

Odisha Urban Livelihoods Mission



Housing and Urban Development Department
Government of Odisha

CONTENT

SN	Subject	Page No
1	Background	2
2	Mission, Principles, Values & Strategy	2
2.1	OULM Mission	2
2.2	Guiding Principles	2
2.3	Values	3
2.4	Strategy	3
3	Target Population	3
4	Social Mobilisation and Institution Development (SMID)	3-6
4.1	SHG	4
4.2	Area Level federation	4
4.3	City Level Federation	4
4.4	Universal Financial Inclusion	5
4.5	Revolving Fund Support to SHGs	6
4.6	Training and other capacity Building Programmes	6
5	Financial Linkages	6
6	Affordable Insurance (Health, Life and Pension)	6-7
7	Project Design and Sub Components	7
7.1	Employment through Skills Training and Placements(EST&P)	7-8
8	Self Employment Programme	9-11
9	Procedure for Sponsoring application	11
10	Administrative structure at state level	11
11	Administrative structure at District Level	12-13
12	Administrative structure at ULB Level	14
13	Task Force at ULB level	14
14	Monitoring & Evaluation	15
15	Guidelines for Implementation	15
16	Annexures	16-29

1. BACKGROUND:

Govt. of India has launched National Urban Livelihoods Mission in 33 ULBs of Odisha (all cities with 1 lakh or more and DHQ towns with 1 lakh or less population) as an alternative to SJSRY (which had been implemented in all ULBs of the State). As on date, there is no poverty reduction/livelihoods programme for the Non-NULM ULBs. Urban poverty alleviation and livelihoods remains a priority for the Govt. of Odisha, for which a new mission named 'Odisha Urban Livelihoods Mission' is formulated.

2. MISSION, PRINCIPLES, VALUES & STRATEGY

2.1 Odisha Urban Livelihoods Mission (OULM)

The Mission aims at reducing poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor in Urban Local Bodies (ULBs).

2.2 Guiding Principles

- 2.2.1 OULM believes that any livelihood promotion programme can be scaled up in a time-bound manner only if self-driven by the poor and their institutions. Such strong institutional platforms support the poor in building up their own human, social, financial, and other assets. This in turn, enables them access to rights, entitlements, opportunities and services from the public and private sectors, while enhancing their solidarity, voice and bargaining power.
- 2.2.2 As per the Constitution (74th Amendment) Act, 1992, urban poverty alleviation is a legitimate function of the Urban Local Bodies (ULB). Therefore, ULBs would need to undertake a lead role for all issues and programmes concerning the urban poor in cities/towns, including skills and livelihoods.
- 2.2.3 OULM aims at universal coverage of the urban poor for skill development and credit facilities. It will strive for skill straining of the urban poor for market-based jobs and self-employment, facilitating easy access to credit.
- 2.2.4 OULM place a very high emphasis on convergence with schemes/programmes of the State/ Central governments dealing with skills, livelihoods, entrepreneurship development, health, education, social assistance etc. An alliance strategy will be sought with all concerned departments to promote skills training of rural-urban migrants as a bridge between the livelihoods of the rural and urban poor.
- 2.2.5 OULM aims at partnership with the private sector in providing skill training and employment. It will strive for active participation of private and civil society sectors in skill training and placement of the urban poor and also in facilitating technological, marketing and handholding support for the urban poor entrepreneurs who want to be self-employed and setup their own small businesses or manufacturing units.

2.3 Values

The mission will espouse the following values:

- 2.3.1 Ownership and productive involvement of the urban poor and their institutions in all processes;
- 2.3.2 Transparency in programme design and implementation, including institution building and capacity strengthening;
- 2.3.3 Accountability of government functionaries and the community;
- 2.3.4 Partnerships with industry and other stakeholders; and Community self-reliance, self-dependence, self-help and mutual-help.

2.4 Strategy

OULM will adopt the following strategy:

- 2.4.1 Building capacity of the urban poor, their institutions and the machinery involved in its implementation;
- 2.4.2 Enhancing and expanding existing livelihoods options of the urban poor;
- 2.4.3 Building skills to enable access to growing market based job opportunities offered by emerging urban economics;
- 2.4.4 Training and support for establishment of micro-enterprises by the urban poor either self or in group.

3. TARGET POPULATION

- 3.1 OULM shall cover all left-out ULBs of Odisha not covered under NULM for which there is no poverty reduction/livelihoods programme.
- 3.2 Primary target group of OULM is the urban poor youth.
- 3.3 The coverage may be extended to include disadvantage groups like SCs, STs, Women, Minorities, Third gender, Disabled persons etc. subject to maximum of 50% of the above.
- 3.4 Since the Socio Economic and Caste Census (SECC), 2011 meant for identification of urban poor is yet to be concluded, as interim measure beneficiaries shall be selected based on the erstwhile SJSRY norms (identified BPL families as per BPL census list 1997 and 2004).

4. SOCIAL MOBILISATION AND INSTITUTION DEVELOPMENT (SM&ID)

- 4.1 Mobilization of urban poor into Self-Help Groups (SHGs) and federations.
 - 4.1.1 At least one member from each urban poor household, preferably a woman, to be brought under the Self-Help Group network in a time-bound manner.
 - 4.1.2 These groups will serve as a support system for the poor, to meet their financial and social needs.
 - 4.1.3 Normally, women SHGs will be formed; however SHGs of male Person with Disability (PWD) can be considered.
 - 4.1.4 Emphasis on mobilization of vulnerable sections such as SCs, STs, minorities, female-headed households, persons with disabilities, destitute, migrant laborers, third gender; and occupational groups such as street vendors, rag pickers, domestic workers, beggars, construction workers etc.

4.1.5 SHGs will federate at the Slum/Ward-level into an Area Level Federation (ALF). ALFs will organize into federation at the City level as a City Level Federation (CLF).

4.2 Federations of SHGs at the Area and City-levels:

An Area Level Federation (ALF) is an association of SHGs consisting of representatives from all member SHGs, with the objective of supporting member-SHG, guide and monitor the functioning of SHGs and form and train new SHGs. The Federation of SHGs is essential to deal with larger issues like Bank Linkage, Inter-group lending, negotiations with higher level structures and to gain greater bargaining power over the rights and privileges of SHGs.

4.2.1 **Membership of Area Level Federation:** An Area Level Federation (ALF) may be formed with 10 to 20 SHGs covering area of a ward or slum or such other geographical unit with a minimum of 2 members (nominated representatives) per SHG. However the Urban Local Body (ULB) may decide the number of SHGs in a federation as per the local conditions.

4.2.2 An ALF should be registered as society/association under the relevant law of the State. However these are only indicative and ALF should be encouraged to make their own bye-laws.

4.2.3 Responsibilities of an ALF:

4.2.3.1 Facilitate bank linkages for member SHGs i.e. opening of their accounts and helping them getting loans;

4.2.3.2 Providing hand-holding support in the development of loan proposals by member SHGs;

4.2.3.3 Capacity Building of new SHGs as well as existing member SHGs for their successful functioning;

4.2.3.4 Facilitate member SHGs' access to benefits under OULM as well as access to social assistance benefits under various government programmes;

4.2.3.5 Support the formation of new SHGs and monitor and evaluate functioning of its member SHGs;

4.2.3.6 Resolve issues raised by member SHGs in accessing credit from banks.;

4.2.3.7 Raise issues of importance at the level of the City Level Federation;

4.2.3.8 Regularly report to the ULB about the SHG's functioning.

4.2.4 The ALFs will come together to form a City level Federation (CLF). It is expected that each city will have at least one CLF. The CLFs should be registered as societies/association under the relevant law of the State. All ALFs in a city should be represented at the CLF.

4.3 The CLF is expected to work with ALFs, member SHGs, city administration and financial institutions to ensure social and economic empowerment of the urban poor.

4.3.1 Responsibilities of a CLF:

4.3.1.1 To represent the needs of the urban poor at various levels;

4.3.1.2 Advocacy with the ULB and State Government for pro-poor planning, master plans, vendor planning, etc.

4.3.1.3 To facilitate access of member ALFs' and member SHGs' to banking services;

4.3.1.4 New group formation and support;

- 4.3.1.5 To identify specific training and capacity building needs of its member ALFs;
- 4.3.1.6 Work closely with the respective ULB to facilitate identification of beneficiaries

4.4 Sub-Component–Universal Financial Inclusion

- 4.4.1 The objectives of Universal Financial Inclusion cannot be achieved in absence of a strong support mechanism pertaining to financial literacy. In order bring all the beneficiaries within the ambit of Universal financial inclusion it is imperative that the ULBs should take positive action to achieve financial literacy to individual beneficiaries and SHGs as per their requirements.
- 4.4.2 The ULB will organise sessions on financial literacy for SHG members. In these sessions the beneficiaries will be made aware about the savings, credit, remittance, insurance etc., along with the modalities and operational requirements for accessing the same.
- 4.4.3 The banks, financial Institutions, insurance agencies, micro finance agencies may be encouraged to communicate with the urban poor through IEC activities.
- 4.4.4 ULBs will ensure availability of information and IEC material regarding financial literacy with Community Organisers.
- 4.4.5 The RBI has issued detailed guidelines to all the banks for opening of Financial Literacy Centres. The latest guidelines are contained in RBI circular RPCD. FLC. No. /12.01.018/2011-12 dated June 6, 2012 and RBI circular RPCD/FLC. No. 7641/12.01.018/2012-13 dated January 31, 2013. As per these guidelines all the lead banks are mandated to open at least one Financial Literacy Centre in the office of Lead District manager. Additional Centre can be opened as per requirement of the area. The ULB will do the necessary coordination in their respective jurisdiction through Financial Literacy Centres (FLCs) of the banks to organise financial literacy sessions and camps.
- 4.4.6 ULB will assign targets to Community Organisers (COs) on financial literacy sessions and camps to be organised on an annual basis.

4.5 Sub-Component – Revolving Fund Support to SHGs

- 4.5.1 The revolving fund is provided to the Self Help Groups (SHGs) to inculcate the habit of thrift and credit. The revolving fund also builds institutional capacity of the SHGs in managing funds. The revolving fund would form part of the corpus along with their own savings. The revolving fund can also be used for internal lending and interest may be charged similar to interest charged for lending out of their own savings.
- 4.5.2 A one-time Revolving Fund (RF) Rs 10,000 only will be provided to urban poor SHGs, which have not availed such support earlier. A SHG should be functional for a period of 6 months with at least 70% of SHG members should be urban poor to become eligible for Revolving Fund support under OULM. The RF is also available to existing SHGs formed under SJSRY which have not availed the same.
- 4.5.3 The SHG can route its application for revolving fund through ALFs/COs to ULB. The ULB will check the application and requisite documents/records of the SHG like number of meetings held and minutes recorded since inception, collections made from members towards group savings & regularity in savings, collection and amount of savings mobilized etc. before sanctioning and releasing the Revolving Fund to eligible SHG. ULB may take some random sample check of RF applications for field level verification if required for due diligence. The RF will be transferred directly into the bank account of the respective SHG by ULB.
- 4.5.4 The ULB should ensure timely release of the revolving fund to the SHG within a period of 15 days from the date of receipt of application. The ULBs will also periodically report the progress in terms of number of SHGs availed revolving fund to OULM for further reporting to the Govt.

4.6 Sub-Component– Training & Other Capacity Building Programmes for SHGs and their Federations

A key objective of the Capacity Building and Training component is to transform the role of the Agencies in charge of urban poverty alleviation into providers of high quality technical assistance in the fields of urban livelihoods promotion and urban poverty alleviation.

5. FINANCIAL INSTRUMENTS

- 5.1 Holding a bank account itself confers a sense of identity, status and empowerment and provides access to the formal financial system. The Department of Financial Services, Ministry of Finance, Government of India has issued directions to all the banks to open one account per family in all rural and urban areas. In urban area, the Lead District Manager is required to allocate each ward to a particular bank for ensuring opening of an account for each family (Letter no. 6/23/2012-FI dated 24th July, 2012). Efforts should be made so that all the potential target beneficiaries should have facility of an account as a bare minimum requirement for coverage under this component. The operational steps involved are as follows:
- 5.2 Consensus on procedures/process for opening up of accounts for the beneficiaries including linkage with UID-Aadhaar(if required for KYC) at OULM, State Level Bankers Committee (SLBC) and its convenor bank's level.
- 5.3 The OULM in coordination/ discussion with respective SLBC and its convenor banks need to ensure following-
 - Inclusion of opening up of basic accounts for OULM beneficiaries as a priority agenda in meetings of State Level Banking Committee(SLBC)
 - Operational formalities such as availability of forms at all the branches/ extension counter of the banks, UPA Cell of ULBs.
 - Organise camps within the respective jurisdiction of ULB in coordination with banks for opening up of accounts with support of COs;
 - Encourage banks to engage Business correspondents (BC)/Business Facilitators as per the requirement of the city for effective outreach.
 - The targets for opening of basic savings banks accounts for potential beneficiaries will be decided on an annual basis by OULM in discussion with respective SLBC to cover all the potential OULM beneficiaries in a phased manner.

6. AFFORDABLE INSURANCE (HEALTH, LIFE AND PENSION)

- 6.1 In order to bring the beneficiaries of OULM within the ambit of social insurance and to provide coverage from risks/ uncertainties viz: death, accident, disability, hospitalization & retirement the respective ULBs will ensure facilitation of low cost insurance products/services including micro-pension to the potential beneficiaries.
- 6.2 OULM should ensure maximum coverage under to the existing/ on-going insurance schemes of Government of India such as *Rashtriya Swasthya Bima Yojana* (RSBY) for health insurance, *Janashree Bima Yojna* (JBY) for Life Insurance, any state specific insurance schemes and micro insurance products.
- 6.3 Identification/finalisation of insurance schemes by OULM after analysing premium cost and product benefit of each.

- 6.4 The COs/other institutions will ensure awareness about the shortlisted schemes through SHG meetings, camps etc. In these meetings, they will communicate the features, advantages, benefits and premium cost along with claims procedures for each scheme. Wherever possible ULB should ensure that representatives of insurance providers are invited to share the scheme details with the beneficiaries.
- 6.5 The ULB may explore the possibility of engaging matured SHGs as micro insurance agents in discussion with insurance providers.
- 6.6 The ULB must take care that no scheme is imposed on the beneficiaries and they should be encouraged to understand the benefits and choose scheme as per their own free will.
- 6.7 COs will prepare a list of persons interested in insurance schemes and will facilitate linkage/enrolment to the selected scheme periodically.
- 6.8 The ULB will share annual progress made with regard to coverage of beneficiaries under various insurance scheme to OULM.

7. PROJECT DESIGN AND SUB COMPONENTS

7.1 Employment through Skills Training and Placement (EST&P)

- 7.1.1 This component of OULM will focus on providing assistance for development / upgrading of the skills of the urban poor so as to enhance their capacity for self-employment and salaried employment. EST&P intends to provide training to the urban poor as per the skill demand from the market, so that they can set up self-employment ventures or secure salaried employment. EST&P will target the urban poor subjected to occupational vulnerability. The prescribed qualification as provided under NULM qualification will be applicable.
- 7.1.2 The percentage of beneficiaries under EST&P shall not be less than 30 percent in case of women and shall not be less than the percentage of SC & ST population to the urban poor population in that town/ city. A special provision of 3 percent reservation should be made for the differently-abled. Apart from that, special attention will be paid to the skill up-gradation of vulnerable groups like beggars, rag pickers, construction workers, destitute, third gender etc.
- 7.1.3 Skill training will be linked to accreditation and certification and preferably be undertaken on a Public-Private-Partnership (PPP) mode. It will involve reputed institutes, including Govt. ITIs, Polytechnics, NITs, industry associations, Govt. engineering colleges, management institutes, skill training centres, foundations, NSDC and other reputed entities in government, private and civil society sectors.
- 7.1.4 List of empanelled Skill Training Providers (STPs) and Certification Agency (CA) will be supplied by State Govt./OULM from time to time.
- 7.1.5 For placement linked skill training, the Skill Training Providers (STPs) will be responsible for at least 50 percent placement in self employment/ in remunerative jobs.
- 7.1.6 Given the diversity of local contexts, each ULB will decide the skills important for their local economies. Apart from hard skills, training on soft skills should also be provided as a part of the same training programme. This may include Spoken English/National/State Language, Financial Literacy, Computer Literacy, Life Skills including training on office and social etiquette, punctuality, etc.
- 7.1.7 An agreement need to be signed with Skills Training Providers (STPs) by SUDA/ ULB for this purpose.
- 7.1.8 Training cost in different sectors/trades for varying durations with placement/certification will be supplied by OULM in accordance with NULM guidelines.

- 7.1.9 Skill Gap Analysis:** In order to achieve the above objectives, the trainings should be provided as per the industry demand and as per the curriculum recognized nationally. The industry demand for skill can be assessed only through a comprehensive Skill Gap Analysis at ULB level. The Skill Gap Analysis (SGA) should provide a clear picture of the industry wise demand for trained manpower, nature of skills required, trades to be selected for EST&P both for wage employment as well as for self-employment. The SGA should also state the nature and duration of the courses required for each trade. Such a study must have projections for a period of 5 years. The Skill Gap Analysis conducted by National Skill Development Corporation (NSDC) may be referred by the ULBs. The Skill Gap Analysis should provide demand for employment in upcoming industries and also identify the scope for setting up of self-enterprises in local area. The trainings should be conducted for imparting skills with highest demand in local areas, however for candidates willing to migrate to other regions skill training courses not identified under skill gap analysis may also be conducted.
- 7.1.10 Curriculum Designing:** The Ministry of Labour & Employment has designed curriculum for a list of Modular Employable Skill (MES) courses under the Skill Development Initiative Scheme. The curriculum as provided by MoL&E may be followed for the skill training courses. However, if MES courses do not have curriculum for any particular skill training then a formal curriculum may be approved by the OULM/Govt.. List of trade, duration, cost will be supplied by OULM.
- 7.1.11 Soft Skills:** In addition to the basic skill training on specific skills, the training course modules should have the following modules integrated into the course curriculum:
- Soft Skills – Basic Communication skills (in English and local language), Basic computer operations (for courses other than computer training), Professional Etiquettes, etc.
 - Financial Literacy – Orientation and awareness on savings, credit, subsidy, remittance, insurance and pensions.
 - Other government schemes – the candidate may also be provided information regarding other government schemes (including other components of OULM) and entitlements for poverty alleviation. The ULB should facilitate access to such schemes and entitlements for the urban poor. The above inputs will also assist the candidate on a longer and sustainable basis.
- 7.1.12 Course Duration:** The course duration for all the skill training programmes under EST&P would be minimum 3 months (approximately 400 hours of the technical training plus 30 hours for soft skills training). If the MES Curriculum is being followed, then the basic and advanced level skill training courses may be combined to ensure a minimum of 400 training hours. However, for such combined courses a single certificate should be provided.
- 7.1.13 Cost Norms:** The maximum cost support provided for training under EST&P will be Rs 15,000 only. The training cost will include cost of candidate mobilization, curriculum design, raw materials required for training, assessment & certification, placement linkage, MIS and post-placement tracking of the candidates. No infrastructure development cost will be supported under this component. The cost of training would vary based on the course curriculum, infrastructure and materials needed for the course, course duration, etc. The OULM shall ensure that cost of the training course is decided in consultation with the competent technical agencies or as per market conditions. The OULM may review the training cost on an annual basis. The amount mentioned above is the maximum support per candidate provided under OULM. However, if the training cost is higher than the above, then the additional cost may be borne by the ULB or the Skill Training Provider.
- 7.1.14 Certification:** Each successful candidate undertaking training under EST&P component of OULM should be awarded a certificate issued by a competent agency which has acceptability in the industry. Assessment of the skills gained should be done by an independent certifying agency. The training agency should not be entrusted with the assessment and certification of the trainees

to ensure objective assessment. The Certification Agency (CA) should be empanelled by the mission based on the quality, integrity and past-record of the agency.

8. SELF-EMPLOYMENT PROGRAMME (SEP)

This component of OULM will focus on providing financial assistance to individuals groups of urban poor desirous of setting up of gainful self-employment ventures/ micro-enterprises suited to their skills, training, aptitude and local conditions. Besides generation of income, the component will empower the urban poor by making them self-reliant. The component will provide financial assistance to urban poor for setting up of Individual Enterprises (SEP-I) and Group Enterprises (SEP-G) in form of interest subsidy on bank loans. The component will support Self Help Groups (SHGs) of urban poor to access easy credit from bank and avail interest subsidy on SHG loans. The component also focuses on technology, marketing and other support services to the individuals/ group entrepreneurs, SHG members and Urban street vendors/ hawkers engaged in micro enterprises for their livelihoods. Further the component will also facilitate credit cards for working capital requirement of the entrepreneurs.

- 8.1 **Selection of Beneficiary:** The Urban Local Body (ULB) will identify the prospective beneficiaries from among the urban poor. The community structures formed under Social Mobilization & Institutional Development (SM&ID) component of OULM viz: Self Help Groups (SHGs)/ Area Level Federations (ALFs) may also refer prospective individual and group entrepreneurs for providing financial assistance under SEP to ULB. The beneficiaries may directly approach ULB or its representatives for assistance. Banks may also identify prospective beneficiaries at their end and forward such cases to ULBs for recommendation.
- 8.2 **Educational Qualifications and Training Requirement:** No minimum educational qualification is required for prospective beneficiaries under this component. However where the identified activity for micro-enterprise development requires some special skills, appropriate training must be provided to the beneficiaries before extending financial support by linking them to **Skills Training for Micro-Enterprise Development/Self-Employment** under Employment through Skills Training and Placement (EST&P) component. Financial assistance should be extended only after the prospective beneficiary acquires required skills for running the proposed micro-enterprise. Such training may not be necessary if the beneficiary has already undergone training from a reputed institution, registered NGO/Voluntary Organization or trained under any government scheme provided requisite certificate is produced. In case the beneficiary has acquired requisite skills from family occupation such cases should be certified by the ULB before extending financial assistance.
- 8.3 **Entrepreneurship Development Programme (EDP):** In addition to skill training of the beneficiaries, the ULB will also arrange to conduct Entrepreneurship Development Programme for 3-7 days for individual and group entrepreneurs. The EDP will cover basics of entrepreneurship development such as management of an enterprise, basic accounting, financial management, marketing, backward and forward linkages, legal procedures, costing and revenue etc. In addition to above topics the module should also include group dynamics, allocation of work, profit sharing mechanism etc. for group enterprises.
- 8.4 The EDP module would be developed and finalized by Odisha Urban Livelihoods Mission (OULM) supported by State Mission Management Unit (SMMU) with assistance of an empanelled institution/agency or consulting firm and same may be utilized for conducting training programme by the ULB. This EDP training may be arranged through institutions such as Rural Self Employment Training Institutes (RSETI), reputed institutions engaged in entrepreneurship development/ training, management/ educational institutes, reputed NGOs engaged in entrepreneurship development/ training etc.
- 8.5 Any cost incurred on training of beneficiaries under this component is to be met out of ES&TP component.

8.6 Pattern of Financial Assistance: The financial assistance available to urban poor in setting up individual and group enterprises will be in the form of **Interest subsidy** on the bank loans. Interest subsidy, over and above 7% rate of interest will be available on a bank loan for setting up of individual or group enterprises. The difference between 7% p.a. and the prevailing rate of interest will be provided to banks under OULM. Interest subsidy will be given only in case of timely repayment of loans. Suitable certification from banks will be obtained in this regard.

8.7 Procedure for interest subsidy: After disbursement of loan to the beneficiaries, the concerned branch of the bank will send details of disbursed loan cases to ULB along with details of interest subsidy amount. The ULB will check the data at their end and will release the interest subsidy amount (difference between 7% p.a. and prevailing rate of interest) on a quarterly basis to the banks.

8.8 An additional **3 percent** interest subvention will be provided to all **Women SHGs (WSHGs)** who repay their loan in time. The Interest subsidy will be subject to timely repayment of the loan (as per the loan repayment schedule) and suitable certification obtained from banks by the ULB. The additional 3% interest subvention amount will be reimbursed to the eligible WSHGs. The banks should credit the amount of 3% interest subvention to the eligible WSHGs accounts and thereafter seek the reimbursement.

8.9 Individual Enterprises (SEP-I)- Loan & Subsidy

8.9.1 An urban poor individual beneficiary desirous of setting up of an individual micro-enterprise for self-employment can avail benefit of subsidized loan under this component from any nationalized bank. The norms/ specifications for individual micro-enterprise loans are as follows:

8.9.1.1 Age: The prospective beneficiary should have attained the age of 18 Years at the time of applying for loan.

8.9.1.2 Project Cost (PC): The Maximum unit Project Cost for individual micro-enterprises cases will be limited to Rs. 2,00,000 (Two Lakhs) only.

8.9.1.3 Collateral Security on Bank Loan: No collateral Security is as required as per *RBI Circular RPCD, SME & NFS, BC. No. 79 /06.02.31/2009-10 dated May 6, 2010*. Banks are mandated **not** to accept collateral security in the case of loans upto Rs. **10 lakhs** extended to units in the MSE sector. Therefore only the assets created under the project would be hypothecated/ mortgaged/ pledged to banks for advancing loans. The banks may approach Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) setup by Small Industries Development Bank (SIDBI) and Government of India for the purpose of availing guarantee cover for SEP loans as per the eligibility of the activity for guarantee cover.

8.9.1.4 Repayment: Repayment schedule ranges from 5 to 7 Years after initial moratorium of 6-18 months as per norms of the banks.

8.10 Group Enterprises (SEP-G) -Loan & Subsidy

A Self Help Group (SHG) or members of an SHG constituted under SJSRY or a group of urban poor desirous of setting up a group enterprise for self-employment can avail benefit of subsidized loans under this component from any bank. The norms/ specifications for group micro-enterprises loans are as follows:

8.10.1 Eligibility: The group enterprise should have minimum 5 members with a minimum of **70% members from urban poor families**. The application/ intent to set up a group enterprise by beneficiaries/ group members should preferably be referred by the community structures viz: SHG/ ALF formed under SJSRY/ OULM.

8.10.2 Age: All members of the group enterprise should have attained an age of 18 years at the time of applying for bank loan.

8.10.3 Project Cost (PC): The Maximum unit Project Cost for a group enterprise will be Rs 10 lakhs only.

8.10.4 Loan: Project Cost less the beneficiary contribution (as specified by bank) would be made available as loan amount to the group enterprise by the bank.

8.10.5 Collateral Guarantee on Bank Loan: No collateral guarantee is required. Only the assets created under the project would be hypothecated/ mortgaged/ pledged to banks for advancing loans. The banks may approach Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set by Small Industries Development Bank (SIDBI) and Gol.

8.10.6 Repayment: Repayment schedule ranges from 5 to 7 Years after initial moratorium of 6- 18 months as decided by banks.

9. PROCEDURE FOR SPONSORING OF APPLICATIONS:

- 9.1 The application for individual and group enterprise loans will be sponsored by the Urban Local Body (ULB) which will be the sponsoring agency for the individual and group enterprise.
- 9.2 The ULB will create awareness regarding SEP to the prospective beneficiaries through mass media campaigns, IEC activities, advertisements in local newspapers, etc.
- 9.3 The beneficiaries desirous of seeking financial assistance for setting up of an enterprise can submit an application of intent to the concerned ULB officials on a plain paper with basic details viz: Name, Age, Contact details, Address, Aadhaar details (if any), amount of loan required, bank account number (if available), type of enterprise/ activity, category etc. The intent could also be sent by mail /post to the ULB office. The ULB shall accept such intents throughout the year.
- 9.4 The community structures formed under Social Mobilisation & Institutional Development (SM&ID) component of OULM viz: Self Help Groups (SHGs)/ Area Level Federations (ALFs) may also refer prospective individual and group entrepreneurs for purpose of financial assistance under SEP to ULB.
- 9.5 On submission/receipt of the intent from the beneficiary the respective ULB will enter the details in a register/or MIS if available and hence will generate a waiting list of beneficiaries. The ULB will issue an acknowledgement to the beneficiary with a unique registration number, which may be used as a reference number for tracking the status of application.
- 9.6 Banks may also identify beneficiaries as per the eligibility criterion and receive the intent letter. The applications received directly by the banks will be referred to the ULB. The applications in this case will also form a part of the waiting list.
- 9.7 ULB will call the beneficiaries in order to the waiting list to complete requisite documentation including filling of Loan Application Form (LAF), activity details, identity proof, address proof, bank account details etc. The OULM will develop and supply a **Loan Application Form (LAF)** in suitable format in consultation with other stakeholders, Bankers Committee (SLBC) convener bank. The same LAF may be utilized across the State.
- 9.8 The applications completed in all respect will be sent to the TASK force constituted at ULB level for scrutiny which will call the prospective beneficiaries for an interview before recommending or rejecting the application or call for additional information from the applicant if required.
- 9.9 The case duly recommended by the task force will be forwarded by the ULB to the concerned banks for further processing. Such cases recommended by task force have to be processed by concerned banks within a time frame of **15 days**. As these cases are already recommended by the task force, such cases should be rejected by banks only in exceptional circumstances.

9.10 The banks will send a periodic report to the ULB on the status of the applications received. In case of MIS being used, the banks may be allowed to update the status of application online in addition to manual report.

10. ADMINISTRATIVE STRUCTURE AT STATE LEVEL

10.1 **Governing Council:** The Governing Council of NULM headed by Hon'ble Minister Housing & Urban Development, Odisha shall also be the Governing Council for OULM.

<i>Sl.No</i>	<i>Designation</i>	<i>Membership</i>
1	Minister, Housing and Urban Development	Chairperson
2	Minister, Finance	Member
3	Minister, Rural Development	Member
4	Minister, Labour & Employment	Member
5	Minister, Industries	Member
6	Minister, Health	Member
7	Minister, Employment & Technical education & Training	Member
8	Chief Secretary	Member
9	Convenor, State Level Bankers Committee	Member
11-12	Representatives of Urban Local Bodies – Mayors/Chairpersons(2) nominated by chairpersons	Member
13-15	Livelihoods Experts/Civil Society/Industries Representatives (3) nominated by chairpersons	Members
16	Secretary, Housing and Urban Development Deptt.	Member Convenor
17	Any other member(s) co-opted be Chairperson	Members

10.2 **Executive Committee:** The Executive Committee of NULM headed by Chief Secretary, Odisha, Shall also be the Executive Committee for the OULM.

<i>Sl.No</i>	<i>Designation</i>	<i>Membership</i>
1	Chief Secretary	Chairperson
2	Secretary, Finance	Member
3	Secretary, Housing and Urban Development	Member
4	Secretary, Rural Development	Member
5	Secretary, Labour & Employment	Member
6	Secretary, SC & ST Development, Minorities & Backward classes welfare Deptt.	Member
7	Secretary, Health and Family Welfare Deptt.	Member

8	Secretary, Works Deptt.	Member
9	Secretary, Food Supplies and Consumer Welfare Deptt.	Member
10	Secretary, School & Mass Education Deptt.	Member
11	Secretary, Employment & Technical education & Training Deptt.	Member
12	Secretary, Women and Child Development Deptt.	Member
13-14	Convenor, State Level Bankers Committee & Head of another Nationalised Bank	Member
15	State Representatives of RBI	Member
16	Industry Representatives to be nominated by the chairperson	Member
17-19	Representatives of SHGs/Federations(3)	Member
20	State Mission Director, NRLM	Member
21	Vice Chairman –State Council of Educational & Vocational Training	Member
22	State Mission Director-OULM	Member Convenor
23	Any other member(s) co-opted by Chairperson	Members

10.3 **Steering Committee:** The Steering Committee of NULM headed by Secretary to Govt. Housing & Urban Development shall also be the Steering Committee for the OULM.

Sl.No	Designation	Membership
1	Secretary, Housing and Urban Development	Chairperson
2	Secretary, Women and Child Development Deptt.	Member
3	Secretary, Employment & Technical education & Training Deptt.	Member
4	Secretary, MS & ME Deptt.	Member
5	Secretary, Health and Family Welfare Deptt.	Member
6	Secretary, Handlooms, Textiles & Handicraft Deptt.	Member
7	Director Municipal Administration & Ex-Officio Additional Secretary to Govt. of Odisha	Member
8	Mayor, Bhubaneswar Municipal Corporation	Member
9	Convenor, State Level Bankers Committee	Member
10	Representatives of RBI	Member
11	State Mission Director-OULM	Member Convenor

10.4 Odisha Urban Livelihoods Mission (OULM): State Mission, Director NULM appointed by the Govt., State Mission Management Unit (SMMU), City Mission Management Unit (CMMU) & all other committee established/constituted under NULM shall monitor, guide & support implementation of OULM in non-NULM ULBs of the State.

10.5 State Urban Development Agency (SUDA) will be the nodal agency for implementation of OULM.

11. ADMINISTRATIVE STRUCTURE AT DISTRICT LEVEL

At the District level the OULM will be implemented & monitored through DUDA.

12. ADMINISTRATIVE STRUCTURE AT ULB LEVEL

Executive Officers concerned shall be responsible for implementation of OULM through the Consultant and Community Organizers. Services of MIS & Accounts Officers engaged in the ULB shall also be utilized for MIS reporting and finance related duties respectively.

13. TASK FORCE AT ULB LEVEL

A Task Force proposed to be constituted at each ULB for recommending cases of individual and group enterprises for onward transmission to the banks by the ULB.

Proposed Structure		
1	Executive Officer of ULB	Chairman
2	Lead District Manager (LDM)	Member
3	Community Organizer nominated by Executive Officer	Member
4	Representative from District Industries Centre (DIC)	Member
5	Senior Branch Managers (Max-2) of banks	Member
6	Representatives(2) of Area Level Federation / City Level Federation	Member
7	ULB OULM Coordinator	Member Convener

13. 1 KEY RESPONSIBILITIES OF ULB

- Ensure the social mobilization of urban poor in his or her operational area.
- Facilitate community in forming self-help groups/federations.
- Facilitate implementation of all programmes/aspects related to OULM.
- Develop community level comprehensive database on infrastructure, assets and social aspects, update the database periodically.
- Support and strengthen SHGs and federations in accessing convergent services.
- Promote SHG-Bank linkage.
- Establish liaison with government departments for greater convergence.
- Assist in all survey related to OULM.
- Document good practices/ replicable models.
- Organize and attend community level meetings trainings, as per the need.
- Submit periodic reports as necessary.
- Ensure that all potential target beneficiaries are provided with a bank account as a bare minimum requirement.
- Shall convene meetings of the Task Force in consultation with the EO.
- Any other tasks assigned from time to time by the Executive Officer.

14. MONITORING & EVALUATION

- 14.1 ULBs will be required to send in Monthly Progress Reports (MPRs) /Quarterly Progress Reports (QPRs) in prescribed formats with regard to targets and achievements. Apart from MPRs/ QPRs, the Mission Directorate, OULM may prescribe other progress reports as may be considered appropriate from time to time. SUDA will establish suitable monitoring mechanisms and monthly reporting from the ULBs regarding the progress of various components of OULM.
- 14.2 Given the geographic scale and magnitude of their sources and activities to be supported by OULM, a comprehensive and robust I Tenable OULM MIS would be established for tracking offer gets and achievements.
- 14.3 The monitoring activities will include, but not be limited to, third party evaluation, impact evaluation studies and social audit, etc. The evaluation of the mission will be undertaken during the course of its implementation to effect mid-term corrections and align the scheme on the achievement of its key objectives.

15. GUIDELINES FOR IMPLEMENTATION

The State Mission Directorate will issue a set of detailed operational guidelines from time to time for each component and sub-component of OULM, for effective operationalization, implementation and monitoring of the Mission.

Annexure-I: Model SHG Rules and Regulations

1. The name of the group shall be and herein after referred to as “The SHG”.
2. The SHG is located in city and the address of the group is as follows:

Pin-code: _____

3. **Objectives:** The objectives of the SHG are:

- a. To promote regular savings among members of the group.
- b. To make available credit to members of the group to meet urgent domestic needs.
- c. To form a group that would be eligible to receiving benefits under the Odisha Urban Livelihoods Mission(OULM) and other schemes of the Government of India and State Governments and would be able to articulate a demand for the same.
- d. To build leadership skills of members so that they can manage the group in rotation.

4. **Membership:**

- a. Persons above 18 years of age at the time of joining.
- b. Persons who are desirous of saving his/her money with the SHG.
- c. Persons who are willing to take a loan from the SHG.
- d. Persons who have been a resident of _____ <name of a slum/area> _____ since _____ <enter year here> _____
- e. OR persons from families that have been identified as “poor” by the State Government in urban areas.
- f. Not more than one member per family shall be allowed to join a group.
- g. The total number of members at any time should not exceed 20 persons or be less than 10 persons.

5. Savings:

- a. Every member shall save Rs. _____ (in figures and words) per month and on _____ (specify date here) all members will deposit their individual savings with the Treasurer of the SHG.
- b. The SHG shall decide the savings amount on a regular basis from time to time. Any changes to this amount and there a son for the same will be reflected in the record of the meetings of the SHG.
- c. If a member does not pay savings money on a decided date, she/he will be fined with Rs. _____ (in figures and words) per _____ (specify per month, per week, or per day).

6. Group Management:

- a. There shall be a management committee for the SHG responsible for its day-to-day and strategic management
- b. The Management Committee shall consist of three office bearers—Chairperson, Secretary and Treasurer—who shall each be elected by all members of the group from among the members for a period of 1(one) year.
- c. These office bearers cannot remain in office continuously for more than 2 terms.
- d. In case the group elects to have more than one member per family as members of the group, then not women members of the same family should stand for elections as SHG office bearers at the same time.
- e. Responsibilities Of the Chairperson:
 - i. Presides over the regular meetings and any other meetings of the SHG.
 - ii. Signs (or puts thumb impression) to approve the decision and resolutions of the SHG taken at various meetings.
 - iii. Calls for or postpones special meeting.
 - iv. Solve a complaint with the help of other office bearers and members if required.
 - v. Check and coordinate the activities of the Secretary, Treasurer and other members
 - vi. Maintain relationships within and outside the SHG, especially with the banks and ULB to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of OULM.
 - vii. Regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.

f. Responsibilities of the Secretary:

- i. Call meetings with the prior permission of the Chairperson and prepare the agenda for every meeting.
- ii. Maintain a record of the proceedings of all regular and special meetings and read them out at the next meeting.
- iii. Write resolutions made at each meeting and read them out at the same meeting.
- iv. The Secretary will maintain the membership register, attendance register, and activity and resolution register.
- v. Conduct all meetings and chair a meeting if the Chairperson is absent.
- vi. Verify the books of account of the SHG regularly and report to the members in every meeting.
- vii. Maintain relationships within and outside the SHG, especially with the banks and ULB to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under OULM.
- viii. Regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.

g. Responsibilities of the Treasurer:

- i. Preserve all important papers and documents related to financial matters of the SHG.
- ii. Maintain all accounts of the SHG i.e. members' savings and loan register, member passbooks, group bank pass book and loan book, cash transaction register
- iii. Deposit all cash collected at meetings within two days of collection
- iv. Pay loans approved by the SHG to members and receive savings, repayment, interest, fines, etc.
- v. Present all financial reports of the group

7. Meetings:

- a. The group will meet _____ <specify number here> _____ time/s every month. The dates of the meetings are _____ <specify dates here> _____.
- b. In case of an urgent and important issue, the group can hold special meetings at a shorter notice.
- c. A minimum of 80% of the group's members with at least 2 out of 3 of the office bearers must be present for decisions to be valid. Where decisions on group funds above Rs. _____ (in figures and words) or changes in the rules and regulations are to be made, all members must be present.
- d. The SHG will hold its Annual General Meeting on _____ <specify date here > _____ every year. This meeting will review the last year's activities and financial progress and plan the activities for the next year. (The group may use this meeting to conduct regular annual elections for the posts of office bearers of the Managing Committee).
- e. In case of special meetings or a change in the conduct of regular meetings, the Secretary of the group is supposed to give _____ days notice to the members about such meetings.
- f. If a member does not attend _____ <specify number of meetings> _____ consecutive periodic meetings with out any prior information, she/ he will have to face a penalty of Rs. _____ (in figures and words) per meeting missed.

8. Maintenance of Group Records:

- a. Every member will be given a savings and loan pass book where savings and loan balances for each member are recorded and updated regularly. It is the responsibility of the Treasurer to make all entries.
- b. Membership, attendance, activity and resolution registers will be kept with the Secretary to register membership, proceedings, attendance and resolution so fall meetings.
- c. Savings and Loan register will be kept with the Treasurer at the group level to maintain all individual records of savings and loans
- d. Cash book and bank loan register will be maintained by the Treasurer who will update the position of all income and expenditure as well as bank loans received and repaid.
- e. Group Bank Pass Book to be maintained by the Treasurer and updated regularly at each deposit and withdrawal.
- f. All group records are to be made available freely for examination by each individual member during the meetings and at other times, with

reasonable notice to the relevant office-bearer of the Managing Committee. SHGs may engage a non-member for book-keeping, fixing token payment for the service. However, members providing this service to their own SHG will do so on a volunteer basis without payment.

9. Managing the Group's funds:

- a. The loan limit for each individual member shall be decided by the SHG. The amount will not exceed Rs. _____ (in figures and words) at a time.
- b. The interest rate shall be Rs. _____ (in figures and words) per month per Rs.100.00 (Rupees Hundred Only).
- c. The loan repayment procedure shall be decided by all members of the SHG
- d. On sanction of the loan, the record of the loan, including agreed repayment schedule must be written in the applicant's saving and loan pass book and the group's saving and loan register. Thereafter, all repayments (and defaults, if any) must also be recorded in the applicant's savings and loan pass book and the group's savings and loan register.
- e. The loan shall be granted as long as:
 - i The member has repaid any previous loan amount in full, along with the interest;
 - ii The member has been depositing regular savings with the SHG for a period of at least 3 months.
- f. All the income that accrues to the SHG from interest on savings and loans and returns from penalties and fees will be added to the SHG corpus.

10. Managing the Group's Bank Account:

- a. The SHG account shall be kept in the nearest bank. The Treasurer, Chairperson and/or Secretary (any two) shall have joint signatory power. All withdrawals to be supported by a resolution of the SHG

11. Withdrawal of Membership :<Group members should discuss in detail the procedure and terms of refund of money if a member proposes to leave the group. This should be recorded in the Bye-Laws of the group>.

12. Disqualification of Membership: A member may be disqualified by the SHG on the following criteria:

- a. Non-participation in regular group meetings for more than _____ times.
- b. Not depositing regularly for more than _____ months

c. Not repaying the loan received from the group.

d. Not following the rules of the group.

13. **Change in the rules and regulations:** The rules of the SHG or any part there of can be amended by all members present at a General Body Meeting convened for the purpose.

14. **Dissolution of the group:** In the event of group dissolution, members need to discuss the formalities and terms of group money distribution and group payables and receivables among themselves before the group can be dissolved. The agreed conditions of dissolution and re-distribution of funds should then be recorded in the bye-laws of the group. Members with a majority vote may decide to dissolve the group.

Annexure II: Model Bye-Laws for ALFs

1. The name of the federation shall be _____ and herein after referred to as "The Federation".
2. The Federation shall accept as members, Self-Help Groups (SHGs) of _____ ward and the address of the group is as follows:

Pin Code: _____

3. Objectives: The objectives of the Federation are:

- a. To provide a forum for regular interaction and networking between member SHGs and assist in the formation of new SHGs wherever needed.
- b. To take up activities that strengthen member SHGs, but cannot be taken up by individual SHGs on their own such as facilitate bank linkages for member SHGs, provide handholding support for the development of member SHG's loan proposals.
- c. To facilitate member SHGs' access to benefits under OULM and other Government of India and State Government schemes and to create linkages with institutions of relevance for their welfare e.g. facilitate insurance
- d. Work as an information dissemination body by facilitating member SHGs' access to skill training and micro-enterprise formation support under OULM as well as access to social assistance benefits under various government programmes, e.g. insurance
- e. Handhold and build the capacity of new member SHGs and regularly review the functioning and strengthen the capacity of existing member SHG to continue to successfully function
- f. To successfully represent the Federation and member SHGs at the City Level Federation
- g. To build leadership skills of members so that they can manage the member SHGs and the federation.

4. Membership:

- a. SHGs in the area defined above which have:
 - i. Been in existence for at least 6 months
 - ii. Been meeting and saving regularly(not less than 80% of the members)

- iii. Been repaying any loans given (not less than 90% repayment)
- iv. Paid the prescribed admission fee and the fixed yearly subscription fees
- b. Each member SHG will elect two of its members to represent the group in the Executive Committee of the Federation for a one year term. One of these members shall be an SHG office bearer ;the other one may be a general SHG member or an office bearer.

5. Contributions:

- a. At the time of admission, each SHG shall pay an admission fee of Rs. _____ (in figures and words)
- b. Each member SHG shall pay a subscription fee of Rs. _____ (in figures and words) per year.
- c. If a member SHG does not pay they early subscription fee on the decided date, it will be fined Rs. _____ (in figures and words) per _____ (e.g. per month/week/day)

6. Group Management:

- a. A General Body (GB) shall comprise two representatives per member SHG
- b. From the GB, five members shall be selected as the Management Committee who shall be responsible for strategic and day-to-day management of the federation.
- c. The Management Committee shall consist of five office bearers—Chairperson, Secretary, Treasurer, Livelihood Volunteer, Social Security Volunteer and Financial Inclusion Volunteer—who shall each be elected by all members of the ALF from among the ALF members for a period of 1(one)year.
- d. These office bearers can remain in office continuously for only 2 terms.
- e. All three office bearers must be from three different SHGs.
- f. Responsibilities of the Chairperson:
 - i. Presides over the regular meetings and any other meetings of the Federation
 - ii. Signs (or puts thumb impression) to approve the decision and resolutions of the Federation taken at various meetings
 - iii. Calls for or postpones a special meeting
 - iv. Check and coordinate the activities of the Secretary, Treasurer and other members
 - v. Maintains relationships within and outside the Federation, especially with the

Banks and ULB of _____ (name of the city) to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of OULM.

- vi Regularly report progress of the Federation to the ULB of _____ (name of the city) along with any other details requested in a timely manner.

g. Responsibilities of the Secretary:

- i. Call meetings with the prior permission of the Chairperson and prepare the agenda for every meeting
- ii. Maintain a record of the proceedings of all regular and special meetings and read them out at the next meeting.
- iii. Write resolutions made at each meeting and read them out at the same meeting.
- iv. The Secretary will maintain the membership register, attendance register, and activity and resolution register
- v. Conduct all meetings and chair a meeting if the Chairperson is absent.
- vi. Verify the books of account of the Federation regularly and report to the members in every meeting.
- vii. Maintain relationships within and outside the Federation, especially with the banks and Urban Local Body of _____ (name of the city) to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of OULM
- viii. Regularly report progress of the Federation to the ULB of _____ (name of the city) along with any other details requested in a timely manner.

h. Responsibilities of the Treasurer:

- i. Preserve all important papers and documents related to financial matters of the Federation.
- ii. Maintain all accounts of the Federation i.e. cash book, loan ledger, receipt and payment vouchers.
- iii. Deposit all cash collected at meetings within two days of collection.
- iv. Pay loans approved by the Federation to members and receive savings, repayment, interest, fines etc.
- v. Present all financial reports of the group

- i. Responsibilities of the Livelihood Volunteer:
 - i. Identify employment sectors which would increase income for SHG members
 - ii. Provide support for setting up new enterprise ventures under OULM linking the members to credit and advisory services;
 - iii. Provide linkage with skill training opportunities under OULM.
- j. Responsibilities of the Social Security Volunteer:
 - i. Evaluate the social security needs of member SHGs;
 - ii. Liaise with ward officials in charge of health, education and other social security such that member SHGs are linked with benefits available in the city
 - iii. Compile and update a list of schemes in the city whose benefits member SHGs can access and disseminate this information through the ALF.
- k. Responsibilities of the Financial Inclusion Volunteer:
 - i. Ensure that member SHGs are linked with banks;
 - ii. Ensure that member SHGs are linked with financial institutions for insurance and money remittances;
 - iii. Ensure that individuals from member SHGs have Basic Savings Bank Deposit Accounts (BSBDAs)
 - iv. Ensure that all member SHGs undergo financial literacy training

7. Meetings:

- a. The group will meet _____ <specify number here> _____ time/s every month. The dates of the meetings are _____ <specify dates here> _____.
- b. In case of an urgent and important issue, the group can hold special meetings at a shorter notice.
- c. A minimum of 80% of the group's members with at least 2 out of 3 of the office bearers must be present for decisions to be valid. Where decisions on group funds above Rs. _____ (in figures and words) or changes in the bye-laws are to be made, all members must be present.
- d. The Federation will hold its Annual General Meeting on _____ <specify date here> _____ every year. This meeting will review the last year's activities and financial progress and plan the activities for the next year. (The group may use this meeting to conduct regular annual elections for the posts of office bearers of the

Managing Committee).

- e. In case of special meetings or change in the conduct of regular meetings, the Secretary supposed to give _____ days notice to the members about such meetings.
- f. If an SHG representative does not attend _____ <specify number of meetings> ___ consecutive periodic meetings without any prior information, the SHG will have to face a penalty of Rs. _____ (in figures and words) per meeting missed.

8. Maintenance of Group Records:

- a. Membership, attendance, activity and resolution registers will be kept with the Secretary to register membership, proceedings, attendance and resolutions of all meetings.
- b. Cash book and bank loan register will be maintained by the treasurer who will update the position of all income and expenditure as well as bank loans received and repaid.
- c. Group Bank Pass Book to be maintained by the Treasurer and updated regularly at each deposit and withdrawal.
- d. All group records are to be made available freely for examination by each member SHG during the meetings and at other times, with reasonable notice to the relevant office-bearer of the Managing Committee.

9. Managing the Group's funds:

- a. Loans will be considered during periodic meetings of the federation based on a written application from any member SHG addressed to the Chairperson of the Managing Committee of the federation. While representatives of the member SHG applying for the loan may take part in the discussions, they will not be allowed to vote at the time of taking a decision on the loan.
- b. The loan limit for each individual member SHG shall be decided by the full Executive Committee considering the financial position of the federation and its obligations to meet the credit needs of a number of member SHGs.
- c. The interest rate shall be Rs. _____ (in figures and words) per month per Rs.100.00 (Rupees One Hundred Only).
- d. The loan repayment procedure shall be decided by the Executive Committee of the Federation.
- e. On sanction of the loan, the record of the loan, including agreed repayment schedule must be recorded in the Activity, Resolution, Saving and Loan registers. Thereafter, all repayments (and defaults, if any) must also be so recorded.

f. The loan shall be granted as long as:

- i. The member SHG has paid all federation membership fees due and has repaid any previous loan amount in full, along with the interest.
- ii. The proposed loan purpose is viable.
- iii. The member SHG is meeting and saving on a regular basis is following its bye-laws and takes an active interest in the Federation.

g. All the income that accrues to the Federation from interest on savings and loans and returns from penalties and fees will be re-invested in the Federation fund/corpus.

10. Managing the Group's Bank Account:

a. The Federation account shall be kept in the nearest bank. The Treasurer, Chairperson and/ or Secretary (any two) shall have joint signatory power. All withdrawals to be supported by a resolution of the Executive Committee of the Federation.

11. Withdrawal of Membership: The Executive Committee should discuss in detail the procedure and terms of refund of money if a member SHG proposes to leave the group. This should be recorded in the Bye-Laws of the group.

12. Disqualification of Membership: A member SHG may be disqualified by the Federation on the following criteria:

- a. Non-participation in regular federation meetings for more than _____ times
- b. Not paying the subscription fee.
- c. Not repaying the loan received from the federation.
- d. Not following the rules of the group.

13. Change in the bye-laws: The rules of the Federation or any part thereof can be amended by all Members present at a General Body Meeting convened for the purpose.

14. Dissolution of the federation : In the event of group dissolution, members need to discuss the formalities and terms of group money distribution and group payables and receivables among themselves before the group can be dissolved. The agreed conditions of dissolution and re-distribution of funds should then be recorded in the bye-laws of the group. Members with a majority vote may decide to dissolve the group.

Annexure-III: Check list for a functional SHG

This is to be applied monthly

S.No.	Factor to be checked	Checklist
1.	Group Size	Number of members in a group
2.	Types of Members	70% urban poor to ensure Revolving Fund access
3.	Number of meetings	Minimum once in a week
4.	Rules of SHGs	The rules of SHGs should be framed and rules followed in every meeting
5.	Attendance of members per meeting	Minimum 90% attendance per meeting
6.	Savings collection within the group	Savings deposited by all members in each regular scheduled meeting held
7.	Internal Loan repayment from members	All internal loans repaid on time by SHG members as per the loan repayment schedule
8.	Maintenance of records	<ol style="list-style-type: none">1. There should be a record of every meeting in the minute book with signature/thumbprint of all members.2. Every meeting should have a record of attendance3. Savings and internal loans register should be updated in every meeting.4. Bank pass book to be updated once a month.
9.	Management Committee	<ol style="list-style-type: none">1 All three office bearers(Chairperson, Secretary and Treasurer or their equivalents) have been elected.2 Elections have been carried out once a year.3 All three office bearers have attended at least 90% meetings each4 No two members of the same family are office bearers in the SHG.
10.	Bank linkages	<ol style="list-style-type: none">1. The SHG should have a bank account2. The SHG should have been successful in grading by a bank for credit access
11.	Capacity Building	<ol style="list-style-type: none">1. Every SHG member has gone through a basic SHG training at least once2. Every SHG member has gone through basic financial literacy training at least once3. SHG office bearers have undergone leadership and SHG man- agreement training

Annexure-IV: Application to Revolving Fund Support to ALFs under OULM

Application for Revolving Fund(RF) Support to Area Level Federation (ALF) under OULM (Attach Requisite Documents)

Application No	Date of Application	Name of Area Level Federation (ALF)	Complete Address with Pin code/Ph No	Landmark	Date of formation of ALF	Date of opening of bank Account	Bank Account number	Bank Name	Branch Name	Branch Address	Date of Registration

Details of Office Bearers of the ALF				Remarks by		Remarks by		Overall Remarks By		Approved	Rejected	Date Trans of RF ALF
President	Name	Signature	Ph No	Field Coordinator	Name	CMMU representative	Name	ULB Competent Authority	Name	Signature	Ph No	Date
Secretary	Name	Signature	Ph No									
Treasurer	Name	Signature	Ph No	Date	Date	Date	Date	Date	Date	Date	Date	Date

