

Advisory on Vulnerability Reduction Fund (VRF)

1. Vulnerability Reduction Fund Provision

VRF is a fund (corpus fund) given to Village Organization (Primary level federation at Village level) to address vulnerabilities faced by household(s) or community such as food in security, health risk, sudden sickness/hospitalization, natural calamity, etc., which are not addressed through CIF and RF. The purpose of VRF is to address the special needs of the vulnerable households including non-members of the SHG in the VO geographical area. It can be used for an individual need or for collective action. ***Fund may be given to SC/ST/Particularly Vulnerable Tribal Groups (PVTGs)/areas with specific vulnerabilities on a priority basis.***

VRF is part of Community Investment Fund (CIF). ***An amount up to Rs.1, 50,000 per VO can be given as VRF.***

2. Eligibility to receive the VRF

- a. VO should be at least 12 months old (regular meeting, attendance, updated books of records)
- b. VO should have received VO start-up cost
- c. VO EC, social action committee members and cadre should have received training on social inclusion, VRF-VRP concept and utilization process.
- d. VO should have prepared Vulnerability Reduction Plan (VRP) and should submit the VRP along with VO resolution to CLF. **VRP is mandatory for the release of VRF.** VRP preparation process should be initiated when VO is 9 months old. **Format is attached as an annexure-4.**
- e. VO need to open separate saving bank account to manage the VRF.
- f. Priority should be given to VOs who have introduced 1-2 activities to address vulnerability like members' contribution towards VRF amount, ekmushtichawal by each SHG member of the village, providing assistance to people in need (orphans, elderly, destitute, victims of natural calamities, emergency etc.)

3. VRP Preparation Process-

- SRLM needs to provide vulnerable HHs details from SECC and other available secondary sources to VO
- VO will identify vulnerable households through analysis of SECC and secondary data, social mapping and conducting focus group discussions with community members.

- VO will prepare households wise vulnerability reduction plan in consultation with vulnerable households, consolidate and present in the EC meeting for prioritization.
- VRP needs to include action plan for addressing needs such as FNHW, Housing, Gender, Infrastructure, Livelihoods, Marketing, entitlements, etc. for the vulnerable families
- VRP needs to be integrated into village poverty reduction plan (VPRP) and gram Panchayat development plan (GPDP)
- VO needs to present the VRP in the Gram Sabha and ensure necessary approvals for accessing the rights and entitlements
- VO will submit the VRP Proposal along with VO EC resolution to BMMU through CLF for the release of VRF from the Mission.
- VO should maintain a register to track the implementation of VRP and needs to develop follow-up and review mechanism.
- VO should submit the VRF utilization report to BMMU through CLF on half yearly/yearly basis.

4. **Release of VRF:**

VO will submit the VRP Proposal along with VO EC resolution to BMMU through CLF for the release of VRF from the Mission as per the format attached in annexure- I. VRF will be released to VO account directly by the Mission within 07 days of receipt of proposal. The Mission has to mark a copy of fund release letter to CLF for information.

5. **VRP management process**

- *Irrespective of SHG membership, VRF can be given to vulnerable Households that are identified by VO during VRP process. Depending upon the need VRF can be given as Loan with interest/loan with low interest/ loan without interest/grant as decided by VO-EC. VO may consider charging interest or hiking interest depending upon the improvement in the situation of vulnerable HHs.*
- *Vulnerable HHs will put-up the request to SHG and the SHG will appraise the loan request and recommend the VO-EC for approval.*
- *VO with the support of its Social action committee will appraise the request and submit the report to VO. VO has to assess the need and decide whether they will*

give the VRF fund as a loan or subsidized loan or grant. VO-EC will release the fund to the Vulnerable HHs through SHG.

- *In case of emergency, VO-EC may relax the appraisal process and sanction an immediate relief of upto Rs. 5000 (indicating as fixed by VO). It needs to give post-facto approval in the next meeting and release the remaining amount.*
- *In case of SHG taking a collective action, it can put-up the VRF request to VO. As per the resolution of VO-EC, VO can utilize VRF for taking collective action directly.*

6. VRF repayment-

- *The vulnerable HHs has to repay the VRF loan to VO through SHG.*
- *There will be no interest margin to SHG on VRF loan.*
- *Loan tenure for the vulnerable family may be fixed based on the family cash flows. Moratorium period can be given, if required.*

7. Augmentation of VRF

To support Vulnerable HHs on a continuous basis and to avoid depletion of VRF, it is suggested to encourage VOs to adopt the following strategies:

- SHG members may be encouraged to do contributions.
- SHGs and VOs may contribute some portion of its profit amount towards augmenting VRF.
- VO may raise funds through seeking support from Panchayat, other departments and other agencies.

Annexure 4

Vulnerability Reduction Plan

Format-I: Baseline format at SHG Level

Block Name:

Date of data collection:

Panchayat Name:

Village Name:

SHG Name:

SN	Basic Amenities	Availability	Non- availability
1	ID card		
2	Ration card		
3	Job card		
4	Aadhar card		
5	Caste certificate		
6	House	Kucha	Pucca
7	Electricity	Yes	No
8	Toilet	Yes	No
9	Land	Yes	No
10	No. of acres		
11	Assets (Names of assets)		
12	Equipment (Names of Equipment)		
13	Bank Account	Yes	No
14	Cattle/ small ruminants (Number- Type)		
15	Access to fuel		
16	Access to drinking water		
17	Access to food and nutrition- Number of times and content		
18	Toilet and usage		
19	Access to health facilities		
20	Types of Illnesses		
21	Immunisation		
22	Institutional delivery	Yes	No
	Education		
23	Primary level		
24	Upper primary level		
25	Higher secondary		
26	College education		
	Livelihood		
27	MGNREGA Work		
28	Type of livelihoods- Agriculture, livestock, labour		
29	Income		
30	Socio-economic exploitation faced		

Format-II

VRP: Baseline consolidated sheet at VO Level

Name of VO-

Village Name-

GP Name-

SN	Basic Amenities	Availability	Non- availability
1	Number of people with houses	Yes	No
2	Number of people with electricity	Yes	NO
3	Number of people without ration cards		
4	Number of people without Aadhar cards		
5	Number of people without id cards		
6	Number of people with land	Yes	NO
7	Landholdings	25 cents – how many	
8	Number of people with assets	Count- asset wise	
9	Number of people with equipment	Count- equipment wise	
10	Number of people with bank accounts		
11	Number of people with cattle and small ruminants		
12	Number of people with access to health facilities		
13	Type of health facility		
14	Number of people with different types of illness	Data- illness wise	
15	Number of pregnant women and children immunised		
16	Number of women undergone institutional delivery		
17	Children and adults completed primary education		
18	Children and adults completed upper primary education		
19	Children and adults completed secondary education		
20	Children and adults completed higher secondary education		
21	Children and adults completed college education		
22	Types of livelihoods		
23	Income level		
24	Number of people having access to MGNREGA work		
25	Consolidation of qualitative experiences (Socio-economic exploitation		

Format-III

Vulnerability Reduction Plan (VRP) Template

Amount proposed for VRF (in Rs.)						
Amount of VRF disbursed						
No. of vulnerable received VRF (Total)						
As loan-						
As soft loan-						
VO Name:				VO Profile	Y/N	
Village Name:				VO Member Profile	Y/N	
Gram Panchayat Name:				Baseline survey conducted	Y/N	
Block Name:				Village Vulnerability analysis	Y/N	
Dates for Conducting VRP:						
SHG Members						
S. No.	Names of the Member	SHG Name	Total Amount reqd. (inRs.)	Purpose	Other requirements ¹	Sign. of the Members
1						
2						
3						
4						
5						
6						
7						
Total						
Details of Collective Actions²:						
S.N.	Activity	Name of SHG	Purpose	Amount required (In Rs.)	Sign of SHG leaders/ VOleaders	
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						
Details of Gender Action Plan						
S.N	Activity	Name of SHG	Purpose of Activity	Amount Required (in Rs.)	Other requirements	Sign of SHG/VO

¹ Other requirements can be training needs, accessing pension, insurance, counselling etc.

² Collective action may include social action, support/care to destitute/elderly/orphan etc.

						leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Details of Food, Nutrition, Health and Wash Action Plan

S.N	Activity	Name of SHG	Purpose of Activity	Amount Required (in Rs.)	Other requirements	Sign of SHG/VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
3						
Total						

Details of Tribal and PVTG plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required (in Rs.)	Other requirements	Sign of SHG/VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Details of PVTG plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required (in Rs.)	Other requirements	Sign of SHG/VO leaders
	SHG Level					
1						
2						
	VO Level					

1						
2						
Total						

Details of PwD plan

S.N.	Activity	Name of SHG	Purpose of activity	Amount required (in Rs.)	Other requirements	Sign of SHG/VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
3						
Total						

Details of Elderly plan

S.N.	Activity	Name of SHG	Purpose of activity	Amount required (in Rs.)	Other requirements	Sign of SHG/VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Details of convergence plan

S.N.	Activity	Name of SHG	Purpose of Activity	Amount required (in Rs.)	Other Requirements	Sign of SHG/VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Any other Needs:

- ---
- ---

Plans to augment VRF

S.N	Items	Description
1.	Savings/Contribution from Members	
2.	VO's Contribution	
3.	Convergence	
4.	Any other plans	

Signed by VO Leaders:

President/Leader1

:

Secretary/Leader2

:

3:

4:

5:

Appraised and approved by Other VO Leaders or CLF Office Bearers:

S. N.	Names of the Leaders	Name of the CLF/VO	Leadership Position	Signature
1.				
2.				
3.				
4.				
5.				

Facilitated by Facilitators and Mission Staff of SRLM involved, if any:

S. N.	Name of the Facilitators/Mission Staff	Position	Signature
1.			
2.			
3.			
4.			
5.			