

Protocols of Vulnerability Reduction Fund (VRF)

Vulnerability Reduction Fund is a fund (corpus fund) given to Village organisation (Primary level federation at Village level) to address vulnerabilities like food insecurity, health risk, sudden sickness/hospitalization, natural calamity, etc., faced by the household(s) or community. The purpose of VRF is to address the special need of vulnerable people, SHG members with vulnerabilities and also the needs of any destitute/non-members in the village. It can be used for an individual need or for collective action.

VRF amount

VRF is part of Community Investment Fund (CIF). The amount of VRF to each VO is determined by the number of members in the SHGs (@ Rs. 1500/- per members; for SC, ST, and other vulnerable members, this is @ Rs. 2250/- per member; for PVTGs, this can go upto @ Rs. 3000/- per member). Mission provides VRF to VO/Primary Level Federation in two instalments:

1. **Instalment I – upto 60% of the amount.**
2. **Instalment II – rest of the amount.**

Eligibility criteria

Mission to VO for VRF- 1st instalment:

- a) Functional VO must have been in existence for 3 months and actively functioning (Bank A/c, regular meetings, Executive Committee in place, updated books of records etc.). *Separate bank account may also be opened for managing VRF, if required.*
- b) Trained VRF subcommittee should have been constituted and undergone VRF management training.

Mission to VO for VRF- 2nd instalment:

VO should have -

- a) Successfully disbursed at least 60% of the amount of 1st instalment to SHGs members, or other vulnerable people.
- b) Introduced 1-2 activities to address vulnerability like members' contribution towards VRF amount, ek mushti chawal by each SHG member of the village, providing assistance to people (orphans, elderly, destitute, etc.) who can't be supported by SHGs, etc.

Process of releasing VRF

1. Releasing 1st instalment of VRF from SRLM to VO:

- a) Eligible VO to make a demand for release
- b) Amount should be released to VO within 7 days since the receipt of demand.

2. Releasing of 2nd instalment of VRF from SRLM to VO

Eligible VO submits an appraised Vulnerability Reduction Plan (VRP) for their village, to CLF (to BMMU directly in the absence of CLF) and in turn CLF forwards to BMMU/DMMU

- VRP includes plan addressing special/particular needs of vulnerable people
 - Specific plans for Tribals, PVTG, PwD, Elderly and other vulnerable people in SHGs
 - Gender Action Plan
 - Food, Nutrition, Health and WASH(Water, Sanitation and Hygiene) (FNHW) Action Plans
 - Specific plan for Vulnerable destitute outside SHGs
 - VRP is prepared in a participatory manner (VRP process and template is attached as attachment 1).
 - VRP is appraised by CLF representatives at the VO itself (if CLF is not in place, leaders of other VOs or representative of loose CLF may appraise)
- a) VRF is released to VO within 7 days of receiving the demand, along with appraised VRP.

3. Releasing VRF to SHG/SHG members/non-members:

The release under VRF are in addition to CIF provided on priority for vulnerable people and to meet vulnerabilities.

VRF committee carries sufficient imprest amount as agreed by VO to meet emergency needs.

For members

In case of emergency (accident, sudden sickness/hospitalization, death etc.)

- i. Member(s) put up a demand to concern SHG as per need.
- ii. SHG recommends and immediately approaches to the VO Secretary and VRF Sub- Committee.
- iii. VRF Subcommittee (desirable all member of subcommittee) and Secretary VO analyse the extent of urgency and based on it, they may release an immediate relief upto Rs. 5000/- (*Indicative, as fixed by VO*).
- iv. In upcoming VO-EC meeting, concern SHG should present the case and VRF Sub-Committee seeks post facto approval.
- v. Based on assessment, VO- EC takes appropriate decision.

Other cases

- vi. Member(s) put up a demand to SHG as per need.
- vii. SHG appraises the individual request, consolidates the request at group level and submit the request to VO.
- viii. VRF subcommittee appraises the request and seeks VO's approval and release of the amount.
- ix. Once the funds are received at SHG level, SHG releases the amount to member(s) within 3 days.

For non-members

- i. Any non-SHG member of village who need support submits the request to VO with details of her/his family background, vulnerabilities (purpose) and amount required.
- ii. VRF subcommittee appraises the request within a day and seeks VO's approval.

- iii. Based on the appraisal, VO-EC may take appropriate decision, and release the amount with suitable terms.

For SHGs**In case of Collective action or group activities**

- i. SHG puts up a demand to VO.
- ii. VRF subcommittee appraises the request and recommends to VO within 1-2 days.
- iii. Based on the recommendations, VO-EC may take appropriate decision, and release the amount with suitable terms.

For VOs -

Direct spend by VO in case of a collective action or group activities, at the village level as per the VRP.

Norms for Fund disbursement

- i. The amount of VRF could be given as a grant to member or loan without interest or with low interest at the discretion of VO. *Funds accessed from other departments (as Vulnerability Reduction Fund) could be given as grant at the per discretion of VO.*
- ii. As decided by VO, VRF can be released in multiple instalments and the interest rate can be less than what is charged for the CIF loans. In deserving cases, terms of repayment including moratorium may be suitably tailored at the discretion of VO.

Augmentation of VRF

- i. SHG members could contribute towards Vulnerability Reduction Fund or specific fund for Gender Forum, FNHW etc. The amount of contribution from each SHG/ SHG member may be decided by the VO/SHG.
- ii. VO may contribute some part of its surplus amount towards augmenting VRF at the discretion of VO.
- iii. As per the VRP, VO can seek support from Panchayat, other departments and other sources.

Attachment 1: Vulnerability Reduction Plan

Vulnerability Reduction Plan (VRP) is a participatory bottom-up plan of the Village Organization to capture and prioritize individual/collective needs of the vulnerable people and vulnerabilities of the SHG members in the village. These plans can also be aggregated at GP/Cluster/Block level for taking up/facilitating convergence with other departments.

1. Eligibility and pre-requisites for conducting VRP

- VO should be at least 6 months old.
- VO should have received 1st instalment of VRF.
- Mobilized atleast 80% of the vulnerable families.
- VO EC, Social Action Committee, Health Sub Committee along with VO-Activist, Gender Focal Person and Health Activist must be oriented on VRP preparation.
- **Updated VO profile** - updated by the VO Activist or Bookkeeper.
- **Updated list of vulnerable members** – updated by the VO Activist or Bookkeeper.
- **Member-wise Income and Expenditure statement** - For understanding the situation of vulnerable people, VO needs to prepare member-wise statement of Income and Expenditure. It helps the members to analyze their own patterns of income and expenditure so that the members can plan their investments and reduce their expenditures etc. During the first 3-5 months itself, this analysis can be done for each member of the SHG in the regular meetings of SHG, to appreciate each other's socio-economic situation. Active Women/Book Keeper could take up this facilitation process.
- The above 3 steps should be completed prior to VRP preparation. These processes should be facilitated by the VO Activist/ VO Bookkeeper and may be completed during the VO meetings itself within the first 6 months of the VO formation.
- Apart from the above 3 steps, a **vulnerabilities analysis of the village** should be completed by the members of the VO in the village and important stakeholders of the village. It should include the analysis of health, gender action, food security, issues of elderly, PwD and tribal, livelihoods of the vulnerable and special needs of the vulnerable.

2. VRP Process

- Facilitate the VRP process - by trained SHG Book-keepers, VO Activist, Health Activist (HA), Gender Focal Person (GFA), Active women, Community Trainer and/or Mission staff.
- Identify the vulnerable members based on the SECC data and other sources in their village.
- Complete the entire process in 10-15 days.

At SHG level (3-4 days)

- Facilitate the identified vulnerable members of each SHG in developing their individual plans based on the village analysis and the income-expenditure analysis conducted earlier.
- Consolidate and finalise the individual member's plans at SHG level and add SHG group collective action plans in discussion with SHG members at the SHG level.
- Facilitate appraisal of SHG plans by VOs representatives from VO on the last day of the meeting with each SHG.

- Revise and finalise the appraised SHG level plans and submit to the VO.

At VO level (6-8 days)

- Facilitate plans for non-SHG members (assistance or care to those who can't be supported through SHG) prepared by VO Activist, HA, GFA and bookkeeper with the help of Active women and Community Trainers.
- Prepare action plans of Gender, Health, insurance, food security, elderly, destitute, PwDs, tribal and PVTG communities.
- Consolidate and finalise all the plans of SHGs, non-SHG members, village level collective action on Gender, Health, Insurance, Food Security, Elderly, Destitute, PwDs, Tribal, PVTG communities and Convergence into a consolidated VRP at the VO level. Include plans for augmenting VRF funds.
- Facilitate representatives from CLF/loose CLF attending the VO meeting and appraising the consolidated VRP (*see Attachment 2*). If CLF/Loose CLF is not there, the leaders of other VOs appraise the VRP.
- Revise and finalise the VRP based on the appraisal. The final appraised and approved VRP would be signed by the office bearers of VO, the appraising leaders and the facilitators.
- Record the VRP process in the minutes' books of SHGs and VO.

3. Post VRP planning

- Submit the final VRP, along with the utilization of the VRP Funds already with VO, to the CLF/Mission (BMMU) for availing second instalment of VRF.
- On receiving the appraised and VO approved VRP, the CLF/SRLM should release funds within a week.

Thereafter, every year Vulnerability Reduction Plan needs to be reviewed and a new VRP to be developed.

4. Augmentation of VRF Funds

- Mobilize contributions from SHG and SHG members towards Gender fund, health fund, vulnerability reduction fund etc.
- Facilitate VO to contribute some part of its surplus amount towards VRF
- Encourage VO to source funds from other resources through convergence.

Note: The above VRP process is indicative and SRLMs may revise it according to the suitability of the specific requirements of the state.

Attachment-2: Template for the VRP

Amount received as first instalment of VRF							
Amount of VRF disbursed							
No. of vulnerable received VRF (Total)							
As grant							
As loan							
VO Name:			VO Profile			Y/N	
Village Name:			VO Member Profile			Y/N	
Gram Panchayat Name:			Member Income- Expenditure Analysis			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. (in Rs.)	Purpose	Other requirements ¹	Sign. of the Members	
1							
2							
3							
4							
5							
6							
7							
Total							
Non- SHG Members							
1							
2							
3							
4							
5							
6							
Total							

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

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

Details of Collective Actions:					
S.N.	Activity	Name of SHG	Purpose	Amount required (n Rs.)	Sign of SHG leaders/ VO leaders
	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 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/Leader 1:

Secretary/Leader 2:

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.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

