NATIONAL RURAL ECONOMIC TRANSFORMATION PROJECT (NRETP)

Implemented through additional financing of National Rural Livelihoods Project

PROJECT IMPLEMENTATION PLAN (PIP)

20/03/2018
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CHAPTER 1: BACKGROUND AND RATIONALE FOR NRETP

A. Introduction
The National Rural Livelihoods Project (NRLP) was approved on July 5, 2011 and was declared effective on July 18, 2011. The size of the originally approved project was US$ 1000 million (SDR 635.8 million). The NRLP had a two-fold objective. Firstly, to support the launch and scale up of the Government of India’s National Rural Livelihood Mission (NRLM) and a strategic shift within the Ministry of Rural Development from a focus on allocation, disbursement, and monitoring of central government financial resources, to the provision of skilled technical assistance to states implementing the NRLM. Secondly, the NRLP aimed to provide additional pro-poor investments in 13 states with the highest poverty rates and highest number of absolute poor in India. At the time of preparation, these 13 states accounted for almost 85% of the poor in India. The NRLP aimed to reach out to approximately 24 million rural women (about 4.8 million households) in approximately 100 districts of the 13 states. It was envisaged that MoRD would reach all remaining rural poor throughout the country through its own resources using the institutions created and supported by the NRLP at the national and state level.

The project got off to a slow start primarily due to the delay in setting up of the State Rural Livelihood Missions (SRLMs) and recruitment of staff. As a result, the project was restructured in May 2013 and the credit amount was subsequently reduced to US$ 500 million (SDR 334 million). Since that first restructuring, a number of steps were undertaken to increase the pace of implementation which resulted in substantial improvements in the overall progress and disbursement under the project. The disbursement ratio rose to 46% by January 2016 as opposed to just 5.6% at the time of restructuring (May 2013).

A second restructuring of the project was carried out in January – February 2016 primarily based on the mid-term review of the project and to increase alignment with strategic changes that the Ministry of the Rural Development (MORD) had made in the delivery of rural development programs over the last 3 years, since the launch of the project. The mid-term review had highlighted the need to increase focus on capitalization of self-help groups; financial inclusion to increase access to private capital; skills development for jobs; and livelihood development in the selected states in the remaining duration of the project. The key changes that were introduced as part of the second restructuring were therefore a) the creation of dedicated funds for new economic initiatives related to a) agriculture, livestock, non-farm and skills development, b) financial inclusion and c) convergence initiatives to improve targeted access to other state and Government of India welfare schemes and services. In addition, financing allocation across the components was also revised and re-allocated based on the historical expenditure pattern. Given these changes the results framework was also revised in this second restructuring.

A third restructuring in September 2016 was necessitated by the Government’s decision to change the funding pattern of the National Rural Livelihoods Mission. The relative contribution of the Central Government and State Government under NRLM was changed to 60:40, from the earlier ratio of 75:25. Since NRLP was co-financing NRLM, the financing share of the Bank was also reduced from 75% to 60%. There were no other changes made in this third restructuring.

B. Original Project Design
The project development objective for the NRLP is to establish efficient and effective institutional platforms of the rural poor that enable them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services. The original design of NRLP was shaped by lessons drawn from various World Bank financed State level rural
livelihoods projects, as well as livelihood initiatives of several civil society organizations. Activities supported under NRLP were intended to enhance effectiveness of public expenditures through the NRLM by a) improving the quality and allocative efficiency of NRLM resources and b) leveraging resources (capital and service delivery) for the poor from private commercial banks and through other government programs. The project identified 13 States to work in and included the following four components.

**Component 1. Institutional and Human Capacity Development:** This component enabled the provision of skilled technical assistance to newly established State Rural Livelihoods Missions (SRLM) through thematic professional staff and technical support consultancies. The component supported the development of partnerships with identified national resource organizations and well-established training and research institutions to provide technical support and deliver focused training for the successful implementation of the NRLP and NRLM. The activities included development of training materials, design and conduct of training programs, creation of immersion areas and development of master trainers and local resource persons in the states.

**Component 2. State Livelihood Support:** The objective of this component was to support 13 high poverty, low social mobilization States towards the establishment of institutional structures and mechanisms i.e. State Rural Livelihoods Missions (SRLM) to support the implementation of the NRLM. As part of this component, the 13 state governments have established an autonomous, multi-disciplinary and professionally managed support structure from block upto State level. The SRLMs provide support to the formation of institutions of the rural poor (SHGs) and to their interactions and participation with local government/Panchayati Raj Institutions. This component also financed livelihood grants to poor rural households (i.e. SHGs/federations) to plan and undertake productive livelihood activities and set up micro and nano enterprises. Institutional support for the formation of higher level producer institutions, producer groups, farmer’s collectives, and/or producer companies (PCs), technical assistance consultancies, training and related material, office equipment, and operational costs at the state, block and village level are also provided.

**Component 3. Innovation and Partnership Support:** The objective of this component was to create an institutional mechanism to identify, nurture and support innovative ideas from across the country to address the livelihood needs of the rural poor. This component was to finance pilot initiatives and technical assistance consultancies that support innovative livelihoods activities in agriculture, livestock, youth employment, among others, for rural poor households. Support under this component aimed to organize Innovation Forums and Action Pilots; motivate development of network of grassroots innovators and social entrepreneurs; develop Public-Private-Community-Partnerships including with agribusiness firms, commercial banks/MFIs and other financial service providers; and encourage youth employment.

**Component 4. Project Implementation Support:** The objective of this component was to establish and strengthen a dedicated National Mission Management Unit (NMMU) for effective project management at the national level, with systems and processes for coordination and management of the NRLP and the NRLM. The component has supported the implementation of a comprehensive and robust monitoring and evaluation system to track implementation progress and provide meaningful reports on household level impacts and implementation experiences. The component has also financed a user friendly and responsive governance and accountability mechanism and various knowledge and communications related activities for enhancing the quality of the program.

### C. Implementation Status

The project is currently being implemented across 13 states, 161 districts and 584 blocks. In each of the 13 states, an autonomous State Rural Livelihood Mission under the Rural Development Department has been established and district and block level teams consisting of qualified professionals in the rural development sector have been established.
Progress and Results achieved till date through NRLP: The project has consistently continued to perform well since the initial restructuring in May 2013. Disbursements under the project have accelerated and 86.68% of the total project funds have been disbursed, with an expected disbursement of 100% by the current project closing date. Several results have been achieved. The results achieved under the project can be broadly categorized into those related to a) Social Mobilization of the poor into Self Help groups and their federations and building of individual and institutional capacity b) Enhanced access to credit and other financial services and c) Income Improvements.

Social Mobilization and Capacity Building: The project has thus far mobilized more than 7.75 million women from poor rural households into 677,000 Self Help Groups (SHGs) (against an original project target of 400,000 SHGs). These SHGs have been further federated into 42,500 Village Organizations (VOs) and 2586 Cluster/Panchayat level Federations (CLFs/GPLFs). More than 58% of the SHG members belong to the Scheduled Castes/Scheduled Tribes or Minority households. Targeting under the project has been effective with demonstrated access to some of the poorest households in the poorest states. All the above institutions (SHGs and the federations) have received extensive training and capacity building support to ensure that they are fully self-managed institutions. In addition, because of the capacity building efforts since the launch of the project, nearly 500,000 community professionals and community resource persons who are from the SHGs themselves have been trained and it is these resource persons who are primarily responsible for project implementation on the ground.

Enhanced access to credit and other financial services: An estimated US$ 1,700 million in private financing has been accessed by the SHG households against a total investment of nearly US$400 million from the project (of which nearly US$ 300 million in direct community level grants provided as revolving funds). This includes own savings mobilized by SHG members worth US$170 million and institutional credit worth US$ 650 million leveraged from banks. In addition, the project has introduced and scaled up digital financial services over the last two years through the window of the financial inclusion dedicated fund introduced in January 2016. Currently, nearly 500 Business Correspondents, all of whom are women, are trained and provide last mile digital financial services to 55,000 SHG households.

Income enhancement: The project has scaled up specific interventions related to agriculture and livestock management to diversify and enhance incomes of rural poor households. Of the 7.75 million households reached by the NRLP, more than 2 million households are currently benefitting from provision of technical services for enhancing agriculture productivity. Additionally, economic transformative initiatives such as the development of producer organizations focused on high value agriculture commodities, digital finance interventions and convergence activities to enhance human development outcomes have been rolled out through the mechanism of “dedicated funds” introduced in the second project restructuring in January 2016. Currently, seven States are using the livelihood funds to promote 12 producer organizations and support around 156,000 farmers with an overall budget of US$24 million.

Results achieved through technical assistance to the National Rural Livelihood Mission: NRLP support and technical assistance has enabled the Ministry of Rural Development to successfully scale up the NRLM to all 29 states of the country. Support provided through NRLP includes a) the setting up of the National Mission Management Unit with professionals having the requisite technical expertise to provide the states in the implementation of NRLM; b) development of all relevant program guidelines for the implementation of NRLM; and c) development of the financial management, procurement management, human resource management and MIS systems for the roll out of the program at the state level. Because of this technical assistance, the intensive approach successfully demonstrated by NRLP in 13 states is now being implemented across nearly 2,500 blocks across 29 states through the NRLM. A total of 45 million rural women are currently part of Self-Help Groups and have cumulatively leveraged nearly 25 billion USD of financing from commercial banks since the launch of the NRLM in 2011.
terms of financing leverage, the USD 500 million investment of the Bank leverages an investment of USD 2 billion from the Government of India.

D. Rationale for National Rural Economic Transformation Project (NRETP)

The National Rural Economic Transformation Project to be funded through Additional Financing (AF) of US$250 million of NRLP has been requested by the Ministry of Rural Development through the Department of Economic Affairs, Government of India. The proposed project targets increased technical assistance and investment support towards scaling up of the economic transformative initiatives that were introduced in the second restructuring of January 2016. The current request also proposes specific and focused technical assistance to the Mission Antyodaya program that has been recently launched by the Ministry of Rural Development and intends to further accelerate economic transformation in selected areas, building on the NRLP outcomes. The detailed rationale for NRETP is as follows:

**Investment support for scaling up economic Initiatives to a larger number of states and districts:** A project restructuring undertaken in January 2016, has been successful in piloting models for economic transformation activities. These pilots have demonstrated that this approach of building strong social and financial capital can further provide a launching pad for new generation economic initiatives such as the promotion of high value agriculture commodities and value chain development through improvements in market access, rural enterprise and skills development and the introduction of digital finance innovations.

Results to date indicate that these investments are starting to transform a proportion of the SHGs into viable economic agents with the potential to engage with an evolving rural economy. There is now a need for far greater investments for scaling up these initiatives to a larger number of states and districts and deepen impacts of the current initiatives. A critical scale of these new economic initiatives will also generate learnings for scale up across the country through the NRLM as the project management systems and the prototypes developed through the NRETP will be fully integrated into NRLM.

**Technical Assistance for the next phase of NRLM:** The community-driven development approach demonstrated by the NRLP has now been fully integrated into the larger NRLM program of the Ministry of Rural Development with an annual budget of nearly USD 760 million in 2017 and a cumulative investment of nearly USD 2 billion over the last 5 years. As NRLM moves towards the next phase of its program that has greater emphasis on economic initiatives, technical assistance to strengthen the National, State, District level institutional bodies to enable the NRLM to successfully transition to the next phase of higher order economic initiatives. This TA will largely be at the institutional level with the intention to strengthen state level bodies, including where State Rural Livelihood Missions are not yet well established or are technically weak and to enable them to access relevant technical support from external agencies having the requisite technical expertise.

The Government of India has launched a flagship multi-sector program named Mission Antyodaya to spur rural economic growth with participation of private sector, Self Help Groups and local self-governance institutions. Ministry of Rural Development will be implementing the program with the support of the National Rural Livelihoods Mission and aims to facilitate the convergence of private sector, philanthropy, social enterprises, impact investors and other development partner supported programs to achieve targeted impacts in chosen/pre-defined development/village clusters. There is a need to ensure that the experiences of NRLP are fully leveraged in the design and roll out of Mission Antyodaya. Existing NRLP geographies where livelihood and economic initiatives have been piloted will be given priority under the program. The NRETP will therefore provide for technical support to Mission Antyodaya towards the integration of NRLP experiences and innovations into the Mission Antyodaya’s program.
E. Description of NRETP

Proposed Changes in the Project: The following changes are proposed as part of the project:

Project Development Objective (PDO): The PDO for the NRETP remains the same and it is to establish efficient and effective institutional platforms of the rural poor that enable them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services. Since there are no changes to the PDO, the PDO indicators remain the same, with an addition of an indicator to measure change in income. The results targets and the intermediate indicators are updated to reflect the changes introduced by the proposed project.

Project Coverage: While the original 13 states will continue to be part of the project implementation, within these, 100 districts will be identified for project support under the NRETP. These will be identified from districts with the highest amount of mobilization and capitalization to date (both the catalytic capital from NRLM and the finance from commercial banks). Additionally, as far as possible, the project will strive for some coordinated technical or investment support with the blocks and panchayats selected under Mission Antyodaya.

Revised Project Components: The NRETP will finance the costs of scaling-up and expanding the scope of the ongoing project interventions. A detailed description of the updated project components is outlined below:

Component 1: Institutional and Human Capacity Development: This component will continue to finance technical assistance consultancies, human resources, training and development of training material/approaches. Financing under this component will endeavour to place skilled professionals to work with NRLM at the national, state and district levels. As mentioned in the section on rationale, the TA will be focused on helping the National and State teams transition to a new phase of the NRLM that involves greater focus on economic initiatives such as high value agriculture and value chain development, enterprise and skills development. The implementation of these new economic activities would require both retention and some new recruitment of professionals with business management expertise and client systems tailored to implement a market-based approach. Also, given that experiences from these initiatives are relatively nascent, the additional financing support will emphasize sourcing of technical support from agencies (Public, Private and NGOs) with the requisite technical expertise in rural enterprise development. National, regional and international experiences and skills may be sourced for this objective. State to state learning would also be funded under this component. In summary, this sub component will finance:

- Technical assistance for Mission Antyodaya at the national, state and district level.
- investments in 13 NRLP states and nearly 100 districts in those 13 states. The 100 districts with the highest intensity of NRLM implementation will be selected for the project. These districts will be the districts with the highest amount of mobilization and capitalization (both the catalytic capital from NRLM and the finance from commercial banks). The project will coordinate or investment support with the blocks and panchayats selected under Mission Antyodaya and those under the NRPL.

Component 2. State Livelihood Support: The activities to be financed under Sub component 1 (State Rural Livelihoods Support) will remain the same, with a focus on the 100 districts that will selected for project coverage. Under sub component 2 (Institution Building and Capacity Building) – most of the financing will be towards the mobilization of producer groups and producer organizations. Under sub component 3 (community investment support)- focus would be on financing community organizations mainly towards enterprise and skill development. The quantum of financing under sub component 4 (Special Programs) will be significantly scaled up and with the objective of of expanding initiatives that were introduced under this sub-component during the project restructuring of January 2016. Specifically, the sub component would a) finance economic activities such as value chain development for farm and non-farm production;
b) enterprise development and c) facilitation of higher order financing for producer organizations and skills development.

**Value Chain Development for High-value Farm and non-farm commodities:** In the last 3 years, the NRLP has financed investments to increase productivity in agriculture and livestock and to diversify and enhance incomes of more than 2 million rural poor households. Additionally, through pilots (under the dedicated funds) the development of producer organizations and value chain interventions in agriculture, food and livestock sector were introduced across 7 states. Building on these experiences, the NRETP would continue to strengthen women led producer organizations to increase market access and value addition for high value farm and non-farm commodities such as commercial crops and livestock products, fisheries, etc. Technical assistance, skills building and investment support will be provided to enable such farmer owned and farmer led organizations to improve market access, processing, quality enhancements and market information to inform investment decisions. Coordination with government departments such as agriculture, food processing, small & medium enterprise, science & technology and with technical agencies such as Small Farmers Agri-Business Consortium (SFAC), Central Food Technology Research Institute (CFTRI), Fragrance & Flavor Development Centre (FFDC); Techno Serve etc. will be facilitated. Through specific investments, and in partnerships with private sector, improvements in economic and productive infrastructure for grading, sorting, food handling and hygiene, storage and warehousing for small scale local value addition and processing; development of financial products and services for value chain finance, commodity finance, enterprise finance, small economic infrastructure finance and digital payment systems; nutrition supportive agriculture and other technological innovations for rural producers and entrepreneurs will be financed. The approach to be adopted will follow a productive alliance model, designed to help small producer organizations engage with the market, and will build on the successful approaches piloted both by the NRLP and partners.

**Enterprise development:** NRLM has created a platform for 45 million rural poor women to access finance available to start-up or build their individual and/or collectively owned and managed enterprises. Approximately 10% of the total mobilized households increased their investments in existing nano-micro enterprises or became first-generation entrepreneurs over a period of 3 years. To further strengthen entrepreneurship as a pathway for SHG households, NRLM has recently rolled out initiatives such as the Start-up Village Entrepreneurship Program (SVEP). The NRETP will build on lessons from on-going enterprise and entrepreneurship building approaches in identifying a customized enterprise development program for rural poor women and youth. In addition to SVEP, the project will also draw on experiences from other similar efforts initiated by Government of India e.g. Scheme for Promoting Innovation and Rural Entrepreneurship (ASPIRE) and Standup India, experiences of non-profits; incubators & accelerators; and private-sector initiatives in promoting entrepreneurship. Learning from similar regional and international programs such as BRAC, the Village Enterprise Model etc. will also inform the project design.

The proposed approach to be used by the NRETP will be a) cross-cutting across sectors (high value agriculture, manufacturing and services); b) deliver all requisite products/services (finance, technology, mentoring etc.) through a single source; c) have a differentiated support strategy based on the age, size and potential of enterprise and d) leverage technology and private sector in program delivery. This approach has shown to be effective in helping micro-enterprises who have demonstrated some potential to graduate to Small and Medium Enterprises (SMEs). The project will also continue to provide technical support to new entrepreneurs and nano enterprises, through NRLM and SVEP which form the majority of SHG member-owned businesses.

**Skills training interventions** will be aligned to value chain and enterprise development objectives of the project. The objective of skills training initiatives will be to enhance access of poor and marginalized populations in project areas to jobs in focus value chains and sectors; to strengthen value chains and enable enterprise growth through adequate availability of skilled
labor; and to enhance productivity and incomes of rural poor women through upgrading skills in selected self-employment occupations. To achieve these objectives, the project will seek to leverage the existing network of RSETIs in project districts and to develop and deliver skills training aligned to national standards.

**Access to finance for farmer producer organizations and rural enterprises:** This subcomponent will a) scale up the initiatives piloted through dedicated financial inclusion fund such as digital financial inclusion approaches including Bank-Business Correspondent (BC) approach (under convergence with the flagship PMJDY programme), mobile wallet and banking-based services to support digitization of financial transactions at community institutions level;

In the last 18-20 months, SRLMs are at various stages of roll out and have made considerable progress in formalizing partnerships with banks and non-bank financial institutions. Encouraged by these positive experiences of bridging last mile gaps in service delivery of financial services, several states (e.g. Bihar, Jharkhand, Odisha etc.) have expressed a keen interest in scaling up these initiatives. These initiatives have also gained support from the Department of Financial Services (DFS) under the Ministry of Finance (which is the nodal entity for Pradhan Mantri Jan Dhan Yojana of GoI). NRETP would further scale up these initiatives by building on existing partnerships with banking and non-banking institutions e.g. M-PAISA; Paytm etc.

Further, with increased focus on improving household income through higher order livelihood activities in farm and non-farm sectors requiring matching credit requirements, enabling larger value loans (beyond SHG bank linkage) for micro & small enterprises and producer collectives is required. The need for such customized financing products has also emerged in the process of developing sub national projects with states such as Bihar Transformative Development Project (BTDP), Jharkhand (JOHAR) and Tamil Nadu Rural Transformation Project (TN RTP) as well. This will require technical assistance to NRLM-SRLMs and financial institutions to develop suitable financial instruments besides further developing financial solutions to mitigate financial risk of lenders to non-collateralized loans. Pilots underway will be used to inform support under the NRETP. The NRETP would also actively engage with program like MUDRA to finance growth oriented individual enterprise emerging from SHG network. It would also develop a national level system of grading & ratings of FPOs and systematically engage with various social impact investors to mobilize financial resources and connect with them.

**Component 3. Innovation and Partnership Support:** There is no change in the activities to be financed under this component. The component will continue to finance pilot initiatives and technical assistance consultancies that support innovative livelihoods activities in agriculture, livestock, youth employment, among others, for rural poor households.

**Component 4. Project Implementation Support:** There is no change in the activities to be financed under this component. This component will continue to strengthen the National Mission Management Unit for effective project management at the national level, finance the Monitoring and Evaluation activities and ICT initiatives.

**Project Costs:** The revised component wise costs, reflecting the changes in components, activities and the additional financing allocations, are outlined in the Table below:

<table>
<thead>
<tr>
<th>Project Costs by Component</th>
<th>Original Project</th>
<th>Additional Financing</th>
<th>Total Bank Financing: Original + AF</th>
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<tbody>
<tr>
<td></td>
<td>Total Original Project Cost</td>
<td>Total Original Bank Financing</td>
<td>Total AF Project Cost</td>
</tr>
<tr>
<td>Component 1:</td>
<td>44.25</td>
<td>39.00</td>
<td>40.20</td>
</tr>
<tr>
<td>Component 2:</td>
<td>716.60</td>
<td>430.00</td>
<td>431.50</td>
</tr>
<tr>
<td>Component 3:</td>
<td>6.67</td>
<td>4.00</td>
<td>15.50</td>
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**Project Closing Date:** The original credit Closing Date will be extended to match with the proposed Closing Date of the NRETP. This would allow for a seamless transition of interventions between the original project and the AF phase. The proposed revised Closing Date is June 30, 2023.

**Results Framework:** The Results Framework (RF) has been updated to reflect the changes introduced with the NRETP as well as to reflect outcomes expected from a longer and more intensive exposure to the interventions. In view of the shorter implementation time frame, the current NRETP largely focused on lower level output indicators. The NRETP will make a shift to some higher-level output and outcome indicators. Some of the indicators from the original project that are no longer relevant will be dropped, while others for which either definitions or targets have been significantly modified considering the significant scale up proposed, will be introduced as new indicators. While the current versions of these indicators will be retained to enable documentation of achievements of the full project at the ICR stage, these will not be reported against during the NRETP phase.
CHAPTER 2: INSTITUTION BUILDING AND CAPACITY BUILDING

A. Introduction
The fact that the endeavor to economic uplifting of the poor enhanced through the promotion of their institution, what we know as SHG’s and its tiers, is visible in all the corners of the country. The first step towards “Enabled Community” starts with the mobilization and formation of a group. Having own functional group gives an enormous boost and platform to the poor to open up, own and participate in various actions towards economic and holistic development. The numerous examples of the cheerful women and happy families gladly sharing their journeys and dedicating the support of their peers and groups reiterates the significance of organized and functional community Institutions.

While the primary institutions, organises and orient its members towards development actions, the upper tiers – Village Organisation and Cluster Level federation bind and supports to evolve and operate in an environment of discipline with equity and empathy towards one and all. In absence of a bind, the effectiveness of the primary institution may dissipate.

B. Achievements of NRLP
NRLP support in the 100 districts and 4100 blocks through the highly intensive resource block strategy created a solid base frame work for the mission. Under DAY - NRLM, a total of 45 million rural women being part of 40 lakh Shgs, 2.23 lakh Village organisations and more than 7500 Cluster Level Federations are currently experiencing the transformational change in 4,100 blocks spread across 29 states. These upper tiers have provided a firm structure for the shg to harness financial resources to the tune of 62101 Cr, technical supports and numerous programmatic benefits from various government departments. Appropriate professionals and HR engaged through the program steered the program both in terms of numbers and finance. It resulted in strong social capital base of 1.70 lakh Cadres and 50,000 Master Trainers creation, numerous partnership, pilots and huge knowledge capital.

The national average percentage of SHG getting defunct or dormant has been below 3.9 % showing people’s faith in the process. Similarly, a total of Rs 1237.9 Cr (2.45%) is the total amount of NPA against a total loan outstanding of Rs 50,443 Cr to shg’s. Thus, the outputs are convincing for Government to notice thereby expanding it to all 29 states and 5 UTs and increasing its portfolio to 55000 Cr.

C. IB-CB under NRETP
It is proposed to strengthen the higher-level community institutions in 150 selected blocks of 9 states viz., Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu and West Bengal, in which social mobilization and promotion of SHGs and VOs have been completed to a large extent and promotion of Cluster Level Federations (CLFs) initiated.

Approximately, 600 CLFs and 2,000 VOs in the selected blocks will be supported intensively in terms of preparation of vision, strategic and business development plans, customization and adoption of standard operational procedures, leadership development, and strengthening of VO and CLF sub-committees, institution of ICT systems for effective financial management and accounting, provision of human resources and gap financing. The VOs and CLFs will be capacitated to undertake review of federating units based on certain performance indicators. Further, based on the felt needs of the community, select block and district level federations will be promoted on a pilot basis.

More specifically, the following key activities will be undertaken to strengthen the federations and their functional efficiency.

- Cost towards housing competent HR at CLFs, Resource persons, Community Cadres;
- Training and Capacity Building of project staff, CBO Leaders and CBO staff;
- Establishment and operation of Resource centres;
- Development of IEC materials, Conducting Thematic studies;
• Operational Grants to CLFs; and
• Preparation of ICT.

Selection of Blocks for Strengthening Higher Order Organizations

In addition to the criteria proposed to be used by project for selection of blocks (viz., 1. Intensive blocks as a percentage of total blocks in the district, 2. Proportion of SC/ST members to the total SHG members, 3. % of eligible SHGs provided RF, 4. % of SHGs provided CIF, 5. % of SHGs federated into VOs, 6. SHGs with outstanding loans as a % of the total SHGs in the block and 7. No. of Members mobilized into PGs as % of the number of HHs mobilized into SHGs), the following criteria will be used for selection of blocks for strengthening higher order federations:

• All Resource blocks and intensive blocks under NRLP that have completed formation of 75% of potential VOs and with a minimum presence of field staff. Preference would be given to blocks selected for intensive FI and Livelihood activities. Blocks with a large percentage of Mission Antyodaya GPs, SAGY GPs and RURBAN clusters will also receive priority.

The following interventions will be implemented in the selected blocks

D. Strengthening of VOs and CLFs

The project will focus on establishing standard systems and procedures in all existing VOs and CLFs and facilitate them to become self-managed and financially sustainable institutions. The project will also facilitate mobilization of all left out Vulnerable HHs into SHGs and bring them under the VO fold. Further, efforts will be made to saturate the blocks in terms of formation of SHGs, VOs and CLFs. The following strategies will be adopted for strengthening of VOs and CLFs:

i. Formation of a Core Committee: A state level Core Committee will be constituted with CEO, COO, SPMs – IB, SM&CB, SI&SD, Gender, FI and LH for effective convergence among thematic areas, monitoring and development of Resource Blocks. On the similar lines, district and block level core committee will be constituted. All these committees will review the progress of VOs and CLFs on a monthly basis.

ii. Dedicated CLF staff: The project will recruit Young Professionals @ one per CLF and train them on higher order institution building aspects. Also, it will facilitate CLFs to hire their own staff (@ 1 CLF Coordinator, 1 Accountant and 1 Computer Operator per CLF) and provide operational grant to meet the HR cost.

iii. Development of Resource Pool: The project will identify, train and position around 75 National Resource persons (@ 1 NRP per 10 CLFs) for supporting SRLMs in developing State Resource persons and providing on-site nurturing and handholding support. Around 170 State Resource persons (@ 1 SRP per 3 CLFs) will be developed for the capacity building and guidance of Block and CLF members and staff. Also, the mission will develop a dedicated pool of Senior CRPs at national level for supporting SRPs in development of Social cadre

iv. Community Spearhead Teams: A Spearhead Team with select active, dynamic and experienced VO/CLF members or leaders and CBO staff will be developed for strengthening of SHGs and VOs. This Spearhead team will eventually take over the responsibility of strengthening of SHGs, VOs and CLFs from the state missions. They will act as an advisory body to CLF and guide them continuously in realizing their visions.

v. Preparation of Vision, strategic and Business Development plans: After assessing the current status of SHGs, VOs and CLFs on various governance, financial and social development issues, through a participatory bottom-up approach, all CLFs will prepare their Vision, Strategic and Business development plans by clearly articulating their financial, economic and social agendas.

vi. Capacity Building of Mission staff, CBOs and CBO staff: With support of NRPs, SRPs, and CRPs the mission will build the capacities of VOs and CLFs EC and Sub-committee members,
Office bearers and CBO staff on customizing and adopting Standard Operational procedures, financial management and accounting systems, review their member – SHG/VO performance based on data analytics, performance indicators and registration and legal compliances through conducting trainings, immersions, workshops and exposure visits etc.

vii. Internal Resource Mobilization: The major thrust will be given to internal resource mobilization in VOs and CLFs for improving members' stake and increasing fund availability. The VOs and CLFs will be facilitated to identify various sources of internal resource mobilization viz., share capital, admission fee, membership, service fee etc., and develop various savings products. Also, they will be facilitated to take-up some enterprise

viii. Development ICT Systems: The mission will develop MIS and online/offline VO and CLFs standard accounting and audit applications on various platforms viz., web based/tablet based by engaging service providers and build the capacities of VOs and CLFs accounts and leaders.

ix. Study of Existing State Registration Acts: To study the feasibility of existing state acts for registration of CBOs and recommend necessary actions, the mission will constitute a small core team in states with the concerned line departments and law experts from development sector where required. As per the recommendations of the committee, the mission will do policy advocacy for bringing appropriate amendments/changes.

x. Registration of CBOs: The mission will develop a pool Registration CRPs to train all SHG, VO & CLF members on registration and statutory aspects and facilitate preparation of by-laws.

xi. Establishment of Self-Regulation Mechanism: The mission will develop a pool of Community Auditors for conducting regular internal audits of SHGs, VOs and CLFs and training CBOs and their members on financial literacy. Also, these Auditors will support CBOs in fulfilling statutory compliances and rating.

xii. Provision of Operational Grant and Gap Financing to CLFs: To support CLFs in achieving financial sustainability, the mission will provide operational grant to CLFs for three years to meet their operational costs viz., staff salaries, rent, electricity, internet, purchase of computers, printers, conducting meetings etc. Also, it will provide gap financing to CLFs for meeting the greater credit requirement of VOs and soothing their cash flows.

xiii. Development of Community Cadres: Community to community approach was found to be very effective in strengthening SHGs and their federations and in delivering various services to the members. However, various categories of community cadres viz., CBO staff, service providers and community trainers are required at SHGs and their federations for carrying out their day to day functions and providing various financial, economic and social development services to the members. Keeping this in view, the SHG federations will be guided to developing clear policies for hiring and utilising the services of various categories of community cadres. Specific strategies would be worked out for capacity building of these professionals.

E. Promotion and Strengthening of Block Level Federations and District Level Federations

Under NREPT, 80 BLFs and 20 DLFs will be promoted on a pilot basis for taking up higher order financial inclusion, economic and social development issues and for taking up convergent action. The roles and responsibilities of these institutions will be clearly demarcated and appropriate operational guidelines will be developed.

F. Capacity Building Strategies

Under capacity building component, the project will adopt various approaches to building the capacities of Mission staff, CBOs and Community Cadres on various themes of NRETP viz., Institution Building, Capacity Building, farm and non-livelihood’s, financial inclusion, Social Inclusion, social development
and gender. Also, the project will develop 100 Community managed regional/ decentralized training centres in select NRETP states. Some of the key CB strategies identified are:

i. **Adopting various methods of capacity building:** The project will adopt various methods of capacity building viz., (a) Induction Trainings for newly recruited/ selected/ elected; (b) Refresher trainings; (c) Need based trainings; (d) Action Oriented Learnings; (e) Immersions; and (f) Exposure visits.

ii. **Inductions, Immersions and Orientations:** The project will conduct Immersions, inductions and orientations to all new joined staff (right from CEO to Frontline worker) directly or with the support of NRO/TSAs/other agencies. Also, the project will orient all mission staff on all thematic areas of NRETP.

In addition to the above, the project will also establish a system for conducting trainings effectively and systematically to all CBOs, CBO staff and community cadre. The project will train all newly elected SHG, VO, CLF, PG and EC, Subcommittee and officer bearers mandatorily.

iii. **Trainings and Refresher programmes:** The project will ensure that at least two trainings/refresher will be given to all Mission staff, CBO staff and Community cadre in an year on the concerned theme.

iv. **Executive development programmes and Retreats:** As many of the mission staff needs to perform multiple roles and deliver outputs in very tight schedules, enhancing their planning, management and documentation skills is absolutely necessary. Hence, the project will identify good management training agencies for imparting trainings to Mission staff and Community cadres. The project will facilitate states to conduct Retreat at least once in a year to introspect and come up with fresh ideas.

v. **Development of Training modules, materials and aids:** Various training modules, material and aids will be developed in consultation with states and CBOs. To maximize the impact of learning, the project will adopt various innovative methods material development and trainings viz., interactive CDs, on-line courses, mobile based learning apps, peer group learning etc.

vi. **Establishment of Community Managed Training Centres (CMTC):** It is envisaged that 100 Community managed regional/ decentralized training centres will be developed under the NRETP. These centres would be owned and managed by the Federations. It is envisaged that the CMTC will provide the following services:
   - Trainings on all thematic areas viz., IB, CB, FI, Farm and non-farm Livelihoods, Social development, gender, convergence, finance, MIS, M&E and various government schemes etc.,
   - Entrepreneurship development courses
   - Training needs assessment
   - Exposure visits
   - Orientations
   - Campaigns
   - Kalajathas

G. **Management of Community Investment fund and Vulnerability Reduction Fund**

Community Investment fund is being provided to CLFs under NRLM and NRLP for on-lending to member organisations for meeting their credit requirements and building their credit worthiness among financial institutions fraternity. One of the main objectives of CIF is to promote the managerial and financial sustainability and hence, CIF management is critical in CLFs. Thus far, the Mission has provided more than Rs. 1,700 crores. Also, the Mission has provided Vulnerable Reduction fund to VOs. It is however, observed that there are some issues in the management of funds at the CLF level.
Also, it is observed that some of the CLFs require additional CIF for meeting greater credit requirement of members. Hence, the Mission will focus on the following strategies for enhancing the CIF management and meeting the additional financial requirement.

- Reducing the time lag and ensuring timely disbursement of credit to members by simplifying Micro planning process and loan appraisal methods
- Formation and strengthening of CIF and Audit sub-committee in all VOs and CLFs on a mandatory basis.
- Training all VO and CLF accountants VO and CLF CIF Sub-committee members on micro-planning process, loan appraisal methods, financial management and SOP.
- Facilitating VOs and CLFs to delegate some financial powers to Office Bearers for advancing loans
- Development of different credit products – Short-term, medium-term and long-term loans and purpose specific loans
- Displaying financial status and fund availability information in VOs and CLFs offices
- Development of VO and CLF accounting applications and MIS systems and continuously monitoring idle fund, overdue status, expenditure, advances given and profitability of CBOs by all i.e. from SHG to National Mission director on a regular basis (minimum monthly)
- Facilitating VOs and CLFs to prepare and implement their cash flow statements and business plans
- Provision of Rs. 10 lakhs to each CLF as Gap funding
- Encouraging VOs and CLFs financing producer groups / collectives/Producer Organisations. The project will facilitate POs to prepare annual calendar of operations along with business plan which will be financed by the project through VOs / CLFs. The support to POs could include start-up costs, exposure visits and trainings, technical assistance (including technology demonstration), working capital for arranging inputs supply / output marketing and small scale productive infrastructure.
- Conducting a half-yearly field internal assessment of CIF management by NMMU and SMMUs
- Conducting an internal assessment of VRF by NMMU and SMMU for understanding the current status and challenges in VRF rollout.
- Simplifying VRP Guidelines, protocols and VRP planning formats and issuing advisory and demystifying VRF concept.
- Development of training material and training all VOs, CLF Accountants, CIF-Audit subcommittee members and Office bearers on the revised guidelines, protocols and VRP Planning process.
- Creation of awareness on VRF on a campaign mode.
- Facilitating VOs and SHGs to identify the needs of Vulnerable HHs, prepare VRP and provide Funds.
- Incorporating utilization of VRF and No. of Vulnerable HHs accessed VRF as one of the indicator while providing loans to SHGs and VOs.
- Continuously monitoring VRF utilization by all i.e. from SHG to National Mission director on a regular basis (minimum monthly) and ensuring all vulnerable access VRF as per their need.
- Provision of additional fund towards vulnerability reduction fund by NRETP to VOs where needed
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CHAPTER 3: SOCIAL INCLUSION AND TRIBAL DEVELOPMENT

The project focuses on bringing all left out vulnerable HHs especially poorest of poor, SCs, STs, PVTGs, Single women, widow, deserted PwDs, Elderly, migrants, socially oppressed viz., Maha Dalits, Devdasis, Sex workers, manual scavengers, transgender, HIV positive and Survivors of Human Trafficking etc., into SHG fold, provision of financial support and facilitate to access their rights and entitlement’s in the select 160 blocks.

Following strategies will be adopted for social inclusion and tribal development under NRETP project:

- Issuing guidelines and training all CBOs in preparation and implementation of Social Inclusion Plan (SIP) and social inclusion protocols for mobilising all left out vulnerable HHs into SHGs
- Promotion and strengthening of exclusive SHGs of Elderly, Physically and Mentally Challenged and Particularly Vulnerable Tribal Groups (PVTGs) in 160 select blocks and support them in accessing their entitlements (pensions, health and nutrition care, food security), provide of exclusive community investment fund for vulnerable, promote livelihoods and financial inclusion, thus empowering them to lead socially and economically productive lives.
- Promotion and strengthening of special institutions for vulnerable if required for providing specialised services viz., counselling, medical aid, convergence with line departments and accessing rights and entitlements etc.
- Capacity building of VOs and CLFs to include coverage of POP, Vulnerable and PVTGs into SHGs, provision of financial and LH support and access to entitlements as one of the indicator for disbursing loans to their member organisations
- Development of protocols and modules for working with tribal and PVTGs
- Development of Resource pool at national, state, district, block level for conducting trainings on implementation of social inclusion and tribal development strategies
- Utilising Attapady as a demonstration site and developing of community resource persons and community professionals for utilising them to scale up of the special projects in the project area.
- Translation of Social Inclusion manual and Toolkit into vernacular language and including its regular capacity building plan of CBOs and State Missions
- Building the capacities of all mission staff, CBO staff, CBOs members, EC, Subcommittee and office bearers on social inclusion strategies and implementation in a cascading approach
- Conducting studies and documentation of strategies adopted by States and best practices in mobilizing the Ultra Poor, Singe Women, the Transgender, Destitute, and Survivors of Trafficking
- Development of MoU with TRIFED for – a. utilising the services of SHGs and/or Producer Collectives promoted under DAY-NRLM or any other scheme of MoRD procurement, processing and /or marketing of MFP (Minor Forest Produces) commodities under the Scheme MSP for MFP, b. establishing Value Addition Centres for MFP to be owned by SHGs and/or Producer Collectives promoted under DAY-NRLM, making resources available to SHGs/primary level societies /collectives, through a business plan, c. Establish backward and forward linkage for successful management of such value addition centres and provide necessary guidance/handholding, d. SHG/Producer Collectives having majority tribal members engaged in livelihoods activities of production of finished products of handloom, handicraft and processed packed food/organic products, Regional Office of TRIFED shall empanel the SHG/Producer Collective and select their marketable products for sale through TRIBES India outlets, e. Upgrading the skills of women SHG/Producer collective, development of new design aimed at enabling them to produce finished products of handloom, handicrafts and processing packed food/organic products with better market acceptability.
- Provision of VRF to VOs where needed for supporting Vulnerable families.
- Supporting states in preparation and implementation of Special projects for the development of Vulnerable and tribal in other than 160 select blocks.
CHAPTER 4: SOCIAL DEVELOPMENT AND CONVERGENCE

The project will foster convergence among PRIs, line departments and SHG federations in 160 select blocks (blocks selected for IB) for creation of community demand to access rights and entitlements, effective provision of public services and improving accountability and transparency among PRIs and line departments. The project will universalise Health and Nutrition and WASH activities in the 160 select blocks. Also, the project will support states in designing and implementing few special projects on Agri-nutrition linkages, WASH and PRI – CBO convergence pilots.

The following strategies will be adopted for FNHW, social development and convergence:

- Mobilization of SHG members to participate in the Village Health, Sanitation and Nutrition Days, gram Sabhas and GPDP Planning process
- Facilitation of ASHA, ANM and AWWs to participate in SHGs, VOs and CLFs meetings for generating awareness and promoting behaviour change in Mother and Young Child Health and Nutrition, and WASH issues with an emphasis on 1000 days window, dietary diversification and complementary feeding
- Promotion of Nutrition Sensitive Interventions - WASH, Agri-Nutrition Linkages with well-designed farm to plate education
- Facilitating SHG members to utilise of Vulnerability Reduction Funds for medical care and hospitalization, accessing Public Distribution System and Insurance
- Facilitation of CBOs to monitor the quality of VHND and ICDS Services, and engage with the concerned officials to ensure women and children realize their entitlements
- Promotion of Livelihoods around Health, Nutrition and WASH related activities
- Development of FNHW and convergence resource pool at national, state, district and block level for conducting trainings to mission staff, CBO staff and CBOs.
- Identification of NROs/TSO for providing continuous nurturing and handholding support to SRLMs in implementation of FNHW and convergence related activities
- Conducting studies on how FNHW livelihoods can be promoted / scaled up.
- Development of community-based monitoring system and inclusion of FNHW and convergence MIS reports in DAY NRLM MIS for development of database
- Formation and strengthening of Social Action sub-committee in SHG federations for discussing FNHW, Social development and convergence related agenda and taking necessary action
- Development of partnership between GPs and SHG networks for ensuring the access to their rights and entitlements, different schemes and programmes implemented by PRIs.
- Issuing advisory for inclusion of SHG federations social action sub-committee members as members in VHNCs and other functional committees of PRIs
- Facilitate states to issue advisory to all line departments to participate in SHG federations scheduled meetings
- Capacity Building of SHGs and their federation on roles and responsibilities of PRIs, women Sabhas, 73rd and 74th amendments, Grama Sabhas, GPDP process
- Conducting trainings and exposure visits to PRIs and its functionaries on issues related to Poverty, social justice and other mission processes.
- Development of community cadres i.e. Sethu Didi (Convergence CRPs) for training and supporting communities in dealing with PRIs and line departments, community professionals - Local Resource Group (LRG) members for training SHG federations and PRI members
- Development of locally relevant planning and monitoring tools to help in understanding and documenting gaps in entitlement access, planning for action to access entitlements
- Facilitate joint planning by the women and panchayats for poverty-free Gram Panchayats.
- Conducting Gap analysis and developing baseline data through Participatory Assessment of Entitlements (PAE) exercise to facilitate SHG-level discussions on entitlements and identifying
SHG members deprived of entitlements due to them from the schemes of MGNREGS, Swachh Bharat Mission, National Social Assistance Programme (NSAP) and ICDS.

- Facilitate Target setting through Entitlement Access Plan (EAP)
- Facilitates Joint Planning through Gram Panchayat Poverty Reduction Plan (GPPRP)
CHAPTER 5: GENDER AND WOMEN’S ECONOMIC EMPOWERMENT

The project will adopt Gender Transformative Change Approach for engendering all domains of NRETP and mainstreaming gender. It will adopt a bi-fold strategy viz., extensive strategy in all NRETP blocks and Intensive strategy in 160 select blocks.

In the extensive strategy, through NRLM fund support, the project will sensitize and orient all mission staff on gender issues. Under this strategy, the project will limit its role only to formation and training of Social Acton Committees at VO and CLF level. It is envisaged that as per the demand and their capacity, the VOs and CLFs may tackle some of the gender issues. This approach is proposed basically to prepare ground for scaling of gender activities in the coming years as part of NRLM or any other project/agency.

In the intensive strategy, the project will adopt a very systematic approach for gender mainstreaming. The project will develop a gender institutional architecture viz., Lok Adhikaar Kendras/Social Justice centres and capacitate CLFs to proactively address higher order social issues like Witch hunting, Human trafficking, prevention of arrack, child marriages etc. The interventions proposed in intensive strategy are:

A. Engendering NRETP Components
The project will build the capacities of all Mission staff, CBOs and CBO staff to implement all the project activities with well-defined gender transformative approach. Some of the interventions for engendering NRETP components are:

- Inclusion of tribal/PVTGs, economically and socially poor dominated districts and blocks as one of the critical criteria for selection of districts and blocks in the project
- Promotion of special institutions or networks for survivors of human trafficking
- Building flexibility in SHGs and their federations norms to accommodate needs of vulnerable
- Providing credit to single women, widow, women headed families etc., on a priority basis by SHGs,
- Opening PMJDY Accounts to all SHG members
- Collection of disaggregated data analytic for monitoring and ensuring equity and equality in providing project benefits
- Reserving at least one leadership position to socially oppressed communities
- Analysing role of women in LH or enterprise activities and implement intervention for developing women’s ownership and control on productive assets and income
- Facilitating unconventional LH to break gender stereotypes
- Introduction technology/machinery/women friendly equipment in LH for reducing women’s drudgery
- Facilitation of construction of bathrooms along with toilets and sensitizing men and children on toilet usage and cleaning
- Ensuring all vulnerable access their rights and entitlement’s etc.

B. Mainstreaming of Gender activities
The following activities will be undertaken to mainstream gender the project

- Development of state specific gender strategy, accountability framework and protocols and issuing advisory on implementation
- Development of gender CRPs/ community cadre (samata sakhi) for (at least 4 person/block) for training CBOs and providing handholding and nurturing support to CBOs
- Development of institutional mechanisms at SHGs and their higher-level federations for introducing gender agenda and addressing social issues – one gender point person in every SHG, Social action committees at VOs and CLFs level and Gender forums at GP, Block and district level
• Building the capacities of gender point persons, social committees and gender forums on implementation of all project activities by adopting gender transformative approach, women reproductive health issues, handling social issues, maintaining required registers and records for documentation and legal aspects etc.

• Promotion and strengthening of gender justice centres/family counselling centres/lokadhikar kendras at CLF/BLF level and hiring an advocate for providing free – legal aid to victims

• Creation of gender fund at CLF level for providing free legal aid, medical support, temporary shelter, meeting the cost of community cadre/samata sakhi etc.

• Development of resource pool at national, state and economic cluster level on engendering all domains of NRETP and mainstreaming of gender activities

• Capacity building of mission staff all mission staff, VO & CLF members, executive committee, sub committees and office bearers

• Development and customization of gender training modules, material and aids

• Collaborating with TSOs, NGOs, research and academic institutions for piloting Social Analysis Action and Participatory Learning Approaches under innovations similar to the lines with social observatory, capacity building of all stakeholders, development materials and aids, policy advocacy, creation of awareness, campaigns and conducting studies

• Formation and strengthening of exclusive Adolescent/youth groups of both boys and girls and train them on social issues, various legislations Acts, nutrition, health (especially reproductive health), enterprise development and life skills

• Formation of ASH and Grievance Redressal Mechanism committees both at CBO level and mission level and ensuring effective functioning

• Coordinating with line departments in establishment of help-line for providing immediate rescue services to the victims

• Conducting gender audits both at mission and CBO level for ensuring women friendly work space

• Develop efficient online MIS system and key outcomes for gender

C. Special projects to address key social issues

Support states in development and implementation of at least one special project on social issues like witch hunting, human trafficking, gender-based violence, child labour, children’s educations especially girl child education, street children, rag picking, child marriages, short stay homes/shelter homes.

In addition, studies will be conducted to understand gender barriers in agriculture, accessing markets etc. Lastly, multiple awareness campaigns, workshops, trainings will be conducted on gender related issues.
CHAPTER 6: FINANCIAL INCLUSION

A. Background
Credit and other financial services are essential to help poor smoothen their consumption, minimize shocks & vulnerabilities and undertake investments for acquisition and expansion of productive assets. DAY-NRLM have adopted Self Help Groups (SHGs) as the primary institution for mobilization of women from poor households and leveraging credit from the formal banking system. Prior to the launch of the mission, during 2011-12, banks disbursed an amount of Rs 14132 Cr to 9.2 lakh women SHGs. Over 78% of the loans disbursed were concentrated in 4 southern states. The poorest 11 states which accounts for over 84% of the poor households of the country received only 20% of the bank loans disbursed to SHGs. The average loan per SHG in these states is Rs 80,000 which is way below the national average of Rs 1.53 lakhs. NPA on loans to SHGs depicted a continuous increasing trend, and by Mar 2012, the total NPA on SHG loans accumulated to Rs 2213 Cr (6.09%). Concerns of rising NPA coupled with operational difficulties at rural branches reeling with severe staff constraints, banks were reluctant to lend to SHGs. Under such circumstances, the mission was faced with an uphill task of accelerating credit linkage of SHGs particularly in the eastern, central and northern states.

B. Achievements of NRLP
However, with systematic engagement at both demand and supply side, DAY-NRLM was able to reposition Self Help Groups as a preferred vehicle for banks to deliver credit in rural areas, particularly to women from low income households. During the period Apr 2013 to Dec 2017, women SHGs under the mission were able to leverage cumulative credit of over 1.5 lakh crores. During the year 2017-18 (upto Q3), over 19.9 lakh women SHGs have been credit linked. The loan outstanding with women SHGs as on Dec 2017 has grown 104% to Rs 62,101 Cr from Rs 30,465 Cr in Mar 2012. The poorest 11 states also saw 119% increase in SHGs credit linked and 136% increase in annual disbursements during 2017-18 (upto Q3) over FY 2011-12. However, the average credit size to SHGs in these states marginally increased to Rs 90368 (13% increase) during the same period. DAY-NRLM has also been successful in reigning on NPA. Out of the 33.13 lakh SHG credit linked after the launch of the mission, 1.22 lakh SHGs (3.7%) have defaulted on repayments. A total of Rs 1237.9 Cr (2.45%) is the total amount of NPA against a total loan outstanding of Rs 50,443 Cr. Some of the crucial interventions which led to the above achievements are as follows:

i. Strengthening the demand side

- **Building Capacity**: Engaging with SRLMs on strengthening the demand side, the mission has been able to ground standard protocols on identification of eligible SHGs, estimation of credit requirements, preparation of loan applications etc. Regular training inputs to staff and community functionaries enhanced their capacity to efficiently deal queries from bankers. The capacity at SRLMs was further enhanced through positioning of bankers as Financial Inclusion Consultants at state and district level.

- **Simplification of application and procedure**: Complicated and varied procedure and application formalities related to application formats, KYC requirements, loan eligibility etc adopted by various banks significantly contributed delay in submission, processing and disposal of applications. DAY-NRLM worked extensively with Reserve Bank of India (RBI), Indian Banks Association (IBA), NABARD and individual banks to simplify the procedure. The biggest break through was with RBI, issuing a detailed master circular on the mission with
specific direction on procedures, loan eligibility and terms. This was followed-up with IBA standardizing the SB account and loan application forms. The mission also worked with all stakeholder on getting clarifications on various operational hurdles. A compilation of the clarifications with reference of official circulars has been issued in form of a ‘Handbook on SHG Bank linkage’ for use by field functionaries and rural bank branches.

- **Support to banks through Bank Sakhi**: Most rural bank branches are faced with severe staff shortage inspite of the increase in footfall at branches. Further, government has entrusted the banks to lead the implementation of major sponsored programme particularly in the domain of benefit transfers. In such circumstances, bank officials were finding it difficult in timely processing of applications from SHGs or attending to their needs. Taking lessons from SERP, Andhra Pradesh and Jeevika, Bihar, the mission decided to mainstream the support to banks in form of bank Sakhi. Now in over 9704 rural branches

- **Community Based Repayment Mechanism (CBRM)**: Bankers on various forums have repeatedly highlighted NPA on SHG loans as the key concern and reason for slow progress on SHG bank linkage. To address this mission has institutionalized Community Based Repayment Mechanism (CBRM) at branches involved in financing of SHGs. As on Dec 2017, CBRM is functional across 12127 rural branches and have successfully recovered overdues in old loans as well as maintain regular repayment of new loans sanctioned.

- **Bridging Information asymmetry**: Information asymmetry on SHG Bank linkage remained a perennial challenge for the sector. Based on the recommendation of Usha Thorat Committee and drawing from the experience of SERP, a web portal was designed with data directly from CBS of banks. All Public Sector banks, RRB and leading Private banks share data on monthly basis. Reports on disbursement to SHGs, RRB and leading Private banks share data on monthly basis. Reports on disbursement to SHGs, loan outstanding, NPA etc are placed on the portal for reporting and guiding the implementation. This portal is now the recognized platform for reporting of information on SHG Bank Linkage. Access to authentic information to all stakeholders involved has positively influenced the flow of credit to SHGs. Reporting on SHGs with overdue led to timely action from state missions which has contributed in keeping the NPA under check.

ii. **Sensitizing the supply side**

- **Engagement with banks**: The mission has proactively engaged with banks both at national and state level to showcase the measures taken to instil confidence of banks. The central level forum – Central Level Coordination Committee (CLCC) was activated. Presence of Secretary & Joint Secretary from MoRD and DFS; CGM-RBI; DMD-NABARD; CMD/ MD of various Public Sector Banks added value to the forum and ensured compliance to decision taken. A sub-committee under IBA was formed to resolve the operational difficulties. Regular interaction with General Managers of Public Sector & Private Bank; Chairman of RRBs through meetings, workshops and VCs gave the necessary impetus to the whole SHG-Bank linkage efforts. Similar efforts were taken at the state level to engage with Zonal and regional head of banks. SLBC Sub-committee on SHG Bank Linkage has been formed in all states. Forums like BLBC and DCC has been reactivated with separate agenda on assessing the performance of banks on SHG Bank linkage. Award functions to felicitate well performing banks at the national and state level further encouraged the efforts.

- **Sensitization of banks**: Organising sensitization of bank branch managers and senior officials has been the hall mark of the mission’s strategy of engaging with the banking sector. The mission trains over 20,000 branch managers annually sensitizing them on the mission’s work, its objective, importance of SHG Bank linkage and the process. During FY 2017-18 (upto Q3), 18387 branch manager have been trained. Field interaction with SHG members during such programmes helps branch managers appreciate the role of banks in making a difference in life of poor.
• **Dedicated Fund on Financial Inclusion:** Acknowledge the need supplementing the efforts on SHG Bank linkage through alternate channels of financial service delivery, a dedicated funding window under NRLP was created aimed at supporting innovative models for spearheading the Financial Inclusion agenda. Under this facility, 25 projects worth Rs 59.14 Cr were sanctioned to 10 SRLMs.

  - Among the projects supported, doorstep banking facility through SHG member acting as BC agent has been highly successful. 7 SRLMs are now implementing this model. More than 1160 BC locations have been established, extending support to SHGs. On an average, SHG members acting as BC agents perform 224 transactions valued at Rs 4.17 lakhs per month. Similar efforts were also made with Payment Banks (Paytm, M-PESA) and PPI providers (Oxigen). This intervention has immense potential of scale-up across various states.

  - Other projects like - strengthening Cluster Federations of SHGs as community Based Financial Institutions, Creation of specialized institutions for Financial Service Delivery made modest progress but holds potential for replication.

C. **Major development in Banking and Financial Sector**

Banking and Financial sector saw unprecedented developments during 2014 to 2018. Some of these would greatly influence on the approaches and direction adopted by the mission. In view of this it is pertinent to analyze these sectoral developments, gauge their impact and accordingly revisit strategies under the mission, aligning them with the larger sectoral environment. The key developments which are likely to influence the work of the mission are:

i. **Launch of PMJDY:** With a mandate to link every household to the banking system, government announced the launch of Pradhan Mantri Jan Dhan Yojna (PMJDY). Under the mission over 18.28 crore accounts were opened. This, coupled with Aadhar and increased mobile penetration – title JAM trinity, has greatly enhanced the financial footprint creating the necessary infrastructure for providing avenues for savings and extending facilities like credit, insurance, pension, wage payments and benefit transfers to hitherto unbanked or financially excluded households. An estimated 9.65 crore accounts of women beneficiaries were opened under the scheme. Majority of the women mobilized into SHGs under DAY-NRLM would be a beneficiary. With Such an infrastructure opens possibilities of further deepening financial inclusion with the targeted households.

ii. **Launch of Mudra Yojna- “funding the unfunded”**: The union government in its budget for 2015-16 announced the launch of Pradhan Mantri Mudra Yojana (PMMY) for extending credit facility to small entrepreneurs. This opened opportunities for those self-employed in a more informal setting, borrow from formal financial institutions for expansion of business. Progressive SHG members managing enterprise can now take advantage of this facility not only to further augment their income but also create additional employment avenues.

iii. **Launch of insurance & social security schemes:** Government launched Launch Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) in May 2015 as a part of its effort for providing affordable universal access to essential social security protection. In the union budget for 2018-19, the government announced extension of Rs 5 lakh health insurance cover for 10 crore poor households. SHG members are legitimate beneficiary of all these schemes.

iv. **Licensing of new generation banks:** In 2015 after a gap of over a decade, Reserve Bank of India announced according license to a set of new generation banks. Guided by the recommendation of the Nachiket Mor Committee , RBI has issued new banking license to 2 full service banks; 10 Small Finance Banks (SFBs) and 11 Payment banks. RBI has also issued notification legalizing Peer-to-peer lending platforms.
These new generation banks, particularly SFBs mandated to target small borrowers would have far-reaching implications on SHG-Bank linkage. 8 out of the 10 SFBs having background of operating as microfinance institutions, is likely to proactive measures with shorter turnaround time and higher loan doses to attract progressive SHG members who many a times are not assured of timely credit under the regular SHG Bank linkage model. This may destabilize the entire SHG movement. At the same time, payment banks backed with full service public or private banks are also preparing to offer the full range of services. A converging framework of partnership with all such institutions is likely to benefit the SHG movement manifolds.

v. **Focus on Less Cash economy:** Post demonetization, government has given a thrust on digital financial transactions and moving towards an increasingly less cash economy. Government, Regulators and related institution have been working together - licensing of payment banks; emergence of PPI providers; new technologies like compact POS machines, UPI, Aadhar Pay, Bharat QR; changes in bank charges and limitation on withdrawal at ATMs all directed to creating an enabling environment. IndiaStack is the underlying enabler allowing governments, financial institutions and market to utilize the digital Infrastructure and move towards presence-less, paperless, and cashless service delivery. Rural areas, with increasing penetration of mobile and internet connectivity will not remain untouched by this. As on Dec 2017, an estimated Rs 82,000 Cr is being transacted within the SHG ecosystem, bulk of it being in cash. The business processes and transactions conceived for SHGs are more than 2 decades old and are aligned to a more cash-based transaction. With cash in short supply, there is an urgent need to redesign the processes and transit from a predominantly cash transaction to digital transactions.

vi. **Credit information reporting of individual SHG members:** Following the recommendations of Aditya Puri committee, Reserve bank of India issued directive to banks to ensure reporting on credit information details of individual SHG members. Non-compliance to the directive will lead to loans not being classified under priority sector. This has created a new challenge for DAY-NRLM, which if not addressed appropriately would lead to banks denying loans to SHGs on the pretext of increased work load compliance requirements

**D. Emerging Priorities & Way Forward**

The mission in its 5 years of implementation has been able to adequately address the demand and supply side concerns on financial inclusion particularly SHG Bank linkage. Though such interventions will continue in areas where are lagging, the high growth potential areas would need deeper engagements and interventions of higher order to broad base the impact. This is all the more important in view of the changes/development in the larger sector which will influence the direction of the mission. In view of this, the following priorities emerge:

i. Digital financial inclusion
ii. Strengthening of Federation of SHGs as viable community based financial institutions (CBFIs)
iii. Extending social security protection to SHG members
iv. Financing enterprises

**E. Financial Inclusion Strategy under NRETP**

The proposed phase titled 'National Rural Economic Transformation Project' will focus on deepening interventions and promoting innovations in 100 high potential districts with 400 blocks and 500 Cluster Federations. Building on the achievement of the earlier phase, the intervention on financial inclusion in these areas will primarily focus on converging multiple interventions. The proposed interventions are indicated below:
i. **Continued efforts on Financial Inclusion (SHG bank linkage, Financial Literacy)**

The efforts of the previous phase on SHG Bank linkage would be continued in this phase as per annual targets set following the adopted strategy.

**Implementation Structure:** The existing human resource already in place would be required for continuing the intervention:

- **National Level:** A two-member team will be required at the national level.
- **State Level:** At least three-member team will be required at the state level including at least one banker.
- **District Level:** One dedicated person at the district level is required for anchoring activities on financial inclusion. In addition, at least one retired banker as Financial Inclusion consultant for each district will be required
- **Block Level:** Community cadres like Bank Sakhi, Bank Mitra etc will be performing the roles as per the established protocols.

It is envisaged that bank credit to the tune of Rs. 23400 crores will leveraged from Banks in the 100 districts.

ii. **Building doorstep banking facility through Digital channels**

The key to expanding the banking services is to build & strengthen the last mile service delivery architecture. Further with the advancement of digital technologies, ‘Self Service model’ is becoming the preferred way of banking. Thus, the focus of the mission would be to take banking to the doorsteps of people who are still excluded and introduce them to the new age banking tools.

**Key Results expected:** Expanding the network of Business Correspondents for servicing of SHG members – 5000 additional points [2500 points with SHG member as BC & 2500 existing BC]

**Indicators**

- Digitizing all financial transactions between SHG-VO-CLF within all targeted CLF
- Digitizing 50% of financial transactions between SHG and its members within all targeted CLF
- Promote digital transaction in 100 market locations in intervention blocks
- Establishing system for credit delivery based on credit score in 100 CLF

**Key Strategy & activities**

a. **Expanding the network of Business Correspondents for servicing of SHG members – 5000 additional points [2500 points with SHG member as BC & 2500 existing BC**

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>No of BC deployed</td>
<td>500</td>
<td>1500</td>
<td>2500</td>
<td>4000</td>
<td>5000</td>
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</table>

- **Partnership with Banks and corporate BC:** Drawing from the experience of the pilot implementation under dedicated fund, the mission proposes to make a shift in implementation strategy for the model. Instead of making this initiative an SRLM led implementation, efforts will be made to partner with corporate BC which will lead the implementation on agreed principles for selection of BC agents, location and services. Partnership will be given a formal shape through execution of tripartite MoU between banks, SRLMs and Corporate BC. Partnering Corporate BCs will position key personnel required for implementation. SRLMs will extend all necessary financial support for procurement of equipment for BC agents, capacity building, IEC and establishing a support and monitoring arrangement.
• **Certification of SHG members deployed as BC agents**: In order to integrate the model into mainstream banking, it is proposed to get all the SHG members certified from IIBF and other certification agencies. Focused capacity building of agents will be conducted to facilitate agents successfully complete the certification. SRLM will bear the cost of the certification including incentivizing all BC agents completing the certification.

• **Policy advocacy**: The mission would undertake advocacy with DFS, RBI and banks for adopting the solution to enable SHG/VO/CLF transactions at BC points. A operating manual on dual authentication will be published in both English and local language for the benefit of branch managers and BC agents.

• **Midterm study**: The mission would carry out study to assess the impact and midterm correction in the model for further improvement, if any.

b. **Promote digital transaction in 100 market locations in intervention blocks**

• **Enabling digital transaction at business establishments**: Creating a digital ecosystem in rural areas is critical to accelerate adoption of digital technologies. The mission would foster partnership with appropriate fintech companies to provide necessary infrastructure and capacity inputs to enable digital transactions at business establishments at select market which are usually business hubs. This initiative will increase the use case for digital transaction for rural households. It is envisaged that about 2000 business establishments @ 20 establishments per market location will be onboarded on digital platforms under this initiative.

• **Enabling adoption of digital transaction by individual SHG members**: The mission would make proactive efforts for adoption of digital transactions by individual SHG members or their family members. Towards this, the mission plans to undertake extensive village level awareness campaigns on digital transaction as a part of the financial literacy initiative in the intervention areas. SHG members will be on boarded on various digital platforms like – mobile banking, UPI, aadhar pay, digital wallets, rupay cards etc. This will minimize the encashment requirements at BC points and instead increase the use of various digital options for payment. It is envisaged about 1 million SHG member HHs would be onboarded on the platform.

• **Establishing on-demand credit delivery system for SHG members**: The mission would create and demonstrate an on-demand credit delivery system for SHG members. The plan includes setting up of an online system on which women members through SHGs can register their MCPs through IVRS or SMS. The system will automatically verify the loan eligibility for each individual member based on the transactions following prescribed logic. Once confirmed the loan amount would be transferred to respective SHG account within 48-72 hrs with intimation to members/ SHG for further disbursement to members using the BC channel. Individual members can access loan amount at BC points. Such a system would lead to substantial reduction of lag in the system for credit disbursement. A technology service provider would be identified for developing the solution/ application. It is envisaged that this system would be made operational in 50 Federations initially. In future any CLF fulfilling the preconditions would be able the plug into the system for use.

**Implementation Structure**: Dedicated human resource in addition to existing architecture would be required for successful implementation of the initiative. In addition to the dedicated human resources, Technical agencies will be taken onboard for implementation

• **State Level**: One additional resource at the level of Project Manager will be engaged for spearheading the interventions on Alternate Banking
• **District Level**: Existing human resources deployed at district level will be used for implementation. Efforts will be taken to further augment their capacity. The existing human resources will be supplemented by additional manpower deployed by from corporate BCs.

• **Block Level**: One Block Level Coordinator for each of the 400 blocks would be engaged to lead implementation of Alternate Banking Solution and Micro Insurance.

**Technical Support Agency**

• **National Level**: One Resource agency (eg: likes of CDFI, Grameen Foundation) will be engaged for guiding NMMU team and state team in finalizing models, implementation arrangements, defining roles and responsibilities in partnership contracts, developing tools for data capturing & data analysis, monitoring of implementation, advice on policy advocacy issues.

  Partnership will be established with agencies (eg: IIBF, CSC) for certification of the SHG members working as BC agents. Services of one Technical Service Provider will be retained for developing the solution for on-demand credit delivery system

• **State Level**: Partnerships with Corporate BCs would be entered at state level depending of the sub-service area allocation

### iii. Strengthening of Federation of SHGs as viable community based financial institutions (CBFIs)

Federation is a critical pillar for sustainability of the entire initiative. Under the mission, apart from other social roles, federations have been envisaged to play the role of a financial intermediary. As on Dec 2017, Rs 4285 Cr has been disbursed as community funds to be managed by federations as ‘Capital in perpetuity’. Thus, there is an urgent need to build the capacity of Federations on pragmatic and transparent management of this fund and evolve as financially viable institutions without much dependence on external actors. The initiative will be taken up with 500 federations. However, it is envisaged that 300 federations will be able to achieve the set benchmark on various sustainability and profitability parameters. Such federations will also act as a model for other federations in the vicinity. The following interventions are focused towards achieving this objective.

**Key Results expected**: Establishing 300 CLFs as financially viable community based financial institution

<table>
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<tr>
<th>Particulars</th>
<th>Year 1</th>
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<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Federations supported</td>
<td>50</td>
<td>200</td>
<td>500</td>
<td>500</td>
<td>500</td>
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</table>

**Key Strategy & activities**

• **Assessment of Federation**: Assessment of the federations will be carried out to determine the current status of the federations on various financial, efficiency and profitability parameters. Business process analysis will also be undertaken to identify weak areas on governance, management and operations. A resource agency will be taken on board to guide the process and build capacity of SRLMs for conducting this assessment. Appropriate tools that suit the context of SHG federations will be prepared for the assessment. Based on the assessment, suitable benchmark for each parameter as a growth plan for the federations.

• **Preparation of strategic & business plan**: Strategic and business plan with a 3-5 years vision will be prepared for each federations. A detailed protocol for the exercise will be developed with
guidance from the resource agency. Capacity of Federation leaders, staff including relevant SRLM will be built to conduct the exercise. Based on the plan, systematic actions will be taken up.

- **Viability gap funding**: Viability gap funding would be extended to federations based on the business plan and meeting eligibility condition for the support. It is envisaged that federations will required viability support @ Rs 20 lakh per federation over a period of 3 years.

- **Designing of credit products**: Experiences from field reflects that in most of cases, SHG/federations do not have appropriate credit products which is one of the key reasons for slow off-take of community funds, particularly for investment in enterprises. The other aspect is the higher interest rate charged by SHG to members. The mission would undertake efforts to design appropriate credit products focused towards enterprise promotion.

- **Rating of federations**: Third party Rating of the federations meeting benchmarks on predefined parameter will be done preferably by a rating agency. This would enhance the legitimacy of federations as financial intermediary.

- **Positioning of Federations as Business Promotion Partners**: The dominant model for channelling credit support is the direct SHG-Bank linkage model. The emergence of new generation banks has further increased opportunity for accelerating the credit flow. However, the challenge remain that such banks do not have the extensive branch network in rural areas and thus have reservation on SHG-bank linkage model. Credit support from such banks can be channelized if SHG federations with established credentials are facilitated to take up the role of Business Promotion partners to such banks. In such an arrangement, federations will do the front-end work on sourcing of applications, scrutinizing, recommending eligible applications to banks for financing and ensuring repayment. Banks in turn would share service cost with the federation based on performance in lieu of the services. It is envisaged that about 200 such federations will enter into such arrangement with various banks.

**Implementation Structure**: Dedicated human resource would be required for successful implementation of the initiative. In addition to the dedicated human resources, Technical agencies will be taken onboard for implementation.

**Human Resource Required**

- **National Level**: NMMU will have team of 1-2 persons with experience of working with microfinance agencies to lead the initiative. The NMMU team work in coordination with IB-CB team and would be assisted by experts from resource agency taken on board.

- **State Level**: At State mission, existing human resource will anchor the initiative and guide the implementation.

- **District Level**: Existing human resources deployed at district level will be used for implementation. Efforts will be taken to further augment their capacity.

- **Block Level**: One YP per federation has been proposed under IB-CB. The YP would be responsible for execution of the federation level activity under guidance of the state team and resource agency.

**Technical Support Agency**

- **National Level**: One Resource agency (eg: likes of Basix, Microsave, Access Development services, APMAS etc) will be engaged for guiding NMMU team and state team in finalizing tools and conduct of assessment. The agency will also build capacity of SRLM functionaries in facilitation of business plan development. Partnership with be forged with appropriate agency for rating of federations
iv. **Extending social security protection to SHG members**

Addressing vulnerability is one of the important strategies to impact poverty. Poor households face more vulnerability and risks in form, death of earning member, loss of assets, unstable income sources, health emergency, accidents and other unforeseen incidents. Such incidents erode/exhaust all or most of accumulated wealth of the households and compel them to borrow even at higher rate to meet immediate needs, leading to a vicious cycle. To break this vicious cycle, NRLM would focus on risk mitigation and social protection. Community organizations under the mission have laid a solid foundation for creation of a comprehensive social protection framework that can shield poor families against vulnerabilities. The mission aims to approach the issue of vulnerability reduction and extending social protection cover through facilitating access of appropriate insurance and pension to SHG households. Emphasis would be laid on facilitating SHG members access and avail the benefits under Central/State sponsored schemes.

**Key Results expected**

- Enrolling 2.4 million SHG members and key earning family members under life and accident insurance cover
- Enrolling 2 million SHG households members and all members in her family under health insurance scheme
- Enrolling 4 lakh SHG members under pension scheme
- Extending insurance cover to assets financed through credit for 6 lakh SHG members

**Key Strategy & activities**

a. **Enrolling SHG members under life, accident & health insurance cover**

   a. **Spreading of Awareness:** The mission would undertake extensive awareness as a part of financial literacy campaign to highlight the importance of insurance cover. The awareness campaign will be conducted by FL-CRPs and BC agents deployed in the area. Support of local banks and other insurance providers would be taken to popularize schemes like Pradhan Mantri Jeevan Jyoti Bima Yona (PMJJBY) & Pradhan Mantri Suraksha Bima Yojna (PMSBY), health insurance scheme or any other appropriate products.

   b. **Enrolment of members:** Enrolment of members under PMJJBY and PMSBY are usually done through bank accounts. Enrolment for members will be done under the newly announced health insurance plan. However, the critical part of the process is filling up of the application cum consent form and maintenance of adequate in individual account. Similarly filling of forms with full family details, digitization of data and distribution of cards would be critical steps. The mission would ensure successful completion of the prescribed steps for enrolment through the BC agents. Block coordinator would guide and monitor the progress of the work.

   **Table 4: No. of Members to be covered under Insurance**

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<tr>
<th>Particulars</th>
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<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHs enrolled under Life &amp; accident insurance (Lakhs)</td>
<td>2</td>
<td>8</td>
<td>16</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>HHs enrolled under health insurance (Lakhs)</td>
<td>-</td>
<td>4</td>
<td>10</td>
<td>20</td>
<td>20</td>
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</tbody>
</table>

c. **System for Monitoring and claim settlement:** One of the reasons for repeat enrolment under insurance is weak post enrolment & claim servicing. This is particularly difficult in case of rural areas. As on Feb 2018, the claim ratio under PMJJBY and PMSBY is merely 0.17% and 0.014% respectively. This clearly reflects the poor claim servicing architecture.
The mission would focus on creating a reliable support architecture backed by IT platform at national level for submission, monitoring and disbursal of claims. As a part of this initiative, the mission would create an online platform (on line of SHG Bank linkages portal) for capturing the details on enrolment, claim submission and disbursal of claims. For PMJJBY and PMSBY, data would be sourced directly from banks. For other schemes, data would be sourced from respective insurance providers. The BC agents/ FL-CRPs/existing cadres would act as the front-line workers who will facilitate SHG members to complete formalities in case of claims. The mission would incentivize them based on the turn-around time for submission of claims.

d. **Creation of vulnerability reduction fund:** Claim settlement under any insurance scheme takes time. Though in few states, this has been considerably reduced, but still the time gap exceeds over a month. Often families faced with a crisis are in dire need of immediate financial help. In such circumstances, it is pertinent to create a vulnerability reduction fund which can offer immediate support to families. The financial support extended however would be adjusted against the claim settled to families. Each CLF in the intervention area should maintain such a fund @ Rs 3 lakh per CLF with laid down protocols for management. The frontline workers would have some imprest amount out of the fund to provide immediate financial help while attending to the families affected. Later they would also be responsible for recouping the amount post settlement of the claim.

b. **Enrolling SHG members under pension plans:** Majority of the women mobilized in SHGs are in the age group of 25-35 yrs. Each of them have at least 20-30 years of productive life ahead of them. This population group is ideal for enrolment under appropriate pension plan to secure their livelihood beyond productive years. For this purpose, the mission would take the advantage of schemes like Atal Pension Yojana (APY). An implementation approach similar to the insurance initiative would be adopted in this regard. Partnerships with PFRDA, aggregators and resource agencies would be established to broaden the options available to SHG members.

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<th>Particulars</th>
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<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tr>
<td>Members enrolled under Pension Plans (Lakhs)</td>
<td></td>
<td>0.5</td>
<td>2</td>
<td>4</td>
<td>4</td>
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- **Asset insurance cover for SHG members:** One of the prime focus of DAY-NRLM is to facilitate SHG members acquire and create productive assets (machinery, livestock etc) for sustainable income generation. Many of these assets are financed either by loans form SHGs or directly by banks. Loss of assets due to unforeseen reasons may create economic distress in the households and may lead to defaulting of loans. Hence, it is pertinent that such assets are protected or financial stress arising due to loss of such assets is minimized. An implementation approach similar to the other insurance initiative would be adopted in this regard. Partnerships with insurance providers and aggregators would be established to identify appropriate products and systematic rollout.

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<th>Particulars</th>
<th>Year 1</th>
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<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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</thead>
<tbody>
<tr>
<td>HH enrolled under Asset insurance (Lakhs)</td>
<td></td>
<td>1</td>
<td>3</td>
<td>6</td>
<td>6</td>
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- **Midterm study & Compendium:** A compendium containing detail of various insurance schemes, eligibility criteria, process of enrolment & claim settlement etc would be published.
The will be helpful for field functionary in facilitating access of schemes to community. The mission would carry out study to assess the impact and midterm correction in the model for further improvement, if any.

**Implementation Structure:** Dedicated human resource would be required for successful implementation of the initiative. In addition to the dedicated human resources, Technical agencies will be taken onboard for implementation.

- **National Level:** NMMU will have team of 1-2 persons with indepth experience of insurance and social security to anchor the initiative. The NMMU team would be assisted by experts from resource agency taken on board.
- **State Level:** At State mission, a dedicated person at Project Manager level will anchor the initiative.
- **District Level:** Existing human resources deployed at district level will be used for implementation. Efforts will be taken to further augment their capacity.
- **Block Level:** One Block Level Coordinator for each of the 400 blocks would be engaged to lead implementation of Alternate Banking Solution and Micro Insurance.

**Technical Support Agency**

- **National Level:** One Resource agency (eg: likes of IFC/ ILO/ micro pensions etc) will be engaged for guiding NMMU team and state team in finalizing models, implementation arrangements, designing of IT tools, developing tools for data capturing & data analysis, monitoring of implementation, advice on policy advocacy issues.

Services of one Technical Service Provider will be retained for developing the solution for monitoring of insurance and social security products

- **State Level:** Partnerships with Insurance providers, aggregators etc would be entered at state level depending of the intervention area

v. **Financing enterprises**

The key mandate of DAY-NRLM is to facilitate promotion of individual & group enterprises for securing livelihoods. Analysis of samples in the assessment study conducted by IRMA indicated that …% of the sample HHs have invested …Rs on enterprises. Informal interaction with SHG members across states indicate that about 10-12% of SHG members are now ready to start new enterprises or expand older ones. However potential of such members are constrained in terms of availability of limited financing window through SHGs. Further the product range available at SHGs does not suit the need of such members. There is an emerging need to link such progressive members directly to banks/ other options for sourcing adequate financing for business requirements. The initiatives explained below is focused towards building and nurturing these avenues

**Key Results expected**

- Credit facility to 2 lakh individual entrepreneurs
- Credit facility to 10 Producer Companies/ FPOs

<table>
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<tr>
<th>Particulars</th>
<th>Year 1</th>
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<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tbody>
<tr>
<td>No of Individual entrepreneurs</td>
<td>-</td>
<td>0.25</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>No of Producer Companies</td>
<td>-</td>
<td>1</td>
<td>6</td>
<td>10</td>
<td>10</td>
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</table>
Key Strategy & activities

The mission will adopt a differentiated strategy for financing of individual enterprises and financing of Producer Companies

- **Financing of individual enterprises**: The mission would adopt a multi-pronged strategy for streamlining channels for credit support to individual enterprises.

- **Developing alternate credit score for individual entrepreneurs**: One of the biggest hurdles for financing of individual entrepreneurs would be absence of any reliable credit information. Even progressive SHG members, inspite having robust transaction within SHG may not have any direct transaction with banks. In absence of such transactions, banks may be reluctant to extend credit facility to such entrepreneurs. It is proposed that DAY-NRLM would work with rating agencies/credit bureaus to evolve an alternate credit score for identification, screening & determining credit eligibility of potential entrepreneurs.

- **Sponsoring proposals under Mudra Yojna and bank specific schemes**: The mission will sponsor applications from eligible clients/entrepreneurs under Mudra Yojna or bank specific schemes. In this regard, partnership will be formalized with SIDBI and MUDRA. SRLMs will be facilitated to sign MoU with banks, with specific responsibilities of SRLM and banks. Arrangements will be made for submission and monitoring of application through Udyami Mitra portal. The web portal on SHG Bank linkage will be further upgraded to monitor the disbursement and repayment of such loans. The scope of CBRM will be expanded to ensure repayment of such individual loans involving concerned CLF and SHG. It is estimated that about 1.25 lakh progressive SHG members/entrepreneurs will receive credit support with average loan size of Rs 0.5 lakh each under this arrangement.

- **Financing arrangement with banks**: In addition to sponsoring applications under predesigned schemes, the mission would proactively engage with banks particularly the new generation banks (including SFBs) in designing credit products for individual enterprises. Support of expert agency will be taken for technical support in designing of credit products. Such arrangements would be formalized through MoU between financing agency and SRLMs and would include close monitoring and sharing of credit risks by community institutions. It is envisaged that about 50,000 individual enterprises would receive credit support under this arrangement.

- **Financing arrangements with venture capital funds & crowd funding platforms**: Venture capital funds and crowd funding platforms are increasingly interested in investing in rural enterprises. With the P2P lending being legalized in India, opportunity of financing from such sources has increased. It is proposed that the mission would engage with such avenues on a cost sharing mechanism to source funds for potential enterprises. It is estimated that about 25,000 enterprises would receive credit support under this arrangement.

**vi. Financing of Producer Companies**

The mission would work both on policy front and evolving financing arrangement for accelerating credit support to producer companies. At the policy front, the mission would engage with RBI to revisit the current ceiling of Rs 1 Crore as finance to Producer Companies/ FPOs. In addition, the mission would make services of experts available to Producer companies/ FPOs for providing technical assistance in developing bankable proposals.

**Implementation Structure:**

- **National Level**: NMMU will have one dedicated person with in depth experience in SME financing. Specialized inputs and guidance from experts in form of consultants would be sought as required.
• **State Level**: At State mission, existing human resource/person who is looking after Bank linkages will lead the implementation.

• **District Level**: Existing human resources deployed at district level will be used for implementation. Efforts will be taken to further augment their capacity.

• **Block Level**: The Block Level Coordinator engaged to lead implementation of Alternate Banking Solution and Micro Insurance would also be made responsible for monitoring enterprise financing.

**Technical Support Agency**

• **National Level**: Services of one resource agency will be taken to work out the details on financing models with banks including risk sharing mechanisms

• **State Level**: Partnership with venture capital funds and crowd will be negotiated

**Implementation arrangements**: The entire effort would be spearheaded by the existing human resource engaged in SHG bank linkage supported by dedicated staff placed for enterprise promotion. The mission would build partnerships with banks and other technical agencies to take forward the agenda.

vii. **Strengthening Monitoring Systems**

The mission has put in place a robust monitoring mechanism in form of SHG Bank linkage portal. However, there is a need to further upgrade its features to enhance its user interface and utility.

**Key Results expected**

- Creating a report dashboard for supporting decision making
- Reporting on SHG member level data in compliance to RBI circular on CIC reporting

**Key Strategy & activities**

- **Creating a report dashboard**: Currently there are multiple portals under DAY-NRLM. There is a need to develop seamless interface across portals for creating useful reports for assisting decision making. For this purpose, services of one data analytics firm would be required to providing technical support in conceptualizing appropriate reports and developing APIs. The mission also plans to position a helpdesk for management of the bank linkage portal

- **Publishing of quarterly updates on SHG Bank linkage and other financing models**: It is proposed that a quarterly update would be prepared and published for consumption by various stakeholder. This would be an effective tool to communicate the achievements under the mission and securing new opportunities. It is envisaged that this quarterly will be published form second year of the proposed phase.

- **Reporting on SHG member level data**: As mentioned earlier, RBI has issued circular mandating banks to report SHG member level information. A significant part of the information is available with DAY-NRLM. There is a need to develop mechanism for secured sharing of this data with banks and CIC. In this regard, the features of the Bank linkage portal requires to be further upgraded. Services of a technical firm conversant with data architecture of banks and CICs will be taken.

**Implementation Structure**: Dedicated human resource would be required for successful implementation of the initiative.

- **National Level**: NMMU will have team of 1-2 persons with in depth experience of managing large database. Beside this, the mission also proposes to position 3-4-member team as helpdesk unit for managing the bank linkage portal
Technical Support Agency

- **National Level**: One Resource agency will be engaged for guiding NMMU team with data analytics and presentation. One technical firm will be taken onboard for facilitating sharing of individual data with banks.
CHAPTER 7: FARM LIVELIHOODS

A. Farm Livelihoods interventions under NRLP/NRLM

Strengthening existing livelihoods and diversification of livelihoods are the key components of the Farm Livelihoods interventions under DAY-NRLM. DAY-NRLM has been working with small and marginal women farmers to address the issues of the small and marginal producers such as productivity enhancement, extension service delivery and value chain development for improved market access. The important sub sectors focused under the mission are agriculture, livestock and Non Timber Forest Producer (NTFP). Since inception the mission has been extensively promoting agro ecological practices, improved animal husbandry practices and sustainable harvesting of NTFP.

NRLM supports farm livelihoods interventions through three components/sub-schemes viz., (1) Mahila Kisan Sashaktikaran Pariyojana (MKSP) and MKSP Annual Action Plan (2) Value chain interventions; and (3) livelihood activities implemented by SRLMs as part of their approved Annual Action Plan.

i. Mahila Kisan Sashaktikaran Pariyojana (MKSP)

Mahila Kisan Sashaktikaran Pariyojana (MKSP) was launched in 2010-11 to empower women in agriculture. MKSP is implemented in a project mode by NGOs and SRLMs. The total outlay of the project is Rs.1174.02 Crores covering more than 33 lakh Mahila Kisans in 21 States and 1 UT. Under MKSP, the major interventions are in two domains- sustainable agriculture and NTFP activities and livestock has been integrated as the universal intervention in both the domains. The State-wise outreach of MKSP and MKSP AAP is given in Table 2. Value chain development interventions are also taken up under the MKSP and MKSP AAP projects and more than 86 thousand producer groups and 118 producer companies have been promoted.

Table 8: State-wise MKSP Outreach: November 2017

<table>
<thead>
<tr>
<th>Sr.</th>
<th>State</th>
<th>District</th>
<th>Block</th>
<th>Village</th>
<th>Mahila Kishan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>T</td>
<td>A</td>
<td>T</td>
<td>A</td>
</tr>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>15</td>
<td>15</td>
<td>423</td>
<td>427</td>
</tr>
<tr>
<td>2</td>
<td>Bihar</td>
<td>13</td>
<td>13</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Chhattisgarh</td>
<td>12</td>
<td>12</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Gujarat</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Haryana</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Jharkhand</td>
<td>33</td>
<td>25</td>
<td>65</td>
<td>47</td>
</tr>
<tr>
<td>7</td>
<td>Karnataka</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Kerala</td>
<td>32</td>
<td>17</td>
<td>299</td>
<td>284</td>
</tr>
<tr>
<td>9</td>
<td>Maharashtra</td>
<td>24</td>
<td>16</td>
<td>152</td>
<td>91</td>
</tr>
<tr>
<td>10</td>
<td>Madhya Pradesh</td>
<td>12</td>
<td>12</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>11</td>
<td>Odisha</td>
<td>18</td>
<td>10</td>
<td>47</td>
<td>31</td>
</tr>
<tr>
<td>12</td>
<td>Rajasthan</td>
<td>20</td>
<td>20</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>13</td>
<td>Tamil Nadu</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>14</td>
<td>Telangana</td>
<td>9</td>
<td>9</td>
<td>279</td>
<td>279</td>
</tr>
<tr>
<td>15</td>
<td>Uttar Pradesh</td>
<td>22</td>
<td>12</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>16</td>
<td>West Bengal</td>
<td>8</td>
<td>5</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>17</td>
<td>Assam</td>
<td>12</td>
<td>7</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>18</td>
<td>Himachal Pradesh</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>19</td>
<td>Mizoram</td>
<td>2</td>
<td>4</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

|     |                  |     |     |     |     |     |     |     |     |
| 248 | 189              | 1457|1324|32186|26213|3290595|3306353 |
ii. Value Chain Development under Special Fund and MKSP

Building market linkages through a value chain development approach is an important strategy being pursued by the Mission. The Mission has brought a strong focus on sub sector approach under its various farm based livelihoods initiatives and has been working steadily to promote value chains on sustainable agriculture and NTFP through formation of Producers’ Groups and Producers’ Enterprises.

DAY-NRLM has created a dedicated fund specifically to promote value chains in agriculture, dairy and NTFP through member owned and member governed producers companies and 8 producer companies have been promoted under these projects. The details of the projects are provided in Table 3. Three producers’ companies have been established in Odisha for mango, ginger, hill broom and cashew, one producers’ company for NTFP has been established in MP and one Producer Company has been set-up in Maharashtra on vegetables and floriculture. Three Mahila Milk Producer Companies (MMPC) have been established in Madhya Pradesh and Bihar with the support from NDDB Dairy Services.

Table 9: Details of Value Chain Interventions taken-up under Dedicated Fund

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>State</th>
<th>Commodity</th>
<th>No of blocks (Target)</th>
<th>No of blocks covered</th>
<th>Target Mahila Kisans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jharkhand</td>
<td>Lac and Tamarind</td>
<td>12</td>
<td>12</td>
<td>6000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chilli, Potato</td>
<td>12</td>
<td>11</td>
<td>15000</td>
</tr>
<tr>
<td>2</td>
<td>Madhya Pradesh</td>
<td>Amla, Bael, Salai Gum</td>
<td>2</td>
<td>2</td>
<td>4500</td>
</tr>
<tr>
<td>3</td>
<td>Odisha</td>
<td>Dairy</td>
<td>4</td>
<td>3</td>
<td>18000</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Cashew</td>
<td>8</td>
<td>8</td>
<td>1500</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Mango and Ginger</td>
<td>11</td>
<td>11</td>
<td>11600</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Hill broom</td>
<td>6</td>
<td>6</td>
<td>3000</td>
</tr>
<tr>
<td>7</td>
<td>Maharashtra</td>
<td>Agro-horticulture</td>
<td>9</td>
<td>9</td>
<td>19800</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Fishery</td>
<td>11</td>
<td>11</td>
<td>10800</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Goatery</td>
<td>13</td>
<td>13</td>
<td>22000</td>
</tr>
<tr>
<td>10</td>
<td>Bihar</td>
<td>Dairy</td>
<td></td>
<td></td>
<td>36000</td>
</tr>
<tr>
<td>11</td>
<td>Assam</td>
<td>Hill broom, Maize</td>
<td>2</td>
<td>2</td>
<td>2000</td>
</tr>
<tr>
<td>12</td>
<td>Chhattisgarh</td>
<td>Tamarind, Amchur, Maize</td>
<td>5</td>
<td>5</td>
<td>5500</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>155700</td>
</tr>
</tbody>
</table>

A Guidelines for promotion of Producers’ Enterprises under DAY-NRLM has been developed through a consultative process with SRLMs, National Resource Persons and experts. This document would assist the SRLMs in design and promotion of Producers’ Enterprises especially the producer companies.

An Advisory Committee comprising eminent experts has been set-up to provide guidance for the promotion of Producers’ Enterprises under the Mission. Capacity building is an important component to strengthen the capacity of the SRLMs for implementing value chain interventions. Trainings have been organized for more than 60 SRLM staff drawn from 10 states on Value Chain Analysis and Business Planning by the National Resource Persons.

Value Chain Support Cell: In order to strengthen the capacities of SRLMs to plan and implement commodity value chain intervention, MoRD has set up a value chain support cell with TechnoServe providing technical support services. Up to November 2017, three proposals (Assam, Chhattisgarh and Rajasthan) have been developed with the support of Value Chain Support Cell. The technical team of TechnoServe is providing support to Jharkhand SRLM and Chhattisgarh SRLM teams in implementation of the sanctioned value chain development projects.
iii. Universalization of Farm Livelihoods Interventions in Intensive Blocks through SRLM Annual Action Plan

NRLM is promoting sustainable agriculture, NTFP and livestock in intensive blocks as part of Annual Action Plans (AAPs). Under sustainable agriculture, the focus is on increasing productivity of existing crops, food and nutrition security, apart from enhancing net income through NPM (Non-chemical Pest Management) practices for a diversified poly crop model. Under NTFP, the SRLMs are focusing on building the capacity of the NTFP dependent communities on scientific harvesting, post-harvesting practices, value addition and market linkages. In respect of livestock, NRLM is focusing on reducing morbidity and mortality of livestock by delivering livestock and animal husbandry extension services at the doorstep of the SHG member households. It may be noted that farm livelihood interventions are household-centric, having strong focus on building capacity of the target community through the engagement of Community Resource Persons (CRPs), known as *Krishi Sakhis, Pashu Sakhis* and *Van Mitras*.

iv. Capacity Building Architecture

A robust three-tier capacity building architecture has been developed to ensure high quality training and capacity building support up to the village level. The architecture consists of a pool well capacitated National Resource Persons (NRPs), State Resource Persons (SRPs) and Community Resource Persons (CRPs). The structure is shown in Diagram 1 below.

![Diagram 1: Three tier Capacity Building Architecture for Sustainable Agriculture and Livestock](image)

About 90 **National Resource Persons** (NRPs) having technical expertise and implementation experience in agro-ecological practices, livestock, non-timber forest produce and value chain have been empanelled for supporting Farm Livelihood team to:

1. Support SRLMs in planning and roll out of sustainable agriculture, livestock and NTFP interventions
2. Training to State Resource Persons on agro-ecological practices, better livestock management.
3. Providing handholding support to SRPs to ensure proper training to Community Resource Persons – Pashu Sakhis and Krishi Sakhis
4. Training to SRLM staff in business model and value chain development
5. Development of training modules for agriculture, livestock, NTFP and value chain development
6. Supporting the states in development of protocols, package of practices
7. Identification and documentation of best practices

**State Resource Persons (SRPs)** comprise of senior members of SRLM livelihood team, staff from MKSP partners and individual consultants engaged by the SRLMs. 608 SRPs (309 in Sustainable
Agriculture and 299 in livestock). As part of the training, continuous assessment of SRPs was undertaken to grade and certify them such that they conduct the CRP training. Post SRP training, the SRLMs conducted CRP training using a systematically prepared training tools. The details of state-wise CRPs trained and placed are furnished in the following Table-4.

Table 10: Details of CRP Training

<table>
<thead>
<tr>
<th>State</th>
<th>No. of CRPs trained on SA</th>
<th>No. of CRPs trained on Livestock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odisha</td>
<td>91</td>
<td>55</td>
</tr>
<tr>
<td>MP</td>
<td>3912</td>
<td>544</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>1737</td>
<td>1548</td>
</tr>
<tr>
<td>Assam</td>
<td>433</td>
<td>439</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td>Mizoram</td>
<td>24</td>
<td>0</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>350</td>
<td>337</td>
</tr>
<tr>
<td>Haryana</td>
<td>75</td>
<td>12</td>
</tr>
<tr>
<td>Jharkhand</td>
<td>786</td>
<td>439</td>
</tr>
<tr>
<td>Bihar</td>
<td>532</td>
<td>1879</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>3469</td>
<td>2716</td>
</tr>
<tr>
<td>West Bengal</td>
<td>258</td>
<td>465</td>
</tr>
<tr>
<td>Nagaland</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>345</td>
<td>375</td>
</tr>
<tr>
<td>Arunachal Pradesh</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Manipur</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tamilnadu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12053</td>
<td>8848</td>
</tr>
</tbody>
</table>

v. Convergence with other Ministries and Departments
DAY-NRLM has also actively promoted convergence with other ministries and departments to support the implementation of Farm Livelihoods interventions:

i. Joint letters have been issued for convergence with DAY-NRLM with PKVY and other schemes of Department of Agriculture, Department of Animal Husbandry,

ii. A joint letter has been issued for convergence with MGNREGA for development of durable infrastructure for increasing agricultural productivity, post-harvest facilities such as storage sheds etc, and setting up of rural haats.

iii. MoU has been signed between DAY-NRLM and Ministry of Tribal Affairs - TRIFED for convergence on various programs of both ministries.

iv. Convergence with Ministry of Food Processing Industries for setting up backward and forward linkages is being explored

vi. DAY-NRLM Support Organizations
NRLM has built partnerships with various stakeholders for improving effectiveness of the implementation of the livelihood interventions. The partners are sector support organizations in diversified livelihood sub sectors. These organizations are in a position to support the SRLMs in project formulation, providing implementation support and support in training and capacity building of SRLM staff, CRP and community.
Table 11: DAY-NRLM Support Organizations

<table>
<thead>
<tr>
<th>Sector</th>
<th>Organization</th>
<th>Key Support areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihoods</td>
<td>PRADAN</td>
<td>Knowledge management, Identifying successful replicable models, capacity building</td>
</tr>
<tr>
<td>TASAR Value Chain Development</td>
<td>Central Silk Board</td>
<td>Developing pro poor Tasar value chain up to pre cocoon stage</td>
</tr>
<tr>
<td>Dairy Value Chain Development</td>
<td>NDDB Dairy Services</td>
<td>Developing Dairy value chain through promotion of Producers’ Company</td>
</tr>
<tr>
<td>Livelihoods</td>
<td>Digital Green</td>
<td>Developing ICT based Training and Capacity building architecture</td>
</tr>
<tr>
<td>TASAR Value Chain Development</td>
<td>Tasar Development Foundation</td>
<td>Developing pro poor Tasar value chain for both pre and post cocoon stages</td>
</tr>
</tbody>
</table>

A MoU has also been signed with FAO to support the Farm Livelihoods team in promotion of agri-nutri interventions, value chain intervention monitoring, organic cluster promotion etc.

vii. Farm Livelihoods MIS
The objective of the Farm Livelihoods MIS (mksp.gov.in) to track the SHG households brought under the Livelihoods interventions and to capture their movement out of poverty. The Farm Livelihoods MIS captures the information on the livelihoods interventions and its impact at the household level. The MIS has been synchronized with the DAY-NRLM MIS to ensure that the base data of the SHG members is maintained. The Farm Livelihoods MIS has modules for capturing asset profile, planning and adoption of sustainable practices in agriculture, livestock and NTFP, training plan and execution and producer groups’ information. The mobile application version is under development to enable the SRLMs to collect data over mobile phones or tablets.

viii. Sustainable Livelihoods and Adaptation to Climate Change Project (SLACC):

The Ministry has approved a four-year project for "Sustainable Livelihoods and Adaptation to Climate Change (SLACC)" with support from Special Climate Change Fund (SCCF) of Global Environment Facility (GEF), under NRLM. This project aims to improve the adaptive capacity of the rural poor through enabling adoption of climate change resilient agriculture practices so as to reduce the risks in agriculture-based livelihoods of the poor. The SLACC project is being implemented in 200 villages in the states of Bihar and Madhya Pradesh. While SLACC’s outreach is limited to two states, its successful implementation is expected to pave the way for scaling-up and mainstreaming ‘climate resilient livelihoods’ into the core livelihood interventions of NRLM at the national scale. The project till date has capacitated 6,200 farmers out of the target of 8,000 farmers, who are demonstrating climate resilient agricultural practices. 20 staff of state, district officers, extension and rural service providers are trained on technical adaptation themes to support scaling-up of the project activities to other parts of the states and in other states. Climate Change Adaptation Planning Toolkit has been developed and roll-out. Besides, several IEC materials, documents on good agricultural practices and a Facebook page (https://www.facebook.com/slacc.mord.in/) have been developed and regularly being updated. Collaborations with premier research institutes at national and regional level are initiated and MoUs are in the process of being signed with SRLMs, to assist the farmers in a sustainable manner.

B. Farm Livelihoods under NRETP
The following interventions are proposed to be undertaken under NRETP:
i. **Scaling up of Value Chain Initiatives**

In the last 3 years, the NRLP has financed investments to increase productivity in agriculture and livestock and to diversify and enhance incomes of more than 2 million rural poor households. Additionally, through pilots (under the dedicated funds) the development of producer organizations and value chain interventions in agriculture, livestock non-timber forest produce and dairy sectors were introduced across 7 states. Building on these experiences, the NRETP would continue to strengthen women led producer organizations to increase market access and value addition for farm produce. Technical assistance, skills building and investment support will be provided to enable such farmer owned and farmer led organizations to improve market access, processing, quality enhancements and market information.

Coordination with government departments such as agriculture, food processing, small & medium enterprise, science & technology and with technical agencies such as Small Farmers Agri-Business Consortium (SFAC), Central Food Technology Research Institute (CFTRI), Fragrance & Flavor Development Centre (FFDC) etc. will be facilitated. Value chain interventions will be taken up to exploit the economies of scale and reduction in transaction cost and necessary investments will be made to support promotion of informal producer groups and formal producer enterprises. The approach to be adopted will build on the successful pilots taken up under NRLP so far.

The Farm value chain interventions would focus on the promotion of producers’ collectives, viz. producers’ groups and producers’ enterprises to enable the small and marginal women farmers to access markets for their produce at a remunerative price. The institutional structure would be based on the opportunities and existing gaps in the value chain.

**Producer Groups:** Producers groups (PGs) would be promoted as informal entities who would be engaged in localized marketing activities catering to the local demand and supply situations. Their business model would primarily be based on economies of scale and thus aimed at reduction in individual transaction costs involved. Their target markets are also local and usually fall within a short radius.

It is envisaged that 12000 Producer Groups (PGs) would be promoted under NRETP. Each Block will have around 30 such PGs. The PGs would be provided professional assistance in the preparation of a viable and robust business plan and business model. Based on the business plan, the following support would be provided to the PGs –

1. One time Infrastructure grant – upto INR 50000 would be provided to each of the PGs for purchase of productive infrastructure such as weighing scale, moisture meter, tablets/smart phone for accounting, book-keeping and business facilitation, sieve, crates and other material handling items.

2. Working capital loan – The PG would be provided a working capital loan from the CLF/GPLF of upto INR 1.5 lakhs against the business plan. The rate of interest would not exceed 7% and this working capital loan would be repaid to the CLF/GPLF at the end of every season.

3. Training and capacity building – The PG would be provided training on commodity handling, business operations, basic accounting etc and exposure visits to best practicing sites. The PG would also be provided support by the Udyog Mitra (CRP), the honorarium of the Udyog Mitra for the first two years would be provided by the CLF / GPLF in a tapering manner and it is expected that after 2 years the PGs would be able to pay the Udyog Mitra from the profits earned.

The performance rating of the PGs would be taken up after 2 years of operations of the PGs i.e. from the 3rd year of the project. The documentation of best practices of the PGs would also be taken up.

**Producer Enterprises:** Producers’ Enterprises (PEs) can be defined as registered, formal organizations of farmers including co-operatives and Farmer Producer’ Companies. The primary objective of these organizations is to ensure better economic return to the farmer producers.
It is planned that 40 large scale producer enterprises will be promoted under the NRETP on a demand driven approach. The Producers’ Enterprises would be supported in a project mode. The existing process being followed under the dedicated fund for value chain development would be adopted. A strong business plan should be prepared by SRLMs for each PE before promoting producer enterprises. The process of fund flow from SRLMs to PEs as well as the criteria for fund release is indicated below.

**Fund flow from SRLM to Producer Enterprise (PE)**

i. SRLM would support the PC to prepare a detailed business plan for the proposed activities.
ii. The PC must submit a Detailed Project Report to the SRLM.
iii. The fund to the PC would be released by the SRLM directly to the account of the PC against the business plan and the DPR.

**Criteria for fund release to Producer Enterprise (PE)**

i. Fund release to Producer Enterprises will be made through electronic transfer systems, to the extent feasible.
ii. The fund releases to the PE would be based on the business plan and the fund requirement projections approved by competent authority.
iii. All releases to the PEs would be accounted for as advances in SRLM books of accounts except for working capital.
iv. Actual expenditure reported to be booked as expenditures and the unspent balances are to be refunded to the SRLM.
v. The SRLM may periodically request for the audited reports of the PE accounts within the duration of the project period to verify actual expenditures.
vi. The expenditure reported by PE is to be included in the IUFR submitted by the SRLM.

Producer enterprises would be promoted in a project mode with a project life cycle of 3-4 years within which the PE is expected to become self-sustained and economically viable, member controlled organizations. DAY-NRLM has circulated the Guidelines for Promotion of Producers’ Enterprises under DAY-NRLM and the SRLM would adhere to this guideline while promoting the PEs. DAY-NRLM would provide grant support to establish the Producers’ Enterprises. This grant support will be on the following components:

1. **Infrastructure for Value addition** –
   a. One time support for setting-up infrastructure for value addition
   b. Processing facilities for value addition of agriculture, dairying or NTFP produce which may include facilities for weighing, cleaning, sorting, grading, packing, testing equipment, ripening chambers, oil extraction, specialized packaging etc.
   c. Facilities including pack-houses, pre-cooling units, bulk milk coolers etc. may be proposed
   d. Promotional costs for marketing, certifications costs (such as FSSAI, organic certifications) which add value or are part of legal compliances would be covered.
   e. Any infrastructure set-up would be owned by the PEs. Asset for a single individual member will not be permissible under this component.

2. **IB/CB cost** – The following costs would be covered for a period not exceeding 3-4 years:
   a. Includes costs of community mobilization into PE, social capital development (CRP – Udyog Mitra), training and capacity building of the PE staff and members.
   b. Honorarium for Udyog Mitra
   c. Remuneration for the block level staff of the PE

3. **Working Capital** – working capital required for procurement of produce from farmers for a period not exceeding 3 weeks.

4. **Human Resource and administrative costs** –
5. Support for transportation of goods procured from the members: It is expected that at the initial stage of the operations, the PE may not be able to generate sufficient volumes to recover the costs for transportation of goods procured in the first leg, i.e. from primary procurement centers to the aggregation centers. Therefore, the PE would be provided support for part of the cost of the transportation of the goods from the primary procurement centers to the aggregation centers for a period not exceeding 1-2 years. This fund should not be used for buying of vehicles.

ii. Promotion of Organic Clusters

Under DAY-NRLM, agro-ecological practices are being promoted through Farm Livelihoods interventions of DAY-NRLM. It is envisioned to take these agro-ecological interventions to the next logical progression i.e. towards organic farming practices so that the small and marginal women farmers get better price realisation. This will open up an immense market opportunity for the small and marginal farmers. The agenda is to now develop 1000 village clusters under DAY-NRLM into organic village clusters.

The NRETP seeks to build on the platform under Farm Livelihoods interventions by promoting organic cultivation in select States. The State Missions are currently in the process of identifying clusters of 4-5 Gram Panchayats where organic cultivation can potentially be taken up.

The key criteria for identification of the number of villages to be identified to form organic village clusters which would be developed as organic clusters:

1. The cluster should generate significant marketable surplus of agricultural produce
2. On the basis of the above, organic village clusters are identified as given below:
   a. An organic village cluster of 5-7 villages which are contiguous are to be selected
   b. The criteria for having at least 50 acres of contiguous land at the village level is a desirable criterion, however, it is not mandatory.
3. In each block 4-5 such clusters are to be selected
4. While identifying the above villages and blocks, the following areas should be given priority
   a. Areas already under implementation of Mahila Kisan Sashaktikaran Pariyojana (both under PIA and AAP model)
   b. Areas where CMSA has been implemented successfully
   c. Areas under Mission Antyodaya implementation
   d. Areas where livelihoods activities have been taken up for at least 2 years (not mandatory for NE states)
   e. Areas where the producers’ groups and the producers’ enterprises are keen to move to organic cultivation, certification and marketing
   f. Areas where there has been a significant creation of livelihood assets such as vermi-composting, water conservation structure through convergence with MGNREGS or otherwise.
   g. Rurban clusters
   h. Village organizations have been promoted
   i. Dryland areas
   j. Areas where traditionally agriculture activities are taken up with low usage of chemicals (inorganic)

It is envisaged that with continuous technical and financial assistance, these clusters will transit to complete organic cultivation by 2022.
iii. Development of community-based livelihoods extension service

One of the major successes of the NRLP (and the overall DAY-NRLM) has been deployment of community-based livelihoods resource persons such as Krishi Sakhi, Pashu Sakhi, Van Sakhi, Udyog Mitra etc. who provide door-step services on Sustainable Agriculture, Livestock, NTFP and market linkage to the rural poor.

The cadre of Udyog Mitra would be strengthened under NRETP for supporting the PG on market linkages. Under NRETP, Udyog Mitras (CRPs) would be developed to provide handholding support and training to the Producers’ Groups. The Udyog Mitras would support the PGs in business plan development, business operations, value addition and marketing activities. A rigorous training architecture would be developed to train the Udyog Mitras so that they get at least 40-50 days of training spread over two years on the business aspects of agriculture, NTFP produce. The project aims to certify the Udyog Mitras through third party certification.

The honorarium to the CRPs would be provided by the CLF/GPLF for the first 2 years in a tapering manner so that they evolve towards a self-sustaining service based model.

iv. Technical Support Agencies

The value chain development activities and development of organic village clusters comprise of higher order activities and to support the NMMU and SRLM teams in implementing these activities, Technical Support Agencies (TSA) would be taken on board at the National and the States level.

Two TSAs would be taken on board at the National level, one for providing support in roll-out of organic clusters and the other for support in training and capacity building.

The **TSA for organic village cluster development** at the national level would provide support to NMMU to take up the following activities:

- Handholding support to SRLMs in cluster level planning and roll out of organic village cluster development activities
- Develop standardised training modules for various aspects of organic farming – cultivation, certification, value addition.
- Support the development of value addition and market linkage strategies for organic produce
- Identifying key market players and help in building linkages with them
- Facilitating access to technology to address critical gaps in farm gate value addition/post-harvest processing, marketing etc.
- Facilitating partnerships development/linkages with key knowledge/technology institutions, private firms, marketing institutions;

Adequate and continuous training and capacity building to the SRLM staff is necessary to ensure proper implementation of the value chain development interventions. The **TSA for training and capacity building** would provide high quality trainers, training material & modules and training to the SRLM staff specifically on forward linkage, business plan preparation and management of producer enterprises.

A call down list of Technical Support Agencies would be provided to the SRLMs to ease the procurement process at the State level. Two types of TSA would be taken on board at the State level – one list for value chain development and one list for roll-out of organic village clusters.

It is envisaged the **State level TSA for value chain development will support the SRLMs** in the following areas:

- Providing support to the SRLMs in the design and implementation of value chain development interventions including identification of commodities, business plan development; market analysis; financial analysis, cost benefit analysis and facilitating preparation of detailed implementation report (DIR) etc.
b. Support in setting up a suitable institutional structure to enable implementation of the value chain development project.

c. Identifying key market players and helping the producer enterprises to build linkages with them for remunerative prices for producers;

d. Facilitating access to technology to address critical gaps in farm gate value addition/post-harvest processing, marketing etc.

e. facilitating partnerships development/linkages with key knowledge/technology institutions, private firms, marketing institutions;

f. Development of manuals; standard operating procedures, for smooth functioning of producer enterprises;

The **State level TSA for organic village cluster development will support the SRLMs** in the following areas:

a. Support SRLMs in cluster level planning and roll out of organic village cluster development activities

b. Support in rolling out certification, in their respective state.

c. Support in the SRLMs in training the Community Resource Persons

d. Support the SRLMs in development of value addition and market linkage strategies for organic produce

e. Development of training modules for organic farming

f. Development of manuals; standard operating procedures, protocols, package of practices for organic farming

In addition to the Technical Support Agencies, Building partnerships for marketing and retailing of organic food products would also be taken up under the project.

v. Human Resource

To enable scaling up of value chain interventions and to promote Producers Enterprises, there is need to place specialized human resource with techno-managerial skill sets at the SRLMs. This team would spearhead the value chain development initiatives and the promotion of Producers’ Enterprises. The development of organic village clusters requires that there is human resource with relevant educational qualification and demonstrated experiences in the areas of Organic Cultivation & Certification and Value addition and market linkage. The structure and the specific requirements for each of the positions at the State, block and cluster level is given below.

**State level:** The following human resource would be placed at the State level:

1. **State Mission Manager – Value chain and forward linkage** –
   a. Should have an experience of minimum 10 years in handling value chain development/market linkage for agriculture produce. She/he should have experience of procurement and marketing of specific agri commodity in large scale, experience in managing agriculture commodity supply chain in companies engaged in agri business, P&L handling experience in a corporate environment
   b. Candidate with experience in enterprise promotion, business advisory services, forward and backword linkages would be given priority.
   c. Should be a Post Graduate in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a reputed university/institute. Candidate with UG/PG in agriculture or veterinary science is desirable.

2. **Project Manager – Forward Linkage**
   a. Should have an experience of minimum 5 years in handling value chain development/market linkage for agriculture produce. She/he should have experience of procurement and marketing of specific agri commodity in large scale, experience in managing agriculture commodity supply chain in companies engaged in agri business, P&L handling experience in a corporate environment
   b. Candidate with experience in enterprise promotion, business advisory services, forward and backword linkages would be given priority.
c. Should be a Post Graduate in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a reputed university/institute. Candidate with UG/PG in agriculture or veterinary science is desirable.

3. **Project Manager – Organic village clusters**
   a. 5+ years in a large size livelihood development project or in reputed industry at middle management level, responsible for promotion of organic agriculture practices and allied activities based livelihoods or managing commodity business in scale, certification, sourcing, value addition, marketing etc.
   b. Candidate should also have minimum 3 years of experience working in any part of the value chains of organic produce
   c. Candidate should be a Post-Graduate in Agriculture / Agri-business management/Rural Management/Rural Marketing / social sciences from a reputed university/institute

4. **Project Manager – Livelihoods training and capacity building**
   a. 5+ years in a large size livelihood development project or in reputed industry at middle management level, responsible for development of training materials, manuals for Staff, community resource persons and community for livelihoods activities.
   b. Candidate should also have minimum 3 years of experience working in development and implementation of training and capacity building programs
   c. Candidate should be a Post-Graduate in Agriculture / Agri-business management/Rural Management/Rural Marketing / social sciences from a reputed university/institute

5. **Young Professionals**
   a. 0-2 years’ experience in livelihoods promotion
   b. Education - Post Graduate in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a from a reputed university/institute

**Block and cluster level Staff**

1. **Block co-ordinator – Forward Linkage**
   a. 5-7 years of experience of procurement and marketing of specific agri commodity in large scale, experience in managing agriculture commodity supply chain in companies engaged in agri business
   b. UG (4 years course) in Ag Science, Forestry, and /or PG in Rural Development/Rural Management/social sciences

2. **Block co-ordinator – organic farming**
   a. 5-7 years of experience in organic cultivation, certification, value addition, marketing etc. Experience in large scale programmes and schemes of Government or Corporate
   b. UG (4 years course) in Ag Science, Forestry, and /or PG in Rural Development/Rural Management/social sciences

3. **Cluster co-ordinator – organic farming**
   a. 1-2 years of experience in organic cultivation, certification, value addition, marketing etc. Experience in large scale programmes and schemes of Government or Corporate. 2 years diploma in agriculture / livestock from ICAR recognized agriculture universities
   or
   b. Freshers with UG (4 years course) in Ag Science, Forestry, and /or PG in Rural Development/Rural Management/social sciences

vi. **Marketing of organic food products including retailing:**

Under NRETP initiative will be taken to develop markets for the organic produce which would include branding, packaging and retailing of the produce. Strategy would include hiring agencies to work on these areas in development of strategy and providing implementation support. Besides, efforts would also be made to develop market linkages for the Producer Enterprises promoted under NRETP.
vii. **MIS** – The farm livelihoods MIS would be extended to cover the interventions on value chain (producer groups and producer companies) and organic farming. A mobile based application would be developed for capturing the field level data for all the Farm Livelihoods interventions.
CHAPTER 8: NON-FARM ENTERPRISE PROMOTION

A. Background
One of the major objectives of developmental policies in India is to provide employment to millions of unemployed rural youth. The core of the problem is surplus agricultural labour and closure of traditional village industries, resulting in increased unemployment in rural areas and migration of rural youth to urban areas in search of jobs.

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 observed 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.

The rural non-farm sector is particularly important to the rural poor. Households with less than 0.5 hectare earn between 30 and 90% of their income from non-farm sources (IFAD 2002a). Low investment manufacturing and services (including weaving, pottery, gathering, food preparation and processing, domestic and personal services, and unskilled non-farm wage labour) typically account for a greater share of the rural poor’s income than that of the better-off. Non-farm income is also important to the poor as a means to help stabilize household income in years of natural disasters, such as drought years. Diversification into non-farm interventions (self-employment and wage employment) is a pathway for greater jobs and poverty reduction and they have contributed 65% of rural income in 2016-17 (Chand, 2017). It has also been noted that non-farm incomes are three times higher than farm incomes.

B. Start Up Village Entrepreneurship Programme (SVEP)
DAY-NRLM has been a catalyst in terms of triggering rural women who have been mobilized into community institutional architecture to transition from producers to entrepreneurs. During the last six years, approximately 1.5 million women have made that transition. The critical success behind DAY-NRLM’s ability to create entrepreneurs among rural women has been because of the financial and social capital mobilized. But, the following challenges still remain for rural entrepreneurs:
   a. Lack of access to adequate financial resources limiting growth beyond initial spurt;
   b. Limited use of technology, innovations and incubating mechanisms for nano-micro enterprises; and
   c. Lack of single-window facility for enterprises to access entire range of business development and financial services

In this context, the Start-up Village Entrepreneurship Program (SVEP), first of a dedicated effort to focus on entrepreneurship promotion among SHG households attempted to provide a bouquet of business development services including entrepreneur capacity building, seed & growth capital along with handholding support for business development. The key design tenets of the programme are:

   a. NRLM Resource/ Intensive Block as unit of implementation
   b. Setting up of Business Incubation Resource Centre at Block-level
   c. Handholding through a dedicated pool of village-level rural business consultants (CRP- EP)
   d. IT-enabled enterprise planning and performance tracking system
   e. Access to finance through CIF, credit guarantee fund and commercial bank loans and
   f. Technical support to States through centrally empanelled resource organisations
The implementation of Start-up Village Entrepreneurship Programme’ (SVEP) started in 2016-17 and has been rolled-out in 114 Blocks across 19 states. Project proposals to set-up 1,50,000 enterprises over the next four years have been approved. As on date, 17,000 enterprises have been formed in 14 states where the enterprise formation has started.

Simultaneously, SRLMs have developed strategies for enterprise promotion to support SHG members to start business enterprises using the loans taken from CIF. The efforts have been around creating a community cadre of CRPs who can provide them some inputs on business aspects, identify training requirements and link with existing institutions of government departments including RSETIs etc.

The other key activity has been leveraging the opportunities in Government such as supply of various products and services (e.g., running canteens in government offices, school uniforms, take home rations in Anganwadis etc). Enterprises to support large number of SHG women have been set-up in various states.

C. Lessons from Enterprise promotion in NRLM
Some of the early lessons that have emerged from the enterprise promotion strategy, both in the places where SVEP is being implemented and also in case of other regions are highlighted below:

a. **Lack of customized business development services for existing viable high-performing micro enterprises (individual and collective enterprises) of NRLM for graduation:** The present system of using CRP-EP and Mentors has been instrumental in helping the first-generation entrepreneurs in taking the first steps as well bringing some stability to the business activities. However, considering the diversity and complexity of the enterprises being formed, the present system will have limitations in terms of the span of knowledge across different enterprise types. This affects specially those enterprises which have been able to grow substantially in the last 1-2 years and require greater support to expand their activities.

b. **Lack of suitable financial products:** the existing enterprises have been using the standard loan products made available through the CIF and CEF mechanisms. In fact, the CEF mechanism has been able to provide loans within 30 days of the business plan being generated. Though there is lot of scope for improvement, this is a huge change from the existing system of accessing bank loans. The attempts at leveraging bank loans from government schemes including Mudra have seen limited success. Moreover, enterprises that require repeated loans to meet working capital requirements, larger loan amounts, varied products suited to their requirements have found the existing system unresponsive to their needs.

c. **Lack of higher-order specialized technical assistance:** the existing enterprises being developed in sectors like retail, food processing, catering etc. are currently provided technical inputs including skill training related to the sector, technology support largely by institutions of various government departments and ministries. There are few instances of tie-up with institutions like IITs, NIFT etc. However, there is need to tap the expertise of specialised agencies for providing higher order specialised assistance.

d. **Lack of mechanisms to develop higher order enterprises like Producer Groups and Companies:** States are coming out with policies where large government procurement is going to be made from SHGs and women producers like sanitary pads, school uniforms etc. Besides, there are opportunities where cluster of enterprises or larger enterprises in rural areas have some competitive advantages to make it successful. Such opportunities are better met by having larger enterprise or group of enterprise that can be set-up in different regions.

e. **Low leveraging of new-age and innovative experiments in enterprise promotion emerging in private sector, academic institutions and social enterprises:** there are few examples of leveraging the experiments that are being developed by other stakeholders. Considering the fact that number of experiments by various agencies including start-ups to cater to rural areas, either through reaching out services in the agriculture, health, education etc to rural areas or in value addition to rural production, any association will increase the enterprise opportunities.

f. **Lack of alternate enterprise development mechanism to SVEP:** the SVEP methodology is a process-oriented approach that attempts to develop an enterprise eco-system in a block. The
time taken to develop the basic eco-system for enterprise formation is around 18-24 months with the preparation of Detailed Project Report(DPR), training of CRP-EPs etc. This is also dependent on availability of good resource organisations that can act as Project Implementing Agencies(PIAs) in the block. There is a demand for supporting enterprises in larger number of blocks where the CLF have been set-up and have been able to mobilise funds through various sources. There is a need for mechanism than can supplement the SVEP model.

D. Approach

The strategy for enterprise formation has to consider the fact that out of proposed 500 blocks, the SVEP implementation is ongoing or would have started in 150 blocks while the remaining 350 blocks would not have seen any interventions under SVEP. Therefore, the approach will be common to all 500 blocks, while there will be an attempt at developing an alternate model to enterprise promotion in the 350 blocks.

a. **Supporting nano and micro-enterprises through one-stop-facilities (OSFs):** Enterprise promotion in blocks where the SVEP system is not present requires the development of appropriate institutions and mechanisms for business development support services to enterprises in initiating, managing, and successfully running their businesses.

b. **Supporting high-performing existing nano-enterprises (promoted under SVEP) and micro-enterprises:** SVEP’s focus is to promote nano enterprises on a saturation approach in a Block. On an average, 1400 enterprises are promoted in a Block and an institutional architecture is set-up under which CRP-EP and mentors trained by National Resource Organisations spearhead the promotion activities. Early learning from SVEP shows that only approximately 20% of these enterprises are expected to be ready to grow and access credit from commercial banks. Presently, there is no additional financial product / technical assistance envisaged to these performing enterprises after a period of one year through SVEP. In this context, the project will intervene in existing SVEP Blocks and support those high-performing nano enterprises with an additional fund and specialised technical assistance based on their industry and requirements.

Strengthening of existing high-performing micro enterprises from NRLM cohort with potential to graduate to small enterprises will receive focus to tap on to their potential in creating more jobs and spurring local economic growth

c. **Differentiated approach based on enterprise age, sector, type and size:** The traditional model of enterprise promotion has mostly been a one-size fit all with a standardized approach to provision of business development services and financial products. Promotion of rural enterprises is a complex and multi-layered process. It needs specific inputs at various levels and varies with the sector and size they operate in. The project will facilitate the availability and spread of the technical inputs required to these enterprises at various levels and segments.

d. **Bottom-up and Top-Down Opportunity Identification:** The project will have a dual focus in terms of analytics driving enterprise promotion. Traditionally, enterprise promotion has only been driven by analytics at the micro-level. The same is relevant to nano enterprises which are at subsistence-level. But, macro-level analytics in terms of (i) Transfer of models that have worked in certain geographies e.g. Cafe Kudumbashree in Kerala; (ii) Enterprise models that have tapped into the Government supplies like the take home food supplement, school uniform etc; and (iii) Emerging opportunities based on state/regional-level identified growth sectors and private sector investments, will be done to proactively nurture and tap these possibilities for SHG entrepreneurs.

The latter will involve close coordination with other Line Departments such as Department of Industries, Department of Food Processing etc.

e. **Incubation Approaches:** The incubation approach will provide the enterprises with the nurturing environment needed to develop and grow their businesses.

Existing high-performing enterprises will be serviced through a State-level incubation centre focused on providing business and financial services directly to entrepreneurs. Business services will include: mentoring, connections with buyer-supplier, processing and facilitation of
debt and equity options i.e. access to commercial banks and other interested investors, capacity building, legal/accountancy support and facilitation of licenses/certification etc. Financial support will be provided by the incubators through challenge fund (for gap financing), leveraging subsidy from Government Schemes and business development services from Philanthropic Organisations and equity support, wherever possible from private investors.

Also, the performing nano enterprises will be supported through a regional level resource team of individual experts (on a consultancy basis) providing localized business development assistance in collaboration with the State level business incubator and with support of CRP-EP and mentors.

f. Convergence: The project will also facilitate creating partnerships with SIDBI, CSRs, Social Enterprises, Impact Investors and Line Departments (MSME) to raise additional resources if needed for the challenge fund, technical support in credit guarantee fund roll-out, investing in performing enterprises and in partnering for incubators.

E. Interventions under NRETP

a. Establishing of one-stop-facilities (OSFs) in 350 blocks: OSF will be set-up in each of the 350 blocks to support enterprises under the project to (a) scope enterprise promotion including business plan development; (b) identify the training needs and arranging training (c) bridge critical gaps in accessing business development services, technology, and skills; (d) secure finances. These OSFs will be small business facilitation-cum-incubation centres professionally managed by two business professionals with proven expertise in small business development along with the team of CRP (Community Resource Persons) trained for basic business skills will be the key to create the eco-system in non-SVEP blocks. These institutions will be located in the BLF/CLF that are established in the blocks. Synergies will be established with the initiatives to strengthen CLF/BLF and finances leveraged under the FI team.

This will be exclusively implemented in 350 blocks where SVEP has not been implemented. The services will be provided to the 200 individual and 20 groups enterprises in each block. About 70,000 individual and 700 group enterprises will be supported under the programme.

In order to support the enterprise formation, 5 CRP-EPs will be trained in each block and total of 1,750 CRP-EPs will be trained and placed in these blocks. These CRP-EPs will be paid on a task-based payment, the project keeps some fund for providing a sustenance allowance in the initial years of the project, they are expected to be self-sustaining in the year 4 and 5 of the project.

b. Strengthening the performing individual and groups enterprises from SVEP enterprises and NRLM cohort: The existing individual and group enterprises that have emerged out of the SVEP cohort will be supported through last mile mentoring support. The support will include helping the entrepreneurs access markets, inputs on technology requirements, fund management etc. The architecture comprising of CRP-EP, Mentors, District level fellows etc. will be used for this purpose. This will be supplemented by the specialised technical support through a resource team of consultants with the functional expertise who are stationed at the state level. Besides the support from state level incubators will also be used in this process.

A provision of Rs 50,000 as CIF per individual enterprise and Rs 2,50,000 per group enterprise is also proposed. It is proposed to support 7,500 individual and 1500 groups enterprises in the 500 blocks. Additional funding for group enterprises can be mobilised through other sources that is being mobilised through FI component.

c. Strengthening of existing high-performing group enterprises: Existing group enterprises that have the potential to emerge into larger enterprises will be supported by the state level incubator (University-driven e.g. IIMA / Impact Investor e.g. Intellecap / Social Incubator e.g. Villgro) to provide one-stop service and direct individualized handholding to these enterprises. These enterprises will be supported by growth fund.
d. A provision for Rs 30.00 cr for supporting 1,000 enterprises (@2 enterprises/block) has been proposed.

F. Human Resource Requirements

The strategy for this vertical will be for implementation unit to work closely with an enterprise promotion agency. In this arrangement, the implementation unit will be expected to play a dual role of partnership management and implementation monitoring. So, internal staffing is expected to be lean but dedicated without burden of additional responsibilities. In addition to dedicated internal unit, innovative mechanisms of staffing with positioning of people from relevant industries as part of corporate volunteering or CSR will be attempted. Quality of staffing, compensation structure and management autonomy will be extremely critical to the success of the project especially as this vertical would require human resources with business management skills. NRLM has successfully demonstrated the value of young professionals from business schools like IRMA and IIFM through its Young Professionals Program. Although there has been high success in attraction of young talent, the critical challenge has been attracting middle management staff from private sector with adequate expertise in business development.

Staffing at various levels will be:

a. **District Enterprise Fellow**: Young Professional from top B-schools with a minimum of 2 years of experience will have a minimum compensation of Rs. 75,000 per month and a contract for duration of 2 years. A detailed policy for Enterprise Fellows will be developed.

b. **State-Level Enterprise Team**: At the State level, the enterprise vertical will be led by a SPM non-farm livelihood with relevant business development experience of 10-15 years. She/he will be paid a minimum compensation of Rs. 150,000 per month. The role will be to engage with technical agency supporting enterprise incubation in the State and monitor implementation through Regional Enterprise Fellows. He / She will be supported by a Programme Manager-Marketing who will support various efforts at the state level.
CHAPTER 9: SKILLING OF RURAL YOUTH

A. Introduction

By 2030, globally, there is an expected shortage of 47 million skilled workers\(^1\), while in India, 55 million\(^2\) rural youth are ready to be trained and join workforce. This presents an unprecedented demographic opportunity and requires a skilling initiative with scale, speed, standard (quality) and sustainability.

To realize this opportunity, the Ministry of Rural Development, launched the Deen Dayal Upadhyaya – Grameen Kaushalya Yojana (DDU-GKY) on Antyodaya Diwas, the 25th September 2014, uniquely aimed at skilling youth between 15 and 35 years of age from rural poor households and providing them placement support. The vision of DDU-GKY is to transform rural poor youth into an economically productive and globally relevant workforce.

B. Implementation strategy under NRLP

DDU-GKY is implemented in the PPP mode, with the National Unit providing funding, technical support and project management in states with lower capacities. States where capacity exists, the state Rural Livelihood Missions or Skills Missions (SRLMs/SSMs) fund, plan and monitor projects aligned with skill demands. The programme is implemented through Project Implementing Agencies (PIAs) in public and private sector, including Companies, Trusts, Societies and Educational Institutes with a legacy in skill training. PIAs are involved in mobilising candidates, undertake training using modern techniques, pedagogy & qualified trainers, provide placement in wage employment and tracking candidates for a period of 12 months.

C. Key Features

Implemented in PPP mode, the key features of the scheme are:

- Social inclusion in its composition: 50% for SC/ST, 33% for Women, 15% for Minorities & 3% for PwDs (Persons with Disabilities).
- Regional inclusion: sub-schemes for J&K (Himayat), 27 LWE Districts (Roshni) and ear-marked funds for youth from the North –East
- Focus on quality through its framework of Guidelines and Standard Operating Procedures (SOPs), curricula from NCVT or QP-NOS developed by SSCs of NSDC, rating/ grading systems for projects and states implementing the projects.
- Mandated placement in wage employment for a minimum of 70% of all successful candidates, with a minimum salary of Rs. 6,000/- per month or the minimum wages, whichever is higher.
- Post-placement Support to candidates to enable assimilation into workforce and society.
- Support for job retention, career progression and foreign placements to PIAs.
- Focus on employability through mandated hours in Soft Skills, functional
- English, basic IT skills and on-the- job (OJT) training in training programs with a minimum duration of 576 hours.
- Innovative engagement with employers through Champion, Captive & Industrial Internship employer policies to make available choice in terms of brands, sectors and trades to rural youth from poor families.
- Good governance through financial transparency and accountability through end-to-end implementation of Public Financial Management System (PFMS) to track and report how every Re. is being spent
- Implementation of an Online Project Proposal and Appraisal software to transparently prioritize and score project proposals.

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\(^1\) A FICCI E-Y study
\(^2\) Census 2011, rural unemployed / marginally employed population between 18 and 35
In keeping with changing times, industry landscape and blue-collar jobs, DDU-GKY, through its PIAs, has invested into technology for everyday use such as Geo-Tagged Time Stamped Biometric Attendance Record system, Blended learning content, comprising of Videos, Interactive sessions and classroom sessions.

D. Proposed Project Components under NRETP

i. **NIRD& PR as National Resource Organization for DDU-GKY:** Continue NIRD& PR as NRO for DDU-GKY. NIRD&PR shall be the primary driver for capacity building of all stakeholders implementing DDU-GKY and to provide technical and implementation support to all stakeholders involved. The vision of the NRO would be to be a Centre of Excellence (COE) in skilling for providing strategic advisory, consultative, and program implementation support and guidance with particular reference to rural communities and disadvantaged sections of the population in the country.

This component includes:
- Support States in implementation of DDU-GKY
- Procure and set up a PMA at NMMU for MPR tracking, identify implementation bottlenecks and suggest potential improvements based on regular consultation with stakeholders
- TOT/Capacity Building - Training needs assessment - Development of Training material
- Procure and set up Call Center for first level contact, complaint redressal, check randomly on placements
- Research and Evaluation studies through third party agencies
- Innovation/Pilot projects in States - Innovative training models (simulation based training, E-learning, MOOCs etc.) and Training for special groups (PwDs/Bonded labour/ transgender etc).

ii. **National Academy for RUDSETI as NRO for RSETIs:** Considering the challenging task of providing livelihood to nearly 1 million youth joining workforce every month, focus of skill development program has to be on not only skilling for wage employment but also skilling for entrepreneurship. Further, taking into account the fact that nearly 70% of population in the country is rural, and livelihood opportunities are required locally in a sustainable manner, rural entrepreneurship is the way forward. In this task, Ministry of Rural Development has a tie-up with 586 Bank led RSETIs successfully established across the country replicating the time tested RUDSETI model. However, RSETIs are now faced with the challenges of aligning themselves with Common Norms for Skill Development. The RSETIs have to upgrade themselves to meet these prescribed standards which will go a long way in achieving the objectives of sustainable rural entrepreneurship which can provide rural jobs. In this regard it is required to take concerted efforts for strengthening the RSETIs. To achieve the above the following action plan is envisaged:
- Support Banks in implementation of RSETI
- Procure and set up a PMA at NMMU for MPR tracking, thematic and strategic planning, and partnerships with Industry, Business value chains / Franchisee Industry, identify implementation bottlenecks and suggest potential improvements.
- TOT/Capacity Building - Training needs assessment - Hiring of Training agencies or Individual trainers - Conducting Train the trainers for RSETI in collaboration with Industry - Capacity Building programs including workshops to share best practices within RSETIs
- Procure and set up Call Center for first level contact, guidance for preparation of DPR, and check randomly on settlements
- Procure agency for development and hosting of online Assessment and Certification tool for RSETI
• Prepare SOPs for RSETI
• Develop ERP for RSETI
• Lead innovative projects through Banks for rural entrepreneurship

iii. Support SRLMs/SSDMs in setting up of Migration Support Centres: Demand for skills and skilled manpower abounds in urban and industrial clusters of the country. To fulfill their career aspirations, skilled rural poor youth often have to migrate to find income and growth opportunities. Migration to cities lead to cultural shocks and unfamiliar with the norms and demands of urban labour markets, most alumni face problems in adapting to the urban environment. Often they find it difficult to cope with the higher cost of living, social and economic demands of the city, resulting in poor job retention, unfulfilled aspirations and inability to integrate with the urban main-stream labour market. Experiences of programme implementing agencies (PIAs) of DDU-GKY have revealed the pressing needs for providing hand-holding and support services to young workers from rural backgrounds to facilitate economic and social inclusion in their urban destinations. In order to provide such sensitive and timely support, DDUGKY has conceptualized in its design, the set-up of a Migration Support Centre and post-placement support interventions. In its design, DDU-GKY visualizes MSCs to offer alumni support, accommodation assistance, counselling services, identity documentation services, healthcare linkages, periodic get-togethers, networking with employers and other key services relevant to the local client group.

DDU-GKY provides for a support of Rs.10 Lakhs per MSC annually to State. However, States have held that the support is not sufficient. In order to assess the actual requirements as a functional model of MSC, it is proposed to allow State(s) to set up MSC in identified high migration areas in terms of the framework prescribed for MSC under DDU-GKY Guidelines. States would be funded directly for the project.

iv. Rural Enterprise, Skill Development and Employment: This component will focus on enterprise development and enterprise financing, skill development and jobs. Objective is also to provide technical and business development services, technology upgrading branding and market development, including strategic tie-ups with marketing agencies for promoting Rural Enterprises:

• Promoting clusters of home based enterprises to encourage local processing and value addition of agriculture and rural produce
• Enterprise around Government Convergent Initiatives around SBM; Rural Transport; PMAY etc.

The project will invest on transforming the existing RSETIs into a rural incubation Centre and these will also be part of and contributing to the rural economic clusters under the Mission Antyodaya.

This component will also invest on building a Skills Council for Rural Entrepreneurship and Innovation on the lines of other Sector Skills Councils so that these skills become standardized, marketable and qualitatively better.

Critical investments would be made on the marketing support for rural products and enterprises. These would include the development of retail stores completely run and managed by SHG Federations, development of a dedicated e-commerce site for these SHG products and enterprises. Partnerships with existing e-commerce portals will also be strengthened

v. Placement and Industry Partnership Cell in NMMU for DDU-GKY and RSETIs: One of the key components for successful outcomes of Rural Skilling in a sustainable manner is participation of Industry/Employers. Realistic Demand side assessment is as much necessary for skill development as is the mapping of aspirations of trainee. In an ideal situation the two should match for a successful sustainable outcome. However, on ground this connect is not always present and it leads to drop-outs or unsuccessful entrepreneurships. The risks are
higher in rural skilling since a large part of rural youth face deprivation in form of inadequate formal education, inaccessibility due to remoteness from urban hotspots and poverty which deprives them of equal opportunity.

vi. In such a situation, there is a poor traction with the Demand side to attract employment or entrepreneurial activities towards this segment of rural youth. This is a huge setback in terms of inability to use the available human resource productively.

vii. The objective of the setting up a Placement and Industry Partnership Cell in NMMU is to herald the process of connecting with Industries and Employers on the benefits of associating with Rural skill Development program of Ministry in a mutually beneficial manner. This would involve active engagement with the Industries/Employers to identify the Demand side needs and customize the program deliveries to suit their needs. Further, in this process, adequate opportunity and suitable mechanism will be afforded for counseling of rural youth towards the emerging opportunities in the Industries /Employers in both wage employment and self-employment.
CHAPTER 10: HUMAN RESOURCES

Background

DAY-NRLM Framework for Implementation’ states dedicated sensitive support units at the National, State, district and sub-district levels in all intensive blocks with professionally competent and dedicated human resources, to catalyze social mobilisation, development of institutions, capacity building, financial inclusion and access to financial services, supporting livelihoods and convergence and partnerships with various programmes and stakeholders. Rigorous induction cum immersion covering exposure to within and outside states is being organised to match with Mission Objectives.

Primary responsibility of the NMMU is to provide technical assistance to the SRLMs in the implementation of the programme and development of guidelines and policies. The SRLMs have also developed dedicated capacity building architecture with pool of master trainers, partnering with resource organisations, capacity building agencies to ensure quality human resources.

PART-I: NRLP- Achievements;

A. HR Management at National Level
   - National Rural Livelihoods Promotion Society (NRLPS) registered at National Level under Society Act in the year 2013 to implement DAY-NRLM, DDUGKY other poverty eradication scheme of the Ministry of Rural Development.
   - To provide technical assistance to the State Mission, National Mission Management Unit (NMMU) set-up was created at national level.
   - Current HR Status-

<table>
<thead>
<tr>
<th>SN.</th>
<th>Level</th>
<th>Number approved</th>
<th>Placed</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NRLPS (deputation from govt.)</td>
<td>3</td>
<td>0</td>
<td>Position advertised</td>
</tr>
<tr>
<td>2</td>
<td>NMMU-NRLM (consultants)</td>
<td>34</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>DDUGKY (consultants)</td>
<td>13</td>
<td>10</td>
<td>03 to be recruited</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>50</td>
<td>44</td>
<td></td>
</tr>
</tbody>
</table>

   - NRLPS has entered into agreement with NRMC Pvt. Ltd., a Human Resource Management Agency (HRMA) to facilitate the services related to management of HR, procurement of goods & services and others. NRMC Pvt. Ltd. is on board till December, 2019. A core team of 10 members, supported by task manager is placed by HRMA to manage and facilitate the services of the society.
   - Additional HR was provided by multilateral/bi-lateral agencies like UNDP and Care India. Care India support is continuing.
   - The system of performance appraisal is in place and review is being conducted on annual basis linking with renewal of contract of the consultants.

B. Support Structures at State Level

State Rural Livelihoods Missions (SRLMs) are registered as independent society/corporate body to implement the DAY-NRLM and other poverty eradication programme in the state. Implementation units are created in all state at State, District and Block/sub-block levels.
HR Management at State Level

- Ministry of Rural Development approved ‘Model Human Resource Management Manual for SRLMs’ and advised states to customize and adopt after due approval. States already having approved HRM, were also advised to review and revise the HRM as per the Model HRM.

- Deployment of HR
  - It has been observed that recruitment of HR is time taking process and usually takes minimum 6 months of up to a year and thereafter induction cum immersion. Initially, it was advised to states to recruit more number of professionals and to provide enough space for learning/de-learning in resource/intensive blocks. Human Resources have increased gradually in accordance with expansion.
A total of more than 24000 staff in all States and UTs to support DAY-NRLM implementation (NRLM & NRLP). Under NRLP, more than 5000 staff recruited to support the activities.

- It was advised to states to adopt the Normative Organization Structure for State, District and Block levels for area anchoring and thematic work, as provided in the model HRM. Any excess / surplus staff, placed them after training, as required, in new Blocks/Districts as per the expansion plan(s).

- Support of management graduate is being taken as NRLM Fellows/Young Professionals to support implementation at field level. Hiring of task-based consultants for short-term assignments is also being practiced.

**Table 12: Number of Staff Positions at SMMU/DMMU/BMMU- As per model HR Manual**

<table>
<thead>
<tr>
<th>Position</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Mission Management Unit (SMMU)</strong></td>
<td></td>
</tr>
<tr>
<td>Chief Executive Officer/State Mission Director</td>
<td>1</td>
</tr>
<tr>
<td>Chief Operating Officer (COO)-Program Function; Addl. CEO/ Jt. MD-Systems</td>
<td>1-2</td>
</tr>
<tr>
<td>State Mission Manager/Mission Manager/Mission Executive (Program Functions – Social Mobilization Institution Building &amp; Capacity Building, Financial Inclusion (FI), Social Inclusion &amp; Social Development (SISD) &amp; Gender, Food Nutrition Health and Sanitation (FNHS), Farm &amp; Non-Farm Livelihoods, Skills, Convergence)</td>
<td>2-9</td>
</tr>
<tr>
<td>State Mission Manager/Mission Manager/Mission Executive (Systems – Finance Management, Human Resource Management, Admin, Monitoring Evaluation &amp; Learning, MIS, Procurement, KM&amp;C, Governance &amp; Accountability (GAC))</td>
<td>2-7</td>
</tr>
<tr>
<td>YP/NFs/Retainer Consultants (these do not include YP/NFs in the field)</td>
<td>0-7</td>
</tr>
<tr>
<td>Support staff (Data Entry Operators/MIS Assistant, Accountants and Assistants)</td>
<td>2-12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8-38</strong></td>
</tr>
</tbody>
</table>

Note: If number of blocks are more than 150, SRLM may take 1 additional professional for every additional 25-50 blocks. SRLM may also take resource persons/consultants for specific tasks for short duration as required.

**SMMU Staffing may be increased gradually in accordance with expansion. Initially, upto 10 Blocks- 08 staff, upto 25 blocks-12 staff, upto 50 Blocks – 16 staff, upto 100 Blocks - 22 staff, upto 150 Blocks - 33 staff, upto 300 Blocks - 42 staff, upto 600 Blocks - 52 staff and beyond that 60 staff.**

SRLM may plan to provide more supporting hands to COO/ACEO or SPMs, as the SRLM expands to the entire state and increases its dimensions and layers.

**District Mission Management Unit (DMMU)**

<table>
<thead>
<tr>
<th>Position</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Mission Manager</td>
<td>1</td>
</tr>
<tr>
<td>District Functional Managers (program and systems)</td>
<td>1-5</td>
</tr>
<tr>
<td>Support staff (Data Entry Operator (DEO)/MIS, Accountant)</td>
<td>2-4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4-10</strong></td>
</tr>
</tbody>
</table>

Note: No DMMU structure for one block operation, for upto 3 blocks DMMU to have 4 staff members. SRLM may take 1 additional professional for every 3 blocks, beyond 7 blocks; SRLM may also position Regional Units, if required.

**Block Mission Management Unit (BMMU)**

<table>
<thead>
<tr>
<th>Position</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block Mission Manager</td>
<td>1</td>
</tr>
<tr>
<td>Cluster Coordinators (CC@ one per Cluster, assuming 4 clusters per block. If more Clusters in any Block, the Clusters need to be grouped, and a CC is provided for each Group of Clusters; In any case, number of CCs may not exceed 6 in a Block.)</td>
<td>1-4</td>
</tr>
<tr>
<td>Support staff (Data Entry Operator (DEO)/MIS cum Accountant)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3-6</strong></td>
</tr>
</tbody>
</table>

Note: As mobilization is completed, CCs may take up intensive focused layering activities at Block level. Additional staff, as required, may also be deployed for the same. Layering activities include Farm & Non-Farm Livelihoods, Social Development and Convergence.
• State Missions have adopted communitisation policies and is placing community professionals from institutions at Block/sub-block levels.

• Rigorous system for induction cum immersion in place to ensure that all new recruits go through **formal induction**, in order to understand the NRLM processes through well-structured modules [orientation, village stay, immersion /exposure to advanced work in NRO/Resource Block/ Intensive Block, attachment with CRP Team, peer attachment, and classroom inputs].

**Field Immersion and Village Stay** are non-negotiable. The duration of induction process –
  o Block staff, District staff, Executives and NFs/YPs up to 110 days.
  o DMMs, State Managers, COOs/Additional CEOs up to 70 days.
  o CEO/SMD, depending on the background, for 15-30 days.

• A web application on National MIS developed to capture the HR data along with status of Induction cum Immersion. It is being uploaded by States Missions.

• To strengthen the programme implementation and for necessary support to State Missions, National Pool created at NIRDPR Hyderabad and Guwahati with 370+ National Resource Person (NRPs) on various thematic of the Mission.

• **Steps taken to ensure the sexual harassment at workplace through Anti Sexual Harassment Policy** [as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013]. Addressing the concern through constituted Anti Sexual Harassment (ASH) committee is made mandatory.

• **Grievance Redressal Mechanism (GRM)** constituted and Grievance Redressal Cell established for the staff at SMMU, DMMU and BMMU level to address the grievances.

• **Grievance Redressal Mechanism for community also** instituted to address the grievances of the community and their institutions through-
  o Regular fieldwork of staff and interaction with the community.
  o SMMU’s or SMD/CEO’s interaction with the community [Leaders of Cluster Level Federations (CLFs)/Block Level Federations (BLF) - upper layer of Community Institutions] on monthly basis directly or through Video Conference (VC).
  o District/Block Level Meetings with CLF/VO Leaders on monthly basis.

• **Performance Management System (PMS)**
  o Community linked **Performance Management System (PMS)** developed and being implemented.
  o It aims at a process for aligning the efforts of staff towards achieving the Mission objectives, recognizing performance and addressing the issues and challenges poor-performance /non-performance. It enables each staff member to know job description (JD), plan for unlearning, learning and building own capacity, plan and work for achieving planned results (Key Result Area and Key Performance Indicators), and seek recognition and reward, if any.
  o Review the performance twice a year – once in September/October and second time in March/April.
  o Performance Assessment includes weightage on Area Anchoring, working with Community, Night Stays in the villages and fieldwork (40%); Teamwork, Behavioral and Learning (20%); and Plans vs Achievements (40%). The assessment is being done by the self, the team and the reporting officer.
  o Plan for capacity building need assessment of the staff based on KPIs of the individual/team and ensure that it is offered to the individual/team.

• Developed and rolled-out capacity building plan for the staff based on identified skill gaps on various activities of the Mission-
  o Poverty-Vulnerability-Gender-Livelihoods understanding
  o Institutional architecture
  o Block Processes and protocols
Thematic trainings
o Visioning, Strategic Planning etc.
o Management and Leadership
• Customized Management Development Programme

• Package of HR Processes and Audit to ensure that SRLM follows all the HR systems and processes mentioned in the Model HRM. It is also to understand, appreciate and advised states for necessary changes on HR Practices.

PART-II: NRETP- ADDITIONAL FINANCING

Introduction- NRETP aims at strengthening the National and State Mission Management Units for effective project management for development of livelihoods of the poor. Mission will ensure competent staff at each level of implementation linking programme objective with individual achievements.

A comprehensive HR manual would be the primary requirement for both NMMU and SRLM units. The manual would be the guiding document for recruitment, HR development, staff governance and for determining benefits and compensation packages for staff. The HR manual is in place, would be one of the primary readiness criteria to be complied with by the SRLM to access funds from the NRETP.

Dedicated human resource would be recruited at national, state, district and block/sub-block level and their induction cum immersion would be conducted to implement NRETP.

Approach- I: Development of HR Manual for NRLPS and modification in ‘Model HR manual for SRLMs’

Strategy:
To upgrade the exist Human Resource Management Practices on Recruitment, HR development, staff governance, determining benefits and compensation packages and performance appraisal for staff. The HR manual being in place would be one of the primary readiness criteria to be compiled NRLP fund.

DAY-NRLM will conduct ‘Compensation Survey’ to understand and develop best compensation package for staff. A human resource management agency would be hired to conduct the survey covering the payment norms in development and related sector.

Approach-II: Strengthening the recruitment of Human Resources in States

Strategy: DAY-NRLM would facilitate for recruitment of human resources through-

1. Constituted committee/panel of independent professional(s), SMD/CEO or her/his representative(s), Community representative(s), one NMMU member (for senior positions) etc.; panel to have a senior woman and a senior SC/ST)
2. Through Human Resource Management Agency (HRMA)- Services of HRMA would be taken for recruitment of staff as well as management

To avoid unnecessary delay for hiring of HRMA, NRLPS would finalise HRMA Call down list through competitive process till qualitative bid. State Mission has to follow Request for Proposal (RFP) process for financial bid. NRLPS would also explore hiring of HR Agency for recruitment of staff for the Mission based on fixed unit cost norms. This process of save time and will ensure timely completion of recruitment of staff.

Support of Resource Persons (at different level of implementation), consultants, Technical Support Agencies (TSAs) would also be taken.
Approach- III: Human Resource Capacity Building development

**Strategy:** DAY-NRLM primary emphasis is on development of ‘professionally competent staff at each level of implementation. Rigorous Induction-cum-Immersion process would be followed for new Joinees covering orientation on DAY-NRLM activities, process and practices through class room training, expose to best practices site/NRO, etc. Special training programme will also be developed for staff placed through normative structure after rationalization of HR. Selected existing staff would also be given expose on inside/outside country.

DAY-NRLM would seek partnerships with reputed research and academic institutions for training and developing professionals for rural livelihoods programmes and where necessary provide technical assistance for faculty development, besides supporting curriculum design, training, pedagogy and development of course curriculum. Mission would facilitate for the training of professionals working with the State Missions at all levels in attitudes, skills and themes.

**NRETP- Staffing, Qualifications and Years of Experience**
Indicative details of qualifications and experience for various positions and indicative remuneration/salary range can be seen the Table below.

<p>| Table 13: Indicative Qualification and Experience of Professionals (HR Manual) |
|---------------------------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>SN.</th>
<th>Level</th>
<th>Number</th>
<th>Qualifications</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMMU</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1    | State Mission Managers/State Programme Manager (from open market)  
(i) Social Management Framework  
(ii) Financial Inclusion  
(iii)Livelihoods- Farm & Non-Farm | 03 | Post-Graduate degree or Diploma | 7+ years post qualification relevant experience |
| 2    | Mission Managers (from open market)  
Social Management Framework, Financial Inclusion, Livelihoods- Farm & Non-Farm | 11 | Post-Graduate degree or Diploma | 5+ years post qualification relevant experience |
<p>| 3    | Mission Executives | 03 | Post-Graduate degree or Diploma | 3+ years post qualification relevant experience |
| 4    | Young Professional/NFs | 05 | Post Graduate degree/ diploma from select institutes | 0-2 years post qualification experience |
| Sub-total | | 22 | | |
| DMMU |
| 5    | District Functional Manager-Enterprise/Enterprise Fellow | 01 | Post-Graduate degree or Diploma | 3+ years post qualification relevant experience |
| Sub-total | | 01 | | |
| BMMU |
| 6    | Block Financial Inclusion Felicitator | 01 | Minimum Graduate; Post Graduate degree or Diploma preferable | |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Position</th>
<th>No. of Posts</th>
<th>Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Block Coordinator- Forward Linkage</td>
<td>01</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td>8</td>
<td>Block Coordinator- Organic Farming</td>
<td>01</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td>9</td>
<td>Block coordinator- Enterprise promotion</td>
<td>01</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td>10</td>
<td>Cluster Coordinator- Organic Farming (2 per cluster)</td>
<td>02</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td>11</td>
<td>Cluster Coordinator- Enterprise Promotion</td>
<td>01</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td>12</td>
<td>Young Professional/NFs (1 YP per CLF)</td>
<td>04</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td></td>
<td>Sub-total</td>
<td>11</td>
<td>Minimum Graduate; Post Graduate degree or Diploma preferable</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td></td>
</tr>
</tbody>
</table>

**ACTION PLAN FOR 5 YEARS**

DAY-NRLM would emphasises on recruitment of staff in 1st year of implementation of the programme along with Induction-cum- Immersion. Required training kits/modules/materials will also be finalized.

**At National Level:**
- Conducting Compensation Survey to understand the best HR practices
- Development of HR Manual for consultant working in NRLPS and necessary steps for approval.
- Statutory compliance in HR
- Partnering with reputed institutes for staff capacity building
- Development of Training Modules and Materials.

**State Missions:**
- Empanelment of Human Resource Management Agency (HRMA) to ease the process of hiring of HRMA by SRLMs for recruitment of HR through Request for Proposal (RFP) process.
- Revision of Model HR Manual in line with NRETP project and upgrading the remuneration range in line with hike in inflation rate.
- Modification in web based HR application to get real time basis HR Status in SRLMs.
- Development of PMS application to conduct PMS online to avoid delay and time gap.
- Support State Missions on development/customisation of HR Policies/Manual
CHAPTER 11: MIS and M&E

Monitoring and Evaluation

The objective of the Project’s monitoring and evaluation system (M&E) is to reinforce the culture of result-based management and provide the basis for evidence-based decision-making processes, of both strategic and operational nature, at all levels including community institutions including producer groups, producer organizations and other institutions. The M&E is expected to play the role of an observatory, using different methods and tools, to provide continuous feedback to the project management units (NMMU, SMMU, DMMU and BMMU), community institutions and other stakeholders on the progress and quality of implementation of Mission activities and facilitate strategic and operational decisions, course corrections and adaptations. The system is also required to assess the intermediate results, outcomes and impact of the Mission components (including value chain interventions, digital financial services and enterprise development) vis-à-vis their core objectives and targeted outcomes, based on the Project’s Result Framework.

However, value chain interventions, Producer Groups and Producer Organizations and enterprise development are far more difficult to monitor and evaluate than standard livelihood interventions because of the high degree of heterogeneity in them and the difficulties involved in measuring processes as well as non-economic outcomes. For a large Mission, that is geographically dispersed, it becomes even more difficult to have an integrated and functionally effective M&E system that not only serves the needs of the NRLM and SRLMs but also facilitates the development of the CBOs/PG-POs. The existing M&E system instituted at the national and state levels therefore requires significant strengthening in order to meet the changing requirements. The objectives of the M&E system are to:

- provide a periodic measure of inputs, activities/processes and outputs in different project components in general and the three new sub-components viz., value chain/PG-PO interventions, digital financial services and enterprise development in particular;
- Monitor the process of implementation of each component/sub-component and identify the deviations from ideal processes and factors critical for implementation;
- verify the component related assumptions particularly in the early stages of development of value chains, PGs/POs and enterprises and track the emerging results;
- assess the impact of the project and its individual components/sub-components on the target households;
- assess the quality and sustainability of the community institutions promoted including Producer Groups and Producer Organizations as well as enterprises; and
- facilitate regular management review and adaptation.

Key Components of M&E System

The additional financing facility (AFF) would be used to strengthen the M&E components and promote new institutional arrangements as indicated below:

Transaction-based MIS

NRLP envisaged a comprehensive MIS system to facilitate evidence-based decision making and performance monitoring. The system is expected to provide continuous feedback to the Mission management and community institutions on the progress and quality of implementation of all Mission activities and facilitate informed decision making, mid-course corrections and adaptations.

The following modules have been designed and developed and are currently being used as part of NRLP/NRLM MIS.

1. SHG Profile Database Module: This module facilitates uploading of basic details of all SHGs including individual Aadhar numbers and bank account details. About 44.84 lakh SHG profiles are available in NRLM MIS.
2. VO and CLF Profile Module: This module enables all Mission units to upload basic details of all VOs and CLFs promoted including their bank details.
3. **Capacity Building and Training Module**: This module has been designed to capture information training and capacity building provided to Mission staff, CRPs, trainers, livelihood resource persons, MBKs, BKs and other types of social capital.

4. **HR Module**: This module facilitates collection of basic details of all Mission staff including their qualifications, thematic area, experience, date of joining and exit from the Mission, where applicable. This module currently holds data relating to nearly 21000 staff that are in position in all states.

5. **Community Cadre Profile Module**: This module has been designed to capture profiles of all community cadres engaged by the Mission units as well as the community institutions in all intensive blocks. There are nearly 1.5 lakh community cadre profiles available in the MIS.

6. **Fund Disbursement Module**: This module facilitates tracking of information on Mission funds provided to community institutions. This has also been designed to facilitate online application, sanction and disbursal of funds to the community institutions in a transparent manner.

7. **Commodity Module**: This module has been designed to collect information on 5 to 10 key commodities which have potential for livelihood development from each intensive block. Thus far, a total of 16774 commodities have been identified across 3000 intensive blocks.

8. **Monthly Progress Report Module**: As design and development of a full-blown transaction-based system is a lengthy process, a monthly progress report module was designed and used to capture progress of the Mission on different parameters at monthly intervals. Information from the community institutions is collected and compiled in a paper based system and then uploaded at the block level, using this module on a monthly basis. Information collected through this module as well as others are used to generate a series of reports listed below:
   - SHG Profile based reports ‘G’-series (13);
   - MPR based reports ‘R-series’ (22);
   - Exception Reports (6);
   - Fund disbursement Reports (19);
   - Federation Report (2);
   - HR reports (4);
   - Community Cadre Profile Module (4); and
   - Commodity Module (6)

All these reports are automatically generated at monthly intervals and can be accessed from the Mission portal (www.aajeevika.gov.in).

**I. Transaction-based SHG digital Accounting System (TBSDAS)**

SHG Transaction Module: A major limitation of the MPR system is that it does not collect and provide information on individual SHG member transactions. Therefore, design and development of a transaction-based system has been taken up. A significant progress has been made towards the establishment of a transaction-based system with the support of NIC and external agency. An application (both android and web based) to capture transaction details of SHGs was developed and piloted in January ‘17 in 8 states. Since then, 24 states have started the roll-out of SHG-transaction module in 1085 intensive blocks. All states are required to switch gradually over to this module which facilitates capture of transaction information from each SHG on a near real time basis. However, the roll-out process needs to be accelerated and the States need to initiate measures to procure Tablet PCs/ hand held devices, identify and train CRPs to collect transaction-based information and institute quality assurance systems.

The State Missions of Bihar, Jharkhand, Rajasthan, and Andhra Pradesh may continue to use their own MIS which captures transactional data. However, these states are required to develop appropriate web services to integrate with the national MIS. Rajasthan and Jharkhand have successfully developed the web services for data integration with the national MIS. Once the transaction-based system is implemented in all blocks, the MPR module will be linked to the transaction system and the Mission will be able to generate disaggregated reports for all levels. Thus, one can drill-down up to the SHG level.
for all reports. A few output reports have been developed from the transactional data and can be viewed at (cbotrans.nrm.gov.in).

Efforts are also being made to develop transaction-based VO and CLF modules. These modules are ready and will be available for pilot-testing from March, 2018.

Focus of MIS under NRETP

The resources from AFF would be used to strengthen the existing transaction modules and design and build new ones to meet the requirements of the new components. Besides strengthening Transaction-based MIS, MKSP-MIS, Enterprise-MIS and Bank Linkage-MIS, additional modules would be designed and developed for value chains (including PGs and POs), enterprise development and digital financial services. The objective of the augmented MIS would be to facilitate near real-time monitoring of all transactions promoted and all components including transactions of PGs and POs at the aggregate and member levels. The second important objective of the augmented MIS would be to provide analytics and dashboards at various levels to facilitate decision making. Therefore, emphasis would also be on developing key analytics and dashboards at different levels of management. The AFF would be used to strengthen the MIS team with specialists in design and development of livelihood MIS as well as analytics and dashboards. Alternatively, the AFF could be used for procuring the services of a TSA with expertise in designing and developing livelihood MIS, data analytics and dashboards as well as troubleshooting and maintenance.

It is proposed to hire the services of a TSA that would set up a MIS support unit in the RL Division of MoRD. Based on the potential work involved, it is estimated that the TSA would be required to provide the services of a senior MIS expert (Project Lead), Developers (3-5) and appropriate number of other executives including network/admin/database operators.

In order to manage the PMU, it is also proposed to strengthen the MIS team of NMMU with 1 additional MIS manager. It is also proposed to strengthen the State MIS units with 1 MIS manager and an Young Professional to support the new components. At the block level (160 blocks) 1 dedicated MIS person would be required to support MIS of new components as well as Producer Groups/Producer Organizations.

Concurrent Process Monitoring:

NRLP is envisaged as a process intensive project. The culmination outcomes of the project would depend mainly on the strength of the processes adopted in implementation of key activities. Process monitoring is expected to provide information to the project management and other stakeholders to understand how and through what process inputs get converted into outputs, what issues are critical in that conversion process and what action is necessary to increase effectiveness. The SRLMs were expected to commission the third party process monitoring. However, only States of Bihar, Maharashtra, Odisha, Madhya Pradesh, Chhattisgarh, Jharkhand and Karnataka commission the third party process monitoring and for varying periods.

As process monitoring is immensely useful to the State Missions, particularly for monitoring new components, the AFF would be used to procure the services of a TSA with vast experience in concurrent process monitoring livelihood projects. The TSA would be required to establish a concurrent process monitoring cell, entrusted with the responsibility of designing and executing process monitoring as well as thematic studies would be responsible for the design and execution of studies. The cell would also undertake a concurrent study of the satisfaction of the members and beneficiaries of services provided. Further, the concurrent monitoring cell would also undertake documentation of select best practices and their dissemination, besides building the capacity of SRLMs in documenting best practices. Finally, the cell would design impact assessment studies to be undertaken by third parties and provide supervision and quality control support.

Impact Evaluation Studies:

The objective of impact evaluation is to establish the “net” contribution of the project to the livelihoods of the poor. Measuring the impact would then involve comparing the livelihood situation of the poor “before” and “after” the project and between the project and control areas. Since the livelihood outcomes would depend on a number of factors, some within the control of the project and several outside, an
effective impact evaluation should try to estimate a “net” effect, after controlling for the non-NRLP/NRLM interventions to the extent possible. While assessing the “net” impact on livelihoods, it would be important to bring out the changes in all forms of livelihoods viz., natural, social, human physical and social capital. The evaluation should also capture the change in the vulnerability status of the poor to different risks, both covariant and idiosyncratic, and their ability to cope with such risks. In addition to capturing household level outcomes, impact evaluation would also assess the group level and community level changes brought about by NRLP/NRLM. Given the duration of NRLM, impact evaluation was expected to be carried out by SRLMs in three stages through interrelated surveys namely, baseline survey, mid-term survey and project-end evaluation. Most of the SRLMs have conducted baseline studies. But not all of them have adopted uniform methodology and sample plan. Therefore, instead of the SRLMs, the MoRD commissioned a third party mid-term assessment by IRMA during 2016-17. The MoRD has now commissioned a large study (originally intended to be NRLP end line study covering about 27000 households across 9 States) which is expected to be completed by October, 2018. However, as the duration of the NRP is likely to be extended by 3 years with AFF, this study would be treated as mid-term evaluation, while the end line evaluation would be conducted towards the end of AFF period. Further, there are various pre-pilots ongoing under NRLP that will be piloted at scale under AFF. Several of these would be evaluated such that their efficacy can be tested before GoI implements them at scale. In addition, a few studies on specific themes would be conducted to supplement the impact evaluation. Finally the States interested in conducting independent impact evaluation studies would be encouraged and supported to commission and complete the studies.

Community Monitoring: In view of the central role assigned to the poor and their institutions in the actual implementation of the component activities under AFF, it is only imperative that they are made an integral part of the monitoring system. Therefore, it is proposed to institute a Community Monitoring System in PGs/POs and other institutions to promote accountability and transparency in the use of project and community funds. The stakeholder involvement would also promote quality of implementation. The learning from successful models of community monitoring established in Jharkhand and Rajasthan would be used to design and institute a community monitoring system in the AFF project. The concurrent monitoring cell would be required to develop appropriate tools for community monitoring and train key staff of SRLMs in the institution of community monitoring.
The component of Knowledge Management and Communication (KMC) is crosscutting across themes social mobilization, social inclusion, institution building, capacity building, financial inclusion and livelihoods. The KMC unit will focus to create and manage systems to provide programme staff, the community institutions and the communities, with relevant and timely information and knowledge on NRETP activities, methods, protocols, guidelines, frameworks etc. The existing KMC systems established by the state missions will be strengthened to facilitate the exchange of knowledge and information throughout the project system.

Focus will be given to strengthen the existing communication strategy, to promote awareness to the community institutions, national and state mission staff, the participating state government and the stakeholders to the NRETP strategies, components and key activities.

Focus will also to promote awareness, strategy and achievements of the NRETP components to the potential partners, stakeholders and general public. The mission strategy will be designed to promote knowledge management (KM), operational communications (OC) and strategic communications (SC) activities by the national mission unit, the state missions and the community institutions.

**Key Activities**

The key activities under the three categories of knowledge management, strategic communication and operational communication would involve:

- **Priorities** – identify priorities under the above three areas (KM, SC, OC) for the national mission, state missions and the community institutions;
- **Channels** – identify channels of communication;
- **Content/Message** – determine the content of communication or the message;
- **Implementing Strategy** - the implementation/rollout of KMC strategy.

**The priorities**

Knowledge Management involves collection, analysis, synthesis and dissemination of information on key NRETP mission issues, success stories, innovations and best practices. The stakeholders includes: (a) Mission staff across all domains; (b) Community institutions (SHG/VO/CLF; Producer Groups and Producer Organization); (c) Community cadres (social capital etc.); (d) Community members; and (e) Other government departments would identify the priorities for knowledge management.

Strategic Communication on the other hand, involves mainstreaming the Mission agenda within the broader development context, advocacy for the rural poor and promotion of linkages with public and private partners for livelihood and enterprise development.

Operational Communication involves communication activities that would promote implementation of the Mission including process and thematic communication within the project (rules and regulations, responsibilities, finance, management, technical and livelihood information).

The national website [www.aajeevika.gov.in](http://www.aajeevika.gov.in) and [www.mord.nic.in](http://www.mord.nic.in) the respective/participating state missions’ website are the means of communication and disclosure to the general public and state missions. The website is populated regularly with all the framework, guidelines, advisories/DO letters to state missions, meeting minutes, best practices, events, notifications (recruitments), videos and photographs etc.

Learning forums, best practice workshops, award functions, innovation forums etc. has been conducted in NRLP which helped the stakeholders to learn and replicable efforts made by the State Missions. Experience sharing through social media like Facebook and Tweeter etc. have resulted in spreading the best practice and share experience across all levels. Among the best practices been showcased, the scalable models shall be awarded prizes by the Hon’ Minister of the Ministry of Rural Development. This has become an annual event.
The priority activities for knowledge management, strategic communication and operational communication are furnished in Tables 12, 13, 14.

Table 14: KMC Priorities

<table>
<thead>
<tr>
<th>National</th>
<th>State</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revamping DAY-NRLM national website and depository shall serves all state missions and stakeholders</td>
<td>• Setting up dedicated KMC teams at state level</td>
<td>Community institutions/organization shall be involved in</td>
</tr>
<tr>
<td>• Create suitable team at NMMU to anchor the above component efficiently</td>
<td>• Park enough funds to implement the activities</td>
<td>• Collecting and sharing information and good practices with the community and across the community using knowledge products</td>
</tr>
<tr>
<td>• Hire services of TSA or social media agency to manage the knowledge content</td>
<td>• Collect good practice case studies, flagging implementation challenges</td>
<td>• Develop community cadres/professionals to document best practices and innovations</td>
</tr>
<tr>
<td>• Park enough fund to implement the activities planned</td>
<td>• Linking all establish state websites with the national website</td>
<td>• Create community journalists to manage community newsletters</td>
</tr>
<tr>
<td>• Consolidation, synthesis, packaging and dissemination of knowledge across state missions</td>
<td>• Institutionalize regular documentation process by capturing information in the form of case studies, videos, films etc.</td>
<td>• Share knowledge video and reference materials with the community institutions using different channels of communications</td>
</tr>
<tr>
<td>• Creation of an online knowledge repository at national level at website which includes policy guidelines, reports, thematic best practices, advisories etc.</td>
<td>• Share the knowledge products with NMMU periodically</td>
<td>• Manage and link social media sites</td>
</tr>
<tr>
<td>• Collect and create audio-visual case studies, thematic cases, videos, films on core NRETP interventions and disseminate through communication channels to share information about the program interventions</td>
<td>• Manage and link social media sites</td>
<td></td>
</tr>
<tr>
<td>• Manage and link social media sites</td>
<td></td>
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Table 15: KMC: Operational Communication-Priorities

<table>
<thead>
<tr>
<th>National</th>
<th>State</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide guidance and technical assistance to the state missions</td>
<td>• Create and disseminate clear message – project information, guidelines, advisories, operation manuals, good practices, technical assistance on livelihoods promotion</td>
<td>• Establish systems to use ICT for mobilization, training, livelihoods support, including SMS, You Tube, community radio, FM channels, etc.</td>
</tr>
<tr>
<td>• Develop and design templates for communication between national level and state level</td>
<td>• Create and or adapt training modules for staff and communities</td>
<td>• Raise awareness of project outcomes, roles and responsibilities of the community institutions, members etc.</td>
</tr>
<tr>
<td>• Create e-learning module covering livelihoods and financial inclusion modules and operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Establish communication culture monthly, quarterly and yearly</td>
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<td></td>
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</table>
Table 16: KMC: Strategic Communication - Priorities

<table>
<thead>
<tr>
<th>National</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Create the brand “DAY-NRLM”&lt;br&gt;• Forge partnership with stakeholders, states, other ministries, banks, private companies, Corporates, NGOs etc. to promote innovation&lt;br&gt;• Promote promotional events, documents, videos, films, workshops, stakeholders meet etc.</td>
<td>• Keep stakeholders (state, district officials, panchayat presidents, local banks etc.) informed&lt;br&gt;• Forge partnership at state for livelihoods support, skill development, financial inclusion and capacity building&lt;br&gt;• Partner with agencies for enhancing community knowledge and communications.</td>
</tr>
</tbody>
</table>

Channels of communications

With the experience of NRLP, the DAY-NRLM would use relevant communication channels to disseminate the message to the stakeholders and communities, using mobile, print, social media, radio and televisions. NRETP will use an appropriate mix of the channels to facilitate operational and strategic communication. However, peer-to-peer communication channel is the best as experienced in NRLP. The State Missions will budget to use a mix of channels to communicate with the communities and the stakeholders as per the local conditions and demand.

Branding: DAY-NRLM has been able to create its brand DAY-NRLM Aajeevika and accordingly the logo, colour scheme and font etc. has been firms. NRETP will continue to use the brand of DAY-NRLM Aajeevika in all its activities, including the organizational culture, mutual respect, professionalism, accountability, gender neutral, empathy and compassion of the poor, determination and innovativeness. The branding strategy will be promoted to create a sense of ownership of the mission by the stakeholders. Social media will be effectively used in promoting the sense of ownership and branding. Use of logo in all materials produced by the DAY-NRLM publications at national and state level and giving due acknowledgement in all the events and publications at national and state level is a must. DAY-NRLM songs and the state songs will bear the brand of DAY-NRLM Aajeevika.

Implementing the KMC strategy

Learning form the NRLP, states will have to really plan and execute the KMC in their respective states. Jharkhand, Odisha and Assam to an extent has been able to establish the KMC team and follow instructions from National Mission Unit and have shown results. While in rest of the states, KMC has not been a priority as such. Hence the publicity, sharing and learning from state to the community as well as state to national and vis-à-vis has not resulted effectively. As mentioned in Table 12 a, b and c, to bring in knowledge sharing from the field to the national and back to the community the state missions has to get a team of KMC in place. Adequate budgets has been kept to gather knowledge and build learning on economic clusters and improve the lives and livelihoods of the rural poor.

Adequate technical assistance will be provided from the NMMU to the state missions to carry out smooth implementation of the KMC strategy. To begin with empanelment of technical agencies and technical providers on knowledge management and communication can be sought by the state missions. A stock taking /mapping exercise of the knowledge repository, catalogue, storage of knowledge products shall be done initially. Develop best practices, case studies, training materials using professional technical agencies and institutions will help state missions to prepare adequately a communications strategy.

NMMU team will provide adequate technical support to State Missions to set up their KMC strategy and conduct regular workshops and demand based training to strengthen the knowledge management and communication strategies and develop products and channels of communications.
CHAPTER 13: SPECIAL PROGRAMMES

DAY-NRLM has a provision for supporting pilot activities that have a potential for scaling-up and replication. It is envisaged that a similar provision would be made under NRETP for the following activities:

A. Promotion of Community Audit Institution

Rationale: Audit is a crucial mechanism in developing financial prudence and internal control mechanisms of any organisation. This will enhance the organisational credibility as well as gain confidence of various stakeholders. To maintain its sanctity, the audit function will always be developed as an independent external system.

In the context of member managed Community Based organisations, it is all the more essential in developing transparency and accountability among management, board and members. It will help the organisations in developing self-regulation and achieving self-reliance and financial sustainability. As there is an involvement of huge funds of members, government and banks in SHGs and their federations, it is all the more critical to develop financial prudence and internal control mechanism. Considering this requirement, the project has proposed to promote an independent community auditors institution in 3 states on a pilot basis.

Objectives

- To develop a self-regulating mechanism in SHGs and their higher-level federations viz., VOs and CLFs for enabling them in achieving self-reliance and financial sustainability
- To create legal, financial and accounting literacy among members of CBOs
- To act as a vigilance committee on behalf of Apex CBOs at various levels

Salient features of Audit institution: It will be a member-based organisation having elected management board, staff and legal identity. The community auditors - active, dynamic and SHG members who are trained on bookkeeping, audit and registration and legal aspects will be the members in this organisation. It operates on profit orientation and offers services based on fee for service concept.

Services offered to clients:

- Training on Bookkeeping, audit and legal aspects
- Audit of SHGs and their federations, PG, POs and individual businesses/enterprises
- Legal, financial and accounting literacy to CBO members
- Capacity building assessment, Grading and rating of SHGs and their federations
- Social Audit of government/project/NGOs/other agencies programmes
- Inspections and enquiries
- Any other technical support – providing support in conducting elections, accessing various financial services, financial and business counselling etc.

Functions:

- Selection and Capacity building of Community Auditors /Audit CRPs
- Grading of CRPs
- Business identification or Scouting for Work for Community Auditors
- Entering MoUs with SHGs and their federations
- Planning and deployment of Community Auditors
- Ensuring the quality of services rendered by Community Auditors
Strategy for roll out:

- Conducting series of consultations and workshops with CBO members, mission staff and existing community auditors for firming up of organisational structure, systems and policies
- Conducting exposure visits to SERP-Andhra Pradesh, Telangana, NRO – Tamil Nadu and Kutumbhasree-Kerala for learning best practices
- Promotion and strengthening of Community Auditors institution
- Drafting bye-laws and registration
- Development of on-line applications for planning, deployment and grading of Community auditors, payment to community auditors, accounting package for audit institution, reporting and MIS
- Provision of start-up cost and operational grant
- Collaborating with expert organisations for capacity building, certification and technical support
- Partnering with Charted Accounting firms for doing statutory audit of CBOs

B. Designing and offering Certificate Courses in various thematic areas of project

Rationale: Continuous capacity building and technical guidance through handholding support to community members and their institutions is important for building sustainable and self-reliant community institutions. For this purpose, NRLM has developed more than 1.3 lakh CRPs in different thematic areas so far. The community cadres / Community resource Persons are working as CRPs and helping the mission and community institutions in mobilization, capacity building of member institutions and in providing technical support to SHG members on various thematic areas. Initially Mission has identified and trained these CRPs. Though a basic framework and modules are being followed everywhere, there is no standardized system for developing, nurturing and mentoring these CRPs throughout the country. Due to this, the capacity of CRPs may vary from state to state, even from district to district. Imparting same mode of training with same content and ensuring the basic quality parameters of the training is a big challenge. On the other hand, there is no standard certification for these women CRPs on their areas of specialization and skills due to in-house & semi-structured nature of these trainings. As of now no uniform norm exists to define basic skillset of the CRPs to deploy them as CRPs of different categories other than very generic criteria. But it is very important to maintain the standard of interventions with specific outputs.

As the number of community institutions are increasing day by day, there is immense demand for technically sound and skilled community professionals for supporting these institutions on their poverty alleviation interventions. Therefore, in place of semi-skilled community cadres, skilled professionals from community is the need of the time.

In this context Mission is interested to impart standardized training on various thematic areas with standard certification. Streamlining of these trainings in terms of content, quality and basic skill sets, certification will considerably add value to the quality of the output. In future Mission and Community Institutions may utilize the services of such certified Community Professionals only. Services of these Certified Community Professionals can be hired by other Departments & Institutions from their parent CBOs on agreed terms and conditions and specific charges.

Objectives

- Upgrading the skills and certifying ten thousand CRPs in the areas of community auditing, IB&CB and SD and Convergence as qualified community professionals.
- Ensuring basic minimum quality support to community and their institutions with specific outputs through these qualified Community Professionals.
- Streamlining the Capacity Building component of CRPs under NRETP.
Strategies

- Collaborating with NSDC, Sector Skill Councils, NIRD-PR and other academic institutions like IITs, IIMs, IFMs, IRMA for setting up of Community College for training and certification of existing and new Community Professionals
- Developing curriculum and pedagogy jointly
- Designing Trainings as credit based short-term academic programme with university approved certificate.
- Sponsoring existing community professionals for undergoing certification course mandatorily
- Issuing guidelines on accessing technical support from certified community professionals only

Output

- 10,000 certified community professionals in various thematic areas across the country.
- 20 well trained National Adjunct Faculty for NRLM Community College for taking up any CB intervention on poverty reduction and local economic development – They further continue for handholding and supporting the Community Professionals
- 42 well trained State Level Adjunct Faculty for NRLM Community College for taking up any CB intervention on poverty reduction and local economic development- They further continue for handholding and supporting the Community Professionals
- Curriculum, modules and toolkit on different thematic areas in different languages approved by SSC and academic institute in line with NOS and NSQF – useful for scale up.
- DAY-NRLM Community college in collaboration with University/academic institution as a permanent setup for continuous CB to NRLM Community professionals

The detailed on note designing and offering Certificate course for CRPs and community professionals is annexed (Annexure:...)

C. Health, Nutrition, Water and Sanitation pilots

The Overall Objective of the Pilots is to develop systems, protocols and guidelines for these subjects, based on a close monitoring of the work, for replication and scale up across DAY NRLM.

- **Agri-Nutrition Linkages:** As more than 50% of women and children found to be anaemic, there is a need to address the problem in a comprehensive manner. The pilot will focus on linking the work being done on promoting agriculture based and livestock-based livelihoods to link up with nutrition education, through a well-designed, implemented and monitored intensively. The main interventions of the pilot are: 1. Perennial fruit and vegetable cultivation, 2. Promotion of maternal and child diet diversity, through a farm to plate education methodology, 3. Counselling will be done by the CRPs of IBCB and Livelihood Streams. The financial support is mainly required for designing the tools for education and monitoring, capacity building of CRPs and intensive monitoring.

- **Solid and Liquid Waste Management:** Although staff and communities were exposed to the Solid and Liquid Waste Management Approaches in Tamil Nadu and Chhattisgarh, limited participation by MGNREGS has stymied progress. Meanwhile, the mission has motivated communities, who have successfully worked on developing open defecation free villages. There is also immense scope in promoting sustainable WASH livelihoods. Solid and Liquid Waste Management is also being planned for implementation in all the Mission Antyodaya Villages. Hence, this pilot will demonstrate safe disposal of solid and liquid wastes at a cost community can afford, and also demonstrate how the villages can generate sustainable funds from this. The systems will be documented for further replication across all the 160 Blocks.
CHAPTER 14: FINANCIAL MANAGEMENT FRAMEWORK

A. Introduction
The financial management arrangements for National Rural Economic Transformation Project (NRETP) have been designed on the basis of two essential guiding principles: (i) use of country fiduciary systems, to the extent feasible and considered satisfactory and meeting the essential fiduciary requirements; and (ii) build upon successful models developed and tested in the National Rural Livelihoods Project (NRLP) implemented across 13 States in India. These arrangements are documented in the Financial Management Manual and assessed as adequate to account for and report on sources and uses of project funds and meet Bank’s fiduciary requirements.

NRLPS implementing the NRETP will be responsible for establishing and maintaining satisfactory financial management arrangements, both at the national level and across 13 selected states of India. At the state level, the State Rural Development Departments will be the key implementing agencies.

On the overall, the financial management framework is based on established GoI procedures for Central Sponsored Schemes (CSS) and General Financial Rules 2017 at the national level. At the state level, the adequacy of the financial management arrangements in states with established community institutions will be assessed against agreed benchmarks and action plans agreed to ensure that these meet with the NRETP requirements. The plan will seek to improve governance, accountability and financial management arrangements and implement measures to ensure minimum quality standards.

B. Planning and Budgeting
   i. Each state will prepare an Annual Action Plan for NRLM will have separate action plans for NRLM and NRETP. These plans will be appraised and approved by the MoRD

   ii. National Rural Livelihoods Promotion Society (NRLPS) of MoRD will prepare annual estimates of the project by consolidating state level estimates. The project will be budgeted at the Union level, under an identifiable budget head item of the MoRD. At the detailed head level, the budget coding system followed by GoI will allow for project specific activities to be incorporated in a manner that will facilitate the accounting and reporting of expenditures from the PAO’s consolidated ‘Monthly Accounts’ itself. As for all special schemes of MoRD, the Project Approval Committee (PAC), chaired by the Secretary, MoRD and Financial Adviser will be responsible for approving the work plans and proposal for activities under the project.

C. Fund Flow Arrangement
   i. Government of India, Ministry of Rural Development will provide funds for NRETP through its budgetary resources.

   ii. This will remain within the existing financial management systems of MoRD, which operates through the centralized Pay and Accounts Office.

   iii. At MORD level, an annual work plan will be prepared and will form the basis for the budget allocations. The Empowered Committee (EC) of NRLM will approve AWP of national and state level activities of NRETP

   iv. State will contribute 40% of their approved allocation (10% in case of North-eastern states) for activities proposed under NRETP for component 2 a, 2 b, 2 c and 2d. Component 1, 3 and 4 will be funded 100% under NRETP.

   v. The State Perspective Plan and Annual Plan will include all activities and budgets relating to NRLM and NRETP and also WB supported state livelihood project, where applicable. This is to enable MoRD to get a full picture of the state livelihood program.
Fund releases from the State to SHG Federation/s and other institutions (producer companies, NGOs etc.) will be made through electronic transfer systems and be based on the terms and conditions for fund releases as documented in the MoU or financing agreements, as the case may be.

To the extent feasible, SRLM will enter into service or results-based agreements with Special Purpose Vehicles (SPVs), Producer Groups, Training Institutes etc. and all fund releases from the project will be based on achievement of outputs or results.

The fund releases to Producer Companies will be based on appraised business plans. All fund releases be accounted for as advances in SRLM books of account. Actual expenditures reported to be booked as expenditures, unspent balances to be refunded to SRLM.

D. Accounting Policies, Procedures and Systems

Project expenditure at national level will be as per standard government systems of Pay and Accounts Office (PAO) and subject to controls as per General Financial Rules of Government of India. All fund releases (Grant-in-Aid) to SRLMs to finance approved state Annual Work Plans will be recorded as expenditure in accordance with existing GoI rules. For the purpose of the program, however, NRLPS will need to keep track of actual expenditures reported against the grants by the States on an ‘off-line’ basis, as these are essentially in the nature of advances and incorporate them in three monthly interim consolidated financial reports of the project.

While the accounting policies, procedures and systems may vary across the states, the following general principles will apply:

- SRLM and its constituent district and block units and SHG Federations will maintain its books of accounts on a cash basis following the double entry principle of accounting;
- a common set of ‘back office’ rules on financial management, including accounting and financial rules at the State, SHG federation and SHG level will apply uniformly across all activities and all sources of funds, including NRETP;
- SRLMs will put in place acceptable internal audit arrangements, commensurate with the size of the operation;
- all funds released to the district and block level units will be treated as inter unit transfers until expenditures are incurred at these levels;
- financial controls including delegation of financial powers and financial rules will be documented in the Financial Management Manual;
- all fund releases to SHG Federations against Community Investment Support which are in the nature of grants to be used for on-lending purposes will be accounted for as grants (expenditures) in the books of accounts of SRLM;
- SHG federations will maintain books of accounts for the receipts and loans provided to SHGs and will prepare regular financial statements. SHGs will in turn, provide loans to their constituent members to fund economic activities to enhance livelihoods or other consumption needs as described in the Community Operational Manual, but excluding on the items listed in the negative list;
- the project will obtain fiduciary assurance from a combination of the following two processes: (a) periodic assessment of robustness of the loan portfolio at the federation level and monitored through rigorous processes and use of eligibility indicators of profitability, capital and portfolio quality, acceptable levels of loan collections, appropriate capacity for appraisals and supervision etc., and (b) assessment of the fiduciary oversight arrangements established at the federation level to monitor and verify the use of funds for intended purposes, including verification mechanisms for assets and other uses of funds as applicable;
- the project will invest in (a) developing detailed assessment criteria for grading of SHGs and Federations; and (b) providing handholding accounting technical assistance (bookkeepers, accounting hubs etc.,) to the federations to help maintain accounting records and prepare
monthly/annual financial statements for the loan portfolio. The federation annual accounts will be subject to statutory audits as required by the state laws;

- the accounting for fund releases to other institutions, including Producer Companies, NGOs and service providers will be guided by the terms and conditions of respective the contractual arrangements or financing agreements; and
- over the medium and long term, a separate platform will be developed for accounting and financial reporting for SHG federations (and SHGs). This will ensure standardization and consistency in the quality of accounting. This will also provide online access to financial information for community level at the aggregate as well as standalone basis. The accounting system at the SHG/federation level will be automated through E-book keeping using different front-end devices, including net books and handheld devices like I-pads, mobile phones etc.

E. Financial Reporting

- Disbursements from the IBRD Credit will be based on consolidated project financial reports (Consolidated IUFRs) and may be made at quarterly intervals. An initial advance with a fixed ceiling (USD 2.5 Million) would be deposited into the segregated designated account maintained in US dollars at Reserve of Bank of India, Mumbai by CAA&A, GOI in case of Retroactive financing.
- Withdrawals from the Designated Account will be on receipt of periodic withdrawal applications (IUFRs) from MORD, GoI through CAA&A and to the extent of reported expenditures during the period.
- The bi-annual consolidated project IUFRs will be submitted to the Bank within 45 days of end of each quarterly period for the purpose of disbursement from the World Bank. Please refer to formats of IUFRs in Annex 3.
- The expenditure reported in IUFR will be subject to confirmation / certification as per the Annual Audit Reports submitted for the Project. NRLPS will be responsible for consolidation and submission of IUFR to World Bank/CAAA.

F. Staffing of Finance Function

A dedicated financial management team will be established within NMMU. The team will be headed by a Finance Controller, a senior officer from Central Accounts Service with commensurate experience and suitably qualified finance professionals engaged on term contracts. Each of the spearhead teams of states will include a financial management specialist who will be the nodal point for the state for coordinating FM technical assistance to state, fund releases to states, monitoring of financial management performance etc. The job responsibilities and detailed descriptions have been documented in the Financial Management Manual. The SRLMs will have qualified finance staff. The composition of FM team at SRLMs for state/district/block level and ToRs of FM positions will be included in state FM Manual.

G. Financial Management (FM) Manual

A Financial Management Manual has been developed for the project and documents the key financial management arrangements for the project (Annexure 10). The manual provides an overview of the financial management arrangements for NRETP and includes a toolkit for the assessment of the adequacy of the financial management arrangements at the state level.

H. Disbursement Arrangements

- Disbursements from the IBRD Credit will be based on consolidated project financial reports (Consolidated IUFRs) and may be made at quarterly intervals. An initial advance with a fixed ceiling (USD 2.5 Million) would be deposited into the segregated designated account maintained in US dollars at Reserve of Bank of India, Mumbai by CAA&A, GOI in case of Retroactive financing.
ii. Retroactive Finance of up to US$ 2.5 million equivalent (i.e. 1 percent of the total credit) will be available for financing eligible project expenditures incurred before credit/financing agreement signing, but on or after July 2018.

iii. This will help the project in hiring of various services such as setting of the staff recruitment systems, project website, monitoring systems & MIS, field level testing of various manuals and various other similar initial activities. This will help the project save critical time and be ready to start implementation of core project activities immediately after the project is declared effective.

iv. As per the standard Centre-State mechanism for Central Sponsored Schemes, GoI funds to the States for Components 2(a), (b) (c) and (d) will be on a grant basis with 40% counterpart funding by the States (10% in the case of North East and hill States).

v. However, the fund releases to the States and accounted for at MoRD level as ‘Grants in Aid’ will not be considered as eligible expenditures for purposes of disbursement under the project.

vi. Eligible expenditures for Community Investment Support: All fund releases to SHG Federations will be considered as eligible expenditures for the purposes of the project and accounted for as grants (expenditures) in the books of accounts of the SRLM. Such fund releases will be based on achievement of certain defined milestones/ triggers

I. External Audit
The objective of the audit would be to provide confirmation to various stakeholders (Government of India, World Bank etc.) on the accuracy of project financial statements, compliance with credit agreements and legal obligations and overall effectiveness of financial management system of the NRETP.

Figure 3: Summary of External Audit Process of NRETP

- **NRLPS**
  - C&AG audit as per agreed TORs

- **State**
  - Private CA firms as per agreed TORs
  - Selected from empanelled list maintained by C&AG

- **SHG Federations**
  - Private CA firms as per agreed TORs
  - Selected from empanelled list maintained by State

*Central Level*
- Audit of NMMU (MORD) will be conducted by the Comptroller and Auditor General (C&AG).

**State Level**
- Audit of SRLMs (SMMU and districts) will be conducted by Chartered Accountant firms as per terms of reference agreed with the World Bank.
- SMMUs will submit consolidated annual audit report for state to NRLPS, MORD.

**SHG Federations**
- The SHG Federation/s annual accounts will be subject to statutory audits as required by state laws.
- SHG Federation audit reports will be monitored at the state level and will not be considered a part of NRETP's audit requirements.

**Submission of Annual Audit Reports to the World Bank**
The audit reports of NRLPS and each of the SRLMs will be submitted to the World Bank by 30th of September every year for previous financial year.

Each annual audit report will consist of:
- Audit opinion
- Annual financial statements and
- Management Letter highlighting significant issues to be reported to the management.

**Monitoring of Audit Process by NRLPS**
NRLPS will implement a regular system of review of audit process, including quality of audit at state level, audit observations and monitoring compliance of the observations by implementing units.

**Suspension of Disbursement**
Bank remedies for delays or non-submission of acceptable audit reports will be applied on MoRD and each defaulting state separately.

**J. Public Disclosure**
MoRD, SMMU and DMMUs will be responsible for ensuring adherence to disclosure management policy of NRETP. The Project progress in all areas, including financial progress, will be made available to the public through project websites at national/state/district level.

Please refer to Table below which summarizes financial management information which should be displayed on the websites of the project at national/state/district level.

<p>| Table 17: Information to be Disclosed |
|---|---|---|</p>
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Document</th>
<th>Frequency</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL MISSION MANAGEMENT UNIT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Financial Management Manual (FMM)</td>
<td>Start of project</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Project Implementation Plan (PiP)</td>
<td>Start of project</td>
<td></td>
</tr>
</tbody>
</table>
| 3. | o Circulares issued by NRLPS regarding FM issues  
o Any amendments to FMM  
o Minutes of FM Meetings with States | As and when issued |
<p>| 4. | o FM Training Material | As and when issued |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>5.</td>
<td>Annual Budget for Project</td>
<td>Annual</td>
</tr>
<tr>
<td>6.</td>
<td>Release of Funds to:</td>
<td>As and When</td>
</tr>
<tr>
<td></td>
<td>- SMMUs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Other Implementing Agencies</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Consolidated IUFR for the project</td>
<td>Quarterly</td>
</tr>
<tr>
<td>8.</td>
<td>Statutory Audit of Project</td>
<td>As and When</td>
</tr>
<tr>
<td></td>
<td>- Summary of Annual Audit Reports of project</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Individual Audit reports of NRLPS And SMMUs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Status of Compliance of Audit Observations by NRLPS and SMMUs</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>FM Indicators</td>
<td>Six-monthly</td>
</tr>
<tr>
<td></td>
<td>- Summary for Project</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Summary for NRLPS</td>
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</tbody>
</table>

**STATE MISSION MANAGEMENT UNITS**

<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Financial Management Manual (FMM) of the State</td>
<td>Start of project</td>
</tr>
<tr>
<td>2.</td>
<td>Circulars issued by SMMU regarding FM issues</td>
<td>As and when issued</td>
</tr>
<tr>
<td></td>
<td>Any amendments to FMM of State</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>FM Guidelines</td>
<td>As and when issued</td>
</tr>
<tr>
<td></td>
<td>FM Training Material and Other Information about FM Training</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Annual Approved Estimates for project in the state:</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>- Original Estimates</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>- Revised estimates</td>
<td>As and When</td>
</tr>
<tr>
<td>5.</td>
<td>Releases to SMMU</td>
<td>As and when</td>
</tr>
<tr>
<td></td>
<td>- By MORD</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Releases of Funds by SMMU to</td>
<td>Quarterly</td>
</tr>
<tr>
<td></td>
<td>- Districts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Other Implementing Agencies</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Consolidated IUFR for the State</td>
<td>Quarterly</td>
</tr>
<tr>
<td>8.</td>
<td>Annual Statutory Audit Report for the State</td>
<td>Annual</td>
</tr>
<tr>
<td>9.</td>
<td>FM Indicators Summary for State (SMMU+districts)</td>
<td>Six-monthly</td>
</tr>
</tbody>
</table>

**DISTRICT MISSION MANAGEMENT UNITS**

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Annual Budget</td>
<td>Annual</td>
</tr>
<tr>
<td>2.</td>
<td>Funds Received by District</td>
<td>As and when</td>
</tr>
<tr>
<td></td>
<td>- From SMMU</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- From NRLPS</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Releases by Districts to Community Organizations</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Quarterly IUFR</td>
<td>Quarterly</td>
</tr>
<tr>
<td>5.</td>
<td>FM Indicators Summary for District</td>
<td>Six-monthly</td>
</tr>
</tbody>
</table>
CHAPTER 15: PROCUREMENT PROCEDURES

Introduction

1. Procurement would be carried out in accordance with the World Bank’s Procurement Framework and “Procurement Regulations for Borrowers, July 2016, Revised November 2017”, hereinafter referred to as “Regulations”, will be applicable for all procurement under the project.

2. In accordance with paragraph 5.9 of the “World Bank Procurement Regulations for IPF Borrowers” [July 2016, Revised November 2017] [“Procurement Regulations”] the Bank’s Systematic Tracking and Exchanges in Procurement [STEP] system will be used to prepare, clear and update Procurement Plan and conduct all procurement transactions for the Project.

3. This textual part along with the Procurement Plan tables in STEP constitute the Procurement Plan for the Project. The following conditions apply to all procurement activities in the Procurement Plan. The other elements of the Procurement Plan as required under paragraph 4.4 of the Procurement Regulations are set forth in STEP.

The Procurement Framework

4. The procurement framework designed for the project takes into consideration various aspects of the project such as:
   a. relatively low value procurement in a livelihood operation that remains within the upper thresholds of methods used within country viz., shopping and NCB;
   b. the wide geographical and regional spread of the Mission activities which necessitate procurement across national, state, district and sub-district levels;
   c. relative procurement capacities at the National, state, district and sub-district level to undertake procurement;
   d. diversity in the procurement of consulting services and processes and procedures; and
   e. multiple sources of funding for similar activities i.e., Bank funded NRETP, MORD funded DAY-NRLM, Bank funded standalone projects, projects funded by DFID, IFAD and other unilateral and multilateral agencies

5. Taking these complexities into account a separate manual has been designed incorporating procurement regulations of the World Bank and country systems. The Procurement manual was reviewed and found to be compatible with the methods Bank uses in similar projects, with special conditions for local shopping and national competitive bidding.


7. FM and Procurement Manual of similar centrally sponsored scheme such as SSA, MHRD, GoI Stores Purchase Rules and Methods adopted in various states and the World Bank “Guidance Note For Management of Procurement Responsibilities in Community Driven Development Projects” (Dec.'09), were also consulted. Model bidding documents were also developed and agreed with the GOI.

8. **Advance Contracting with Retroactive Financing:** For effective project implementation and effective start-up, the project will initiate advance contracting.
9. **The Bank’s Standard Procurement Documents:** shall be used for all contracts subject to international competitive procurement and those contracts as specified in the Procurement Plan tables in STEP.

10. **Procurement Management**

The project is to be implemented by National Rural Livelihood Society under MoRD, to be known as National Mission Management Unit under the project: 13 participating states which are: Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Maharashtra, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal; also known as State Rural Livelihood Missions under the Pan India NRLM. Each SRLM has a society with established institutional and governance systems, under the project these will also be referred as State Mission Management Units (SMMU). The Procurement will also be undertaken at the District level. No procurement is envisaged at Block level, however districts and block level authorities will facilitate community procurement by helping beneficiaries in drafting the specifications, drawing up framework agreements and Rate Banks in supervision of respective State Mission Management Units.

Each SMMU will prepare an annual procurement plan and submit the same to NMMU for collation to be submitted for Bank’s No Objection.

NMMU will also prepare a Procurement Manual which will be used by the State and District level implementing agencies under the project. This will have separate section for Community Procurement detailing the methods and thresholds applicable to the communities. The manual will be approved by MoRD and World Bank.

**Use of GeM** will be allowed in lieu of shopping up to US$ 30,000 in catalog mode [viz. any available item could be selected]. The GeM will also be allowed in lieu of shopping up to US$ 100,000, provided there are at least 3 suppliers for the item on GeM and the entity uses RFQ [mini competition or bidding among suppliers] feature on GeM to discover the final price.

**Systematic Tracking of Exchanges in Procurement [STEP].** The project will implement STEP, a World Bank procurement planning and tracking system, which would provide data on procurement activities, establish meaningful and measurable benchmarks.

11. **E-Procurement:** States which have already been using e-procurement that have been assessed by the World Bank will continue to use the respective platforms.

12. **Record Keeping:** All records pertaining to the award of tenders, including bid notification, register pertaining to sale and receipt of bids, bid opening minutes, Bid Evaluation Reports; and all correspondence pertaining to bid evaluation, communication sent to/with the World Bank in the process, bid securities, approval of invitation/evaluation of bids by the State/District/Block and Village levels would be retained by the respective Implementing Agencies.

13. **Disclosure of Procurement Plan:** The project will use the Bank’s online procurement planning, tracking and monitoring tool, Systematic Tracking of Exchanges in Procurement. The Procurement Plan and it’s updates, as approved by the Bank in STEP will be disclosed on the Bank’s external website, the project website and shared with with District and sub-district level implementing agencies.

14. **Disclosure of Procurement Information:**

   a. The following documents shall be disclosed on the Project website: [i] procurement plan and updates, [ii] Specific Procurement Notice for procurement of goods, non-consulting services and works for open competitive procurement [iii] Request for Expressions of
Interest for selection/hiring of consulting services, [iv] list of contracts awarded, [v] shortlist of consultants.

b. For all prior review procurement, following details shall be sent to the Bank through STEP for publishing in the UNDB and World Bank external website: [i] Procurement Notices for procurement of goods, non-consulting services and works using international/national open market approach [ii] request for Expressions of Interest for consulting services (iii) contract award details of all procurement of goods and works using international/national open competitive procurement, [iv] contract award details of all consultancy services and [v] list of contracts/purchase orders placed following Direct Selection or CQS procedures on a quarterly basis. In addition, implementing agency will also publish on its website any information required under the provisions of “suomotu” disclosure as specified by India’s Right to Information Act.

15. **Complaint Handling Mechanism:** A complaint handling mechanism to address any procurement related complaints received by the project, will be developed and implemented by the NMMU to the satisfaction of the Bank. Upon receipt of complaints, immediate action would be initiated to acknowledge the complaint and to redress it within a reasonable timeframe. All complaints will be addressed at levels higher than the level at which the procurement process was undertaken or the decision was taken. Any complaint received will also be forwarded to the Bank for information, and the Bank would be kept informed after the complaint is redressed.

16. **Contract Management:** Procurement unit under the NMMU will be responsible for overall procurement and contract management. The Procurement unit will be ably assisted by a multi-skilled Project management team, engaged to provide overall implementation support and monitor all Goods, Non-consulting services and Consultancy contracts.

17. **Domestic Preference:**

   Goods: is applicable for those contracts identified in the Procurement Plan tables (To be discussed and agreed)

   Works: is applicable for those contracts identified in the Procurement Plan tables (To be discussed and agreed)

18. **National Procurement Procedures – Request for Bids:** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market [as specified in the Procurement Plan tables in STEP], the country’s own procurement procedures updated from time to time may be used, as elaborated below:

   a. Only the model procurement documents agreed with The World Bank [and as amended for time to time], shall be used for bidding;

   b. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper [or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement published in a widely circulated national daily inter-alia giving the website/electronic portal details from which the details of the invitation to bid can be downloaded], at least 30 days prior to the deadline for the submission of bids;

   c. No special preferences will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state owned enterprises, small scale enterprises or enterprises from any given state;
d. Extension of bid validity shall not be allowed with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank [i] for the first request for extension if it is longer than four weeks; and [ii] for all subsequent requests for extension irrespective of the period [such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/Employer];

e. Re-bidding shall not be carried out with reference to contracts subject to Bank’s prior review without prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used in the project;

f. Rate contracts entered into by the Directorate General of Supplies and Disposals [DGS&D] will not be acceptable as a substitute for national competition procedures unless incorporation of right to audit and fraud corruption clauses. DGS&D contracts and its new version will be acceptable, however, for any procurement under the shopping procedures, Bank has allowed use of Government of India’s Government e-Marketplace [GeM] [www.gem.gov.in] in lieu of Shopping/RFQ as per following details:

  • Use of GeM will be allowed in lieu of shopping up to US$ 30,000 in catalog mode [viz. any available item could be selected by borrowers].

  • Use of GeM will be allowed in lieu of shopping up to US $100,000, provided there are at least 3 suppliers for the item on GeM and the Purchaser uses RFQ [mini competition or bidding among suppliers] feature on GeM to discover the final price. In both above cases Borrowers will record their assessment on reasonableness of price. Also, GeM is not to be used in lieu of National Competitive Procurement [NCP].

g. No negotiations are conducted even with the lowest evaluated responsive bidders.

h. Two or three envelope system will not be used [except when using e-Procurement system assessed and agreed by the Bank].

When other national procurement arrangements other than national open competitive procurement arrangements are applied by the Borrower, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations.


Applicable Regulations of the World Bank: Procurement for the proposed project will be carried out in accordance with the Bank’s Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services dated July 1, 2016, Revised November 2017 and applicable to Investment Project Financing (IPF) here in after referred to as “Regulations”. The project will be subject to the Bank’s Anticorruption Guidelines as of July 1, 2016, Revised November 2017. All procurement will also be in accordance with the provisions stipulated in the Loan Agreement.

Procurement Plan will list review requirements for each of the packages. Prior review and procurement method thresholds agreed with the World Bank for the Project based on the risk assessed are detailed below. These thresholds shall be reviewed and revised, if necessary, during the life of the proposed Project so that these are consistent with the risk assessments made periodically [Note: Any amendments to post-review contracts, raising the contract value to prior review threshold, will also be subject to prior review by the World Bank].
Table 18: NRETP Prior Review Thresholds

<table>
<thead>
<tr>
<th>Type of Procurement</th>
<th>Method threshold (Million US$)</th>
<th>Prior Review Thresholds (million US$) for Moderate Procurement Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works</td>
<td>International Open Procurement &gt; / = 40 National Open Procurement &lt;40 National Request for Quotation &lt;0.1</td>
<td>15</td>
</tr>
<tr>
<td>Goods, IT and Non-Consulting Services</td>
<td>International Open Procurement &gt; / = 3 National Open Procurement &lt;3 National Request for Quotation &lt;0.1</td>
<td>4.0</td>
</tr>
<tr>
<td>Consultant Firms</td>
<td>CQS &lt;0.3 LCS, FBS – in justified cases QCBS, QBS - in all other packages</td>
<td>2.0</td>
</tr>
<tr>
<td>Consultant Individual</td>
<td>As per section 7.34 – 7.39 of Regulations</td>
<td>0.4</td>
</tr>
<tr>
<td>Direct Selection</td>
<td>With prior agreement based on justification</td>
<td>0.1</td>
</tr>
<tr>
<td>Framework Agreement</td>
<td>For Goods/Works/Non Consulting Services: As per paragraphs 6.57-6.59 of Regulation. For Consultants: As per paragraph 7.33 of Regulation.</td>
<td>All irrespective of Value</td>
</tr>
<tr>
<td>Shortlist of National Consultants</td>
<td>Up to 800,000</td>
<td></td>
</tr>
</tbody>
</table>

**Procurement Post Review:** All contracts not covered under prior review by the Bank will be subject to post review during implementation support missions and/or special post review missions, including missions by consultants hired by the Bank.

Even in post review cases, the inputs of Bank on Technical Specifications/TORs will be obtained by the Project.

**Independent Procurement Review:** The Bank may conduct at any time, Independent Procurement Review of all contracts financed under the Loan.

20. **Prior Review Arrangements: Goods, Non Consulting Services and Civil Works:** In the case of contracts for procurement of goods, non-consulting services and civil works, subject to prior review, before granting/agreeing to [i] a material extension of the stipulated time for performance of a contract; or [ii] any substantial modification or waiver of the scope of services or other significant changes to the terms and conditions of such that the contract, including issuing; or [iii] any change variation order or orders under such contract amendment [except in cases of extreme urgency] which would in aggregate, singly or combined with all variation orders or amendments previously issued, increase the original contract amount of the contract by more than 15% [fifteen percent]; or [iii] the proposed termination of the original price contract, the Borrower shall seek Bank’s no objection to the proposed extension, modification, or change order. A copy of all amendments to the contract shall be furnished to the World Bank for its record.

In case of Prior Review of Goods/Non-Consulting Services/Works contracts, prior concurrence of the Bank will be applicable for justification for Direct Selection; Request for Bids [RFB]; Request for Proposals [RFP] documents and subsequent amendments [if any];
minutes of pre-bid/proposal conference if it leads to issuance of corrigendum; bid/proposal evaluation report prepared in the prescribed format of the Bank; signed contract agreement.

21. **Prior Review Arrangements : Consultancy Services**
   - **Terms of Reference [ToR]**: All ToR for consultancy assignments will be subject to prior technical concurrence by Task Team Leader of the World Bank.
   - In the case of contracts subject to prior review, before agreeing to: [a] an extension of the stipulated time for performance of a contract; [b] any substantial modification of the scope of services, substitutions of key experts, or other significant changes to the terms and conditions of the contract; or [c] the proposed termination of the contract, the Borrower shall seek Bank’s no objection. A copy of all amendments to the contract shall be furnished to the Bank for its record.
   - In case of Prior Review Consultancy contracts, prior concurrence of the Bank will be applicable for the following: justification for Direct Selection; Expression of Interest [EOI]; Short List; Request for proposal [RFP] and it’s amendments, if any; Minutes of pre-proposal conference, if any and if they lead to amendment to the RFP; Technical Evaluation Report prepared in the prescribed format of the Bank; Draft Contract Agreement along with Combined Evaluation report and Minutes of Negotiations; Final Signed Contract.

22. **Short List**: The shortlist shall include not fewer than five and not more than eight eligible firms with further reference to section 7.16 to 7.20 of Procurement Regulations.

23. **Advertisement**: The Request for Expression of Interest for consultancy services shall be advertised in regional and at least one national leading newspaper and project website.

24. **Other Special Selection Arrangements/Requirement**
   - Consultancy assignment with NGOs, may be procured through appropriate selection procedure, as per para 7.29 of the Procurement Regulations.
   - Procurement by communities will be in accordance with Paras 6.52 and 6.53 of Section VI of the Regulations.
   - NMMU will establish internal prior review thresholds that will be reflected in the Procurement Manual for the Project and the Procurement chapter of the Community Operations Manual prepared by NMMU. Additionally, the terms of reference for internal auditors [Individual Consultants] hired by the NMMU for conducting the financial audit will include adequate requirement to cover review of compliance of agreed procurement procedures during project implementation.

25. **Reference to various Manuals**
   - **Community Operations Manual**: The Project Operational Manual as disclosed on the project website prepared under NRLP would be used as guidance to the communities.
   - **Procurement Manual**: A Procurement Manual will be prepared for guidance to the States, district and sub-district level procuring entities and will be disclosed on the project website.

26. **Implementing Agency Capacity Building Activities with Time Schedule**

   Training and Capacity building activities would be organized through NMMU and SMMUs.
   - Trainings and capacity building workshops for officials as well as field staff will help in building and maintaining the necessary and adequate procurement capacity, support
transition to new ways-of-working; and provide on-the-job handholding support to improve service delivery at the frontline

b. Key staff may be sent for trainings at IIM Lucknow. Additionally, relevant project staff may also avail of the free Massive Open Online Course on public procurement [www.procurementlearning.org] offered by the Bank as well as the paid Professional Diploma in Public Procurement course delivered through the Charter of Public Procurement Studies.

c. The allocation for the capacity building activities such as trainings and workshops is included under the operating expenses.
CHAPTER 16: SOCIAL MANAGEMENT FRAMEWORK

I. Background & Objectives

1. The National Rural Economic Transformation Project (NRETP) is being proposed for funding through US$250 million Additional Financing (AF) of the ongoing National Rural Livelihood Project (NRLP) that is supported by the World Bank. The Ministry of Rural Development (MORD) has proposed the NRETP for World Bank support through the Department of Economic Affairs, Government of India. The NRETP aims to intensify interventions, financing and technical assistance for high value agriculture, rural value chains, skills and enterprises, producer collectives, innovative livelihood approaches, digital financial inclusion as well as productive infrastructure for post-production value addition. Partnerships with technical and financial resource agencies from public, private and non-profit sectors will be expanded, including social impact investors and social enterprises. Technical Assistance and support will also be provided to Mission Antyodaya of MORD.

2. To respond to the intensified NRETP focus on these new areas, MoRD has reviewed and updated the Social Management Framework (SMF) of the ongoing NRLP. The main purpose of this revised SMF is to identify, assess and address the key social impacts, risks as well as opportunities related with the strategies, interventions and investments supported under NRETP. Drawing on the social assessment of the NRLP, this updated SMF is a collection of practical strategies for i) targeting and inclusion of marginalised groups especially scheduled castes and schedule tribe groups/areas; ii) strengthening social inclusion in institution building of beneficiary communities; iii) engagement with beneficiary communities; iv) socioeconomic and financial empowerment of rural women, v) screening and mitigation of any adverse impacts from community projects involving land/infrastructure; vi) grievance redress mechanisms, and vii) promoting inclusive producer collectives and benefit sharing from productive infrastructure. Additional measures on staffing, capacity building, technical assistance, and knowledge programmes would also be supported under NRETP and its SMF.

3. The SMF draws from the report on social assessment and social management framework for NRLP, as well as other NRLP/NRLM documents and manuals dealing with gender, social inclusion, vulnerability reduction, health and nutrition, convergence, gender and social development. The SMF applies to project interventions and investments that would be supported under NRETP, and supplements and complements the Social Assessment and Social Management Framework (Including Indigenous Peoples) of the NRLP.

II. National Rural Livelihood Project - Implementation Summary

4. The Government of India (GoI) established the National Rural Livelihoods Mission (NRLM) in June 2010 to implement the new strategy of poverty alleviation woven around community based institutions. National Rural Livelihoods Project (NRLP), funded by the World Bank, has been designed as a sub-set of NRLM to create ‘proof of concept’, build capacities of the Centre and States and create an enabling environment to facilitate all States and Union Territories to transit to the NRLM. NRLP has been implemented in 13 high poverty states accounting for about 90 percent of the rural poor in the country. Intensive livelihood investments have been made in 107 districts and 422 blocks of 13 states (Assam, Bihar, Chhattisgarh, Jharkhand, Gujarat, Maharashtra, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, West Bengal, Karnataka and Tamil Nadu). 13 State Rural Livelihood Missions (SRLMs) have been established, with modern human resource, financial management and procurement systems. The main achievements of NRLP are summarised below.

5. Social Mobilization and Capacity Building. More than 7.75 million women from poor rural households into 677,000 Self Help Groups (SHGs) (against an original project target of 400,000 SHGs). These SHGs have been further federated into 42,500 Village Organizations (VOs) and 2586 Cluster/Panchayat level Federations (CLFs/GPLFs). Targeting under the project has been effective with demonstrated access to some of the poorest households. More than 56% of households mobilized in SHGs belonging to the Scheduled Caste, Scheduled Tribes and Minority households (HHs). Nearly
500,000 community professionals and community resource persons who are from the SHGs themselves have been trained and it is these resource persons who are primarily responsible for project implementation on the ground.

6. **Enhanced access to credit and other financial services.** An estimated US$ 1,700 million in private financing has been accessed by the SHG households against a total investment of nearly US$400 million from the project (of which nearly US$ 300 million as community revolving funds). This includes own savings mobilized by SHG members worth US$170 million and institutional credit worth US$ 650 million leveraged from banks. In addition, the NRLP has scaled up digital financial services to more than 50,000 women SHG members through nearly 500 Business Correspondents, all of whom are women.

7. **Income enhancement:** Of the 7.75 million households mobilised by NRLP, more than 2 million households are currently benefitting from technical services for enhancing agriculture and livestock productivity. Additionally, economic transformative initiatives such as the development of producer organizations focused on high value agriculture commodities, digital finance interventions and convergence for human development outcomes have been rolled out through the mechanism of “dedicated funds” introduced in the second project restructuring in January 2016. Currently, seven States are using the livelihood funds to promote 12 producer organizations and support around 156,000 farmers with an overall budget of US$24 million.

8. **Technical assistance to the National Rural Livelihood Mission:** NRLP support and technical assistance has enabled the Ministry of Rural Development to successfully scale up the NRLM to all 29 states of the country. Support provided through NRLP includes a) the setting up of the National Mission Management Unit with professionals having the requisite technical expertise to provide the states in the implementation of NRLM; b) development of all relevant programme guidelines for the implementation of NRLM; and c) development of the financial management, procurement management, human resource management and MIS systems for the roll out of the programme at the state level.

9. **Convergence:** Convergence is another major strategy of NRLP. A separate fund has been dedicated for this purpose. The objective of the convergence fund was to provide an impetus to convergent planning and to demonstrate sustained mechanisms for mainstreaming results-based convergence as envisaged under “Mission Antyodaya”. The MoRD has approved nine sub-projects worth $10 million under the Special Convergence Fund of NRLP. Collectively, these sub-projects plan to reach out to 628,000 in 39 districts/54 blocks and intend to mobilize more than USD 78 million from various other government programmes e.g. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Pradhan Mantri Awas Yojana (PMAY), Swachh Bharat Mission (SBM), National Social Assistance Programme (NSAP), etc. These funds are expected to promote increased access to health, nutrition, sanitation, wage labour and other social entitlements and services such as pensions, rural housing, and productive assets. States like Bihar, Jharkhand, Chhattisgarh and Maharashtra have done exceedingly well and each state has come up with their own priority programmes and convergence model. Furthermore, based on the experiences from the convergence blocks, the recently established National Nutrition Mission has issued a joint advisory to focus on Nutrition by MoRD, Ministry of Health (MoH) and Ministry of Women and Child Development (MWCD) aligned with the outcomes expected under “Mission Antyodaya” and “National Nutrition Mission”.

10. **Social inclusion and social development as a thematic subject has a key role in addressing multi-dimensional issues of poverty.** NRLP implemented a range of social inclusion strategies, including participatory identification of the poor, state specific poverty assessments, promotion of inclusive community institutions and community cadre, priority targeting and mobilisation of SC/ST households as vulnerability reduction measures such as vulnerability reduction fund (VRF), health and food risk funds etc. During initial project period, social inclusion was focused on bringing all the poor and marginalized Households as part of social mobilization process during the village entry. During social
mobilisation drive, participatory identification of poor (PIP) exercise was proposed to be conducted. PIP is an intensive process to identify the poorest of the poor households in a participatory manner by community and get it vetted by Gram Panchayat. DAY – NRLM has issued advisory on PIP Protocols and all the State Missions were trained on conducting PIP process. It was envisaged that all SHGs that exists would be federated into primary level federations of SHGs i.e. Village Organisations. As per cabinet instructions (2015), the Mission has decided to consider the households that are automatically included (1.65 million) under Socio Economic Caste Census (SECC 2011) and households with at least one deprivation criteria (86.9 million) and the households under PIP list, as the target households for DAY-NRLM. The total number of targeted households to be brought under the fold of the DAY-NRLM programme were 88.5million.

11. **Special project and pilots:** The Mission approved many special projects and pilots for State Missions under NRLP to build proof of concepts for bringing vulnerable and marginalized communities into programme fold and universalise the learnings. The major pilot projects for inclusion vulnerable were: Inclusion of victims of Human Trafficking, Persons engaged in un-hygienic occupations, Persons with Disabilities (PwD), Lepcha in Darjeeling, West Bengal and PVTG communities in Attappadi, Kerala

12. **Inclusion of Persons with Disability:** To ensure greater inclusion of persons with disability into the programme, the State Missions have adopted participatory vulnerability assessment as an entry point activity and identified the households having disabled persons. The social mobilization process lays great stress on including members of disabled abled households into the SHG fold. Priority was given to promotion of exclusive SHGs of differently abled persons and their care givers. Organizing PWDs into groups has led to increased awareness and access to their rights and entitlements. DAY-NRLM has provided financial support in the form of Revolving Fund (RF) and Community Investment Fund (CIF) to these SHGs on a priority basis. It also provided 50% more fund to the SHGs of PwD as CIF.

13. **Inclusion of Minorities:** DAY-NRLM has the mandate to ensure adequate coverage of women from the minority groups. The Mission is required to ensure that 15% of the total women members mobilized and supported are from the minority communities. Accordingly, state-wise targets for coverage of minority members have been communicated to the states by DAY-NRLM Division.

14. **Lepcha Inclusion Project (Kingchoom Darmit Rural Livelihood Mission):** Lepchas are indigenous tribal community residing in the mountainous terrain in Kalimpong and Darjeeling district, West Bengal. Despite being acknowledged as the original inhabitants of the region, Lepcha community is one of the most marginalized community in terms of access to government and social systems, basic infrastructure etc. This marginalization has had a cascading effect on the generations of Lepchas culminating into low education, malnutrition, ill health, decline in livelihood base and loss of culture and language among the community members. The overall aim of the project was to build an institutional structure with vibrant, sustainable Lepcha women SHG based federation in line with traditional structure of the Lepcha community. About 790 Deptong (SHGs) have been formed with 7,527 Lepcha women and these SHGs are federated into 295 Kyongs (Village level Organisation), 30 Thooms (Cluster level Federation) and 1 Poom named as Mayel Lyang Deptong Mahila SHG Cooperative Society Ltd (central level federation) which is registered under Cooperative Societies Act.

15. **Attappadi Comprehensive Tribal and PVTG development special Project:** In the backdrop of the high rate of infant mortality among tribal communities in Kerala, the Ministry of Rural Development approved Attapady Comprehensive Tribal and PVTG development special project. The project was approved in 2014-2015 with an overall allocation of Rs.52.12 crore for seven years. The project was designed in two phases, the first phase was from April 2014 to March 2018 with a total allocation of Rs.30.19 crores. The project mobilized nearly 7,500 families of Irula, Muduga and Kurumba families and form four tier institutional platforms for creating self-sustaining community institutions of their own. This special project was designed to develop prototype for DAY-NRLM to work with tribal communities in Kerala and across the country.

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3 The PIP process to identify the poorest of the poor in a participatory method, has been quite successful in World Bank supported PVP, Tamil Nadu project.
16. **Social Development**: The convergence strategy adopted in DAY-NRLM has provided access to rights, entitlements and services of different government schemes and programme, to members of SHGs. Sectoral areas like food, nutrition, health, sanitation, WASH, education, local governance, social security, etc. were covered under this strategy.

17. **Food, Nutrition, Health and WASH (FNHW)**: To ensure a reduction in expenditure on medical care, increase in economic productivity and to improve the quality of life of rural women and their families, DAY-NRLM considered Food, Nutrition, Health and WASH (water, sanitation and hygiene) (FNHW) interventions as universal interventions and promoted them in the mission upfront. The Mission has initiated necessary and appropriate health and nutrition interventions amongst women’s self-help groups and their federations. These interventions, primarily focused on demand generation for services and converge with the activities of National Health Mission (NHM), Integrated Child Development Services (ICDS) and Swachh Bharat Mission (SBM). There was also a component of behaviour change around the issues of maternal and young child feeding and hygiene practices. During financial year-2017-18, an advisory on *Dashasutri* was issued to all States, according to which, in every meeting of a Self-Help Group and its Federations, issues relating to health and nutrition were to be discussed. A Master Circular on FNHW was also issued to all States, outlining the interventions and suggested modes of implementation. The major outcomes of FNHW are: 1. Covered more than 600 blocks in 13 NRLP States 2. Focused on Mother and Child Health and Nutrition issues 3. Initiated interventions related to health and nutrition needs of the elderly and the disabled persons and non-communicable diseases by Tamil Nadu and Kerala, 4. Developed a pool of 23 National Resource Persons (NRP) and 50 State Resource Persons (SRP) for providing technical support to SRLMs, 5. Developed capacity building modules for staff and community.

18. **SWABHIMAAN: SWABHIMAAN**, a project was being implemented in five tribal blocks of three states, namely Chhattisgarh, Odisha and Bihar in collaboration with UNICEF. This project aims to address maternal under-nutrition by strengthening systems to prevent and manage maternal nutrition over a period of three years. The project has completed the baseline study and commenced field level implementation in all the project villages, where Poshan Micro Plans were developed and acted upon by Poshan Sakhis.

19. **Water, Sanitation and Hygiene (WASH)**: Thus far, significant work has been initiated by women’s groups in the states of Bihar, Gujarat, Jharkhand, Madhya Pradesh, Rajasthan, Maharashtra, Tamil Nadu and Uttar Pradesh to promote the usage of toilets. A special project was launched during the year to promote Solid Waste Management in 638 villages of 6 States – Bihar, Chhattisgarh, Gujarat, Madhya Pradesh, Uttar Pradesh and West Bengal. The Tamil Nadu State Model was studied, since there, women’s SHGs are leading the work in 12,000 villages; however, local adaptations have been made. All the projects are in local partnership with Swachh Bharat Mission and MGNREGS. To study and document models on how to converge with the National Health Mission, the ICDS and the Swachh Bharat Mission, a special convergence project was rolled out in 37 districts and 51 blocks of 9 states. The Ministry has supported the State Missions to take up pilot projects on PRI-CBO convergence with the following objectives:

- Empower the poor to know, demand and access rights and entitlements
- Include poor and vulnerable sections in local development process, and
- Make Gram Panchayats responsive and accountable by making them inclusive and increase participation in the Gram Sabha and working of Panchayat.

20. **PRI - CBO Convergence Pilot Projects**: DAY-NRLM promoted partnership and convergence between PRIs and Community Based Organizations (CBOs) so that each of the institutions may leverage the strengths of the other. DAY-NRLM has taken up the following activities to mainstream convergence in general and Panchayat–SHG convergence. Promoting convergence through building capacities of community institutions/CBOs to effectively coordinate with PRIs, Block and district level line departments for accessing public services and social security benefits and schemes have been taken up.

21. The convergence strategy includes equipping SHG members and leaders for convergence with PRIs and building their capacities for this purpose. The State Rural Livelihoods Mission of Kerala (Kudumbashree) has been designated as the National Resource Organization to provide support to other SRLMs on PRI-CBO convergence. PRI - CBO convergence pilot projects covers 12,497 SHGs in
598 Gram Panchayats in 67 blocks of eight states (Assam, Jharkhand, Karnataka, Maharashtra, Odisha, Rajasthan, Tripura and Chhattisgarh).

22. **Special Funds for Convergence under National Rural Livelihood Project:** DAY-NRLM has approved special convergence fund for 9 states to converge various programme and schemes such as SBM, NSAP, DDUGKY, Health-Nutrition and WASH, MGNREGS, Agriculture, ICDS and Gram Panchayat Development Plan under PRI. The key objectives include fast tracking the process of convergent action resulting in increased demand generation and supply management with specific focus on:
   a. Promote convergent action to help deprived families to come-out of deprivation (poverty) as per SECC data and as identified by the GP and NRLM CBOs;
   b. Evolve scalable approaches and strategies for promoting convergence across NRLP/NRLM Blocks.

23. **Staff and community resource persons for social inclusion and social development:** At SMMU level, all SRLMs has deployed SMP/PM level professionals as staff for anchoring the social inclusion, social development and convergence thematic areas. At district level this thematic subject has taken care by either dedicated staff or a staff in-charge from other verticals. At community level, there are more than 16,000 CRPs viz., Yojana Sakhis, Setu Didis, Gender point Persons, Swasthya Sakhis who deal exclusively on social inclusion or social development or convergence or Nutrition, health and sanitation agenda with community.

24. **Gender:** Gender was mainstreamed in DAY-NRLM framework, systems, institutions and processes to achieve sustainable social, economic and political goals that have direct/indirect impact on the Quality of Life Indicators of the community. DAY-NRLM has adopted special mobilisation efforts for reaching women in exploitative situations/occupations (like single women, divorced, separated, survivors of violence, trafficked women, transgender, Devdasis, HIV+ve women etc.) in particular. A Gender Operational strategy was developed at national level which encompasses strategy, key action areas, institutional mechanisms and outcome indicators. Based on this, states have been advised to prepare their operational strategies. Four states of Jharkhand, Chhattisgarh, Madhya Pradesh and Nagaland have come forward with their operational strategies. The following activities were undertaken:
   a. Developed protocol, manual and training on gender mainstreaming and disseminated to the states.
   b. Empanelled and trained 5 National Resource persons on integration of gender within NRLM.
   c. 77 State Resource persons were selected, trained and deployed. 1,127 District Resource persons, Block Resource Persons and community resource persons in 12 states were trained on gender intervention.
   d. Developed Gender Training Manual and modules and published by NIRD and same is utilizing for training.
   e. Established Anti Sexual Harassment Committee at workplace at state and district level in all SRLMs. Similarly, Grievance Redressal Mechanism also established in all districts and states offices.

IV. National Rural Economic Transformation Project

25. **Project Development Objective (PDO).** The PDO for NRETP is the same as NRLP: to establish efficient and effective institutional platforms of the rural poor that enable them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services.

26. **Project Coverage:** While the original 13 states will continue to be part of the project implementation, around 100 districts within these states will be identified for project support under NRETP. NRETP will build on the social, financial and human capital created in the existing NRLP villages. These will be identified from districts with the highest levels of social mobilization and financial
capitalization from NRLM as well as commercial banks. These districts also will be selected based on the potential to scale up the new economic initiatives. Additionally, NRETP interventions will also attempt to overlap Mission Antyodaya clusters, as much as feasible.

27. **Revised Project Components:** NRETP will finance the costs of scaling-up and expanding the scope of the ongoing project interventions. A detailed description of the updated project components is outlined below:

28. **Component 1: Institutional and Human Capacity Development:** This component will continue to finance technical assistance consultancies, human resources, training and development of training material/approaches. Financing under this component will endeavour to place skilled professionals to work with NRLM at the national, state and district levels. As mentioned in the section on rationale, the TA will be focused on helping the National and State teams transition to a new phase of the NRLM that involves greater focus on economic initiatives such as high value agriculture and value chain development, enterprise and skills development. The implementation of these new economic activities would require both retention and some new recruitment of professionals with business management expertise and client systems tailored to implement a market-based approach. Also, given that experiences from these initiatives are relatively nascent, the additional financing support will emphasize sourcing of technical support from agencies (Public, Private and NGOs) with the requisite technical expertise in rural enterprise development. National, regional and international experiences and skills may be sourced for this objective. State to state learning would also be funded under this component. In addition, a new sub component focused on providing technical assistance for Mission Antyodaya will be introduced. Based on the implementation experience of the ongoing project, the AF will expand support for mainstreaming of environmental and social sustainability of investments made on livelihoods. New training modules on specific aspects of resource efficiency and minimization of adverse impacts will be developed for use in training. In summary, this sub component will finance: i) Technical assistance for Mission Antyodaya at the national, state and district level; and ii) Investments in 13 NRLP states and nearly 100 districts in those 13 states.

29. **Component 2. State Livelihood Support:** The activities to be financed under Sub component 1 (State Rural Livelihoods Support) will remain the same, with a focus on the 100 districts that will selected for project coverage. Under sub component 2 (Institution Building and Capacity Building) – most of the financing will be towards the mobilization of producer groups and producer organizations. Under sub component 3 (community investment support)- focus would be on financing community organizations mainly towards enterprise and skill development. The quantum of financing under sub component 4 (Special Programmes) will be significantly scaled up and with the objective of expanding initiatives that were introduced under this sub-component during the project restructuring of January 2016. Specifically, as elaborated below, component 2 will a) finance economic activities such as value chain development for farm and non-farm production; b) enterprise development and c) facilitation of higher order financing for producer organizations and skills development.

30. **Component 3. Innovation and Partnership Support:** There is no change in the activities to be financed under this component. The component will continue to finance pilot initiatives and technical assistance consultancies that support innovative livelihoods activities in agriculture, livestock, youth employment, among others, for rural poor households.

31. **Component 4. Project Implementation Support:** There is no change in the activities to be financed under this component. This component will continue to strengthen the National Mission Management Unit for effective project management at the national level, finance the Monitoring and Evaluation activities and ICT initiatives.

### V. NRETP: Summary of Key Social Issues & Priorities

32. NRETP will be intensifying technical, financial and operational support for high value agriculture and rural value chains, agribusiness skill development, rural enterprises, promotion of producer organizations, innovative livelihood approaches, digital financial inclusion as well as productive infrastructure for post-production processes and value addition. These interventions present
opportunities to accelerate social and economic advancement of beneficiary communities in the targeted 100 districts, as well as challenges related to social inclusion, gender, citizens’ engagement, benefit sharing as well as mitigating and managing any adverse impacts coming from small scale that is proposed under the project. In this regard the key social issues and priorities for NRETP are summarised below.

33. **Supporting continued implementation of core social inclusion strategies** of excluded, ultra-poor and vulnerable households through the participatory identification of poor process, inclusion of ultra-poor and most vulnerable households identified under SECC, access to entitlements and services supported under convergence, supporting SC/ST households under NREGS etc.

34. **Promoting Inclusion in Economic Clusters and Skills**: The issue of inclusion and benefit sharing is of special importance in the light of NRETP focus on establishing rural value chains and economic clusters, supporting producer organisations, financing productive infrastructure, strengthening value chains and setting up of rural enterprises. In the context vulnerable and marginalised people with very little productive assets may get excluded and benefits could be cornered by the members who are relatively better off resulting in “elite capture”. Thus, specific strategies should be laid down which will ensure inclusion of marginalised communities like landless, PTVs, women headed households, widows, PwDs, HIV Positive and others. Similarly identifying issues of skill training and placement of marginalised people is extremely important given that the issue of drop out during training and after placement are very crucial.

35. **Ensuring women-focused strategies in rural value chain and skills, enterprise interventions**. Though NRETP will focus only on women as direct beneficiaries, the gender dimensions of women economic empowerment in POs, value chains and skill training is extremely important. It is generally seen that in value chains like diary women have been doing worm which are at the bottom of the value chain similarly normally excluded when technology is introduced in farm and non-farm enterprises to increase productivity. There are also instances where women are gradually side lined when the PO starts earning profit and men take over these positions. Similarly, in skill training women are given training in skills which perpetuate their gender roles which in Indian society means being at home. Hence any occupation that requires long hours of working outside home is not encouraged. As a result, skill training is given in trades like dress making, beautician and others which give them an opportunity to work from home in their own enterprise. This lack of training of market relevant trades for girls’ results in their high drop outs.

36. **Ensuring sociocultural compatibility and broad community support in Tribal Areas**. The World Bank’s Operational Policy on Indigenous Peoples (IPs) or Schedule Tribes (STs) is applicable as large number of NRETP areas have significant tribal population, and tribal population will be significant project beneficiaries in majority of the project clusters. A Tribal Development Framework (TDF) has been prepared that will be implemented in NRETP clusters. In areas where IPs are the majority, the project’s Tribal Development Framework will apply. In project locations where IPs comprise a minority, a specific Tribal Development Plan will be prepared to identify issues and means to ensure tribal participation and equal access to project benefits.

37. **Mitigating any adverse impacts from productive infrastructure**. In the functioning of Economic Clusters and POs there may be a need of creating a small infrastructure which at community level like common facility centres (CFCs), sorting and grading centres, custom hiring centres (CHC), training centres etc. All these would require require small parcels of land. Since no land will be acquired by the project, land required for these centres would be voluntary donations made by individuals or PRIs. The World Bank’s operational policy on involuntary resettlement (OP 4.12) is not applicable as NRETP does not involve any involuntary land acquisition. Any subprojects and investments requiring compulsory acquisition of land are included in the negative list. The Social Management Framework (SMF) clarifies that any land required by the producer groups/organizations for small scale, community level infrastructure will be accessed through voluntary donation or direct purchase from private individuals, or MOU or resolution, and will be supported by adequate documentation and due procedure. All community infrastructure and PO business plans under the project would be screened for identification of any adverse social impacts related to land, livelihoods or labour influx, and suitable community managed mitigation plans will be prepared and implemented, as applicable.
38. **TA to Mission Antyodaya:** Mission Antyodaya has been recently launched by the Government of India which is an accountability and convergence framework transforming lives and livelihoods of people in rural areas. Mission Antyodaya’s thrusts on intensive participatory Planning. Beneficiaries include households identified under SECC and try and assess their coverage under National and State Social Assistance Programme like pensions etc., in economic activities like SHGs under NRLM and MGNREGS, DDU-GKY and other infrastructure schemes like Pradhan Mantri Awas Yojana, Pradhan Mantri Sadak Yojana, Swachh Bharat Mission etc. The Scheme would work through the PRIs and SHGs.

39. **Benefit Sharing:** Economic activities specially focusing on Producer Organisations and Value Chains tend to exclude people who have very little or less resources like landless, marginalized farmers, tribals, women etc. Increased investments in high value agriculture, enterprises, productive infrastructure and financing of producer collectives may need more explicit criteria for inclusive beneficiary targeting and benefit sharing as well as social safeguard screening to minimize elite capture and social exclusion.

40. **Grievance Redress:** The issue of grievances at the community level needs special attention in POs and Producer Companies as disputes may arise within the organization during operations. Thus, specific grievance redress mechanisms must be developed keeping in mind the issues that might crop up.

41. The overall risk rating for the project is Moderate. Any risks in terms of scaling them up after two years of implementation will be mitigated by continued support of technical agencies and private sector partners, including partners from the pilot phase and by bringing in new private and technical partners. Implementation of new economic activities will require recruitment and retention of professionals with business management expertise and client systems tailored to implement a market-based approach. The risk will need to be mitigated by building capacities of existing Young Professionals within SRLMs and continued handholding of technical support agencies. Dedicated human resources and capacity building programmes on socially inclusive and gendered value chains/enterprises, social safeguard screening, risk mitigation and social sustainability will be needed to ensure satisfactory social performance and monitoring. Additionally, citizen engagement and grievance redressal systems to facilitate two-way communication will be strengthened between beneficiaries and implementing agency to mitigate risks further.

### VI. NRETP: Key Social Strategies

42. To address and respond to the key social issues and priorities identified above, a Social Management Framework (SMF) for NRETP has been prepared. The SMF draws from the report on social assessment and social management framework for NRLP, as well as other NRLP/NRLM documents and manuals dealing with gender, social inclusion, vulnerability reduction, health and nutrition, convergence, and social development. The SMF applies to project interventions and investments that would be supported under NRETP, and comprises practical strategies and actions related to the following key thematic areas.

i.) Beneficiary Targeting and Social Inclusion  
ii.) Gender and Women’s Economic Empowerment  
iii.) Tribal Development Framework  
iv.) Social Impact Screening and Mitigation  
v.) Citizen’s Engagement and Beneficiary Feedback  
vi.) Grievance Redress Mechanisms  
vii.) Managing and Mitigating Risks in Left Wing Extremism areas

43. The SMF also provides for institutional and staffing arrangements for SMF implementation in NMMU and SRLMs, Training and capacity building programme, monitoring and reporting arrangements, partnerships with technical resource agencies and knowledge activities.
44. **Beneficiary Targeting and Social Inclusion:** Targeting and inclusion of socially excluded and economically marginalised households in project supported interventions, institutions and investments will continue to be a core operational strategy for NRETP. Lessons from mobilisation of SC, ST, Minority and other vulnerable households in SHGs, VOs, CLFs as well as Producer Groups and Producer Organisations under NRLP and MKSP will inform the beneficiary targeting and social inclusion strategies of NRETP. The social inclusion manual and protocols will also support the social inclusion agenda under the project. The key strategies on beneficiary targeting and social inclusion under JOHAR are:

i.) Targeting of geographic clusters with higher presence of SC, ST and Minority households;

ii.) Inclusion of women from scheduled castes (SC), Scheduled Tribe (ST) and minority households in i) membership and leadership of SHGs, VOs, CLFs, PGs and POs; b) technical trainings and individual demonstrations of improved technology; and c) in benefit sharing criteria/norms for productive infrastructure; and d) in criteria for financing of PGs and POs;

iii.) Identification, Mobilisation and Inclusion of women from scheduled castes (SC), Scheduled Tribe (ST), minority and other vulnerable households as direct project beneficiaries of project interventions on rural value chains, livelihood clusters, enterprises, skills, financing and productive infrastructure;

iv.) Promotion of wage, skilling, self-employment and agribusiness opportunities for landless, labor-dependent and vulnerable households (women headed, people with disability) under NRETP interventions on economic clusters, rural value chains, enterprises, skills and productive infrastructure; Selection, training and engagement of women, youth from landless, small and marginal, SC, ST households and hamlets in project villages as community resource persons;

v.) Under Mission Antyodaya as well as the Institution Building component of NRETP, continued support will be provided to

i.) Coverage of excluded households into SHGs

ii.) Implementation of ultra-poor and vulnerability reduction programmes;

iii.) Improved targeting and tracking of vulnerable households under MORD programmes;

iv.) Training of Federations on organisation, funding and functioning of Gram Sabha, Mahila Sabha, Preparation of Gram Panchayat Development Plans, GP level coordination committee and participation in their institutional processes as well as convergence with other government schemes;

These strategies and actions will result in promoting inclusive producer collectives and benefit sharing norms under NRETP. Project will aim for 75% membership from among socially and economically backward communities and vulnerable people into producer groups and producer organisations. Training will be provided to NRETP implementing staff and partners on mainstreaming inclusion in rural value chains and livelihood clusters as well as PG&POs. Socially disaggregated data will be collected and tracked under various NRETP components.

45. **Gender and Women’s Economic Empowerment.** The NRLP and NRLM are fundamentally aimed to address voice, agency and economic opportunities for rural women. NRLP/NRLM has mobilized more than 8.7 million women from poor rural households into 742,000 SHGs in 100 districts of 13 high poverty states. These SHGs have saved about US$170 million from own savings, managed and revolved about US$300 million, and have accessed institutional credit worth US$ 650 million leveraged from banks. more than 2 million households are currently benefitting from technical services for enhancing agriculture and livestock productivity. Currently, seven States are using the livelihood funds to promote 12 producer organizations and support around 156,000 farmers with an overall budget of US$24 million. More than 2 million households are currently benefitting from technical services for enhancing agriculture and livestock productivity. Currently, seven States are using the livelihood funds
to promote 12 producer organizations and support around 156,000 farmers. More than 58% of these 8.7 million women members come from Scheduled Castes, Scheduled Tribes or Minority households. The programme has trained and mobilized nearly 500,000 community professionals and community resource persons, with significant proportion of women leaders. Nearly 500 Business Correspondents (BCs), all of whom are women, have been trained and are providing last mile digital financial services to 55,000 SHG households. These achievements make NRLP/NRLM among the largest social, financial and economic empowerment programme for women across India, and the world.

46. Under NRETP, Women SHG members and rural producers will be the overwhelming beneficiaries of project interventions and investments. The NRETP will significantly advance the gender mainstreaming and women’s economic empowerment agenda through strategies/specific interventions on women led producer collectives and enterprises, SSVEP and upgrading of skills in selected self-employment occupations for women SHG members and youth. Interventions on digital payments, financial inclusion/literacy, BC and enterprise financing will lead to significant financial empowerment of rural women. Support to Mission Antyodaya will strengthen women’s advocacy and agency in delivery of social safety nets and entitlement services for the rural poor. Nutrition sensitive agriculture and interventions on food handling and hygiene will benefit women and household health. The results framework will continue to track and report on gender, inclusion, citizens engagement and women’s economic empowerment.

47. **Strategy.** The main strategy on women’s economic empowerment will comprise the following interventions.

i.) Leadership and decision-making authority of women in producer organisations and rural enterprises, along with participation and sensitization of men;

ii.) Training, Leadership and decision-making authority of women in managing productive infrastructure and community assets related to custom hiring centres, processing and storage centres and other community assets;

iii.) Training of Women led producer organisations and rural enterprises and community/livelihood resource persons in agribusiness, post production processing and accessing markets; NRETP will support promotion of women friendly mechanization and drudgery reduction technology in both farm and non-farm sectors.

iv.) Support to women entrepreneurs for expanding agribusiness and upgrading their skills to access better wage opportunities;

v.) Selected SRLMs and NRETP clusters would be supported to develop state specific gender programmes, including mainstreaming of gender and women’s social empowerment programmes in CLFs and VOIs through training of social action committees, mobilisation of gender focused CRPs (*samba sakhi*, active women), creation of special fund to support vulnerable women, provision of legal and medical aid to women affected by gender based violence or trafficking, establishment of gender justice centres, and mobilisation of adolescent boys and girls and training on health and life skills. CRPs, Active women and social action committees will be trained on better targeting and inclusion of vulnerable women and women headed household under Mission Antyodaya.

48. SRLMs and NMMU will develop a resource pool to help in mainstreaming of women’s economic empowerment (WEE) interventions under NRETP. NRETP staff, community leaders of VO, CLF and POs will be provided training on gender and social inclusion strategies under NRETP, especially in the context of rural value chains and enterprises. Partnerships with technical support agencies (TSAs),
national resource organisations (NROs), NGOs, and research and academic institutions will be explored for capacity building and thematic work.

49. **Tribal Development Framework.** Many NRETP states and districts have significant tribal and SC populations, particularly Madhya Pradesh, Orissa, Jharkhand and Chhattisgarh. Many project districts and blocks fall under the Schedule V or VI areas (constitutionally designated tribal areas with special developmental and administrative provisions). These States with higher levels of SC and tribal populations are lower in human development attainments and higher rural poverty. The SC and ST households show higher levels of illiteracy, and lower access to health care and other social services, when compared with non-SC/ST groups. States with higher percentage of SC and ST population are also lower in the HDI scale. Women from SC and ST households are doubly deprived, and have worse health and education attainments compared to men. As scheduled tribes (STs) are among the poorest groups, and tribal states and districts among the poorest regions in the country, both tribal areas and people would be targeted for special efforts.

50. Following the above, the World Bank’s operational policy on Indigenous Peoples (OP4.10) and the Social Management Framework of NRLP, will continue to apply to NRETP. The key social safeguard issues for NRETP are ensuring i) informed consultations and information sharing with tribal communities and their formal and informal institutions ii) broad community support from gram Sabha, VOs and CLFs for NRETP interventions; iii) compatibility of NRETP interventions and field processes with the social and cultural context and sensibilities in tribal communities, throughout project implementation. The Tribal Development Framework (TDF) for NRETP sets out the project approach and actions to ensure active tribal participation and broad community support under all project components has been prepared. The overall objective of the TDF is to enable and facilitate inclusion of tribal communities in the project to achieve the best possible outcomes of the project for the tribal groups in terms of their mobilization and empowerment, institutions, capacities, and quality of life. NRETP includes targeting of tribal districts and blocks through the project clusters on Non-Timber Forest Products (NTFP) that are the domain of tribal populations. Under TDF, the guiding strategy for NRETP will be based on the following actions.

i) **Screening and identification of tribal communities in NRETP project clusters.** The participatory assessments, socioeconomic profiles, investments/implementation plans for livelihood clusters, rural value chains, producer organisations, rural enterprises and other innovative partnerships would include basic socioeconomic data of tribal and SC households in the project area. This would be used to screen and confirm the presence of ST households in the project area (or their collective attachment to the project area). The minimum criteria would be documentation of ST households in the entered villages. These would be done by the PFT teams through CRPs.

ii) **Holding free, prior and informed consultations.** Meaningful consultations with tribal stakeholders on key project aspects will be a core and continuous part of the NRETP intervention cycle. Project Staff and community cadre will organise these consultations with formal and informal tribal leaders and related officials from community organisations, Gram Sabha, NGOs, government departments, and other research agencies. Such consultations will inform the intervention and investment plans for livelihood clusters, rural value chains, rural enterprises and skill development. The findings of the consultations will be documented in the plans and reports for NRETP investments.

iii) **Broad community support.** The livelihood and cluster development plans will document the stakeholder consultations and presence/absence of broad community support among project beneficiaries, especially the tribal community groups. References will also be documented to any minutes of the meetings, resolutions, MOUs, attendance, especially with VO/CLF.

iv) **Tribal Development Plans (TDPs).** Area specific, TDPs will be prepared and integrated with the livelihood cluster and rural value chain plans, especially in those project clusters where tribal households are in minority and/or facing specific constraints to access project benefits. Such TDPs would be included as short, actionable plans within the broader livelihood or cluster development plan. Most of the actions are expected to be identified based on stakeholder consultations that would-be part of the village entry approach of NRETP. When required, more detailed TDPs would be prepared covering the following sections: area cluster description, consultations and feedback, socioeconomic baseline, specific adverse impacts and benefits, livelihood strategies, mitigation
measures and their implementation arrangements.

v) *Inclusion of Tribal Beneficiaries and Leaders.* Participation of tribal populations in Farmer Groups, Producer Groups, Water User Groups, Engagement of local tribal women and men as CSPs as well as for facilitating consultations, data collection, and farmer mobilization.

vi) *Technical Assistance* for operationalisation of MORD-TRIFED partnership on establishment of storage and value addition centres, organisation of tribal people in self-help groups on NTFPs, Technical Assistance to Mission Antyodaya in delivery of key programmes of MORD in tribal clusters;

vii) *Special Interventions for Tribal Areas.* Under NRETP, MORD and SRLMs will continue to support a range of development programmes and interventions in tribal clusters, such as:

   a. Targeted provision of Vulnerability Reduction fund (VRF), Health Risk Fund (HRF), Food Security Fund (FSF) in most backward tribal with significant concentration of households identified under the socioeconomic caste census (SECC);
   
   b. Convergence with MGNREGS for tribal and SC households, as well as with schemes of irrigation, horticulture, livestock, agriculture, tribal department;
   
   c. Convergence with schemes and budgets of Tribal Sub Plans of NRETP states, including specific interventions for particularly vulnerable tribal groups;
   
   d. Promotion of community-managed interventions on food security, nutrition and WASH (water, sanitation and hygiene)
   
   e. Programmes on land rights, forest rights and rights to minor forest produce;
   
   f. Scaling up of ongoing programmes and interventions such as those in Attapady in Kerala and PRI-CBO convergence in many SRLMs;

51. NRETP will enter into special partnerships for tribal areas with external resource agencies for capacity building and implementation support. The social development staff in SRLMS will be trained in socially- and culturally-sensitive ways of working with tribal people.

52. *Social Impact Screening and Mitigation.* Like the ongoing NRLP, the NRETP does not involve any compulsory land acquisition or physical or economic displacement of project affected persons. Hence, World Bank’s operational policy on involuntary resettlement (OP 4.12) does not apply to NRETP, as well. However, NRETP does involve investments in livelihood clusters, rural value chains/enterprises as well as small scale, community managed, infrastructure such as grading/sorting centres, citizen service and facilitation centres, processing infrastructure, custom hiring centres (CHCs), training and resource centres etc. While none of these are likely to involve any compulsory acquisition of privately owned lands by the government, these infrastructures would involve leasing, transfer, purchase or donation of small parcels of land/building from private citizens, village panchayats, government departments, NGOs or other agencies. In order to ensure that such transfers of land/building do not cause any adverse social and/or economic impacts, especially on marginalised, weaker population groups which are vulnerable to coercion and involuntary transactions, all such subprojects will be subject to social impact screening, and mitigation planning when needed. Screening will also identify any occupational health, community safety and labour influx and related issues associated with these small infrastructure investments. The social impact screening and mitigation strategy comprises the following aspects.

i) No compulsory acquisition of private land is allowed under NRETP. Such investments and subprojects have been included in the negative list (Annexure 2).

ii) For such infrastructure investments, priority would be given to utilising land/building without any encumbrances and livelihood dependencies.

iii) All investments requiring land/building for community level infrastructure would be subjected to social impact screening and mitigation planning (when required). Livelihoods CRPs will be trained to use the impact screening checklist. Wherever small-scale impacts are identified the communities will be supported to prepared mitigation action plans.

iv) All investments requiring land/building for community level infrastructure would need to be supported by adequate due diligence by the community institutions as well as proper documentation in the form of voluntary donation document, purchase deed, memorandum of understanding,
panchayat resolution, or government transfer order. All such transactions and documentations would need to be signed off by the community institutions. In the case of voluntary donation and direct purchase, the documentation should be able to support the voluntariness and non-coercive nature of the transaction, and include provisions to prevent elite capture and beneficiary exclusion.

v) PO business plans under NRETP would also be screened for identification of any adverse social impacts related to land, livelihoods or labour influx, and suitable community managed mitigation plans will be prepared and implemented, as applicable.

vi) The larger social and rural enterprise projects and pilots will also be subject to social impact screening on a case by case basis.

53. Adequate measures will also be taken to safeguard the health and safety of producers particularly regarding safe use of pest control measures through trainings and use of protective equipment. NRETP will support voluntary and paid local labour in community-managed infrastructure activities including agro-processing centres, custom hiring centres, common service centres, and irrigation structures. For select projects, social impact screening would also include labour influx and labour welfare issues, and suitable action plans would be prepared.

54. **Citizen’s Engagement & Beneficiary Feedback.** NRLP has enabled women led community institutions such as village organizations, cluster level federations and producer collectives to participate in and benefit from a range of social, financial and economic empowerment interventions and investments. These institutions participate in community driven, participatory planning to prepare plans related to microcredit, livelihood investments, food and nutrition requirements, as well as for agribusiness and productive assets. Communities across the country have participated in participatory exercises for gram panchayat development planning and MGNREGA convergence. At the block and cluster panchayat level there is joint monitoring by the community organizations and project staff and course correction as needed.

55. Under NRETP, SRLMs will strengthen and leverage these citizen-centric approaches that are being supported under the ongoing NRLP, and customise them for NRETP using multiple mechanisms such as social audits, performance reporting/grading, community scorecards etc. Participatory planning for livelihoods and economic cluster plans, business planning for producer led organizations and strengthening plan of existing community federations would be important areas for CE. SRLMs would develop and institutionalize the beneficiary feedback and citizen’s engagement systems and mechanisms to ensure adequate transparency. Feedback mechanism from the members to their member owned institutions would be institutionalized, by having a feedback register at different levels. NRETP will also support interventions that strengthen community monitoring and auditing of access to entitlements and social services. The Citizen’s Engagement (CE) strategy under NRETP will include the following interventions.

**Strategy** the Consultation and participation strategy comprises the following key interventions:

i) Consultations and Social Outreach with primary beneficiaries of the project, including vulnerable groups such as small and marginal farmers, women farmers, tribal farmers, and local NGOs, PRI representatives, and any other vulnerable groups.

ii) Consultations and Participatory planning will be undertaken for livelihoods and economic cluster plans, business planning for producer led organizations and strengthening plan of existing community federations.

iii) Communication material on key project information, information and grievance channels will be displayed in CLFs and Producer Collectives using multiple display formats;

iv) CLFs and POs will be sensitised on Citizen’s Charters, Service Standards and Right to Information (RTI);

v) Community capacity on understanding Audited reports, performance grading and financial management would be strengthened, and information on these reports would be shared;

vi) CLFs and POs will be engaged in participatory planning for livelihood cluster development and business plans and village development plans under Mission Antyodaya

56. A community audit programme will be implemented to promote accountability, transparency and legal compliances among VOs, CLFs and POs. These institutions will be supported with a cadre of
social auditors for planning and monitoring of government schemes and services through enhanced participation in decision making spaces of Gram Sabha etc.

57. **Grievance Redress Mechanism.** Under the ongoing NRLP, a range of grievance redress mechanisms (GRM) are being used with varying intensity, including telephone hotlines, Chief Minister’s Helplines, public hearings, wall paintings, helplines for MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), citizen’s charters, right to information as well as public platforms provided by the Panchayati raj institutions (PRIs) at gram panchayat (GP), block and District levels etc. These feedback as well as GRM will be leveraged and adapted for NRETP. Grievances related to delivery of project benefits will be recorded and resolved through engagement of thematic committees of the VO, CLFs and PO. Members of the Social Action Committee, Social Mobilisers and Livelihood Resource Persons will play important roles in registration, tracking and resolution of community level grievances, with guidance and support from the cluster/block teams. Resolution of Grievances is also a result indicator that measures the transparency and accountability mechanisms established by the project.

**Strategy**

- Guidance will be issued to SRLMs to leverage, strengthen and/or operationalise GRM for NRETP, outlining the roles and responsibilities across the grievance resolution hierarchy;
- GRM will be established in VOs, CLFs and Producer Organisations through training and mobilisation of the Social Action Committees and Community Cadre; as well as project staff;
- Information, Education and Communication (IEC) materials will prepared and disseminated for raising beneficiary awareness on GRM;
- GRM related indicators will be included in the MIS;

The community level GRM will include:

a) information sharing and communication with office bearers and management committees of VOs, CLFs and POs on who should be contacted for grievances, what the process for registering grievance is, what the service standards are for resolutions etc;

b) Registration of grievances, and maintenance of records related to grievances;

c) Tracking of grievance registration and resolution through MIS;

d) Monthly review of grievance CLFs and POs about grievances to prevent further grievances as well as to improve the redress system,

In the SRLMs, the State Programme Manager for Social Development or Institution Building (IB) will be responsible for monitor grievances in their assigned areas through CRPs, project staff and partners.

58. **Managing and Minimising Risks in Left Wing Extremism Areas.** NRETP will be implemented in many conflict affected areas of Chhattisgarh, Jharkhand, Bihar, Orissa and other States with officially designated, left-wing extremism (LWE) areas. These districts and blocks tend to have higher levels of rural poverty and economic backwardness, higher concentration of marginal groups such as STs and SCs, poor infrastructure and connectivity, as well as weaker public services and governance. These long-term deficiencies along with the LWE conflict situation has created a difficult, unpredictable context that could affect the mobility, safety and security of NRETP implementing staff and partners. While GOI is addressing the critical gaps in infrastructure, governance and delivery of social services through a range of special schemes and programme, the situation in LWE areas remains volatile and risky.

59. Many SRLMs, and especially their district and block teams as well as community cadre, have developed insights and coping strategies on working in such remote, LWE blocks and managing and mitigating risks to personal safety and security. This experience has come through implementation of the National Rural Livelihood Mission, Mahila Kisan Sashaktikaran Pariyojana (MKSP) and other projects. NRETP will leverage this experience and adopt the following strategy to minimize the risks in LWE areas.
Strategy

i) Orientation and Sensitisation of Project Staff, Partners and community institutions/cadre on LWE context and basic practical approaches;
ii) Entry level Consultations and Meetings with leaders of local Gram Sabha, VO/CLF, community cadre, frontline workers of government line departments, NGOs with local acceptability and credibility, community cadre and especially the Mukhiya and Munda of project villages;
iii) Promote local youth and women from SC and ST households in leadership of community institutions and producer collectives;
iv) Communication campaign, using local, folk as well as audio-visual media, highlighting the poor, women focused, community driven, community managed aspect of NRETP interventions;
v) Promote local youth in rural enterprises, especially on agribusiness, custom hiring centres, aggregation and logistics, skills building, livelihood cadres etc;
vii) Assessment of subprojects involving private partners, especially regarding impact on and risk from the LWE context;
vii) Supporting special interventions that promote Land Access, Forest Rights, Community Forests, NTFP value chains, MSP on NTFPs and storage and processing infrastructure;
viii) Promote higher levels of transparency and information sharing in community, especially in planning investments and financial transactions;

VII. Training and Capacity Building

60. The SMF supports design, development and delivery of training modules, guidelines and practical resource books to build the social development capacity in NMMU, SRLMs and among the community institutions. NRETP will develop and deliver training programmes on the following themes, which are most relevant for successful implementation of the SMF.

i.) Orientation Programme on NRETP Social Management Framework
ii.) Promoting Women’s and Agency in NRETP interventions;
iii.) Tribal Development Framework and Rural Value Chains
iv.) Citizen Engagement, Participation & Grievance Redress Mechanisms;
v.) Social Impact Screening and Mitigation for Community Infrastructure;
v.) Inclusive Producer Organisations and Rural Value Chains
vi.) Sensitization on LWE context

61. Within States, establishment of resource centres, community learning academies, and capacities of SIRDs on social inclusion and community mobilization will be facilitated to support project staff, community professionals and trainers. NMMU and the state units will implement most of these activities through national and state level partners with suitably experienced training/technical resource agencies within the first two years of implementation. The knowledge management and communication unit at NMMU will be provided SD inputs on information, education and communication (IEC) strategies and materials.

VIII. Monitoring and Reporting

62. The M and E framework of NRETP includes tracking and reporting on participation of women and SC/ST producers across project components, as well as indicators on Grievance Redress. The Social Staff would develop a comprehensive MIS module on the SMF implementation as well as key social outcome indicators under NRETP. This MIS will include i) gender and social inclusion indicators and outcomes under the project component; ii) implementation of social management and tribal development framework, with specific focus on participation and inclusion of the smallholder farmers, SC, ST, women farmers in different interventions, farmers mobilization, institutional processes, training and capacity building interventions; iii) mitigation of social impacts
from village infrastructure/commons supported under NRETP. NRETP will leverage state specific experience with Community Based Monitoring System (CBMS) under NRLP/NRLM. The Social Auditors training programme will report on monitoring of delivery of key social entitlement schemes in the project villages. Other indicators would be:

- Assessment of quality functioning of CLFs and PGs/POs and adherence to social, financial and institutional norms
- Feedback on key progress and performance indicators, community support system, identifying gaps, deficiencies in services and gauging level of community satisfaction.
- Learning and Knowledge events on best practices and success stories

63. The project would undertake special review of the SMF/TDF implementation twice during the project implementation period. The progress Report for NRETP will include a section on progress vis-à-vis the social indicators, as well as a narrative report on implementation of the SMF/TDF, good practices and their outcomes. In addition to the regular six-monthly monitoring reports, impact assessment studies will be undertaken by the M&E agency. These studies will evaluate project performance and progress towards achieving the project’s development objectives. NMMU and SRLMs will also commission studies for documentation of good practices on specific themes of NRETP implementation in tribal areas. These studies will cover beneficiary and group and project implementation performance related to small holders, tribes, SCs etc.

IX. Implementation Arrangement

64. **National Mission Management Unit.** A two-member team lead by a senior professional will be placed with the specific objective of implementing strategies, interventions and activities included in the SMF of NRETP. Two Young Professional (YPs) from the reputed academic institutions will be placed to support the senior professionals in analysing the MIS data, coordinating studies and preparing reports. NMMU team will continuously share the analytic with states for taking mid-course corrections and altering/developing new strategies and interventions. A pool of 30 National Resource persons will be identified and attached to states (@ 2 persons per state) for providing technical, handholding and nurturing support. They also support the states in identifying the social issues, developing networks and entering MoUs with civil society organisations.

65. **State Rural Livelihood Mission.** All 13 SRLMs would appoint one senior professional (SPM-Gender, SI&SD), two junior professionals and one young professional specifically for implementing Gender, social inclusion and social development activities. Every SRLM will identify 10-15 State Resource persons from civil society organisations/research organisations for providing technical support. They would support SRLMs in developing Community Cadres and block resource persons. They would help SRLMs in developing Resource blocks or demonstration sites for proof of concepts.

66. **Block/Cluster level:** A dedicated professional would be placed in every economic cluster/block for implementing and monitoring the strategies, interventions and activities envisaged in the SMF. S/he would develop a team 4-6 CRPs/Community cadre for training all SHGs, VOs, CLFs, Social action committees and gender forums. The CRPs would visit VOs regular at least once in a month in the initial stages, train SHGs and VOs in placing gender, social development, social inclusion agenda in SHGs and VO meetings and taking up actions.

67. **Resource Persons and Experts:** A pool of resource persons at the national and state levels will be engaged to design and deliver the training and capacity building programme related to SMF themes.

X. Budget

68. The budget for implementing the SMF has been included in NRETP budget allocations for Institution Building, Training and Capacity Building, Social Inclusion and Social Development, Innovations and Partnerships as well Technical Assistance. Budget for the SMF Implementation will be
estimated annually based on SMF activities identified in the beginning of the year. The key budget categories required for SMF implementation are:

i.) Human resources, including social development experts, young professionals, resource persons, and short-term consultants in NMMU and SRLMs;
ii.) Design and roll out of training modules, training of trainers (TOT) programme, and scaling up;
iii.) Workshops, Training Programme and Meetings on SMF Implementation and related Social Inclusion and Social Development themes;
iv.) Development of information, education and communication as well as training material and publications;
v.) Convergence with MGNREGS and other government schemes
vi.) Partnerships with technical support, national resource and training agencies, including social enterprises to support special programmes for ultra-poor and vulnerable groups, access to entitlements/services, land and forest rights, gender justice, women’s economic empowerment approaches
vii.) Support for area specific interventions under tribal development plans and/or social mitigation plans;
viii.) Thematic Studies & Reviews;

The year wise budgetary allocation for SMF activities would be included in the Annual Action Plan of the NMMU and the SRLMs.

Annexure

1. Summary of Key SMF Actions
2. Draft Social Impact Screening Checklist
Annex 1: Summary of Key SMF Actions

I. Crosscutting Actions by NMMU and SRLMs

1. Inclusion of key SMF Activities in Annual Action Plans of NMMU and SRLMs
2. Placement of Social Development Experts and YPs in NMMU and SRLMs, dedicated to implementation, monitoring and reporting of SMF;
3. Preparation of SMF Implementation guidelines, and integration with other project components and their field processes;
4. Orientation of NRETP Staff on Social Management Framework
5. Preparation of Training Modules on Key SMF Strategies;
6. Finalisation of SMF related indicators for the NRETP MIS;
7. Establishing Grievance Redress Mechanism at the national, state and cluster level;
8. Integration of key SMF Actions in templates for rural value chain/cluster plans and PO business plans;
9. Reporting on SMF Implementation, as part of NRETP Progress Reports
10. Thematic Reviews/Audits of SMF Implementation in Year 2 and Year 4.

II. Component Specific Actions:

*to be developed in year 1 of project implementation*
Annex 2 - Social Impact Screening and Mitigation Checklist

1. **Negative List.** The following subprojects would not be eligible under NRETP:
   
i.) Subprojects involving compulsory land acquisition, forcible eviction or significant physical and/or economic displacement;
   
ii.) Subprojects involving involuntary restrictions on access to legally designated parks or protected areas.
   
iii.) Subprojects which are incompatible with the society and culture of scheduled tribes and indigenous communities.
   
iv.) Subprojects that do not enjoy broad community support, especially in tribal areas;
   
v.) Subprojects causing adverse effects on sacred sites or other cultural and natural heritage;
   
vi.) Subprojects with the potential to create conflict, violence and inequalities between any groups including castes and tribes;
   
vii.) Subprojects with potential to adversely affect community health and safety;
   
viii.) Subprojects involving child or bonded or forced labour.
   
ix.) Subprojects involving significant labour influx that could cause social conflict in project areas;
   
x.) Subprojects that undermining the rights and special provisions of vulnerable groups such as scheduled tribes, scheduled castes, religious minorities, people with disability, etc.

2. **Screening Checklist.** Eligible subprojects would be screened for potential adverse social impacts using a checklist and, where required, appropriate mitigation measures would be designed as part of the sub-project plan. The checklist will be used for screening in community infrastructure sub projects including custom hiring centres, common service centres, post-harvest management centres, water management structures and pilots, private sector infrastructure sub-projects and PO business plans.

**Background Information**

i.) Short Description and Justification of the proposed activity

ii.) Physical Location of the activity

iii.) Name and designation of the focal point for the activity

**Expected Benefits and Benefit Sharing Norms**

i.) List of main benefits to the local community

ii.) Total number of beneficiary households

iii.) Number of SC, ST, SMF and women beneficiaries

iv.) Number of other minority beneficiaries, if any

**Presence of Scheduled tribes**

i.) Are there scheduled tribes living within the sub-project area?

ii.) Are scheduled tribe households among the beneficiaries of the subproject?

**Land**

i.) Will the subproject require use of panchayat/ common land?

ii.) Will the subproject require any private donation of land?

iii.) Will the subproject use land that is currently occupied or regularly used for productive purposes (e.g. gardening, horticulture, farming, pasture, fishing locations, forests)?

**Health, Safety and Child labour**
i.) Will the subproject interfere with the normal health and safety of the workers/employees?

ii.) Will the subproject reduce employment opportunities for the surrounding communities?

iii.) Will the sub-project reduce income for the local communities?

iv.) Will the sub-project increase insecurity due to introduction of the project?

v.) Will the project involve influx of labour which may result in social conflict?

vi.) Will the subproject increase drudgery for women or increase their work load significantly?
CHAPTER 17: ENVIRONMENTAL MANAGEMENT FRAMEWORK

A. Background
The project development objective of the proposed NRLP is to establish efficient and effective institutional platforms of the rural poor that enable them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services.

The project has the following four components:

i. Institution building and human capacity development
ii. State Livelihood Support
iii. Innovation and Partnership Support
iv. Project Management

The project is currently being implemented across 13 states, 161 districts and 584 blocks. In each of the 13 states, an autonomous State Rural Livelihood Mission (SRLM) under the Rural Development Department has been established and district and block level teams consisting of qualified professionals in the rural development sector have been established. The project has been restructured twice, once in 2013 and for the second time in 2016.

B. EMF under NRETP
The National Rural Economic Transformation Project (NRETP) to be implemented through an additional Financing of US$250 million IBRD Loan has been requested by the Ministry of Rural Development through the Department of Economic Affairs, Government of India. The proposed project targets increased technical assistance and investment support towards scaling up of the economic transformative initiatives that were introduced in the second restructuring of January 2016. The current request also proposes specific and focused technical assistance to the Mission Antyodaya program that has been recently launched by the Ministry of Rural Development and intends to further accelerate economic transformation in selected areas, building on the NRLP outcomes.

In the past 3 years, the NRLP has financed interventions towards increasing productivity in agriculture and livestock and diversifying and enhancing the incomes of rural poor households. Altogether, more than 2 million households are currently part of these interventions. Additionally, through pilots (under the dedicated funds) the development of producer organizations and value chain interventions in agriculture, food and livestock sector were introduced across 7 states. Building on these experiences, the NRETP would focus on strengthening and developing women led producer organizations to increase access to markets and value addition for high value farm and non-farm commodities such as commercial agriculture and livestock products, fisheries, etc. Technical assistance, skills building and investment support will be provided to enable such farmer owned and farmer led organizations to improve market access, processing, quality enhancements and market information to improve investment decisions. Coordination with government departments such as agriculture, food processing, small & medium enterprise, science & technology and with technical agencies such as Small Farmers Agri-Business Consortium (SFAC), Central Food Technology Research Institute (CFTRI), Fragrance & Flavor Development Centre (FFDC); Techno Serve etc. will be facilitated. The NRETP will finance the costs of scaling-up and expanding the scope of the ongoing project interventions, promote value chain interventions and enterprises.

C. Environmental Implications of the NRETP
The Environment Management Framework (EMF) document developed for NRLP has detailed the legal and regulatory requirements, identified the key potential issues and mitigation measures and also identified the potential green opportunities that can be promoted under the project. The overview of the implementation of EMF is attached as annexure 1.
As the NRETP proposes to scale up the interventions in agriculture and livestock clusters and promote value addition interventions and enterprises, the EMF document is updated in-order to provide the activity specific ‘safeguard measures’ and ‘environmental best practices, that will be implemented during the additional finance period.

The methodology followed for updating the EMF document is desk review of relevant documents and a short field visits to understand the current status of implementation of environmental safeguards the best practices. The key observations are as follows:

- Some of the environmental best practices are integrated into the Package of Practices (PoP) and are being promoted through CRPs. However the PoP developed by the technical partners need to be revised to include some additional best practices
- The tracking of the environmental best practices through MIS is not happening across all the states. The best practice documentation is also poor.
- There is a need for additional capacity building initiatives for the CRPs especially on the safeguards which also can be supported through IEC materials. This should be done with the support of technical partners.

D. Safeguard Measures and Environmental Best Practices for the Additional Finance Interventions

The interventions for productivity enhancement of agriculture, livestock, the value chain interventions and promotion of enterprises may have negative impacts on the surrounding environment if the appropriate safeguard measures are not integrated. The EMF proposes the following measures:

i. Safeguard measures: Legal and regulatory requirements
ii. Mitigation Measures and Environmental Best Practices: In addition to the safeguard measures, EMF also suggests mitigation measures and best environmental practices in managing the livelihoods.

The table below presents the safeguard measures and best practices for the activities that are proposed to be scaled up/supported under the NRETP

<table>
<thead>
<tr>
<th>Activity</th>
<th>States</th>
<th>Safeguard Measures (Legal and Regulatory Requirements)</th>
<th>Mitigation Measures and Environmental Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Timber Forest Produce</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lac culture</td>
<td>Jharkhand</td>
<td>• Permissions from Forest Department in case of cultivation in/near Forest Areas (if the host trees are under custody of Forest Department)</td>
<td>• Use of superior, pest free and healthy brood of lac insects in recommended quantity. Over inoculation may damage host trees.</td>
</tr>
<tr>
<td></td>
<td>d</td>
<td>• Permission from the Chief Wildlife Warden if the culture is in/near a wild life sanctuary</td>
<td>• Post harvest management (pruning) of host plants is important to keep the host trees healthy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Permission for the transit from the forest area (if required)</td>
<td>• In case of pest infestation, only non chemical pest management methods are to be followed (eg: fumigation of inoculum sticks or dipping in water)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Avoiding continuous cultivation for several years on the same tree. The trees are to be rotated every year.</td>
</tr>
<tr>
<td>Tamarin d</td>
<td>Jharkhand</td>
<td>• Permissions from Forest Department in</td>
<td>• For seed and pod collection, pods should be allowed to ripen on the tree until the</td>
</tr>
<tr>
<td></td>
<td>d,</td>
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</table>

105 | Page
<table>
<thead>
<tr>
<th>Activity</th>
<th>States</th>
<th>Safeguard Measures (Legal and Regulatory Requirements)</th>
<th>Mitigation Measures and Environmental Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>collectio n</td>
<td>Chhattisg arh</td>
<td>case of collection in Forest Areas (if the trees are under custody of Forest Department)</td>
<td>outer shell is dry and can be separated from the pulp easily</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Permission from the Chief Wildlife Warden if the trees are in a wild life sanctuary</td>
<td>• Pods should be harvested by shaking the branches or climbing the tree or using sickles. They should not be beaten down with sticks as this injures the twigs, leaves and branches.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Permission for the transit from the forest area</td>
<td>• All the pods/seeds should not be harvested, at least 25% should be left for natural regeneration</td>
</tr>
<tr>
<td>NTFP Collectio n – Hill broom</td>
<td>Madhya Pradesh, Odisha (Hill broom), Assam (hill broom)</td>
<td>• Permissions from Forest Department in case if the collection is from Forest Areas</td>
<td>• Hill broom sticks should be collected at right stage (after maturity) and the methods of collection should not be destructive in nature (eg: uprooting the entire plant)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Permission from the Chief Wildlife Warden if the collection area is within a wild life sanctuary</td>
<td>• At least 25% should be left for natural regeneration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Permission for the transit from the forest area (if applicable)</td>
<td></td>
</tr>
<tr>
<td>Agriculture, Horticulture</td>
<td>Jharkhand Odisha Assam, Chattisgarh Odisha Maharashtra</td>
<td>• A license is required by the PGs/POs/PCs for the sale, stock or exhibition of sale or distribution of any insecticide.</td>
<td>• Use varieties that are suitable to the local climate (as suggested by the State Agriculture Department)</td>
</tr>
<tr>
<td>Chilli cultivatio n</td>
<td></td>
<td>• Registration is required for the PGs/POs/PCs for selling/supplying fertilizer at any place</td>
<td>• Avoid using the pesticides restricted for use under the project i.e. WHO class Ia, Ib and II (refer to the EMF document for the list)</td>
</tr>
<tr>
<td>Potato Cultivati on</td>
<td></td>
<td>• Selling, bartering or otherwise supplying any seed of any notified kind or variety, requires that – a) Such seed is identifiable as to its kind or variety;</td>
<td>• Follow the soil test based recommendations for nutrient management. Use organic manures and bio-fertilisers to the extent possible.</td>
</tr>
<tr>
<td>Ginger Cultivati on</td>
<td></td>
<td></td>
<td>• Adopt the drip irrigation and water conservations practices like mulching</td>
</tr>
<tr>
<td>Maize cultivatio n</td>
<td></td>
<td></td>
<td>• In case of horticulture, leguminous intercrops are to be promoted preferably fodder or other shade tolerant crops.</td>
</tr>
<tr>
<td>Mango cultivatio n</td>
<td></td>
<td></td>
<td>• The crop specific Integrated Pest Management and Integrated Nutrient Management practices can be referred at Follow the IPM/INM packages - <a href="http://www.farmer.gov.in/IPMPackageofPractices.aspx">http://www.farmer.gov.in/IPMPackageofPractices.aspx</a></td>
</tr>
<tr>
<td>Cashew Cultivati on</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>States</td>
<td>Safeguard Measures (Legal and Regulatory Requirements)</td>
<td>Mitigation Measures and Environmental Best Practices</td>
</tr>
<tr>
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</tr>
<tr>
<td>b) Such seed conforms to the minimum limits of germination and purity specified c) The container of such seed bears in the prescribed manner, the mark or label containing the correct particulars.</td>
<td></td>
<td></td>
<td>The use of chemicals (or the chemical control methods) that are recommended in the IPM/INM package should strictly be avoided.</td>
</tr>
<tr>
<td>• The pesticide, formulated products that fall in WHO classes IA and IB, or formulations of products in Class II are not allowed.</td>
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<tr>
<td>• Digging of irrigation tubewell needs permission from the relevant authority (ground water authority/board etc.).</td>
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<tr>
<td>• Digging of tubewell in an area identified as an ‘over-exploited groundwater basin’ will not be supported.</td>
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<tr>
<td>• Digging of irrigation tubewell within a distance of 250 meters from the nearest tubewell will not be supported.</td>
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<tr>
<td>Livestock, Fisheries</td>
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</tr>
<tr>
<td>Dairy Madhya Pradesh, Bihar</td>
<td>• Grazing of livestock in forest areas needs permission from the Forest Department</td>
<td>• Selection of breeds suitable to local climatic conditions and upgradation with the improved breeds suitable or acclimatized to local climate should be done under technical guidance.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fodder cultivation, growing fodder trees is mandatory. Stall feeding to be promoted to the extent possible.</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>States</td>
<td>Safeguard Measures (Legal and Regulatory Requirements)</td>
<td>Mitigation Measures and Environmental Best Practices</td>
</tr>
<tr>
<td>----------</td>
<td>--------</td>
<td>--------------------------------------------------------</td>
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</tr>
<tr>
<td>Grazing of livestock that are not vaccinated is not allowed in forest areas.</td>
<td>In case of use of grazing lands/commons, regulated grazing will be followed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion of breeds should be done in compliance with the respective state breeding policies.</td>
<td>Rotational grazing to be followed and pasture land development initiatives to be taken up in convergence with NREGS.</td>
<td></td>
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</tr>
<tr>
<td>The sheds should have sufficient space and well ventilated with feed troughs and drinking water.</td>
<td>The sheds must have sufficient space and well ventilated and offer protection from heat, rain etc.</td>
<td></td>
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</tr>
<tr>
<td>Wastes should be composted as pit, or heap covered with leaves and lined with bricks to avoid leaching or evaporation losses.</td>
<td>Wastes should be composted as pit, or heap covered with leaves and lined with bricks to avoid leaching or evaporation losses.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consent from state pollution board for establishment of milk chilling units (green category)</td>
<td>Waste water after cleaning the equipment should not be released into the gutters leading to agriculture fields, or to the open area nearby. Drying ponds (with cement lining) can be constructed where water can be evaporated and residue can be collected and disposed of safely.</td>
<td></td>
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</tr>
<tr>
<td>The workers involved in cleaning the equipment will use the safety gear like masks, gloves and head caps.</td>
<td>The option of solar energy to be explored as main source or as back-up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection of breeds suitable to local climatic conditions and upgradation with the improved breeds suitable or acclimatized to local climate should be done under technical guidance.</td>
<td>Chaffing/cutting and feeding the fodder reduces wastage and contributes to less methane emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growing fodder trees, regulated grazing and stall feeding (partly or completely) to reduce pressure on grazing lands.</td>
<td>Rotational grazing to be followed and pasture land development initiatives to be taken up in convergence with NREGS.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The sheds must have sufficient space and well ventilated and offer protection from heat, rain etc.</td>
<td>The sheds must have sufficient space and well ventilated and offer protection from heat, rain etc.</td>
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</tr>
<tr>
<td>Wastes should be composted as pit, or heap covered with leaves and lined with bricks to avoid leaching or evaporation losses.</td>
<td>Wastes should be composted as pit, or heap covered with leaves and lined with bricks to avoid leaching or evaporation losses.</td>
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</tbody>
</table>

Milk Collection and Chilling Centers: Madhya Pradesh, Bihar

Goatary: Maharashtra
<table>
<thead>
<tr>
<th>Activity</th>
<th>States</th>
<th>Safeguard Measures (Legal and Regulatory Requirements)</th>
<th>Mitigation Measures and Environmental Best Practices</th>
</tr>
</thead>
</table>
| Fishery      | Maharashtra    | • Fishing in the Government declared prohibited/closed season will not be supported.  
• Fishing using nets with mesh size smaller than the permissible size will not be supported.  
• Fishing using destructive fishing practices (use of poison, explosives, etc.) will not be supported.  
• Culture of invasive species (Tilapia, African Catfish) will not be supported. | • Soil and water testing should be done prior to stocking the fingerlings and corrective measures to be taken.  
• Follow the recommended dosage for fertilizer application. To the extent possible combine organic and synthetic chemicals or apply alternatively. Use of exclusive organic manures where feasible.  
• Recommended stocking density should be followed.  
• Poly culture of the 2-3 species in recommended ratios will ensure optimum space utilization and production. |
| Non-farm enterprises | All states     | • Consents from State Pollution Board is to be obtained for the milling and food processing units  
• License under Food Safety and Standards Authority of India (FSSAI) need to be obtained for food processing enterprises  
• In cases where there is construction of facilities is involved (eg: drying platforms sheds etc) necessary permission should be taken for clearing of trees, disposal of waste etc. All raw materials are to be procured from authentic sources | • Use of only permitted raw materials, additives, colours etc.  
• Use energy efficient equipment for processing (such as steam boilers, solar energy for milling etc.)  
• Use of water efficient methods/equipment and re-use of waste water or safe disposal whichever is appropriate  
• Take safety precautions like fire proof measures  
• Workers to use safety gear while working or operating the machinery (gloves, masks, eye protection head covers etc)  
• The processing environment should be kept clean and personal hygiene is must among the workers.  
• Explore the alternate uses for the wastes (such as composting); in cases where they cannot be put to alternate use dispose the wastes as per the prescribed  
• Decent working conditions with basic facilities like drinking water, toilets and rest area to be provided for workers  
• Engaging the children below 14 yrs of age will be avoided  
• Equal opportunity will be given to women members and differently abled  
• Fair and equal wages for men and women |

**E. EMF Implementation Plan**

The approach of EMF will be to streamline the ‘safeguard measures’ and ‘best practices’ into the Package of Practices (PoP). The state actions plans will include a section on EMF with an action plan based on the previous as well as updated EMF. The template is attached as annexure 2. The SRLMs will issue circulars/guidelines on the necessity of complying with safeguard measures and following
best practices. At national, state and district levels, the ‘livelihood managers’ (PMs, SPMs, DPMs) will anchor the responsibility of the EMF implementation. At the cluster and federation levels the Community Resource Persons (CRPs) will play the key role in promoting the safeguard measures and best practices. The implementation will be supported through capacity building (trainings and demonstrations) and tracked through internal monitoring (MIS reporting) and external monitoring (environmental audit). The details are discussed below:

**Capacity Building Plan**

Dedicated capacity building programs will be organized on the safeguard measures and environmental best practices (or) sessions will be integrated into the training programs reaching out to all the farmers in the RGs/PCs/POs and federations through the Community Resource Persons. Two such programs will be organized during the project period – one main training during the year 1 of the project and refresher training during the second year. The technical partners will handle the responsibility of the capacity building programs with guidance and support from NMMU and SRLMs.

The training methodology will include exposure visits, class room sessions with videos, lectures from experts and best practitioners. Minimum duration of the main training is 1 day and for half day for refresher training. Information Education and Communication (IEC) will be developed on each activity/commodity (e.g.: posters, films) and distributed to the PGs/PCs/POs, federation etc. An initial orientation to all state livelihood anchor persons and technical partners at nation level will be done.

**Monitoring Plan**

**Internal monitoring:** The implementation of the safeguard measures and best practices will be reported by the states through the project MIS. The impact of EMF implementation will be measured through a ‘sustainability index’ that is developed for different activities as given in the table below:

<table>
<thead>
<tr>
<th>Table 20: EMF- Monitoring Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity</strong></td>
</tr>
<tr>
<td>Agriculture</td>
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<td></td>
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<td></td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Dairy</td>
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<td></td>
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<td></td>
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</tbody>
</table>

*In cases where certain measures are not applicable the points are counted as the measures followed (or) the observed measures and best practices should weigh 70% of the applicable measures and practices*
| **Goatary** | Keeping the locally Suitable breed as suggested in State Breeding Policy | 2 |
| | Fodder cultivation/fodder tree cultivation | 1 |
| | Stall feeding | 1 |
| | Chaffing (cutting) the fodder before feeding | 1 |
| | Clean, spacious and ventilated sheds with feed and water troughs | 2 |
| | Composting of the manure | 2 |
| | Regular vaccinations | 1 |
| **Total** | 10 | 7 |

| **Fisheries** | Culture of locally suitable species, poly culture (no banned species like cat fish) | 2 |
| | Observing government regulations like ban season in natural water bodies | 1 |
| | Application of nutrients based on soil and water testing | 2 |
| | Application of organic manures only | 2 |
| | Permissions from Panchayat/Department as applicable or lease agreement | 2 |
| | Integrated fish farming practices | 1 |
| **Total** | 10 | 7 |

| **Non-Timber Forest Produce** | Permission from the Forest Department for collection/cultivation as required | 2 |
| | Collection of produce only after the maturity | 2 |
| | Sustainable method of collection - non-destructive collection leaving 25% of produce for regeneration | 2 |
| | Permission for transit | 2 |
| | Actions, measures for regeneration of the selected species | 2 |
| **Total** | 10 | 7 |

| **Non-Farm Enterprises and value addition** | Permission/consent from Pollution Control Board if applicable | 1 |
| | Use of renewable energy | 1 |
| | Water use efficiency | 1 |
| | Use of energy efficient machinery, tools etc. | 1 |
| | Good working conditions - space, ventilation, basic amenities | 2 |
| | Hygiene in processing/value addition, packaging etc. | 2 |
| | Proper waste management or safe disposal | 2 |
| **Total** | 10 | 7 |
The practices under sustainability index will be compiled through the MIS at cluster level and will be consolidated at state level. The minimum score qualifying the ‘sustainability index’ should be 7 points. The CRPs will be trained in promoting the sustainable practices and will play a key role in monitoring and collecting the data.

**External Monitoring:** An external audit will be conducted by hiring an external agency in the year 3 of the project period. The external audit will include visits to all 13 states. The methodology will include desk review (MIS data and internal reports) and field visits. The external audit will:

- Understand the implementation of capacity building programs and impacts
- Verify the MIS information in the field
- Will build the sustainability index state wise for all the activities
- Capture the impacts (economic, environmental and social) of the environmental best practices

The key sustainability indicators for external monitoring are:

**Table 21: EMF - Key Sustainability Indicators**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Sustainability indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lac culture</td>
<td>Percentage of area under sustainable lac culture</td>
</tr>
<tr>
<td>NTFP</td>
<td>Percentage of beneficiaries doing NTFP collection following sustainable methods</td>
</tr>
<tr>
<td>Agriculture, Horticulture</td>
<td>Percentage of area under Non chemical pest management methods</td>
</tr>
<tr>
<td></td>
<td>Percentage of area under micro irrigation methods</td>
</tr>
<tr>
<td></td>
<td>Percentage of area under use of organic manures</td>
</tr>
<tr>
<td>Dairy</td>
<td>Percentage of farmers growing fodder</td>
</tr>
<tr>
<td></td>
<td>Percentage of farmers implementing</td>
</tr>
<tr>
<td></td>
<td>• stall feeding</td>
</tr>
<tr>
<td></td>
<td>• clean sheds</td>
</tr>
<tr>
<td></td>
<td>• composting the manure</td>
</tr>
<tr>
<td>Fishery</td>
<td>Percentage of farmers following the recommended fertilizers and organic manures</td>
</tr>
<tr>
<td></td>
<td>Percentage of farmers following poly culture and recommended stocking density</td>
</tr>
<tr>
<td></td>
<td>Percentage of farmers following integrated farming</td>
</tr>
<tr>
<td>Goatary</td>
<td>Percentage of farmers opting for locally suitable breeds (recommended in state breeding policy)</td>
</tr>
<tr>
<td></td>
<td>Percentage of farmers growing fodder/fodder trees</td>
</tr>
<tr>
<td></td>
<td>Percentage of farmers implementing</td>
</tr>
<tr>
<td></td>
<td>• stall feeding</td>
</tr>
<tr>
<td></td>
<td>• clean sheds</td>
</tr>
<tr>
<td></td>
<td>• composting the manure</td>
</tr>
<tr>
<td>Non-farm enterprises and value addition</td>
<td>Percentage of the enterprises that have obtained the required permissions, licenses etc.</td>
</tr>
<tr>
<td></td>
<td>Percentage of enterprises using renewable energy/following energy efficiency and water efficiency</td>
</tr>
<tr>
<td></td>
<td>Percentage of enterprises following safe disposal of wastes</td>
</tr>
<tr>
<td></td>
<td>Percentage of enterprises following hygienic practices</td>
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<tr>
<td></td>
<td>Equal opportunities for women and differently abled, fair and equal wages</td>
</tr>
</tbody>
</table>
By the time of the external audit (year 5) the minimum area/percentage of activities under sustainable practices in each state should be a minimum of 50% and 50% across the project area. The SRLMs will be encouraged to meet the criteria detailed in the index and internal monitoring will be done through MIS tracking.

F. EMF Rollout Plan: Key action points with timeline

<table>
<thead>
<tr>
<th>Key Activity</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation to the State Anchor Persons and Technical Partners</td>
<td></td>
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<tr>
<td>Circulars by all SRLMs on EMF compliance requirements</td>
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<tr>
<td>Trainings to the CRPs on the safeguard measures and best practices</td>
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<tr>
<td>Development of IEC materials</td>
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<tr>
<td>Trainings to the PGs/POs/PCs, federations etc.</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capturing the safeguard measures and environmental best practices</td>
<td></td>
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<tr>
<td>External Audit</td>
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</tbody>
</table>

The overview of implementation of EMF under NRLP is annexed (Annexure …). The EMF Template for State Action Plans/Proposals can be seen at Annexure…
CHAPTER 18: GOVERNANCE AND ACCOUNTABILITY

The GAAP consisted of activities supported at two levels a). Community level b). Project level

- At the community level the SHG panchsutra adhere to the basic principles of governance and accountability, which include regular meetings and keeping minutes of meetings, proper documentation of records, transparency and proactive disclosers, regular savings and repayment, prioritization of support to the vulnerable and rotation of leaders.
- The community resource persons and trainer explained the basic non-negotiable principles through training modules. The proactive formats are developed and disclosed by each state. During the meetings of SHG and VO the grievance are heard and settled.
  - The community level grievance observed in NRLM are: Delay in execution of project at the ground levels specially CIF and bank linkages; Indifferent attitude of the staff toward the community; Non-rotation of leadership; Preferential treatment by the leaders (elite capture); Non-opening of bank accounts by the bank managers and lack of Participation of the community members.
- At the Project level focus has been given at states to establish a Grievance Redress system, Maharashtra, UP and MP has put a policy and is implementing the same.
  - At the project level: Performance appraisal related grievances; Grievances arising due to transfer of employees; Sexual harassment; Grievances arising due to claims made by employees who leave the organization without serving the notice period and re-join at their convenience; Grievances against colleagues who have wrongly benefitted; Lack of communication; Entitlement related grievances.
- As part of NRLP implementation support, NMMU jointly with the World Bank have organized several meetings and workshops for State Missions to strengthen GAAP framework and implementation of related action plan.
- State Missions have developed joint action plans and resource material on grievance redressal, Citizen Charter, Proactive disclosures etc. NMMU has also developed model GRS policy and was circulated to concerned State Missions. Subsequently, SRLM Maharashtra, UP, Jharkhand and MP have developed State specific Grievance Redress policy.
  - Each state maintain the basic disclosures over the website and supports the RTI
  - A Citizen charter for service standard has also been set by Maharashtra, Gujarat and UP. State Missions have also been informed about a simple online certificate course on GAC orientation developed by SP Jain management school for NRLM. Each GAAP nodal persons appointed by State Missions are encouraged to complete the course.
  - For human resource all state adheres to the policy and all recruitment are conducted accordingly.
- A manual for community score card to capture the community perception has been developed, which requires to be further integrated with core IBCB modules in different States.
- Service Delivery timeline for 4 key Indicators (RF, CIF, Bank Linkage, Linkage to Livelihood). Key indicators are monitored with timeline in the NRLP MIS.

To further strengthen the Governance and Accountability mechanisms at both the National and State level, a detailed List of all GAC Tools and Mechanisms for NRETP is mentioned below:

1. **Business Processes, Guidelines and Project Principles**
   - Sevottam service standards (with minimum business standards, disclosure policy, grievance, and monitoring mechanisms outlined)
   - Core project principles to be adapted at national and state levels
   - Detailed project implementation plans and community operations manuals
Financial Management and Procurement Manuals with standard fiduciary guidelines for national and state levels
- Micro-planning instituted at group level to guide and track use of project resources
- Participatory identification of the poor included in core social mobilization strategy
- Dedicated GAC focal points responsible for oversight of GAAP at NMMU and SRLMs

2. Transparency and Disclosure mechanisms
- Comprehensive project website to be developed at national and state levels
- Document disclosure guidelines included in Sevottam standards and in PIP
- Periodic information dissemination/communication campaigns
- Project notice boards, posters, publicity and awareness materials
- Photo documentation of all procured assets from project to be kept on file
- Community and Project Information Centers to be set up at various levels with records of all key meetings, accounts, and procurement documents

3. Human Resource Policy and Codes of Conduct
- Transparent and merit-based recruitment process managed through professional HR agency
- Recruitment audit at the end of first year of hiring in each new state
- Career and capacity development strategy for staff established as part of HR systems
- Meritocratic staff performance appraisal system set up in HR Manual
- Code of conduct of staff established and included as part of staff contracts
- Annual staff survey/focus groups of NRLM and SRLM project staff to get feedback and address concerns

4. Capacity Building and Participatory Processes
- GAC training program set up as part of core curriculum for NRLM and SRLM staff
- Specialized GAC program for conflict and extreme poverty areas
- Good governance principles training for community level in social mobilization strategy
- Participatory and democratic governance principles (e.g. leadership rotation, quotas for EPVGs, SC/STs, etc.) for decision making and election of office bearers in SHGs, associations and federations included in community operations manual
- Financial literacy program at community level to train on proper book-keeping/accounting

5. Project Monitoring Mechanisms
- Annual GAC implementation progress review
- Comprehensive Management Information System (MIS) with household, group, federation, and project systems information (including grievances)
- SHG and Federation performance rating/grading system part of core project systems
- Asset verification and utilization certificate monitoring by federation committees and block staff
- Institutionalized social audit mechanism system linked to MIS system
- Annual user report card survey and project GAC performance barometer by random sample of project beneficiaries across all target states
- Annual disclosure review as part of overall GAC monitoring process

6. Complaints Handling and Grievance Redress Mechanism
- Complaints hotline to be established at national and state level
- Grievance sub-committees institutionalized at village and federation level
- Regular federation and group general body meetings to resolve issues and disputes
- Online complaints and feedback system
- Regular de-briefing sessions by community resource persons at block and district level
7. **Financial Management and Procurement (Fiduciary) Controls**
   - Quarterly financial reporting by NMMU of consolidated project financial progress
   - Annual statutory audits as required by Government laws (applicable to Federations also)
   - Federation level portfolio monitoring for profitability, capital and portfolio quality, acceptable levels of loan collections, appropriate capacity for appraisals and supervision etc
   - Standard technical specifications and bidding eligibility requirements for goods
   - Direct payments to SRLMs based on agreed annual work plans and to SHGs and federations based on milestone based disbursement
   - Random checks of books of account by SRLM finance teams
   - Regular video-conferences and meetings of FM staff at state and national levels
   - Pilot e-procurement and e-bookkeeping program to be launched

8. **Sanction Policy**
   - Clear sanction systems for fraud, corruption, and other malpractices outlined in HR manual

9. **Performance (GAC) Based Incentives**
   - Payments to SHGs and federations based on achievement of agreed milestones measured through agreed performance grading/rating system
   - Establishment of output or results based agreements with all service providers, training institutes, etc. and all fund releases from the project will be based on achievement of outputs or results
   - Annual GAC Awards program for groups, federations, and state/sub-state project teams to be launched from year 2 onwards
   - GAC Innovations Window in Annual Innovations Forum to be established

### Table 22: Governance and Accountability Action Plan Matrix

<table>
<thead>
<tr>
<th>S.n.o</th>
<th>Thematic Area</th>
<th>Key Action t be taken by SRLM / DRLM</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Step One (6 months)</td>
<td>Step Two (6 months)</td>
</tr>
<tr>
<td>1</td>
<td><strong>Business Processes, Guidelines and Project Principles</strong></td>
<td>• Standardize and develop simplified guidelines for service delivery standards based on the KPI.</td>
<td>• Review meetings at fixed frequency to ensure informed decision making and corrective actions based on any deviations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Identify a key person for Governance and accountability at each level of decision making from SRLM / DRLM</td>
<td>• Enable a automated system to capture these basic service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Human Resource Development</td>
<td>Project Monitoring and Feedback Mechanism</td>
<td>Grievance Redress Mechanism</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------</td>
<td>------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Development of GAC module, including case studies of based on past experience from States.</td>
<td>Training on procedures, systems, good governance modules</td>
<td>Analyze the grievance and corrective actions undertaken in the last 3 years.</td>
</tr>
<tr>
<td></td>
<td>Framing of policy, procedures and rules to manage vigilance cases.</td>
<td>Conduct accreditatio on one time basis of the entire staff</td>
<td>Strength a help desk system in each block and a toll-free number.</td>
</tr>
<tr>
<td></td>
<td>• Handle Corruption cases</td>
<td>• Training Planned versus actual performance assessment of staff</td>
<td>Strengthen the SAC committee for grievance capture and redress</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Timely corrective actions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Regular Participatory Audits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Community feedback capturing mechanism in place</td>
</tr>
<tr>
<td>3</td>
<td>Promotion cadre of paraprocessional to conduct and facilitate participatory process audit in the respective blocks</td>
<td>Conduct One Process audit and one community score card annually.</td>
<td>Automated system of capturing grievance and redress taking cue from the existing system initiated by the other department</td>
</tr>
<tr>
<td></td>
<td>• Prepare resource material for participatory monitoring tools.</td>
<td></td>
<td>• Timeframe for complaint redressal.</td>
</tr>
<tr>
<td></td>
<td>• The Tools will include community monitoring, community score card and Process audit.</td>
<td></td>
<td>• No. of grievances captured and redressed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Grievance Resolution Index</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Community Satisfaction Index</td>
</tr>
</tbody>
</table>

**delivery indicators**

- Framing of policy, procedures and rules to manage vigilance cases.

**delivery however directly linked to field-based deliveries.**

- Handled Corruption cases

**Training on procedures, systems, good governance modules**

**Conduct on one time basis of the entire staff**

**Prepare resource material for participatory monitoring tools.**

**Promote cadre of paraprocessional to conduct and facilitate participatory process audit in the respective blocks.**

**Conduct One Process audit and one community score card annually.**

**Analyze the grievance and corrective actions undertaken in the last 3 years.**

**Strengthen a help desk system in each block and a toll-free number.**

**Strengthen the SAC committee for grievance capture and redress**

**Awareness generation of the stakeholders to encourage reporting (if any) grievances**

**Initiate SMS based grievance from stakeholders.**

**Office address postcards to be kept in each SHGs for sending complaint**

**Automated system of capturing grievance and redress taking cue from the existing system initiated by the other department.**

**Timeframe for complaint redressal.**

**No. of grievances captured and redressed**

**Grievance Resolution Index**

**Community Satisfaction Index**
| 5 | Financial management and procurement | • Finance and Procurement data to be brought under MIS for real time alerts and misappropriations. | Develop systematic approach for Cross verification and random checks are required for any financial irregularities | Initiate tools for improved transparencity in procurement, partnership management. | • Adequacy of estimates through review of actual cost vis-à-vis estimated cost. | • Lead time from time of bidding to the sign of contract. | • Extent of response against NRLP from civil society, bank and other linked organizations. |
| 6 | Knowledge Management and Information sharing | Identify focal points for ensuring information disclosure and transparency. | Evolve mechanism for systematic cross learning and corrective actions. | Capture the innovations from the Jeevika project through Project level machinery and external agencies. | • Participation of stakeholder in informed decision making. | • Transparenc y and public disclosure of project documentation. | • RTI disclosure policy. |
CHAPTER 19: FINANCING NRETP

The World Bank financing for the NRETP designed to scale up of the economic transformative initiatives that were introduced in the NRLP is estimated at $250 million (approximately Rs 1625 crores).

Breakdown Costs of NRETP

The total cost of NRETP has been estimated at US$500 million, out of which the Government share would be US$250 million. The remaining US$250 million would come in the form of an IBRD Credit. Thus, the financing share of the Bank is pegged at 50. % of the total project cost. The following table summarizes the overall project costs. The component-wise breakdown costs are presented

Project Cost Summary

<table>
<thead>
<tr>
<th>Component / Sub component</th>
<th>IBRD</th>
<th>GoI</th>
<th>Total (in million USD)</th>
<th>Total (in Rs. crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Institutional and Human Capacity Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1 Technical Assistance</td>
<td>34.9</td>
<td>34.9</td>
<td>227</td>
<td></td>
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<tr>
<td>A.2 Human Resource Development</td>
<td>5.3</td>
<td>5.3</td>
<td>35</td>
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<tr>
<td>Subtotal</td>
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<td>40.2</td>
<td>262</td>
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<tr>
<td>B. State Livelihoods Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.1 State Rural Livelihoods Missions (SRLM)</td>
<td>52.4</td>
<td>72.2</td>
<td>124.6</td>
<td>810</td>
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<tr>
<td>B.2 Institution Building and Capacity Building</td>
<td>63.0</td>
<td>86.8</td>
<td>149.8</td>
<td>974</td>
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<td>B.3 Community Investment Support</td>
<td>65.4</td>
<td>90.1</td>
<td>155.5</td>
<td>1,011</td>
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<tr>
<td>B.4 Special Programmes</td>
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<td>0.9</td>
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<tr>
<td>Subtotal</td>
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<td>431.5</td>
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<tr>
<td>C. Innovations and Partnership Support</td>
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<tr>
<td>C.1 Innovation Forums and Action Pilots</td>
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<tr>
<td>C.2 Social Entrepreneurship Development</td>
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<tr>
<td>C.3 Public Private Community Partnerships</td>
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<tr>
<td>Subtotal</td>
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<td>15.5</td>
<td>101</td>
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<tr>
<td>D. Project Implementation Support</td>
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<td></td>
<td></td>
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<tr>
<td>D.1.1 NMMU</td>
<td>1.5</td>
<td>1.5</td>
<td>10</td>
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<tr>
<td>D.2 Monitoring and Evaluation</td>
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<td>D.3 Electronic National Rural Livelihoods Management System (e-NRLMS)</td>
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<td>D.4 Governance and Accountability Framework</td>
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<tr>
<td>D.5 Knowledge Management and Communication</td>
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<td>Subtotal</td>
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<td>12.7</td>
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<tr>
<td>Total PROJECT COSTS</td>
<td>250.0</td>
<td>250.0</td>
<td>500</td>
<td>3,250</td>
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</table>
Component 1: Institutional and Human Capacity Building

<table>
<thead>
<tr>
<th>A1: Technical Assistance</th>
<th>Amt. in Rs. lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A. TSA for Strengthening of Higher Order Federations</td>
<td>600</td>
</tr>
<tr>
<td>2. B. TSA for Digital Finance</td>
<td>1000</td>
</tr>
<tr>
<td>3. C. TSA for Organic Village cluster development</td>
<td>1500</td>
</tr>
<tr>
<td>4. D. Rural Enterprise Development Centre (Knowledge Facility at National Level)</td>
<td>500</td>
</tr>
<tr>
<td>5. E. TA for Mission Antyodaya</td>
<td>6500</td>
</tr>
<tr>
<td>6. F. TA for Other than NLP States</td>
<td>2500</td>
</tr>
<tr>
<td>7. G. TA for Other than NRLP States</td>
<td>2500</td>
</tr>
<tr>
<td>8. H. Other demand driven TA</td>
<td>500</td>
</tr>
<tr>
<td>9. I. NRO (NIRD &amp;PR, KUDUMBASREE, SERP-AP, SERP-TS, BRLPS, EDI, NAR)</td>
<td>5000</td>
</tr>
<tr>
<td>10. J. DDU-GKY (Placement and Industry Partnership Cell)</td>
<td>3600</td>
</tr>
<tr>
<td>11. K. TA to lagging NRLP States</td>
<td>1000</td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td><strong>22,700.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A2: Human Resource Development</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Partnerships with institutions of excellence (IIMs, XLRI, IRMA, TISS, DMI, IIFM etc.)</td>
<td>1,000.00</td>
</tr>
<tr>
<td>2. National Level consultations on value chain and market linkage, organic cultivation, financial inclusion, enterprise, MIS and M&amp;E</td>
<td>150.00</td>
</tr>
<tr>
<td>3. TSA for training and capacity building on digital finance, skills and enterprise promotion</td>
<td>500.00</td>
</tr>
<tr>
<td>4. TSA for training and capacity building on market linkage and value chain</td>
<td>1,500.00</td>
</tr>
<tr>
<td>5. Training to SMMU staff on market linkage and organic farming</td>
<td>100.00</td>
</tr>
<tr>
<td>6. Establishment of Community of Practice</td>
<td>200.00</td>
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<td><strong>sub-total</strong></td>
<td><strong>3450</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>261,500.00</strong></td>
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## Component 2: State Rural Livelihoods Mission

<table>
<thead>
<tr>
<th>Description</th>
<th>Amt. in Rs. Lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B1: State Rural Livelihoods Mission</strong></td>
<td></td>
</tr>
<tr>
<td>TSA at State level for value chain and forward linkage</td>
<td>4875</td>
</tr>
<tr>
<td>TSA at State level for organic village cluster development</td>
<td>3250</td>
</tr>
<tr>
<td>State level Incubator - Enterprises</td>
<td>2600</td>
</tr>
<tr>
<td>Migration Support Centre (DDUGKY)</td>
<td>600</td>
</tr>
<tr>
<td>TSA at State level for Digital Finance</td>
<td>250</td>
</tr>
<tr>
<td>State level consultations, meetings and workshops on market linkage and value chain development</td>
<td>455</td>
</tr>
<tr>
<td>State level consultations, meetings and workshops on organic village cluster development</td>
<td>520</td>
</tr>
<tr>
<td>State level consultations, meetings and workshops on Bank Linkage &amp; Enterprise financing</td>
<td>390</td>
</tr>
<tr>
<td>State level consultations, meetings and workshops on Digital Finance</td>
<td>260</td>
</tr>
<tr>
<td>State level consultations, meetings and workshops on Social Security &amp; Insurance</td>
<td>195</td>
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<tr>
<td>Support to SIRD</td>
<td>455</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>13850</strong></td>
</tr>
<tr>
<td><strong>At State Mission Management Unit (SMMU)</strong></td>
<td></td>
</tr>
<tr>
<td>Refurbishment of SMMU Infrastructure</td>
<td>650</td>
</tr>
<tr>
<td>FMTS State level</td>
<td>1300</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td></td>
</tr>
<tr>
<td>COO/Addl.CEO/Project Director</td>
<td>1560</td>
</tr>
<tr>
<td>State Project Managers (addl. 4 nos per SMMU)</td>
<td>4680</td>
</tr>
<tr>
<td>Project Managers (addl. 11 nos per SMMU)</td>
<td>8580</td>
</tr>
<tr>
<td>Project Executives (addl. 3 nos per SMMU)</td>
<td>1404</td>
</tr>
<tr>
<td>Young Professionals (addl. 7 nos per SMMU)</td>
<td>2730</td>
</tr>
<tr>
<td>Staff Allowances, TA, DA etc</td>
<td>2843.1</td>
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<tr>
<td><strong>Operating Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Office Rent</td>
<td>2340</td>
</tr>
<tr>
<td>Office Running Expenses</td>
<td>3250</td>
</tr>
<tr>
<td>O&amp;M Expenses</td>
<td>650</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>650</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>30637.1</strong></td>
</tr>
<tr>
<td><strong>At DMMU</strong></td>
<td></td>
</tr>
<tr>
<td>Refurbishment of DMMU Infrastructure</td>
<td>2500</td>
</tr>
<tr>
<td><strong>Staff Salaries</strong></td>
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</tr>
<tr>
<td>District Managers (2 per district)</td>
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<tr>
<td>District Enterprise Fellow (Enterprises)</td>
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</tr>
<tr>
<td>Young Professionals (3 per district)</td>
<td>11250</td>
</tr>
<tr>
<td>Allowances, TA, DA etc</td>
<td>3656</td>
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<tr>
<td>DMMU office running expenses</td>
<td>6000</td>
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<td><strong>Sub-Total</strong></td>
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</tr>
<tr>
<td><strong>Component 2A - Total</strong></td>
<td><strong>81018.1</strong></td>
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</table>
### B2: Institution Building and Capacity Building

<table>
<thead>
<tr>
<th>Staff Costs</th>
<th>Amt. in Rs. lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Augmenting Block Infrastructure</td>
<td>2000</td>
</tr>
<tr>
<td><strong>Financial Inclusion Facilitator</strong></td>
<td>9000</td>
</tr>
<tr>
<td><strong>Block Coordinator - Forward Linkage</strong></td>
<td>9000</td>
</tr>
<tr>
<td><strong>Block Coordinator - Organic Farming</strong></td>
<td>9000</td>
</tr>
<tr>
<td><strong>Cluster co-ordinator (Organic farming) (@ 2 per block)</strong></td>
<td>5400</td>
</tr>
<tr>
<td><strong>Block Enterprise Coordinator</strong></td>
<td>8000</td>
</tr>
<tr>
<td><strong>Block Executive - Enterprise</strong></td>
<td>9600</td>
</tr>
<tr>
<td><strong>Young Professionals/NRLM Fellows</strong></td>
<td>12,600.00</td>
</tr>
<tr>
<td><strong>2. Staff Allowances DA, TA etc</strong></td>
<td>9,390.00</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>73990</strong></td>
</tr>
</tbody>
</table>

**A. Strengthening of Higher Order Federations**

| Infrastructure support to Higher Order Federations | 3000 |
| Rating of Federations                             | 450  |
| **B. Capacity Building - Financial Inclusion**    | 2440 |
| **C. Capacity Building - Farm Livelihoods (Technical Services and Value Chains) /b** | 8960 |
| **D. Capacity Building - Enterprises /c**         | 8130 |
| **E. Exposure visits**                             | 250  |
| **F. Miscellaneous**                              | 50   |
| **G. Other Institution Building Costs**            | 100  |
| **Sub-Total**                                      | **23380** |
| **Total**                                          | **97370** |

### B3: Community Investment Support

<table>
<thead>
<tr>
<th>Community Investment Support to Higher order federations</th>
<th>Amt. in Rs. lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Investment Support to Higher order federations</td>
<td>7500</td>
</tr>
<tr>
<td>Support to PG - Productive infrastructure for value addition</td>
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<tr>
<td>Working capital loan from CLF to the Producers’ Groups</td>
<td>18000</td>
</tr>
<tr>
<td>Promotion of Producer Companies</td>
<td>48000</td>
</tr>
<tr>
<td>Investment support for equipment for BC agent</td>
<td>1500</td>
</tr>
<tr>
<td>Vulnerability Reduction Fund for Insurance</td>
<td>1500</td>
</tr>
<tr>
<td>CEF (Indiviudal)</td>
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<tr>
<td>CEF (Group)</td>
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### B4: Special Programmes

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<tr>
<th>Health and Nutrition, Sanitation, Behaviour Change</th>
<th>Amt. in Rs. lakh</th>
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</thead>
<tbody>
<tr>
<td>Health and Nutrition, Sanitation, Behaviour Change</td>
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Component 3: Innovations and Partnership Support

<table>
<thead>
<tr>
<th>C1: Enterprise Innovation Forums</th>
<th>Amt. in Rs. lakh</th>
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<tbody>
<tr>
<td>Innovation Forums (incl. SE network event)</td>
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<tr>
<td>Micro Enterprise Growth Challenge Fund : Support in graduation of existing individual micro-enterprises</td>
<td>3000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>3800</strong></td>
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<table>
<thead>
<tr>
<th>C2: Social Entrepreneurship Development</th>
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<tbody>
<tr>
<td>Knowledge Platform and Website</td>
<td>200</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<table>
<thead>
<tr>
<th>C3: Public Private Community Partnerships</th>
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<tbody>
<tr>
<td>Partnership with Venture Capital Fund/ Crowd funding Platforms</td>
<td>600</td>
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<tr>
<td>Marketing of organic food products including retailing</td>
<td>1,000.00</td>
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<tr>
<td>Innovative/Pilot projects in Rural Skilling</td>
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<td><strong>Subtotal</strong></td>
<td><strong>6100</strong></td>
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| **Total** | **10100** |

Component 4: Project Implementation Support

<table>
<thead>
<tr>
<th>D1. NRLPS</th>
<th>Amt. in Rs. lakh</th>
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<tbody>
<tr>
<td>NRLPS</td>
<td>500</td>
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<tr>
<td>FMTSA (National Level)</td>
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<td><strong>Sub-Total</strong></td>
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<table>
<thead>
<tr>
<th>D2. Monitoring and Evaluation</th>
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</thead>
<tbody>
<tr>
<td>Mid Term Study for NRETP</td>
<td>200</td>
</tr>
<tr>
<td>NRETP Impact Evaluation Study</td>
<td>600</td>
</tr>
<tr>
<td>Baseline Studies for sectoral interventions</td>
<td>400</td>
</tr>
<tr>
<td>TSA for Process Monitoring and IE studies</td>
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</tr>
<tr>
<td>Thematic Studies (National Level)</td>
<td>500</td>
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<td>Thematic Studies (State Level)</td>
<td>1300</td>
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<td><strong>Sub-Total</strong></td>
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<table>
<thead>
<tr>
<th>D3: Electronic National Rural Livelihoods Mission (eNRLMS)</th>
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<tbody>
<tr>
<td>MIS Development Agency</td>
<td>1,000.00</td>
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<tr>
<td>IT Infrastructure, Websites and portals (National Level)</td>
<td>250</td>
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<tr>
<td>TSP for Insurance &amp; Social Security</td>
<td>432</td>
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<tr>
<td>TSP for Bank Linkage portal upgradation</td>
<td>480</td>
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<tr>
<td>TSP for on-demand credit delivery system</td>
<td>400</td>
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<tr>
<td>MIS Analytics</td>
<td>50</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>2622.00</strong></td>
</tr>
<tr>
<td>Component</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td><strong>D4: Governance and Accountability</strong></td>
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</tr>
<tr>
<td>GAC System (National Level)</td>
<td>250</td>
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<tr>
<td>GAC System (State Level)</td>
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<td><strong>Sub-Total</strong></td>
<td>575</td>
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<tr>
<td><strong>D5: Knowledge Management and Communication</strong></td>
<td></td>
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<td>Knowledge Management and Communication (National Level)</td>
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<tr>
<td>Knowledge Management and Communication (State Level)</td>
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<td><strong>Sub-Total</strong></td>
<td>700</td>
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<td><strong>Component D: Grand Total</strong></td>
<td>8247.00</td>
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</tbody>
</table>
ATTACHMENTS
**Attachment 1: Mission Antyodaya**

**Introduction**
Mission Antyodaya is an effort to address the multidimensional aspects of poverty with existing resources under various central/state government programmes like DAY-NRLM, PMAY, MGNREGA, DDU-GKY, SSA, NHM, ICDS, SBM, PMKSY etc. It is an effort at convergent planning with a Gram Panchayat/Rural Cluster as a unit of planning. It will follow a saturation approach and therefore there will be a sequence of taking up GPs/Clusters, those with DAY-NRLM SHGs/ODF/SAGY/Rurban Clusters/Water stressed as starting point. It proposes to bring all resources together- financial and human that address the poverty of households.

State governments may utilize the expertise of the civil society organizations/non-government organizations/corporate social responsibility initiatives having proven expertise in the field of rural development to ensure time-bound, effective and efficient realization of the objective of the Mission Antyodaya. The notion of a poverty-free Gram Panchayat – Mission Antyodaya is based on a multi-dimensional understanding of poverty as illustrated below:

The three broad categories of indicators to measure the PFGP are 1. Infrastructure, 2. Human Development Parameters and 3. Economic Development and Livelihoods/ Key broad areas where PFGP will focused will be Health and Nutrition, Hygiene and Sanitation, Social Security, Food Security, Agriculture & Livelihoods, Education, Basic services and amenities and Good Governance

**Indicators for measuring Poverty Free GPs**

<table>
<thead>
<tr>
<th>Infrastructure and Access to Services</th>
<th>Social Development and Protection</th>
<th>Economic Development and Diversification of Livelihoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Weather Road</td>
<td>% of children fully immunized</td>
<td>% of HHs with Bank loans for diversified livelihood</td>
</tr>
</tbody>
</table>
### Infrastructure and Access to Services

<table>
<thead>
<tr>
<th>Internet Connectivity with Bank/Banking Correspondent</th>
<th>% of 0-3 yrs. old children underweight, stunted, wasted</th>
<th>% of HHs earning through dairy &amp; animal resources.</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Households (HHs) with safe housing</td>
<td>% Deprived HHs with maternity benefits/health Protection, access to basic medicines &amp; primary care.</td>
<td>% of HHs with placement /settlement in wage/self-employment.</td>
</tr>
<tr>
<td>% of HHs getting power for 12 hours daily</td>
<td>% of HHs with food security and clean water</td>
<td>% of HHs with over Rs. 10,000 in Savings account.</td>
</tr>
<tr>
<td>% of HHs cooking on LPG</td>
<td>% of girls completing Secondary Education/ Skill Certificate Course</td>
<td>% of HHs in non-farm employment with skills, markets and Bank linkage.</td>
</tr>
<tr>
<td>% of Agricultural Land giving 2 crops/protective irrigation.</td>
<td>% of needy old, widows, disabled under social protection</td>
<td>% of HHs in Farmers’ Producer Organizations/ PACS</td>
</tr>
<tr>
<td>ODF village Village with community waste disposal system</td>
<td>% of 18-24 year covered under Skills/Higher Education</td>
<td>% of women in paid/self-employment</td>
</tr>
</tbody>
</table>

### Social Development and Protection

<table>
<thead>
<tr>
<th>Participating Ministries/Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rural Development</td>
</tr>
<tr>
<td>• Panchayat Raj</td>
</tr>
<tr>
<td>• Land Resources</td>
</tr>
<tr>
<td>• Drinking Water and Sanitation</td>
</tr>
<tr>
<td>• Skill Development &amp; Entrepreneurship</td>
</tr>
<tr>
<td>• Water Resources</td>
</tr>
<tr>
<td>• Tribal Affairs</td>
</tr>
<tr>
<td>• Agriculture Cooperation and Farmers Welfare</td>
</tr>
<tr>
<td>• Animal Husbandry</td>
</tr>
<tr>
<td>• Health and Family Welfare</td>
</tr>
<tr>
<td>• Women and Child Development</td>
</tr>
<tr>
<td>• School Education and Literacy</td>
</tr>
<tr>
<td>• Social Justice &amp; Literacy</td>
</tr>
<tr>
<td>• Empowerment of Persons with Disabilities</td>
</tr>
<tr>
<td>• Food &amp; Public Distribution</td>
</tr>
<tr>
<td>• Culture and Tourism</td>
</tr>
<tr>
<td>• Youth Affairs</td>
</tr>
<tr>
<td>• Sports</td>
</tr>
</tbody>
</table>

### Economic Development and Diversification of Livelihoods

<table>
<thead>
<tr>
<th>Participating Ministries/Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Telecommunications</td>
</tr>
<tr>
<td>• Electronics &amp; Information Technology (MeitY)</td>
</tr>
<tr>
<td>• Power</td>
</tr>
<tr>
<td>• New and Renewable Energy</td>
</tr>
<tr>
<td>• Textiles</td>
</tr>
<tr>
<td>• Finance</td>
</tr>
<tr>
<td>• Petroleum &amp; Natural Gas</td>
</tr>
<tr>
<td>• Micro Small and Medium Enterprises</td>
</tr>
</tbody>
</table>

### Activities to be undertaken in NRETP

1. Formation of core committee- National, State, District and Sub-district level for coordinating and converging different programmes and interventions
2. Designating a point person for MA at SMMU/DMMU/BMMU level
3. Issuing advisory on involvement of SHGs and federations as part of GP level coordination committee and participation of in GPDP planning process
4. Coverage of all target HHs into SHGs
5. Strengthening of SHGs and Federations
6. Bank Linkages to all SHGs
7. Formation & training of sub-committees for convergence at federation level
8. Provision of Community Investment Support Fund (RF, CIF, VRF) through NRLM
9. Livelihood development - MKSP and SVEP
10. Imparting training to SHGs and their federations on 73rd Amendment- Role of PRIs, Gram Sabha, GPDP, Women Sabha, Bal Sabha, etc.
Attachment 2: Note on Convergence with Health and Nutrition

The Congruence of Health and Livelihoods is well recognized and hence DAY-NRLM has taken steps to universalize health, nutrition and WASH in its Framework. The Advisories, Protocols and Guidelines to the State Rural Livelihood Missions emphasize the need to converge with the relevant Government Departments, to promote related livelihoods, and to promote behaviour change especially in maternal and child health and nutrition.

Learnings from NRLP

Work on health, nutrition and WASH was initiated in 2016 – 2017 and 2018 – 2019, in select Blocks of 9 of the 13 NRLP States. The learning is encapsulated in the following bullets:

i. There is a need for dedicated Human Resource. The intent to initiate work on health, nutrition and WASH is there, but the lack of dedicated human resource at the State and Block Levels slowed the work.

ii. Interventions were led by the Block Level Staff and Resource Persons. There is a need to enhance the capacity of women’s federations to lead on the programme, and sustain the work done.

iii. DAY-NRLM’s contributions to the National Nutrition Mission are largely in the area of Nutrition Sensitive Interventions, and there is a need to promote Agri Nut Linkages.

iv. And finally, WASH is an area to promote sustainable livelihoods. Women’s Collectives promoted by DAY-NRLM have proactively participated in the Swachh Bharat Mission, and now it is time to promote the next rung of the sanitation ladder.

Proposed Interventions under NRETP

The work on Health, Nutrition and WASH will be under the overall focus on Social Inclusion and Social Development (SISD), which itself is a part of the Institution Building and Capacity Building (IBCB) Team. The overall objective will be to develop systems, protocols and guidelines; and well monitored interventions, to enable replication and scale up across all the other Blocks of DAY-NRLM.

As per the Joint Advisory between the Ministries of Rural Development, Women and Child Development and Health & Family Welfare:

- Mobilize women to participate in the Village Health, Sanitation and Nutrition Days;
- In convergence with the ASHA, ANM and AWW, participate in one meeting / month of the SHGs, VOs and CLFs, to generate awareness and promote behaviour change in Mother and Young Child Health and Nutrition, and WASH Issues;
- Advocate for, and promote use of, the Vulnerability Reduction Fund for medical care and hospitalization;
- Monitor the quality of VHND and ICDS Services, and engage with the concerned officials to ensure women and children realize their entitlements;
- Agri Nut Linkages will be promoted, through a well designed and implemented Farm to Plate Education,
- Livelihoods around Health, Nutrition and WASH will be promoted, especially in the area of Solid and Liquid Waste Management
- A community-based monitoring system will be developed and put into place, to monitor reach and outputs of the interventions, and integrated into the National MIS of DAY-NRLM.
- At each of the 600 Cluster Federation Level and 18,000 Village Organization Level, it is proposed to train 2 members each, and capacitate them to work on Health, Nutrition and WASH Issues at the SHG Level. Thus, it is proposed to capacitate 37,200 Community Resource Persons.
Proposed Pilot Projects: The Overall Objective of the Pilots is to develop systems, protocols and guidelines for these subjects, based on a close monitoring of the work, for replication and scale up across DAY NRLM.

- **Pilot project on Agri-Nutrition Linkages:** As more than 50% of women and children found to be anaemic, there is a need to address the problem in a comprehensive manner. The pilot will focus on linking the work being done on promoting agriculture based and livestock-based livelihoods to link up with nutrition education, through a well-designed, implemented and monitored intensively. The main interventions of the pilot are: 1. Perennial fruit and vegetable cultivation, 2. Promotion of maternal and child diet diversity, through a farm to plate education methodology, 3. Counselling will be done by the CRPs of IBCB and Livelihood Streams. The financial support is mainly required for designing the tools for education and monitoring, capacity building of CRPs and intensive monitoring.

- **Pilot on Solid and Liquid Waste Management:** Although staff and communities were exposed to the Solid and Liquid Waste Management Approaches in Tamil Nadu and Chhattisgarh, limited participation by MGNREGS has stymied progress. Meanwhile, the mission has motivated communities, who have successfully worked on developing open defecation free villages. There is also immense scope in promoting sustainable WASH livelihoods. Solid and Liquid Waste Management is also being planned for implementation in all the Mission Antyodaya Villages. Hence, this pilot will demonstrate safe disposal of solid and liquid wastes at a cost community can afford, and also demonstrate how the villages can generate sustainable funds from this. The systems will be documented for further replication across all the 160 Blocks.

**Monitoring and Reporting**

- The focus will be on developing simple indicators for monitoring, which will be integrated into the National MIS.
- Essentially, emphasis will be on reach as output indicators.
- The one outcome indicator which will be promoted is Diet Diversity of Mothers and Children, on a sample basis, through the Community Based Monitoring System.

**Implementation Arrangements**

- 1 State Programme Manager for work on Social Inclusion and Social Development (SISD), as member of the State Mission Management Unit across the 9 States.
- 1 Community Coordinator per Block to work on Health, Nutrition and WASH across the 160 Blocks.