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**Broad Guidelines for the Livelihood Activities  
for the Landless/Assetless Households under IWMP**

**1. Introduction:**

1.1 The Integrated Watershed Management Project (IWMP) is being implemented in accordance with the Common Guidelines for Watershed Development Projects – 2008. One of the key features of the Common Guidelines includes focused priority on livelihood activities for landless/assetless persons. Nine percent of the total project cost has been assigned to support the livelihood activities for landless/assetless households. This component aims to maximize the utilization of potential generated by watershed activities and creation of sustainable livelihoods and enhanced incomes for households within the watershed area. This will facilitate inclusiveness through enhanced livelihood opportunities for the poor through investment into assets, improvements in productivity and income, and access of the poor to common resources and benefits and augment the livelihood strategy at household level.

**2. Guiding Principles of Livelihood Improvement**

2.1 Livelihood improvement initiatives should emphasize on natural resource based activities and must conform to principles of equity, gender sensitivity and transparency. It should strive to:-

- a. Enhance livelihood opportunities for the poor through investment into asset creation and improvement in productivity and income.
- b. Improve access of the marginalized communities, including SC/ST, landless/assetless people, women, etc., to the benefits.
- c. Select the beneficiaries in a transparent manner.

2.2 Livelihood guidelines for landless/ assetless households should aim at improved household income, participation and division of labour, access to information, knowledge, appropriate technologies and resources.

**3. Planning and Implementation**

3.1 The most important aspect in implementation of the guidelines would be the inclusion of 'micro level livelihood planning' as an empowerment tool for the marginalised communities. This planning will help in understanding existing livelihood

assets/capitals in a highly participatory manner to augment the existing livelihood platform.

### 3.2 Livelihood Planning

- i. The agency selected for implementing the watershed programmes will also be responsible to implement the livelihood component of IWMP.
- ii. An awareness drive should be undertaken at Gram Sabha level for communication & sensitisation of the target beneficiaries.
- iii. A "**Livelihood Action Plan**" (LAP) will be a prerequisite for availing the funds under the livelihood component.
- iv. The LAP should be prepared during the preparatory phase by the Project Implementing Agency (PIA) in consultation with WDT, WC and the members of SHGs, SC/ ST, women, landless/ assetless households. This plan should be an integral part of DPR. PIA may also take assistance of livelihood expert of the team/ agency specializing in livelihood sector who can be engaged on a time bound contract basis, expenditure on which may be incurred from Administrative component of the project. PIA should prepare livelihood action plan for the project area before the release of 2<sup>nd</sup> instalment.
- v. To promote convergence, the PIA should work in close association with other employment generating programmes such as MGNREGS, NRLM, etc.
- vi. The livelihood action plan should analyse socio-economic conditions and existing livelihood capitals of the watershed village during the situation analysis by means of PRA and focus group discussion in order to facilitate collection of information to feed into the livelihood action planning process. Livelihood action plan should contain schedule of activities, interventions, no. of SHGs to be assisted and expected outcome.
- vii. A copy of the livelihood action plan should also be made available to concerned SHGs and Gram Panchayats.
- viii. The plan may be reviewed by the PIA, if need be, and revised in consultation with the stakeholders.

### 3.3 Mode of Operation

- i. The livelihood action plan will be implemented through Self Help Groups and/or their federation. However financial support to enterprising

individuals could also be considered subject to a maximum of 10% of the funds under the livelihood component.

- ii. Livelihood activities can be carried out either through the existing SHGs having good performance or new SHGs formed with a group of 5-20 persons.
- iii. SHGs selected for implementing livelihood action plan should be homogeneous in-terms of their existing livelihood capitals, common interest and need.
- iv. SHGs can undertake any permissible activity jointly as a group or the group may decide to support individual(s) for the activities under the umbrella of the main SHG. In case of individual support under the SHGs, the individuals will be accountable to the main SHG for finances and performance.
- v. The financial support to enterprising individuals who prepare and submit a viable livelihood proposal, may be considered by Watershed Cell cum Data Centre (WCDC) on the recommendation of the Watershed Committee (WC). The plan has to be approved by the WCDC before extending financial support. However, support to individuals should not exceed a maximum of 10 % of funds under the livelihood component.

**4. Eligibility for availing the funds under the Livelihood Component**

- i. The beneficiaries should be marginalized communities, including SC/ST, landless/assetless people, women, etc., among which preference will be given to women, specially female headed households, ST & SCs, as identified under the wealth ranking conducted as a part of the PRA exercise.
- ii. It may be ensured that the selected SHG does not have more than one member from a household.
- iii. Priority may be given to women SHGs.

**5. Budget, procedure of release and administration:**

- i. 9% of the total project fund is earmarked as the livelihood component for the benefit of marginalized communities, including SC/ST, landless/assetless people, women, etc.
- ii. This earmarked amount shall be taken out of the total project fund as a grant to WC in its bank account, which in turn will be used to provide financial assistance, (seed money for revolving fund to SHGs and a grant -in -aid for enterprising SHGs/ SHG federations to undertake major livelihood activities).

- iii. At least 70% of this livelihood fund will be used to support revolving fund for SHGs, including support to enterprising individuals, and a maximum of 30% for supporting grant-in-aid to enterprising SHGs/ SHG federations.

#### **5.1 Seed Money for Revolving Fund:**

##### **a. Seed money for SHGs**

- i. Each SHG shall make an application for financial assistance to the WC. WC in its regular meeting, will consider these applications and pass resolution regarding its approval of financial assistance to SHGs based on merit of the case. The representatives of applicant SHGs may also be present in such meetings of the WC. The resolution will clearly rank the approved cases, based on the priorities and preferences, so that the support may be extended to all the eligible SHGs in order of ranking.
- ii. The initial amount up to Rs. 25,000 may be given as seed money to a SHG as the revolving fund after their proposed activity(s) has been approved by the WC in its meeting and included in the resolution.
- iii. The SHGs will return the seed money on monthly basis and that could be reinvested in the same or other SHGs as per the resolution passed in meeting of WC. The amount and number of monthly instalments may be decided by WC based on the type of activity, capacity of the group and their savings. The amount may be returned in a maximum of 18 months.
- iv. The payment will be made by cheque after the respective SHG has opened a joint bank account with two signatories from the SHG members.
- v. The SHGs may use the amount for a combined activity and/ or shall provide the above amount to the concerned members as individual loan against a specific activity for improving income. In case of individual support under the SHGs, the individual will be accountable to the main SHGs for finances and performance.

##### **b. Seed money for Enterprising Individuals**

- i. The enterprising individual shall apply for financial assistance to the WC, along with a viable livelihood proposal. WC in its regular meeting, will consider such applications and recommend to WCDC, through PIA, the amount to be provided as seed money to such individual(s) as the revolving

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- fund after their proposed activity(s) has been approved by the WC in its meeting and included in the resolution based on the merits of the case.
- ii. The applicants may also be present in such meetings of the WC. The resolution will clearly rank the approved cases, based on the priorities and preferences, so that the support may be extended to all the eligible enterprising individuals in order of ranking.
  - iii. The WC may release financial assistance to these enterprising individuals after approval by WCDC. Such individuals will return the seed money on monthly basis and that could be reinvested further as per the resolution passed in meeting of WC. The amount and number of monthly instalments may be decided by WC based on the type of activity and capacity of the individual. The amount may be returned in a maximum of 18 months.
  - iv. The payment will be made by account payee cheque in such individual cases.

#### **5.2 Funding for Major Livelihood activities:**

- i. The funding for major livelihood activities will enable the enterprising SHGs/ SHG federations (with atleast 5 enterprising SHGs) to avail a composite loan for undertaking major livelihood activities or to expand/upscale activities as recommended by the WC and approved by WCDC in consultation with line departments and bank.
- ii. For such activities, a composite loan (grant in aid and bank loan) can be availed depending upon the type of activity. The grant -in-aid will be 50 % of the cost of the activity or Rs. 2.00 lakh whichever is less. However, grant in aid shall not exceed 30 % of the livelihood component (i.e. 9% of the total project cost) of the project.
- iii. SLNA may issue detailed modalities for payment of grant-in-aid for funding major livelihood activities.

#### **6. Capacity Building for Beneficiaries**

- i. The capacity building needs of the marginalized communities, including SC/ST, landless/assetless people, women, etc should be included in the livelihood action plan prepared after the livelihood analysis. The capacity building should aim at skill enhancement and not just knowledge and information. The capacity building component should be planned by the

- livelihood expert of WDT/Livelihood agency in consultation with WC for making necessary budgetary provision on annual basis.
- ii. The expenditure for the training for livelihood component may be met from 5% of the budget component of the project cost earmarked for institution and capacity building.
  - iii. It shall be mandatory to provide skill based training on the following components apart from the other training needs expressed by SHGs:
    - a. Book Keeping (cash book and ledger registers, preparing budget, maintenance of accounts etc).
    - b. Minutes of meeting (proceedings) and follow up.
    - c. Exposure visits and discussions in the specialized areas of livestock, agriculture/horticulture, agro-forestry, fisheries and other watershed related income generating activities, micro-enterprises, micro-credit, etc.
    - d. Knowledge of market and pricing, value addition, alternate institutions including Farmers Production Companies etc.
    - e. Other related aspects.
7. Once the identification process of Unique Identification Authority of India (UIDAI) is completed, the beneficiaries should be identified uniquely through *Aadhaar* to improve efficiency and transparency in service delivery as well as to ensure the benefits flow to the needy and to avoid duplicity of identity.

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