

GUIDELINES
FOR
CLUSTER LEVEL FORUM (CLF)

Odisha Livelihoods Mission

Panchayati raj Department, Government of Odisha

1.1 Definition. A Cluster Level Forum (CLF) is a platform for sharing of experiences of SHGs and to extend mutual support to improve the overall performance of SHGs. The CLF will create voice and space for the poor in the village and help initiate development intervention for poverty reduction.

1.2 Role : The role of CLF are as follows :

- ❖ Act as a platform for sharing of experiences by SHGs
- ❖ Saturate the mobilization of left out Poor, tribal and Extremely Poor & Vulnerable Groups (EPVGs) into SHGs
- ❖ Facilitate capacity building of the SHG leaders & members
- ❖ Arrange for support services to SHGs and their members to ensure that all SHG practice “Panchasutras”
- ❖ Monthly review of SHGs and community professionals like Book keepers, CRPs, Bank mitras etc.
- ❖ Facilitate in preparation and appraisal of pro-poor inclusion plans and micro-investment plans of member SHGs
- ❖ To act as a bridge between SHG and GPLF.
- ❖ Facilitate in ensuring the entitlements, basic amenities reach the needy in the village

1.3 Structure. The structure of CLF would be in :

- **SIZE:** CLF will be formed at village level with **5-15 SHGs** as members. The villages having **more than fifteen SHGs** will have more than one CLF.
- **Case 1: More than 3 SHGs but less than 5 number of SHGs in the revenue village (minimum 3 SHGs in the revenue village):**
If there are less than 5 numbers of SHGs in the revenue village i.e. 3 to 4 SHG, then CLF will be formed taking 3 member representations from each SHG.
- **Case 2: Less than 3 SHGs in the revenue village:**
No CLF will be formed for that revenue village. SHGs of that village will be linked to the neighboring CLF. The neighboring CRP-CM will do the facilitation in that revenue village.
- **Case 3: More than fifteen SHGs in the revenue village:**
If more than 15 SHGs exist in the revenue village, then two CLFs may be formed. If CLF EC does not agree to split the CLF into 2, then the CLF may be kept intact considering village affinity, geographical and cultural scenario, and be allowed to nurture more than 15 SHGs.

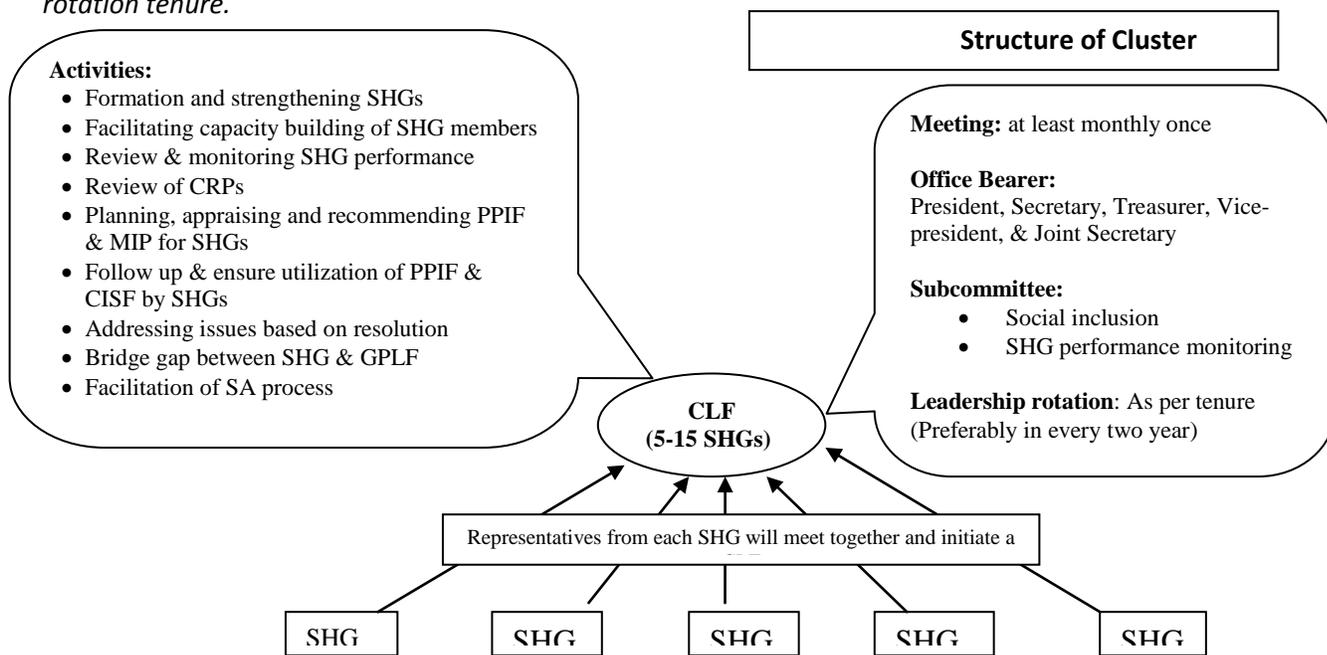


- **Membership:** Any SHG having a proof of existence by providing with any one of the documents like Saving Bank a/c / SHG Resolution Book / SHG transaction register or any other form and interested to continue as such .

Representation at CLF: The member SHGs will nominate their members to represent themselves at the CLF.

- Two representatives from each SHG, one leader and one general member who are Poor or Vulnerable (EPVG in OLM) will be nominated by each SHG to the CLF.
- In Scheduled area, both the representatives from the SHG must be tribal. Hence the Office Bearer of the CLF in scheduled area will be exclusively tribal. In case of non tribal member SHG, representative may be nominated following the non scheduled area principles.
- In non-scheduled area, out of the two representatives, one must be a leader and the other must be poor or vulnerable.

N.B.: If Situational Analysis (SA)/ Participatory of Identification of Poor (PIP) process has been completed, member representation will be ensured following the above criteria. If SA/PIP process not done, Poor & Vulnerable will be selected based on compulsory inclusion¹ & auto exclusion criteria². Where, SA/PIP process completed after formation of CLF, restructuring of CLF will be done following the CLF leadership rotation tenure.



¹ **Compulsory Inclusion criteria:** PVTG (Particularly Vulnerable Tribal Group), Scheduled Tribe, Scheduled Caste, NREGA Job Card Holder- minimum 75 number of days of work, Mo Kudia beneficiary, Rehabilitated or displaced colonies, Manual Scavenger, Female headed household with no adult male member between 16-59, Seasonal migrant, FRA beneficiaries, Household with only one room with Kacha Wall and Kacha roof, Persons with differently abled/Physically challenged, Household with no homestead land, Legally released bonded labourer, Destitute/Homeless/living on alms, Sharecropper

² **Auto Exclusion Criteria:** Households owing motorized two/ three/ Four Wheelers/ Fishing boats, household owing mechanized Three/Four wheeler, agricultural equipment such as tractor harvesters etc., Household with any member of Government employee (gazette, non-gazette, Central Government, Government-aided, State Government, Public Sector Undertakings, Autonomous bodies and local bodies) , Household with any member in family earning more than Rs.10, 000/- per month. , Household paying income tax or professional tax., Household owing 2.5 acres or more irrigated land.

1.4 Governance: All representatives nominated by member SHGs will together constitute an **Executive Committee (EC)** of CLF. This executive committee will elect/select five office bearers among EC member's i.e. President, Vice President, Secretary, joint secretary, and Treasurer. Out of these five office bearers two must be poor or vulnerable category. Again at least one from among president, secretary or treasurer should be poor or vulnerable member.

In case of scheduled area, all the five office bearers must be tribals only. Out of which, two must belong to poor or vulnerable category. Non schedule area principle will be applied if the CLF representative members are from the non-tribal community.

President shall be responsible to (i) convene every CLF meeting and facilitate agenda setting (ii) chair the meetings and facilitate discussions by engaging all members (iii) oversee implementation of CLF activities by sub-committees (iv) coordinate with Secretary and Treasurer to achieve group objectives (v) represent the group in higher level organization (vi) support in conflict resolution efforts.

Vice- president shall assist the president in all activities of president and act as president when she will be absent.

Secretary shall be responsible to i) ensure attendance and participation of members (ii) responsible for recording minutes of discussions (iii) ensure that the CLF norms and decisions are implemented (v) report on the progress of sub-committees (vi) facilitate linkage with local agencies.

Joint secretary shall assist the secretary's all activities and act as secretary when secretary will be absent.

Treasurer shall be responsible to (i) *safeguarding and accounting for all funds received by the CLF (on behalf of GPLF)* (ii) *Maintaining all books of accounts.*

1.5 Sub committees: Considering the CLF purpose and role of CLF, initially two sub committees will be formed and as when necessary, the CLF may create more sub committees for effective operation of the CLF. The following two sub-committees are:

A. Social Inclusion sub Committee: The members of CLF will initially form a subcommittee for *pro-poor inclusion* and facilitate this as per the guideline. The subcommittee will comprise maximum of three members, out of which one member must be from poor or vulnerable category based on compulsory inclusion criteria. In scheduled area, all the three members must be tribal. One of the members of this subcommittee shall be selected unanimously as leader by rest of the members. It is preferred that one of the office bearers should lead the subcommittee for smooth functioning of the CLF.

The basic role of the subcommittee are to (i) organize poor and EPVG households into SHGs (ii) identify SHGs eligible to get PPIF (iii) appraise the eligible SHGs to access the pro-poor inclusion fund and CIF (iv) facilitate bank linkages. (v) Facilitate in ensuring entitlement and other social security benefits to members in the village (vi) Facilitate in ensuring access to basic amenities like health, sanitation, education for its members (vi) Facilitate in ensuring food security for its members in the village (vii) Facilitation of SA process.

B. SHG monitoring sub Committee: The CLF will also initiate with SHG monitoring committee to monitor the performance of the member SHGs. The subcommittee will comprise maximum of three members, out of which one member must be from poor or vulnerable category based on compulsory inclusion criteria. In scheduled area, all the three members must be tribal. It's purposefully suggested that the treasurer or office bearer should lead the committee to take forward the CLF functioning.

The basic role of the committee is to (i) monitor the SHGs in line with ensuring Panchasutra for effective operation of the SHGs (ii) regularly review the SHG activities (iii) engaging in frequent field visit to ensure the regular book keeping (iv) follow up PPIF utilization.

1.6 Representation at GPLF: The CLF will be represented at GPLF by three of its office bearers from the executive committee, out of which at least one representative shall be from poor/ EPVG /tribal category.

- a. In Scheduled area, the three representatives from CLF must be tribal. Out of these 3 tribal, one must be poor or vulnerable.
- b. In Non-Scheduled area, out of the three representatives, one must be poor or vulnerable.

1.7 Leadership rotation: The office bearer will be rotated in every two years. Wherever GPLF is registered the term of office bearers of CLF will be staggered with the election process of GPLF.

1.8 Financial transaction: The CLF will not be initially encouraged to take up any financial or microfinance related activities. However, any activity taken up by CLF will be only on behalf of the GPLF. Necessary procedures and documentations including checks and balances will be worked out accordingly. To meet regular operational expenditure CLF may mobilize required fund from their members and share the expenses. In later stage (after strengthening)/as per project requirement CLF may take up financial transactions.

1.9 Records to be maintained: The CLF may use the prescribed SHG books of accounts for maintaining the records of CLF activities. The CLF should maintain attendance register, meeting proceeding book, financial transaction book (if any), sub-committee registers and new records may be introduced as

and when required to maintain the accountability and transparency at CLF level. The books of accounts shall be maintained by trained book keeper suggested by GPLF. Meanwhile any member of CLF may maintain all records. It's suggested that the book writer should not handle any kind of financial transaction without proper approval of EC.

1.10 Meetings: The CLF meeting will be chaired by President. The CLF meeting shall be convened at least once a month, at a place decided by the CLF members. The quorum for the meeting shall be a minimum of 60% of EC members. The Process of the meeting would be:-

Procedure of CLF meeting

The following steps can be followed to conduct a CLF meeting:

Step 1: Members Sit in Circle: Sitting in a circular form enhances free communication among the members as they can see each other face. It creates an impression that all are equal for a certain purpose. All office bearers should sit in a consecutive manner followed by SHG wise representatives.

Step 2: Prayer: Sing a solo prayer or CLF prayer.

Step 3: Chairperson: The president of the CLF will chair the meeting and facilitate the forum. There should be a protocol for welcoming members as well as guests who visit the CLF meetings by the chairman.

Step 4: Record the Attendance: To begin with, the actual meeting should start with marking of attendance. All the members should be present for the meeting; they should arrive five minutes before the scheduled time. Record of attendance and all proceeding should be maintained by Secretary with support of CRP.

Step 5: Setting of Agenda: The first duty of the Chairperson is to fix agenda (list of discussion points for the meeting). The agenda should be prepared based on the inputs given by the office bearers, members as well as sub committees leaders. It is important that agenda should be not be lengthy or too short, but should be just enough to discuss within the timeframe of 2-3 hours.

Step 6: Review of the Previous Meeting: In the agenda, the first discussion point should be the review and follow-up action taken in the previous meeting. This is a very important process, which establishes the link between the previous meeting and the present one.

Step 7: Review of Subcommittees: one of the agenda should be to review and discuss about follow up action taken during the month against planed activities.

Step 8: Performance review of SHGs: It's an important activity of CLF to review the SHGs in line with Panchasutras³. Basically, the SHG monitoring committee shall facilitate the process. All the SHG

³ Panchasutras: 1. Regular Meeting 2. Regular Saving 3. Regular internal lending 4. Regular repayment 5. Regular record keeping

representatives should present/report their SHG performance and speak out audibly about their meeting, attendance, saving mobilization, lending, loan repayment, bank deposit, bank/CIF loan availed, grant/seed money availed and all the above things should be recorded in CLF resolution book. The MIS sheet/ monthly SHG activity sheet will be an instrument to review the performance of SHG. The review will give them confidence and create peer pressure to perform better.

Step 9: Performance review of community professional: The CLF shall review the performance of Community Resource Person (CRP) / Bank Mitras who are trained and supporting effectively to CLF/ SHG activities.

Step 10: Complete Financial Transactions: On behalf of GPLF, transactions related to any fees, savings/deposits, lending etc. should be discussed and transacted during meeting only. The Chairperson and treasurer should ensure that all the financial transactions are held in the meeting itself.

Step 11: Planning for next month: Based on the issues and discussions CLF should plan for the next month activities. The Chairperson should ensure that all agenda wise issues are discussed and action is taken accordingly.

Step 12: Book keeping: Book of records should be updated in the meeting itself. This practice enables transparency in record keeping, and develops confidence in the group as well as trust on the leaders. Initially the CLF may use the prescribed SHG book of accounts for updating the records of activities.

Step 13: The Chairperson should ensure that all the members participate in the **decision-making**. This can be in the form of giving opinion on the issues, sharing ideas, taking and delegating responsibility etc.

Step 14: Proceedings of Meeting: Proceedings of the meeting shall be recorded in meeting itself and read out to all members. The secretary and book keeper should ensure that all proceedings have been informed well to members.

Step 15: All the members should sign in the Minutes Book in meeting itself.

Step 16: Vote of thanks. (Members to greet each other before leaving the meeting place)

1.11 Process for CLF initiation: In order to create a platform for sharing experiences among SHGs and further extending mutual support, the need of the forum at village/cluster level emerges. Meanwhile OLM proposes to initiate CLF in its operation which will act as a bridge between the SHG and GPLF. These CLFs are activity neutral, even while they facilitate support services for dominant activities in select areas like formation and strengthening of SHGs, facilitating in capacity building of SHG members, review and monitoring SHG performance, identifying and planning for PPIF, issue based

resolution, bridge between SHG & GPLF. The following suggested steps may involve in the process of initiation of Cluster Level Forum (CLF) are briefly discussed below:

- ❖ **Inviting for first dialogue with all SHGs members of a village:** This is an ideal footstep to understand Cluster level Forum by all SHG members, where the OLM staff especially Community Professional and trained Community Resource Persons with support from SHPI/NGO/Anganwadi workers will facilitate and share the scope and benefits of collective action to SHG members in a meeting. The facilitator must share the roles and responsibilities of CLF, structure and functions of CLF. The meeting should commence for two to three hours and concluded with an agreement on date/day, time and place for second dialogue.
- ❖ **Second Dialogue with Member SHGs :** The dialogue will commence with discussion on purpose of the CLF and culminate with the decisions on the following aspects:
 - a. *Common institutional set up*
 - i. Name of the CLF
 - ii. Meeting – date/day, time, place & meeting content.
 - iii. Membership – entry norms like quality, track record, fees, etc.
 - iv. Leadership roles and responsibilities
 - Executive committee –SHG representatives
 - Office bearers – President, Secretary, Treasurer
 - Sub-committees – PPIF and SHG monitoring
 - v. Selection process of office bearer.
 - vi. Recorded all the proceedings in a register.
- ❖ **Third dialogue with member SHG and continue further:** the dialogue will continue with previous meetings and discussions.
 - i. Start with formal CLF meeting
 - ii. Reading of last meeting proceedings
 - iii. Discussion on roles and responsibility of office bearers
 - iv. Discussion on various activities; Situational Analysis for identification of target group, SHG formation, strengthening, representation at GPLF, plan for PPIF, SHG performance monitoring, social development agenda etc.
 - v. Also discuss about *OLM's Support in Capacity building*
 - Training of executive committee and officer bearers
 - Exposure to best practice sites
 - Technical training on SHG performance monitoring.

N.B. : If SA/PIP process has been completed identification of Poor & Vulnerable will be selected based on compulsory inclusion & auto exclusion criteria. Where, SA/PIP process completed identification of poor & EPVG will be done based on SA data. This guideline will be made operational immediately and based on the field learning and experiences, necessary modification may be modified subject to non-negotiable principles.