

Village Poverty Reduction Plan

September 10, 2020

The **Article 243G** of the Constitution intends to **empower the Gram Panchayats (GPs)** by enabling the State Governments to devolve powers and authority in respect of all 29 subjects listed in the 11th Schedule for **local planning and implementation of schemes for economic development and social justice**. The local bodies (GPs) play a significant role in the effective implementation of flagship schemes on subjects of national importance, for transformation of rural India.

Village Poverty Reduction Plan

- **Gram Panchayat Development Plan (GPDP)** brings together both the citizens and their elected representatives in the **decentralized planning processes**.
- GPDP is expected to reflect the development issues, perceived needs and priorities of the community, including that of the marginalized sections.
- GPDP is conducted from **2nd October to 31st December, every year** across the country, under the **People's Plan Campaign (PPC)**.
- The PPC guidelines and the joint advisory issued by the Ministry of Panchayati Raj and Ministry of Rural Development, has mandated **SHGs** and their federations under Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) **to participate in the annual GPDP** planning process and **prepare the Village Poverty Reduction Plan (VPRP)**.
- VPRP is a **comprehensive demand plan** prepared by the Self Help Group (SHG) network and their federations for projecting their demands and local area development which **needs to be integrated with the GPDP**.
- The process allows poor families, who are members of

SHGs formed under DAY-NRLM, to raise their demands in a participatory method and submit the final plan to the Gram Panchayats for consideration.

Objectives of VPRP are:

- Prepare a comprehensive and an inclusive demand plan of the community for local development
- Facilitate an **interface between the SHG federation and Panchayati Raj institutions** for development of demand plan
- Strengthen the community based organisations and their leadership for active participation in poverty reduction activities

Demands under VPRP are categorized into five major components:

- **Social inclusion** – plan for inclusion of vulnerable people/household into SHGs under NRLM
- **Entitlement** – demand for various schemes such as MGNREGS, SBM, NSAP, PMAY, Ujjwala, Ration card etc.
- **Livelihoods** – specific demand for enhancing livelihood through developing agriculture, animal husbandry, production and service enterprises and skilled training for placement etc.
- **Public goods and services** – demand for necessary basic infrastructure, for renovation of the existing infrastructure and for better service delivery
- **Resource development** – demand for protection and development of natural resources like land, water, forest and other locally available resources
- **Social development** – plans prepared for addressing specific social development issues of a village under the low cost no cost component of GPDP

SHGs

- Self Help Groups (SHGs) are small groups of poor people. The members of an SHG face similar problems.

- They help each other, to solve their problems. SHGs promote small savings among their members. The savings are kept with the bank.
- This is the common fund in the name of the SHG. The SHG gives small loans to its members from its common fund.
- SHG is an informal group and registration under any Societies Act, State Cooperative Act or a partnership firm is not mandatory.