In Charge is hereby directed to review the progress of JMCLFs with the concerned thematic at the district level on a regular basis.

(Rahul Kumar)

Chief Executive Officer - cum - State Mission Director

Enclosure:

- Annexure A – Guidance Note on JEEViKA Model Cluster Level Federations (JMCLFs)
- Annexure B – Key differentiators of JMCLFs from other CLFs
- Annexure C – Activity Matrix for the development of Model CLF

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1. OSD/Director/CFO/PS/AO
2. All PCs/SPMs/SFMs/PMs/AFMs
3. DPMs/Concerned thematic Managers/FM/Manager IBCB/TOs/BPMs
4. IT Section
5. Concerned file.

Guidance Note on JEEViKA Model CLF (JMCLF)

Bihar Transformative Development Project's (BTDP) objective is to diversify and enhance incomes and improve access to nutrition and sanitation services among targeted households through the development of member-owned, managed, and controlled sustainable women SHGs and their federations. It focuses on the promotion of livelihood for each poor household and strengthening the capacity of the community institutions in 320 blocks in Bihar.

Envisioned state of JMCLF in Bihar SRLM

Under Model CLF strategy, there is a plan to develop **32 CLFs as J-Model CLF**. The Model Cluster level federations being proposed are expected to become **independent, self-managed** community institutions that are **owned and controlled by the community** and **professionally managed** to become **financially self-sustainable**. It will act as a demonstration site for replication of the concept in remaining CLFs in the future.

In this backdrop, in a model CLF two defining characteristics are proposed. They are:

Member-owned, managed governed organization:

- The institution will have a definite goal and a perspective plan for 5 years. The 5 years plan will be detailed in the Annual Action Plan with specific milestones to achieve.
- CLF registered under Bihar Self Supporting Cooperative Act 1996 as primary level federations
 - It will have proper bye-laws which incorporate different functions CLF is engaged in.
 - Mechanisms for attending to all the requisite compliances of the legal act
 - CLF leaders are aware of and attend to all the compliances of CLF.
- Primary members relate to the CLF on the following:
 - All eligible households are brought under the SHG-VO-CLF structure
 - End-to-end service support to enhance livelihood opportunities and income for members.
 - Members access financial services which include credit services, insurance services, etc.
- Strong internal governance in the organization across three tiers:
 - Defined protocol of governance structure, membership, leadership, selection/ election process, and rotation norms.
 - CLF having competent staff who are managed under a standard HR protocol.
 - CLF leaders leading performance review of CLF functions.
 - CLF leaders review the performance of its tier institutions- VO and SHGs on the basis of standard performance indicators
 - CLF has a strong digitized MIS system generating reports on SHG, VO, and CLF level financial transactions.

Self-sustainable institution with a robust business plan:

- Financial intermediation function will generate a major source of revenue for the CLF
 - CLF will have a business plan.
 - Efficient loan management system for facilitating better credit rotation

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- CLF will partner with banks and other financial institutions for leveraging larger amounts of credit for its members for its diversified needs like enterprise set up loan, assets purchase loan, agriculture loan, housing loan, etc.

Expected measurable outcomes

- They will become self-managed, able to meet their 60% operational cost.
- They shall demonstrate standard system planning, execution, finance, and administration to manage operations independently.
- They shall have an established system for providing microfinance loans to VOs and have On Time Repayment rates of the same at VO by CLF as > 85%
- The CLFs shall include all eligible members (90% and above) especially the most vulnerable into SHG fold and give priority to them in the provision of all benefits and services
- They shall have a legal identity and ensure timely compliance of statutory requirements
- They shall have their own staff and support to assist the CLF in delivering services effectively especially ensuring the quality of SHGs and VOs under its fold.
- They will act as demonstration sites/training centers for replication of model in the remaining blocks with the necessary process, protocol, and resources in place.
- They will play a support role in ensuring the implementation of social and livelihood interventions by the project.

Strategies

- Registration and strengthening of governance systems in CLFs
- Developing vision, annual action plan, the budget, and business development plan of CLFs and establishing a system to monitor the same periodically.
- Establishment of capacity building, mentoring, and nurturing activities for the CLF board and staff.
- Organise exposure visits and exchange programs across federations within and outside the state.
- Development of community financial management system and lending mechanism
- Developing HR system at CLF, recruitment, deployment, and monitoring of all community cadres
- Development of institutional performance monitoring system and undertake process monitoring studies to strengthen the same.
- Development of external, internal audit system and internal control mechanism for CLFs
- Mainstreaming social inclusion, FNHW, and PRI convergence interventions through promoting partnership with stakeholders.
- Rating of CLFs
- Development of e-learning modules to facilitate consistent learning across community leaders and staff.

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Key Performance Indicators of JMCLFs

Key Area	Key Action	Key Performance Indicator
1. Effective and Independent Governance systems at CLF	<ul style="list-style-type: none"> All 32 MCLF to be registered under BSSCOS Act 1996 with systems for audit and legal compliance. Rotation of leadership of CLFs. Visioning exercise Fine tuning of existing policies and procedures. 	1.1 CLF have a well-articulated vision document developed
		1.2 CLF conducts at least 10 BoD meetings in a year with at least 80% attendance
		1.3 Completion of statutory audit and legal compliances as stipulated
		1.4 Rotation of BoDs once in three years
		1.5 Annual general meeting in last 12 months
2. CLF Staff, systems of planning, review, and monitoring of operations	<ul style="list-style-type: none"> Selection process of CLF Coordinator Project staff viz dedicated Anchor Person and Community staff viz Cluster Facilitator, CLF Bookkeeper, MIS Assistant etc. placed at CLF with clear role and responsibility. CLF staff are recruited and paid by CLF Development of 'Community Spearhead Team' (8-10 Senior CRPs) to forward the agenda of CBO Quality. Rolling of Institutionalized Cadre Payment Monthly Tracking Registers (CPMTS APP). 	2.1 CLF HR policy approved and practiced by CLF
		2.2 CLF appoints a CLF coordinator and 4-5 key staff
		2.3 At least 10 staff reviews are conducted by Office bearers in a year
		2.4 Annual plan and budget is approved by Board and reviewed every quarter
3. CIF and Loan management systems in place	<ul style="list-style-type: none"> Fine-tuning of Policies and Procedures for lending to VOs including loan appraisal, sanction, and disbursal systems in place. Ensuring loan utilization, monitoring, and tracking of repayments, OD, and NPA management. Operational Self Sufficiency 	3.1 Repayment rate of VO to CLF is > 85%
		3.2 Idle cash less than 10%
4. Financial Self-Sufficiency of operations	<ul style="list-style-type: none"> Operational Self Sufficiency 	3.3 Loan rotation of more than 1.5 times of community fund available in a year
		4.1 Operational Self Sufficiency of 60%
5. Integration of Social and livelihood interventions in CLFs	<ul style="list-style-type: none"> CLF to converge with government and private institutions to promote innovations in varied areas. 	4.2 At least 25% of the income contributed by service cost from SHGs and VOs
		5.1 At least 60% of members availed one entitlement in a year
		5.2 At least 10% of members availed loans of Rs 50,000 and above for business from CLF
6. Quality and performance of SHGs and VOs	<ul style="list-style-type: none"> Rolling of Institutionalized CBOs monitoring and review system/MP&MG (APP based) to review and monitor institutional performance. Training to all field staff. Rolling and entries are being initiated in the MP-G application. 	5.3 At least one new program/Collaboration initiated by CLF in a year.
		6.1 At least 70% of SHGs in A, at least 20% B and not more than 10% in C grade
		6.2 At least 70% VOs in A, 20% in B and 10% in C grade

Annexure B

Key differentiators of Jeevika Model CLFs (JMCLFs) from other CLFs

CLFs and Jeevika Model CLFs are different based on the focus on the key activities and how they are executed to ensure the outcomes i.e., JMCLFs demonstrate ownership of their functions and operations by CLF staff and board, and the operational systems are in place for the self-management. Few of the major differences between CLF and the Jeevika Model CLF are listed below:

Key Focus Areas	CLF	Jeevika Model CLF (JMCLF)
Capacity Building Initiatives	CB of CBOs and Community Professionals are planned and managed by the project	CLF will have its CB plan and all the training is managed by CLF on its own.
Decision Making	Dependency on project staff in decision making and primarily guided by the project advisories.	Decisions are taken by CLF BoD on their own based on the actual situation on the ground after a due consultation process. CLF will also have MIS for data-driven decision making.
Conducting Meeting	Meetings are conducted as per the directions of project staff	Board meetings are conducted and the agenda is decided by the Board of Directors. CLF staff takes responsibility for management functions and is guided by the BODs. CLF Coordinator will conduct monthly review of all staff (CMs and VO bookkeepers) and responsible for preparing a CLF level monthly action plan (as per AAP) and progress report including the budget utilization.
HR Management of CLF	CLF staff are reviewed and monitored by project staff	CLF BoD will review and monitor their staff. CLF staff and the BOD will have clear roles and responsibilities well defined. CLF staff takes primary responsibility to implement the activities and ensure the management and BOD provide oversight and monitor the functions of the staff. The work plan of each staff is prepared and reviewed by the CLF Coordinator. The annual appraisal is conducted for all staff by the anchor and guided by the Board.
Cadre Honorarium	Project is contributing to cadre honorarium of CLF staff	Payment of CLF level staff honorarium is done from CLF's own funds and income. CLF will decide the number of Cadres needed for the activities implemented. CLF will also ensure that the cost of other community cadres is paid by the SHGs and VOs.

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MIS System at CLF Level	MIS Operator is placed at the block level, and all the data entry and data management is at the block level	CLF will have its own MIS Operator and its establishment; all the data entry and data management of CLF will be done at CLF Level. CLF Coordinator and other CLF staff will make use of the MIS reports to ensure timely repayment as per the demand and in other
Annual Action Plan and Business Development Plan	Programs are implemented as per project priorities and funds available.	CLF will prepare its Annual Action Plan including the Annual budget and Business Development Plan (As per the vision of the CLF) approved by the Board and implemented by the CLF Coordinator and other CLF staff.
Ensuring quality of SHGs and VOs	Project staff are responsible to oversee the functions and quality of SHGs and VOs	Digitalization of SHG, VO, and CLF transaction and loan management, digitalization of mashik prativedan through which CLF will monitor the quality of their SHGs and VOs. CLF will do monthly grading of VOs and can give incentives to the best performers in AGM. At least 40% SHGs and VOs should fall in Grade 'A'. SHG and VO level community cadres' work is reviewed and monitored by the CLF anchor in addition to VO EC. CLF anchor will integrate the work at all levels.
Financial sustainability of CLF	The operational costs are primarily met out of the project grants and interest income on loans.	CLF will meet 70 – 100% of its operations costs out of its own income. CLF will have multiple sources of income in addition to interest on loans. viz., service cost, CRP cost, annual subscription, profit sharing from PC/PG operations, etc., CLF will ensure that the interest income is collected as per the demand and there is less overdue.
Registration, Auditing and annual compliance		All CLFs registered under Bihar Self Supporting Cooperative Society Act, 1996 as Primary Level Federation CLF anchor is responsible for completing the annual audit of VO and CLF. CLF-level Internal audit teams are in place to complete the SHG audit within the CLF. Statutory auditing of VO and CLF to be completed and return filing as required. AGM completed as per the mandate.
Role of project staff and CLF staff	Project staff are involved in CLF management but are not accountable for specific outcomes and are reviewed by the Board.	The role of project staff and CLF staff to be clearly defined. If the project staff is involved in CLF management, they need to be made accountable for CLF level performance indicators and they need to be reviewed by the project and the BODs.

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Loan management, NPA, and repayment rates		<p>No overdue of principal and interest on loans at CLF level given to VOs.</p> <p>Clear policies for recovery and ensuring discipline among the member VOs and SHGs.</p> <p>Ensure 90% and above on-time repayment rates at CLF level with more than 2-3 times of rotation rates.</p> <p>CLF will develop a lending policy and offer more loan products to meet the diverse needs of members such as housing, and enterprise loans to PG/PCs based on the local need.</p>
Community Grievance		<p>CLF has a functional Community Grievance Redressal Committee (CGRC) and is able to resolve the community grievances</p>

Activity Matrix									
Sl.No	Activities	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
1	Community HR								
a	Selection of CF (@2-3 CF per JMCLF)								
b	Training of newly joined CF								
c	Selection of CLF Coordinator								
d	training of CLF Coordinator								
e	Training /Refresher training to CMs								
f	Monthly cadre payment & update of R1 & R2 registers								
2	CIM								
a	CIM to SHGs & VOs (100%)								
b	CIM to JMCLF								
3	Registration of JMCLF								
a	Document preparation and online submission for registration								
b	Training on Statutory compliances to district level ICB team								
c	Training on Statutory compliances to CLF anchor person								
d	Membership drive at Federation								
4	Capacity Building of Staff and CBOs								
a	Modular training to SHGs (M1-M4)100%								
b	Modular training to VO (M1-M3), 100%								
c	Modular training to VO (M4-M5), 100%								
d	Modular training to all JMCLFs (M1-M9), 100%								
e	BoD training (Governance, cadre mgt., CBOs grading)								
f	Holistic training of BPM on BOR								
g	Training of MBK's on BOR								
h	Orientation of CF Managers, Anchor person,CLF BKs on closing of BOR								
i	Meeting with BPM's on Financial Management								
j	Community training on Financial Management								
k	VO OB members training (CBO quality)								
l	Exposure of JMCLFs, Cadre & Anchors								
m	Training to subcommittees								
5	Visioning exercise, AAP & BDP (FY:2022-23)								
a	ToT to JMCLF Anchors, Managers and SRPs on federation concept, facilitation and mobilization process	Completed							
b	ToT to JMCLF Anchors, Managers and SRPs on JMCLF visioning and AAP exercise	Completed							
c	ToT to JMCLF Anchors, Managers and SRPs on Business development plan								
d	Demonstration at JMCLFs on vision modules, AAP and BDP								
e	Training to JMCLF on Visioning, AAP and BDP								

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a	Inclusion of all eligible SHGs in VO (100%)								
b	Inclusion of all eligible VOs in JMCLF (100%)								
7 CBOs MP&G									
a	Role out of MP at SHGs and VOs (>90%)								
b	Grading of SHGs & VOs (>80%)								
8 Resource pool development									
a	Identification and training to Senior CRPs (15 CRPs per JMCLF)								
b	Identification of Master Trainer (among CM, BK, CF & MBK), 05 per JMCLF								
9 AGM of JMCLFs									
10	training to dedicated team for JMCLF (1 AC & 2 CC) on "Leadership Development and Strengthening of JMCLF"								
11	Monthly meeting of "Block level JMCLF quality Committee"								
12	Monthly meeting of " District level JMCLF strengthening Committee"								
13 Implementation of E Learning Platform									
a	ToT to CLF Anchors on "Leadership Module"							Completed	
b	ToT to district team on "Leadership Module"								
c	Training to CLF BoD members through E learning platform								
d	Formation of new training content for E Learning platform								
14 CLF Grading tool roll out									
15 Establishment of Community Managed Training Centre at JMCLFs									
16	Exposure of Model CLFs to CLFs having best practices (At national Level)								
17 Digitization of transactional Data									
a	Transactional Digitisation of CLF's with the lag of 15 Days								
b	Transactional Digitisation of VO's with the lag of 45 Days								
18 Utilising MIS System for monitoring Mechanism									
a	Institualising MIS For Monitoring Mechanism								
b	Tracking Cash and bank balance for idle fund management								
c	Accuracy of transactional data: Continuous verification of cash and bank balance/ledger with BOR								
19 Audit and Compliance									
a	One time audit of rest of VO's and CLF's by chartered accountant firms								
b	Implementation of community audit process at model CLF's areas.								
20 Financial Management at CBO's									
a	Training of Office bearers and other community members at financial management aspects.								

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21	Saturation in terms of Financial Inclusion under BTDP ModeCLFs								
a	link all the SHGs under JMCLF's with Bank through 100% saving and linkage account opening								
22	SHG digitization								
a	Capturing Data from inception to March'21 for all SHGs								
23	Strengthened the CLFs with Financial Discipline and action plans								
a	Implementation of office order 3583(ICF management) and 900(Financial Discipline)								
24	Capitalization of Community Investment Fund to VO's under JMCLF's								
a	Providing ICF to all VO's under JMCLF's								
25	VO infrastructure to JMCLF's								
a	Digital Infrastructure in 100 Identified VO's								
b	Basic Infrastructure to all 1296 VO's under JMCLF's								