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Government of India
Ministry of Panchayati Raj

Sardar Patel Bhawan, Sansad Marg,
New Delhi, the February 4, 2016.

To

Principal Secretary/Secretary
Panchayati Raj Department of State/UTs
(As per list attached)

Subject: Panchayat-SHG convergence for Participatory Planning at Gram Panchayat level - advisory regarding.

Sir/Madam,

Gram Panchayats in the Country have been mandated to prepare and implement plans for economic development and social justice. The Guidelines for utilisation of Fourteenth Finance Commission (FFC) grant also require Gram Panchayats to prepare Gram Panchayat Development Plans (GPDP) which inter alia include component addressing vulnerabilities of poor and marginalised people and their livelihood opportunities through an integrated poverty reduction plan that also converges with the labour budgeting and projectisation exercises under MGNREGS. SHGs and their federations, as institutions of the poor have a key role in the planning for and implementation of interventions for economic development and social justice. The responsibilities of the SHG network listed in the NRLM framework include participating actively in Gram Sabhas and other forums of panchayats, providing feedback through community based monitoring, and supporting Gram Panchayats in their development initiatives and planning exercises. The NRLM framework delineates the role of Panchayats with reference to NRLM, which includes identifying and mobilising BPL households into SHGs, with priority for poorest and most vulnerable amongst them, facilitating SHG federations at various levels and providing accommodation and other basic facilities for their effective functioning, incorporating and making suitable financial allocations to the priority demands of SHGs and their federations in the annual plans/activities of the Gram Panchayat and coordinating with different departments and agencies on behalf of the network.

2. In the light of the crucial role to be played by SHGs and their federations in participatory planning at Gram Panchayat level, the Ministry of Rural Development (MoRD) and the Ministry of Panchayati Raj (MoPR), Government of India, jointly organised a national workshop on 'Panchayat -SHG Convergence for Participatory

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Planning on 11, 12 and 13th December 2015 with objectives to (i) develop clarity on what panchayats can do for institutions of the poor and on how SHG federations can support development and welfare initiatives of panchayats; (ii) build general consensus among key stakeholders on the need and strategies for institutionalizing PRI - CBO convergence; (iii) develop State level capacity building plans for PRI convergence with SHG collectives, especially in the context of integration of GPDP with MGNREGS, Swachh Bharat and NRLM; and (iv) develop State specific road maps for forging sustainable relationships between panchayats and SHG collectives of NRLM.

3. Based on the deliberations and consensus arrived at during the Workshop, the following action points have emerged. State Governments are requested to issue appropriate instructions to ensure the following:

- 3.1. An independent space at the premises of GP office may be provided to house the office of SHG federations. This will not only increase the efficiency of SHGs and their federations but also improve quality of their interactions with Panchayats. Additional space, if required, can be constructed through using MGNREGA.
- 3.2. Gram Panchayats may be required to accord priority to SHGs in accessing common resources like common land, ponds, market places etc. for enhancing their livelihood opportunities. This will not only ensure better targeting but also enhance own source revenue of Gram Panchayats.
- 3.3. There are many local services in the delivery of which participation of SHGs would add value. SHGs can be involved in the delivery of services such as mid-day meal, house-to house collection of taxes, solid waste management, operation and maintenance of piped drinking water supply, e-services etc. State Governments may notify cost norms of SHG engagement in identified areas of service delivery on behalf of GPs. Such cost norms may take into account the opportunity cost and must be sustainable and attractive.
- 3.4. States may ensure that the autonomy of SHGs is protected while according priority in accessing common resources and involving them in delivery of services.
- 3.5. Integration in GPDP**
 - 3.5.1. Under NRLM, SHGs are required to prepare Micro credit plans covering all member families. In some States SHGs are tasked with participatory identification of the poor, or with participatory assessment of entitlements. These reports and plans, wherever available may be incorporated into the Gram Panchayat Development Reports prepared by Gram Panchayats.

- 3.5.2. The role of SHGs in the participatory processes of GPDP may be elaborated in the GPDP, or supplementary guidelines issued, which would cover SHG/SHG federation engagement in Gram Sabha processes right from publicity to facilitation of discussion to documentation. These roles may be institutionalised by formally assigning them role in facilitation of the Visioning/Planning Gram sabha and also facilitation of Mahila Sabha in States where these are envisaged.
- 3.5.3. An institutionalised framework for Gram Panchayat- SHGs interface may be developed and made operational. This could be through joint meetings on fixed dates, or by instituting convergence platforms like the Tamil Nadu Village Poverty Reduction Committees (VPRC) or the CDS Evaluation Committees of Kerala. The provision of representation in functional committees of the Gram Panchayats, in task forces/ working groups for GPDP and also in departmental committees such as Village Health Sanitation and Nutrition Committee (VHSNC), School Management Committee (SMC), Hospital Committee, etc. may be institutionalised as part of the GPDP process. Records of meetings and action taken reports of these committees may be shared with the SHGs/ federations.
- 3.5.4. Gram Panchayat is responsible to monitor functioning of institutions and services in the Gram Panchayat areas. Operational instructions on the inclusion of SHGs/ federations in community based monitoring of schemes and projects of Gram Panchayats may be issued. Such monitoring may involve monitoring of processes as well as outcomes, and could be factored into the low cost monitoring projects of the GP.
- 3.5.5. States may ensure that training module and material on PRI - SHG convergence as applicable to the State is prepared and disseminated, and that convergent transaction of training is undertaken.
- 3.5.6. State may identify and nurture beacon Gram Panchayats for convergence with SHGs under GPDP. These beacon Gram Panchayats may serve as peer learning centres where elected representatives and functionaries and also representatives of SHGs and their federations from other Gram Panchayats may come for exposure visits.
- 3.6. Monitoring**
- State Government may develop online monitoring and reporting mechanisms for Gram Panchayat-SHG convergence.
 - State may develop indicators for GP-SHG federation convergence. A suggestive list of indicators is given as Annex. State may modify and adopt these indicators as per their context.

3.7. Fifth Schedule Areas

In the Fifth Schedule areas, where Gram Sabha has been empowered with decision-making powers, SHGs may be involved in realizing the provisions of PESA Act, 1996. State may also make provisions for regular interaction of Gram Sabha Pradhan/ Chairperson and VO/CLFs of SHGs.

3.8. State level Steering Committee

The State Steering Committee for GPDP and FFC may be tasked with the responsibility of coordinating GP - SHG convergence as well.

4. You are requested to take necessary action as above suitable to the context of your State in the matter of convergence of Panchayats and SHGs and their federations in participatory planning at Gram Panchayat level.

Thanking you,

Yours faithfully



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