Dear Madam/Sir,

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 (CID) 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.

As you are aware, Mahila Kisan Sashaktikaran Pariyojan was launched in 2010-2011 as a subcomponent of National Rural Livelihood Mission (NRLM) to promote farm based livelihood. With the launch of NRLM and gradual establishment of State Rural Livelihood Missions, it was envisaged that Ministry of Rural Development would integrate MKSP with the broader NRLM roll out plan in the states and MKSP will gradually converge with states Livelihoods plan. SRLMs would eventually integrate MKSP in their Farm Livelihoods Promotion Strategy as a part of their Annual Action Plan (AAP). In this context the following points are being reiterated:

1. Change in implementation architecture of MKSP – All the SRLM will submit their MKSP project in Annual Action Plan mode in the given format. The SRLM will be the Project Implementing agency for MKSP projects under AAP route.

2. Engagement of partner in MKSP AAP – SRLMs would be the project Implementing Agency for MKSP and the District/Block/cluster Federations of the women SHGs would be implementing partners of SRLMs. The NGOs having proven experience of implementing sustainable agriculture. Non timber Forest Produce, Livestock based livelihoods programs can be technical support organisations providing training and capacity building support to the community Based Organisations. In addition the best practicing farmers promoted by the NGOs can be utilized as Community Resource persons by the CBOs against a fee.

3. Change in the funding pattern under MKSP: the revision of existing funding pattern under various Centrally Sponsored Schemes has been under consideration of the Govt. of India and it has now been decided that the funding pattern for MKSP would also be revised from 75:25 to 60:40 except in the case of 8 North Eastern States (including Sikkim), Jammu and Kashmir, Himachal Pradesh and Uttrakhand in whose case the funding would be in the ratio of 90:10. The administrative cost would be 6% of the total MKSP budget.

The MKSP Projects approved by EC/ PAC before 1st April, 2015 will have funding pattern as per their sanction order.
4. Value chain development: SRLM may plan to take up value chain development interventions for establishing market linkage initiatives as a step forward for the ongoing MKSP projects. Fresh proposals are invited for these interventions. A ceiling of 25% of the existing MKSP project cost may be set for such proposals.

5. Partnership with MKSP partners: SRLM may go for partnership with MKSP partners to roll out the livelihoods interventions on sustainable agriculture. Livestock and NTFP in the respective states as part of their Farm Livelihoods Annual Action Plan. The main role of the MKSP partners may be in capacity building, CRP deployment, immersion sites etc.

This ministry invites proposal on MKSP.

Warm regards

Yours sincerely,

(Atal Dulloo)

Encl: Value chain development proposal submission template
MKSP AAP template

To All The Principal Secretaries of RD/PR

Cc: All SMDs/CEOs of SRLM
NATIONAL RURAL LIVELIHOODS MISSION

ANNUAL ACTION PLAN - LIVELIHOODS

I. 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).

II. 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.
### 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).

#### Contacts of Livelihood Team in SRLM

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>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 agrl. etc)</th>
<th>Contact Number</th>
<th>Fax No.</th>
<th>Email ID</th>
<th>Office Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name of the state level livelihood team members</td>
<td>Contact Number</td>
<td>Fax No.</td>
<td>Email ID</td>
<td>Office Address</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### IV LIVELIHOOD IMPLEMENTATION PLAN UNDER MKSP (Mahila Kisan Sashaktikaran Pariyojana) (As a sub-component of overall livelihood strategy)

#### A 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.

1. **Summary of all MKSP projects already being executed in the state**

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

2. **MKSP Project Implementing Agency details (existing)**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Project</th>
<th>Name of the PIA</th>
<th>State share/share of other donor of the project (Rs)</th>
<th>Central share of the project (Rs)</th>
<th>Area (Districts &amp; blocks Names)</th>
<th>Total No. of beneficiaries covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Contact details of Existing MKSP Project Implementing agencies

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the PIA</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Contact Person’s Name- Telephone &amp; Mobile No- Email ID- Fax No. PIA’s Office postal Address</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B 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-
1. CRPs identified from MKSP areas working in Resource Blocks to promote sustainable LH practices and 2. 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.

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.

<table>
<thead>
<tr>
<th>C</th>
<th>Scaling up plan for the livelihood initiatives started under MKSP</th>
</tr>
</thead>
</table>

- 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.

V. **FINANCIAL PLANNING FOR LIVELIHOODS INITIATIVES**

1. **Proposed funding for MKSP Plan**

<table>
<thead>
<tr>
<th>Components</th>
<th>Source</th>
<th>Type of Project Sustainable Agri/NTFP etc</th>
<th>Total Project Cost (in lakhs)</th>
<th>Funding outlay (Rs Lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yr 1 (25%)</td>
</tr>
</tbody>
</table>

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
FRAMWORK FOR DEVELOPING THE PROJECT PROPOSAL FOR SPECIAL FUND ON LIVELIHOODS PROMOTION

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.
- 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.
- 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.
- 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.
- Please provide suitable rationale for the type of investment expected.

3. **Objectives/Key Deliverables**
   - Please mention the deliverables from the proposal.
   - 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?
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
• 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?
• 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?
- 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?
- 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?
- 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?
- 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 subsidy\(^1\) grant in the activity?
What is the level of credit\(^2\) aspect 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)
What additional cost will be required for up scaling the program and what will be the per household costing?\(^3\)

11. Overall Budget requirement including
- 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
- 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?
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.(plz give a brief about the FI proposal, if any)

13. Convergence

---

\(^1\) 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

\(^2\) It is expected that the inputs/ working capital at individual level is met from QF or bank loans

\(^3\) The initial cost per household may be higher which will reduce as the number of household goes up
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);
Plz 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?
Is there a separate proposal on skills and jobs (using the skill special fund window), if yes, plz give a brief of the other proposal.