

Guidance Note on Annual Action Plan

| The Process

Objectives of AAP: The overall objective of the first Annual Action Plan for National Rural Livelihoods Mission is to **achieve institutional, strategic and operational readiness, compliant with NRLM implementation framework. This is achieved through the following key actions** (i) establish the State Rural Livelihoods Missions, (ii) recruit full complement of trained professional staff at State, District and Block levels that are required for the first year operations, (iii) take up a few program pilots for learning from the field, and (iv) prepare the State Perspective and Implementation Plans (SPIPs).

Triggers: The triggers for the first AAP by the participating NRLP States are:

1. Action for setting up SLRM initiated
2. Full time CEO has been appointed
3. Separate bank account opened in the name of SLRM
4. Poverty mapping undertaken
 - a. District wise number of BPL/poor households
 - b. District wise number of SHGs formed and number of SHGs financed by banks

Scope: Joint WB/MoRD missions will be undertaken with the objective of scoping existing social mobilization, financial inclusion and livelihood interventions in NRLP states; identifying opportunities and innovations for scaling up; and developing the roll out plan for NRLP. Broadly the scope of the first annual action plans for the period are up to 31st March 2013, the SRLMs will prepare their plans and submit them to MoRD for review.

Appraisal: Joint WB/MoRD team will appraise the plans seeking answers for the following appraisal questions from the documentation submitted by the SRLMs:

Scope of the AAP:

1. Whether the results envisaged for AAP cover the four aforementioned objectives?
2. Whether the activities and their sequence will achieve the following by SPIP stage?
 - a. Organizational readiness in terms of office set-up, trained staff
 - b. Program readiness in terms of comprehensive understanding of program strategies, availability of implementation plans/operational manuals and fully operational implementation arrangements up to the field level
 - c. System readiness in terms of financial management, procurement management, MIS, etc.

3. Whether the timelines for each activity are realistic?
4. Whether full costs are provided for various activities and cost effectiveness thereof?

Note: The costs of certain activities particularly program pilots will cover period beyond AAP stage which also must be provided in the budget

Implementation Capacity:

5. Whether the SRLM team has implementation capacity and if the partnerships envisaged in the AAP have been initiated?
6. Whether satisfactory fiduciary arrangements are in place for AAP implementation? This includes the essential entry level arrangements for accounting and reporting of the preparatory expenditures against the NRLP fund releases. Procurement Agreements agreed between GoI and World Bank shall be applicable for all expenses incurred from NRLP funds. Accordingly, for all procurement of goods, works and services, provisions and methods of NRLM Procurement manual shall be followed.

Approval and Funds Release: Based on the desk/virtual review by the WB/MoRD team, the approvals will be accorded by Empowered Committee and funds released to SLRM.

Scope of First Annual Action Plan (1st January 2012 to 31st March 2013)

(Note: The scope of the First Annual Action Plan will be defined by the context of each State and therefore the list of investments is only illustrative)

1. Office Set-up

- a. **Outcome:** SRLM office established with all modern amenities and work facilities
- b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Search for office space
 - ii. Leasing of office space
 - iii. Refurbishment
 - iv. Furniture and fixtures
 - v. Computers, communication equipment, etc.
- c. **Implementation Arrangements**
 - i. Administrative staff/procurement specialist at SRLM can coordinate procurement
 - ii. Services of real estate agency
 - iii. Services of Interior Design and Refurbishment Firm
- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of real estate agency
 - ii. Hiring of interior design and refurbishment firm

2. Human Resources

- a. **Outcome**
 - i. HR systems and good quality core staff in place
 - ii. Recruitment process initiated for other staff
- b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Recruitment of HR specialist
 - ii. Formulation of HR policy and manual
 - iii. Recruitment of core team of professionals (at SMMU and pilot blocks)
 - iv. Induction training and immersion of staff

- v. Initiating recruitment process for other staff
- c. **Implementation Arrangements**
 - i. Head hunting firm can help in recruitment of core staff or an advertisement can be released and committee of experts can help in selection of team
 - ii. Partnership with implementing partners (like SERP) for field immersions and with a local training institution for induction
 - iii. Professional HR firm can help in recruitment of large batch of professionals for other SMMU, DMMU and BMMU positions
- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of head hunting firm
 - ii. Hiring of Ad agency
 - iii. Partnership with implementing partners (like SERP) and/or local training institution
- f. **Technical Assistance**
 - i. Guidance note on HR processes
 - ii. Draft HR policy template
 - iii. Draft JDs for core staff
 - iv. Draft ToRs for HR firm

3. State Perspective and Implementation Plan

- a. **Outcome**
 - i. RESULTS FOCUSED SPIP is ready for submission to MoRD
- b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Situational analysis
 - 1. Poverty diagnostics – indicators and poverty mapping
 - 2. Assessment of quality of SHGs
 - 3. Assessment of social issues and constraints in inclusion of poor through a social assessment exercise
 - 4. Assessment of financial inclusion
 - 5. Successful livelihood initiatives in the state assessed and profiled
 - ii. Developing intervention strategies for NRLM that respond to the rural poverty, livelihoods and social exclusion and vulnerability context of the state
 - iii. Preparation of state-specific social management frameworks/social inclusion plan
 - iv. Preparation of state-specific environment management frameworks/environment action plan
 - v. Developing implementation plan – sequence of activities, implementation arrangements, costing and budgeting, resource planning, procurement plan, financial management systems, etc.
 - vi. Preparation of Community Operations Manual
 - vii. Stakeholder consultations
- c. **Implementation Arrangements**
 - i. Consultant/firm can be hired for one or more of the following
 - 1. Poverty diagnostics based on secondary data

- 2. Field social assessment, targeted consultations and preparation of social management frameworks, social inclusion plans
 - 3. Field assessment of financial inclusion
 - 4. Mapping successful livelihood initiatives and value chains in the state
 - ii. Consultant/workshops/constituting work groups of experts to support core staff members for drawing strategies for NRLM
 - iii. Core staff can develop implementation plans and community operation manual
- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of individual consultants
 - ii. Hiring of consulting firms
- f. **Technical Assistance**
 - i. Draft Template for PIP
 - ii. Draft ToRs for studies (poverty diagnostics, SHG quality, financial inclusion, livelihoods and value chains, social assessment and social inclusion plans, SMF, EMF)
 - iii. Feedback and guidance on preparing high-quality SPIPs

4. Financial Management System

- a. **Outcome:** FM system set up at the State level and in the pilot blocks
- b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Recruitment of FM specialist and accounting staff
 - ii. Preparation of FM manual (including financial and administrative rules and clear business processes for payroll and other payments)
 - iii. Setting up computerized accounting system, including developing chart of accounts to align with the financial reporting requirements of NRLP (templates of Interim Unaudited Financial Reports provided in the NRLP Financial Manual)
 - iv. Arrangement with commercial banks for electronic fund transfer to district, and block level units as relevant for the pilots
 - v. Module on FM aspects in induction training of all staff
 - vi. FM training for core team of professionals (at SMMU and pilot blocks)
- c. **Implementation Arrangements**
 - i. FM specialist can take lead in setting up Finance and Accounting Systems
 - ii. Consultant/firm can be hired to develop FM manual
- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of consultant
 - ii. Procurement of computerized accounting software
- f. **Technical Assistance**
 - i. Examples of Financial Manuals and Finance & Administrative Rules from other States
 - ii. Template for State FM manual (being developed as part of national FM manual)

5. Procurement Management System

- a. **Outcome:** Setting up Procurement management system at the State level and in the pilot blocks
- b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Resolution by EC of SRLM to adopt the NRLM Procurement Manual for all procurement
 - ii. Recruitment of PM specialist
 - iii. Module on PM aspects in induction training of all staff
 - iv. PM training for core team of professionals (at SMMU and pilot blocks)
- c. **Implementation Arrangements**
 - i. PM specialist can take lead in setting up all procurement management systems
- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of consultant, if any
- f. **Technical Assistance**
 - i. Handholding support to establish
 - ii. NRLM Procurement Manual

6. Pilots (States may choose to focus on two or three pilots preferably with technical assistance from resource agencies). Examples of the pilots include:

- Social mobilization of poorest communities (resource block strategy), strengthening existing SHGs of the poor
 - Financial inclusion pilots – MoU with commercial banks, mobile banking, SHG branch with village level touch points, village level dairy cooperatives as BC of commercial banks, financial literacy and credit counseling services, ebookkeeping in SHGs, etc.
 - Livelihoods – Comprehensive village level micro planning, sustainable agriculture interventions, dairy value chain, NTFP value chain, ‘wadi’ approach to comprehensive tribal area development, market linkages with Agri-business firms, private sector linkages, etc.
- a. **Outcome:**
 - i. SPIP informed by field implementation
 - ii. Build program implementation capacity of SRLM
 - b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Hiring and placement of skeletal block teams
 - ii. Training of block team by resource agency
 - iii. Specialized trainings, for e.g. computer trainings for e-book keeping
 - iv. Rapid diagnostics of the area, for e.g. coverage of poor in existing SHGs, quality of SHGs, financial inclusion, livelihoods analysis of poor households, etc. (depending upon the type of pilot)
 - v. Handholding support by resource agency
 - vi. Design basic MIS and periodic review
 - vii. Community operation manual for scaling up the pilot
 - c. **Implementation Arrangements**
 - i. Block teams with support of core SRLM staff will implement pilots
 - ii. Partnership can be entered into with resource agencies

- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of resource agencies
- f. **Technical Assistance**
 - i. Assessment of social mobilization and livelihood interventions
 - ii. Handholding support for resource block strategy
 - iii. Draft ToRs for hiring resource agency
 - iv. Draft MoU with commercial banks

7. Innovation Forums

- a. **Outcome:**
 - i. Innovators and Innovations from the State identified
- b. **Activity Plan** (sequence and inter linkages of various activities to be examined)
 - i. Framework for innovations and partnerships (decisions on the thematic preference, eligibility criteria, technical evaluation criteria, selection methods, celebration prize, partnership strategy, etc.)
 - ii. Building repertoire of livelihood interventions that have worked at scale
 - iii. Identifying and scouting of innovations through a transparent process
 - iv. Conducting/organizing Innovation Forum at state level
 - v. Review of innovations by group of experts
 - vi. Due-diligence of innovators and their institutions
 - vii. Short list of innovations by group of experts
 - viii. Strategic communication strategy for innovation forum
 - ix. Celebration of innovations at innovation forum
 - x. Exploring collaboration with select innovations
- c. **Implementation Arrangements** (same firm could also take up both activities if they demonstrate capabilities for all above activities)
 - i. Consulting firm(s) can be hired for all above activities or in parts
 - ii. Core staff at SRLM with the support of the consultants
- d. **Costing:** Include all costs into the cost tables
- e. **Procurement Activities**
 - i. Hiring of consulting firm for scouting, due-diligence and selection of innovations and organizing innovation forum

(Note: Same firm can take up all these activities or a separate firm for organizing innovation forum)

- f. **Technical Assistance**
 - i. Draft ToRs for scouting, due-diligence and selection innovations and organizing innovation forum

8. Non Intensive Blocks Strategy

- a. **Outcome**
 - i. Implementation of NRLM in Non Intensive Blocks
- b. **Activity Plan (Menu depending upon capacity of the State)**
 - i. Training and capacity building of existing groups (campaign approach)
 - 1. Spear Head Teams at district level for capacity building trainings
 - 2. CRP strategy for training SHGs

3. Block level Professional Resource Person for anchoring capacity building and developing demonstration sites
 - ii. Financial Inclusion
 1. Revolving fund assistance @ Rs.10-15000 will be provided to good performing groups
 2. Bank Linkage strategies
 - Credit as 'entitlement' for all good performing groups (Minimum Rs. 50,000 for first linkage)
 - Closing gap between savings linked and credit linked groups
 - Dedicated MIS for SHG-Bank Linkage and Repayment Tracking of all SHGs in the State
 3. Bank Mitra, BC/BFs, etc. for improving access to banking services for the poor
- c. **Implementation Arrangements**
 - i. DRDAs/DPMUs
 - ii. Partnership with SIRD/State Resource Centre
 - iii. Consultants/Resource Persons
- d. **Costing:** Include all costs into the cost tables as per the NRLM framework
- g. **Financial Management**
 - i. Fund flow arrangements in the non-intensive districts and blocks