

Training Module for Mahua flower Business Activity

1. Training objective:

- i. To impart scientific training to tribals on collection, harvesting, storage, value addition, marketing etc. individually or collectively covering the entire gamut of backward and forward linkages for Mahua Flower.
- ii. To organise Mahua Flower Collectors for developing sustainable enterprises

2. **Training Duration:** 2 Days for upto 8 hours per day. The season of Mahua Flower collection normally starts from last week of February till April end. But it varies from State to State due to climatic conditions. The training shall be a combination of theory and practical session. The theory session including registration of trainees, mobilisation of beneficiaries explaining them about the scheme of TRIFED on Scientific collection of Mahua flower and the supports to be provided by TRIFED; should not exceed one hour.

2 **Training Content** – The training contents must include different aspects about the commodity as mentioned in Annexure-1. Some of the main aspects to be included are as follows:

- a) Introduction of Trainees and Resource Persons / Experts / Trainers, Programme objectives, Group Discussion on merits and demerits of the current practices adopted by the Mahua Flower Collectors. Detailed discussion on up-gradation of knowledge & skills on management of Mahua Flower business activity in entrepreneurship mode.
- b) Practical training by visiting nearby fields for demonstrating the techniques of scientific collection of Mahua flower, cleaning, grading and drying etc.
- c) Availability of Mahua flower in the area, different varieties of Mahua flower, Parameters of good quality, Timings for harvesting etc.
- d) Scientific and hygienic technique for harvesting, tools required for harvesting, awareness to avoid over exploitation, concept of developing consciousness for maintaining quality, cleaning & removal of foreign material & storage techniques and logistic arrangements.
- e) Drying methods, grading of available material, optimum utilization of different grades to minimize wastage, quality preservation, use of tool kits & storage materials and their maintenance.
- f) Theory classes on scientific collection methods of Mahua Seeds, its grading, drying, storage and packaging & marketing.

g) Mahua Flower Business Activity– detailed discussion on prospects of Marketing (i.e. main markets, main traders, correct season for sale, terms of trade) and profitability analysis, book keeping etc.

4 **Enterprise formation & management** – It shall be the joint responsibility of the implementing agency & local supervisory Authority of TRIFED to ensure that the trainees are hand held for starting their production activities / enterprise till the time they are self reliant. This would also entail in accessing necessary capital from various funding agencies under the pertinent schemes.

As part of this activity the implementing agency shall incorporate following aspects in the training programme:-

I) Formation & operationalisation of Cooperative/ SHGs/Collectives - its benefits, division of work, maintenance of records, registration, opening of Bank account, operation of bank accounts, documentation, management principles & practices for starting and running the enterprise including sourcing of quality raw materials, machinery & equipments from different sources / suppliers at reasonable prices etc. Broad topics to be covered are mentioned in **Annexure-2**.

II) **Financial linkages** - The Implementing agency and local supervisory Authority of TRIFED shall jointly assist the beneficiaries in getting required financial assistance from Banks/ NSTFDC or its affiliates/ Central Govt. financial institutions, State Govt. /Institutions or any other agency etc. Beneficiaries shall be informed about:-

- the different specific agencies which provide financial assistance along with address and other details to facilitate beneficiaries,
- type of assistance available i.e. loans/grants/subsidy etc.,
- how to access those assistance,
- method for making applications,
- Pre-requisites for making application including documents/ permissions/ certificates/report etc.
- Availing loan, getting subsidy/Grant
- Repayment of loans, importance of timely repayment etc.
- Broad guidelines of financial linkages of beneficiaries with Banks, NSTFDC, ITDA are mentioned in Annexure 3 -5.
- Risk assessment and risk coverage

III) **Marketing Linkage** –

- Marketing channels available for selling their products like TRIBES INDIA / State Emporia/ local retail outlets / wholesalers/ fairs & exhibitions etc.
- Pricing, standards, certifications, packaging details, margins, terms of supply etc.

5. Summing up, Doubt clearing Session, Feedback.

6. Distribution of tool kits and certificate.

Indicative list of appropriate pre-harvest, post-harvest and sustainable NTFP methods

Pre Harvest Practices:

- i. Assess the availability of NTFP around the area.
- ii. Local knowledge/inherent knowledge about the NTFP
- iii. Create awareness on premature harvesting
- iv. Sensitize the community on the quality parameters commodity wise
- v. Harvesting at the right time, taking into account the factors determining produce maturity and storability
- vi. Establishment of protocols of standard practices for each commodity

Harvesting Practices:

- i. Eco friendly harvesting (taking care of resource and product health and posterity)
- ii. Scientific and hygienic methods of collection to be made available
- iii. Avoidance of over exploitation
- iv. Quality consciousness and guidelines for commodity
- v. Removal of foreign materials, if any from the commodity
- vi. Equipping the community with the required tools and equipment like tarpaulin, gloves, and cutting tools, etc
- vii. Cleaning the produce to remove physical impurities

Post Harvest Practices:

- i. Scientific grading of the commodity
- ii. Scientific methods of storage /package/ drying
- iii. Hygienic methods of product handling
- iv. Drying the materials grade-wise and commodity-wise
- v. Critical storage facilities
- vi. Ensuring the quality acceptable to the market
- vii. Market linkage.
- viii. Ensure necessary and feasible value addition with adequate packaging
- ix. Dry the commodities to optimum moisture level before storage or marketing to prevent fungal/bacterial infection during handling and storage
- x. Grade the produce according to the specific standards

- xi. Appropriate packing of produce to avoid wastage during transport. Packing material may be of compressed paper/fibre/wooden/plastics depending on the produce to be packed in standard size to enable handling and stacking
- xii. Value addition to the primary products to enhance market value and income of gatherers

SELF HELP GROUP FORMATION AND ITS MANAGEMENT

Implementing agency will explain the concept of self help to the beneficiaries on the following lines

I What is Self Help?

- Self help is the best help
- Unity is strength
- United we stand, divided we fall
- The SHGs show us how unity is strength.
- They show us how self help could be the best help.

II Who can be the member of group? – People having

- Similar experience of poverty
- Similar living conditions
- Same kind of livelihood
- Same community or caste
- Same place of origin

III What type of families can be considered for forming SHGs?(Answer to the following questions would help decide about the family from where member can be selected)

- Does the family have only one earning member?
- Does the family bring drinking water from faraway place?
- Are the women compelled to go far in the open in the absence of latrine?
- Are there old illiterate members in the family?
- Are there permanently ill members in the family?
- Are there children in the family who do not go to school?
- Is there a drug addict or a drunkard in the family?
- Is their house made of *kuccha* material?
- Do they regularly borrow from the moneylender?
- Do they eat less than two meals a day?
- Do they belong to scheduled castes or scheduled tribes?

IF 'YES' IS THE ANSWER FOR THREE OR FOUR OF THESE QUESTIONS, WE CAN CONSIDER THE FAMILY AS POOR.

IV How to mobilize the Groups?

- Before Self-Help Groups are formed, hold a meeting of the community leaders and elders of the village.
- Explain to them about the plan to form SHGs.

- It is called community participation. It will also give acceptance to our work in the village.
- *This is the right time to tell everyone that the meetings are not for “giving” anything, but to “enable” the poor families to come together and help each other.*
- It will be very useful if we explain the basic principles of Self-Help Group in this meeting.
- After meeting with the elders and community leaders, it is now ready to call SHG members for a meeting.
- One member from each of the identified families can be invited to come for a meeting on a convenient day. This can be called “a start up meeting”.
- Sufficient time may be allotted for the members to understand the different aspects of group formation.
- The process of forming groups normally takes five to six months.
- Once the group is formed, it takes one to one and a half years to settle to a stable pattern.

V Characteristics of a SHG:

- The ideal size of an SHG is 10 to 20 members.
(In a bigger group, members cannot actively participate.)
- The group need not be registered however attempt should be made to register the group.
- From one family, only one member.
(More families can join SHGs this way.)
- The group consists of either only men or of only women.
(Mixed groups are generally not preferred.)
- Women’s groups are generally found to perform better.
- Members have the same social and financial background.
(Members interact more freely this way.)
- The group should meet regularly.
(Members understand each other better if they meet weekly.)
- Compulsory attendance.

VI Leadership

- One member of the group needs to take the lead.
- How is this person identified? Discuss with Member and let them select?
- Teach them the concept of sharing responsibility by rotation of responsibilities like Book keeping, Organizing meetings etc.

VII Documentation & Record Maintenance

▪ **Book keeping by the SHG :**

Simple and clear books for all transactions to be maintained. If no member is able to maintain the books, someone to be engaged by the group for the purpose. Animator can also help.

▪ **Minutes Book :**

The proceedings of meetings, the rules of the group, names of the members, etc. are recorded in this book.

▪ **Savings and Loan Register :**

- Shows the savings of members separately and of the group as a whole.
- Details of individual loans, repayments, interest collected, balance, etc. are entered here.
- Members' Pass books: Individual members' passbooks encourage regular savings.

▪ **Weekly Register :**

Summary of receipts and payments on a weekly basis. Updated every meeting.

VIII Functioning of SHGs – Trainees should be informed about functioning of SHGs and following aspects to be covered

(i) Rule for managing SHGs - Simple rules are required for SHGs to function. The following are some important rules :

- Common agreement on when to meet
- Decision on time and place of meetings
- Agreed penalties for non-attendance
- Agreement on amount of saving
- Giving small loans to each other
- Taking loan from banks, repayment habits

(ii) **Main features of the SHG function:**

(a) **Savings and Thrift:**

- The amount may be small, but savings have to be a regular and continuous habit with all the members.
- Savings first — Credit later' should be the motto of every group member.
- Group members learn how to handle large amounts of cash through savings. This is useful when they use bank loans.

(b) **Internal lending :**

- The savings to be used as loans for members.
- The purpose, amount, rate of interest, etc., to be decided by the group itself.
- Proper accounts to be kept by the SHG.
- Opening savings bank account with bank.
- Enabling SHG members to obtain loans from banks, and repaying the same.

(c) Discussing problem :

- Every meeting, the group will discuss and try to find solutions to the problems faced by the members of the group.

(d) Training of the members:

It is an important need for proper functioning of SHGs. These areas for training could do well to the members :

- Basic mathematics
- Writing of books
- Scheduling of meetings
- Social aspects like women empowerment
- Basics of lending money, borrowing, repaying

Most effective method of training of SHG members is to take them to a good working SHG and allowing free interaction with its members.

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Linking of SHGs to Banks / Financial Institutions to avail credit facilities:

Implementing agency must inform following FIVE steps to the SHGs which are crucial for linking of SHGs to Banks/Financial Institutions:

- Opening of savings Bank Account
- Internal lending by the SHG
- Assessment of the SHG
- Sanction of credit to the SHG
- Repayment of loans by the SHG

Step-1- Opening of SB Account for SHG

Documents required for opening of SB A/c in the name of SHG-

- i. **Resolution from the SHG:** The SHG has to pass a resolution in the group meeting, signed by all members, indicating their decision to open SB A/c with the bank. This resolution should be filed with the bank.
- ii. **Authorization from the SHG:** The SHG should authorize at least three members, any two of whom, to jointly operate upon their account. The resolution along with the filled in application form duly introduced by the promoter may be filed with the bank branch.
- iii. **Copy of the rules and regulations of the SHG:** This is not a must. If the group has not formulated any such rules or regulations, loans can be sanctioned without them. A savings bank account passbook may be issued to the SHG. This should be in the name of the SHG and not in the name of any individual(s).

Step-2- Conduct of internal lending by SHG

- i. After saving for a minimum period of 2 to 3 months, the common savings fund should be used by the SHG for lending to its own members.
- ii. The purpose, terms and conditions for lending to its members, rate of interest etc. may be decided by the group through discussions during its meetings (RBI and NABARD have permitted the members to decide on these aspects). The interest is usually kept as 2 Or 3 rupees per hundred rupees per month. It is to note that interest per month is better understood in villages, than annual interest).
- iii. Simple and clear books of account of savings and lending should be kept by the SHG.

Step-3-Assessment of SHG

SHGs to be informed as to what factors are assessed by Banks to know whether the SHG has been functioning well..

Sl No.	Factors to be Checked	Very good	Good	Unsatisfactory
1	Group size	15 to 20	10 to 15	Less than 10
2	Type of members	Only very poor members	2 or 3 not very poor members	Many not poor members
3	Number of things	Four meetings in a month	Two meetings in a month	Less than two meetings in a month
4	Timing of meetings	Night or after 6 p.m.	Morning between 7 and 9 a.m.	Other timings
5	Attendance of members	More than 90%	70 to 90%	Less than 70%
6	Participation of members	Very high level of participation	Medium level of participation	Low level of participation
7	Savings collection within the group	Four times a month	Three times a month	Less than three times a month
8	Amount to be saved	Fixed amount	Varying amounts
9	Interest on internal loan	Depending upon the purpose	2 or 3 rupees per hundred per month	More than 3 rupees per hundred per month
10	Utilization of savings amount by	Fully used for loaning to members	Partly used for loaning	Poor utilization
11	Loan recoveries	More than 90%	70 to 90%	Less than 70%
12	Maintenance of books	All books are regularly maintained and updated	Most important registers (minutes, savings, loans etc.) are updated	Irregular in maintaining and updating books
13	Accumulated savings	More than Rs. 5,000	Rs. 3,000 to 5,000	Less than Rs. 3,000
14	Knowledge of the rules of the SHG	Known to all	Many members know the rules. Some have little knowledge of it.	Most of the members do not know the rules
15	Education level	More than 30% of members can read and write	20 to 30% members can read and write	Less than 20 members know to read and write
16	Knowledge of Govt. programs	All are aware of Govt. programs	Many members know about Govt programs	Most of the members do not know about the Govt. programs.

Important:

1. SHGs with 12 to 16 “very good” factors may be granted loans immediately.

2. SHGs with 10 to 12 “very good” factors – may be given 3 to 6 months time to improve, before loan is given.
3. SHGs with rating of less than 10 “very good” factors need not be considered for loan.

Step-4-Sanction of Credit Facility to SHG

I. Methods of lending

- a. **Direct lending to SHGs:** After satisfying about the functioning of the groups, bank branch may sanction loan directly in the name of the SHG (not in the name of individual members), which in turn will lend internally to its members.
- b. **Indirect lending to SHGs through NGOs/SHPIs:** If the bank branch is not fully confident of lending to SHG directly, or where the SHG for various reasons, is not interested in taking loans from the Bank, the branch can extend credit facilities to the NGO/SHPI for on lending to SHGs promoted by them. Where bulk financing to NGO is resorted to, the bank branch should closely observe the working of SHGs by attending to their meetings etc., so that bank branch may develop necessary confidence in the SHGs for linking them directly at the end of bulk financing arrangement with NGO/SHPI. Branch will also verify the track record and financial position of NGOs/SHPI before extending such bulk finance.

II. Quantum of loan

The amount of loan to the SHG can be to the tune of 1 to 4 times of its *savings*. (the bank can consider higher ratio, if the bank is satisfied about the SHG’s health).

III. What constitutes the savings of the group?

- The group’s balance in the SB A/c.
- Amount held as cash with the authorized persons.
- Amount internally lent amongst the members.
- Amount received as interest on the loans.
- Any other contributions received by the group like grants, donation, etc.

IV. Purpose of loan

Sanction of loans to SHGs by banks is based on the quantum of savings mobilized by the SHGs, but not for any specific purpose unlike in case of other schematic lending. Loan may be granted by the SHG for various purposes to its members. The bank does not decide the purpose for which the SHG gives loans to its members. The purpose can be emergency needs like illness in the family, marriage, etc. or buying of assets for income generation. The group will discuss and decide about the purpose for which loans are to be given to its individual members by the SHG. Loans to SHGs for group enterprises should be discouraged in initial stages.

- of three members to operate the group's account with the bank). (To be stamped as General Power of Attorney)
- ii. Application to be submitted by SHG to bank branch while applying for loan assistance. (This includes details of the purposes for which the SHG gives loan to its members. (To be stamped as Indemnity).
 - iii. Articles of Agreement for use by the bank while financing SHGs. (This contains the duly stamped agreement between the bank and the SHG wherein both the parties agree to abide the terms and condition set thereon). (To be stamped as an Agreement)
 - iv. Sponsorship letter from NGO/SHPI if sponsored by them.

The loan amount will not be handed over to the single representative of the group by the bank. Credit delivery to a group should always be in the presence of several office bearers of SHG and selected members. At least one of them should be a borrower so as to safeguard / prevent possibility of misappropriation of funds by the office bearers.

b. Indirect finance to SHGs through NGOs.

- i. Application to be submitted by the NGO to branch while applying for loan assistance for on lending to SHGs (purposes for lending to SHGs will be listed in this).
- ii. Articles of Agreement for use by the bank while financing the NGO. (This contains the duly stamped agreement between the bank and the NGO wherein both the parties agree to abide by the terms and condition set thereon).(All the above formats are given as annexure to this book).
- iii. **Other conditions of indirect finance to SHGs through NGOs.**
 1. NGO should be registered under Society/Company/Partnership/Co-operative act.
 2. Audited Balance Sheet for 3 years analyzed.
 3. Provision in by-law of NGO to borrow for SHG activities.
 4. Resolution to borrow from bank.
 5. A statement of credit required by SHGs.

Step-5- Repayment of loan by SHG

- A repayment schedules is drawn up with the SHG, and the loan is to be repaid regularly. Small and frequent installments will be better than large installments covering a long period.
- The group using their collective authority discourages defaults. Every member is made to realize that the money belongs not only to him, but also to the other members of the Group. The group members are collectively responsible for the repayment of loans to the bank. It has been experience of bankers who lend to SHGs that the repayments from SHGs are far better when compared to individual accounts.

NSTFDC SCHEME

1. TRIBAL FOREST DWELLERS EMPOWERMENT SCHEME

Govt. of India has enacted the Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. Under this act, Scheduled Tribes and other Traditional Forest Dwellers have been given the right to hold the forest land for habitation and/ or for self-cultivation or for any other traditional activity for generating livelihood.

The objective of the Tribal Forest Dwellers Empowerment Scheme is to generate awareness, provide training to beneficiaries, give NSTFDC's concessional financial assistance, assist in market linkage, etc. to the Scheduled Tribes Forest Dwellers for facilitating productive utilization of land.

A Scheduled Tribe, who has received land right under the Forest Rights Act, 2006 is eligible for availing financial assistance under this scheme.

- Quantum of assistance: Unit cost of the scheme can be upto Rs. 1 Lakh. Upto 90% assistance from NSTFDC as concessional loan and the balance by way of promoters' contribution/margin money/subsidy.
- Handholding Support/ Training: Forest Right Holders seeking financial assistance from NSTFDC will be entitled to handholding support and need based training in the relevant field.
- Rate of Interest: 6% p.a. chargeable from beneficiary.
- Repayment Period: The loan is to be repaid in quarterly instalments within a maximum period of 5 years, including a moratorium period of six months.
- Indicative Activities
 - Minor irrigation
 - Vermi Compost
 - Sericulture/ Bee keeping
 - High yielding variety seeds
 - Medicinal/ Ornamental Plants
 - Floriculture
 - Horticulture
 - Poultry
 - Goat/ sheep rearing
 - Rubber plantation
 - Piggery
 - Fruit Orchards
 - Betel Nut Cultivation
 - Dairy
 - Minor Forest Produce

Note: The above is only an indicative list and applicants can undertake any other viable income Generating Activity also.

2. SELF HELP GROUPS (SHGs)

i) UNIT COST: NSTFDC provides financial assistane for Scheme(s)/ Project(s) having unit cost upto Rs. 25.00 lakh per SHG.

ii) QUANTUM OF ASSISTANCE: NSTFDC provides term loan upto 90% of the cost of the Scheme/Project subject to investment per member not exceeding Rs. 50000/- per unit. This is further subject to the condition that the Channelising Agencies (SCAs) contribute their share of loan as per their norms and arrange/provide the eligible subsidy. The SCAs may also endeavour to tie up financial assistance from other sources if any.

iii) WORKING CAPITAL: Upto 30% of the cost of the scheme/ project is considered as part of the cost of project/scheme.

iv) MINIMUM CONTRIBUTION FROM SHG's: At the rate of 10% of the cost of the project/ scheme.

v) INTEREST RATE: NSTFDC shall charge interest @ 5% per annum (on NSTFDC's share) from the SCAs and in turn SCAs may charge upto 8% p.a. from the SHGs.

vi) NEW/ EXISTING PROFIT MAKING SHG's: SHGs shall be extended the financial assistance for the viable unit(s) by NSTFDC through the SCAs subject to fulfilling the primary condition of income limit for ST members.

Note:The other lending norms as applicable under Term Loan scheme having unit cost upto Rs. 10.00 lakh shall also be applicable for funding to SHGs.

3. MICRO CREDIT SCHEME (MCS) FOR SELF HELP GROUPS (SHGs)

This Scheme is meant to provide small loans to the eligible Scheduled Tribes for undertaking Self Employment Ventures/Activities only through the existing profit making Self Help Groups.

i) QUANTUM OF ASSISTANCE :

a) NSTFDC provides loans upto Rs.35000/- per Member and maximum Rs.5.00 lakh per SHG.. SCAs shall provide eligible amount of Margin Money/Subsidy as per their norms for the target group and remaining amount may be provided as Term Loan by NSTFDC.

b) NSTFDC may provide upto 100% of the funds required as Term Loan in case the SCA is/are not able to provide Margin Money/Subsidy loan.

ii) REPEAT LOANS: Repeat Loans may be given to the Members by the SHGs. However Repeat Loan to the SHGs by the SCAs shall be given only after the entire dues of earlier loan taken under NSTFDC scheme are repaid by the SHG(s) to SCA(s) and in turn by the SCA(s) to NSTFDC.

iii) INTEREST RATES :

a) NSTFDC to SCAs: NSTFDC shall charge interest from the SCAs @ 3% p.a.

b) SCAs to SHGs: SCAs shall charge interest at the rate of 6% p.a. from the eligible Self Help Groups.

c) SHGs to Members: Members of respective SHGs to decide the rate of interest to be charged by SHGs from its member but not exceeding 15% p.a.

iv) REPAYMENT PERIOD:

a) SHGs to SCAs : Depending on the nature of activity(ies) repayment period shall be recommended by the SCAs. However loan is to be repaid by the SHGs to the SCAs within a maximum period of 04 years including a standard moratorium period of six months to be allowed to the SHGs by the SCAs from the date of disbursement of funds by the SCAs to SHGs.

b) SCAs to NSTFDC :On quarterly basis by SCAs within a period of 05 years from the date of disbursement of funds by NSTFDC to SCAs including a standard moratorium period of six months allowed by the SCAs to SHGs.

4. ADIVASI MAHILA SASHAKTIKARAN YOJANA

An exclusive concessional scheme for the economic development of eligible Scheduled Tribe Women.

(i) UNIT COST
NSTFDC provides Term Loan for Scheme(s)/Project(s) costing upto Rs. 50000/- per unit/profit centre.

(ii) QUANTUM OF ASSISTANCE
NSTFDC provides term loan upto 90% of the cost of the Scheme(s)/ Project(s) subject to the condition that the SCAs contribute their share of loan as per their scheme and provide the eligible subsidy. The SCAs may endeavor to tie-up financial assistance from other sources if any.

(iii) PROMOTER'S CONTRIBUTION
Minimum promoter's contribution may not to be insisted upon.

(iv) INTEREST RATE
NSTFDC charges highly concessional interest @ 2% p.a. from the SCAs. The SCAs may charge a maximum interest @ 4% p.a. from the ultimate women beneficiaries.

(vi) REPAYMENT PERIOD
(a) The loan is to be repaid in quarterly/ half yearly instalments as the case may be within a maximum period of 10 years including suitable moratorium period.
(b) The repayment period of the scheme is fixed by NSTFDC based on nature of activity and cash generating capacity of unit.
(c) SCAs are allowed extra repayment period of one year over and above the repayment period allowed to the beneficiaries.

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SUBSIDY / GRANTS-in-AID FROM ITDA/ITDP

State Governments has established ITDAs / ITDPs in TSP districts for overall developments of such TSP area. Income generation activities are also a part of such developments.

ITDA provides financial support to SHGs as per following

1. Grant- in-aid to create minimum infrastructural facilities like working shed, drying platform etc, for the active SHGs on case to case to basis as per requirement.
2. Subsidy amount is Rs.10,000/- per BPL member of SHG provided loan from bank is routed through ITDA. The loan proposals of eligible SHGs are routed through the respective Blocks to ITDAs for onward submission to the banks for sanction and after disbursements of loan by the banks, the subsidy components are released after seeing the progress the activities of the SHGs.

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