

Agreement between APMAS, Hyderabad and Centre for Microfinance (CmF), Jaipur for the period 1st January 2009 and 31st December 2011

1. APMAS, Hyderabad

Established in 2001, APMAS is a technical and managerial services providing organization for different stakeholders involved in the community based microfinance/ Self-help Help Movement. Its vision is ‘Sustainable Women Self-help Movement in India’. It provides four distinct services for SHG sector, viz. Capacity Building, Quality Assessment/ Rating, Research and Advocacy and Livelihood Promotion.

2. CmF, Jaipur (also referred as sub-grantee)

The Centre for microFinance (CmF) has been set up in Jaipur (Rajasthan) in 2005 to widen, deepen and upscale the microFinance movement in Rajasthan. The Centre is an autonomous institution with strong governance; it employs high quality professionals to provide a wide range of technical and other support services to mF players. Given its mandate the centre places value on networking and collaborations with stakeholders. It undertakes direct action only in gaps where players neither exist nor can be catalyzed. The Centre for microFinance is seeded under Sakh se Vikas-The Rajasthan microFinance Initiative of The Sir Ratan Tata Trust. It is the nodal agency for all the projects under, particularly of the implementation projects within it.

The core areas of CmF are training, research, documentation, policy advocacy and support to mF practitioners in Rajasthan. The CmF has begun its work by piloting its interventions in 3 districts from three different regions of Rajasthan. CmF proposes to offer short-term and long-term courses in microfinance and also conduct immersion programs. The thrust will be on idea incubation and in providing technical support services to mF practitioners in the state. Micro-insurance would be another priority area that the centre would work on in the future.

3. National Network of Resource Organizations

Though SHGs proved to be a most effective tool for financial inclusion, poverty eradication and women empowerment, the sector is facing severe problems like (a) Uneven growth across different states and regions, (b) Uneven quality of SHGs, (c) Sustainability of SHGs, (d) Deficit of funds for promotion and on-lending, (e) Contradictory policy environment, (f) Shortage of quality human resources, (g) Inadequate capacity building infrastructure, trainers, material, etc. To address these issues, a National Network of Resource Organizations was formed in 2007. Currently the network has seven members, viz. APMAS, Hyderabad; Centre for Microfinance (CmF), Jaipur; Chaitanya, Pune/ Rajgurunagar; Gramina Mahila Okkuta (GMO), Kolar/ Karnataka; Indian School of Microfinance for Women (ISMW), Ahemdabad; Reach India, Kolkata and Self-help Group Promotion Forum (SHGPF), Kolkata. The vision, goals and objectives of the NNRO are described below.

Vision: *Vibrant women SHG movement in India*

Goal: *Enhanced capacities and resources for SHGs and SHG federations resulting in vibrant institutions and increased economic and social opportunities for all members especially marginalized, vulnerable and poor communities*

Objectives

1. *Contribute to conducive policy environment through research based advocacy for SHGs and federations*
2. *Facilitate flow of funds for SHG & SHG federation promotion and on-lending*
3. *Increase cadre of human resources using standardized training and resource material for improved quality*
4. *Building the profile of Community Based microfinance*
5. *Promote innovative models for replication*

4. Ford Foundation grant

The network obtained a partial funding from Ford Foundation to accomplish its objectives.

The activities to be taken up under this grant are:

1. Preparing a data base of SHGs and federations for at least three states
2. Publishing sector reports for states analyzing the trends, demand-supply and policy environment.
3. Commissioning research studies leading to quarterly updates, newsletters and publications on various dimensions of the community-based model of microfinance
4. Promoting a women leaders' forum to facilitate interaction of women leaders at district and national level.

Expected outputs from this grant are:

1. Publication of an annual report on community-based microfinance institutions
2. At least 20 policy papers produced by network members
3. Study report published on cost of promotion of SHG federations and other publications of high quality on community-based microfinance movement to be available to lenders. Donors and policy makers.

Key indicators of success of the grant are:

1. Significant increase in the flow of funds from the government and NABARD to SHGs and federations
2. The average loan size from Banks to SHGs to increase by 100 percent in four years
3. National data base of SHG federations and other publications of high quality on community-based microfinance movement to be available to lenders and policy makers.

The network as a whole and the individual member organizations should work for achieving above listed activities, output and indicators.

5. Agreement

APMAS administers the grant on behalf of the NNRO. APMAS is responsible to Ford Foundation for accomplishment of project objectives; above listed activities, output and indicators; for proper utilization of funds and all reporting about the grant. The purpose of this Agreement is to fulfill the sub-grant component of the Ford Foundation grant.

Under this agreement APMAS will transfer **Rs.18,06,190 (Rupee Eighteen lakh, Six thousand, One hundred and Ninety only) in six half yearly installments during 2009 and 2011.** APMAS would guide the work and monitor the progress of work carried by CmF under this grant

Under this agreement, CmF would perform the following activities

1. Participate in all NNRO network meetings, write-shops, workshops, etc and lend support to all network activities.
2. Mobilize additional funds for accomplishment of NNRO objectives.
3. Work for accomplishing the above listed activities, outputs and indicators.
4. Prepare the action plan for every year and get endorsed from the network/ APMAS.

5. CmF's planned specific activities during 2009 - 11

1. Publication of study reports, modules, policy papers/ briefs and news letters
2. State level consultation workshops/ meetings with stakeholders/ policy makers
3. SHG Formation & Strengthening and TOT
4. Adaptation and Translation of modules in local language
5. Micro Finance immersion program / orientation cum perspective building program for NGOs and Bankers
6. Development of certified trainers
7. Certificate course/ Diploma courses on microfinance and livelihood promotion
8. e-discussion forum
9. Piloting use of IT in microfinance in one district in Rajasthan

6. Budgets

The following is the budget for 3 years (1st January 2009 to 31st December 2011).

Activity	Amount in Rs.
Salaries and staff support	756,000
Publications	216,000
Workshops and meetings	56,000
Piloting and up-scaling	232,140
Travel	108,000
Website and e-discussions	43,200
Office and related expenses	233,250
Trainings	161,600
Total	1,806,190

Terms and conditions

1. The sub-grant funds must be channelized through the FCRA account. The total grant for the period 1st January 2009 to 31st December 2011 (three years) is **Rs.18,06,190 (Rupee Eighteen lakh, Six thousand, One hundred and Ninety only).**
2. Till such period that CmF does not receive prior approval or permanent FCRA number, the amount would be made available to CmF as reimbursement of expenditures on a quarterly basis made from CmF's own fund. After CmF is granted prior approval or allotted permanent FCRA number, the amount would be made

- available to CmF as regular half yearly instalments.
3. The release of amount during the agreement period will be made after reviewing of progress and financial reports for the previous six months.
 4. The sub-grant may be used only for fulfilling the objective of the grant and activities which are in the nature of 'charitable', 'scientific', 'literary' or 'educational' only.
 5. The sub-grant is to be spent within the period of three years from 1st January 2009 to 31st December 2011. Any funds not expended or committed for the purposes of the sub-grant, or within the period specified, will be returned to APMAS.
 6. Sub-grantee have to furnish the progress related written report financial reports to APMAS on a quarterly basis. Both reports should be signed by an appropriate officer of the Sub-grantee, within one month after completion of each quarter.
 7. CmF has to submit to APMAS a detailed report one month after the close of the sub-grantee's fiscal year in which it receives or expends any portion of the funds until funds are expended in full or the sub-grant is otherwise terminated. In addition, upon completion of the use of the funds a final report is to be furnished to APMAS with respect all expenditures under the sub-grant. Each report should contain a financial statement and a narrative account of what was accomplished by the expenditure of funds (including a description of progress towards achieving the goals of the sub-grant and an assurance that the activities under the sub-grant have been conducted in conformity with the terms of the sub-grant).
 8. If the sub-grantee allocates funds for the purchase of capital equipments, in addition to the financial and narrative reports, a written report on the use of all capital equipments purchased with grant funds is to be submitted to APMAS within one month after the close of the sub-grantee's fiscal year in which such grant funds were used to purchase capital equipments. Each report should confirm that such equipment has not been used for any purpose proscribed by the terms of this agreement, and the final report should make reference to the ultimate disposition of the equipment.
 9. The funds will be physically segregated in a separate bank account or maintain separate books of accounts and maintained exclusively for charitable, scientific, literary or educational purposes. Receipts and expenditures of such funds should be shown separately in the sub-grantee's accounting records. Such accounting records, as well as copies of reports submitted to APMAS, must be kept by the sub-grantee for at least four years after completion of the use of the funds and made available to APMAS for examination upon request.
 10. Sub-grant funds will not be used for any of the following purposes: to attempt to influence legislation or the outcome of any public election; to conduct programs to register voters; to undertake any activity for any purpose which is not exclusively charitable, scientific, literary or educational; or to make grants to other organizations or to individuals.

As agreed above

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C. S. Reddy
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Jaipal Singh
Executive Director
CmF
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