

# QUARTERLY REPORT

*JAN - MAR, 2020*



## INSTITUTIONAL BUILDING AND CAPACITY BUILDING

# Background

LDF has undertaken IB-CB activities in 31 different clusters of Nuh, Fatehabad, Bhiwani, Kaithal, Karnal & Panchkula. In close coordination with HSRLM officials, community cadres and office Bearers (OBs) of community-based institutions, LDF works towards institution building & capacity building to strengthen the community based institutions.

Total number of VOs: **501**

Total number of SHGs: **6474**

Total number of households: **69085**

Total number of villages: **654**

Total CLF Subcommittees: **99**

Total VO Subcommittee members: **1091**

## Activities

### Grading of VOs

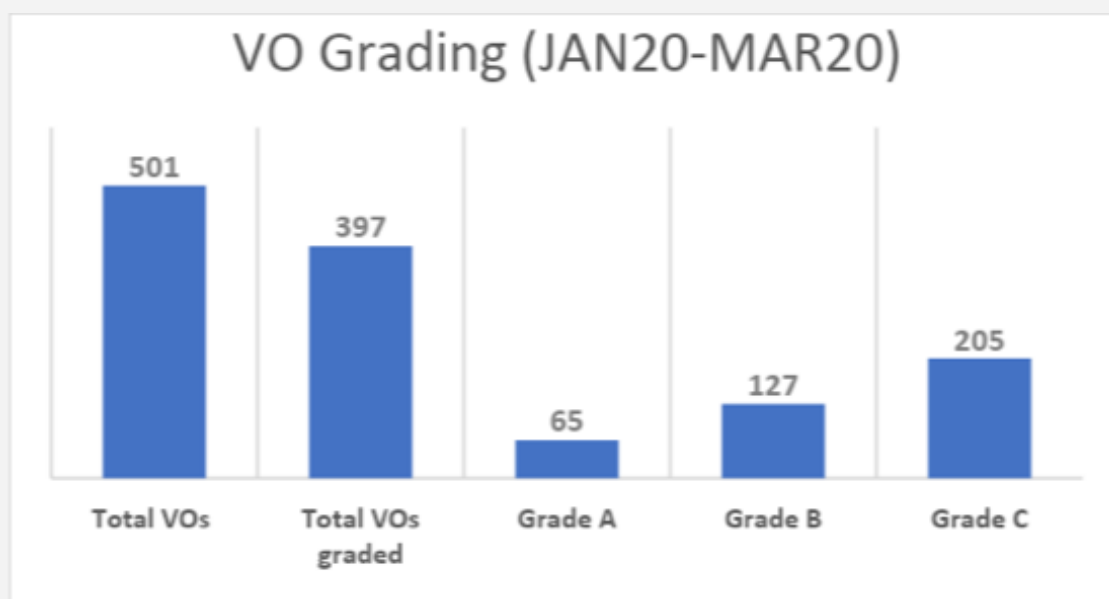
Grading of Village Organisations (VOs) is being done to understand the health of VOs and areas of improvement for efficient functioning since VOs provide facilitation and handholding support to SHGs for credit related activities. These institutions also monitor and nurture SHGs to ensure financial discipline and undertake income generation activities. The grading is done on the following parameters:

- Attendance of VO elected representatives in a meeting.
- Frequency of SHG to VO repayment of Community Investment Fund given by HSRLM
- VO to CLF repayment of the interest on CIF
- Loans given out by the VO to new SHGs
- Idle Fund – left unused, at VOs
- Petty Cash with VO
- Presence of functional monitoring sub committees such as bank linkage committee, repayment committee and livelihood committee

LDF conducted numerous training sessions for CLF-RGB (Representative General Body members are representatives from the VOs at the CLF) members along with CLF staff, on importance of grading which was instrumental for the progress of the grading process. A grading baseline was conducted in December 2019 and 238 of 497 VOs were graded.

In Jan-March 2020, the grading exercise was undertaken with 397 out of 501 VOs being graded. 11 CLFs in Fatehabad, Nuh and Karnal could not conduct grading due to Covid-19 national lockdown.

**Despite the lockdown VOs graded in this quarter are 60 percent more than last quarter.**



	Baseline (Dec'19)	Quarter data (Jan-March '20)
CLFs conducted grading	26	19
Total VOs	497	501
VOs Graded	238	397
Grade A	22	65
Grade B	61	127
Grade C	155	205

- 16.4% of total VOs graded were in A category compared to 9% in Oct-Dec 2019
- 32% were in B category compared to 25.6% in the last quarter
- 51.6% were in C category compared to 65% in the last quarter

The main reasons for low grades were identified to be at the SHG level, namely :

- 1) Non functional VO subcommittees
- 2) SHG Grading not conducted at VO level
- 3) SHG quality

LDF's focus in the past one year has been on setting up CLFs and strengthening its functions, ensuring documentation, processes, attendance, repayments etc. Grading activity was identified in December 2019 as one of the key aspects to be taken up to strengthen VO functioning.

Since LDF is presently not working with the SHGs directly and it is at the SHF level that the gaps exist primarily, LDF will work closely with VOs towards creating awareness about SHG functioning and timely monitoring.

The data of Jan-Mar quarter highlights an upward trend with VOs improving their grades.

## Village Organisation Formation

VO formation is an important aspect as VOs are the medium for SHGs to get access to project funds and are an integral part in the growth of SHGs. New VOs have been formed on a regular basis.

With BMMU support (for cadre training), 34 new VOs (catering to 368 SHGs with 3700 members) were formed in Jan-Mar quarter. LDF mobilized SHG women - oriented them with the concept of VOs, assisted in preparation of necessary documents for opening bank accounts along with formation of sub-committees in these VOs.

The highest number of VO formation has been done in Fatehabad with 14 new VOs.

Districts	VO formation target	Actual VOs formed
Fatehabad	6	14
Panchkula	0	2
Bhiwani	0	0
Karnal	4	8
Kaithal	0	6
Nuh	3	4

## Project Fund Disbursement

LDF has ensured better financial systems for proper disbursement of project funds along with monitoring of receipt of interest towards maintenance of corpus. Monitoring disbursement of project funds, consistently generating awareness in CLF about timely repayment as well as making the VOs aware about the repayment due from them are being done by the team of LDF. As a follow-on activity, they also imparted awareness among the CLFs about the interest earned through repayments which can then be successfully rotated among community members, enhancing funds for livelihood activities.

In the last quarter, LDF has facilitated in demand generation for project funds from community. Based on this demand, we have ensured regular follow up with the district team for disbursement of the funds which has resulted in a large amount of fund disbursement.



The following funds have been disbursed in the last quarter:

District	Project funds disbursed
Karnal	Rs. 59,85,000
Fatehabad	Rs. 16,90,000
Kaithal	Rs. 4,50,000
Panchkula	Rs. 12,50,000
Bhiwani	Rs. 1,50,000
Nuh	Rs. 50,000
Total	Rs. 1,00,25,000

## Community participation and repayment

The LDF team facilitates issue resolutions during RGB meetings. Issues are formally taken up in the agenda for the RGB meeting and subsequent solutions are devised for them. This exercise helps the CLF in self-governance and maintaining transparency, resulting in confidence and trust in the system. This has helped us in actively mobilising women for livelihood activities with their regular participation.

However the footfall of community members has decreased in this quarter by 41 % (419/1010):

- The last quarter was a wedding as well as pre-harvesting season. The community members require more credit and are unable to repay the loan amount during this period.
- 11 CLFs could not hold RGB meetings due to Covid-19 lockdown. Hence, were unable to collect the repayment.



As footfalls decreased last quarter, the amount of principle and interest repayment also decreased. The trend from Jan to March is as follows:

Distict	Jan 2020		Feb 2020		March 2020	
	Principle	Interest	Principle	Interest	Principle	Interest
Karnal	24,67,784	1,52,453	19,66,984	91,286	14,53,687	57,690
Fatehabad	15,28,926	1,06,449	10,93,676	88,047	1,95,300	21,735
Kaithal	7,99,082	38,188	10,10,972	28,005	4,21,437	21,367
Panchkula	8,66,480	65,453	7,60,500	55,937	8,10,258	57,248
Bhiwani	12,92,242	1,71,751	14,41,027	1,23,451	14,36,651	1,21,829
Nuh	5,93,000	45,900	6,33,000	53,000	0	0

Bhiwani is the only district showing a positive trend as all CLF meetings were held timely inspite of covid 19 lockdown.

The trends may be expected to reverse slowly once conditions normalise and meetings are held regularly.