

**Deendayal Antyodaya Yojana
National Rural Livelihoods Mission**

Part-II : Master Circular
(List of Annexes)

Guidance for Mission Implementation



**Ministry of Rural Development
Government of India**

31st August, 2017

DAY-NRLM Master Circular

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**Social Mobilization,
Institution Building and Capacity Building**

Annex-1

Protocols on Participatory Identification of Poor under NRLM

Based on the experience so far, NRLM, in consultation with SRLMs in the 4th Annual Writeshop, has revised the Participatory Identification of Poor (PIP) process in the NRLM. Accordingly, NRLM uses the Participatory Identification of Poor – Participatory Poverty Assessment (PIP-PPA, referred as PIP or PIP-PPA hereafter) process to assess the poverty situation and track the progress of its target group out of poverty. This process is owned and facilitated by Village Organization/Primary Level Federation with support from community professionals/facilitators/trainers. This process is carried out at periodic intervals. This process takes reference to SECC data (auto-included Households and at least 1-deprivation Households) and the vulnerability criteria under the SECC and builds on these data.

PIP-Participatory Poverty Assessment/Tracking

Round 1

The First Round of PIP-PPA/T [referred as PIP now onwards] is carried out during the CRP round in the village for initial mobilization. CRP Team with the support of PRP/other staff and community takes up the following activities using SECC data and participatory tools and processes:

- See the village and visit all pockets
- Identify poverty pockets/areas in the village and visit all the households
- Identify visibly poor households and assess their vulnerabilities
- Mobilize 40-60% of them into SHGs and/or revive existing SHGs
- Map the members of SHGs in the village in a social map and indicate their poverty levels as per the agreed indicators for these households
- Present this data to the *Aam Sabha* PRP/Staff may capture this PIP-PPA data into MIS.

Round 2

Within 3-months of forming Village Organization/Primary Level Federation [VO/PLF], with the support from PIP community facilitators, community cadres and community, conducts the Second Round of PIP pre-requisites for conducting PIP-PPA Round 2 –

- Orientation to VO EC members on PIP and Participatory Poverty Assessment

- 1-2 day Training Cadres and Volunteers from the VO membership/village on PIP
- Availability of Profile of the Members of SHGs including SECC data

As part of PIP-PPA Round 2, VO/PLF takes up/ensures following activities, over 2-4 days –

- Announce conduct of PIP Round 2 and inform GP Leaders and other stakeholders 2-3 days prior to the exercise
- See (PIP facilitators along with VO leaders and others) around the village, various pockets in the village and houses in the village
- Gather the SHG members at a place and facilitate community members to draw social map of the village and point out the houses with SHG membership on the map
- Generate, in consultation with the community, and agree on poverty and vulnerability indicators (about 15, including existing indicators came up during Round 1, SECC deprivation indicators, state specific indicators and local indicators)
- Assess each member household (on a PIP household card) against the above indicators in a participatory manner, including the progress of the previous member households on these indicators
- Document, including photographs and process video, the entire process
- Present the data in the *Aam Sabha/Gram Sabha*. Inform *Aam Sabha* if any member household is not part of SECC list or has additional vulnerabilities. Take on board/include changes, if any, suggested by *Aam Sabha/Gram Sabha*.
- Finalize PIP-PPA document and make at least 3 copies for VO/PLF/CLF/BMMU's use.
- Take this data into MIS
- Sit with the data and develop an action plan to mobilize the left out households, if poor and vulnerable, as quickly as possible (not more than 6 months)
- Develop a Vulnerability Reduction Plan to address the needs of the poorest and vulnerable, and vulnerabilities of the members
- Develop a Convergence Plan to access rights, entitlements and schemes for the benefit of the members
- Monitor the progress on the plans and progress on the indicators

Round 3 onwards:

VO/PLF conducts the PIP-PPA in an incremental manner every year/2 years, over 1-2 days –

- Assess the status/progress (against the indicators) of all the member households, including households that have been mobilized after PIP Round 2
- Take this assessment into MIS
- Continue to make annual plans (Vulnerability Reduction Plan, Convergence Plan, and Livelihoods Plan), implement and monitor the progress on the plans and the indicators

Activities at the Mission Level

To facilitate the PIP-PPA in villages, the SRLM needs to take up the following activities –

- Customize state-specific PIP-PPA policy and orient the staff to the same
- Build/create a pool of Resource Persons/Facilitators from the staff, community and outside at State, District, Block and Community levels and conduct training to them
- Develop/finalize PIP-PPA modules, material, tool kits *etc.*, to train these resource persons, EC members of VOs/PLFs, and GP and other leaders and stakeholders. The module needs to include inputs on analysis of the information that arises out of the PIP exercise.
- Develop a PIP-PPA Plan for the state (district/block/village wise) and Calendar and roll-it out in consultation with VOs/PLFs, including ensuring presence of the resource persons and availability/supply of PIP-PPA material.
- Ensure presence of staff in the PIP-PPA rounds
- Facilitate GPs to conduct *Gram Sabhas*
- Facilitate development of the various plans at village level and support in their roll-out
- Plan and develop special interventions around the major/critical vulnerabilities, as indicated in the PIP-PPA data
- Take PIP-PPA data against indicators into MIS, analyse data and share with the community regularly
- Track the progress of the member households out of poverty and facilitate VOs/PLFs/CLFs to track on their own

SRLMs may please note that these are the bare minimum activities that need to be ensured in the PIP. SRLMs are free to improvise over these protocols customising the process to suit the local conditions.

Annex-2 Protocol on Social Inclusion

NRLM has a special focus on **priority and early inclusion** of the poorest of the poor and other vulnerable sections of community viz., Households automatically included by the SECC, Schedule Caste (SC), Schedule Tribe (ST), Particularly Vulnerable Tribal Groups (PVTGS), women headed families, elderly persons, People living with different abilities (PwDs), minority groups and people living in extremist affected areas, hill terrains (hard to reach areas), trafficked women, people engaged in unhygienic occupations (ex-manual scavengers), transgender, HIV/AIDS+ persons and their families, families with one or more persons suffering from chronic illness etc.

Accordingly, NRLM tries and achieves complete inclusion of the entire target including the poorest and vulnerable communities into their institutional architecture within a period of initial 18 months of entering an intensive block. NRLM expects the vulnerable persons to take significant proportion of leadership positions in various community institutions under NRLM. Further, NRLM facilitates these institutions in achieving their financial and economic/livelihoods inclusion and poverty reduction goals.

Towards this end, the following needs to be done

Sensitization and Getting Ready

- Draw lessons from existing pilots on Disability, AHT, Manual Scavenging, Legally released Labour, PVTGs, other tribal inclusion, and take steps to wrap-up these pilots for scaling-up and mainstreaming through universal and regular social mobilization processes
- Customize and finalize the processes, norms, funds to community, timelines *etc.*, with due consideration of their reality, for inclusion of various poorest and vulnerable communities, groups and persons; These may include -
 - Relaxation in group and institutional norms, *Panch Sutra* and other procedures; group size could be **5-20 members**, depending on the context (distance, sparsely populated habitations, hilly areas, IAP-

Integrated Action Plan areas. PwDs, Elderly etc.); membership can be open to **males and females**, in case of PwDs and Elderly.

- Entry point activities aimed at particularly vulnerable groups/communities
- Choice to vulnerable members to continue in/join existing SHG or join a new SHG with the members of vulnerable group/community
- Representation by the caretakers/guardians of the PwDs in their SHGs, apart from the SHG membership to the caretaker/guardian in her SHG
- Priority mobilization of the poorest and vulnerable first
 - revised protocols for CRP, Senior CRP and Trainer Rounds; augmenting the teams for these rounds appropriately
 - mandating these rounds, active women and village organization with complete inclusion agenda
 - Complete (at least 80%) Inclusion and Saturation within 18 months of entering a Cluster in the Block; this can be a trigger for funding to VOs and CLF
 - No exclusion
 - VO's Declaration of saturation of mobilisable vulnerable in the fold of SHGs (within 18 months of entering the village) and their representation in VO including in leadership positions
 - Presentation of Poverty data/indicators of the SHG members to *Aam Sabha/Gram Sabha* at the end of CRP round and VO's Presentation of Progress on these indicators every year thereafter; this data may also be captured in the MIS for each Household, including SECC auto-included and at least 1-deprivation households
- SHG Federations taking all SHGs including Special SHGs for the vulnerable as their members with due representation; in addition, members/SHGs of a particular vulnerable group/community reserve the right to be federated as a separate/exclusive federation and/or solidarity federation at appropriate levels
- Identification and nurturing 1-2 Activists responsible for Complete Inclusion, Gender, Social Development and Convergence; payment of honorarium *etc.*, as internal CRP
- A portion of Vulnerability Reduction Fund with flexible terms to meet the specific needs of the vulnerable, in addition to availability of/access to RF, CIF, VRF, Livelihoods Fund etc. It may be noted that CIF, VRF and LF provided to the community institutions is on per member basis. The

entitlement is higher by 50% per vulnerable member. This could be higher by 100% per PVTG member.

- Priority Bank Linkage
- Access to Social Security and other schemes applicable to these groups/communities
- Priority for the vulnerable and vulnerability needs in Micro-plans
- Poverty/Vulnerability Analysis in the village, evolution of Vulnerability Reduction Plan (VRP) and institution of Annual VRP process; mobilizing funds for rolling-out VRP
- Sensitize all staff on social inclusion (and convergence) and its processes immediately through sensitization workshops at state and district level
- Build Trainers and Resource Persons at State, District, Block and Community levels on Inclusion of vulnerable groups and communities; Ready the Modules, Material and CB architecture for the same
- Train, take on immersion and exposure, and equip CRPs, Senior CRPs, Community Trainers and PRPs to go ahead with upfront inclusion of the poorest and vulnerable, including tribal communities, PVTGs, PwDs and Elderly, starting with the CRP rounds itself;
- Initiate steps, including establishing Resource Cell(s), to add/create additional CRPs, Senior CRPs, Community Trainers and PRPs, with Inclusion orientation, tools and skills, as early as possible
- Line up and partner with appropriate and competent Technical Support/Resource Agencies
- Take up a 3-month campaign for sensitizing existing community cadres including Active Women, community leaders, community institutions (SHGs and Federations) and other stakeholders on total/complete inclusion and prioritization for poorest and vulnerable in all elements of NRLM action and agenda

Specific Social Inclusion Protocols at Village and Cluster Levels

- Prepare the village for CRP round; CRP round initiates mobilization (of all poor including poorest and vulnerable groups and communities) and strengthening existing SHGs; Presentation of Poverty Status of SHG members to *Aam Sabha*; Identified and trained Active women, and PRP follow-up on and mobilize more people into SHGs
- Facilitate RF to SHGs

- Facilitate Community Trainers' round - this round sensitizes members, leaders and cadres on Inclusion and Prioritization of the poorest and vulnerable in micro-plans
- Facilitate access to CIF
- Facilitate Senior CRP rounds – these rounds take up formation of Village Organization, development of its Vision for complete inclusion, evolution of VRP and use of VRF for addressing the needs of the vulnerable and tracking the Progress of the members out of Poverty
- Facilitate access to VRF
- Facilitate Bank Linkages
- Facilitate Insurance Coverage and/or Mutuals
- Facilitate Exclusive Federations of the vulnerable, if required, at appropriate level(s)
- Facilitate Livelihoods Planning and Access to Livelihoods Fund
- Facilitate Convergence Plan and its roll-out; these plans to include –
 - Key entitlements and schemes like NSAP (OAP, Disability Pension and Widow Pension), IAY, MNREGS, ICDS, Janani Suraksha Yojana, Jan Dhan Scheme, DDU-GKY, *Janashree Bima Yojana*, AABY, RSBY or any other State/Central schemes for vulnerable families;
 - Agriculture and rural development schemes for reducing vulnerability conditions (deprivation);
 - Plans for exclusive Food, Nutrition, Health, and WASH activities;
 - Special plans for Tribal Communities, PVTGs, Maha dalits etc.;
 - Plans to work with GP; and
 - Special Plans to work with Civil Society and Corporate Social Responsibility efforts
- Consolidate these plans at GP and Cluster levels – dovetail these plans further so that leveraging with the specific scheme/department/stakeholder could be pressed and followed-up

See Specific Protocols for Tribal Inclusion, Elderly Inclusion and PwD Inclusion at Attachments 1, 2 and 3.

Attachment 1: Specific Protocols for Tribal Inclusion

NRLM realizes tribal communities in general and the particularly vulnerable tribal groups in particular require nuanced local customization and sensitive support. The traditional institutions, *Panchayats* Extension to Scheduled Areas, Forests and other

common resources, Resource Endowment and ownership patterns, Cultural Mileu, Terrain and Remoteness *etc.*, in tribal areas and the constitutional safeguards, rights and entitlement endowments, intra tribal inequities and their tenuous relationships with non-tribal communities call for differential protocols fro including tribal communities and particularly vulnerable tribal groups.

It may be appreciated that we have three situations of working with tribal communities – exclusive tribal areas, with/without habitations for specific tribes; exclusive tribal habitations; and tribal households in general villages. Particularly Vulnerable Tribal Groups may or may not co-exist in the same habitations with other tribal communities, depending on the area, tribe and habitation.

In this context, Specific Protocols for Tribal Inclusion include:

- Appreciate the socio-economic cultural profile of the tribal communities; Draw lessons from existing pilots on tribal and PVTG inclusion, if any; Customize and finalize Inclusion processes, norms, funds to community, timelines *etc.*, with due consideration of their (tribal communities in scheduled and tribal sub-plan and tribal-majority areas; Particularly Vulnerable Tribal Groups; tribal habitations outside these areas; and tribal households amidst general population) reality; These may include -
 - Prioritization to work with tribal areas, PVTG and other tribal habitations, and tribal households first
 - Relaxation in group and institutional norms, *Panch Sutra* and other procedures; group size could be 5-20 members, depending on the context (distance, sparsely populated habitations, hilly areas, IAP-Integrated Action Plan areas, etc.); savings could also be in kind; frequency of savings could be customized
 - Entry point activities aimed at particularly vulnerable tribal groups and other tribal communities; These activities may address the local social problems like food insecurity, malnutrition *etc.*, issues around common resources and collectivization
 - Priority mobilization of the PVTGs first, Tribal households first in general population
 - revised protocols for CRP, Senior CRP and Trainer Rounds; augmenting the teams for these rounds appropriately
 - mandating these rounds, active women (2-3 active women in each habitation/village) and village organization with complete inclusion agenda

- Complete (at least 80% of all tribal households except auto-excluded households in SECC) Inclusion and Saturation within 18 months of entering a Cluster in the Block; this can be a trigger for funding to VOs and CLF
- VO's Declaration of saturation of mobilisable vulnerable in the fold of SHGs (within 18 months of entering the village) and their representation in VO including in leadership positions
- Presentation of Poverty data/indicators of the SHG members to *Aam Sabha/Gram Sabha* at the end of CRP round and VO's Presentation of Progress on these indicators every year thereafter
- SHG Federations taking all SHGs including Special SHGs for the vulnerable as their members with due representation; in addition, members/SHGs of a particular vulnerable tribal group/community and other tribes reserve the right to be federated as a separate/exclusive federation and/or solidarity federation(s) at appropriate levels
- Identification and nurturing 1-2 Activists responsible for Complete Inclusion, Gender, Social Development and Convergence; payment of honorarium *etc.*, as internal CRP
- Involving traditional leadership in various aspects of the entire effort
- Capacity Building focus may also be on enhancing the productivity of traditional agriculture, on forestry and Non-timber forest produce, on PESA, on ST legal support, traditional cultural practices, health and nutrition, education *etc.*
- Vulnerability Reduction Fund with flexible terms to meet the specific needs of the PVTGs and other tribal households, in addition to availability of/access to RF, CIF, VRF, Livelihoods Fund *etc.* It may be noted that CIF, VRF and LF provided to community institutions is on per member basis. The entitlement is higher by 50% per vulnerable member. This could be higher by 100% per PVTG member. Release of significant portion of VRF on VO's formation.
- Priority Bank Linkage
- Alternative Financing Institutions/Structures/Mechanisms, where bank density is low
- Access to Social Security and other schemes applicable to these groups/communities
- Priority for the vulnerable and vulnerability needs in Micro-plans
- Poverty/Vulnerability Analysis in the village, evolution of Vulnerability Reduction Plan (VRP) and institution of Annual VRP process; mobilizing

funds for rolling-out VRRP; For tribal communities, Vulnerability Analysis need to focus additionally on

- access and adequacy of food, water, fuel wood, basic entitlements,
 - schooling, basic healthcare, traditional medicine
 - land/resource alienation, land/resource use, common property resources, forestry, non-pesticide and organic agriculture/horticulture and other natural produce
 - seed banks, grain banks, and other collectivization efforts and possibilities
- Sensitize all staff on tribal inclusion (and convergence) and its processes immediately through sensitization workshops at state and district level
 - Build Trainers and Resource Persons at State, District, Block and Community levels on Inclusion of vulnerable groups and communities; Ready the Modules, Material and CB architecture for the same
 - Train, take on immersion and exposure, and equip CRPs, Senior CRPs, Community Trainers and PRPs for upfront inclusion of PVTGs and other tribal communities, starting with CRP rounds itself;
 - Initiate steps, including establishing Resource Cell(s), to add/create additional CRPs, Senior CRPs, Community Trainers and PRPs, with Inclusion orientation, tools and skills, as early as possible
 - Map and create a pool of resource persons at state, district, block and community levels in the tribal inclusion and development domain and deploy them systematically
 - Line up and partner with appropriate and competent Technical Support/ Resource Agencies
 - Take up a 3-month campaign for sensitizing existing community cadres including Active Women, community leaders, community institutions (SHGs and Federations) and other stakeholders on total/complete inclusion and prioritization for PVTGs and other tribal communities in all elements of NRLM action and agenda

Specific Social Inclusion Protocols at Village and Cluster levels

- Prepare the village for CRP round; CRP round initiates mobilization (including PVTGs) and strengthening existing SHGs; Presentation of Poverty Status of SHG members to *Aam Sabha*; Identified and trained Active women, and PRP follow-up on and mobilize more people into SHGs

- Facilitate Community Trainers’ round - this round sensitizes members, leaders and cadres on Inclusion and Prioritization of the poorest and vulnerable in micro-plans
- Facilitate RF to SHGs and access to CIF
- Facilitate Senior CRP rounds – these rounds take up formation of Village Organization, development of its Vision for complete inclusion, evolution of VRP and use of VRF for addressing the needs of the vulnerable and tracking the Progress of the members out of Poverty
- Facilitate access to VRF
- Facilitate Bank Linkages and Facilitate Insurance Coverage and/or Mutuals
- Facilitate Exclusive Federations of the vulnerable, if required, at appropriate level(s)
- Facilitate Livelihoods Planning and Access to Livelihoods Fund
- Facilitate Convergence Plan and its roll-out; these plans to include –
 - Key entitlements and schemes like NSAP (OAP, Disability Pension and Widow Pension), IAY, MNREGS, ICDS, *Janani Suraksha Yojana*, Jan Dhan Scheme, DDU-GKY, *Janashree Bima Yojana*, AABY, RSBY or any other State/Central schemes for vulnerable families;
 - Agriculture and development schemes for reducing vulnerability conditions (deprivation);
 - Plans for exclusive Food, Nutrition, Health, and WASH activities;
 - Special plans for specific Tribes and PVTGs;
 - Plans to work with GP including GPDP and MGNREGS; and
 - Special Plans to work with Civil Society and Corporate Social Responsibility efforts
- Consolidate these plans at GP and Cluster levels – dovetail these plans further so that leveraging with the specific scheme/department/stakeholder could be pressed and followed-up

Attachment 2: Specific Protocols for Elderly Inclusion

There is now adequate evidence that Elders’ own institutions improve their situation significantly. CBOs of Elderly are expected to emerge as strong affinity platforms for their social and economic security.

Membership in SHG of Elderly (ESHG)

All Elders (aged 55 years and above) can be a member of ESHG and ESHGs are eligible for all funds to communities (RF, VRF, CIF and LF) under NRLM

- An individual Elder would be a member of ESHG and in case a household has more Elders then each Elder would become the member of ESHG as an individual member of ESHG (may be in different ESHGs).
- If an elderly woman is already a member in the existing women SHG in the village, she would have the liberty to either continue in the same group or join the ESHG. In case she decides to continue in the same group (non ESHG), she should get all other benefit as an Elder.

Key Inclusion Steps for Identification, Mobilization and Institution Building of Elders

At Mission Level

- Sensitize the staff at SMMU, DMMU and BMMU in orientation/refresher workshops, community cadres, leaders, members and institutions to Elders and working with them
- Develop Modules and Material -
 - ESHG Practitioner's Manual (including perceptions on Elderly)
 - Sensitization/Awareness Building IEC Materials (Print and Digital)
 - Training Module for community cadre on Rights and Entitlements of the Elderly
 - Resource Module for community cadre on community based Social Protection and Security, Health & Nutrition (including mental health) and recreational needs of the Elderly
 - Resource Module on Elders' specific livelihoods
- Train and nurture CRPs to work with Elderly Agenda

At Village and Cluster Levels

- Initiate identification and mobilization of Elders during the first CRP round itself
 - Mobilize Elders into general SHGs or special ESHGs.
 - Mobilize active and assisted Elders on a saturation mode. A process of self-selection can be adopted based on ability and agility.

- Mobilize first Elders included in the SECC (auto-included and at least 1 deprivation) and Elders suffering under multiple vulnerabilities like single elderly, belonging to SC/ST and minority communities, PwDs etc.
- Adopt and strengthen existing ESHGs, if any, in the village
- Facilitate Compliance on *Panch Sutra* for each ESHG with appropriate customization
- Facilitate community to identify 2-3 Active Women/village to be trained (including immersion/exposure visits to ESHGs and their federal immersion sites) and deployed as Elderly Inclusion Cadres/CRPs
- Mandate Active Women, Existing Cadres, Inclusion/Elderly CRPs and VO to saturate mobilization; Involve *Anganwadi* and ASHA workers in Elderly Agenda in the village
- Take up Capacity Building of the ESHG members, leaders and cadres as per the plan. Note that there are three distinct categories of elderly – Active (working), Assisted and Destitute Elders and their Capacity Building needs and processes may be distinctly different.
 - Active/Working Elderly are mobile, have ability and physical strength to pursue livelihood activities, requires no help in performing activities of daily living (ADL) and in good health;
 - Assisted elderly are mobile but with some difficulty, have ability to pursue livelihood activities, have no problem with activities of daily living, but suffer from joint pain or other non-communicable diseases like hypertension, or diabetes mellitus which require regular medical consultation and medicines; and
 - Destitute Elderly are generally immobile due to age or illness, Need assistance in performing activities of daily living, and requires continuous medicine and medical consultation and subsistence support. Destitute also mean one who is abandoned and has no own means of survival.
- Facilitate ESHG to access Revolving Fund
- Facilitate ESHGs to get federated into VO (federation of women SHG at the village level). Like other women SHGs, ESHGs are entitled to avail all benefits like CIF, VRF from the VO and higher level federations.
- Facilitate VO to have a sub-committee or a sub-group within Social Action Committee to regularly monitor and strengthen these Elders' groups.
- Facilitate Vulnerability Reduction Plan to include plan for Elders
- Facilitate Rehabilitation Support to Elders
- Facilitate Elder-centric and/or Elder-friendly livelihoods and collectivization around these activities, where required/feasible

- Facilitate ESHGs, for their solidarity, advocacy *etc.*, into a separate exclusive federation at GP/cluster/block level and at higher levels

Attachment 3: Specific Protocols for PwD Inclusion

There is now adequate evidence that PwD own institutions improve their situation significantly.

Membership in SHG of PwD (PwD SHG)

A Person having physical /sensory /mental challenge as per PwD Act 1995 and National Trust Act 2000 would be termed as PwD e.g. OI (physical Impairment), PHI (speech and hearing Impairment) SHI (VI (Visual Impairment), MR (Mentally Retarded), CP (Cerebral Palsy), AU (Autism), LD (Learning Disability), LEC (Leprosy cure), MI (Mental illness) and MD (Multiple Disability-more than one type of disability mentioned above).

All PwDs (aged one year and above), irrespective of percentage of disability a person (even less than 40% of disability) can be a member of PwD SHG and PwD SHGs are eligible for all funds to communities (RF, VRF, CIF and LF) under NRLM –

- 1-17 year person with disability, or a person with Mental Disability, MI or MR, could be represented through his/her legal guardian/parent/care-giver as member in the PwD SHG. Legal guardian/parent/care-giver continues in her own SHG. However, the members of the concerned group are required to do monitoring to ensure that the person concerned is getting the benefit.
- An individual PwD would be a member of PwD SHG and in case of more than one PwDs are in a household then each PwD would become the member of PwD SHG as an individual member of PwD SHG.
- If a woman with disability is already a member in the existing women SHG in the village, she would have the liberty to either continue in the same group or join the PwD SHG. In case she decides to continue in the same group (non PwD SHG), she should get all other benefit as a PwD.

Key Inclusion Steps for Identification, Mobilization and Institution Building of PwDs

At Mission Level

- Sensitize the staff at SMMU, DMMU and BMMU in orientation/refresher workshops, community cadres, leaders, members and institutions to PwDs and working with them
- Develop Modules and Material -
 - PwD SHG Practitioner's Manual (including perceptions on PwD)
 - Sensitization/Awareness Building IEC Materials (Print and Digital)
 - Training Module for community cadre on Rights and Entitlements of the PwD
 - Resource Module for community cadre on community based social security, Health & Nutrition (including mental health) and recreational needs of the PwD
 - Resource Module on PwD specific livelihoods
- Train and nurture CRPs to work with PwD Agenda

At Village and Cluster levels

- Initiate identification and mobilization of PwDs during the first CRP round itself
 - Mobilize PwDs into general SHGs or special PwD SHGs. *Being a marginalized group, creating special groups of PwD may be advantageous.*
 - Mobilize active and assisted PwDs on a saturation mode. A process of self-selection can be adopted based on ability and agility.
 - Mobilize first PwDs included in the SECC (auto-included and at least 1 deprivation) and PwDs suffering under multiple vulnerabilities like single men/women, belonging to SC/ST and minority communities, elderly etc.
 - Adopt and strengthen existing PwD SHGs, if any, in the village
- Facilitate Compliance on *Panch Sutra* for each PwD SHG with appropriate customization
- Facilitate community to identify 2-3 Active Women/village to be trained (including immersion/exposure visits to PwD SHGs and their federal immersion sites) and deployed as PwD Inclusion Cadres/CRPs
- Mandate Active Women, Inclusion/PwD CRPs and VOs to saturate mobilization; Involve *Anganwadi* and ASHA workers in PwD Agenda in the village
- Take up Capacity Building of the PwD SHG members, leaders and cadres as per the plan. Note that there are three different kinds of differently abled people - Active, Assisted and Dependent PwDs and their Capacity Building needs and processes may be distinctly different.

- Facilitate PwD SHG to access Revolving Fund
- Facilitate PwD SHGs to get federated into VO (federation of women SHG at the village level). Like other women SHGs, PwD SHGs are entitled to avail all benefits like CIF, VRF from the VO and higher level federations.
- Facilitate VO to have a sub-committee or a sub-group within Social Action Committee to regularly monitor and strengthen these PwD groups.
- Facilitate Vulnerability Reduction Plan to include plan for PwDs
- Facilitate Rehabilitation Support to PwDs
- Facilitate PwD centric and/or PwD friendly livelihoods and collectivization around these activities, where required/feasible
- Facilitate PwD SHGs, for their solidarity, advocacy *etc.*, into a separate exclusive federation at GP/cluster/block level and at higher levels

Annex-3

Advisory on Deepening of Existing Resource Block Work and Expanding to Newer Blocks

In the 3rd Annual writeshop the CEOs and SMMU representatives of 13 NRLP states have attended and discussed the status of Resource block implementation, action plan for 2015-16 for deepening of activities and the roadmap for expansion to newer blocks with the support of resource blocks including the protocols to be followed by SRLMs and NRO.

The following five SRLMs: Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra and Rajasthan will have completed at least 2 years of Resource Block strategy by March 2015. These SRLM are entering the 3rd year of resource block implementation are required to do two things- Firstly continuation of external CRP rounds till coverage of all villages in the resource blocks is 100%. Secondly, initiate requisite steps for expanding to newer blocks with the social capital generated in the resource blocks.

I. Deepening of Existing Resource Block Work

- 1. Identifying and Capacity Building of Women Activists (WA):** The SRLMs desirous of deepening the work in existing resource blocks also have to ensure coverage of target households till at least 80% of them are covered by end of 3rd year. Since the saturation is a long term strategy, the services of women activists (WA) shall be fully utilized in the village(s) by attaching them to village organization for organizing left-out poor households into new SHGs. The SRLM block level staff shall rope in the village organization to put in efforts to saturate all eligible households in the village are brought under SHGs and VO network.

All Women Activists in the resource blocks shall be given 30 days of intensive training in 3 phases/doses. The 1st dose will be with the association of external CRP team for 10-15 days in her village, 2nd dose will be provided by sending them for 10 days of immersion in NRO location and the 3rd dose by organizing Training of Trainers for 10 days on SHG, VO and MCP process through community master trainers at SRLM location. All Women Activists shall be reasonably compensated for their time given to the project.

2. **Identifying and Capacity Building of Resource Bookkeepers:** Identification of resource bookkeepers @ 2 per cluster with those who have had experience of writing SHG books for at-least 100 weeks (SHG should be practicing panch sutras). These resource bookkeepers shall be sent to NRO for 15 days of training on bookkeeping skills. After this training, they shall conduct bookkeepers training at *Gram Panchayat* level. The CCs/ACs/PFT should take necessary steps in this regard. The resource bookkeepers will provide 15-20 days of their service in a month if it is within the same block, if they are positioned in newer blocks they will provide 25 days of their service. They shall be suitably compensated by the SRLM. In future, this cadre will be used as Internal PRP who can fulfill the role of PRP in newer blocks.
3. **Capacity Building of VO Animator:** In the 2 & 3rd year, VO animator/assistant training shall be provided for at-least 10 days in the first spell followed by 3-4 days of refresher training at block level on quarterly basis. All VO books of accounts shall be printed and supplied to VOs without any delay.
4. **Identifying and Capacity Building of MCP Trainers:** As the number of SHGs increase the SRLM shall be in a position to provide Revolving fund, CIF and Bank linkages as per the eligibility norms without delay. For this, SRLM shall identify MCP trainers and position them @ 4 per cluster to accelerate MCP preparation process. One MCP trainer team consists of 2 members who will move as team and take about 5 days in facilitating an MCP preparation for an SHG. With this cadre each year 50-60 new SHGs in each cluster will be ready to receive CIF. This cadre shall be suitably compensated by SRLM.
5. **Capacity Building of CLFs and its Functionaries:** In the 3rd year, once the CLF is formed, their exposure visits may be organized in NRO location. 3 office bearers from each CLF may be sent for this exposure visit. In addition to this, all CLF accountants shall be given 10 days of CLF meeting process and CLF bookkeeping training initially at NRO location followed by a 10 days of refresher training (in 2 spells) in SRLM location.
6. **Exposure Visits for Bankers:** Bankers' immersion cum exposure shall be seen as a continuous process. Those branch managers, who have not received exposure, shall be sent for exposure to NRO location. After immersion, BMMU and DMMU shall closely follow-up with the branch managers for credit mobilization.

7. **Exposure Visits for SRLM Staff:** The SRLM staff are expected to play critical role in deepening and expansion of resource blocks strategy, they shall be provided immersion cum exposure on VO and CLF management in NRO location so that they develop comprehensive understanding and contribute to replication of the resource block strategy.
8. **Other Measures:** SRLM shall release SHG, VO level start-up costs without any lag. Once Cluster level federation (CLF) is formed, CLF start-up cost shall be provided. The Sr.CRP strategy shall be tied up for strengthening of VOs and CLF. SRLM staff shall not be involved in purchase of items for VO/CLF. The VO/CLF will have to be encouraged to have their own purchasing committees (without staff involving as members of purchasing committees) and procure whatever they need as per their requirement.

II. Expansion to New Blocks with the Support of Resource Blocks

1. Selection of new blocks @ 5-6 for in proportion to the no. of resource blocks where at least two years of work has happened. Division of blocks into geographical clusters keeping in view the contiguity of villages, NRLM target households and Institutional viability.
2. Selection of Resource Book keepers @1 per cluster who is required to be trained and positioned in the new blocks for follow up facilitation and trainings in the clusters for 2 years (till full-fledged Internal PRPs are positioned by SRLM from the VO activists cadre)
3. Deployment of internal CRP teams @ one per cluster for 2-3 years. Each CRP team consists of 3 women and 2 bookkeepers.
4. SRLM to launch the expansion strategy with specific timelines keeping in view the no. of CRP teams available from resource blocks.
5. SRLM to designate nodal officers from among SPMs for expansion management from Resource blocks to new blocks @ 1 nodal officer for 1 Resource block.
6. SRLM to provide @ 1 DPM for 1 Resource block and 3 new DPMs for 5-6 new blocks for expansion management support(the regular DPM of Resource Block shall not be diverted for this work)

7. SRLM shall organize orientation training to the designated SPMs and DPMs of the expansion strategy at SERP for 7 days.
8. Selection and positioning of BPMs @ 1 per new block and CCs @ 1 per Cluster in the new blocks.
9. Plan for selection and training of BPMs and CCs by SRLM at state mission level:
 - a. one month village stay @ new block
 - b. one month village immersion in resource block
 - c. 15 days of village immersion during CRP round
10. Orientation training to all the Resource Book keepers and internal CRP teams on internal CRP strategy at village level for 15 days. (designated nodal officers and DPMs will conduct the training at State Mission Headquarters).
11. Steps to be taken up by SRLM for launching the strategy:
 - a. Positioning of BPMs @ new blocks
 - b. Positioning of AC/CC @ cluster level
 - c. Positioning of resource bookkeepers @ cluster level (I.PRP)
 - d. Conduct start up workshop with all CRP teams and above persons
 - e. CRP rounds- deployment in clusters as per CRP strategy
 - f. Regular briefing and debriefing of CRP teams to assess outcomes
12. The Resource Book keepers are to be paid resource fee for the work done by him /her based on performance indicators directly to their bank accounts through electronic money transfer system. After conducting debriefing meeting for the Internal CRP teams and assessing their outcomes, the resource fee, food charges and travel charges to be paid directly into their Bank accounts through Electronic Money transfer system.

Annex-4

Protocol for Initiating Implementation, Expansion and Scaling-up

NRLM has determined to reach out to all the target households as soon as possible. Towards this end, NRLM has been launched in all states and 1 Union Territory already. Remaining 4 Union Territories are expected to be on board by the end of the year. Now, it plans to expand its reach out – all the districts (with at least one intensive – resource, partnership and/or other intensive) in 2016, all the blocks in 2017, all the clusters/GPs in 2018 and therefore, all households by 2020/21. In line with this understanding, 2016 is considered as a year of communitized faster deeper expansion and scaling-up.

NRLM initiates work in a Block as a unit, by placing Mission Unit/Staff member to begin with.

Expansion

Mission Level

- Commit to Communitized Faster Deeper Expansion to reach out to all households by 2020/21 and develop Phasing Plan to initiate NRLM work in all districts in 2016 itself, by taking up at least one intensive block in each district, in all Blocks intensively in 2017 by placing CRP teams in all clusters of each block, in all clusters/GPs by 2018 by completing at least the CRP Team Round in all villages of the GP/Cluster, and with all households that are mobilizable into the fold of SHG architecture by 2020/21. ***This should form part of AAP 2016-17.***
- Develop Clusterization Plans for all Blocks as per the Phasing Plan to initiate CRP Rounds in these Clusters
- Finalize the Plan/Protocols [with community cadres, resource persons and institutions in the lead with mission staff's role limited to support/facilitation] to Saturate SHGs/VOs/CLFs in 18 months time in a block, orient staff, trainers and resource persons, and facilitate its implementation
 - these include protocols for CRP round(s), Training rounds, Senior CRP rounds and follow-up
 - these include protocols for deepening – Federating and Financing; Funds to Community; Bank Linkage and Insurance; Total Inclusion and Vulnerability Reduction; Gender sensitization and social action; Food, Nutrition, Health,

Water and Sanitation (FNHW) sensitization and action; Rights, Entitlements and Schemes Sensitization and Convergence etc.

- Circulate to/orient staff on Cost norms for Block Protocols including cost norms for CRPs, Senior CRPs, Trainers, CB of members, leaders, cadres etc.
- Place District Nodal Person/Anchor forthwith [one anchor may take up 3-4 districts with about 5-10 intensive blocks, apart from non-intensive blocks, if any, across these districts] to roll-out Expansion/Scaling-up
- Place Block Nodal Person/Anchor forthwith [one anchor may take up 3-4 intensive blocks, apart from additional non-intensive blocks near to these intensive blocks] to roll-out Expansion/Scaling-up
- Position the Mission team in the intensive Blocks [1 BMM, 1 Accountant/DEO, and 1 PRP per each Cluster (CRP team) to begin with]
- Induct the District/Block/Cluster Nodal Persons/Anchors and the Block Teams thoroughly to Expansion-Saturation Protocols with adequate Immersion and Exposure to mature blocks
- Establish Resource Cell(s) with all the required architecture [trainers/resource persons, training infrastructure, immersion/exposure sites, modules, case studies, charts, videos and other material and toolkits] to identify, deploy as apprentices, train, nurture and deploy as CRPs, Senior CRPs, Community Trainers and PRPs required for Expansion and Scaling-up [as per the finalized plan to build/multiply the pools of new CRPs, Senior CRPs, Community Trainers, PRPs *etc.*, through apprenticeship during the rounds, followed by training in classroom, immersion/exposure and internship/attachment in doubled/tripled teams with mixed membership of old and new]
- Develop CB Plans and Calendars at state, district, block and cluster levels for CB of CRPs, Senior CRPs, Trainers and PRPs apart from community members, leaders, cadres and institutions, staff, resource persons and other stakeholders
- Map and Develop a plan and MoU with the CLF, where required/feasible, to place CRPs, PRPs and support training in new intensive blocks/clusters/GPs/villages
- Ensure availability of Books of Accounts for SHGs, VOs, CLFs as per the phasing plan
- Initiate State/District/Block/Cluster Training Centres in Intensive Blocks
- Ensure funds placement in the hands of the community institutions – start-up funds to SHG, VO, CLF; Revolving Fund; Vulnerability Reduction Fund; Community Investment Fund; Livelihoods Funds - as per the protocols and triggers
- Ensure CB Funds [as per the plans and calendars for all block and sub-block CB activities and managing Block/Cluster Training Centres] including payments to

CRPs et al are available with the Community Institutions as advance in 2-3 installments [that can be settled through utilization certificates by the community institution]

Block Entry and Saturation in 18 Months

Mission Level

- Position the Block Team [1 BMM, 1 Accountant/MIS Data Assistant; and Cluster Coordinators [3-6 based on the clusters or groups of clusters] or PRP in each cluster/group of clusters]
- Induct the Block Team rigorously to the entire Block Protocols in the class room and through immersion/exposure to a mature block
- Facilitate Deployment of CRPs, Senior CRPs, Community Trainers as per the plan

Block/Cluster/Village/Community Level

- Develop a plan for CRP Rounds in each Cluster.
- Facilitate the following in each Cluster –
 - Plan for deployment of CRP Team (5-6 CRPs) for CRP Round (15-60 days, in 1-4 villages, typically 15 days in a typical village); additionally 5-6 potential CRPs may be placed as Apprentices
 - Facilitate Saturation in each Village –
 - Get the villages ready for CRP Round, with support from PRP [s/he also facilitates CRP Team in the village and subsequent follow-up]
 - Facilitate CRP Round in the village, as per the protocols finalized; these include –
 - ⇒ Rapport Building and Going around the village, looking for poverty areas and households and existing SHGs
 - ⇒ Forming and reviving new SHGs of poor women, PwDs and Elderly (about 40-60% of the target poor may be mobilized during this round), including saving, writing books, opening bank account etc.
 - ⇒ Training SHG members, leaders and book keepers; this includes Sensitization/orientation on Gender, FNHW, Inclusion and Rights, Entitlements and Schemes; apart from Institutions, *Panch Sutra* and Poverty-Vulnerability-Livelihoods situation

- ⇒ Identifying and working with 2-6 Active Women, including observing their behaviour, orientation and performance; preparing them for follow-up of SHGs formed/revived and forming more SHGs with poor
- ⇒ Analysing the status of SHG Members against Poverty-Vulnerability Indicators and presenting to *Aam Sabha* in the final debriefing of the work done during the CRP Round
- Follow-up on SHGs formed/revived so far and Mobilize remaining poor (women, PwD, elders) into SHGs, with support from Active Women and SHGs
- Train SHG Members in the meetings and in the village level programs
- Facilitate a drive (or two) for **Grading of 3-month old SHGs and seeking Revolving Fund** (facilitate its release to all A Grade SHGs within a week of Grading)
- Facilitate a Training Round by Community Trainers in the village to ensure that community members, leaders, cadres, SHGs, Active Women *etc.*, receive training as per the modules finalized
- Facilitate a drive (or two) for preparing and appraising Micro-plans or **MCPs for all 6-month old SHGs with *Panch Sutra* discipline, and seeking Community Investment Fund**, Bank Linkage (loan and/or CCL)
- Facilitate Senior CRP Team (2 members, 3-5 days in a village) to **form Village Organization** (SHG Federation at village level) [within 6-months of CRP round in the village], including meetings, writing books and opening bank account
- Facilitate VO to include all mobilizable poor and vulnerable into SHG fold [within 9-12 months of entering the village], with the help of Active Women, Cadres and SHGs
- Facilitate PIP and Participatory Poverty Assessment of all SHG members and present status on agreed poverty-vulnerability indicators (developed in a participatory manner) to *Gram Sabha*; Facilitate VO to conduct PIP-PPA of SHG members and track their progress out of poverty every year or two thereafter
- Facilitate release of Vulnerability Reduction Fund (1st installment); Vulnerability Reduction Plan and VRF 2nd installment
- Facilitate vulnerable members/non-members, SHGs and VO to use VRF and address vulnerabilities
- Facilitate coverage under insurance and other mutuals

- Facilitate identifying, training, nurturing and deploying cadres in the villages for various activities/interventions/layers
- Facilitate plans around existing livelihoods (farm, livestock, dairy, forestry-NTFP, fisheries and non-farm) and support their roll-out
- Facilitate Convergence (including PRI-CBO convergence, MGNREGS etc.) Demand Plans at village level [and consolidated at GP, Cluster and Block level] and support dovetailing and roll-out
- Facilitate 30-45 day training (in classroom) and immersion/exposure of apprentice CRPs
- Place second PRP in the Cluster
- Mix the old and apprentice CRPs, and make two new CRP Teams and Continue with Subsequent CRP Rounds with 2 CRP Teams in the Cluster, supported by 2 PRPs
- Facilitate Senior CRP Team in discussing about federating Village Organizations [on forming about half the Village Organizations in the Cluster] at the Cluster level and forming Cluster Level Federation – this is around 12-15 months of entering the Cluster
- Facilitate Visioning of CLF, VOs and SHGs
- Facilitate Registration of CLF (and VOs)
- Facilitate establishing a fully-equipped Community Training Centre including trainers, modules, materials, videos, training infrastructure *etc.*, and plans and calendars for capacity building and training of members, leaders, bookkeepers, cadres *etc.*
- Facilitate special purpose/separate institutions for the poorest and vulnerable, if required, apart from integration in the women SHG network/ architecture
- Ensure Mobilization of all mobilizable poor households in all villages in the block into the SHG architecture (SHGs, VOs, CLFs) within 18 months of entering the Block
- Ensure that the leadership in the SHGs, VO and CLF largely remains in the hands of the poorest of poor and most vulnerable members
- Start release of Livelihoods Fund against Business Plans of the Community Institutions
- Ensure Communitization of the sub-block and block activities completely (and no activities taken up directly by the Mission)
- Ensure that the Community Institutions receive all their funds under NRLM – Start-up Funds, RF, VRF, and CIF within 2 years and LF by 3 years of entering Block level.

Indicative 10-year Block Protocols and Results

Activities in a Typical Block beyond 18 months

- Mobilize all poor (at least 80%, of all the mobilizable poor, including PwDs, Elderly, PVTGs, women-headed households and single women) into SHG architecture (SHGs, VOs and CLFs) in 18 months; initiate core NRLM activities including gender, FNHW and Rights, Entitlements and Schemes Sensitization and Action; facilitate funds to community and financial inclusion, interventions in existing and related livelihoods; and facilitate initial convergence
- Facilitate Visioning of Community Institutions and Planning forward
- Federate SHGs/VOs/CLFs at Block level as BLF
- Establish and support Community Training Centres
- Facilitate Bank Linkages
- Facilitate Social and Livelihoods Collectives
- Strengthen Institutions towards self-reliance, including maintaining required Cadres, Trainers and Resource Persons
- Initiate and scale-up work around self-employment and wage employment
- Deepen Convergence efforts
- Ensure 100% Communitization in all sub-block and block activities
- Move into maintenance phase

Outcomes in a typical block with 15,000 poor households over 100 villages

- Functioning 1500 SHGs including PwD SHGs and ESHGs; 120 VOs, 4 CLFs and 1 BLF; exclusive federation(s) for PwDs, Elders, Tribal Communities
- Cumulative Credit (through SHG) accessed by member: Rs. 5.0Lakh
- At least two sustainable livelihoods/household, with an incremental income of at least Rs.50,000/year in 10000 households
- 5000 most vulnerable households specially benefitted in reducing their vulnerabilities
- Reduced incidence/improved addressal of child labour, child marriage, liquor consumption and other social issues in the villages
- Majority of the members access rights, entitlements and schemes
- 1500 Community Cadres, Trainers and Resource Persons (apart from SHG Bookkeepers) service institutional, social and livelihoods needs of the members and their institutions

- Self-reliant institutional architecture takes their 'agenda' into their hands, and goes forward

Non-intensive Blocks

Mission Level

- Appreciate that Scaling-up in the block when it becomes intensive (as per the phasing plan) would be faster and smoother if the entire NRLM package is taken up now in a limited cluster or so in a non-intensive block
- Position a small Cell specifically supporting Non-intensive Blocks
- Mandate District and Block anchors to support/facilitate/coordinate Non-intensive Blocks
- Mandate CRP-PRP Resource Cell(s) to generate PRPs, CRPs, Senior CRPs and trainers for non-intensive blocks too
- Ensure at least a Cluster/a group of GPs/villages are taken up for NRLM roll-out in Non-intensive Blocks

Block/Cluster/Village/Community Level

- Position a Person, may be a PRP, in the chosen cluster/set of GPs of the block, after rigorous training and immersion
- Take up all the Saturation protocols in the chosen Cluster and its villages – these include –
 - Facilitate CRP, Senior CRP, Trainer Rounds including building Apprentice CRPs, Active Women
 - Form/strengthen SHGs on saturation basis and total inclusion
 - Facilitate Gender, FNHW and Rights, Entitlements and Schemes Sensitization and Action
 - Grade SHGs and release RF
 - Facilitate MCPs and access to CIF
 - Form VO, access to VRF, facilitate VRP and facilitate Convergence Plans
 - Facilitate availability and deployment of Cadres
 - Form CLF, facilitate visioning
 - Facilitate Training, CB Plan and Calendar including Community Training Centre

Sustainability of Institutions

The community institutions, formed as part of NRLM implementation are the forums for community to address their poverty and vulnerability. These institutions need to sustain to meet the emerging needs of community. The role or activities of any institution when it is started / formed may be different but over a period of time the sustainability of those institutions depends on its service to its members and how the institution is changing according to the changing needs of the members. Aspects that influence the sustainability of institutions include –

- **Formal Legal Status**
- **Relevance** – services to meet members’ needs and address members’ vulnerabilities and shared Vision
- **Strong Governance** – Byelaws, Elections, leadership rotation, *Panch Sutra*, GB and EC meetings, Planning and Review mechanisms, Annual Accounts, Audit and Report
- **Robust Management Systems** –Books and Accounting, HR/Community cadre management system, MIS, Community Audit, Transparency and disclosure, Website
- **Financial Systems** – Business plan, Financial Management and Resource Utilization, Cost-effectiveness, Cost and Control system, Expenditure in sync with income
- **Relationship with other stakeholders** – Convergence and Linkages including with Financial institutions

Operational and Managerial Sustainability

- Register the Federation as a Mutually Aided (or Self-reliant) Cooperative Society, Producers’ Company or under Societies’ Registration Act, Trusts Act, Cooperatives’ Act with appropriate amendments.
- Go through Shared Visioning and evolve Strategic Plan towards its self-reliance
- Position competent professionals/HR in the Federation for day-to-day operations
- Build Operational Management, Financial Management and Leadership capacity to the Federation Leaders and Staff/ Cadres, take them on immersion and exposure visits to best practice sites and attach with best practitioner leaders and management staff/cadres
- Entrust competent and trained Mentor to anchor and provide handholding support
- Facilitate Transparency and Accountability Mechanisms in the Federation
- Facilitate transactions and capacity building of the Federation hand-in-hand

Financial Sustainability

- Facilitate Visioning, and strategic plan to achieve the vision; this plan to include revenue generation from financial intermediation, entrepreneurship, providing essential services, and other diverse avenues
- Facilitate to place Systems for providing key financial services – savings, credit, insurance, remittance, equity, convergence etc. – in a transparent and efficient manner
- Facilitate and expedite recurring cost self-sufficiency (from own revenue) at the earliest, say in 1-2 years; meanwhile, facilitate the practice of routing of all payments to community cadres and community institutions through the federations
- Prepare and get ready for withdrawal/exit by year 5
- Build capacities of the federation in cost-effective efficient financial management including minimizing costs, and increasing system efficiency
- Other measures for sustainability include:
 - Enhance members' own funds in the federation
 - Minimize idle funds
 - Monitor financial performance of the federation regularly
 - Facilitate appropriate systems on accounting, MIS and other monitoring tools like regular grading, and regular **audit**.
 - Maintain functional relationship with formal financial institutions, PRIs, regulatory bodies, Civil Societies and government line departments.
 - Try and leverage own capital to mobilize external funds (debt/grants etc.)

Annex-5

Protocol for Capacity Building Architecture

NRLM's central core is the institutions and capacity building. Therefore, SRLM needs to plan and implement Capacity Building of the community members, leaders, cadres and institutions, and mission staff and resource persons systematically. Towards this, the Mission needs to have adequate building up of architecture for Capacity Building and its use. These would include pools of resource persons/trainers/cadres at various levels, modules, material, plans, calendars, unit costs, budgets to the community institutions *etc.*, apart from infrastructure including training centres and other logistics.

Mission Level

- Develop bottom-up consolidated state **Plan for building the capacity** of community members, leaders, cadres, and institutions, mission staff, trainers and resource persons, and other stakeholders at various levels. The plan clearly specifies various elements of architecture/resources (trainers, infrastructure, modules, training material, immersion/exposure sites) required to implement the CB plan.

This plan forms an integral part of the SRLM AAP.

- Convert the CB Plan into **CB Calendars** at state, district, block and community levels.
- Ensure budget available to roll-out these plans and calendars – state and districts level CB directly through mission units, and block and community CB through the community institutions
- Establish or form **State Level Resource Cell(s)** [with a team lead, 2-3 managers/executives/ young professionals/NFs/consultants and 4-5 Community Resource Persons] immediately; Specific focus of the Cell includes -
 - Prepare and implement a capacity building plan, calendar along with budget.
 - Finalize/customize and adapt various CB Modules and pool training material; these include -
 - Stories, case studies, games, audiovisuals, video clips, pictorial charts *etc.*, in local language with pictorial depiction where possible

- Vision and Protocol Summaries for the consumption of community members, leaders and cadres in small flyers, leaflets, handbooks, charts etc.
- Trainers' Handbook(s)/Toolkits, Toolkits for CRPs
- E-material on cloud, youtube, googlegroup etc.
- Self learning material and learning forums
- Create pool of resource persons consisting of internal SRLM staff as well as external trainers/experts, covering various themes. Resource pool should consist of at least 40-50 persons available on call. This pool could be from -
 - Community cadre, community leaders, best practitioners
 - Mission Staff, Staff/officers of line departments, Civil Society Organizations
 - Thematic experts, Bankers, Insurance Trainers, Business Experts
 - Resource Persons from CB Agencies/centres of excellence, universities
 - Resource pool of other states
- Facilitate finalization of resource fees for the resource persons; clearly articulate the mechanism to deploy resource persons and payment to them
 - Indicative classification of the trainers/resource persons –
 - (i) Experience 15 years and above, Rs.7500/day or Rs.1500/session; plus actual TA/DA/Conveyance Costs
 - (ii) Experience 10 years and above, Rs.5000/day or Rs.1000/session; plus actual TA/DA/Conveyance Costs
 - (iii) Experience 5 years and above, Rs.3000/day or Rs.750/session; plus actual TA/DA/Conveyance Costs
 - (iv) Experience less than 5 years/Senior Community Trainer, Rs.1500/day; plus actual TA/DA/Conveyance Costs
 - (v) Experience less than 2 years/Community Trainer, Rs.1000/day; plus actual TA/DA/Conveyance Costs
- Create and train a pool of trainers on different themes
- Partner with capacity building agencies (CBAs)
- Identify and tie up with various training centers at the state, district and block level to roll out training programs, including residential programs.
- Facilitate establishing state/regional/district/block/community **training centres** to roll-out CB Plan(s) – each training centre is equipped adequately with training infrastructure, material and a training management team including

community trainers, supported by a pool of trained resource persons, as per the need from time-to-time

- Facilitate Community Institutions - BLF/CLFs to start **Block/Community Training Centres**
 - Position a Training Centre Coordinator/Team Leader and Team Members to manage the Training Centre and Capacity Building Plan for the Cluster/Block
 - Identify, empanel, train and deploy resource persons from various elements/ themes from Community cadres, community leaders, best practitioners, leaders, mission staff, staff of line departments, Civil society staff, bankers, free lancing development workers etc.
 - Train and nurture Community Cadres, Trainers and Resource Persons
 - ***See attachment: Protocols for developing and deploying Community Cadres***
 - Identify and tie up with local institutions for training infrastructure.
 - Plan for capacity building activities (for staff and community) in the block – including calendar and budget.
- **Establish Dedicated Resource Cell(s) for developing and deploying CRPs, Senior CRPs, Community Trainers and PRPs for Expansion/Scaling-up and Communitized Faster Deeper Saturation**
- Establish a system/mechanism to release advance(s) to CB Cells/Training Centres, may be on a quarterly basis to community-managed training centres, against CB Plan indents and submission of Utilization Certificate(s) and report(s)
- Track the progress on CB indicators through MIS
- Institute a CEO/COO review (monthly) mechanism to review progress of the CB vis-à-vis CB Plan, and a quarterly review along with NMMU members

Attachment

Protocols for Community Cadres and Community Trainers

NRLM's central core is to build the capacity of community members, leaders and cadres. Indicatively, NRLM is committed to provide CB inputs of 100-200 hours to members, 200-300 hours to leaders and 500-600 hours to cadres. To meet the needs of the community, a large number of community cadres and trainers are required – about 10% of the SHG membership, apart from the SHG Bookkeepers.

Village Organizations and Cluster Level Federations or their Community Training Centres manage these cadres and trainers.

Community Cadres¹ in NRLM include –

Level	Dedicated Cadres, Service Providers and Resource Persons
SHG	<ul style="list-style-type: none"> ○ SHG bookkeepers
Village Organization (VO)	<ul style="list-style-type: none"> ○ Active Women ○ Community Facilitators, Community Mobilisers ○ VO Accountants, VO Bookkeepers ○ Gender Focal Point Persons, Community Food, Health, Nutrition, Water and Sanitation Activists, Inclusion PwD Activists, Inclusion Elderly Activists, ○ <i>Anganwadi</i> Workers, ASHA Workers
Cluster Level Federation (CLF)	<ul style="list-style-type: none"> ○ CLF Accountant, CLF Bookkeeper ○ CLF Coordinator (Sr. Community Volunteers), ○ CLF Assistant, CLF Activist ○ Community Auditors ○ Livelihoods Resource Person, Krishak Mitra, Krishak Sakhi, Prani Sakhi, Pashu Sakhi ○ Bank Mitra, Bima Mitra, ○ MCP/MIP Community Facilitators ○ Resource/Master Bookkeepers
	<ul style="list-style-type: none"> ○ CRPs, Community Trainers, Senior CRPs, PRPs

Mission Level

- Customize and adapt the protocols for Community Cadres, Community Resource Persons and Community Trainers; and orient Mission Staff and Community Institutions – these include Modules, Material, Toolkits for their use; and training modules (including material) for training members, leaders, cadres, institutions and other stakeholders
- Establish State CB Resource Cell and Resource Cell(s) for nurturing and deploying CRPs, Senior CRPs, Community Trainers and PRPs
- Facilitate establishment of Community Training Centres with required architecture including infrastructure and facilitate CB planning and implementation in/through these centres
- Evolve Plan(s) and Calendar(s) for building capacities of Cadres, Resource Persons and Trainers and implement these with support from State. District, and Block Resource Persons' Pools and Resource Agencies

¹ More Details are in Model COM

- Evolve Plan(s), Calendar(s) and Schedules for deploying Community Cadres, Resource Persons and Trainers, and roll-out by releasing budget to community institutions/ training centres

Block and Community Level

- Facilitate availability of trained mandatory cadres at SHG, VO, CLF levels – SHG bookkeepers, active women, VO bookkeepers/activists, CLF accountants, CLF Coordinators/Managers *etc.*, and availability of trained cadres, trainers *etc.*, as per the local needs

- Ensure **identification** of Cadres, Resource Persons and Trainers by Community (SHG, VO, CLF) as per the eligibility criteria defined for each specific Cadre; general **eligibility criteria** include –

- SHG member or a member of the SHG family [of A or B grade SHG]
- Age - above 18 years
- Education – class 8th pass; relaxable for exceptional articulators/ communicators; for PRP it is 12th Pass
- 60 SHG meetings (attended), if SHG member
- Initial minimum training on SHG concept and management
- Communication and articulation skills
- Willingness to travel out of the village and fit to travel for long stretches of time
- Willingness to work with the community without any discrimination

- Ensure **Selection** of Cadre, Resource Persons, and Trainers *etc.* by the community (formal or loose VO or CLF) – Mission staff may support and facilitate the process; the steps involved include –

- Inform the community about the need for selection and eligibility criteria
- Screen the potential candidates at SHG and VO level
- Take the candidates through the next level selection process at VO or CLF level; where required, institute a panel that includes independent members from outside with expertise in the domain to avoid any biases
- Recommend finally selected candidates for training and apprenticeship
- Deselect the trainees who are not up to the mark in the training and apprenticeship

Apart from SHG Bookkeepers, about 10% SHG members are brought into the fold of Community Cadres, Resource Persons and Trainers. Each thematic may have 1-2 trained Cadres/Resource Persons/ Trainers in a village/GP

Active Women identified and nurtured during the initial CRP round also emerge as Cadre with their intense involvement, performance, training and maturity

- Ensure **Mandatory Training** to these Cadres, Resource Persons and Trainers as per the Module(s) applicable to specific Cadre at the earliest; the generic elements of this training (with specific modules embedded within) include –
 - 30-45 day Classroom Training
 - ⇒ Basic Training on Poverty, Vulnerability, Gender, Inclusion, Livelihoods and NRLM
 - ⇒ Social Mobilization and Group Management
 - ⇒ Institution Building Architecture (3 Tiers)
 - ⇒ Block Protocols
 - ⇒ Participatory Processes and Participatory Training Methods
 - ⇒ Specific Thematic Training
 - ⇒ Need-based Training
 - ⇒ Self, Team, Project and Institutional Planning, Management and Leadership
 - 30-45 day Apprenticeship/fieldwork/practice of skills – internship
 - 5-15 day immersion/exposure visit
 - De-selection if not up to the mark during the training phase
 - Deployment of successful candidates in rolling-out Block Protocols, Expansion and CB Plans
- Facilitate these Cadres, Resource Persons and Trainers get into their **roles**, as deployed by their institutions –
 - Support in forming/strengthening institutions;
 - Training in SHG, VO, CLF meetings and village level training;
 - Support in Planning and management in institutions, including books;
 - Services (as per expertise) to members and institutions for Service Fee;
 - Training community bookkeepers, auditors and/or other cadres, resource persons, leaders and members and/or handholding;
 - Implement CRP, Senior CRP, Trainer protocols outside village/ cluster;
 - Support in Grading institutions and/or making MCPs, PIP-PPAs, VRPs, Convergence Plans and appraisal;
 - Co-anchor Community Training Centres;
 - Take up any role, as prepared for

Cadres, Resource Persons, Trainers etc., prepare and submit log sheets and debrief in the monthly institutional review on the work done.

- Facilitate VO/CLF to **deploy** the trained Cadres, Resource Persons and Trainers individually and/or in compatible teams, as per various protocols; facilitate review and monitor the progress on deployment
 - Deployment of Cadres, Resource Persons and Trainers outside village/cluster is based on mutual understanding (formal MoU or otherwise) between VO/CLF and Mission (or other community institution)
 - Deployment of PRP outside the Cluster is also based on mutual understanding (formal MoU or otherwise) between CLF and Mission (or other community institution)
- Facilitate payment of **fee/honorarium** (through bank transfer) to *in situ* Cadres at SHG, village and cluster level directly by community institutions from the beginning or gradually ramped up from its own funds or through Mission support, if deployment is outside their local area based on demand/need
 - Payment is subject to debriefing to and review by VO/CLF
 - Indicative fee payable to each of cadres, resource persons and trainers is adapted by VO/CLF; apart from fee, travel, stay and food are paid/reimbursed.
 - Indicative fee payable to internal Community Cadres, CRPs and Trainers –
 - ⇒ SHG Bookkeeper – Rs.50-100/meeting; Active Woman – Rs.150/day
 - ⇒ Village level Activist/Bookkeeper/CF/CM – Rs.1500/month
 - ⇒ Village level Service Provider – service-based fee
 - ⇒ CRP/Trainer/RBK – Rs.300/day plus actual travel, stay, food costs
 - ⇒ Senior CRP – Rs.600/day plus actual travel, stay, food costs
 - ⇒ PRP – Rs.10000-15000/month plus TA/DA

Annex-6

Advisory on Skill Development of SHG Members and Capacity Building of Functionaries

Background

Capacity Building is the backbone of National Rural Livelihoods Mission (NRLM) implementation. NRLM lays strong emphasis on the capacity building needs of the SHG members, their institutions, their cadres as well as the staff of the State Rural Livelihood Missions (SRLMs) at all levels of implementation.

NRLM truly believes that the mission is for the poor, of the poor and by the poor. Based on the experience of the successful resource block implementation over last three years of NRLM, it has been realized that 'communitisation' is critical for NRLM to scale-up and for it to be a real people's own movement and for the institutions of the poor to be sustainable. NRLM has a firm belief that the poor women and their institutions have immense potential to take over these activities and manage it themselves. Hence, it is essential that NRLM identifies and nurtures this social capital from within.

In this regard, right from inception, NRLM has been organizing various consultations, workshops, review meetings, etc. to brainstorm and develop action plans towards the above mentioned capacity building needs of the mission.

In order to take stock of development under NRLM in the last 3 years and also to understand the emerging best practices of both SRLMs and NGOs, a two day national level consultation with representatives from Civil Society Organisations/Non-Government Organisations (CSOs/NGOs), academic institutions, State Rural Livelihoods Missions (SRLMs) and NRLM was held on 27th – 28th October'14 at NIRD, Hyderabad. They discussed on capacity building needs of community and NRLM staff, along with the capacity building architecture required to deliver the same. These issues were further discussed in great detail in the Third Annual National Writeshop held from 12th to 17th November'14 at NIRD, Hyderabad.

This advisory is being issued to all the SRLMs on the basis of all these preparatory activities.

Context

- NRLM's mandate is of universal saturation which will cover 8-10 crore rural poor households in all the 649 districts, 5852 blocks, 2,50,000 Gram *Panchayats* and 6,40,000 villages of 29 states and 5 union territories. This will be done in a phased manner through self-managed Self Help Groups (SHGs) and their federated institutions. NRLM aims to support them for sustainable and viable livelihoods over a period of 8-10 years.
- In the process, it would create 1.5 – 2 crore community leaders, 10 – 20 lakhs community professionals and community resource persons.
- To facilitate this process, NRLM sets up dedicated sensitive support structures at various levels to form, federate, finance and nurture institutions of poor women so that these institutions serve various livelihoods needs of the members. Further, NRLM nurtures and also helps them to nurture their own community cadres as service providers for the institutions and as resource persons in service of others locally and outside.
- 'Communitization' is an integral part of NRLM. Communitization strategy is a paradigm shift in program implementation, reiterating the Mission's enormous faith in the capacity of the poor women. Community Institutions eventually will drive NRLM Program and the SRLMs would facilitate the process such that the community institutions will manage their own institutions, over a period of time. The community institutions will take services of their community cadre. To achieve this vision, NRLM needs to build the capacities of the institutions – including SHG members and leaders, their federations as well as the community cadre.

1. Capacity Building Needs – SHG members and leaders, their Federations and Community Cadre

Capacity Building Needs

- Certain capacity building needs (around the NRLM foundation – forming, federating and financing institutions) are common across SHG members and leaders, their federations, community cadres and staff. The degree/intensity of capacity building for these constituencies may differ.
- Accordingly SHG members and leaders, their federations, community cadres and SRLM staff must receive thorough inputs on institutions, their need, roles, progression over 10 years and other aspects. The mission staff must be trained on gender sensitization too.

- Perspective/vision building at all levels is necessary to build ownership of the work among the staff. Similarly, vision building exercises for the community institutions would help them develop a sense of ownership for their institutions.
- Seven areas of training are of chief importance for staff and community cadres: bookkeeping, micro-planning, participatory skills, direct training skills, leadership skills, management skills and visioning/planning skills.

Community Institutions, Members and Leaders

- Deep, intense, one-to-one engagement of NRLM is necessary for transformation in the community. Capacity building must go beyond mere skills transfer and result in behavioural changes in the members of the SHGs. This is best done through community resource persons, community cadres and leaders of SHGs and federations.
- The SHGs must be oriented to fulfill the various roles expected of them right from the beginning. Besides training on *Panch Sutra* and on running a group, emphasis must also be laid on social and collective action.
- Ownership: Every SHG must have a Vision for itself and a plan to achieve this vision.
- Universal capacity building modules would standardize practices, but erode contextual needs. States must strive to contextualise modules and capacity building methods. This could begin by making training material made available in local language and must be contextualised to suit local context.
- Longer duration training and more intensive engagement is necessary for extremely vulnerable and marginalised communities.
- Continuous capacity building of the institutions is necessary to ensure that fundamental principles and norms of self-help and mutual cooperation do not erode over time.
- Capacity building of the SHG members must go beyond thrift and credit, it must lay emphasis on conflict management, social action (health, gender, food security, and education), convergence mechanisms and leadership skills.
- Bookkeepers must be rigorously trained in the accounting practices of the SHG and federations. Updated books, accurate entries and transparency should be the guiding factors of bookkeeper training.
- Besides bookkeepers, the SHG members also must be trained in the basics of SHG bookkeeping. They must know how to read the books and understand

the financial health of the SHG. Simplifying bookkeeping practices in the SHGs would help this process.

- Planning skills – participatory planning, micro planning, household level planning, village level planning, enterprise planning - is another important aspect of community capacity building.
- For making micro-plans (for livelihoods enhancement and action), the community members, leaders, cadres and staff need to be oriented to participatory poverty, vulnerability and livelihoods assessment.
- Livelihoods training – skills, marketing, planning, value-chain analysis *etc.*, are required as and when the specific livelihoods activities get initiated.
- Based on the micro-plans at Households, SHGs and SHG Federation levels and pooled up at higher levels, the members could be offered various trainings/skills for improving the capitals, productivity, value-addition and returns from the livelihoods activities. Expenditure reduction and risk reduction should also be the focus.
- NRLM must empower the SHG members to grasp the dynamics of local social and political contexts and cope with the changing needs in general and in the livelihoods context in particular.
- SHGs must be able to take up social action.
- Capacity building on self-reliance and sustainability of institutions to prepare them in a scenario where NRLM/external triggers/support do not exist.
- At present, there is a dearth of community cadre/resource persons to fully meet the capacity building needs of the community.

Community Cadre

- The community cadre must be selected by the community itself. Engagement criteria for community cadre must be clearly laid out by the community institutions themselves and should be transparent. Critically, candidate's willingness to work and accountability to the institution(s) and attitude towards the community must be the deciding factors in their selection.
- Community cadre must be proficient in the 3R skills (reading, writing and arithmetic).
- Their facilitation skills – forming institutions, strengthening institutions, *Panchsutra*, bookkeeping, systems in the institutions – must be developed.
- Shaping the attitude/behaviour of the cadres holds the key to forming a sensitive internal support structure. Capacity building of community cadres

must ensure that they inculcate faith in the capacity of SHG members and their federations to be able to think, plan and implement.

- Mentoring, continuous handholding of community cadres is a required cushion to keep their motivation levels high.
- Community cadres must be trained to be trainers. Continuous, rigorous training of trainers' programmes should be designed and implemented towards this end.
- Planning skills – work planning, business planning, area plan, microplanning and appraising the plans also necessary. Microplanning would involve mapping the current reality of the households and the village community in terms of their capitals, livelihoods activities, trading-in and trading-out, seasonality, market situation, marketable skills, market demands etc. Appraisal would also involve assessing the costing and feasibility of the activity.
- There is a need to evolve performance milestones (growth milestones) for SHGs, household, village, cluster and block.
- Some cadres may start off by fulfilling generic roles, but as they mature, their skills must be identified and groomed. Cadres must evolve into specialist cadres, providing specific services to the community.

SRLM Staff

- The present gender imbalance in SRLM staffing is a matter of concern. Gender balance must be maintained at all levels.
- The staff at all levels should be generalists initially and they need to go through rigorous induction. It should include 30-45 days individual village stay, 15-30 day CRP round attachment, attachment with cutting-edge staff, and exposure to best practice site(s). It must include induction on fundamental principles of NRLM, processes in NRLM including 10-year processes/results for Household (HH), SHGs, SHG Federations and Block and Gender sensitisation.
- Skills in bookkeeping, micro-planning, facilitation, participatory, direct training, gender sensitization, leadership and management (self, team and project) are core capacity building areas for staff.
- Cultivating a pro-poor, sensitive attitude/behaviour in the SRLM staff is crucial to effective handholding to the community.
- Gender sensitivity among mission staff is critical and capacity building should take care of inculcating this

- Capacity building should aim at bringing open market professionals and government personnel on the same plane.
- As part of the capacity building of the community, cadres and cutting-edge staff, the staff need to stay (in the nights) and spend majority of their time in the villages, to demonstrate the processes and nurture them. This should be non-negotiable.
- De-selection of staff who fail to meet non-negotiable principles such as village night stays must be strictly practiced.
- CEO of the SRLM must lead by example in terms of attitude and behaviour towards the community, their institutions and cadres.
- Staff must cultivate the skill to unlearn and relearn.

2. Capacity Building (CB) Architecture

- Apart from the mandatory generic induction, Training needs assessment for each staff member must be conducted annually directly, through performance management system or otherwise. The staff should also suggest what capacity building they require. A plan to meet these needs must be prepared and implemented. Customized training programmes may need to be developed. Custom-developed Management Development Programmes may also be accessed.
- Systematic and structured training programmes must be designed. They must be conducted in phases and at regular intervals.
- Capacity building must be a mix of classroom training, fieldwork, attachment, mentoring, demonstration, videos, self-learning activities among other things.
- SRLMs should partner with institutions within the state for developing training modules, IEC material, identifying and engaging resource persons, and training infrastructure.
- Convergence with local government, line departments and local organisations for training infrastructure and resource persons.
- List of resource persons in the resource pools at various levels and capacity building agencies to be built and continuously enhanced. SRLMs may not have the capacity in-house for all Capacity Building Needs. They need to engage suitable resource persons on a regular basis. Systems and mechanisms need to be built for the same. Resource pools must also be built at block and district levels to meet local capacity building needs. However, in the quest of engaging resource persons and agencies, SRLMs must ensure that capacity building remains an internal function and they should be in-

charge. **Capacity Building could not be outsourced fully to any resource person or agency.**

- Resource teams consisting of NMMU members, NRLM Cells in NROs and national resource persons would guide the states in meeting their capacity building needs and achieving self-reliance in capacity building.
- A database of resource sites in the country needs to be created. Further, a repository of resource materials should be built and made readily available to all players in capacity building. Man than network (managed by XIMB) is doing good work in this direction.
- All major workshops and particularly the Annual NRLM Writeshop should be followed up with 'Echo Writeshops' at different levels to ensure the essence of the consultations is conveyed to all staff and each opportunity must be used to reinforce NRLM values and philosophy.
- There must be space for 'ventilation' for staff and community cadre. This could be made possible by arranging retreats, breaks and other team building exercises.

3. Action Points

a. For SRLMs

- Preparation of Capacity Building plan by SRLMs at Block, District and State level, as part of Annual Action Plans. There must be a clear timeline for implementation of this plan in the Annual Action Plan (AAP).
- SRLMs should avail the services of NRO, NMMU, external resource persons and agencies, to develop and implement a clear cut Capacity Building framework (for staff, community cadres and institutions) including, training modules, training calendars and other training material.
- Each SRLM to identify local resource persons and create local resource pool at block, district and state level.
- Identification of existing infrastructure available at the block/district for conducting the training.
- Capturing capacity building indicators in the MIS.

b. For NMMU

- Establishment of learning forums like HR forum, CEO forum etc.
- Compilation of existing resources and making them available to SRLMs

- Creation of model modules for capacity building of community and staff.
- Creation of an e-forum to continue the discussion on capacity building.

Annex-7
CBOs as Capacity Building Agencies

File: J-11013/03/2014-NRLPS
National Rural Livelihoods Mission
(Ministry of Rural Development)

O/o NRLM
6th Floor, Hotel Samrat
Kautilya Marg, Chanakyapuri, New Delhi
Dated: 23rd January, 2015

To
State Mission Directors/CEOs
All State Rural Livelihoods Mission

Sub: Assigning Status of Capacity Building Agencies (CBAs) to mature Community Based Organizations (CBOs) under the Framework for Partnership with Capacity Building Agencies (CBAs)

Dear Sir/Madam,

1. As you are aware, the Ministry in the year 2012 formulated **Framework for Partnership with Resource Organizations under NRLM** and identified/recognized 6 national level resource organizations under national partnership framework (SERP-Andhra Pradesh, BRLPS-Bihar, Kudumbashree-Kerala, PVP-Tamil Nadu, EGMM-Andhra Pradesh and NIRD-Hyderabad) which have significant expertise in managing capacity building and livelihoods programs. The objective of this framework was to strengthen implementation capacity of State Rural Livelihoods Missions (SRLMs) and other implementing partners of NRLM by arranging technical assistance and implementation support of the resource organizations.

2. Accordingly, the State Governments were informed to utilize the service of these NROs in implementation of crucial components of NRLM in their state. Many States have used this framework and have entered into partnership with the above NROs for variety of purpose under NRLM. In addition, it was also informed to the State Governments that, apart from these NROs, any Central Government promoted national level institution having formal collaboration with accredited Community Based Organizations (CBOs) with a network of Community Resource Persons (CRPs) and Project Resource Persons (PRPs) can also be considered as Resource

Organization to have partnership with State Rural Livelihoods Missions (SRLMs) in implementation of Resource Block Strategy.

3. The Ministry has also formulated the **Framework for Partnership with Capacity Building Agencies (CBAs)** with the objective to strengthen implementation capacity of SRLMs and other implementing partners of NRLM by arranging capacity building, technical assistance and implementation support from CBAs that have significant expertise in training and capacity building. This framework was sent to all the states vide Letter No. K 11-038/3815/2013 dated 6th August, 2014 (copy enclosed).

4. Most of the states have set up SRLMs and they require large scale mentoring, handholding, capacity building, training and technical support to upscale the implementation of Resource Block Strategy and also the effective implementation of various other components of NRLM. The SRLMs and existing NROs have raised this issue, in the 3rd Annual Writeshop held at Hyderabad from 12th to 17th Nov. 2014, and it was recommended that mature CBOs who are presently providing support for implementation of Resource Block Strategy through NROs in various states may also be considered as Resource Organization or as Independent Support Organization (ISO). The SRLMs should be able to enter into MoUs with the CBOs directly. This will ensure that the increasing demands from the SRLMs can be met more effectively and efficiently.

5. In order to include mature CBOs as Capacity Building Agencies (CBAs) under NRLM the following changes have been made in the Framework of Partnership with CBA.

6. Para 7 of the Framework provides that only CBAs registered under Section 12A of the Income Tax Act would be engaged under the partnership arrangement. This condition has been waived in the case of five CBOs given below.

7. The following five mature CBOs who have been providing implementation support in Resource Blocks of SRLMs under the aegis of SERP AP and SERP Telangana for more than two years have been empanelled as CBAs in the first instance:

- (i) Ananta Mahasamakya, Anantapuram AP,
- (ii) Godavari Mahasamakya, East Godavari AP,

- (iii) Orvakal Mandala Podupulakshmi Ikya Sangham (OMPLIS), Orvakal, Kurnool AP,
- (iv) Orugallu Maha Samakya, Warangal, Telangana.

8. In addition, the Social Mobilization Development Foundation (SMDF), Andhra Pradesh (AP) which is CBO formed recently by Anantha Maha Samakya, (at Sl.No. (i) above) and Godavari Maha Samakya, (at Sl.No. (ii) above) with the membership of 14 existing Mandal Samakyas who are the constituent members of Anantha Maha Samakya and Godavari Maha Samakya, SMDF is a society registered under Andhra Pradesh Societies Registration Act of 2001. In SMDF there is a team of highly experienced professionals in the thematic areas of Social Mobilization, Institution Building, Capacity Building, Financial Inclusion, Livelihoods *etc.*, to provide professional services support to the partner SRLMs for implementation of the resource block strategy and other expansion programmes under NRLM partnership framework, SMDF has also been empanelled as CBA.

9. The list of activities to be performed by the CBOs under the partnership arrangement for implementation of Resource Block Strategy and other services, in addition to the already existing list of activities in the framework, is enclosed (*Attachment-1*). this list of activities is not exhaustive and may also cover other activities meeting emerging needs of SRLMs which can be decided through mutual consultations.

10. Under this Partnership Framework, the SRLMs will have the flexibility to have bilateral MoU directly with CBO or Tripartite MoU along with SMDF. SRLMs will also have the option to have MoU with two CBOs or enter into a Tripartite MoUs with SERP-Telangana, or SERP-AP as third party, apart from the CBOs.

11. The MoU would be for such tenure as decided by SRLM to enable their own blocks to not only achieve saturated coverage but also emerge as Capacity Building Agency for the newer blocks of the state.

12. As already provided in the Partnership Framework, the SRLMs will make payment to CBOs on the basis of actual expenditure incurred as per the approved unit cost norm. The protocols for the financial arrangements prescribed in the Framework such as submission of Utilization Certificate/Audit Report *etc.*, would apply to the CBOs.

The SRLMs willing to have partnership with the above CBOs in implementation of Resource Block Strategy may discuss with these CBOs directly and accordingly plan in this regard.

Yours sincerely

(T.Vijay Kumar)

Additional Secretary (RL)

Copy to:

- (i) PPS to Secretary (RD), Ministry of Rural Development, Krishi Bhawan, New Delhi.
- (ii) PPS to Special Secretary (RD), Ministry of Rural Development, Krishi Bhawan, New Delhi.
- (iii) Social Mobilization Development Foundation (SMDF), Andhra Pradesh (AP).
- (iv) Ananta Maha Samakya, Anantapuram AP.
- (v) Godavari Maha Samakya, East Godavari AP.
- (vi) Orvakal Mandala Podupu Lakshmi Ikya Sangham (OMPLIS), Orvakal, Kurnool AP.
- (vii) Orugallu Maha Samakya, Warangal, Telangana.
- (viii) All concerned sections of NRLM Division.

Attachment-7.1

List of Activities to be Performed by the CBOs

1. Conducting immersions and training to SRLM project staff, Govt. Officials Community members and Community staff in the SERP project area from the Resource Blocks.
2. Conducting Immersions, trainings and exposure visits to Bankers and Line Departments from the Resource Blocks.
3. Deployment of high quality CRP teams and their continuous services in the resource blocks.
4. Deployment of high quality Sr. CRP teams and their continuous services in the Resource Blocks.
5. Deployment of high quality PRPs and their continuous services in the resource blocks.
6. Introduce community based monitoring mechanism in the Resource Blocks at SHG, VO and CLF level and the SRLM will monitor.

7. Provide support to SRLM in identifying and training of active women as internal CRPs (through external CRP and PRP) and handhold them till they gain skills to work as external CRPs in other blocks/districts of SRLM.
8. Provide support to SRLM in identifying and training Resource Book Keepers and MCP trainers to strengthen the community based institutional mechanisms in the Resource Blocks.
9. Assist the SRLM to design various training modules in social mobilization, institution building, financial inclusion and livelihoods.

Annex-8

Guidance Note on RF and CIF to SHGs and VRF to VOs

1. Background: Under the intensive Social Mobilization approach, once the poor Women are organized into their own institutions, they need to be supported with resources to meet their felt needs. These needs include consumption needs, redemption of high cost outstanding debt, livelihoods enhancement and other priorities like education, health etc. Some of these needs would be met if they are provided with: Revolving Fund (RF) to SHGs and Community Investment Fund to Village Organizations. In the Resource Blocks, a good number of SHGs adopting 5 principles of Model S.H.Gs, the '*Panch Sutras*' have emerged. These SHGs have also positioned trained Book Keepers for writing their books.

2. Revolving Fund to the SHGs

2.1 Savings is a small fund regularly contributed by the members, to lend to each other within the S.H.G to meet the urgent household needs of members. As the age of the group increases this savings and accumulated interest develops into a S.H.G corpus and it belongs to all the members. It creates a deep ownership on that fund. To accelerate the process of internal lending and increase the size of the corpus, the Revolving Fund is thought off as a mechanism in the development of SHGs.

2.2 The criteria for provision of Revolving Fund to SHG –

2.2.1 It is a S.H.G of women from *poorest of the poor* and *poor* households as its members. Priority should be given to S.H.G s of the poorest of the poor.

Note: In case of Persons with Disability and elderly, the SHG can be of women, men or both. The size of the S.H.G can be a minimum of 5.

2.2.2 The SHG should have been practicing '*Panch Sutra*' for the last 3-4 months (15 weeks):

2.2.3 The members' attendance in the group meetings is at least 90% and above.

2.2.4 Members are saving regularly as per the agreed norms.

2.2.5 There is a regular internal lending of savings to the members for their small needs.

- 2.2.6 These loans are regularly recovered, maintaining at least 95% recovery at S.H.Gs level.
- 2.2.7 A trained Book Keeper is engaged by the group and books (Meeting minutes book, Savings cum attendance register, Cashbook, Loan ledger and Member's pass book) are written in the same group meetings.
- 2.3 The group has opened an SB Account in any Bank Branch.
- 2.4 All the members of the group have received **three days member level training** on SHG concept, group management and *Panch Sutras*.
- 2.5 A commitment from the group that the Revolving Fund will be utilized for internal lending to the members along with savings.
- 2.6 After the provision of Revolving Fund also, the group agrees to continue *Panch Sutra*, good management and financial norms in its meetings.
- 2.7 Every SHG satisfying the above criteria may be provided with a Revolving Fund of Rs.10,000-15,000/- by the State Mission directly into the group's Bank Account. There should not be any delays in the release of RF and clear service standards should be specified for each of the structures of S.R.L.M. **Within one month of the day of submitting request by the S.H.G, the R.F should be released to the eligible SHG by the SRLM.**
- 3. Community Investment Fund (CIF) to SHGs through Micro Credit Plan (M.C.P) mode**
- 3.1 HGs adopting '*Panch Sutra*' and following good management and financial norms and demonstrating proper use of savings, and Revolving Fund (wherever the S.H.G has received R.F), need to be supported further with provision of CIF through Micro-credit Plan (MCP) mode for enlarging their opportunities for livelihoods and various other social needs. This would enable members of the SHG to access loans and undertake income generation activities individually as per the Micro Credit Plan and increase their incomes.
- 3.2 Eligibility criteria for an SHG to access CIF loan through MCP process –
- 3.2.1 It should be an SHG of women from poor and poorest of the poor households that has been following '*Panch Sutra*' at least for the last 6 months (26 weeks or more).
- Note: In case of Persons with Disability and elderly, the SHG can be of women, men or both.*

- 3.2.2 It should have regular internal lending of savings and Revolving Fund to the members by small loans for the last 6 months.
 - 3.2.3 It should have developed its Participatory Micro-credit Plan, duly following the seven step process.
 - 3.2.4 It should give a commitment that even after receiving CIF loan through MCP Process, the members of the group will run the management duly adopting *Panch Sutras* and good management and financial norms.
- 3.3 Every SHG satisfying the above criteria is eligible for CIF loan through MCP Process.
- 3.3.1 However, SRLM would directly release CIF to SHGs that have completed six months of weekly meetings as a purely interim measure till the VO and CLF are formed and become operational. SHG would submit its MCP duly following the seven step process to the loose forum of Village Organization (forum of leaders of SHGs in the village) for its appraisal, if the VO is not formed. On the basis of appraised MCP and recommendation of VO, SRLM would release the CIF to the SHG as a loan for it to implement the MCP.
 - 3.3.2 Where V.O is formed, the Executive Committee of the VO would do the appraisal (in the presence and/or support of DMMU representative). The SRLM will then release the amount to VO based on a set of triggers like enrollment of at least 5 SHGs, opening of bank account, etc. Then the VO will get a dose of CIF to be lent to SHGs against MCPs. The SHGs have to repay the installments to the VO and the VO will park the installments payable to the CLF in the V.O's Bank account initially and later on when the CLF is formed, the installment amounts will be transferred to the CLF account.
 - 3.3.3 If CLF is formed, CLF would receive bulk CIF (seed capital) and the CLF in turn would sanction and release the amount to the VO for lending to SHGs on the basis of the appraised MCP.
- 3.4 The SHGs which have completed six months of weekly meetings, but not received Revolving Fund nor CIF through MCPs so far shall receive Revolving Fund and the CIF amount through MCP simultaneously without any further delay. The Revolving Fund is released as a grant to the S.H.G, where as the CIF is a group loan to the SHGs directly through MCP Process. This would enable the SHGs to utilize Revolving Fund for small consumption needs and

the group loan through CIF will enable the SHG members to utilize the funds for food security, income generation activities and other social needs as identified and prioritized by them.

- 3.5 It is suggested to the State Missions that an SHG may be provided CIF ranging from Rs.75000/- up to Rs.1,10,000/- as CIF loan through MCP process so that about half of the members of SHG on priority and on rotation access at least Rs.15,000-Rs. 20,000 loan per member for undertaking interventions in the MCP. *(Note: The upper ceiling is based on the successful experience in Rajasthan SRLM which is providing Rs. 1,10,000 as CIF per SHG)*

The SHG should be facilitated to give priority to the poorest of the poor and most vulnerable members within their SHG in accessing the loans. These limits (quantum of CIF) could be revised by Cluster Level Federations based on their experience, and demand for CIF loans.

Notes: a) *The CIF will be provided directly to those SHGs which were either newly formed during the CRP round or revived during the CRP Round.*

b) *It is expected that there will be 5-8 such SHGs in a village. The SHGs formed subsequently by the “Women Activists” or the VO will receive CIF through the VO. This will be the recycled C.I.F (repayment by earlier SHGs to the VO) or the funds coming to the VO from the CLF.*

c) *With regard to the repayment of CIF given to SHGs of Persons with Disability and elderly, they can repay to Village Organization as they are part of VO.*

- 3.6 With the help of PRPs every month, the list of eligible SHGs are to be finalized based on the revised guidelines and the eligibility criteria and the State Missions shall release the funds for RF and CIF to the SHGs’ Bank accounts directly. The PRPs and CCs shall attend the meetings of SHGs and facilitate the process to ensure that the RF and CIF through MCPs are fully utilized for lending to the members without allowing the funds to remain idle in the Bank Accounts. Once the funds are released, the grounding at the SHG level shall be completed within a week positively. The PRPs and the CCs/ACs are personally responsible to ensure fulfillment of the above guidelines relating to identification of eligible SHGs and utilization of funds immediately after release to the SHGs by the State Missions.

- 3.7 Eligibility criteria for aVO to access Vulnerability Reduction Fund(VRF):- VRF is a Revolving Fund given to VO and it will reside in the VO as VO permanent fund which will not be returned to CLF. The objective of VO is to enable VO to address the vulnerabilities in the village (food insecurity, health risk, VO level collective action for addressing any social issues, provide assistance or care for those who can't be supported through SHG). VRF is a replenishable amount at the VO level. VRF is one of the important sources for capitalization of VO. The criteria for accessing VRF:
- 3.7.1 The age of the VO should be at least 6 months old
 - 3.7.2 All SHGs enrolled in the VO shall be following *Panch Sutras*
 - 3.7.3 VO should have its building (own/rented) for conducting its meetings
 - 3.7.4 All VO members should have received VO formation training and VO EC members have undergone VO management training
 - 3.7.5 VO should have its own bank account and have accessed VO start-up cost for procuring infrastructure required for smooth conduct of VO meetings
 - 3.7.6 VO shall be holding regular meetings with fixed agenda
 - 3.7.7 VO should have engaged a trained bookkeeper to write its records and proper maintenance of VO records
 - 3.7.8 CIF and Bank linkages recovery in the SHGs should have been 100%
 - 3.7.9 VO access VRF by submitting a proposal/resolution with specific activities identified and target families to be covered with the VRF.

Since the VRF is meant for social needs, the repayment terms can be softer. The number of installments can be more and the interest rate can be less than what is charged for the CIF loans. In deserving cases, there can be a moratorium of 3 months on repayment of principal and interest.

- 3.8 **Entitlements to the CBOs:** With regard to the entitlements of project funds to various tiers of the community institutions (SHG-VO-CLF), following is the provision under NRLM:

S. No	Entitlement	Amount in Rs.	Operational arrangement
1	Revolving Fund to SHG	Rs.10,000-15,000/-	This is a permanent fund of the SHG. It shall reside in SHG and be used for inter-lending within SHG.
2	Community	Rs.1,10,000/-	This is a long-term loan given to SHGs.

S. No	Entitlement	Amount in Rs.	Operational arrangement
	Investment fund to SHG		The SHG to repay the loan to VO and VO to CLF as per the installments and interest rate fixed by the CLF. Although SRLM will release CIF to SHGs/VOs in the absence of CLF, once CLF is formed it will recover the CIF from SHGs/VOs in long term installments. CIF amount will permanently reside in CLF who will function as custodian of CIF. CLF will ensure proper utilization and rotation of CIF to cover new SHGs on first priority and later on the remaining SHGs on demand basis.
3	Vulnerability Reduction Fund	Rs.1,50,000/- to each VO	Like Revolving Fund to an SHG, this is a Revolving Fund to a VO. It will reside in the VO and will not be repayable to CLF. This amount will be used for addressing the felt social needs of the VO. This money will reside in VO as its own corpus and is used for lending to SHGs at flexible terms.

One important aspect of the provision of entitlements to CBOs is that in case of SC/ST and Persons with Disability, 50% more funds can be given. In case of Particular Vulnerable Tribal Groups (PVTG), this entitlement will be doubled (100% more).

- 3.9 The purpose of provision of above entitlements to CBOs is to smoothen their consumption and investment needs and demonstrate financial soundness to attract credit from the mainstream banking system besides achieving financial self-reliance and sustainability. Hence, all SRLMs are required to take up suitable measures for building the human and institutional capacity to internalize and manage these entitlements in an effective and efficient manner.

Annex-9

VRF and VRP Protocols

Vulnerability Reduction Fund is a fund (corpus fund) given to Village organisation (Primary level federation at Village level) to address vulnerabilities like food insecurity, health risk, sudden sickness/hospitalization, natural calamity, *etc.*, faced by the household(s) or community. The purpose of VRF is to address the special need of vulnerable people, SHG members with vulnerabilities and also the needs of any destitute/non-members in the village. It can be used for an individual need or for collective action.

VRF Amount

VRF is part of Community Investment Fund (CIF). The amount of VRF to each VO is determined by the number of members in the SHGs (@ Rs. 1500/- per members; for SC, ST, and other vulnerable members, this is @ Rs. 2250/- per member; for PVTGs, this can go up to @ Rs. 3000/- per member). Mission provides VRF to VO/Primary Level Federation in two installments:

1. **Installment I – up to 60% of the amount.**
2. **Installment II – rest of the amount.**

Eligibility Criteria

Mission to VO for VRF- 1st installment

- a) Functional VO must have been in existence for 3 months and actively functioning (Bank A/c, regular meetings, Executive Committee in place, updated books of records *etc.*). *Separate bank account may also be opened for managing VRF, if required.*
- b) Trained VRF subcommittee should have been constituted and undergone VRF management training.

Mission to VO for VRF- 2nd installment:

VO should have –

- a) Successfully disbursed at least 60% of the amount of 1st installment to SHGs members, or other vulnerable people.
- b) Introduced 1-2 activities to address vulnerability like members' contribution towards VRF amount, ekmushtichawal by each SHG member of the village, providing assistance to people (orphans, elderly, destitute, etc.) who can't be supported by SHGs, etc.

Process of releasing VRF

1. Releasing 1st installment of VRF from SRLM to VO:

- a) Eligible VO to make a demand for release
- b) Amount should be released to VO within 7 days since the receipt of demand.

2. Releasing of 2nd installment of VRF from SRLM to VO

Eligible VO submits an appraised Vulnerability Reduction Plan (VRP) for their village, to CLF (to BMMU directly in the absence of CLF) and in turn CLF forwards to BMMU/DMMU

- VRP includes plan addressing special/particular needs of vulnerable people
 - Specific plans for Tribals, PVTG, PwD, Elderly and other vulnerable people in SHGs
 - Gender Action Plan
 - Food, Nutrition, Health and WASH(Water, Sanitation and Hygiene) (FNHW) Action Plans
 - Specific plan for Vulnerable destitute outside SHGs
- VRP is prepared in a participatory manner (VRP process and template is attached as attachment 1).
- VRP is appraised by CLF representatives at the VO itself (if CLF is not in place, leaders of other VOs or representative of loose CLF may appraise)
- VRF is released to VO within 7 days of receiving the demand, along with appraised VRP.

3. Releasing VRF to SHG/SHG members/non-members:

The release under VRF are in addition to CIF provided on priority for vulnerable people and to meet vulnerabilities.

VRF committee carries sufficient imprest amount as agreed by VO to meet emergency needs.

For Members

In case of Emergency (Accident, Sudden Sickness/Hospitalization, Death etc.,)

- i. Member(s) put up a demand to concern SHG as per need.
- ii. SHG recommends and immediately approaches to the VO Secretary and VRF Sub- Committee.
- iii. VRF Subcommittee (desirable all member of subcommittee) and Secretary VO analyse the extent of urgency and based on it, they may release an immediate relief upto Rs. 5000/- (*Indicative, as fixed by VO*).
- iv. In upcoming VO-EC meeting, concern SHG should present the case and VRF Sub-Committee seeks post facto approval.
- v. Based on assessment, VO- EC takes appropriate decision.

Other Cases

- i. Member(s) put up a demand to SHG as per need.
- ii. SHG appraises the individual request, consolidates the request at group level and submit the request to VO.
- iii. VRF subcommittee appraises the request and seeks VO's approval and release of the amount.
- iv. Once the funds are received at SHG level, SHG releases the amount to member(s) within 3 days.

For Non-Members

- i. Any non-SHG member of village who need support submits the request to VO with details of her/his family background, vulnerabilities (purpose) and amount required.
- ii. VRF subcommittee appraises the request within a day and seeks VO's approval.
- iii. Based on the appraisal, VO-EC may take appropriate decision, and release the amount with suitable terms.

For SHGs

In case of Collective action or group activities

- i. SHG puts up a demand to VO.
- ii. VRF subcommittee appraises the request and recommends to VO within 1-2 days.
- iii. Based on the recommendations, VO-EC may take appropriate decision, and release the amount with suitable terms.

For VOs

Direct spend by VO in case of a collective action or group activities, at the village level as per the VRF.

Norms for Fund disbursement

- i. The amount of VRF could be given as a grant to member or loan without interest or with low interest at the discretion of VO. *Funds accessed from other departments (as Vulnerability Reduction Fund) could be given as grant at the per discretion of VO.*
- ii. As decided by VO, VRF can be released in multiple installments and the interest rate can be less than what is charged for the CIF loans. In deserving cases, terms of repayment including moratorium may be suitably tailored at the discretion of VO.

Augmentation of VRF

- i. SHG members could contribute towards Vulnerability Reduction Fund or specific fund for Gender Forum, FNHW etc. The amount of contribution from each SHG/ SHG member may be decided by the VO/SHG.
- ii. VO may contribute some part of its surplus amount towards augmenting VRF at the discretion of VO.
- iii. As per the VRF, VO can seek support from *Panchayat*, other departments and other sources.

Attachment 9.1: Vulnerability Reduction Plan

Vulnerability Reduction Plan (VRP) is a participatory bottom-up plan of the Village Organization to capture and prioritize individual/collective needs of the vulnerable people and vulnerabilities of the SHG members in the village. These plans can also be aggregated at GP/Cluster/Block level for taking up/facilitating convergence with other departments.

1. Eligibility and pre-requisites for conducting VRP

- VO should be at least 6 months old.
- VO should have received 1st installment of VRF.
- Mobilized at least 80% of the vulnerable families.
- VO EC, Social Action Committee, Health Sub Committee along with VO-Activist, Gender Focal Person and Health Activist must be oriented on VRP preparation.
- **Updated VO profile** - updated by the VO Activist or Bookkeeper.
- **Updated list of vulnerable members** – updated by the VO Activist or Bookkeeper.
- **Member-wise Income and Expenditure statement** - For understanding the situation of vulnerable people, VO needs to prepare member-wise statement of Income and Expenditure. It helps the members to analyze their own patterns of income and expenditure so that the members can plan their investments and reduce their expenditures etc. During the first 3-5 months itself, this analysis can be done for each member of the SHG in the regular meetings of SHG, to appreciate each other's socio-economic situation. Active Women/Book Keeper could take up this facilitation process.
- The above 3 steps should be completed prior to VRP preparation. These processes should be facilitated by the VO Activist/ VO Bookkeeper and may be completed during the VO meetings itself within the first 6 months of the VO formation.
- Apart from the above 3 steps, a **vulnerabilities analysis of the village** should be completed by the members of the VO in the village and important stakeholders of the village. It should include the analysis of health, gender action, food security, issues of elderly, PwD and tribal, livelihoods of the vulnerable and special needs of the vulnerable.

2. VRP Process

- Facilitate the VRP process - by trained SHG Book-keepers, VO Activist, Health Activist (HA), Gender Focal Person (GFA), Active women, Community Trainer and/or Mission staff.
- Identify the vulnerable members based on the SECC data and other sources in their village.
- Complete the entire process in 10-15 days.

At SHG Level (3-4 days)

- Facilitate the identified vulnerable members of each SHG in developing their individual plans based on the village analysis and the income-expenditure analysis conducted earlier.
- Consolidate and finalize the individual member's plans at SHG level and add SHG group collective action plans in discussion with SHG members at the SHG level.
- Facilitate appraisal of SHG plans by VOs representatives from VO on the last day of the meeting with each SHG.
- Revise and finalize the appraised SHG level plans and submit to the VO.

At VO level (6-8 days)

- Facilitate plans for non-SHG members (assistance or care to those who can't be supported through SHG) prepared by VO Activist, HA, GFA and bookkeeper with the help of Active women and Community Trainers.
- Prepare action plans of Gender, Health, insurance, food security, elderly, destitute, PwDs, tribal and PVTG communities.
- Consolidate and finalize all the plans of SHGs, non-SHG members, village level collective action on Gender, Health, Insurance, Food Security, Elderly, Destitute, PwDs, Tribal, PVTG communities and Convergence into a consolidated VRP at the VO level. Include plans for augmenting VRF funds.
- Facilitate representatives from CLF/loose CLF attending the VO meeting and appraising the consolidated VRP (see Attachment 2). If CLF/Loose CLF is not there, the leaders of other VOs appraise the VRP.
- Revise and finalize the VRP based on the appraisal. The final appraised and approved VRP would be signed by the office bearers of VO, the appraising leaders and the facilitators.
- Record the VRP process in the minutes' books of SHGs and VO.

3. Post VRP Planning

- Submit the final VRP, along with the utilization of the VRP Funds already with VO, to the CLF/Mission (BMMU) for availing second installment of VRF.
- On receiving the appraised and VO approved VRP, the CLF/SRLM should release funds within a week.

Thereafter, every year Vulnerability Reduction Plan needs to be reviewed and a new VRP to be developed.

4. Augmentation of VRF Funds

- Mobilize contributions from SHG and SHG members towards Gender fund, health fund, vulnerability reduction fund etc.
- Facilitate VO to contribute some part of its surplus amount towards VRF
- Encourage VO to source funds from other resources through convergence.

Note: The above VRP process is indicative and SRLMs may revise it according to the suitability of the specific requirements of the state.

Attachment-9.2: Template for the VRP

Amount received as first installment of VRF						
Amount of VRF disbursed						
No. of vulnerable received VRF (Total)						
As grant						
As loan						
VO Name:		VO Profile			Y/N	
Village Name:		VO Member Profile			Y/N	
Gram Panchayat Name:		Member Income- Expenditure Analysis			Y/N	
Block Name:		Village Vulnerability analysis			Y/N	
Dates for Conducting VRP:						
SHG Members						
S. No.	Names of the Member	SHG Name	Total Amount reqd. (in Rs.)	Purpose	Other requirements ²	Sign. of the Members
1						
2						
3						
4						
5						
6						
7						
Total						
Non- SHG Members						
1						
2						
3						
4						
5						
6						
Total						
Details of Collective Actions:						
S.N	Activity	Name of SHG	Purpose	Amount required	Sign of leaders/	SHG VO

² Other requirements can be training needs, accessing pension, insurance, counselling etc.

²Collective action may include social action, support/care to destitute/elderly/orphan etc.

				Rs.)	leaders
	SHG Level				
1					
2					
	VO Level				
1					
2					
Total					

Details of Gender Action Plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Details of Food, Nutrition, Health and Wash Action Plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
3						
Total						

Details of Tribal and PVTG plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
-----	----------	-------------	---------------------	-------------------------	--------------------	-------------------------

	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Details of PVTG plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Details of PwDplan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
3						
Total						

Details of Elderly plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
	SHG Level					

1						
2						
	VO Level					
1						
2						
Total						

Details of convergence plan

S.N	Activity	Name of SHG	Purpose of activity	Amount required(in Rs.)	Other requirements	Sign of SHG/ VO leaders
	SHG Level					
1						
2						
	VO Level					
1						
2						
Total						

Any other Needs:

- ---
- ---
- ---
- ---

Plans to augment VRF

S.N	Items	Description
1.	Savings/Contribution from members	
2.	VO's Contribution	
3.	Convergence	
4.	Any other plans	

Signed by VO Leaders:

President/Leader 1:

Secretary/Leader 2:

3:

4:

5:

Appraised and approved by Other VO Leaders or CLF Office Bearers:				
S. N.	Names of the Leaders	Name of the CLF/ VO	Leadership Position	Signature
1.				
2.				
3.				
4.				
5.				
Facilitated by Facilitators and Mission Staff of SRLM involved, if any:				
S. N.	Name of the Facilitators/Mission Staff	Position	Signature	
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				

Annex-10 Registration of SHG Federations

NRLM mobilizes poor into Self-help Groups and their federations at various levels and nurtures them to be independent autonomous self-reliant organizations. While SHGs may continue as informal groups, registering SHG Federations provides them a status as independent, formal legal entities. National consultation (UNDP-NRLM Round Table held in 2014), on registration of Federations, concluded that a national legal framework may not fulfill the requirements for registration of SHG Federations and states should take lead in advocating for an appropriate legal mechanism for SHG Federations. Subsequent discussions with State missions and other external stakeholders, and the 4th Annual Writeshop concluded that registration of village/primary federations may not be mandatory, if these are not dealing with external world; however, registration of higher level federations - at the cluster and block levels - is a must, as they have to interact/do business with various outsiders including Banks, Market etc.

As registered bodies, the Federations acquire the status of a formal legal entity. This would in-turn invoke confidence the stakeholders who deal with these entities. Among other things, registered federations can: a) Hold property, b) Sue and be Sued, c) apply for exemption of tax under Income Tax Act, 1961.

However, registration of the Federation brings its share of responsibilities and compliances (such as filing of taxes, auditing, regular GB meetings, etc.) which the Federation must fulfill. Therefore, SRLM needs to facilitate the process of registration as well as train the Federation/its members in duly fulfilling the requisite legal compliances.

While none of the existing Acts fully meets the requirements of the SHG-Federation architecture, the Mutually-Aided Cooperative Societies' (MACS) Act (or its equivalent/variant in various states like Self-reliant Cooperatives' Act) is the most suitable law currently available for registration of SHG Federations. Companies' Act (Producers' Company) is the other. Other laws such as the Societies' Registration Act, with some Amendments (as in Tamil Nadu), Indian Trusts' Act, Mutual Benefit Trust Act etc., may also be used. *State-wise list of suitable Laws can be seen at Attachment 1.*

Steps to be taken towards registration of Federations include –

Initial Mission Activities, to be taken up immediately

- Organize a state-level consultation to discuss and identify the most **suitable legal framework** for registering SHG Federations; Advocate/develop a mechanism to lobby for appropriate Act or a suitable amendment in the existing laws (if there is no such legal framework available currently) to register Federations; In the interim or otherwise, identify the most relevant/appropriate Act for registration of SHG Federations in the state
- Customize *Indicative Model Byelaws* attached (*CLF Byelaws: Attachment 2; VO Byelaws: Attachment 3*).
- Develop and train state, district, block and community level resource persons to facilitate registration of federations and training/facilitating/supporting federations on compliances
- Sensitize/orient all Staff on Registering Federations, Byelaws, Compliances and Timelines

Registering Federations

A federation needs to be registered, at the earliest, within 3 months of its coming into being

The steps include –

- Develop understanding among all the members about the need for Registration of their federation, and about the Act.
- Conduct a start-up General body meeting with all the members
 - Present and discuss with members to finalize the model Byelaws suitable to the federation and its planned activities and business(es), making necessary changes
 - Make a resolution adopting the final customized Byelaws with the consensus of all members; electing/choosing founder members (for Registration); electing members of Executive committee (may be same as the initial Executive Committee of the loose/unregistered Federation); electing office bearers (may be the same as the OB of the loose/ unregistered Federation)

- including authorized signatories for opening and operating Bank account;
electing one founder for managing communication with Registrar
- Collect share capital and membership fee from the founder members and deposit the amount in Bank.
 - File application, along with the above resolution(s), signed byelaws, details of share capital and membership fee collected and deposited, for Registration and Go through Registration Process with the Registering Authority (Registrar or her/his representative at the local level) under the Act

Steps on/after Registration include –

- Facilitate and orient/train the members, EC members, OB and Cadres of the Federation on various compliances, and facilitate/handhold the federation in ensuring compliances and operating within the framework of the registered byelaws
- Ensure that the Federation:
 - Receives the Registration certificate and Byelaws duly signed and stamped by the Registrar; Regular follow-up with Registrar for the same may be required.
 - Procures/places a signboard, letterheads, stamp, seal etc.
 - Displays Registration Certificate in the Federation premises
 - Has copies of Byelaws handy
 - Conducts Annual General Meeting
 - Conducts EC meetings as per the Byelaws
 - Maintains/keeps the books and record as required under the Byelaws
 - Files the required details of the membership, EC and OB; annual report on activities of the federation and annual audited accounts (if required) to the Registrar
 - Files Annual Audited Income Tax Returns
- Facilitate/support Visioning of the Federation, Annual Planning and rolling-out the plan

Attachment 10.1: States and their Suitable Acts for Registering Federations

Sl. No.	State	Recommended/Suitable Act for Registration of SHG Federations
States with Special suitable/Accommodative Act		
1	Andhra Pradesh	AP Mutually Aided Cooperatives Act, 1995
2	Bihar	Bihar Self-Supporting Cooperatives Act, 1996
3	Chhattisgarh	Chhattisgarh Autonomous Cooperatives, 1999
4	Jammu & Kashmir	Jammu & Kashmir Self Reliant Cooperatives Act, 1999
5	Jharkhand	Jharkhand-Self Supporting Cooperatives, Act 1996
6	Karnataka	Karnataka Fraternal cooperatives Act, 1997
7	Madhya Pradesh	Madhya Pradesh Autonomous Cooperatives, 1999
8	Telangana	Telangana Mutually Aided Cooperatives Act
9	Uttarakhand	Uttaranchal Self Reliant Cooperatives Act, 2003
10	Rajasthan	Rajasthan Cooperative Societies (Amendment) Act, 2013
11	Assam	Assam Cooperative Societies' Act, 2007
12	Gujarat	Gujarat Coop. Societies (Amendment) Act, 2011
Other States		
13	Tamilnadu	Societies' Act, with amendment
14	West Bengal	Cooperatives' Act, with amendment for SHGs
15	Arunachal Pradesh	Preference is to go for a Special Act; otherwise to be chosen with Consultations: Societies' Act (with Amendment), Cooperatives' Act (with Amendment), Trusts' Act or Companies' Act (Producers' Company)
16	Goa	
17	Haryana	
18	Himachal Pradesh	
19	Kerala	
20	Maharashtra	
21	Manipur	
22	Meghalaya	
23	Mizoram	
24	Nagaland	
25	Punjab	
26	Odisha	
27	Sikkim	
28	Tripura	
29	Uttar Pradesh	
Union Territories		
30	Andaman & Nicobar Islands	Preference is to go for a Special Act; otherwise to be chosen with Consultations: Societies' Act (with Amendment), Cooperatives' Act (with Amendment), Trusts' Act or Companies' Act (Producers' Company)
31	Dadra and Nagar Haveli	
32	Daman and Diu	
33	Lakshadweep	
34	Puducherry	

Annex-11

Protocol for Operationalizing COM

The Community Operation Manual (COM) outlines all interventions in NRLM. Revised model COM outline was finalized during the 4th Annual Writeshop at NIRD, Hyderabad. The SRLMs, resource persons and NMMU together discussed the strategies of implementation before incorporating them in this. The revisions brought about in the COM during this year's writeshop include:

- Universalization of social Inclusion and social development interventions
- Access to vulnerability reduction fund
- Simplified Micro Credit Plan
- Provision of insurance and other financial products through the institutions
- Sustainability of institutions

Based on the outline and the subsequent protocols in NRLM, the Model COM is now being shared with the states for adaptation. SRLMs may customize the Model COM according to their local context, preferably directly in their local language(s) and seek approval of SRLM EC/GB. The SRLM should **circulate** the approved COM among all SHGs and the Federations. Mission should ensure the internalization of the COM in the Mission staff as well as community institutions. To internalize the COM and the various elements contained in it, following steps are suggested to SRLMs:

- Organize a workshop on COM for VO and CLF representatives to orient on the COM and their suggestions for contextualization must be discussed and suitably incorporated.
- Adopt the customized COM, approved by SRLM EC/GB and circulate to all districts, blocks, federations and SHGs;
- Organize 1-day orientation to all SRLM staff at state level on COM to explain the elements in COM and COM's importance;
- Organize district-wise 1-2 day orientation to the entire district and block level (including CC/PFT) staff at the district level so that they understand COM and follow it;
- Make the COM, printed in local language, available to all SHGs, Federations and villages; Also, summarize the salient features of the COM into a printed handbook to be given to all SHGs;
- Make suitable arrangements for periodic revision and updation (preferably once in a year through a state level writeshop) of COM, as COM is an

evolving document; revised/updated COM and its summary may be shared with Community;

- Plan/incorporate Orientation on COM to Community Leaders during Senior CRP rounds and subsequent trainings;
- Discuss COM as part of annual action plan (AAP) preparation process at CLF and Block level, to facilitate its internalization; and
- Bring major changes/modifications, if any, after wider community consultations with VO and CLF representatives across the districts/blocks, to the next writeshop for updating the Model COM.

The process of operationalization of the COM may be started immediately to be completed in 2 months. State AAP may indicate the progress of the Mission in operationalising the COM.

Annex-12

FNH and WASH Interventions

Protocol for Successful Implementation and Monitoring

NRLM considers Food, Nutrition, Health and WASH(water, sanitation and hygiene) (FNHW) interventions as universal and facilitates them upfront. These interventions are intended towards:

- Sensitization of community, members, leaders, families and cadres on FNHW
- Behavioral change in terms of:
 - Correct food storage, cooking and eating practices, especially during pregnancy and for children less than 2 years of age,
 - Cooking only with iodized salt
 - Practicing daily hand washing at critical times.
 - Practicing menstrual hygiene.
 - Using toilets.
 - Adopting Safe drinking water consumption practices.
- Accessing food, nutrition, health and WASH entitlements and services, and
- Achieving adequacy in food, nutrition, health and WASH security for all families.

Sensitization

Campaign mode sensitization on FNHW of:

- All SRLM Staff at State, District and Block level on FNHW; by June 2016.
- Cadres, leaders, members of entire villages; by June 2016
- Cadres and Leaders in new villages within 3 to 6 months of entry
- Nodal officers of all Departments at Block, District and State and
- Refresher Drive after one year of this campaign

Action

At Village level

Facilitate –

- Village Organization (VO) to form Health Sub-Committee (HSC)
- VO to put FNHW agenda in SHGs and VO meeting

- VO to do visioning of SHGs and VOs to include Food, Nutrition, Health and WASH interventions.

Facilitate Village Organization to -

- Form HSC:
 - Within 3 to 6 month after the VO is formed constituting 3 to 5 members
 - Train them with the help of mission staff to initiate FNHW interventions in the village.
- Identify Health Activists and get them trained in FNHW interventions intensely as per the module.
- Organize/conduct FNHW campaign every 3 month.
- Provide funds/loan to implement vulnerability reduction plan (VRP)
- Make Vulnerability Reduction Fund (VRF) to be made available for Food, Nutrition, Health and WASH
- Take FNHW related vulnerability reduction plan (VRP) to *Gram Panchayat* (GP) and discuss with *Gram Panchayat* for inclusion in the *Gram Panchayat* Development Plan (GPDP)

Facilitate HSC/ HA to -

- Promote and encourage cultivation of home vegetable gardens to manage food shocks.
- Generate awareness on the importance of consumption of food rich in minerals and vitamins
- Generate awareness among children women, children and adolescent girls to consume IFA (Iron and Folic Acid) tablets.
- Generate awareness among children to consume Vitamin A Syrup provided during the Village Health and Nutrition Day (VHND)
- Inform villagers about next Village Health Nutrition Day (VHND) and support to organize it.
- Monitor all women and children on their due list to attend VHND.
- Facilitate/support on the need for Ante, Intra and Post Natal Care; Institutional Deliveries; and Post Natal Care.
- Ensure all children less than 2 years of age are completely immunized.
- Facilitate members to get enrolled in Rashtriya Swasthya Bima Yojana (RSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY).
- Ensure open defecation free (ODF) village.
- Engage AWWs (*Anganwadi Worker*)/ASHAs to roll out activities of FNHW.
- Develop AWWs/ASHAs as generic community resource persons (CRPs)

At Cluster Level: *Facilitate to* –

- Form Health Sub-Committee (HSC) at CLF.
- Ensure visioning of CLF to include Food, Nutrition, Health and WASH interventions.
- Ensure sensitization of all cadres, leaders and members
- Work with VOs to set up rural Sanitary Marts.
- Work with concerned departments of Education, ICDS, Agriculture, Horticulture, Animal Husbandry, and Forests
- Support in facilitating Vulnerability Reduction Plan (VRP) to include FNHW , its roll out and monitor
- Ensure VRF/VRP to be inclusive of FNHW

***Facilitate HSC to* –**

- Develop a FNHW plan including sensitization, behavioral change, accessing entitlements and services for the cluster and monitor the progress
- Help/support VOs to plan, roll out and monitor

Mission Activities:

- Facilitate immediate action in the next three months :
 - Recruit/designate anchor person at State.
 - Form trainer resource pool at State.
 - Form trainer resource pool at each intervention block
 - Develop customized training module and IEC material including posters, flip charts, videos etc.
 - Orient trainer resource pool of state and block on understanding of Aajeevika for 3 days.
 - Sensitize SRLM staff at state, district and block on FNHW for 4 days.
 - Train Health Sub-Committee (HSC)/Health Activist (HA) on Food, Nutrition, Health and WASH for 12 days.
 - Modify Community Resource Person (CRP) protocol appropriately to accommodate FNHW
- Implement training calendar of Health Sub-Committee (HSC)/ Health Activists (HA) immediately after trainer resource pool at Block is formed.
- Facilitate convergence with Department of Education, ICDS, Agriculture, Horticulture, Animal Husbandry, and Forests.
- Capture FNHW interventions in MIS and monitor

- Include plan of Food, Nutrition, Health and WASH in Annual Action Plan (AAP) and roll out its intervention in FY 2016-17.

Annex-13

Protocol for Gender Mainstreaming and Social Action

NRLM believes that gender sensitization and social action should be mainstreamed in its framework, systems, institutions and processes to achieve sustainable social, economic and political development. NRLM mobilizes poor women in general and also undertakes special mobilization efforts for reaching women in exploitative situations/ occupations (Single women, divorced, separated, survivors of violence, trafficked women, *devadasis*, HIV+ve women etc.) in particular.

NRLM focuses on building institutions which support women towards gaining:

- Identity: Positive self-image and dignity;
- Solidarity: Voice, Decision-making and feeling of not alone;
- Capacity: Knowledge, Skills , Resources and Ownership;
- Access :Rights, Entitlements and Services;
- Well-being: Livelihoods and Lives; and therefore
- Enhanced freedom and portfolio of choices

In this context, following are the protocols for gender sensitization at the level of Mission and community institutions in NRLM and Gender Social Action.

Gender Sensitization

SRLM takes up the gender sensitization of **Mission staff, Trainers, Community Cadre and Community (SHG members, Non-SHG members, girls, boys and men)** in a **campaign mode** as per the module developed and finalized by Mission, immediately. Specifically, SRLM to –

- Form Gender Resource Group/Pool at state, district and block level **by March 2016**.
- Finalize the Gender training material (manuals, handouts, case studies, posters, flip charts, songs, videos etc.) for gender sensitization of Mission staff, Trainers, Community cadre and Community (SHG members, Non-SHG members, girls, boys and men).
- Conduct training of Trainers.
- Develop State-wide Gender Sensitization Plan.
- Complete trainings of Mission staff, community cadre etc. **by June 2016**.

- *In existing villages, Gender Sensitization training of Community members and cadre should be done with an immediate effect (by June 2016). However, in new villages, Gender Sensitization should be done within 3-6 months of SHG formation.*
- *For new staff, Gender Sensitization has to be an integral part of initial induction/immersion.*
- Develop action plans to mainstream gender in all thematic areas.
- Prepare and make available a handbook of relevant public services and entitlements of women with processes, eligibility and grievance redressal mechanisms.
- Develop gender related indicators and integrate them into MIS for measuring outcomes.
- Make budgetary provisions for financial and human resources in the Annual Action plan.

Gender Social Action

A. Village Organisation Level

- Facilitate VO to form a Social Action Committee (SAC) within a month of VO formation having 3-5 members from SHG leadership.
- Facilitate VO to form a Gender Forum (GF - an informal body) at village level consisting of one member from each SHG to support and guide SAC. SAC committee members should also be the members of Gender Forum.
- **VO's responsibilities:**
 - a. Identify one person as **Gender Point Person** at VO level who is responsible for conducting training programs in the village.
 - b. Conduct trainings of SAC, Gender Forum, cadre, SHG members, adolescents, PRI members, *Anganwadi* worker, ASHA, ANM *etc.*, as per the module developed by Mission.
 - c. Develop a **Gender Action Plan** with the support of SAC and Gender Forum -
 - i. Conduct two days participatory **workshop-cum-meeting** at village level within 2 months of gender training.
 - *The participants include SHG members, other vulnerable non-SHG members, community cadres and Mission staff ;*
 - *Discuss existing social issues and gender issues in their village including*

- *Universal enrolment of children in schools*
- *Prevention of child marriage*
- *Participation of women in Gram Sabha*
- *Ownership of woman on assets*
- o *Add campaigns, melas, sammelans etc., to create awareness, celebration of Beti Mahotsav etc. in the Gender Action Plan;*
- o *Develop a draft **Gender Action Plan** for resolving the issues which should be integrated into the **Vulnerability Reduction Plan**.*
- ii. Finalize Gender Action Plan in the discussions with Gender Forum (GF), SAC and VO-EC
- d. Promote savings towards **Gender Fund**, augment it with other funds and tap **VRF**, if possible, towards some of social action elements (individual/collective action) as per the Gender Action Plan.
Expenses towards travel to block to access rights/justice, support for legal aid, continuing education, priority for support to survivors of violence should be met from gender fund as well as from VRF and other funds.
- e. Report preparation on progress of action taken as per the gender action plan and submit to CLF.
- f. Monitor the progress of reported cases.
- g. Prepare a database of the assets created and ownership in women's names singly or jointly- land, housing, livelihood assets such as equipment, livestock etc.
- h. Encourage SHG members to participate in the *Gram Sabha* and *Aam Sabha*.
- i. Review, support and monitor the work of SAC and Gender Point Person.
- **Social Action Committee (SAC)'s responsibilities:**
 - a. Develop a social agenda and gender pledge based on gender action plan.
 - b. Facilitate the Gender Pledge in every meeting of VO.
 - c. Facilitate the discussion on Social agenda and issues in all meetings of VO.
 - d. Maintain records of discussions in the meetings, issues received and action taken at VO level.
- **Gender Forum (GF) Members' responsibilities:**
 - a. Facilitate discussion on social agenda in all meetings of their respective SHGs and also record the discussion and resolutions taken in the minutes' book of SHG.

- b. Facilitate Gender Pledge in every meeting of SHGs.
- c. Meet once in a month in the Gender Forum to discuss the issues and actions taken up at SHG level.
- d. If any woman(SHG woman or otherwise) reports a case related to any kind of violence, or violence of rights or any other related issues -
 - *Register the case at VO level and support the woman to resolve the problem.*
 - *Provide counselling to the victim with the help of SAC.*
 - *Forward the case to CLF, if the case cannot be resolved at VO level.*

B. At Cluster Level

- Facilitate CLF to form a SAC within 3 months of formation of cluster level federation having 3-5 members from VO leadership.
- Facilitate CLF to conduct the meeting of village level Gender Point Persons and SAC members of the VOs on a monthly basis, and as and when required.
- **CLF's responsibilities:**
 - a. Review, support and monitor the work of SAC's in various VOs.
 - b. Monitor the planning process of Gender Action Plan preparation at VO and its implementation.
 - c. Monitor the work CLF's SAC.
 - d. Monitor the training programmes of community cadre and community.
- **CLF SAC's responsibilities:**
 - a. Develop an action plan based on the Gender action plan submitted by VO and seek support from Mission.
 - b. Run a '**call**' centre (to receive complaints and provide counselling to SHG members).
 - c. Resolve the cases received with the support of Gender Point Persons and VO SACs. If case is not resolved, they should approach the police station and a lawyer at cluster/block level. If necessary the case should be sent to the notice of the District Administration depending on the severity and nature of the case.
 - d. Maintain a record of discussions in the meetings, issues received and action taken.
 - e. Review all the cases on monthly basis.

In order to achieve Gender Action Plan at village level and/or consolidated plans at cluster level, Mission facilitates VO and CLF to converge with

relevant departments like Women and Child Department, Social welfare department, Police department, Education department, Health department, Agriculture department, Horticulture department, Animal Husbandry department, District Industries Centre etc. at all levels.

Annex-14

Protocol for Convergence

NRLM is mobilising the poor into their institutions. These institutions are expected to provide services to their members –savings, credit, livelihoods support and accessing rights and entitlements. To achieve increased access to their rights, entitlements, social service benefits, public services and other schemes.

NRLM facilitates community institutions to converge with PRIs, Block and district level line departments and offices. A list of entitlements and schemes is attached as ***Annex Table-14.1.***

The domains of convergent action include health, education, women and child development, agriculture, animal husbandry, creation of wage employment, creation of community assets, accessing credit for livelihoods and other needs, creation of water resources, etc.

Target Groups:

- Households for mandatory inclusion (Households without shelter, destitute, manual scavengers, PVTGs, legally released bonded labourers).
- Households with deprivation on any of the 7 criteria (only one room with *kuchha* walls and roof, no adult member, female headed household with no male adult member, disabled member and no able bodied member, SC/ST households, no literate above 25 years, landless households surviving through labour) as priority.
- Other vulnerable people/communities like PwDs, Elderly, PVTGs etc
- Households of the SHG members
- Other households as per eligibility criteria for accessing various NSAP and other benefit schemes.
- Their SHGs, Federations and other collectives

Steps for Comprehensive Convergent Actions include-

- Sensitise and train Mission staff on Convergence, Rights, Entitlements, Schemes, Convergence Processes etc.
- Sensitise stakeholders

- Develop and train Resource Pool and trainers at State, District, Block levels and community trainers.
- Facilitate to develop appropriate cadre and organizational mechanisms at Federation Level
- Develop locally relevant IEC materials on Rights, Entitlements, Schemes, Convergence and make them available to SHGs and federations.
- Develop CB plans and calendars for training (including sensitisation, exposure) members, leaders, cadres, village level/field level functionaries.
- Facilitate identification and planning for target groups as per the norms of Rights, Entitlements and Schemes.
- Initiate Convergence Planning in Blocks with one year implementation, 40% mobilization and presence of VOs, CLFs.
- Facilitate Participatory Identification of Poor / Participatory Poverty Assessment (PIP-PPA) tracking.
- Facilitate Vulnerability Reduction Plans (VRPs) in villages
- Facilitate GP and Block Convergence Plans, on a periodic basis.
- Encourage individuals to demand their Rights, Entitlements, and Schemes directly.
- Facilitate participation of SHG women in *Gram Sabha*
- Facilitate mainstreaming of *Panchayat* – SHG convergence
- Facilitate GP, Block, District, State, Convergence Committees to guide, support, review and monitor the progress on the convergence plans.
- Facilitate SHGs and federations to work with PRIs and convergence as a separate agenda in their regular meetings to discuss, review and monitor participation, planning, implementation and benefits by/to members. The agenda items may include - *Gram Sabha*, GPDP, Poverty free GP, MGNREGS-IPPE, Swatchh Bharat Mission, functional committees of GPs, Village Health Plan, ICDS, etc.
- Facilitate constituting a subcommittee or strengthen Social Action Committee (SAC) for the convergence, social inclusion and social development
- Facilitate SHGs and federations working with GP
- Assign/designate an anchor at State, District and Block levels to conduct/facilitate Convergence processes
- Take services from technical agencies or resource agencies to support convergence processes at State, district and Block levels
- Institute Review and Monitoring mechanisms at State, District, Block and Community levels on a quarterly basis.
- Take Convergence Plans and its progress into Reporting and MIS.

- Leverage funding within the SHGs, VO, CLFs funds, or at the GP level, other sources beyond Rights, Entitlements, and Schemes.

Specific protocols to work with PRIs is attached in **Annex Table-14.2**.

Annex Table-14.1

Major Schemes and Entitlements that could be achieved through Convergence

Sector	Key Areas	Schemes / Programs	Department
Health & Nutrition	HSC/SC/CHC VHSNC AWC PDS Mid-day meal	NRHM ICDS TPDS MDMS	Health & Family Welfare WCD Food & Civil Supplies Education
Water & Sanitation	Safe drinking water Toilets Drainage	SBM (G)	RWS / RD
Employment & Livelihoods	Wage Employment Self-Employment Skills SME Land Irrigation Agriculture & allied NTFPs Non-Farm	MGNREGA RSETIs, KVIC DDU-GKY, PMKY ITI, Polytechnics Land distribution Watershed Mission ATMA, KVK, MKSP, SVEP	Rural Development MSME Agriculture Technical Education Revenue Irrigation Forest Department Industry Department
Shelter	Housing	IAY (Housing for all)	Rural Development
Violence & Protection	Law & Order Domestic violence Prevention of sexual harassment Violence against SC/ST Child Labour & Rights Bonded Labour	Police Mitra Social Justice Committee Free legal aid NCLP / Child Marriage Bonded Labour Rehabilitation Scheme	Home Social Defence Social Welfare Women & Child welfare Tribal Development Labour Department/W&CD Labour Department
Social security	Pensions Insurance Maternity entitlement	NOAPS, RSBY, IGMSY (Indira Gandhi Matritva Sahyog Yojana), NSAP, Atal Pension Scheme	Revenue Finance Social Welfare Health
Education	Literacy Schools Vocational & technical education ST/SC Education	SSA, RMSA SC/ ST Pre & Post Scholarship Program	Education Social Welfare / Welfare
Financial services	Savings Access to credit Insurance	MUDRA, RMK, KCC, Interest subvention PMJDY, PMJJBY, PMSBY, RSBY	Finance NABARD RBI Banks
Infrastructure / community assets (road, energy, market, etc)	Roads Energy Markets Community Buildings	PMGSY, Village Haats RBMRS MGNREGA	Rural Development
Local governance	Grama Sabha Mahila Sabha	PRI, GPDP, IPPE-II IAP (Integrated Action	RD & PR

Sector	Key Areas	Schemes / Programs	Department
	GPDP	Plan), Poverty free GP	
Forest & Environment	Forest Protection and Afforestation. NTFPs	FRA (Forest Rights Act) NAP CAMPA	Forest Department

Annex Table – 14.2 Protocol for *Panchayat* – SHG Convergence

NRLM envisages that the SHGs and their village level federations shall work closely with the *Gram Panchayats* – to access rights, entitlements and schemes of the Government for their members and also to lend constructive support to the efforts of the *Panchayat* Raj Institutions (PRIs) for public good. As a result, NRLM envisages women asserting their rights for inclusion in the economy, for accessing resources, for addressing powerlessness and exclusion, for enabling participation and most significantly for realizing equity.

***Gram Panchayat* and SHGs and SHG Federations can work together in the following areas –**

1. **PRIs** could facilitate/support in social mobilization, institution building, Participatory Identification of Poor (PIP) and its endorsement in *Gram Sabha*, allocating resources to the priority demands of the SHGs and their federations in the annual plans/activities of the PRIs and Coordinating with different departments and agencies on behalf of the SHG network.
2. **SHGs and their Federations** could encourage their members to **attend the *Gram Sabha*** for placing their demands and needs. *Aam Sabha* of the VO conducted before *Gram Sabha* can discuss the needs and demands of the community and prioritize for placing before *Gram Sabha*. SHG federations need to participate actively in the functional committees of GP (if they are members/invitees), in planning processes and in community monitoring of implementation of projects by/through GPs.
3. Participatory ***Gram Panchayat* Development Plan (GPDP) and Planning for Poverty Free GP** need to have a clear integrated poverty reduction plan with a component addressing vulnerabilities of poor and marginalized people and their livelihood opportunities. For this, Federations need to have ready consolidation of SECC Data, MCP/MIP of their SHGs, Participatory Poverty Assessment (PPA)/Participatory Assessment of Entitlement (PAE)/ Participatory Poverty Tracking data and Vulnerability Reduction Plan(s) that meet the social development needs of the members individually/collectively. To ensure this integration, SHG Federations need to have space to actively participate in different meetings, functional committees and other forums of GPDP process such as 1. Identifying resource envelopes, 2. Environment generation, Situation Analysis and participatory planning, 3. *Gram Sabha*, 4. Projectisation, 5. Implementation of projects and 6. Community based monitoring etc. It includes

contributions from GP and provides stake to poor in infrastructure development, livelihood asset building and public utility services. It also provides direction for converging with all schemes and programmes beneficial to poor. GP and Federation make the demand on these programmes/departments.

4. With the same token, Federations need to participate in preparing work plan and labour budget for MGNREGS through **Integrated Participatory Planning Exercise (IPPE)**. SHG Members need to be encouraged to participate in *Gram Sabha* to facilitate suitable works identification (for livelihoods assets and wage employment) and job cards and availing work to the needy.

For this, Specific activities of *Panchayat* Raj Institutions may include –

1. Help social mobilization process of SHG formation by Identifying and mobilizing poor households with initial priority for poorest and most vulnerable amongst them;
2. Facilitate and support Federations of women to conduct Participatory Identification of Poor and Poverty Assessment/Tracking (PIP-PPA) and get endorsed in *Gram Sabha*;
3. Lease out *Panchayat* resources (like fish ponds, common properties, market yards etc.) to SHGs and their Federations;
4. Entrust SHGs and their Federations with responsibilities for managing select civic amenities, executing civil works, extension and outreach mechanism for delivery of services etc.;
5. Provide accommodation (office space etc.) and other basic facilities to SHG federation(s) and support them at various levels for their effective functioning;
6. Make suitable financial allocations to the priority demands of the SHGs and their federations in the annual plans/ activities of the PRIs;
7. Give priority to the demands of SHG federations in GPDP, MGNREGS etc.;
8. Coordinate with different departments and agencies on behalf of the SHG network.

For this, Specific activities of SHGs and their Federations may include –

1. Participate actively in *Gram Sabha* with consolidated demands agreed in *Aam Sabha*;
2. Participate in all functional committees of GPs and planning process of *Panchayats*;
3. Take up the service delivery responsibilities of GP by claiming appropriate fees;

4. Participate in community monitoring mechanisms of GP project implementation;
5. Work with GP for accessing the common resources of GPs (like fish ponds, vested land, common properties, market yards etc.) as livelihood base for SHGs.

For this, Specific activities of the SRLM may include –

1. Develop a local RPs/Local Resource Groups, well-versed and trained in all aspects of SHGs, GPs and different local planning exercises;
2. Develop a team of trainers at the Block Resource Cell exclusively to undertake such trainings;
3. Develop master trainers at District Resource Cell;
4. Develop and State Resource Team in association with PRD and SIRD.
5. Facilitate Training to all Federations and SHGs;
6. Conduct campaign(s) before each *Gram Sabha*;
7. Facilitate Sensitization and Information dissemination about schemes and entitlements and mobilization for *Gram Sabha* by using IEC materials – Poster, wall writings, Pam/leaf lets, etc.;
8. Develop and provide handbook (to SHGs and their federations) on *Gram Sabha*, rights and entitlements and planning process.
9. Train all community leaders on this planning process;
10. Train all elected representatives (especially elected women representatives) on NRLM and its functioning and importance on working together with SHGs;
11. Facilitate GPs and Federations for accessing the common resources of GPs (like fish ponds, vested land, common properties, market yards etc.) as livelihood base for SHGs;
12. Facilitate for placing appropriate convergence platforms at different levels –*Gram Sabha, wardsabha, pallisabha, etc.*, with the help of GPs and PRD. PRIs are already mandated to set up functional committees related to various subject areas such as health, sanitation, education, water, welfare, social security, etc. These functional committees/sub-committees need to have federation leaders as their members. This needs to be facilitated;
13. Facilitate setting up co-terminus levels of joint committees chaired by *Gram Panchayat* President and members from GP and SHG federations for planning, implementing and monitoring the convergence activities at GP level and getting maximum entitlements and demands SHGs placed;
14. Facilitate setting up Convergence Committees at Block, District and State level to guide, support, review and monitor the convergence agenda for the benefit of the poor;

15. Facilitate GPs and PR departments to provide independent space at the premises of GP office for federations to operate their office;

Annex-15

Framework for Working with Trafficked Women

NRLM envisages creation of empowered community organisations of poor women who can effectively access financial resources and converge government services for livelihood enhancement and poverty alleviation. NRLM further envisages that these empowered and self-sustaining organisations of poor women must be facilitated to take on issues exacerbating socio-economic deprivation, especially those related to gender inequity. Trafficking of women and children is one such grave issue which is now becoming increasingly visible in rural areas. Drawing from the directions of the Honorable Supreme Court (in CA no. 135/2010 in the matter of *Budhadev Karmaskar V. State of West Bengal*) to this Ministry in November 2012, it has been decided that NRLM shall undertake pilots in the area of prevention of human trafficking of women and children and rehabilitation of victims.

The United Nations defines human trafficking in persons as ***“recruitment, transportation, transfer, harboring or receipt of persons by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation”***³. States can be either source, destination or transit for men, women and children trafficked for purposes of forced labour, adoption, organ trade, commercial sexual exploitation and forced marriages. The actual numbers on trafficking in India are difficult to ascertain because of the clandestine nature of trafficking. Agencies involved in anti human trafficking estimate that of trafficked victims, 45% are children alone.

NRLM conducted a Consultative Workshop on Anti-Human Trafficking on 8th and 9th February 2013 at NIRD Hyderabad with Social Inclusion/ Social Development experts from SRLMs. Ms. Sunitha Krishnan, Founder, Prajwala – a leading anti-human trafficking organisation in India, and Ms Jamuna of SERP were invited as resource persons. Insights on the multiple dimensions of trafficking in India were shared, followed by detailed discussions and strategy planning on AHT pilots under NRLM. Following the consultation, the participants of the workshop briefly visited a rehabilitation centre for trafficked victims run by Prajwala in Hyderabad. Stakeholder workshops were held in Ranchi, in March 2013 at the initiative of the SRLM,

³United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime

Jharkhand (JSLPS), to outline possible areas of intervention, and in Bhopal under the joint initiative of the SRLM, MP and the State Police to look at conscientisation and areas of interface. Accordingly, based on the key learnings and outputs of these workshops, the following concept note is prepared for guidance to SRLMs on implementation of pilots on anti-trafficking under NRLM.

Selection of Blocks for AHT Pilot:

Selection is to be made from among intensive districts under NRLM for the AHT pilot. The districts with high out migration or which are known to be feeder districts for human trafficking need to be brought within the intensive block strategy. Districts with high out migration may be identified either on the basis of information available in Departments of WCD, organisations such as NACO, UNICEF, UNWOMEN etc. Else, proxy indicators of economic distress and vulnerability may be useful to identify source districts i.e. districts with heavy outmigration of unskilled labour, low sex ratios, or which are calamity prone, or known to be prone to traditional forms of prostitution. From the NRLM intensive district list, at least 1-2 districts may be identified by the SRLM, which show characteristics as listed above, for the AHT pilots to be initiated.

The SRLMs may decide on one or two blocks in identified districts for undertaking the pilot. It is desirable that resource blocks or intensive blocks are prioritised for the pilot, since there is likely to be adequate human resource available for capacity building, and the community organisation would have achieved traction. If an area outside the intensive blocks is chosen, it may be ensured that there are adequate well performing SHGs or federated structures that can be fast tracked into the NRLM fold in the block, so that the pilot can be undertaken in line with the core principles of NRLM.

Nature of the AHT pilots to be undertaken

Most Human trafficking takes place, not by forceful abduction, but by luring or trapping extremely vulnerable women and children. Vulnerability is on account of extreme poverty, frequent migration, severe financial crisis arising out of sudden shocks like natural calamities, or like death of breadwinner, crippling disease, failure of crop etc. Vulnerability can be enhanced by alcoholism or severe domestic abuse, with the woman or child tempted to run away, or escape the oppressive environment at home. Families in such vulnerable situations are likely to be found in areas prone

to distress migration or vulnerable to natural calamities. There are also some areas where there are traditionally institutionalised forms of prostitution, and social sanction for the same, which makes it easy to identify potential victims for trafficking.

The AHT pilot should look at both preventive and rehabilitative interventions. The preventive interventions would focus on identifying vulnerable communities and individuals and making sure that they are brought into NRLM and prioritised for support and entitlements. They would also focus on spreading awareness within the community of methods and risks of human trafficking. These interventions need to be within the framework of activity of NRLM.

Rehabilitation of people who have been trafficked has many dimensions, starting from rescue, and progressing through shelters, legal counselling, treatment of trauma, health support including medical care, life skills training, technical training and economic rehabilitation, accessing entitlements and reintegration with community. Many of these are interventions beyond the purview of NRLM, and have to be done by specialised agencies with experience in the field. However there are 3 areas where NRLM does need to get involved, and these are

- Technical skilling and economic rehabilitation
- Accessing entitlements
- Reintegration with the community

While the skilling intervention can be done under the *Aajeevika* Skill Development Programme, community reintegration will be possible only in those cases where there are mature community federations in place, so the phasing of interventions needs to take this into account. Accessing entitlements can commence provided at least a VO level structure is in place.

Nonetheless, the SRLMs would need to be able to build partnerships and engage with the various organisations who are involved with the other activities relating to rehabilitation like the Anti human trafficking cell of the Police, the Child Welfare Committees and Child line, Women Protection Officers, institutions running shelters for trafficked victims in both Government and in private sectors, and NGOs, agencies and professionals involved with health and counseling support to victims, even though the SRLM does not directly undertake these activities.

Prevention Strategies

The key strength of NRLM lies in the strong, networked and accountable structure of community based organisations (CBOs) of poor women. NRLM should be able to channel the synergy of these CBOs into a sustainable programme for community action and engagement on combating and preventing trafficking. Accordingly, NRLM CBOs can be capacitated and facilitated to spearhead the prevention strategy through the following:

1. Engagement with other stakeholders on trafficking

It is important to engage with other stakeholders such as line departments, Anti human trafficking cell of the Police, the Child Welfare Committees, the ICPS (Integrated Child Protection Scheme) societies and Child line, Women Protection Officers, institutions running shelters for trafficked victims in both Government and in private sectors, and NGOs, agencies and professionals involved with health and counselling support to victims. The constitution of State and district level task forces for the purpose can be thought of. If there are existing task forces in the state, the inclusion of representation from the SRLM may be sought.

The various stakeholders for AHT may be categorized as follows:

- Community Organisations – SHGs, VOs, CLFs etc.
- Support Structures
 - CRPs, PRPs, Cluster coordinators, Project staff etc,
 - SRLMs and PRIs
- Departmental stakeholders – Police, Labour and Employment, Social Welfare or Social Justice, AIDS Control Societies
- Legal Structures – CWC, Women’s Commission, NCPCR, State Legal Services Authority
- Other agencies and institutions – NGOs, Shelter homes, Youth clubs, NCC, NSS etc

Formulation of strategy for the AHT pilot, institutionalizing communication between various stakeholders and the SRLM, support for trouble shooting, sensitization and capacity development are all areas that can be looked into through these multi stakeholder consultations and engagement. At the local level women PRI members, schools, youth clubs, farmer clubs, NCC, NSS, adolescent girls and boys *etc.*, can become human resource in an IEC campaign and can be

capacitated accordingly. Orientation of stakeholders and service providers may cover aspects of disaster management and risk mapping and mitigation. Media advocacy and sensitization can be undertaken.

Resource organisations/individuals may be engaged to develop training and capacity building programmes for different stakeholders. These may be members of CWCs or ICPS Societies, AHT cells of the Police, Legal Service Societies, AIDS Control Societies, or NGOs or agencies working with women and children, and involved with prevention of trafficking and /or rehabilitation of trafficked survivors. Organisations with strong IEC and advocacy background should also be roped in to fine tune the IEC strategy.

2. Campaign on anti-trafficking

It is most significant to develop a strong awareness against the perils of trafficking at the community level. Towards the same, a strong IEC campaign may be designed at the village level. Alongside, media campaigning on the issue along with advertising the helplines for anti-trafficking is required.

3. Sensitization of NRLM CBOs

A detailed sensitization programme may be taken up with NRLM CBOs in the village on the issues and dimensions of trafficking. Based on the sensitization, a clear roadmap needs to be developed at the village level on the role of the SHG and VO in prevention of trafficking from the village. If higher level federations (like CLFs) have been formed, their specific roles would need to be spelt out.

4. Situation Analysis and safety mapping

After the sensitization process, the CBOs along with NRLM project staff need to be trained to carry out a detailed situation analysis and safety mapping of the village in which vulnerable groups and households to trafficking shall be identified.

- Map vulnerability of village, based on: Migration, calamity, sex ratio, social practices that contribute to sex work and prostitution
- Develop indices for identifying at risk families
- Identification of women and girls in these families
- Identification of missing persons in the village

- Identification of women and girls who left the village
- Development of a village database of high risk families and women and children

This situation analysis needs to be blended into the participatory identification of the poor (PIP) process and capacitation of “active women” and CRPs. Creation and capacitation of Gender CRPs to coordinate formation and regular updation of the data base of vulnerable persons is also an activity that can be taken up under the pilot.

5. Tracking

Apart from identifying persons and families within the village who are at high risk, it is equally important to develop a tracking system of vulnerable persons who have migrated outside the village. The NRLM CBOs must identify these persons through a community mapping process. These may manifest as migration registers, registers of Marriage, registers of missing persons especially women and children.

6. Fast-tracking of entitlements

The families identified as high risk could be fast tracked for basic social security entitlements such as IAY, Ration cards, Antyodaya cards, Social Security Pensions, admission of children to schools and hostels, stipendiary assistance wherever available, drinking water, land etc. ensuring registration and work under the MGNREGS. This will mitigate their economic risks of the vulnerable households reducing the risks of out-migration and consequently trafficking.

7. Prioritizing for access to livelihoods and financial services

The identified families must first be brought into the NRLM CBO network if not already a part of it. They can be provided a risk mitigation fund at the village level to explore alternative livelihoods. The revolving fund may be utilized towards the same. Other financial services such as insurance can be provided to these families. The scope for bringing them into MKSP can be explored if MKSP projects are operational in the vicinity. Also, provision of appropriate skills training under Aajeevika Skill Development Programme can be facilitated by the CBO and the SRLM.

8. Setting-up of safe migration centres

In consonance with the skills and placement strategy of NRLM, it is important to develop safe migration resource centres, which consolidate information about agencies or individuals offering jobs away from the village and which provide information about the risks of voluntary out migration. The Gender CRPs may be connected to this centre, where the register updation and tracking of vulnerable persons can be coordinated. If the SRLM has tie up with the State Legal Services Authority, training and positioning community based paralegal volunteers in the centre can be thought of. In some cases it would be possible to position trafficked survivors who have been rehabilitated, in these centres, where they can become a rich resource on the nature and likelihood of trafficking.

The Centre may also double up as a monitoring unit to assess the extent of entitlements and benefits like internal loans, risk mitigation fund or skills training that have accrued to the vulnerable family and members in areas where mature CBOs have not been formed. As far as possible these centres may be located within the *Panchayat* office. Where there are mature CBOs, this could be an activity coordinated by the Social Action Committees or designated persons within the CBO.

9. Monitoring and Evaluation

An MIS which captures and validates both the data base of vulnerable women and children and the services/ benefits accruing to them would need to be incorporated into the reporting and reviewing formats of the programme. They need to be separately tracked within the SHG database created under NRLM. Documentation of processes and impact would also need to be ensured.

Rehabilitation Strategies

Unlike prevention, the AHT pilot for rehabilitation is not limited to the identified blocks, but can apply to any trafficked survivor in the State who has been rescued and is in need of rehabilitation. The role of NRLM begins only when the trafficked survivor has been rescued and has obtained adequate medical and psychological care and attention, and is ready for economic rehabilitation.

1. Skill Trainings

Conventional placement linked Skill trainings provided to women under NRLM like tailoring may prove to be unsuitable for the full rehabilitation of women who have been subjected to human trafficking. It would be necessary to look at unconventional sectors for training of women like taxi driving, carpentry and welding, security services etc that can capitalize on the capabilities of fearlessness and strength that come from handling the harrowing experiences and situations of the kind that the victims are made to face and survive. NRLM is in the process of evolving a special project under Aajeevika Skill Development Programme that looks exclusively at skill training and placement for trafficked survivors. The States may include the project under their Skills AAP, or liaise with the identified PIAs for identifying women to be brought under the skilling programme.

It is likely that some of the trafficked survivors are under 18 years of age, and cannot be brought into the skilling programme. A related initiative for bridge courses to complete school/vocational education is also being formulated on the lines of the Roshni programme which the pilot can avail of.

2. Development of Community Counsellors

Psycho-social care for the victim and the family is a necessary step towards rehabilitation. There is however, a dearth of sufficient trained counselors and para-legal professionals, and agencies and institutions charged with providing this service are unable to provide adequate support. This could be seen as a skilling opportunity and NRLM could train and develop community counselors from the NRLM CBOs in convergence with resource NGOs/PIAs and/or Department of WCD. These community counselors could then be placed with agencies or institutions involved in rescue and rehabilitation. Their role would be to support the victim, her family as also the community for re integration of the trafficked survivor with her family and with the local community.

3. Promoting leadership of survivor

NRLM can promote leadership of the survivors by capacitating and engaging them as resource persons in community counseling, migration, community based disaster management, and palliative care. This would have the double impact of supporting reintegration of the survivor as well as strengthening the institutions and interventions fighting trafficking.

Positioning of Requisite Human Resources

A key aspect necessary for the rolling out of these pilots shall be dedicated human resources who have significant subject expertise on the issue of trafficking especially with respect to the particular region or state. Accordingly, at least one professional – a Gender/ Social Inclusion Expert – needs to be positioned at the SMMU level who shall liaise consistently with the Mission Director as also other thematic experts to develop the state level strategy which is complementary to the overall strategy for NRLM rollout in the state. In the AHT pilot districts also one professional – a Gender/ Social Inclusion District Programme Manager must be positioned to spearhead the activities under the AHT pilot. At the block level, it is expected that the existing NRLM intensive block staff shall be trained and capacitated to work on the AHT strategies. Where possible positioning dedicated human resources at block /sub district levels may also be effected.

The development of community resource for carrying forward the pilot and augmenting the capability of existing community resource to integrate the requirements of the pilot into their activities and training strategies would be crucial to the success of the pilot. Positioning trained Gender CRPs, community counsellors, and/or paralegal volunteers in tune with the requirements of the pilot and developing capabilities on an incremental basis needs to be incorporated into the design of the pilot.

Sensitization of SRLM staff at all levels

Apart from positioning dedicated human resources for this intervention, it is important to sensitize SRLM staff at all levels in all districts and blocks on the issue of trafficking. Accordingly, a module on human trafficking – prevalence, forms, impact and strategies to prevent – must be incorporated in training and capacity building modules for staff at all levels. The SRLM must form a **Resource Pool** on anti-trafficking at the state and district levels which may include NGOs, resource organisations and resource persons working on the issue, line department officials, special institutions working on the issue such as NACO, Childline, Child Welfare Committees (CWCs), Protection Officers (under the protection of women from Domestic Violence Act), State Legal Services Authority as also representatives from NRLM CBOs. These resource pools can provide technical assistance to the SRLM staff on strategy planning, training and capacity building.

Partnership with NGOs for AHT pilot

Some of the areas of collaboration and support from NGOs for successful strategisation and implementation of the AHT pilot are:

- Strategy setting – participation and inputs in consultative workshops and one on one meetings
- Design and support for IEC activities
- Design and support of training interventions including sensitization of staff and capacitation of Community resource
- Collaboration to reach out to trafficked survivors who have been rescued and provided shelter and who are ready for economic rehabilitation
- Handholding support for setting up and operating Safe migration centres

States may identify NGOs working in the sector in the State who have been associated with government departments or institutions or with quasi judicial structures like CWCs, or who have been engaged in rehabilitation of or advocacy for trafficked survivors. A collaboration with UNDP is being proposed to enable effective participation of NGOs in this endeavour. State wise long list of NGOs with whom UNDP has been associated for the TAHA project is attached for reference (this is not an exhaustive list). Terms of engagement for identified interventions can be on the basis of the cost norms of NRLM for various activities indicated below. If procurement of services for the entire project is envisaged, the State will need to follow the procurement practices stipulated for the same.

Cost Components of the AHT Pilot

The various items of costing that are likely to come up in the AHT pilots are:

- Consultative workshops
- Stakeholder meetings
- Staff costs
 - State Gender/Social inclusion anchor for project
 - District level SI staff for project
 - Block/sub district staff
- Community human resource costs
 - Selection
 - Capacity building

- Incentives/honoraria – for specific duties undertaken
- Capacity building and training costs
- Cost for design and execution of IEC activities
- Risk mitigation/vulnerability reduction funds
- Safe migration centre –set up costs
- Printing of necessary registers
- Skill training costs
- M&E costs
- Documentation costs

The States may bear these costs in compliance with NRLM norms for similar heads/activities. There may be other costs that are specific to the project design of the State, which are not specifically covered under the norms. The State may provide the detailed costing for such items with justification for the same.

Annex-16

Framework for Addressing Bonded Labour Issues

Introduction

NRLM envisages creation of empowered and self-sustaining community organizations of poor women who can effectively access financial resources, converge with government services for livelihood enhancement and poverty alleviation and take on issues exacerbating socio-economic deprivation. It is the mandate of NRLM to prioritize interventions for working with the poorest of the poor and bring significant change to their lives. Poor families falling into the trap of bondage is a grave issue prevalent in rural areas which calls for immediate attention. Factors responsible for poverty stricken rural families becoming bonded labourers include:

- Landlessness
- Lack of assetisation
- Continuous fragmentation of land over generations leading to small land holdings
- Distress migration (inter and intra State as well as seasonal and perennial)
- Crop loss due to natural disasters/calamities (flood and drought)
- Vested interests of labour contractors and money lenders
- Dependence of several industries on cheap and unskilled labor for making huge profits
- Lack of alternative skills and livelihood options
- Lack of timely cash-flow

All these factors are intertwined and interconnected in an integral manner and hence the issue can be addressed only by a multipronged approach.

NRLM is committed to institutional partnership with '*Bandhua 1947*' a national-level campaign in India (*a joint initiative of Indian and International NGOs – Action Aid India, Adivasi Solidarity Council, International Justice Mission, Jeevika, Justice Ventures International*) aimed at drawing attention to the issue of bonded labour in the country. Special projects to rehabilitate the bonded labourers will be facilitated in select districts prone to the phenomenon of distress migration.

NRLM will focus primarily on the source areas and hence ten source districts in six States have been identified for initiating the special project on bonded labourers. Bastar and Kondagoan in Chhattisgarh, Prakasham and Chittoor in Andhra Pradesh, Bolangir and Nuapada in Odisha, Gumla in Jharkhand, Gaya in Bihar, and Kanchipuram and Vellore in Tamil Nadu are the districts where special project on economic rehabilitation of bonded labourers are to be taken up under NRLM. Some of these are intensive districts under NRLM where advocacy work of the NGO partners of the Bandhua campaign is ongoing. But the States can revise the list of the proposed district based on the presence of credible CSOs, prevalence of distress migration and

For intervening in the destination districts, the CBOs have to be far more evolved. In the current state of things, the community network is in an advanced stage only in a handful of states like AP, Kerala and Bihar where they can be entrusted upon with the responsibility of tracking benefits like RSBY, etc. of the migrant population.

The Bonded Labour System (Abolition) Act, 1976

An Act to provide for the abolition of bonded labour system with a view to preventing the economic and physical exploitation of the weaker sections of the people and for matters connected therewith or incidental thereto.

- On the commencement of this Act, the bonded labour system shall stand abolished and every bonded labourer shall, on such commencement, stand freed and discharged from any obligation to render any bonded labour.
- After the commencement of this Act, no person shall—
 - Make any advance under, or in pursuance of, the bonded labour system, or
 - Compel any person to render any bonded labour or other form of forced labour.

Agreement, custom *etc.*, to be void - On the commencement of this Act, any custom or tradition or any contract, agreement or other instrument (whether entered into or executed before or after the commencement of this Act), by virtue of which any person, or any member of the family or dependant of such person, is required to do any work or render any service as a bonded labourer, shall be void and inoperative.

Definition

Bonded labor is a form of forced labor, where a person, because of a debt or other obligation (often a cash advance) loses any or more of the following:

- Freedom of movement
- Freedom of employment
- Right to be paid minimum wages

Victims are often enticed into bondage through the offer of a cash advance. When this advance leads to the loss of any of these freedoms, the law calls it a bonded labor system. The system is relatively more prevalent in Labor intensive industries - Rice mills, brick kilns, and rock quarries. Over 85% of bonded labourers are from SC and ST communities. There are around 4 Crore bonded laborers in India according to Human Rights Watch. States where high percentage have been recorded are – Punjab, UP, **Bihar, CG, AP**, Karnataka, **TN**, MP, **Odisha, Jharkhand**, Rajasthan.

The rescue of the bonded laborers and ensuring effective trial and punishment to the employers comes primarily under the jurisdiction of the district administration. NRLM shall play a crucial role in preventing the at-risk families from falling in to the trap of bondage, and in the physical and economic rehabilitation of the released bonded labourers. The interventions shall be broadly categorized into Preventive and Rehabilitative strategies.

Preventive Strategies

1. Identification - The participatory identification of poor (PIP) process should be able to identify 'at risk' families based on the proxy indicators developed. The PIP should be done periodically because the target group is out of the Village for a substantial period of time and as a result might have missed out being part of the first round of PIP. These indicators can be customized as per specific context of districts and blocks. Few suggestive indicators/traits are as follows:

- Landlessness
- Lack of assetisation
- Reluctance to join SHGs
- Part of the network but are irregular in attending meetings and making repayments

- Seasonal migration
- Repeated crop failures
- Heavy debt from moneylenders or landlord
- Advance taken from labor contractors
- Any family member suffering from chronic disease (incurring high expenditure)
- High number of children (especially girl children)
- Lack of annual food security
- Households with children of marriageable age struggling to arrange marriage

The VOs could maintain a 'Migration Register' which keeps track of the migration details (captures the patterns and trends) of all the households and records the purpose and place of migration, cash received, number of months, related to migration. Identity cards can be issued to Migrants which would safeguard them at work destination as well. Bringing all families migrating for labour under the purview of RSBY is also an intervention that can be facilitated by the VO.

The districts identified for the special project should become Intensive Districts in the upcoming AAP, if they are not already intensive. Even within the identified districts, the blocks and GPs where the payments are irregular and average person days of work availed is low need to be identified.

2. Awareness Generation - It is important to develop a strong awareness at the community level, against the perils of distress migration in lieu of advance issued or borrowing at high interest rate which lead to bondage in most cases. Towards the same, a strong IEC can be envisaged. Extensive use of IEC materials like Pamphlets, Folk Art, Wall Paintings, Community Radio, Mobile phones (SMS) in regional language can be effective in raising awareness levels. The Community Radio programme is an effective IEC intervention that can be designed. The role of CBOs as well as CSOs working in the field can be explored for establishing relevance of the issue and highlighting the correlated issues surrounding it, taking the idea of collective listenership to the community, espousing discussion, tackling opposition from vested interests in the community, capturing listeners' feedback. Partnerships with organizations with relevant experience (like IJM, BBC media, **Graamvani** and **CMSDS**) can be explored for technical assistance. The same platform can be used to generate awareness about the various entitlements as well as the various processes to be fulfilled for availing them (a partnership framework is

being separately developed under NRLM to enable engagement for technical assistance from NGOs).

3. Sensitization of Project Staff and CBOs – The NRLM staff and support structures and block level staff must be trained to develop sensitive understanding of the nuances of bondage and issues in rehabilitation, so as to identify and bring these people into the loop. A detailed sensitization programme may be taken up with the Community Coordinators, Community Resource Persons (CRPs), Community based Organisations (CBOs) in the village, on the issues and dimensions of migration and bonded labour. Their roles need to be chalked out and the coordination mechanisms with the District and sub-district Vigilance committee would need to become operational. Based on the sensitization, a clear roadmap needs to be developed at the village/ GP level on the role of the SHG and VO in prevention of the phenomenon in the village through supporting inclusion in the network and access to resources and livelihoods based rehabilitation. If higher level federations (like CLFs) have been formed, their specific roles would need to be spelt out. The grievance redressal mechanisms should be an in-built feature of these SHGs/VOs/CLFs, so that they can cater to the unfulfilled demands of these households.

4. Bringing them into the Community Network –The identified families must first be brought into the NRLM CBO network, if not already a part of it. The benefits of becoming a part of the network will help them avail Revolving fund, Community Investment fund (Livelihood fund and Vulnerability reduction fund), knowledge on processes including book keeping, inclusion as CRPs, bank linkage and interest subvention. Though the PIP guidelines have put them under ‘automatic inclusion’ category, there are certain specific barriers due to which it becomes difficult to bring them in the network, like their inability to save regularly, seasonal absence for long duration (almost 6 months) on account of migration, inability to repay on a monthly basis, inability to give time, lack of familiarity with institutional financial services, social distance from govt. support structures and personnel. The following provisions shall be made to bringing them in the SHG loop and ensure them a dignified sustenance by means of NRLM interventions:

- Modification of SHG norms can be introduced for these households for managing the issue of migration in thrift and credit, like relaxing, weekly meeting, regular repayment, etc, providing enabling clauses that allow migrating families to retain membership during the period of migration despite

absence from meetings, and enabling them to meet their thrift and credit repayments on return or through post.

- These households can be provided a risk mitigation fund (grant) at the village level to explore alternative livelihoods and provide food security
- The revolving fund may be extended to them on priority basis at a lower/nil interest rate.
- Other financial services such as insurance can be provided to these families.
- Options of debt swapping can be explored in discussions with various banks.
- Bank credit should be made available as per seasonal requirements.

5. Livelihood Rehabilitation – Families identified as at-risk of distress migration and at-risk on account of high informal debt would be the ones who would need to be tracked as part of this initiative. Their names can be enlisted by the community coordinators separately drawing from the MIS and prioritized for various provisions in NRLM like participation in trainings for self employment (RSETI), trainings for skill based employment (Aajeevika Skills Development Programme), inclusion in MKSP, special livelihood interventions, and innovative projects. The scope for bringing them into MKSP can be explored if MKSP projects are operational in the vicinity. Land and agriculture based rehabilitation is an important strategy from both the prevention and rehabilitation points of view. Also, provision of appropriate skills training under Aajeevika Skill Development Programme can be facilitated by the CBO and the SRLM. The PIAs can be informed and educated about the issues of migration so that they are aware and sensitive about the issues. There should be some positive incentives to encourage the PIAs to train people from this vulnerable category. The children of bonded laborers falling under the employable age category can be prioritized for getting trained by the PIAs. The information for this may flow through the MIS to the CBOs and SRLMs onwards to the PIAs. Livelihood mapping exercises for determining potential interventions on scale should be undertaken.

MGNREGS – An entitlement that must be accessed on priority is the MGNREGS. Identified families must be provided with job cards, and work under MGNREGS when they most need the work. This requires the *Panchayat* to be proactive in organizing work and arranging payments. The VO/CLF would also need to take the lead to support these families to join the labour groups, organize SHGs to take up work as group, and help tide over delayed payments if any. The modalities of issuance of cash payment in advance, from the Corpus fund/CIF at VO level, in lieu of work done under MGNREGS, compensating for the delay in release of payments from the Govt., can be worked out in these areas on priority basis. But the duration of delay beyond which this amount will be issued, the criteria for what will be considered as significant delay and also the lower and upper limit of the amount to be issued to an individual, has to be determined, so too the persons who would be able to avail of this facility on priority should be properly calculated, systematized, and indicated in the project proposals. The particular households and the criteria for issuance identified should be ratified and disclosed in *Gram Sabha*. States that have taken up PRI pilots may consider extending the pilot into the bonded labour special project areas for making the MGNREGS convergence happen.

6. Fast-tracking of entitlements- The households identified at high risk could be fast tracked for entitlements but this needs some strategic effort. As many of these households do not have BPL card or voter card on account of being out of the Village in search of alternate means of survival when such surveys are conducted, a thorough mapping is essential to understand how the various schemes (both State sponsored and centrally sponsored) can be availed to best suit their interests. A comprehensive livelihood plan which maps all the sources of income and expenditure can be prepared.

The entitlements within Rural Development ministry like MGNREGA, IAY, NBA and NSAP and in other departments/ministries like UID, PDS, ICDS, and RSBY need to be listed and the VOs trained on the eligibility conditions and the processes for accessing them. The basic social security entitlements such as Ration cards, Antyodaya cards, Social Security Pensions, admission of children to schools and hostels, stipendiary assistance wherever available, drinking water, land etc. can be also made accessible to these families. The VO should also be capacitated on tracking the access to entitlements and canvassing for the most needy. This will mitigate the economic risks of the vulnerable households thus reducing the risk of distress migration. The proactive engagement of the community leadership, *Panchayats* and the district administration will play a crucial role in faster access to entitlements. Empowering the *Gram Sabha* as a space to access entitlements through the PRI-CBO convergence may also act as a catalyst. For interventions related to destination site, convergence with NULM can be strategized.

RSBY – SHGs could be the medium for spreading the message of RSBY and accessing entitlements provided by the insurance scheme. This would require a convergent plan of action between NRLM and the Labour department in the State for dissemination, and mobilization for enrolment under the RSBY. Community Resource Persons could be trained on RSBY and placed in hospitals with large footfalls if possible remuneration could be given to them. The role of the CBO in ensuring that the enrolled families avail of the benefits that the Insurance scheme provides also needs to be enunciated and the CBO and resource persons capacitated to engage on this.

IAY – As per IAY guidelines, bonded labourers are entitled for special projects. Therefore, in all the pilot areas, special projects for housing should be taken up by the Rural Development department. The scope for using locally appropriate technologies could be explored.

7. Collaboration with CSOs – Partnership with civil societies is very essential and NGO cooperation is part of the policy framework but still the culture of work varies from region to region. It is important to identify credible NGOs who understand their responsibility and have developed their expertise in domain areas. Areas wherein NGOs can play a significant role are:

- Community mobilization
- Making the community aware of their rights and entitlements and how they can access their rights.
- Providing information on instances of bonded labour and providing legal support services
- Handholding for capacitation of CBO and Community resource persons sensitive to the issue
- Coordination for interface between CBO and district administration

The modalities of association and the nature of engagement have to be worked out so that there is no conflict of role between CSOs, CBOs, and BMMU/DMMU. Process of empanelment of NGOs, and collaboration with NGOs already working with the Labour department of the State may be worked out.

8. Monitoring and Evaluation – An MIS which captures and validates both the data base of vulnerable households and the services/benefits accruing to them would need to be incorporated into the reporting and reviewing formats of the programme. The benefits/entitlements are of diverse nature and hence the progress of each of them should be tracked separately. This category of vulnerable households needs to be separately tracked within the SHG database created under NRLM. Documentation of processes and impact would also need to be ensured.

Rehabilitation Strategies

1. Identification and Inclusion in Community network-NRLM can play a pivotal role in economic rehabilitation, once the bonded laborer has been rescued/released and has obtained the immediate medical, psychological care and attention.

The rescued labourers can be further divided into three categories depending on which the strategies of their rehabilitation can be devised:

- Rescued, have received Release certificates, have received the Compensation money under the BL Act, 1976.

- Rescued, have received Release certificates, but are yet to receive the Compensation money under the BL Act, 1976.
- Rescued, but are yet to receive Release certificates

Partnering with Organisations involved in Rescue Operations shall be the first step towards identification. Fostering an institutional partnership (even if non-financial in nature) may be required to fasten and regularize the information flow from the partner organisations engaged in conducting these rescue operations. The list of released/rescued labourers shared by the partner organisations has to be validated by the respective PRIs and district administrations. The pattern of habitation of the Rescued labourers may vary in terms of geographical concentration (in terms of being from same Village, GP, and block) and the nature of the sectoral interventions can be designed depending on the numbers and concentration.

The flow of information should have a clear protocol, i.e. from the partner organization to district administration to SRLMs/DMMUs (after validation by local bodies/district administration) and from SRLMs/DMMUs to the BMMUs to CBOs. The process of information flow should have a transparent mechanism. Once the list is made available to the CBOs, it is their responsibility to include these people in the existing SHGs (based on physical proximity, affinity). Exclusive Livelihood collectives (JLG, CIG, User's group) of the rescued labourers may be formed, notwithstanding which, their inclusion in the community network as part of the mainstream/regular SHGs should also be ensured. By the time the livelihood activities are designed and implemented, the SHGs can take care of their immediate needs by providing Vulnerability reduction fund, meeting credit requirements, extending special interest rates, extending advances from special corpus fund etc before they are in a position to save.

2. Coordination with Vigilance Committee at District and Sub-District Level – Every State Government shall, by notification in the Official Gazette, constitute such number of Vigilance Committees in each district and each Sub-Division as it may think fit. Each Vigilance Committee, constituted for a district, shall consist of not more than 3 persons to represent the official or non-official agencies in the district connected with Rural Development, to be nominated by the State Government. As per the Act, it is the key role of the committee to provide economic and social rehabilitation to the freed bonded labourers; to co-ordinate the functions of rural banks and co-operative societies with a view to channelizing adequate credit to the freed bonded labourer; to defend any suit instituted against a freed bonded laborer or a member of his family or any other person dependent on him for the recovery of

the whole or part of any bonded debt or any other debt which is claimed by such person to be bonded debt. All this is being taken up by NRLM as part of its special project and hence pro-active engagement with the Vigilance committee, including taking membership on the Committee should be envisaged to ensure smooth coordination and avoid replication of effort.

3. Gestation Period – One of the biggest challenges is to provide immediate assistance on rescue and return to the home state/village. Delays in receiving the release certificate and in obtaining the compensation very often push extremely vulnerable families back into bondage, and send out a message to other labourers in similar situations that attempting freedom is fraught with too much risk. A short term strategy for immediate relief and support, including covering food security needs to be set in motion. The seasonality (the month of rescue) should be factored in while strategizing a short term livelihood option for the rescued labourers and their families. There should be corpus money for providing them immediate relief and ensure their food security with PDS convergence for ration. Wherever possible they need to be linked up with organisations engaged in psycho social rehabilitation.

4. Partnering with CSOs for Psycho-Social Rehabilitation – States may identify partners with professional expertise for providing technical assistance in aftercare on a continued basis. Partnering with Organisations providing /medical/psycho-social services is needed to provide freed labourers holistic rehabilitation. Professional counseling can ensure appropriate healing as well as continued productive engagement in their occupation.

5. Fast tracking entitlements to ensure comprehensive relief package – A relief package which takes care of all the basic requirements of the recently released labourer may be prepared and submitted to the district administration. The micro credit planning exercise may be expanded in the case of released bonded labour to include entitlements available under the Act. This may be accompanied by a livelihood profiling or mapping of livelihood potential in respect of all rescued families, which would facilitate development of common livelihood strategies. The proactive engagement of the community leadership, *Panchayats* and the district administration will play a crucial role in this. Civil Society organisations (CSOs) can be associated with the planning process by the VOs (Village Organisations) and the process facilitated by the Community coordinators/BMMU staff. The proposed plan may include among other things –housing facility (under State or Centrally sponsored scheme), food security entitlements, health insurance, land development

work under MGNREGS, assetisation of land (through purchase, development or lease), capital for initiating self employment, compensation money as per the Act etc. In case of certain segments like Brick Kilns, entire households are kept in bondage and hence they are compensated accordingly to the tune of Rs. 20,000 for each member of the family. When they get the lump sum amount to the tune of Rs. 20,000 to 80,000, a part of it can be kept as fixed deposit which can take care of their cash in-flow during emergencies and hours of crisis. Assistance for wise investment of the compensation amount – for purchase of land, or for setting up small business must also be done, and the services of MECs/business counselors may be sought.

Alongside, the entitlements within Rural Development ministry like MGNREGA, IAY, NBA and NSAP and in other departments/ministries like UID, PDS, ICDS, and RSBY could be tracked by the VO leaders and made available to rescued/ released bonded labour. This will mitigate the economic risks of the vulnerable households thus reducing the risks of repeat distress migration. The basic social security entitlements such as Ration cards, Antyodaya cards, Social Security Pensions, admission of children to schools and hostels, stipendiary assistance wherever available, drinking water, land etc. can be also made accessible to them.

MGNREGS – all the interventions proposed under MGNREGS in the section on prevention hold good for rehabilitation as well. If the State has initiated PRI convergence pilots, or has MKSP partners who are taking up MGNREGS - NRLM convergence or has take up pilots for cluster facilitation teams, demand generation (*kaam mango abhiyaan*), the bonded labour intervention areas may be brought under the purview of such pilots.

6. Convergence with AHT Pilots – Bonded labour who have been made migrate for work can be regarded as victims of trafficking, and therefore convergence with the anti human trafficking initiatives of the State is important. Most States have district level mechanisms for their AHT interventions which can work in close coordination with the District level Vigilance Committees. Some of the SRLMs taking up this intervention have also taken up AHT pilots, and would be developing professional support teams for the AHT pilots. Converging the resources for these very closely related interventions should be a priority for the State Missions. The convergence with the District level AHT (Anti-human trafficking) committees can be worked out for ensuring that the labourers can avail the psycho-social counseling, professional trauma care, shelter homes, legal services, etc that are built around anti trafficking interventions.

7. Special Livelihood Project –

Scoping Studies – Prior to planning an effective and sustainable livelihood option, conducting a detailed scoping study can be considered, especially where there is significant distress migration or migration of bonded labour. This can be counted as part of the preparatory/start-up activity of the project and may contain the following components:

- mapping the existing local resources (forest, land, water animal husbandry) from the production perspective,
- feasibility study of scale up and sustenance,
- capability assessment of the individuals for the skills and expertise required for the enterprise,
- review of market for sale of end products,
- exploring the backward and forward linkages,
- business plan preparation
- exploring the capital investment required, and the resources for the same

Exposure Visits – Based on the scoping study and inputs from the various stakeholders, the DMMU would be able to help the identified families plan how to make optimal utilization of their resources and zero down on a few viable options for livelihood, including agriculture/ NTFP, or starting a micro-enterprise and also on probable household level activities. The project should be able to harness the learning from the existing best practices across the country and hence gathering firsthand experience by visiting these Sites is very relevant. Multiple stakeholders including the primary beneficiaries should go for exposure visits as a team to best practice sites which are suitable and relevant for the options generated (as per the scoping study results as well as their internal plans). Some of these practices have been collated by NRLM, and may be assessed for their suitability.

Formation of Producer Collectives–Depending upon the number of released labourers within a particular area, the idea of creating producer collectives can be considered. The size and nature of the collectives can be customized as per the local context in terms of the number of released labourers, quality and quantity of resources available, nature of the enterprise. The Producers' collectives can be formed for both conventional and unconventional sectors like running a brick kiln, Poultry, goat rearing, NTFP, processing unit, aggregation centers, and retail

outlets for innovative products which have local relevance like smokeless Chulhas, solar lamps, etc.

Skill Up-gradation and Capacity building of the individuals – A detailed capacity building programme around the released labourers can be designed which may have components of soft skills, life skills, technical skills (farm and non-farm related), etc. A part of the content and module can be designed commonly for all and the technical part of the module can be customized according to the skill gap analysis and specific demand of the particular enterprise. Their skills can be honed in the traditional occupations but with iterations that could fetch them more income. A scoping study of the demand side requirements can also be taken up for few sectors and that assessment can feed into designing the modules of the capacity building. A value chain study of the sub sectors they are already engaged in, can supplement the initiative with more realistic options. The component of skilling for employability can be linked to the AAP under Aajeevika Skills, and PIAs incentivized to address these populations. Where possible linkages with RSETIs may also be forged. Developing a community cadre of professionals specialized in counseling can be taken care of by Aajeevika Skills.

Providing technical assistance for individual household level activities at small scale – Individual assistance can be provided to help attain food security, the components of which may include the following:

- providing released bonded labour with agri and non-farm inputs at subsidized costs or affordable rates, on-time during the agricultural season,
- mass procurement of agri-inputs to save on transportation cost
- transfer of technical know-how on the use of bio pesticides and insecticides
- exposure to local best practice farm sites
- tie up with line departments

These interventions can in themselves become part of an MKSP project, where technical support agencies exist.

8. Ensuring deployment of dedicated human resource (Professionals and Community cadre) - An important aspect for rolling out these pilots shall be dedicated human resources who have substantial expertise on the issues of bondage/distress migration (inter and intra state) especially with respect to that particular region or state. Accordingly, at least one professional expert needs to be

positioned at the SMMU level who shall liaise consistently with the Mission Director and other thematic experts to develop the State level strategy which is complementary to the overall strategy for NRLM rollout in the state. In the pilot districts one District Programme Manager must be entrusted with the responsibility of coordinating the activities under the pilot. As the activities are multi sectoral, relevant verticals may take on individual responsibilities and regular DMMU level reviews conducted for continued coordination. At the block level, the existing staff shall be trained and capacitated to work on the strategies formulated and wherever possible dedicated human resources at block /sub district levels may also be positioned. Positioning trained community counselors, or CRPs, may be incorporated into the design of the special project as required.

9. Sensitization and capacity building of the existing Mission staff, Community Cadre, CBOs – The SRLM may work with a Resource Pool on Migration and Bonded Labour at the state and district levels which may include nodal department, NGOs, resource organisations and resource persons working on the issue, line department officials, special institutions working on the issue and representatives from NRLM CBOs. These resource pools can provide technical assistance to the SRLM staff on strategy planning, training and capacity building. Existing resource pools for Anti human trafficking or PRI convergence may be suitably expanded to include persons/organisations with relevant experience and expertise pertaining to migration and bonded labour.

Apart from positioning dedicated human resources for this intervention, it is important to sensitize existing SRLM staff at all levels in all districts and blocks on the interrelated issues of distress migration and bondage. Some notes on the prevalence, forms, impact, best practices, successful rehabilitation strategies and strategies to prevent must be incorporated in training and capacity building modules for staff at all levels. The development of community resource persons especially those who are Rescued bonded labourers as community leaders for carrying forward the project and augmenting the capability of existing community resource to integrate the requirements of the project into their activities and training strategies would be crucial for its success. The capacities/capabilities of the Community Resource persons shall be developed on an incremental basis through rigorous trainings.

A cadre of CRPs can be developed by training a section from among freed labourers who can play a crucial role even in the preventive strategies.

10. Special interventions for Child Labourers rescued – Children who have been made to work as bonded labour, and whose parents are bonded labour require equal attention and support. Children who have been rescued from bonded labour, or from families who have been rescued, need to be rehabilitated and brought back into the formal education system. Enrolment in schools at appropriate level, follow up to ensure against drop out, provisions of scholarships and stipendiary support where available and sensitization of teachers of both mainstream schools as well as for NCLP schools (who are dealing with children who have been victims of bondage, be it at individual level or as part of being a household which was in bondage), would be among the interventions that are taken up. Vocational trainings in the case of children of 16 years and above may also be organized. Girls from such families may be linked with the *Sabala* programme, the adolescent girl clubs or *Kishori sakthi kendras* wherever operational.

The children may need to be supported through bridge courses, and would also need psycho social counseling support to enable reintegration into the schooling system. Gestation period strategies would need to consider the needs of such children, and fast tracking of their specific entitlements.

11. Monitoring and Evaluation – An MIS which captures and validates both the data base of the three categories of rescued households as well as the services/benefits accrued to them both in terms of entitlements as well as by being beneficiary of special projects would need to be incorporated into the reporting and reviewing formats of the programme. The benefits/entitlements are of diverse nature, the comprehensive relief package has varied components, and it is very likely that multiple livelihood interventions will be planned for the same household to reduce the risk factor, and hence the progress of each should be tracked separately. This special category needs to be separately tracked within the SHG database created under NRLM. Documentation of processes and impact would also need to be ensured at frequent intervals which can feed in to the learning for the next round of implementation planning as well as mid course correction.

Financial Inclusion

Annex-17

Advisory on Micro Credit Plan at SHG Level

Micro Credit Plan (MCP) is a tool used by SHGs to capture and prioritize their credit needs. MCP is also referred as Micro-Investment Plan (MIP), Micro Plan (MP), Micro level/family livelihood plan etc. On the basis of the MCP the cluster level federation (CLF)/VO/banks disburse loans including loans from CIF, to the SHG. MCP is a bottom up plan prepared by the SHG members for various credit/investment/livelihoods needs. It is a family/household investment plan developed by them based on their existing skills, resources, experiences and the opportunities locally available to them. The MCP process includes SHG profile, member profile, income-expenditure analysis, household level plan and consolidated household plan at SHG level, appraisal, prioritization and rotation amongst SHG-VO-CLF. Every time the SHG wants to avail new CIF/bank loan/any other external loan, they may conduct MCP/MIP/MP. This plan can also be conducted/aggregated for taking up/ facilitating convergence, collective interventions and meeting other needs of SHGs.

Based on the experience over the past 4 years, the MCP/MIP/MP process is revised as follows after consultations with the states:

Revised Indicative MCP

Eligibility of SHG for MCP

- SHG should be at least 6 months old; and
- SHG must be 'A' or 'B' grade.

Pre-requisites for conducting the MCP

- Updated SHG profile – updated by the active women or bookkeeper.
- Updated socio-economic profile of members – updated by the active women or bookkeeper.
- Member-wise income and expenditure statement – for SHG members to understand their situation on their own they need to prepare member-wise statement of income and expenditure. It helps the members to analyze their own patterns of income and expenditure so that the members can plan their investments and reduce their expenditures etc. During the first 3-5 months itself, this analysis can be done for each member of the SHG in the regular meetings of SHG, to appreciate each other's socio-economic situation. Active women/bookkeeper could take up this facilitation process.

- The above 3 steps should be completed prior to MCP preparation. These processes should be facilitated by the active women/SHG bookkeeper and may be completed during the SHG meetings itself within the first 6 months of the SHG formation.
- Apart from the above 3 steps, a situation analysis of the village should be completed by the members of the SHGs in the village and important stakeholders of the village. A prior village level planning exercise done would feed this analysis. This analysis include social and resource mapping of the village, village livelihoods mapping, traded-in traded-out and identification of opportunities available in the village etc.
- SHG must be oriented on MCP preparation.

1. MCP Process

- Member Level Plan
 - In the meeting of the SHG on day-1, based on the village analysis and the income-expenditure analysis conducted earlier, the members would be facilitated to develop their individual plans;
 - These plans would be fine-tuned through discussions amongst the SHG members;
 - At the end of the day, the members would have draft individual plans, which they can take up for discussion with their families.
- Finalization of individual plans and consolidation of SHG plan
 - In the meeting on Day-2, the members confirm or make any changes in their plans in the meeting;
 - Repayment terms and rotation schedule of the loan amount to members would be discussed and included in the MCP;
 - The final individual level plans would be consolidated at the SHG level; and
 - The SHG then priorities the loans to the members and ranks them in the order of giving loans to them.
- Appraisal
 - In the same meeting, the MCP prepared is presented to the representatives of the VO, specially invited to the SHG meeting, or other SHG leaders (if the VO is not there), for appraisal and approval. MCP would be revised based on the appraisal;
 - The final appraised and approved MCP is signed by all the members of SHG, the leaders and the facilitators. A revised MCP template is at ***Annex Table-17.1.***

- A copy of the MCP would then be presented to the VO/CLF/BMMU/ bank to avail loans/CIF; and
- The MCP process would be recorded in the minutes book of SHG.

2. Post MCP

Fund Release

Having received the appraised and approved MCP, the VO should release funds within a week. If the VO does not have funds, it may send an indent to CLF or BMMU to release CIF funds in bulk repayable to CLF.

The total amount of CIF for a CLF in a cluster can be computed based on the target population of the cluster and the following provisions for transferring the entitled funds in advance to the institutions of poor can be made.

- CIF can be released to the SHG in the absence of VO;
- If VO is in existence:
 - 50% of the entitlement of the VO (total CIF entitlement of the VO minus the CIF amount already disbursed to the SHGs) should be given to the VO;
 - 6 months after the first installment, the remaining entitlement CIF amount would be given to the VO as next installment;
 - Triggers for release of funds to VO:
 - Formation of executive committee of the VO; and
 - VO should have its own bank account.
- In the presence of CLF:
 - Once CLF is formed and has a separate bank account CIF should not be released to VOs directly; and
 - The undisbursed CIF amount (after releasing the first/second installments to SHG/VO) if any, should be given to the CLF.

Rotation

- Once the CIF is released to SHGs, SHGs may release the same to members as per the prioritization in MCP. Repaid amount should be rotated among the members of SHGs according to the prioritization plan;
- Once the CIF is repaid to the VO, the same amount should be rotated among the SHGs of that VO; and
- Like-wise CLF also should rotate the repaid amount among the VOs.

3. Aggregation of MCP

- MCPs should be aggregated at VO/CLF level and SHGs/VOs should be prioritized for release of CIF; and
- MCP data should be aggregated at the VO and CLF level to analyze the livelihood needs, convergence needs and capacity building needs. Collective interventions can be planned based on the aggregation of MCP.

Attachment-17.1 : Proposed MCP Format

SHG Name:						SHG Profile (Y/N)	
VO Name:						SHG Member Profile (Y/N)	
Village Name:						Member Income-Expenditure Analysis (Y/N)	
GP Name:						Village Resource/Livelihoods Analysis (Y/N)	
Block Name:							
Dates for conducting MCP:							
S. No.	Names of the Members of the SHG	Purpose of Loan	Total Loan Amount Required (in Rs.)	Expected Loan Amount (CIF/ Bank..)	Priority/ Rotation	No. of Installments	Signature of the Members
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							

15							
Details of Group Level Activities:							
1.							
2.							
3.							
Any other needs: (Convergence, vulnerability training etc.,)							
Signed by SHG Leaders:							
President/Leader-1:							
Secretary/Leader-2:							
Appraised and approved by other SHG leaders or VO-OBs							
S. No.	Names of the Leaders	Name of the SHG	Leadership Position Held	Signature			
1.							
2.							
3.							
4.							
Facilitated by Facilitators and Mission Staff of SRLM involved, if any:							
S. No.	Name of the Facilitators/ Mission Staff	Position	Signature				
1.							
2.							
3.							
4.							

Annex-18
Framework for Developing Project Proposal for Financial Inclusion Under
NRLP (Dedicated Fund)

Name of State:

Name of SRLM:

Year of Initiation of activities under NRLP:

A. Coverage under NRLP (As on)

Total No. of districts under NRLP	
Total No. of blocks under NRLP	
No. of districts in which implementation initiated	
No. of blocks in which implementation initiated	
Estimated no. of HH in the NRLP blocks	
Total no. of SHGs mobilized (existing +new)	
Total no. of members in SHGs mobilized (existing +new)	
No. of SHGs eligible to receive Revolving Fund (RF)	
No. of SHGs received assistance under Revolving Fund (RF)	
No. of SHGs eligible to receive Community Investment Support Fund (CIF) and bank loan	
No. of SHGs received assistance under Community Investment Support Fund (CIF)	
No. of SHG having bank loan outstanding	

B. Status of Human Resource (Availability of full-time personnel)

SMMU	
State Manager – Financial Inclusion	Yes/ No
State Manager – Finance Management	Yes/ No
State Manager – Procurement	Yes/ No
Additional HR (for above verticals)	Provide details
DMMU	
No. of district with District Manager – Financial Inclusion	
No. of districts with District Manager - Finance	
Additional HR (for above verticals)	Provide details

C. Current Initiatives taken under Financial Inclusion and Outcomes (Provide details) – Not more than 1 page

D. Action Plan - Essential Elements:

The states are required to present their Action Plan for the proposed initiative for the entire project cycle using the suggested template (**Annex Table – 18.1**).

State Missions required to present in details the following:

- i.* Details of the proposed project/ initiative
- ii.* Implementation strategy
- iii.* Plan to start full-fledged project operations i.e. taking up activities in all NRLP Intensive Blocks along the lines of Resource Blocks;
- iv.* Operational architecture – SMMU, DMMU, BMMU, other support agencies
- v.* Capacity Building Plan for various actors
- vi.* Results Framework and Indicators up to 2017-18 (revised)
- vii.* Plan for up-scaling, Deepening and sustainability of the initiative
- viii.* Establishing MIS at DMMU/BMMU and sub-block level; including conduct of Baseline studies and Process Monitoring
- ix.* Procurement plan of new items (if any)
- x.* Preparation of half yearly/ annual progress Reports; and
- xi.* Budget along with quarterly plans in IUFR format

E. Timelines for Submission of AAP

All NRLP state Missions are required to submit Action Plan by 30th September, 2015. The Action Plan submitted by State Missions would be reviewed jointly by the MoRD and the World Bank and would suggest changes, if found necessary by 15th October, 2015. On the basis of the changes suggested, states would submit a revised AAP by 30th October, 2015 after seeking necessary approval from the competent authority. The MoRD would then place them before the Empowered Committee for approval, where State Mission would be invited to make a presentation in the suggested template. The final approvals are likely to be communicated to State Missions before December, 2015.

Financial Inclusion Proposal: A Suggested Template

Chapter	Chapter and Suggested Content	Suggested Page Limit
Part I	Context and Opportunities	
	a. Extent of poverty, social mobilization, Financial Inclusion in the State in general and NRLP blocks/ districts in particular; b. Current status of implementation c. Key Learning d. Proposed intervention & its opportunities e. Proposed intervention areas; Basis and criteria for selection of districts and blocks under NRLP for the proposed initiative; f. key challenges/constraints in the operational area; g. Review of similar initiatives by various government departments/ Pvt companies (if any) h. Specific target group	4 to 5
PART II	Proposed Implementation strategy	
	i. Implementation strategy – Initial Implementation, scaling up and sustainability j. Implementation structures & partnerships k. Expected Outcome (Year wise)	2 to 3
PART III	Details Action Plan	
I	Plan for activities under the proposed initiative including timelines Plans for capacity building of community, community cadre, staff and other actors including timelines Partnership with NROs/ Technical Agencies/other institutions Conduct of baseline, process monitoring MIS for proposed intervention; Reporting Community monitoring (if any) Key procurement under the proposed initiative with timelines Plans for completing procurement of goods and services Financial Management , Internal Audit, Appointment of key personnel etc.	4 to 5
II	Technical Support Required from NMMU, NROs, others	1
III	Timeline of activities (On the basis of quarterly sequencing, using Gantt charts)	1
IV	Summary of Costs and Sources of Finance (As per template - Year wise)	1
V	Results Monitoring Framework (up to 2017-18)	1
VI	Annexures : Templates attached separately	

Annex-19
RBI Circular on Interest Subvention for Public Sector and Private Sector Banks

RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2016-17/42
FIDD.GSSD.CO.BC.No.13/09.01.03/2016-17

August 25, 2016

The Chairman / Managing Director
Public and Private Sector Banks

Dear Sir / Madam,

Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) – Aajeevika – Interest Subvention Scheme

Please refer to our **Circular FIDD.GSSD.CO.BC.NO.19/09.01.03/2015-16 dated January 21, 2016** on interest subvention scheme under National Rural Livelihoods Mission (NRLM).

2. The revised guidelines for the year 2016-17 on Interest Subvention Scheme under DAY-NRLM as received from the Ministry of Rural Development, Government of India, are annexed for implementation by all Public Sector Banks and 15 Private Sector Banks (as per list attached).

Yours faithfully

(Uma Shankar)

Chief General Manager

Encl: As above

Interest Subvention Scheme for Women SHGs - Year 2016-17

I. Interest subvention scheme on Credit to Women SHG during the year 2016-17 for all Commercial Banks (only Public Sector Banks, Private Sector Bank and Regional Rural Banks) and Co-operative banks in 250 districts

- i. All women SHGs will be eligible for interest subvention on credit upto Rs. 3 lakhs at 7% per annum. SHG availing capital subsidy under SGSY in their existing credit outstanding will not be eligible for benefit under this scheme.
- ii. The Commercial Banks and Cooperative Banks will lend to all the women SHGs in Rural areas at the rate of 7% in the 250 districts is provided at ***Annex Table-19.1***.
- iii. All Commercial Banks will be subvented to the extent of difference between the Weighted Average Interest Charged (WAIC as specified by Department of Financial Services, Ministry of Finance for the year 2016-17 – ***Annex Table-19.2*** and 7% subject to the maximum limit of 5.5% for the year 2016-17. This subvention will be available to all the Banks on the condition that they make SHG credit available at 7% p.a. in the 250 districts.
- iv. Further, the SHGs will be provided with an additional 3% subvention on the prompt repayment of loans. For the purpose of Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered prompt payee if it satisfies the following criterion as specified by Reserve Bank of India (RBI).

a. For Cash Credit Limit:

- i. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days
- ii. There should be regular credit and debits in the accounts. In any case there shall be **at least one customer induced credit during a month**

iii. **Customer induced credit** should be sufficient to cover the interest debited during the month.

b. **For the Term loans:** A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment.

The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future.

All prompt payee SHG accounts as on the end of the reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement.

- v. The scheme is limited to Women Self Help Groups in rural areas only
- vi. The funding for the scheme will be met out of Central Allocation under DAY-NRLM
- vii. The interest subvention scheme shall be implemented for all Public Sector Banks and Private sector Banks through a Nodal Bank selected by the Ministry of Rural Development (MoRD). The Nodal Bank will operationalize the scheme through a web based platform, as advised by MoRD. For the year 2016-17, Canara bank has been nominated as the Nodal bank by MoRD.
- viii. All Banks, who are operating on the Core Banking Solutions (CBS) can avail the interest subvention under the scheme.
- ix. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, regular subvention, all Public Sector Banks are required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. Public Sector Banks should also submit the claims for 3% additional subvention on the same portal. Public Sector Banks must submit the regular claims (difference between WAIC or lending rate

and 7%) and additional claims (@ 3% on prompt repayment) on a quarterly basis as on June 30, 2016, September 30, 2016, December 31, 2016 and March 31, 2017 by last week of the subsequent month.

- x. In order to avail the interest subvention on credit extended to the SHGs @7% and additional subvention claims of 3%, all Public Sector Banks and Private Sector Banks are required to submit claim certificate on quarterly basis to the nodal bank. The claims submitted by any bank should be accompanied by claim certificate (in original) certifying the claims for subvention as true and correct (***Annex Tables-19.3 to 19.5***). The claims of any Bank for the quarter ending March 2017 will be settled by MoRD only on receipt of the Statutory Auditor's certificate for the complete FY16-17 from the Bank.
- xi. Any remaining claim pertaining to the disbursements made during the year 2016-17 and not included during the year, may be consolidated separately and marked as an '*Additional Claim*' and submitted to Nodal Bank by Public Sector Banks and Private Sector Banks latest by June 30, 2017, duly audited by Statutory Auditor's certifying the correctness.
- xii. Any corrections in claims by Banks shall be adjusted from later claims based on auditor's certificate. For Public Sector Banks and Private sector Banks, the corrections must be made on the Nodal Bank's portal accordingly.

II. Interest subvention scheme for Category II Districts (Other than 250 districts).

For category II districts, comprising of districts other than the above 250 districts, all women S.H.Gs under DAY- NRLM will be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (S.R.L.Ms) from the allocation for DAY- NRLM. In the Category II districts, Banks will charge the SHGs as per their respective lending norms and the difference between the lending rates and 7% subjected to a maximum limit of 5.5% for the FY16-17 will be subvented in the loan accounts of the SHGs by the SRLM. In pursuance of the above, the salient features and the operational guidelines in respect of the interest subvention for the category II districts, for the year 2016-17 are as follows:

(A) Role of the Banks:

All banks who are operating on the Core Banking Solution (CBS) are required to furnish the details of the Credit disbursement and Credit outstanding of the SHGs across all districts in the desired format as suggested by the MoRD, directly from the CBS platform, to the Ministry of Rural Development (*through FTP*) and to the SRLMs. The information should be provided on a monthly basis to facilitate the calculation and disbursement of the Interest Subvention amount to SHGs.

(B) Role of the State Governments:

- i. All women SHGs, are regarded as SHGs under DAY- NRLM and will be eligible for interest subvention on credit upto Rs.3 lakhs at the rate of 7% per annum on prompt repayment.
- ii. This scheme will be implemented by the State Rural Livelihood Missions (SRLMs). SRLMs will provide interest subvention to the eligible SHGs who have accessed loan from Commercial and Cooperative Banks. The funding for this subvention will be met out of the Central Allocation and State Contribution as per the norms of Government of India.
- iii. The SHGs will be subvented with the extent of difference between the lending Rate of the banks and 7% subject to a maximum limit of 5.5% for the year 2016-17 by the SRLMs, directly on a monthly/quarterly basis. An *e-transfer* of the subvention amount will be made by the SRLM to the loan accounts of the SHGs who have repaid promptly.
- iv. For the purpose of the Interest Subvention, an account will be considered as prompt payee if it satisfies the following criterion as specified by RBI:

a. **For Cash Credit Limit:**

1. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days

2. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month
3. Customer induced credit should be sufficient to cover the interest debited during the month.

- b. **For the Term loans:** A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment

The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future.

- v. Women SHGs who have availed capital subsidy under SGSY in their existing loans, will not be eligible for benefit of Interest Subvention for their subsisting loan under this scheme.
- vi. SRLMs should submit Quarterly Utilization Certificate indicating subvention amounts transferred to the Loan accounts of the eligible SHGs.

III. The States with state specific interest subvention schemes are advised to harmonize their guidelines with the Central scheme.

Annex Table 19.1
List of 250 Eligible Districts for the Interest Subvention on the Loan at 7% and Additional Interest Subvention of 3% on the Prompt Repayment

S. No.	State	Name of Districts	No. of Districts
1.	Andhra Pradesh	Guntur	6
		Krishna	
		Srikakulam	
		East Godavari	
		Vijayanagaram	
		Visakhapatnam	
2.	Arunachal Pradesh	East Siang	4

S. No.	State	Name of Districts	No. of Districts
		East Kameng	
		Papumpare	
		Lohit	
3.	Assam	Chirang	8
		Karbi Anglong	
		Sonitpur	
		Tinsukiya	
		Hailakandi	
		Dhemeji	
		Jorhat	
		Nagaon	
4.	Bihar	Saharsa	17
		Supaul	
		Madhepura	
		Nalanda	
		Khagria	
		East Champaran (Motihari)	
		Arwal	
		Aurangabad	
		Gaya	
		Jamui	
		Jehanabad	
		Kaimur	
		Munger	
		Nawada	
		Rohtas	
		Paschim Champaran	
		Sitamarhi	
5.	Chhattisgarh	Balarampur	18
		Surajpur	
		Sukama	
		Kondagaon	
		Gariyaband	
		Baloda Bazar	
		Dhamtari	

S. No.	State	Name of Districts	No. of Districts
		Raigarh Bastar Bijapur Dantewada Jashpur Kanker Kawardha Koriya Narayanpur Rajnandgaon Sarguja	
6.	Gujarat	Chhotaudepur Mahisagar Mehsana Junagadh Vadodara Banaskantha Panchmahal	7
7.	Jharkhand	Pakkur Dumka Godda Bokarao Chatra Garhwa Giridh Gumla Hazaribagh Khunti Kodarma Latehar(N) Lohardaga Paschim Singhbhum Palamu Purbi Singhbhum Ramgarh	20

S. No.	State	Name of Districts	No. of Districts
		Ranchi(Rural)	
		Saraikela(N)	
		Simdega(N)	
8.	Karnataka	Bijapur	8
		Chamrajnagar	
		Chitradurga	
		Gulbarga	
		Mysore	
		Tumkur	
		Gadag	
		Koppal	
9.	Madhya Pradesh	Sager	20
		Damoh	
		Tikamgarh	
		Panna	
		Chahatapur	
		Jhabua	
		Dhar	
		Annupur	
		Balaghat	
		Dindori	
		Mandala	
		Seoni	
		Shahdol	
		Sidhi	
		Umaria	
		Chhindwara	
		Singrauli	
		Badwani	
		Sheopur	
		Alirajpur	
10.	Maharashtra	Solapur	13
		Ratnagiri	
		Thane	
		Wardha	

S. No.	State	Name of Districts	No. of Districts
		Beed	
		Sindhurdurg	
		Chandrapur	
		Gadchiroli	
		Gondia	
		Jalna	
		Osmanabad	
		Nandurbar	
		Yavatmal	
11.	Odisha	Angul	22
		Bhadrak	
		Balasore	
		Cuttack	
		Balangir	
		Deogarh	
		Gajapati	
		Ganjam	
		Jaipur	
		Kalahandi	
		Kandhamal	
		Kendujha	
		Koraput	
		Malkangiri	
		Mayurbhanj	
		Nabarangpur	
		Nayagarh	
		Nuapada	
		Rayagada	
		Sambalpur	
		Sonapur	
		Sundargarh	
12.	Rajasthan	Dungarpur	9
		Banswara	
		Dholpur	
		Jhalawar	
		Baran	

S. No.	State	Name of Districts	No. of Districts
		Ajmer	
		Alwar	
		Dausa	
		Udaipur	
13.	Tamil Nadu	Cuddalore	9
		Nagapattinam	
		Thanjaore	
		Trichy	
		Dindugal	
		Vilupuram	
		Vellore	
		Thiruvannamalai	
		Dharmapuri	
14.	Uttar Pradesh	Agra	25
		Aligarh	
		Auraiya	
		Basti	
		Bijnor	
		Lakhimpur Kheri	
		Unnao	
		Varanasi	
		Bara banki	
		Gorakhpur	
		Lucknow	
		Chandauli	
		Mirzapur	
		Sonbhadra	
		Badaun	
		Hardoi	
		Etwah	
		Azamgarh	
		Allahabad	
		Ambedkarnagar	
		Bahraich	
		Deoria	

S. No.	State	Name of Districts	No. of Districts
		Jalaun	
		Hamirpur	
		Banda	
15.	West Bengal	Alipurduar	8
		Purba Medinipur	
		South 24 Parganas	
		Bankura	
		Medinipur West	
		Coochbehar	
		Birbhum	
		Puruliya	
16.	Telangana	Mahabubnagar	5
		Adilabad	
		Warangal	
		Khammam	
		Karimnagar	
17.	Kerala	Idukki	4
		Vayanadu	
		Pallakkad	
		Mallapuram	
18.	Haryana	Mahendergarh	6
		Karnal	
		Jind	
		Mewat	
		Bhiwani	
		Jhajjar	
19.	Himachal Pradesh	Kangra	4
		Una	
		Shimla	
		Mandi	
20.	Jammu & Kashmir	Kupwara	6
		Poonch	
		Kistwar	

S. No.	State	Name of Districts	No. of Districts
		Ganderbal	
		Budgam	
		Udhampur	
21.	Punjab	Patiala	6
		Sangrur	
		Bathinda	
		Tarn Taran	
		Gurdaspur	
		Ferozepur	
22.	Uttarakhand	Pithoragarh	4
		Pohri Garwal	
		Chamoli	
		Bageshwar	
23.	Manipur	Chandel	2
		Imphal East	
24.	Meghalaya	West Garo Hills	3
		South West Khasi Hills	
		West Khasi Hill	
25.	Mizoram	Serchhip	3
		Aizwal	
		Lunglei	
26.	Nagaland	Kiphore	5
		Longleng	
		Peren	
		Tuensang	
		Mon	
27.	Tripura	Dhalai	3
		West Tripura	

S. No.	State	Name of Districts	No. of Districts
		North Tripura	
28.	Puducherry	Puducherry	1
29.	Andaman & Nicobar Islands	North & Middle Andhman Dist	1
30.	Sikkim	South Sikkim	2
		East Sikkim	
31.	Goa	North Goa	1
	Total		250

Annex Table-19.2
Weighted Average Interest Rate for 2016-17 of Private Banks

WAIC applicable for PSBs for the year 2016-17

Sl. No	Name of the Bank	Weighted Average Interest Charged (WAIC)	Interest to be subvented above 7% based on WAIC subject to a cap of 5.5%
1	Allahabad Bank	10.52	3.52
2	Andhra Bank	12.5	5.50
3	Bank of Baroda	9.65	2.65
4	Bank of India	13.27	5.50
5	Bank of Maharashtra	11.2	4.20
6	Canara Bank	11.15	4.15
7	Central Bank of India	10.5	3.50
8	Corporation Bank	11.65	4.65
9	Dena Bank	11.09	4.09
10	Indian Bank	11.95	4.95
11	Indian Overseas Bank	10.81	3.81
12	Oriental Bank of Commerce	11.45	4.45
13	Punjab National Bank	11.5	4.50
14	Punjab & Sindh Bank	11.62	4.62
15	State Bank of Bikaner & Jaipur	12.73	5.50
16	State Bank of Hyderabad	12.05	5.05
17	State Bank of India	12.25	5.25
18	State Bank of Mysore	10.6	3.60
19	State Bank of Patiala	10.78	3.78
20	State Bank of Travancore	11.49	4.49
21	Syndicate Bank	11.15	4.15
22	Uco Bank	10.7	3.70
23	Union Bank	10	3.00
24	United Bank of India	11.47	4.47
25	Vijaya Bank	13.93	5.50
26	IDBI	11.5	4.50
27	Bharatiya Mahila Bank	11.7	4.70

Sl. No.	Name of the Banks	Weighted Average Interest Charged (WAIC)	Interest to be subvented above 7% based on WAIC subjected to a cap of 5.50%
1	The Karur Vysya Bank	10.67	3.67
2	Kotak Mahindra	NA*	NA*
3	Dhan Laxmi	12.50	5.50
4	Tamil Nadu Mercantile Bank	12.65	5.50
5	Yes Bank	NA	NA
6	Indusind Bank	NA	NA
7	Axis Bank	12.48	5.48
8	HDFC	15.25	5.50
9	ICICI Bank	14.35	5.50
10	Lakshmi Vilas Bank	12.45	5.45
11	J&K	12.50	5.50
12	City Union Bank	11.07	4.07
13	Karnataka Bank Ltd	11.50	4.50
14	DCB Bank	26.00	5.50
15	RBL Bank	18.00	5.50

Claim for Interest Subvention on loans to Women SHGs at 7% Per Annum, for the Credit up-to Rs.3 Lakhs, FY 2016-17

Name of Bank:

Statement for claims for the period to: Loans disbursed/ outstanding up-to Rs.3 lakhs

New Loan Accounts Opened During the Periodto		Outstanding as at (End of Previous Period)		Total Outstanding as at		Amount of Interest Subvention
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	Amount

We hereby certify that loans to women SHGs up-to 3 lakhs were charged Interest @ 7% per annum on the above disbursement/outstanding in the year 2016-17. We certify that the above claimed amount and the accounts are from the Category-I districts only and all the accounts claimed are eligible for interest subvention as per RBI guidelines. We also certify that there is no duplication in the claims and with minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Dated

Authorized Signatory

(This claim format, consolidated for the year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

Claim for Additional Interest Subvention @ 3% on the Prompt Repayment, for the Credit up-to Rs.3 Lakhs, FY 2016-17

Name of Bank:

Statement for claims for the period to: Loans disbursed/outstanding upto Rs.3 lakhs

New Loan Accounts Opened During the Periodto		Outstanding as at (End of Previous Period)		Total Outstanding as at		Regular / Eligible Women SHGs		Amount of Interest Subvention
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	Amount

We certify that the above loans were repaid on time and the benefit of additional 3% interest subvention has been passed on to the women SHG's account, reducing the effective rate of interest to 4% for the prompt payee women SHGs. There is minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Dated

Authorized Signatory

(This claim format, consolidated for the year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

Annex Table – 19.5

Final Certificate to be Issued by the Member Banks on DAY-NRLM Claims for the Year 2016-17

(No. and Amount in Actuals)

NAME OF THE BANK:

DAY-NRLM claim uploaded in CANARA BANK Web portal as on Date : For the month of March 2017

Regular Claim		Additional claim		Total Claim	
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount

We certify that the above claimed accounts and amount are from the Category-I districts only and all the accounts claimed are eligible for interest subvention as per RBI guidelines. We also certify that there is no duplication in the claims and there is minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Date

Authorized Signatory

Final Certificate to be issued by Private Banks on Interest Subvention Claims under DAY- NRLM for the year 2016-17

Name of Bank

Details of Claims uploaded on CANARA Bank web portal up to month – March 2017

Date:

Authorized

Signatory

Annex-20
RBI Master Circular on NRLM

RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2015-16/142

FIDD.GSSD.CO.BC.No.09/09.01.01/2015-16

July 30, 2015

The Chairman/ Managing Director
All Scheduled Commercial Banks

Dear Sir/Madam,

Master Circular - National Rural Livelihoods Mission (NRLM)

Reserve Bank of India has periodically issued instructions/directives to banks with regard to operationalisation of the Government of India's National Rural Livelihoods Mission (NRLM) Scheme which replaced the erstwhile Swarnajayanti Gram Swarozgar Yojana (SGSY). To enable banks to have current instructions at one place, this Master Circular is being issued which consolidates all the previous instructions on NRLM issued by RBI up to June 30, 2015, which are listed in the Appendix.

Please acknowledge receipt.

Yours faithfully,

(Madhavi Sharma)
Chief General Manager

1. Background

The Ministry of Rural Development, Government of India launched a new programme known as National Rural Livelihoods Mission (NRLM) by restructuring and replacing the Swarnjayanti Gram Swarozgar Yojana (SGSY) scheme with effect from April 01, 2013. Detailed 'Guidelines' were circulated to all Scheduled Commercial Banks including Regional Rural Banks vide RBI circular RPCD.GSSD.CO.No.81/09.01.03/2012-13 dated June 27, 2013.

NRLM is the flagship program of Govt. of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods services. NRLM is designed to be a highly intensive program and focuses on intensive application of human and material resources in order to mobilize the poor into functionally effective community owned institutions, promote their financial inclusion and strengthen their livelihoods. NRLM complements these institutional platforms of the poor with services that include financial and capital services, production and productivity enhancement services, technology, knowledge, skills and inputs, market linkage, etc. The community institutions also offer a platform for convergence and partnerships with various stakeholders by building environment for the poor to access their rights and entitlements and public service.

A women's self-help group, coming together on the basis of mutual affinity is the primary building block of the NRLM community institutional design. NRLM focuses on building, nurturing and strengthening the institutions of the poor women, including the SHGs and their Federations at village and higher levels. In addition, NRLM will promote livelihoods institutions of rural poor. The mission will provide a continuous hand-holding support to the institutions of poor for a period of 5 – 7 years till they come out of abject poverty. The community institutional architecture put in place under NRLM will provide support for a much longer duration and of a greater intensity.

The support from NRLM will include all round capacity building of the SHGs ensuring that the group functions effectively on all issues concerning their members, financial management, providing them with initial fund support to address vulnerabilities and high cost indebtedness, formation and nurturing of SHG federations, making the federations evolve as strong support organizations, making livelihoods of the poor sustainable, formation and nurturing of livelihoods organizations, skill development of the rural youth to start their own enterprises or take up jobs in organized sector,

enabling these institutions to access their entitlements from the key line departments, etc.

The implementation of NRLM has been in a Mission Mode since April, 2013. NRLM adopts a demand driven approach, enabling the States to formulate their own State specific poverty reduction action plans. NRLM enables the State rural livelihoods missions to professionalize their human resources at State, district and block level. The State missions are capacitated to deliver a wide range of quality services to the rural poor. NRLM emphasises continuous capacity building, imparting requisite skills and creating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector, and monitoring against targets of poverty reduction outcomes. The blocks and districts in which all the components of NRLM will be implemented, either through the SRLMs or partner institutions or NGOs, will be the intensive blocks and districts, whereas remaining will be non-intensive blocks and districts. The selection of intensive districts will be done by the states based on the demographic vulnerabilities. It will be rolled out in a phased manner over the next 7 - 8 years. All blocks in the country will become intensive blocks over time. The key features of NRLM have been furnished in ***Annex Table-20.1***. The key differences from SGSY have been listed in ***Annex Table-20.2***.

2. Women SHGs and their Federations

Women SHGs under NRLM consist of 10-15 persons. In case of special SHGs i.e. groups in the difficult areas, groups with disabled persons, and groups formed in remote tribal areas, this number may be a minimum of 5 persons.

NRLM will promote affinity based women Self –help groups.

Only for groups to be formed with Persons with disabilities, and other special categories like elders, transgenders, NRLM will have both men and women in the self-help groups.

SHG is an informal group and registration under any Societies Act, State cooperative Act or a partnership firm is not mandatory vide Circular *RPCD.No. Plan BC.13/PL-09.22/90-91* dated *July 24th, 1991*. However Federations of SHGs formed at village level, cluster level, and at higher levels are to be registered under appropriate acts prevailing in their States.

3. Financial Assistance to the SHGs

Revolving Fund (RF): NRLM would provide Revolving Fund (RF) support to SHGs in existence for a minimum period of 3/6 months and follow the norms of good SHGs, i.e. they follow '*Panch Sutra*' – regular meetings, regular savings, regular internal lending, regular recoveries and maintenance of proper books of accounts. Only such SHGs that have not received any RF earlier will be provided with RF, as corpus, with a minimum of Rs.10,000 and up to a maximum of Rs.15,000 per SHG. The purpose of RF is to strengthen their institutional and financial management capacity and build a good credit history within the group.

4. Capital Subsidy has been discontinued under NRLM:

No Capital Subsidy will be sanctioned to any SHG from the date of implementation of NRLM.

5. Community Investment support Fund (CIF)

CIF will be provided to the SHGs in the intensive blocks, routed through the Village level/ Cluster level Federations, to be maintained in perpetuity by the Federations. The CIF will be used, by the Federations, to advance loans to the SHGs and/or to undertake the common/collective socio-economic activities.

6. Introduction of Interest subvention:

NRLM has a provision for interest subvention, to cover the difference between the Lending Rate of the banks and 7%, on all credit from the banks/ financial institutions availed by women SHGs, for a maximum of Rs 3,00,000 per SHG. This will be available across the country in two ways:

- (i) In 150 identified districts, banks will lend to the women SHGs @7% up to an aggregated loan amount of Rs 3,00,000/-.The SHGs will also get additional interest subvention of 3% on prompt payment, reducing the effective rate of interest to 4%.
- (ii) In the remaining districts also, NRLM compliant women SHGs will be registered with SRLMs. These SHGs are eligible for interest subvention to the extent of difference between the lending rates and 7% for the loan up to Rs. 3

lakhs, subjected to the norms prescribed by the respective SRLMs. This part of the scheme will be operationalized by SRLMs.

*(A separate circular on December 09, 2014 was issued containing the detailed guidelines on interest subvention and its operationalization across the country for the year 2014-15 along with the list of 150 identified districts). Salient features and the implementation procedure of the Scheme are enclosed in **Annex Table-20.3** Interest subvention for subsequent years will be communicated separately to the banks by GOI/RBI).*

7. Role of Banks:

7.1 Opening of Savings accounts: The role of banks would commence with opening of accounts for all the Women SHGs, SHGs with members of Disability and the Federations of the SHGs. The 'Know Your Customer' (KYC) norms as specified from time to time by Reserve Bank of India are applicable for identification of the customers.

7.2 Lending Norms:

7.2.1 The eligibility criteria for the SHGs to avail loans :

- SHG should be in active existence at least since the last 6 months as per the books of account of SHGs and not from the date of opening of S/B account.
- SHG should be practicing 'Panchasutras' i.e. Regular meetings; Regular savings; Regular inter-lending; Timely repayment; and Up-to-date books of accounts;
- Qualified as per grading norms fixed by NABARD. As and when the Federations of the SHGs come to existence, the grading exercise can be done by the Federations to support the Banks.
- The existing defunct SHGs are also eligible for credit if they are revived and continue to be active for a minimum period of 3 months.

7.2.2 Loan Amount: Emphasis is laid on the multiple doses of assistance under NRLM. This would mean assisting an SHG over a period of time, through repeat doses of credit, to enable them to access higher amounts of credit for taking up sustainable livelihoods and improve on the quality of life. The amount of various doses of credit should be as follows:

- First dose: 4-8 times to the proposed corpus during the year or Rs. 50,000 whichever is higher.
- Second dose: 5-10 times of existing corpus and proposed saving during the next twelve months or Rs.1 lakh, whichever is higher.
- Third dose: Minimum of Rs. 2 lakhs, based on the Micro credit plan prepared by the SHGs and appraised by the Federations/Support agency and the previous credit History.
- Fourth dose onwards: Loan amount can be between Rs.5-10 lakhs for fourth dose and/or higher in subsequent doses. The loan amount will be based on the Micro Credit Plans of the SHGs and their members.

The loans may be used for meeting social needs, high cost debt swapping and taking up sustainable livelihoods by the individual members within the SHGs or to finance any viable common activity started by the SHGs.

(Corpus is inclusive of revolving funds, if any, received by that SHG, its own savings and funds from other sources in case of promotion by other institutes/NGOs.)

7.3 Type of facility and repayment:

7.3.1 SHGs can avail either Term loan or a CCL loan or both based on the need. In case of need, additional loan can be sanctioned even though the previous loan is outstanding.

7.3.2 Repayment schedule could be as follows:

- The first dose of loan will be repaid in 6-12 instalments
- Second dose of loan will be repaid in 12-24 months.
- Third dose will be sanctioned based on the micro credit plans, the repayment has to be either monthly/quarterly /half yearly based on the cash flow and it has to be between 2 to 5 Years.
- Fourth dose onwards: repayment has to be either monthly / quarterly / half yearly based on the cash flow and it has to be between 3 to 6 Years.

7.4. Security and Margin: No collateral and no margin will be charged up to Rs.10.00 lakhs limit to the SHGs. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans.

7.5. Dealing with Defaulters:

It is desirable that wilful defaulters should not be financed under NRLM. In case wilful defaulters are members of a group, they might be allowed to benefit from the thrift

and credit activities of the group including the corpus built up with the assistance of Revolving Fund. But at the stage of assistance for economic activities, the wilful defaulters should not have the benefit of further assistance until the outstanding loans are repaid. Wilful defaulters of the group should not get benefits under the NRLM Scheme and the group may be financed excluding such defaulters while documenting the loan.

Further, non-wilful defaulters should not be debarred from receiving the loan. In case of default is due to genuine reasons, Banks may follow the norms suggested for restructuring the account with revised repayment schedule.

8. Credit Target Planning

Based on the Potential Linked Plan/State Focus Paper prepared by NABARD, SLBC sub-committee may arrive at the district-wise, block-wise and branch-wise credit plan. The sub-committee has to consider the existing SHGs, New SHGs proposed, and number of SHGs eligible for fresh and repeat loans as suggested by the SRLMs to arrive at the credit targets for the states. The targets so decided should be approved in the SLBC and should be reviewed and monitored periodically for effective implementation.

The district-wise credit plans should be communicated to the DCC. The Block-wise/Cluster-wise targets are to be communicated to the bank Branches through the Controllers.

9. Post credit follow-up

Loan pass books in regional languages may be issued to the SHGs which may contain all the details of the loans disbursed to them and the terms and conditions applicable to the loan sanctioned. The passbook should be updated with every transaction made by the SHGs. At the time of documentation and disbursement of loan, it is advisable to clearly explain the terms and conditions as part of financial literacy.

Bank branches may observe one fixed day in a fortnight to enable the staff to go to the field and attend the meetings of the SHGs and Federations to observe the operations of the SHGs and keep a track of the regularity in the SHGs meetings and performance.

10. Repayment:

Prompt repayment of the loans is necessary to ensure the success of the programme. Banks shall take all possible measures, i.e. personal contact, organization of joint recovery camps with District Mission Management Units (DPMUs) / DRDAs to ensure the recovery of loans. Keeping in view, the importance of loan recovery, banks should prepare a list of defaulters under NRLM every month and furnish the list in the BLBC, DLCC meetings. This would ensure that NRLM staff at the district/ block level will assist the bankers in initiating the repayment.

11. Deputation of the bank officials to SRLMs

As a measure of strengthening the (DPMUs) / DRDAs and for promoting a better credit environment, deputation of the bank officials to DPMUs/ DRDAs has been suggested. Banks may consider deputing officers at various levels to the State Governments/DRDAs in consultation with them.

12. Supervision and monitoring of the Scheme

Banks may set up NRLM cells at Regional/Zonal offices. These cells should periodically monitor and review the flow of credit to the SHGs, ensure the implementation of the guidelines to the scheme, collect data from the branches and make available consolidated data to the Head office and the NRLM units at the districts/ blocks. The cell should also discuss this consolidated data in the SLBC, BLBC and DCC meetings regularly to maintain the effective communication with the state staff and all banks.

State Level Banker's Committee: SLBCs shall constitute a sub-committee on SHG-bank linkage. The sub-committee should consist of members from all banks operating in the State, RBI, NABARD, CEO of SRLM, representatives of State Rural Development Department, Secretary-Institutional Finance and Representatives of Development Departments etc. The sub- committee shall meet once in a month with a specific agenda of review, implementation and monitoring of the SHG-Bank linkage and the issues/ constraints in achievement of the credit target. The decisions of SLBCs should be derived from the analysis of the reports of the sub-committee.

District Coordination Committee: The DCC (NRLM sub-committee) shall regularly monitor the flow of credit to SHGs at the district level and resolve issues that constrain the flow of credit to the SHGs at district level. This committee meeting should have participation of LDMs, AGM of NABARD, district coordinators of the banks and DPMU staff representing NRLM and office bearers of SHG federations.

Block Level Bankers Committee: The BLBC shall meet regularly and take up issues of SHG bank linkage at the block level. In this Committee, the SHGs/ Federations of the SHGs should be included as members to raise their voice in the forum. Branch wise status of SHG credit shall be monitored at the BLBC (**Annex Table-20.4** may be used for the purpose)

Reporting to Lead District Managers: The branches may furnish the progress report and the delinquency report achieved under various activities of NRLM in the format at **Annex Tables-20.5 and 20.6** to the LDM every month for onward submission to Special Steering Committee/sub-committee constituted by SLBC.

Reporting to RBI: Banks may give a state-wise consolidated report on the progress made on NRLM to RBI/NABARD at monthly intervals.

Reporting on SHG-Bank linkages: NABARD shall submit monthly report on the SHG bank linkage, data for which shall flow from the CBS platform to NRLM on regular basis.

LBR returns: Existing procedure of submitting LBR returns to be continued duly furnishing the correct code.

13. Data Sharing:

Data sharing on a mutually agreed format / interval may be provided to SRLM for initiating various strategies including recovery etc. The financing banks may enter into a Memorandum of Understanding (MOU) for regular data sharing with the State Rural Livelihood Missions, through the CBS platform.

14. NRLM support to the bankers:

SRLM would develop strategic partnerships with major banks at various levels. It would invest in creating enabling conditions for both the banks and the poor for a mutually rewarding relationship.

SRLM will assist the SHGs through imparting Financial literacy, extending counselling services on savings, credit and training on Micro-investment Planning embedded in capacity building.

Improving quality of banking services to poor clients by positioning customer relationship managers (Bank Mitra).

Leveraging IT mobile technologies and institutions of poor and youth as business facilitators and business correspondents.

Community based recovery mechanism: One exclusive sub - committee for SHG Bank Linkage may be formed at village/cluster/ block level which will provide support to the banks in ensuring proper utilization of loan amount, recovery etc. The bank linkage sub - committee members from each village level federation along with project staff will meet once in a month under the chairmanship of the Branch Manager in the branch premises with the agenda items relating to bank linkage.

Annex Table – 20.1: Key Features of NRLM

Universal Social Mobilization: To begin with, NRLM would ensure that at least one member from each identified rural poor household, preferably a woman, is brought under the Self Help Group (SHG) network in a time bound manner. Subsequently, both women and men would be organized for addressing livelihoods issues i.e. farmers organizations, milk producers' cooperatives, weavers associations, etc. All these institutions are inclusive and no poor would be left out of them. NRLM would ensure adequate coverage of vulnerable sections of the society such that 50% of the beneficiaries are SC/STs, 15% are minorities and 3% are persons with disability, while keeping in view the ultimate target of 100% coverage of BPL families.

Participatory Identification of poor (PIP): The experience from SGSY suggests that the current BPL list has large inclusion and exclusion errors. To widen the target groups beyond the BPL list and to include all the needy poor, NRLM will undertake community based process i.e. participation of the poor in the process of identifying the target group. Participatory process based on sound methodology and tools (*social mapping and well being categorization, deprivation indicators*) and also locally understood and accepted criterion ensures local consensus that inadvertently reduces the inclusion and exclusion errors, and enables formation of the groups on the basis of mutual affinity. Over the years, the participatory method of identifying the poor have been developed and applied successfully in the states like AP, Kerala, Tamil Nadu and Odisha.

The households identified as poor through the P.I.P process will be accepted as NRLM target group and will be eligible for all the benefits under the programme. The

list finalized after PIP process will be vetted by the Gram Sabha and approved by the Gram Panchayat.

Till the PIP process is undertaken by the State in a particular district/Block, the rural households already included in the official BPL list will be targeted under NRLM. As already provided in the Framework for implementation of NRLM, up to 30% of the total membership of the SHGs may be from among the population marginally above the poverty line, subject to the approval of the BPL members of the group. This 30% also includes the excluded poor, those who are really as poor as those included in BPL list but their name does not figure in the list.

Promotion of Institutions of the poor: Strong institutions of the poor such as SHGs and their village level and higher level federations are necessary to provide space, voice and resources for the poor and for reducing their dependence on external agencies. They empower them and also act as instruments of knowledge and technology dissemination, and hubs of production, collectivization and commerce. NRLM, therefore, would focus on setting up these institutions at various levels. In addition, NRLM would promote specialized institutions like Livelihoods collectives, producers' cooperative/companies for livelihoods promotion through deriving economies of scale, backward and forward linkages, and access to information, credit, technology, markets etc. The Livelihoods collectives would enable the poor to optimize their limited resource.

Strengthening all existing SHGs and federations of the poor. There are existing institutions of the poor women formed by Government efforts and efforts of NGOs. NRLM would strengthen all existing institutions of the poor in a partnership mode. The self-help promoting institutions both in the Government and in the NGO sector would promote social accountability practices to introduce greater transparency. This would be in addition to the mechanisms that would be evolved by SRLMs and state governments. The learning from one another underpins the key processes of learning in NRLM.

Emphasis on Training, Capacity building and skill building: NRLM would ensure that the poor are provided with the requisite skills for managing their institutions, linking up with markets, managing their existing livelihoods, enhancing their credit absorption capacity and credit worthiness, etc. A multi-pronged approach is envisaged for continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers, NGOs and other key stakeholders. Particular focus would be on developing and engaging community professionals and community resource persons for capacity building of SHGs and their federations and other collectives. NRLM would make extensive use of ICT to make knowledge dissemination and capacity building more effective.

Revolving Fund and Community investment support Fund (C.I.F): A Revolving Fund would be provided to eligible SHGs as an incentive to inculcate the habit of thrift and accumulate their own funds towards meeting their credit needs in the long-run and immediate consumption needs in the short-run. The C.I.F would be a corpus and used for meeting the members' credit needs directly and as catalytic capital for leveraging repeat bank finance. The C.I.F would be routed to the SHGs through the

Federations. The key to coming out of poverty is continuous and easy access to finance, at reasonable rates, till they accumulate their own funds in large measure.

Universal Financial Inclusion: NRLM would work towards achieving universal financial inclusion, beyond basic banking services to all the poor households, SHGs and their federations. NRLM would work on both demand and supply side of Financial Inclusion. On the demand side, it would promote financial literacy among the poor and provides catalytic capital to the SHGs and their federations. On the supply side, it would coordinate with the financial sector and encourage use of Information, Communication & Technology (ICT) based financial technologies, business correspondents and community facilitators like 'Bank Mitras'. It would also work towards universal coverage of rural poor against loss of life, health and assets. Further, it would work on remittances, especially in areas where migration is endemic.

Provision of Interest Subvention: The rural poor need credit at low rate of interest and in multiple doses to make their ventures economically viable. In order to ensure affordable credit, NRLM has a provision for subvention on interest rate above 7% per annum for all eligible SHGs, who have availed loans from mainstream financial institutions.

Funding Pattern: NRLM is a Centrally Sponsored Scheme and the financing of the programme would be shared between the Centre and the States in the ratio of 75:25 (90:10 in case of North Eastern States including Sikkim; completely from the Centre in case of UTs). The Central allocation earmarked for the States would broadly be distributed in relation to the incidence of poverty in the States.

Phased Implementation: Social capital of the poor consists of the institutions of the poor, their leaders, community professionals and more importantly community resource persons (poor women whose lives have been transformed through the support of their institutions). Building up social capital takes some time in the initial years, but it multiplies rapidly after some time. If the social capital of the poor does not play the lead role in NRLM, then it would not be a people's programme. Further, it is important to ensure that the quality and effectiveness of the interventions is not diluted. Therefore, a phased implementation approach is adopted in NRLM. NRLM would reach all districts by the end of 12th Five-year Plan.

Intensive Blocks. The blocks that are taken up for implementation of NRLM, 'intensive blocks', would have access to a full complement of trained professional

staff and cover a whole range of activities of universal and intense social and financial inclusion, livelihoods, partnerships etc. However, in the remaining blocks or non-intensive blocks, the activities may be limited in scope and intensity.

Rural Self Employment Training Institutes (RSETIs). RSETI concept is built on the model pioneered by Rural Development Self Employment Institute (RUDSETI) – a collaborative partnership between SDME Trust, Syndicate Bank and Canara Bank. The model envisages transforming unemployed youth into confident self-employed entrepreneurs through a short duration experiential learning programme followed by systematic long duration hand holding support. The need-based training builds entrepreneurship qualities, improves self-confidence, reduces risk of failure and develops the trainees into change agents. Banks are fully involved in selection, training and post training follow up stages. The needs of the poor articulated through the institutions of the poor would guide RSETIs in preparing the participants/trainees in their pursuits of self-employment and enterprises. NRLM would encourage public sector banks to set up RSETIs in all districts of the country.

Annex Table – 20.2: Key Difference from SGSY

NRLM is promoting a major shift from purely 'allocation based' strategy to a 'demand driven' strategy wherein states have the flexibility to develop their own plans for capacity building of women SHGs and Federations, infrastructure and marketing, and policy for financial assistance for the SHGs.

NRLM will identify the target group of poor through a 'participatory identification of the poor' process instead of using the BPL list as was done in SGSY. This will ensure that the voiceless, poorest of poor are not ignored. In fact under NRLM, the first preference is given to the poorest of poor households.

NRLM will promote the formation of women SHGs on the basis of **affinity** and not on the basis of a common activity, as it used to be under SGSY. It is definitely possible that members who come together on the basis of affinity could be having a common activity.

Unlike SGSY, the NRLM has taken a saturation approach and will ensure all the poor in a village are covered and a woman from each poor family is motivated to join the SHG.

SHG Federations: All SHGs in a village come together to form a federation at the village level. The village federation is a very important support structure for the members and their SHGs. The cluster federation is the next level of federation. A cluster consists of a group of villages within a block. The exact configuration will vary from State to State, but typically a cluster consists of 25 - 40 villages. The Village federations and the Cluster federations are the two critical support structures for the SHG s and their members in their long journey out of poverty.

NRLM will provide continuous hand-holding support to SHGs, and their federations. This was missing in SGSY. Under NRLM this support will be provided to a great extent by capacitating the SHG federations and by building a cadre of community professionals from among the poor women. The federations and the community professionals will be imparted the necessary skills by the mission.

The objective of NRLM is to ensure that SHG s are enabled to access repeat finance from Banks, till they attain sustainable livelihoods and decent living standards. This was missing in SGSY, where the emphasis was on one time support.

Annex Table – 20.3: Interest Subvention Scheme for Women SHGs

I. Interest Subvention Scheme on Credit to Women SHG for all Commercial Banks (only Public Sector Banks, Private Sector Banks and Regional Rural Banks) and Co-operative banks in 150 Districts

All women SHGs will be eligible for interest subvention on credit upto Rs. 3 lakhs at 7% per annum. SHG availing capital subsidy under SGSY in their existing credit outstanding will not be eligible for benefit under this scheme.

The Commercial Banks and Cooperative Banks will lend to all the women SHGs at the rate of 7% in the 150 districts. **Annex Table-20.4** provides the names of the 150 districts.

All Commercial Banks (excluding RRBs) will be subvented to the extent of difference between the Weighted Average Interest Charged (*WAIC as specified by Department of Financial Services, Ministry of Finance.*) and 7% subject to the maximum limit of 5.5%. This subvention will be available to all the Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts.

RRBs and Cooperative Banks will be subvented to the extent of difference between the maximum lending rates (as specified by NABARD) and 7% subject to the maximum limit of 5.5%. This subvention will be available to all RRBs and Cooperative Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts. RRBs and Cooperative Banks will also get concessional refinance from NABARD. Detailed guidelines for RRBs and Cooperative Banks will be issued by NABARD.

Further, the SHGs will be provided with an additional 3% subvention on the prompt repayment of loans. For the purpose of Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered prompt payee if it satisfies the following criterion.

a. For Cash Credit Limit:

- i. Outstanding balance shall not have remained in excess of the limit /drawing power continuously for more than 30 days.
- ii. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month.

iii. Customer induced credit should be sufficient to cover the interest debited during the month.

b. For the Term loans:

iv. A term loan account where all of the interest payments and/or installments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment.

v. All prompt payee SHG accounts as on the end of the reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement.

vi. The Interest Subvention scheme shall be implemented for all commercial banks (excluding RRBs) through a Nodal Bank selected by the Ministry of Rural Development.

vii. For the RRBs and Cooperative Banks the scheme will be operationalized by NABARD similar to the short term crop loan scheme.

viii. All Commercial Banks (including the PSBs, Private Banks and RRBs) who are operating on the Core Banking Solutions (CBS) can avail the interest subvention under the scheme.

ix. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, regular subvention, all commercial banks (excluding RRBs) are required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. Banks must submit the claims for 3% additional subvention on the same portal.

x. The claims submitted by bank should be accompanied by a Statutory Auditor's certificate (in original) certifying the claims for subvention as true and correct.

xi. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, all RRBs and Cooperative Banks are required to submit their claims to respective NABARD - Regional Offices on a quarterly basis as at June, September, December and March. The claims for the last quarter should be accompanied with a Statutory Auditor's certificate certifying the claims for the Financial Year as true and correct.

The claims of any Bank for the quarter ending March will be settled by MoRD only on receipt of the Statutory Audited certificate for the complete Financial Year by the Bank.

xii. RRBs and Cooperative Banks may submit their consolidated claims pertaining to the 3% additional subvention on disbursements made during the entire year to respective NABARD - Regional Offices latest by June every year, duly audited by Statutory Auditors certifying the correctness.

xiii. Any remaining claim pertaining to the disbursements made during the year and not included during the year, may be consolidated separately and marked as an '*Additional Claim*' and submitted to Nodal Bank (for all Commercial banks except RRBs) and NABARD Regional Offices (for all RRBs and Cooperative Banks) latest by June every year, duly audited by Statutory Auditors certifying the correctness.

xiv. Any corrections in claims by PSBs and Pvt. Sector Banks shall be adjusted from later claims based on auditor's certificate. The corrections must be made on the Nodal Bank's portal accordingly.

xv. For process of submission of claims by RRBs and Cooperative Banks, detailed guidelines will be issued by NABARD

II. Interest Subvention Scheme for Category II Districts (Other than 150 Districts).

For category II districts, comprising of districts other than the above 150 districts, all women S.H.Gs under N.R.L.M will continue to be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (S.R.L.Ms). The State-wise distribution of the provision under this budget head would be determined each year. In the Category II districts, Banks will charge the SHGs as per their respective lending norms and the difference between the lending rates and 7% subjected to a maximum limit of 5.5% will be subvented in the loan accounts of the SHGs by the SRLM. In pursuance of the above, the salient features and the operational guidelines in respect of the interest subvention for the category II districts, are as follows:

(A) Role of the Banks:

All banks who are operating on the Core Banking Solution (CBS) are required to furnish the details of the Credit disbursement and Credit outstanding of the SHGs across all districts in the desired format as suggested by the MoRD, directly from the CBS platform, to the Ministry of Rural Development (*through FTP*) and to the SRLMs. The information should be provided on a monthly basis to facilitate the calculation and disbursement of the Interest Subvention amount to SHGs.

(B) Role of the State Governments:

i. All women SHGs, comprising of more than 70% BPL or rural poor members (rural poor as per the Participatory Identification Process) are regarded as SHGs under NRLM. Such SHGs, comprising of rural poor members from the intended NRLM target group will be eligible for interest subvention on credit up to Rs. 3 lakhs at the rate of 7% per annum on prompt repayment.

ii. This scheme will be implemented by the State Rural Livelihood Missions (SRLMs). SRLMs will provide interest subvention to the eligible SHGs who have accessed loan from Commercial and Cooperative Banks. The funding for this subvention will be met out of the Central Allocation: State Contribution in the ratio of 75:25.

iii. The SHGs will be subvented with the extent of difference between the lending Rate of the banks and 7% subjected to a maximum limit of 5.5% by the SRLMs, directly on a monthly / quarterly basis. An e-transfer of the subvention amount will be made by the SRLM to the loan accounts of the SHGs who have repaid promptly.

iv. Women SHGs who have availed capital subsidy under SGSY in their existing loans, will not be eligible for benefit of Interest Subvention for their subsisting loan under this scheme.

v. SRLMs should submit Quarterly Utilization Certificate indicating subvention amounts transferred to the Loan accounts of the eligible SHGs

The States with state specific interest subvention schemes are advised to harmonize their guidelines with the Central scheme.

Annex Table – 20.4

**List of Districts Eligible for the Interest Subvention on the Loan at 7% and
Additional Interest Subvention of 3% on the Prompt Repayment**

S. No.	State	List of Districts	No. of Districts in State
1.	Andhra Pradesh	Adilabad	8
		Srikakulam	
		East Godavari	
		Warangal	
		Vijayanagaram	
		Visakhapatnam	
		Khammam	
		Karimnagar	
2.	Bihar	Arwal	11
		Aurangabad	
		Gaya	
		Jamui	
		Jehanabad	
		Kaimur	
		Munger	
		Nawada	
		Rohtas	
		Paschim Champaran	
		Sitamarhi	
3.	Chhattisgarh	Bastar	10
		Bijapur	
		Dantewada	
		Jashpur	
		Kanker	
		Kawardha	
		Koriya	
		Narayanpur	
		Rajnandgaon	
		Sarguja	
4.	Goa	North Goa	1
5.	Gujarat	Vadodara	3

S. No.	State	List of Districts	No. of Districts in State
		Banaskantha	
		Panchmahal	
6.	Haryana	Mewat	3
		Bhiwani	
		Jhajjar	
7.	Himachal Pradesh	Shimla	2
		Mandli	
8.	Jammu and Kashmir	Ganderbal	3
		Budgam	
		Udhampur	
9.	Jharkhand	Bokarao	17
		Chatra	
		Garhwa	
		Giridh	
		Gumla	
		Hazaribagh	
		Khunti	
		Kodarma	
		Latehar(N)	
		Lohardaga	
		Paschim Singhbhum	
		Palamu	
		Purbi Singhbhum	
		Ramgarh	
		Ranchi(RURAL)	
		Saraikela(N)	
		Simdega(N)	
10.	Karnataka	Mysore	4
		Tumkur	
		Gadag	
		Koppal	
11.	Kerala	Pallakkad	2
		Mallapuram	

S. No.	State	List of Districts	No. of Districts in State
12.	Madhya Pradesh	Annupur	13
		Balaghat	
		Dindori	
		Mandala	
		Seoni	
		Shahdol	
		Sidhi	
		Umaria	
		Chhindwara	
		Singrauli	
		Badwani	
		Sheopur	
Alirajpur			
13.	Maharashtra	Gadchiroli	
		Gondia	
		Jalna	
		Osmanabad	
		Nandurbar	
		Yavatmal	
14.	Odisha	Balangir	18
		Debagarh	
		Gajapati	
		Ganjam	
		Jajpur	
		Kalahandi	
		Kandhamal	
		Kendujhar	
		Koraput	
		Malkangiri	
		Mayurbhanj	
		Nabarangpur	
		Nayagarh	
Nuapada			
Rayagada			

S. No.	State	List of Districts	No. of Districts in State
		Sambalpur	
		Sonapur	
		Sundargarh	
15.	Punjab	Tarn Taran	3
		Gurdaspur	
		Ferozepur	
16.	Rajasthan	Ajmer	4
		Alwar	
		Dausa	
		Udaipur	
17.	Tamil Nadu	Vilupuram	4
		Vellore	
		Thiruvannamalai	
		Dharmapuri	
18.	Uttar Pradesh	Chandauli	14
		Mirzapur	
		Sonbhadra	
		Badaun	
		Hardoi	
		Etwah	
		Azamgarh	
		Allahabad	
		Ambedkarnagar	
		Bahraich	
		Deoria	
		Jalaun	
		Hamirpur	
		Badan	
19.	Uttarakhand	Chamoli	2
		Bageshwar	

S. No.	State	List of Districts	No. of Districts in State
20.	West Bengal	Bankura	5
		Medinipur West	
		Coochbehar	
		Birbhum	
		Puruliya	
North Eastern States			
21.	Arunachal Pradesh	Papumpare	2
		Lohit	
22.	Assam	Hailakandi	4
		Dhemeji	
		Jorhat	
		Nagaon	
23.	Manipur	Imphal East	1
24.	Meghalaya	West Khasi Hill	1
25.	Mizoram	Aizwal	2
		Lunglei	
26.	Nagaland	Peren	3
		Tuensang	
		Mon	
27.	Sikkim	South Sikkim	2
		East Sikkim	
28.	Tripura	West Tripura North Tripura	2
	Total		150

Annex Table – 20.5
Progress Report for the Month of _____

Branch Name:

Bank Name:

Block:

Name:

District:

State:

Rs. Lakhs

S. No.	No. of SHGs with SB Accounts			Credit Linked SHGs in this Month						Credit Outstanding	
	Total SB accounts till last month	New A/c opened this month	Cumulative	New Loans		Repeat Loans		Cumulative		No. of Loans	Amount Outstanding*
				No. of Loans	Amount Disbursed*	No. of Loans	Amount Disbursed*	No. of Loans	Amount Disbursed*		
	1(a)	1(b)	1(c)= 1(a)+1(b)	2(a)	2(b)	3(a)	3(b)	4(a)=2(a)+ 3(a)	4(b)=2(b)+ 3(b)	5(a)	5(b)

**New loans : First linkage loans to be considered as the new loans*

**Second and third linkage to be counted under repeat finance*

** Credit Outstanding 5(a) and 5(b) should be inclusive of the cumulative credit disbursed in the month i.e. 5(a) = 4(b) + credit outstanding till last month*

Annex Table – 20.6
Delinquency Report for the Month of _____

Branch Name:

Bank Name:

Block:

Name:

District:

State:

Rs. Lakhs

S. No.	No. of Loan Accounts	Amount Outstanding*	Irregular Accounts		Details of the NPA Accounts	
			No. of Accounts	Overdue Amount*	No. of Accounts	Amount*
(1)	(2)	(3)	4(a)	4(b)	5(a)	5(b)

Appendix

No.	Circular No.	Date	Subject
1.	RPCD.GSSD.CO.NO.81/09.01.03/2012-13	27.06.2013	Priority Sector Lending – Restructuring of SGSY as National Rural Livelihoods Mission(NRLM)- Aajeevika
2.	RPCD.GSSD.CO.BC.No.57/09.01.03/2013-14	19.11.2013	Restructuring of SGSY as National Rural Livelihoods Mission (NRLM)- Aajeevika-Interest Subvention Scheme
3.	FIDD.GSSD.CO.BC.NO.45/09.01.03/2014-15	09.12.2014	National Rural Livelihoods Mission(NRLM)- Aajeevika- Interest Subvention Scheme

Annex-21
RBI Letter on Unique Code for Women SHGs

RESERVE BANK OF INDIA
www.rbi.org.in

RPCD.GSSD.CO.No.7270-7295/09.01.03/2013-14

January 2, 2014

The Chairman/Managing Director
All Public Sector Banks

Dear Sir,

Restructuring of SGSY as National Rural Livelihoods Mission (NRLM) – Aajeevika – Interest Subvention Scheme

Please refer to our Circular RPCD.GSSD.CO.BC.No.57/09.01.03/2013-14 dated November 19, 2013 on Interest Subvention Scheme under NRLM.

2. In this connection, Government of India (GoI) has desired as under:

- (i) **Unique Code for Women SHGs:** In the category I districts, i.e., select 150 districts, the Interest Subvention Scheme will be implemented through the Nodal Bank similar to the interest subsidy scheme for education loans for Ministry of Human Resources Development (MHRD). The Nodal Bank will collect the information on women SHGs so that interest subvention can be operationalised for 150 districts. Therefore, banks are advised to assign gender based codes for the SHGs-Male, Female as well as Mixed Groups, irrespective of the promoting agency.
- (ii) **Unique code for NRLM:** The accounts for the SHGs, both S/B as well as Loan accounts should be maintained under the unique code of NRLM.
- (iii) **Data sharing by banks:** As advised in our circular dated June 27, 2013 NRLM requires every bank to share a data on SHGs as per the template prescribed by NRLM. The data must directly come through CBS and must be transferred electronically to the NRLM Server in order to enable NRLM to operationalize the Interest Subvention Scheme in the category-II districts in a transparent manner.

3. Please also note that the data reporting to RBI would continue as envisaged in our circular RPCD.GSSD.CO.BC.No.38/09.01.03/2013-14 dated September 20, 2013. All the banks are advised to note and implement Government of India's instructions accordingly. In case any difficulty is experienced or any further clarification is required, the issue may be raised elaborately so that the matter may be taken up with Government of India.

Yours faithfully,

(J.R. Sankhyan)
Assistant General Manager

Annex-22
Advisory on Pending Loan Applications

File No.I-12011-03-2015 RL (C)
Government of India
Ministry of Rural Development

6th Floor, Hotel Samrat
New Delhi – 110021
November 3rd, 2015

To
All State Mission Directors/Chief Executive Officers
State Rural Livelihoods Missions

Sub: Regarding Reporting of Pending SHG Loan Applications with Banks

Sir/Madam

This advisory is issued on the instruction of Joint Secretary, MoRD/Mission Director NRLM.

Timely 'credit linkage' of eligible SHGs with the banks is one of the most critical inputs for the successful implementation of NRLM in the country. At NMMU, we are making continuous efforts to facilitate the same by meticulously monitoring and sharing of the pendency data with all the concerned, including the Ministry of Finance. The Department of Financial Services, in turn takes up the matter with concerned banks to expedite the process of credit linkage of SHGs.

In order to be more effective in this endeavor, and facilitates the states in their efforts of credit flow to SHGs from Banks, it is requested that the SRLMs should submit required information in given format to NMMU by 10th of the succeeding month regularly so that we can pursue the cases of pendency with the concerned Banks. It is further requested that the report should be submitted in soft copy for compilation at our end.

For further clarifications from NMMU, kindly get in touch with Financial Inclusion Team.

Yours faithfully

(Nita Kejrewal)
Director – F&A, NRLPS

Annex Table – 22.1 : Status Report of Pending Loan Applications at Branch Level (2015-16)

State:

Report for the Month ending:

Amount in Lakh

S. No.	Name of Bank	Status as on previous month end		Progress during the month under report				Cumulative Status as on month end			
		No. of Loan Application Pending with Branches	Estimated Amount of Credit	Loan Applications submitted in this month		Total Sanctioned Applications		No. of Loan Application Pending at Branch Level (=3+5-7)	Estimated Amount of Credit (=4+6-8)	MUDRA Loans	
				No. Loan Applications submitted during this month	Estimated Amount of Credit	No. of Loan Applications Sanctioned	Sanction Amount			No. of Loans Sanctioned under MUDRA	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Public Sector Banks										
1											
2											
	RRBs										
1											
2											
	Private Sector Banks										
1											
2											
	Cooperative Banks										
1											
2											
	Total										

Annex-23
Advisory on Formation of IBA Sub-Committee

No.I-12011/16/2012-SGSY (C)
Government of India
Ministry of Rural Development

6th Floor, Hotel Samrat, Chanakyapuri
New Delhi, 4th February, 2014

To

Sri M V Tanksale
Chief Executive Officer
Indian Banks' Association
MUMBAI

Dear Sir,

Sub: Formation of IBA's Sub-Committee Meeting for Aajeevika Scheme under NRLM

Ministry of Rural Development, Government of India has launched Aajeevika Scheme under National Rural Livelihood Mission. In this regard, vide communication No.RPCD.GSSD.CO.No.81/09.01.03/2012-13 dated 27.05.2013 and RBI/2013-14/373 RPCD.GSSD.CO.No.57/09.01.03/2013-14 dated 19.11.2013, Reserve Bank of India has issued communications to Banks including RRBs on restructuring of SGSY Scheme as NRLM – Aajeevika and an operational modalities.

Canara Bank has been selected as the Nodal Bank to operationalize the Interest Subvention Scheme for WSHGs formulated for 150 identified districts on behalf of Government of India.

The Nodal Bank has initiated steps for developing the NRLM web based package for submission of claims by Member Banks through online mode. The Web Portal would be opened shortly, which will go live on or before 15th February 2014 as per the tentative proposed schedule.

In this backdrop, a need is felt for formation of a Sub-Committee under Aajeevika – NRLM Scheme for discussions on vital issues prevailing for smooth operationalization of the Scheme, involving the following members

1.	Joint Secretary (RL) / Nominee from MoRD, Government of India	-	Chairman
2.	Officials from Indian Banks' Association	-	Member
3.	Canara Bank	-	Convener (Nodal Bank)
4.	State Bank of India	-	Member
5.	Punjab National Bank	-	Member
6.	Bank of Baroda	-	Member
7.	Bank of India	-	Member
8.	State Bank of Mysore	-	Member
9.	Allahabad Bank	-	Member
10.	UCO Bank	-	Member
11.	Central Bank of India	-	Member
12.	Indian Overseas Bank	-	Member
13.	Andhra Bank	-	Member
14.	State Bank of Travancore	-	Member
15.	ICICI Bank	-	Member
16.	HDFC Bank	-	Member
17.	Dhanalaxmi Bank	-	Member
		-	Member

We request you to issue necessary communication from your end for all the above member banks as we have to disburse the interest subvention amount to the banks at the earliest. It is proposed to hold a meeting of the Sub-Committee on NRLM at **CAPART Conference Hall, India Habitat Center, Zone (Building SA) Lodhi Road, New Delhi-3 on 07.02.2014 at 3.00 pm** to discuss pertinent issues for smooth implementation of Aajeevika Scheme under NRLM.

(T. Vijaykumar)
Joint Secretary (RL)

Annex-24
Advisory on Bank Sakhi and CBRM

No.I-12011/14/2014-RL(C)
Government of India
Ministry of Rural Development
(RL Division)

6th Floor, Hotel Samrat, Chanakyapuri
New Delhi, 27th November, 2014

OFFICE MEMORANDUM

Sub: Strengthening SHG Bank Linkage

NRLM has strong focus on building access to financial services by the poor. SHG Bank Linkage is one of the most important pillars of the entire programme which not only ensure delivery of credit on fair terms to the rural poor, but also helps them to invest in livelihoods. In order to speed-up the process of linking eligible SHGs with banks, NRLM is taking the following steps.

A. Credit Linkage of SHGs

2. In May 2014, a national workshop has been conducted to thrash out certain issues in bank linkage programme and prepare state specific annual SHG bank linkage plan. **A Hand Book on SHG Bank Linkage** has also been released.
3. NRLM has also communicated the SHG Bank Linkage Targets for the year 2014-15.

A comparative bank-wise statement for loans disbursed to SHGs during FY 2013-14 & 2014-15 as shared by banks is attached for your reference. SRLM are requested to kindly take up necessary measures in association with SLBC and controlling offices of respective banks to ensure achievement of the Target set for SHG Credit Linkage.

As regards monitoring of SHG Bank Linkage data with respect to Cooperative Banks and certain RRBs which have not fully migrated to CBS SRLMs may compile and share manual reports on monthly basis in the format annexed (**SBLP Manual Report-1 and 2**).

B. Capacity Building of Staff

4. There is a need to strengthen capacities of the staff particularly those directly working with SHGs on the protocols and processes for linking SHGs to Banks. A capacity building module on the subject is also being prepared for the staff at various levels.

SRLMs are requested to ensure conducting training programmes for enhancing skill and knowledge base of staff in SHG Bank Linkage.

C. Orientation OF Bank Branch Managers

5. Orientation of Bank Branch Managers is a pre-requisite for effective SHG Bank Linkage. SRLM has taken initiative to orient selected Branch Managers. A module for orientation of bankers has been prepared by NMMU in association with BIRD.

There is a need to step-up efforts to orient managers of all bank branches with which SRLM will make efforts to link SHGs. This may be completed by February 2015.

D. Placement of Bank Sakhi and Reduction in NPA

6. A National Workshop on Bank Sakhi was recently held during 29-30 October 2014 at Bhopal with participants from 16 State Missions. Drawing upon experiences of states implementing the same. Training Module and Handbook for Bank Sakhi were finalized at the workshop. Copies of the same will be communicated shortly.
7. Efforts are underway to reduce NPA and adopt "Zero NPA Policy". Towards this, systematic implementation of Community Based Recovery Mechanism (CBRM) is desirable. This is a mechanism where in a committee at each bank branch level is formed with representatives from the SHGs/VOs headed by the Branch Manager. The committee is expected to meet once a month on a pre-decided date to discuss plans related to new SB A/c of SHGs, credit linkage of SHGs and also address issues related to NPA on SHG loans. Field experiences from few states indicates that implementation of this mechanism

has resulted in significant reduction of NPA and boosted the overall flow of credit to SHGs.

All SRLMs are requested to make necessary arrangements for placement of Bank Sakhi and implementing CBRM. Bank Sakhis are expected to catalyse credit delivery to all eligible SHGs in time as well as nurture good repayment behavior among SHGs. Illustrative list of important action to be taken by SRLMs is shown below:

- i. Preparing a policy for Bank Sakhi (including provisions for honorarium) and CBRM.
- ii. Verifying of policy on Bank Sakhi and CBRM by SLBC and controlling offices of banks.
- iii. Identification of bank branch for placement of Bank Sakhi and implementing CBRM.
- iv. Identification, training and induction of Bank Sakhis at least in 50 by February 2015. The Roll out plan as prepared during the workshop on Bank Sakhi may be followed.
- v. Repeating capacity building for Bank Sakhis at appropriate intervals based on the need.
- vi. Formation of CBRM committee, institutionalization of CBRM meeting process at bank branches.
- vii. Setting-up of a review and monitoring system of Bank Sakhis functioning – both in stepping up SHG Bank Linkage and ensuring prompt repayment of loans.

It is requested that SRLMs share detailed implementation plans on the points mentioned above. This Ministry may be updated on the progress on a monthly basis.

Yours sincerely,

(T. Vijay Kumar)

Principal Secretary, RD Assam
Principal Secretary, RD West Bengal
Addl. Chief Secretary, RD Madhya Pradesh
Principal Secretary, RD Maharashtra

Secretary, RD Rajasthan
Secretary, RD Gujarat
Principal Secretary, RD Kerala
Addl. Chief Secretary, RD Karnataka
Principal Secretary, RD Tamil Nadu
Secretary, RD Chhattisgarh
Secretary, RD Bihar
Secretary, RD Odisha

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SMD Odisha

Farm Livelihoods

Annex-25
Advisory on Farm Livelihoods and Annual Action Plan Template

State:

Year:

1. Livelihood Situation Analysis of the State

(This section should elaborate the rationale for various interventions being proposed by the SRLM by highlighting baseline conditions in terms of livelihoods parameters based on available secondary data. This section should also use the SECC data and IPPE-II data analysis extensively to understand current livelihood status and opportunities emerging for the poor for assetization for productive purposes).

1.1. Key Livelihoods of the Poor

Please explain various issues in the area of livelihood promotion for the Ultra-poor in your state

1.1.1. Agriculture scenario in the Intensive blocks

- 1.1.1.1. Please provide details of landholding pattern
- 1.1.1.2. Cropping intensity
- 1.1.1.3. Major crops grown
- 1.1.1.4. Access to productive resources
- 1.1.1.5. Any other key issues including value chain gaps

1.1.2. Livestock scenario in the intensive blocks

- 1.1.2.1. Type of Livestock maintained by poor-livestock population data
- 1.1.2.2. Extent of ultra-poor households maintaining livestock
- 1.1.2.3. Existing animal husbandry practices
- 1.1.2.4. Value chain gaps if any

1.1.3. NTFP activities (if applicable)in the Intensive Blocks

- 1.1.3.1. Extent of Ultra-poor households involved in NTFP activities (lac, tasar, gum karaya etc)
- 1.1.3.2. Available host trees for lac, tasar, Gum Karaya
- 1.1.3.3. Other NTFP resources
- 1.1.3.4. Existing practices of harvesting, value addition and marketing

1.2. Explain the existing best practices if any for the poor households, in each of the livelihood streams- Agriculture/NTFP/Animal Husbandry present in your state. (to be identified from MKSP areas, SRLM's own interventions, NGO/CSO interventions, govt programs etc). This is to understand the

models for replication. You may refer to the description of indicator for details as below:

Sl. No.	Criteria for identification of best practice	Description of Criteria
1	No. of years a particular practice has been grounded in the state	Mention the no. of years. You can also mention the agency/individual who pioneered the process
2	No. of families/HHs that have benefited by the given practice	Please provide the no. of families/HHs under the abovementioned PoP model only
3	Technology/Activities required to be undertaken for the given practice	Simple intervention or complex (Please mention the important activities. Please be precise)
4	Expected Outputs as a result of adoption of this practice	Incremental household income/others- You can explain the same with a case study (Please mention the figure)
5	Generation of Community Resource Persons	Please assess the number of CRPs that can be drawn from among the best practicing women farmers whose services are planned to be utilized
6	Sustainability of the intervention- external support required	Please comment on how much handholding is required for promoting this practice with a large no. of Households
7	Required Linkages/Resource requirements	(Please comment on requirements of external support/ Linkages with other schemes/departments required. Please also mention the specific convergence areas
8	Risks	Mention the risks associated
9	Outcomes at the end of project	How does the best practice identified in your area contribute to improved food& nutrition security for the HHs, Climate change adaptation etc
10	What are the issues/ Problems it has resolved??	Why these practices are called best practices??

2. Livelihood Promotion Strategy Proposed by State

2.1 In reference to the existing livelihood opportunities and the issues, what is the overall strategy of the state to promote livelihood activities for the poor and vulnerable households?

2.2 Please explain how the state aims at addressing the issues in the field of livelihoods. Also explain state's strategy with reference to specific livelihood stream (Agriculture, livestock, NTFP etc).

2.3 In case the MKSP partners are operating in the state, please describe the work done by the MKSP partners in the state in terms of:

Indicator	Sample Data Required	Remarks
% of SHG members taken up at least one livelihood intervention POP (package of practice)	No of SHG member in VO, No of SHG members taken up the intervention	
% of SHG members taking up two or more livelihood intervention package	No of SHG member in VO, No of SHG members taken up two or more interventions	
% increase in income per unit size of intervention	Reduction cost per acre, Increase in yield per acre; increase in income from NTFP, cost of NTFP; Small ruminant - reduction in mortality, increase in herd size	
% HH taken up Kitchen Garden/vegetable cultivation	No of SHG members intervened ,No of SHG members taken up kitchen garden	
% HH consuming vegetables grown in their own field for more than 100 days in a year	No of HH consuming vegetables grown in own land, no of days consuming vegetables	
% Intervened HH accessed credit for the interventions	No of HH intervened, No of HH taken credit from SHG for the intervention	
% of villages intervened for two years having internal CRPs	No of villages intervened, no of CRPs in each village	
% Households adopting practice for consecutive years		
% of trained CRPs ready to support other areas		

These indicators can also be used for identifying any best practice for replication and scaling up.

2.4 What are the strategies aimed specifically at the most vulnerable section/ community and their livelihood.

3. Readiness For Livelihood Interventions

3.1 Readiness criterion for the states: Before taking up Livelihoods strategy roll out

S. No.	Criterion	Yes/No	Please provide details (status)
3.1.1	Sufficient level of social mobilization has been undertaken in the intensive Blocks and generic institutions have been set up.		
3.1.2	Placement of Professional staffs for livelihoods vertical at the State and Block level has been completed ⁴		
3.1.4	MoU with digital GREEN for developing audio-visual training materials has been initiated/completed		
3.1.5	Identification of the resource organizations for training, handholding support and exposure visit has been done		
3.1.6	Identification of livelihoods CRPs and exposure visits of them to the best practice sites completed (CRPs are to identified by using some objective selection criteria)		

3.2 Identification of villages in the Intensive Blocks

3.2.1 Basic situational analysis of the identified villages (SECC and IPPE II data to be used)

As a phasing strategy, the SRLM may select few villages in each intensive block for starting the intervention. A village should be covered under the livelihoods

⁴Completion includes Hiring, training/immersion and deployment of staffs

interventions taking the following criterion into consideration. Please provide details of the exercise undertaken by SRLM against the broad criterion mentioned below:

Sl. No.	Criterion	Yes/No	Please provide details
3.2.1.1	The villages have large no. of poor and vulnerable households (SECC data)		
3.2.1.2	The selected villages are contiguous		
3.2.1.3	Majority of the women farmers are involved in agriculture and allied activities/NTFP collection		
3.2.1.4	Majority of existing landholdings are small and marginal		
3.2.1.5	Any of the best practice sites (which are listed by SRLM) are situated near the selected villages (in the same district)?		
3.2.1.6	Resource mapping done for the interventions or checking availability of the resources.		
3.2.1.7	IPPE II interventions plots can be taken as demonstration plot.		

3.2.2 Details of the quality of social mobilization in the identified villages for Ultra-poor strategy roll out

In this context, the details of the villages planned to be covered under Ultra-poor strategy roll out may be given against the indicators mentioned below:

Indicators	Description of indicator	Remarks on the identified villages (Please provide details village wise- identified villages only)
Quality of internal social capital in intensive blocks	% of SHG members fulfill basic eligibility criteria in terms of attendance, loans taken, repayment to become internal CRPs; Besides are they practicing agro ecology for last 1-2 years. Please mention the number of CRPs (generic)	

Indicators	Description of indicator	Remarks on the identified villages (Please provide details village wise- identified villages only)
	groomed.	
Pace of saturation in intensive blocks	% of target households brought under the fold of SHGs and village level federations. % villages where VO has been formed in the intensive blocks	
Extent of inclusion in intensive blocks	% of SC/STs/Minorities mobilized = No of SC/ST/ Minority households mobilized in villages saturated/ Total number of SC/ST/Minority households	

3.2.3 Details of Financial Inclusion status in the identified Blocks

It is expected that the state mission undertakes the situational analysis of the intensive blocks in terms of the total credit mobilization to develop a suitable Livelihoods Plan for the blocks. Please present the details of credit mobilization in the identified blocks.

Name of District	Name of Intensive Block	% SHGs received RF	Total Amount (Rs.)	% SHGs received CIF	Total Amount (Rs.)

4. Livelihoods Intervention Plan & Timelines

Activities	Please indicate the timeline for completion of activity
Positioning of Block team	
Identification of villages	
Mapping of resources for the interventions	
Development of convergence plans with MGNREGA	

Activities	Please indicate the timeline for completion of activity
and other line departments (including points of convergence)	
Orientation workshop at the State district and block level in the identified areas along with MKSP partners and/or other resource organizations	
Identification and training of Internal CRP/ active women farmers	
Immersion and training of Young Professional and Block staffs to the best practice sites of Resource Organization (RO)/relevant MKSP area	
Experience sharing exercise between CRPs and project Staffs.	
Submission of Baseline study of the existing Livelihood opportunities in the identified villages	
Identification of Ultra-poor/vulnerable (SECC) SHG households per village for close handholding support	
Profiling the existing Livelihoods of each vulnerable Households (use IPPE II data)	
Immersion of identified Ultra-poor SHG women to the best practice sites of RO/ MKSP sites	
Release of CIF to VO in the identified villages	
Development of training and capacity building module for CRP and women farmers (NRLM Training manual may be used)	
Planning for external CRPs from the existing MKSP area/RO (month wise movement plan for the season)	
Signing of MoU with the RO/ existing MKSP partner(s)	
Year round plan for training and capacity building	
Year round plan for Implementation of the interventions	

This is an indicative list

4.13 What is the overall strategy of livelihood promotion in the intensive blocks of the state, where more than 1 year of social mobilization has been already

undertaken under the intensive block strategy of NRLM? Please provide the saturation plan for the state starting from these intensive blocks (No. of years required, amount of investment required etc.)

- 4.14 How the state plans to scale up these initiatives/ projects across state in the intensive blocks and non intensive blocks planned under NRLM. How it envisage to integrate the learning from the projects to the state livelihood plan/ strategy.
- 4.15 How the state plans to integrate the livelihood CRPs emerged and trained from the projects, into State's livelihood plan.
- 4.16 Please work out a saturation plan for the state and the cost incurred towards saturation of block

5. Monitoring Plan for Livelihoods interventions

- 5.1 Current MIS system adopted by the state Mission (IB-CB, FI data etc.)
- 5.2 Please describe the data collection, data collation, data validation, data analysis plan at the different levels for Livelihood interventions
- 5.3 Please mention how the Livelihoods related MIS will be integrated into the main MIS of the mission

6. Budgetary implications

6.1 Budgetary implications of the proposed strategy towards Livelihoods layering with respect to activities planned under Sustainable Agriculture, NTFP and Livestock activity should be mentioned in the tabular form, as mentioned below:

	State Specific Cost			
	BMMU cost (BC)	IB & CB cost (IC)	CIF cost (CIF)	Total (A= BC+IC+CIF)
Sustainable Agriculture				
NTFP activities				
Livestock Activity				
Total				

6.2 It is important that the different costs mentioned here are incorporated in the state annual action plan for the year.

6.3 Details of the each component may be mentioned in excel based template circulated with this template.

Source of Budget: The SRLMs may incorporate the budget under 3 major windows: NRLM, NRLP and MKSP.

Annex-26

Advisory on Farm Livelihoods

Since its launch NRLM has made significant progress in mobilizing the poor and vulnerable women into their institutions. NRLM has also supported these women SHGs through provisioning of revolving fund and Community Investment Fund (CIF) to take up livelihoods activities. Besides, NRLM has linked these SHGs to banks as well through its, SHG Bank linkage program for enabling them to access easy credit.

NRLM recognizes that the poor have multiple livelihoods and one of the key components of NRLM as envisaged in the NRLM Framework is enhancing and expanding the existing livelihoods of the poor. More than 70% of the rural poor are dependent on agriculture either as cultivators or as agriculture labour. Besides, livestock rearing is again a key livelihood of the poor. And in forest fringe areas NTFP is a major livelihood of with the poor, who mostly belong to tribal communities. The intervention strategy of NRLM for Farm based Livelihoods promotion is focused on strengthening these key farm livelihoods of the poor with the following objectives:

- *Every poor household is supported on at least 2 farm sector livelihoods (agriculture, NTFP and livestock)*
- *Assured annual incremental income of more than Rs 50,000 per family per year after 2 years of intervention*
- *Year long food & nutritional security for the household created by themselves.*
- *Income streams throughout the year*
- *Creation of Social capital for agriculture, NTFP and livestock, from the best practitioners as extension workers*

NRLM has been working strongly towards these objectives and had launched Mahila Kisan Sashaktikaran Pariyojana (MKSP) and Ultra Poor Strategy for livelihoods promotion.

There is now a strong need to intensify the livelihood intervention under NRLM and all the states are expected to seriously drive this agenda.

Strategy and Implementation Plan

Under Farm Livelihoods interventions the core focus would be to promote sustainable agriculture, where the inputs are localized, risks are mitigated,

productivity is enhanced, and food-nutritional security is ensured, hence net income of family is increased. In sustainable agriculture NRLM is focusing on agro ecology by promoting low cost sustainable practices such as Non-chemical Pest Management (NPM), Integrated Nutrient Management, inclusion of cultural practices, climate resilient practices, soil health improvement/ management, in situ water conservation, diversified poly crop model and promoting indigenous variety of seeds.

The interventions around NTFP are focused on building the capacity of the community in modern harvesting and post harvesting techniques to increase their income, promoting value addition of NTFP to ensure higher returns, developing value chain, promoting regeneration of NTFP species to improve the bio diversity and enhanced productivity, introducing better cultivation practices etc.

NRLM recognizes the importance of livestock especially the small ruminant and poultry in the livelihoods of the poorest and started developing strategy to integrate livestock in the primary sector livelihood strategy of NRLM. Livestock not only contributes to the income stream of the households and enhances the nutritional status of the rural poor household but also plays a vital role in conserving the bio-diversity. Besides, promotion of livestock helps in meeting the need of draught power, farmyard manure, and organic inputs requiring cow dung and urine etc. Major intervention outcomes envisaged are reduction of morbidity and mortality of livestock and thereby improving the body weight gain and productivity. NRLM would be engaged in aligning livestock activity as an integral part of farm sector livelihoods through community based institutions and creating a cadre of community service providers for delivering livestock and animal husbandry related services at the door step of the SHG members.

The visions have been developed for ultra poor household who have been intervened with and also for a village where the intervention has been taken up.

a. Household Level

- i. 36X36 model for round the year household nutritional security and regular income as well.
- ii. Homestead kitchen garden should be there which would be a replica of 36X36 model on smaller plots (2 cents or decimal of land).
- iii. Preparation and usage of Beejamruth etc. for seed treatment and Ghanjeevamruth for soil fertility management.

- iv. Preparation and usage of bio-pesticides such as Agnayastram, Neemastram and Brahmastram. A minimum of 2 bio-pesticide usage will be taken for the adoption of the activity.
- v. NADEP/Vermi compost pits for improving the soil texture and bio-mass.
- vi. SRI/SCI
- vii. Azolla pits
- viii. Sustainable agriculture/ Cultural Practice for pest management as trap cropping, bund cropping, bird perches, sticky traps etc.
- ix. For in-situ moisture conservation practices like mulching and 5% model (i.e. corner pits).

b. Village Level

- i. NPM shop
- ii. Custom Hiring centre (CHC)
- iii. Regular farmer field school (FFS)
- iv. Compact, contiguous block/patch of land
- v. Pashu Sakhi
- vi. Seed bank
- vii. Wall writings and boards
- viii. Maintenance of records
- ix. VO sub-committee
- x. Producers Group
- xi. At least one pico-projector for every group of 5 villages

It has been envisioned that there will be social capital in every village in agriculture, NTFP and livestock, who are Community Best Practitioners (CBP). It has also been envisioned that every household receives at least 2 supports in primary sector livelihoods (agriculture, NTFP and livestock).

SRLM Action Plan

All the states would now start livelihoods interventions in all the intensive blocks immediately in a programmatic manner with clear strategy and implementation plan. A very specific strategy needs to be adopted for those Blocks where IPPE II exercise has been taken up. Based on the ground situation the SRLM can prepare a phasing plan of entering villages to saturate the Block.

The strategy is expected to be developed by SRLMs by adopting few guiding principles:

- a. Start with the vulnerable and deprived households (refer SECC data) – landless, small and marginal SHG members, Women headed household, widow, single women
- b. Mobilize them into their institutions-producers' groups
- c. Intensive engagement with them-promote Framers' Field School
- d. Focus on building the capacity of the poor to enable them becoming self reliant
- e. Build Social Capital- create a cadre of Community Resource Persons (CRPs) out of the best practitioners who will be the vehicle for scaling up in new areas
- f. Address needs of entire livelihood basket and integrate Agriculture, livestock and Non Timber Forest Produce (NTFP) intervention so that one household will receive support for at least two sub sectors.
- g. Focus on convergence and partnership for assetization, capacity building, knowledge management etc.
- h. Focus on sustainable climate change resilient practices which are local and scalable
- i. Scale up the successful models

Some of the important components of the roll out of farm livelihoods interventions by the SRLM would be:

- a) **Identification of Blocks and villages:** Each SRLM should plan the interventions in every Intensive Block. Within the Block state may work out a villages phasing plan and identify villages based on few objective criteria like extent of social mobilization, disbursement of RF and CIF, quantum of bank linkages, demand of assetization under IPPE II etc.
- b) **Putting a professional team in place at Block and State level:** Each state would position a professional team comprising professional from sustainable agriculture, Livestock and NTFP background.
- c) **Identification of Community Resource Persons-**The core strategy of intervention would be to deploy a team of Community Best Practitioners of agro ecology in every intervention village. This would require a large number of trained CRPs for reaching the scale that each state has to achieve. SRLMs may closely work with the MKSP partners from their state to identify and train

a large pool of CRPs. A detailed list of each CRP and their deployment details may be maintained by the state.

- d) **Identification of resource persons for training of CRPs:** All the identified CRPs are to be trained intensively in various aspects of agro ecology. Besides, they are also to be trained in the use of audio visual aids like pico projectors while training. Therefore, each state would develop a pool of resource persons for training the CRPs who can be selected from MKSP partners, KVKs, NGOs and line departments. Community training is a very specialized area and necessary care must be taken while selecting the trainers. For training on audio visual aids, partnerships may be explored with NRLM Support Organizations.
- e) **Development of training modules:** To train the CRPs and also the community a large amount of training material would be required to be developed. Each SRLM has to prepare the training modules for which support may be taken from the MKSP partners, KVK, line departments and other resource organizations. NRLM has also developed a training handbook on Sustainable agriculture which is uploaded in our website. The same may also be used for the same.
- f) **Preparation of annual action plan:** Each state has to prepare Annual Action Plan outlining the detailed action plans.

Implementation Outline

Geographic coverage

It is logical and expected that the livelihoods interventions are initiated in all the intensive blocks including resource and partnership blocks where IB and CB activities have been started.

A large number of poor SHG members are going to be benefitted through improved agriculture assets from MGNREGA in the Blocks where IPPE II exercise has been taken up and NRLM has to work on enhancing the skills and capacities of the beneficiaries to maximize the utilization of these assets. Besides, a significant amount of survey data would be available for better targeting and more focused planning in these blocks.

Therefore, every state would prepare a specific Annual action Plans for livelihoods for all Intensive Blocks, both IPPE II and non IPPE II. In each of these Blocks every

village where the Village Organization (VO) has been formed to be identified for the intervention.

All future MKSP-AAP proposals and proposals under Livelihoods Special Fund should preferably be concentrated in these intensive Blocks. Exceptions may be made in case of distressed districts.

Human Resources

The human resources required driving interventions of such large magnitude and high intensity and which is to be accomplished in a time bound manner needs to be of very high quality and the importance of hiring or positioning the right kind of people cannot be overlooked. There has to be proper mix of academic excellence with right attitude and in depth experience of handling grass root implementation challenges.

Block Team

In each Block three people should be positioned to drive the livelihoods interventions. One Livelihoods Anchor Person, who would be the Block anchor person, has to be from agriculture or animal husbandry background with 2-3 years of experience. S/he would be managing the field implementation of the program including technical assistance, training and capacity building, formation of producers' organization. One person who has knowledge of supply chain management i.e. S/he has to look after market linkages and also to follow up on IPPE II. Another person would be looking after MIS, and financial matters including CIF disbursement.

State Team

The state team would be led by a State Project Manager (SPM) - livelihoods. S/he has to be from Agriculture, Animal Husbandry or allied field with combined experience of 7-10 years including 2-3 years of field implementation experience at the grassroots. The responsibility of a SPM would include high quality technical assistance provisioning to the community members, developing training modules, developing partnerships, developing market linkages, maintenance of MIS and reporting etc. S/he would be supported by two to three Program Managers/Project executives, one of them being an agriculture/animal husbandry expert (should complement the qualification of SPM) and the other an expert in development of

training modules for agriculture interventions. Based on the size of the state and number of intensive blocks the team may be supported by one or two young professionals.

Monitoring

Every state would give adequate emphasis on developing a strong web based MIS so that the progress of the interventions is tracked on a day to day basis. MIS may focus on capturing the following parameters:

- No of SHG members engaged with
- No of Women producer's groups formed
- No. of women CRPs groomed
- No. of women external CRPs groomed
- No of farmers adopted the new practices and continued in subsequent years
- No of acres under the new practices
- No of HH with kitchen garden

This is an indicative and not an exhaustive list.

Besides, the necessary steps should be taken to evaluate the following outcomes:

- Improved health, food and nutritional security status at Household
- Increase in production and productivity
- Reduction of the input cost
- Increase in market linkages

Again this is an indicative list and not an exhaustive one.

Funding

All the training and capacity building related expenditure may be budgeted under IBCB budget head of NRLM/NRLP.

Priority should be given while preparing MCP to those HH who are planning for assetization to take up these farm Livelihoods interventions. Besides, VO can set up Common Facility centre, Tool Bank, seed Bank from the CIF.

In addition SRLM can submit their farm intervention plan through MKSP-AAP route.

Annex-27

Advisory on Collection of Commodity Data

PMO has recently advised us, as a part of livelihoods expansion strategy, to identify 5-10 commodities or products or services which have the potential to increase income of the households in each block.

It is therefore, extremely important that we create a data base of these commodities, products and services for every intensive blocks in a time bound manner. These commodities or products can be agriculture, livestock, NTFP or artisan based. Our livelihood expansion strategy can be developed around these commodities.

The SRLMs are advised to immediately initiate the process of identifying these commodities and products by adopting a proper methodology. List of these commodities, products, services should be collected at the block level to be duly validated at the district level and subsequently at state level.

An indicative process flow is given below:

- Deploy a set of resource persons drawn from existing BMMU staff to take this up and train them in data collection at various level.
- Collect agriculture, livestock, NTFP production data of all potential commodity/product from each block. These data can be from valid secondary sources also.
- Collect data of all potential manufacturing small units, products and services of each block. These data can be from valid secondary sources.
- All these data should be year around data. Please ensure that the data used are not too old.
- Data can be collected from agriculture development offices, forest authority, line departments, industry development authority, MSME department, *Gram Panchayat* secretary, patwary and other sources that the SRLMs may find suitable.
- Data can also be collected from any recent relevant survey conducted by reliable organisations for the area (if any).

Data collection and validation of data

- All block level data would be compiled at district level and will be certified by collector.

- SRLM have to compile data of all districts and will update it in the MIS.
- All validation copy from collectors need to be converted in a single pdf format.

Format to update in MIS: A module will be shared with the SRLMs to update the information in respective fields at DAY NRLM official website.

Format to update data in the NRLM MIS field is provided in the **Annex Table-27.1**. An indicative list of commodity, products (farm) and services (non-farm) is in **Annex Table-27.2** for your reference. It's an indicative list only and new commodity, product and service can be added to the list.

Few websites for reference

Many state line departments and the Ministry of Agriculture have uploaded relevant data in their websites which must be referred while preparing the list. Few representative links for few states are provided below as a reference which might assist SRLMs to get information of state and district level cropping area or production of crops of each state. Agriculture department sites of all the states are also provided. Many other websites also provide secondary data. There after you can collect data from agriculture development offices, forest authority, line departments, industry development authority, MSME department, *Gram Panchayat* secretary, patwari and other sources.

1. http://aps.dac.gov.in/APY/Public_Report1.aspx
2. <http://aps.dac.gov.in/LUS/Public/Reports.aspx>
3. <https://data.gov.in/catalog/district-wise-season-wise-crop-production-statistics>
4. <http://eands.dacnet.nic.in/>
5. <http://agricoop.nic.in>
6. Agriculture department websites of all the states:
http://agricoop.nic.in/State_Agri_Dept.aspx

Annex Table - 27.1

FARM DETAILS											
SN	Agricultural Commodities/ Products	Current Production				Potential production				Source of Information	Data Validated by
		Total Quantity (MT)	Area under crop (Hectare)	Current Value (INR)	Number of Household involved	Quantity (MT)	Area under crop (Hectare)	Current Value (INR)	Number of Household involved		
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											

NON-FARM DETAILS									
SN	Products/ Services	Current Scenario			Potential			Source of Information	Data Validated by
		Number of unit in operation	Current Value of business (INR)	Number of Household involved	Number of potential unit possible	Potential Value of business (INR)	Potential Number of HH which can be involved		
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									

Annex Table – 27.2

Farm Details

S No	Category	Sub-Category	Commodities/ Products	Production	Area Under Crop
1	Agriculture	Cereals and Millets	Paddy	Tonnes	Hectare
			Wheat	Tonnes	Hectare
			Bajra	Tonnes	Hectare
			Maize	Tonnes	Hectare
			Jowar	Tonnes	Hectare
			Ragi	Tonnes	Hectare
			Barley	Tonnes	Hectare
		Pulses	Bengal gram	Tonnes	Hectare
			Arhar(Tur)	Tonnes	Hectare
			Urad	Tonnes	Hectare
			Moong	Tonnes	Hectare
			Masoor	Tonnes	Hectare
			Cowpea	Tonnes	Hectare
			Field Bean	Tonnes	Hectare
			Green Gram	Tonnes	Hectare
			Rajmash	Tonnes	Hectare
		Oilseeds	Groundnut	Tonnes	Hectare
			Castor seed	Tonnes	Hectare
			Sesamum	Tonnes	Hectare
			Mustard	Tonnes	Hectare
			Linseed	Tonnes	Hectare
			Soyabean	Tonnes	Hectare
			Niger seed	Tonnes	Hectare
			Sunflower	Tonnes	Hectare
			Safflower	Tonnes	Hectare
		Vegetables	Potato	Tonnes	Hectare
			Sweet Potato	Tonnes	Hectare
			Onion	Tonnes	Hectare
			Tomato	Tonnes	Hectare
			Capsicum	Tonnes	Hectare
			Peas	Tonnes	Hectare
			Beans	Tonnes	Hectare
			Bhindi	Tonnes	Hectare
			Bottle Gourd	Tonnes	Hectare
			Brinjal	Tonnes	Hectare
			Cauliflower	Tonnes	Hectare
			Cabbage	Tonnes	Hectare

S No	Category	Sub-Category	Commodities/ Products	Production	Area Under Crop
			Bitter Gourd	Tonnes	Hectare
			Cucumber	Tonnes	Hectare
			Carrot	Tonnes	Hectare
			Redish	Tonnes	Hectare
			Beet Root	Tonnes	Hectare
		Fruits	Mango	Tonnes	Hectare
			Banana	Tonnes	Hectare
			Orange	Tonnes	Hectare
			Grapes	Tonnes	Hectare
			Pome Fruits	Tonnes	Hectare
			Papaya	Tonnes	Hectare
			Apple	Tonnes	Hectare
			Cashew nut	Tonnes	Hectare
			Pineapple	Tonnes	Hectare
			Jack Fruit	Tonnes	Hectare
			Coconut	Tonnes	Hectare
			Water Melon	Tonnes	Hectare
		Condiments and Spices	Black pepper	Tonnes	Hectare
			Chillies	Tonnes	Hectare
			Ginger	Tonnes	Hectare
			Turmeric	Tonnes	Hectare
			Cardamom	Tonnes	Hectare
			Betulnet	Tonnes	Hectare
			Garlic	Tonnes	Hectare
			Coriander	Tonnes	Hectare
			Cumin	Tonnes	Hectare
			Clove	Tonnes	Hectare
		Fibres	Cotton	Tonnes	Hectare
			Jute	Tonnes	Hectare
			Mesta	Tonnes	Hectare
		Plantation Crops	Tea	Tonnes	Hectare
			Coffee	Tonnes	Hectare
			Rubber	Tonnes	Hectare
		Other Crops	Opium	Tonnes	Hectare
			Tobacco	Tonnes	Hectare
			Cinchona	Tonnes	Hectare
			Sugarcane	Tonnes	Hectare

S No	Category	Sub-Category	Commodities/ Products	Production	Area Under Crop
			Guar Seed	Tonnes	Hectare
			Oats	Tonnes	Hectare
			Fodder Crops	Tonnes	Hectare
			Green Manure	Tonnes	Hectare
2	Livestock	Dairy		Number	
		Poultry		Number	
		Piggery		Number	
		Goatery		Number	
		Fishery		Tonnes	
		Other livestock		Number	
3	NTFP	Tasar		Number	
		Lac		Tonnes	
		Honey		Tonnes	
		Medicinal Plants		Tonnes	
		Tree based Gums and resins		Tonnes	

Non-Farm Details

S No	Category	Sub-Category	Products/ Services	Number of unit in operation	Current Value of business (INR)
1	Non-Farm	Apparel	Tailoring	Number	INR
2		Beauty	Beauty Parlour	Number	INR
3		Construction	Construction Work	Number	INR
4		Education	Book Binding	Number	INR
5			Tuition Centre	Number	INR
6			Hostel	Number	INR
7		Event	Studio - photography and videography	Number	INR
8			Tent house business	Number	INR
9			Light and Sound	Number	INR
10		Others	Photo Framing	Number	INR
11		Food	Flour Mill	Number	INR
12			Running catering business	Number	INR
13			Grinding	Number	INR
14			food joints, canteens, tiffin centers	Number	INR
15		Health	Health and nutrition services are provided through Nutrition cum Day care centers(NDCC) managed by SHGs.	Number	INR
16		Household	Laundry including ironing	Number	INR
17		Infrastructure	RO Water plant operations	Number	INR
18		IT	Photostat	Number	INR
19			DTP	Number	INR
20		Leasing	Leasing of cement concrete mixers and brick making moulds and other equipment	Number	INR
21			Leasing of farm equipment	Number	INR
22		Transport	Auto (two wheeler/four wheeler) Servicing	Number	INR
23			Driving autos and taxis	Number	INR
24		Waste	Solid Waste Management	Number	INR
25			Sanitation Work	Number	INR
26		Others	Insurance enrolment of SHG women	Number	INR
27			Real estate, renting and business activity	Number	INR
28			Premises in buildings of samakhyas / SHG federations are provided on rent for DWCRA outlets for display and sale	Number	INR

Annex-28
Advisory on MKSP and Annual Action Plan Template

1. Livelihoods Situation Analysis of the State

- Please describe key livelihoods of the poor in the state. e.g., agriculture, NTFP based livelihoods, and any other livelihood streams, primarily among the most vulnerable/poorest of poor section of community like landless, SC/STs, PVTGs, women headed HHs, single women etc. Provide any relevant secondary data available to give clear idea.
- Explain the best practices if any, in each of the livelihoods stream available in the state.
- Please explain various constraints/ issues in the area of livelihood options (e.g. issues related to access and control of productive resources, production process, post production process, producers' organization, value addition, marketing, realization of value/profit to the producers and any other issues).

2. Livelihood Promotion Strategy of the State

- In reference to the existing livelihood opportunities and the issues, what is the overall strategy of the state to promote key livelihoods? How the state aims at addressing the constraints in the field of livelihoods. Also explain state's strategy with reference to specific livelihood stream (Agriculture, NTFP etc).
- What is the strategy aimed specifically at the most vulnerable section/ community and their livelihoods.
- What is the overall strategy of livelihoods promotion in the intensive blocks / resource blocks in the state, as part of NRLM.
- How the state is planning to integrate MKSP with its' overall livelihoods promotion strategy.

3. Project Management and Monitoring Plan of SRLM

Readiness Indicators

Please describe the readiness of SRLM to implement the AAP on MKSP.

- Whether full time livelihoods team in place at the state level- PI give details of the team

- Whether livelihoods teams positioned in intensive districts and in intensive block- PI give details of the team
- Whether the livelihood team has undergone well designed and detailed induction training– PI give details of the training programs organized for the LH team

MKSP Process

- PI explain the processes to be followed by SRLM in congruence with MKSP guidelines to identify partners for MKSP implementation
- What is the Framework of Monitoring and Evaluation system planned for the MKSP projects by the SRLM.
- Please explain how the state SRLM proposes to monitor the implementation of the projects in the state, as per their existing internal systems and planned systems (as per the MKSP guidelines).

3.1 Contacts of Livelihood Team in SRLM

S. No.	Name of the Livelihood head / Anchor person in SRLM for MKSP (Mention separately, if there are more than one official for different streams like NTFP/ Sustainable agri. etc.)	Contact Number	Fax No.	Email ID	Office Address
	Name of the state level livelihood team members	Contact Number	Fax No.	Email ID	Office Address

4. Livelihood Implementation Plan under MKSP (As a Sub-Component of Overall Livelihood Strategy)

4.1 Summary of Ongoing MKSP Projects

There may be some ongoing projects under MKSP already being implemented in the state. A brief description of these projects needs to be provided.

4.1.1 Summary of all MKSP projects already being executed in the state

Components	Source	Type of Project Sustainable Agri/ NTFP etc	Total Project Cost (in lakhs)	Funding outlay (Rs Lakhs)		
				Yr 1 (25%)	Yr 2 (50%)	Yr 3 (25%)
60% Of total Budget Outlay for livelihood promotion plan under MKSP	MoRD /Central Share					
40% (10% in case of NE & Hilly states)of total Budget Outlay for livelihood promotion plan under MKSP	State/Any Other Donor Agency (Please mention the name of the source)					

4.1.2 MKSP Project Implementing Agency details (existing)

Sl. No.	Name of the Project	Name of the PIA	State share/share of other donor of the project (Rs)	Central share of the project (Rs)	Area (Districts & blocks Names)	Total No. of beneficiaries covered
1						
2						
3						

N.B. Please mention how many of these blocks under MKSP are intensive blocks. In case 25% share had come from any other source than state govt. please mention the source

4.1.3 Contact details of Existing MKSP Project Implementing agencies

Sl. No	Name of the PIA	Contact Details
1		Contact Person's Name- Telephone & Mobile No- Email ID- Fax No. PIA's Office postal Address
2		
3		

5. Livelihood Project Promotion Plan and Major Outputs (Under MKSP)

It is envisaged that the strategy to integrate MKSP with resource block would be two pronged. (i) CRPs identified from MKSP areas working in Resource Blocks to promote sustainable LH practices; and (ii) MKSP blocks declared as resource blocks and intensive social mobilization and financial inclusion activities taken up. Keeping this broad strategy into consideration please elaborate:

- i) How the SRLM plans to initiate livelihoods interventions in the field of sustainable agriculture/ non timber forest produce *etc.*, partnering various organizations;
- ii) How the best practices will be identified by the state in each of the stream and the resource agencies to be identified by state to replicate and scale up those best practices and models (MKSP guidelines to be followed);
- iii) Explain why and how the organizations fit in with the Objectives of MKSP (as per the guidelines) and NRLM, in reference to their past experience in the proposed livelihoods sector (NTFP/agriculture *etc.*) and in women centric community institution promotion;
- iv) What are outreach/ coverage planned by the state through these interventions, e.g., How many women farmers/and their families are envisaged to be covered. What are the geography where these pilots are planned and what are the basic rationale for selection of those areas and families;
- v) How many Community Resource Persons trained in the livelihoods interventions are envisaged to emerge from the projects proposed in 3 years time period; and

- vi) How many generic institutions (SHGs) being formed or strengthened due to the proposed interventions and how many livelihood organizations (federations/ cooperative/ producers' company etc.) been promoted in the project areas.

6. Scaling-up Plan for the Livelihood Initiatives Started under MKSP

- How the state plans to scale up these initiatives/ projects across the state in the intensive blocks and resource blocks planned under NRLM. How it envisages integrating the learning from the projects to the state livelihoods plan/ strategy.
- How the state plans to integrate the livelihoods CRPs emerged and trained from the MKSP projects, into State's livelihood plan.

7. Financial Planning for Livelihoods Initiatives

7.1 Proposed Funding for MKSP Plan

Components	Source	Type of Project Sustainable Agri/ NTFP etc	Total Project Cost (in lakhs)	Funding outlay (Rs. Lakhs)		
				Yr 1 (25%)	Yr 2 (50%)	Yr 3 (25%)
75% of total Budget Outlay for livelihood promotion plan under MKSP	MoRD / Central Share					
25% (10% in case of NE & Hilly states) of total Budget Outlay for livelihood promotion plan under MKSP	State/Any Other Donor Agency (Please mention the name of the source)					

NB: The state contribution cannot be drawn from the allocation made to SRLMs under NRLM.

Annex-29
Framework for Developing Project Proposal for Livelihoods Under NRLP
(Dedicated Fund)

At the outset, following general recommendations were given by the Empowered Committee. The essential conditions for all the projects:

- For every 50 households of a village (whichever is smaller) one community resource person should be groomed.
- Subsidy to cover operational losses of producers' groups or such organizations is not permissible under the project.
- Dedicated human resource team should be in place for these special fund projects for value chain intervention.
- Every SRLM will submit the result framework with clear outputs and outcomes with measurable indicators.
- The fund will be released in three installments. The fund release ratio would be 50:40:10.
- Every SRLM should submit the clear intermediary milestone for fund release.
- The second installment will release on utilization of minimum 60% of first installment of both central and state share and the third installment would be released with utilization of minimum 90% of the central and state share.
- In DPR, the SRLM has to clearly indicate the measurable milestone for release of second and third installment.
- The ratio of Central and State share would be 60:40.
- Use of chemical fertilizer and pesticides are against NRLM principles. Every SRLM should follow the same rules for these projects.
- For all the projects the market exploration is needed with better understanding of market opportunity.
- All the SRLMs should target the large markets.
- The SRLM who have proposed grading as an value addition intervention, should incorporate and define clearly all the specifications of grading.
- On completion of the projects, the SRLMs will have to submit the project completion report with clear achievement against the output indicators.
- For all the projects there should be dedicated MIS to capture household level data; and
- The project period is 2 years.

1. Background & Context

1.1 Policy and Country Context

Capture the main policy incentives and disincentives for the product in the state and country.

1.2 Supply and Demand Dynamics

- Analysis of the activity/ subsector – at producer/ rearers level, at secondary aggregation level, at value addition level, margin spread, existing bottlenecks in production, value addition and marketing, supply of raw materials and inputs, design issues etc;
- Demand and supply condition of the commodity/products to be dealt;
- Potential of export of the commodity;
- Whether there is an unmet demand for the product in the state, nationally and internationally;
- Price trend of the commodity/products in the market; and
- Based on the above demand-supply and price analysis, determine whether product has a good potential to increase income of the primary producers and job opportunities in the value chain.

1.3 Geography Selection

- Location of proposed model. Rationale for selecting that area of operation.

1.4 Value Chain and Activities Mapping

- What are the main broad functions for the value chain being explored for intervention?
- Who are the main value chain actors involved in the chain?
- What are the different segments and the margin spread within each value chain segment?
- How does the product flow among the value chain actors and in what volumes?
- Traditional market and emerging market identification for the product developed; and

- Terms of exchange with supplier and buyer (Credit period offered). Ways to reduce bargaining power from the producers both for buying and selling.

1.5 *Prioritizing the Interventions*

- What are the gaps in the value chain?
- Understanding the package of practice by the producers in the area and the modern scientific practice available in the similar situation; and
- Developing the points of interventions. Determining the stage(s) in the value chain where the interventions to be incorporated.

2. Rationale for intervention

- Pro poorness of the activity;
- If expansion of existing intervention, then what has been the output/ outcome of the previous intervention (previous outreach-household, acreage, number of artisans etc; results of the intervention in terms of benefit to the producers and income enhancement, etc);
- Techno economic analysis;
- Please mention the area specific context of the problem envisaged to be tackled through the submitted proposal;
- Analyze the gaps in the existing value chain, which will be addressed by the project; and
- Please provide suitable rationale for the type of investment expected.

3. Objectives/Key Deliverables

- Please mention the deliverables from the proposal; and
- Please mention the key objectives of the proposal in measurable terms.

4. Target Group

- Who is the target group? How many households? How many villages/ GPs? How many blocks/ districts? What per cent of small farmer/ marginal farmer/ poor/ EPVG/ SECC deprived HH/ ST/ SC/ OBC families are covered in the intervention? What are the roles to be played by these households?

5. Value proposition of the intervention

- What value will the proposal add to the livelihood portfolio of the household?
- What will be the increase in productivity, increase in total production, and increase in margin in the activity (return to producer) as well as overall income enhancement at the household level?

There is a need to quantify the value proposition.

6. Intervention

- What is the key intervention strategy? –productivity enhancement/value addition and processing/collective procurement, storage and marketing etc?
- What are the intervention in the pre production, production and post production stages, and similar stages for trading and services enterprises?
- How will the inputs/raw material/ traded goods flow? What are the interventions for reducing cost of inputs/raw materials/ traded goods?
- Who provides technical knowledge and how it is transferred? How does technical backstopping happen?
- What are the technology interventions? How it is demystified and transferred?
- How is knowledge transferred? What is the system of community extension mechanism? What are the roles of the community professionals?
- How are the Capacity Building and Institution Building component rolled out?
- How does the marketing of the produce/ product/service take place? What will be the intervention in this aspect?- to be detailed in the marketing section?
- If forward linkages are proposed to be developed, what level of business analysis has been made?
- What are the interventions for reducing risks associated with the activity?
- At what level the collectivization happens? Is there a need for it? How will it be sustainable?
- How the monitoring of the activity takes place? What is the MIS? How MIS feeds into course corrections?

6.1 Community Institutional Architecture

This section needs to include the legal structure of the producers' organization. It would describe how the project is going to better serve the community especially small and marginal farmers. It would also describe the roles of the community. Who grooms the community institutions related to the intervention?

6.2 Market Analysis Section

This section is basically a summary of the Marketing Plan. It needs to show the demand for the product to be marketed, the proposed market, trends within the industry, a description of the pricing plan and packaging. This section should also take up an Industry Analysis. This section evaluates the playing field in which the producers' organization will be competing, and includes well-structured answers to key market research questions such as the following:

- What are the sizes of the target market segments? – This section assesses the customer segment(s) that would be served. This section must convey the needs of the target customers. It must then show how the products satisfy these needs?
- What are the trends for the industry as a whole?
- What is the geographical area of the market?
- Who are potential buyers and what is their current source of the product?
- How many potential customers are in that area?
- What percent of the market to be catered? How much markets share that will have in the future? How quickly will you reach that percentage?
- Who are the competitors? What are their strengths and weaknesses? and
- Is the business seasonal?

6.3 Marketing Strategy

What will the strategy to attract and keep the segment of this market (USP)?

- customer quality;
- product quality;
- price;
- location;
- promotion;
- persuasion—personal selling;
- satisfaction guarantee/product warranty;

- distribution; and
- extend credit (if yes, what is the credit policy and payment terms?).

6.4 Location of the Physical Infrastructure like common facility centre etc.

- What is the location of the Physical Infrastructure and why it is chosen as location? and
- Will the building be rented, leased, or owned?

6.5 Licenses/Permits/Registrations

- What licenses or permits are required to be obtained?
- How long does it take to get the needed licenses/permits? What is the cost involved? and
- Describe the insurance coverage if required?

6.6 Management Section

Outline the organizational structure and management team of the producers' organization. Include the legal structure of the business whether it is a producers' company, a cooperative society or a MACS etc. Please elaborate the reasons for choosing a particular legal structure and the pros and cons for the same. Who will manage day to day operations? What kind of training is required for the people? *Phasing strategy and timelines may be mentioned for the way the producers' organizations are planned to evolve.*

7. Fund Flow Mechanism

- How does the fund flow happen?
- For what activity the funds are routed?
- To whom? and
- How the fund utilization is monitored?

8. Implementation arrangement

- Who does what? - Community, project, banks, other partners?
- Who supports the initiative at the state level, district level, block level, village level, and enterprise level?

- Does project have the technical expertise in doing this? Else who provide the technical inputs and handholding support to the enterprise?
- What is the role of the Technical support agencies? and
- Who are the various partners in the entire implementation process apart from community and project? What are their roles and responsibilities?

9. Output/ outcome

- Total number of household covered– segregated along economic and social parameters;
- Total acreage covered / units established;
- Number of Producer Group (PG)/enterprises formed and groomed;
- Number of Producer Organization (PO)/enterprises formed and groomed;
- Number of community professionals trained and groomed for running the producers' organizations?
- Economic benefits to the producers? and
- Profitability of producers' organizations measured through a pre and post-interventions projections for P&L, Balance Sheet, Cash Flows and ROI.

10. Other important aspects

- What is the level of subsidy⁵/ grant in the activity?
- What is the level of credit ⁶aspect in the activity?
- If the working capital/ input cost is subsidized by when the activity can be totally financed from the banks/ Financial Institutions?
- Break even analysis of the producers' organizations?
- What is the cost of intervention per beneficiary household (segregate along total cost, cost for inputs at individual level, cost for training and capacity building, cost for common infrastructure, cost for working capital at individual level, cost of working capital at collective level, cost of setting up of marketing channels, cost of CRPs and MCRPs, cost of TSA *etc*); and
- What additional cost will be required for up scaling the program and what will be the per household costing?⁷

11. Overall Budget requirement including

⁵ All grant/ subsidy need to be for public good and not for private one. However for initializing an activity some level of individual grant/ input subsidy may be required which has to come down as the proof of activity is established

⁶ It is expected that the inputs/ working capital at individual level is met from CIF or bank loans

⁷ The initial cost per household may be higher which will reduce as the number of household goes up

- Technical support agency;
- Community capacity building and Institution building;
- Cost of knowledge and technology transfer;
- Cost of developing community nodes (including administrative costs of organizations promoted);
- Cost of public goods/ machinery/ technology (at grassroots level) including amount required for the primary producer collective level for infrastructure and asset creations;
- Working capital cost;
- Cost of branding/ advertising;
- Cost of marketing; and
- Cost of processing and value addition of products, etc (including machinery and infrastructure at secondary and tertiary level).

12. Financial Inclusion

- What are the amount requirements for individual level asset creation, working capital and the sources for the same?
- What is the existing system of meeting these needs? and
- Do a similar project on FI (using the special FI fund window) is being developed for addressing the need of the community referred in this proposal.(please give a brief about the FI proposal, if any).

13. Convergence

- What are the different convergence needs of the households (related to the proposed activity in this particular proposal) in terms of assets/ infrastructure (both individual and common); services (department of ag/ fisheries/ AHD/ SME, etc);
- Please elaborate how the following convergence will be made possible and whether there will be an proposal to use the special convergence fund window;
- Skill and Rural Job Development (using the enterprise and the entrepreneurship window);
- What are the different type of skill sets required (except for the primary producers) and for whom?
- How the proposal address to meet those skill gap, develop entrepreneurs and create jobs in the locality through the livelihood proposal;

- How many such entrepreneurs / jobs will be generated? What will be the average income from each job? For what category of community will be such scope be generated? and
- Is there a separate proposal on skills and jobs (using the skill special fund window), if yes, please give a brief of the other proposal.

Annex-30
Protocol for Implementation of
Project Livelihood in Full Employment (LIFE) Project – MGNREGA

The Ministry has developed the protocol for the three broad components of project LIFE-MGNREGA which are as follows:

- A. Protocol for preparation and implementation of plan for skilling for wages
1. Around 8.10 lakh youth from 6.75 lakh HHs have opted for skilling through DDU-GKY platform to enable them to get placed into suitable jobs. The detail for the state can be seen under Table R.22.5 at nrega.nic.in.
 2. The SRLMs/SNSMs shall follow DDU-GKY guidelines for skilling the identified youth.
 3. *Gram Panchayat* saturation model may be followed.
 4. Training centres need to have quality infrastructures. The rural candidates may be taken to training centres that need not be in rural areas.
 5. MGNREGA Commissioner shall formally communicate to SRLM/SNSM in the state a list of candidates willing to undertake skilling for wage employment. A copy of the formal communication sent by MGNREGA Commissioner shall be uploaded on the NREGASoft.
 6. SRLM/SNSM, in turn, shall formally communicate the list of candidates for specific *Panchayats* to the Project Implementation Agencies (PIAs) already grounded. A copy of this formal communication shall also be uploaded in the NREGASoft.
 7. PIAs shall commence mobilization of candidates through counseling, assessing aptitude and interest of each candidate in the list given and select him/her for training course, accordingly. The youth may change his options based on assessment and counseling. This information will be given to SRLM/SNSM.
 8. The state may restrict skilling to one member per HH.
 9. SRLM shall enter the name of the PIAs, project sanction numbers and NREGASoft and share the same with the MGNREGA Commissioner.
 10. SRLM shall record the completion of training and subsequent placements in jobs after duly obtaining the information from the PIA and enter the same against each of these candidates who have been selected.
 11. For every placement completed by the PIA, MGNREGA Commissioner shall release the project training cost to SRLM/SNSM out of its allocated budget.
 12. In this entire exercise SECC TIN number shall be made the point of reference for every candidate.

B. Protocol for preparation and implementation of plan for skilling for self employment

1. Around 5.66 lakh youth from 4.53 lakh HHs opted for Entrepreneurship Development Programme (EDP) trainings that would help them to become self employed.
2. Rural Self Employment Training Institutes (RSETIs) and their resources may be used extensively to train all these youth on Mission mode by March, 2017.
3. These youth shall be further provided credit linkages by banks for setting-up their Enterprise.
4. The states may use other agencies also for this purpose.
5. MGNREGA Commissioner shall formally communicate to SRLM in the State a list of candidates willing to undertake skilling for self-employment. A copy of the formal communication sent by MGNREGA Commissioner shall be uploaded on the NREGASoft.
6. The SRLMs shall share the list, in turn, with the RSETIs, district wise. The SRLM in association with RSETI shall work out a plan for counseling and training for the entire district in consultation with district officials of SRLM and MGNREGA. The programme officers (MGNREGA) shall ensure that these candidates are mobilized for counseling with all relevant documents (such as job card, KYC documents) as well as for subsequent training.
7. Candidates who have undergone training earlier, shall not be eligible for training. The programme officer shall ensure that relevant entries are made in NREGASoft, to this effect.
8. The district officials in consultation with RSETIs shall assess the training requirements of the candidates keeping in view the available potential/ absorption capacity in the area;
9. The list of candidates to be trained in this FY and next FY shall be jointly finalized by district officials of SRLM, MGNREGA and RSETI, along with type/name of trade/ activity. The rollout plan should be prepared, accordingly, keeping the following parameters in view viz.,
 - a. There is no upper ceiling/limit on the number of candidates who can be trained by RSETIs in a year;
 - b. If the number of candidates in a district is very less for a trade/activity for a training programme, they can be adjusted/accommodated in the existing batches of RSETI at block/district to meet their training requirements;
 - c. If the number of candidates to be trained within the district is close to the annual capacity of the training centre then the district will prepare plan based

on trades, block-wise batching etc. The candidates of project LIFE-MGNREGA may be prioritized within the regular training plan or batch specific to them may be started. The resources for the training centre may accordingly be augmented based on additional requirement, if any, in consultation with State Directors for RSETIs and banks;

- d. If the number of candidates is too large to be catered by the training centre at the district, then the excess candidates may be accommodated in the training centres in adjoining districts, if they have scope for accommodating these candidates. This will require facilitation by State Directors of RSETI who will coordinate the plan of each district centres.
- e. If the number of candidates is too large to be catered by the training centre at the district or in adjoining districts, then in such cases, the Banks are advised to go for a block level RSETI structure. They may recruit faculty, office assistants on contract basis. The Bharat Nirman Rajeev Gandhi Seva Kendra at block/*Gram Panchayat* level may be used as premises for training. The district programme coordinator and programme officers shall ensure extension of these premises for the specified use to the banks. Banks may get in touch with these Kendras to assess their suitability for undertaking training and firm up their arrangements for training the beneficiaries. In absence or inadequacy of such buildings, the banks may take other suitable premises on hire for completing the task of training the sponsored candidates. This arrangement is purely project related infrastructure and shall be continued till reaching saturation at the block level, for project LIFE-MGNREGA candidates. The number of block level RSETIs required, staffing, premises *etc.*, are to be decided by the sponsor bank based in consultation with CEO-SRLM and National Director, RSETI, based on the number of candidates to be trained.
- f. Wherever, SVEP is under implementation, efforts shall be made to dovetail project LIFE-MGNREGA beneficiaries under SVEP.

10. Training through RSETI: The RSETIs, after receiving the finalized list of candidates with KYC documents, shall take steps to impart training in the identified trade through proper planning in such a way that the planned numbers of candidates are trained as per the rollout plan within the time frame.

11. Batch formation: RSETIs will form batches and share the details with SRLM, through State Directors. The RSETIs shall upload the same on NREGASoft. CEO, SRLM shall share this list with Commissioner, MGNREGA. The Commissioner, MGNREGA shall ensure mobilization of candidates for training as per batches formed, through Programme Officer/GRS.

12. **Reimbursement of expenditure for training:** The SRLMs shall reimburse the claims based on certified statement/declaration given by RSETI. Immediate steps shall be taken to clear all the pending claims up to 31st March, 2015. No other documents/vouchers, verification need be insisted.
13. **Credit Linkage:** RSETIs shall facilitate the opening of accounts of the beneficiaries under PMJDY on the first day of training. Before the completion of the training, loan application from interested trainee shall be obtained. The Director shall facilitate preparation of project reports and send it to the concerned bank branch for sanction. The Directors shall closely follow-up the matter till the loan is disbursed besides reviewing the disposal of pending loan applications in BLBC/DCC/DLRAC/DLRC meetings. A time bound monitoring framework for disposal of applications may be set in place. **“Credit Camp Approach”** to dispose of loan applications of RSETI trained candidates may be adopted.

C. Protocol for preparation and implementation of plan for livelihood up-gradation

1. Around 3.10 lakh HHs have opted for livelihood upgradation that would lead to enhanced earnings and livelihood security.
2. MGNREGA Commissioner shall formally communicate to SRLM in the state a list of HHs willing to undertake livelihood upgradation. A copy of the formal communication sent by MGNREGA Commissioner shall be uploaded on the NREGASoft.
3. SRLMs would prepare Household Level Plans (HLPs) for all these HHs. The HHs in NRLM intensive blocks may be prioritized. The IPPE-2 resources must ensure that HLPs for all such HHs in NRLM intensive/partner blocks are prepared and uploaded on NREGASoft.
4. The survey report that shall be part of Block Planning Team (BPT) member kit. It shall be used as secondary data as well as for capturing the suitable asset that can be provided to these HHs from list of permissible individual assets under Mahatma Gandhi NREGA.
5. SRLM shall, accordingly, through training and handholding ensure implementation of each HLP.
6. SRLM funds shall be used for trainings and handholding expenses.
7. Individual assets permissible under MGNREGA shall be allocated on priority basis to such HHs that has been trained once this information is entered on the NREGASoft by the SRLM. SRLM shall ensure proper linkages for assets that can be accessed from other line departments based on the HLP of the HH.

8. Each willing HHs shall be taken up for livelihood up-gradation with rollout of SRLM across the state.

Start-up Village Entrepreneurship Programme

Annex-31
SVEP Guidelines

**Master Circular for the
Start-Up Village Entrepreneurship Programme**

**A Sub-scheme Under
National Rural Livelihoods Mission,
Ministry of Rural Development
(Government of India)**

This master circular subsumes and overrides all the guidelines, FAQ's and circulars issued for the Start-Up Village Entrepreneurship Programme till date – 21st September 2016

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Chapter I

Background

In India, more than 90% of the working population is engaged in the unorganized sector. In the case of rural areas, a large section is self-employed and agriculture has served as one of the major sources of income for villages. However, agriculture comes with many uncertainties and is not an income source for landless households. It has been experienced that, poor families require 3-4 different income sources to get out of poverty. Amongst these the non-farm livelihoods, skill based work and small enterprises are important sources of income.

It has been realized that in the absence of adequate business skills like understanding of market, domain knowledge, accounting, costing skills and lack of financial support, these micro/nano enterprises struggle to survive and often either fail or become stagnant generating sub optimal incomes. The plight increases in case of the poor as they do not have linkages with financial institutions.

In order to solve this problem and to provide support to small enterprises and skill based workers, both in terms of training and credit support, in the Budget session of 2014-15 on July 10th, 2014 the Honorable Finance Minister initiated the idea of Start-up village entrepreneurship programme. As stated, “I also propose to set up a “Start-up Village Entrepreneurship Programme” for encouraging rural youth to take up local entrepreneurship programs. I am providing an initial sum of Rs. 100 crore for this.”

Nature and status of Rural Self – Employment: A statistical perspective

- i. Almost half of the rural youth are self-employed⁸. Cumulatively, 53% of the rural male and 55.8% of the rural female in the age group of 15-59 years are Self-employed.
- ii. The unemployment rate among rural males in India is 8.02% and 6.05% among rural females. (NSSO 2011).
- iii. Rural livelihoods are not only agriculture based. The number of households that depend on rural non-farm employment (RNFE) as their primary source of income has increased from nearly 32% in 1993–94 to over 42% in 2009–10

⁸Self Employed workers include individuals working in household enterprises as own-account workers, in household enterprises as employers; and in household enterprises as helper as well etc.

(NSSO 2011), but still a huge 58% households are dependent on agriculture as their primary source of income.

- iv. The employment related reasons figure the highest behind migration from rural to urban areas. The migration rate per 1000 persons in rural areas is 26.
- v. Micro Enterprises⁹ constitute a significant proportion i.e. (99.8%) of the existing unregistered¹⁰ enterprises in the country. Currently the Rural Micro Enterprises employ 232.95 lakhs people in 119.60 Lakh units.
- vi. 93.94% (112.36 lakhs) of the rural micro enterprises have an investment up to Rs. 1 Lakh and below.
- vii. 67% (71.7 lakhs) of the rural micro enterprises have an investment below Rs.25,000.
- viii. Altogether, 202.86 Lakh persons are employed in Rural Micro Enterprises with investment up to Rs 1 Lakh and below. (Average Employment is 1.80 per unit).
- ix. Rural Micro Enterprises with Investment size below Rs 25,000 employ 132.42 Lakh people. (Average employment per unit is 1.65).
- x. Manufacturing sector constitutes 61.4%; Services account for 33.8% while Repair and maintenance 4.7% of the total number of rural micro enterprises.
- xi. 10.4% enterprises are owned by women in rural areas where as 12.46, 6.9, 45.07% enterprises are found to be owned by SC, ST and OBC in rural areas respectively.

Some of the field based observations on rural micro enterprises:

- a. The enterprises of the poor often seem more a way to buy a job (Necessity Entrepreneurship) when a more conventional employment opportunity is not available. Many of the businesses are run because someone in the family has (or is believed to have) some time on hand and every little bit helps. This person is often a woman, and she typically does it in addition to her housework. These enterprises are one of the multiple livelihoods of the poor.

⁹ MSME survey for unregistered enterprises [Fourth census] has been considered for reference.

¹⁰ Most of the Micro Enterprises in India are not registered. As the number of micro enterprises with investment of up to Rs 1 Lakh and below are significant, the analysis of various other economic variables has been restricted to these kind of enterprises alone.

- b. However, very few individuals from the Poorest of the Poor segment manage to start their own enterprise. This is due to issues such as lack of access to skills and finance.

Chapter II

Objectives and Expected Outcomes

1. Vision and Scope

To help the rural poor come out of poverty by helping them set up enterprises and provide support till the enterprises stabilize. To provide them with business skills, exposure, loans for starting and business support during the first critical six months of the enterprises by using the NRLM SHGs and their federations. This skills shall be imparted by local youth who shall be trained in business management, monitoring and support using ICT and audio-visual aids. These local CRP-EPs shall also provide support to the enterprises.

In its first phase of validating the concept, SVEP is expected to support creation and strengthening of about 1.82 lakh village enterprises in 125 Blocks across 24 States in the targeted four years i.e. 2015-19. This is expected to create employment for about 3.78 lakh persons.

The SVEP shall benefit the households and communities even beyond the financial gains it provides. It shall help rural people specially the marginalized sections, women, and SC and ST communities to gain a sense of dignity and self-reliance leading to great social changes. Similarly, the wealth generated in the local economy shall have a multiplier effect resulting in strengthening the local economy and reduction in distress migration. People engaged in a range of enterprises shall create further employment and improve the market. It shall also encourage new age enterprises in ICT/infotainment. It shall promote enterprises in the field of sanitation, drinking water, renewable energy etc. This shall offer more economic opportunities for the rural areas and bring people out of poverty.

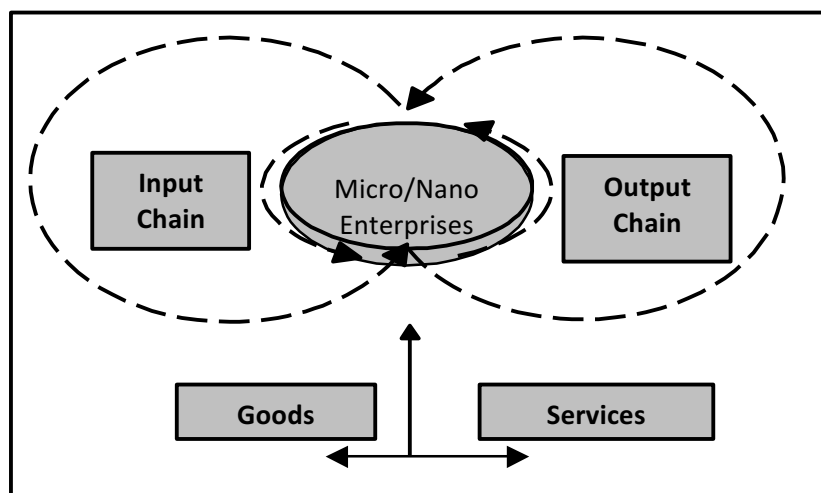
2. Objectives of SVEP

The overall objective of SVEP is to implement the Government's efforts to stimulate economic growth and reduce poverty and unemployment in the villages by helping start and support rural enterprises.

The key objectives of SVEP are:

- b. To enable rural poor to set up their enterprises, in its proof of concept phase, by developing a sustainable model for Village Entrepreneurship promotion through integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.
- c. Develop local resources by training a pool of village level community cadre (CRP EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP EPs.
- d. Help the rural entrepreneurs to access finance for starting their enterprises from the NRLM SHG and federations, the banking systems including the proposed MUDRA bank.

The SVEP should also work with the input and output supply chains for farm produce, artisanal products and other goods& services to help increase rural incomes.



3. Key Deliverables and Features

Apart from the outcomes and overall development SVEP is expected to have the following deliverables:

As mentioned above, the program is expected to promote 1.82 lakh enterprises in 125 resource blocks in 24 states in four years and create employment for 3.78 lakh

rural poor in four years from 2015-2019. The total budget outlay for the program is Rs. 485 crores with a unit cost of Rs. 26,526 per enterprise with a cost benefit ratio of 7.38:1. However, the current programme is approved for the next two years (current plan period, 2015-16 and 2016-17), targeting 45 blocks in 12 states initiating 34,000 enterprises and generating employment for 70,380 rural poor. Thus, the plan shall be taken upto 2016-17 at an estimated cost of Rs. 158.21 crores with a central share of Rs. 97.79 crores.

- i. A detailed review by a third party shall be conducted at the end of the current plan period before continuing the scheme into the 13th Five Year Plan.
- ii. The programme should converge with the existing schemes of other ministries such as MSME, Ministry of Textiles, etc. The modalities for convergence shall be decided in consultation with the concerned ministries to avoid overlap.
- iii. The resource blocks in North Eastern states shall be given adequate priority in implementation.
- iv. The programme shall provide a specific segment for entrepreneurial support to rural youth in non-intensive blocks in convergence with the programmes of other departments. The knowledge products and ICT support of the programme should be made available to rural youth outside the SHG fold.
- v. While selecting entrepreneurs under SVEP, priority shall be given to the highly vulnerable beneficiaries under MGNREGA.
- vi. Backward and forward linkages for farm livelihoods would be supported under the programme.
- vii. The programme should encourage enterprises of rural artisans.
- viii. The programme should ensure convergence with clusters identified under RURBAN mission.
- ix. Possibility of linkage of SVEP with MUDRA Bank proposed to be set up for refinancing microfinance institutions to SC/ST enterprises should be examined.
- x. Enterprises in the field of IT/infotainment and other similar newly emerging enterprise opportunities should be encouraged under the program.
- xi. Under this program there should be targeted attempts for enhancing credit limits for successful entrepreneurs from banks.
- xii. The program should track and report progress of the number of households under this program of NRLM, through the process of upgrading of skills and creating opportunities of employment.

- xiii. The program should conduct a baseline and micro-plan for each block and accordingly measure and report progress for the number of enterprises supported.
- xiv. Separate books of accounts for the CIF released under SVEP should be maintained – which shall be one of the basis of measurement of the progress of the program.
- xv. NRLM shall take adequate steps towards supporting development of appropriate technology and innovations especially for promoting enterprises in the field of sanitation, drinking water, renewable energy etc.

Selection of Beneficiary under SVEP:

There are 2 types of beneficiaries under SVEP

- a. The Community Resource Person –Enterprise Promotion (CRP-EP)
- b. The entrepreneur

a. Selection Criteria for the CRP-EP Beneficiary

The CRP-EP shall be getting detailed training and the eligibility criteria for selection of the CRP-EP shall be decided jointly between the PIA and the SRLM. Some suggested criteria are – this person should be literate, should be fluent in the local language, ideally should be a resident of the block, should have a working knowledge of / aptitude for mathematics and business understanding, should be willing to travel and interact with potential entrepreneurs, ideally should be a member of, or should be from the family of a member of a SHG. The age criteria can be defined by the SRLM, but ideally should be between 18 to 45 years old.

The process of applying for becoming a CRP-EP is an open process by which any person meeting the base eligibility criteria can apply.

This CRP-EP shall be selected after a due process of selection, which has a written test and some team activities. This CRP-EP post training is expected to clear a certification process, only after which he/she shall be eligible to operate as a CRP-EP.

b. Selection Criteria for the Entrepreneur Beneficiary

There shall be 2 stages of the selection of the entrepreneur beneficiary –

1st Stage

- i. When the potential entrepreneur expresses interest for starting an enterprise
- ii. At this point of time the beneficiary gets only training and support.

This beneficiary selection may be done by the community organization, based on the need and poverty of the person, and also the potential capability of the person to run an enterprise.

There is no age limit nor is the beneficiary expected to be a woman only.

2nd Stage

- i. Post the training and completing the viability test by the potential entrepreneur; the potential entrepreneur may seek a loan from the dedicated CIF under this scheme (applicable only for entrepreneur beneficiaries who are part of the SHG eco-system).
- ii. This loan shall be recommended by the CRP-EP based on the assessment of the viability of the enterprise and the potential entrepreneur's ability to run the enterprise viably.

Both the selection decisions are to be taken by the community based organizations, after evaluating the recommendation of the Community Resource Person, about the viability of the proposed enterprise and the capability and readiness of the potential entrepreneur for running the enterprise viably.

The guideline specifies that preference should be given to the highly vulnerable beneficiaries under MGNREGA, marginalized sections, women, SC and ST communities and should also include rural artisans.

There is no provision of grant under the scheme, the only benefit the beneficiary shall get are training and a loan for starting/running the business.

Budget for the SVEP and Average Costs per Enterprise (For 4 Years) (Total number of Enterprises supported: 1,82,350)

	Average Cost Per Entrepreneur	Total Cost (Rs. Crores)	State Share in the Funds
--	--------------------------------------	--------------------------------	---------------------------------

	Supported (in Rs.)		
Cost of skill building of entrepreneurs including the block level professional support costs (including CRP-EP costs/ BRC set-up costs/ baseline and evaluation costs etc.,)	14,293	260.63	Yes
Community Investment Fund	9,591	174.89	Yes
Administration cost of SRLM	1,023	18.65	Yes
Total block costs for SVEP	24,907	454.18	
Total centralized support / NRO support, PIA training	1,131	20.62	No
Value chain studies and R&D costs	548	10.00	Both options possible
Total centralized costs	1,679	30.62	
Total SVEP cost	26,586	484.80	

The budget for SVEP has been estimated per enterprise per block. For the budgeting process of the AAP, we need to assume Rs.24,907 per enterprise and 2400 enterprises per block. The total budget per block is Rs.5,97,76,800 (Rupees 5 crores, ninety seven lakh seventy six thousand eight hundred only) per block. The first instalment of funds shall be released based on this figure (Rs.5, 97, 76,800) per block.

Estimated Upper Limit Budget for the SVEP Per Block

Figures in Rs. lakhs

	Per Enterprise Cost Rs.	Year 1	Year 2	Year 3	Year 4	Total
No of enterprises estimated to be supported		600	950	650	200	2400
Cost of skill building of entrepreneurs including block level professional support costs (incl. PIA/CRP costs and baseline cost etc.)	14,293	85.76	135.78	92.90	28.59	343.03
Community Enterprise Fund	9,591	57.55	91.11	62.34	19.18	230.18
Administrative cost	1,023	6.14	9.72	6.65	2.05	24.55
Total	24,907	149.44	236.62	161.90	49.81	597.77

Under the Skill Building cost, baseline budget cost shall not exceed Rs. 10 lakh per block.

Since, the number of enterprises that can be supported in a block is determined by the number of villages, the number of enterprise supported may vary from block to block as per the outcome of the baseline study. The scheme envisages support to maximum of 2400 enterprises per block over a period of four years

Apart from these costs per enterprise, there is also a provision for innovations and value chain studies and centralized support to the SRLM's and PIA, in the form of standardized training content, software for baseline, monitoring and enterprise support etc. This amount shall be retained in the NRLM centrally for providing common services to the States. Any of the above activities (software, ICT tools, training content, certification process, etc.) done by any PIA/NRO for supporting the implementation of the program shall be made available to all, in public domain, by MoRD for use by any SRLM/PIA.

Seminar & Workshop: NMMU would organize Central/Regional/State level workshops to familiarize the States with the SVEP guidelines.

In case the number of enterprises that can be supported change after doing the baseline and market potential studies, the budget for the block may be revised downwards at the time of submitting the DPR. The calculation of the working of the budget for the block based on the number of enterprises to be supported under SVEP, arrived at as a result of the baseline and market potential study, would be based on the fixed and variable costs per enterprise, as detailed in **Annex Table-31.2**.

Chapter III

Programme Structure and Management

NRLM Strategy and Start-up Village Entrepreneurship Program

The NRLM SHG's and federations are a critical pre-requisite for the implementation of the SVEP project. These community based institutions provide help in the identification of the potential entrepreneurs and the common resource persons (CRP EP)s, help in doing the due diligence for their credit worthiness and also monitor the work of the Community Resource Persons (CRP-EP's). Post the starting of the enterprise and providing credit to it, the community based institutions also monitor the progress of the enterprise and its repayment along with the CRP-EP.

Key Elements of the programme

- i. Create a Block Resource Centre – Enterprise Promotion (BRC-EP); The BRC should act as a nodal centre to implement SVEP. Block Level Federation (BLF) to come up under NRLM shall be the institutional platform for BRC.
- ii. Cluster Level Federation (CLF) /VO's shall hold the entity till BLF comes into existence. BRC should follow a self -sustaining revenue model.
- iii. BRC to be assisted by CRP-EP and the Bank Coordination System (Bank Mitra). BRC to provide resource and reference material including videos, manuals etc.
- iv. Help enterprises get bank finance using the tablet based software for making the business feasibility plan, doing credit appraisal and tracking business performance.
- v. Use the Community Investment Fund (CIF) to provide seed capital for starting the business till it reaches a size where bank finance is needed.
- vi. Implementation of SVEP shall be managed by NRLM through the State Rural Livelihood Missions.

How can states apply for the SVEP

The states can apply for the SVEP as part of their Annual Action Plans. In case they wish to apply for the SVEP in the middle of the financial year, they may submit a Supplementary Annual Action Plan in the defined format (**Annex Table-31.6**) to the JS (RL).

Any state can apply for a maximum of 2 blocks while making the first application for SVEP in the AAP route.

States which have spent less than Rs. 4.5 crores in implementing NRLM in 2015-16, should be sanctioned only 1 block. This is because the funds that will be released for SVEP (including state share) in the 1st full year of program implementation would be Rs.4.5 crores.

States which have not spent this amount in the entire NRLM, would not have the required processes and maturity at both the state and the Community based organizations to handle funds of this quantum. Hence, the program sanction and fund release should be commensurate with the demonstrated experience of the state SRLM of handling program funds.

These limitations have been kept to ensure that an equitable distribution of the limited funds available is made to the states and also to ensure that the program is implemented effectively.

The limitation on the number of blocks which a state can apply for can be waived off with the approval of the Additional Secretary (RD). Two routes for implementation shall be followed:

- a. **NRO route** – National Resource Organizations (NRO) recognized by NRLM that have entered into partnerships with SRLMs for taking up pilot enterprise development initiatives to implemented SVEP in select areas. The NROs under SVEP shall be Kudumbashree (Kerala State Poverty Eradication Mission) NRO, OMPLIS (Orvakkal Mandal Samakhya) NRO, EDII (Entrepreneurship Development Institute, India) NRO and the NAR (National Academy of RUDSETI) NRO.

The states may choose any one of the four designated NROs for the implementation of the pilot phase based on their comfort of working with the NRO and their estimation of the ability of the NRO to deliver results on the ground. The NRLM does not define any criteria for the states.

- b. Steps would be taken to identify more such best practitioners and recognize these organizations as NROs across the country by the NRLM.
- c. **PIA route** – SRLMs should identify Project Implementation Agencies (PIAs) from among qualified non-governmental organizations, civil society organizations, technical institutions, and community based organizations *etc.*, to take up implementation in select areas. Selection of PIA shall be done in an objective and transparent manner, following process prescribed by NRLM.

The SRLM may select a PIA from among the finalists of the Innovation forums held by the states and who have been notified by the Ministry of Rural Development. The Ministry of Rural Development is also in the process of short-listing and empanelling organisations for implementing SVEP in the states. The states may also select PIA's from this list.

The SRLM may also select a PIA based on the following criteria and get the same approved from the appropriate authority at the state level after conducting a desk and field appraisal of the PIA.

A. Suggestive Minimum Essential qualification required in the potential partner (the state can add to this list, but cannot reduce from the list):

1. PIA should be registered, non- political and secular in nature.
2. PIA should not be black listed by any government department.
3. The PIA should have at least 2 years of relevant experience of implementing enterprise -promotion related livelihood activities, with the poor, especially in the state for which it is being proposed. The PIA should also have experience in promoting enterprises in the non-farm sector. Experience of working with community participation, in the rural areas, where the PIAs propose to work, under SVEP, would be an advantage.
4. The PIA should have minimum annual turnover of Rs.100 lakhs in the past two years [as evidenced in the past two years audited financial statements].

5. The PIA should have supported at least 500 enterprises / or members of producer groups in the last 2 years.
6. The PIA should have transparency in financial matters, material handling, benefit sharing and fulfilment of legal compliances and should have processes and people in place to ensure the same.
7. The PIA should have adequate infrastructure and human resources with respect to the proposed project and should be willing to provide the undertaking for continuing working in the area for the project duration.

B. Preferred qualities in the PIA:

1. PIA should have domain knowledge of and experience in community mobilization, SHG and Microfinance, Livelihoods Enhancement, market linkages etc.
2. Should have experience in forward and backward linkages in NTFP, artisanal products and other rural produce.
3. The PIA should preferably have worked with the state government in any other project and successfully completed the same in the last 3 years.

C. Suggestive List of documents that applicant PIA need to submit along with application:

1. Application
2. Copy of the registration certificate
3. Copy of the certificate from the IT department recognizing the PIA as a not for profit organization
4. Copy of the audit statement of PIA for last two years
5. Copy of the annual report of PIA for last two years
6. Affidavit that PIA is not currently black listed by any government department or agency
7. Complete information about its work –
 - a. Basic information: Name of the organization, its full postal address, email ids and landline and mobile telephone numbers.
 - b. Profile of Project Proposer- names of the head of the organization and project-coordinator, their background, academic qualifications, experience, previous responsibilities held, duration in present organization and nature of duties handled.

- c. If the organization is a part of or sister concern of a larger entity, details may be given for the same.
- d. Details of specialization of the organization, its primary activities, projects handled and duration of exposure to the subject. The total project size handled so far may be given.
- e. Similar work handled in the past along with its size should be clearly mentioned.
- f. Evaluation/Completion /Impact assessment reports of their past projects – completed in the last 2 years.
- g. Any Rewards or recognition received in the last 2 years.

The process followed by the state for selecting the PIA (including details of desk and field appraisal conducted by the state), along with the approval of the appropriate authority at the state level may please be submitted with the proposal to NRLM in case the state has selected an PIA to implement the program.

Value Chain Studies under SVEP

As part of SVEP, the states are encouraged to support individual or group enterprises on Value chain interventions. For supporting these interventions, value chain studies could be conducted under SVEP for selected commodities. The states may seek funding under the funds window available with the schemes of NRLM like SVEP, Special Livelihoods funds for NRLP states, states allocation under NRLM etc. These proposals would be funded by the center and state in 60:40 ratio. (The ratio would be 90:10 for the NE and Himalayan states). The detailed guidelines are attached in ***Annex Table-31.5***.

Chapter IV

National Resource Organizations (NRO's) Role & Responsibilities and Support to NRO for the NRO Head Office Costs

1. The NRO's are expected to have a two pronged role in the implementation of the SVEP :

1.1 **Implementation Role:** Directly implement the SVEP in the blocks as implementing partners with the states – to establish proof of concept of the program in the states.

In this role the NROs need to deploy a team of senior professionals at their head office level, who are expected to do the following:

- 1.1.1 Ensure mid-term course corrections are done wherever required and document the best practices, identified during implementation.
- 1.1.2 Develop the processes - including written test, personality assessment tools etc. for the selection of Community Resource Persons for enterprise promotion (CRP-EP).
- 1.1.3 Develop a module for doing a baseline and market potential study in the blocks.
- 1.1.4 Develop a process for market scoping studies for new enterprises which be seeded in the blocks – based on the existing consumption and production of the block, the emerging opportunities of consumption and the opportunities based on government schemes and spends etc.
- 1.1.5 Create a process of doing a financial feasibility analysis of the new enterprises proposed to be set up under the SVEP.
- 1.1.6 Help create software for the support of the CRP-EP, the entrepreneur and also to maintain a transaction based MIS for the SVEP.
- 1.1.7 Help establish processes of support to the enterprises using regional performance benchmarks based on the data captured in the software being developed for the SVEP.
- 1.1.8 Along with NRLM, conduct the training and immersion of the Programme Implementation Agency's (PIA's) who are the implementation partners of some states for SVEP, in the first phase. The training shall be done to help the PIA's understand all the aspects of SVEP.

- 1.1.9 Help develop the parameters for monitoring the progress of the program
 - 1.1.10 Partner in the process of all activities to be done for ensuring that the SVEP can be scaled up, including participating in review meetings and workshops.
 - 1.1.11 Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.
- 1.2 **Programme Scale-up Role:** Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes and working with the NRLM structures, do the following activities :
- 1.2.1 Create standardised content and training pedagogy for training of the various stakeholders for the implementation of the SVEP - Programme Implementation Agency's (PIA) management, Mentor Community Resource Person for Enterprise Promotion (CRP-EP), CRP-EPs, members of the various community based organisations (CBO's) viz. Self Help Groups (SHG's) , Village Organisations (VOs) and Cluster Level Federations (CLF), Entrepreneurs, bank officials, State Rural Livelihood Missions (SRLM) employees at the state, district and block level etc.
 - 1.2.2 Create a repository of training material and ICT material for the implementation of the program.
 - 1.2.3 Create a process of certification of the mentor CRP-EP's and the CRP-EPs.
 - 1.2.4 Support creation of a process and criteria of identification and selection of PIA's who have the competence and ability to implement the SVEP across the country.
2. While the cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's, the HO and other costs of NRO's for doing the tasks for the scale up and institutionalization of the SVEP processes as detailed above are not funded. The framework for providing support to the NRO's for these costs is detailed in **Annex Table-31.4**. These costs are part of the Rs 20 crores budgeted and approved by the SFC for this activity and for providing other centralised support by the NRLM.

- 2.1 SVEP implementation at the block level to consist of the following sets of processes:
 - 2.1.1 New Enterprise Development
 - 2.1.2 Support for existing enterprises
 - 2.1.3 Block level activities
 - 2.1.4 Other project activities

- 2.2 SVEP to be implemented in the Resource/Intensive Blocks in line with the community institution building plan of NRLM. The selection of SVEP blocks shall be done by the respective State Rural Livelihood Missions.

For the detailed implementation process, the Community Operational Manual (COM) shall be referred. A summary of the flow of work is also shown in ***Annex Table-31.1***.

Chapter V

Fund Release Process and usage of Community Investment Fund

The SRLM's will submit the Annual Action Plan (AAP) for implementation of the programme along with budget estimates which will be considered and approved by the NRLM Empowered Committee set-up under the Chairmanship of Secretary (Rural Development) with Financial Advisor as one of the members. The Empowered Committee will co-opt members from other Departments and Organisations dealing with Entrepreneurship development. The release of funds to the SRLMs would be in three installments of 25%, 50%, 25% as detailed in the **Annex Table-31.2**. The fund releases to the NROs in two installments of 50% each and all releases would be subject to the procedures and processes prescribed in the Framework document of NRLM.

Funding pattern under the scheme is currently 60% centre and 40% state. (Exception being 90% centre and 10% state for the North eastern states and Himalayan states). However, the same may change in case any new set of guidelines are notified by the government of India.

The project execution period has been estimated to be 4 years (48 months) from the date of release of the first installment after the submission report of the baseline and market potential study and DPR.

However, the Ministry of Rural Development has the mandate to fund the program for the years 2015-16 and 2016-17 (current plan period) only. After the completion of the first 2 years of the program, there shall be a mandatory review by a third party, and the program may be extended post the outcome of this review exercise.

The broad guidelines for the usage of the CIF by the blocks

- a. Rate of interest to be charged to the entrepreneur borrower, who will borrow money from the CIF under SVEP.

The rate of interest charged by the SHG from the loans given using the CIF of SVEP, to the entrepreneur should ideally not exceed 1% per month on a reducing balance basis (or 12% per annum on a reducing balance basis). The rate of interest should be decided and agreed by the CBO and CRP-EP facilitated by the

SRLM and PIA. The rate of interest should be decided ensuring that the enterprises supported are financially viable at that rate of interest. Ideally the same rate of interest should be charged to all the entrepreneurs in the block. But the rate of interest charged from the enterprise may vary among different blocks in the state.

- b. Repayment schedule for loans and scope for a moratorium period for the loans granted from the CIF of SVEP.

The terms of repayment terms and schedule including moratorium if any, should be decided by the CBO and CRP-EP with facilitation from SRLM. This repayment schedule has to be decided based on the need of the enterprise being promoted and may vary depending upon the type of enterprise being supported. There is no need for all the entrepreneurs in a block to have the same repayment schedule.

- c. Maximum amount that can be lent from the CIF to an individual entrepreneur and to a group enterprise

To ensure equity in the usage of the CIF and to prevent cornering of the CIF funds by a few, it is suggested that the maximum amount of loan from the SVEP CIF that can be given to one individual entrepreneur be fixed at Rs.1 lakh. Similarly, in the case of a group enterprise, the maximum amount that can be given as loan to a group enterprise is Rs. 5 lakhs and the maximum loan per member of a group enterprise cannot cross the individual threshold of Rs.1 lakh. In case any enterprise repays the first tranche of loan, then the subsequent tranches of loan to the same enterprise for business expansion can be enhanced by a factor of 25% for each round of loan repayment. However, the state may take a call on these number based on the local conditions and the number of enterprises to be promoted. However, the underlying principle of equity should be adhered to.

Chapter VI

Monitoring, reporting and audit requirements under SVEP

Monitoring and review of the Projects sanctioned and implemented will be done at two levels i.e. at the Central level by a designated agency or the NMMU and at the State level by the SRLM.

I. State Level

For monitoring and periodic review of the sanctioned project, a Committee should be formed at the State level, headed by the Mission Director, SRLM. The State Committee should have participation from the relevant state departments like Forest and Environment, tribal development, Women and Child Development, MSME, KVIC, textiles, and domain experts etc.

The Committee should undertake quarterly reviews with the PIAs/NROs. The State governments may also constitute a State Level Technical Project Support Group to assist the PIAs in the implementation of the Projects.

The minutes of such monitoring committee meetings must be shared with the NRLM within 10 days of the meeting being held.

Apart from the committee, the SPM in charge of SVEP and the SMD (whenever possible) should review the progress of the program and its physical and financial achievements every month.

The SRLM should own the project and should develop capability to roll-out the program in all blocks of the states, using its own human resources after the establishing the success of the pilot.

The SRLM also has to play a facilitating role in setting up state level benchmark setting committee which shall comprise members from SRLM including the SRLM (SPM/BPM-SVEP), other SPM (livelihoods), and expert practitioners of the trade and industry experts. This committee shall validate the business performance benchmarks for each group of enterprises for the blocks, as generated from collating data, by the MIS software. This committee is also expected to send out seasonal advisories to various kinds of enterprises – to help them maximize incomes based on

seasonal demand and minimize losses due to seasonal stocks left with them, due to the end of a seasonal demand.

Apart from these activities, the committee is also expected to facilitate consolidation of demand and supply of all the enterprises in the block/ district /state and use the same for facilitating better trade terms for the enterprises capitalizing on collective bargaining power.

II. Central Level

At the Central Level, the NMMU and the monitoring committee of the NMMU will periodically review and monitor the SVEP projects (minimum at quarterly intervals), sanctioned under the scheme. This monitoring and advisory body including the representatives from private organizations, industries, marketing firms etc. would be constituted at the Central Level to give necessary advice to the Ministry of Rural Development on the implementation of SVEP.

Submission of Progress Reports

The implementing agency/coordinating agency shall submit the progress report of the project by 15th of the month succeeding every quarter in the format prescribed by the Ministry. Failure to furnish the progress report would make implementing/coordinating agency liable to refund the Central funds released for the Project along with interest.

It shall be open to the Ministry of Rural Development to prescribe such conditions, as it deems fit, from time to time to ensure proper execution of the project.

The progress reports shall cover achievement of physical targets and financial targets, and shall also include, mandatorily updating the relevant data, by the PIA, after the same is vetted by the SRLM, in the centralized MIS and operating software, to be provided by the Ministry of Rural Development, on a regular (monthly and quarterly) basis.

Certifications of the CRP-EPs and Mentors

All the mentors placed in the block by the PIAs, the CRP-EPs trained by the PIA, the block project managers placed in the block for the implementation of the SVEP by

the SRLM and the PIA, shall have to be certified by an independent certification process approved by NRLM, and this shall be a critical milestone in the implementation of the project.

Audits

There are two kinds of audits envisaged under the SVEP:

- i. The Ministry of Rural Development retains the right to carry out internal audit of funds and financial implications of the project, if deemed necessary.
- ii. Regular Financial audit is to be carried out by the Chartered Accountant of the Project Implementing Agency or any other authority appointed by the State Government. The audit report together with action taken on the auditor's observations and physical progress under the project shall be furnished at the time of release of 2nd / 3rd instalment of the Central funds and at the end of every financial year. These audit reports would clearly state that the grant funds utilized under SVEP have not been used to create any individual assets or for purchase of vehicles or used for any activity prohibited under the NRLM. Only funds loaned to the entrepreneurs from the CIF under the SVEP, can be used to create individual assets required for the running of the enterprise, including vehicles if required for the running of the enterprise being set up.

The accounts of the BRC (Block resource center) specially the accounts of the CIF under SVEP, would be maintained separately and should be audited by the SRLM or its deputed auditors. These audit reports have to form the part of the SRLM's audit report for the SVEP to be submitted at the same frequency as discussed above. The accounts of the BRC shall also have to be supported by certificates from the VO's/ SHGs, clearly stating the SVEP CIF funds borrowed by the SHG/VO's have been used only for on-lending to SVEP supported entrepreneurs.

Kind of Expenses Not-Allowed Under SVEP

No individual assets can be created from the funds under SVEP, apart from the funds specified for the CIF. (CIF funds, which are given to the entrepreneur as repayable loans, can be used to buy individual assets, but which are needed for running the enterprise.)

Only funds loaned to the entrepreneurs from the CIF under SVEP, can be used to create individual assets required for the running of the enterprise, including vehicles if required for the running of the enterprise being set up.

Any assets created using the funds of the SVEP, (e.g. computer, tablets, printer, office furniture etc.) shall be owned by the individual/ community organizations and not by the PIA/ SRLM /CRP-EPs.

For the administrative funds under SVEP, the extant guidelines for NRLM to be followed by the SRLM.

Use of the Administrative Cost Under SVEP

The administrative cost under SVEP is supposed to be used by the SRLM to depute an officer as Block Program Manager-SVEP. This person shall be a dedicated Program Manager for SVEP- to be placed at the blocks where the SVEP is being implemented in the state. This Manager shall co-ordinate the implementation of the SVEP in the pilot blocks of the state for the period of implantation of the SVEP.

The KRA's, KPI's and competencies of BPM position

Position: Block Program Manager – SVEP

Purpose of the Position – To co-ordinate between the PIA/NRO and the SRLM project team, and the community organizations (SHGs/VOs/CLFs) and ensure the SVEP gets implemented as per the plan and schedule (on all parameters – physical, financial and timelines).

To be involved in the implementation and monitoring the progress of the SVEP in the two blocks and help to scale up the same after incorporating mid-course corrections, if any.

To document and share best practices, identified in the implementation of SVEP in the initial 2 blocks.

Reporting To – Administratively to the District Program Manager (SRLM) of the district chosen by the SRLM, and functionally to the State Program Manager (SVEP). He/she shall be based /posted in the block where the SVEP is being implemented.

Key Responsibilities

1. To ensure rollout of the SVEP program across all the pilot blocks, including completion of the baseline and market potential study and preparation of the DPR.
2. To co-ordinate and act as a bridge between the PIA/NRO, the community organizations and the Block and the village level project staff.
3. To participate in all the processes of implementation of the SVEP.
4. To help operationalize the MIS for SVEP, monitor progress of the SVEP and share the same with all the stakeholders – SRLM/PIA/NRO/ NRLM.
5. To ensure adherence to norms and completion of processes related to procurement of tablets and other equipment for the BRC.
6. To help institutionalize the Block Resource Centre and make it part of all the SRLM processes in the block.
7. Create and operationalize a course correction mechanism and a process for documenting and sharing best practices.
8. To help create a repository of business logics and training material at the BRCs.
9. To be part of the State level business advisory team for creating local benchmarks for enterprises and for giving seasonality based business advisories.

Key Performance Indicators

1. Rollout of SVEP physical activities as per the timeline.
2. Number of community organizations' members trained effectively on the SVEP vs targets.
3. Number of MIS reports sent timely per month.
4. Number of monthly reviews of the progress of the program with the PIA/NRO and the District Program Manager facilitated.
5. Ensuring timely reporting of the work done by the PIA, and any deviation from plan is addressed or taken up at appropriate levels within the SRLM, with respect to:
 - a) Number of CRP-EPs selected, trained and retained vs targets, for the period under review.
 - b) Number of Enterprises trained, supported to start /grow their business and increase in their incomes vs targets, for the period under review.

- c) Number of enterprises linked to banks for loans for the business vs targets for the period under review.
 - d) Number of enterprises given loans (from banks or SHGs) and repayment of the loans from business profits vs targets, for the period under review.
6. Number of regional and village category wise benchmarks created for various groups of enterprises created.
 7. Number of best practices and training materials, including ICT trainings documented and added to the repository.

Educational Qualifications: Post graduate/Graduate in any subject with mathematics as a subject till class XII. Preferably from a management/ commerce or engineering background should have strong numeracy skills and business skills.

Core Competencies

Understanding and hands-on experience of the non-farm livelihoods sector and its issues – having worked with either a business or a producer organization that has been successful, or having worked with the SRLM in a livelihoods profile or having worked with a SVEP-like project. The person should have at least 2 years of work experience.

1. Should have numerical and business finance understanding and skills.
2. Good team player, strong ability to work with teams and with people with no direct reporting relationships
3. Data driven, open to learning and adaptable, should be willing to adapt to ground realities.
4. Should be compassionate for the poor and should be willing to look at issues from their lens. Also, should be honest, fair and objective in work. The person should not discriminate anyone based on gender, caste, class, region or any other identity mark.
5. Should have a training and development orientation.
6. Should be self-driven and should be motivated by social change and impact at scale.
7. Should be willing to travel extensively in the field and be willing to stay in a village for approx. 10 to 15 days a month.

After 2 years of implementation of the SVEP in the block, the state may, based on the performance and capability of this BPM (SVEP) depute him/her to look after the implementation of SVEP in more than one block of the state.

Annex Table-31.1
Details of the Activities under SVEP and the Role of each Participant

I. Preparatory Phase

Activity	NRO	Bank-BRC/ RSETI	SHGs/NRLM Institutions
Block Resource Centre set up at the Block Level	✓	✓	✓
Identify Master CRP-EP	✓		
Train Master CRPs –EP	✓		
Position the Master CRP-EPs in the implementation blocks	✓		
Master CRP-EPs identify potential CRP-EPs in the blocks	✓		✓
The potential CRP-EPs screened	✓		✓
The potential CRP-EPs trained	✓		
The Potential CRP-EPs do baseline study of the existing enterprises in blocks to build database and understand businesses/market	✓	Link the Program with the Districts' RSETIs	✓

II. Enterprise Selection & Start-Up Phase

Activity	NRO	Bank-BRC / RSETI	SHGs/ NRLM institutions
Triggering meetings with potential entrepreneurs	✓		✓
Interested potential entrepreneurs apply for starting enterprises/existing enterprises apply for scaling up	✓		SHGs/Village Organizations evaluate potential proposals for funding-based on local knowledge plus past SHG repayment history
Interested potential entrepreneurs screened by giving field test and their business model gets evaluated	✓		
Potential entrepreneurs with feasible business models shortlisted & trained	✓	✓	✓
Potential entrepreneurs with feasible business models linked for finances with SHGs/Banks	✓	✓	✓
Potential entrepreneurs with feasible business models helped to start enterprises. These new start-ups gets handholding support for 6 months by the CRP-EP	✓		CLF/VOs monitor work of the CRP-EPs through BRCs

III. Enterprises Sustenance Phase

Activity	NRO	Bank-BRC/RSETI	SHGs/NRLM institutions
Business P & L, Cash Flow for all the enterprises tracked in the VE-IT, so that business history and credit history can be created for both the entrepreneur to monitor his enterprise and for the bankers to get some comfort on the entrepreneurs'/enterprise's ability and intent to repay loans	✓	Bankers access data to monitor borrowers' enterprises. RSETI Directors involved in the monitoring of the enterprises and loan repayments.	✓
In case of a few selected enterprises with growth and finance needs linked to banks for funding	✓	Bankers evaluate and fund potential enterprises, bankers' access data to monitor borrower enterprises. RSETI Director involved in ensuring bank linkages	
CRP-EPs continue to provide business monitoring support and are paid by the VOs/Entrepreneurs for this support	✓		CLFs/VOs monitor borrower enterprises with the CRP-Eps

Annex Table – 31.2**Breakup of the costs per block into fixed and variable costs and calculation of costs per block based on the number of enterprises to be supported in the block**

The success of the SVEP is based on the success of the enterprises supported under the programme.

The budget for SVEP had been estimated per enterprise per block. For the budgeting process it was assumed that the cost would be Rs.24, 907 per entrepreneur and the program would support 2400 entrepreneurs per block. Accordingly the total budget per block worked out to Rs.5,97,76,800 (Rupees 5 crores, ninety seven lakh seventy six thousand eight hundred only) – details are given below:

Table 1 Estimated Upper Limit Budget for the SVEP Per Block*Figures in Rs. lakhs*

	Per enterprise cost Rs.	Year 1	Year 2	Year 3	Year 4	Total
No of entrepreneurs estimated to be supported		600	950	650	200	2400
Cost of skill building of entrepreneurs including block level professional support costs (incl. PIA/CRP costs and baseline cost etc.)	14,293	85.76	135.78	92.90	28.59	343.03
Community Enterprise Fund	9,591	57.55	91.11	62.34	19.18	230.18
Administration cost	1,023	6.14	9.72	6.65	2.05	24.55
Total	24,907	149.44	236.62	161.90	49.81	597.77

However, not all blocks in the state are similar and there are wide variations across states in terms of topography, distance from markets, income levels etc. To cater to this variance in the potential of the block to support number of entrepreneurs, we had asked the states, in the guidelines, to conduct a baseline and market potential study of the block.

Based on the outcome of this baseline and market potential study, the final number of entrepreneurs that can be supported in the block shall be estimated.

The EC has also approved this process and accordingly we are releasing Rs. 30 lakhs per block to the states for carrying out the baseline and market potential studies using the services of the PIA/NRO selected for the implementation of the SVEP and the CRP-EPs being trained under the project.

Based on this estimate of the number of enterprises, the final budget per block and the physical targets of the number of entrepreneurs that can be supported would be arrived at. This number and budget shall form part of the Detailed Project Report (DPR) to be submitted by the SRLM.

In case the number of entrepreneurs the block can support arrives at a figure of lesser than 2400, then in that case the budget for the block would have to be revised downward.

For this recalculation of the budget, rather than just multiplying the targeted entrepreneurs to be supported multiplied by the unit cost of Rs.24,907, we are suggesting that the unit cost of support of the entrepreneur, be broken down into fixed and variable cost components and the revised budget for the SVEP for the block be calculated accordingly.

Thus in the case of a block which can support 2000 entrepreneurs, the budgeted cost per block would come down from Rs.5.97 crores to Rs.5.56 crores, but the unit cost per entrepreneur would go up to Rs. 27,809 (as the fixed costs would be spread over a lesser number of entrepreneurs – please see table 3 below).

This change in the calculation is proposed so that the quality of support offered to the remote and poorer blocks does not suffer due to funds constraints, or the process of selection of subsequent blocks is not skewed towards only those blocks which have potential to support 2400 entrepreneurs.

The costs per enterprise, per block have been broken down into fixed costs and variable cost components. The same is as given below (Table 2):

Table 2

S No.	Particulars	Fund to be given to/routed through	Fixed Costs for Block	Variable Cost per Enterprise	Variable Cost Per Block @ 2,400 Enterprises	Total Cost Per Block @ 2,400 Enterprises	Amount to be reduced from budget in MEC Blocks
1	Skill Building of Entrepreneurs	PIA		7,000 **	16,800,000		
2	Training of Community Institutions	PIA	1,000,000				
3	Handholding Support by CRP-EP	CRP		3,395	8,148,000		No. of MECs *subsistence allowance for the balance period of MEC project
4	Training and Capacity Building of CRP-EPs	PIA	700,000				100%
5	Setting up of BRC-EP (incl. all assets)	CBO's thru PIA	500,000				
6	Working Capital for BRC-EP for operating expenses	CBO's	180,000				
7.	M&E and PIA Support Cost						
7a	Baseline (including tablets for CRP-EPs)	PIA	1,000,000				
7b	Evaluation	SRLM	500,000				
7c	Mentor and Block Support	PIA	2,976,000				No. of Mentors* unit cost for the balance period of MEC project

S No.	Particulars	Fund to be given to/routed through	Fixed Costs for Block	Variable Cost per Enterprise	Variable Cost Per Block @ 2,400 Enterprises	Total Cost Per Block @ 2,400 Enterprises	Amount to be reduced from budget in MEC Blocks
7d	Block RSETI Cost* (if applicable)	CBOs/ RSETI	2,500,000				
8	CIF and Credit Guarantee Fund	CBO's	23,017,600				
9	Admin. Cost	SRLM	2,455,200				
	Total cost per block		34,828,800		24,948,000	59,776,800	
	Total Per Enterprise		14,512	10,395		24,907	

*In case a block RSETI does not come up in a block the funds allocated for the Block RSETI's cost (Rs.25 lakhs) shall be added to the CIF and the credit guarantee fund.

Accordingly, a table is shared of the cost per enterprise and the budget per block for a few illustrative cases in the table below:

Table-3 Per Enterprise Variable Cost 10,395

No. of Enterprises to be Supported in the Block	Fixed Costs per Block	Variable Costs	Total costs/ Block	Cost/ Enterprise
2400	34,828,800	24,948,000	59,776,800	24,907
2000	34,828,800	20,790,000	55,618,800	27,809
1600	34,828,800	16,632,000	51,460,800	32,163
1200	34,828,800	12,474,000	47,302,800	39,419
1000	34,828,800	10,395,000	45,223,800	45,224

The rationale for treating the costs as fixed cost is as under:

a) Training of Community Institutions

Irrespective of the number of enterprises supported under SVEP, these costs would be incurred as the number of Community institutions (SHG's and VO's) per block,

would remain more or less similar is a block which has more business potential and in a block which has less potential.

b) Training and Capacity Building of CRP-EPs

Though the number of CRP-EP's may reduce based on the number of enterprises supported under SVEP, but since the training cost would remain more or less the same, as the cost would not vary much whether there are 80 or 60 CRP-EP's in the batch.

c) Setting up of BRC-EP (incl. all assets) and

d) Working Capital for BRC-EP for operating expenses

Irrespective of the number of enterprises supported under SVEP, one Block Resource Centre per block would have to be set up.

e) Baseline (including tablets for CRP-EPs) and

f) Evaluation

Irrespective of the number of enterprises supported under SVEP, the baseline and Market potential study and the evaluations study at the end of 2 years of the project would have to be carried out.

g) Mentor and Block Support costs

Irrespective of the number of enterprises supported under SVEP, the mentors and block project manager from the PIA shall have to spend time in the block and support and handhold the implementation of the project and the CRP-EPs'.

h) Block RSETI Cost* (if applicable)

Irrespective of the number of enterprises supported under SVEP, one block RSETI manager shall have to be placed in the block RSETI. This block RSETI shall primarily facilitate in providing bank linkages to the entrepreneurs promoted under SVEP. In blocks where the block RSETI is not set up (due to the banks not being able to spare officers for the block RSETI), the funds allocated in this head, shall be

transferred to the Community Enterprise Fund, as the fund shall need to be enhanced to whatever extent possible, as bank linkages in such blocks would be slower to fructify.

i) CIF and Credit Guarantee Fund

This is treated as fixed, as the blocks where the market potential is lower for enterprises, the same would hold true for banks also. Empirically it has been noticed that the bank branches in the remote and poorer blocks are lesser than the bank branches in the more prosperous towns. The remote and poorer blocks hence would have greater difficulty in access to bank branches and consequently bank loans.

j) Administrative Cost

Under the SVEP, we are asking the SRLM to provide a dedicated manager for the SVEP at the block level. This manager has to have experience and skills in enterprise promotion. Irrespective of the number of enterprises supported, this one person shall have to be posted at the block by the SRLM, hence this cost is treated as fixed.

This is the amount given to the SRLM for meeting its administrative costs and it is approximately 4.1% of the project cost in a block with 2400 enterprises.

Variable Costs

The costs of trainings of the entrepreneurs of Rs.7000, includes the costs of organizing meetings and seeding the concept of entrepreneurship, selecting the entrepreneurs based on their willingness and readiness for the enterprise that they propose to start, the feasibility analysis for the enterprise proposed to be started by the entrepreneur and the training to the entrepreneur to start and run the enterprise. These costs have been estimated at an average of 35 days @ Rs.200/- per day- which is as per NRLM norms for trainings under RSETI. (The actual number of days spent on training of an entrepreneur shall depend upon the type of enterprise being started and the existing level of skills of the entrepreneur).

The CRP support costs to the entrepreneur which are estimated for approximately 17 days – these include support for setting up the enterprise and then support for a minimum period of 6 months from the start of the enterprise.

How to deal with very small size blocks?

The unit of implementation and the estimated costs per block were estimated assuming that each block would have the following minimum criteria.

Parameters	Minimum size for a Block under SVEP
No. of villages	> 50
Population	> 48000
Area	> 300 sq.km.

In case any block proposed by the state is smaller and does not meet any of these minimum criteria, then the state shall have to club more than one adjacent blocks and that combined entity shall be entitled to the fixed block costs under SVEP.

Andhra Pradesh and Telangana have mandals and hence they have combined 3 mandals to make up a block equivalent for SVEP. Other states with smaller blocks shall have to do the same.

MEC program and costs thereof

There are some states where the blocks chosen for the SVEP program, already have the MEC program of NRLM being implemented. The table 2 above, shows the costs of the SVEP project which are already funded under the MEC program and which have to be reduced from the budgeted cost of the SVEP in the blocks where MEC project is being implemented. This is being done to ensure that the MoRD does not release funds for the same activity twice, under different projects.

Annex Table – 31.3

Funds release pattern under SVEP to the SRLMs to be in three instalments of 25%, 50% and 25%

The funds releases to SRLMs for the implementation of the SVEP, shall be released in three instalments of 25%, 50% and 25% prescribing to the following procedures.

1st Instalment

1st tranche of 1st Instalment

The 1st tranche of 1st instalment will be released by Ministry of Rural Development to the designated agency on the in principle approval of the project by the Empowered Committee (EC). The SRLMs are the Designated Agency for their respective states and PIA/NRO has to sign an MOU with SRLM. (Draft MOU is attached as **Annex Table-31.7**). This amount shall be an advance of Rs. 30 lakhs per block for conducting the baseline and market potential study using the CRP-EPs to be trained under this program. The states are expected to contribute corresponding state share for this amount.

2nd tranche of 1st instalment

Post the baseline and market potential study being carried by the SRLM and FIA, the FIA would submit Detailed Project Report (DPR) to the Ministry of Rural Development through the respective SRLM.

The final project cost would be calculated based on this DPR subject to the maximum cap of Rs.5.97 crores per block.

Funds release in the 2nd tranche of the 1st instalment shall be based on this estimated number of entrepreneurs that can be supported and the project budget for the block based on the market potential study as detailed in the DPR. The advance released as the 1st tranche of the 1st instalment, shall be adjusted while releasing the 2nd tranche of the 1st instalment.

The 2nd tranche of 1st instalment of 25 % of the central share of the approved budget will be released upon the following:

- a. Submission of DPR, baseline and the market potential study for the selected blocks. Based on the outcome of this baseline and market potential study, the final number of enterprises/entrepreneurs that can be supported in the block shall be estimated. Based on this estimate of the number of enterprises, the final budget per block shall be arrived at and approved by the Chairman of the EC. The estimate of the funds per block shall be done using the fixed and variable cost formula of costs per block, except for very small blocks.
- b. Funds release for the 2nd tranche of 1st instalment, as well as the physical targets shall be based on this estimated number of entrepreneurs/enterprises that can be supported as approved by the Chairman of the EC as above. Funds released in the 1st tranche of 1st instalment, shall be adjusted while releasing the 2nd instalment.
- c. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

2nd Instalment

The 2nd instalment of Central share for 50 % of the project cost will be released upon the following:

- a. Release of proportionate state share for all the funds released so far.
- b. Submission of a Utilization certificate along with an expenditure statement for at least 60% of the released 1st instalment funds and contribution from state government and achievement of corresponding physical targets as specified in the DPR of the project. The UC should have a narrative clearly detailing the convergence achieved in financial terms, for the project.
- c. Submission of year-wise audit reports of the funds utilized, if due (Audited reports for the previous year required only if the subsequent instalment is being sought after the 30th June of the following year)
- d. Quarterly reporting of progress in the prescribed formats.
- e. A certificate from the Designated Agency that the project is being implemented as per the approved project proposal.
- f. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

3rd Instalment

The 3rd instalment shall be released in 2 tranches – 1st tranche of the 3rd instalment of central share for 20% of project cost will be released upon the following:

The 1st tranche of the 3rd instalment of 20% of central share will be released upon the following:

- a. Release of proportionate state share for all the funds released so far.
- b. Utilization of 80% of the total funds released so far and achievement of corresponding physical targets as specified in the DPR.
- c. Submission of year-wise audit reports of the funds utilized (Audited reports for the previous year required only if the subsequent instalment is being sought after the 30th June of the following year)
- d. Quarterly reporting of progress in the prescribed formats;
- e. A certificate from the Implementing/Coordinating Agency that the project is being implemented as per the approved project proposal.
- f. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

The final instalment or the 2nd tranche of the 3rd Instalment

The final instalment or the 2nd tranche of the 3rd Instalment of 5% shall be released on the following:

- a. Utilization of 100% of the total funds released so far and expenses for the central share for the balance 5% of project cost to be released by the centre has already been done by the state using its own funds. Also all physical targets mentioned in the DPR of the project have been achieved.
- b. Quarterly reporting of progress in the prescribed formats;
- c. A certificate from the Implementing/Coordinating Agency that the project is being implemented as per the approved project proposal.
- d. Before the release of the final instalment, it will be open to Ministry of Rural Development to have verification of the progress of the project by a third party / independent agency.

- e. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the Co-coordinating Agency before they are forwarded to the Ministry of Rural Development.
- f. On completion of the target/project, a **Completion report** will be furnished to the Ministry indicating the physical achievements and utilization of funds supported by utilization certificate and audit report.

Utilization of Interest earned on Central release (s):

The interest amount accrued on Central Government releases, if any, shall be adjusted against the Central Government share of the Project cost at the time of release of the final instalment.

Only in the case of the Community Investment Fund for enterprise promotion under SVEP, which shall be given to the Community based organization(CBO) – either the Cluster Level Federation (CLF) or a designated Village Organization (VO) in the block, any unutilized funds shall necessarily be kept by the CBO in a Fixed Deposit with a bank, and the interest income so earned, would be utilized by the CBO to supplement the corpus of the community credit guarantee fund, under the SVEP. These details should form part of the yearly accounts of the CBO which should be audited and submitted to the NRLM, for the duration of the project.

Releasing of Matching Share:

The State Government/other donor agency is required to release its corresponding matching share within a month of receipt of the respective instalment of the central share. The release of 2nd and 3rd instalment of central share will be subject to release of state share against the central release already made.

Framework for funding the Head Office costs of the National Resource Organizations (NROs) under Start-up Village Entrepreneurship Program (SVEP)

1. In the Standing Finance Committee (SFC) memo for the SVEP, circulated on the 22nd Dec 2014, which was approved in the SFC meeting held on 3rd Feb 2015, it was stated “...**Rs.30 crore for meeting the costs of National Resource Organisations (NRO’s) will be available**”
2. This framework seeks to provide a basis for supporting the Head office (HO) costs of the NRO’s based on the number of states and blocks supported by the NRO, for the implementation of the SVEP, as direct implementing partners with the states.
3. The NRO’s are expected to have a two pronged role in the implementation of the SVEP :
 - a. **Implementation Role:** Directly implement the SVEP in the blocks as implementing partners with the states – to establish proof of concept of the program in the states.

In this role the NROs need to deploy a team of senior professionals at their head office level, who are expected to do the following:

- i. Ensure mid-term course corrections are done wherever required and document the best practices, identified during implementation.
- ii. Develop the processes - including written test, personality assessment tools etc. for the selection of Community Resource Persons for enterprise promotion (CRP-EP).
- iii. Develop a module for doing a baseline and market potential study in the blocks.
- iv. Develop a process for market scoping studies for new enterprises which be seeded in the blocks – based on the existing consumption and production of the block, the emerging opportunities of consumption and the opportunities based on government schemes and spends etc.
- v. Create a process of doing a financial feasibility analysis of the new enterprises proposed to be set up under the SVEP.

- vi. Help create software for the support of the CRP-EP, the entrepreneur and also to maintain a transaction based MIS for the SVEP.
 - vii. Help establish processes of support to the enterprises using regional performance benchmarks based on the data captured in the software being developed for the SVEP.
 - viii. Along with NRLM, conduct the training and immersion of the Programme Implementation Agency's (PIA's) who are the implementation partners of some states for SVEP, in the first phase. The training shall be done to help the PIA's understand all the aspects of SVEP.
 - ix. Help develop the parameters for monitoring the progress of the program
 - x. Partner in the process of all activities to be done for ensuring that the SVEP can be scaled up, including participating in review meetings and workshops.
 - xi. Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.
- b. **Programme Scale-up Role** : Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes and working with the NRLM structures, do the following activities :
- i. Create standardised content and training pedagogy for training of the various stakeholders for the implementation of the SVEP - Programme Implementation Agency's (PIA) management, Mentor Community Resource Person for Enterprise Promotion (CRP-EP), CRP-EPs, members of the various community based organisations (CBO's) viz. Self Help Groups (SHG's) , Village Organisations (VOs) and Cluster Level Federations (CLF), Entrepreneurs, bank officials, State Rural Livelihood Missions (SRLM) employees at the state, district and block level etc.
 - ii. Create a repository of training material and ICT material for the implementation of the program.
 - iii. Create a process of certification of the mentor CRP-EP's and the CRP-EPs.
 - iv. Support creation of a process and criteria of identification and selection of PIA's who have the competence and ability to implement the SVEP across the country.

4. While the cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's, the HO and other costs of NRO's for doing the tasks for the scale up and institutionalization of the SVEP processes as detailed above are not funded. This framework seeks to define the processes of providing support to the NRO's for these costs and are part of the Rs.30 crores budgeted and approved by the SFC for this activity and for providing other centralised support by the NRLM.
5. There are the costs of the senior professionals of the NRO, who'll need to be involved in the planning, execution and seeking learnings from the implementation of the program at the block level and ensuring leadership to drive and deliver the outcomes defined in points 3.1 above.
6. The costs for the following people and heads are sought to be supported under SVEP :
 - a. **Programme Lead:** S (he) is senior professional, who shall drive the implementation of the SVEP in the states where the NRO is implementing the program and also provide conceptual and leadership for the support role of the NRO. S (he) shall be responsible for the execution of the program in the states as per timelines. S (he) shall also ensure that whatever mid –term course corrections and decisions are needed to be taken are taken and the same are shared with all the states through the drive and create best practices, and shall be the one point contact for the NRLM for the implementation of SVEP by the NRO in the states, as a technical support agency.
 - b. **Office and administrative support for the Programme Lead:** This is the secretarial support for the Program Lead to help him/her track the progress of the SVEP implementation, documentation, MIS as well as co-ordinate other office and administrative work for the Programme Lead.
 - c. **Programme Manager:** These are mid to senior level professionals from the NRO who'll be expected to guide and monitor the implementation of the SVEP at the block level. Each person is expected to be able to provide support for implementation for 5 states or 10 blocks.
 - d. **Travel, communication and office overheads for the NRO head office team:** This shall cover the costs of travel of the team to the states where

implementation is taking place, as well as travel to NMMU for 4 visits a year for review of the progress of the SVEP.

- e. Specific tasks apart from the implementation of the programme in the blocks like the activities mentioned in points 3.2 above.

7. The basis for funding of the costs for items 6.1 to 6.4 as mentioned above, which are largely programme monitoring and implementation roles, would be based on a matrix of the number of blocks/states supported for implementation by the NRO. The more the number of blocks/states supported, the more the people at the Head Office of NRO would be supported. The matrix of the number of people to be supported, the % of their cost which will be supported and the maximum cost which can be supported as per NRLM norms, is detailed below:

No of states supported			1-3	4-9	10-15	16-21	>21	1-3	4-9	10-15	16-21	>21
No of blocks supported			less than 7	7-19	20-31	32-42	>42	less than 7	7-19	20-31	32-42	>42
Reimbursement to be made on whichever of the 2 above mentioned criteria is higher												
Manpower and admin travel costs to be supported	Experience	per annum costs Rs. Lakhs	% of cost to be supported	% of cost to be supported	% of cost to be supported	% of cost to be supported	% of cost to be supported	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs
Fixed HO costs support												
Program Lead	20 years exp	18.00		75%	90%	90%	90%	-	13.50	16.20	16.20	16.20
Program Lead	10 years exp	12.00	75%					9.00	-	-	-	-
Program Lead - Office Secretarial & admin. support cost	5 years exp	3.60	0	50%	75%	100%	100%	-	1.80	2.70	3.60	3.60
Program manager No's	10 years exp	12.00	0	1	1	1	1					
Program manager No's	5 years exp	6.00	0	1	2	3	4					
Program manager	10 years exp	12.00	0	100%	100%	100%	100%	-	12.00	12.00	12.00	12.00
Program manager	5 years exp	6.00	0	100%	100%	100%	100%	-	6.00	12.00	18.00	24.00
Total support for manpower cost								9.00	33.30	42.90	49.80	55.80
Travel, Comm and office costs		40% of salary cost						3.60	13.32	17.16	19.92	22.32
Total support for NRO HO Support costs per year								12.60	46.62	60.06	69.72	78.12

These costs shall be supported with effect from 1st Oct 2015 onwards. For FY 2015-16 these costs shall be reimbursed on a pro-rata basis (for 6 months instead of 12 months) and for on this logic for the entire year from FY 2016-17 onwards.

8. For the tasks mentioned in point 3.2 above, there would be separate costs for each of the 4 tasks mentioned above and the cost of each task shall be estimated based on the number of man-days required for doing the task and the reimbursement of the cost of the people involved in the completion of the task based on the NRLM norms for retainer consultants. Separate proposals would be

received for each of the tasks and approval would be sought from the JS for the each proposal, as and when they are received.

Guidelines for Value Chain Studies under National Rural Livelihoods Mission**Background**

The National Rural Livelihoods Mission (NRLM) since 2011 has worked in a mission mode to stabilize, strengthen and promote existing livelihoods of the poor households with a focus on targets, outcomes and time bound delivery. The mission has accomplished its targets through continuous capacity building, imparting requisite skills and creating linkages with livelihoods opportunities for the poor households through its community based organizations of women.

Currently, NRLM with the State Rural Livelihood Missions (SRLM) is operating with some key themes i.e. Institution and Capacity Building, Social Inclusion and Development, Financial Inclusion, Livelihoods Promotion, Monitoring & Evaluation and recently Convergence.

Under these themes NRLM now has a well-established proof of concept and its multiple level interventions have shown success on the ground. There is several data and examples to show that a great amount of livelihood promotion through women empowerment and financial linkages has happened within rural marginalized communities through SHGs and NRLM structures. The department has now also initiated convergence at various levels with other departments for a holistic process of social change and poverty alleviation.

Rationale for conducting value chains studies and its objectives

Despite, the successes mentioned above, it has been realized that rigorous livelihoods interventions are need of the hour. For the same MKSP and SVEP were launched within the NRLM which is being successfully implemented across the states. In order to reduce risks on the poor and have a proper income assessment in various livelihoods amongst poor households and also to identify intervention areas, a strong need has been felt to initiate value chain studies with the State Rural Livelihoods Mission.

It has been realized that while the mission now has greater focus on livelihoods activities across farm, non-farm, skilling and creating market linkages, these livelihood interventions have to be replicated faster and more efficiently.

NRLM believes that value chain studies for interventions would be beneficial for income generation for poor and can successfully help in poverty eradication.

These studies will also help in avoiding risks for poor and avoid the states spending on commodities or livelihoods which have very less profit margins or have minimal scope of scale or are not the livelihoods of choice for many poor households.

Value chain proposals should include justification on the commodities that have been proposed to study.

It should also include the processes, value chain players, the costs and wages and the value addition at each stage of the value chain. The study should include the gaps, wastage and the challenges involved. Importantly, it should also include information on the market at local, state and national level. This, should include details on storage, value additions and other practices of value chain and the background of people involved in the particular livelihood.

The following principles or objectives are expected to be achieved through value chain studies

1. To create solutions specific to the value chain intervention and have flexible structures to assist these interventions where most required. This requires states to prioritize the livelihoods for value chain interventions on few crucial parameters of number of poor households involved, income margins, individuals & groups involved, market scope, availability of resources, investment needed etc.
2. Value chain interventions are required to be done for creating effective and sustainable livelihoods for poor households, identify gaps and create solutions for the same and suggest incorporating with ongoing MKSP, SVEP and other state livelihoods activities. Thus, value chain studies should not be treated as a separate project.
3. The activities must have pro-poor focus and clearly support strategies to include vulnerable sections like SC/ ST / Women/ Minorities, etc. Thus, the proposal and the commodity/product/service selected must demonstrate strong bias to promote socio-economic empowerment of the poor.

4. It is crucial that the proposed value chain studies include the potential and state's ability to up-scale and adopt the same, at scale and in a cost-effective manner. Thus, the suggested interventions should be realistic for that particular rural setting. And it should help in better sustainable incomes for the poor.

The Value Chain studies must include the following components

1. Value chain processes, commodity flow and mapping with geography.
2. Risk assessment across various levels of the value chain.
3. Price differentials in different markets and difference in input costs.
4. People involved (gender, poverty levels, caste, any other) and wages given for each task to both men and women – if there is any kind of occupational segregation.
5. Wastages involved in the value chain.
6. Indicators of cost reduction, better productivity, and higher realisation through value addition and market linkages.
7. Incremental average income or percentage increase of income, breakup of average increase income, if possible.
8. Value chain study must cover the understanding specific activities on value addition and market linkage within and outside the state and country. It should also list the large aggregating, value addition and consumption markets for the commodity/product/service being studied.
9. Value chains studies may include the possibility of convergence or existing convergence with other government line departments.
10. List all the middlemen and other stakeholders involved, their role, costs and value addition and profitability.
11. Loss involved in various practices, for instance – storage, processing etc. and if this wastage (financial and physical waste) could be reduced anyway.
12. What are the delays and the factors for delay in the value chain.
13. What are the malpractices/quality loss in the value chain.
14. If there are any good practices in the chain and if they can be replicated at scale.
15. What are the resources and assistance required for scaling up the practices and reaching economies of scale.
16. It should study the opportunity cost of time of the beneficiaries and their access to finance or credit sources.

Sources of Funds

The states may seek funding under the funds window available with the schemes of NRLM like SVEP, Special Livelihoods funds for NRLP states, states allocation under NRLM etc. These proposals would be funded by the center and state in 60:40 ratio. (The ratio would be 90:10 for the NE and Himalayan states).

Process of formulation of proposals

1. Identify training organizations with prior experience of conducting value chain studies. States must submit the details of appraisal done for selecting the agency along with details of professional of the shortlisted agency.
2. Submit a proposal with the details of the livelihood (commodity/product or service) for which the state wants to conduct the study and the rationale and scale of the same.
3. Priority may be given to the blocks where the state is having some strong livelihoods interventions including SVEP/ MKSP/ Special funds for livelihoods for NRLP states etc.

Activities/ items that will not be financed under the Value Chain Funds

1. Assets/ services for individuals
2. General assets for SRLM office setups
3. Loans/ working capital to individual households
4. Purchase of land, construction of building, purchase of vehicle etc.
5. Activities already financed by SMMU
6. Activities for which financial support can be readily arranged through partnership/ convergence
7. Project/ initiative where majority of direct beneficiaries do not belong to NRLM target HHs

Annex Table 31.6

**NRLM-AAP for Start -up Village Entrepreneurship Programme
(For Non-Farm/Off-Farm income generating activities for Year 2016-17)**

A. Provide a brief analysis of current livelihoods scenario in the state

1. List and describe the key livelihoods of the poor in the state; e.g. agriculture, NTFP based livelihoods, Non-farm livelihoods, artisanal or any other livelihood stream primarily among the most vulnerable/poorest of poor section of community like landless, SC/STs, PVTGs, women headed HHs, single women etc.
2. Also, include any relevant information that helps in understanding the context of self-employment and rural micro-enterprises development in the state.
Provide any relevant secondary data available to give clear idea. (Please refer to census data, MSME survey, SECC data, MGNREGA Job Card data, NSSO Consumption data, District GDP data, Bank deposits and Advances data, RSETI trainings data, DDU GKY training data, among others).
3. Give an analytical listing of key constraints and problems related to promotion of sustainable livelihoods of rural poor (e.g. issues related to access and control of productive resources, availability of raw material, production process, post production process, producers' organization, value addition, trading, providing services, marketing, realization of value/profit to the producers and any other issues, especially lack of training, distance from markets, low numeracy and business skills etc.). Please attach or refer to any relevant data/research or primary analysis done on this by SRLM or others.

B. Please explain livelihoods/enterprises promotion model/s and strategies of the state

1. In reference to the existing livelihood opportunities and the issues, what is the overall strategy of the state to promote key livelihoods? How the state aims at addressing the constraints in the field of livelihoods and enterprise development. Also please explain the states strategy to create a holistic livelihoods promotion and enhancement plan, covering the multiple livelihoods of the poor across all streams – Agriculture, livestock, NTFP, off farm, artisanal manufacturing, skilling for employment, wage labour, enterprise promotion and support etc. Give a summary of past experiences (success and failures) and share learning with

respect to enterprises development and self –employment activities in the state. Please support with any relevant source of information, hyperlinks or report.

2. What is the overall strategy of livelihoods promotion in the intensive blocks, and non-intensive blocks, how has livelihoods layering activities been taken up.
3. Please share the best practices or case studies of experiences/interventions in self-employment, micro enterprise development, and any other off farm intervention which helped in increase in income and improvement in standard of living of rural people. Please share insights on important factors, non-negotiables for such interventions realized by the state.
4. Please share briefly the process, steps and major components of initiating any livelihoods, income generation or enterprise development before, during and post implementation.
5. How the state is planning to integrate SVEP and SVEP with its' overall livelihoods promotion strategy.

C. Existing project management and monitoring of SRLM.

Readiness Indicators

Please describe the readiness of SRLM to implement the AAP on SVEP

- 1.1 What does SRLM aim to achieve through implementation of SVEP. What is the overall goal?
- 1.2 Whether full time livelihoods team in place at the state level- Please give details of the team in the table at the end
- 1.3 How does SVEP implementation fit into the overall livelihoods and employment generation activities plan of the state.
- 1.4 Whether livelihoods' team is positioned in the proposed block for SVEP - Please give details of the team in the table at the end.
- 1.5 Whether the livelihood team has undergone well designed and detailed induction training (specifically the team at the state and the proposed SVEP block) – PI give details of the training programs organized for the LH team and attended by them.

What are the strengths and weaknesses of the SRLM in planning and implementing SVEP? What are the potential opportunities and risks involved in the same vis-à-vis

SVEP. (Please consider listed factors for analysis like human resources, availability of natural resources, population, incomes, market potential, proximity to markets, , presence of traditional skill practitioners (artisan) clusters, infrastructure, political, socio-cultural factors and so on).

D. SVEP Preparation Plan

Name of the blocks identified under SVEP

- a. Please name the SVEP partner for implementation of SVEP chosen by the state. , if already chosen.
- b. Please explain the processes followed by SRLM (in congruence with SVEP framework and guidelines) to identify partners for SVEP implementation. Only if relevant as per 2.1 above.
- c. Please explain how the state SRLM proposes to monitor the implementation of the SVEP projects in the state, and what are the parameters planned to be used to evaluate the performance of the implementation by the PIA, as per their existing internal systems and planned systems (as per the SVEP framework and guidelines).

E. Please provide the following details for the two blocks selected under SVEP

1. Demographic Details

1. Block Name	Block 1	Block 2
2. District Name		
3. District GDP and per capita income of the district		
4. IAP District / schedule V or schedule VI district		
5. Name of Block selected		
6. Is the block an IPPE block		
7. Name of the block headquarter		
8. Population of the block head quarter		
9. No of villages in the block		
10. Population of the block		
11. SC/ST population of the block		
12. Female population of the block		
13. No of females/1000 males in block		

14. Average population per village in the block		
15. Min. and Max. population of a village in the block		
16. Literacy level in block		
17. Female school enrolment % above 10 years		
18. Male school enrolment % above 10 years		
19. No of Gram <i>Panchayats</i> in the block		
20. Any artisanal cluster within the block, if yes, please give details		
21. Any cluster development program under any government program has been undertaken or are in progress in block, if yes, please give details		
22. Whether MKSP/CMSA projects have been undertaken, or are in progress in the blocks, if yes, please give details		
23. Whether any other non-farm projects have been undertaken, or are in progress in the blocks, if yes, please give details		
24. In case any of these projects are already taken up and a baseline survey of the block was done, please attach a copy of the baseline survey also		
25. Number of NREGA job card holders in the block		
26. Number of NREGA job card holders in the block who worked in 2014-15 and 2015-16 (till Jun'15)		
27. Number of NREGA man-days demanded in the block in 2015-16 and 2016-17 (till Jun'16)		
28. Number of NREGA man-days of work provided in the block in 2015-16 and 2016-17 (till Jun'16)		
29. No of SAGY villages in the block, if any		
30. No of households classified for automatic inclusion in SECC in block		
31. No of households with 4 or more deprivations in SECC in block		
32. Distance from the nearest town/trading centre		
33. Name of nearest town/trading centre		
34. Number of bank branches in the block		

35. Total deposit and advances of the banks in the block		
36. Major sources of livelihood for people in the block, please elaborate		
37. Please specify the reasons for choosing this block, is it representative of the majority of the blocks in the state?		

2. Details on Community Based Organizations (within the selected blocks – block wise)

1. Name of block	Block 1	Block 2
2. No of SHG's in the block		
3. No of SHG's in the block, following panchsutra		
4. No of members of SHGs in the block		
5. No of SC/ST SHG members in the block		
6. No of SHG's in the block, having bank accounts, and as % of total SHG's		
7. No of SHG's in the block, having bank linkages, and as % of total SHG's		
8. No of SHG's in the block, eligible for receiving CIF		
9. No of SHG's in the block, eligible for receiving CIF, and have received CIF		
10. No of VO's in block		
11. Total amount lent by the VO's		
12. Total amount overdue to the VO's, by the SHG's		
13. Total amount borrowed by the VO's		
14. Total amount overdue by the VO's to the CLF/Banks/Others		
15. Total Unutilized balance in the VO's		
16. Amount lent by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
17. Amount overdue to the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
18. Amount borrowed by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
19. Amount overdue by the CLF, in case CLF not there,		

please provide these details for the VO which is proposed to host the SVEP BRC		
20. Unutilized balance in the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
21. What has been the top 3 livelihoods for which the borrowed funds have been used by the SHG members (please share % of users if possible)		

A. Contacts of Livelihoods Team in SRLM

S. No.	Name of the Livelihood head / Anchor person in SRLM for SVEP (Mention separately, if there are more than one official for different streams like MKSP/CMSA/other non-farm interventions/ SVEP / etc.)		Contact Number	Email Id.	Office Address
	Name of the state level livelihoods team members		Contact Number	Email Id.	Office Address

B. Please share the details of the SRLM staff currently posted in the block (Names, designation, thematic responsibilities, and date of expiry of contract)

Name	Designation	Thematic/ Key Responsibilities	Contract Period

*Explain the plan considered for fulfilling HR requirement for SVEP implementation.

C. Non-Farm, Off-Farm and self-employment activities planned under SVEP
Please provide summary of ongoing non-farm/off –farm projects below

There may be some ongoing projects under micro enterprises, self-employment initiatives and other production/trading activities /others already being implemented in the state. A brief description of these projects needs to be provided. Also please clearly specify which all components of SVEP are already covered in the previous projects (in the blocks in which SVEP is proposed to be implemented) and which do not need to be funded under SVEP.

Table A

Name of Project	Funding Source	Type of Project SVEP/ MEC/ Others	Total Project Cost (in lakhs)	Funding Outlay (Rs Lacs)		
				Year 1	Year 2	Year 3
	MoRD/Central (Any other)					
	State share					

Table B

Non -Farm Project/Field Implementing Agency details/NRO (existing)

S. No.	Name of the Project	Name of the PIA	State share/ share of other donor of the	Central share of the project	Area (Districts & blocks)	Total No. of beneficiaries covered
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			project (Rs)	(Rs)	Names)	

Please mention how many of the blocks under these schemes intensive-blocks are. Also, in case 25% share had come from any other source than the state government, please mention the source.

Table C

Contact details of Existing Non-Farm Project/Field Implementing agencies/NROs

S. No.	Name of the PIA	Contact Details
		Contact Person/s Name Telephone & Mobile No. Email Id. PIA's Office postal address

D. SVEP Project Promotion Plan and Major Outputs

It is envisaged that the strategy to integrate SVEP with resource block would be two pronged- 1. CRPs identified from SVEP areas working in Resource Blocks to promote Non-farm LH practices and 2. SVEP blocks declared as resource blocks and intensive social mobilization and financial inclusion activities taken up. Keeping this broad strategy into consideration please elaborate:

- i. How the SRLM plans to initiate SVEP interventions in the field of Off Farm, partnering various organizations.
- ii. How the best practices will be identified by the state in each of the stream and the resource agencies to be identified by state to replicate and scale up those best practices and models (SVEP framework and guidelines to be followed).
- iii. Explain why and how the organizations fit in with the Objectives of SVEP (as per the framework and guidelines) and NRLM, in reference to their past experience in the proposed livelihoods sector (Non-Farm LH) and in women centric community institution promotion.
- iv. What are outreach/ coverage planned by the state through SVEP interventions, e.g., How many women entrepreneurs/and their families are envisaged to be covered. What are the geography where these pilots are planned and what are the basic rationale for selection of those areas and families?
- v. How many Community Resource Persons-EP trained in the livelihoods interventions are envisaged to emerge from the projects proposed in 3 years' time period?

E. Scaling up plan for the livelihood initiatives started under SVEP

- i. How the state plans to scale up these initiatives/ projects across the state in the intensive blocks and resource blocks planned under NRLM. How it envisages integrating the learning from the projects to the state livelihoods plan/ strategy.
- ii. How the state plans to integrate the livelihoods CRPs emerged and trained from the SVEP projects, into State's livelihood plan.

F. Financial Planning for Livelihoods Initiatives

Table: Proposed funding for SVEP Plan

Components	Source	Total Project Cost (in lakhs)	Funding outlay (Rs Lacs)		
			Year 1	Year 2	Year 3
Total Budget Outlay for livelihood promotion plan under SVEP	MoRD / Central Share				
	State share				

Please note that the state contribution cannot be drawn from the allocation made to SRLMs under NRLM.

MEMORANDUM OF UNDERSTANDING BETWEEN
----- STATE LIVELIHOOD MISSION ----- GOVERNMENT
OF -----

AND

Name of the NRO / PIA

This Agreement is made at _____ on this _____ of Two
Thousand Fifteen. The -----(Name of SRLM), a registered society
promoted by the Government of ----- (State name) having its registered office at ---
----- (hereinafter referred to as the FIRST PARTY) which expression shall
unless repugnant to the context of meaning thereof include its successors or
assignees) of the FIRST PARTY.

AND

The ----- (Name of the NRO) having its office at ----- ,
hereinafter referred to as the SECOND PARTY) which expression shall unless
repugnant to the context of meaning thereof include its successors and
assignees) of the SECOND PARTY.

AND WHEREAS FIRST PARTY has been set up by the Government of ----- (State
name) to implement National Rural Livelihood Mission [NRLM]. The FIRST PARTY
is also entrusted with the responsibility of Implementing Startup Village
Entrepreneurship Program [SVEP] as a sub-scheme, with an overall objective to
implement the government's efforts to stimulate economic growth and reduce
poverty and unemployment in the villages by helping start and support rural
enterprises.

AND WHEREAS Implementation of the SVEP shall be managed by NRLM through
State Rural Livelihood Mission [SRLM].

AND WHEREAS In line with the Master Circular of SVEP /SVEP scheme guidelines
vide letter no I-12011/28/2014-NRLM (RSETI) dated 15th June 2015, from the office
of Additional Secretary, MoRD, Govt of India, New Delhi, the FIRST PARTY has
selected SECOND PARTY and designated as NRO/PIA based on the selection

criteria, referred to as SECOND PARTY for implementation of SVEP in the State of -
-----.

AND WHEREAS SECOND PARTY, the national resource organization [NRO]/PIA is working in the field of entrepreneurship, economic development, has been promoting and strengthening entrepreneurs in rural areas in India geared towards promoting and strengthening the entrepreneurial ecosystem.

In order to meet the requirement of the FIRST PARTY in concurrence with MoRD and to act as NRO for promoting new enterprises and performance improvement of existing enterprises for up scaling livelihood interventions under SVEP the SECOND PARTY will act as National Resource Organization to promote socio-economic development in _____ [Name Blocks] of _____ District, State ----- (Hereinafter referred to as the project)

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND CONTENTS AND CONDITIONS HEREIN CONTAINED, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

ARTICLE I: Activities to be undertaken by the SECOND PARTY

The SECOND PARTY will undertake the following activities:

- Implement the project in the selected Blocks identified by FIRST PARTY with an objective to pilot implementation of the Startup Village Entrepreneurship Program (SVEP).
- Assist FIRST PARTY in developing Annual Action Plans for the duration of the programme.
- Conduct Baseline and market potential study for the blocks to assess the potential of viable business opportunities.
- Prepare Detailed Project Report in order to arrive at specific targets and micro plan of action.
- Identify, train and nurture cadre of Community Resource Persons – Enterprise Promotion (CRP-EP) to promote, train, handhold and support the enterprises in critical business functions and to provide customized services required by entrepreneurs.
- Ensure that the number of CRP-EPs trained are adequate to support all the entrepreneurs under SVEP for a minimum of 6 months after startup.

- Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.
- Support Block Resource Centers (BRCs) to function as resource center for accessing necessary information required by new entrepreneurs and also the existing ones wherein CRP-EP will carry out the following set of activities:
 - Conduct Baseline, benchmarking and market potential study in close association with the SECOND PARTY;
 - Triggering, selection, suitable training/orientation to the potential entrepreneurs for creation of new enterprises;
 - Identification of existing enterprises based upon the baseline information to provide for performance improvement inputs;
 - Facilitate / Handhold establishment of new enterprises / upscale performance improvement for existing enterprises and financial linkages respectively;
 - Establish facilitating mechanisms for banks to recognize the performance tracking, credit appraisal processes developed in the program. Co-ordinate with the BRC, VO's and SHG's to help them assess the credit requirements of the entrepreneurs and to extend loans to the entrepreneurs from the community investment fund for the SVEP.
- Provide business monitoring support and regular basis;

ARTICLE II: Duration of the project

This MOU shall remain valid till the end of four years after the release of the 2nd Instalment of central share (the release which shall be made after the DPR is submitted).Based on mutual consensus, the MoU may be further extended for a mutually agreed period. The MoU will continue to apply for the project duration subject to the FIRST PARTY confirming approval of Annual Action Plans.

ARTICLE III: Scope of the Partnership

FIRST PARTY has selected _____ [number] viz. ----- [Name of the block and district] for the pilot intervention of SVEP. The Empowered Committee of Ministry of Rural Development, GOI has provided an in principle approval for its implementation. The DPR for SVEP will be prepared after conduct of baseline and market potential study as mandated by the NRLM Empowered Committee. The DPR will contain the number of enterprises targeted to be supported under SVEP. The exact scope of the partnership will be as determined in the DPR which upon completion and acceptance shall form part and parcel of this agreement.

Expected Outputs and Outcomes of the Partnership

- Preparation of DPR post doing the baseline and market potential study for SVEP in the selected blocks;
- One BRC will be made functional in each block;
- As determined in the DPR:
 - CRP- EPs will be trained and placed at each BRC;
 - New Enterprises will be established and supported;
 - Existing enterprise will be identified and supported;
 - Processes of support to the enterprises using regional performance benchmarks would be set up; and
- Provide detailed Results Monitoring Framework with year wise plans.

Work Calendar & Budget

Annual work calendar [AWC & Annual budget] shall be prepared for the partnership and agreed by both parties. The AWC shall form the basis for review and reporting of progress. The schedule of AWC is as follows:

- AWC 1: From the date of signing of this MOU to till preparation of DPR;
- AWC 2: From the approval of DPR till the end of the first financial year; and
- AWC 3 onwards: Financial year wise.

Implementation Arrangements

The following implementation arrangements will be made by the parties, for ensuring smooth implementation of the partnership:

Implementation arrangements to be made by SECOND PARTY:

- Shall be responsible for coordinating and managing the activities under the partnership.
- A State Nodal Officer, appointed by SECOND PARTY shall be the key point of contact for the partnership.
- Shall identify a team of Mentor CRP-EPs and orient them appropriately. The services of the Mentor CRP-EPs shall be provided to FIRST PARTY to provide on-site mentoring support under the partnership.

- Shall conduct baseline, benchmarking and Market Potential study and develop the baseline information and enterprise benchmarks for the pilot blocks;
- Shall deploy a responsible person for the implementation of the project in the state, apart from the Mentor CRP-EPs

Implementation Arrangements to be made by FIRST PARTY

- Shall depute senior personnel for co-ordination of the partnership at the State-level;
- Deploy one professional at the block level, to work closely with the Implementing NRO. This professional while initially coordinating between the SHGs ecosystem in the block and implementing agency, may eventually, based on the evaluation of his/her performance, as determined by the outcome of the mid-term review of the program to be carried out at the end of the 2016-17 and as per the norms of the state, lead the state's Implementation of SVEP, in blocks other than the pilot blocks; this professional should have the competencies and experience as defined by the NRLM-MoRD (**Annex Table-31.7 1**).
- Prioritize promotion of Block Level Federation (BLF).
- Take support from the SECOND PARTY in setting up a Block Resource Center (BRC). CLF / VOs shall hold the BRC till BLF comes into existence;
- Shall engage its District and block level teams for the implementation of activities under the partnership;

Roles and Responsibilities of Parties

The role of the two parties for various activities under the partnership shall be as follows.

Activity	Role of FIRST PARTY	Role of SECOND PARTY
Project Initiation and preparatory activities	Organize workshops and meet the cost of venue, foods, accommodation, training material and such other expenditure required to conduct the workshops.	Support FIRST PARTY for conduct of workshops including facilitation of workshop, preparation of training manual and training material if required.

Activity	Role of FIRST PARTY	Role of SECOND PARTY
Organize and support establishment of BRC	Facilitate interactions with the VOs for establishment of the BRC. Reimburse operational and recurring expenditure of the BRC.	Establishment of one Block Resource Centre per block including provisioning of necessary infrastructure ¹¹ . Such infrastructure provided to the BMC shall be the property of the BMC.
Conduct Baseline and market potential study	Field level support in conducting the baseline and market potential study & its validation (from secondary sources)	Conduct baseline and market potential study and submit a report and incorporate the actions to be taken up in the DPR.
Identification & Selection of CRP – EP	Provide list of potential CRP-EPs	Facilitate identification; Provide selection tools and support its administration; Orient potential candidates to roles/expectations.
Preparation of DPR	Support in providing relevant data/information. The employee of the FIRST PARTY placed in the block for implementation of the SVEP, shall be involved in preparation of the DPR.	Provide the complete report upon potential enterprises and also the likely number of existing enterprises to be supported
Training & Capacity Building of CRP – EPs & CBOs	Conduct programs within State and support for logistics; supervision of training Programmes Logistics support; supervision of follow-up by mentor CRP – Eps	Provision of modules, trainers and training materials; Conduct of programs; Provide services of Mentors; All training costs related to Training & CB of CRP-EPs shall be borne by the NRO.

¹¹ Details of infrastructure to be provided to each BRC shall be decided in consultation with the FIRST party and the same may be agreed in the Annual Work Plan.

Activity	Role of FIRST PARTY	Role of SECOND PARTY
Performance tracking system	Interface with sources of secondary data; Logistics support	Developing formats, modules and training for IT based application for performance tracking of enterprises and ensuring that the same is shared and explained to the entrepreneurs, CBOs and other stake holders
Monitoring & Reporting	Regular review of business plan and detailed implementation plan; Quarterly joint-review with NRO	Regular review support through mentor CRP - EPs; Quarterly joint-review with FIRST PARTY and regular (monthly and quarterly) reporting as per defined MIS formats.
Evaluation & Learning	Mid-term and Final evaluation	Support FIRST PARTY for evaluation and conduct of scale-up planning workshop. Produce videos of best practices to help scale them up.
Policy & Support initiatives	Take up necessary policy initiatives. Ensure that while the NRO is implementing the SVEP, the ownership and responsibility of the implementation vests with the SRLM.	Support FIRST PARTY with inputs needed for policy formulation and dialogues

ARTICLE IV : Fund Flow and Financial Reporting

SECOND PARTY will maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to FIRST PARTY, both in a manner adequate to reflect the operations, resources and expenditures. SECOND PARTY will follow the cost norms prescribed by FIRST PARTY from time to time.

The fund flow and financial reporting arrangement under the MoU will be adequately articulated in the Detailed Project Report/ Program Management Framework jointly agreed by the Parties. However, the broad arrangements include (as detailed in points 44 to 52 below):

The FIRST PARTY has a right to make an assessment of financial management and fiduciary mechanisms of SECOND PARTY and recommend the measures required, if any to be taken to comply with requirements for FIRST PARTY.

The expenditures under the Partnership will be classified into two categories viz. partnership costs to support technical assistance from SECOND PARTY and program costs like Community Investment Fund etc. to be spent directly by FIRST PARTY.

For the purposes of supporting the Partnership costs of SECOND PARTY:

SECOND PARTY will maintain a separate saving bank account with a nationalised bank for routing the funds for the purposes of this Partnership.

SECOND PARTY shall not park the funds released by the FIRST PARTY in a fixed or any such other form of deposits.

SECOND PARTY will give a requisition of funds to FIRST PARTY, in terms of the agreed Annual Work Calendar. FIRST PARTY will transfer the funds as advances to the SECOND PARTY which will be set-off against the actual expenditures reported through Statement of Expenditures (SOE) and audited financial statement submitted by SECOND PARTY.

SECOND PARTY will keep all relevant original records like vouchers, bills at its office for further audit purpose.

SECOND PARTY shall charge only the actual expenditure incurred to meet the cost of various activities approved under this programme.

In case of shared costs of the NRO, the SECOND PARTY shall agree with the FIRST PARTY the basis for apportionment of such shared costs if any.

In no case, the SECOND PARTY shall charge any notional expenditure or profit for offering the services under this MOU.

SECOND PARTY shall submit statutory audit report after the completion of each financial year, by 30th June of the following year.

Statutory deductions as per Income tax act will be responsibility of SECOND PARTY

On its part, SECOND PARTY will transfer the funds to its State/District Unit and be responsible for the quality and timeliness of the financial reporting by the districts/blocks.

The funds meant for the community institutions in the form of small grants and CIF will be directly transferred by FIRST PARTY.

Requisite financial and physical progress reports will be sent to the FIRST PARTY State office on a monthly/quarterly basis by SECOND PARTY. SECOND PARTY will ensure adequate and timely staffing at block level to ensure financial reporting.

The SECOND PARTY shall use these funds purely for the purpose as laid out in the approved AWC. Any change in the manner in which the released funds are used need to be immediately intimated to the FIRST PARTY and approval taken before the change is made.

The interest earned out of funds received by the SECOND PARTY from the FIRST PARTY if any, shall belong to the SVEP and shall be adjusted while making the final payment.

At the end of the project, unspent funds if any shall be returned to the FIRST PARTY.

All reporting conditions, fund use conditions and other terms, applicable to the FIRST PARTY as part of the Sanction and release note of the MoRD shall be applicable to the SECOND PARTY and shall be deemed to form part of this MOU.

Release of Funds

FIRST PARTY shall pay to SECOND PARTY costs for skill building of Entrepreneurs and Block level professional cost etc. as per the SVEP Guidelines

The payment to PIA / NRO will be linked to the Annual Work Calendar:

First installment: 26.0 Lakhs per block, will be payable to SECOND PARTY upon signing of MoU.

Further fund releases shall be as per the AWC & Annual budget approved by the FIRST PARTY. Budget for a particular year shall be released in advance in two equal installments upon submission of the following :

Submission of Utilization Certificate of up to 60% of the total funds released and achievement of physical targets as detailed in the DPR. It is clearly understood by both the parties that there are various activities to be done, which involve effort to be made and expenses to be incurred before the entrepreneurs can be supported to start or improve their businesses. Hence physical targets to be measured shall be the ones of the physical activities to be done, as mentioned in the DPR and not merely the number of entrepreneurs supported. The FIRST party shall ensure that the finance teams of the FIRST party, at the time of release of funds or at any other point during the term of the MOU, shall not insist for achievement of any physical targets which have not been mentioned in the DPR nor have been mentioned as part of this MOU anywhere.

Submission of Audit report for the previous financial year along with audited financial statements with necessary schedules clearly indicating activity wise expenditure, grant account *etc.*,. The SECOND PARTY shall ensure to submit audit report of the previous financial year within 3 months from end of the FY (i.e before June 30th of the current year).

Regular Reporting in the Prescribed Format

Submission of Fund request in the Prescribed Format

The funding / execution of this project shall be made in consultation with the National Rural Livelihoods Mission, which may prescribe guidelines (or) rules and regulations (or) whatsoever of such nature and such guidelines (or) rules and regulations (or) whatsoever of such nature shall be binding on both the parties of this Memorandum of Understanding. And subject to this clause the other clauses in this Article shall be given effect.

In case of any breach of agreement, misappropriation or irregularities; the FIRST PARTY will withhold further release of funds forthwith and will take all measures as are advisable under the laws including termination of this MOU.

Accounts and Audit of Expenditures

SECOND PARTY will maintain all relevant records including bills and receipts etc. The books of the accounts and the supporting documentation for the expenditure under the Partnership will be subject to internal and statutory audits by CA firms engaged by SECOND PARTY for the purpose and will submit internal and statutory audit reports to FIRST PARTY. In addition, the records will be subject to review by FIRST PARTY, and /or representatives of the MoRD if required.

ARTICLE V: Staff

While it is expected that the staff recruited by the SECOND PARTY will be fully accountable for the project, they will operate totally under the control of the SECOND PARTY management and will function as per the rules and regulations of the SECOND PARTY. Their recruitment, salaries and other compensation, performance monitoring and evaluation, training, and termination as relevant, will be the responsibility of the SECOND PARTY and they shall not in any way claim to be the employees of the FIRST PARTY.

ARTICLE VI: Publicity and Visibility

The SECOND PARTY and the FIRST PARTY shall mutually acknowledge the contribution of each other in any public communication they make in whatever form

The SECOND PARTY shall duly acknowledge the role and support of the FIRST PARTY in all public communication it makes in any form regarding its work in the project including due acknowledgements on web site, and in any other knowledge or communication products in whatever form.

Similarly the FIRST PARTY shall acknowledge the contribution and role of the SECOND PARTY in any public communication it makes, including due acknowledgements on web site, and in any other knowledge or communication products in whatever form.

ARTICLE VII: Indemnity

The SECOND PARTY and the FIRST PARTY shall fully indemnify each other of all statutory liabilities arising due to their own failure to comply with statutory obligations. In addition to this general indemnity, the SECOND PARTY and FIRST PARTY shall completely absolve each other from any other liability issues that may be raised against it by any of its clients /customers /partners

ARTICLE VIII: Intellectual Property Rights

All training and other material including ICT tools, softwares, videos etc. shall be in public domain and the NRO/PIA shall not have any proprietary or copyright claim on the same. The SECOND PARTY shall hand over the source code of the software applications developed under this MOU. In case the NRO/PIA wants to use the same, they must give credit for using the same to the FIRST PARTY and the NRLM, MoRD.

ARTICLE IX :Completion of the Project

The project shall be deemed to have been successfully completed on submission of the final report along with the deliverables as per the AWCs and approved DPR.

ARTICLE X : Force Majeure

Neither party shall be held responsible for non-fulfillment of their respective obligations under this agreement due to the exigency of one or more of the force majeure events such as but not limited to acts like Floods, Earthquake, Strike, Lockouts, Epidemics, Riots and commotions etc. including dissolution of either party; provided on the occurrence and cessation or cessation of such events, the party affected thereby shall give notice in writing to the other party within one month of such occurrence or cessation. If the force majeure conditions continue beyond six months, the parties shall then mutually decide about the future course of action.

ARTICLE XI: Notices

All notices and other communications required to be served to the SECOND PARTY or FIRST PARTY under the terms of this agreement shall be considered to be duly served if, the same shall have been delivered or left with or posted by registered post to SECOND PARTY or FIRST PARTY at its last known address of business.

ARTICLE XII: Effect of Invalid Clauses and Amendments

If any of the provision of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting there from shall be filled by a provision consistent with the purpose of this Agreement and settled by mutual consultation.

Any of the provisions of this agreement may be amended or modified at any time by mutual consent through exchange of letters, and all such amendments shall be part and parcel of this agreement

The legal relations established by this Agreement between the FIRST PARTY and SECOND PARTY shall terminate with the end of the completion date of the project.

The Government of _____ (state) and Government of India would have all the powers to issue directions / change guidelines with respect to the program design / implementation / whatsoever for attaining the object of the project and direct it to be implemented by the SECOND PARTY. The SECOND PARTY shall by all means comply by such direction. In case any of the clauses of this Memorandum of Understanding act in resistance to such implementation, shall be deemed to have been repealed.

Removal of Difficulties

Any matter not covered specifically in this memorandum of understanding may be settled by mutual discussions and agreement in writing thereupon.

Modification

The FIRST PARTY expressly reserves its rights to amend or modify the guidelines of SVEP if any as per the directive of NRLM, MoRD with a reasonable notice to the SECOND PARTY. In case such an amendment or modification affects the legal or justiciable rights of the SECOND PARTY, the SECOND PARTY shall submit its views within reasonable time, not more than 7 days from receipt of such notice, and on such receipt of the views of the SECOND PARTY by the FIRST PARTY, the FIRST PARTY shall act in accordance with principles of natural justice and the Articles governing such issue in this Memorandum of Understanding. The decision of the FIRST PARTY shall be binding on both the parties in such amendment or modification.

ARTICLE XIII: Dispute Resolution

In case of any disagreement or dispute between the parties, attempt shall be made to resolve the dispute through consultations between the parties;

The decision regarding breach of any clause under this agreement by the SECOND PARTY shall be discussed and arrived at after mutual consent and in case any breach has been committed by the SECOND PARTY of any of the terms and conditions of this Agreement/ sanction letter/ guidelines, such decisions taken by the FIRST PARTY shall be conclusive, final and binding on the SECOND PARTY and they shall not question the same in any court, tribunal, etc.

Every dispute, difference, or question which may at any time arise between the parties hereto or any person claiming under them, touching or arising out of or in respect of this agreement (deed) or the subject matter thereof shall be referred to the arbitration of an arbitrator to be agreed upon between the parties or failing agreement to be nominated by Chief Executive Officer, _____ or, failing agreement to two arbitrators one to be appointed by FIRST PARTY and the other to be appointed by SECOND PARTY and in case of difference of opinion between them to an umpire appointed by the said two arbitrators before entering on the reference and the decision of the arbitrator shall be final and binding on the parties.

Each of the parties to this Agreement irrevocably agrees that the courts located in _____(state) shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Agreement or its formation or validity and, for these purposes, each party irrevocably submits to the jurisdiction of the courts located in _____(state capital).

Any notice required to be given under this agreement shall be served on the party at their respective addresses given below by hand delivery and attaining proper acknowledgement with seal of the office and signature of the receiving authority / person or by registered post.

THE WITNESS WHEREOF the representatives of the parties to this Agreement being duly authorized have here unto signed in their respective names and have executed these present this _ day of _____ 2015.

Signed by

Shri _____
CEO,
(That is, the FIRST PARTY)

Signed by

Shri _____
Chief Functionary / Director
NRO / PIA
(That is, the SECOND PARTY)

In the presence of the following witnesses;

Witness 1

Shri

For and on behalf of the
FIRST PARTY

Witness 2

Shri

for and on behalf of the
SECOND PARTY

Position: Block Program Manager – SVEP

Purpose of the Position – To co-ordinate between the PIA/NRO and the SRLM project team, and the community organizations (SHGs/VOs/CLFs) and ensure the SVEP gets implemented as per the plan and schedule (on all parameters – physical, financial and timelines).

To be involved in the implementation and monitoring the progress of the SVEP in the two blocks and help to scale up the same after incorporating mid-course corrections, if any.

To document and share the best practices identified in the implementation of SVEP in the initial 2 blocks.

Reporting To – Administratively to the District Program Manager (SRLM) of the district chosen by the SRLM, and functionally to the State Program Manager (SVEP). He/she shall be based /posted in the block where the SVEP is being implemented.

Key Responsibilities –

1. To ensure rollout of the SVEP program across all the pilot blocks, including completion of the baseline and market potential study and preparation of the DPR.
2. To co-ordinate and act as a bridge between the PIA/NRO, the community organizations and the Block and the village level project staff.
3. To participate in all the processes of implementation of the SVEP.
4. To help operationalize the MIS for SVEP, monitor progress of the SVEP and share the same with all the stakeholders – SRLM/PIA/NRO/ NRLM.
5. To ensure adherence to norms and completion of processes related to procurement of tablets and other equipment for the BRC.
6. To help institutionalize the Block Resource Centre and make it part of all the SRLM processes in the block.
7. Create and operationalize a course correction mechanism and a process for documenting and sharing best practices.
8. To help create a repository of business logics and training material at the BRCs.

9. To be part of the State level business advisory team for creating local benchmarks for enterprises and for giving seasonality based business advisories.

Key Performance Indicators –

1. Rollout of SVEP physical activities as per the timeline.
2. Number of community organizations' members trained effectively on the SVEP vs targets.
3. Number of MIS reports sent timely per month.
4. Number of monthly reviews of the progress of the program with the PIA/NRO and the District Program Manager facilitated.
5. Ensuring timely reporting of the work done by the PIA, and any deviation from plan is addressed or taken up at appropriate levels within the SRLM, with respect to:
 - a. Number of CRP-EPs selected, trained and retained vs targets, for the period under review.
 - b. Number of Enterprises trained, supported to start /grow their business and increase in their incomes vs targets, for the period under review.
 - c. Number of enterprises linked to banks for loans for the business vs targets for the period under review.
 - d. Number of enterprises given loans (from banks or SHGs) and repayment of the loans from business profits vs targets, for the period under review.
6. Number of regional and village category wise benchmarks created for various groups of enterprises created.
7. Number of best practices and training materials, including ICT trainings documented and added to the repository.

Educational Qualifications: Post graduate/Graduate in any subject with maths as a subject till class XII. Preferably from a management/ commerce or engineering background. Should have strong numeracy skills and business skills.

Core Competencies –

1. Understanding and hands-on experience of the non-farm livelihoods sector and its issues – having worked with either a business or a producer organization that has been successful, or having worked with the SRLM in a

livelihoods profile or having worked with a SVEP-like project. The person should have at least 2 years of work experience.

2. Should have numerical and business finance understanding and skills.
3. Good team player, strong ability to work with teams and with people with no direct reporting relationships
4. Data driven, open to learning and adaptable, should be willing to adapt to ground realities.
5. Should be compassionate for the poor and should be willing to look at issues from their lens. Also, should be honest, fair and objective in work. The person should not discriminate anyone based on gender, caste, class, region or any other identity mark.
6. Should have a training and development orientation.
7. Should be self-driven and should be motivated by social change and impact at scale.
8. Should be willing to travel extensively in the field and be willing to stay in a village for approx. 10 to 15 days a month.

Apart from this person being selected and deployed at the block, the SPM in charge of SVEP and the SMD (whenever possible) should review the progress of the program and its physical and financial achievements every month.

The SRLM should own the project and should develop capability to roll-out the program in all blocks of the states, using its own human resources after the establishing the success of the pilot.

The SRLM also has to play a facilitating role in setting up state level benchmark setting committee which shall comprise members from SRLM including the SRLM (SPM/BPM-SVEP), other SPM (livelihoods), and expert practitioners of the trade and industry experts. This committee shall validate the business performance benchmarks for each group of enterprises for the blocks, as generated from collating data, by the MIS software. This committee is also expected to send out seasonal advisories to various kinds of enterprises – to help them maximize incomes based on seasonal demand and minimize losses due to seasonal stocks left with them, due to the end of a seasonal demand.

Apart from these activities, the committee is also expected to facilitate consolidation of demand and supply of all the enterprises in the block/ district /state and use the

same for facilitating better trade terms for the enterprises capitalizing on collective bargaining power.

Convergence

Annex-32

Guidelines on Partnership between Gram Panchayats and SHG Networks

Background

Panchayati Raj was given a constitutional mandate in 1993. Around the same time SHGs of women started emerging, mostly supported by NABARD. But, over the years not much synergy has developed between the institutions of local government and the institutions of the poor. As panchayats have been assigned the twin functions of economic development and social justice, performing these functions, naturally requires a close partnership with community based organizations, particularly of the poor.

Recognizing that there is need for an effective and functional working relationship between Panchayats, especially Gram Panchayats and SHGs of women, in particular, the Village Organizations (VO), the NRLM framework was amended to incorporate provisions for bringing about a formal relationship between local governments and the organizations of the poor.

Since the nature, powers and authority of Panchayats vary vastly across the country a single set up prescriptions would not be valid to operationalize the partnership. Therefore, NRLM launched pilots in six States to work out the modalities based on field trials in different situations. The initial results of the pilots have shown that while the contours of the partnership would be context specific, it is mutually beneficial and results in positive outcomes.

Immediate Context

On realizing that, though MGNREGS has been beneficial to the poor, the involvement of the poor in deciding their priorities and demanding work and planning for assets directly enhancing their livelihoods was limited, the Intensive Participatory Planning Exercise (IPPE) was launched. This for the first time, gave the central role to SHGs and its federations in the preparation of the Labour Budget. Since bulk of the works under MGNREGS are being planned for and implemented by Gram Panchayats, this has brought about an operational linkage.

With the devolution of substantial funds to the Gram Panchayats by the Fourteenth Finance Commission (FFC), States have embarked on the preparation of Gram Panchayat Development Plan (GPDP), converging of the resources over which

Gram Panchayats have command in different State situations. And MGNREGS provides substantial resources to Gram Panchayats. As the focus is on participatory planning, it is necessary to bring in the SHG networks so that the poor get their due in local development.

Objectives

The objectives of the partnership between Gram Panchayats and the SHGs are:

- To empower the poor to know, to demand and to access their rights and entitlements.
- To include the poor and vulnerable sections of the community in the local development process and enable them to benefit from it.
- To strengthen local democracy making the Gram Panchayats responsive and accountable.
- To engender local level development and make it participatory and inclusive.
- To strengthen Gram Panchayats through citizen engagement.

The Rationale for the Partnership

- Strategically, the SHGs and their federations would learn the workings of democratic power and influence decisions through participatory planning. This would make them aware of their rights, entitlements and enable them to avail of opportunities. It would help them develop locally relevant norms for collective decision making, especially in the Gram Sabhas, which in turn could promote public action for common good.
- Practically, it would help the SHGs get direct benefits from the local plan, particularly work and livelihoods from MGNREGS, basic services from the FFC grant, basic needs from Pradhan Mantri Awaas Yojana, Swachh Bharat Mission, National Social Assistance Programme and so on.
- From the point of view of Panchayats, it will broaden and deepen democracy by enhancing participation and strengthen direct democracy. Engaging closely with the poor on equal terms will enhance the legitimacy and status of the Gram Panchayats.
- Further, Gram Panchayats, can utilize the SHG networks to strengthen Gram Sabha, particularly to improve local level planning, use them for outreach, extension and service delivery as well as feed-back.

Thus, the partnership would be mutually beneficial and needs to be pro-actively facilitated.

Principles Underlying the Partnership

The partnership between Panchayats and the SHGs should be on the basis of clear principles. They include:

- Acceptance of Panchayats as institutions of local self-government.
- Recognizing SHGs and their federations as autonomous institutions of the poor with clear rights and functions. Their autonomy should not be infringed in any manner by the Panchayats under any circumstance.
- Both panchayats and the SHGs have a strong right to know the details of functions, responsibilities and activities of each other through sharing of information and holding consultations and dialogues.
- It is mandatory to work together but on a transparent and rule based system, on the basis of norms and criteria.
- To make the partnership functional and smooth, linkages need to be worked out –structural linkages, financial linkages, development linkages and so on.

Planning Process to Realize the Partnership

SHGs may be formally involved in and integrated into the process of Gram Panchayat level planning as suggested below:

- SHGs and their federations should discuss their poverty and livelihood status on the basis of SECC data and participatory assessments. They should develop a profile of poverty in the Gram Panchayat.
- Thereafter they may develop a matrix indicating the main causes and solutions.
- Based on this, in consultation with the Gram Panchayat a poverty reduction plan may be prepared as part of the GPDP, drawing resources from MGNREGS, FFC grants and other funds mobilized by the Gram Panchayat. This plan could also converge with other antipoverty programmes being implemented within the Gram Panchayat area. This could be further strengthened by persuading the Gram Panchayat to locate basic services and infrastructure in the poorer areas.

- In addition, SHGs and their federations should be pro-actively involved in the costless development components of GPDP, like access to nutrition, health and education, providing the last link in delivery of different public services and addressing social evils.

Role of Gram Panchayats

1. Facilitate and support in the conduct the participatory identification of the poor, their social mobilization and then the institution building as SHGs and Village Organizations.
2. Use the SHGs and their federations consciously and formally to strengthen Gram Sabha through informed participation after prior discussions within SHGs on needs and priorities.
3. Use the SHGs and their federations actively in the local level planning process, specifically in matters related to poverty reduction. Their services may be utilized:
 - for social mobilization;
 - for dissemination of information;
 - as members of participatory planning teams;
 - for conduct of PRA exercises;
 - for consideration of the Participatory Assessment of Entitlements (PAE), Participatory Poverty Assessment (PPA) and Participatory Identification of Poor (PIP) as baseline information for planning;
 - for incorporation of the Micro Credit Plan (MCP) and vulnerability reduction plan in the Development Report presented to gram sabha;
 - for participation in the mahila sabhas and ward sabhas preceding gram sabha.
4. Gram Panchayats should be encouraged to prepare a poverty reduction plan as part of their development plan and in this, the demands of the SHGs need to get priority.
5. Assign specific roles to SHGs and their federations in MGNREGS - identification of workers, demanding work, preparing Labour Budget, etc.
6. Use the SHGs for out-reach, particularly in behavior change communication, dissemination of technologies for development, transmission of development messages and conveying information on developmental programmes and schemes to the target groups.
7. Utilize the SHGs for community based monitoring, especially of service delivery and performance of developmental interventions with specific reference to Sustainable Development Goals (SDGs).
8. Entrust responsibilities for implementation of programmes to SHGs and their federations through community contract as locally appropriate.

9. Use SHGs, as agencies for operation and Maintenance (O&M) of utilities and assets with freedom to collect reasonable user charges.
10. Develop Community Resource Persons (CRPs) from among the SHGs to carry out different developmental tasks on proper remunerations.
11. Lease out ponds, common lands, etc. to the SHGs for livelihood activities.
12. Use SHGs participatory assessments and studies like gender status, status of children, poverty analysis, status of destitutes, etc.
13. Use SHGs for local campaigns for health, education, sanitation, etc.
14. Use the social capital of SHGs for launching drive against social evils like alcohol and substance abuse, manual scavenging, child marriage child labour, trafficking of women, etc.
15. Use the SHG to run Common Service Centers, especially to deliver IT based services and for financial inclusion.
16. Allow SHGs to conduct a social audit.
17. Facilitate SHGs work closely with elected women representatives.
18. Outsource tasks related to governance to SHGs on proper payments.
19. Build capacity of SHGs to perform the tasks assigned to them.
20. Provide space in the Panchayat Office to the Village Organization.
21. Provide funds to support SHG activities.
22. Take-up advocacy on behalf of SHGs with different developments.
23. Involve SHGs and their federations in Functional Committees and other Gram Panchayat level committees.
24. Prepare a partnership plan with SHGs and their federations.
25. Facilitate joint meetings of the Panchayat with SHG federation for discussing the demands of the SHGs, at least once in a quarter.

Role of SHGs and their Federations

1. Access support from Gram Panchayat into the social mobilization of SHG formation and for identifying the left out and vulnerable sections of the community to bring them into SHGs.
2. Work with Gram Panchayats for conducting Participatory Identification of Poor (PIP) and get the process endorsed in gram sabha.
3. Participate actively in gram sabha with consolidated demands as agreed beforehand in SHGs and SHG federation especially in accessing work and assets under MGNREGS and benefits from GPDP.

4. Help Gram Panchayats to conduct the Gram sabha by helping them in publicity, facilitating discussions and documentation.
5. Perform the tasks suggested by Gram Panchayats, which are beneficial and acceptable.
6. Participate in all Functional committees of Gram Panchayats.
7. Take up the service delivery responsibilities entrusted by Gram Panchayats such as midday meals, house to house collection of taxes, solid waste management, operation and maintenance of piped drinking water supply, e-services, etc. by claiming appropriate fees
8. Participate in community based monitoring mechanisms of Gram Panchayat project implementation.
9. Work with Gram Panchayat for accessing the common resources of Gram Panchayats (like fish ponds, vested land, common properties, market yards etc.,) as livelihood base for SHGs.
10. Help GPs to conduct gender status study and ensure the gender needs of the community are reflected in the local Plan.
11. Access information from Gram Panchayat and disseminate amongst SHG members on issues related to available government services and schemes.
12. Conduct Participatory Assessment of Entitlements (PAE) in each SHG and consolidate at VO and GP level and prepare the Entitlement Access Plan (EAP) at Gram Panchayat.
13. Actively involved in GPDP process to get the demands of SHGs included.
14. Take the lead for preparing Gram Panchayat Poverty Reduction Plan in association with Gram Panchayat and other stakeholders and ensure the adequate resources from Gram Panchayat and other line departments for implementing it.
15. Prepare a plan of action to implement the partnership.
16. Coordinate the joint meeting with Gram Panchayats on fixed dates.
17. Enrol elected Women representatives as members of SHGs and groom them as Community Resource Persons.
18. Hold regular interaction with Panchayats on developmental issues.
19. Provide information on the functioning of SHGs in respect of joint projects.
20. Co-ordinate with Gram Panchayats while preparing micro plans and seek formal financial support.
21. Add Panchayat-SHG Partnership as a separate agenda in all regular meetings of SHGs and Federations to discuss, review and monitor participation in planning and implementation and obtaining of benefits by members. The agenda items may include - Gram Sabha, GPDP, Poverty

free Gram Panchayat, MGNREGS, Swachh Bharat Mission. work in Functional Committees of Gram Panchayats, Village Health Plan, ICDS, etc.

Facilitation of the Partnership

Role of State Government

State Governments have to actively facilitate the partnership as suggested below:

1. Bring about geographical congruence between VOs and Gram Panchayats i.e. a single Gram Panchayat should contain one or a whole number of VOs.
2. Instruct Gram Panchayats to provide office space for VO within the Panchayat office. If existing space is not sufficient MGNREGS could be used to create the space.
3. Issue order enabling SHGs to benefit from common property under the control of Gram Panchayat like ponds grazing lands, etc.
4. Lay down procedure, as part of Gram Panchayats level planning, to get a poverty reduction plan prepared in which SHGs are given the central role.
5. Co-opt CRPs from the SHGs into planning teams for Gram Panchayat level development plan which would include MGNREGS.
6. Formally assign responsibilities to SHGs in assisting Gram Sabhas to beneficiaries of anti-poverty programme on the basis of clear norms.
7. Ensure that all eligible elected women representatives are made members of SHGs.
8. Utilize elected women representatives especially, as internal CRPs, to focus on developing the partnership between the Gram Panchayat and the SHGs and their federations.
9. Conduct joint campaigns of Panchayats and SHGs for health, sanitation, etc.
10. Include functionaries of the SHGs and their federations in the Functional Committee of the Gram Panchayat dealing with poverty reduction and women issues.
11. Give formal membership in all the Village Level Committees to the VO.
12. Create a forum for regular interaction of the VO with the Gram Panchayats at least twice a year in which the VO would explain the needs and Gram Panchayat would formalize its developmental support. This should be before the finalization of the Gram Panchayat Development Plan.
13. Set up Joint committees consisting of the leaders of the vo and Gram Panchayat to oversee the Partnership.
14. Conduct joint training of elected representatives and VO leaders to explain the need for partnership and the modalities.
15. 15. In the Schedule V areas, SHGs may be specially involved in strengthening Gram Sabhas and their capacity suitably built up.

16. A Committee may be set up at the Block level for trouble shooting if required.

Role of SRLMs

In addition to supporting the State Government in the roles indicated above, SRLMs needs to do following;

1. Task an officer of the BMMU, DMMU and SRLM specifically to facilitate and oversee the partnership.
2. Develop capable Community Resource Persons or Local Resource Groups at Federation/Gram Panchayat level to provide necessary training to all stakeholders.
3. Develop Block level Master Trainers.
4. Put in place a common State Resource Team for GPDP and MGNREGS.
5. The consolidated Entitlement Plan at block level needs to be kept in MIS for its periodic verification and monitoring.
6. Conduct necessary training and capacity building to the SHG leaders and GP leaders with the help of well-developed IEC materials.
7. Train all elected representatives (especially elected women representatives) on NRLM and its functioning and importance on working together with SHGs.
8. The BMMU may review and monitor the partnership activities and report to DMMU and SMMU periodically. The State Level Steering committee may examine the report and guide and advice the SRLMs and the Panchayat Raj department.

Follow-up Action by State Governments

1. States may issue detailed guidelines to actualize the partnership. This may be operationalized immediately in all the Intensive/Resource Blocks. In the new Blocks which are brought under NRLM, this activity should start from the beginning. While the institution building of SHGs take place the relationship with the Gram Panchayats should be clearly explained to work out a meaningful and symbiotic relationship.
2. States are free to take technical support from the National Mission Unit of NRLM and/or the National Resource organization, viz., Kudumbashree of Kerala.

3. States may develop Beacon Panchayats in Resource/Intensive Blocks where the partnership is actualized as envisaged. They could function as Schools of Practice for other Gram Panchayats and VOs to learn from.
4. The State level Steering Committee constituted for the GPDP may be tasked with the responsibility of coordinating this exercise as by suitably incorporating SRLM.

Expected Outputs and Outcomes

1. Expected Outputs

Gram panchayat-SHG Partnership initiatives taken up should lead to clear and measurable outputs. Following is an indicative list of outputs:

- i. Increased access of SHG families and communities to individual entitlements, community services, public goods and social security.
For example: MGNREGS job card, MGNREGS work and assets, access to social security pensions, proper functioning of schools and anganwadis, mid-day meals. ensuring entitlements under Right to Education Act and Right to Food Act, increased immunization, reduced incidence of communicable diseases, etc.
- ii. Regular functioning of partnership platforms and active community cadres.
For Example: Regular meeting of Functional Committees and the level of participation of SHG members in the committees, number of SHG members working as community cadre for Gram Panchayat, etc.
- iii. Increased participation of women in Gram Sabha and various institutional and development committees like Anganwadi Mothers. Committee. School Management Committee, Village Health Committee, Water and Sanitation Committees. etc.
- iv. Gram Panchayat Poverty Reduction Plan, jointly prepared by the Gram Panchayat with VO, in every Panchayat.
- v. Services entrusted by the Gram Panchayat to the SHGs for delivery.
- vi. Number of Elected Women Representatives as CRPs.
- vii. Funds provided by the Gram Panchayat to SHGs and their federations.

2. Outcomes

In the medium to long term, certain outcomes are expected. These include:

- i. Increased contribution from Gram Panchayat to local economic development, reduction of poverty and antyodaya.
- ii. Increased ability and sensitivity of elected representatives on issues of poverty and to work with community institutions.
- iii. Sustainable functioning of joint institutional platforms to plan and monitor partnership activities.
- iv. Enhanced ability and confidence of women to access public institutions and offices, including elected positions in the local governments.

Annex-33
Concept Note for Promoting Convergence using NRLP Convergence Fund

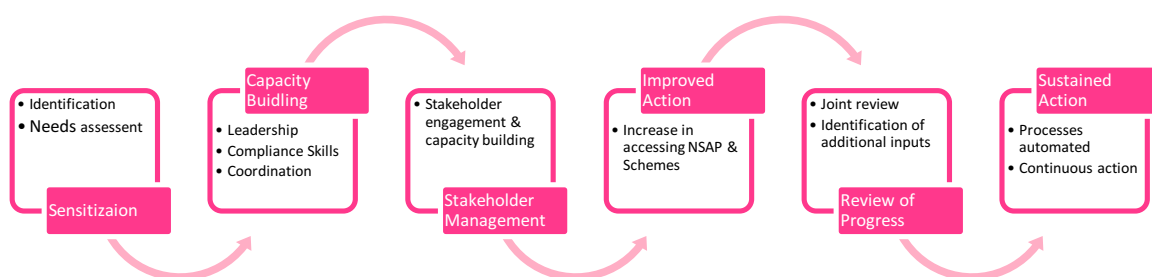
A. Context

The National Rural Livelihoods Mission (NRLM) aims to reach out to all poor households in the country and link them to sustainable livelihoods opportunities by forming and nurturing institutions of people at various levels so that they are able to come out poverty in a sustainable manner. This also underpins the belief that the poor have innate capabilities to graduate out of poverty. The challenge is to unleash this entrepreneurial spirit by complementing them with capacities (knowledge, information, tools, finance, etc.) to collectivize. Towards this, NRLM has already put in place a dedicated structure at various levels to help the poor build their institutions. These institutions are expected to provide services to their members – savings, credit, livelihoods support and accessing rights and entitlements.

NRLM's credible gains lies in extending facilitation support to get the poor out of poverty and achieve increased access to their rights, entitlements and public services. This is measured in the continued capacities of institutions of poor to grow and mature by accessing their rights and entitlements. Thus, this would essentially require promoting convergent action at the ground level so that an effective facilitative environment is created.

Promoting convergence through building capacities of community institutions/CBOs to effectively coordinate with PRIs, Block and district level line departments and other offices for accessing public services and social security benefits and schemes. Accessing various schemes and NSAP that are centrally sponsored (CSS) and state sponsored (SSS) are the key focus of convergence. Apart from this, converge to tap various Mission/Schemes like Swachh Bharat, National Health Mission, National ICDS Mission, *etc.*, would form the focus of convergence. This is explained in Fig.:33.1 below:

Convergence Action Flow Fig.: 33.1



B. Key Domains of Convergence

SRLMs can focus on developing comprehensive convergent action plan which could be a mix of accessing entitlements and schemes in the domain of health, education, women and child development, agriculture, animal husbandry, wage employment, creation of community assets, credit for livelihoods and other needs, creation of water resources, etc. Since NRLM is already developing convergence action plan with MGNREGS (which would be instrumental in the creation of individual and community assets, skilling, livelihood assets, *etc.*) the effort is to build on from this exercise, use the data collected through convergence planning, identify the gaps and address the gaps through completing the database. This database also serve as the baseline data so that evidence based analysis could be undertaken subsequently. A few suggested entitlements and schemes include:

Schemes

- National Rural Health Mission
- Swachh Bharat Mission
- National ICDS Mission
- National Mission for Sustainable Agriculture (NMSA), DAC
- Soil Health Card
- National Food Security Mission (NFSM)
- Sub Mission on Agriculture Mechanization
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
- Various schemes of National Livestock Mission

Entitlements:

- NREGA
- IAY
- NSAP (National Social Assistance program)
- Indira Gandhi national old age pension scheme (IGNOAPS)
- Indira Gandhi National Widow Pension Scheme (IGNWPS)
- Indira Gandhi National Disability Pension Scheme (IGNDPS)
- National Family Benefit Scheme (NFBS)
- Annapurna
- Pradhan Mantri Jan Dhan Yojana
- Aam Adami Bima Yojana
- Rashtriya Swasth Bima Yojana

For more details please refer to *Annex Table-33.1*.

Target Groups:

- Households for mandatory inclusion (Households without shelter, destitute, manual scavengers, PVTGs, legally released bonded labourers) as top priority.
- Households with deprivation on any of the 7 criteria (only one room with kuchha walls and roof, no adult member, female headed household with no male adult member, disabled member and no able bodied member, SC/ST households, no literate above 25 years, landless households surviving through labour) as priority.
- Other poor households as identified by CBOs through PIP
- Other households as per eligibility criteria for accessing various NSAP and other benefit schemes.

C. Fund Objectives

A special fund has been earmarked under NRLP for promoting convergence of various programmes and entitlements by the NRLPS. This special fund is specifically created to fast track the process of convergent action resulting in increased demand generation and supply management. Key purposes for this fund include:

- Promoting convergent action of CBOs under NRLM and PRIs to help deprived families to come-out of deprivation (SECC- automatically included HHs and other HHs identified through IPE-2, PIP/poverty analysis processes).
- Evolve scalable approaches and strategies for promoting convergence across NRLP/NRLM Blocks based on the learning by each SRLM

The fund is intended to help SRLMs to develop its capacity in promoting convergence, gain experience by implementing comprehensive convergence plans as “model convergence blocks”. These convergence blocks are expected to make suitable implementation arrangements resulting in the creation of adequate social capital to not only implement the project but also scale up “convergence” in other blocks for more “Poverty free *Panchayats/* Blocks”. Thus, this fund may essentially be utilized for evolving vibrant “convergence model blocks” for demonstration and subsequent scale up. Basically this fund could be utilized to cover:

- Preparation of comprehensive “Model Block Convergence Plan”, capacity building of community institutions, arranging resource persons for facilitating convergence with other missions like SBM and National ICDS Mission, Sensitisation, exposure and training of key stakeholders, viz., PRI leaders, various departments or Ministries, CBOs and community cadres, etc. The Convergence Plan should be able to clearly identify target households with multiple or complex deprivation issues and household/village level Vulnerability Reduction Plan through convergence.
- Accessing resource organizations for technical assistance, development of locally relevant IEC materials, including developing resource pool for such planning exercises and appropriate IT-enabled systems for data collection, management and reporting. Tamil Nadu SRLM has demonstrated experience in mainstreaming convergence, relevant IEC materials who could be approached for technical assistance. Kudumbashree in Kerala has also relevant experience in mainstreaming PRI integration with *Panchayat* level Federations (CDS).
- Arranging implementation architecture to roll-out the plan. This includes human capital requirement at State, District, Block level and community human resource (cadre) at CLF and VO level.
- For capacitating the community in demand generation and provisions for funds for leveraging benefits and schemes which could only be in the form of revolving capital to VOs
- Review and reflection for positive course corrections.

Expected Outcomes:

- Enhanced accrual of NSAPs & Schemes
- 100% inclusion of SECC included mobilisable households
- Reduction in deprivation status of identified households and community
- Demonstrated capacity within SRLMs for scaling up convergence across NRLP Blocks

D. Eligibility Criteria

The proposed funding window will not be universally applicable and will only be available for access to SRLMs fulfilling certain overall as well as fund-specific criteria. Also, only a certain set of activities under the convergent domain will be eligible for funding. Based on the eligibility criteria outlined below, a state mission may be eligible to receive funding from one or more special funds:

General eligibility criteria:

1. NRLP Blocks that have completed minimum two years of implementation and preferably IPPE-2 Blocks so that this investment could be seen as fortifying our commitment to convergence
2. Have achieved 40% of the target HHs mobilized
3. Have presence of VOs that are at least 6 month old and have formed or in the process of forming CLFs
4. SRLM may propose a maximum of 04 -06 blocks

Fund Specific Criteria:

Convergence Fund

1. May engage at least one resource agency/technical agency/resource pool for timely technical assistance in the preparation of “model block convergence plan” and capacity building of stakeholders and community representatives/ CBO leaders throughout the period of implementation
2. Dedicated full time staff/consultant for IB/CB or SI/SD available at State and District and Block Level

Fund amount, Selection and approval: Overall a dedicated fund worth \$10 million (approximately Rs.65 Crores) will be available for this special purpose. Of this Rs.50 cores will be available as funds to NRLP Sates and remaining will be used for technology augmentation, providing overall technical capacity to State Teams through NRO (preferably TNSRLM) for guiding the convergence processes. On an average, an SRLM may look at a resource envelope Rs.5 Crores for two years.

E. Proposal selection and approval

Call for Action Plan Proposal

Proposals from the State should be received by the Mission before 30th January 2015 in the prescribed Project Application Form. The proposals should also be integrated with the overall vision and implementation strategy of the SRLM for the remainder of the NRLP/NRLM period.

Assessment of proposal: The proposals will be jointly assessed by NMMU and the World Bank team. Key areas of assessment will include demonstrated ability of the SRLM, background analysis undertaken, result indicators envisioned and implementation readiness. The team may request for follow-up information before

approving the final funding amount. Maximum funding envelope for a single state will be Rs.4 to 5 Crores for a maximum of 4-6 Blocks spread across two to three districts for two years.

Suggested Steps:

Approval of proposal

The proposals will be assessed and approved jointly by representatives from NMMU and the World Bank within 15 days from the receipt of the proposal, provided there is no follow-up information requested from the SRLM. The approval will also include the final allocated amount and fund release timeline, if any, based on result triggers. The time line for all process is as follows

	With comments	With No Comments
Proposal from State to NMMU	0 th Day	0 th Day
Comment to SMMU by NMMU	Within 15 days (15 th day)	NA
SMMU resubmitting proposal	Within 20 days (35 th day)	35 th Day
Proposal Appraisal	Within next 20 days (55 th day)	55 th Day
Approval by EC		
Fund transferred from NMMU to state	Within next 15 days (70 th day)	70 th Day

F. Monitoring Mechanisms

- i. Monitoring: The SRLMs must place adequate monitoring systems to track utilization of special funds. A monitoring and evaluation plan should be submitted by the SRLM at the time of proposal submission. The M&E plan should include baseline indicators against which performance will be measured during the funding period. Also, the plan should mention systems envisaged for data collection, monitoring and reporting. In absence of adequate monitoring systems for the special funds, the appraisal team may decide to reduce or cancel the allocated amount.
- ii. Monitoring of activities and related outcomes under the dedicated funds shall be the responsibility of both SRLM and agencies (if involved). For this purpose they will establish the following mechanisms:
 - a. Quarterly desk review of Implementation Status Reports (ISRs) submitted by the states.
 - b. Half-yearly Joint Review Meetings (JRMs) with representatives from NRLM/SRLMs, The World Bank and external experts (if required) to review the progress under dedicated funds.
 - c. Review of procurement plans, expenditure statements and related audit reports submitted by the SRLM and to be reviewed by NMMU.

- d. Evaluation reports, assessment studies and internal reports prepared by States with support from NRLM.

- iii. Fund Management and Reporting: At the state level, the SPM SI/SD will be responsible for managing the special fund (Fund Manager). SPM (SI/SD) will be responsible for roll out of the implementation plan, putting in place monitoring systems as well as reporting progress against the approved results as per the proposal. The fund manager will submit quarterly Implementation Status Reports (ISRs) and will also attend half yearly JRMs.

Activities not eligible under dedicated funds

- Purchase of vehicles, renting premises of offices will not be permitted under this fund
- Support for individual assets creation of any kind will not be permitted under this fund.
- Grant to individual members. All grants given to VOs will be for revolving fund.

Environment Management Framework

- All the dedicated funds will be governed by EMF principles as articulated under the guidelines for the National Rural Livelihoods Project.

Social Management Framework

- All the dedicated funds will be governed by SMF principles as articulated under the guidelines for the National Rural Livelihoods Project.

**Suggested Template for Developing Project Proposal for Special Fund on
Convergence (Proposal may be limited to a maximum of 12 Pages)**

1. Background & Selection of Blocks

1.1 Background

1.2 Selection of Blocks

- Rationale for selection: Status of various forms of social capital (ICRPs, Activist Women, Pasu Sakhis, Bank Mitra, Book Keepers, etc.) and various forms of institutions – SHGs, VOs and CLFs; IPPE-2, and other schemes of NRLM being implemented- MKSP, SVEP, DDUGKY, etc.
- Description of existing linkages with GP, BP, ZP and other departments

2. Baseline of the selected Blocks

2.1 Current status of accessing schemes and entitlements in the selected Blocks

Capture the main Schemes and entitlements that are key for the target community/ households based on major findings of IPPE-2 and other baseline data available from the blocks. These could be broadly on:

- Swachh Bharat Mission
- National Mission for Sustainable Agriculture (NMSA), DAC
- Soil Health Card
- National Food Security Mission (NFSM)
- Sub Mission on Agriculture Mechanization
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
- National Rural Health Mission
- National ICDS mission
- MGNREGS
- IAY
- **NSAP (National Social Assistance Program)**
 - Indira Gandhi national old age pension scheme (IGNOAPS)
 - Indira Gandhi National Widow Pension Scheme (IGNWPS)
 - Indira Gandhi National Disability Pension Scheme (IGNDPS)

- National Family Benefit Scheme (NFBS)
- Annapurna
- Pradhan Mantri Jan Dhan Yojana
- Aam Adami Bima Yojana
- Rashtriya Swasth Bima Yojana

Additionally any other schemes and entitlements that are State specific Interventions through other NGOs and CSR in the selected Blocks

2.2 Situation Analysis- (demand and supply gap)

- Analysis of issues (capacity, and other constraints) in accessing entitlements and schemes including IPPE-2, GPDP
- Analysis of issues (capacity and other constraints) in identifying and reaching out to target groups
- Analysis of need and gap
- Based on the above identify key areas for intervention (demand-supply)

3. Objectives/Key Deliverables

- Set clear objectives- addressing deprivation and other forms of poverty through accessing (a) Entitlements and (b) Schemes
- Please mention clear deliverables against each objective

4. Target Group

- Who is the target group? How many households? How many villages/ GPs? How many blocks/ districts? What per cent of small farmer/ marginal farmer/ poor/ EPVG/ SECC deprived HH/ ST/ SC/ OBC families are covered in the intervention? What are the roles to be played by these households?

5. Intervention

- What is the prioritized interventions for convergence?
- What are the strategies and activities (objective – wise)
- How is knowledge transferred? What is the system of community extension mechanism? What are the roles of the community institutions and cadres?
- How are the Community Capacity Building and Institution Building component rolled out for facilitating convergence?

- How do you plan to converge other resources available under NRLP/NRLM including FI, LF special funds?
- How the monitoring of the activity takes place? What is the MIS? How MIS feeds into course corrections?

6. Please provide a detailed implementation plan for Convergence.

- **Envisaged SRLM staff architecture for convergence**
- **Community Institutional Architecture for convergence**
- Capacity Building for Convergence
- Working with various line and other stakeholder departments/ organizations
- Technical support required/Planned?

6.1 *Project Implementation Plan*

Activity	Responsibility	Timeline

6.2 *Funds required*

<i>Items</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total</i>

6.3 *Fund Flow mechanism*

- How does the fund flow happen?
- How the fund utilization is monitored?

7. *Output/ outcome*

- Total number of household covered– segregated along SECC and other poor HHs
- Types of entitlements accessed and HHs covered
- Types of schemes accessed for how many HHs
- NO and types of Social infrastructure created (village wise)
- No of Gram *Panchayats* sensitized and mobilized for supporting convergence

- Number of HHs provided with livelihood support
- Number of community cadres trained and groomed for facilitating convergence
- Value of convergence vis-à-vis project outlay (RoI)

Procurement Management

Annex-34

Advisory to SRLMs on Contract Management and Other Procurement Aspects

Government of India
Ministry of Rural Development
Department of Rural Development
National Rural Livelihoods Mission

6th Floor, Hotel Samrat,
Chanikyapuri, New Delhi
17th Dec 2015

To
All SMDs

Subject: Advisory to SRLMs on Contract Management and other procurement aspects– Reg.

Madam/Sir,

Pursuant to the contract management, technical evaluation training organized by NMMU at ICAR, New Delhi during 20-21 November, 2015, I am inform following procurement related decisions to you. As most of the State Missions have completed procurement of essential goods and services now, the contracts needs to be managed effectively to achieve desired outcomes/deliverables. Further, post Mid Term Review of NRLP, special funds have been created for Livelihoods, FI and convergence initiatives and it is expected that State Missions have to procure various goods and services to rollout initiatives under the “Special Funds”. In order to improve the quality of procurement and effective contract management, all the SRLMs are required to adhere to following guidelines.

1. **Hiring the services of key staff:** All the State Missions shall position one State Missions Manager –Procurement and one Programme Manager-Procurement at the SMMU level. State Missions who do not have the services of a full time procurement specialist should immediately hire the services.
2. **Commissioning of Process Monitoring:** During the Procurement facilitation workshop organized at Patna during March 14, it was agreed to procure 8 essential services viz., (i) Statutory Auditors; (ii) Internal Auditors; (iii) FMTSA; (iv) Baseline Survey Agency; (v) HR Agency; (vi) Agency for design and development of MIS; (vii) agency for supply of office equipment; and (viii) Agency for Process Monitoring for all the NRLP States. Out 8 services, most of the states have completed procurement of 7 essential services, except Process Monitoring. As the NRLP Mission States have matured enough, all the NRLP State Missions are required to procure the services of Process

Monitoring agency without further delay and commission Process Monitoring from April 2016. NRLPS/MORD will hire the services of agencies for conducting Baseline Survey and Process Monitoring of NRLM in North East and North Western states viz., (i)Arunachal Pradesh; (ii) Manipur; (iii) Meghalaya; (iv) Mizoram; (v)Nagaland; (vi) Sikkim; (vii) Tripura; (viii) Jammu & Kashmir; (ix) Punjab; (x) Himachal Pradesh; (xi) Uttarakhand; and (xii) Haryana [only Process Monitoring]. Hence, these states are advised not to procure the services of Baseline Agency and Process Monitoring agency.

3. **Report of Baseline Survey:** All the NRLP states who have already commissioned Baseline Survey are required to ensure that final baseline survey report should be made available to the NMMU by end of March 2016. States of Odisha, Tamil Nadu and Uttar Pradesh are required to closely monitor the consultants and the outcomes of the Baseline Survey.
4. **Preparation of Realistic procurement Plans:** All the State Missions are advised to come up with realistic procurement plans. Detailed procurement plan should be submitted along with AAP -2016-17 for approval. While planning for Special Funds to be provided under Livelihoods, FI and convergence, care must be taken to list all the possible requirements and Mission should also ensure to execute the plan as per the deadlines.
5. **Screening of Proposals:** It is advised that after opening of the technical proposals, Mission staff should screen all the proposals received and should satisfy that the proposal are meeting the basic requirements of the RFP. During the screening, any proposals found no-responsive to the basic requirements of the RFP, the matter should be brought to the notice of Procurement committee/ Mission Management and the reasons/ deficiencies in the proposal shall be documented. It may be noted that proposals not meeting the basic requirements of the RFP and conditional proposals, if any, shall not be evaluated. Reasons for not evaluating a proposal shall be clearly documented in the Technical Evaluation Report and Minutes of the Procurement Committee. State Mission are advised to learn from the past experience and run procurement with more quality and plan to complete procurement of services within 120 days from the date of notifying the EOI. Some of the key learnings from the procurement of services in NRLM are provided in ***Annex Table-34.2***.
6. **Technical Evaluation:** It is advised to form a technical evaluation committee with the subject matter experts to undertake evaluation of the proposals. If required, the Mission may nominate Procurement Specialist/ the person who has prepared the TOR in the technical evaluation committee. The Evaluation

Committee shall strictly adhere to the provisions of the RFP while undertaking the evaluation. After completion of the technical evaluation, the Evaluation Committee should prepare a Technical Evaluation Report (TER) in the prescribed format with strengths and weakness of each proposal. Further, TER should be placed before the Procurement Committee for their consideration and to give their recommendation to the Mission management.

7. **Public Opening of Financial Proposals:** It is essential to open the financial proposals of the technically qualified consultants publically. At the time of opening of the financial proposal, the State Mission should ensure to disclose the technical scores (including the scores assigned against each sub criteria) assigned to each consultant and the price quoted by each consultant must be documented in the financial bid opening meeting and such meeting minutes shall be signed by both the Mission staff and the representatives of the consultants present in the meeting. A suggested template to record the minutes of the financial bid opening is provided in ***Annex Table-34.1***.
8. **Contract Formulation:** All the state missions are advised to provide dully filled draft contract along with the RFP. Further, at the time of contract negotiations, key elements indicated in the draft contract shall not be modified. The following documents viz., (i) Terms of Reference; (ii) Key Experts and their time input; (iii) Breakdown of Contract Price; (iv) Minutes of technical negotiations; (v) Work Plan submitted by the Consultant; (vi) Methodology submitted by the consultant; (iv) Advance Payments Guarantee form should be attached to the final contract and shall be deemed to form an integral part of the contract.
9. **Curative Measures:** while formulating the draft contract, State Missions shall also keep provision for curative measures (penalties) so that the consultant shall be bound responsible for the undue delay in the deliverables.
10. **Review of Contract:** Contract Management is one of the essential functions to be performed by the contracting authority. Hence, the Missions should take all possible steps to review the contracts effectively. In order to institute effective contract management mechanism, the State Missions may consider to form a contract review committee with nominations from Procurement, Finance, and concerned thematic unit to review the contracts. The contract review committee shall monitor the Consultant's performance against the output specifications of the contract and recommend necessary actions to be taken to achieve the end results of the contract.
11. **Payment to Consultants:** The Mission should take necessary steps to clear the payments to the consultants. It may be noted that the payments are

conditional upon the quality of performance of the consultant. The financial implications of any failure to perform have been taken into consideration and appropriate action taken. The payment can be withheld if the SRLM does not approve the submitted deliverable(s) as satisfactory in which case the Mission shall provide comments in writing to the Consultant within sixty (60) days period(in case of final payment within 90 days).

12. **Provision of necessary facilities and approvals by the Mission:** It has been noticed that in some cases, the State Missions are taking longer than the expected time to provide approvals/ facilities to the consultants to perform their functions. State Missions are advised to provide necessary approvals/ facilities at the earliest possible. In case there are inordinate delays in providing such approvals/facilities, the work plan shall be re-drawn taking the actual situation and the contract shall be extended (no cost extension) on a mutual consent.
13. **Conduct of Contract Review meetings:** It is advised that all the State Missions should hold a monthly contract review meeting with the consultant. All such meetings shall be held at the State Mission's office. Senior management level meetings may be organized on a quarterly or half yearly basis as the situation demands.

Yours faithfully

(Atal Dulloo)
Joint Secretary (RL) & MD (NRLM)

**Attendance & Minutes of the Meeting for Financial Bid Opening of Consultancy
Service for [WRITE NAME OF THE ASSIGNMENT]**

Place:

Date&Time :

-----State Rural Livelihoods Mission (SRLM), State Mission Management Unit (SMMU) conducted the Financial Proposal Opening Meeting for hiring the services of ----- on ----Day of -----, -----AM/PM. Financial Proposal of qualified firms were opened by procurement committee members. Initially the technical scores of the bidders are read out with breakdown. Following is the abstract of the scores awarded to the consultants in the Technical Evaluation

Technical Score:

<i>Evaluation Criteria</i>	<i>Max Marks</i>	<i>Name of the Consultant</i>					
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Specific experience of the Consultant relevant to the assignment							
Technical approach & Methodology							
Work Plan							
Organization & Staffing							
Key Professionals							
Total Scores							
Rank							

The Financial Proposals are inspected by consulting firms to confirm that they have remained sealed and unopened. Only the Financial Proposals of qualified firms (having marks more than 75) opened publically, and the total prices read aloud and recorded. Financial Proposal of the consultants who have not qualified in the technical proposal shall be returned unopened after the signing of contract.

Financial Quotes of the bidders as per Form Fin 1 are read out as given below.

Name of the Consultant	Financial Proposal Read out fin 1 in Figures	Financial Proposal Read out fin 1 in words	Remarks-if any

This is to certify that the above details were called out publically in our presence. We also confirm that Financial Proposals have remained sealed and were opened in the presence of representatives who are present in the meeting.

Consulting firm's representatives

Sr. No.	Name,	Designation & Name of Organization	Email & Mobile Number	Signature
1				
2				
3				
4				
5				

Attendance; Mission Staff

Sr. No.	Name Designation, Name of Organization	Signature
1		
2		
3		
4		
5		
6		
7		

Key Learnings from Procurement of Services under NRLM

1. Inordinate delays in finalization of EOI short-listing. There are instances that State Missions have taken 6-9 months to complete EOI shortlisting;
2. Delays in issue of RFP after finalizing the shortlist. In some cases, the delay was more than one year and eventually EOI was re-notified as the validity of EOIs expired. (it may be noted that validity of EOI is one year from the date of receipt);
3. Lack of clarity in the RFP regarding time input required from the key and non-key professionals, list of reimbursable expenditure that should be considered *etc.*, in some cases, draft contract was not issued along with the RFP;
4. It was observed that some of the consultants are including financial information in the technical proposal and submitting conditional proposals. It was also observed that few consultants are not adhering to the RFP conditions.
5. In some cases, subject matter specialists were not involved in undertaking technical evaluation.
6. In few cases it was observed that financial proposals were not opened publically. Further, before opening the financial proposals, technical scores assigned to each consultant were not disclosed.
7. Within 2 week from the date of concluding contract negotiations, state missions should publish contract award notification in the official website.

Management Information System

Annex-35
Letter to SRLM on CC and NGO Details

File No. M-13015/05/2013-RL (FTS: E-331317)
Government of India
Ministry of Rural Development
Department of Rural Development (RL Division)
(National Rural Livelihoods Promotion Society)

6th Floor, Hotel Samrat,
Kautalya Marg, New Delhi
Date: 16th May, 2016

To
All Mission Director/CEOs
SRLMs

**Subject: Uploading Community Cadre Profiles in NRLM MIS and furnishing
of data of Partner Agencies /NGOs working with SRLMs including
MKSP PIA**

Dear Sir/Madam,

DAY-NRLM proposes to create a database of all community cadres functioning under DAY-NRLM for different purposes. A new module has been developed and added in NRLM MIS for uploading profiles of all community cadres by respective block level users.

In this context, you are requested to collect the profiles of community cadres with the help of field functionaries and upload into NRLM MIS at block level. The format for collection of profiles of the community cadres is attached at **Annex Table-35.1**.

Further, all SRLMs are requested to furnish information related to the NGOs/partner agencies working with respective states for different purposes, including MKSP partners. Details of organization with which SRLM has signed the MoU under any partnership strategy needs to be shared with this Ministry for uploading the same in NRLM MIS from National level. The format for furnishing details of NGO/partner agencies is attached at **Annex Table-35.2**. SRLMs currently

not working with any partner agency or NGOs are not required to submit any information.

All SRLMs are requested to ensure that, the profiles of community cadre are collected and uploaded in NRLM MIS by end of 15th July 2016 and the details of NGOs/partner agencies may be shared with NMMU by 25th May 2016.

With reference to DO# K-11062/06/2016/NRLM (Livelihoods) dated 4th May 2016(copy enclosed you may kindly note that the module for uploading the list of commodities, products and services in now available in NRLM MIS under respective block login.

With regards

Yours sincerely,

(Atal Dulloo)
Joint Secretary & Mission Director

**Annex Table-35.1
Community Cadre Profile**

Full Name (in Capital):		Affix a Photo (size 2.5" X 2") (20KB)	
Gram <i>Panchayat</i> :	Village:		
Member in SHG: Yes/No	Date of joining in SHG: <i>DD/MM/YYYY</i>		
SHG Name:			
Husband/Father Name:		SHG Code:	
Gender: <i>(Male/Female/Trans)</i>	Contact No:	Social Category: <i>SC/ST/OBC/Others</i>	
Religion ⁴ :	Aadhar No:	SECC TIN No:	
DOB: <i>DD/MM/YYYY</i>	Marital Status: <i>Married/Unmarried</i>	Education Standard:	
Address:		Date of working as Cadre: <i>DD/MM/YYYY</i>	
Currently working: <i>Yes/No</i>	Bank:	Branch:	
Account No:		IFSC:	
Primary Group of Cadre ¹ :		Primary Cadre ² :	
If Primary Cadre or Other Cadre as BC/Bank Sakhi-Mitra indicate attached Bank and Branch name	Bank:	Branch:	
Working as other Cadre			
Group of Cadre¹	Type of Cadre²	Bank	Branch
1			
2			
3			
4			
Master Trainer			
Group of Cadre¹	Type of Cadre²	Group of Cadre¹	Type of Cadre²
Reporting Federations			
First Level (VO):		Second Level (CLF):	
Mandatory Training received by cadre: Yes/No	Vulnerability category ³ :		

Date:

Verified By:

Signature

Group of Cadre¹:	A. IB&CB B. SHG Book Keeper C. Financial Inclusion D. Livelihoods E. SI&SDF. Professionals in CBO G. Master Trainer
Religion⁴:	H-Hindu, M-Muslim, C-Christian, S-Sikh, B-Buddhist. J-Jain, P-Parsi and O- Others
Vulnerability category³:	1. PWD 2. Widow 3. Destitute 4. Single women 5. Transgender 6. Elderly 7. Chronic Illness 8. None

Type of Cadre²	
A. IB&CB	
1. Woman Activist	8. CLF Book Keeper
2. VO Activist	9. PRP
3. Community Auditor	10. Community Coordinator
4. Internal CRP	11. Community Mobilizer-Facilitator
5. Master Book Keeper	12. Other IBCB Cadre
6. Community Trainer	
7. VO Book Keeper	
B. SHG Book Keeper	
1. SHG Book Keeper	
C. Financial Inclusion	
1. MCP Trainer	4. Insurance
2. Bank Sakhi-Mitra	5. Other FI Cadre
3. Bank Correspondence (BC)	6.
D. Livelihoods	
1. Krishi Mitra	3. Other Livelihoods Cadre
2. Pashu Sakhi	4.
E. SI&SD	
1. Health Activist	3. Gender Mitra
2. Swasthya Sakhi	4.
F. Professionals in CBO	
1. Staff in VO	4. Staff in CTC
2. Staff in CLF	5. Staff in PC&PO
3. Staff in BLF	
G. Master Trainer	
1. Social Mobilization & Institution Building	6. Gender
2. Visioning & Leadership	7. Food Nutrition Health Wash (FNHW)
3. Planning & Convergence	8. Livelihoods & Micro Enterprise
4. Financial Inclusion	

5. Fund Management & Audit	
----------------------------	--

Annex Table-35.2
Details of NGOs/Partner agencies

Name of the State	
Name of NGO/Partner Agency:	
Type of Partnership (MKSP/NRLM/ Livelihoods Promotion/Others):	
Registration Number:	
Type of Registration:	
Year of Registration:	
Email ID:	
Address:	
Land Line No:	
1st contact person details	2nd contact person details
Name:	Name:
Designation:	Designation:
Mobile No:	Mobile No:
Email ID:	Email ID:
Promoter/Chief Functionary of Agency/NGO	
Name:	Name:
Aadhaar No.:	Aadhaar No.:

Add more Names and Aadhaar numbers of promoters/Chief Functionary of Agencies
/ NGOs if any.

Signature of authority
SRLM

Annex-36
Letter to SRLM on Aadhar Seeding

No.I-12011/14/2014-RL(C)
Government of India
Ministry of Rural Development
Department of Rural Development - RL Division
(National Rural Livelihoods Promotion Society)

Hotel Samrat, New Delhi
Dated 12th May2016

To

All State Mission Directors/CEOs
SRLMs

Sub: Opening of individual Jan Dhan Bank Account and Aadhar Seeding into accounts of all SHG members.

Sir/Madam,

Access to institutional finance is a key driver of poverty eradication. However, limited banking network particularly in the rural areas, lack of suitable products and procedures have limited delivery of financial service to poor. Government of India has renewed its thrust on financial inclusion through Pradhan Mantri Jan DhanYojna (PMJDY). DAY-NRLM has strong focus on building access to financial services by the poor. In an effort to enabling SHG members draw advantage of the Financial Inclusion efforts, it is desirable that all SHG members are facilitated to open individual bank accounts. Further seeding of aadhar numbers in respective individual accounts will also facilitate transfer of payments/benefits and subsidy under different schemes implemented by state and central Governments. Account holder can also access such aadhar linked bank accounts from any place within India.

In order to enlist SHG members without individual bank account or account holders without aadhar seeding in their respective bank accounts, all SRLMs are requested to make necessary arrangements for the following:

1. Conduct survey for mapping of SHG Bank account details with individual member details including bank account number, aadhar number, and mobile number. A detailed implementation plan is attached as **Annex Table-36.1**.
2. Facilitate SHG members without any saving bank a/c to open account under Pradhan Mantri Jan Dhan Yojna.
3. Ensure seeding of aadhaar number into individual savings bank accounts of SHG member.
4. Ensure collection of both consent forms for bank and implementing department along with self-attested copy of Aadhaar card.

This issue of Aadhaar seeding accounts of SHG members and the process by which this is proposed to be done as outlined in the **Annex Table-36.1** to this letter has already been shared with GM/Senior representative of all Public Sector Banks during the meeting of IBA Sub-committee meeting held on 10th May 2016 at New Delhi.

It is requested that SRLMs complete the above mentioned exercise by Sep, 2016. All expenses related to the exercise may be booked under 'Capacity Building' – [Component B2]. SRLMs are also requested to keep the Ministry of Rural Development informed about the progress in this regard on a monthly basis.

Yours Sincerely,

(Atal Dulloo)

JS-RL and Mission Director, NRLM

Copy to Principal Secretary (RD) & State Mission Director- SRLMs of all states
Encl: As above

Implementation Arrangements for Survey on Mapping and Updating of SHG and Individual Member Details

Preparations at State Level

- Convene a special meeting of the SLBC sub-committee on SHG Bank Linkage and present the purpose and details of the exercise. SLBC to issue advisory to all banks for necessary support
- Constitute a coordination committee for the exercise at the State level; representatives of NABARD and leading banks may also be involved in the coordination committee
- Identify nodal persons and trainers for each district/block for the exercise
- Identify/ hire services of suitable data entry operators at each block level
- Conduct training of enumerators (CRPs/ Book Keepers/ Community cadres) and Data Entry operators
- Make necessary arrangements for printing of the data collection formats

Data Collection

- Data collection needs to be done for all SHGs under DAY-NRLM
- Pre-Printed data collection format (**Form-I**) needs to be downloaded for all existing SHGs from NRLM-MIS by respective block user. A blank format (**Form-II**) needs to be downloaded to collect the profiles of SHGs that have not uploaded in NRLM MIS. Both the forms will be available under respective block login from 20th May 216.
- Filling of form should be completed in SHG/ VO meeting or in special meeting at village level.
- Separate self-attested copy of aadhaar card along with filled in consent forms (For Banks and DAY-NRLM) needs to be attached with SHG profile format (Form-I/Form-II).
- The consent form marked 'BANK' may be submitted over to concerned bank branch or bank Sakhi/Mitra operating in their area along with Form-I/Form-II for verification.
- The consent form marked 'DAY-NRLM' needs to be handed over to BMMU along with Form-I/Form-II after verification at branch level.
- Names of members should be entered as it appears in Aadhar Card.

- Bank account number should be verified from the SHG passbook and individual member passbook.
- Details of mobile no. should also be provided.

Validation of Information at Bank Branch

- Information collected from the fields like, Name of SHG & bank account no; Name of individual member and respective bank account no; Status of aadhar seeding in each individual account should be validated from the concerned bank branch
- No data entry of **Forms I and II** should be done without validation of information from bank branch

Data Entry

- Data Entry of the filled in forms should be done on the NRLM MIS portal at block/district/state level. User credential will be provided by SRLM.

Expenditure

All expenses related to the exercise may be booked under 'Capacity Building' – [Component B2]. The expenditure ceilings for various tasks have been fixed as below:

- Printing of Forms including training of enumerators – Rs.15 per SHG
- Data collection including validation of data from banks – Rs.30 per SHG
- Data entry on NRLM MIS – Rs.15 per SHG

Annex-37
SHG Profile Data Collection Form

I. Form for Collecting SHG Information

State*:	District*:	Block*:	GP*:	Village*:
SHG Name*:			Date of Formation*:	
SHG Type* : <input type="checkbox"/> New <input type="checkbox"/> Pre-NRLM <input type="checkbox"/> Revived		Date of Cooption/Revival*:		Promoted By: NRLM/ State Project/ NGO/ Any Other
Bank:	Branch Name:	SB A/c Number:		Date of Opening of Account:
Meeting Frequency*: Weekly/Fortnightly/Monthly	Number of times Bank Linkage happened (0 To 10):	Monthly Amount of Saving per member*:	Active Loan A/C Number:	
Micro Plan Prepared: Yes/No	Basic Training Received: Yes/No	Standard Bookkeeping practices:Yes/No	Bookkeeper identified:Yes/No If Yes,Name:	

II. SHG Member Details

SN	Member Name*	Father/Husband Name*	Social Category* (SC/ST/OBC/Other)	DOB* (DD/MM/YYYY)	Sub Category			Gender* (Male/Female/Trans)	PIP Category (POP / Poor / Non-Poor)	Leader*(Present/Past/Never)
					Disability* (No/Self / Family Member)	(BPL / APL) *	Religion ¹ *(Hindu/ Muslim/ Christian/ Sikh/ Buddhist/ Jainism/ Parsi/Other)			
1										
2										
3										
4										
5										
6										

SN	Member Name*	Father/Husband Name*	Social Category* (SC/ST/OBC/Other)	DOB* (DD/MM/YYYY)	Sub Category			Gender* (Male/Female/Trans)	PIP Category (POP / Poor / Non-Poor)	Leader*(Present/Past/Never)
					Disability* (No/Self / Family Member)	(BPL / APL) *	Religion ¹ *(Hindu/Muslim/Christian/ Sikh/ Buddhist/Jainism/Parsi/Other)			
7										
8										
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10										
11										
12										
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19										
20										

¹.H: Hindu, M: Muslim, C: Christian, S: Sikh, B: Buddhist, J:Jain, P:Parsi, O: Other

State*:	District*:	Block*:	GP*:	Village*:
SHG Name*:			Date of Formation*:	
Bank:	Branch Name:	SB A/c Number:		Active Loan A/C Number:

SN	Member Name*	Aadhar Number	Mobile No.	Bank	Branch	SB Account Number	Aadhar Seeded SB A/C (Y/N)	Signature/Thumb
1								
2								
3								
4								
5								
6								
7								
8								
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Prepared By

Name:

Signature:

Date:

Signature of Branch Manager

Monitoring and Evaluation

Annex-38

Advisory to SRLMs on Baseline Survey

Context and Purpose

All SRLMs are required to commission baseline and two follow-up studies through independent agencies to assess the impact of the Mission. As part of ongoing technical support to SRLMs to commission baseline studies, a workshop was organized on 17.10.2014 at Delhi. Based on the discussions in the workshop, the following advisory is issued to guide all SRLMs in the conduct of baseline study. The advisory is to be read in conjunction with the sample EOIs, TORs and other guidance notes issued by the NRLM.

Positioning of State M&E Team

Before commissioning, baseline survey, each SRLM is required to ensure that a dedicated M&E team is in position at the SMMU level to facilitate conduct of baseline survey and to monitor its progress closely.

Constitution of Advisory Team

Each SRLM is also advised to set up an advisory team comprising senior Mission staff and some outside experts to advise, monitor and guide the baseline survey agency from time to time. The advisory committee could meet at fortnightly/ monthly intervals.

Outcome Areas and Indicators

Identification of outcome areas and quantitative and qualitative indicators to assess/track each expected outcome is an essential pre-requisite for baseline survey. All SRLMs are advised to conduct a multi stakeholder workshop on Results Framework of SRLM to identify household, member level and community institution (SHG and VO) level indicators which will be tracked by the baseline agency through appropriate methods and tools. A suggested list of outcome areas and indicators communicated to the SRLMs earlier is reproduced in ***Annex Table-38.1***.

Methodology, Sample Design and Tools

All SRLMs are advised to ensure that the baseline survey agencies adopt **double difference** method to capture changes in household level outcome indicators. This involves selection of **target** and **non-target** (control) **households** as well as **SHGs and VOs** for the study. For the selection of sample households and SHGs and VOs, the baseline agencies should be required to adopt a **multi-stage random sampling** method. Considering various factors, each SRLM is advised to select a sample of **7,500 to 10,000** households from both **treated** and **control** blocks. All SRLMs are required to ensure that core tools are prepared, field tested and used after approval by the Mission. Further details on the methodology, sample design and tools are furnished in ***Annex Table-38.2***.

Team Composition and Time Input

A core team comprising a full-time team leader (6 months), two full-time team members (6 months each), a part-time sampling expert as well as data analyst, is recommended. However, as the services for baseline studies are normally procured under lump sum contract method, the bidding agencies may project and use team leader and team members for shorter periods. Such agencies will be required to furnish detailed justification for such arrangement including the time tasks to be completed by each member. The SRLMs are required to ensure that at least one full-time member is available throughout the study for oversight and supervision and that the time inputs projected are adequate to complete the study as per the TOR and consistent with the quality norms. The field team requirements are summarized in ***Annex Table-38.3***.

Timeline

The baseline study is expected to be completed in 6 months from the date of commencement of the field worker training. However, considering the fact that field conditions could vary across the states, the SRLMs may allow an extension of not more than three months without any additional cost.

Quality Assurance of Field Survey

The M&E team of SRLM needs to work very closely with the agency to ensure that the entire survey is conducted as per agreed quality norms. The proportion of both

spot checking and **back checking** need to be specified in the contract clearly and the M&E team should ensure that the two types of checks are actually conducted and the findings from such checking are mainstreamed and reflected in the ongoing survey. In addition to the spot checks and back checks by the agency, the **M&E team should also undertake a certain proportion of checks** and the findings of such checks should be discussed with the field team. For this purpose, each SRLM is advised to make a small budgetary provision to undertake close monitoring of baseline survey.

Internal Cost Estimate

Making a realistic estimate of the cost of baseline study along with a suitable provision in the approved AAP would reduce the procurement time. The experience of Jharkhand, Maharashtra, Madhya Pradesh and Haryana which have commenced baseline studies suggests that the average cost per sample household is Rs.554/-. All the SRLMs are advised to make a realistic internal cost estimate of the proposed study and make suitable budgetary provision.

Procurement Time

The early experiences of states that have commissioned baseline studies reveal that there is a significant time delay at every stage of procurement ranging between 3 to 6 months. In order to complete the baseline studies without further delay, it is imperative that the procurement of agencies is completed within the shortest possible time, ideally in a span of 3 months from the date of issue of EOI.

(P.C. Bhaskar)
Assistant Director

Illustrative List of Areas to be Covered by the Livelihood Assessment Study¹²

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
1.	Household Income	<ul style="list-style-type: none"> ▪ Size and composition (by source) and stability/ volatility of household income ▪ Non-wage income, if any 	<ul style="list-style-type: none"> ▪ Contribution of women members to household income ▪ Contribution of children, if any
2.	Household Consumption	<ul style="list-style-type: none"> ▪ Household consumption and expenditure on food and non-food items (also as proxies for income) including expenditure on private health care and education ▪ Expenditure on household consumer durables and equipment, housing <i>etc.</i>, 	<ul style="list-style-type: none"> ▪ Unpaid/unaccounted work of women members ▪ Drudgery of women and equipment used if any to reduce drudgery
3.	Food Security	<ul style="list-style-type: none"> ▪ Household food security status – seasonal variations, access to PDS, methods adopted to overcome and cope with food insecurity 	<ul style="list-style-type: none"> ▪ Role of women in promoting food security of households ▪ Impact of food insecurity on women and children
4.	Health and Nutrition Status	<ul style="list-style-type: none"> ▪ Morbidity and mortality events in the recent past ▪ Nutritional status of members (anthropometric) ▪ Access to public health services ▪ Access to <i>Anganwadi</i> services 	<ul style="list-style-type: none"> ▪ Morbidity and mortality events among women and children ▪ Nutritional status of women and children including pregnant women and under-5 children ▪ Health and nutritional status of the aged and the

¹² The Mission states are advised to conduct a workshop with key professionals to identify key impact areas and indicators to be captured at the baseline. The consulting organization should be required to participate in such workshop

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
			disabled
5.	Household Savings and Investment	<ul style="list-style-type: none"> ▪ Household saving and investment (financial and physical) – size, form of savings and investments 	<ul style="list-style-type: none"> ▪ Share of women and children to household savings ▪ Contribution of women members to household saving and investment
6.	Household's Access to Credit	<ul style="list-style-type: none"> ▪ Household's financial literacy ▪ Household's access to credit from formal and non-formal sources, including MFIs, rates of interest, other repayment conditions including mortgages and collateral security ▪ Use of credit funds including use of credit funds for debt swapping ▪ Access to insurance 	<ul style="list-style-type: none"> ▪ Women's access to credit and role of women in use of credit funds ▪ Women's access to SHG credit and other funds
7.	Occupation and Employment	<ul style="list-style-type: none"> ▪ Educational and occupational profile of household members ▪ Access to self and wage employment opportunities including MGNREGS and skill training and placement support ▪ Wage rates and seasonal variations, non-wage benefits ▪ Migration including distress migration of household members 	<ul style="list-style-type: none"> ▪ Women's access to wage and self-employment opportunities and wage rates ▪ Migration undertaken by women members and its impact on children and the aged

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
8.	Asset Portfolio of Households	<ul style="list-style-type: none"> ▪ Asset portfolio of households – natural capital, physical capital, financial capital <i>etc.</i>, and enhancements made to livelihood assets in agriculture and other sectors 	<ul style="list-style-type: none"> ▪ Share of women in household assets/ assets legally owned by women
9.	Liabilities of Households	<ul style="list-style-type: none"> ▪ Debt portfolio of households – outstanding debt to formal and non-formal sources 	<ul style="list-style-type: none"> ▪ Liabilities/debt portfolio of women
10.	Risks and vulnerabilities	<ul style="list-style-type: none"> ▪ Individual/household level risk ▪ Community/covariant risk ▪ Access to risk mitigation mechanism (insurance) ▪ Access to social security pensions <i>etc.</i>, 	<ul style="list-style-type: none"> ▪ Access to social security pensions to women
Impact Areas - Household Level			
11.	Basic Amenities	<ul style="list-style-type: none"> ▪ Housing status – including homestead land, sanitary facilities, drinking water, fuel, electricity <i>etc.</i>, 	<ul style="list-style-type: none"> ▪ Ownership status of house property
12.	Awareness and Participation	<ul style="list-style-type: none"> ▪ Awareness levels of women on dynamics of poverty, rights and entitlements, public services and Mission processes and benefits ▪ Inclusiveness of the village level institutions in governance and delivery of services ▪ Role of women in household decision making ▪ Participation of poor 	<ul style="list-style-type: none"> ▪ Role of women in intra-household decision making ▪ Control of women over household resources ▪ Participation of women in community institutions and PRIs ▪ Participation of women in social activities ▪ Perceived well-being of women belonging to

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
		households in PRIs <ul style="list-style-type: none"> ▪ Empowerment of women 	different social groups
13.	Health and Nutrition Status	<ul style="list-style-type: none"> ▪ Morbidity and mortality events in the recent past, nutritional status of household members ▪ Access to public health and <i>Anganwadi</i> and mid-day meal services ▪ Health and nutrition issues of the aged and the disabled 	<ul style="list-style-type: none"> ▪ Health and nutritional status of women and children
14.	Women and Household Decision-making	<ul style="list-style-type: none"> ▪ Role of women in key household decisions – economic activities, health care and education of children, ownership and access to resources, self-choices, mobility 	
15.	Participation of Women in Institutions/ PRIs	<ul style="list-style-type: none"> ▪ Membership/leadership in CBOs and PRIs ▪ Participation in CBOs/PRIs ▪ Influence over decisions made by CBOs/PRIs ▪ Ability to identify, articulate and resolve issues 	
16.	Perceived Well-being	<ul style="list-style-type: none"> ▪ Quality of life <ul style="list-style-type: none"> - Women - The SCs and the STs and other vulnerable groups ▪ Empowerment of women 	
Community Institution Level			
17.	Village Level Institutions – Primary/	<ul style="list-style-type: none"> ▪ Inclusiveness of these institutions ▪ Transparency and 	<ul style="list-style-type: none"> ▪ Role/participation of women in the governance of these institutions

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
	Upper Primary Schools, PDS Outlet, <i>Anganwadi</i> Center, Gram <i>Panchayat</i> , Health Sub-Center, Primary Credit Cooperative <i>etc.</i> ,	<p>accountability of these institutions</p> <ul style="list-style-type: none"> ▪ Equity in the provision of services ▪ Role of poor in their management and governance 	<ul style="list-style-type: none"> ▪ Role of the SC, the ST and other marginalized communities in the governance of these institutions and the benefits received by them from these institutions
18.	Self-Reliance and Sustainability of SHGs	<ul style="list-style-type: none"> ▪ Financial and non-financial dimensions of self-reliance of SHGs ▪ Sustainability features of SHGs 	<ul style="list-style-type: none"> ▪ SHG's adherence to <i>Panch Sutras</i>, saving and inter- lending, SHG's access to credit and non-credit services, quality of bookkeeping, capacity building, SHG- federation relations ▪ Leadership, vision, financial base, recognition <i>etc.</i>,
19.	SHG Federations	<ul style="list-style-type: none"> ▪ Typology and functioning of federations 	<ul style="list-style-type: none"> ▪ Democratic functioning, financial management, leadership, sustainability features, role in the promotion of livelihoods of the poor <i>etc.</i>,

Methodology, Sample Design and Tools

All SRLMs are advised to ensure that the baseline survey agencies adopt **double difference** method to capture changes in household level outcome indicators. This involves selection of **target** and **non-target** (control) **households** as well as **SHGs and VOs** for the study. For the selection of sample households and SHGs and VOs, the baseline agencies should be required to adopt a **multi-stage random sampling** method. Considering various factors, each SRLM is advised to select a sample of **7,500 to 10,000** households from both **treated** and **control** blocks.

Determining Control Group

Both randomized and non-randomized methods can be adopted for selecting a valid control group. In the randomized approach, Mission blocks/beneficiary households are picked up by a lottery method to identify a control group. As this approach is not consistent with the Mission guidelines, use of **Propensity Score Matching (PSM)** method is recommended. Under this method, certain observable characteristics of each household in treated block are scored to match with a non-participant household from control area. The final score thus obtained is called the propensity score. Baseline data on treated and control groups can be used to calculate the propensity scores and judge the comparability. Once the blocks/households are identified as comparable, then the difference between two groups on key Mission outcomes at the midline and end line studies will reflect the impact.

Regression Discontinuity Design (RDD) is also used to identify control groups. RDD involves identification of a block/group of households that are very close to the cutoff point, if any used for the selection of Mission intensive blocks/households. This cutoff point (Say, for example poverty ratio in a block) is known as the discontinuity. But the adoption of RDD is justified only when the selection of blocks for the Mission intensive approach is based on objectively measurable parameters. As such, this method is not relevant to the conduct of baseline study of NRLM.

Multistage Sampling

The baseline agencies would be expected to draw their Mission and control sample from different socio-economic/cultural regions of the state. From each region, districts and treated blocks are to be selected first. For each treated block, a control block is to be identified from within the region (including district). It may be noted that if PSM is adopted, a larger control sample of blocks and households may be necessary to ensure comparability of the treated and control samples. Some control sample units may be dropped in the process of PSM. But if the sample is drawn carefully from representative strata, the size of the control sample could be equal to treated sample.

Selection of GPs/Villages

From each selected treated and control block, a representative number of GPs and later villages would have to be selected. The GPs and villages selected should be representative of the block and comparable with the control GPs and villages. It is possible to use PSM to identify the GPs and villages based on observable characteristics such as the proportion of the SC and the ST population, literacy rate or female literacy rate and such other parameters. Alternatively, one interior GP/village, one intermediate GP/village and one GP/ village closer to block headquarters could be selected (assuming the total number of GPs/village per block is 3).

Household Sample Size

Taking into account inter-state variation in the rural populations, the extent of implementation approach and the methodological issues, a total sample of **7,500 to 10,000 households** is suggested for each state. Further, the household sample from treated and control blocks could be equal. However, depending on the methodology adopted, the agencies may propose larger or smaller total household sample or variable sample sizes between the treated and control blocks with appropriate technical justification. It may be noted that a mere increase in the size of the sample may not improve the significance of the statistical estimates to be made.

SHG/VO Sample

From each sample GP/village, the agency may be required to study **two** randomly selected SHGs and one SHG subject to availability at the baseline. In addition, the agency would be expected to study each sample village with respect to its location, distance to block headquarters and different services and facilities (markets, health, education *etc.*), institutions in the village, key livelihoods, opportunities and constraints *etc.*

Approval of Sample Frame

The entire sample frame proposed by the agency needs to be approved by the SRLM, after checking its consistency with the TOR. Suitable changes can be made to the sample during technical negotiations preceding the contract.

Development, Pre-Testing and Validation of Tools

The baseline agency would be required to come up with appropriate tools to assess the baseline situation in the treated and control sample units. While there is no normative prescription here, the SRLMs should ensure that the following core tools are prepared, field tested and finalized in close coordination with the Mission:

- (i) a comprehensive household questionnaire (including modules for women);
- (ii) a village schedule;
- (iii) an SHG/VO schedule/FGD guide;
- (iv) key informant interview schedule for other stakeholders; and
- (v) any other tool or schedule prescribed by the Mission.

The SRLMs need to ensure that the tools designed actually track information on the desired outcomes. The SRLMs need to ensure that the questions incorporated in the tools are unambiguous, precise and as far as possible 'close ended'. The M&E team and other key staff should participate in the field testing and validate the tools. The questionnaires and tools should be translated into local language only after their validation and approval by the SRLM. The translated tools need to be back translated to ensure that the translation is appropriate.

Field Team

Size and Composition

The agency would be required to deploy a field team manager (for the duration of the field work and cleaning of data), adequate number of field team supervisors and enumerators as well as CRPs. The number of field supervisors and enumerators/CRPs should be decided on the basis of the size of the household sample, the number of tools used and the normal time required to collect information for each of them. An enumerator/CRP can administer 4 to 5 household questionnaires with multiple modules per day. A supervisor/enumerator would be able to complete one village schedule, 2 SHG/VO schedules and 1 or 2 key informant interviews per day.

Qualifications of Field Team

The enumerators must possess a minimum educational qualification of first degree (B.A./ B.Com./B.Sc. *etc.*), or an educational qualification of +2 with one or two years of experience in similar field surveys. However, CRPs with a qualification of 10th Class (school final) and possessing 2 to 3 years of experience can be considered. It is recommended that at least one-third of the total enumerators are selected from the CRP stream and each village team must have at least one CRP woman. Supervisors must possess a minimum qualification of first degree with a relevant field experience of 4 to 5 years. The representatives of the SRLMs may participate in the selection of the field supervisors, enumerators and CRPs. Ideally, the field team consists of 50% women members. It would also be necessary to ensure that all team members speak, read and write local language fluently. While selecting the field team, the agency would be advised to select at least 10% more in each category to facilitate replacement for attrition.

Training

The quality of field survey critically depends on the duration and quality of classroom and field training provided to the team. Apart from three-day classroom training, one week field training is recommended for all team members. As part of training, each team member should be guided to administering a minimum number of tools of each category and individually reviewed and analyzed. Following the field training, a workshop should be conducted to share the key findings of field training. It is recommended that the entire M&E team of the SRLM along with the representatives

of sample districts participate in the training of the field team (including CRPs) for the entire duration.

Field Team Payments

The quality of field team also depends on the wages/compensation paid to the members. While SRLM may not be able to directly control the wage payments, the agency may be advised to make reasonable payments to attract quality enumerators/CRPs and supervisors and to minimize attrition. As a non-wage incentive, the SRLM and the agency may jointly issue experience certificates to the team members on completion of survey.

Budgetary Provision for Monitoring

Each SRLM is advised to make a small budgetary provision to enable its teams to undertake close monitoring of the baseline survey as it progresses and to undertake certain percentage of sample checking of households and SHGs surveyed.

Method of Data Collection

The agency may adopt either pen and pencil method for data collection or a mini computer or a tablet for data collection. In case, a mini computer or a tablet is used, the agency must ensure that all investigators and supervisors are trained adequately in the operation of the mini laptops/tablets and take adequate precaution to ensure that the data collected is protected against all possible hazards.

Listing of Households

The agencies are required to undertake listing of households in each sample village, before sampling the households. Independent listing by the agency is the best method as it would provide an understanding of the size, social composition and geographical scatter of the village. However, if in any state, latest and reliable listing of households is available, they can be adopted after pilot testing in a couple of villages. Agencies which have indicated listing of households in costing, need to carry out independent listing of households in each sample village.

Transfer of Data

The agency should be advised to ensure that cleaned electronic dataset as well as the survey forms are transferred to the SRLM as per the TOR.

Annex-39

Terms of Reference : Baseline and Follow-up Studies for Assessment/Tracking of Rural Livelihoods in _____ State

Introduction

The Swarnjayanthi Gram Swarozgar Yojana (SGSY), a centrally sponsored programme of the Ministry of Rural Development (MORD), Government of India (GOI), has been restructured and implemented as National Rural Livelihoods Mission (NRLM) since FY 2010-11. The central objective of the NRLM is to eliminate rural poverty through innovative implementation strategies involving mobilization and organization of the rural poor and their financial and economic inclusion. The NRLM is implemented on a cost sharing basis between the Center and the States in the ratio of 75:25. In respect of the North-Eastern States, the cost is shared between the Center and the States in the ratio of 90:10. The inter-state distribution of NRLM funds, however, is based on the relative rural poverty ratios of the states as determined by the Planning Commission. In order to augment the resources required for implementation of NRLM in certain high poverty States (13) with special problems, the GOI has entered into an agreement with the World Bank (IDA credit) for an assistance equal to USD 1.00 billion over XII Plan period, which has now been scaled down to USD 500 Million with the closing date extended up to 31 December, 2017. This part of the NRLM that has been implemented with the support of the World Bank in select states, districts and blocks is called National Rural Livelihoods Project (NRLP). But in terms of strategy and components, NRLP falls under the overall ambit of NRLM.

Objectives, Strategy and Components of the Mission

The central objective of the Mission is to bring about increase in the household incomes of the rural poor through sustained livelihood enhancements and improved access to financial and non-financial services. The Mission aims at creating efficient and effective institutional platforms of the poor as mediating institutions.

The three key inter-related components of the Mission are: (i) social inclusion; (ii) financial inclusion; and (iii) economic inclusion. The three components are posited on the Community Based Organizations (CBOs) of the poor, which if promoted, capacitated, nurtured and funded initially, are expected to promote and sustain livelihoods of the rural poor. Thus, the NRLM aims at mobilizing all the rural poor

households into SHGs and their federations viz., Village Organizations, Cluster/Block Level Federations and use these institutional platforms to promote the livelihoods of the poor. The Mission seeks to promote access of the CBOs of the poor to financial and technical services as well as economic support services and enable them to diversify and improve their livelihoods. Towards this end, the Mission intends to promote organic financial and non-financial relations between the SHGs and their federations. In addition, the poor would be facilitated to achieve increased access to their rights, entitlements and public services, diversified risk and better social indicators of empowerment. The NRLM also aims at harnessing the innate capabilities of the poor and seeks to complement them with their capacities (information, knowledge, skills, tools, finance and collectivization) to deal with the rapidly changing external world. The NRLM has mandate to reach out to 70 million poor households, across 600 districts and 6,000 blocks over a period of 8 to 10 years in the country. The conceptual framework of NRLM is depicted in **Annex Fig.39.1**.

Implementation Architecture

At the national level, the Mission is implemented by a specially created National Mission Management Unit (NMMU) comprising several thematic groups and professional experts, under the Rural Livelihoods (RL) Division of the MORD. As part of transiting to NRLM, the state governments are required to establish special purpose vehicles in the form of autonomous and empowered State Rural Livelihoods Mission (SRLM) Societies at the state level. As part of rolling-out SRLM, the states are required to:

- (i) set-up governance and accountability systems;
- (ii) establish dedicated Mission implementation units at the State (SMMU), District (DMMU), Block (BMMU) and Sub-Block Units (Cluster Level);
- (iii) recruit, induct, train and position multidisciplinary professionals at all levels; and
- (iv) establish adequate management, finance, procurement, MIS and M&E systems.

Phased Implementation

A critical first step in the process of implementation is the development of **resource/intensive blocks**, as *proof of concept* and *live workable* models on the ground with the support of Community Resource Persons (CRPs) drawn from the

states which have successfully implemented similar models or internal resource persons identified from the successful home grown models. Thus, each state transiting to NRLM is required to focus on the development of resource/intensive blocks, particularly, during the first 18 to 24 months and generate the required social capital in the form of internal CRPs to implement intensive strategies in the rest of the state. The phased approach implies simultaneous implementation of NRLM resource/intensive strategies in some blocks coupled with the implementation of non-intensive strategies in others. However, at the block level, there will be no overlapping coverage of both intensive and non-intensive approaches.

Status of NRLM in _____ State

The state of _____ transited to NRLM in _____ (month and year) after fulfilling the conditions laid down for this purpose. A state level autonomous society has been established and designated as _____ SRLM. The state government has approved establishment of Mission architecture at SMMU, DMMU and BMMU levels. The government has permitted recruitment of professional staff at all levels. Management, finance, procurement and other systems have been established as per the guidelines of NRLM. The state Mission has implemented Annual Action Plan (AAP) for FY _____ and FY _____ and incurred an expenditure of Rs. _____ Crores and Rs. _____ Crores respectively during these years. The state Mission has entered into a partnership with the Society for Elimination of Rural Poverty (SERP)/Bihar Rural Livelihoods Mission/Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP), a National Resource Organization to implement the resource block strategy in the state and _____. Up to June 2013, the Mission has mobilized _____ households into _____ new SHGs, besides reviving and strengthening _____ pre-existing SHGs scattered over _____ blocks of _____ districts. Eventually, the Mission will be implemented in _____ villages, _____ of gram *Panchayats*, scattered over _____ blocks of _____ districts in the state covering _____ poor households. The progress of the state Mission is summarized in **Annex Table-39.1**. The key outcomes expected of the NRLM in the state of _____ are summarized in **Annex Table-39.2**.

Purpose of the Study

The Mission aims at bringing about sustained improvement in the incomes, livelihoods, well-being and empowerment status of the rural poor targeted. Only a

scientific survey of empanelled households, drawn from the Mission and non-Mission areas, and undertaken at different points of time (tracking survey) would be able to establish the 'net' contribution of the Mission to the changing livelihoods and well-being status of the rural poor and the factors and processes accounting for such changes. The _____ state Mission has therefore decided to commission an independent inter-temporal/longitudinal study to assess the livelihoods of the rural poor at the baseline and two follow-up stages, with a gap of 2 years between any two stages. Thus, the study would cover not only the households directly targeted by the Mission but also the households outside it. Each household/other units (if any) empanelled at the baseline, in both Mission and non-Mission areas (non-intensive blocks), will be revisited at the two follow-up stages to track changes in the livelihood outcomes envisaged. Further, since the livelihood outcomes would depend on a number of factors, some within the control of the Mission and some outside, the study would have to segregate the contribution of Mission from non-Mission interventions. Finally, the data collected as part of the survey should allow for the measurement of the impact of the Mission on key socio-economic parameters (using techniques such as *propensity score matching*).

Scope of the Study

As the central purpose of the study is to assess the contribution of the Mission to the livelihoods of the rural poor mediated through efficient and sustainable institutions of the poor, key impact areas need to be explored and evidence based information provided. The areas include:

- (i) size, composition and stability household income;
- (ii) household consumption including consumption expenditure on health and education;
- (iii) size and composition of household savings;
- (iv) access to institutional and other sources of credit and their terms and conditions;
- (v) wage and self-employment opportunities and patterns;
- (vi) food security status;
- (vii) health and nutrition status of household members;
- (viii) access of household/members to entitlements;
- (ix) household livelihood assets and liabilities;
- (x) risks and vulnerabilities of households; and
- (xi) participation of households in PRIs.

In addition, the study should bring out key features of SHGs and their federations including their:

- (i) inclusiveness;
- (ii) governance and accountability features and practices;
- (iii) functional effectiveness;
- (iv) credit/financial and non-financial intermediation facilitated including role played in promoting the livelihoods of the members;
- (v) financial and managerial self-reliance;
- (vi) sustainability features;
- (vii) relationship with federations and federating units;
- (viii) relationship with PRIs; and
- (ix) such other issues.

Further, the study should track changes in the:

- (i) levels of awareness of members on their socio-economic reality and poverty situation, rights and entitlements, and Mission interventions and processes;
- (ii) intra-household decision-making and control over the resources;
- (iii) participation in the community level social and political activities including participation in PRIs;
- (iv) levels of empowerment;
- (v) solidarity among members and their commitment to the vulnerable and marginalized; and
- (vi) perceived changes in the well-being status.

An illustrative list of potential areas that should be explored as part of the livelihood assessment study is presented in ***Annex Table-39.3***.

Methodology and Sample Design

The objective of the study is to track changes in the livelihood status of the households targeted by the Mission at three points of time. As such, the baseline and two follow-up studies should be so designed as to effectively capture the changes in the livelihood status of the targeted households not only over time, but also in comparison with similar households not targeted by the Mission (double difference method). However, it would be difficult to identify ‘*non-target*’ (control)

households as the state Mission is expected to implement interventions for all rural poor households in the state, in a phased manner. However, given the phased approach adopted by the state Mission, it is possible to divide the districts and blocks into '*intensive*' and '*non-intensive*' categories. Households located in the intensive blocks/villages are expected to receive all benefits envisaged under the Mission over a period of time. Households in the non-intensive blocks, however, do not receive all benefits envisaged under the Mission. Thus, the two categories of households differ in terms of the range of financial and non-financial Mission benefits provided. However, all blocks and poor households would eventually become part of the Mission and entitled to receive the Mission benefits over a period of 8 to 10 years. Thus, on the basis of the phasing plan adopted by the state Mission, the _____ blocks (and districts) have been identified as '*treated*' (Mission intensive) and '*control*' (Non-intensive) areas from which villages and later households would be selected for the panel study. The households selected and empanelled at the baseline would be revisited at the two subsequent stages to assess the changes in the livelihoods of the poor. The sampling expert of the consultant firm is expected to work closely with the state Mission to identify the '*treated*' and '*control*' blocks (districts), villages and households. The '*control*' blocks would be chosen from those blocks (districts) which will be recruited into the intensive mode in the 6th or 7th year of the Mission. It is important to note that both the treated and control blocks (districts) are drawn from different agro-climatic/historical zones of the state such that the sample is representative of the potential state universe. It may be noted that if a sample '*treated*' block is chosen from one region, the '*control*' or '*counterfactual*' block should also be chosen from the same region.

Further, to avoid externalities, '*treated*' and '*control blocks*' should not be selected from the same district. Similarly, while selecting the treated villages for the baseline, care should be taken to avoid identification of villages in which intensive work has already progressed significantly. The consultant shall adhere to other normative principles of sampling villages and households to avoid judgmental/sampling errors. The consultant would adhere to the common sampling principles such as: (i) no two adjacent villages from the same *Gram Panchayat* would be selected for the sample; (ii) no two adjacent *gram Panchayats* would be selected in the same block; and (iii) villages from different areas in a block would be given equal chance of getting sampled.

Regarding the relative size-distribution of blocks (districts), villages and households from the treated and control categories, two alternatives exist. First, the size of treated and control sample could be equal. Alternatively, the size of treated sample could be relatively larger. However, the minimum size of the control sample should not be less than one-third of the total sample, such that the statistical estimates are comparable. However, when the relative treated and control samples are not of equal size, suitable statistical estimates should be made to comparison between the 'treatment' and 'control' areas. The state strongly recommends the use of equal size of treated and control samples. The Mission also recommends selection of a household sample size which is a representative of different geographies and large enough to provide statistically significant estimates of major outcome variables. Further, the sample size should be optimum enough to facilitate application of propensity scoring or other econometric techniques to evaluate the impact of the Mission. The consulting organization will deploy a sampling expert who will work closely with the state Mission to recommend a suitable sample of blocks, gram *Panchayats*, villages and households for the study.

As part of the study, a sample set of village level community institutions, including SHGs and their federations and livelihood collectives, will be identified and studied. The consulting organization will work closely with the state Mission to identify an appropriate sample of such institutions. An indicative sample is provided in the **Table-39.1**. However, depending on the state context, the number could be suitably changed. It is important, however, to select functioning SHGs and federations at the baseline for the study. The states may also include other village level institutions such as the *Anganwadi* center, PDS outlet, elementary/upper primary school, health sub-center, primary agricultural credit cooperative and *Gram Panchayat* to assess the extent to which these institutions benefit the households.

Table-39.1
Indicative Sample Size : Maharashtra (for Illustrative Purpose)

S. No.	Sampling Unit	Mission Intensive/ Resource Areas	Non-Intensive Areas	Total
1.	Household Sample			
1.	Districts	10	10	20
2.	Blocks	20	20	40
3.	Gram <i>Panchayats</i>	40	40	80
4.	Villages/Habitations	80	80	160

5.	Households	2,400	2,400	4,800
II. Community Institution Sample				
1.	SHGs	240	240	480
2.	SHG Federations/VOs*	40	40	80
3.	Cluster Federations*	20	20	40
4.	Other Federations*/ Collectives	20	20	40

*Note: * some states may have federations at the baseline itself, while in others they are likely to emerge gradually. While selecting the sample of federations, the states need to take into account the situation in the sample blocks.*

Scope of Survey

The selected consultant firm would be expected to undertake: (i) data collection from sample households, community institutions and others; (ii) data entry and management; (iii) analysis of data; and (iv) preparation and presentation of report. The state Mission desires that the consultant firm undertakes all the four inter-related tasks. However, the consultant firm may partner with any suitable survey firm to undertake task-1 and task-2 viz., data collection from sample households, community institutions and others and data entry and management. But such partnership arrangements should be explicitly stated in the proposal and the profile of the survey firm should be furnished along with the proposal. The design, translation and testing and finalization of the survey tools, however, shall be the responsibility of the principal consultant firm. The responsibility for managing the survey firm and for monitoring its work shall rest with the consultant firm. The task of identifying and hiring the services of a suitable sampling expert shall also be the responsibility of the consultant firm.

The selected firm shall be responsible for the four tasks indicated above either directly or in partnership with survey firm/data entry agency. These tasks would involve the following key activities:

- **Preparatory Arrangements:** Agreement with the state Mission on the dates of survey, movement plan, logistic support, deployment of key staff and other arrangements;
- **Agreement on Core Survey Modules:** Agreement with the state Mission on the core modules to be included in the household and other surveys (covering modules on socio-economic features, household economy, consumption, savings, expenditures, access to basic services, assets and liabilities, livelihood asset portfolio, debts/liabilities, participation in SHGs, participation in community level social/political work etc.);
- **Translation and Pre-Testing:** Preparation, translation (including back translation), pre-testing and revision of survey instruments/tools for the households, community institutions and other respondents;
- **Recruitment and Training of Field Staff:** Recruitment, orientation and field training of enumerators and supervisors;
- **Sample Selection:** Selection of sample blocks, GPs and villages and finalization of procedure for sampling households and community institutions with the support of a sampling expert;

- **Listing of Households:** Listing of households in sample villages if such lists are not readily available;
- **Household Data Collection:** Collection of data from treatment and control groups with appropriate supervisory and quality control mechanisms;
- **Collection of Data from Community Institutions:** Collection of data from community institutions using the pre-tested survey forms from identified institutions, if necessary after listing such institutions;
- **Village Surveys:** Collection of data using village survey forms through pre-tested and revised tools including focus group guides/key informant checklists; and
- **Data Cleaning and Entry:** Data cleaning and data entry using pre-agreed software with appropriate accuracy checks;
- **Data Analysis:** Analysis of data using SPSS/SAS (for quantitative analysis) and atlas-ti (for qualitative analysis);
- **Interim Reports:** preparation of interim reports based on preliminary findings;
- **Concurrent Feedback:** Concurrent feedback on key issues observed during the survey and that may have implications for the programme design and implementation processes;
- **Draft Reports:** Preparation of draft reports and presentations;
- **Final Reports:** Preparation of final reports and presentations; and
- **Data Transfer:** Transfer of electronic data sets and filled-in survey forms.

Duration of Consultancy

The duration of baseline study is 6/8 months from the date of contract. The final report along with the complete dataset (double entered) shall be submitted within the stipulated 6/8 month period¹³.

The first follow-up survey could begin two years and six months after the commencement of the baseline survey. The second follow-up could start two years and six months after the commencement of the first follow-up survey. In case, the Mission decides to entrust the follow-up surveys also to the same consulting

¹³ The two follow-up surveys will also have a 6/8 month duration each. However, the state Missions are advised to take a decision on procuring the services of the consulting organization for all the three surveys at the baseline stage itself or to seek fresh proposals after completion of each round/study. If the state Mission decides to procure the services of a consulting organization for the three surveys, then the bidder organizations may be required to submit three financial proposals separately for baseline and the two follow-up surveys. For understanding the procurement implications of both the decisions, the Missions are advised to contact *Mr. Amit Sethi*, Procurement Expert, NMMU.

organization, it would be necessary to evaluate its performance at each stage before contracting its services. The renewal of the contract for two follow-up surveys is also subject to the consultant firm ensuring deployment of the size and expertise composition of the core team and the field teams as agreed upon. The firm shall be obligated to submit along with the final reports, complete dataset with matched households from three rounds. A substantial effort must be made by the firm to ensure that all respondents are tracked as effectively as possible to minimize attrition of households in the follow-up surveys. In any case, the attrition should not be more than 5% of the total sample across three rounds. The consulting organization should come up with a clear strategy to address the problem of attrition in the recruited households with suitable replenishment.

Key Qualifications and Experience of the Consultant

The consultant firm should have the following experience and qualifications.

- a. The consultant firm should have a successful track record of designing and completing evaluations of nation-wide/inter-state/state-wide development projects funded by international funding agencies/GOI or State governments or their agencies/ international NGOs/ corporate sector.
- b. Organization must have a substantial research infrastructure to support field-based data collection, electronic archiving of the data ensuring highest-level of confidentiality for research subjects as well as high validity of responses.
- c. The bidder firm must have completed at least 3 large monitoring and evaluation studies or research studies or studies of similar nature involving fairly large samples during similar baseline survey/follow-up studies, during the last 3 years.
- d. The consultant firm should have an annual minimum turnover of Rs.1.00 crore during each of the last 3 years and at least 50% of the turnover must have accrued from monitoring and evaluation projects/research studies/ studies of similar nature.

The consultant firm should be able to deploy the following core team exclusively for the baseline and two follow-up studies, clearly indicating the time commitment of each member for the studies. The CVs of the core team members will be evaluated as part of the evaluation of the technical proposal.

S. No.	Position in Core Team	Area of Expertise Required	Minimum Qualifications & Professional Experience desired
1.	Team Leader	Monitoring and evaluation of rural development projects, poverty studies	Ph.D. in Economics/Rural Management/Social Science with over 15 years of experiencing in conducting M&E studies, poverty studies, field surveys, research, action research <i>etc.</i> ,
2.	Sampling Specialist	Statistics, sampling theory	Ph.D. in Statistics/Mathematics/ Rural Management/ Econometrics with 10 years of experience in providing technical advice on sampling, estimation, design of surveys <i>etc.</i> ,
3.	Team Members (2)	Design of surveys, design of survey and qualitative tools, management and implementation of large surveys, data management and analysis, preparation of reports	P.G. in Rural Management/ Economics/Social Work/Other Social Sciences with at least 10 years of experience
4.	Programmer/ Data Analyst	Developing/customizing data entry software such as CS Pro, development of data entry forms/ management of database/ analysis of data using SPSS/ STATA / Atlas.ti and generation of tables and graphics	Degree in Software Programming with at least 8 years of experience in development of data formats, database design and generation of reports for social research
5.	Field Survey Manager	Planning and supervision of field work, field data cleaning/editing	P.G. in Social Sciences/Management with 5 years of experience in supervising and managing field surveys

In addition to the core team indicated above, the consultant firm should deploy adequate number of field survey supervisors, enumerators and data entry staff required to complete the study within the stipulated period. As the key respondents of the survey are women members of SHGs, it is important to deploy persons as enumerators and supervisors who are sensitized to issues of feminization of poverty and the socio-economic dynamics of rural poverty with whom the respondents can interact freely and fully. It is desirable therefore that the majority of field staff are women. It is equally important to orient the enumerators to the Mission strategy and components.

Key Activities and Deliverables

The consultant firm shall perform the following key activities and deliver the outputs against the timeline suggested:

S. No.	Key Activity/ Deliverable	Details	Weeks from Date of Contract
1.	Inception Report/ Work Plan Approved by the Mission	<ul style="list-style-type: none"> ▪ Detailed work plan using a Gnat chart for all key activities, clearly indicating responsibility and timeline, details of the core team and field teams being deployed, training and logistic arrangements made <i>etc.</i>, 	<ul style="list-style-type: none"> ▪ 2
2.	Approved Sampling Plan	<ul style="list-style-type: none"> ▪ Detailed document on the methodology adopted for sampling, methodology used to construct weights and such other details 	<ul style="list-style-type: none"> ▪ 4
3.	Survey Instruments and Survey Plan	<ul style="list-style-type: none"> ▪ All questionnaires and data collection instruments including coding guides, interviewer and supervisor manuals and data entry manual, translation and back translation, skip patterns, coding open ended questions <i>etc.</i>, ▪ Guidance note on survey implementation, implementation plan ▪ Training modules for enumerators and supervisors ▪ Detailed survey implementation plan including movement and field procedure plan for the survey teams 	<ul style="list-style-type: none"> ▪ 6

S. No.	Key Activity/Deliverable	Details	Weeks from Date of Contract
4.	Data Entry Plan	<ul style="list-style-type: none"> ▪ Details of data entry plan using CS Pro or any other suitable program that is compatible with SPSS/SAS/STATA along with a plan for double entry system (to be test demonstrated) 	<ul style="list-style-type: none"> ▪ 6
5.	Details of Core Team and Field Teams	<ul style="list-style-type: none"> ▪ Details of core team, survey/field team members, data entry/management persons recruited and trained/to be trained as per the agreed norms, along with their CVs and details of availability 	<ul style="list-style-type: none"> ▪ 6
6.	Field Manuals /Guides	<ul style="list-style-type: none"> ▪ Report on training of field teams, training modules used, field manuals and implementation of orientation and field training and post-training evaluation of field teams 	<ul style="list-style-type: none"> ▪ 7
7.	Report on Field Pilot Testing	<ul style="list-style-type: none"> ▪ Report on process and results of pilot testing of all instruments and tools and the revisions made to them 	<ul style="list-style-type: none"> ▪ 8
8.	Monthly Progress Reports	<ul style="list-style-type: none"> ▪ Brief monthly progress reports on progress of field work indicating coverage of districts, blocks, households and community institutions 	<ul style="list-style-type: none"> ▪ 12, 16, 18
9.	Field Work Completion Reports	<ul style="list-style-type: none"> ▪ Report on completion of field work as per the sample plan approved 	<ul style="list-style-type: none"> ▪ 19
10.	Report on Database	<ul style="list-style-type: none"> ▪ Detailed report on progress of data cleaning and entry along with compiled database of all the completed data including listing of data, household data, village data <i>etc.</i>, which would facilitate seamless dataset integration 	<ul style="list-style-type: none"> ▪ 20
11.	Draft Baseline Report	<ul style="list-style-type: none"> ▪ Draft report on baseline/mid-line/follow-up1/follow-up2 studies along with complete set of data in an electronic form ▪ Presentation on key findings 	<ul style="list-style-type: none"> ▪ 22
12.	Revised	<ul style="list-style-type: none"> ▪ Revised report on baseline/follow-up 	<ul style="list-style-type: none"> ▪ 24

S. No.	Key Activity/ Deliverable	Details	Weeks from Date of Contract
	Report	studies incorporating feedback from the Mission along with final data set in electronic and physical form <ul style="list-style-type: none"> ▪ Final presentation on key findings 	

Services to be Provided by the Client

The state Mission would continuously supervise the assignment and facilitate conduct of the surveys. The Mission would facilitate sharing of information by SMMU, DMMU, and BMMUs with the consultants. The Mission would also ensure provision of logistic support for smooth conduct of field surveys. All Mission documents, including MIS, which are not in the nature of classified documents, will be made available to the consultant on request. The Mission M&E team will also facilitate interviews with the key staff, on prior appointment. However, the consultant will be responsible for all study related travel including field travel and food and accommodation for the field staff throughout the contract. The consultant should also provide regular feedback about progress and status of survey, issues therein and inputs on the basis of field assessment, as and when available.

Review Committee to Monitor Consultant’s Works

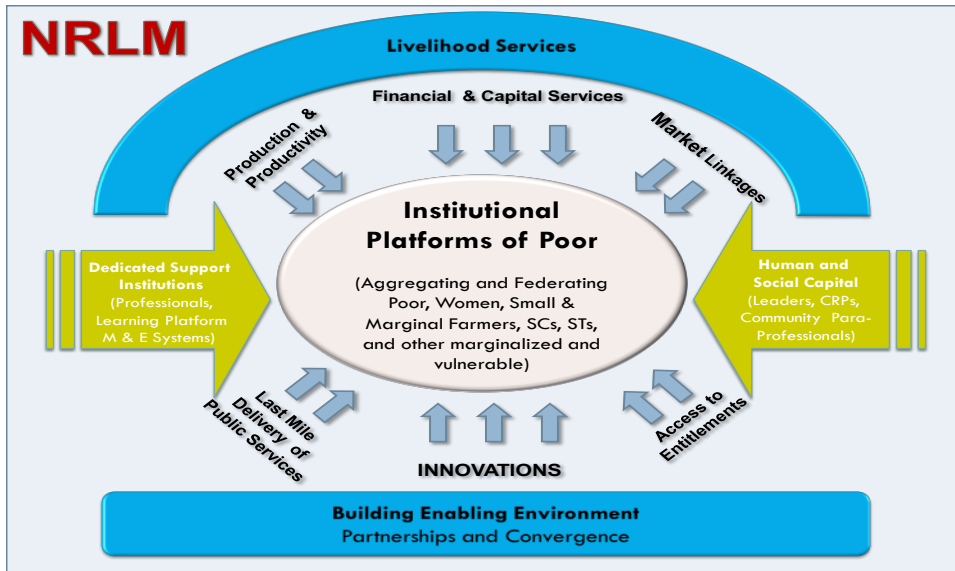
The CEO of the Mission or an Officer designated by him shall be responsible for reviewing and monitoring the progress of the consultant’s work and the deliverables. The state Mission may also constitute a review/steering committee to monitor the progress of the consultants and hold consultations with the firm. The CEO or his nominee will act as the Chairperson of such a committee which could include external experts nominated by him. The committee may also seek comments and inputs on the consultant’s work from the domain experts at NMMU, MORD or the World Bank program staff. The CEO may convene meetings of the review committee at occasional intervals and seek its opinion and comments on the deliverables of the consultant and forward all such comments to the consultants for appropriate changes in the reports.

Ownership of Data and Reports

The state Mission shall be the owner of the outputs and other deliverables of the consultancy. The consultant will have no right of claim to the assignment or its

outputs. Any report/document/material produced as part of these assignments shall be deemed to be the property of the state Mission funding the assignment and the consultant will not have any claim over such outputs and will not use or reproduce the contents of the documents without the explicit written permission of the state Mission.

Annex Fig.-39.1
Conceptual Framework of NRLM



Annex Table-39.1
Progress of NRLM in the State

S. No.	Parameter	Approved as per AAP 2013-14	Status as at the End of _____ 2013	Remarks
1.	SMMU Professional Staff			
2.	Resource/Intensive Districts			
3.	Resource/Intensive Blocks			
4.	Non-Intensive Districts			
5.	Non-Intensive Blocks			
6.	DMMU Professional Staff			
7.	BMMU Professional Staff			
8.	Sub-Block/Cluster Level Professional Staff			
9.	Number of Resource/Intensive Blocks in Progress			
10.	Number of CRP Rounds Completed			
11.	Number of Villages Covered by CRPs			
12.	Number of New SHGs Promoted			
13.	Number of Pre-Existing SHGs Revived and Strengthened/Trained			
14.	Amount of CIF Disbursed			
15.	Number of HHs brought into SHG Network			
16.	Other Parameters			

Key Outcomes of NRLM : _____ State¹⁴

¹⁴ The state Mission may conduct a workshop with key SMMU and DMMU professionals to identify key outcomes of the Mission on the basis of the state Mission log-frame and AAPs.

Illustrative List of Areas to be Covered by the Livelihood Assessment Study¹⁵

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
1.	Household Income	<ul style="list-style-type: none"> Size and composition (source) and stability/volatility of household income 	<ul style="list-style-type: none"> Contribution of women members to household income
2.	Household Consumption	<ul style="list-style-type: none"> Household consumption and expenditure (also as proxies for income) including expenditure on private health care and education Household gadgets and equipment, housing <i>etc.</i>, 	<ul style="list-style-type: none"> Unpaid/unaccounted work of women members Drudgery of women and equipment used if any to reduce drudgery
3.	Food Security	<ul style="list-style-type: none"> Household food security status – seasonal variations, access to PDS, methods adopted to overcome food insecurity 	<ul style="list-style-type: none"> Role of women in promoting food security of households Impact of food insecurity on women and children
4.	Health and Nutrition Status	<ul style="list-style-type: none"> Morbidity and mortality events in the recent past Nutritional status of members (anthropometric) Access to public health services Access to <i>Anganwadi</i> services 	<ul style="list-style-type: none"> Morbidity and mortality events among women and children Nutritional status of women and children including pregnant women and under-5 children Health and nutritional status of the aged and the disabled
5.	Household Savings and Investment	<ul style="list-style-type: none"> Household saving and investment (financial and physical) 	<ul style="list-style-type: none"> Share of women and children in household consumption expenditure Contribution of women

¹⁵ The Mission states are advised to conduct a workshop with key professionals to identify key impact areas and indicators to be captured at the baseline. The consulting organization should be required to participate in such workshop

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
			members to household saving and investment
6.	Household's Access to Credit	<ul style="list-style-type: none"> ▪ Household's access to credit from formal and non-formal sources, including MFIs, rates of interest, other repayment conditions including mortgages and collateral security ▪ Use of credit funds including use of credit funds for debt swapping 	<ul style="list-style-type: none"> ▪ Women's access to credit and role of women in use of credit funds ▪ Women's access to SHG credit and other funds
7.	Occupation and Employment	<ul style="list-style-type: none"> ▪ Educational and occupational profile of household members ▪ Access to self and wage employment opportunities including MGNREGS and skill training and placement support ▪ Wage rates and seasonal variations, non-wage benefits ▪ Migration including distress migration of household members 	<ul style="list-style-type: none"> ▪ Women's access to wage and self-employment opportunities and wage rates ▪ Migration undertaken by women members and its impact on children and the aged
8.	Asset Portfolio of Households	<ul style="list-style-type: none"> ▪ Asset portfolio of households – natural capital, physical capital, financial capital <i>etc.</i>, and enhancements made to livelihood assets in agriculture and other sectors 	<ul style="list-style-type: none"> ▪ Share of women in household assets/ assets legally owned by women
9.	Liabilities of	<ul style="list-style-type: none"> ▪ Debt portfolio of households 	<ul style="list-style-type: none"> ▪ Liabilities/debt portfolio of

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
	Households	– outstanding debt to formal and non-formal sources	women
10.	Basic Amenities	<ul style="list-style-type: none"> ▪ Housing status – including homestead land, sanitary facilities, drinking water, fuel, electricity <i>etc.</i>, 	<ul style="list-style-type: none"> ▪ Ownership status of house property
11.	Awareness and Participation	<ul style="list-style-type: none"> ▪ Awareness levels of women on dynamics of poverty, rights and entitlements, public services and Mission processes and benefits ▪ Inclusiveness of the village level institutions in governance and delivery of services ▪ Role of women in household decision making ▪ Participation of poor households in PRIs ▪ Empowerment of women 	<ul style="list-style-type: none"> ▪ Role of women in intra-household decision making ▪ Control of women over household resources ▪ Participation of women in community institutions and PRIs ▪ Participation of women in social activities ▪ Perceived well-being of women belonging to different social groups
Community Institution Level			
12.	Village Level Institutions – Primary/ Upper Primary Schools, PDS Outlet, <i>Anganwadi</i> Center, Gram <i>Panchayat</i> , Health Sub-	<ul style="list-style-type: none"> ▪ Inclusiveness of these institutions ▪ Transparency and accountability of these institutions ▪ Equity in the provision of services ▪ Role of poor in their management and governance 	<ul style="list-style-type: none"> ▪ Role/participation of women in the governance of these institutions ▪ Role of the SC, the ST and other marginalized communities in the governance of these institutions and the benefits received by them from these institutions

S. No.	Level and Area	Parameter	Additional Parameters/ Remarks
	Center, Primary Credit Cooperative <i>etc.</i> ,		
13.	Self-Reliance and Sustainability of SHGs	<ul style="list-style-type: none"> ▪ Financial and non-financial dimensions of self-reliance of SHGs ▪ Sustainability features of SHGs 	<ul style="list-style-type: none"> ▪ SHG's adherence to <i>Panch Sutras</i>, saving and inter-lending, SHG's access to credit and non-credit services, quality of bookkeeping, capacity building, SHG- federation relations ▪ Leadership, vision, financial base, recognition <i>etc.</i>,
14.	SHG Federations	<ul style="list-style-type: none"> ▪ Typology and functioning of federations 	<ul style="list-style-type: none"> ▪ Democratic functioning, financial management, leadership, sustainability features, role in the promotion of livelihoods of the poor <i>etc.</i>,

Annex-40
Terms of Reference
Process Monitoring of NRLM in North-Western and North-Eastern States

Introduction

The Ministry of Rural Development (MORD), Government of India (GOI) has been implementing National Rural Livelihoods Mission (NRLM) since June, 2011, after restructuring Swarnjayanti Gram Swarozgari Yojana (SGSY). The central objective of the Mission is to eliminate rural poverty through innovative implementation strategies involving mobilization and organization of the rural poor and building their financial and economic inclusion. The NRLM is implemented on a cost sharing basis between the Center and the States. In order to augment the resources required for implementation of NRLM in certain poverty stricken States (13) Districts (103) and blocks (400), the GOI has entered into an agreement with the World Bank (IDA credit) for an assistance equal to USD 1.00 billion over XII Plan period as National Rural Livelihoods Project (NRLP), which has since been restructured and scaled-down to USD 500 million.

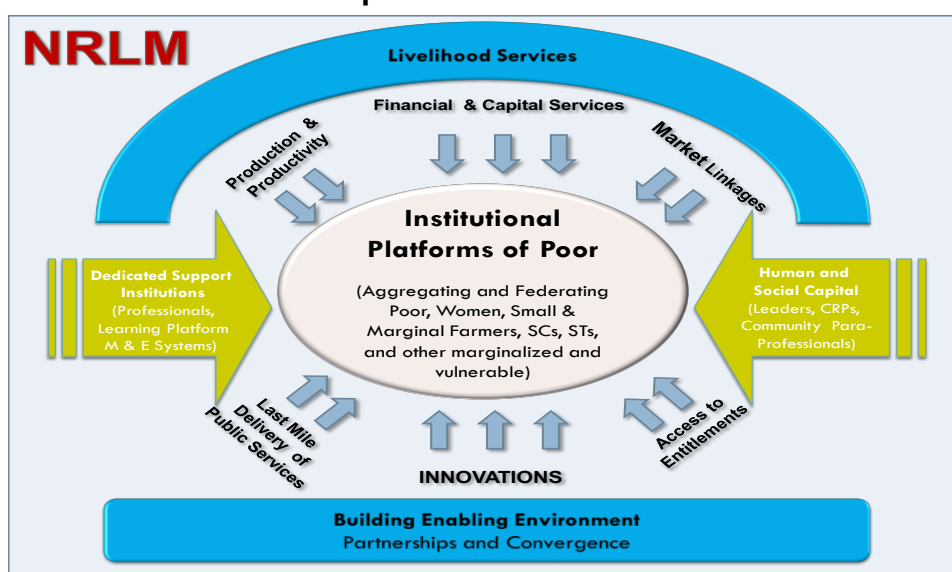
Implementation Structure

At the national level, the Mission is implemented by a National Mission Management Unit (NMMU) comprising several thematic groups and professional experts, under the MORD. As part of transition to NRLM, the state governments are required to establish an autonomous and empowered State Rural Livelihoods Mission (SRLM) at the state level. As part of rolling-out SRLM, the states are required to set-up dedicated Mission Implementation Units at the State (SMMU), District (DMMU) and Sub-Districts Units like Block (BMMU) or Project Facilitation Team at Cluster Level. As NRLM is designed to promote certain new strategies requiring intensive application of financial, social capital and human resources, a phased expansion approach has been adopted. The phased implementation implies following a two track approach i.e., intensive and non-intensive strategies of NRLM. While NRLP is to be implemented on the basis of an intensive strategy, NRLM is being implemented intensively in select blocks in a phased manner. Eventually, the intensive approach will be adopted in all districts and blocks of the 29 Mission states.

Strategy, Objectives and Components

The cornerstone of NRLM strategy is the creation of Community Based Organizations of the poor, which if capacitated, nurtured and funded initially, will promote and sustain improved livelihoods for the poor. Thus, the NRLM aims at mobilizing all the rural poor households into SHGs and their higher level federations viz., Village Organizations, Cluster/ Block Level Federations and use the institutional platforms so created to promote their livelihoods. The Mission seeks to promote access of the CBOs of the poor to financial and technical services as well as economic support services and enable them to diversify and improve their livelihoods. Towards this end, the Mission intends to promote organic financial and non-financial relations between the SHGs and their federations. In addition, the poor would be facilitated to achieve increased access to their rights, entitlements and public services, diversified risk and better social indicators of empowerment. The NRLM also aims at harnessing the innate capabilities of the poor and seeks to complements them with their capacities (information, knowledge, skills, tools, finance and collectivization) to deal with the rapidly changing external world. Further, the Mission is designed to facilitate shift of the states from the allocation based strategy to a demand-driven strategy, enabling the states in the process to formulate their own poverty reduction plans. Thus, the Mission aims at bringing about fundamental structural changes and reforms in the manner in which rural poverty alleviation programmes are implemented. The NRLM framework is depicted in *Fig.-40.1*.

Fig.-40.1
Conceptual Framework of NRLM



Adoption of Process Intensive Strategies

NRLM is a process intensive programme and the culmination outcomes of the Mission depend on the quality of processes adopted at all levels. Based on successful models implemented in a few states, the Mission has designed process intensive strategies for implementation of social mobilization, financial inclusion, economic inclusion and other components. There is an ideal process and sequence in which each activity is to be implemented to achieve the intended results. A process intensive approach is particularly required for the development of the sustainable institutions of the poor. Only through a process of intensive capacity building, nurturing and handholding, SHGs and their federations could emerge as self-managed, self-governed and sustainable institutions, capable of accessing and delivering financial and livelihood services to the poor. NRLM has outlined a step-wise process for the states to implement Mission activities. Any deviation from the designed process could affect the Mission outcomes. However, if deviations are identified and corrected early, the Mission could achieve its objectives. Identifying the process deviations through internal reviews and monitoring is not always effective. Therefore, NRLM has provided for a third-party process monitoring to track the process deviations and provide early signals to the Mission management to undertake corrective action. Further, process monitoring would also help the Mission to learn from its own experience and improve upon its effectiveness over time. Thus, a well-designed process monitoring strategy would identify deviations, facilitate mid-course corrections and improve upon the quality and effectiveness of Mission implementation.

Scope of Consultancy

MORD seeks to commission concurrent process monitoring/assessment in the North-Western states (*Jammu & Kashmir, Punjab, Haryana, Himachal Pradesh and Uttarakhand*) and states in the North-Eastern region (*Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura*) for a period of about one year and six months and at **six monthly rounds** by an external agency. It is proposed, therefore, to procure the services of an agency experienced in conducting process monitoring/ assessment/similar studies/research studies to undertake the assignment by deploying adequate number of team members in three six monthly rounds. Details of the intensive districts and blocks falling under these states from which sample is to be chosen is available on nrlm.gov.in. The services of the agency will be contracted as per the procurement guidelines of the NRLM. The contracted

agency will undertake the assignment under the supervision of the Mission Director, NRLM or officers nominated by him.

Process Monitoring as Envisaged by NRLM

Process monitoring is the important component of monitoring and evaluation of rural development programmes, especially programmes like NRLM that aims at reducing rural poverty in the country through nurturing community institutions of the poor. NRLM perceives process monitoring as an important activity involving analyses of programme and community level interactions and the emerging outcomes. The assessment of processes needs to be done against the 'normative processes' defined for NRLM. NRLM considers process monitoring as an ongoing and core function of programme management for enhancing the programme efficacy; hence it needs to be undertaken by an external agency in close interaction with the implementation team and the community institutions. Internal process monitoring may be influenced by biases resulting in it being sub-optimal hence there is a need for 'neutral' external organization to also undertake process monitoring. Given the criticality of analyses emanating from process monitoring, it is imperative that triangulation of information and analyses is inbuilt in the design of process monitoring. NRLM, thus, proposes to commission external process monitoring by a competent and experienced third party agency. As part of every six-monthly round of process monitoring, the external agency would share the key process deviations in each component, internal and external factors responsible for such deviations and provide suggestions for addressing deviations, besides good practices and innovations that could be replicated.

Objective of Consultancy

As pointed out earlier, NRLM is based on a community driven development model (CDD). Any CDD programme requires continuous learning and adaptation in the course of implementation. Not all processes conform to pre-set rules, regulations, procedures and target approaches. Each state has a particular context in which the Mission is being implemented. Within each state, there could be a vast degree of diversity. What works in one state or in one geography may not work in other states/geographies. Process monitoring is therefore envisaged to assess the quality of implementation processes in each state and in each phase and identify deviations which could affect the outcomes of the Mission, using both qualitative and quantitative information and taking into account the perceptions of different stakeholders. More specifically, process monitoring is expected to enable the Mission management units at the central and state levels to understand:

- how and through what processes the intensive/resource block strategy has actually been rolled out (vis-à-vis the intended strategy) including the key processes initiated at SMMU, DMMU, BMMU and the community levels;
- what issues are critical to the roll out of the strategy;
- which part of the strategy worked well, and where, which did not work and why;
- what type of obstacles were faced and how were they resolved;
- what are the strategic changes required to improve effectiveness of the strategy;
- what are the best practices emerging from the strategy; and
- what are the outcomes of the strategy?

The process monitoring agency is intended as a partner to the Mission, which will act as additional 'eyes and ears' on the ground, feeding key observations and information to project staff and management. The process monitoring team will work in close association with staffs of DMMU and BMMU. Their findings will be systematically observed, documented and communicated in order to inform management decision making. Process monitoring should identify any areas for adaptation or modification, thereby enabling the project management to learn how to better shape and implement the project activities and processes. The list of processes to be monitored in each state and in each six monthly round will be mutually agreed upon first as part of the inception report and later ahead of each six monthly process monitoring round.

Sampling

The third party process monitoring is required to be conducted in sample districts and blocks in half yearly rounds in the states in north-eastern region (*Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura*) and north-western region (*Jammu & Kashmir, Punjab, Haryana, Himachal Pradesh and Uttarakhand*). The consulting organization is required to deploy appropriate number of sub-team members in different locations. For example, the agency may locate sub-team members in Chandigarh (to cover north-western states), Kolkata (to cover Mizoram, Nagaland, Tripura and Sikkim) and Guwahati (to cover Assam, Meghalaya, Manipur and Arunachal Pradesh). The firm may however suggest alternate solutions which are not only economical, but logistically more effective.

The suggested team to cover the North-Eastern region may include one team leader (full-time), one analyst (full-time) and four process monitors (full-time). The suggested team to undertake process monitoring/assessment in North Western region may also include one team leader (full-time), one analyst (full-time) and four process monitors (full-time).

Each team would be required to undertake three six monthly rounds of process monitoring/ assessment in each state. Each visit should cover a minimum sample of 2 districts and in each district 2 blocks. Thus, the North Western team would cover about 30 districts and 60 intensive blocks drawn from different agro-climatic regions/districts in three six monthly rounds. At least one-third of the sample blocks would be revisited by the team in the second and third six monthly rounds to study the maturity of the community institutions and financial inclusion and livelihoods and other activities. In each block, the team would be expected to visit 2 GPs, 4 villages and a representative set of SHGs, VOs, CLFs and other collectives. The team would be expected to undertake monitoring/ assessment of all key activities implemented in different components in the sample villages with particular focus on the issues indicated by MORD/SRLMs for each six monthly round.

In addition, the team would be required to monitor all developments at the sample block, district and state levels for the relevant half yearly rounds. While this is only indicative sampling, the consultant is expected to come up with a suitable sampling frame as part of the technical proposal. The sampling frame may also indicate the proportion of villages to be covered repeatedly for measuring changes over a period of time (panel of villages). Other villages may be purposively selected within the indicated sample such that they best represent implementation strategies adopted in the state. The team would also be required to interact with all key professionals at the state, sample district and sample block levels. The team would also discuss with frontline staff, resource persons and different forms of social capital to assess implementation issues and identify critical constraints affecting the Mission. In each block, the consultant team would be expected to undertake process monitoring/ assessment study for 7 to 10 days, covering the sample GPs, villages and CBOs. After completing one block, the team would move to the other sample block, as per the sample plan. The number of sample blocks, gram *Panchayats*/villages and CBOs as finally agreed upon and the issues to be critical examine, would be indicated to the consultant ahead of each round.

The external process monitoring/assessment agency is expected to be a partner of the Mission and act as an objective evaluator of the implementation of the intensive

block strategy in select states. The external agency is expected to provide evidence based observations to MORD and the state Mission partners, based on a systematic study of the entire spectrum of implementation from SMMU to the community and covering all the stakeholders. The agency would adhere to standard methodology of process monitoring, sample size and distribution and focal themes for each round and such other aspects germane to process monitoring. For each round, the agency will systematically observe, document and present key findings in the form of a standard report as prescribed by MORD. For each round, the MORD/SRLMs would identify themes, sample size and distribution as well as the methodology. Overall, process monitoring should provide continuous information about problems, learning and issues emerging from the implementation of intensive strategies. The information collected should feed into decision-making and result in improved strategies, guidelines, rules and regulations such that NRLM becomes more participatory and responsive.

Potential Themes for Process Monitoring

The themes for process monitoring/assessment would be decided for each round by the MORD in consultation with the states. The MIS data collected by SRLM/MORD and the supervision/field visits made by the MORD and SMMU would also inform the selection of themes for process monitoring. The patterns demonstrated through analytics of MIS would be integrated into the design and structuring of process monitoring.

Depending on the progress of implementation of MORD in each State, the MORD would identify specific areas for Process Monitoring in each sample state/district/block and suggest appropriate sample size (blocks, clusters, gram *Panchayats*, habitations, new and old SHGs, CRPs, PRPs, internal CRPs, key project staff and other stakeholders) in consultation with the State Missions. For each round, the agency, following the methodology and sampling protocol agreed upon, would systematically observe, assess, document and present key findings in the form of a standard report, the size, content and style of which would be indicated by the MORD. Quarterly process monitoring may also use light surveys, qualitative assessment tools, stakeholder analysis and instruments like community score card, to provide evidence based information. The consulting agency would be required to triangulate its findings with MIS information at the state, district and the block levels and with the findings of other studies if any.

Development of Process Monitoring Guide for Community Monitors

While NMMU is promoting process monitoring in intensive blocks of the states for a maximum period of 18 months, it is expected that over a period of time, each SRLM would take over this responsibility and initiate process monitoring by community process monitors. Given the innovative nature of process monitoring, the community monitors require not only initial training and handholding support but more importantly a process monitoring guide book. Therefore, the consulting agency would be required to produce a user-friendly guide book for the community monitors for each of the two regions. The guide should *inter alia* incorporate the following:

- (i) concept of process monitoring;
- (ii) importance of process monitoring;
- (iii) identification of process areas and indicators;
- (iv) methods of process monitoring;
- (v) tools/instruments for collection of process information;
- (vi) potential sources and levels of information;
- (vii) methods of analysis;
- (viii) methods of reporting/mainstreaming process monitoring findings;
- (ix) Incorporation of feedback into implementation strategies and formats for reporting corrective measures *etc*; and
- (x) training and skill requirements for undertaking process monitoring.

Schedule of Key Tasks to be completed in a Typical Quarterly Round

Each process monitoring team would be required to complete the following key tasks in a typical six monthly round.

- (i) agreement on themes for process monitoring/assessment for each state;
- (ii) preparation/modification of tools;
- (iii) finalization of sample;
- (iv) conduct of process monitoring/assessment at the state, district, block and village levels as per the agreed sample plan;
- (v) debriefing at the block/district/state level;
- (vi) compilation/triangulation of data;
- (vii) preparation of a brief report (including best practices) in the suggested template for each state, soon after the completion of the state round; and
- (viii) preparation of a summary report for all the states in the region after each six monthly round.

Autonomy

The agency would maintain the required degree of autonomy from the Mission management to ensure objectivity in process monitoring studies. Further, the agency would be required to conform to the reporting standards; style, format, size and such other specifications as required by the MORD and undertake revisions, value additions and such other changes as required by the state Mission units.

Period of Consultancy

The total period of consultancy will be 18 months divided into three six monthly rounds. The MoRD would lay down criteria for the purpose of assessing the performance of the agency.

Deliverables

The agency whose services are finally contracted are expected to deliver the following outputs as per the timelines to be indicated by the MORD.

Inception Report

Inception report covering methodology of process monitoring, sample size and distribution for each round, thematic coverage for each round, details of teams deployed, tools developed and tested etc.

Conduct of Process Monitoring

Conduct of process monitoring as per the sample design agreed upon, in each six monthly round, covering the key themes indicated. The agency would deploy qualified dedicated full-time team as agreed upon and cover the sample blocks, CBOs, and other units as per the contract. Following completion of each six monthly round in a block, the team would debrief the BMMU and DMMU before proceeding to other blocks/states.

Process Monitoring Reports

Process monitoring reports for each selected state as per the format suggested by MORD in terms of size, style, content, analytics *etc.*, would be submitted by the agency within 15 days of completing the study in a given state. The report should clearly bring out evidence based observations and suggestions/ recommendations for the consideration of the Mission Management Units. Each successive six monthly report will also include a report on actions taken by the state in response to the process monitoring findings and recommendations.

Six Monthly Summary Report Covering all States in the Region

The agency would be required to submit six monthly summary report for each region comprising state specific issues as well as synthesized findings for all states in the region. The MORD will prescribe necessary reporting template for this purpose.

Debriefing/Presentations at DMMU, SMMU and MORD

The agency would make presentations at the district and state level in the presence of key thematic specialists in a format prescribed by MORD after completion of each round. The agency would be required to make a presentation at MORD at half-yearly intervals,

Process Monitoring Guide for Community Monitors

The agency would prepare a user-friendly guide on process monitoring, incorporating modules on concept, content and significance of process monitoring, key processes and indicators to be monitored, methods and tools to be adopted, methods of analysis of information and use of process monitoring findings. The guide is intended to guide the community monitors.

Qualifications and Experience of the Process Monitoring Teams and Their Location

The agency is required to deploy a team of the following size and composition as well as qualifications and experience. The consultant may also suggest a team of different size and composition along with justification for the same. The North-Western team headed by the team leader and comprising at least one analyst and 4 process monitors may be located in Chandigarh or in any one of the convenient/centrally located state capitals. The North-Eastern team headed by another team leader and comprising one analyst and 4 process monitors may be located in a convenient location such Guwahati or Kolkata or a sub-team in both places.

Team Leader (North-Western Team on full-time basis) with proven track record in anchoring/ conducting process monitoring/monitoring and evaluation/ research studies. He/she should be post-graduate in social sciences preferably with a Doctorate in the relevant field. S/he should have at least 10 years of experience in rural development, of which, at least 5 years in monitoring and evaluation.

Experience in the conduct of monitoring and evaluation studies of social development projects in the region would be desirable.

Team Leader (North-Eastern Team on full-time basis) with proven track record in anchoring/conducting process monitoring/monitoring and evaluation/ research studies. He/she should be post-graduate in social sciences preferably with a Doctorate in the relevant field. S/he should have at least 10 years of experience in rural development, of which, at least 5 years in monitoring and evaluation. Experience in the conduct of monitoring and evaluation studies of social development projects in the region would be desirable.

Two analysts (one for each team on full-time basis) should be graduates/post-graduates in computer science/statistics/ any social science with experience in using qualitative and quantitative data analysis software such as atlas-ti, SPSS/SAS/ STATA as well as data management and documentation and with 3 to 5 years experience.

8 process monitors (4 for each team on full-time basis), with a post-graduate degree in any social science with 5 to 7 years of experience in community development/ livelihoods promotion/financial inclusion/women empowerment projects etc. They should be familiar with the methodology of community development and participatory research, besides possessing good facilitation skills. Field work experience of 3-4 years in Monitoring and evaluation of social/ community development projects is a must. In addition, they must possess good analytical and documentation skills. Candidates with prior experience of working in the relevant region would be desirable.

Review Committee to Monitor Consultant's Work

The Mission Director, NRLM is the competent authority to undertake monitoring and review of the work of process monitoring agencies. He may constitute a review/steering committee to monitor the progress of the agencies from time to time and provide necessary advice. The review/steering committee may also seek comments and inputs on the consultant's work from the MORD, SRLMs, the World Bank staff and other experts as appropriate.

Payments to the agency will be made upon submission and acceptance of the reports and such other deliverables by the MORD and as per the terms and

conditions to be laid down for this purpose in the contract agreement to be executed between the selected consultant and the MoRD.

Services to be Provided by the Client

The process monitoring agency would be provided access to MIS data, internal project communications, correspondence, study reports, manuals, handbooks, policy note and such other material which are not in the nature of classified documents of the MORD and the states. The states would also facilitate the conduct of process monitoring. However, the agency would be required to seek prior appointment with each state/district in advance.

Ownership

All information collected by the process monitoring agency will be used only for the purpose of preparing and presenting process monitoring reports. No part of the information shall be used for any other purpose without the prior explicit consent of the MORD and the states. All material and data collected shall be the property of the MORD.

Annex-41

Institution of Community Monitoring in NRLM

Introduction

Launched in 2011, the National Rural Livelihoods Mission (NRLM), a flagship programme of the Government of India aims at eliminating rural poverty through building functionally efficient community institutions and to use them for providing financial, technical and economic support services to the rural poor. The four core components of the Mission include: (i) social mobilization and community institution building; (ii) financial inclusion; (iii) livelihoods promotion; and (iv) social development and convergence, in addition to a comprehensive MIS, Monitoring and Evaluation and other project support systems. The Mission is currently being implemented intensively by 29 states and 1 Union Territory in a phased manner. Following the Mission guidelines, all the implementing states have set up autonomous state Mission authorities known as State Rural Livelihoods Missions (SRLMs) which are responsible for planning and implementation of the Mission activities through dedicated implementation units created at the state, district and block levels, called as State Mission Management Units (SMMUs), District Mission Management Units (DMMUs) and Block Mission Management Units (BMMUs). Services of more than 20,000 professionals with experience in social mobilization, institution capacity building, financial inclusion and livelihoods promotion are being used by the Mission units to implement the activities. In addition to the professional staff, the Mission has identified, trained and deployed over 75,000 community resources in the form of Social Activists, CRPs, Book Keepers, Para Professionals, Trainers and other active women workers to support and sustain the community institutions as well as the Mission activities. The Mission is expected to reach out to all blocks in the country by 2022-23, bringing in its fold about 8.4 crore rural households suffering from one or more deprivations.

Progress of NRLM

The Mission has made significant progress during the last 4 years. The intensive activities under the Mission are being implemented in 2,911 blocks across the country. The Mission states account for about 25 lakh SHGs and 1.25 lakh VOs at the end of Nov.'15. The state Missions have disbursed Rs.418.00 crore as RF to 2.95 lakh SHGs and Rs.816.38 crore to 1.55 lakh SHGs. In order to augment the financial resources of the SHGs, the Mission has been promoting SHG-bank linkage

on a fairly large scale during 2013-14, 8.7 lakh SHGs for credit linked for an amount of Rs.19656 crores. During 2014-15 and 2015-16, the progress was equally significant. In addition, under the Mission component of MKSP, 34 lakh women farmers have been provided multiple types of support. Further, the Mission has provided self-employment training to 13.34 lakh rural youth from poor households through a network of RSETIs supported by the commercial banks. Monitoring assumes critical importance in the context of rapidly expanding Mission.

Monitoring and Evaluation

In order to track the progress in different components, the Mission has provided for a comprehensive monitoring and evaluation system. The M&E system comprising the following instruments is envisaged to support Mission implementation at all levels by providing evidence based information:

- Impact evaluation studies comprising baseline and follow-up studies to assess the impact of the Mission on the rural poor, which are undertaken by third party agencies.
- Transaction-based MIS which is envisaged to track information on key inputs, activities and outputs (intermediate results) from all Mission implementation units and community institutions of SHGs, VOs and CLFs.
- Process Monitoring by third party agencies covering sample districts, blocks and community institutions at periodic intervals to assess the quality of implementation and to identify deviations from the normative processes.
- Community monitoring involving the primary stakeholders (rural poor) and the community institutions.

Following the Mission guidelines, most SRLMs are adopting MIS being developed by MORD with the technical support of NIC, while some states are designing and developing independent transaction based system with provision for sharing data with the national system. In respect of baseline studies, NRLP states have either completed or in the process of conducting/commissioning them as part of impact assessment and process monitoring. For the North-Western states (except Haryana) and states in the North-East (except Assam), MORD is procuring consultancy services for undertaking baseline studies as part of impact evaluation as well as process monitoring. However, SRLMs have not yet initiated community monitoring except in Jharkhand.

Institution of Community Monitoring in NRLM

NRLM is a community driven programme, which places the community at the center of all its decisions. Community institutions promoted under NRLM are expected to undertake key decisions relating to selection of poor households for Mission benefits, provision of financial and non-financial services as well as promoting access of the poor to entitlements and public services. The collectives of the poor are expected to articulate grievances of the poor and seek their resolution through collective action and in coordination with government agencies and PRIs. In view of the central role assigned to the poor and their institutions in the actual implementation of the Mission, it is only imperative that they are made an integral part of the monitoring system. Thus, NRLM expects all the state Missions to institute community monitoring with the following objectives:

- to ensure that the communities are aware of Mission benefits and services, their rights and entitlements and to strengthen their capacity to hold Mission units and community institutions accountable for the benefits and services to be provided to them;
- to strengthen the relationship between the Mission and the communities of the poor which in turn influences the agencies to play a proactive role in responding to their needs;
- to ensure that Mission units and government agencies continue to work towards their stated objectives; and
- finally to ensure that the efforts of the Mission promote livelihoods and reduce poverty.

The above objectives imply a vast scope for community monitoring in NRLM. Community monitoring could cover the entire gamut of social and financial inclusion efforts of the Mission, financial and non-financial transactions of SHGs and their federations, provision of community funds, SHG-bank linkage, interest subvention and insurance coverage of members, strengthening and diversification of livelihoods, functioning of Mission staff and social capital, delivery of last mile services and sustainability of self-reliance and sustainability of community institutions.

While the importance of community monitoring is well recognized, there are no standard methods and tools which can be adopted by all development projects. Most of the projects funded by the multi-lateral agencies have developed and used project specific methods and tools such as:

- (i) SHG self-monitoring pictorial tools used to facilitate monitoring by SHGs against self-set targets (APSERP);
- (ii) inter-community institutional monitoring using *Maasa Nivedika/Masik Prativedan* under which higher level institutions periodically monitors the performance of the federating units e.g., VOs monitoring SHGs (APSERP and BRLPS);
- (iii) use of community activists/volunteers/CRPs to monitor the programme using pre-designed protocols and after necessary training;
- (iv) report card to collect feedback on services provided by the project from the beneficiaries (used by several World Bank funded projects in assessing adequacy, quality and timeliness of services);
- (v) community score card intended to promote social and public accountability and responsiveness from service providers (Tamil Nadu Pudhu Vazhvu Project funded by the World Bank);
- (vi) social audit/social accounting that collects information on the utilization of public resources for intended objectives; and
- (vii) citizens' jury, community radio, public hearing, ombudsman, community radio, citizen's charter, transparency portal *etc.*, have also been used as methods of community monitoring in different projects.

Given the nature and multiplicity of NRLM interventions as well as the Mission geography, it would be difficult to prescribe any standard set up methods and tools for community monitoring. However, on the basis of experience of Jharkhand, community monitoring system using social activists/CRPs is recommended for adoption by all the Mission states. The states are also advised to adopt inter-institutional monitoring using *Masik Prativedan* as currently being practiced by BRLPS.

Community Monitoring by CRPs

Jharkhand has successfully used trained community monitors to undertake monitoring of Mission activities and the functioning of community institutions on a sample basis. The following steps are involved in the selection of CRPs and the institution of community monitoring.

Design of Community Monitoring Tools

The first step is to develop community monitoring tools for the CRPs. Following the Jharkhand model, a simple tool could be prepared by the state and select district professionals in a workshop. The workshop should identify the key intervention areas relevant for the present stage of the Mission and key indicators to capture progress in each area and translate them into a simple questionnaire which could be used by the CRPs. As always, the questionnaire should be field tested and finalized. A copy of the questionnaire developed by Jharkhand Mission is in **Annex Table-41.1**. A similar questionnaire can be developed/customized by other state Missions. It may be noted that the questionnaires should be frequently reviewed and modified to facilitate capture of additional indicators as the Mission progresses.

Identification and Training of Community Monitors

The second critical step is to identify community monitors who satisfy certain minimum educational qualifications, skills, motivation and experience and preparedness criteria. Jharkhand as identified community monitors with a minimum education of 10th Class with good numeracy/ arithmetic skills, basic documentation skills and ability to ask questions, probe and document responses. More importantly, the community monitors selected must be willing to undertake travel and spare the required amount of time for each round of community monitoring. Jharkhand has selected community monitors from the cadre of bookkeepers, master bookkeepers, internal CRPs and active women. A basic written examination and short personal interview methods were adopted for the selection of community monitors. A total of 27 community monitors were selected from one district in the first round (Palamu district).

As the selected community monitors were drawn from the social capital stream of the Mission, they were fully aware of the Mission components and the functioning of CBOs. As such, two-day training was provided to the selected community monitors by the key M&E staff of the Mission. The training focused on the entire protocol to be followed in community monitoring, the tools to be used, dos and don'ts in community monitoring, the documentation requirements as well as debriefing that follows each round of community monitoring. A tool kit was provided to each monitor and a mock practice session was organized to clarify all questions.

Sample Selection

The next step was selection of a representative sample in each district. All blocks which have completed one year of implementation are recommended for community monitoring. Thus, in Palamu district of Jharkhand, where community monitoring was

initiated first, three blocks were identified and from each block, two villages per cluster were sampled out randomly and assign to the community monitors. From each village, two-six month old SHGs were sampled and assign to the monitors. As far as possible, SHGs should be selected on a random basis with some flexibility for replacement due to field level exigencies.

Deployment of CRPs

The next step involves deployment of community monitors to sample blocks such that monitors are not deployed in native blocks/clusters. Each team of 2 to 3 community monitors are sent to one/two villages in a block and are required to stay in the village for two days and undertake monitoring study, following the protocol. On the first day, the monitors reach the village in teams of 2 to 3, with the support of the block staff. The team then undertakes community monitoring as per the protocol and administer the tools and collect detailed information, make objective assessment and document the findings during the following two days. On the fourth day, the team returns to the district headquarters/notified place to make their presentation of the observations. Thus, for example, in the first round of monitoring in Palamu district, 9 teams of 3 each were deployed to undertake monitoring in 30 villages covering 60 SHGs. The teams shared their findings on the fourth day in the presence of the state and district teams as well as key representatives of the community institutions. After the presentation, a list of follow-up actions or agree-to-do actions is arrived at and the frontline staff are given the responsibility of completing such actions in a given time frame.

Conduct of Community Monitoring

The community monitors are required to spend two full days in the allotted village or cluster of two villages to undertake study of SHGs and other activities undertaken by the Mission. The teams are required to first meet members informally and then facilitate conduct of sample SHG meetings as part of the study and examine all books of accounts maintained by them. The team members use the pre-designed questionnaires to collect the information. One of the two members is required to raise questions and probe, while the other logs the information. An essential part of the protocol for the members is clearly to inform the SHG the purpose of community monitoring such that members open up and furnish complete information. The village stay of the members is expected to create necessary rapport with the SHGs. At the end of the SHG meeting, the community monitors are required to share their observations with the SHG and make necessary suggestions for improvement. As

part of the interaction, the monitors are expected to collect the perceptions of the members about the frequency of visits of Mission staff, the quality of services provided by them and their expectations.

Debriefing by Community Monitors

Debriefing is conducted in a central place on the 4th day of each round of community monitoring. The district and block staff (DMM, district MIS manager, nodal officer, community/cluster coordinators, PRPs, iCRPs, BMMs,) are required to participate in the debriefing session to listen to the observations of the community monitors, share their own perspectives on the identified gaps and concerns and draw up agree-to-do actions which would be followed up in the next round of monitoring. A detailed protocol has been developed by Jharkhand Mission for to facilitate debriefing by community monitors, based on the original tasks assigned to them. The debriefing conducted in the first round of Palamu district community monitoring, several issues including adherence of SHGs to *Panch Sutras*, internal fund management, equity in the distribution of internal loans, regularity of repayment of internal loans by members, member understanding of financial transactions, end-use of funds used by member households, borrowing of members from MFIs *etc.*, were discussed. The members also provided valuable inputs on the quality of support received from the frontline staff and their unmet requirements. All issues affecting the functioning of community institutions including quality and adequacy of training provided, adequacy of funds received and their persistent livelihood issues are discussed in the presence of key staff in an open environment in which the project staff are expected to listen and share their perspectives, if any.

The seating arrangement in a debriefing session has a special significance. The community monitors should be seated at the front¹⁶ and the Mission staff facing them as listeners. This inculcates a sense of pride and self-confidence in the monitors as well as the institutional representatives.

Follow-up Action

The next important stage is to compile all issues identified by the community monitors and bring them under certain generic heads for preparation of follow-up action/ agree-to-do actions. In Palamu district of Jharkhand, the data collected by the community monitors was compiled and entered in an excel sheet at the district level for analysis and preparation of follow-up action plan. The compiled action plan is then sent to the states for appropriate corrections at the state level. The plan is also sent to the district and block teams for information and appropriate corrective action.

¹⁶ Dais where the community monitors are seated

Advantages of Community Monitoring

The community monitoring is cost effective. Apart from the small honorarium and travel cost, the community monitoring does not involve any big cost. In Jharkhand, each community monitor is paid Rs.300/- per day, besides travel cost. It is not necessary for the state Missions to institute community monitoring in each intensive block. Depending on the stage of the Mission in each district, a small sample could be selected and community monitoring promoted at quarterly intervals. The findings of community monitoring, as revealed by Jharkhand experience, are based on objective observations validated by the larger community representatives and Mission staff. An immediate action plan is drawn up, based on the key findings. The findings reflect the perceptions and aspirations of the primary stakeholders. Community monitoring transforms the role of the primary stakeholders from being passive beneficiaries to active monitors and planners. It empowers the community, enhances good governance and inculcates a sense of responsibility among the Mission staff. The experiential learning of the poor is captured by community peers and transformed into actionable plans. It overcomes the limitations of third party monitoring. It can be easily adopted by all the states. The utility of community monitoring, however, critically hinges on the quality of community monitors selected, their training and support provided, the objectivity in the selection of sample, the environment in which debrief sessions are conducted, inferences drawn from the observations and the follow-up actions taken up.

All SRLMs are advised to study the Jharkhand model and institute community monitoring after necessary customization to suit the local environment. The concept note on community monitoring developed by Jharkhand Mission is in **Annex Table-41.1** and the SHG monitoring schedule is presented **Annex Table-41.2**.

The SRLMs are further advised to study the inter-institutional monitoring using *Masik Pratedan* practiced in BRLPS and APSERP. A copy of the *Masik Pratedan* which is used to report monthly SHG progress and reviewed by VOs in Bihar.



Annex Table-41.1



Concept Note On Community Monitoring of SHGs – An initiative to demystify and communitise monitoring

The notions and challenges of monitoring: The word ‘*Monitoring*’ mostly has negative notions attached to it and is often misinterpreted as policing. It also reflects the power relationship between monitor and target/beneficiary. This often hinders the true reflection of health of any program. Further, programs of scale brings with them myriad of challenges in providing concurrent monitoring that is far beyond the generic input and output base monitoring and mostly loses the quality flavor. Further, anecdote based assessments may be misleading and generally sway the sentiments of assessor.

The edifice of NRLM: The fundamental architect and kernel of NRLM lies in activities and processes that is deep nested and hosted within community institutions. Community remains the fulcrum of the mission where they realize their innate capability to fulfil their cherished dreams. Community participation is an essential prerequisite for strengthening and proper functioning of all community level institutions like - Self Help Groups (SHGs), Village Organisations (VOs), etc. It is important to arouse a feeling of empathy, togetherness and mutual help among them. The mission is distinguished by its design to delegate almost all the key tasks associated with its implementation to these institutions. Social Mobilisation, Financial Inclusion, Economic Inclusion and Social Development components of NRLM, not only entail the active participation of community but is steered by them. It is imperative that these institutions of poor actively play the role of planner, executors and monitors. Hence, there was a need felt for the genesis of a system of continuous action, reflection and learning by these institutions or their representatives that harnesses their own erudition and insights for better program delivery that also overcomes the precincts of traditional monitoring system.

Community Based Monitoring System (CBMS) is a step to seed the concept of progress and performance monitoring by dovetailing with the existing community architect of NRLM. The community monitoring provides:

- Regular and systematic information about community needs, which can be used to appropriately guide the planning process.
- Feedback on key progress and performance indicators.

- Feedback on the status of fulfillment of entitlements, functioning of various levels community support system, identifying gaps, deficiencies in services and gauging level of community satisfaction,
- Facilitate corrective actions in the broader framework of accountability
- Enhanced feeling of empathy, togetherness and self help among community
- Assessment of quality functioning of SHG, adequacy and timeliness of inputs provided by implementation team
- Adherence to the protocols followed by the mission in releasing of Revolving Fund (RF) and Community Investment Fund (CIF)
- Enhanced learning to community about the best practices and success stories from a new geography

The exercise of “Community monitoring” involve drawing in, activating, motivating, capacity building and allowing the community and its representatives e.g. community volunteers (community cadre) to directly give feedback about the functioning of community institutions particularly SHGs and VOs. It includes providing inputs for improved planning for the same.

The process of community based monitoring is ideally taken up in intensive blocks with at least one year of operation. The steps of Community Monitoring are:

Preparation of format /tools for monitoring:

The community Monitoring tools are developed through participative process. In order to acquaint the monitors with the nuances of the process and instruments, field testing of tools are done. The tool includes basic questions related to functioning of SHGs, VOs its strengthening, inputs received from field staffs, etc.

Identifying the community volunteer/ active community members:

The community volunteers are identified from among the intervention villages, where SHGs and VOs are already formed. The community monitors are active women, book keepers or community facilitator who have been part of a SHG/ VO since at least one year that have been following *Panch Sutra*. A team comprising of two community monitors, monitor at least two community institutions (SHGs and/or VO) in a day.

Training of Community volunteers:

Identified community level volunteers are trained on tools for two days. It includes orientation on the concept and purpose of community monitoring, functioning of institutions and key monitoring indicators.

Deployment of Community Monitors:

A team comprising of two community monitors are deployed in a new block (other their own block) to assess the quality of functioning of institutions, adequacy and timeliness of inputs provided by block staff and adherence to protocols as laid in the mission.

Selection of sample SHGs and Sample Size:

Selection of institutions like SHGs/VOs for community monitoring is done on a sample basis. The data fed in the JSLPS – MIS is used for drawing the sample. Stratified Random Sampling Technique is used to identify sample. SHGs and VOs with scheduled meeting on the day of the monitoring are taken in the sample.

Data collection:

The tool is filled based on observation, interrogation and record verification during one of scheduled meetings.

Compilation of field information and preparation of report card (SHG wise) and Sharing:

The field observations made by the community monitors in the debriefing event organised by DMMUs. The findings are shared with AW and VO representatives from the sampled institutions, BMMU, DMMU and State Thematic representatives.

The data from the filled in schedule is later entered into computer for further analysis. This enables triangulation of data with MIS entries. The analyzed data is then shared in form of a report.

Prepare plan of action for strengthening of SHGs:

The gaps identified during the debriefing process are converted into actionable points. This plan of action is subsequently reviewed by the district and block team.

Frequency of Community Monitoring:

The CBMS is a quarterly event led by the district MIS cum M&E officer.

Payment to Community Monitors:

Community Monitors are paid honorarium equivalent to that of internal CRPs.

Piloting and Scaling up of CBMS:

Till date the CBMS has been successful rolled out in 9 intensive blocks in three districts namely – Pakur, Ranchi and West Singhbhum.

Annex Table-41.2

Community Based Monitoring - SHG Monitoring Schedule

Date of visit Village Name of Cluster
 District Block Panchayat
 Name of SHG Date of formation OR / AND
 Date of revival (Whichever is applicable)
 Name of CC Name of BK and SHG
 Name of CF/ AW: - Name of AKM
 Same or other..... AKM 's SHG Name

SL No		Observation/ Reflection
1	Meeting frequency as per register (check at least last 8 meetings)	Weekly <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly <input type="checkbox"/>
2	Was the meeting a scheduled	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	Total no of member in SHG Total member presence in the SHG meeting	<input type="text"/>
4	Duration of meeting (in minutes)	Start time <input type="text"/> End time <input type="text"/> Total Time <input type="text"/>
5	Total number of meeting held (including the ongoing)	
6	Bank account open	Bank Name <input type="text"/> Branch Name <input type="text"/> Date or Month of account opening (check from bank passbook) <input type="text"/>
7	Total fund with SHGs	Cash in Hand/ Box <input type="text"/> Bank deposit <input type="text"/> Amount in inter loaning <input type="text"/> Total Corpus of SHG <input type="text"/>
8	Disbursement of RF	Yes <input type="checkbox"/> No <input type="checkbox"/> If No , then Why : i. Less than 3 month old ii. No bank account iii. Not following <i>Panch Sutra</i> iv. Idle cash lying with SHG v. Eligible but still not provided vi. Any other reason please specify
9	Micro plan prepared	Yes <input type="checkbox"/> No , <input type="checkbox"/> if Yes then date/ month <input type="text"/> No of Days took place in preparation of MCP <input type="text"/>

SL No		Observation/ Reflection				
10	CIF disbursement to SHG If No Skip to 13	<input type="checkbox"/>	<input type="checkbox"/>	es	No	
		If yes then date of as per Bank Passbook				
11	CIF disbursement to Members	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	
		If yes then date of first withdrawal as per Bank Passbook In no then reasons				
12	CIF amount disbursed to Members	Total No. of members			Total Amount (Rs.)	
13	Bank Credit linkage of SHG If no Skip to 17	Yes No				
14	Type of Bank Credit linkage	Term Loan	Cash Credit	Amount	Duration	Date of linkage
15	If yes, Has the group withdrawn loan amount from bank	Yes / No				
16	If Yes , Has the group started repayment ?	Yes / No				
17	Fund received from any other source	Source			Amount (in Rs.)	
18	Is there VO in your village If no Skip to 21	Yes	No	If Yes then date / Month of formation		
19	Date of joining of the SHG in VO	Yes	No	If Yes then date / Month of formation		
20	Has the group started Repayment of CIF money to VO	Yes No				
21	Discussion on other social issues (Please check the minutes register)					
	Issues	Action				

SL No		Observation/ Reflection
a		
b		
22	Payment to Bookkeeper- Whether payment is being made by SHG	Yes No If Yes Amount
22	Has the group received SHG kit	Yes No

Code for Q No 21 - Health -1 , Sanitation -2, Dowry or Early marriage- 3, issues related to AWC- 4, MNERGA -5 , Public Distribution System -6 , Other – 7

23. Internal loaning (write the name who have taken loan from SHG only)

Sl. No	Name	Categories-	Office Bearer		Loan 1	Loan 2	Loan3	Loan4	Loan5	Total
1				Amount						
				Loan						
				Purpose						
2				Amount						
				Loan						
				Purpose						
3				Amount						
				Loan						
				Purpose						
4				Amount						
				Loan						
				Purpose						
5				Amount						
				Loan						
				Purpose						

6				Amount						
				Loan						
				Purpose						
7				Amount						
				Loan						
				Purpose						
8				Amount						
				Loan						
				Purpose						
9				Amount						
				Loan						
				Purpose						
10				Amount						
				Loan						
				Purpose						
11				Amount						
				Loan						
				Purpose						
12				Amount						
				Loan						
				Purpose						
13				Amount						
				Loan						
				Purpose						
				Total Amount						

Purpose Code

Food purchase	1	Livestock	6	Other , Explain	11
Health	2	Shop/ Trading	7		
Social Ceremony	3	Business	8		
Education	4	Other Asset Creation	9		
Agriculture	5	Other Enterprises	10		

Categories - ST -1, SC,2 , OBC-3, others 4;

Currently repaying 1, Returned all loan with interest 2, Not returning either loan or interest for last 3 months 3

24. Documents

1	Member's pass book	Yes	No	Updated
2	Meeting minutes register	Yes	No	Updated
3	Attendance and savings book	Yes	No	Updated
4	Cash book	Yes	No	Updated
5	Loan ledger	Yes	No	Updated
6	Weekly MIS sheet	Last updated on date: Last sent for computer entry on date:		

External support

25	Training received by SHG M1= Poor and reason behind poor M2= About SHGs M3= leadership of SHG		Date	No. of members participated	
		M2			
		M3			
		M4			
26	Has the Group received any amount to organize training	Yes	NO		
27	Training received by Community Cadre				
		Training name & month	Training name & month	Training name & month	Training name & month
	CF				
	AW				
	BK				

28	Has member of SHG started livelihood activities with support from JSPS	SRI	GOAT	LAC	Agriculture	Other
	Total Member					
29	Visit of any external person(BPM, DPM, DM and others) in last three Months (excluding AW, BK, CC, CLC) to SHG	<p style="text-align: center;">Yes NO If Yes Month Suggestion Provided</p>				
30	Was the last meeting attended by following persons (excluding this meeting)	Book Keeper				
		Active Women/ CF				
		CC				
		CLC				
		BPM				
		DMs/ DPM				
		State				
31	Conflict among members	Yes		NO		

Observation –

1. Best Practices
2. Area to be improved

Name Signature of Visitor and designation

Annex-42 NRLM Annual Action Plan Template: 2016-17 (Sample)

Components of AAP

All SRLMs are required to initiate steps for the preparation of their Annual Action Plans (AAPs) for FY 2016-17. The action plans should *inter alia* detail (i) all components and sub-components; (ii) strategies for implementation for each component and sub-component; (iii) key activities identified for implementation under each component/ sub-component along with their sequence; (iv) implementation mechanisms available or to be set-up, including strengthening of systems (HR, FM, MIS, M&E, procurement *etc.*); and (v) outputs expected from each component/ sub-component. The plans should cover all components of both NRLM and NRLP, including plans for utilizing the dedicated funds earmarked for (i) financial inclusion; (ii) livelihoods and (iii) convergence. Further, the AAP should take into account the recent modifications/ amendments made to the implementation framework of NRLM¹⁷.

Key Priorities

The overall action plan should reflect the current strategies and priorities of the Mission including: (i) need for faster coverage of the intensive blocks and saturation of all villages; (ii) universal coverage of excluded vulnerable households; (iii) generation of adequate social capital (CRPs and other community professionals); (iv) improving capitalization of SHGs and federations; (v) augmenting flow of bank credit to SHGs; (vi) providing interest subvention to all eligible SHGs; (vii) diversification and strengthening of livelihoods, (viii) social development activities in the area of FNH&W, social safety nets and entitlements, gender mainstreaming and innovations; (ix) mainstreaming convergence between NRLM and other flagship programmes such as MGNREGS, *Gram Panchayat* Development Plan (GPDP), Swachh Bharat Mission (SBM) and Indira Awaas Yojana (IAY); (x) strategy for implementation in non-intensive blocks; and (xi) plans for communitizing front-end functionaries.

Further, as the Mission has completed four years of implementation and created a vast network of community institutions, the AAPs should *inter alia* focus on inclusion of the SECC identified households, developing livelihood convergent action plans

¹⁷ Modifications to the implementation framework of NRLM communicated vide Lr.No.J-11014/01/2014-RL dated 9.12.2015

covering farm, off-farm and non-farm livelihoods, including MKSP, SVEP, IPPE-II, financial literacy, nutrition, education and other state specific initiatives. Further, the SRLMs are required to indicate their plans for setting-up '*Sthree Nidhi*' type initiatives for meeting the livelihood credit requirements of the SHG-member households.

Past Performance

A review of AAPs implemented during the last four years reveals that there have been: (i) substantial variations between targets and achievements; (ii) huge gap between projected and actual expenditure resulting in low off-take of funds from MORD; (iii) substantial variation between physical and financial progress reported; (iv) low disbursement of funds to community institutions; (v) prolonged delays in the institution of systems as well as procurement of essential services and goods; (vi) noticeable gaps in mobilization of vulnerable households; (vii) lack of focus on gender mainstreaming, health and nutritional issues; and (viii) lack of effective quarterly implementation/monitoring plans as well as reviews. The State Missions are therefore required to make an assessment of their past performance in these areas and accordingly prepare the AAP 2016-17, taking into account these issues.

Realistic Targets

Therefore, while preparing the plans, the SRLMs are required to set realistic quarterly and annual targets, taking into account: (i) the cumulative progress of the Mission since inception; (ii) the physical and financial progress of AAP 2015-16; (iii) the gap between key targets and achievements; (iv) constraints that have affected/likely to affect the implementation of the Mission including mobilization of vulnerable groups; (v) financial resources that are likely to be made available under NRLM and NRLP under different components; (vi) human resources available at different levels; (vii) trained social capital available; (viii) systems in place including arrangements made for delegation and decentralized decision making; and (ix) the number and quality of community institutions promoted.

Approach to Preparation of AAP

The SRLMs are advised to adopt a decentralized approach to the preparation of AAP. Under the decentralized approach, the SRLMs are required to promote preparation of plans at the block level, which are then aggregated at the district and state levels. However, each SRLM should issue necessary guidelines to the block

and district units for the preparation and aggregation of plans. Ideally, each SRLM constitutes a central team at SMMU level to coordinate and oversee the preparation of AAP. All SRLMs are required to indicate the expected outputs/ outcomes in the results monitoring framework table format. The framework should furnish the results achieved/ likely to be achieved by March, 2016 and thereafter for each year till the year in which all blocks are saturated. Further, all states are required to indicate their progress of systems instituted including MIS, conduct of baseline survey and process monitoring.

Allocation to SRLMs

The MORD would indicate the central allocation for each state for FY 2016-17 by the end of *Feb.*'16. However, for the preparation of the AAP 2016-17, the states may assume that the allocation for FY 2016-17 will not be less than the allocation made during FY 2015-16. The states are advised to prepare plans for 150% of this allocation. The North-Eastern states could prepare their estimates based on the new allocation criteria communicated to them. Under the new criteria, the North-Eastern states (excluding Assam) are required to prepare their estimates on need basis (without reference to poverty ratio based allocation). While estimating the financial resources available, the SRLMs should take into account the unspent balances likely to be available at the end of FY 2015-16, including unutilized SGSY funds evacuated from the DRDAs and banks, if any. It may be noted that the central assistance to states for NRLM is now in the ratio of 60:40 (central share 60% and state share 40%). For all North-Eastern states including Assam, and for the states of Jammu & Kashmir, Himachal Pradesh and Uttarakhand, the ratio is 90:10¹⁸.The SRLMs can revise their estimates once the final allocation is communicated to them.

Spillover Activities and Expenditure on Administration

The SRLMs are required to clearly indicate spill-over Mission activities for which funds were provided during FY 2015-16. Such states need to indicate spill-over items that need to be financed with Opening Balance (O.B.), subject to the permissible limit of 10% of the total allocation made during 2015-16 as well as from additional resources available during 2016-17. Further, the SRLMs are also required to indicate the administrative expenditure incurred by them during FY 2015-16 or likely to be incurred by them up to March, 2016. Similarly, they are required to

¹⁸The funding under HIMAYAT would continue to be 100% by the Central Government.

project their administrative expenditure for FY 2016-17, taking into account the current permissible limit of administrative expenditure of 6%.

Dedicated Funds for NRLP States

The NRLP states are required to submit detailed proposals for utilizing dedicated funds earmarked for financial inclusion, livelihoods and convergence. The proposals should also outline specific activities that are proposed to be undertaken and the implementation arrangements proposed, including placement of required additional professionals.

Timelines

All states are required to submit the first draft of their AAPs for 2016-17, completed in all respects, by 15th February, 2016. The MORD would review the AAPs and suggest changes, if required. The states are required to submit the final AAPs by 1st week of March, 2016, after seeking necessary approval from the competent state authority. Thereafter, the MORD would appraise the AAPs and place them before the empowered committee for approval. The final approvals are expected to be given by 31st March, 2016.

Key Appraisal Areas

While appraising the AAPs, the MORD will *inter alia* examine: (a) the phasing plan of the SRLMs; (b) physical and financial progress made during FY 2015-16; (c) the key priorities of the Mission reflected in the plan; (d) feasibility of the targets set; (e) availability of financial resources for the proposed AAP including balance unutilized funds; and (f) progress of the Mission in establishing systems viz., Mission architecture, hiring of required technical support agencies and key professionals at SMMU and DMMU, progress of communitisation of front-end functionaries, establishment of financial management system, progress in procurement of goods and services as per the timelines proposed including services for MIS, M&E etc.

Suggested Components of AAP

The SRLMs are required to present their AAPs for FY 2016-17, using the suggested template furnished below. The SRLMs may customize the template to incorporate information on state specific plans and initiatives.

**AAP 2016-17
Suggested Template**

Chapter	Chapter and Suggested Content	Suggested Page Limit
1.	Introduction	
2.	Phasing Plan	
	a. NRLM footprint achieved - Number of intensive districts, resource blocks, intensive blocks, partnership blocks and villages in which implementation is under progress	
	b. Districts, blocks and villages planned and initiated during FY 2015-16	
	c. Districts, blocks and villages proposed to be covered during FY 2016-17 and in the following phases	
	d. Saturation plan for the blocks	
3.	Review of Progress of AAP 2015-16	
	a. Physical progress in key areas of implementation – key activities proposed and implemented in SM, SI, IB and CB, FI, Capitalization, Livelihoods, Social development, Pilots and Convergence	
	b. Component wise financial Progress – Allocation vs. Expenditure during FY 2015-16 by component for NRLP and NRLM	
	c. Administrative expenditure incurred during 2015-16 (projected up to March, 2016) and administrative expenditure projected for FY 2016-17	
	d. Key activities planned but not implemented/partially implemented with reasons for shortfalls, deviations and constraints and spillovers (states may indicate their plans for spill-over activities to be financed out of Opening Balances, subject to permissible limits)	
	e. Internal and external constraints affecting implementation and utilization of funds	
	f. Adequacy and quality of technical support received from NMMU	
	g. Key learning and way forward	
4.	Social Mobilization, Institution Building and Capacity Building	
	<i>Key strategies and activities proposed for intensive blocks:</i>	

Chapter	Chapter and Suggested Content	Suggested Page Limit
	<p>a. Expansion strategy of the state Mission (without diluting quality of processes)</p> <p>b. Social mobilization including mobilization of vulnerable groups such as the ‘automatically’ included households, the elderly, single women, PwDs, PVTGs <i>etc.</i>, using SECC data</p> <p>c. Promotion of SHGs, VOs and CLFs</p> <p>d. Capacity building of institutions (including CB calendar) including CB on mainstreaming of inclusion, gender, convergence and FNHW agenda</p> <p>e. Bookkeeping and auditing</p> <p>f. Registration of federations</p> <p>g. Identification, capacity building and deployment of adequate number of CRPs, bookkeepers, MCP trainers, para-professionals and other social capital</p> <p>h. Capacity building of Mission staff including refresher training</p> <p>i. Partnership with NROs and other capacity building institutions</p> <p>j. Communitisation of BMMUs</p> <p>k. Capitalization of SHGs, VOs and CLFs (RF, CIF and VRF)</p> <p>Semi-intensive/ non-intensive blocks</p> <p>a. Key strategies and activities proposed for semi-intensive/non-intensive blocks</p>	
5.	<p>Financial Inclusion</p> <p><i>Key strategies and activities proposed for promotion of:</i></p> <p>a. Financial literacy and opening of individual bank accounts</p> <p>b. Promotion of savings, inter-lending and other micro-enterprise practices</p> <p>c. SHG-bank linkage including repeat linkage</p> <p>d. MCP</p> <p>e. Last mile banking services</p> <p>f. Sensitization and training of bankers</p> <p>g. Mainstreaming of NRLM agenda in BLCCs, DLCCs and SLBCs</p> <p>h. Communitisation initiatives – deployment of trained bank sakhil/ bank mitra, promotion of CBRM</p>	

Chapter	Chapter and Suggested Content	Suggested Page Limit
	<p><i>i.</i> Access to interest subvention to all eligible SHGs</p> <p><i>j.</i> Individual credit linkage under <i>Mudra Yojana</i>/similar schemes for enterprises</p> <p><i>k.</i> Insurance coverage of members and their spouses as well as redemption of claims</p> <p><i>l.</i> Monitoring of bank loan applications, sanctions, insurance claims and redemptions through MIS</p> <p><i>m.</i> Plan for setting-up of '<i>Stree Nidhi</i>' type bank in the state</p> <p><i>n.</i> Summary of project proposals, if any, under dedicated FI Funds (<i>Detailed proposal to be attached with the AAP. The proposal should inter alia indicates plan for deployment of additional professionals in FI at state and district levels</i>)</p>	
6.	<p>Livelihoods</p> <p>Farm Livelihoods (<i>A separate AAP template for Farm and Non-Farm Livelihoods is presented in Annex-I</i>)</p> <p>a. Livelihood situation analysis in the state (with reference to poor and ultra poor in the intensive geographies of the state)</p> <p><i>(i)</i> Analysis of agriculture based livelihood situation in the state (<i>land use and cropping pattern, access to resources and markets, value chain gaps and constraints</i>)</p> <p><i>(ii)</i> Analysis of livestock based livelihood situation in the state (<i>livestock population, types of breeds, ownership pattern, animal husbandry practices, gaps in extension services and other value chain gaps and constraints</i>)</p> <p><i>(iii)</i> Analysis of NTFP based livelihood situation in the state (<i>NTFP geographies, communities engaged in NTFP, types of NTFP, population of host trees, other NTFP resources, harvesting practices, market access, value chain gaps and constraints</i>)</p> <p><i>(iv)</i> Analysis of Non-farm based livelihood situation in the state (<i>major non-farm activities-handicrafts/handlooms/ looms/ traditional skill clusters-availability of skilled manpower and artisanal</i>)</p>	

Chapter	Chapter and Suggested Content	Suggested Page Limit
	<i>communities, presence of MSME clusters-intermediate and value added opportunities, backward-forward linkages, constraints)</i>	
	b. Farm Livelihood Strategy and key activities proposed <i>(for promotion of farm based livelihoods of the poor in general and the most vulnerable households in particular)</i>	
	(i) Preparatory steps–identification of districts, blocks, social mobilization, professional staff, technical assistance from support organization/resource organization, identification and training of livelihood CRPs	
	(ii) Identification of villages using SECC and IPPE-II data	
	(iii) Assessment of quality of social inclusion and financial inclusion in identified villages and the quality of institutions for livelihood layering	
	(iv) Positioning of teams and capacity building	
	(v) Identification and training of CRPs/active farmers	
	(vi) Implementation of key activities in each major area of proposed intervention including CMSA, dairy/livestock development, convergence initiatives and NTFP as well as state specific initiatives <i>(activities under each area to be specified)</i>	
	(vii) Expansion/ scale-up plans – districts, blocks and villages	
	(viii) Monitoring plan for livelihood interventions	
	(ix) Budgetary implications	
	(x) Summary of project proposals, if any, under dedicated funds for farm livelihoods <i>(Detailed proposal to be attached with the AAP)</i>	
	c. Key strategies and interventions proposed under Non-Farm Livelihoods (SVEP, MEC, and others)	
	(i) Key strategies and activities proposed for promotion of off-farm, non-farm and self-employment activities under SVEP, MEC and other initiatives	
	(ii) Selection of blocks	

Chapter	Chapter and Suggested Content	Suggested Page Limit
	<p>(iii) Assessment of community institutions for layering funds</p> <p>(iv) Team placement</p> <p>(v) Identification of activities</p> <p>(vi) Selection/partnership with support/ resource organizations</p> <p>(vii) Identification and training of community resource persons</p> <p>(viii) Funding of activities/ enterprises</p> <p>(ix) Support for management of enterprises</p> <p>(x) Scaling-up and expansion plans</p> <p>(xi) Financial implications</p> <p>(xii) Key outputs and monitoring plan</p> <p>(xiii) Plans proposed under dedicated livelihood funds under NRLP – key strategies and activities, implementation plan, and staffing arrangement (<i>Attach detailed plan</i>)</p> <p>d. Livelihood Interventions under Implementation</p> <p>(i) A brief description of the work done by the SRLM in last 3 years</p> <p>(ii) Organization chart and manpower used for different livelihoods (<i>separately for farm, non-farm and skills</i>) at state, district, block and sub-block levels)</p> <p>(iii) Livelihoods promoted through funds accessed from banks and CIF</p>	
7.	<p>Convergence, Pilots, Innovations and Partnerships</p> <p><i>Key strategies and activities for promotion of</i></p> <p>a. Convergence with PRIs and government programmes as a main strategy to enhance the pace of poverty reduction (including IPPE-II)</p> <p>b. Social development in the areas of</p> <p>(i) Food, Nutrition, Health and Sanitation (WASH)</p> <p>(ii) Increased access of the vulnerable to the entitlements and public services</p> <p>(iii) Ensuring complete inclusion of vulnerable groups for all entitlements and public services</p>	

Chapter	Chapter and Suggested Content	Suggested Page Limit
	<p>(iv) Mainstreaming of gender in all activities</p> <p>c. Partnerships – with NROs/NSOs/implementation agencies and other institutions for mainstreaming convergence, inclusion and FNHW, besides improving capitalization, livelihoods and income</p> <p>d. Innovative pilots in intensive and non-intensive/NRLP and Non-NRLP areas – strengthening and scaling-up of existing pilots as well as new pilots</p> <p>e. Summary of project proposals, if any, under dedicated funds for convergence promotion (<i>Detailed proposal to be attached with the AAP</i>)</p>	
8.	<p>Institution of Systems</p> <p>a. Implementation structures established and plans for strengthening them at state, district and block levels</p> <p>b. Human resources deployed and plans for strengthening SMMU, DMMUs and BMMUs, including plans for placing dedicated professionals for mainstreaming SI and SD at state, district, block and cluster levels</p> <p>c. Plans for introduction and use of performance management system</p> <p>d. Procurement of goods, services and works completed, in pipeline and plans for 2016-17</p> <p>e. Procurement plans under dedicated funds for FI, livelihoods and convergence</p> <p>f. Financial Management plans for appointment of key staff, Institution of automated IUFs, use of FMTSA and internal auditors</p> <p>g. Plans for completing M&E studies including baseline and process monitoring studies as well as institution of community monitoring system</p> <p>h. Plans for adoption/strengthening of MIS at SMMU, DMMU, Block and village levels</p> <p>i. Training of staff and community resource persons in MIS reporting</p>	
9.	<p>Other Activities</p> <p>a. RSETIs – Strengthening existing RSETIs</p> <p>b. Infrastructure and marketing development activities –</p>	

Chapter	Chapter and Suggested Content	Suggested Page Limit
	SARAS and market fairs <i>c. Any other activity proposed by the state</i>	
10.	Timeline of Activities (<i>On the basis of quarterly sequencing, using Gantt charts</i>)	
11.	Summary of Costs and Sources of Finance (<i>Using Annex tables</i>)	
12.	Results Monitoring Framework (<i>Actuals up to 2015-16 and projections from 2016-17 to 2022-23 (Using Annex tables for NRLM and NRLP separately and together for the entire Mission)</i>)	
13.	List of Tables (1 to 20)	