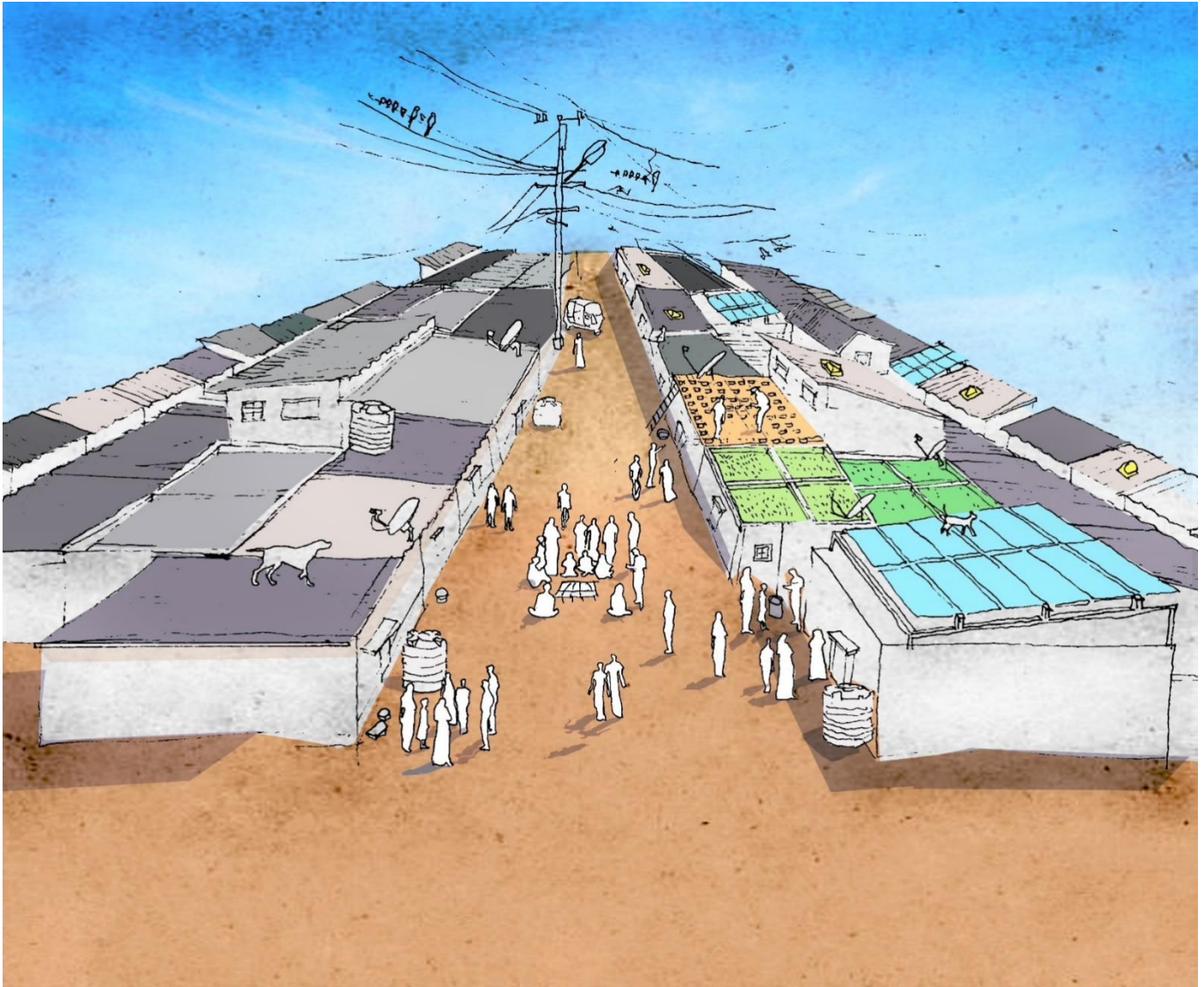


# SUSTENANCE MODEL REPORT



## THE INFORMAL HOUSING THERMAL COMFORT PROJECT

MARCH 2023

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## 1. ABOUT THE REPORT

This report provides information on multiple pathways that can facilitate the establishment of community-centric structures and mechanisms that can support the sustenance of thermal comfort retrofit services to address heat stress related injustices experienced by low-income communities in urban India.

The first part of the report i.e., the 'Introduction' provides insights on the need and potential of community centric cooperative structures and other interlinked mechanisms to facilitate the provision of small-scale thermal comfort retrofit services in India's informal settlements.

The second part of the report titled 'Sustenance Models for Thermal Comfort Retrofit Services' comprises two subsections:

The first subsection titled 'Women-Driven Small-Scale Cooperatives' shares information about two institutions i.e., 'Producer Cooperatives' and 'Self Help Groups'. These are eligible to provide thermal comfort retrofit services in India as per government norms. This section therefore foregrounds details that can support the process of engaging with and establishing women's collectives to facilitate the provision of thermal comfort retrofit services in their local communities. The information covered under this section includes the description of 'Producer cooperatives' and 'Self Help Groups', their relevance to thermal comfort retrofit services, their principles and administrative details including membership, governance mechanisms, finance and the registration process. If a certain institution falls under the jurisdiction of state governments, representative examples from one or two states are mentioned with the hope that readers will explore state – specific details based on the locality/city they plan to work in.

The second sub-section envisions other sustenance models that leverage other attributes and system transformation agencies (capacities) in the interconnected political economy of informal housing in Urban India. The sustenance models ideated in this part of the report fall under the categories of CSR Programs, Microfinance, Ethical Investment Platforms and Municipal Departments and City Utilities.

The final section i.e. the 'Way Forward' shares details of the next steps of the 'Informal Housing Thermal Comfort Program' in the context of implementation of the sustenance models described in the report.

## 2. INTRODUCTION

Sleepless summer nights, unbearable temperatures inhibiting household activities, health conditions such as nausea, headaches, heart palpitations and dizziness- these are few of the many heat-stress related issues afflicting the lives of communities inhabiting ventilation deprived, tin roofed structures in marginalized settlements in urban India. While people in affluent urban neighbourhoods seek thermal comfort from energy intensive Air Conditioners, many of them even having back-up power sources to support them during power cuts, their underprivileged counterparts inhabiting marginalized settlements can only afford minimal refuge from the heat through fans in addition to bearing the brunt of power cuts even during peak summers. Women, the elderly and children who spend more time indoors are disproportionately impacted by these occurrences. Furthermore, while the elderly and children might be able to sit outside their homes to escape indoor heat during peak summers, women who bear inequitable responsibility of household chores are forced to stay indoors. On a climate collapsing planet battling with rising temperatures, addressing energy and thermal comfort-based injustices has become a non-negotiable necessity and inevitably necessitates working towards sustainable and affordable cooling techniques 'with' people inhabiting marginalized settlements. An approach of working 'with' people is essential for the meaningful implementation of any endeavour given that development programs based on 'top-down solution-imposing approaches' are short-lived. Top-down centralised initiatives are often based on a 'one-size fits all approach' which are non-contextual and therefore lack meaningful impact. Such programs are mostly target-oriented and do not focus on capacity and skill building of the community. Therefore, in most cases once an implementation body exits a locality, access to the solution and skills associated with the program are lost in their absence. The exclusion of those who bear the brunt of socio-ecological injustices from decision-making processes aimed at addressing these injustices inevitably demands reconsideration.

Recognising the need to address heat stress-based injustices in informal settlements, the 'Informal Housing Thermal Comfort' program has been focusing on experimenting with thermal comfort retrofit solutions with pilot households in informal housing localities across a few cities in India since 2021. Its implementation approach is rooted in the spirit of 'working with communities' to determine roof retrofits that are contextually relevant and acceptable to homeowners. The overarching aim is to support the sustenance of this community-centric endeavour primarily through facilitating the establishment of women-driven small-scale thermal comfort retrofit cooperative businesses. This can facilitate the process of enabling women to claim their space in a realm that is largely male dominated by building their capacities to lead the movement for thermal comfort in their contexts, in addition to contributing to efforts aimed at ensuring freedom from the shackles of unjust development approaches that marginalize vulnerable communities from being active participants in addressing the injustices they experience in addition to facilitating local income-generating activities.

Capacity and skill-building initiatives with women leaders, and local fabrication and installation persons towards managing, fabricating, installing and supporting the maintenance of thermal comfort retrofits can play a pivotal role ensuring the sustenance of local cooperative businesses. Such cooperative models can support inhibiting the germination and proliferation of capitalistic production practices as these models do not allow external entities to determine their functioning. Given the characteristic feature of capitalistic-driven models which are focused on maximizing profits through upscaling and competing with other businesses as opposed to promoting mindful needs-based production practices which do not abuse the planet and its inhabitants, the need for local small-scale community-based collectives that manifest a spirit of solidarity rather than competition is warranted. Entities such as local municipal departments, electric utilities, microfinance institutions and ethical investors can and must contribute to the financial sustenance of local producer cooperatives, too. Policy-level intervention can be another instrumental pathway to ensure that thermal comfort services reach the urban poor to ensure habitable living conditions by seamlessly integrating thermal comfort-centric roofing and envelope designs for retrofitting homes within the apparatus of India's Affordable Housing Program. Women driven collectives can again play a pivotal role in supporting the process of installing and maintaining these thermal comfort retrofit installations.

Women driven thermal comfort retrofit providing small scale cooperatives that work in collaboration with local fabricators and suppliers, ethical financial contributors, local governments and other relevant stakeholders have the potential to facilitate democratic decision making and economic self-determination in practice in a development context that is largely devoid of local cooperative action.

### 3. SUSTENANCE MODELS FOR THERMAL COMFORT RETROFIT SERVICES

#### A. WOMEN-DRIVEN SMALL-SCALE COOPERATIVES

The word 'cooperative' is defined by the oxford dictionary as 'involving doing something together or working together with others towards a shared aim' which in the context of a business endeavour is described as 'owned and run by the people involved, with the profits shared by them'. This section provides insights on 'producer cooperatives' and 'self-help groups'- two community-centric cooperative models that are applicable in the context of establishing 'women-driven small-scale thermal comfort retrofit service businesses'. Either cooperative model can be worked with based on the context of implementation.

##### 1) PRODUCER COOPERATIVE

Producer cooperatives in India are a type of cooperative organization where producers of similar products or services come together to form a business entity. The primary purpose of a producer cooperative is to provide a platform for producers to collectively market and sell their products or services, and to obtain raw materials, inputs, and other resources at a lower cost through bulk purchasing. Producers pool in their resources, increase production volumes and minimise risk in the face of competitive capitalistic markets. Dairy, fish farmers, weavers and artisans and tribal co-operatives are well known examples. Producer cooperatives can take various forms, including marketing cooperatives, processing cooperatives, and service cooperatives. Marketing cooperatives primarily focus on the sale and distribution of products, while processing cooperatives are involved in the processing and value addition of raw materials. Service cooperatives, on the other hand, provide various services to their members, such as credit, training, and technical assistance. Given the context of the Informal Housing Thermal Comfort Project which aims to work with and build the capacities of women driven institutions that can provide thermal comfort retrofit services in their communities, the 'producer cooperative' is a viable sustenance model to further these efforts.

Producer cooperatives fall under the 'Ministry of Cooperation' of the Central Government. The ministry is responsible for formulating policies and programs for the development and promotion of cooperatives in India. The department provides financial assistance, technical support, and training to cooperatives through various schemes and programs. Producer cooperatives are governed by the Cooperative Societies Act, which provides the legal framework for the formation, registration, and management of cooperatives. These cooperatives are typically formed by small and marginal farmers, artisans, and other producers who face challenges in accessing markets and obtaining credit on their own. The Constitution (Ninety-Seventh Amendment) Act was passed in 2011 to make states facilitate the creation and working of co-operative societies in their territory. Therefore, in addition to the central government, state governments also play an important role in the regulation and promotion of cooperatives, including producer cooperatives. The state governments have their own cooperative departments or directorates, which provide support and assistance to cooperatives at the state level.

The principles of cooperatives along with details of the administrative elements that are vital for the functioning of a producer cooperatives are detailed in the box below.

#### **Principles**

Following are the principles of a cooperative as detailed by the 'International Cooperative Alliance':

1. **Voluntary and Open Membership:** Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, and social, racial, political or religious discrimination.

2. **Democratic Member Control:** Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.
3. **Member Economic Participation:** Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.
4. **Autonomy and Independence:** Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
5. **Education, Training and Information:** Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
6. **Co-operation among Co-operatives:** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
7. **Concern for Community:** Co-operatives work for the sustainable development of their communities through policies approved by their members.

## **Membership**

### **○ Member roles and responsibilities:**

The roles and responsibilities of the 'Board of Governors' and the various committees of a producer cooperative are detailed below-

1. **Board of Governors:** The Board of Governors is responsible for the overall management and direction of the cooperative. They are responsible for making strategic decisions, setting policies, and overseeing the day-to-day operations of the cooperative. Members of the board are elected by the general body of the cooperative. Once the cooperative is registered, the board members are responsible for signing important documents related to the operation and management of the cooperative, such as contracts, agreements, and resolutions.
2. **Authorized Signatory:** The board of directors may appoint an authorized signatory who has the authority to sign on behalf of the cooperative. This person may be responsible for signing checks, banking documents, and other financial documents.
3. **Finance Committee:** The Finance Committee is responsible for managing the financial affairs of the cooperative. Members of the Finance Committee oversee the budgeting process, financial planning, and management of the cooperative's resources.
4. **Marketing Committee:** The Marketing Committee is responsible for promoting and marketing the products or services produced by the cooperative. Members of the Marketing Committee develop marketing strategies, identify potential markets, and manage relationships with buyers and distributors.
5. **Technical Committee:** The Technical Committee is responsible for ensuring that the products or services produced by the cooperative meet quality standards and are produced efficiently. Members of the Technical Committee oversee production processes, ensure that quality standards are maintained, and identify areas for improvement.
6. **Membership Committee:** The Membership Committee is responsible for managing the membership of the cooperative. Members of the Membership Committee oversee the admission process for new members, manage membership records, and ensure that members are aware of their rights and responsibilities.

In addition to the above mentioned roles, members of a producer cooperative in India are also responsible for attending general body meetings, participating in decision-making processes, and contributing to the overall success of the cooperative.

○ **Member application process:**

Following are the general steps for member application and approval:

1. Eligibility criteria: The Cooperative Societies Act lays down eligibility criteria for membership of a producer cooperative. For example, in most states, any person who is engaged in the production, processing, or marketing of agricultural or other produce can become a member of a producer cooperative.
2. Application for membership: Any person who meets the eligibility criteria can apply for membership of the producer cooperative by submitting an application in the format as prescribed by the state.
3. Verification of application: The Board of Governors verifies the application to ensure that the applicant meets the eligibility criteria and that all necessary documents are attached.
4. Approval by the Board of Governors: The Board of Governors approves the application if the applicant meets the eligibility criteria, and all necessary documents are in order.
5. Admission of the member: Once the application is approved, the applicant is admitted as a member of the producer cooperative.

○ **Nominations**

1. In some cases, members of the cooperative may be nominated or appointed by the government or other authorized bodies. For example, in certain states, the government may nominate a representative to the Board of Governors of a producer cooperative.
2. Provisions may be made by the State Legislature for appointing at most 2 persons to the society who have expertise in that particular field. However, these 2 members shall not vote or contest in elections.

○ **Reservations and Tenure**

1. According to the Cooperatives Societies Act, 1912 which is applicable for all states- Amongst the directors, one seat should be reserved for a person of Scheduled Castes or Scheduled Tribes and two seats should be reserved for women.
2. The Article 243ZG states that the term of board members and office members of the society shall be 5 years.
3. Reservation criteria also varies state-wise. In some states, there are more specific reservations for e.g. In Maharashtra, as per the Cooperative Societies Act, 1960 four seats shall be reserved, one for the members belonging to the Scheduled Castes or Scheduled Tribes; one for the members belonging to the Other Backward Classes; one for the members belonging to the De-notified Tribes (*VimuktaJatis*), Nomadic Tribes or Special Backward Classes; and one for the members belonging to the weaker section.

## **Rules and Rule Making**

○ **Mandatory Rules**

The following are some of the general mandatory rules that apply to producer cooperatives in India:

1. Membership: The cooperative must have a minimum number of members, as prescribed by the Cooperative Societies Act of the state. (Note- Generally, the minimum number of members required is 10, but it can vary from state to state. For example, in the state of Maharashtra, the minimum number of members required for a producer cooperative is 11, while in the state of Kerala, it is 15.)
2. Capital: The cooperative must maintain a minimum share capital, as prescribed by the Cooperative Societies Act of the state.



3. **Management:** The cooperative must have a Board of Governors, which is responsible for the overall management and direction of the cooperative.
4. **General Body Meetings:** The cooperative must hold an annual general body meeting and other general body meetings as required by the Cooperative Societies Act of the state.
5. **Audit and Accounts:** The cooperative must maintain proper books of accounts and have them audited by a qualified auditor as per the provisions of the Cooperative Societies Act of the state.
6. **Distribution of Profits:** The cooperative must distribute profits among its members based on the principles of cooperation, as prescribed by the Cooperative Societies Act of the state.
7. **Dissolution:** The cooperative can be dissolved only as per the provisions of the Cooperative Societies Act of the state.

- **Rule-making processes**

The rule-making processes for a producer cooperative in India are governed by the Cooperative Societies Act, which varies by state. The Act provides a framework for the formation and functioning of cooperatives in India and sets out the rules and procedures that must be followed by cooperatives:

1. **Proposal for rulemaking:** Any member of the cooperative can propose a new rule or amendment to an existing rule. The proposal must be submitted in writing to the Board of Governors.
2. **Examination by the Board of Governors:** The Board of Governors examines the proposal and decides whether it is appropriate to consider it further. If the proposal is found to be appropriate, the Board of Governors may form a committee to examine the proposal in detail.
3. **Drafting of the rule:** The committee, if formed, drafts the new rule or amendment to an existing rule.
4. **Discussion and approval by the general body:** The draft rule is presented to the general body of the cooperative for discussion and approval. The general body may suggest changes or amendments to the draft rule, which are then incorporated by the committee.
5. **Ratification by the Registrar of Cooperative Societies:** After the general body approves the draft rule, it is submitted to the Registrar of Cooperative Societies for ratification. The Registrar examines the rule to ensure that it is in compliance with the Cooperative Societies Act and other applicable laws.
6. **Notification:** Once the rule is ratified by the Registrar, it is notified to all members of the cooperative and becomes part of the cooperative's bylaws.

- **Rule-making flexibility**

The Cooperative Societies Act may give the Board of Governors of the cooperative some discretion in framing rules related to the day-to-day management of the cooperative. This allows the Board to tailor the rules to the specific needs and circumstances of the cooperative. Additionally, the Act may also provide for certain exceptions or exemptions for specific types of cooperatives or situations.

## **Finance**

- **Funding sources**

The following are some of the common funding sources:

1. **Share capital:** The cooperative can raise funds through the sale of shares to its members. Each member can purchase shares in the cooperative, and the cooperative can use the funds raised from the sale of shares for its operations and expansion.
2. **Loans from financial institutions:** The cooperative can also obtain loans from banks, cooperative banks, and other financial institutions. These loans can be used to fund the operations and expansion of the cooperative.
3. **Government schemes:** The government of India and various state governments have launched certain schemes to provide financial assistance to cooperatives. For example, the National Cooperative Development Corporation (NCDC) provides financial assistance to cooperatives through its various schemes.
4. **Grants and subsidies:** The government also provides grants and subsidies to cooperatives for specific activities, such as setting up new units, expanding existing units, and modernizing production



processes.

5. Donations and contributions: The cooperative can also receive donations and contributions from its members, well-wishers, and other organizations.

- **Savings, deposit and withdrawal system**

1. Savings: Members can make regular savings contributions to the cooperative. These savings are usually in the form of share capital or deposits and can earn a small rate of interest.
2. Deposits: Members can also make one-time or periodic deposits to the cooperative, in addition to their regular savings contributions. These deposits can earn a higher rate of interest than regular savings. Deposits may be received from members at any time within the limits determined under the Cooperative Societies Act and Rules, on such rates of interest and subject to such rules and regulations as may be fixed by the Board of Directors and subject to the directives issued by the Reserve Bank of India (in case of cooperatives banks) in this behalf from time to time.
3. Withdrawal: Members can withdraw their savings or deposits from the cooperative, subject to certain conditions and restrictions. For example, there may be a minimum period for which the savings or deposit must be held before it can be withdrawn, or there may be a penalty for early withdrawal.
4. Nomination: Members can nominate a person to receive their savings or deposits in the event of their death.
5. Transferability: Members can transfer their savings or deposits to other members of the cooperative, subject to certain conditions and restrictions.

- **Salary Payment**

1. In a producer cooperative in India, members are not typically paid a salary for their work in the cooperative. Instead, members may receive a share of the profits generated by the cooperative, based on their level of participation and contribution.
2. The amount of profit-sharing that members receive may be based on various factors, such as the amount of produce that they contribute, the amount of work that they do, or the number of shares that they hold in the cooperative. The specific details of the profit-sharing system may be outlined in the bylaws or rules of the cooperative.
3. In addition to profit-sharing, members may also receive certain benefits and services from the cooperative, such as access to credit, marketing support, and technical assistance. The cooperative may also provide training and capacity-building programs to its members, to help them improve their skills and productivity.

- **Government scheme support**

1. National level

- National Cooperative Development Corporation (NCDC): NCDC provides financial assistance to producer cooperatives for various purposes such as purchase of raw materials, processing, marketing, and export.
- The 'Cooperative Enterprise Support and Innovation Scheme' was launched by the National Cooperative Development Corporation (NCDC) and can be linked to its Cooperative Startup and Innovation Fund (CSIF) that has an annual corpus of Rs 100 crore. The new scheme aims to encourage newly formed cooperatives to take advantage of innovative ventures, especially by societies having new and innovative ideas.

2. State level example

- Govt of Assam offers the 'MahilaSamabayBiponi' scheme for Women Multipurpose Cooperative Societies involved in PDS business to diversify into non-PDS business as well by making the societies attractive to the consumer appeal through the availability of selected

essential non-PDS items at reasonable prices below the market rates. The total cash credit amount to be extended by the Assam State Cooperative Apex Bank Ltd is proposed against 38 Cooperative Societies at the rate of 2.00 lakhs each as 76.00 lakhs. The interest component at 12% is intended to be subsidized and zero interest loans for the cash credit is proposed.

### **Cooperative Registration**

#### ○ **Registration Process**

Registration process of producer cooperatives varies from state to state.

Following is an example of the registration process of a cooperative as per the State Cooperative Societies Act, 1960 Maharashtra:

1. Make an application to the Registrar in the form prescribed by the state.
2. Attach four copies of the proposed bye-laws of the society
3. Pay the registration fee (Note- Different registration fees may be prescribed for different classes of societies)
4. The person by whom, or on whose behalf, the application is made, must share any information with regard to the society as required by the Registrar.
5. The application must be signed- (a) In the case of a society other than a federal society (by at least ten persons (each of such persons being a member of a different family), who are qualified under this Act, and (b) In the case of a federal society (federation), by at least five societies. No signature to any application on behalf of a society will be valid, unless the person signing is a member of the committee of the society and is authorized by the committee by resolution to sign the application for registration of the society and its bye-laws on its behalf. The copy of this resolution must be appended to the application.
6. If the Registrar is satisfied that a proposed society has complied with the provisions of this Act and the rules, 3 or any other law for the time being in force, or policy directives issued by the State Government under Section 4, and that its proposed bye-laws are not contrary to this Act or to the rules, he "shall within two months, from the date of receipt of the application register the society and its bye-laws"

#### ○ **Documents required:**

The following documents are typically required for the registration of a producer cooperative in India; They are more or less the same in all states in India.

1. Memorandum of Association (MOA): This document outlines the objectives and activities of the cooperative, as well as the rules and regulations governing its operation.
2. Articles of Association (AOA): This document provides detailed rules and regulations regarding the management and administration of the cooperative, including the roles and responsibilities of the board of directors and other officials.
3. Application form: This form must be filled out by the proposed members of the cooperative, and includes details such as their names, addresses, and occupation. Examples of forms – [Delhi](#), [Assam](#)
4. Identity and address proof of members: Each proposed member must provide proof of identity and address, such as a passport or voter ID card.
5. Address proof of the cooperative: The cooperative must provide proof of its registered address, such as a utility bill or property tax receipt.
6. Bank account details: The cooperative must provide details of its bank account, including the name of the bank and the account number.
7. Certificate of registration: If the cooperative is already registered under any other act, a copy of the registration certificate must be provided.
8. Other documents: Additional documents may be required, depending on the specific requirements of the state in which the cooperative is being registered.

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## 2) SELF-HELP GROUP

Self-Help Groups (SHGs) are informal groups of people who come together to address their common problems. Women SHGs are prominent among marginalized communities in urban and rural India. These groups are characterized by self-governance and work towards ensuring the well-being of their members primarily striving for economic resilience and social well-being. They have the agency to facilitate the establishment of small-scale business that provide thermal comfort retrofit services in marginalized urban communities. The Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM) driven by the Ministry of Housing and Urban Affairs in India is one gateway to support the implementation of the informal housing thermal comfort women driven endeavour driven by women-driven SHGs. The Self-Employment Program (SEP) component of DAY-NULM encourages the underemployed and unemployed urban poor to set up small enterprises relating to manufacturing, service and small business for which there is considerable local demand. It aims at providing technology, marketing and other support services to those engaged in micro enterprises for their livelihoods besides facilitating the issuance of credit cards for working capital requirement of entrepreneurs. It encourages local skills and crafts particularly.

Given the fact that there are quite a few already existing self-help groups in parts of urban India there is scope for them to include thermal comfort retrofit services within the boundaries of the meaningful efforts they engage in. Furthermore, new groups who prefer functioning informally can choose to function as an SHG too. The principles of SHGs along with details of the administrative elements that are vital for the functioning of SHGs are detailed in the box below.

### **Principles**

While the authors of this report did not encounter any document that details the principles of SHGs explicitly, based on understanding its administrative structure and also engaging in stakeholder consultation with CSOs engaging with SHGs, it is evident that SHGs emulate the principles of ‘cooperatives’ that are detailed in the ‘producer cooperative’ section of this report.

### **Membership**

#### ○ **Roles and responsibilities**

SHGs can have 10 to 20 members. The Management Committee is responsible for SHGs day-to-day and strategic management. It consists of three office bearers– Chairperson, Secretary and Treasurer. They are elected by members of the group and their roles and responsibilities are as follows -

#### 1. Chairperson:

- To preside over the regular meetings and any other meetings of the SHG.
- To signs (or puts thumb impression) and approve the decision and resolutions of the SHG taken at various meetings.
- To call for or postpone a special meeting.
- To solve a complaint with the help of other office bearers and members, if required.
- To check and coordinate the activities of the Secretary, Treasurer and other members.
- To maintain relationships within and outside the SHG, especially with the banks and Urban Local Body(ULB) to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of DAY-NULM.
- To regularly report progress of the SHG to the ULB along with any other details requested in a

timely manner.

2. Secretary:

- To call meetings with the prior permission of the Chairperson and prepare the agenda for every meeting.
- To maintain a record of the proceedings of all regular and special meetings and read them out at the next meeting.
- To write resolutions made at each meeting and read them out at the same meeting.
- To maintain the membership register, attendance register, and activity and resolution register.
- To conduct all meetings and chair a meeting if the Chairperson is absent.
- To verify the books of account of the SHG regularly and report to the members in every meeting.
- To maintain relationships within and outside the SHG, especially with the banks and ULB to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under DAY-NULM.
- To regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.

3. Treasurer:

- To preserve all important papers and documents related to financial matters of the SHG.
- To maintain all accounts of the SHG i.e. members' savings and loan register, member pass books, group bank pass book, loan book, and cash transaction register.
- To deposit all cash collected at meetings within two days of collection.
- To pay loans approved by the SHG to members and receive savings, repayment, interest, fines, etc.
- To present all financial reports of the group.

○ **Tenure and nomination criteria :**

The tenure and nomination criteria as per the DAY-NULM are as follows:

1. The management committee members who are elected by all members of the group from among the members can hold their position for a period of 1 (one) year. These office bearers cannot remain in office continuously for more than 2 terms.
2. In case the group elects to have more than one member per family as members of the group, then no two members of the same family can stand for elections as SHG office bearers at the same time.

## **Rules and Rule-Making**

○ **Mandatory Rules**

1. SHG members should be above 18 years of age at the time of joining.
2. The members should be residents of the local area.
3. The members should be persons from families that have been identified as "poor" by the State Government.
4. Not more than one member per family is allowed to join a group.
5. The total number of members at any time should not exceed 20 persons or be less than 10 persons.

○ **Rule-making process**

Under the DAY-NULM, each SHG is encouraged to develop their own rules and regulations. These should cover:

1. Membership norms.
2. Norms for group savings including the amount, date of deposit with the group
3. Norms for role of every office bearer in the SHG.

4. Norms for the conduct of group meetings including the number of times the group meets, and the convening of special meetings.
5. Norms for management of the SHG group bank account.
6. Norms for maintenance of various records including minutes of meetings, member passbooks, savings and loan register and group passbook.
7. Norms for withdrawal of membership, disqualification of membership, change in the rules and regulations, and dissolution of the SHG.
8. Norms for the imposition of fines/penalties on group members and amount of penalty for not attending the meetings, irregular savings and non-repayment of loan on time, etc.

○ **Rulemaking flexibility**

To 'Model Rules and Regulations' under the DAY-NULM are mentioned as guiding points to facilitate the process of development of rules and regulations of the SHGs. The SHGs are encouraged to make their own rules and regulations.

## **Finance**

○ **Savings, deposit and withdrawal system:**

A revolving fund is maintained by the Self-Help Groups (SHGs) to inculcate the habit of thrift and credit. It forms part of the corpus along with their own savings. It can also be used for internal lending and interest may be charged similar to interest charged for lending from their own savings.

The loan sanctioning and repayment procedure is detailed below :

- The loan repayment procedure can be decided by members of the SHG.
- The loan limit for each individual member can be decided by the SHG.
- On sanction of the loan, the record of the loan, including agreed repayment schedule must be written in the applicant's saving and loan passbook and the group's saving and loan register.
- All repayments (and defaults, if any) must also be recorded in the applicant's savings and loan passbook and the group's savings and loan register.
- Loans be granted as long as: a) A member has repaid any previous loan amount in full, along with the interest b) A member has been depositing regular savings with the SHG for a period of at least 3 months
- All the income that accrues to the SHG from interest on savings and loans and returns from penalties and fees are added to the SHG corpus.

○ **Government Scheme Support**

1. DAY-NULM Revolving Fund Support- A one-time Revolving Fund support of Rs.10,000 will be provided to urban poor SHGs, which have not availed of such support earlier. A SHG should be functional for a period of 3 months to become eligible for Revolving Fund support under DAY-NULM. At least 70% of the SHG members should be urban poor to qualify for funding support under DAY-NULM.
2. Under the Self-Employment Programme (SEP), interest subvention over and above 7 percent rate of interest is available to all SHGs accessing bank loans. An additional 3 percent interest subvention is also available to all women SHGs who repay their loan in time

## **SHG Registration**

○ **Registration Process**

SHGs can operate informally and registration needed is solely for the purpose of opening a bank account and availing loans. SHGs can seek the support of the Urban Local Bodies-ULB with the registration process. The ULB through its field staff (e.g. Community Organiser) or Resource Organisation (ROs) are to facilitate filling of loan applications for eligible SHGs to access credit from the banks. The ULB is responsible to forward the loan application of the SHGs to the concerned banks with the requisite documentation.

- **Documents**

Documents for bank account registration are as follows -

1. Aadhar card of all the members (Name and residence should be the same)
2. Pan card of all the members.
3. Bank details of all the members.
4. Passport-size photos of all the members.
5. Resolution from the SHG - The SHG has to pass a resolution in the group meeting, signed by all members, indicating their decision to open SB A/c with the bank. This resolution should be filed with the bank.
6. Application form.
7. Copy of the rules and regulations of the SHG.

## B. OTHER SUSTENANCE MODELS

Besides the sustenance models which foreground direct engagement with women's collectives and hinge upon galvanizing local economic resilience and trust-based engagements with informal communities that the cooperatives structures are themselves enmeshed within, this section interrogates sustenance model's that leverage other attributes and system transformation agencies (capacities) in this interconnected political economy of informal housing in Urban India.

These sustenance models can be classified into the following categories:

1. Corporate Social Responsibility (CSR) Programs
2. Microfinance
3. Ethical Investment Platforms
4. Municipal Departments and City Utilities

The sustenance model development process to harness the above levers of system change will require the following activities to be conducted:

1. Engagement with government regulators, city electric utilities, municipal government, CSR programs of credible climate-change leadership companies, and Microfinance institutions through a human-scale collective-intelligence sessions in a non-urban atmosphere, situated in an ecologically inspiring place, and through authentic discourse rooted in empathy for the current and future heat-distress conditions of the urban poor. The discourse will encompass the following:
  - a. Explorations along with municipality public health and safety departments and climate resilience departments, mechanisms to integrate passive design retrofits for informal housing into city heat action plans, and other annual 'drives' similar to pre-monsoon malaria or flood control 'drives', to temporarily deploy thermal comfort solutions (eg. placing of radiant barrier sheets on roofs without permanently fastening to roof etc.) during peak-summer weeks, for the most vulnerable dwellings and residents in informal settlements.
  - b. Explorations along with city electric utility Demand Side-Management (DSM) program personnel, a 'Thermal Comfort Equity Cess' on high-energy consuming utility users, especially commercial establishments with installed AC capacity above a certain threshold etc. Revenue generated from the 'Cess' could be deployed either directly or indirectly through women's cooperatives for enhancing thermal comfort in informal housing through passive design retrofits.

- c. Explorations, along with credible microfinance institutions and local cooperative banks, developing financial products for women's cooperatives who wish to setup small-scale companies for providing passive-design based thermal comfort solutions within their communities as a low-cost commercial service to inhabitants.
2. Development of sustenance models and operational model prototypes through the above discourses, aligned with 3 thematic response categories: 1) Social obligations: of the municipal government, corporate CSR programs, and impact investor community, 2) Official mandate: of city utilities to operate robust demand-side-management (DSM) program, and Pradhan Mantri Awas Yojana (PMAY) , 3) financial incentive: developing financial 'products' for Informal Housing Thermal Comfort small-scale cooperatives to obtain low-interest capital from microfinance institutions or cooperative banks etc.
3. Pilot testing the prototype sustenance models developed through dialogical and investigative processes, to validate their relevance and feasibility. This will be done by :
  - a. Establishing a small-scale 'Informal Housing Thermal Comfort' co-operative (eg. a 'coop' under the aegis of the Fairconditioning Foundation, predicated upon the structural rubrics articulated in earlier sections) that assimilates the social, economic and technical, insights emergent from all relevant stakeholder consultations and prior experiences to support the process of bridging the 'knowledge-practice' gap.
  - b. Through the experiences and insights derived from the above cooperative operational experience, developing the Information Technology (IT) architecture required to support developing an Informal-Housing Thermal Comfort One-Stop-Shop (OSS) that has features of a technical and finance facility for managing all relevant transactions and processes across the entire spectrum of stakeholders (this will emulate the features of the technical and finance assistance facility design for sustainable builder-developers that cBalance has developed with Frankfurt School of Management and UNEP Finance Initiative).
  - c. Establishing a physical and virtual OSS that will be functional as a technical and finance assistance facility for supporting registered women's cooperatives; an 'incubator' and 'matchmaker' (between impact investment/micro-finance networks, utilities DSM programs, municipal and other government climate-resilience funds etc. and coops) for organic cultivation of 'clone' cooperatives. This will be tasked with a) deploying of low-interest patient capital finance from financing partners, b) providing technical and operational training to cooperatives, fabricators, installers, c) certifying and registering cooperatives, fabricators, and installers and other vital functions to enhance resilience and entrench the sustenance of the OSS model.
  - d. Performing design performance standards-setting and design upgrade functions to include emerging ideas from engagement with academia, ensuring that all approved assemblies and materials have a life-cycle impact, assessed through a Life Cycle Analysis, that is below a certain acceptable impact threshold, through the OSS.
  - e. Operating the OSS for a finite time period to demonstrate the feasibility of the concept before being offered (with no Intellectual Property constraints) to other Informal Housing NGOs (mentioned earlier) with a long term mandate of supporting Informal Housing upgrades, or to governmental institutions such as utilities or municipal departments who's institutional charter intrinsically aligns with the objectives of providing safe and dignified housing or undertaking climate adaptation measures at city scale etc.



## 5. WAY FORWARD

As part of the 'Informal Housing Thermal Comfort' programs efforts, the following steps will be undertaken upon the finalization of relevant thermal comfort retrofits based on learnings from pilot installations and community engagement processes which will help determine the suitability of various prototype options based on their functioning and acceptance by local community members:

- Identifying pioneers for the women-driven small scale thermal comfort retrofit business initiative (Preferably those with a track record and propensity to engage in entrepreneurial activity) to serve as primary mobilizers to setup a cooperative.
- Facilitating the establishment of the groups administrative structure to form a women's cooperative or SHG that can and undertake formal registration with relevant government bodies (Refer to section '3.A' of this report)
- Collaborating with vocational training CSO partners and community members to design training programs for women's groups and local fabricators in a given city followed by conducting trainings on administrative matters in addition to technical trainings for house structure audits, site supervision, fabrication, installation and maintenance management with members of the women's group and fabrication and installation training with local fabrication persons.
- Facilitating the sustenance of community-centric initiatives as outlined in the 'Other Sustenance Models' section delineated earlier, by commencing engagements with relevant institutions such as 1) CSR Programs of ethical corporations engaged in non-extractive and non-exploitative economic activities 2) Microfinance Institutions 3) Ethical Investment Platforms 4) Municipal Departments and City Utilities.
- Engaging the above institutions in collective-intelligence generation-based discourse to develop prototype financing models for women's cooperatives
- Pilot testing these prototypes through facilitating these interlinkages through development of a One-Stop-Shop Technical and Finance Assistance Facility.
- In solidarity with a women's cooperative such as a Self-Help Group or Producer Cooperative in either Pune, Bangalore, Mumbai or Delhi, establishing and technically, financially supporting a cooperative enterprise to derive insights and practical operational learnings to pollinate and reinforce the relevance of the One-Stop-Shop Facility.
- Operate the cooperative in solidarity with women owners/leaders for 2 years to develop experiential knowledge related to challenges encountered and authentic solutions to manifest this intention into local economic reality.

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