

Introduction of NRLM

Genesis

The Swarnjayanti Gram SwarozgarYojana (SGSY) was a flagship programme of the Ministry of Rural Development. It was started in 1999 and was restructured in FY 2010-11 for implementation as the National Rural Livelihoods Mission. The SGSY aimed at providing sustainable income to rural BPL households through income generating assets/economic activities in order to bring them out of poverty.

Evaluation of the SGSY by National Institute of Rural Development (NIRD), Bankers Institute of Rural Development (BIRD) and several others institutions showed mixed results.

Out of estimated 25 million households organized into SHGs until 2010, only 22% succeeded in accessing bank credit. The studies showed that there were significant variations in the extent of mobilization of poor SHGs and the quality of their operation. The one-off assetization programme focusing on single livelihood activity did not meet multiple livelihood requirements of the poor. Often, the capital investment was provided up-front as a subsidy, without adequate investment in social mobilization or group formation.

Furthermore, uneven geographical spread of SHGs, high attrition rates among members of SHGs, and lack of adequate banking sector response impeded the program performance. Several states did not fully invest the funds received under SGSY. This fact indicated a lack of proper delivery systems and dedicated efforts for skill training and building capacity for resource absorption among the rural poor. There was a considerable mismatch between program capacity and program requirements. Absence of collective institutions in the form of SHG federations precluded the poor from accessing higher order support services for productivity enhancement, marketing linkages or risk management

It is in this context that the Ministry of Rural Development (MoRD), Government of India (GoI) constituted a Committee on Credit Related Issues under SGSY (under the Chairmanship of Prof. Radhakrishna) to examine various aspects of the scheme implementation. The Committee recommended adoption of a 'Livelihoods Approach' to rural poverty elimination. The approach encompassed the following four inter-related tasks:

- Mobilizing poor households into functionally effective SHGs and their federations
- Enhancing access to bank credit and financial, technical and marketing services
- Building capacities and skills for gainful and sustainable livelihoods development

- Converging various schemes for efficient delivery of social and economic support services to poor households

The government accepted the recommendation of the Committee and restructured SGSY into National Rural Livelihoods Mission (NRLM) in FY 2010-11 to provide a sharper and greater focus as well as momentum for poverty reduction. The decision also aimed to achieve the Millennium Development Goals (MDG) by 2015. The Framework for Implementation for N.R.L.M was approved by the Ministry on 9th December, 2010 and the Mission was formally launched on 3rd June, 2011.

Mission

NRLM implementation is in a Mission Mode. This enables (a) shift from the present allocation based strategy to a **demand driven strategy** enabling the states to formulate their own livelihoods-based poverty reduction action plans, (b) focus on targets, outcomes and time bound delivery, (c) continuous capacity building, imparting requisite skills and creating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector, and (d) monitoring against targets of poverty outcomes. As NRLM follows a demand driven strategy, the States have the **flexibility to develop their livelihoods-based perspective plans and annual action plans for poverty reduction**. The overall plans would be within the allocation for the state based on inter-se poverty ratios.

NRLM Mission

"To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions of the poor."

NRLM Guiding Principles

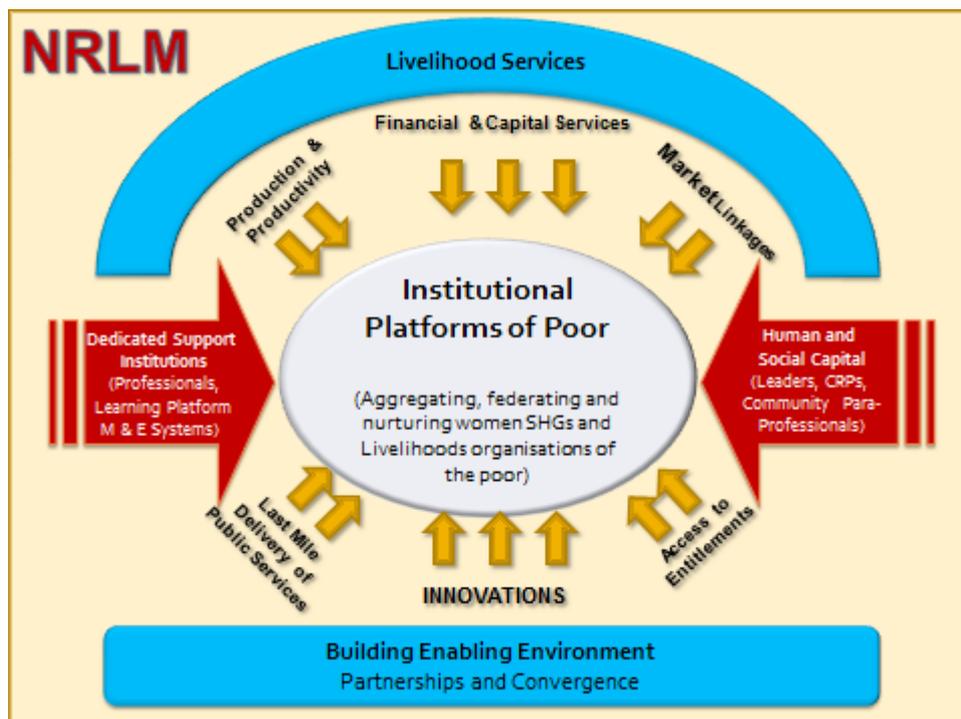
- Poor have a strong desire to come out of poverty, and they have innate capabilities
- Social mobilization and building strong institutions of the poor is critical for unleashing the innate capabilities of the poor.
- An external dedicated and sensitive support structure is required to induce the social mobilization, institution building and empowerment process.
- Facilitating knowledge dissemination, skill building, access to credit, access to marketing, and access to other livelihoods services underpins this upward mobility.

NRLM Values

The core values which guide all the activities under NRLM are as follows:

- Inclusion of the poorest, and meaningful role to the poorest in all the processes
- Transparency and accountability of all processes and institutions
- Ownership and key role of the poor and their institutions in all stages – planning, implementation, and, monitoring
- Community self-reliance and self-dependence

NRLM Frame Work



Participatory Identification of Poor (PIP)

The inclusion of the target group under NRLM is determined by a well-defined, transparent and equitable process of participatory identification of poor, at the level of the community. All households identified as poor through the PIP process is the NRLM Target Group and is eligible for all the benefits under the programme.

Target Group is identified through the Participatory Identification of Poor (PIP) method. The NRLM Target Group (NTG) derived through the PIP is de-linked from the BPL. The efforts to roll-out PIP in the states have begun. PIP needs to be a community-driven process. To ensure this, the first PIP exercise is conducted after the formation of the primary federation (6-12 months after village entry). The PIP is conducted at frequent intervals to revise the list

of poor in the village. The list of poor identified through the PIP must be vetted by the Gram Sabha and approved by the Gram Panchayat. All the households in the PIP list are eligible to receive all benefits under NRLM.

Social mobilization & Institution building

Social mobilization is the cornerstone of participatory approaches in rural development and poverty alleviation programmes. Effective Social mobilization strengthens participation of rural poor in local decision-making, improves their access to social and production services and efficiency in the use of locally available financial resources, and enhances opportunities for asset-building by the poorest of the poor.

The primary objective of social mobilization and institution building is to have strong and sustainable institutions at the community level. Through effective social mobilization, people can organize themselves to take action collectively by developing their own plan and strategy rather than being imposed from outside. The HSRLM has adopted differential strategies for social inclusion and mobilization of all identified BPL households into functionally effective & Self-Managed institutions, with particular focus on vulnerable sections like scheduled castes, disabled, landless, migrants labour, isolated communities, and minority..

Strong affinity based and quality institutions of poor starting from SHGs at village level are the primary building block of the NRLM institutional design. Under the mission, only SHGs with exclusive women membership are promoted.

With the support of the Community Resource Persons (CRP), these aggregates would graduate into higher level institutions like Village organizations, Cluster and Block Level Federations.

Training & Capacity Building

Training & Capacity Building of the poor ensures that they are provided with the requisite skills for managing their institutions, managing their livelihoods, for enhancing their credit absorption capacity and credit worthiness. A multi-pronged approach for training and continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers and other key stakeholders is envisaged. Particular focus is given to develop and engage community professionals, community resource persons for capacity building.

Through effective training and capacity building, a large pool of social capital would be generated. The Mission will make extensive use of ICT to make knowledge dissemination and capacity building more effective.

Financial Inclusion

The mission aims at achieving universal financial inclusion, which will go beyond providing basic banking services to all the poor households/SHGs/federations.

Access to finance at affordable price, desired amount and convenient repayment terms is critical for poverty reduction. Repeated doses of credit are essential to help poor to smoothen consumption and support investments in assets (acquisition, renewal and expansion). The poorest and vulnerable in several parts of the country still depend upon wages in kind. In times of food, health and other shocks, they borrow food or money from informal sources at usurious interest rates which is repayable in kind, labour and produce. The poor therefore need to come out of this debt trap as the first step out of poverty. The Reserve Bank of India defines financial inclusion as providing access to appropriate financial products and services to the most vulnerable group of the society in a fair, transparent and cost-effective manner by the mainstream financial institutions. Making poor the preferred clients of the banking system is core to the NRLM financial inclusion strategy. Mobilization of bank credit is crucial for accomplishing investment goals under NRLM.

Financial Inclusion under the NRLM includes:

- Provision of basic banking services
- Revolving Fund support to eligible SHGs
- Preparation of Micro Credit/Investment Plans
- SHG Credit Linkage with Banks
- Provision of Interest subvention

Skill Development & Placement

Creating one job per poor household brings the whole family out of poverty in a short period of time. The rationale generates from the idea that formal sector employment brings in stable and higher levels of income. Several labour intensive industries and service sectors face shortage of skilled manpower even while there is a vast segment of unemployed youth. The mission aims to take steps to make skill development an entitlement of the rural poor and

attempt to bridge the skill gap and entry level barriers for the youth from the poor and vulnerable households and facilitate their entry into relatively high wage employment in the growing sectors of the economy.

The Mission will offer complete 'jobs' solution to the unemployed rural youth - identifying the unemployed, skilling and re-skilling them, placing them in jobs, providing post placement support, counselling and mentorship, leveraging an alumni network. This also enables the poor to migrate to growth centers for jobs in organized sector on better terms, with better skills, higher wages and a sensitive support network instead of distressed migration.

The Ministry of Rural Development, Government of India has sanctioned 11 projects in the state of Haryana. A total number of 39330 candidates will be trained under the project within a period of 3 years.

The details regarding the sanctioned projects are provided below:

Rural Self Employment Training Institutes

RSETI concept is built on the success of Rural Development Self Employment Institutes (RUDSETI) model pioneered by collaborative partnership between SDME Trust, Syndicate Bank and Canara Bank. The model envisages transforming unemployed youth into confident self employed entrepreneurs through a short duration experiential learning program followed by systematic long duration hand holding support. The trainings are executed in such a way that they build entrepreneurship qualities improve self confidence, reduce risk of failure and develop them into change agents. Unique to this model is complete involvement of the banks in selection, training and post training follow up stages.

NRLM encourages public sector banks to set up Rural Self Employment Training Institutes (RSETIs) in all districts of the country. A one-time grant of Rs.1 crore will be made to set up one RSETI in each district in each state, while the state governments will provide free land for the institutes in the districts. Other recurring costs of the institutes will be borne by the sponsoring banks.

NRLM will partner with RUDSETI to provide structured technical assistance to banks and RSETIs for improving the effectiveness of their programs. The areas of technical assistance would include trainee selection methodologies, course development, training pedagogy, MIS and post-training follow-up mechanisms.

Livelihood Promotion

The mission will seek to ensure that the infrastructure needs for key livelihoods activities of the poor are met with. Particular attention would be given to activities for providing marketing support to SHGs which will include support for market research, market intelligence, technology, extension and developing backward and forward linkages. This will also include support to build livelihoods collectives.

The activities under the Livelihood Promotion would include:

- Promotion of specialized livelihood institutions and producer collectives
- Productivity enhancement initiatives and community extension models
- Small scale productive infrastructure and local value addition
- Collective input purchase and collective marketing

Convergence and partnerships

Convergence: NRLM places a high emphasis on convergence with other programmes of the MoRD and other Central Ministries. Convergence is also sought with programmes of state governments for developing synergies directly or indirectly with institutions of the poor.

Partnerships with NGOs and other CSOs: NRLM has been proactively seeking partnerships with Non-Government Organizations (NGOs) and other Civil Society Organizations (CSOs), at two levels - strategic and implementation. The partnerships are guided by NRLM's core beliefs and values, and mutual agreement on processes and outcomes. Partnership guidelines to partner with NGOs, CSOs have been finalized and approved this year.

Linkages with PRIs: In view of the eminent roles of Panchayat Raj Institutions (PRIs), it is necessary to consciously structure and facilitates a mutually beneficial working relationship between Panchayats and institutions of the poor, particularly at the level of Village Panchayats. Formal platforms would be established for regular consultations between such institutions and PRIs for exchange of mutual advice, support and sharing of resources.

Sensitive Support Structures

NRLM's process-intensive effort requires dedicated human resources. Realizing this, NRLM has set up sensitive and dedicated support structures at the National (NMMU), State (SMMU), district (DMMU) and sub-district levels (BMMU/PFT). The institutions of the

poor, their staff and other social capital also provide the support in implementing the programme. These structures would have suitable linkages with Government(s), District Rural Development Agencies (DRDAs), and PRIs. These support structures are staffed with professionally competent and dedicated human resources through appropriate arrangements including partnerships and outsourcing of services.

In order to implement the NRLM effectively, National Rural Livelihoods Promotion Society (NRLPS) has been set up under the Societies' Registration Act of 1860, under MoRD, as the technical arm of the Mission. The NMMU has been made an integral part of NRLPS.

Implementation at Block Level

NRLM intends to work in a block for a period of ten years till community federations take responsibility of implementation. A typical block having about 13,500 (90% of total poor) mobilize-able poor households spread over 100-120 villages is divided into 4 clusters of 30 villages each. In a typical intensive block, the first 3 years are spent in building the organisations of the poor by mobilising them into SHGs, Federations at Village, Cluster level and Block level. Funds flow to the community institutions over the first 4-5 years. The middle years, years 3-6, are invested in deepening the activities and addition of various layers such as health, nutrition, interventions for Persons with Disability (PwD), etc. Last 4 years is essentially a maintenance and withdrawal phase where the community institutions graduate to self-reliance and self-sustainability.

Implementation in the blocks is being done in four ways –

- a) **Resource Blocks*** with the support from National Resource Organization(s) (NRO) [5-6% blocks in a state];
- b) **Intensive Blocks**** implemented with SRLM staff and internal community resource persons and the CRPs generated in resource blocks;
- c) **Partnership Blocks***** with the support from local community federations and NGO partners; and
- d) **Non-intensive Blocks****** are the remaining blocks in the state which are not taken up for implementation in the initial phase

Support Structure

NRLM has set up dedicated sensitive support units at the National, State, district and sub-district levels, to catalyze social mobilization, build institutions, capacities and skills, facilitate financial inclusion and access to financial services, support livelihoods and to promote convergence and partnerships with various programmes and stakeholders. These units would be staffed with professionally competent and dedicated human resources.



At the national level, Ministry of Rural Development (MoRD) is required to provide technical and professional support to the states to establish the Mission societies, implementation architecture and systems and guide them in the implementation and monitor their progress. For this, NRLM Empowered Committee (EC) has been set up which reviews and approves the Implementation Plans and Annual Action Plans and release the funds to SRLMs. The Joint Secretary/Additional Secretary, Rural Livelihoods (RL), MoRD leads NRLM as Mission Director and Chief Executive officer (CEO) of National Rural Livelihoods Promotion Society (NRLPS) with the Union Minister In-charge of the Ministry/Department dealing with the Society shall be the ex-officio President of the Society. NRLPS comprises of multidisciplinary team of professionals from open market on contract, and requisite support staff to provide wide ranging professional and technical support to the National Rural Livelihoods Mission and the State Rural Livelihoods Missions in the implementation of their Mission Objectives.

At the state level, the State Rural Livelihoods Mission (SRLM) constituted by State Government, would oversee the implementation of all NRLM related activities in the state.

An autonomous body under the State Government, SRLM would be incorporated as a society, trust or company. State Mission Management Unit (SMMU) would implement the NRLM activities in the state through an SMMU, at the state level, headed by a full-time State Mission Director (SMD). A multidisciplinary SMMU team would comprising of experts in Social Inclusion, Financial Inclusion, Livelihoods, Programme Management, Programme Support etc., would support the SMD in implementing NRLM in the state.

District Mission Management Unit (DMMU): The DMMU of the SRLM would be responsible for meeting NRLM objectives and implementing NRLM activities in the district. DMMU, linked suitably with DRDA, would be a facilitating and support unit for field structures. A multidisciplinary DMMU, led by District Mission Manager (DMM), hired from open market on contract or on deputation from Government, includes functional specialists in Social Inclusion, Financial Inclusion, Livelihoods, Capacity Building, Programme Management, Programme Support etc., and support staff, as required. These specialists and staff would be hired in a phased manner, as required, on contract or on deputation.

Support Structures at Sub-district level: The Sub-district level Support Structure is either-

- a) Block Mission Management Unit (BMMU) led by a Block Mission Manager (BMM) and consisting of 3-5 spearhead teams; or
- b) Project Facilitation Team at cluster (sub-block) level

The members of sub-district structure(s), including the BMMs, if any, would be recruited from the open market or on deputation.

Status of NRLM at HSRLM Jind till November 2018

Block	4
GP	130
Village	130
SHG	1260
VO	40
CLF	1
RF	45.85 Lakh
CIF	101.8 Lakh