Harnessing Women Power to Eliminate Poverty
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I  NRLP: Genesis, Strategy, Components and Progress
1.1 Genesis

The Swarnjayanti Gram Swarozgar Yojana (SGSY), a flagship programme of the Ministry of Rural Development, implemented for well over a decade since 1999 has been restructured and is being implemented as National Rural Livelihoods Mission since FY 2010-11. The SGSY aimed at providing sustainable income to rural BPL households through income generating assets / economic activities so as to bring them out of poverty. However, evaluation of the SGSY by National Institute of Rural Development (NIRD), Bankers Institute of Rural Development (BIRD) and several others showed mixed results. Out of the estimated 25 million households organized into SHGs up to 2010, only 22% were able to access bank credit. The studies brought out significant variations in the extent of mobilization of the poor SHGs and the quality of their functioning. The one-off assetization programme focusing on single livelihood activity has not met multiple livelihood requirements of the poor. Often, the capital investment was provided up-front as a subsidy without adequate investment in social mobilization and group formation. Besides, uneven geographical spread of SHGs, high attrition rates among members of SHGs and lack of adequate banking sector response, had impeded the program performance. Further, several states were not able to fully invest the funds received under SGSY, indicating a lack of appropriate delivery systems and dedicated efforts for skill training and building resource absorption capacity among the rural poor. There was a considerable mismatch between the capacity of implementing structures and the requirements of the program. Absence of collective institutions in the form of SHG federations precluded the poor from accessing higher order support services for productivity enhancement, marketing linkages and risk management.

1.2 Establishment of NRLM

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 look into various aspects of the scheme implementation. The Committee recommended adoption of a ‘livelihoods approach’ to eliminate rural poverty, encompassing the four inter-related tasks of:
• mobilizing all the poor households into functionally effective SHGs and their federations;
• enhancing their access to bank credit and other financial, technical and marketing services;
• building their capacities and skills for gainful and sustainable livelihoods development; and
• converging various schemes for efficient delivery of social and economic support services to poor with optimal results.

The Government accepted the recommendation of the Committee and restructured SGSY into National Rural Livelihoods Mission (NRLM) to provide greater focus and momentum for poverty reduction and 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.

1.3 NRLM

1.3.1 Objective of NRLM
NRLM is designed to bring about a sustainable improvement in the livelihoods of the rural poor. The Mission has set out an agenda to reach out to and support 70 million poor households across 600 districts of the country, to come out of poverty. The central objective of the Mission is to “establish efficient and effective institutional platforms of the rural poor that enable them to increase household incomes through livelihood enhancements and improved access to financial and public services”. Thus, the focus of the Mission is on building community institutions of the poor which would enable them to leverage financial resources, livelihood support, public services and to redeem their entitlements. While doing so, the Mission intends to bring about a systemic reform and transform the role of MORD, from focusing on allocation, disbursement and monitoring of central government resources, to one of providing quality technical assistance to states in implementing the NRLM.
1.3.2 Salient Features of NRLM
The salient features of the NRLM are:

- at least one woman member from each identified rural poor household, to be brought under the Self Help Group (SHG) network in a time-bound manner, the ultimate target being full coverage of BPL families;
- setting up of strong institutions of the poor in the form of SHGs and their federations, Producers Groups etc. for reducing dependence on external agencies;
- a multi-pronged approach envisaged for continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers, Non Government Organizations (NGOs) and other key stakeholders;
- subsidy to be available in form of revolving fund and Community Investment Fund (CIF) as an incentive for inculcating the habit of thrift and accumulation of their own funds towards meeting their credit needs in the long run and immediate consumption needs in the short run;
- universal financial inclusion of all poor households, SHGs and their federations;
- in order to ensure affordable credit, the NRLM has a provision for subsidy on interest rates above 7 percent per annum for all eligible SHGs which have accessed loans from mainstream financial institutions, based on prompt loan repayment;
- to look at stabilizing and enhancing existing livelihoods and subsequently diversifying them;
- to pursue skill up-gradation and placement projects through partnership mode; and
- to promote convergence with other programmes of the Government.

1.3.3 Target Beneficiaries
All NRLM benefits are intended only for women members of poor/ BPL households, subject to the following statutory norms;

a. SCs and STs beneficiaries :50%
b. Beneficiaries from minority groups :15%
c. Persons with Disability :3%
1.3.4 Improved Targeting Under N.R.L.M

The Government has recently approved certain changes to the target group under NRLM. Until recently, only rural households included in the official B.P.L lists were eligible to be targeted under N.R.L.M. As the official BPL lists prepared in 2002 were dated and suffer from certain inclusion and exclusion errors, the Govt approved all households identified as poor through a PIP process as eligible NRLM target group for all benefits. Thus, the target group under NRLM identified through the process of PIP is now a separate group, de-linked from the existing BPL lists. However, the financial allocations to the state under the Mission will continue to be based upon the existing allocation criteria based on inter-se poverty ratio among the states. The allocations to the states will not therefore be dependent on the number of households identified under PIP.

1.3.5 Phased implementation

N.R.L.M is a highly process oriented programme and requires intensive application of resources, both financial and human, in order to mobilize the poor into functionally effective institutions, promote their financial inclusion and diversify and strengthen their livelihoods. It is, therefore, not feasible to roll out the programme in full scale across the country in one go, and therefore, it has been decided to phase the implementation of the programme over a period of 7 - 8 years. The indicative phasing is as under:-

Table 1  NRLM: Phasing Strategy

<table>
<thead>
<tr>
<th>Phase</th>
<th>Year</th>
<th>Addl. Districts to be covered in each phase</th>
<th>Addl. Blocks to be covered in each phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>1-2</td>
<td>150</td>
<td>600</td>
</tr>
<tr>
<td>Phase II</td>
<td>3-4</td>
<td>150</td>
<td>1500</td>
</tr>
<tr>
<td>Phase III</td>
<td>5-6</td>
<td>300+ all balance districts</td>
<td>2100</td>
</tr>
<tr>
<td>Phase IV</td>
<td>7-8</td>
<td>(all districts would have been covered by phase III)</td>
<td>all balance blocks - 1800 plus</td>
</tr>
</tbody>
</table>

The blocks and districts in which all components of N.R.L.M are implemented are treated as ‘intensive’ blocks and districts, whereas the remaining as ‘non-intensive’ blocks and districts.
1.4 NRLP

NRLM has been designed to be implemented in all States and Union Territories except Delhi and Chandigarh. However, it would be difficult to implement NRLM which involves a fundamental systemic reform simultaneously in all the 28 States and 7 Union Territories in India, unless a ‘proof of concept’ is established and the states are prepared to transit from SGSY to NRLM. Apart from creating an enabling environment in the states, the institutional capacities of the Central and State governments need to be developed to understand, adopt and implement the NRLM to produce significantly higher outcomes. Further, not all the states have similar community institutional environment which is central to NRLM. Therefore, NRLP 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. Furthermore, NRLP seeks to make investments in developing a wide range of partnerships with private sectors, civil society and other development institutions for bringing in new ideas, innovations, services and delivery mechanisms.

The Planning Commission has allocated an amount of Rs. 29,000 crore for NRLM for the 12th plan period. In addition, Government of India signed an agreement with IDA/World Bank in July 2011. In order to provide additional resources for the high poverty states to undertake intensive investments, GoI signed an agreement with IDA/ The World Bank in July, 2011, for credit of an amount of US $ 1 billion(Approximately Rs. 4500 crore) for National Rural Livelihoods Project (NRLP) to be availed over a period of five years, which has since been restructured and the credit amount reduced to $500 million. This credit amount is being used to augment resources available for implementing the mission in select blocks of 13 high poverty states which account for 92% of the rural poor in the country. These states are listed in Table 2. Even among these 13 states, the intensive livelihood investments are to be restricted to 100 districts and 400 blocks.
### Table 2  
**Poverty status in states**

<table>
<thead>
<tr>
<th>S.No</th>
<th>States</th>
<th>% of Rural Persons</th>
<th>No of Rural Persons (lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assam</td>
<td>33.89</td>
<td>92.06</td>
</tr>
<tr>
<td>2</td>
<td>Bihar</td>
<td>34.06</td>
<td>320.40</td>
</tr>
<tr>
<td>3</td>
<td>Chhattisgarh</td>
<td>44.61</td>
<td>88.90</td>
</tr>
<tr>
<td>4</td>
<td>Gujarat</td>
<td>21.54</td>
<td>75.35</td>
</tr>
<tr>
<td>5</td>
<td>Jharkhand</td>
<td>40.84</td>
<td>104.09</td>
</tr>
<tr>
<td>6</td>
<td>Karnataka</td>
<td>24.53</td>
<td>92.80</td>
</tr>
<tr>
<td>7</td>
<td>Madhya Pradesh</td>
<td>35.74</td>
<td>190.95</td>
</tr>
<tr>
<td>8</td>
<td>Maharashtra</td>
<td>24.22</td>
<td>150.56</td>
</tr>
<tr>
<td>9</td>
<td>Odisha</td>
<td>35.69</td>
<td>126.14</td>
</tr>
<tr>
<td>10</td>
<td>Rajasthan</td>
<td>16.05</td>
<td>84.19</td>
</tr>
<tr>
<td>11</td>
<td>Tamil Nadu</td>
<td>15.83</td>
<td>59.23</td>
</tr>
<tr>
<td>12</td>
<td>Uttar Pradesh</td>
<td>30.4</td>
<td>479.35</td>
</tr>
<tr>
<td>13</td>
<td>West Bengal</td>
<td>22.52</td>
<td>141.14</td>
</tr>
<tr>
<td>14</td>
<td>Sub Total:</td>
<td></td>
<td>2005.16 (92.54%)</td>
</tr>
<tr>
<td>15</td>
<td>All India</td>
<td>25.7</td>
<td>2166.58 (100%)</td>
</tr>
<tr>
<td>16</td>
<td>Others</td>
<td></td>
<td><strong>161.42</strong></td>
</tr>
</tbody>
</table>

(Source: Planning Commission, Press release on Poverty Estimates, 2011-12)

Intensive investments are also proposed be made as part of NRLM (GOI funds) in a few districts and blocks. Thus, the NRLP has been designed as a subset of NRLM to provide dedicated support to the intensive blocks which are expected to provide the ‘proof of concept’ for the rest of the country to adopt similar approaches to poverty alleviation (in terms of staff structures, community investment support and other types of support to the poor).

1.4.1  **Components of NRLP**

The activities detailed in the components described below are expected to provide the enabling environment for the effective utilization of all the resources allocated by the GoI to the NRLM. With the exception of Component II meant only for the 13 targeted states, the remaining components are intended to provide support at the national level to enable the smooth rollout of the NRLM throughout the country.
**Component A: Institutional and Human Capacity Development (Rs. 306.50 crore):**

The objective of this component is to transform the role of MoRD into a provider of high quality technical assistance in the field of rural livelihoods promotion. This component finances primarily staff, technical assistance consultancies, and training and related course material. Support under this component is meant for 13 states.

A.1 **Technical Assistance**: seeks to establish teams of high quality professionals under National Mission Management Unit (NMMU) to provide technical assistance to the states in various thematic areas.

A.2 **Human Resource Development**: support under this sub-component is intended for development of partnerships with well-established training and research institutions in the field of rural development throughout India that can deliver focused training programs for successful implementation of the NRLM and related activities in the rural development sector.

**Component B: State Livelihood Support (Rs. 3968.50 crore):**

The objective of this component is to support state governments in the establishment of the necessary institutional structures and mechanisms for the implementation of NRLM activities from the state to the block level, including support to the formation of institutions of the rural poor.

B.1 **State Rural Livelihoods Missions (SRLM)** - support the formation of an autonomous and professionally managed missions at the state-level for the implementation of the NRLM comprising of a multi-disciplinary teams with expertise in themes like social mobilization, institution building, capacity building, microfinance, farm and non-farm livelihoods, and job employment, among others.
B.2 **Institution Building and Capacity Building** - support the identification, selection, and mobilization of poor rural households into self-managed institutions, such as Self Help Groups (SHGs) and their federations.

B.3 **Community Investment Support** - provide livelihood grants to the institutions of the poor to enable them to undertake productive livelihood enhancing initiatives.

B.4 **Special Programs** - support for pilot activities that have potential for scaling-up and replication such as last mile delivery of public services including health and nutrition, implementing activities in high-conflict areas in partnership with civil society organizations, green opportunities, climate change-related activities, value-chain development, using new technologies for financial inclusion, among others.

Component C: **Innovation and Partnership Support (Rs. 225 crore):**
The objective of this component is 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. Support under this component will be for all states.

C.1 **Innovation Forums and Action Pilots** - support selected innovations identified through development marketplace-type forums that have the potential to be scaled-up in a viable manner in partnership with development foundations.

C.2 **Social Entrepreneurship Development** - support the development of a network of grassroots innovators and social entrepreneurs, identified through a competitive process, at state and national level.

C.3 **Public-Private-Community-Partnership** - develop and support effective partnerships with the private sector, foundations public corporations, and civil society organizations on livelihoods development for the rural poor throughout India. These could include ICT, agribusiness, commercial banks/MFIs and other financial service providers, and youth employment, among others.
Component D: Project Implementation Support (Rs 500 crore):
The objective of this component is to strengthen the National Mission Management Unit for effective project management at the national level that develops key systems and processes for coordination and management of the proposed project and the NRLM. This component will finance technical assistance consultancies, training and related material, office equipment, MIS development, and operational costs. Support under this component will be for all states. To achieve the objective of this component, the proposed project intends to support the following activities:

D.1 National Mission Management Unit (NMMU)- strengthen the various functions of the NMMU to be able to manage, deliver and support all aspects of not only the NRLP, but also the NRLM.

D.2 Monitoring and Evaluation- given the geographic scale and magnitude of the resources and activities to be supported by the NRLP/NRLM, a comprehensive and robust monitoring and evaluation system will be established to not only track implementation progress but also to provide meaningful reports on household level impacts and implementation experiences so as to enable MoRD and state governments to take corrective actions, if necessary.

D.3 Electronic National Rural Livelihoods Management System (e-NRLMs) and ICT- The objective of this sub-component is to design, develop and roll out Electronic National Rural Livelihoods Management System (e-NRLMS) using state of the art IT platform for hosting and delivering variety of project services like management information system (MIS), decision support systems (DSS), financial management system (FMS), etc.

D.4 Governance and Accountability Framework- the NRLP would support the development and roll-out of a user friendly and highly responsive governance and accountability mechanism by which to ensure that all aspects of the proposed projects are being implemented in accordance with agreed principles and procedures.

D.5 Knowledge Management and Communication- incorporating lessons from experience and communicating consistent and significant messages at both a policy and operational level, is critical for the overall success of the NRLP/NRLM. In this regard, the project will invest in a
variety of products and services to enhance the generation and use of knowledge and communications as a key tool for enhancing the quality of the program.

**Table 3  NRLP Component-wise Allocation**

<table>
<thead>
<tr>
<th>Components/ Sub components</th>
<th>IDA</th>
<th>State Govt.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. In Crore)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Institutional and Human Capacity Building – nationwide support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1 Technical Assistance</td>
<td>237.50</td>
<td>-</td>
<td>237.50</td>
</tr>
<tr>
<td>A.2 Human Resource Development</td>
<td>69.50</td>
<td>-</td>
<td>69.50</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>306.50</td>
<td>-</td>
<td>306.50</td>
</tr>
<tr>
<td>B. State Livelihoods Support- support to 12 states</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.1 State Rural Livelihoods Mission (SRLM)</td>
<td>913.50</td>
<td>-</td>
<td>913.50</td>
</tr>
<tr>
<td>B.2 Institution Building and Capacity Building</td>
<td>932.50</td>
<td>311.00</td>
<td>1243.50</td>
</tr>
<tr>
<td>B.3 Community Investment Support</td>
<td>1632.50</td>
<td>544.00</td>
<td>2176.50</td>
</tr>
<tr>
<td>B.4 Special Programs</td>
<td>490.00</td>
<td>-</td>
<td>499.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>3968.50</td>
<td>855.00</td>
<td>4823.50</td>
</tr>
<tr>
<td>C. Innovations and Partnership Support- nationwide support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.1 Innovation Forums and Action</td>
<td>75.00</td>
<td>-</td>
<td>75.00</td>
</tr>
<tr>
<td></td>
<td>50.00</td>
<td>-</td>
<td>50.00</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td>-</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>225.00</td>
<td>-</td>
<td>225.00</td>
</tr>
<tr>
<td>D. Project Implementation Support- nationwide support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D.1 National Mission Management Unit</td>
<td>88.00</td>
<td>-</td>
<td>88.00</td>
</tr>
<tr>
<td>D.2 Monitoring and Evaluation</td>
<td>117.00</td>
<td>-</td>
<td>117.00</td>
</tr>
<tr>
<td>D.3 Electronic National Rural Livelihoods Management Systems (e-NRLMS)</td>
<td>166.50</td>
<td>-</td>
<td>166.50</td>
</tr>
<tr>
<td>D.4 Governance and Accountability Framework</td>
<td>36.00</td>
<td>-</td>
<td>36.00</td>
</tr>
</tbody>
</table>
1.5 Transition of States to NRLM

In order for the States/Union Territories to transit to NRLM, the following three criteria are required to be met:

- the States should either set-up a society or re-designate an existing society as State Rural Livelihood Mission (SRLM) and place a full time Chief Executive Officer (CEO) to head it;
- a multidisciplinary team of professionals should be put in place in the State society and also at various levels in the first phase in districts and blocks; and
- prepare a 7 year State Perspective Implementation Plan (SPIP) and Annual Action Plan under NRLM ready;

1.6 Status of Transition of States to NRLM

Till March 2013, 18 states had transited to NRLM after meeting the stipulated criteria and the Ministry has approved Annual Action Plans of these States for FY 2013-14. These States are Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Mizoram, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.
1.7 Progress of Implementation of NRLP
Implementation of NRLP gathered momentum during FY 2012-13. Out of 118 NRLP districts identified, intensive implementation had been in progress in 60 districts during FY 2012-13. In respect of the states of Assam, Gujarat, Tamil Nadu and Chhattisgarh, all the identified districts had started implementation. Karnataka, UP, WB, Odisha and Rajasthan had not taken up implementation in intensive districts. Within the intensive districts, only select blocks were identified for mainstreaming intensive strategies. However, implementation was in progress only in respect of 180 out of 444 blocks. States of Karnataka, UP, WB, Odhisha and Rajasthan had not initiated work in the identified blocks. It may be noted that in the blocks taken up, a few Gram Panchayats were taken up in the first phase. Full Saturation of the blocks would require significant amount of time. The detailed progress in respect of different components is discussed in the Chapter on MIS Analytics.
<table>
<thead>
<tr>
<th>S.No</th>
<th>State</th>
<th>Districts</th>
<th>Blocks</th>
<th>Total Districts</th>
<th>Intensive Districts</th>
<th>Intensive Blocks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NRLP Block Startd</td>
<td>NRLP Blocks Startd</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NRLP Block</td>
<td>Impln Startd</td>
<td>Impln Startd</td>
</tr>
<tr>
<td>1</td>
<td>ASSAM</td>
<td>27</td>
<td>219</td>
<td>8</td>
<td>8</td>
<td>25</td>
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<tr>
<td>2</td>
<td>GUJARAT</td>
<td>26</td>
<td>228</td>
<td>9</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
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<td>30</td>
<td>176</td>
<td>5</td>
<td>0</td>
<td>20</td>
</tr>
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<td>4</td>
<td>TAMIL NADU</td>
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<td>385</td>
<td>4</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>5</td>
<td>UTTAR PRDAH</td>
<td>75</td>
<td>822</td>
<td>22</td>
<td>0</td>
<td>88</td>
</tr>
<tr>
<td>6</td>
<td>WEST BENGAL</td>
<td>18</td>
<td>341</td>
<td>8</td>
<td>0</td>
<td>32</td>
</tr>
<tr>
<td>7</td>
<td>BIHAR</td>
<td>38</td>
<td>534</td>
<td>19</td>
<td>16</td>
<td>77</td>
</tr>
<tr>
<td>8</td>
<td>CHHATISGARH</td>
<td>28</td>
<td>146</td>
<td>6</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>9</td>
<td>JHARKHAND</td>
<td>24</td>
<td>259</td>
<td>4</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>10</td>
<td>MAHARASHTRA</td>
<td>33</td>
<td>351</td>
<td>10</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>11</td>
<td>MADHYA PRADESH</td>
<td>50</td>
<td>313</td>
<td>10</td>
<td>9</td>
<td>46</td>
</tr>
<tr>
<td>12</td>
<td>ODISHA</td>
<td>30</td>
<td>314</td>
<td>7</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>13</td>
<td>RAJASTRHAN</td>
<td>33</td>
<td>248</td>
<td>6</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td><strong>TOAL</strong></td>
<td><strong>443</strong></td>
<td><strong>4333</strong></td>
<td><strong>118</strong></td>
<td></td>
<td><strong>444</strong></td>
</tr>
</tbody>
</table>

### 1.8 Resource block strategy

In order to mainstream the intensive block strategy in all blocks, the Mission found it essential to create both ‘proof of concept’, and internal social capital in a form of experienced community resource persons in select blocks. However, not all states have the required initial social capital to catalyse such a process. Therefore, the NRLM has promoted a strategy involving use of external CRPs drawn from the states of AP and Bihar to incubate the initial social mobilisation process in select blocks, named as Resource Blocks. These blocks are being nurtured to emerge as in-house models of Social Mobilisation, Institution Building and Livelihoods, which could then be adopted by other blocks in the respective states. To facilitate this process, NMMU has identified SERP (AP – institution building and livelihoods), BRLPS (Bihar – institution building and livelihoods), PVP (TN – PIP and Skills), EGMM (AP-Skills) and
Kudumbashree (Kerala – MEC and PRI) as National Resource Organisations and promoted their partnership with SRLMs. The NROs of AP, BRLPS and Kudumbashree had Resource cells set up as a separate entity within the SRLM and were provided budgetary support from NRLP. NRLM has been providing the following types of technical support to the SRLMs to facilitate development of resource blocks:

- a framework of partnership between the NROs and the SRLMs along with detailed guidelines;
- support for setting up dedicated NRLM units by the 3 Resource Organisations;
- a mechanism for accreditation of CBOs and project professionals to be deployed by the NRO in the resource blocks;
- introduction of a community managed MIS for concurrent tracking of RB MIS output;
- arranging for cross-learning visits of senior professional team of the Missions to resource states;
- facilitating immersion and training to district and block level staff at select locations in NRO states;
- secondment of senior professionals from NRO states to SRLMs (using the external CRPs) as State Anchor Persons;
- positioning of experienced Professional Resource Persons drawn from NRO for providing continuous facilitation and training support; and
- deploying experienced CRPs in each block for seeding Social Mobilisation and Institution Building

The states of Jharkhand, Chhattisgarh, Maharashtra, Madhya Pradesh and Rajasthan are partnering with SERP (NRO in AP) to implement resource block strategy. While BRLPS is providing resource support to Rajasthan and Madhya Pradesh to develop resource blocks, the resource block strategy is currently being implemented in 31 blocks across 24 districts of 6 states. With the resource support provided by NRO in the form of external teams, PRPs and SAP, these states are facilitating the development of Resource blocks. Typically each resource block is divided into 4 clusters with each cluster comprising up to 30 villages. A Professional Resource Person (PRP) drawn from the NRO is positioned at each cluster to facilitate the early
implementation of the mission strategy with the support of a CRP team, also drawn from NRO. Each CRP team comprising 4 experienced SHG members visits identified villages and undertakes social mobilization, IB and CB activities in a series of rounds, with each round extending up to 15 days in a village. Thus, the CRPs move from village to village mobilizing, organizing and training SHGs while the PRP prepares the ground for each CRP round besides following up the SHGs promoted by the CRPs in each round. The progress of rollout of Resource Block Strategy using external CRP is summarized below.

Table 5  Progress of Resource Block Strategy

<table>
<thead>
<tr>
<th>S.No</th>
<th>Item</th>
<th>Chhattisgarh (6 CRP rounds completed)</th>
<th>Maharashtra (5 CRP rounds completed)*</th>
<th>Jharkhand (3 CRP rounds completed)</th>
<th>Madhya Pradesh (2 CRP rounds completed)</th>
<th>Rajasthan (2 CRP rounds completed)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No.of Resource districts covered</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>24</td>
</tr>
<tr>
<td>2</td>
<td>No.of Resource blocks covered</td>
<td>5</td>
<td>8</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>31</td>
</tr>
<tr>
<td>3</td>
<td>No.of clusters covered</td>
<td>20</td>
<td>32</td>
<td>22</td>
<td>27</td>
<td>30</td>
<td>131</td>
</tr>
<tr>
<td>4</td>
<td>No.of Villages covered</td>
<td>208</td>
<td>277</td>
<td>173</td>
<td>127</td>
<td>146</td>
<td>931</td>
</tr>
</tbody>
</table>

The CRPs constitute the bulwark of the Resource Block strategy. The strategy rests on the premise that the community learns from its peers better. At present, the CRPs deployed in the resource blocks of 6 states belong to AP and Bihar. In addition to most CRPs who are specialized in social mobilisation, institution building and capacity building, there are some who are specialized in Gender, Social Action, Livelihoods, and Federation Building.
Each CRP team consists of 5 members – three CRPs and two bookkeepers. During the CRP round:

- the team visits for a period of 45 days during which it covers three villages. It stays in each village for 15 days;
- first, the team conducts an initial study of the village by organizing a Gram Sabha. The team also pays door to door visits to households in the village;
- the CRP team also considers existing SHGs in the village. It assesses these SHGs on the basis of their books of records, attendance, savings, internal lending, etc. Based on the assessment the CRP team chalks out a suitable roadmap to strengthen these groups;
- after this, the CRP team, in consultation with the PRP and CC, prepares an action plan for the 15-day period; and
- about 5-7 SHGs are formed in each village. The CRP team conducts a three-day training for the members of each SHG. Two demo meetings are also conducted for each SHG.

The team also trains bookkeepers towards the end of the SHG training. The bookkeepers are chosen by the community itself. A literate member of the SHG is preferred to become bookkeeper. In the absence of a literate member in the group, a community member is chosen. The training begins with modules on poverty, its causes, its impact and the rationale of the SHG approach to solve the issue. With this as the foundation, the CRPs move on to modules on group dynamics, unit, solidarity, etc. Pancha Sutra (regular meetings, regular savings, internal lending, timely repayment and regular bookkeeping) form the core of the SHG training.

1.9 Financial Progress

During FY 2011-12, most of the NRLP states had not transited from SGSY and as a result, no allocation could be made to them. Only, the state of Bihar out of the 13 NRLP states was provided an amount of Rs. 46.5 crore. However, the state did not undertake any expenditure out of this fund during FY 2011-12. During FY 2012-13, all the 13 NRLP states were allocated a total amount of Rs. 426 crore out of which an amount of Rs. 310 crore stood released up to March, 2013. However, all the 13 states accounted for an expenditure of 74 crore only, i.e. 17% of the total approved fund. In addition to 13 states, the NRO states of AP, Bihar and Kerala were also sanctioned an amount of Rs. 19 crore during FY 2012-13. The release of funds was
made in the last quarter, and 35% was incurred as expenditure. Thus, the financial progress of NRLP was limited during the first two years of the project, pointing to the need for stepping up efforts to establish Mission architecture, recruitment of professionals at all levels, promotion of SHGs and their federations and transfer of RF and CIF to the eligible institutions. Realising the need for improving implementation performance, the Mission Management had initiated several steps during FY 2012-13 which led to the adoption of certain new strategies during FY 2013-14. The new strategies include promotion of partnerships with leading NGOs and para-state agencies adopting SHG centric models. The relatively slow physical and financial progress has eventually contributed to strategic restructuring of the project. The details of restructuring are presented in the last chapter “Restructuring of National Rural Livelihoods Project (NRLP):

\[Table 6\] Financial Progress of NRLP states: FY 2012-13

<table>
<thead>
<tr>
<th>S.no.</th>
<th>State</th>
<th>Approved amount</th>
<th>Released</th>
<th>Expenditure</th>
<th>Expenditure (% of Approved amount)</th>
<th>Expenditure (% of released amount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bihar</td>
<td>139</td>
<td>70</td>
<td>9</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Chattisgarh</td>
<td>13</td>
<td>13</td>
<td>3</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Jharkhand</td>
<td>22</td>
<td>11</td>
<td>4</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>4</td>
<td>Madhya Pradesh</td>
<td>40</td>
<td>40</td>
<td>34</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>5</td>
<td>Maharashtra</td>
<td>38</td>
<td>38</td>
<td>8</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>6</td>
<td>Orissa</td>
<td>48</td>
<td>24</td>
<td>5</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>7</td>
<td>Tamil Nadu</td>
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<td>6</td>
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<td>19</td>
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<td>8</td>
<td>Assam</td>
<td>44</td>
<td>44</td>
<td>3</td>
<td>6</td>
<td>6</td>
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<td>9</td>
<td>Gujarat</td>
<td>18</td>
<td>18</td>
<td>2</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Rajasthan</td>
<td>15</td>
<td>15</td>
<td>0.3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>11</td>
<td>Karnataka</td>
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<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>Uttar Pradesh</td>
<td>6</td>
<td>2</td>
<td>0.1</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>13</td>
<td>West Bengal</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>426</td>
<td>310</td>
<td>74</td>
<td>17</td>
<td>24</td>
</tr>
</tbody>
</table>
II Instituting Systems and Processes for NRLP
NRLP lays emphasis on establishing dedicated and sensitive support structures for the mission. It further advocates for pool of quality human resources and enabling management systems to support mission activities. The thematic innovations under NRLP have been guided by the following key strategies:

- Operationalizing an effective project management system\(^1\) at national level that develops key systems and processes for coordination and management of NRLM and NRLP across the country
- Creating a national pool of livelihoods professionals\(^2\) to support implementation of NRLM/NRLP quality technical assistance to be provided to all states in time
- Extending support for setting-up of SRLM\(^3\) with multi-stakeholder governance mechanism, multi-disciplinary team of professionals and efficient HR systems
- Enabling state to get large pool of good professionals for implementing NRLM in the state
- Building capacities and managerial skills of NRLM staff (both NMMU and SRLM) through induction, immersion and training programs

### 2.1 Hiring Services of Management Agency for National Mission Management Unit (NMMU)

As per NRLM framework, a National Mission Management Unit (funded by NRLP), comprising of multidisciplinary experienced professionals, was to be constituted for smooth implementation of NRLM. The Management Agency (MA) originally hired by the World Bank to put in place the required team for NMMU was further hired by MoRD on the same terms and conditions; the final contracting effective from 1\(^{st}\) October 2012. The MA has been providing and supporting the human resource needed for the functioning of NRLM. The total number of approved positions and inducted personnel for NMMU (as on 31.3.2013) is given below:

---

\(^1\) National Mission Management Unit (NMMU)

\(^2\) Such as team of experts from various thematic domain available full time/part time for support of the state mission, constituting spearhead team and placing resident representatives

\(^3\) State Rural Livelihoods Mission
### Table 7  Approved Positions Vs. Inducted Personnel

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Position</th>
<th>Positions Approved</th>
<th>Status As on 31.03.13</th>
</tr>
</thead>
<tbody>
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<td>1</td>
<td>L1</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>L2</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>L3</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>L4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Retainer Consultant</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Young Professional</td>
<td>14</td>
<td>4</td>
</tr>
</tbody>
</table>

An important activity was the development of organogram for NMMU. The initial organogram, as referred in PIP as well as in NRLM framework, was thoroughly reviewed and mapped in line with the requirement of first 3-5 years. The final Organogram was developed and approved by the Secretary, MoRD in September 2012. The Young Professional (YP) Policy was also approved in September 2012. A detailed Retainer Consultant policy was developed in discussion with the World Bank and operationalized.

#### 2.2  The NMMU

The NMMU was structured into various verticals to provide thematic support to the various activities undertaken by the State Missions. These included

- Human Resource development
- Systems – for Financial Management, Procurement and Management of Information
- Social Mobilization
- Institution Building and Capacity building
- NGO partnerships
- Financial Inclusion
- Social inclusion
- Livelihoods

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Anxure 1
- Skills development (for employability)
- Knowledge Management and Communication
- Governance and Accountability

The NMMU team were also assigned responsibilities as State Anchors to support the new state missions in setting up their offices and taking forward the programme. NMMU developed a generic Terms of Reference (ToR) based on the requirement of different SRLMs for competent HR service providers, advertised EOI and shortlisted 6 agencies\(^5\) based on capability statement submitted in August 2012. The list of shortlisted agencies was termed as “HR Call Down List” and made available to all SRLM along with a guidance note, template of generic ToR and Request for Proposal (RFP) to follow due diligence of procurement.

A Guidance note was prepared encompassing (i) compilation of staff structures in effect at similar livelihoods projects/programme (iii) best practices of salary structure being used by livelihoods and other projects; civil society organisations and relevant agencies; and (iii) compilation of HR policies being used in development sector. All these documents were made available to SRLM on demand to be used by SRLM as reference document while drafting their staff structure, salaries, preliminary HR policies etc.

The following workshops were held to strengthen the HR strategies of the States
- May 2012 (Surajkund, Haryana). This workshop was organized in collaboration with SRIJAN, New Delhi; The basic objective of this workshop was to actively engage new CEOs and learn from experiences shared by pioneers\(^6\) of livelihoods project in Andhra Pradesh, Madhya Pradesh, Tamil Nadu and Bihar. This workshop aimed to inspire SRLM CEOs to evolve with innovative ideas on nurturing human resources and developing enabling environment in the organization.

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\(^5\) SRIJAN IDS Pvt. Ltd, New Delhi; Randstad India Ltd, Kolkata; Strategic Alliance Management Services Pvt. Ltd, New Delhi; SUTRA, Bhubaneshwar; Inductus Consultant (P) Ltd, New Delhi; and Mercer India, Gurgaon.

\(^6\) Mr. Vijay Kumar, Ex CEO, SERP; Ms. Gauri Singh, Ex PC, MP-DPIP; Mr. Muruganandam, Ex MD, TNVKP; and Mr. Arvind Chaudhary, CEO, BRLPS.
September 2012. The workshop was organized in collaboration with the World Bank, was attended by representatives from 10 states. The senior HR lead of the World Bank conducted the workshop and issues related to effective interview techniques were deliberated upon.

**Induction of SRLM staff:**
Induction of SPMU and districts heads of Jharkhand, Chattisgarh and Maharastra SRLM teams was conducted for six days (11-18 June, Ranchi); total number of participants were 35. Objective of the residential training was to orient participants about NRLM framework, various strategies and components of NRLM. The resource persons were practitioners from SERP, BRLPS, Kudumbashree, officials from eminent NGOs and CRPs. Soon after the residential training, the team went for village immersion at Anantpur, SERP, AP for 15 days (19 June - 3 July, 2012). The main objective of the village immersion was to witness and learn from the best practices of institution building. The last 2 days were debriefing session and helped the participants consolidate their learnings and present a future action plan. The 2nd batch of residential induction training of SPMU and districts head was organized from 27 Aug to 2 Sept 2012 in Bhopal; altogether 35 officials participated from Rajasthan, Madhya Pradesh and Gujarat. Soon after the residential training, the participants were sent for an immersion visit to Kurnool in Andhra Pradesh from 3rd September to 17th September 2012. The village immersion mainly comprised of learning from best practices while interacting with the households that came out of the poverty; participating in SHG,VO and MS meetings. The team also visited tribal area to understand community institution architecture and various interventions in the tribal area. EGMM was visited for a day to understand the skills and placement model. The last two days were debriefing sessions to help participants present and consolidate their learnings.

Residential training of two batches of GLPC Block team along with some state officials was organized one each in BRLPS, Bihar and SERP, AP. The training was on participatory training methodologies for five days followed by ten days immersion visit to the field; a total 60 participants were trained.

---

7 Ms. Nira Anand
An Approach paper for imparting induction training to the upcoming SRLM teams was developed. The approach paper consisted of various steps to be undertaken for the induction and incorporated various modules for immersion, residential training etc.

2.3 **National Resource Organisations**

Aajeevika-NRLM has identified National Resource Organizations to deploy trained and quality CRP teams & PRPs and deliver the services relating to training, immersion and handholding to staff/ community. The Resource Organization will support SRLM to identify internal CRPs and train them to work independently in the new blocks, starting with the resource blocks. The performance and outcomes are monitored jointly by NMMU and SRLM. NMMU provides technical assistance to SRLMs to convert the learning from resource blocks to new blocks. Society for Elimination of Rural Poverty (SERP) and Bihar Rural Livelihoods Promotion Society (BRLPS), with experience of implementing similar programs on large scale, are identified as Resource Organizations for the purpose. These Resource organizations deploy the CRPs and PRPs in the clusters along with the SRLMs team to strengthen the existing community institutions and formation of new ones.

Following projects/ organizations with experience of implementing similar programs on large scale have been identified as Resource Organizations:

1. Society for Elimination of Rural Poverty (SERP), Andhra Pradesh
2. Employment Generation and Marketing Mission (EGMM), Andhra Pradesh
3. Bihar Rural Livelihoods Project Society (BRLPS), Bihar
4. Tamil Nadu Pudhu Vaazhvu Society (TNPVS), Tamil Nadu
5. Kerala State Poverty Eradication Mission (KSPEM), Kerala

2.3.1 **Framework for partnership with NRO**

The broad areas along with illustrative list of activities that can be covered through the partnership arrangements are given below:

1. Training and developing staff, community professionals and other stake holders
   a. Induction training and immersion
   b. Learning and exposure visits
2. Developing knowledge management and learning systems
   a. Training need assessment and formulating training plans
   b. Capacity building tool kits including training modules, case studies, training materials, audio video aids etc.
   c. Training of trainers and other resource persons
3. Developing best practice sites and immersion locations
   a. Resource blocks
   b. Generating internal social capital like Community Resource Persons (CRPs)
4. Implementation support in specific activities/locations
   a. Social mobilization through CRPs
   b. Livelihood interventions, formation of livelihood collectives, etc.
   c. Secondment of staff and Professional Resource Persons (PRPs)
5. Technical assistance in thematic areas
   a. Setting up program implementation structures like SRLMs, Employment Generation Missions (EGMs), etc.
   b. Establishing program management systems like baselines, MIS, FM, PM, etc.
   c. Designing context specific program strategies like social mobilisation, institution building, financial inclusion, livelihoods, jobs and skill development, etc.

Technical assistance is provided to the eligible National Resource Organisations to develop and strengthen their institutional capacities as TA providers. The support is provided for a fixed period to meet the following expenditures:
   a. Set-up costs for resource cell including staff costs for 4-5 senior experts, capacity building, furniture and equipment, lease rentals, etc.
   b. Training and accreditation of resource CBOs, PRPs, CRPs, etc.
   c. Knowledge and learning products like training modules, materials, etc.

The budgets of AP, Kerala and Bihar for setting up the NRO cell and providing support to State Missions was approved.
The details of approval are given below.

Table 8  
Approved budget for setting up NRO Cell

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>NAME OF STATES/UTs</th>
<th>Date of EC</th>
<th>Budget</th>
<th>Released</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>06.12.2012</td>
<td>833.46</td>
<td>416.73</td>
<td>374.00</td>
</tr>
<tr>
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<td></td>
<td>1072.41</td>
<td>416.73</td>
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</table>

2.3.2 Current progress

SERP has created an exclusive NRLM resource cell within SERP and entered into MoU with 8 SRLMs to provide resource block implementation support in 50 resource blocks in 2012-13. CRP work has commenced in 35 blocks in 6 SRLMs. The NRLP states that signed MOU are:

- Chhattisgarh
- Maharashtra
- Jharkhand
- Madhya Pradesh
- Rajasthan
- Assam

Each resource block is supported with 4 Community Resource Person (CRP) teams and 4 Professional Resource Persons (PRP) for taking up intensive social mobilisation and institution building process. Along with this SERP has also completed immersion and exposure to best practices to all CEOs and core staff of SRLMs.
BRLPS, Bihar has entered into MoU with 2 SRLMs (Jharkhand & Rajasthan) for supporting resource block implementation. So far BRLPS is currently providing support in 2 blocks of Jharkhand and 3 blocks in Rajasthan where CRP and PRP have started their intensive social mobilisation work.

Kudumbashree, Kerala is supporting SRLMs in PRI convergence and Micro Enterprise Consultants (MECs). Bihar and Jharkhand have entered into partnership with Kudumbashree for MEC pilot. Jharkhand, Maharashtra, Odisha, Bihar, West Bengal and Karnataka are the NRLP states that have come forward to take up PRI pilots through partnership with Kudumbashree.

The nascent missions were into recruitment, induction and setting up office for the major part of the financial year. It was only in the Resource Blocks that SHG formation and nurturing were undertaken, limiting the scope for large scale interventions in financial inclusion. However work was taken up at the National level to explore the possibility of a Community based Women’s SHG bank, to develop guidelines and training modules on financial inclusion, provide bankers orientation and institutionalize interface with the State Level Bankers’ Committees.

2.4 Governance and Accountability

A range of GAC innovations have been included in the NRLM design and GAAP:

- setting up of a “Sevottam” charter of service standards (including for grievance handling, disclosure and monitoring);
- an annual user report card on project governance and performance;
- an institutionalized social audit system linked to the MIS;
- a GAC window in the Innovations Fair;
- annual GAC awards; and
- pilot programmes for e-bookkeeping and e-procurement as well as use of media tools (e.g. talk back shows) for complaints handling.
2.4.1 Progress made in 2012-13

A. Proactive Disclosures

**NRLM:** The Governance and Accountability Division (G&AD) at NMMU studied the RTIs received by the Division since the setting up of the NRLM to identify the nature of information that has been regularly asked for. Various components of Section 4 of the RTI Act were also studied to identify the nature of information that needs to be proactively disclosed. A template of Pro-active disclosure was initially prepared. An exercise was also undertaken to study the various existing pro-active disclosure templates prepared by the MoRD, MHRD, and MoEF to ensure that the NRLM Pro-Active Disclosure met the minimum standards set by key departments in other Ministries as well. The approved template is available at Aajeevika website [http://aajeevika.gov.in/citizen-corner.html](http://aajeevika.gov.in/citizen-corner.html)

**Skills and Placement Project:** The G&AD within NMMU studied the RTIs received by the Skills and Placement Division of the NRLM to identify the nature of questions that were regularly asked by the public on the programme. The final template is now available on the Aajeevika website at [http://nrlmskills.in/SGSY%20PROACTIVE%20DISCLOSURE.pdf](http://nrlmskills.in/SGSY%20PROACTIVE%20DISCLOSURE.pdf)

**Himayat Programme:** In addition, a pro-active disclosure template, in complete compliance with Section 4, RTI Act was prepared for the Himayat Programme being implemented in Jammu and Kashmir (document available at [http://himayat.org/rti.html](http://himayat.org/rti.html)). Additionally, a document listing the following information has also been prepared by the G&AD and uploaded on the website [http://nrlmskills.in/RTI.aspx](http://nrlmskills.in/RTI.aspx):

- List of PIAs implementing the Skills and Placement Programme with the NRLM
- Amount of funds sanctioned to each PIA
- Project Deliverables of each PIA
B. **Updating information pertaining to all RTIs received by the RL Division (June 2011 - till now)**
The G&AD within the responses given by the Ministry, and uploaded the same on the website. The information is available at [http://aajeevika.gov.in/citizen-corner.html](http://aajeevika.gov.in/citizen-corner.html). It has been planned to update this information on a half yearly basis.

C. **NRLM Citizens Charter**
The NRLM Division prepared a Citizen Charter defining the obligations, duties and responsibilities of the Division in the implementation of NRLM. It broadly lists the following components:

- Objectives and key activities performed in the RL Division
- Structure of the RL Division and the division of responsibilities amongst the various personnel in the Division
- Grievance Redress Procedure
- Service Standards adhered to by the Division


D. **Information Disclosure Templates for Aajeevika Skills and Placement Programme**

G&A worked on building a template for pro-active disclosure of information of funds received and spent by the CBO for developmental activities. The exercise was completed in consultation with NMMU, MoRD, Project Implementing Agencies and the trainees under the programme:

i) Activity Planner

i) Entitlement Chart

ii) Call Center under Himayat

G) Information Disclosure Templates for MKSP

To ensure that the beneficiaries and communities within which MKSP is being implemented are made aware about information related to program objectives, funds transferred, key activities being taken up etc., pro-active disclosure templates were devised for all PIAs implementing the
2.5 Financial Management

The system components that the vertical on Financial Management worked on were the following:

- FM systems at NMMU and States, Fund flow, Budgeting, Monitoring and reporting
- Technical assistance to States
- Assessment of State FM systems
- Disclosure of FM information
- CPSMS implementation

The primary guiding principles are

- Use the country fiduciary systems to the extent feasible and considered satisfactory to meet the essential fiduciary requirements
- Build upon successful models developed and tested in the World Bank funded rural livelihood projects implemented across eight states
- Review of Good practices in National Programs in other sectors

Key activities undertaken and progress made are given below:

2.5.1 TA to NRLM

- National FM Manual updated by adding State and district Chart of Accounts
- Review completed - IUFR formats and redesigning of IUFR to suit advance and quarterly reporting
- Discussion initiated on Accounting issues with State teams and State FM template finalized
- Review and reporting of Initial FM arrangements at SRLMs completed (Mumbai and Ranchi)
- Inputs provided to scoping mission of ICT and MIS team to study the systems at Kerala, TN and Bihar
- Proposal developed for creation of Budget heads for NRLP and collection of approval from CGA
- Presentation made to NMMU and SRLMs on retroactive period concept and claim
- Review and suggestions given on FM Manual of Assam
- Reconciliation of accounting records completed and correction of Books of accounts completed
- Consolidation, compilation and submission of quarterly IUFRs to World Bank and CAAA office completed for Q/E September & December 2011
- Instrumental in arranging two National level workshops (31st July and 22-23rd November, 2012) on FM, CPSMS and MIS and in forming Joint working Group for CPSMS implementation in NRLM States
- Coordinated state level CPSMS workshop at Bhopal, Patna, Chennai, Aurangabad and Guwahati and worked with the CPSMS team to customize the software to suit NRLM monitoring and reporting
- Audit work for 2011-12 completed

2.5.2 Workshops and consultations
- 1st National level workshop for FM and MIS officers from SRLMS, World Bank Team, CPSMS team and NIC. The workshop helped in selection of pilot CPSMS states and get concurrence on FMS MPR formats (July, 2012)
- 2nd FMM/MIS and procurement workshop (22-23 Nov, 2012) organized as follow up action of the 1st FMM and MIS workshop. This also helped to understand state specific issues complying with the decisions taken in the 1st WS
- National Level CPSMS workshop was organized by CGA (24th Nov) to understand State requirements and familiarization with CPSMS capabilities
- Two National level workshops (31 July and 22-23rd Nov, 2012) organized for FM, CPSMS & MIS and Procurement, FMS and MIS respectively

2.5.3 Guidelines and guidance notes prepared
- Guidelines on FM requirements issued from JS to states on FMM, CPSMS, MPR, IUFR, Budgeting and FM discloser
• Guidance note on AAP and revision of AAP under finalization at NMMU
• Amendment to FM manual on procedures not in operations
• Note on Internal procedures

2.5.4 TA to states
• SRLM at Maharashtra, MP and Jharkhand visited for assessment of readiness for initial fund releases and provide necessary Technical support
• TOR for hiring FM consultant provided to Maharashtra
• TA to Jharkhand and MP for updating their existing financial systems
• Initial assessment FM visits to four State Mission
• Visits to Bihar, TN, and Kerala along with MIS and ICT scoping mission to understand FM systems

2.6 M&E, MIS and ICT
The primary objective of NRLM’s M&E framework is to institute a comprehensive system of evidence-based decision making process, of both strategic The M&E components are also expected to facilitate evaluation/assessment of the ‘net’ contribution of the Mission towards rural poverty reduction, livelihoods promotion, empowerment, quality of life and well-being of the poor. Given the scale and diversity of the Mission, which is geographically dispersed and institutionally decentralized, a comprehensive M&E has been provided with the following sub-components:
• Management Information System (MIS), anchored on a specially developed ICT platform (e-NRLMS);
• Process Monitoring;
• Impact Evaluation, thematic and longitudinal studies;
• CBO Self-Monitoring & Learning;
• Internal Reviews & Learning;
• Social Audit; and
• ICT.
2.6.1 Management Information System
As the design, development and deployment of a comprehensive MIS would take about 18 to 24 months from the date of contract of ADA, an effort was made to review the relevance and adequacy of the existing SGSY-MIS application to track progress of core NRLM activities. The review revealed that 5 modules developed by NIC (modules on SHG directory, funds flow to SHGs, special projects, funds flow to districts and blocks, and DRDA administration) were structurally inappropriate to capture the progress of NRLM in view of the new strategies of implementation and components introduced and different funds flow mechanism. However, during the transition, the states were advised to use the system to report monthly progress reports by DRDAs. The review also revealed the need for having dedicated and trained manpower at the block and sub-block levels to collect, record, collate and report information in the final MIS to be instituted. Thus, in view of the structural limitations of SGSY-MIS to capture implementation of NRLM, design and development of another version of MIS for the transition period was found necessary to track the implementation of NRLM in resource and intensive blocks as well as the progress of non-intensive blocks.

The three key elements of e-NRLMS are:

(i) **e-Mission Governance**: Use of information technology for Mission governance at all levels (file management, inter and intra office communication, intranet, common user group facility, video-conferencing facility, website, online knowledge resources, e-procurement, HR management etc.,);

(ii) **MIS and FMS**: Creation of MIS and FMS at all levels of the Mission for monitoring the progress of implementation and for evaluating its operational performance; and

(iii) **Community Services**: Deploy and promote use of ICT platform (hardware and software applications) that would support delivery of financial and livelihood services at the community level.

2.6.2 Study of MIS in Bihar, Tamil Nadu, Kerala and AP
In order to develop an SRS for transitory MIS (NRLM Version 1.0), a team was constituted to study the functioning of MIS systems in livelihood projects implemented by the States of Kerala, Tamil Nadu, Andhra Pradesh and Bihar. The team, on the basis of their visits to the
states, identified indicators used, flows of information, software used and type of reports generated and used. The key findings of the study were shared in a workshop organized by the Social Observatory Group of the World Bank for the states implementing Bank funded livelihoods project. The workshop identified areas for improvement, particularly in MIS data analysis for decision-making. On the basis of the study, the team identified relevant MIS indicators for NRLM.

2.6.3 NRLM MIS (Version 1.0)
A two-day workshop involving NRLM compliant states was organized to facilitate validation of the indicators identified for transitory MIS. The workshop organized during 24-25 May, 2012 facilitated the source of information for each indicator, its ideal destination, aggregation procedures and transmission mechanisms. The thematic groups of NMMU further examined and filtered the indicators for transitory MIS, taking into account the process of implementation of resource block/intensive block strategy in Chhattisgarh and Maharashtra. On the basis of the indicators finally identified, the NMMU team developed appropriate report forms for BMMU, DMMU and SMMU for reporting information on different indicators at monthly interval. The forms underwent several revisions before being handed over to the NIC for application development. Along with forms for intensive/ resource blocks, the NMMU also developed report forms for non-intensive blocks and districts. In addition, in order to facilitate preparation of an inventory of SHGs in each state, a prototype registration form was also prepared. These forms were later shared with NIC for development of suitable software application and customization. The design and development of Version-1.0 of NRLM-MIS is in progress. While NIC is expected to complete software application by March 2013, the states have been advised to adopt forms developed for resource/intensive blocks, districts and SRLMs to send their monthly progress reports by e-mail to NMMU. To facilitate easy transmission of monthly reports, the states have also been provided the forms in excel formats. The states have been provided detailed guidelines on the institution of transitory MIS (Version 1.0). In order to enable the states to institute the Version 1.0 at all levels and undertake reporting, monthly/bi-monthly workshops have been conducted for the NRLM compliant states in September and
November 2012. Nine out of 13 NRLM compliant states have started sending their monthly reports by e-mail and they are placed on the Aajeevika website. For the states requiring technical assistance, the NMMU is providing necessary support for the institution of Version-1.0 of MIS. However, the system is in its early stages and the states would require a good deal of additional support for instituting the system at all levels.

2.6.4 Towards Procurement of TSA
An advertisement was issued seeking EOIs from suitable agencies in June 2012. However, as adequate responses was not received. The EOI was reissued in August 2012, which evoked a good response and 6 agencies have been shortlisted and RFPs were issued to all shortlisted agencies on 20th March 2013. Pre-bid meeting has been scheduled on 5th April 2013.

2.6.5 Procurement of ADA
In order to facilitate an early design and development of comprehensive web-enabled MIS for NRLM, the NMMU has initiated the process of procurement of an Application Development Agency (ADA), by issuing an EOI in October 2012. The EOIs have been evaluated. Six agencies were shortlisted and RFPs prepared to get the World Bank Comments and no objection. The preparation of ADA-RFP is in progress. The ADA is expected to provide the following services to the Mission and facilitate institution of comprehensive MIS in about 18 months from the date of contract.

2.6.6 CPSMS
Pursuant to the decision of the MORD to adopt CPSMS for all rural development programmes, the NRLM has initiated steps to facilitate quick adoption of CPSMS by all NRLM States. An internal team comprising ICT, finance and M&E members was constituted by NMMU to examine the functioning of CPSMS and identify the prerequisites for the adoption of CPSMS by the States and sub-state authority. A series of discussions were held with AGS and the NRLM Director has agreed to facilitate adoption of CPSMS initially by the States of Bihar, Tamil Nadu and Andhra Pradesh. A workshop was organized on 31st July, 2012 with these States to prepare them for quick adoption of CPSMS for monitoring NRLM fund sanction, release and utilization.
Thereafter, state level workshops were organized in the states of Tamil Nadu, Assam and other states.

### 2.6.7 Outcomes

Notwithstanding the formidable tasks that lie ahead, the series of activities undertaken to institute MIS has resulted in the following outcomes, which would facilitate development of a comprehensive MIS and its institution:

- Relevant MIS indicators identified for social mobilization and inclusion, community institutional development, capacity building, financial literacy and inclusion, livelihoods promotion, economic inclusion, convergence with PRIs and line departments, social development and empowerment;
- Data sources identified – source and destination of different sets of data, points of collection, aggregation, filtration etc;
- MIS systems prevailing in states with ongoing rural livelihoods projects analyzed to facilitate their retrofiting with the proposed comprehensive application;
- Transitory MIS Version-1.0 introduced to facilitate monitoring of the progress of NRLM compliant states in general and the progress of resource/intensive blocks in particular;
- Reporting forms developed for both intensive and non-intensive blocks to facilitate application development by NIC (Version 1.0);
- NRLM compliant states have started reporting progress on key parameters using e-mail format; and
- States have been provided guidance notes on institution of transitory system and have been oriented through monthly/bi-monthly workshops.

### 2.6.8 Process Monitoring

NRLM is a process intensive programme. Based on successful models implemented in a few states, the Mission has designed process intensive strategies for implementation of social mobilization, financial inclusion, economic inclusion and other components. NRLM has outlined a step-wise process for the states to implement Mission activities. A critical first step in the process is the development of **resource blocks**, as *proof of concept* and *live workable* model on the ground. Thus, each state transiting to NRLM is required to focus on the development of
resource blocks, particularly, during the first 18 to 24 months. Monitoring the processes adopted by the states, particularly, the first few states, for the development of the resource block strategy assume critical importance for undertaking strategic changes and course corrections. The primary responsibility for undertaking process monitoring is with the State Missions, while the role of the NMMU is to provide technical assistance to the states in terms of methodology support, identification of key areas for process monitoring, suitable indicators to capture them and design of reporting templates.

Given the innovative nature of the resource block strategy, and the enormous learning opportunities inherent in its early implementation, the NMMU has decided to commission an external process monitoring study of the development of resource blocks in four select states (Assam, Jharkhand, Chhattisgarh and Maharashtra).

As the primary task of commissioning baseline and follow-up studies is vested with the states, the role of NMMU is limited to providing technical assistance to enable the states: (i) to exercise informed choice of appropriate evaluation methodology; (ii) prepare EOI and TOR for baseline; (iii) facilitate inclusion of budgetary requirements for impact evaluations in the annual action plans of the states; and (iv) provide a comprehensive toolkit for the states.

The states have been advised to exercise their choice of evaluation methodology, prepare EOI and TOR for the baseline on the basis of guidelines provided to them. The NMMU team would also provide necessary support as and when required by the state. The NMMU has also advised to the states to hire the services of premier institutions such as TISS, Mumbai and ICSSR institutions to conduct baseline studies and prepare their SPIPs.

The NRLM compliant states have instituted review systems at cluster, block, district and state levels. However, the format of reviews needs to be systemized and a system put in place to document and follow-up the decisions.

2.6.9 Issues and Challenges

By its very nature, institution of a comprehensive web enabled MIS for a national Mission of the size and complexity of NRLM is time consuming. Identification of indicators for a programme involving certain new components, new funding patterns and strategies of implementation involves time. There has been some procurement delays associated with TSA and ADA. Delays
in the establishment of the Mission architecture at the state and sub-state levels have also delayed the process of development of MIS. Finally, breaking from the established SGSY-MIS tradition and institution of a web enabled transaction based system is bound to take some time. Notwithstanding these time delays, the NMMU has made a significant progress towards establishment of NRLM MIS Version-1.0.

2.7 Knowledge Management and Communication
Knowledge management and communication (KM&C) key sub-components are:

a. Mainstreaming knowledge management practices in NRLM implementation, both at national and state level

b. Establishing knowledge sharing/ collaboration framework (processes and collaborative platforms viz. knowledge hubs, community of practice and knowledge partnerships)

c. Imparting training to staff on KM & C skills and optimum use of new collaboration/ communication channels respectively

d. Developing KM products for capturing the knowledge/ learning of NRLM implementation, both at national and state level

e. Designing and developing communication channels/ products to showcase NRLM (programmatic & operational)

f. Branding NRLM
   (i) Static (tacit/explicit)
   (ii) Instructional & learning and
   (iii) Dynamic knowledge

2.7.1 NRLM website
Aajeevika website was envisaged to be a one-stop information source about the program and a channel for showcasing achievements, innovation made and highlighting the new events and also the knowledge platform. However, as the mission website was to be launched urgently for NRLM’s launch, the World Bank, New Delhi office in a discussion with NRLM team identified AAPNA Infotech Pvt Ltd, to design interim static website for Aajeevika - National Rural Livelihood Mission (NRLM). The website www.aajeevika.in was developed by the agency with content developed by NMMU team and launched on 21st of May 2012. Post launch, Aapna
Infotech continued to maintain the website till September 2012. Further, in a meeting held with AAPNA Infotech, NMMU representatives, MoRD and NIC representative, it was decided that after successful completion of website and intranet maintenance contract, all working papers, computer disks, data backup tapes, software (with all source/data codes in original) or other material will be handed over to NIC through Aajeevika-NRLM for further maintenance including:

(i) Website enhancement – creating, testing and implementation of static pages.
(ii) Website maintenance - other support work like uploading of documents and updating the website content etc.

Since the current website (hosted on a static architecture) was envisioned to be an interactive one stop knowledge platform and the current static platform doesn’t serve the purpose. Aajeevika intranet and Aajeevika email developed on Sharepoint portal services and google mail services respectively- licensed by and hosted on Apna infotech server- stands non-functional as the contract/ subscription was not renewed. In these circumstances, multiple options are being considered and following options have been proposed to MoRD:

1. Partnering with NIC: NIC continues to support the static website in terms of maintenance as well as adhoc design changes. It will not be possible for NIC to host and manage a separate intranet and mail server for NRLM.

2. Hiring consultants for the assignment: Consultants (short-term) may be hired to support redesign of website and eventual maintenance. The feasibility of hosting and maintenance of intranet and mail server for NRLM still remains doubtful.

3. Hiring a website design and development agency: The agency will support NRLM in development of an interactive website- services including development of creative design, designing a content management system (CMS) to manage and update the site, initial posting to and testing of the beta site, developing and integrating an intranet (with modules for digital library) for NRLM, developing and integrating a mail server for NRLM (100 users), successful hosting of the redesigned website followed by technical maintenance for one year from the date of launch. The website and intranet will eventually get integrated with e-NRLM architecture.
2.7.2 Films on NRLM

Short films on ‘Women- the change makers’

Eight short films were to be made on women (SHG members) who were able to come out of poverty trap – the real change makers. The films were prepared in coordination with SRLMs viz. Maharashtra, Odisha, Jharkhand, Chattisgarh and two external agencies. Four films was selected and screened during the first advisory committee meeting, on 25th July at PUSA. These women were also invited and felicitated during the screening.

Hiring a Film Production Agency

As Aajeevika-NRLM started to evolve as one of the key programmes within the Ministry of Rural Development, it was felt that a special drive may be needed to share the concepts of this huge mission with its target beneficiaries in particular and all stakeholders in general. In this context, the above films appeared inadequate and a proposal was mooted to hire the services of a qualified and competent Film Production Agency to shoot, edit and finalize a 10 minute corporate film along with couple of short duration thematic films that will serve as a compelling tool to disseminate NRLM’s vision, mission mandates, key messages among a larger audience and which will eventually transmit the essence of concepts enshrined in NRLM/NRLP. This film is proposed to be used to explain the key concepts, activities and impacts of the livelihoods approach.

The terms of reference (ToR) have been prepared to hire services of an agency for the purpose and TOR is being reviewed by the ministry.

2.7.3 Aajeevika digital library

Apna infotech was identified as the vendor to help with design and development of a digital library. The digital library was prepared on ‘Microsoft Sharepoint Server’ architecture and launched in June 2012. NRLM and SRLM users were registered on the site and trained on the use of digital library. Metadata format, case writing format, learning note formats were prepared and uploaded in digital library. Documents, photographs, films collected from states were also uploaded in digital library.

A best practices workshop was conducted in NIRD, on 2-3rd April’12, wherein about 25 participants from various agencies and states participated. The best practices documents and
presentations were collected and posted in the Aajeevika website. TA was provided to Maharashtra, Bihar and Chattisgarh SRLM in designing of website, content preparation and procurement of website design agency (ToR preparation). BRLPS was supported in conceptualization and preparation of implementation plan for Livelihood resource centers’ at state and district level for Bihar. The unit also provided support to young professional (YPs) and resource center actors to document best practices, during BCC training program for the team. Further, SRLMs were supported in development of ToR for KM&C positions and subsequent recruitment. Terms of Reference (ToR) for knowledge management agency was developed and EOI advertised (Nov 2012).

2.7.4 Branding

Logo
The process was initiated with preparation of a concept note for the logo. This was followed by a number of consultation with IEC Division for designing of multiple logo options. The final version was approved by Hon Minister for Rural Development.

Aajeevika Brochure
The evolving nature of NRLM necessitated the use of various communication medium and channels, to share insights about Aajeevika-NRLM to its stakeholders -directly or indirectly connected with the mission. Of the various mediums and channels thought to serve this purpose, developing a brochure seemed to be most urgent.

Looking at the urgency, the assignment warranted a consultant/ agency on board to support NMMU, MoRD in content development and designing the program brochure, where mission mandates, key functions, result areas, insights and strategies would be highlighted, which eventually translates the essence of proof of concepts in NRLM/NRLP. Detailed terms of reference (ToR) have been prepared for the purpose and put for approval.
III MISSION ARCHITECTURE AND PROGRESS MADE
3.1 Establishment of Autonomous Societies

Taking cognizance of the scale of the program, there was a necessity to have a “proof of concept” before rolling out the program throughout the country. In order to transit to NRLM, the State needs get Cabinet Approval for setting up the State Rural Livelihood Mission, posts need to be created, a full time director needs to be posted, the Society needs to be registered. A core group has to be set up, and state level consultations undertaken before the Annual Action Plan of the State can be submitted and approved.

Figure 2   Transition of States to NRLM

The figure above shows the month in which the states fulfilled the stipulations for transitioning into a NRLP state. The states of Karnataka, West Bengal and Uttar Pradesh did so only in the last quarter of the year, when their Annual Action Plans were considered for approval. Inevitably, this has had an impact on the progress of these States on the AAP progress parameters included in the chapter.
3.2 Status of Recruitment (SMMU, DMMU, BMMU)

The target number of personnel for each state is given in Table 1 below.

Table 9 Target HR Personnel

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<td>13 per district</td>
</tr>
<tr>
<td>Block</td>
<td>12 per block</td>
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Figure 2 illustrates the comparative status of personnel recruited at the state level. The state missions of Karnataka, Uttar Pradesh and West Bengal were not able to hire people as they transited only in the last quarter of FY 12-13.

The state of Chhattisgarh was able to recruit just five people as the required approval was received for just seven.

The DMMU and BMMU recruitment status as on 31.3.2013 can be seen in Figure 3 and 4 respectively. Of the new Missions, the performance of Assam was the best. For the state of Maharashtra the positions at the district level are vacant on account of the delay in getting the HR agency on board. Maharashtra has however started the process of recruiting at the block level.
The states of Bihar, Madhya Pradesh have been able to leverage the experience that they gained while implementing externally aided poverty reduction projects and have managed to substantially fill up the positions in the field.
3.3 Systems Readiness

Most of the states have done well in starting the operations vis. a vis. the target at both the district and the block levels as revealed by Figures 7 and 8.
Assam, in particular has benefited from having a clear cut strategy. As mentioned earlier, the apparent lack of progress in the states of Karnataka, Uttar Pradesh and West Bengal is due their late transition to NRLM.

3.4 SHG Formation & Strengthening Existing SHGs
The rate of SHG formation greatly depends on the support structures that have been set up in the state. Therefore, the states which have recently transited and are still in the process of setting up the systems do not have much progress to show in terms of number of SHGs. Hence, those states have been omitted from Figures 8 and 9.

Expectedly, the chart is dominated by the states which have had legacies in terms of externally aided poverty reduction programs.
Figure 9  SHG formation & Strengthening of Existing SHGs

Figure 10  SHGs/ SHGs with Saving A/c
Figure 10, shows that SHGs which have got their saving bank accounts opened with respect to the total number of SHGs present in the states.

3.5 Village Organization (VO) Formation
The objectives of federating SHGs into VOs are manifold. Their presence increases the capital base of the SHGs, thus enabling the members to take up bigger loans. Since they operate at a village level, they are in a better position to act as a vehicle for demanding rights or they can act as agents to take up village level activities. However the formation of a VO is contingent on a critical mass of SHGs in the village reaching maturity with the panchsutra, developing their micro credit plans and availing loans and revolving funds.

Figure 11 VO Formation/ VOs with Saving A/c s

Figure 11 also illustrates the VOs whose saving accounts have been opened. This is a critical figure as saving account would be needed to transfer Vulnerability Reduction Fund (VRF).
Table 10  Status of implementation in Resource Blocks of NRLP

<table>
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<td>5</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>13</td>
<td>31</td>
</tr>
<tr>
<td>Number of Resource Blocks</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>13</td>
<td>39</td>
</tr>
<tr>
<td>Number of villages entered</td>
<td>269</td>
<td>359</td>
<td>199</td>
<td>127</td>
<td>243</td>
<td>1197</td>
</tr>
<tr>
<td>No. of New SHGs formed</td>
<td>1610</td>
<td>1492</td>
<td>1044</td>
<td>549</td>
<td>1539</td>
<td>6234</td>
</tr>
<tr>
<td>No. of old/dormant/defunct groups revived</td>
<td>164</td>
<td>874</td>
<td>555</td>
<td>296</td>
<td>118</td>
<td>2007</td>
</tr>
<tr>
<td>Total no. of SHGs supported by SRLM</td>
<td>1790</td>
<td>2366</td>
<td>1599</td>
<td>829</td>
<td>1657</td>
<td>8241</td>
</tr>
<tr>
<td>% of 2 months old (and above) SHGs have a bank account</td>
<td>85</td>
<td>36</td>
<td>59</td>
<td>9</td>
<td>43.55</td>
<td>46.51</td>
</tr>
<tr>
<td>No. of SHGs eligible for receiving RF (3-6months)</td>
<td>1202</td>
<td>1032</td>
<td>803</td>
<td>560</td>
<td>905</td>
<td>4502</td>
</tr>
<tr>
<td>No. of SHGs received RF</td>
<td>302</td>
<td>0</td>
<td>504</td>
<td>0</td>
<td>93</td>
<td>899</td>
</tr>
<tr>
<td>% of eligible SHGs received RF</td>
<td>25.12</td>
<td>0.00</td>
<td>62.76</td>
<td>0.00</td>
<td>10.27</td>
<td>19.97</td>
</tr>
<tr>
<td>Amount of RF disbursed (Rs.in Lakhs)</td>
<td>45</td>
<td>0</td>
<td>75.6</td>
<td>0</td>
<td>13.95</td>
<td>134.55</td>
</tr>
<tr>
<td>% of 6 month old (and above) SHGs that have prepared Micro Investment Plan</td>
<td>10</td>
<td>18</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>6.8</td>
</tr>
<tr>
<td>No. of SHGs received CIF</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Amount of CIF disbursed (Rs.in lakhs)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>% of 6 months old (and above) SHGs credit linked to Banks</td>
<td>3.1</td>
<td>12</td>
<td>17</td>
<td>0</td>
<td>0</td>
<td>6.42</td>
</tr>
<tr>
<td>Amount of credit leveraged from Banks (Rs.in lakhs)</td>
<td>98.33</td>
<td>0</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>121.33</td>
</tr>
<tr>
<td>Number of community professionals identified for supporting SHGs (excluding</td>
<td>445</td>
<td>762</td>
<td>554</td>
<td>318</td>
<td>427</td>
<td>2506</td>
</tr>
</tbody>
</table>
No. of community professionals trained for working in the villages (excluding BK)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>State</th>
<th>EC Date</th>
<th>Approved</th>
<th>1st Instl. Date</th>
<th>Release Date</th>
<th>2nd Instl. Date</th>
<th>Release Date</th>
<th>Total Release</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bihar</td>
<td>Jan'12</td>
<td>13938.0</td>
<td>6969.0</td>
<td>Dec'12</td>
<td></td>
<td></td>
<td>6969.0</td>
<td>905.3</td>
</tr>
<tr>
<td>2</td>
<td>Chhattisgarh</td>
<td>May'12</td>
<td>1348.5</td>
<td>674.2</td>
<td>Jun'12</td>
<td>674.2</td>
<td>Dec'12</td>
<td>1348.5</td>
<td>284.4</td>
</tr>
<tr>
<td>3</td>
<td>Jharkhand</td>
<td>May'12</td>
<td>2241.9</td>
<td>1120.9</td>
<td>Jun'12</td>
<td></td>
<td></td>
<td>1120.9</td>
<td>376.8</td>
</tr>
<tr>
<td>4</td>
<td>Madhya Pradesh</td>
<td>May'12</td>
<td>3979.0</td>
<td>1989.5</td>
<td>Jun'12</td>
<td>1989.5</td>
<td>Dec'12</td>
<td>3979.0</td>
<td>3392.0</td>
</tr>
<tr>
<td>5</td>
<td>Maharashtra</td>
<td>May'12</td>
<td>3763.7</td>
<td>1881.9</td>
<td>Jun'12</td>
<td>1881.9</td>
<td>Dec'12</td>
<td>3763.7</td>
<td>840.3</td>
</tr>
<tr>
<td>6</td>
<td>Orissa</td>
<td>May'12</td>
<td>4779.7</td>
<td>2389.8</td>
<td>Jun'12</td>
<td></td>
<td></td>
<td>2389.8</td>
<td>526.8</td>
</tr>
<tr>
<td>7</td>
<td>Tamil Nadu</td>
<td>May'12</td>
<td>3279.1</td>
<td>1639.6</td>
<td>Jun'12</td>
<td>1639.6</td>
<td>Dec'12</td>
<td>3279.1</td>
<td>619.7</td>
</tr>
<tr>
<td>8</td>
<td>Assam</td>
<td>May'12</td>
<td>4357.8</td>
<td>2178.9</td>
<td>Jul'12</td>
<td>2178.9</td>
<td>Dec'12</td>
<td>4357.8</td>
<td>264.6</td>
</tr>
<tr>
<td>9</td>
<td>Gujarat</td>
<td>Aug'12</td>
<td>1841.0</td>
<td>1841.0</td>
<td>Dec'12</td>
<td></td>
<td></td>
<td>1841.0</td>
<td>179.6</td>
</tr>
<tr>
<td>10</td>
<td>Rajasthan</td>
<td>Aug'12</td>
<td>1493.0</td>
<td>1493.6</td>
<td>Dec'12</td>
<td></td>
<td></td>
<td>1493.6</td>
<td>38.3</td>
</tr>
<tr>
<td>11</td>
<td>Karnataka</td>
<td>Jan'13</td>
<td>156.5</td>
<td>78.3</td>
<td>Mar'13</td>
<td></td>
<td></td>
<td>78.3</td>
<td>0.0</td>
</tr>
<tr>
<td>12</td>
<td>Uttar Pradesh</td>
<td>Mar'13</td>
<td>600.0</td>
<td>200.0</td>
<td>Mar'13</td>
<td></td>
<td></td>
<td>200.0</td>
<td>10.2</td>
</tr>
<tr>
<td>13</td>
<td>West Bengal</td>
<td>Feb'13</td>
<td>804.8</td>
<td>155.3</td>
<td>Mar'13</td>
<td></td>
<td></td>
<td>155.3</td>
<td>0.0</td>
</tr>
</tbody>
</table>

3.6 **Fund Utilization Status**

Due to delay in transition and setting up systems, not all SRLMs were able to avail of their 2\textsuperscript{nd} installment.
Figure 22  Funds Approved vs. Expenditure

Figure 33  Percentage Utilized (Expenditure/Approved)
Figure 44 Percentage Utilized (Expenditure/Released)

![Percentage Utilized (Expenditure/Released)](image)

Figure 15 Funds Approved/Released/Expenditure

![Funds Approved/Released/Expenditure](image)
IV Restructuring of National Rural Livelihoods Project (NRLP)
4.1 Background
Originally, the Board of the World Bank has sanctioned an amount of US$ 1000 million. By March 31, 2013, the envisaged expenditure in the project was much below than what had been envisaged, as evidenced from the previous Chapter on MIS analytics. As per the disbursement plan during the first two years, till June, 2013 it had been expected that around US$ 300 million would have been disbursed; however, actual disbursement as on 20-Apr-2013 stood at US$ 20 million, which was around 2 % of the total allocation. The administrative delays in transiting to NRLM, in setting up implementation architecture and in the recruitment of professional staff in the 13 participating States took their toll on the pace of roll out of the project.

At the timing of the designing of NRLP, it was visualized that the States having past experiences of implementing similar program would pull the expenditure during the initial years of the NRLP; however, that did not happen as these States also received additional financing from other projects during the same time. In addition, the cumbersome business process at the informal set-up at the national level system (NMMU) constrained the provision of technical assistance to States and procurement of different goods and services including setting up a full fledged office at the National level. Nevertheless, efforts were made to bring about several policies and programme related reforms, which would lead to expansion in financial investments in future.

The Government of India (GoI), through the Department of Economic Affairs, Ministry of Finance, requested the World Bank for restructuring of National Rural Livelihood Project (NRLP).

A World Bank restructuring Mission discussed with the National Mission Management Unit (NMMU) of the NRLM and worked out details of the restructured project and some of the changes, which have been proposed as part of restructuring are as follows:

- Scaling down the size of the project from IDA credit US$ 1 billion to US$ 500 million.
- Shifting the focus of project implementation and management to the States and accordingly reallocation of project budgets.
• Making specific state participation and fund allocation more performance based and subject to state performance and expenditure through six monthly reviews. While initial funding for establishing SRLMs as implementation structures are eligible as entitlement, future financing of block level investments available based on performance.

• No reduction in the original geographical coverage of 400 blocks from 100 districts in 13 states. The GoI will co-finance block level investments beyond $ .75 million/NRLP block.

• Opening up the project through a variety of partnerships with institutions with proven track record in rural development and training.

• Financing existing SHGs and their Federations through a process of quality assessment and validation.

• Decentralizing technical assistance provision to states through a variety of mechanisms.

• It is proposed to extend the closing date by one year from December 31, 2016 to December, 31 2017 to account for the lag in implementation of the project to ensure that PDO can be achieved.

There are no changes proposed in the Project Development Objective (PDO), component design, and results framework of the project. All 13 participating states had successfully transited to NRLM, fulfilling all transition conditions of setting up State Rural Livelihoods Mission (SRLM) and having approved implementation structures at the State, District and Block level. To bring in operational flexibility in the implementation of the project it is proposed to shift the focus of the project to the state level with all project components, and eligible expenditures/investments within them, being eligible for execution by the states and investments at the GoI level being reduced by 15 %. In the restructuring Mission, it has been also agreed that a more rigorous process would be followed for fund allocation to the participating states. The disbursement schedule over the balance period of the project has also been rationalized. The Financing Agreement of the project will be modified to accommodate all the above changes and will form the basis for the implementation of the restructured project.
4.2 Proposed Changes

4.2.1 Project’s Development Objectives:

The PDO will remain the same and is as follows:

*To establish efficient and effective institutional platforms of the rural poor that enables them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services.*

4.2.2 Results/Indicators

As the core design of the project has not changed, indicators will remain the same. However, the Results Framework has been modified to reflect the progress made in the first two years and the extension of the project to Year 6. Revised Results Framework is presented in Annex 2.

4.2.3 Components

The components, their objective and overall features will remain the same. The major change is that all components and eligible expenditures within them will be available to the participating States as part of their AAPs. As the total amount of financing has been reduced from US$ 1 billion to US$ 500 million, financial allocation for the different components has been changed as shown in the section on Project Financing below. More elaborate guidelines on eligible activities under each component have been developed and the key changes are summarized below:

**Component 1: Institutional and Human Capacity Development**

No change is envisaged in the investments to be financed by this component. Greater support to the SRLMs for development of partnerships with well-established training, academic and research institutions in the field of rural livelihoods will be given.

**Component 2: State Livelihood Support**
All the thirteen participating states will continue to be supported to establish fully staffed State Rural Livelihood Missions at the state and district levels. However, the investments to be made within this component for *Institution Building and Capacity Building and Community Investment Support* will be made only when a specific state establishes a fully staffed SRLM. The subcomponent of Special Programs will also support expansion of existing models of livelihood promotion promoted by other agencies in specific participating states through partnerships, based on a protocol developed for this purpose.

**Component 3: Innovation and Partnership Support**  
The component will continue to invest in all the proposed activities but will be scaled down in size due to a lack of capacity in States and Centre.

**Component 4: Project Implementation Support**  
There will be no change in this component and the activities it supports both at the state and central level. The overall allocation under this component will be substantially reduced.

**4.2.4 Project Financing**  
**Project Costs:** Summary table indicating the changes in the Project costs across components is presented below:

*Table 12  Summary table indicating the changes in Project Costs*

<table>
<thead>
<tr>
<th>Components / Subcomponents</th>
<th>Current (US$ million)</th>
<th>Proposed (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IDA</td>
<td>GOI</td>
</tr>
<tr>
<td>A. Institutional and Human Capacity Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1 Technical Assistance</td>
<td>46.50</td>
<td>-</td>
</tr>
<tr>
<td>A.2 Human Resource Development</td>
<td>13.80</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>60.30</td>
<td>60.30</td>
</tr>
<tr>
<td>B. State Livelihoods Support –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.1 State Rural Livelihoods Missions (SRLM)</td>
<td>193.50</td>
<td>-</td>
</tr>
<tr>
<td>B.2 Institution Building and</td>
<td>179.30</td>
<td>-</td>
</tr>
</tbody>
</table>
Out of the total IDA proceeds of $1000 million in the original project, $ 500 million was proposed for cancellation in the restructured project.

### 4.2.5 Financial management
The financial management arrangements as were envisaged at appraisal remain valid and no changes are envisaged at restructuring. State level assessments of financial management
readiness have been undertaken jointly by the Bank and MORD teams and action plans drawn. Financial rules and procedures including delegation of financial powers etc. have been documented and are at various stages of implementation. While these documents lay the essential foundations for establishment of sound financial management systems, much of these have yet to become fully functional. This is partly on account of the delays in the establishment of District and Block level implementing Units (as integral part of the SRLMs) in the participating states and recruitment of accounting staff therein.

4.2.6 Procurement
No change is envisaged in the procurement arrangements. With a substantial increase in roles and investments going to participating states, bulk of the procurement functions will be now carried out at the state level and hence supervision of state mission procurement will be undertaken jointly by the Bank and NMMU.

4.3 Proposed changes in N.R.L.M
From the experience of the operation of the scheme at the ground level, and the recommendations of the Working Group for N.R.L.M for the 12th Plan, set up by the Planning Commission, it was considered necessary to carry out certain modifications in the existing guidelines governing the scheme to make it more effective and more sustainable. Accordingly a proposal was mooted to the Cabinet to approve following changes to NRLM guidelines:

a) Improved targeting under N.R.L.M by identifying the target group through a process of Participatory Identification of Poor (P.I.P);
b) Phasing of implementation of N.R.L.M over a period of 7 – 8 years;
c) Change in the pattern of financial assistance - replacing Capital subsidy with a Community Investment Support fund;
d) Interest subvention and additional interest subvention in 150 districts;
e) Treatment of professional support cost at Block and sub-Block levels as Institution Building and Capacity Building costs;
f) Increase in the provision for Skills and Placement Projects from 15% to 25% of the N.R.L.M allocation;
g) Relaxations in funding norms for the State of Jammu & Kashmir
h) Setting up of National Level Society under N.R.L.M.
i) Strengthening accountability of delivery mechanisms to Panchayati Raj Institutions

The changes were approved by Cabinet in May 2013, which ensured that implementation in the year 2013-14 would be as per the restructured project. In a complex project of this nature, where both governance reforms and social engineering are attempted, teething problems are to be expected. It is how the project adapts to institutional and systemic bottlenecks without compromising the reform agenda that shows its resilience and capacity for being transformative.
स्त्री समूहों ने शक्ति पाई, गरीबी मिटाने की राह दिखाई...