

## **Village Adoption/Village Development Plan**

### **1. Rationale**

A majority of the villages in the country still face constraints such as access to education, health facilities, drinking water, power, roads, Credit, Information and Market. Against this background, adoption of especially villages in backward regions through preparation of **Village Development Plans (VDPs)** would go a long way in ensuring holistic and integrated development of the villages concerned.

### **2. VDP – The Objectives**

The objective of Village Development Plan is to develop the selected village in an integrated manner. This would include economic development, infrastructure development and other aspects of human development i.e., education, health, drinking water supply, etc., besides access to credit.

### **3. Need for an implementing Agency**

For a holistic and integrated development of a village through synergy and convergence, involvement of various agencies such as Government departments, Panchayati Raj Institutions, Banks, NGOs and other Peoples' Organisations and developmental agencies is considered imperative. In order to synergise and coordinate this process, identification of a nodal agency is considered **essential**, but not a **pre-requisite** for implementation of the plan per se.

**Alternatively, a VDP can also be prepared and implemented by NABARD through its DDM concerned directly and also by banks independently.**

### **4. Who can become the nodal/implementing agency**

Any willing Government/Non-government agencies including Agricultural/Rural based Universities, KVKs, Farmers' clubs, SHGs, Village Development Committees, Individual Rural Volunteers (IRVs), Cooperative Societies, Post Offices and bank branches.

### **5. Selection of Nodal Agency**

Banks and NABARD, can either directly take up the VDP or can identify any of the nodal agencies listed above and finalise the same in due consultation with RO, NABARD, concerned. Due care may be taken to ensure that the agency so selected, is locally based to mobilize the requisite support from other stakeholders to deliver the intended results.

## 6. Broad Roles and Responsibilities of nodal agency

- i. To create awareness in the village and play effective leadership role in building People's Organisation/ Groups for various developmental activities.
- ii. To facilitate convergence/integration of various programmes of NABARD, State/Central Government and other agencies in the village.
- iii. To help/prepare a Village Development Plan to ensure socio-economic and livelihood advancement with **enhanced credit support** and **financial inclusion** of all families in the village.
- iv. To identify capacity building needs of the villagers.
- v. To assist in infrastructure development in the village through participation of people / local institutions.
- vi. To protect forests and preserve the village eco-system and conserve soil health and other natural resources.
- vii. To monitor progress of implementation of the plan.

## 7. Selection of villages – Broad Criteria

- The selected village should be within the PPID block/DDM district (Non DDM district will also be considered on merit) (in the case of NABARD). Banks can have their own choice.
- The selected village should have responsive panchayat machinery.
- The selected village should be well connected with the district head quarter.
- The village which volunteers for higher level of participation/ contribution may be given priority.
- Preference may be accorded to backward villages which have the potential and need for development.

## 8. VDP – Broad Activities

- i. Interface with village communities and assessing their varied needs through **Participatory Rural Appraisal (PRA) techniques**.
- ii. Meeting credit needs of poor through formation of Self Help Groups/Joint Liability Groups/Farmers clubs initiatives.
- iii. Watershed Development/Multi-activity approach/Livelihood based activities.
- iv. In tribal dominant villages, development through “Wadi” approach.
- v. Off Farm/Non-Farm activities including Rural Haat, cluster development around the village, skill development, MED (Micro Enterprise

- Development), Entrepreneurship Development Programme (EDP).
- vi. Assessment of credit needs/formulation of projects for Agriculture/Rural Development.
  - vii. Creation of Infrastructure with the support of Government Sponsored programmes, if any, in this regard. (RIDF support by NABARD may be prioritized for connectivity, irrigation, social infrastructure, etc. in the village).
  - viii. Assessment of credit plus requirements i.e. promotional needs including capacity building of personnel from banks, Government Departments and community based organizations.
  - ix. Coordination with Government Departments for social development, i.e. education, health, women and child development, youth, etc.
  - x. Implementation of development programmes envisaged under Government Plan.
  - xi. Marketing related intervention
  - xii. Environment/Ecology related interventions
  - xiii. Value chain management

(These are only illustrative and not exhaustive)

## **9. VDP - Preparation of a Plan document**

### **PRA exercise will precede the plan preparation -Plan should contain:**

- Basic information – Genderwise population features, literacy and other data from census, area of village, land use pattern, trend of production and productivity of major crops, milk, fish, fruits, vegetables and other major products Forest cover, water resources, etc., social structures, families belonging to backward classes, access to health, safe drinking water, power, etc.
- Existing situation – problems/constraints including those relating to Gender, Environment, infrastructural gaps, communication facilities, etc.
- Information relating to presence and support of institutional agencies such as Banks, NGOs, Pos, etc.
- Credit flow details including recovery position.

A Plan Document may be prepared by Nodal/Implementing Agency covering the following broad areas:

- i. Developmental Activities with credit support from Banking institutions.
- ii. Promotional support in the form of grant or soft loan assistance from NABARD and other agencies including State/Central Government agencies/Line Departments.
- iii. Creation of Infrastructural facilities with support from NABARD under RIDF through State Government Departments or otherwise directly by State Government/PRIs, etc.

- iv. Promotional activities relating to adoption of villages (e.g. conduct of meetings/workshops, publicity, etc.) - to be funded under the plan through grant support.
- v. Any other activities/programmes/schemes to be undertaken specifically other than the above.

**(N.B.)**

- a. Dovetailing of various schemes / programmes for which Grant support is available from Government/other agencies (including NABARD) and
- b. Government schemes for social development like education, health, drinking water, etc. may be attempted for synergy and convergence. A broad framework for the design of the plan is indicated in **Annexure-I**).

**While formulating the integrated plan, the following points may be kept in view :**

**(i) Family centric approach to lending:**

While assessing and meeting varied credit needs of the village communities in the identified village, 'family-centric approach' should be adopted as far as possible.

**(ii) Coverage of borrowers under KCC – Financial Inclusion**

All possible efforts should be made for identifying and bringing into the fold of KCC those farmers who are so far not covered by the KCC scheme including tenant farmers, oral lessees, share croppers, defaulters. The banks should be impressed upon the need to ensure that all the crop loans are routed through KCC only with at least 2% of their crop financing directed towards tenant farmers/oral lessees.

**(iii) Peoples' involvement**

The success and sustainability of the Plan would depend upon peoples' participation and ownership of the plan. Hence at every stage, involvement of people should be ensured.

**(iv) Scope of the Plan**

The Plan should aim at developing the selected village in such a manner that it becomes a replicable 'model' for holistic development.

**10. VDP - Key Strategies**

- (a) Developmental activities will be implemented through people's participation

involving Gram Panchayats (PRIs), Self Help Groups (SHGs), farmers' groups and other people's organisations. The 'Integrated Development' will include creation of infrastructure by concerned State Government, assisted by Nodal Implementing Agency, if necessary, as also other activities leading to human development like education, health, drinking water supply, etc. Economic activities will be taken up by people through individuals, SHGs, Farmers' Clubs, PRIs, etc. based on local resources and with assistance from banks and support from Government and Non Government Organizations (NGOs). The Nodal Agency would coordinate, facilitate and provide financial support either directly or through networking with banks/Government, etc.

## **11. Duration of the Plan**

The period of VDP will be 3 years with scope for extension for another 2 years. The implementing agency/other agencies will strive to implement the plan within this period so as to have socio-economic impact on the lives of the village community.

## **12. Benchmarking the Impact**

It would be desirable to have a benchmarking strategy to measure the impact of the Plan for a three-year period as under:

- Reducing the .....% of families BPL by ..... %
  - Increasing the literacy level by .....%,
  - Reducing migration from the present level of .....% to .....% by creating avenues for additional employment.
  - Achieving all weather road connectivity to the village
  - Ensuring 100% financial inclusion and doubling the credit disbursement
  - Promoting units for rural industries, post harvest handling, value addition including processing and other economic units under rural non-farm sector.
  - Gender related vision
  - Protection of environment/Ecological balancing/restoration
- The expected position at the end of each year for the three years may be indicated.

To achieve the targets under various indicators, the input providers could be broadly grouped (indicating resources available from various departments, banks and other agencies, including the nodal agency) as under:

- Deployment of credit
- Targets projected by various Government Programmes under different schemes/programmes
- Activities that could be assisted out of various promotional funds with NABARD or other agencies

- Any other activities.

### **13. Tentative Budget for three different models**

For the purpose of coordinating various activities and convergence of various schemes/programmes with the help of identified nodal/or implementing agency in the selected village, it would be desirable to arrive at an estimated cost for different promotional purposes based on the population of such villages for a period of say 3 years which can be extended by another 2 years, if necessary. The cost estimates may have built in flexibility to be adopted for individual villages, suiting to local needs/ requirements.

### **14. Operational Mechanism**

- Conducting workshop by Nodal Agency or bankers to explain the concept and discuss ways to operationalise the same.
- Conducting workshop at local level for Government officials concerned, banks, NGOs, local Panchayats and other development agencies and explain the concept and discuss ways to operationalise the same
- Assigning responsibility to a team of officers (need not be on exclusive basis) and designating a nodal officer to coordinate the village development work at ground level.
- Setting up a committee to be called Village Development Committee (VDC), involving the relevant Government Departments, banks, NGOs and selected academicians/social workers etc., to help in formulation of plans, networking, implementation, monitoring etc.
- The members of VDC will elect/choose their leader from amongst themselves through consensus, to head the VDC
- Since the Village Development Plan would aim at convergence of all schemes of Government as well as other agencies, involvement of Government at local level is a must.
- Since Village Panchayats play very important role in the development of the village, they could be involved right from the beginning of the exercise.
- Separate meetings for creating awareness among village people and seeking their suggestions to operationalise the plan may be held. Discussions of the concept with local leaders to explain to them the possible benefits etc. may be undertaken.
- Identification of needs of the village, based on discussions with the villagers /PRA exercise. It may be prudent to explain the objective of the plan as well as its pilot nature to the people, so that their expectations are not raised too high.
- Since credit flow is crucial in the plan, involvement of bankers at local level is imperative at the planning stage itself. The credit target should be arrived at based on bottom-up approach.
- As improvement in recovery of bank loan is one of the keys to improve

credit disbursement, a strategy needs to be worked out to substantially improve recovery of loans in the village by discussing with all the stakeholders. However, this could be the resultant factor of implementation of the Plan through peoples' participation/involvement.

## **ANNEXURE**

### **VDP – A broad framework of the design of the Plan**

<b>Support infrastructure, Watershed development</b>	<b>for Credit from banks, including Credit coop.</b>	<b>Extension services from Government Depts. like Agriculture, Horticulture, Animal husbandry, and other district level agencies</b>
<b>SHGs / JLGs of poor and women for saving/ credit through banks or NGOs</b>		<b>Farmers's Clubs, NFS support for skill development, marketing etc.</b>
<b>Lending through farmers' groups/ activity groups</b>		
<b>Other agencies which can collaborate / contribute like corporate bodies, industry associations, etc</b>		<b>Facilitation by NGOs – social mobilization, awareness creation (escort services), technical services, backward/ forward linkages</b>
	<b>Government Corporations/ other expert bodies for activity specific support (linkages) like marketing, storage, agro-processing etc.</b>	

#### **15. Incentive to nodal/implementing agency**

It would be desirable to consider provision of some incentive to the nodal agency, if inducted for implementation of VDP on mutually agreed terms.

## 16. Monitoring Mechanism

VDC will monitor the programme and a separate Monitoring Committee will be put in place at district level, which will include lead banks, NGOs, NABARD and other concerned agencies. Meetings will be held on quarterly basis.

### Key steps involved

- Interface with people of identified village
- Undertaking PRA exercise
- Identify people's needs
- Prepare a Plan document (for socio-economic, infrastructural development of the village)
- Place it before the stakeholders – Village Development Committee, NGOs, Banks, Government Departments, PRIs, NABARD and other agencies.
- Coordinate and network for physical, financial and promotional support.
- Obtain firm commitments from each stakeholder.
- Commence implementation in right earnest.

### **Broad areas for support – A checklist**

- Infrastructure: Helping in infrastructure building/ completing the incomplete projects - roads, bridges, minor irrigation projects, schools, health centres, veterinary centres.
- Rural Housing: Facilitating credit through banks for low-cost housing including sanitation facilities.
- Watershed development: Assistance from Watershed Development Fund or from Government or any special funds available with Development Agencies of the State.
- “Wadi” Programme: Tree based livelihood programme being implemented successfully for the benefit of tribal population in certain states could be considered for implementation in tribal villages. Assistance for implementation of such programme could be from NABARD/State Government, etc.
- NFS promotion and Development: For providing planned thrust to non-farm sector activities in the selected village keeping in view the balance between the market demand and traditional consumers based skills or local resources.
- Micro finance : Helping people especially women to form SHGs and provide microfinance services through linkage with local banks to ensure access to credit and financial inclusion. Capacity building of the groups/ NGOs / banks with the support of Implementing Agency by accepting support from various agencies including NABARD.
- Support to NGOs for formation of - Farmers Groups/Joint Liability Groups or Artisan Groups.



- Coordinate with Government and Agricultural Universities/Research Organisations to provide extension services to motivate farmers to take up remunerative cash crops
- Improving cash flow of farmers/villagers through subsidiary occupations such as animal husbandry/fisheries.
- Facilitating linkages with corporate bodies
- Encouraging Income Generating activities by individuals/youth.
- Arranging exposure visits/programmes for capacity building
- Capacity building and motivating local bankers by conduct of Workshops trainings and helping them in recovery of overdues.
- Facilitating IT related initiatives in the villages etc.
- Encouraging environment related initiatives leading to protection of environment ecological restoration and achieving the concept of “green’ villages.
- Facilitating value chain management.

### **Human development aspects**

Issues like education, health, women and child development, drinking water supply, sanitation etc. are very crucial for the integrated development. Efforts are required to involve concerned Departments/agencies since beginning, besides other social organisations/NGOs.