



# OPERATIONAL GUIDELINES FOR FORMATION AND MANAGEMENT OF VILLAGE DEVELOPMENT ASSOCIATION (VDA) AND VILLAGE DEVELOPMENT COMMITTEE (VDC)



Odisha PVTG Empowerment and  
Livelihood Improvement Programme (OPELIP)



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# OPERATIONAL GUIDELINES FOR FORMATION AND MANAGEMENT OF VILLAGE DEVELOPMENT ASSOCIATION (VDA) AND VILLAGE DEVELOPMENT COMMITTEE (VDC)

## 1. Definition of Village Development Association (VDA)

VDA is an independent, formal, democratic “Village based community institution” comprising all adult inhabitants of a revenue village (In case a village has less than 30 households, a VDA will be formed for two villages) constituted for the planning, development and management of different programme activities. The VDA should be registered as a Society under the Society Registration Act., 1860. Every VDA shall have a unique name (based on the name of major village-OPELIP, Unnayana Sangha).

## 2. Process of Formation:

### Preparatory Meetings

A first round of meetings to initiate a dialogue with the Programme households will be conducted informally at the level of each of the programme villages. A Programme village may have smaller hamlets. Where there are multiple hamlets in a Programme village, initial contact should be made at each hamlet. The NGO staff will meet with the traditional village leaders (especially the traditional Headman), elected Panchayat representatives, ASHA worker, any SHG that has already been organised in the habitation, individual women and men, including village youth, etc. to make plans to conduct another formal meeting at the level of the Programme village to constitute the VDA and VDC and ask all members to be present along with all adults

from each household. The initial contact to invite to the formal meeting (*Palli Sabha*) should be made in each hamlet if the village has multiple hamlets. It is helpful to walk around the settlement and meet as many people as possible and convey the message. At this stage, details about the Programme may be shared but a formal presentation about the Programme should only be made when a formal *Palli Sabha* (meeting of all the adults at the Programme village) is conducted on the appointed day. Assistance of the MPA staff and the erstwhile Field Assistants of MPAs where this position existed may be sought in identifying the initial contact persons to initiate a dialogue in the village. **In case a village has less than 30 households, a common VDA will be formed for two villages.**

### Concept Seeding in Palli Sabhas

(The Palli Sabha as per the Panchayat Raj Act of Odisha is the assembly of all adults (all voters) held at a Revenue Village. The VDA, on the other hand is the assembly of all adults in a Programme Village. It is assumed that all Programme Villages are Revenue Villages. Where this is not the case, this section refers to the VDA as per OPELIP and not the Palli Sabha as per the Panchayat Raj Act of Odisha.)

On the appointed day of the formal meeting, the NGO will spell out the Programme concept, its objectives, implementation approach, components and phasing in the *Palli Sabha* chaired by the traditional head man. The NGO

team members will trigger discussion regarding various development programmes that have been implemented in the village, their experience with those, as well as the status of natural resources and their management, extent of food security, sources of vulnerability and available community infrastructure such as safe drinking water, housing, toilets, connectivity, CC roads inside the village, primary school and anganwadi buildings, community meeting place and electricity etc., in the village. The purpose of these discussions is to convey to the participants that the Programme will address issues they prioritise and to get them thinking about the issues they would like to be addressed, which may include resource management practices, low productivity, food insecurity, physical isolation from markets and public facilities, village sanitation and living conditions, etc. The NGO team members will then explain the provisions of the programme, including the modalities of its implementation and the possibilities for developing their land and water resources and improving overall living conditions with the assistance of the programme. A date for a second meeting will be set with the suggestion that they should discuss the Programme among themselves in their hamlets/sub-settlements, identify women and men as potential members of the VDC and activities of common interest they might want to take up even before full scale planning is done.

### Identification of VDC Members

Facilitated by the NGO, a second *Palli Sabha* is held as soon as possible after the first. The assemblage is encouraged to ask questions and seek clarifications about the programme and the NGO addresses those. Once there is

reasonable level of understanding among the assemblage and doubts and concerns have been adequately addressed, the NGO spells out the next steps, namely, forming a VDA comprising of **all adults in the jurisdiction** of the concerned Programme village and a VDC with women and men representatives in equal numbers, followed by initiation of planning. The roles and responsibilities of the two bodies are to be clarified by the NGO. The assemblage is asked to identify members for the VDC (at least four and preferably no more than 10; equal number of women and men) and a **VDC secretary who is able to read, write and carry out basic arithmetic operations**. The VDA will also designate two office bearers (**president and treasurer**, with the President from among PVTG in case of mixed villages) from among the VDC, including one woman. If possible, the office bearers should be able to read and write. Care should be taken to ensure that all hamlets in the jurisdiction of the *Palli Sabha* are represented in the VDC and for that purpose the number of representatives may be more than four. As far as possible, each hamlet should have a female and male representative. However, if the number of hamlets exceeds five, representation may be limited to one person from the smaller hamlets)

The principles to be followed in constituting and in the conduct of the VDCs include:

- i. At least 50% of the VDC membership should be women.
- ii. At least three members from PVTG.
- iii. Regular elections of VDC members (yearly).
- iv. Limited tenure (not exceeding two one year terms) of office.
- v. A bias towards the resource poor households in development works, land



- distribution and access to forest resources.
- vi. Accountability to the entire community for its actions.
  - vii. A transparent management system including a regular audit of accounts and performance which is accessible to the entire community.
  - viii. Establishment of a system of quarterly reporting back to the VDA and taking its approval.

**The NGO will record brief minutes/key points** of the deliberations in a Minutes Register and read those out aloud to the assemblage. Names and signatures/thumb impressions of all present are taken.

#### **Formation of VDC in revenue villages where OTELIP Plus Existing:**

- In case there exist a VDA on OTELIP Plus in OPELIP programme villages, the Bye-Law of the existing VDA should be modified in the context of OPELIP
- If the village is having a functional VDC of OTELIP Plus, in such cases, the executive body of the VDC shall be remodelled / reorganised in the context of OPELIP as mentioned above.
- The VDA should open new separate bank accounts for the purpose of implementation of OPELIP activities.

### **3. Constitution of Sub-Committees**

Each VDA will set up three additional committees: (i) Forest Rights and Conservation Committee (FRCC); (ii) Social and Financial Audit Committee (SFAC); and (iii) Health and Education Committee (HEC). Although both FRCC and HEC exist, these are not operational. Under the Programme, these will be reorganised and strengthened and alongside SFAC will be established. FRCC will

undertake activities relating to land allocation and conservation under Forest Rights Act, Orissa prevention of land encroachment Act and Orissa Government Land Settlement Act. SFAC will be responsible for conducting social audit and also for facilitating financial audit of the VDC. HEC will coordinate activities related to health, nutrition and education of the programme apart from monitoring the activities of village level *Anganwadi* (pre-school centre) and *ASHA* (health) workers and will also undertake social and nutrition focussed entry point activities.

### **4. Opening the Bank Accounts**

The NGO facilitates opening of a bank account for Programme funds in the nearest bank branch with the three VDC office bearers as co-signatories. The VDC would be responsible for managing the bank account through which the MPA would channel funds for financing the activities planned under the Village Development Plan (VDP) in the form of a “Village Development Fund-OPELIP”. Rules and procedures to manage the VDF would be drawn up (with the guidance of the NGOs) and approved by the entire community at a VDA meeting to ensure complete transparency. Any fund received from sources other than OPELIP (beneficiary contributions/prizes, donation etc.) shall be kept in a separate bank account named as “Village Development Fund-Others”.

### **5. Periodic meetings of VDA & VDC**

The NGO will facilitate VDA meetings monthly during the initial two years after formation for review of progress and quarterly in subsequent years.

The NGO will facilitate weekly meetings of the VDC to review progress, resolve problems, if any, in the first two years after formation and as required in subsequent years.



## 6. Quorum of VDA & VDC meetings

The quorum of the VDC meetings shall be at least 50% of member and for the General Body meeting of the VDA the quorum shall be at least 10% of the member present. However steps should be taken to make sufficient awareness generation so that adults members from each household should attend the meeting and initiative should be taken for participation of more nos. of women, as the programme village size is very less compared other revenue villages. The Secretary in consultation with the President of the VDC shall call a meeting on three days' notice however, in case of emergency; a 24 hours notice may also be given for convening such meetings. In the event of there being no quorum in General Body of the association/VDC, it shall stand adjourned to a future day of which notice shall be given in the prescribed manner and no quorum shall be necessary for any such adjourned meeting.

## 7. TOR for VDAs & VDCs

The VDC would be responsible for:

- i. Planning of village development activities.
- ii. Management of the implementation of development initiatives.
- iii. Management of grant funds for infrastructure and other activities including payments to community members for development works.
- iv. Organisation of inputs supply.
- v. Helping the NGO in improving delivery of the already existing Government schemes.
- vi. Monitoring and reporting progress on development works to the Programme Management.
- vii. Entering into a Memorandum of Understanding (MOU) with the MPA and the NGO (on behalf of the Programme) signifying acceptance of the basic principles of the Programme, prior to development of the VDP
- viii. Ensuring that the majority of the benefits accrue to the marginalised groups and resource poor households in the community
- ix. Involving all sections of the community (and in particular women) in formulating the development plans for the village
- x. Establishing transparent management and accounting procedures open to inspection by the community
- xi. Contributing voluntary labour to the implementation of development activities
- xii. Operation and maintenance of community assets created under the programme
- xiii. Preparing a village resource development plan (VRDP) for each programme village as a sub-plan of the Village Development Plan (VDP) with technical guidance of the NGO Experts
- xiv. VDA will approve the Annual Work Plan and Budget prepared based on the VRDP
- xv. Identifying the boys and girls (school drop outs) interested in taking up vocational training and also their specialization of interest
- xvi. Establishing a water supply committee with the concurrence of the VDA and ensure O&M post construction
- xvii. Entering into a Memorandum of Understanding with the MPA to take responsibility for maintenance of the drinking water supply and for identifying volunteers to be trained as community mechanics;
- xviii. Identifying a suitable site and alignment for the water supply scheme with the help of the NGO Junior Engineer (JE)





- xix. Implementation of water purification pilots with the technical support of NGO.
- xx. Facilitating other activities through convergence with Govt. Schemes/any other funding source as required for the community time to time

## 8. Memeorandum Of Association For VDA

1. **Name of the Society** : .....Village Development Association
2. **Office** : The registered office of the organization shall function.  
At - ..... GP- .....  
P.O- ..... P.S. - .....  
Block- ....., Dist- .....
3. **Jurisdiction** : The activities and operation of the association/  
organization shall be the village area including hamlets of  
.....  
.....

### 4. Aims and Objectives :

The objectives of the Association are: -

1. To achieve *enhanced living conditions and reduced poverty* of the target group households through realizing the development objective of enabling *improved livelihoods and food and nutrition security*.
2. To build the capacity of the target households, secure them their entitlements over land and forests, improve their agricultural practices for higher production, promote income-generating micro-enterprises as alternate livelihoods, ensure access to education, health and other services and improve community infrastructure.
3. Enable poor PVTGs and other tribal people create democratic institutional platforms in order to:
  - I. Be able to take charge of all round development of their communities by making plans with the active involvement of each households in the village, especially women and other vulnerable groups and execute such plans in a transparent manner,
  - II. Take up the development of their natural resources so that the productive potential of these resources can be enhanced in a sustainable way and the livelihoods of the people, especially the poorest is improved,
  - III. Mobilise resources, especially funds from the government, the Programme and the people in the village, manage such funds, maintain necessary records and report to the appropriate agencies,
  - IV. Operate and maintain community assets created, including common village funds and other common assets efficiently for community's benefit,
  - V. Effectively participate, especially in case of women, in Palli Sabha and various committees formed for welfare and development under Panchayat Raj Laws,

- VI. Build on and sustain the process of development initiated in the course of the Programme by leveraging resources and support from various public agencies and cooperation of the people of the village, and
  - VII. Be able to integrate into the larger community with dignity and on equitable terms, equipped with information and confidence.
  - VIII. Create and strengthen effective mechanisms that foster genuine community-based decision-making so that both women and men can more effectively participate in, plan, and manage activities that have an impact on their own development and well-being, ensuring community ownership and sustainability of development activities,
4. To provide PVTGs house sites, agricultural land and secure titles over land traditionally used by them under the Forest Rights Act. to ensure food, nutrition and income security for the PVTGs based on the use of the natural resources of land, water and forests in and around their habitat.
  5. To develop the productive potential of the land, water and forest resources owned or accessed by the PVTGs in a sustainable and climate-resilient way so that they can meet their requirements of food, nutrition and incomes by using these resources. Specifically,
    - i. Enhance the present and future carrying capacity of land and water resources available, especially to the PVTGs in the programme villages,
    - ii. Reduce rainwater run-off and soil erosion,
    - iii. Promote soil regeneration processes and increased year round water availability locally,
    - iv. Increase resilience against weather shocks, such as rainfall variability and droughts,
    - v. Enhance resilience to climate change risks, and
    - vi. Mobilise and effectively use resources from various Government programmes, including MGNREGS.
  6. Facilitate the development of land and water resources available to the target households through both mechanical, such as rainwater harvesting, land development and irrigation development, and biological measures such as plantations.
  7. To enhance the productivity of land, water and forest resources owned or accessed by the PVTGs in a sustainable and climate-resilient way so that they can meet their requirements of food, nutrition and incomes by using these resources. Specifically:
    - i. enhance productivity of various crops cultivated by the PVTGs with special emphasis on promoting nutrition security,
    - ii. increase cropping intensity,
    - iii. promote cultivation of vegetables on homestead lands,
    - iv. diversify farming systems, especially the use of *podu* lands,
    - v. enhance soil fertility, and
  8. To ensure income security and access to fair markets for the PVTGs by expanding income generating opportunities and developing marketing collectives.
  9. To enhance the knowledge and skills of PVTG households with regard to



traditional home based income generating activities, expand the scale and scope of these activities, create sustainable service and support systems for these activities, enhance the value of the NTFPs collected by the PVTGs, establish viable collectives to realise fair prices for NTFPs and create opportunities for employment in the urban industrial economy.

10. To ensure secure access for PVTGs to basic services, a healthful living environment and basic communication facilities so that they can engage with fair markets, larger social and political processes and public services and

overcome the exclusion they suffer due to physical isolation.

11. To ensure access to safe drinking water, sanitation, proper housing and living environment, all weather road connectivity, electricity and home lighting, minimal social services and economic infrastructure.
12. To minimise the drudgery and health hazards in women's household work and enhance their overall wellbeing.
13. To provide facilities for reducing the drudgery of women from collecting fuel-wood, drinking water and processing of food grains.

#### 5) The present Village Development Committee (VDC) consists of the following members.

Sl.No.	Name	Designation	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

- 6) We the undersigned are forming a society / Association, desirous of getting the society registered under the Society Registration Act. of 1860 in pursuance of the memorandum of association and herewith file a copy in the manner prescribed by the above Act and the rules and regulation of the society.

Sl.No.	Name	Occupation	Signature

## 9. Bye-Law of Village Development Association (VDA) Under OPELIP

1. **Name** : .....  
Village Development Association (VDA)
2. **Registered Office** : The registered office of the association shall be  
Situating in Village.....  
G.P.....P.O.....  
Via.....  
of .....Block, Dist- .....
3. **Aims and Objective** : Same as mentioned in the memorandum.

### 4. **Interpretation** :

In the memorandum and rules otherwise excluded by repugnant & or inconsistent with the subject or contest, the following definition and interpretation shall hold good.

- (a) The 'association' shall mean the .....  
Village Development Association or in short VDA which is essentially an operational body primarily concerned with execution of Odisha PVTG Empowerment & Livelihoods Improvement Programme (OPELIP).
- (b) Member shall mean the members of the association.
- (c) The 'Village Development Committee' (VDC) shall mean the Governing Body of the association constituted as provided by these rules and regulation.

### 5. **Village Development Association (VDA)**

The association will meet monthly during the initial two years after formation and quarterly in subsequent years with the facilitation of NGO to evoke/improve the village development plan, monitor and review its progress; approve the statement of account, formation of self help group and also resolve differences and disputes between different groups. Self help groups of amongst members, take concrete resolution if any, to finalize the allegations against the VDC; any allegation by any individual or a group will be first reported to the President of VDA, which will be put up before the special General Body to decide the same or to take action against the defaulters, approve the arrangement for the collection of public / voluntary donation and contribution from the community

and individual members, lay down procedure for the operation of maintenance of assets created and take disciplinary action of removal of groups and may take other disciplinary action wherever it deems fit. The Village Development Association (VDA) will select the VDC members and VDC Secretary who is able to read, write and carry out basic arithmetic operations. The VDA will also designate two office bearers (President and Treasurer, with the President from among PVTG in case of mixed villages) from among the VDC, including one woman.

### **Membership**

#### **VDA Membership:**

There would be three types of membership of the VDA.

- i. General: All adults of the village are eligible to become members of the VDA.



- ii. Nominated: These members would be nominated by either VDA General Body or by the Micro Project Agency (MPA). Such members will not have voting right, usually people like local school teacher, representative of NGO working in that area, local health worker, Anganwadi worker, line department officers, can be considered for such membership.
- iii. Ex-officio: One NGO Staff of OPELIP will act as Ex. Officio member of the VDA. Such member shall not have voting right.
- iv. The VDA can decide by majority vote to terminate a member after giving him an opportunity once to prove its position.
- v. On termination of the Membership, a member can't have right of claim whatever privileges of membership or to any property of the association.

## 6. Means:

For the assignments of the above said objective in the memorandum of the association, this association will be empowered to:

- (a) Receive donations, subscription, and gifts, in shape of cash, kind or any other form of assistance from individual, association, private or Govt. agencies.
- (b) Accept any request, gifts, donation, subscription or award so as to accumulate and provide a fund to invest the same and apply the income arising there, for any of the objectives of the association as decided in the VDC.
- (c) For the village development, mostly the amount will be received from the OPELIP for the attainment of the objectives as per need of the VDC and the amount will be placed in a joint savings bank account. This account will be called as "Village Development

Fund-OPELIP" and opened in a nearby bank. This account will be opened and operated jointly by three VDC office bearers as co-signatories i.e. president, treasurer and secretary.

- (d) Any fund received from sources other than OPELIP (beneficiary contributions/prizes, donation etc.) shall be kept in a separate bank account named as "Village Development Fund-Others".

## 7. The Executive Body (Village Development Committee):

### Identification of VDC Members

Facilitated by the NGO, a second Palli Sabha is held as soon as possible after the first. The assemblage is encouraged to ask questions and seek clarifications about the programme and the NGO addresses those. Once there is reasonable level of understanding among the assemblage and doubts and concerns have been adequately addressed, the NGO spells out the next steps, namely, forming a VDA comprising of all adults in the jurisdiction of the concerned Programme village and a VDC with women and men representatives in equal numbers, followed by initiation of planning. The roles and responsibilities of the two bodies are to be clarified by the NGO. The assemblage is asked to identify members for the VDC (at least four and preferably no more than 10; equal number of women and men) and a VDC secretary who is able to read, write and carry out basic arithmetic operations. The VDA will also designate two office bearers (president and treasurer, with the President from among PVTG in case of mixed villages) from among the VDC, including one woman. If possible, the office bearers should be able to read and write. Care



should be taken to ensure that all hamlets in the jurisdiction of the Palli Sabha are represented in the VDC and for that purpose the number of representatives may be more than four. As far as possible, each hamlet should have a female and male representative. However, if the number of hamlets exceeds five, representation may be limited to one person from the smaller hamlets)

The principles to be followed in constituting and in the conduct of the VDCs include:

- i. At least 50% of the VDC membership should be women.
- ii. At least three members from PVTG.
- iii. Regular elections of VDC members (yearly).
- iv. Limited tenure (not exceeding two one year terms) of office.
- v. A bias towards the resource poor households in development works, land distribution and access to forest resources.
- vi. Accountability to the entire community for its actions.
- vii. A transparent management system including a regular audit of accounts and performance which is accessible to the entire community.
- viii. Establishment of a system of quarterly reporting back to the VDA and taking its approval.

The NGO will record brief minutes/key points of the deliberations in a Minutes Register and read those out aloud to the assemblage. Names and signatures/thumb impressions of all present are taken.

The VDC will be responsible to manage day to day activities of VDA, to take decision and implementation of such decisions as may be authorised by the VDA, and shall act as the intermediary between VDA and OPELIP. Before holding VDA meeting for Constitution of VDC a letter of intimation should be sent to the Gram

Panchayat for records and information. Similarly for after Constitution of VDC same should be intimated to Gram Panchayat.

### **Constitution of Sub-Committees**

Each VDA will set up three additional committees: (i) Forest Rights and Conservation Committee (FRCC); (ii) Social and Financial Audit Committee (SFAC); and (iii) Health and Education Committee (HEC). Although both FRCC and HEC exist, these are not operational. Under the Programme, these will be reorganised and strengthened and alongside SFAC will be established. FRCC will undertake activities relating to land allocation and conservation under Forest Rights Act, Orissa prevention of land encroachment Act and Orissa Government Land Settlement Act. SFAC will be responsible for conducting social audit and also for facilitating financial audit of the VDC. HEC will coordinate activities related to health, nutrition and education of the programme apart from monitoring the activities of village level Anganwadi (pre-school centre) and ASHA (health) workers and will also undertake social and nutrition focussed entry point activities.

Similarly, some village level organisation (VLO) with its committee for the whole village might have been also constituted and would be functioning for community development purpose. It would be prudent to utilise the strength and constitution of functioning committee of Village for VDC to both synergise developments with participation and to avoid proliferations of Committees to have a cohesive participation.

In the following scenario, following actions for constitution of VDC of a VDA in a village are to be guided:

### **Formation VDC in revenue villages where OTELP Plus Existing:**

- In case there exist a VDA on OTELP Plus in OPELIP programme villages, the Bye-Law of the existing VDA should be modified in the context of OPELIP



- The VDA should open new separate bank accounts for the purpose of implementation of OPELIP activities.
- If the village is having a functional VDC of OTEL Plus, in such cases, the executive body of the VDC shall be remodelled / reorganised in the context of OPELIP as mentioned above.

### 8. Power of Village Development Committee (VDC):

The VDC shall have to do all such things or required to carry out objectives of the association and as per the guideline and instruction of Govt. In the meeting of VDA may amend or repeal the rules and regulation for the transaction of the business or administration only when a direction comes from the Govt. through Special Officer or government officials.

### 9. Power of Office Bearer:

**President:** President of the VDA shall be selected / nominated by the VDA. S/ he would also remain the president of the VDC. S/he shall preside all the meetings of the VDC and the VDA. **S/He shall not be paid any honorarium for this.**

### Secretary of watershed Committee:

The Secretary would be selected for not exceeding two one year terms. But the VDC can terminate the secretary before the end of the tenure if it felt that s/he is not performing her/his duty properly. The secretary of the VDC will be a paid functionary of the VDC. S/he should preferably be able to read, write and carry out basic arithmetic operations.

The secretary will work under the direct supervision of the President of the VDC and will work as mentioned in the Programme Implementation Manual (PIM).

- S/he will be responsible for help the NGO in convening meeting of the VDC & VDA.  
Place the accounts of the VDC annually before the qualified Chartered Accountant for audit.

- Carry out the decision of the VDC and VDA.
- S/he will also help the Self Help Groups for proper execution of their group activities.

### 10. Meeting and Quorum:

The NGO will facilitate VDA meetings monthly during the initial two years after formation for review of progress and quarterly in subsequent years.

The NGO will facilitate weekly meetings of the VDC to review progress, resolve problems, if any, in the first two years after formation and as required in subsequent years.

The VDA will deliver some functions such as

- Receive and approve the Annual Work Plan & Budget (AWPB), receive and payment accounts, audited report prepared by the Chartered Accountant.
- Select the members of the VDC or terminating services of any of its members.
- To advise, suggest or recommend the VDC about the policies of the association and its day to day functioning
- To consider or decide any matter which may be brought before the general meeting in the permission of the president or the person presiding over the meeting.

The quorum of the VDC meetings shall be at least 50% of member and for the General Body meeting of the VDA the quorum shall be at least 10% of the member present. However steps should be taken to make sufficient awareness generation so that adults members from each household should attend the meeting and initiative should be taken for participation of more nos. of women as the programme village size is very less compared other revenue villages. The Secretary in consultation with the President of the VDC shall call a meeting on three days' notice however, in case of emergency; a 24 hours notice may also be given for convening



such meetings. In the event of there being no quorum in General Body of the association/VDC, it shall stand adjourned to a future day of which notice shall be given in the prescribed manner and no quorum shall be necessary for any such adjourned meeting.

The President shall preside over all the meeting of the VDC. In case of a tie up in voting, the ex-officio member(s) may exercise his/her vote. Where there is any difference in opinion, the matter may be put to the simple majority to decide.

### **11. Law Suits:**

The association shall sue or to be sued in the name of the Secretary, Treasures and President of the association jointly.

### **12. Accounting system:**

The VDC shall follow cash basis of accounting with all books of accounts which shall be maintained at the VDC level. There should be two accounts for each village i.e. “Village Development Fund-OPELIP”. The said accounts should be opened in a nearby nationalised bank. The Secretary shall maintain the cash book as well as all the records of VDC as communicated by the PMU, OPELIP with the help of NGO.

- (a) The VDC keeps all the accounts of money and proportional contribution received and expenses by the association and of the matter in respect of which such receipt and liabilities of the association.
- (b) The “Village Development Fund-OPELI” and “Village Development Fund-Others” must be audited as per the provisions in Programme Implementation Manual.
- (c) The VDC would ensure for collection of the contributions for village development.

The NGO and the VDC as the case may be shall ensure that account of their activities and expenditure are maintained in printed

cash book and all vouchers are preserved for audit as per provisions in PIM, OPELIP.

### **13. Withdrawal of Membership**

In the event of a member opting for withdrawal of his membership from VDC, the VDC can decide by majority vote his/her withdrawal or otherwise, after giving him/her an opportunity to prove his/her stand.

OPELIP/The District Collector or any person authorized by them on this behalf shall have the power to supervise the activities and accounts of the village with prior intimation. If the works of the VDA is found to be unsatisfactory, the OPELIP/The District Collector shall cancel the registration of the association. However, before this action is taken, the Association shall be given proper opportunity to place argument in their favour.

### **14. Amendment:**

No amendment or alteration shall be made on the purpose of the association unless it is voted by two thirds of the members present at General Body meeting convened for the purpose and confirmed by three fifth of the members present at a second General Body special meeting. However, any such amendment can be made as only in pursuance to **para 8** of these bye laws.

### **15. Monitoring and Review:**

VDC shall submit a monthly and quarterly report to the MPA/NGO for scrutiny and onward submission to the concerned higher authority.

The VDC shall be under the administrative and financial control of the Special Officer, MPA. All the copies of the resolutions passed in any General Body meeting or specially convened meetings must be sent to the Special Officer, MPA, through NGO.

### **16. Arbitration:**

Whenever a decision shall be put up before the special General body meeting to confirm it, and the special General Body meeting decides the same, it shall be final and binding



on all the persons concerned. Any dispute or difference arising during the execution of the project work however; will be referred to the Special Officer, MPA

### 17. Dissolution:

In case of dissolution of the Organisation / Association in accordance with a provision of the Registration Act after meeting all the debts, the property and all assets of the association shall be given to other such

association or to the Gram Panchayat as per the decisions of the District Collector.

Certified that the above is the true and correct copy of the rules and regulation of

.....  
.....VDA.

Further, certified that there is no other registered association in the same name at the same address.

## 10. Tripartite Memorandum Of Understanding

Among Micro Project Agency (MPA) , Facilitating NGO (FNGO) and  
Village Development Association (VDA)

This Memorandum of Understanding (MoU) is entered on \_\_\_\_\_ day of \_\_\_\_\_ between:

- I. The \_\_\_\_\_ MPA (hereinafter called the first Party),
- ii. The FNGO , \_\_\_\_\_ established at \_\_\_\_\_ MPA of \_\_\_\_\_ district is (hereinafter for the second party)
- iii. \_\_\_\_\_ Village Development Association (hereinafter for the Third Party)

### 1. Preamble

STSCDD, GoO is implementing **Odisha PVTG (Particularly Venerable Tribal Group) Empowerment and livelihood Improvement Programme** (hereinafter called the Programme) with the objective of providing improve livelihood to the PVTG communities of the Odisha.

- i. FNGO has identified and constituted VDA/VDC in revenue villages of programme area
- ii. The third party, in its VDA general meeting has resolute to accept the key program principles and implement the programme in the village, constituted by the first party/second party and entrusted with it the responsibility of implementing the Programme in accordance with the guidelines and rules framed by the PMU,OPELIP/STSCDD

- iii. The first party (MPA) has been duly constituted under the Societies Registration Act , 1860 as a separate autonomous body for implementing tribal development activities in the particular area and facilitating in the project implementation as well as extended support in technical, social, financial, organizational and managerial support to the other two parties in successfully implementing the Programme.

Now therefore, this MoU is entered into among the authorized representatives of the three parties.

### 2. Objective

This MoU defines the roles and responsibilities of all the three parties to this MoU, so as to enable them to work together as partners.

### 3. Scope of the MoU

- i. The three parties undertake to co-ordinate, collaborate, support and manage the planning and implementation of the Programme including operation and maintenance of the assets, existing or newly created, in accordance with this MoU.
- ii. The activities under this MoU shall be carried out in accordance with the Program Implementation Manual (PIM), OPELIP and also as per the Operational Guidelines developed and communicated to the first and second parties from time to time by the third party/PMU, OPELIP/STSCDD/IFAD.
- iii. The activities and the work shall be carried out within the geographic boundaries of----- village/villages /OPELIP programme Area as identified by the three parties/any revised notifications by the PMU, OPELIP/STSCDD.

### 4. Duration of the MoU

- I. Till completion of programme or beyond as decided by first party/PMU, OPELIP/STSCDD.

## 11. Roles and Responsibilities of First Party (MPA)

The first party agrees to undertake the following roles and responsibilities:

- i. To arrange for dissemination of Guidelines/Amendments/ Programme information including key principles, approaches and methodologies, components and activities etc. to the village community.
- ii. To arrange for implementing social mobilization, IEC and capacity building activities for the benefit of the first and second parties.
- iii. To make available the services and resources of the MPA staff and other government department to implement Programme related activities.
- iv. To arrange for providing technical support in collection of field data, helping FNGO/ village community on deciding affordable and feasible technical options, preparing rough cost estimates, preparation of Village Development Plan (VDP) etc. and completing Annual Work Plan & Budget (AWP & B).
- v. To build the capacity of the second and third party in technical and non technical aspects including operation and maintenance aspects in consultation with PMU, OPELIP.
- vi. To accord administrative and technical sanction for the activities of (AWP & B) after preparation and modification.
- vii. To release programme funds to the second party and third party in instalments as per the guidelines of the PIM with proper documentation as desired by PMU, OPELIP/STSCDD.
- viii. To measure works, check quality of works and materials, internal audit bills and pass bills for payments
- ix. Responsibility for maintenance of the drinking water supply created by VDA
- x. To carry out evaluation studies, impact assessment surveys etc. and share the key learning with first and second parties as per PIM/instructions of PMU/STSCDD
- xi. Convene Programme Implementation Committee (PIC) for approving AWPB, reviewing implementation progress and facilitating coordination with other line departments.



- xii. Undertake programme related procurement of goods, works and services in accordance with the provisions of IFAD Procurement Guidelines and Programme Implementation Manual (PIM) and as per the Consolidated Annual Procurement Plan approved by the Programme Steering Committee and IFAD;
- xiii. Coordinate and implement components' activities, including procurement, under the guidance of PMU, OPELIP;
- xiv. Consolidate and prepare AWPBs and annual procurement plans in coordination with FNGO & VDC and submit them to PMU, OPELIP as per the guidelines circulated by the PMU, OPELIP;
- xv. Prepare and submit consolidated annual and quarterly progress reports to PMU, OPELIP;
- xvi. Supervise and monitor its respective component related activities and their progress towards achieving physical, financial and outcome related targets;
- xvii. Prepare financial statements and prepare statements of expenditures for submission to PMU, OPELIP;
- xviii. Liaise with the State and District administration, line agencies and other Programme Parties to ensure coordination in programme implementation.
- xix. Undertake visits of the activities of second party and third party from time to time and inspect the Programme, including any and all sites, works, equipment and other goods used for Programme-related purposes;

## 12. Roles and Responsibilities of the Second Party

The second party agrees to undertake the following roles and responsibilities:

- i. To manage all types of development activities as per the guideline of OPELIP, ST & SC Development Dept. GoO and including implementing, undertaking procurement activities, fund management, operating and maintaining all activities of the programmes.
- ii. To assist the third party in preparing and implementing the village vision, strategy and action plan for developing the livelihood of the PVTG and other villagers.
- iii. To perform all activities in respect of providing better livelihood and services to the village community.
- iv. To discuss the Community Action Plan prepared by community with the first party for obtaining Administrative and Technical approval.
- v. To act as a link and liaison between VDA, VDC, Gram Panchayat, MPA and other departments and institutions working in the development of the communities.
- vi. To disseminate information, create awareness and educate the village community on all aspects of better quality livelihood.
- vii. To carry out all activities under this MoU utilizing participatory methodologies so as to ensure participation of women, youth, SC, ST, PVTG and poor in the village community.
- viii. To receive funds from the first party and utilise the same as per rules and the guidelines of the programme and in accordance with prudent financial management principles.



- ix. To comply with the principles, rules and guidelines issued by the first party from time to time and ensure to follow them.
  - x. To facilitate in open and operate bank accounts for transacting all amounts received and expended for implementing the Programme as well as operating and maintaining the schemes.
  - xi. To facilitate in maintain up to date and accurate books of accounts and make available records for audit/inspections.
  - xii. To procure works, goods or services for carrying out various activities under this MoU in accordance with the guidelines issued by the Department/ OPELIP.
  - xiii. To mobilize the villagers for community action to solve the problems of the village and smooth implementation of the project.
  - xiv. To mobilize users'/community/SHG for user fee for better participation and gaining the ownership.
  - xv. To operate and maintain the facilities created under the Programme and meet full operation and maintenance expenses by collecting user charges.
  - xvi. To do all the activities under this MoU in a transparent manner providing key information to all members in village community including setting up of display boards.
  - xvii. To collect monthly progress of Programme activities from the third party and to submit first party on a regular basis.
  - xviii. To supervise/hand hold support to VDA/VDC for all activities under this MoU/programme and to ensure conformity with quality and design parameters as per approved plans, estimates and other guidelines.
  - xix. To co-operate with first and third parties for inspection, verification, audit, evaluation and studies by the first and third parties or agencies authorized by them and implement corrective actions recommended.
  - xx. To prepare Implementation Completion Report in respect of all Community Action Plans and submit to the first party.
- A. *Under the Community Empowerment Component:***
- Organize cultural programme focusing on: (i) alcohol abuse and associated exploitation; and (ii) poverty, chronic malnutrition and its impact on future generations;
  - Conduct, in collaboration with community members, PRAs, wealth ranking, to identify poorest households,
  - Mobilize SHG including poorest households and revitalize defunct SHGs, if any;
  - Form GP level Federation of SHGs (GPLF);
  - Establish SHG byelaws and SHG operating procedures,
  - Facilitate and supervise SHG conduct of regular meeting and recording minutes of the meeting,
  - Support each SHG with the visioning and goal setting
  - Introduce saving, transforming SHGs into activity groups, and introducing credit system as a consumption smoothening modality and opening of bank account where required,
  - Train SHG members in book-keeping, bank account reconciliation and auditing of SHG accounts.



- Train SHG members in leadership development, leadership rotation, SHG best practices and facilitating eventual linkage of SHGs with NRLM
  - Form GPLF formation and build their capacity in delivery of financial as well as social services to their members;
  - Facilitate SHG and GPLF access to VRF, CIF;
  - Implement the savings and loan monitoring system for SHGs as per guidelines provided by the PMU;
  - Set up the accounting and loan monitoring systems for each GPLF as per guidelines provided by the PMU.
  - Revitalize Palli sabha at the natural village level with sensitization meetings, formation and capacity building of Village Development Associations and related committees to implement Programme activities;
  - Facilitate VDCs to prepare a VDP, facilitate approval of VDP by MPA. The VDP would include sub-plans covering: Land and Water Resource Development Sub-plan, Productivity Enhancement and Crop Diversification, horticulture and irrigation sub-plan, Livelihoods Sub-Plan and Rural Infrastructure and Drudgery reduction sub-plan;
  - Facilitate the preparation of the annual work plan and budget by the VDC and its approval by MPA;
  - Build the capacity of VDA and facilitate their access to resources for the implementation of the activities related to VDP with programme support or convergence with relevant Government programmes;
  - Assist the VDCs to converge with other government programme for implementing activities planned by the VDCs in the event of inadequate allocation from the Programme;
  - Build the capacity of VDA in participatory planning, implementation and M&E;
  - Train the VDA on management issues, record keeping, book-keeping and accounting;
  - Support the VDA in the preparation of monthly reports submitted to the MPA and presented to the VDA members;
  - Support the VDA in the obtaining legal registration and opening a bank account;
  - Facilitate the establishment of Village Social and Financial Audit Sub-committee of the Palli Sabha/ Gram Sabha;
  - Train the Village Social and Financial Audit Sub-committee of the Palli Sabha/ Gram Sabha on oversight functions;
  - Undertaking planning for implementing entry point activities which include drinking water, water harvesting, supply of solar lantern, supply of MGNREGs implements etc.
  - Facilitate the opening of VDC bank accounts;
  - Train VDC in book keeping and account settlement;
- B. Under the NRM and Livelihoods Enhancement component**
- Train the VDA on Climate Vulnerability Assessment;
  - Facilitate the VDA implementation of crop intensification/ agri-horticulture/poultry/goat rearing

activities and targeting of potential beneficiaries;

- Facilitate with the VDA the formation of Farmer Field Schools;
- Facilitate the set-up of agriculture demonstrations with OUAT and VDAs;
- Identify Community Services Providers in Field Crops, Horticulture, Poultry, Goat rearing and obtain the endorsement of the VDA for the candidates proposed;
- Provide basic, advanced and refresher training to the Community Service Providers (CSP);
- Establish demonstrations with CSPs;
- Establish systems for preventive vet care for poultry and goats using CSPs;
- Provision of technical support for goat and poultry interventions.
- Assist the VDA in the planning, implementation and supervision of land and water development activities.

#### **C. *Under Community infrastructure and drudgery reduction component***

- Design the community infrastructure investments listed in VDP , validate with the community and obtain endorsement from MPA and relevant department;
- Estimate cost of the infrastructure;
- Prepare related set of procurement documents;
- Provide VDA and MPA with technical guidance in the supervision of the construction of the community infrastructure;
- Facilitate agreement among VDA members on modalities for the operation and maintenance of the community infrastructure;

- Supervise the implementation of the modalities for the operation and maintenance of the community infrastructure.

#### **D. *Under Programme management***

- Implement the Programme M&E at VDC/VDA/village level, as per PMU guidelines;
- Supervise the field level activities of CRPs and CSPs;
- Ensure implementation of programme activities as planned;
- Identify emerging best practices and contribute to the knowledge management related activities of the programme;
- Compile M&E data on monthly basis and report to MPA, using reporting format prepared by PMU;
- Submit quarterly, semi-annual and annual technical and financial progress reports to the MPA as per PMU guidelines. The FNGO will also be required to submit the statement of receipt and expenditures and utilization certificates in the format prescribed by the PMU of OPELIP;
- Submit to the MPA annual audited financial statements within 3 months from the completion of the financial year;
- Maintain separate accounts for all receipts and expenditures and supporting vouchers for audit and inspection by MPA or its nominee or designated auditor. The double-entry book-keeping shall be followed.
- At the end of the contract, prepare a Programme completion report as per PMU guideline;

Organize VDA and SHG training on gender and nutrition related aspects





### 13. Roles and Responsibilities of the Third Party ..... VDA

The third party agrees to undertake the following roles and responsibilities:

- i. To adopt a VDA (village/Villages) vision, strategy and action plan for developing the different developmental/livelihood improvement activities in the identified area (Called VDA).
- ii. To entrust with the first party & second party the responsibility for implementing the vision, strategy and action plan for solving the issues and problems in the implementation of the OPELIP.
- iii. To authorize the first party/second party to guide, support in expend the same in accordance with the provisions of this agreement and as per the guidelines issued by OPELIP, Department of ST & SC Development ,Govt. of Odisha.
- iv. To own and maintain all movable and immovable assets, infrastructure facilities and to entrust with the second party/ first party all the rights of operation, maintenance, management, up keep and safe custody of the assets.
- v. To utilize all the powers conferred on it as per the Govt. of Odisha gram panchayat rule and subsequent amendments to ratify all actions of the second party/first party done in accordance with this MoU for the purpose of achieving the objectives of the Programme.
- vi. To support the second party/first party in all IEC and capacity building activities in the villages for the purpose of village development, improvement and sustenance promotion & implementation of OPELIP as per the PIM and department rule.
- vii. To provide support to the second party/first party in mobilizing community contribution and recovery of loan and support to the SHG/CIG & other individual.
- viii. To monitor as well as audit all activities undertaken by the second party/first party/external agency/ Chattered Accountant/AG/social audit so as to ensure that all social, technical and financial processes and procedures are in compliance with the guidelines issued by the first party.
- ix. Planning and management of the implementation of development initiatives.
- x. Management of grant funds for infrastructure and other activities including payments to community members for development works.
- xi. Monitoring and reporting progress on development works to the FNGO/MPA
- xii. Ensuring that the majority of the benefits accrue to the marginalised groups and resource poor households/PVTGs in the community
- xiii. Involving all sections of the community (and in particular women & PVTG) in formulating the development plans for the village
- xiv. Establishing transparent management and accounting procedures open to inspection by the community
- xv. Contributing voluntary labour to the implementation of development activities
- xvi. Operation and maintenance of community assets created under the programme

- xvii. Preparing a village resource development plan (VRDP) for each programme village as a sub-plan of the Village Development Plan (VDP) with technical guidance of the NGO Experts.
  - xviii. Approve the Annual Work Plan and Budget prepared based on the VRDP.
  - xix. Identifying the youths (school drop outs) interested in taking up vocational training and also their specialization of interest.
  - xx. Establishing a water supply committee with the concurrence of the VDA and ensure O&M post construction.
  - xxi. Identifying volunteers to be trained as community mechanics;
  - xxii. Identifying a suitable site and alignment for the water supply scheme with the help of the NGO Junior Engineer (JE)
  - xxiii. Implementation of water purification pilots with the technical support of NGO.
  - xxiv. Facilitating other activities through convergence with Govt. Schemes/any other funding source as required for the community time to time
  - xxv. Opening of a bank account for Programme funds with the help of NGO in the nearest bank branch with the three VDC office bearers as co-signatories (President, secretary and treasurer).
- ii. The first party will monitor, verify, quality check and provide proper instruction to the concern bank for allow for withdraw of fund for payment.
  - iii. The second party timely intimate to the first party about the progress, quality of work and intimate the requirement for fund withdrawal.
  - iv. All the party will maintain proper transparency in utilization of fund and maintain proper records for audit.
  - v. That any amount of funds so received if misutilized in unauthorized manner as pointed out by the first party or defalcated or misappropriated or in any manner payable to the first party and/or to the government shall be recovered from the second and third party and/or from all/or any of its office bearers as applicable through certificate proceedings under the Odisha Public Demands Recovery ACT -1962 (PDR Act-1962) as a public demand.

#### **Termination of the MoU**

- i. The second party and the third party can terminate the MoU in the events of:
  - a. Undue delay in providing technical support, administrative sanctions, technical sanctions etc. by the first party.
  - b. Delay of more than 60 days, without valid reasons, in releasing Programme funds by the first party in spite of the second and third parties successfully fulfilling all the conditions for releasing the payments.
- ii. The first party can terminate the MoU on the occurrence of one or more of the following events after reasonable notice:

#### **14. Terms and Conditions of Fund Release and utilization of fund by 1<sup>st</sup> party**

- I. The first party will release to the third party the Programme funds as per the requirement under approve action plan and as per the guideline of the programme(OPELIP)



- a. Mismanagement of Programme funds, materials and/or assets by the second and third parties
- b. Failure on the part of the second and third parties to complete the activities in accordance with the programme period.
- c. Providing incorrect data or information by the second and third parties with malafide intentions to mislead the first party.
- d. Either of the last two parties losing interest in Programme activities and becoming dormant.
- e. The third party cannot undertake the Programme activities due to technical, financial, social or other reasons.
- f. Failure of the second and third parties to rectify the defects pointed out by the first party within reasonable time.

## 15. Disputes

Any disputes between the parties arising out of this MoU shall be settled, in the first instance, through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter shall be referred for arbitration to the Programme Director, OPELIP, STSCDD, GoO.

## 16. Appendices

The following documents given in appendices to this MoU shall be deemed as part of this MoU:

- I. VDA resolution by the third party dated .....
- ii. PIM
- ii. Operational Guidelines for formation and management of VDA and VDC

We the undersigned on behalf of the respective institutions shall maintain the integrity in functions and abide by the contents of this MoU for effective implementation and achievement of the objectives of the Programme.

For first party	For second party	For third party
..... Special Officer, MPA	..... Secretary, FNGO	..... President, VDA
<b>Witnesses<sup>1</sup></b>	<b>Witnesses</b>	<b>Witnesses</b>
Name and Address Signature.....	Name and Address Signature.....	Name and Address Signature.....

1. At least one of the witnesses of the first shall be a woman.



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