



## **ROLE OF VULNERABILITY REDUCTION FUND (VRF) TO PROVIDE FOOD SECURITY AND SAFETY TO THE VULNERABLE FAMILIES IN RURAL AREAS.**

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In order to ensure that no poor family is left out, National Rural Livelihoods Mission(NRLM) would use differential strategies for social inclusion/mobilization of all identified poor household into functionally effective and self-managed institutions, with particular focus on more vulnerable sections like scheduled castes, scheduled tribes, particularly vulnerable tribal groups, single women and women headed households, persons with disability, landless families, migrant labour families, isolated communities(like bonded labours, nomads, victims of trafficking, persons engaged with unhygienic occupations like manual scavenging ect.) and communities living in disturbed areas. They are priority number one under NRLM. Vulnerability is the most often associated with poverty, but is can also arise when people are isolated, insecure and defenceless in the face of risk, shock or stress.

Clearly, poverty is a major contributor to vulnerability. But, physical, economic, social and political factors determine people's level of vulnerability and the extent of their capacity to resist, cope with and recover from hazards. We should address vulnerability to help the community to build resilience and their ability to cope with different situations in the long run and to address issues like starvation acute health hazards (life and death situations) immediately towards preventing the affected individuals/families from different shocks and ensure/enhance their livelihood options. Nature of vulnerability is classified as follows:

## **A. Vulnerability arising from Natural Influences**

### **Family affected by**

- Food and Inundation
- Cyclone
- Drought
- Landslide
- Earthquake
- Excessive Rainfall
- River erosion

## **B. Vulnerability arising from Social/Physical/Economic Influences**

### **Families affected by**

### **SOCIAL VULNERABILITIES**

- Child Labour
- Child Marriage
- Trafficking of Women/Children
- Domestic Violence against Women(including dowry)
- Single Widow/Single unmarried Woman/Deserted woman
- Orphaned children living in the neighbour's/relative's family
- School Dropout
- Victims of superstitions/social taboo
- Victims of rape
- Bonded Labour-rescued and legally released
- Destitute and/or Geriatric/Palliative situation with no caregiver
- Occupational Hazards/Unhygienic occupations
- Women headed families

## **ECONOMIC VULNERABILITIES**

- Migrated Labour (unsafe migration)
- Unemployment
- Families without homestead/food security
- Families without any respectful livelihood options
- Accidental death of bread winner of the family
- Contingent poverty due to closure of tea garden/industry etc.
- Sudden death if livestock
- Crop failure, Debt Garden and Price Crash for the harvested Crop

### **C. Vulnerabilities arising from Health/Nutrition/Medical Conditions**

#### **Families affected by/with**

- Malnourished Children(SAM Children)/Women
- New born babies after death of his/her mother-maternal mortality
- Children with incomplete primary immunization
- Drug Addiction/Alcoholism
- Members suffering from chronic diseases
- Starvation in the family/Families with food insecurity
- Terminally ill patients/major illness in family
- Individual suffering from HIV AIDS etc.
- Sudden accidents, snake bites etc.
- Families with members having special needs(physically/mentally differently abled members)

### **D. Any other exigency situation (not mentioned in the list) but rendering the family/community vulnerable**

#### **Process for identifying vulnerability**

Step 1: Assessment of the situation by SHG/Upa-Sangha through all the identified criteria (prioritization in case of multiple vulnerability situation)

Step 2: Review of the situation with the help of ‘Vulnerability Reduction Committee’ formed at Sangha Level

### **Scope of the programme to address vulnerability**

- (i) Addressing through community’s collective actions-social safety nets
- (ii) Providing financial support through community contribution
- (iii) Providing financial support through programme funding support; and
- (vi) Converging with other schemes/programmes/initiatives

### **Process for addressing vulnerability**

#### **A. Community Collective Action (non-financial)**

- Awareness generation through SHG
- Concealing and other social support through SHG
- Bringing the affected family into SHG fold
- Corrective action taken through SHG
- Community contribution through kind (Seed-bank, Book-bank, Grain-bank, Grain-gola, *Ek-musthi-chawl*, Food-bank etc.) all collected free of cost from the community or outside

#### **B. Community Contribution (financial, as Grant/interest free loan/soft loan)**

- Contribution made to the SHG member or non-member (destitute/very needy) as grant
- Contribution made to the SHG member or non-member as interest free loan
- Contribution made to the SHG member or non-member as soft loan (less than market interest rate and/or with a moratorium period)
- *Ek musthi chawl*/ food-bank-financial contribution per SHG member per meeting towards formation of a grain gola/ food security stock (providing cooked food/dry raisin for destitute/ victims of disaster etc.)
- Seed bank(seeds bought and maintained at Sangha Level)

- Book bank-(books bought and maintained at the Sangha Level) to help the needy students
- Garment bank-specially winter garment collection
- Any other innovations
- Use of interest generated by on lending of the vulnerability reduction fund for a common purpose like education of the SHG members to become literate in a time bound manner where illiteracy rate is very high.
- Creation of their own Public Distribution System

### **C. Convergence with other Programmes (non-financial)**

a. MGNREGS

b.SAHAY

c. Mission Nirmal Bangla

d. Mid Day Meal Programme

e. National Social Assistance programme

f. Old Age Home

g. IAY/Geetanjali/Amar Bari etc. Housing schemes

h. Crop Insurance

i. Livestock Insurance

j. Health Insurance (RSBY)

k. Aam Aadmi Bima Yojna/ PMJJBY/PMSBY

l. Kanyashree and sikshashree Prakalpa

m. Linkage with NHM/Health department (Sub-Centre, PHC, BPHC, RH, SDH, DH)

n. Linkage with Social Welfare Department (AWW-ICDS)

o. Disaster Management/Relief Programme (at block level)

p. Linkage with Gram Panchayat

- q. Linkage with police network/legal services
- r. Any government programme/relief announced for the specific cause (at block level)
- s. Linkage with school education programme
- t. NFSA and linkage with PDS

### **Vulnerability Reduction Fund**

Vulnerability Reduction Fund is a community fund to help the community to implement and/or help its members to address the identified vulnerabilities (collectively or individually) that is faced by the household (s) or community. For addressing the same, the Sangha will form a fund (created out of members'/community contribution, any other outside grant/contribution/own profit and/or project grant) to mitigate the situation as far as possible. The fund will remain with the Sangha in perpetuity and will be utilised as per the process explained above with the objective of eliminating such vulnerabilities from the community.

VRF created out of project grant of one lakh would be of the nature of a Revolving Fund given to Sangha and it will reside with the Sangha as corpus fund.

A portion of the VR fund created out of community contribution could be given only as a soft loan/interest free loan. Further, to address certain specific vulnerabilities as a whole, WBSRLM may put certain guidelines /restrictions on the use of VRF granted to Sangha in whole or in part.

### **The general criteria for creating the VRF out of community contribution**

**A.** A Sangha can create and manage its own VRF out of community contribution whenever it feels, by collecting contribution from SHGs/members. The amount of contribution from each SHG/member may be decided by the Sangha GB, time to time (collection through SHG). It may even vary from one member to another. But Sangha needs to maintain accounts of the contributions received from its members.

**B.** Sangha may also facilitate to augment the VRF by keeping a portion of profit of Sangha (from community investment fund(CIF) or other fund/own contribution/surplus fund etc., from livelihood activities (cash or kind) taken up time to time.

C.Sangha can avail CSA fund, individual/community contributions, endowments, PRI own fund grant, government grants etc. to augment the VRF.

D. The Sangha can create a stock through-Ek-musthi –chawal/food bank/seed bank/book bank by receiving contributions from SHG members/public/institution/agencies etc. The Sangha can utilise a portion of money to create the bank(s) (i.e. actually buying the stuff).

E. All these processes need to be discussed in Sangha meeting and properly written a resolution taken in the meeting register.

**The general criteria for accessing VRF from project (Eligibility Criteria) by Sangha:**

- i. The Sangha should be a registered body as prescribed by SRLM/state/competent authority.
- ii. The GP/Sangha Vulnerability Reduction (see Section 16 below for explanation) must be prepared.
- iii. 80% SHGs enrolled in the Sangha shall be following *Panchasutras* (the latest audit of SHGs on their performance on *Panchasutras* should not be more than 3 months old.
- iv. All Sangha Office Bearers should have undergone Sangha Management training; and Sangha Office Bearers and its Sangha Coordinators/CSP (Book Keeping) must have undergone training on Sangha accounts and fund management.
- v. Sangha should have its own bank account, office space and have accessed Sangha Start-up Cost for procuring infrastructure required for smooth conduction of Sangha meetings.
- vi. Sangha should be holding regular meetings with fixed agenda (at least 1 per month).
- vii. Sangha should have a trained bookkeeper and should have properly maintained the records.
- viii. CIF recovery by the Sangha should be at least 90% and at least 95% of the member SHGs under the Sangha should be linked with banks (CC/TL)
- ix. The Sangha has already taken some initiatives addressing vulnerability at their level/involved in social activities.
- x. In case of extreme emergency, and if Sangha is strong enough to handle the fund they may be provided with VRF.

## **Sangha /GP Vulnerability Report and Implementation**

Assessment/mapping of the all the vulnerabilities in the villages within the Gram Panchayat must be done by the Sangha with the help of Upa-Sanghas/SHGs for completion of Upa-Sangha wise Sangha/GP level Vulnerability Report. Secondary sources like SECC data, MIP data, and recommendations from the SHG/Upa-Sangha/Health ANM/Anganwadi Worker could also be used for the purpose to complement the mapping exercise. A committee (Vulnerability Assessment and Reduction Committee) formed with representatives from different Upa-Sanghas(any two office bearers from each Upa-Sangha) may be useful for making the assessment and the Vulnerability Report. Over and above the chronic cases that are prevailing in the village, this committee would be responsible for doing quick assessment of acute & sudden cases also, for any sort of eventuality occurring in the village e.g., accident, snake-bites etc.

After the preparation of the vulnerability assessment and the GP vulnerability Report, the Sangha will assess and prioritize the cases that could be taken care of by community contribution, project support and convergence and linkage with other programmes. Prioritization will be done as follows:-

1. Category I (supporting with grant or loan without interest)
  - a. Families (destitute) is starvation/food insecurity
  - b. Families which are affected by sudden accidents
  - c. Families affected by bonded labours
  - d. Families lacking basic survival needs
  - e. PVTG families
  - f. Families with mentally challenged and bed-ridden members
2. Category II (supporting with soft loan)
  - a. Families with members who have special needs
  - b. Families with major health issues
  - c. Families affected by any natural/human made calamity



- d. Families as victims of any abuse/superstitious/trafficking
- e. families lacking education/condition/rendering the children dropout of education system and joining the child labour force.
- f. Families with insecurity in livelihood due various causes
- g. Women headed families

For similar types of cases prioritization would be done considering the number of people affected by the situation. For such cases, where higher financial commitment is required, the Sangha will write to BMMU () for release of VRF in their favour. If the programme contribution of VRF is given directly to the Sanghas, then the Sanghas will have to call a GB meeting to prioritize the issues and access the fund. Release of fund to vulnerable members/families will be done based on demand generated from the members/families (or even SHGs, if the family is too infirm to make any formal demand). Sangha will disburse the VRF by taking a resolution with specific activities identified and target families to be covered with the VRF along with terms and mince of a repayment. The terms and mince of repayment could be decided after discussion on the same with the concerned/sffected family/families.

### **Roles and responsibilities of Sangha/Upa-Sangha/SHGs**

#### **i. SHG**

- Primary identification of vulnerable families (both members and non-members)
- Helping Upa-Sangha in vulnerability mapping, prioritization and preparing report
- Routing the Vulnerability Fund to the beneficiaries (members and to non-members) and its monitoring
- Ensuring timely repayment of funds
- Lead collection action in addressing vulnerability in the locality

#### **ii. Upa-Sangha**

- Mapping and prioritization of Vulnerability situation of individuals/families with support from SHGs (including request for inclusion) and updating it every year.
- Submission of consolidated Upa-Sangha level Vulnerability Report to Sangha
- Recommendation of the request from the SHGs to the Sangha

- Collection of monthly community contribution from SHGs and depositing it to Sangha account
- Monitoring and review.
- Facilitate collective action in addressing vulnerability in the locality

### **iii. Sangha**

- Formation of **Vulnerability Assessment And Reduction Committee** for over all monitoring of VRF
- Creation of the Contributory Vulnerability Reduction Fund (CVRF) and accessing Project Vulnerability Reduction Fund(PVRF)
- Deciding the norms for creation and disbursement of VRF (both CVRF and PVRF) at the GB meeting
- Consolidation and preparation of GP/Sangha Vulnerability Report and sharing the same in AGM
- Disbursing The VRF to SHGs based on the recommendation of the Upa-Sangha
- Facilitate collective action in addressing vulnerability in the locality
- Monitoring and review-receiving review report from Upa-Sangha and take appropriate action on that
- Accessing Fund from the public, community service report, agencies, endowments, PRIs/government etc.
- Maintenance of a separate bank account for VRF and up to date book shop accounts.

### **List of References**

- 1) Annual Report of VRF OF WBSRLM
- 2) Annual Report of DRDC, Birbhum Zilla Parishad
- 3) Performances report of BDOs under NRLP Blocks