Chapter- 3
Institutional framework

Introduction

The Ministry of Rural Development plays a crucial role in the overall rural development of the country. As a nodal agency, Ministry is responsible for most of the development and welfare activities in the rural areas, where more than 70 percent of our billion-strong population lives. The mission and objectives of the Ministry is to correct the developmental imbalances and to accord due priority to development in rural areas by bringing in sustainable and holistic development through a multi-pronged strategy, aiming in the process, to reach out to most disadvantaged sections of the society. The thrust of these programmes are on all round economic and social transformation in rural areas.

On 31st March 1952, an organisation known as Community Projects Administration was set up under the Planning Commission to administer the programmes relating to community development. The Community Development Programme inaugurated on October 2nd, 1952, was an important landmark in the history of rural development. This programme underwent many changes and was handled by different ministries.

In October 1974, the Department of Rural Development came into existence as a part of Ministry of Food and Agriculture. On 18th August, 1979, the Department of Rural Development was elevated to the status of a new Ministry of Rural Reconstruction. That Ministry was renamed as Ministry of Rural Development on January 23rd 1982. In January 1985, the Ministry of Rural Development was again converted into a department under the Ministry of Agriculture and Rural Development which was later rechristened as Ministry of Agriculture in September 1985. On July 5th, 1991, the department was upgraded as Ministry of Rural Development. Another Department viz. Department of Wasteland Development was created under the Ministry on July 2nd, 1992. In March 1995, the Ministry was renamed as the Ministry of Rural Areas and Employment with three departments namely Department of Rural
Employment and Poverty Alleviation, Rural Development and Wasteland Development. Again in, 1999 Ministry of Rural Areas and Employment were renamed as Ministry of Rural Development.

Presently the Ministry is headed by a Cabinet Minister and is assisted by three Ministers of State. At the administrative level the Ministry is headed by the Secretary, Rural Development, and Government of India. The Secretary is assisted by one Additional Secretary and Financial Advisor.

**The Ministry of Rural Development consists of two Departments**

1. Department of Rural Development
2. Department of Land Resources

The main schemes being handled by the Department of Rural Development are National Rural Livelihood Mission, Pradhan Mantri Gram Sadak Yojana, Indira Awaas Yojana and Sampoorna Grameen Rozgar Yojana.

The Department of Land Resources is dealing with the work relating to land reforms. Integrated Watershed Development Programme, Drought Prone Areas Programme, Desert Development Programme and Haryali are major projects in the ambit of this Department.

**Autonomous bodies under Ministry of Rural Development**

The Ministry of Rural Development has two autonomous organisations under its administrative control. These are:

- National Institute of Rural Development (NIRD), Hyderabad
- Council for Advancement of People’s Action and Rural Technology (CAPART), New Delhi.

Organisation and Method unit of the Ministry of Rural Development provides services to all the three Departments of the Ministry. It is entrusted with the responsibility of examination of proposals relating to organisational structure. Besides, it also oversees all aspects concerning Organisation and

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Methods, administrative reforms and records management so as to bring in systematic improvement to enhance efficiency.

The work of vigilance is being handled by Vigilance Desk, headed by Chief Vigilance Officer (Joint Secretary) in the Ministry. Vigilance Desk coordinates with other two Departments of the Ministry along with National Institute of Rural Development and Council for Advancement of People’s Action and Rural Technology (CAPART) on various vigilance related issues and reports concerning to Central Vigilance Commission, Department of Personnel and Training (DOPT), and Central Bureau of Investigation\(^2\).

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**ORGANISATIONAL CHART OF MINISTRY OF RURAL DEVELOPMENT**

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**Figure 1**

JS=Joint Secretary, RC=Rural Connectivity, A=Administration, RH=Rural Housing, S=Statistical, CEA=Chief Economic Advisor

**Source:** Annual Report, 2009-2010, MoRD, GOI, New Delhi

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\(^2\)Annual Report, 2015-2016,MoRD,GOI: 120.
STRUCTURE OF NATIONAL RURAL LIVELIHOODS MISSION

The Ministry of Rural Development has restructured Swarnajayanti Gram Swarojgar Yojana with the objective of making it more effective and need based. The Ministry is in the process of redesigning Swarnajayanti Gram Swarojgar Yojana to implement it in a mission mode. National Rural Livelihoods Mission is set up at different levels:

Structure of National Rural Livelihood Mission at the Central Level

The National Rural Livelihood Mission is to be set up in the Ministry under the overall supervision of Joint Secretary already in-charge of Swarnajayanti Gram Swarojgar Yojana Division. The National Rural Livelihood Mission has a Governing Council and an Executive Committee (EC). A Governing Council is constituted under the chairmanship of the Minister for Rural Development, Government of India.

The Governing Council is the policy making body setting overall vision and direction to the Mission, consistent with the national objectives. It lays down the priorities and review overall progress and development of the Mission. The Governing Council is empowered to lie down and amend operational guidelines. However, the subsidy norms of the National Rural Livelihood Mission as approved by the Government shall in no circumstances be changed or exceeded for any of the mission components. The Governing Council meets at least twice a year.

The Executive Committee is constituted under the chairmanship of Secretary, Department of Rural Development, Government of India to oversee the activities of the Mission and approve the state action plans. The Executive Committee is to oversee the activities of the mission and approve the individual
state action plans to ensure that overall objectives of the National Rural Livelihood Mission are achieved within stipulated period. The Executive Committee ensures smooth functional linkages among different missions, departments and other institutions including National Bank for Agriculture and Rural Development (NABARD) and other banks. The Chairperson of the Executive Committee may nominate more members to the committee as per requirement. The Executive Committee meets at least once in every quarter.³

A Mission Management Unit is created in the Department of Rural Development. The Unit is the implementation arm of the National Rural Livelihood Mission. The unit provides necessary support to the Governing Council and Executive Committee and administers the National Rural Livelihood Mission. The unit is headed by the Mission Director (Joint Secretary in the Department of Rural Development, Government of India) and supported by a multi-disciplinary team of experts in social mobilization and institution building, capacity building, micro finance and livelihood finance, gender, micro enterprises, food security, marketing, risk and vulnerability reduction, policy analysis, monitoring and learning, Management Information System (MIS) and such other fields as per the requirement.

**Central Level Coordination Committee**

There is also a Central Level Coordination Committee which consists of the under mentioned composition⁴:

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³ National Rural Livelihoods Mission Framework for Implementation, Ministry of Rural Development, GOI, p. 35
Table No. 3.1

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Central Level Coordination Committee</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Secretary, Ministry of Rural Development.</td>
<td>Chairperson</td>
</tr>
<tr>
<td>(ii)</td>
<td>Secretary, Department of Financial Services, Ministry of Finance</td>
<td>Member</td>
</tr>
<tr>
<td>(iii)</td>
<td>Deputy Governor, Reserve Bank of India</td>
<td>Member</td>
</tr>
<tr>
<td>(iv)</td>
<td>Secretary, Department of Agriculture &amp; Cooperation</td>
<td>Member</td>
</tr>
<tr>
<td>(v)</td>
<td>Secretary, Department of Expenditure</td>
<td>Member</td>
</tr>
<tr>
<td>(vi)</td>
<td>Secretary, Department of Women and Child Development</td>
<td>Member</td>
</tr>
<tr>
<td>(vii)</td>
<td>Secretary, Department of Small Scale &amp; Agro-related Industries</td>
<td>Member</td>
</tr>
<tr>
<td>(viii)</td>
<td>Secretary, Ministry of Social Justice and Empowerment</td>
<td>Member</td>
</tr>
<tr>
<td>(ix)</td>
<td>Secretary, Ministry of Tribal Welfare</td>
<td>Member</td>
</tr>
<tr>
<td>(x)</td>
<td>Chairman, NABARD</td>
<td>Member</td>
</tr>
<tr>
<td>(xi)</td>
<td>Adviser (Rural Development), Planning Commission</td>
<td>Member</td>
</tr>
<tr>
<td>(xii)</td>
<td>Additional Secretary &amp; Financial Adviser, Ministry of Rural Development</td>
<td>Member</td>
</tr>
<tr>
<td>(xiii)</td>
<td>State Secretaries of Rural Development</td>
<td>Members</td>
</tr>
<tr>
<td>(xiv)</td>
<td>Chairman-cum-Managing Director of all commercial banks</td>
<td>Member</td>
</tr>
<tr>
<td>(xv)</td>
<td>Director General CAPART</td>
<td>Member</td>
</tr>
<tr>
<td>(xvi)</td>
<td>Director General, NIRD</td>
<td>Member</td>
</tr>
<tr>
<td>(xvii)</td>
<td>Chairman, Indian Banks Association</td>
<td>Member</td>
</tr>
<tr>
<td>(xviii)</td>
<td>Representatives of NGOs, nominated by Ministry of Rural Development</td>
<td>Members</td>
</tr>
<tr>
<td>(xix)</td>
<td>Representatives of Institutions of the Poor, nominated by Ministry of Rural Development</td>
<td>Members</td>
</tr>
<tr>
<td>(xx)</td>
<td>Mission Director/Joint Secretary (National Rural Livelihood Mission)</td>
<td>Member Secretary</td>
</tr>
</tbody>
</table>

Source : NRLM Framework for Implementation, MoRD, GOI.
The National Rural Livelihoods Mission has the following structure for policy making and providing guidance to State and District level mission:

**National Rural Livelihoods Mission Structure**

National Rural Livelihoods Mission (NRLM)

- Advisory Committee (AC)
- Coordination Committee (CC)
- Empowered Committee (CE)
- National Mission Management Unit (NMMU)

**Figure 2**

**Source**: Annual Report, 2009-2010, MoRD, GOI.

**STRUCTURE OF NATIONAL RURAL LIVELIHOOD MISSION AT THE STATE LEVEL**

**State Level Mission**

A state level mission with induction of professional and domain experts constituted by all State Governments to oversee the implementation of the mission and other poverty eradication programmes in the states, wherever such organizations do not exist. The State mission is set up as a separate entity under overall charge of Secretary/Principal Secretary of Rural Development Department for implementing the mission in the state.
Organizational Setup of the Department of Rural Development in Haryana

The organizational structure of Rural Development Department of Haryana is as follows:

![Organizational Chart]

Source: Department of Rural Development, Govt. of Haryana
**State Level Governing Body**

There is also a Governing Body at state level and the composition of the Governing body is as follows:

**Table No. 3.2**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Governing Body at State Level</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Chief Minister or Chief Secretary</td>
<td>Chairperson</td>
</tr>
<tr>
<td>(ii)</td>
<td>Ministers/Secretaries of Agriculture, Panchayat Raj, AHD, SC/ST, Industry, Labour, Education, Health, WCD, Institutional Finance</td>
<td>Member(s)</td>
</tr>
<tr>
<td>(iii)</td>
<td>Representative from Ministry of Rural Development, GOI</td>
<td>Member</td>
</tr>
<tr>
<td>(iv)</td>
<td>Representative from Training institutes, Corporate Sector, Academic institutions.</td>
<td>Member</td>
</tr>
<tr>
<td>(v)</td>
<td>State level Representative(s) of RBI, NABARD, Convener SLBC.</td>
<td>Member(s)</td>
</tr>
<tr>
<td>(vi)</td>
<td>Experts (Rural Development)/NGOs</td>
<td>Member</td>
</tr>
<tr>
<td>(vii)</td>
<td>Representatives of Self- Help Groups members/federations</td>
<td>Member</td>
</tr>
<tr>
<td>(viii)</td>
<td>Principal Secretary/Secretary (Rural Development)</td>
<td>Convener</td>
</tr>
<tr>
<td>(ix)</td>
<td>State Mission Director (State Rural Livelihood Mission)</td>
<td>Co-Convener</td>
</tr>
</tbody>
</table>

**Source**: Department of Rural Development, Govt. of Haryana
State Mission Management Unit Structure

The State Mission Management Unit has the following structure:

**Figure 5**

**Source:** Department of Rural Development, Govt. of Haryana

The State Agency finalise the state’s action plans in consultation with the district level agencies by following bottom up approach for promotion of self-employment through social mobilization and formation of people's institutions, training and capacity building of all stakeholders in a time bound manner, marketing strategies, bridging infrastructural gaps, possible convergences with other programmes and missions, skill-based wage employment and such other activities necessary for the eradication of rural poverty. The state agency endowed with sufficient autonomy and authority to function effectively plays a catalytic role in the organization of the poor into self-help groups, facilitate their capacity building and put in place the democratic institutions owned, managed and governed by the poor.
The State Management Team

A Project Management Team is constituted at the state level under the leadership of the Chief Executive Officer of the agency, drawn from the state government, equivalent in rank to Secretary to the State Government. The State Management Team is assisted by highly competent technical experts to be appointed on contractual basis with specific terms of reference, for the implementation of the Mission/ restructured Swarnajayanti Gram Swarojgar Yojana and other poverty alleviation programmes.

The state team includes experts in the areas of social mobilization, institution building, capacity building and training, micro finance development, marketing and micro enterprises like forest produce based livelihoods, fisheries based livelihoods, value chain analysis, skill development and placement support, gender aspects of poverty, communication, monitoring and evaluation. Apart from providing critical inputs required for the promotion of people’s institutions and the implementation of the mission’s programmes, the state team has the responsibility to ensure collaboration with various line departments of the state government to facilitate implementation and convergence of activities for deriving optimal benefits from National Rural Livelihood Mission and other programmes. The team uses the services of national and state institutions functioning in the district in the implementation of different components of the Mission’s programmes and also ensures proper coordination with the District Rural Development Agencies.

The state level agency has the following specific responsibilities:

1. Prepare perspective and state action plans by following bottom up approach in consonance with the mission goals and objectives and in close coordination with the state Department of Rural Development/ Panchayati Raj Institutions and other agencies responsible for implementation of poverty eradication programmes;
2. Provide professional support through a dedicated in-house professional team or outsourced support, to the district units;

3. Facilitate setting up of district units suitably linked with the District Rural Development Agencies to implement the Mission’s activities.

4. Facilitate implementation of the Mission’s programmes in the state through district units, people’s institutions, Non-Governmental Organisations and private sector partners and Panchayati Raj Institutions;

5. Coordinate with the Reserve Bank of India, National Bank for Agriculture and Rural Development (NABARD), lead banks, insurance agencies, state marketing and other development agencies and departments to facilitate the required flow of financial, technical and other services to the rural poor;

6. Coordinate and develop convergence with other missions and programmes in the state for the required synergy to enhance the capabilities of rural poor and their access to other entitlements such as wage employment, food security, risk mitigation etc.,

7. Organize state level skill training and placement support programmes, capacity building programmes, workshops, seminars and cross-learning visits to promote the objectives of the Mission in the state;

8. Conduct studies to assess the impact of the mission on eradication of poverty

9. To receive funds from the National Rural Livelihood Mission/Ministry of Rural Development and other agencies as well as the state government to execute the approved action plans and

10. Facilitate institution of monitoring and learning system and undertake concurrent/periodic evaluations.
At District Level

District Rural Development Agency (DRDA) is responsible for the implementation of policies and programmes under National Rural Livelihoods Mission at district level. At the district level, a dedicated unit suitably linked to District Rural Development Agency is set up by all the states. The district level units are responsible for implementing the mission’s programmes in the district following the guidelines. The district level unit is the implementation arm of the District Rural Development Agency under the overall supervision of the state agency.

The district unit is headed by the Programme Director, District Rural Development Agency. The Director manages the mission activities in the district under the direction of the state agency. The District Programme Director is assisted by a team of functional specialists in the fields of social mobilization, institution and capacity building, micro finance, livelihoods/micro enterprises/marketing, gender, information, education and communication. The functional specialists are appointed on contractual basis and undertake activities in the respective fields under the proximate leadership of District Programme Director and the overall guidance and supervision of the state project team. They work in close liaison with District Rural Development Agency.

The district unit facilitates setting up of block level programme units and positioned personnel having expertise in social mobilization/institution building, livelihood promotion and Self- Help Groups book keeping and accounting. The district unit could consider outsourcing the entire tasks of mission in a block level to an experienced Non-Governmental Organisation with good track record in Self- Help Groups promotion. The district unit interface with district administration and line departments, banks, Non-Governmental Organisations, Panchayati Raj Institutions and corporate agencies. The district unit facilitates the formation of district and block level federations in the light of their economic viability and technically feasibility. The major task of the district unit is to train the block level personnel in the core areas of social mobilization, institution and capacity building, micro
finance and livelihoods. It also undertakes regular monitoring and review of the performance of the block level unit.

**District Mission Management Unit Structure**

The District Mission Management Unit has the following structure for the implementation of National Rural Livelihood Mission at district level under the overall supervision of State level mission:

![DMMU Structure](image)

**Figure 6**

**Source:** Department of Rural Development, Government of Haryana

1. **At Block Level**

   The block level unit is headed by Block Coordinator/ Social Organiser supported by community facilitators/coordinators responsible for social mobilization/ institution building, bank linkage, micro finance, livelihoods promotion and book keeping. The principal roles of block level unit are mobilization of all Below Poverty Line households into the Self- Help Groups, fold and build their capacities. The units are also responsible for building village level and block level federations of Self- Help Groups depending upon
their economic viability which will undertake the bigger tasks of negotiating with the financial and marketing institutions as well as the Panchayati Raj Institutions. To accelerate the process of social mobilization, the block level unit may divide the block in to clusters and place each cluster under the charge of a coordinator and master bookkeeper. Eventually, the block level federations will replace the block level units over a period and perform all the activities that the block level mission units will initially perform. Thus, the people’s institutions are expected to takeover the entire implementation responsibility of sustaining all activities after the Mission.

The Block Mission Management Structure

This unit has the following structure for the implementation of National Rural Livelihood Mission at block level under the overall guidance of State and District level mission:

![BMMU Structure](image_url)

**Figure 7**

**Source:** Department of Rural Development, Government of Haryana
At the Village Level

At the village level Panchayati Raj Institutions (PRIs) are actively involved in the following activities of the mission:

(1) Identification and mobilization of Below Poverty Line households into Self- Help Groups, with priority being given to the Scheduled Castes and Scheduled Tribes, households especially primitive tribal groups, poorest of the poor households, women headed households and households engaged in declining occupations;

(2) Facilitating federation of Self- Help Groups at the Village/Gram Panchayat level and providing basic facilities for the effective functioning of such federations in terms of providing accommodation for federation office and such other basic facilities;

(3) Giving priority to the demands of the Self- Help Groups and their federations in the annual plans/activities of the Panchayati Raj Institutions by making suitable financial allocations;

(4) Entrusting execution of panchayat activities including civil works to Self-Help Groups and their federations on a priority basis;

(5) Leasing out panchayat resources such as fishing ponds/tanks, common property resources, market yards, buildings and other properties to the Self- Help Groups and their federations for proper management and maintenance;

(6) Any other activity which could be taken up by the members of the Self-Help Groups or their federations.

ALLOCATION OF FUNDS TO THE STATES

National Rural Livelihood Mission is a Centrally Sponsored Scheme, implemented in all states and Union Territories(UTs) except in Delhi and Chandigarh. The financing of the mission shall be shared between the Centre and the States/Union Territories (UTs) on the following basis\(^5\):

\(^5\) National Rural Livelihood Mission Framework for implementation, Ministry of Rural Development, GOI, p. 41
Table No. 3.3

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>States/UTs</th>
<th>Central Share (%)</th>
<th>State Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>North Eastern States (Arunchal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim)</td>
<td>90</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>All other States</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Union Territories</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: NRLM Framework for Implementation, MoRD, GOI.

FINANCIAL ASSISTANCE TO INDIVIDUALS

Under National Rural Livelihood Mission emphasis is given to the group approach, under which the rural poor are organised into Self-Help Groups and efforts are made that most of the benefits of the scheme are provided to the poor through Self- Help Groups. However, in certain cases it may not be possible. In such cases, an individual member can also be considered for providing the benefits of the scheme. The first task for considering the benefits under the scheme to the individual beneficiary is to identify the most deserving beneficiary through a participatory identification of the vulnerabilities. The second task is to provide financial literacy and business counseling services to help the person in developing a business plans for financing. It is possible that the number of such potential beneficiaries would be more than the availability of the funds in a particular block. In such a case, the efforts should be made to elect the best of the potential entrepreneurs. The provision of capital subsidy and interest subsidy for the individual beneficiary would be as follows:

- The list of all individual beneficiaries should be disclosed at Self- Help Groups federations and the Gram Panchayats.
- Similar list shall also be made available to the District Rural Development Agency/District Project Management Unit, other block officials, bankers and all other concerned agencies.
- To ensure focus on the vulnerable groups and weaker sections, the State Rural Livelihood Mission maintains stipulated thresholds viz. Scheduled Castes /Scheduled Tribes to constitute 50 percent; women 50 percent; and persons with disability 3 percent of the total Swarozgaris assisted during the year.

- Innovating creative ways to ensure placement and diligent post-placement support including mechanisms for safe migration, childcare, occupational health support and remittances; and

- Institution of a web-enabled tracking systems.

**Financing of National Rural Livelihood Project**

The Government of India has indicated a likely allocation to the National Rural Livelihood Mission/Swarnajayanti Gram Swarojgar Yojana of approximately US$ 2.2 billion for the last two years of 11th Five Year Plan and is expected to allocate approximately $5.5 billion for 12th Five Year Plan period. The World Bank financing for the National Rural Livelihood Project designed to strengthened National Rural Livelihood Mission is estimated at $1 billion (approximately Rs.4,600 crores). With the exception of component 2 that will be implemented in 12 targeted states (400 blocks), the remaining components of National Rural Livelihood Project will provide support at the national level to enable the smooth rollout of National Rural Livelihood Mission throughout the country.

**Breakdown Costs of National Rural Livelihood Project**

The total cost of National Rural Livelihood Project has been estimated at US$1.169 billion, out of which the Government share would be US$168.5 million. The remaining US$1 billion would come in the form of an International Development Agency Credit. The financing share of the bank is pegged at 85.4 per cent of the 195 total project cost. The following table summarizes the overall project costs. The component-wise breakdown costs are presented in Table.
## Table No. 3.4

### Project Cost Summary

#### Financing Share By Component/Sub Component

<table>
<thead>
<tr>
<th>Component / Sub component</th>
<th>IDA (in US$ million)</th>
<th>GoI</th>
<th>Total (in US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Institutional and Human Capacity Building</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1 Technical Assistance</td>
<td>46.5</td>
<td>-</td>
<td>46.5</td>
</tr>
<tr>
<td>A.2 Human Resource Development</td>
<td>13.8</td>
<td>-</td>
<td>13.8</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>60.3</strong></td>
<td>-</td>
<td><strong>60.3</strong></td>
</tr>
<tr>
<td><strong>B. State Livelihoods Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.1 State Rural Livelihoods Missions (SRLM)</td>
<td>193.5</td>
<td>-</td>
<td>193.5</td>
</tr>
<tr>
<td>B.2 Institution Building and Capacity Building</td>
<td>179.3</td>
<td>59.7</td>
<td>239.0</td>
</tr>
<tr>
<td>B.3 Community Investment Support</td>
<td>326.3</td>
<td>108.8</td>
<td>435.1</td>
</tr>
<tr>
<td>B.4 Special Programmes</td>
<td>98.0</td>
<td>-</td>
<td>98.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>797.1</strong></td>
<td><strong>168.5</strong></td>
<td><strong>965.6</strong></td>
</tr>
<tr>
<td><strong>C. Innovations and Partnership Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.1 Innovation Forums and Action Pilots</td>
<td>11.6</td>
<td>-</td>
<td>11.6</td>
</tr>
<tr>
<td>C.2 Social Entrepreneurship Development</td>
<td>10.5</td>
<td>-</td>
<td>10.5</td>
</tr>
<tr>
<td>C.3 Public Private Community Partnerships</td>
<td>23.4</td>
<td>-</td>
<td>23.4</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>45.5</strong></td>
<td>-</td>
<td><strong>45.5</strong></td>
</tr>
<tr>
<td><strong>D. Project Implementation Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D.1 National Mission Management Unit (NMMU)</td>
<td>21.1</td>
<td>-</td>
<td>21.1</td>
</tr>
<tr>
<td>D.2 Monitoring and Evaluation</td>
<td>23.2</td>
<td>-</td>
<td>23.2</td>
</tr>
<tr>
<td>D.3 Electronic National Rural Livelihoods Management System (e-NRLMS)</td>
<td>28.3</td>
<td>-</td>
<td>28.3</td>
</tr>
<tr>
<td>D.4 Governance and Accountability Framework</td>
<td>7.2</td>
<td>-</td>
<td>7.2</td>
</tr>
<tr>
<td>D.5 Knowledge Management and Communication</td>
<td>17.3</td>
<td>-</td>
<td>17.3</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>97.1</strong></td>
<td>-</td>
<td><strong>97.1</strong></td>
</tr>
<tr>
<td><strong>Total PROJECT COSTS</strong></td>
<td><strong>1,000.0</strong></td>
<td><strong>168.5</strong></td>
<td><strong>1,168.5</strong></td>
</tr>
</tbody>
</table>

**Source:** National Rural Livelihood Mission, Programme Implementation Plan, Ministry of Rural Development, Government of India.
Table No. 3.5

TOTAL PROJECT COST

Total Project Cost of National Rural Livelihood Project is presented in Table No. 3.5. It consists of contribution of World Bank and Government of India.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Govt. of India</th>
<th>IDA (World Bank)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Rural Livelihood Project</td>
<td>168.5</td>
<td>1000</td>
<td>1168.5</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>14.6%</td>
<td>85.4%</td>
<td>100%</td>
</tr>
</tbody>
</table>


Funding of Scheme

National Rural Livelihood Mission is a Centrally Sponsored Scheme and the financing of the program would be shared between the Centre and the States in the ratio of 75:25 (90:10 in case of North Eastern States including Sikkim; completely from the Centre in case of UTs).

The proposed National Rural Livelihoods Project (NRLP) intends to support the overall launch of the activities of the National Rural Livelihood Mission including specific additional investments for twelve states that have the highest number of absolute poor and poverty rates in India. The total project cost of National Rural Livelihood Project has been estimated at US$1.17 billion, out of which the Government share would be US$ 171 million. The remaining US$1000 million would come as Bank’s contribution in the form of International Development Agency financing.6

Financial Assistance to Self-help groups

The financial assistance to the Self-Help Groups provided as per the following norms:

1. Formation of Self-Help Groups – Rs. 10,000 per Self-Help Groups to be given to Non-Governmental Organizations/ Community Based Organisations/ Community Coordinators/ Facilitators/ Animators towards group formation and development.

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2. **Revolving Fund (RF)**– As a corpus to Self-Help Groups with a minimum of Rs. 10,000 to a maximum of Rs. 15,000 per Self-Help Groups. This is given to all Self-Help Groups that have not received Revolving Fund earlier. Self-Help Groups with more than 70 per cent Below Poverty Line members are eligible for Revolving Fund.

3. **Capital Subsidy (CS)** – Capital subsidy ceiling is applicable, both for members of Self-Help Groups and individual beneficiaries @ Rs. 15,000 per general category and Rs. 20,000 per Schedule Caste/Schedule Tribe and differently abled category. The maximum amount of subsidy that a Self-Help Groups is eligible for is Rs. 2.50 lakh. Only Below Poverty Line members are eligible for individual subsidy, and, only those Self-Help Groups with more than 70 per cent Below Poverty Line members are eligible for the subsidy to Self-Help Groups.

4. **Capacity building and skills training** – Rs.7,500 per beneficiary- The amount available under this component is used for training and capacity building not only of the beneficiaries but also of all other stakeholders, including programme officers and staff, community professionals, concerned government officials, Non-Governmental Organizations, Panchayati Raj Institutions functionaries etc. Expenditure on exposure visits and immersion visits is also be covered under this component. The skill building training here refers to member level training for self-employment and is distinct from the Placement – linked Skills training and the Rural Self-Employment Training Institutes (RSETI) training.

5. **Interest subsidy** – Subsidy on interest rate above 7 per cent per annum for all Self-Help Groups loans availed from banks based on prompt repayment. Interest subsidy is provided to Self-Help Groups for onward transmission to their members till he/she has availed a bank loan up to an amount of Rs.1.00 lakh. It is expected that there will be repeat doses of financing to members in Self-Help Groups and this limit of 1.0 lakh is the cumulative loan availed by a member. This subsidy is not available
on such occasions when the Self-Help Groups is availing capital subsidy.

6. One time grant for corpus fund for sustainability and effectiveness of federations –
   Rs. 10,000 for Village/ Panchayat level federation
   Rs. 20,000 for Block level federation
   Rs. 100,000 for District level federation

7. Administration expenses – 5 per cent of the allocation, net of the component relating to skill development & placement and net of the component of Rural Self-Employment Training Institutes (RSETIs). This amounts to 5 per cent of Central release to the State and the corresponding State share.

8. Infrastructure and Marketing – Up to 20 per cent (25 per cent in case of north eastern states and Sikkim) of the Central share and the corresponding State share of allocation i.e. the state's programme outlay.

9. Skills and Placement Projects and Innovations (20 per cent of the Central allocation) – Expenditure on innovative projects should not exceed 5 per cent; and the remaining 15 per cent is for placement linked skill development projects. 50 per cent of the allocation for placement linked skill development projects (7.5 per cent of the Central allocation) is retained at the centre for multi-state skill development projects and the balance is allocated to states to implement state specific skill development and placement projects. The States have to add the corresponding state share to the amount released to them.\(^7\)

**Project Period, Scope and Phasing**

The implementation period for the project is five years. The National Rural Livelihood Project is designed to be implemented in a Mission Mode, both to provide direct support to 12 priority States, as well as to provide the

\(^7\) NRLM : Framework for Implementation, MoRD, GOI, p. 44.
architecture for managing the National Rural Livelihood Mission across the whole country. While the National Rural Livelihood Mission, being a national program of the Government of India, will be implemented in all states of the country, the National Rural Livelihood Project that will be supported by the bank will be implemented intensively in selected 400 blocks of 12 priority states of the country.

**Self- Help Groups and National Rural Livelihood Mission**

The Self- Help Groups to be organised by Swarozgaris drawn from the Below Poverty Line list approved by Gram Sabha. The Scheme provides for formation of Self- Help Groups (SHGs), nurturing and their linkages with banks. Self- Help Groups may be an informal group or registered under Societies Act, State Co-operative Act or as a partnership firm. The assistance (loan cum subsidy) may be extended to individuals in a group or to all members in the group for taking up income generation activities. Group activities are given preference and progressively majority of the funding is for Self -Help Groups. Self -Help Groups go through various stages of evolution viz. group formation, group stabilization, micro credit stage and micro enterprise development stage. Under the scheme, generally a Self -Help Group may consist of 10-20 persons.

However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may vary from 5-20. The difficult areas have to be identified by the State Level Swarnajayanti Gram Swarojgar Yojana Committee and the above relaxation in membership is permitted only in such areas.

In case of disabled persons, the groups formed should ideally be disability specific, wherever possible; however, in case sufficient number of people for formation of disability specific groups is not available, a group may comprise of persons with diverse disabilities or a group may comprise of both disabled and non disabled persons below the poverty line.
Role transformation of Ministry of Rural Development: National Rural Livelihood Mission

The National Rural Livelihood Mission would result in a radical transformation of the role of the Ministry of Rural Development, Government of India from that of an allocation, disbursement and monitoring agency to one of providing quality technical assistance to the states for implementing participatory livelihood development programmes for the poor. The proposed role transformation of the Ministry of Rural Development is summarized in given table.

Table No. 3.6

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Pre-National Rural Livelihood Mission</th>
<th>National Rural Livelihood Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Allocation of resources, disbursement of funds and monitoring</td>
<td>Provision of high-quality technical assistance to states and partners in the areas of program design, HRD, MIS and community institutions building</td>
</tr>
<tr>
<td>2.</td>
<td>Financing restricted to resources allocated by GOI thinly distributed under SGSY</td>
<td>Emphasis on a leveraging model through financing of poor by commercial banks, allowing for both additional finance and deepening of Mission interventions</td>
</tr>
<tr>
<td>3.</td>
<td>Implemented as a scheme through the state system – DRDAs/district panchayats</td>
<td>Promoter of innovations and incubator of social and private sectors working for rural development</td>
</tr>
<tr>
<td>4.</td>
<td>Entitlement-based fund allocation</td>
<td>Program-based financing subject to overall ceiling</td>
</tr>
<tr>
<td>5.</td>
<td>Input and activity monitoring</td>
<td>Evidence based participatory monitoring and policy impact analysis</td>
</tr>
</tbody>
</table>


Key Features of Swarnajayanti Gram Swarojgar Yojana and National Rural Livelihood Mission

Swarnajayanti Gram Swarojgar Yojana is being restructured as National Rural Livelihood Mission to provide greater focus momentum for poverty
reduction and to achieve the Millennium Development Goals (MDGs). The basic reforms brought about through the National Rural Livelihood Mission vis-a-vis Swarnajayanti Gram Swarojgar Yojana scheme are furnished in given table.

**Table No. 3.7**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Key Feature</th>
<th>Swarnajayanti Gram Swarojgar Yojana</th>
<th>National Rural Livelihood Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fund allocation</td>
<td>District wise allocation based on BPL list/rural poverty estimate.</td>
<td>Overall state allocation based on estimated poverty population-sub state poverty level based on State Perspective Plan</td>
</tr>
<tr>
<td>2.</td>
<td>Fund flow</td>
<td>To the districts</td>
<td>To the state</td>
</tr>
<tr>
<td>3.</td>
<td>Delivery mechanism and program management</td>
<td>Through DRDAs</td>
<td>Through state Mission structure, a special purpose organization established for National Rural Livelihood Mission</td>
</tr>
<tr>
<td>4.</td>
<td>Program priority</td>
<td>Capital subsidy</td>
<td>Mobilization of poor into groups</td>
</tr>
<tr>
<td>5.</td>
<td>Capital subsidy flow</td>
<td>Through banks as subsidy for economic activities</td>
<td>Direct to groups as demand based seed capital</td>
</tr>
<tr>
<td>6.</td>
<td>Role of banks</td>
<td>As disbursers of capital subsidy</td>
<td>As providers of credit</td>
</tr>
</tbody>
</table>

**Source**: National Rural Livelihood Mission, Programme Implementation Plan, Ministry of Rural Development, Government of India.

**Role Transformation of Ministry of Rural Development**

There is a radical role transformation of the Ministry of Rural Development, Government of India from just an allocation, disbursement and monitoring of Govt. of India resources body to one of providing quality technical assistance to the states for implementing National Rural Livelihood
Mission. The role transformation of the Ministry of Rural Development is shown in the Table below.

**Table No. 3.8**

<table>
<thead>
<tr>
<th>Role of Ministry of Rural Development under Swarnajayanti Gram Swarozgar Yojana</th>
<th>Role of Ministry of Rural Development under National Rural Livelihood Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure focused scheme management reduced the role of Ministry of Rural Development to that of fund allocation agency and monitoring of disbursements</td>
<td>Results focused mission management with particular emphasis on enhancing institutional capacities of delivery system and building institutional platforms of the poor at the grassroots to ensure reach of all program benefits to all their members</td>
</tr>
<tr>
<td>Direct interface with district level entities on implementation strategies driven with little role for the state Governments</td>
<td>States will play lead role in developing poverty reduction strategies and creating a dedicated support structure up to the community levels. Ministry of Rural Development providing high quality technical assistance to States and other partner agencies.</td>
</tr>
<tr>
<td>Entitlement-based fund allocation made on year on year basis to the districts determined by the poverty ratio of the states</td>
<td>Program based financing with commitment beyond one year by subscribing to the mutually agreed results in perspective plans prepared by the States.</td>
</tr>
<tr>
<td>Program planning restricted to financial allocations under Swarnajayanti Gram Swarozgar Yojana distributed thinly across the districts/blocks. Credit mobilization plans restricted to subsidy allotments for year.</td>
<td>Leverage model of National Rural Livelihood Mission places emphasis on convergence with other Government programmes for the poor and formal financial institutions as primary source of investment.</td>
</tr>
<tr>
<td>Implementing Swarnajayanti Gram Swarozgar Yojana as a scheme run only through the state system</td>
<td>National Rural Livelihood Mission envisages multi-stakeholder engagement particularly positioning itself as promoter and incubator for innovators, social entrepreneurs and private enterprise.</td>
</tr>
<tr>
<td>Input monitoring against physical and financial targets</td>
<td>Evidence based monitoring and policy impact analysis</td>
</tr>
</tbody>
</table>

**Source**: National Rural Livelihood Mission, Programme Implementation Plan, Ministry of Rural Development, Government of India.
Leveraging through Convergence

As in the case of bank finance, convergence with different rural development programmes would allow the poor to reduce vulnerability and risk. The poor have multiple livelihoods and need bundled service delivery from one-stop-shop, helping them reduce transaction costs and livelihood risks. Franchisee models have emerged in the rural scene delivering a diverse range of services such as community managed nutrition and day care centers, mid-day meal schemes in local schools, girl-child education and Public Distribution System shops. The different groups of the poor, particularly at the Self- Help Groups federation level, can be drawn into such franchise arrangements. Further, the poor continually fall below and rise above poverty line due to volatility in income flows. Convergence of social protection schemes like National Rural Employment Guarantee Scheme, food security, Public Distribution System, social insurance and pensions with livelihood promotion initiatives under National Rural Livelihood Mission would be necessary to insulate poor from vulnerabilities. The cash flows generated through National Rural Employment Guarantee Scheme at the household level can trigger savings and credit habit among poor helping them accumulate assets, dramatically altering the credit standing of poor. In the same vein, the poor can influence National Rural Employment Guarantee Scheme implementation by encouraging pro-poor investments that impact livelihoods of the poor. Investments in developing private lands and common property resources (land, water and forests) and measures for enhancing farm productivity directly contribute to favorable rural production systems for poor. Further, National Rural Employment Guarantee Scheme has enabled poor leverage higher wage rates. The approach of building peoples’ institutions under National Rural Livelihood Mission can therefore, create conditions wherein the programmes targeting the rural poor can converge in terms of content and capital flows.

Convergence and Partnerships

Convergence with National Rural Employment Guarantee Act: Mahatama Gandhi National Rural Employment Guarantee Scheme and National Rural
Livelihood Mission offer scope for convergence to improve their effectiveness and impact by building synergies. If converged, National Rural Livelihood Mission could facilitate the institutions of the poor at village level to discuss Mahatma Gandhi National Rural Employment Guarantee Scheme in their regular meetings, be involved in preparing job cards, selecting works, supporting in wage payment, creating awareness about entitlements and rights in Mahatma Gandhi National Rural Employment Guarantee scheme and social audit.

The state action plan needs to details out the plan for convergence with Mahatma Gandhi National Rural Employment Guarantee Scheme at the state level, district level and at the level of the institutions of the poor⁸

**Convergence with other line departments:**
The plan needs to highlight what would be the plan for convergence at the state level, district level and at the level of the institutions of the poor

**Innovation forums for Partnerships**
The plan needs to mention when and how (the process is to be followed) the innovation forums with the objective of identifying potential partners needs to be mentioned

**Partnerships with Non-Governmental Organisations and other civil society organisations:**

The partnerships with them would be critical and within the ambit of the national framework for partnership with Non-Governmental Organisations and other Community Service Organisations, guided by National Rural Livelihood Mission core beliefs and values. National Rural Livelihood Mission would proactively seek these partnerships in various geographic and thematic areas at two levels - strategic and implementation, subject to mutual agreement on processes and outcomes. For planning partnerships, it would carry out diagnosis of the status in each block to map the presence of Non-Governmental Organisations/Community Service Organisations and their

social mobilization and thematic efforts. Some of the possible areas of partnerships would include:

1. Implementation of the programme in specified clusters of villages or blocks;
2. Up-scaling and deepening thematic interventions in areas of significant presence;
3. Service provision in their core competence areas;
4. Linking Self-Help Groups and their federations with various initiatives of line ministries;
5. Innovations;
6. Joint Policy Advocacy and learning forums/platforms; and
7. Continuous dialogue with Non-Governmental Organisations and other Community Service Organisations to improve National Rural Livelihoods Mission implementation.

Among the above, the action plan needs to identify and specify which areas of partnership would be pursued and why. The plan also needs to mention the process through which these partners would be identified.

Convergence with Externally Aided Programmes

State Project Implementation Plan needs to mention the plan for convergence with the externally aided livelihood programmes being implemented in the state

Partnerships with the academic, Training and Research Institutions:

The action plan needs to mention the academic, training and research institutions in the state with which partnerships would be forged. The process to be followed and the areas of possible partnership needs to be highlighted as well.
Public-Public, Public-Private, Public-Private-Community Partnerships;

The state action plan needs to detail probable areas for such partnership and how these partnerships would be developed.⁹

CAPACITY BUILDING AND TRAINING

For the inclusion and effective participation of rural poor in the growth process, it is imperative that they have the requisite means in terms of productive assets, access to credit and necessary skills. Lack of capacity (productive as well as skill) has proved to be a greatest barrier for the rural poor in managing an enterprise successfully. In the last 10 years of implementation, about one fourth of Self-Help Groups were able to access bank credit for income generating activities including micro-enterprises which indicates that for credit absorption and credit worthiness of the Self-Help Groups, there is need for augmenting the training and long term handholding of Swarozgaris including skill up-gradation and entrepreneurial guidance¹⁰.

In addition to the apparent shortcomings in the existing structure for training and capacity building for Self-Help Groups, there is absence of whole range of service providers in rural areas such as unavailability of technical and management cadre, supply-chain actors (e.g. suppliers of inputs like seeds, fertilizers, pesticides etc.) and last tier implementation personnel (e.g. Rojgar / Aajivika Mitra), which adversely affects rural productive system. Thus, a multi pronged approach is required for training and capacity building of Self-Help Groups in order to enable them to run successful micro-enterprises and come out of poverty. The proposed approach under National Rural Livelihood Mission is:

1. Optimal use of the existing infrastructure facilities at the district as well as block levels such as Polytechnics, Krishi Vigyan Kendras, Jan Shikshan Sansthas (JSSs), Khadi and Village Industries Commission/Boards and State Institutes of Rural Development(SIRD).

2. Training centres and other departmental facilities available in that area.

3. Setting up of dedicated training institutes for rural poor i.e. 500 Rural Self Employment Training Institutes (RSETIs): one in each district of the country by 2012 through replication of successful model pioneered by RUDSETI (Rural Development Self Employment Institute) which envisages transforming unemployed youth into confident self-employed entrepreneurs through a short duration experiential learning programme followed by systematic long duration hand holding support\textsuperscript{11}.

4. Dedicated structure for training and capacity building at districts and State level involving professionals as envisaged under the National Rural Livelihood Mission.

5. Public Private Partnerships with Non- Governmental Organisations and Voluntary Organisations.

6. Training of large number of trainers who would further train people down below. This would lead to a cascading effect and benefit the poor people right at the lowest level.

7. Creating a cadre of service providers, Community Resource Persons (CRPs) and Master Craftsmen and utilizing their services for training of Self- Help Groups beneficiaries.

Dedicated staff at the state, district and sub-district level is to plan and undertake capacity building and training programmes for the Below Poverty Line, Self-Help Groups and their federations. They will also provide necessary counseling, skill up gradation and entrepreneurial guidance necessary for undertaking income generating activities. In addition, the services of community resource persons drawn from the senior and successful groups are used to build the capacities of the Self-Help Groups and their federations. Further, the state agencies explore the use of prime contracting and Public Private Partnership(PPP) model to upscale the training and skill development programmes. The state and district units also undertake preparation of appropriate training manuals focused on micro finance, self management,

\textsuperscript{11} National Rural Livelihoods Mission Framework for Implementation, Ministry of Rural Development, GOI:29.
negotiation skills, entrepreneur skills and such other areas. Wherever necessary, the services of National Institute of Rural Development (NIRD), Hyderabad are used for the preparation of training manuals as well as for providing training of trainers’ programmes. The targeted approach for capacity building along with access to productive assets and credit is provided substantial appreciation to the income and purchasing power of rural poor and thereby enhance their reach to goods and services.

**Micro-Enterprise Development**

Sub-sector or cluster based approaches for promotion of arts, handicrafts, traditional village industries and other non-farm and service enterprises would be adopted. The Community Innovation Survey (CIS) would cover:

- skill enhancement programmes and training of/by master craftsmen;
- rural enterprise development programmes through Rural Self Employment Training Institutes (RSETIs);
- design/product development support;
- organising artisan guilds for bulk procurement of raw materials;
- provision of common facilities for value addition/quality control/packaging and collective marketing;
- ancillary services, sub-contracting and franchisee arrangements with local industries and trade facilitation and appropriate technology incubation services in partnership with Council of Scientific and Industrial Research(CSIR) (like Central Food Technological Research Institute(CFTRI) etc; and
- Non- Governmental Organisations and trade associations of small entrepreneurs.

**Non-farm Clusters**

Based on the local context and resource situation, National Rural Livelihood Mission/State Rural Livelihood Mission would also identify a few
activity/trade clusters of non-farm enterprises for comprehensive support. The collective(s) and the members together would work on the substantial part of the value-chain so that they realize substantial proportion of the value. The support would include skill enhancement, design/product development, credit access, bulk procurement of raw materials, collective marketing and provision of common facilities for value addition/quality control/packaging and supply contracts with downstream firms. This would be done in partnership mode with Non- Governmental Organisations and private sector players.

Further, infrastructure and marketing support funds available would be used for building these farm and non-farm collectives and supporting related interventions - value-addition, market research, market intelligence, marketing support, pooling and marketing.

National Rural Livelihood Mission would also augment the technology and grassroots innovations and disseminate them after pre-testing and technology audit. It would also network with the research and technical institutions for solutions to the problems of the poor on ground.

For the success of National Rural Livelihood Mission, institutional arrangement at various levels should be well arranged and high level of coordination among institutions is pre-condition to get desired results at grassroots level. These institutions backed by adequate financial resources for administrative as well as implementation purpose. The ensure participation and cooperation from the local level, civil society should be promoted for the engagement at implementation level.