

## Rural Development (CGSII) Department

G.O. (Ms) No. 51

Dated : 30.3.2007

Read :

1. G.O.Ms.No.37 Rural Development (CGSII) Department dated 25.04.2006.
2. The Project Implementation Officer, Project Implementation Unit Lr.No.81/05/A5, dated 21.7.2006.
3. Minutes of the Meeting held on 12.09.2006 in the Chambers of Secretary to Government, Rural Development and Panchayat Raj Department.
4. Minutes of the meeting held on 5.02.2007 in the Chambers of Secretary to Government, Rural Development and Panchayat Raj Department.

### **ORDER**

The Government have issued guidelines in the Government Order 1st read above for the implementation of the Livelihood component of TEAP assisted by ADB. As per orders in para 8 of the G.O. the Project Implementation Officer in his letter 2nd read has issued detailed guidelines. These guidelines have been approved by the Empowered Committee in its meeting held on 18.8.06 and the committee has authorized the Project Implementation Officer - Rural Development to make necessary changes in the guidelines wherever necessary based on the need and exigencies required for implementation of the livelihood projects under the guidance of the Secretary, Rural Development & Panchayat Raj Department.

A meeting was convened by Secretary to Government, Rural Development and Panchayat Raj Department on 12.9.2006 with Officer on Special Duty (Relief and Rehabilitation) and Asian Development Bank Officials, and Additional Directors of Rural Development and certain decisions were taken with regard to the implementation of Livelihood component of TEAP. In the review meeting held by the Secretary to Government, Rural Development and Panchayat Raj Department on 5.2.2007 certain decisions were taken in regard to the implementation of Livelihood component of TEAP. The Project Implementation Officer, Tsunami Project Implementation Unit, has now submitted a proposal to the Government or issuing necessary Government orders bringing the guidelines upto date by incorporating all modifications done hitherto.

The Government, after careful consideration of the proposal issue the following Revised Guidelines for the Livelihood component of Tsunami Emergency Assistance Project.

### **1. Allocation for Livelihood Component under TEAP**

The total allocation under the Livelihood Component of TEAP is Rs.190.095 crores. 80% of the allocation will be set aside for revolving fund, economic assistance, Group formation cost, Grant for Disabled persons and deserted women and widows etc. and the balance 20% for training and community infrastructure.

### **2. Target Group**

2.1 Self Help Groups (SHG) of 10-20 members each whose members are from households, directly or indirectly affected by tsunami in the coastal districts with priority being given to coastal villages/blocks. They should belong to poor and low income (annual income below Rs.50,000) households. The groups can either be existing as on 26.12.2004 or new ones formed thereafter.

2.2 At least, 50% of those assisted should be women and 3% of the assistance should be for the Disabled persons. Due preference may be given to SC/ST and fisher folk groups.

2.3 Individuals from the coastal blocks of Tsunami affected areas.

2.4 Societies formed for livelihood promotion. Eg. Fisherman Co-operative Societies, Milk Producers Societies etc.

### **3. Involvement of NGOS;**

The Self Help Groups will be formed with the assistance of Panchayat Level Federation or reputed Non Government Organisations ' who are already affiliated the Tamil Nadu Corporation for Development of Women (TNCDW). Other reputed Non Government Organisations / Civil society organizations recommended by the District Level Project Approval Committee (comprising the District Collector, Project Officers, DRDA, PO (MT), LDM, AGM (Nabard), two Non Government Organisation representatives), and approved by the Project Implementation Officer, can also be involved in the activities under TEAP. The group support cost shall be not more than Rs 2000/- per group. It shall be paid in two installments, Rs 1000/- at the time of group formation and Rs 1000/- after the disbursement of Economic assistance to the group. Training for the groups will be as per the norms of MahalirThittam.

### **4. Grading of SHGs**

4.1 The two-step grading process as per SGSY norms shall be adopted. First grading will be done not less than six months after the formation of the group for the release of Revolving Fund. The second grading for economic assistance will be done not less than six months after the release of Revolving Fund.

4.2 SHGs formed by the other departments/ NGOs outside the Mahilir Thittam fold/Civil Society organizations and which have completed at least one year from the date of formation and have been brought under TEAP livelihood component may be directly graded for providing Economic Assistance (EA) without these groups having to go through the first grading.

4.3 The Self Help groups which have received revolving fund from February to June 2005 in relaxation of SGSY norms (relating to grading) by State Level Bankers Committee (SLBC) shall be eligible for grading for economic activity directly.

### **5. Revolving fund**

Rs.30000/- by way of grant from TEAP and atleast Rs.15000/- as Bank loan will be released to the groups. For the groups which have already received Revolving Fund, the difference amount may be disbursed subject to the ceiling of Rs.30,000/- as grant per SHG.

### **6. Skill Development Training;**

6.1 Skill Development Training for a period of up to 4 weeks may be organized for the chosen groups through NGOs/specialized agencies/Institutions wherever required. The same may be extended to individual/disabled beneficiaries who are not members of any group.

6.2 The total expenditure on Skill Development Training will not exceed Rs 5,000/- per trainee.

6.3 Proposals for skill training beyond 4 weeks or more than Rs.5000/- per trainee in reputed institutions must be employment guaranteed and will be approved by a committee consisting of Secretary Rural Development & Panchayat Raj Department, Officer on Special Duty (R&R) and Project Implementation Officer on a case to case basis, based on the recommendations of the District Level Project Approval Committee.

6.4 The expenditure on training shall not exceed 10% of the total allocation under livelihood component for the district.

### **7. Economic Assistance**

7.1 The quantum of economic assistance may be 50% subsidy and 50% bank loan. An additional 4% interest subsidy will be given for the project period up to 30-04-2008 or for the repayment period, whichever is earlier. There shall be no ceiling on the quantum of assistance for the group.

7.2 For individuals whether members of a SHG or not, the subsidy shall be Rs 7500/- and Rs 7500 as loan together with 4% interest subsidy which will be given for the project period up to 30-04-2008 or for the repayment period, whichever is earlier.

7.3 For disabled persons certified under the Persons with Disabilities Act 1995, deserted

women and widows the subsidy shall be Rs 10,000 and loan Rs 5,000/- together with 4% interest subsidy which will be given for the project period up to 30-04-2008 or for the repayment period, whichever is earlier. In case these persons are not inclined to avail of a loan, they may be given a grant of Rs.10,000 for their livelihood activities.

7.4 The Collectors shall issue the sanction letters directly to the applicant and issue crossed Account payee cheques in the name of the applicant for the amount indicated in the proforma invoice/quotation of the supplier(s).

7.5 The release of subsidy under TEAP will be "back ended subsidy" as in the SGSY guidelines. No interest shall be chargeable on the subsidy released to the bank.

7.6 The interest subsidy as indicated above shall be allowed only for SHGs/ individual members who repay the loan promptly.

7.7 The unit/project costs shall be adopted as per NABARD approved costs. If NABARD costs are not available, the same will be approved by the appropriate district level committee headed by the Collector.

7.8 The District authorities/field level officials should ensure that there shall not be any overlapping with Puduvazhvu or other schemes.

7.9 In regard to loan cum subsidy to the members of the groups/ SHG activity, attention is drawn to para 3.20 of the SGSY guidelines of Government of India. Care should be taken to see that the subsidy is not misutilised / misused among self-help group members without reference to economic activity.

## **8. Restoring, Upgrading and Creation of Community based Infrastructure**

8.1 In the Coastal Villages, the provision of community based infrastructure need not be linked to requirements of the fisher women Self Help Groups alone, but can be provided to the fisher folk organized into approved Societies and federations, also. While providing the community-based infrastructure in the coastal villages care should be taken to address environmental concerns.

8.2 The Project Officers' of District Rural Development Agencies have prepared an activity-mapping database taking into consideration two key economic activities in every block. These activities should be provided additional thrust and would be useful guides for providing community based infrastructure facilities. Moreover these activities are only illustrative and the districts can also consider other area specific suitable community based infrastructure projects, focusing on need & requirement.

8.3 The District Collectors' should identify and recommend community based infrastructure facilities for providing support to the economic activities of the Self Help Groups, communities in the coastal areas to the Tsunami Project Implementation Unit, Chennai for approval. The Secretary to Government, RD&PR Department, and Project Implementation Officer, Tsunami Project Implementation Unit would scrutinize and sanction the proposals.

8.4 Proposals submitted by State / Central Government departments / undertakings / agencies shall be sanctioned by the Secretary, Rural Development and Panchayat Raj Department in consultation with the Project Implementation Officer, Tsunami Project Implementation Unit.

8.5 100% grant would be available for restoring, upgrading and creation of Community based infrastructure managed by Panchayat Level Federations (PLF) for production, processing, quality testing, transport, storage, marketing, etc., subject to the overall ceiling of 20% of the allocation under the livelihood component. It is clarified that the recurring costs related to the common infrastructure cannot be booked under the project.

Secretary to Government, Rural Development and Panchayat Raj Department in consultation with Project Implementation Officer, Tsunami Project Implementation Unit, is authorized to make modifications in the guidelines based on exigencies that may arise from time to time.

(By order of the Governor)

**K.ASHOK VARDHAN SHETTY**  
SECRETARY TO GOVERNMENT