

GUIDELINES FOR OPERATION AND MANAGEMENT OF REVOLVING FUND



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Acronyms

APR	Annual Progress Report
BMC	Biodiversity Management Committee
BPL	Below Poverty Line
CEO	Chief Executive Officer
CIG	Common Interest Group
CREFLAT	Climate Resilience of Forest Ecosystems, Biodiversity & Adaptive Capacities of Forest Dependent Communities, Tripura
DPD	District Project Director
DPMA	District Project Management Authority
IGA	Income Generating Activity
JFMC	Joint Forest Management Committee
JLG	Joint Liability Group
KfW	Kreditanstalt fuer Wiederaufbau (German Development Bank)
MAP	Medicinal and Aromatic Plant
MGNREGS	Mahatma Gandhi National Rural Employment Guaranteed Scheme
MPR	Monthly Progress Report
NRMPT	Natural Resource Management Project, Tripura
NTFP	Non-Timber Forest Product
PAP	Project Affected Person
PD	Project Director
PLH	Patta Land Holder
PMA	Project Management Authority
PNRMP	Participatory National Resource Management Project
POP	Poorest of the Poor
QPR	Quarterly Progress Report
RF	Revolving Fund
RFMC	Revolving Fund Management Committee
SDFO	Sub-Divisional Forest Officer
SHG	Self Help Group
TA	Technical Assistant
TO	Technical Officer
VC	Village Committee
VCW	Village Community Worker
VDP	Village Development Plan
VDPIC	Village Development Planning & Implementation Committee

Executive Summary

The designated Revolving fund for CREFLAT Project would be managed at the community level through the institution of VDPIC under the supervision of the VC (Representative) and would serve the micro-credit needs of the villages for various purposes. The fund could be used to provide term loans to individuals, Interest Groups, SHGs and Joint Liability Groups for different types of IGAs / micro-enterprises.

It is proposed that the RF facility should be self-sustaining and generate sufficient income through charging of interest from RF loans to meet the expenses involved in managing the RF. The VDPIC would be supported to establish a system of interest-based loaning and repayment, initially with facilitation and handholding by the project staff. In the course of the project period, the main objective of facilitation would be to help the VDPIC to establish mechanisms and create capabilities that are essential for effective management of the RF in the post-project period.

These guidelines are meant to guide systematic implementation of RF facility and facilitate proper management of the RF at the VDPIC level leading to establishment of an effective Community Based Micro Finance System in selected project villages. The guideline would serve as a framework for each VDPIC to frame its own bye-laws for the management and utilization of 'Revolving Fund' (RF).

The guideline would help orientation and guidance to the TOs, TAs, VCWs and VDPIC members or others who would be involved in facilitating or managing the process and activities related to Community Based Micro Finance System.

One of the purposes of the guideline is to help the VDPIC develop their own bye-laws within the framework defined by this document for Community Based Micro Finance System. Therefore, most of the provisions related to loaning and repayment are intentionally kept quite broad and flexible. This would provide enough decision-making space to the VDPICs to frame a context specific bye-law after assessment of their local situation and needs. While the VDPIC would have complete freedom to decide on most aspects of its bye-laws, certain aspects have either limited flexibility or are made 'non-negotiable' for the sake of proper governance, probity and transparency, equity and environment.

Principles of RF Management in village level are mentioned below:

- **Sustainability:** The RF should be maintained in infinity at the level of VDPIC and the fund should grow over time. For the RF to sustain, the loans should be regularly repaid and the RF should actively revolve. There should be penalty for default in payment and 2nd round loan for timely repayment money. The VDPIC should be able to generate sufficient revenue to manage the expenses related to RF management. There should also be provision for the fund to grow so that unexpected losses can be made up.
- **Flexibility:** the guideline should be flexible enough to modify it according to local and changing needs, priorities and situations by the decision of VDPIC general body.
- **Empowering Community Institution for RF Management:** VDPIC is the main unit for management of RF funds. For sustainable and efficient management, it is essential that they are authorized and capacitated to take most of the decisions related to management of RF during the project period and after the completion of project period.
- **Transparency and Accountability:** The decisions related to utilization of RF should be known to everyone in the community and the RFMC Committee which would manage the fund on behalf of the VDPIC should be accountable to the general assembly regarding its actions and decisions.

- **Simplicity of Management:** RF to be effectively managed should not be too complex to manage and the provisions should be simple enough to learn.
- **Equality:** Priority should be given to Women, PAPs, and people categories as per 'wealth ranking' in the VDP exercise e.g. the poorest of the poor (POP), poor, medium, and better off.

1 INTRODUCTION

Climate Resilience of Forest Ecosystems, Biodiversity & Adaptive Capacities of Forest Dependent Communities (CREFLAT) is a joint project between Government of Tripura and Kreditanstalt fuer Wiederaufbau (German Development Bank) under Indo-German Development Cooperation Programme operating in two districts of Dhalai and North Tripura. The project is in operation since 2020 and is the main objective of the project is to develop sustainable community forestry models to improve natural resources, minimize climate-related risks, and increase productivity, scheduled till 2027 as per the current agreement. One of the key activities is to reduce climate vulnerability of forest dependent population through livelihood restoration. Currently it is in its Planning and Piloting Phase. Among the key outputs that envisage to bring direct and short-term benefits to disadvantaged groups is Output 4 that aims to increase incomes and diversify the income sources. However, natural resources on which local communities are heavily dependent ought to be enriched and also used sustainably. In this context project planned to establish a RF that can be self-sustained and operated by VDPIC. Therefore,

CREFLAT has introduced a Revolving Fund (RF) to the VDPIC as per its project output 2. The revised budget sheet planning foresees INR 500000 as contribution to each VDC to operationalize and manage its allocated RF. The aim is to enable for productive utilization in operationalizing viable Income Generating Activities (IGA), including community-based micro-enterprises through CIGs (Common Interest Groups)/JLGs (Joint Liability Groups). Access to RF would however be based on micro-credit principles.

- The RF is one of the major mechanisms of social inclusion, particularly for the Poorest of the Poor (POP) and Project Affected Person/People (PAP). The RF provides the Borrowing Entities (individuals and/or CIGs/JLGs) an opportunity to aggregate their resources and products by providing the working capital to take up IGAs that enable employment and additional income avenues. Lastly, 'Revolving' represents that the fund's resources circulate between the Fund and the Users. Revolving funds are established with an intention that they should be self-sufficient and sustainable. Hence RF concept is ideal to contribute to sustainability of project impacts beyond project's life span.

As per the VDPIC guidelines the Vice Chairman of Village Council (VC)/Gram Panchayat (GP) is represented in it hence VC/GP will not be mentioned in the main document hereafter. The overall responsibility of RF will be with VDPIC as it is the fund-receiver.

2 RATIONALE FOR REVOLVING FUND

The project envisages the involvement of every household from the project villages (consisting of several paras or hamlets) in the preparation of the VDP, which is the basis for project implementation. In doing so, every project household expects to have some direct and early benefits from the project interventions. However, project funds allocation showed that substantial percentage of resources would be invested in the forestry plantations and soil & water conservation activities in forest land, whereas the interventions to directly benefit the communities could be limited. In the current context of rural development across India, locally participating target groups/communities have a keen interest in getting early benefit from any such project prior to long term commitment to forestry and other conservation activities which take years to come to fruition.

In case of CREFLAT, the project beneficiary categories as per 'wealth ranking' in the VDP are the poorest of the poor (POP), poor, medium, and better off; they could also be categorized as patta land

holders, project affected persons (PAP), and others. It is seen as per project design and the VDP, that mostly the patta land holders and the PAP for livelihoods interventions would get direct project funding. However, given the limited target area of the project for patta land plantations with 4-tier agroforestry models, only a small percentage of patta land holders will directly benefit from the project. On the PAP livelihoods restoration interventions also, only limited number of PAP will directly benefit with priority being the POP among them.

The provision of Revolving Fund will address the funding gaps to the project beneficiaries, even though it would be on micro-credit principles. Those households not able to directly benefit from project funding could access the RF loan. Combined with the SHGs seed money, the RF will contribute to realizing the project objectives particularly for increase in individual income and diversification of income sources as per project outcome Indicator 3.

3. PURPOSE OF REVOLVING FUND

RF under CREFLAT has been provisioned as a Grant to VDPIC to provide loan to the Borrowing Entities. The Borrowing Entities would be the project households within the village particularly the Poorest of the Poor (POP), project affected persons (PAP), the poor, and the Common Interest Groups (CIG) where 3-5 individuals may form a CIG based on a specific activity under farm and non-farm venture or enterprise for undertaking Income Generating Activities (IGAs) to supplement the family income. The purpose of RF would be as below:

- (a) To improve access to finance/micro-credit to rural poor in project villages, required towards initial investment for IGAs.
- (b) To cater to the financial needs for availing cheap loan by the 'borrowing entities' for alternate livelihood activities.
- (c) To revolve the fund to maximize the coverage, value of the fund through loan/micro-credits and timely interest recovery.
- (d) To facilitate development of patta land and any other type of private land by providing support for adoption of best practices related to land management.
- (e) To provide a dependable fund reserve at community level beyond the project period.
- (f) To empower the community for adopting a sustainable mechanism for fund management and IGA beyond the project period.

4 SOURCE OF REVOLVING FUND

4.1 CREFLAT: The project has a provision of Rs. 5,00,000 (Five lakhs only) as Revolving Fund aimed to support the Borrowing Entities on the principles of micro-credits. The RF will be allocated by the project (PMA/DPMA) to VDPIC. RF will be operated and managed as per approved guidelines.

4.2 PNRMP: In project villages where the RF under PNRMP (2009-2018) is available but frozen now, would be re-activated and added to the RF under CREFLAT project. All RF money thus transferred to the RF account of CREFLAT would be operationalized and managed under the approved guidelines of CREFLAT.

5 TARGET GROUPS AND TYPES OF IGAs

5.1 Target Groups Eligible for Access to RF

The target groups or 'Borrowing Entities' would be any household within the project village having duly functional VDPIC with completed Village Development Plan (VDP). Priorities would be given to those households who did not receive any direct project funding. Eligible target groups for RF would be as follows:

- Poorest of the Poor (POP), and Poor as per Wealth Ranking done during the VDP preparation;
- Project Affected Persons (PAP) identified as per VDP guidelines/preparation;
- Patta land holder, not receiving project fund directly, but would like to develop patta land with 4-tier agroforestry plantations, or any similar plantations;

- Youth member or any willing person from the village who had undergone or completed skill development training as per project norms;
- Any person, particularly youth, who are not member of any SHG formed by the project.
- Groups formed by VDPIC of villagers as CIGs/JLGs, each with 3-5 individuals or maximum of up to 10 members, for specific group activity or activities; the members would preferably be from different households and the group would be registered in the Range Forest Office. It is to be ensured that groups or individuals are not benefited many times (See 6.1) whereas deserving are not reached.

5.2 Types of IGAs

CREFLAT envisages support to augment livelihood of forest fringe communities through various IGAs, both traditional and innovative IGAs, across farm, off-farm, non-farm, and NTFP as mentioned below:

- (a) **NTFP based** such as broom grass, MAPs, bamboo, etc. both from forest and patta land.
- (b) **On-farm based**, such as agriculture, horticulture, Pisciculture/aquaculture, apiculture, floriculture, nurseries, etc.
- (c) **Off-farm based** such as dairy, Poultry, Goatery, Piggery, etc.
- (d) **Non-farm-based** entrepreneurship such as carpentry, plumbing, masonry, tailoring, weaving, cycle repair, bike repair, mobile repair, small shops, etc.

6 ELIGIBILITY CRITERIA FOR SELECTION OF BORROWING ENTITIES

6.1 General Criteria

- The Borrowing Entities (be it individuals and/or CIGs/JLGs) must belong to the same village/any para of the village and must be a general member of the VDPIC; could also be a member of JFMC, BMC, etc. formed within the village by the project;
- A member of SHG formed by CREFLAT and receiving seed money from the project will not be eligible to apply for RF loan. However, a member of SHG formed by any other organization or by earlier project in the village but not receiving any funding support will be eligible.
- The age of the person/s eligible as Borrowing Entity as individual and/or group member must be between 18-50 years.
- The entity must support the overall goal of the project, including forest protection (natural forest and plantation forest), protection of water bodies, and support the functioning of the VDPIC, JFMCs, and BMCs, and any entities formed by the project.
- The entity must have the demonstrated general skills and aptitude for the IGAs being proposed to be undertaken as individual or as group.
- The individuals/households/POP/PAP/CIGs/JLGs/SHGs members/patta land holders/JFMC members/BMC members or any eligible member of the community applying for the RF must have been residing in the village minimally since last 3 years, exception being by legal/socially-recognized marriages, and should not be a migrant, and should have active bank account in his/her or group name. If not, then bank account has to be opened and proved.
- The Borrowing Entities should have capability to utilize RF in taking up IGA profitably and sustainably, and refund the loan regularly and timely. The capability of the Borrowing Entities would be assessed by the competent committee established under this guideline.
- Borrowing Entities should not have been defaulter of any current or past loans repayment, including from any bank. Past records of fund or loan management would be referred or assessed before granting of RF loan.
- The Borrowing Entities will prepare and submit the required plan and information as per the format appended in the guideline outlining the IGA/business proposal, investment required, and repayment schedule along with the application appended in the guideline (see Annex Formats).
- The applicant should have to take Pradhan Manti Jiban Jyoti Bima Yojana insurance scheme (PMJJBY) from his/ her own money not from Loan money for financial security of the family. So that after his/ her death, the RF committee can recover the money from the Insurance claim.

- The loans would be provided for group as well as family/individual based enterprises. The loans can be used only for income generation activities or for acquisition of assets which will yield income.

6.2 Loan from RF would not be provided for

- Consumptive purpose.
- Buying land.
- Activities involving child Labour.
- Activities which have significant potential creating environmental pollution or forest degradation.
- Loan taken from more than one sources or more than 40,000/- loan from other sources.
- Any other activity which the VDPIC thinks is socially and environmentally undesirable

6.3 Criteria for formation and selection of CIGs/JLGs

6.3.1 Formation of CIGs/JLGs in the document

- VDPICs, under the supervision of the VCW/TATO, will facilitate in the formation of CIGs/JLGs.
- CIGs/JLGs could be formed for group activity or activities under any of the product types, namely, on-farm, off-farm, non-farm, and NTFPs/forest products.
- CIGs/JLGs will be formed taking 3-5 members per group but could be a maximum of 10 members per group; the group can be composed of only women, only men, or mix group of men and women but all must be from the same para/hamlet/village.
- The members in the CIGs/JLGs must have any one of these valid identity card, namely, Aadhar Card, Voter Card, Ration Card, BPL Card, Antodaya Card, Job Card.
- The CIG/JLG members must be residing in the village for the last 3 years and not be migrant worker; however, a person (man/woman) recently settled in the village by marriage (legal/customarily/socially recognize) would be eligible to be a member of the group with valid identity card.
- The formation of the CIGs/JLGs would have been duly recorded/minuted in the Minutes Register of the VDPIC, which has been duly convened for the Executive Committee Meeting of VDPIC as per approved norms.
- Each CIG/JLG should have its unique name for official purposes.
- The formation of the CIGs/JLGs would be forwarded by the VDPIC to the Range Forest Officer, who in turn would notify the formation of the CIGs/JLGs with copy of notification to VDPIC, DPMA & PMA.

6.3.2 Eligibility criteria for selection of CIGs/JLGs for RF loan

- The formation of the CIGs/JLGs would have been duly notified by the Range Forest Officer.
- The CIG/JLG has a bank account in group's name, and operated by two members of the group; ideally, the CIG/JLG bank account could be in the same bank where VDPIC has account. The bank account opening would be facilitated by the Secretary cum Treasurer of the VDPIC.
- The CIG/JLG will be eligible for loan after at least one month of its existence and has to follow the application process prescribed by the RF guidelines and/or its amendments.
- None of the members of the CIG/JLG should have any outstanding loan, or should be a defaulter of any loan repayment from any source, or have availed loan from other sources for the same purpose.
- The maximum amount of the loan for CIG/JLG would be as specified in the guideline.
- Members of the SHGs, having separate access to Seed Capital/Money, will not be eligible for RF or be a member in the CIG/JLG. In their position they could be part of a product value chain and avail benefits from there and that could be accepted.

- CIG/JLG will execute a written undertaking to VDPIC for the proper utilization of the loan amount for the purpose for which it is sanctioned/approved, and would return the repayment with the specified interest amount as per the schedule of repayment.

6.4 Criteria for Selection of Poorest of the Poor (POP), Other Poor, Project Affected Persons (PAP), Patta Land Holders (PLH), or any other category of households.

- POP, PAP, PLH, and miscellaneous Other HHs, who are left out of the CIGs/JLGs and SHGs for social, economic, or local procedural reasons will be eligible for loan from RF provided they meet the General Conditions outlined in the guideline.
- Must be residing in the village for the past 3 years, and not be a migrant worker or settler, exception being by marriage, but must have valid identity card (Aadhar card / Voter card / Ration card / BPL card/ MGNREGS card / Antodaya card).
- Must be within the age of 18-50 years.
- Any households where the adult son/s and/or daughter/s are enlisted as member of SHGs, any of the parents can apply RF loan subject to meeting other criteria including having bank account.
- Willing to take up the IGA around any of the types described in the guideline, and has the capability to productively use the RF loan and repayment.
- Must have operational bank account (Current account) in his/her name.
- Should not be a defaulter of any loan from any bank / microfinance institution/ or any other source of loan.
- Loan application will have signature of two members of the VDPIC as 'social guarantee' for the loan. If applicant is related with anyone in sanctioning committee then the committee seek alternative signatures.
- Maximum eligible loan amount will be as prescribed in the guideline; repeat loan can always be availed on the completion (written off) / repayment of the first loan or any previous loan.

7 CONSTITUTION OF REVOLVING FUND MANAGEMENT COMMITTEE (RFMC) FOR SCRUTINY AND RECOMMENDATION OF LOAN

- Under the aegis of the VDPIC, the project will constitute a sub-committee called Revolving Fund Management Committee (RFMC); the process will be facilitated by the VCW/TA/TO. As mentioned in Section 1, Village Council or Gram Panchayat Chairperson is represented in VDPIC.
- RFMC will have 5 members, namely, Chairperson, Secretary cum Treasurer, 3 executive members (2 of which must be women) from among the VDPIC executive committee to be nominated by the VDPIC or as may be decided by the VDPIC.
- The RFMC will be composed of as follows:

(i) Chairperson:	Vice-Chairman of VDPIC
(ii) Secretary cum Treasurer:	Beat Officer (who is also Secretary cum Treasurer of VDPIC)
(iii) Executive Members:	Three members to be nominated by the VDPIC From among the Executive Members of VDPIC, 2 of whom must be women.
- The three executive members will change every two years from the date of constitution of the RFMC; the Chairperson will change if the Vice President or Vice Chairperson of VDPIC is changed; the new Vice Chairperson of VDPIC will take over as Chairperson of the RFMC.
- The key tasks of the RFMC will be to scrutinize/process the loan application, and the Business Plan for IGA; repayment schedules, among others, and send the RF loan application to VDPIC President/Chairperson.

- Each loan application by CIGs/JLGs and any other HHs other the POP will have to pay loan processing fee of Rs 100/-. All loan applications by the POP households will be exempted from paying loan processing fee.
- The application fee collected will be deposited in the account of the VDPIC. This amount will be utilized by the RFMC for meeting the expenses incurred for processing the loan application and overall revolving fund financial management.

7.1 Decision Making on RF

Decisions on all matters related to RF management would be taken in the monthly meeting of the VDPIC. Matters related to sanctioning and repayment of loans would be discussed and decided in these meetings. Representatives from the Project including the concerned TA and VCW shall attend these meetings.

The VDPIC members would take decisions by consensus in the presence of the applicant(s) and would record the decisions in the meeting register along with reasons for rejecting any application. In the absence of a consensus, VDPIC may decide to take a decision by simple majority.

Matters related to decisions related to policy of RF management would require a majority of two-third of the VDPIC members and its subsequent approval in the next general assembly meeting.

8 PROCEDURE FOR LOAN APPLICATION BY BORROWING ENTITY

8.1 General Procedure

- The Borrowing Entity (individuals and/or groups in the form of CIG/JLG) will submit the loan application along with the Business Plan for the proposed IGA to the VDPIC.
- The Borrowing Entity will also pay Rs 100/- as loan processing fee to the VDPIC at the time of submission of the loan application; VDPIC will issue money receipt; the VDPIC will deposit the amount in the VDPIC account. No processing fees to be paid by the POP as recorded in the VDP wealth ranking.
- VDPIC, after necessary entry/record in the VDPIC RF Register, will hand over the loan applications to the RFMC.
- RFMC will process the loan within 7-15 days of the receipt of the application.
- Executive Members of the VDPIC or VCW or TA will facilitate or assist in filling up the application form if required, including preparation of the Business Plan.

8.2 Loan Amount

- **For groups (CIGs/JLGs):** Rs. 20,000 minimum and up to Rs. 50,000/- maximum from the Revolving Fund. Equivalent to 20% of the loan amount applied for will have to be made in kind or in cash as own contribution (in the form of labour, material cost, etc) by the Borrowing Entity. It is not necessary that maximum permissible amount should be sanctioned but based on the assessment of capability of the Borrowing Entity to use productively as would be assessed by RFMC.
- **For POPs/any other individuals:** Rs 5,000 minimum to Rs. 20,000/- maximum. While own contribution will be exempted for the POPs, all other categories of individuals must show 20% equivalent of loan applied as own contribution in kind or in cash for labour, material cost, etc. and must be reflected in their business plan/application.

Table: 1. Applicant wise applicable of loan from RF Account and self-contribution to their business venture as per the business plan.

Nature of Applicant	Total Amount of Loan		Self-contribution (in kind / Cash to their business venture)	% of Amount will sanction from RF Account
	Minimum	Maximum		
Individual members of Group	5000.00	20000.00	20% of total business Plan	80 % of Total Business Plan
Individual Members	5000.00	20000.00	20% of total business Plan	80 % of Total Business Plan
CIG/ JLG	20000.00	50000.00	20% of total business Plan	80 % of Total Business Plan
Women Individuals	5000.00	20000.00	20% of total business Plan	80 % of Total Business Plan
PAP	5000.00	20000.00	Nil	Nil
Poorest of the Poor	5000.00	20000.00	20% of total business Plan	80 % of Total Business Plan

8.3 Interest Rate Chargeable

8.3.1 Standard Ratenkni

- A simple interest of 12% & 10% (12% per annum for individuals, and 10% for groups will be charged on each loan).
- The low interest rate is keeping in mind the general economic conditions of the project target communities, and to encourage them in availing loan from the Revolving Fund for undertaking small scale IGAs.

Table: 2. Applicant wise rate of interest of RF Loan to the villagers

Nature of Applicant	Rate of Interest (per annum)
Individual members of Group	12%
Individual Members	12%
Women Individuals	12%
PAP	12%
Poorest of the Poor	12%
CIG/ JLG	10%

8.3.2 Penalty in Case of Default Repayment

- In case of default in repayment as detailed and agreed in the Repayment Schedule, a penalty of 1% of the loan sanctioned per incident of default will have to be paid; penalty interest would be for the remaining loan from the date of expiry of Repayment Schedule.
- The interest rate after the expiry of repayment schedule will be 12%+1%=13% on annual basis for individuals, and 10%+1%=11% for JLG & CIG
- The period of default repayment with penal interest would be re-worked by VDPIC and communicated to the Borrowing Entity.
- VDPIC and RFMC will actively monitor the repayment of defaulters.
- Pre-payment, if made by loanee prior to end of loan period or tenure, is allowed.

- If the delay or non-repayment is due to unforeseen natural external exigency (*such as crop failure due to drought/flood, wildlife depredation, epidemic pests, accidental fire of the house/unit of the Borrowing Entity, unfortunate demise of the Borrowing Entity, or any serious family emergency etc.*), no penal interest will be charged, and the VDPIC/RFMC will make the necessary intimation to the borrowers.
- In the case of the Borrowing Entity being a group (CIG/JLG) and the group is listed as defaulter, even if one member of the group experiences unforeseen natural external exigency, penal interest of 1% above the normal rate may still be imposed. However, the VDPIC together with the RFMC may decide on the imposition of the penal interest to the defaulting group, depending on the importance and unique role of member experiencing unforeseen natural external exigency.

8.4 Repayment Schedule/ Installment

- The loan period/tenure will be of 6 to 12 months within which the designated interest will have to be repaid by the Borrowing Entity.
- The loan application and the Business Plan will contain a suggested Loan Repayment Schedule along with the monthly value to be repaid.
- The repayment of loan would start as early as possible and should not be delayed more than one month from the date of disbursement of Loan.
- VDPIC would decide the repayment schedule, it could be biweekly/ Monthly basis with designated interest to be paid.
- The repayment could be on pre-decided date 1st date of every month (if the repayment schedule on monthly basis) & 1st & 16th of the following Month (if the repayment schedule on Biweekly basis)
- The Repayment Schedule must be mutually agreed upon by the Borrowing Entity and the RFMC & VDPIC.
- The responsibility of recovering the loan for a prolonged period of non-repayment shall rest with the VDPIC with support from RFMC.

8.5 Disbursement Schedule

- Loan Disbursement Schedule will ordinarily be mentioned in the Loan Sanction/Loan Approval letter.
- Loan amounts will be 5000/- (Five Thousand) to 20,000/- (twenty Thousand) Individually.
- The disbursement of Loan will be by Cheque or Scroll transfer, and where possible digital payments could be applied.
- 20% own contribution by the Borrowing Entity either in cash or in kind.
- Loanee will get 80% of their total business plan from the RF committee.
- Loan amounts above Rs 20,000/- would be disbursed in 2 installments, with the 1st Installment being 60% of the RF value, and the 2nd Installment of remaining 40% of the RF value on completion of 90 days subject to receipt of the progress report of the 1st quarter as per prescribed format.
- The release of the 1st Installment would be subject to evidence of 20% own contribution by the Borrowing Entity either in cash or in kind.
- In the case of POP, own contribution of 20% will not be required.

9 PROCEDURE FOR APPROVAL OF LOAN AND BUSINESS PLAN

- All loan applications will be submitted to VDPIC.
- VDPIC will forward the loan applications within 5 days to the RFMC.
- The RFMC will scrutinize the loan applications along with Business Plan within 7-15 days.
- The RFMC will meet every month for scrutinizing the loan applications; each meeting must be recorded in the Register as Meeting Minutes for Scrutiny of RF Loans.
- TO/TA/VCW will assist the RFMC in scrutinizing the loan applications and preparing the proceeding of the RFMC in scrutinizing the loan applications.
- RFMC will send the list of the recommended loan applications with business plans to VDPIC along with the Proceeding or Minutes of the Meeting; the Committee will also send the list of loan applications rejected with reasons.
- Before recommending the sanctioning of the loan, the RFMC must check the credibility of the Borrowing Entity, together with the financial worthiness in term of past record of utilization of loan, and repayment of loan amount, etc.
- VDPIC will convene a meeting to sanction the loans; prepare a Minute of the meeting; objections/rejections of the proposal shall be recorded in the Minutes; forward the Minutes/meeting resolutions to Range Forest Officer & DPMA.
- Any objections/rejections of proposal shall be communicated to all concerned in writing with reasons thereof to the applicant within 7-10 days of the VDPIC meeting.
- Transparency should be maintained by the VDPIC and RFMC in the whole process of scrutiny and approval (or rejection) of the applications.
- All proceedings of the meetings shall be recorded as resolution in the proper Register of the VDPIC and RFMC.
- Any dispute and/redressal required on matters of loan application, repayment, etc. shall be brought to the attention of Range Forest Officer for appropriate directions and decisions; in rare cases of non-redressal or non-settlement of disputes, if required, shall be brought to the attention of the SDFO/DPD.
- The TO/TA/VCWs will periodically check the meeting Registers for regularity of updates and recording of Minutes/Proceedings/Resolutions.

9.1 Suggested Criteria for appraising IGA Proposals by the RFMC Committee

During the time of finalization of Loan application by the VDPIC and RFMC committee in their monthly/ biweekly meeting, the committee could consider following social, economic/marketing, environmental and technological aspects for appraising the IGAs:

- I. Social acceptability of proposed enterprise
- II. Impact of enterprise on women in the family
- III. Assured availability of raw material
- IV. Marketability of produce/service
- V. Likely profitability from venture
- VI. Availability of skills and technical capability to run the enterprise
- VII. Size of enterprise -- Capital and recurring expenses involved
- VIII. Number of persons who would benefit through employment or enhanced income
- IX. Legal and administrative requirements to be fulfilled
- X. Likely impact of proposed IGA on forest and village environment
- XI. Gestation period – time to be taken to start delivering the returns
- XII. Past experience with similar enterprise

10 ACCOUNTING PROCEDURE AND RECORD KEEPING

10.1 General aspects

- Accounting procedure and record keeping for smooth financial management at different levels will be done in the prescribed proforma (see Annexes).
- At the VDPIC level, the Treasurer will keep the financial records of all Revolving Fund (Beat Officer/Forester is the Treasurer in both VDPIC and RFMC).
- At the RFMC level, the Treasurer will maintain all financial records relating to RF loan and repayment.
- All the installment money received from the borrowers has to deposit the concerned RFMC bank account within 3 working days.
- At the Range, SDFO & DPD/DPMA offices too, the necessary RF related financial matters would be maintained by the respective finance/account section.

10.2 Record Keeping & Accounting

- VDPIC will maintain an exclusive RF Account, preferably in the same bank where other VDPIC accounts are maintained for CREFLAT project.
- The RF Account should be operated in the same way as that of VDPIC account.
- A separate Cash Book and Loan Ledger for RF shall be maintained at VDPIC level.
- All disbursement and repayments will be from and to the RF fund respectively, and shall be made digitally/electronically.
- Internal audit on receipt and utilization of the RF shall be conducted on quarterly and annual basis through the internal audit mechanism of Range Forest Office / SDFO Office.
- The Monthly Progress Reports in the prescribed formats will be maintained at the VDPIC/Range/SDFO/DPD and compiled reports will be sent to the PMA latest by 10th day of the succeeding month for record and perusal; the Secretary of VDPIC will be responsible for all Monthly/Quarterly/Annual Reports relating to Revolving Fund.
- All above information should be accessible online at Project's MIS once it is established for ready reference and monitoring purposes.

11 SUM-UP OF GENERAL CONDITIONS OF REVOLVING FUND MANAGEMENT

- RF is a grant to VDPIC which will be utilized by the VDPIC for giving soft loans to Borrowing Entities as detailed in the guidelines as a working capital for any IGA by the Borrowing Entities.
- RF loan will be used only for productive IGA purpose, and not for any consumptive purpose.
- 20% of the capital expenditure/total business cost as per the Business Plan will be met from own contribution of the Borrowing Entity, which would be either in cash or in kind. The POP categories of HHs are exempted for such requirement of own contribution.
- The loan size, irrespective of the amount in the application, will be finalized considering the factors such as fund availability, demand by the borrowers, and the investment adequacy for the proposed Business Plan.
- Financial management being the key required skill, necessary trainings to the committee members at VDPIC and Range Forest Office, etc. will be imparted to augment the skill level for managing the fund effectively but transparently.
- The default of payment by the Borrowing Entity must be handled by the VDPIC & RFMC through regular counselling, regular follow up and peer pressure.
- Any mismanagement of the RF fund or any reported case of corruption or negligence at the VDPIC / RFMC will be viewed very seriously, and result in stopping of any further loan, and in extreme cases in recalling of the RF fund of the defaulting VDPIC.
- The Books of Accounts and other records of the RF will be audited along with VDPIC account yearly; the audited report will be placed in the General Body of the VDPIC for approval under intimation with compliances to Range Forest Officer/ SDFO/ DPMA.

- The Books of Accounts and other records maintained by the Borrowing Entity for the approved Business Plan, as well as the activities, will be subject to periodic monitoring by PMA/DPMA and including Monitoring Sub-Committee of VDPIC.
- All financial transactions, payment, and receipts, at all levels, namely, VDPIC, Range Office, SDFO, DPD/DPMA will be backed by relevant and genuine receipts.
- If the facility of availing loan from a bank is available to any Borrowing Entity, then priority will be given to avail the loan from the bank rather than from the RF.
- All records of receipt, sanction, and disbursement of loan applications in the prescribed format shall be kept with the VDPIC and scan/photo copy in the Range Forest Officer.
- For non-compliance of Operational Guidelines, the Range Officer will make spot verification and submit the report to SDFO/DPD who will have the right to stop/withdraw the Revolving Fund from the VDPIC and shall take appropriate steps for recovery of the said fund if already released to Borrowing Entity.
- Secretary cum Treasurer of VDPIC and RFMC will be responsible for preparation and timely submission of all required reports to competent authority; he/she will also be responsible for maintaining all records under safe custody for the purpose of audit and/or inspection by any competent authority in the project.

12 DUTIES AND RESPONSIBILITIES OF VARIOUS STAKEHOLDERS OF REVOLVING FUND

12.1 Borrowing Entities

- To be a responsible member of CREFLAT project village and a responsible member within the meaning and category as described in VDPIC guidelines.
- To understand well the terms and conditions of the Loan Agreement and to adhere to all the terms and conditions of the Loan Agreement.
- To self-evaluate, discuss, and decide on the most suitable IGA and corresponding fund requirement before applying the RF loan; consult peers or executive members of VDPIC or members of RFMC; or any responsible person/s within the para/village before applying the RF loan.
- To develop the Business Plan and complete it in all respect before submitting the loan application.
- To ensure that the loan is productively used for the purpose for which applied for or as per the approved Business Plan.
- To ensure utilization of own contribution (cash or kind), if applicable, as per the loan application or approved Business Plan.
- To ensure the repayment of loan as per the approved repayment schedule with applicable interest rate.
- To ensure all the financial transactions are made electronically/digitally; seek the support of any member of the village or VDPIC/RFMC if required on this matter.
- To keep and maintain all documents/transaction receipts relating to the RF loan under safe custody for any verification/inspection by competent authority.
- To maintain a register to keep record of IGA such as initial inputs, outputs/volume of commodity harvested/sold, value or amount received, savings in the bank, expenditure, repayment of loan, etc. with date in each case of record.
- To take photographic evidences of successful activities of IGA or business enterprise promoted under the RF loan; share the photographs with project or keep safely for future use.
- To share with others experiences/benefits gained through the IGA and RF loan, or to seek advice from executive committee members of VDPIC/RFMC if required at any stage of IGA implementation.
- To consider repeat loan on successful implementation and full repayment of RF loan.

12.2 Revolving Fund Management Committee (RFMC)

- To understand/know their roles and responsibilities well together with having empathy with all the economically weaker sections of the community, as well as concerned for protection of local natural resources including forests and water resources.
- To scrutinize and process the RF Loan Application and Business Plan as per the Revolving Fund Guidelines.
- To advise, assist and handhold the Borrowing Entity in preparing the Loan Application for the right IGA, Business Plan, Loan Disbursement Schedule, and Loan Repayment Schedule as per the guidelines.
- To ensure that the Loan Application and Business Plans are scrutinized and forwarded to the VDPIC with status (scrutinized/approved/rejected) within 7-10 days from receipt of the Application from Borrowing Entities or receipt of the Applications via VDPIC.
- The Secretary cum Treasurer will have the overarching responsibilities of maintaining all records including revolving fund management records of RFMC together with preparation/compilation all meeting proceedings/minutes and timely submission of the required reports/documents on behalf of RFMC.
- To check the utilization of Loan and submit a report, whether it is used as per business plan or not within 7 days of loan disbursement.

12.3 Executive Committee of VDPIC

- To inform/appraise the general members of the VDPIC in each para about the availability of the Revolving Fund and guidelines for IGA including the types of IGAs eligible under RF loan.
- To inform/appraise the general members of the VDPIC on the procedures for RF loan application and borrowers' responsibilities as per the guidelines.
- To constitute the Revolving Fund Management Committee (RFMC) and to oversee the overall works and responsibilities of the RFMC; record the proceedings and corresponding resolutions in designated Register/s.
- To facilitate formation of the Common Interest Groups (CIGs) and/or Joint Liability Groups (JLG) for specific activities for sourcing RF for specific IGA; record the proceedings in designated Registers of the VDPIC.
- To open and maintain a separate account for the operation of Revolving Fund.
- To ensure proper management of Revolving Fund as per the approved guidelines (e.g., Maintain proper record keeping relating to all financial management/transactions)
- To ensure the availability of RF loan applications and other related formats.
- To sanction the loan from the RF within stipulated time as per the RF guidelines.
- To monitor the utilization of loan amount and own contribution of Borrowing Entities including monitoring and inspection of IGAs.
- To monitor and ensure the disbursement and repayment of the loan sanctioned for any defaults.
- To counsel the Borrowing Entities who may be defaulters and support in re-working on loan repayment schedules.
- To advise the Borrowing Entities for optimal use of RF for most suitable IGA for the benefits of the Borrowing Entities.
- To appraise the General Body of VDPIC about the status of RF and loans granted and repayment, defaults, etc. in the General Body meeting of VDPIC.
- To ensure overall management of the RF, proper documentation, and regular audit in a transparent and accountable way.
- To submit Monthly Progress Report (MPR) on utilization of RF to the Range Officer along with details of defaults, if any.
- Any other tasks that may be assigned by the Range Forest Officer/SDFO/DPD/PMA from time to time.

- Secretary cum Treasurer of the VDPIC will ensure all compliances with respect to record/report preparation/compilation and timely submission as well as safe custody of all related documents.

12.4 Roles and Responsibility of Technical Assistant (TA) & Village Community Worker (VCW).

- Concerned Technical Assistant (TA)/VCW (After their training) will give three days short duration training about the Repayment Schedule, Interest rate, Process of Loan, Time of Repayment, Date of repayment, venue of Repayment and mode off repayment (Cash/Cheque/Digital) etc. on behalf of RFMC till the project period and after that concerned person of RFMC committee will give all the deliberations in front of the loanee/ borrowers.
- To oversee and ensure proper utilization of Revolving Fund as per RF Operational Guidelines by the VDPICs.
- To handhold the VDPIC/RFMC for selection of proper business plan.
- To help VDPIC/RFMC to maintain all the records related to Revolving Fund.
- To help the VDPIC to prepare the monthly report of Receive and Repayment in RF Account.
- To check the utilization of RF Loan whether it is utilized by the loanee as per actual business plan or not within 7 days of loan disbursement.
- To build the capacities of key VDPIC executive committee members & RFMC members on RF Management and associated issues.

12.5 Range Forest Officer/Office of Range Forest Officer

- To build the capacity of the VDPIC and RFMC including Beat Officers and Foresters on Revolving Fund Management vis-à-vis RF Guidelines.
- To oversee and ensure proper utilization of Revolving Fund as per RF Operational Guidelines by the VDPICs.
- To review and monitor sanctions, disbursements, and repayments of loan at the VDPIC level including the sub-committees such as the RFMCs.
- To extend necessary support to the VDPICs in regular monitoring of the financial management and default management of the RF.
- To support in the market linkages of any products including NTFPs by any Borrowing Entity (individuals and groups) that are taken up as IGAs under the RF loans.
- To resolve issues related to defaults and failures of IGA and RF management (approval/sanctions) as and when referred by the VDPIC, and/or based on regular monitoring and inspection by the Range Office on the RF management.
- To document the processes, achievements, success stories, and issues related to RF management for the Range and ensure these are linked to MIS of the project as and when established.
- To prepare and submit MPRs to DPMA/SDFO/DPD on the status of fund, IGA, benefits, success documentation, etc.
- To upload on monthly basis the information related to RF of the Range with the various VDPICs in the project MIS and/or Project website of CREFLAT directly or through DPMA.

12.6 DPMA/SDFO/DPD

- To disseminate the provisions of Operational and Management Guidelines for Revolving Fund to Range Forest Officers, Beat Officers, and any other stakeholders.
- To build the capacities of Range Forest Officers, Beat Officers, Foresters as well as the key VDPIC executive committee members on RF management and associated issues. This include VCWs, TOs and Tas.
- To ensure timely release of RF to the Range Offices/VDPICs.

- To supervise the utilization of RF and as per the operational guidelines.
- To monitor and facilitate the required changes and/or updates of the RF Operational Guidelines as required particularly the financial management in consultation with PMA.
- To develop training module for different capacity building under different types of IGAs to be considered under RF in consultation with PMA and to roll out the trainings for the stakeholders.
- To arbitrate/settle any conflicts or issues referred by the Range Forest Officers on matters of Revolving Fund.
- To facilitate the conduct of audit of the Revolving Fund at the Range Office and VDPIC levels.
- To monitor the effective and efficient use of the RF and link the results with project indicators, particularly Indicator 3 (improved income and diversification of income sources).
- To document the RF success stories and impacts on the livelihoods/income of the Borrowing Entities including contribution to relevant project indicators and ensure its incorporation in MIS.
- To prepare MPR and QPR of the RF and send to PMA.
- To upload the success stories and other information relating to the RF in the website of the project (CREFLAT).

13 SUMMARY OF IMPLEMENTATION STEPS FOR REVOLVING FUND

<p>Step 1: Determining the eligibility of the VDPIC for Revolving Fund</p> <ul style="list-style-type: none"> In principle, all VDPICs are eligible for Revolving Fund for the purpose of onward-lending to the general members of VDPIC, individuals or groups, on the principles of micro-credit.
<p>Step 2: Release/transfer of fund from project to VDPIC</p> <ul style="list-style-type: none"> VDPIC should have separate bank account for Revolving Fund related financial matters.
<p>Step 3: Training of project staff on Revolving Fund Management</p> <ul style="list-style-type: none"> All Range Forest Officers, Beat Officers, Foresters & DPMA staff, viz. TO, TA, VCWs are to be trained in RF operational procedures and management.
<p>Step 4: Training of VDPIC Executive Committee and Revolving Fund Management Committee (RFMC)</p> <ul style="list-style-type: none"> Training on RF operational guidelines Compliances to be undertaken, monitored and reported, etc.
<p>Step 5: Availability of Formats for Loan Applications, Business Plan, Repayment Schedule, and Loan Agreement/Bond.</p> <ul style="list-style-type: none"> All formats must be always available with the VDPIC/RFMC. Designated Project staff/VDPIC will assist in preparing the application for loan and the Business Plan so that no application needs to be rejected.
<p>Step 6: Awareness on RF to General Body of the VDPIC</p> <ul style="list-style-type: none"> Organize General Body Meeting and explain about the RF facilities, how to access, eligibility, loan repayment, procedures in case of default payment, etc.
<p>Step 7. Formation of CIG/JLG by VDPIC</p> <ul style="list-style-type: none"> CIG/JLG to be formed by VDPIC; the group to be formally registered with Range Forest Officer. Group to have a bank account in Group's name (similar to SHG model).
<p>Step 8. Submission of Loan Application & Business Plan to VDPIC/RFMC</p> <ul style="list-style-type: none"> Can be submitted any time of the year but agriculture loan should be as per agriculture cycle/season. Application with signature of one guarantor. The guarantor will be responsible for repayment of Loan if the Applicant/Loanee is default to repay the loan amount. The guarantor should be from the concerned village and preferably should not be related to Loanee. During the time of Loan sanction, guarantor has to come to know about the repayment schedule (or any two executive members of VDPIC unless they are related to defaulter).
<p>Step 9. Scrutiny of Loan Application by RFMC</p> <ul style="list-style-type: none"> Refer the check list. Consider viability of the IGA, capability of the Borrowing Entity.
<p>Step 10. Approval of RF Loan by VDPIC</p> <ul style="list-style-type: none"> Consider the capacity of the Borrowing Entity to repay. Not required to approve/sanction as per upper limit of the loan provision or request but based on real capacity of the applicant.
<p>Step 11. Execution of Loan Sanction, Loan Agreement/Bond with Repayment Schedule</p> <ul style="list-style-type: none"> As per the guidelines; but the Borrowing Entity must be very clear about every step of repayment and penalty for default in repayment, etc.
<p>Step 12. Implementation of IGA by Borrowing Entity (individual / groups)</p> <ul style="list-style-type: none"> Very crucial stage of RF; must be monitored well by VDPIC, Range Officer & DPMA. Support with guidance/advice the Borrowing Entity as required by all concerned.

<p>Step 13. Monitoring of IGA activities in the field by VDPIC, Range Officer, DPMA, etc.</p> <ul style="list-style-type: none"> • Emphasis on counselling and advice / encouragement to the Borrowing Entity. • Appreciate good IGA / encourage repeat loans.
<p>Step 14. Monitoring and Reporting on RF Utilization by VDPIC & Range Officer through MPR/QPR/APR.</p> <ul style="list-style-type: none"> • Secretary cum Treasurer of VDPIC & RFMC should be pro-active on the matter. • Be trained as required.
<p>Step 15. Identification of Default Repayment if any.</p> <ul style="list-style-type: none"> • Follow and support systematically if potential for revival; encourage the Borrowing Entity to repay the pending repayment amount to RFMC. • All stakeholders to play their active roles and responsibilities.
<p>Step 16. Repeat Loan Application following Successful Completion of the First Loan Cycle.</p> <ul style="list-style-type: none"> • Successful individuals/groups to be identified. • Facilitate their success stories to be heard across the communities and beyond.
<p>Step 17. Documentation of success stories linking with outcome Indicator 3 of CREFLAT</p> <ul style="list-style-type: none"> • Pro-active roles of DPMA/PMA in documentation by TOs & TA. • Aligned with project indicators, particularly Indicator 3 (increased income and diversification of income sources).
<p>Step 18. Development/Implementation of Exit Strategy on RF in Post-Project period.</p> <ul style="list-style-type: none"> • Exit Strategy to be developed on the continuity/sustainability of the successful models of Revolving Fund in the post-project situations 1 Year prior to project completion. • DPMA/PMA to generate ideas on exit strategy in the form of a draft note.

14. RECORDS TO BE MAINTAINED AT VDPIC LEVEL FOR RF MANAGEMENT

- Bye-laws on Management of RF
- Loan application/proposal file
- Proceedings Register
- Loan Register
- Repayment Register
- Receipt Book
- Agreements/Bonds(File)
- Cash Book/Bank Pass Book
- File for approved business Plan
- File for reject business Plan.

15. GRIEVANCE REDRESSAL

In case any of the applicants of the concerned village fulfilling all the criterion of getting loan from Revolving Fund feels that he/she has been unfairly treated by the VDPIC/ RFMC, he/ she can present their case to the GRM Cell of District Project Director. DPD can take final decision after inquiry to the matter through RO.

Annexes

Annex 1 – Format for Loan Application

Loan Application Format

Date:

The Chairperson

Revolving Fund Management Committee (RFMC)

I / We _____ (Name of SHG/CIG/JLG/Individual), am interested
to avail loan for amount Rs _____ (*amount in words*) from the Revolving Fund
for the Purpose of _____

I/We would return the loan in _____ months according to the terms specified by the VDPIC.

I / We would abide by all the rules / regulations associated with this loan.

Thanking You

Name & Signature of Applicant (SHG President in case of SHG/CIG/JLG leader/Individual)

Bank Branch & Bank Name:

Bank Account Number:

IFSC Code:

Address:

In case of Individual applicant:

Name & Signature of Guarantor

Address:

Annex 2 – Format for Business Plan
In progress

Annex 3 – Format for Loan Sanction Letter

Format for Loan Sanction letter for Loanee

To

..... (Name of borrowers)

.....(Father's/Spouse's name)

..... (Address of the borrowers)

Sub: Loan Sanction Letter for the purpose of..... (Activity)

Sir/Madam,

We are very much pleased to inform you that your business plan of INR..... for the purpose of (IGA activity) has been approved by the RFMC committee. The rate of interest of the loan is (.....%). The loan also includes a processing fee of (INR.....) which you have to pay cash to the..... RFMC committee. Your loan will be disburse on.....(date) and you are requested to come along with one guarantor and other original documents that you have submitted during the time of Loan Application.

Please note that you must provide us all the necessary documents and fulfil all the requirements of loan before the disbursement of loan.

Thank you for choosing Revolving Fund of.....(VDPIC Name) as your financial partner.

With regards,

.....(Name of RFMC Chairman)

(Seal of RFMC Chairman)

Copy to:

1. The.....VDPIC Chairman
2. The Range Officer(Range Name)

Annex 5 – Check List for Evaluating Eligibility of Borrowing Entity

During the time of finalization of Loan application by the VDPIC and RFMC committee in their monthly/ biweekly meeting, the committee could consider following aspects for appraising the IGAs:

SL.	Particulars	Remarks
1	Social acceptability of proposed enterprise	Yes/No
2	Impact of enterprise on women in the family	Yes/No
3	Assured availability of raw material	Yes/No
4	Marketability of produce/service	Yes/No
5	Availability of skills and technical capability to run the enterprise	Yes/No
6	Any positive impact of proposed IGA on forest and village environment	Yes/No
7	Good financial history of the borrower in the village	Yes/No
8	Past experience with similar enterprise & activity	Yes/No

Annex 6 – Format for Loan Agreement Loan Agreement (Individual Loanee)

Entered between two parties

_____ RFMC Committee

_____ Village

_____ Block

AND

_____ Borrower name

_____ (Father's/Husband's name)

_____ Address

1. Amount of Loan

We the _____ RFMC of _____ village hereby
agrees to lend the sum of INR _____ (Rupees in word)
to _____ (name of Loanee) for the activity
of _____ (activity name).

2. Period of Loan

I _____ ((Borrower name) agree to repay the loan by
_____ (No. of Month) with principle and interest to the RFMC committee.

I _____ (borrower name) shall be obliged to pay the interest at
the rate _____ (%) per annum to the RFMC Committee.

Agreement of Loan (SHG/ CIG/JLG)

Entered between two parties

Entered between two parties

_____ RFMC Committee
_____ Village
_____ Block

_____ President of SHG/CIG/JLG	_____ Secretary of SHG/CIG/JLG
_____ Name of SHG/CIG/JLG with seal	_____ Name of SHG/CIG/JLG with seal
_____ Address	_____ Address

3. Amount of Loan

We the _____ RFMC of _____ village hereby
agrees to lend the sum of INR _____ (Rupees in word)
to _____ (name of Name of SHG/CIG/JLG) for the activity
of _____ (activity name).

4. Period of Loan

We _____ & _____ ((name of
President & Secretary) agree to repay the loan by _____ (no of Month) with principle and
interest to the RFMC committee.

We _____ & _____ (name of
President & Secretary) shall be obliged to pay the interest at the rate _____ (%) per annum to the
RFMC Committee.

Annex 7 – Format for Demand Promissory Note

Promissory Note

State:.....

Place:.....

Date:.....

On demand I _____ S/O &
W/O _____ Promise to pay RFMC Committee
of _____ VDPIC,
INR _____ (Repees _____) with interest
at _____ per annum for the value received.

Late Fee.

If I fail to make payment on due date under this note within the Loan Cycle,
I _____ (name of borrower) will pay to the RFMC committee a late
payment fees of _____ % of total outstanding amount.

Revenue Stamp

Signature of Borrower/ SHG/ CIJ/JLG President

With seal of Group

Annex 8 – Format for Acknowledgement of RF Loan Sanctioned & Repayment Schedule

Loan Sanction and repayment Schedule for Loanee

- a. Name of Village : _____
- b. Name of Loanee : _____
- c. Name of guarantor : _____
- d. Amount of Loan Sanction : _____
- e. Activity : _____
- f. Duration of Loan (Month) : _____
- g. Annual rate of Interest (in %) : _____
- h. Total interest to be paid : _____
- i. Total amount to be paid (P+I) : _____
- j. Promissory note signed (Y/N) : _____

Repayment Schedule:

SL.	Date	Time	Venue	Amount to be paid		Total amount to be paid(P+I)
				Principal	Interest	
1						
2						
3						
4						

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5						
6						
7						
8						
9						
10						
11						
12						
Grand Total						

Signature of Loanee/Group
with seal (seal if
CIG/JLG/SHG)

Signature of Guarantor

Signature of RFMC
Chairman with seal

Annex 9 – Format for Monthly Progress Report (MPR)

A. Monthly Progress Report of Revolving Fund overall

Name of VDPIC _____ Block _____

District _____ Month & Year _____ as on _____

Particulars		Quantity (nos)	INR-	Up to Last Month	During the month	Cumulative till date
1	Total Amount received from Project	NA				
2	Amount of Loan Sanctioned	NA				
3	Total no. of loan sanction BDP)					
4	Total no. of loan disbursed	NA				
5	Amount of Loan disbursed	NA				
6	Amount of loan due for disburse	NA				
7	No of Group (CIG/JLG/SHG) to which loan has been disbursed					
8	No of individuals to which loan has been disbursed (all Individuals)					
9	No of individuals to which loan has been disbursed (PAPs)					
10	No of individuals to which loan has been disbursed (Poorest of the poor)					
11	No of individuals to which loan has been disbursed (Skill de. trainees)					
12	Loan amount due for repayment	NA				
13	Total repayment amount deposit to RF Account	NA				
14	No of individuals who has defaulted on repayment					
15	Any expenses related to RF Management (Printing & Stationary etc.)	NA				
16	Cash in Bank as on date	NA				
17	Cash in hand as on date	NA				
18	Total outstanding amount in village	NA				

Signature of TA

Signature of RFMC Chairman

B. Monthly Loan repayment report (to be provided by VDPIC & RFMC)

D. District _____ Month _____ & Year _____ as
on _____

[illegible]

Signature of RFMC Chairman

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Annex 10 – Format for Quarterly Progress Report (QPR)

Quarterly Progress Report of Revolving Fund

Name of VDPIC _____ Block _____

District _____ Month _____ to _____ & Year _____

Particulars		Quantity(nos)	INR-	Up to last quarter	During the quarter	Cumulative till date
1	Total Amount received from Project	NA				
2	Amount of Loan Sanctioned	NA				
3	Total no. of loan sanction (BDP)					
4	Total no. of loan disbursed	NA				
5	Amount of Loan disbursed	NA				
6	Amount of loan due for disburse	NA				
7	No. of Group (CIG/JLG/SHG) to which loan has been disbursed					
8	No of individuals to which loan has been disbursed (all Individuals)					
9	No of individuals to which loan has been disbursed (PAPs)					
10	No of individuals to which loan has been disbursed (Poorest of the poor)					
11	No of individuals to which loan has been disbursed (Skill de. trainees)					
12	Loan amount due for repayment	NA				
13	Total repayment amount deposit to RF Account	NA				
14	No of individuals who has defaulted on repayment					
15	Any expenses related to RF Management (Printing & Stationary etc.)	NA				
16	Cash in Bank as on date	NA				
17	Cash in hand as on date	NA				
18	Total outstanding amount in village	NA				

Signature of TA

Signature of TO

Signature of RFMC Chairman

Climate Change Adaptation Programme in the Himalaya, Component II: Tripura
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Annex 11 – Format for Annual Progress Report (APR)

A. Annual Progress report (to be provided by VDPIC & RFMC)

B. Name of VDPIC _____ Block _____

C. District _____ Month&Year _____ as on _____

SI	Particulars	No.	Amount (Rs)	Total amount of Loan disbursed (Rs)	Amount (Rs) due in till 31 st December		Total amount that should have been repaid 31 st December (Rs)		Total amount (Rs) repaid till 31 st December	
					Principal	Interest	Principal	Interest	Principal	Interest
1	Total no. of Loan Sanction									
2	No of PAPS Loanee									
3	No of POP Loanee									
4	No of Female Loanee									
5	Total no of SHG									
6	Total no of CIG									
7	Total no of JLG									

B. Annual Progress at a Glance

SI.	Block	Village	RF received from Project	Money from Application submitted	Total no. of BDP approved for Loan	Total disbursed Loan (in Rs)	Total repayment maid	Total bank interest received (in Rs)

