

Advisory on Development of Model SHG Federations

1. Rationale

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 and financially sustainable SHGs and their federations and promotion of multiple livelihoods for each rural poor household. The experiences of some of the matured states have proved that, the SHG federations are very effective in addressing the multi-dimensional issues of poverty on a sustainable basis. Promotion of effective and efficient governance, financial and human resource management systems are the key in development of self-managed and financially sustainable institutions.

As part of the Institution Building component, DAY-NRLM has promoted 3.5 lakh Primary Level Federations (PLFs)/Village Organisations (VOs) and 31,781 Secondary Level Federations (SLFs)/Cluster Level Federations (CLFs) across the country. The existing VOs/PLFs and CLFs/SLFs are at different stages of development and their performance varies from block to block and state to state.

The Resource Block strategy was found very effective in enhancing the understanding levels of SRLMs staff on various processes and activities that are involved in the Social mobilization, formation and strengthening of SHGs and augmenting institution building process in other blocks. On the similar lines of the Resource block strategy and in consultation with SRLMs, MoRD has prepared an **Advisory on Model CLF Strategy** for developing selected CLFs as **self-managed, self-reliant and financially sustainable model SHG Federations** in a phased manner. The SRLMs are expected to utilise these CLFs as demonstration and training sites for replicating the best practices in other blocks.

As different states are following different models of institutional structures, it is decided to consider whichever higher level institution/federation is the custodian of CLF that institution/federation needs to be considered for development of model CLF strategy.

2. Geographic Coverage:

2.1 Under National Rural Economic Transformation Project (NRETP):

At least @ one CLF per NRETP block has to be developed as a "Model CLFs" in all 13 NRETP states viz., Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal

2.2. Under DAY - NRLM:

At least 10 CLFs per state in all states (other than North East and North West states) and 5 CLFs per state in North East and North West states have to be developed as "Model CLFs" initially. The states need to increase the number of model CLFs every year.

3. Objectives:

3.1 To develop SHG Federations as member-owned, member-managed, member-controlled and financially sustainable institutions

3.2 To develop SHG Federations as demonstration sites/training center's for replication of the model in the remaining blocks

3.3 To develop skilled social capital for nurturing and building the capacities of the SHG federations in the remaining blocks, in the similar lines of Resource block strategy

4. Expected Outcomes:

- All Model CLFs will become self-managed, able to meet their operational costs
- All Model CLFs shall demonstrate standard systems planning, execution, service-delivery, finance and administration.
- All Model CLFs will be inclusive and equitable in nature. The CLFs shall include all eligible members especially most vulnerable into SHG fold and give priority to them in provision of all benefits and services.
- All Model CLFs will have PAR < 5% (>30 days)
- All Model CLFs will have legal identity and fulfil statutory requirements regularly
- All Model CLFs will have their own staff and cadre support CLF in delivering the services effectively
- Higher order social capital will be developed @ 10 members per Model CLF
- A pool of resource persons viz., SRPs (@ 1 per 3 model CLFs) 30-50 state level senior CRPs per state will be available for replication of model CLF strategy in the states
- 100 National CRPs and 30 NRPs will be available for providing technical support to states
- All the mission staff involved in Model CLF strategy will be trained on VO/PLF and CLF/SLF Standard Operational Procedures (SOPs)
- As per the demand, in addition to livelihoods and financial services, all CLFs will be implementing one or more higher order development interventions like Food, Nutrition, Health and WASH (FNHW), Gender, Social Inclusion, Convergence etc.
- All model CLFs will act as demonstration sites/training center's for replication of model in the remaining blocks with necessary processes, protocols, resources in place

5. Strategies:

- Developing Vision and preparation of Financial projections for CLFs
- Registration and strengthening of governance systems in CLFs/SLFs
- Establishment of capacity building, mentoring and nurturing Architecture
- Development of community financial management systems and lending mechanisms(including financing PGs and Non-farm Enterprises)
- Development of HR systems in CBOs, recruitment, deployment and monitoring of all community cadres/service providers of all components
- Development of institutional performance monitoring systems
- Development of on-line and off-line applications for accounting and MIS systems
- Development of internal, external audit systems and internal control mechanisms for the CLFs
- Mainstreaming of Social Inclusion, Gender, FNHW and PRI CBO convergence interventions
- Imparting Financial literacy to SHG members and CBOs and bringing them on digital platform for performing financial transactions
- Provision of Viability Gap funding and infrastructure fund
- Rating of CLFs
- Partnership with Civil society organisations, Resource Organisations and various other Government line departments for long-term development of CBOs

6. Activities:

6.1 Preparatory activities:

The following activities has to be completed by SRLM before initiating model CLF implementation:

- Positioning of dedicated professionals for Social mobilization, Institution building and capacity building at state and concerned districts and blocks as per NRLM advisory.
- Recruitment, capacitating and placement of dedicated quality HR under NRETP as per NRETP HR Advisory at state and block level (Senior Technical expert - SMF& Gender, Technical Expert, Model CLF Development, Technical Expert - Capacity building, 4 Young professionals for IBCBSI&SD and Young Professional at block level @ 1 YP in each Model CLF block)
- Dedicating one dedicated senior officer at state, district and block level for monitoring the implementation of Model CLF strategy regularly. SMMU needs to share the list of dedicated officers for model CLF strategy implementation with NMMU officially
- Develop State/block Resource Persons (external professionals) and Community Spearhead Team Policy and get approval from the competent authority.
- Keeping the financial sustainability of CLFs in view, develop Community Cadre Policy and get approval from the competent authority
- Completion of CLF Assessment as per the standard format shared by NMMU
- Identification of SRPs for Model CLFs Initiative and their deployment followed by orientation

6.2 Selection of CLFs:

6.2.1 Selection of CLFs to be developed as model CLFs based on the following criteria:

Mandatory Criteria:

- a) Age of CLF – minimum 6 Months (Not applicable if CLF has been promoted as part of model CLF strategy)
- b) CLF should have functional its bank account (Not applicable if CLF will be formed as part of model CLF strategy)
- c) At least 60% of eligible target HHs mobilized into SHGs (automatically included HHs and Households with one deprivation as per SECC data)
- d) At least 50% of SC/ST HHs covered under SHG fold
- e) At least 60% SHGs are in A or B Grade
- f) Disbursement of RF to at least 50% of eligible SHGs and CIF to at least 40% eligible SHGs
- g) CIF repayment mechanism (member to SHG, SHG to VO and VO to CLF) in place
- h) CLF should have completed basic CLF management and accounting training
- i) Pool of committed Community Cadres trained and deployed
- j) At least 60% of VOs formed and working actively as per following criteria:
 - 80% of eligible SHGs having membership in VOs
 - Completion of training on VO concept and management including book keeping
 - Presence of VO Book Keeper
 - Regularity of meetings – 70% or more in last 6 months
 - Regularity of attendance – 70% or more in last 6 months
 - Having a savings bank account
 - Rotation of Fund – CIF disbursement and repayments systems in place
 - Up-to-date and accurate maintenance of books of records
 - Pool of committed Community Cadres trained and deployed

Desirable Criteria:

- Priority to be given to the CLFs identified for implementation of Digital Finance, promotion of PG/PC, Non-farm/Entrepreneurship development, Gender, FNHW and PRI-CBO Convergence

6.2.2 Mapping of CLFs having special interventions (FI, LH-Farm, LH-Nonfarm, SI, FNHW, Gender and PRI - CBO convergence) under NRETP / NRLM

6.3 Kick Starting Model CLF Initiative:

6.3.1 Conducting State and CLF Level workshops:

- With support of NMMU IB team, a three - four days State level workshop with concerned CEO/SMD & COO/JMD, all thematic SPMs or state level officials, NRP, SRPs, DMMU – IB, SISD, FI, LH, MIS, M&E and HR, concerned BMMU staff has to be conducted for discussing Model CLF strategy and developing an action plan.
- SMMU needs to conduct a two to three day workshop with CLF Representatives (at least 5 per CLF including OBs, CRPs and CLF Staff from proposed Model CLF) in different phases @ 5 CLFs/ batch for discussing Model CLF strategy and developing action plan.

6.3.2 Assessment of Model CLFs:

- Assessment of CLFs has to be done by NRP, NCRPs and SRPs along with the SRLM staff, EC members and Community Cadres for collecting the base line data and identify the strength as well as major gaps / areas of improvement. The data has to be captured in the prescribed format and uploaded in the NRLM Model CLF application.

6.4 Putting Implementation mechanism in place:

- Formation of State Level Core Committee under the leadership of CEO with COO and SPMs – IB, SM&CB, SI&SD, FNHW, Gender, FI, LH-Farm, LH-Non Farm and MIS and conducting monthly meetings for ensuring the effective integration among thematic areas and monitoring the progress of “Development of Model CLF Strategy”
- Formation of district and block level core committees on the same lines of state level core committee and conducting meetings on a monthly basis, maintain minutes of the meeting and action taken reports
- Nominating one dedicated staff at state, district and block level for implementation and monitoring of model CLF strategy and share the list with NMMU officially
- Development of Community Spearhead Teams (10-15 members) with select active, dynamic and experienced VO/CLF members or ex-leaders and CBO staff for strengthening of SHGs, VOs and act as an advisory body to CLF to guide them continuously in realizing their visions.
- Planning for utilization of the services of NRPs and NCRPs
- Identification, training and deployment of State Resource Persons (SRPs) @ 1 SRP for 3-4 CLFs to continuously provide facilitation and mentoring support

6.5 Capacity Building:

- Customization of VO/PLF, CLF/SLF SOPs and translation into vernacular languages
- Development of Training infrastructure and resource persons and training CLFs on training center management (At least one Model CLF per district should be developed as CLTC)

- Training SMMU, DMMU and BMMU level staff on VO and CLF SOPs, SI, Gender, FNHW, PRI CBO Convergence, FI, Farm and non-farm Livelihoods
- Conducting exposure visits to SMMU, DMMU, BMMU staff, select CLF leaders and CBO staff to matured SHG federations
- Conducting Trainings to CLF and VOs Executive Committee, Sub-Committees, Office bearers and Cadres on SOPs

6.6 Vision Building:

- Conducting CLF wise Vision building exercise, preparation of Business Development plans and 3 years financial projections.

6.7 Governance:

- Identification and finalization of suitable Act to register CLFs, Preparation of Bye-laws, registration of CBOs and ensuring statutory compliances
- Leadership training to VO/PLF, CLF/SLF Executive Committee members, Office bearers
- Developing a separate pool of Senior CRPs for conducting training to all SHG members, VOs/PLFs and CLFs/SLFs on the Act, Bye-laws, members responsibilities, their rights and entitlements and legal compliances etc

6.8 Services and Fund Management:

- Disbursement of Viability Gap funding and infrastructure fund to CLFs (**applicable only to NRETP blocks**) and development of CIF loan products
- Facilitation of bank linkage and insurance interventions
- SRLM has to take special care to address some of the issues in Model CLF areas like:
 - a. inclusion of all vulnerable HHs into SHGs
 - b. disbursement of RF & CIF to eligible SHGs,
 - c. VRF preparation, VRF disbursement and VRF utilization
 - d. special initiatives for social mobilization and bringing SHGs under VO etc.

6.9 Establishment of Systems:

- Strengthening of Bookkeeping, accounting and auditing systems and introduction of TBSDAS, VO & CLF digital accounting systems
- Development of Self-regulatory mechanism and Score boards
- Development of CBO staff and community cadre performance management system
- Monthly review mechanism conducted by the Core Committee at state / regional level with Mission staff and CLF OBs
- Quarterly review meetings with SRLMs by NMMU

6.10 Rating of CLFs:

- SRLMs have to develop a system for rating of CLFs on a regular basis. Initially the rating may be done by SRLM staff and it can be transferred to Community Auditors at a later stage.

6.11 Activities to be planned in Model CLF where Digital Finance interventions & Insurance interventions are planned:

To initiate financial inclusion interventions viz., digital transaction through Business Correspondent and provision of insurance services in the select model CLFs, the following activities shall be initiated:

- Formation, capacity building and strengthening of Bank linkage/Financial Inclusion committee at VO and CLF level for monitoring the progress of Bank linkages, insurance, pensions, enterprise financing interventions and performance of all Financial inclusion related cadres
- Selection of SHG member as a BC Sakhi through VOs/PLFs and CLFs/SLFs
- Provision of Loan on priority basis to BC Sakhi as per norms for purchase of required equipment
- Payment of fixed Honorarium by CLF to BC Sakhi till the business becomes profitable or maximum for 1 year of initiation of the activity.
- Management and monitoring of Financial Inclusion related cadres viz., Bank Sakhi/Bima Mithra/BC Sakhi/Financial literacy CRPs
- Training SHG members, SHGs and their federations on financial inclusion interventions, financial literacy including digital transactions
- Facilitating SHGs, VOs and CLFs to do cashless transactions through BC point
- Facilitate all SHG members to enroll under life insurance and regular payment of premium

6.12 Activities to be planned in Model CLF where Promotion of PGs interventions are planned:

Producer Groups (PGs) will be formed in some of the Model CLFs areas for livelihoods development of SHG members HHs. 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 needs to develop necessary protocols and monitoring indicators and will take the responsibility for integration at grassroot level. The following activities need to be planned in the selected CLF:

- Formation, capacity building and strengthening of LH Subcommittee at VOs/PLFs and CLF/SLF level
- Training VO/PLF and CLF/SLF EC on objectives of PG promotion, its roles, activities, economics and cadre management and role of CLF in functioning of PGs
- Management of funds, recovery and asset management specially allocated for PG
- Deployment and management of trained Cadres (Udyog Sakhi, Krishi Sakhi, Pashu Sakhi etc) by CLF
- Collection of MPR on regular basis, update the PGs accounts in coordination with BMMU
- Invite OB of PGs/ PCs in EC meetings to share their activities and experiences periodically

6.13 Activities to be planned in Model CLF where Social Inclusion, FNHW & Gender Interventions will be implemented:

The main role of CLF is to access information on members rights, entitlements and services, creation of awareness among the members, and then negotiate for the same with the concerned line departments at the grassroots level as well as PRIs. The CLFs need to ensure that their members are enabled to 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. Interventions will be implemented as per developed state

operational strategy on integration of these issues in SRLM activities. 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:

- SMMU needs to Scan the advisories, guidelines, protocols and training materials of all verticals with a social inclusion and gender lens and modification/making changes if necessary and share it with model CLFs
- Development and finalization of state operational strategy for SI, FNHW, Gender with measurable indicators and development of resource material, implementation plan with clear role, responsibilities and activities along with review mechanism at CLF, VO and SHG level.
- Effective implementation of SI, FNHW and Gender interventions as indicated in the state operational strategies.
- Capacity building of all mission staff, VO/CLF EC, Office Bearers and Social Action committee members on Social inclusion, Gender and FNHW strategies, VRP, VRF and MIS etc
- Conducting exposure visit to mission staff and CLF office bearers, Social action committee members and CRPs
- Development of institutional mechanisms at SHGs and their federations level- Gender point person at SHG level, social action committees at VO and CLF level and Gender Forum at GP & Block level
- Development and deployment of Gender cum Health CRPs
- Ensure equity in provision of benefits and services (schemes, insurance, community funds, credit services including banking services)
- Disbursal, utilization and recovery of Vulnerability Reduction Fund
- Development of Gender Justice centers
- Initiation of Health, nutrition and sanitation related enterprises, nutria gardens, various awareness and mobilization drives
- Development MIS indicators and regular tracking of the progress
- 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, PDS, Drinking Water and Sanitation) by VOs and CLFs
- Regular review on activities as per operational strategy/implementation plan and activities of community resource persons by VOs and CLFs, maintain minutes and action taken reports
- Convergence with line departments and active representation of members in relevant active committees e.g. Village Health Sanitation and Nutrition Committee and forums like gram sabha etc.

6.14 Activities to be planned in Model CLF where PRI Convergence interventions will be implemented:

PRI being the local self-government, partnership with PRIs, specially GP is extremely essential for CLFs to ensure that their members are aware and exercise their rights, as well as have access to entitlements and services. SHG federations have been given a clear role in preparation of Gram Panchayat Development Plan (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:

- 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
- 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
- Developing a pool of community cadres from among existing IBCB CRPs/ Cadres for facilitating CBOs for on time completion of activities for preparing GPDP.
- Facilitate women and SHG federations to participate actively in Gram Sabha's and GPDP preparation and implementation process. Ensure that the activities identified and planning done at Vulnerability Reduction Plan are incorporated at Village Poverty Reduction Plan.
- Incorporation of activities identified by SHG federations as per Village Poverty Reduction Plan into GPDP
- Active Coordination Committee at GP level and regular meeting of VOs & CLF with GPs
- Attendance of CLF representatives in GP meetings as invitee members

7. Year Wise Key Performance Indicators for Model CLFs (From April 2020 onwards):

Note:The year wise specific Key performance indicators for FI, Farm and Non-farm LH, Social Inclusion, FNHW, Gender and PRI-CBO convergence has to developed by SRLMs in consultation CLFs. The current status and scope of these interventions' needs to be considered while preparing the indicators and the indicators have to be fixed up realistically.

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
1.	Saturation Reaching all targeted HHs into SHGs	% Targeted HHs in groups	80	85	90 and above
2.	Social Inclusion Inclusion of SC/ST in leadership roles	% 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	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 Reviewed and make necessary changes In Place	Conducted -Fulfilled 1/3 rd 90% Reviewed Reviewed and make necessary changes In Place
4.	HR Management	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	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 100% 100%	Updated In Place 100% 100%
6.	CIF and loan management at VO/CLF - Ensure timely credit to SHGs - Efficient use of Community Investment funds	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	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	% 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	% 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	% members in PG % members availed loan above Rs 30,000 for Livelihoods			
10.	Social development Initiatives and Convergence CLF implementing activities for social	No. of Gender Issues Handled % of members having Kitchen Gardens % of members HH using			

Sl. No.	Key Area	Indicator	Y1	Y2	Y3
	development of members and ensure access to entitlements (Based on the AAP targets of the CLF)	Toilets % of members attending GS % of eligible members accessed Govt. schemes/entitlements			

8. Implementation Mechanism:

Building institutions is a very intensive and continuous 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, the following implementation mechanism has to be put in place.

- a) **NMMU:** The IBCB team of NMMU will anchor the strategy at national level and provide nurturing and mentoring support to states in the implementation of strategy, developing required systems and procedures, guidelines rolling out of SOPs, capacity building and policy advocacy. NMMU IBCB team along with other thematic members will provide necessary support and guidance for integration of Financial inclusion, Livelihoods and Social development activities in model CLFs.
- b) **National Resource Person (NRP) / Technical Agencies:** 1-2 NRPs with extensive and relevant experience of promoting people's institutions and grooming of professionals and community shall be deployed by NIRD&PR or concerned SRLMs. He/she will devote at least 7- 10 days in a month for more than 2 years for supporting SRLMs in customizing SOPs, developing standard training modules, developing CLF wise Vision document and BDP in all Model CLF and rolling out, capacitating Resource Pool at different levels, creating Social Capital and strengthening IB components in the state. SRLMs can take support of / partner with Technical Agencies for providing strategic, mentoring and training support to the Mission in developing Model CLFs.
- c) **National Community Resource Person (NCRP):** A team NCRPs will be deployed for conducting VO trainings, establishing systems, nurturing community spearhead team, providing mentoring and handholding support to CLFs during the process of model CLF development.
- d) **At SRLM level:**
 3. **Formation of Core Committees:** A state level Core Committee will be constituted with CEO, COO, SPMs – IB, SM&CB, SI&SD, Gender, FI, LH MIS, M&E and HR 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.
 4. **Community Spearhead Teams:** A Spearhead Team with selected active, dynamic and experienced VO/CLF members or ex-leaders and CBO staff will be developed for strengthening of SHGs and VOs. This Spearhead team will eventually take over the responsibility of strengthening of SHGs, VOs and CLFs from the state missions. They will act as an advisory body to CLF and guide them continuously in realizing their visions.
 5. **State Resource Persons:** Depending on the no. of CLFs planned to be promoted under this initiative, 3-5 SRPs need to be identified by SRLM, who will be trained and mentored by the concerned NRP and NMMU team. Each SRP would be expected to be responsible for 3-4 CLFs.

6. **Dedicated Mission Staff to Model CLFs:** One staff from the mission will be designated to 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.
7. **Dedicated CLF staff:** The project will facilitate CLFs to hire their own staff (@ 1 CLF Coordinator/manager, 1 Accountant and 1 MIS Assistant / Data Entry Operator per CLF). HR details including job responsibilities of CLF staff needs to be clearly mentioned in the customized SOP and CLF Bye-Laws. CLF can plan for deployment of these staff in a phased manner depending on its income, as the expenditure for this purpose will have to bear by the CLF from its own income.

9. Monitoring & Learning Mechanism

1. Regular VC by the Joint Secretary (RL), MoRD with SRLMs.
2. NMMU and NRPs / Partner Agencies will conduct regular review, at least on quarterly basis at the state level with representatives from concerned districts, blocks and Model CLFs against KPIs.
3. Process observations and feedback by NRPs / Partner Agencies and follow up actions by SRLMs
4. Regular field visit by NMMU and state, district and block level teams
5. Periodical review at all levels
6. Monitoring through Functional Sub-Committees at CLF Level
7. Availing services of Community Monitors
8. Documentation and case studies by NRPs /Technical Agencies, SRPs, mission staff and Community Cadres
9. Dissemination workshops, within and outside state learning visits

Stage-wise Expected Milestones in Resource 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
	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)
	CLF with Vision document and Annual Plan and BDP
	Completion of SHG Audit & VO Audit
	Half-early audit of CLF by Internal Auditor (both non-financial & financial) completed - 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
	Statutory Audit completed and Audit Compliance Report prepared and shared
	Annual report prepared and shared
By 24 Months	AGM conducted following all protocols within 18 months
	Registration of CLF
	Social Development Initiatives
	• Understanding and articulation of local issues & causes

Age	Expected Milestones / Outputs
	• Mobilization 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