The mandate of the Ministry of Rural Development, Government of India, is rural poverty alleviation through programmes directly targeted at the rural poor households. The major programmes of this Ministry that directly targeted poor families for creation of assets, skill development and self-employment started with Integrated Rural Development Programme (IRDP) in the year 1980 and included several other programmes like the Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga KalyanYojana (GKY), and the Million Wells Scheme (MWS). On account of multiplicity of programmes, which were viewed as separate programmes in themselves, the desired linkages among these programmes were not established effectively. These were more concerned with achieving individual programme targets rather than focusing on the substantive issue of sustainable income generation.

The Planning Commission set up a committee under the chairmanship of Prof S R Hashim in 1997, to review and rationalize various Centrally Sponsored Schemes for Poverty Alleviation and Employment Generation. The Committee recommended the integration of allied programmes with IRDP for better linkages. The report formed the base for shifting from an individual beneficiary approach to a group approach for poverty alleviation. Based on the recommendations of the Planning Commission, the schemes of TRYSEM, SITRA, GKY, DWCRA and MWS were merged into a single self-employment programme namely Swarnjayanti Gram Swarozgar Yojana (SGSY), to be implemented by the States, with effect from April, 1999. SGSY had the objective of improving the family incomes of the rural poor while at the same time, providing for a flexibility of
design at the grassroots level to suit local needs and resources. The objective of the restructuring was to provide sustainable income generation through micro-enterprise development, both land-based and otherwise. SGSY moved from the individual oriented approach of the earlier programmes like the IRDP, TRYSEM etc. to a group based approach with Self Help Groups of rural BPL as the unit of assistance. The cornerstone of the SGSY strategy was that the poor need to be organized and their capacities built up systematically so that they can access self-employment opportunities. This restructuring also helped in establishing effective linkages between the various components of the programme, such as capacity building of the poor, credit availability, technology transfer/upgradation, marketing and infrastructure development. The physical and financial achievements under SGSY from 1999-2000 is given at Annexure-VIII.

Performance of SGSY was assessed through concurrent evaluation, studies and reports including those conducted by NIRD, Hyderabad, BIRD, Lucknow, Centre for Management Development, Thiruvananthapuram, reports of the Steering Committee constituted by the Planning Commission for the 11th Plan and the Prof. Radhakrishna Committee on Credit Related Issues related to SGSY, set up by the Ministry of Rural Development in April, 2008. Accordingly, based largely on the recommendations of the Prof. Radhakrishna Committee, SGSY has been restructured as National Rural Livelihoods Mission (NRLM), subsequently renamed as "Aajeevika", to implement it in a mission mode across the country. The programme was formally launched on 3rd June, 2011.

Learning from the past

An overview of the implementation of the S.G.S.Y. in the country and the various rural livelihoods schemes of the States over the last ten years has thrown up a mixed picture. On the one hand it has brought into focus the shortcomings like uneven mobilisation of rural poor and formation of SHGs across the States, insufficient capacity building of beneficiaries, low credit mobilization and lack of dedicated professionals to implement the programme. On the other hand the mechanism of SHGs as an instrument of social & economic empowerment of rural poor has been amply validated.

Several evaluation studies have shown that the rural livelihoods programmes have been relatively successful in alleviating rural poverty wherever
systematic mobilization of the poor into SHGs, their capacity building and skill development was taken up in a process-intensive manner. Dedicated administrative structures consisting of professionals from the market, created in Andhra Pradesh, Kerala, Tamil Nadu etc for taking up these tasks have immensely contributed to the success of SHG movement there. But elsewhere in the country, in the absence of dedicated professional implementation structure and systematic social mobilisation and institution building activities, the progress of the scheme has been rather slow.

Further, the fact that only 22 percent of the SHGs were able to access bank credit for income generating activities including micro-enterprises, under SGSY, reflects the need for augmenting credit absorption capacity of SHGs through systematic capacity building and sustained technical, marketing and even placement support, besides streamlining the credit delivery system for making available adequate and timely credit at reasonable rates. Systematic sensitisation of the Bankers along with placement of ‘Bank Mitras’ in the under-staffed rural bank branches, coupled with the robust network of SHGs and their federations in the States’ projects have enabled the poor to access substantial institutional credit and overcome some of the critical technical and market constraints they would otherwise have to face.

The key learnings for NRLM from the 2 decade long work of State-wide livelihoods projects in Andhra Pradesh, Kerala and Tamil Nadu and the work of outstanding NGOs in the country are as follows:

1. There is a need for a sensitive support structure right from State level to district and sub district levels. The sensitive support structure has the responsibility for inducing social mobilisation and building strong grassroots institutions of the poor, particularly women.

2. The key role of the sensitive support structure is to build and nurture strong institutions of poor women at SHG level, village level and block (sub-block) level. These institutions provide the continuous nurturing support which a poor household require during this journey out of poverty.

3. For a poor family to come out abject poverty, a nurturing and handholding support of its own organisations for a period of 6 - 8 years is extremely critical.

4. Rural women poor households, organised into
SHGs require repeated doses of finance at affordable rates such that over a period of 6 - 8 years they have accessed at least ₹ 100,000/-.  

5. The strength of individual SHG in providing support to their members is multiplied when all the poor in a village are organised into SHGs and all the SHGs come together at the village level and form a federation.  

6. A second tier of federation of the village federations at the block or sub-block level is required to provide necessary linkages with ongoing Government programmes and to link with the sub-divisional level structure of the State Livelihoods Missions.  

7. The poor need to overcome livelihood risks by developing a variety of livelihoods. This enables them to survive shocks to any particular livelihoods streams.  

8. Poor are very vulnerable to shocks and they need safety nets and they need their organisations to access safety needs entitlements under various Government programmes like MGNREGA, Social Assistance Programmes, PDS etc.  

It was also seen that the various States are at different stages of progress in terms of institution building and hence require State specific strategies. Common centralised guidelines/strategies would not meet the needs of all the States. Hence differentiated or State specific strategies need to be developed to cater to the specific requirements of each individual State.  

Aajeevika has incorporated learning from the implementation of earlier programmes, primarily from the successes and failures of S.G.S.Y., and from the various States’ initiatives in the rural livelihoods sector, and accordingly adapted the approach and strategies in implementing the program.  

**NRLM Approach**  

Towards building, supporting and sustaining livelihoods of the poor, NRLM harnesses the innate capabilities of the poor, complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to deal with the rapidly changing external world.  

Dedicated support structures build and strengthen the institutional platforms of the poor. These platforms, with the support of their human and social capital, offer a variety of livelihoods services to their members. These services include financial and capital services, production and productivity enhancement services that include technology, knowledge, skills and inputs, market linkages etc. Being conscious of the livelihoods activities being varied, NRLM works on three pillars - enhancing and expanding existing livelihoods options of the poor; building skills for the job market outside; and nurturing self-employed and entrepreneurs. The interested rural BPL youth would be offered skill development after counseling and matching the aptitude with the job requirements, and placed in jobs that are remunerative. Self-employed and entrepreneurially oriented poor would be provided skills and financial linkages and nurtured to establish and grow with micro-enterprises for products and services in demand.  

These platforms also offer space for convergence and partnerships with a variety of stakeholders, by building an enabling environment for poor to access their rights and entitlements, public services and innovations. The aggregation of the poor, through their institutions, reduces transaction costs to the individual members, makes their livelihoods more viable and accelerates their journey out of poverty.  

**Framework for Implementation for Aajeevika:**  

In keeping with the flexible nature of the programme, the Ministry has prepared a 'Framework for Implementation' of Aajeevika. The 'Framework' was developed after extensive consultations with various stakeholders including the State Governments, Civil Society Organizations, Bankers and academicians. Like the Mission, its 'Framework for Implementation'
is a learning, live and dynamic framework. This 'Framework' offers space for local plans based on local context and offers space for learning from the experiences in the field as the implementation progresses. It includes the funding norms and ceilings for funding of different components as well as guidelines as to all the other processes under Aajeevika, which are indicative but not binding on the States.

**Key features of the program**

The core belief of National Rural Livelihoods Mission (NRLM) is that the poor have innate capabilities and a strong desire to come out of poverty. They are entrepreneurial, an essential coping mechanism to survive under conditions of poverty. The challenge is to unleash their capabilities to generate meaningful livelihoods and enable them to come out of poverty. The first step in this process is motivating them to form their own institutions. They and their institutions need to be provided sufficient capacities to access finance and to expand their skills and assets and convert them into meaningful livelihoods. This requires continuous handholding support. An external dedicated, sensitive support structure, from the national level to the sub-district level, is required to induce such social mobilization, institution building and livelihoods promotion.

**a. Strategy:**

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

The second dimension of demand driven strategy implies that the ultimate objective is that the poor will drive the agenda, through participatory planning at grassroots level, implementation of their own plans, reviewing and generating further plans based on their experiences. The plans will not only be demand driven, they will also be dynamic. NRLM recognizes and values the iterative nature of the processes.

Aajeevika supports a phased implementation approach and an **Intensive Block Strategy**: Intensive Block is a block (sub-district unit) identified by State Rural Livelihoods Mission (SRLM) in the first phase of Aajeevika implementation to demonstrate the best practices and processes in Participatory Identification of Poor (PIP), targeting the poorest of poor, financial and economic inclusion, enhancement of livelihoods by creating strong institutional platforms of the poor in 3 years. Once the intensive work is completed in these selected blocks, it provides social capital of the poor for scaling up and replicating Aajeevika mandate to other blocks in a

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**Assumptions for an intensive block**

Following are the assumptions for creating an intensive block:

- A block will be divided into 4 clusters
- One Professional Resource Person (PRP) will be deployed in each cluster (4 PRPs per block)
- One external Community Resource Persons (CRP) team is deployed in each cluster (4 external CRP teams per block)
- External CRP team will work for 2 years without interruption
- Project Resource Person will work for 2 years without interruption
- Each external CRP team consists of 5 members
- Each external CRP team will work for one month in one cluster and take one month gap/break after each round
- Each external CRP team will be able to make five rounds in a cluster in one year. 10 rounds in two years.
- Senior CRP strategy will be introduced either at the end of 2nd year or beginning of 3rd year to strengthen federations. There will be Livelihoods and Financial inclusion CRPs who will complement the efforts of CRPs working on the institution building
- After two years of 4 external CRP teams working for two years in a block, 30-40 internal CRP teams (around 150-200 members) will be generated
- Out of 50 internal CRP teams, 25 teams will be sent for other blocks as external CRP teams after two years
- SRLM Project staff will be attached with external CRP teams during their work and follow up the activities after they leave the village
systematic manner. This approach serves as a large sized proof of concept. In addition, the intensive blocks also serve as immersion and training sites for the project staff and also the SHG members.

The scope of intensive block is to:

i. Create internal trained human resources from among the poor, adequate for scaling up the project implementation

ii. Act as learning platform within the State for training and immersion of the newly recruited staff and other stakeholders

iii. Develop proof of concept and home-grown models in social mobilization and institution building, financial inclusion, e-bookkeeping, livelihoods and convergence with line departments and Panchayati Raj institutions thereby reducing the learning curve

iv. Achieve self-sufficiency in Community Resource Persons in different thematic areas to accelerate project implementation and expand to newer blocks and districts in the State

b. Aajeevika Components:

Social Inclusion and Institutions of the Poor

Universal Social Mobilization: NRLM will follow a saturation approach by ensuring that at least one woman member from each identified rural poor household, is brought under the Self Help Group (SHG) network in a time bound manner. Subsequently, the households (both women and men) would be organized for addressing livelihoods issues through livelihood collectives, which are inclusive of poor. Aajeevika ensures adequate coverage of vulnerable sections of the society such that 50% of the beneficiaries are SC/STs, 15% are minorities and 3% are persons with disability, while keeping in view the ultimate target of 100% coverage of BPL families.

Promotion of Institutions of the poor: Strong quality institutions of the poor such as SHGs and their federations are set up on priority. They empower the poor and acts as instruments of knowledge and technology dissemination, and hubs of production, collectivization and commerce. In addition, Aajeevika promotes specialized institutions like livelihoods collectives, producers’ cooperatives/companies for livelihoods promotion through deriving economies of scale, backward and forward linkages, and access

A Self Help Group (SHG) is an informal voluntary association of poor people preferably from the same socio-economic background. The group enables its members to gain their identity as individuals, while realising - and utilising - the immense power of mutual aid. SHGs are seen as instruments for a variety of goals including empowering women, developing leadership abilities among poor people, increasing school enrollments, and improving nutrition and the use of birth control. Financial inter mediation is generally seen more as an entry point to these other goals, rather than as a primary objective. It provides them with a platform from where they can access banks and public services, and spearhead changes that affect them as poor people.

A SHG, of 10-20 poor women in general (5-20 poor women in difficult areas) belonging to the same village and sharing a common socio-economic background is the primary building block of the NRLM institutional design. Among other important dimension, the SHGs thus formed are based on affinity among members, or agreed common objectives, and includes a social and economic cross-section of members. Where there are sufficient numbers of SCs, STs, or other social or economic groups, they might form their own groups, but they too are encouraged to include others. The SHGs are trained in group management, preparing livelihood plans, helping the poorest members, negotiating their rights and entitlements, social accountability etc. and are expected to function in democratic ways.
to information, credit, technology and markets. The livelihood collectives enable the poor to optimize their limited resources. There are existing institutions of the poor women (SHGs) formed by Government efforts and efforts of NGOs Aajeevika would strengthen all existing institutions of the poor in a partnership mode.

**Training, Capacity Building and Skill Building:** Aajeevika ensures the poor are provided with the requisite skills for managing their institutions, linking up with markets, managing their existing livelihoods, enhancing their credit absorption capacity and credit worthiness. A multi-pronged approach is adopted for providing continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers, NGOs and other key stakeholders. Focus is to develop and engage community professionals and community resource persons (CRP) for capacity building of SHGs and their federations and other collectives. Aajeevika has plans to make extensive use of ICT to make knowledge dissemination and capacity building more effective.

**Revolving Fund and Capital Subsidy:** Subsidy is made available in the form of revolving fund and capital subsidy. Revolving Fund will be provided to the SHGs (where more than 70% members are from BPL households) as an incentive to inculcate the habit of thrift and accumulate their own funds towards meeting their credit needs in the long-run and immediate consumption needs in the short-run. Subsidy is a corpus and hence will be used for meeting the members’ credit needs directly and as catalytic capital for leveraging repeat bank finance. Capital Subsidy fund will be given directly to the SHGs or will be routed to the SHGs through the federations, wherever the SHGs desire such an arrangement.

**Community Resource Persons:** Community Resource Persons (CRPs) are women SHG members who have come out of poverty by being members of the SHGs and practiced the cardinal principles of Self-Help. They act as guides and role models for other poor individuals and other institutions. They provide capacity building support to newer groups and act as consultants to each other to successfully implement their plans to come out of poverty. CRPs over the years have evolved as functional specialists with each one having their own strengths in specific areas like social mobilization, gender, financial management, book keeping, marketing, health, gender, paralegal assistants and so on.
Universal Financial Inclusion: Aajeevika will work on both demand and supply side of financial inclusion. On the demand side, it will promote financial literacy among the poor and will provide catalytic capital to the SHGs and their federations. On the supply side, it will coordinate with the financial sector and encourage use of Information, Communication & Technology (ICT) based financial technologies, business correspondents and community facilitators like 'Bank Mitras'. It will also work towards universal coverage of rural poor against loss of life, health and assets. Further, it will work on remittances, especially in areas where migration is endemic.

Provision of Interest Subsidy: To ensure affordable credit for the rural poor, Aajeevika has made a provision for subsidy on interest rate above 7% per annum for all eligible SHGs, who have availed loans from mainstream financial institutions, based on prompt loan repayment (This would not be applicable when a SHG avails capital subsidy. Interest subsidy would be provided to this SHG, when they avail a fresh loan after repaying the capital subsidy linked loan). This subsidy would be available to SHGs, where at least 70% of the members are from BPL households, till a member accesses credit, through repeat cumulative loaning, up to ₹ 1.00 lakh per household. The key to coming out of poverty is continuous and easy access to finance, at reasonable rates, till they accumulate their own funds in large measure.

Infrastructure creation and Marketing support: Aajeevika will ensure that the infrastructure needs for the major livelihoods activities of the poor are met with. It will also provide support for marketing to the institutions of the poor. The range of activities in marketing support includes market research, market intelligence, technology extension, developing backward and forward linkages, building livelihoods collectives and supporting their business plans. Aajeevika would encourage and support partnerships with public and private organizations and their networks/associations for these activities, particularly for market linkages. 20% of the State's program outlay (25% in case of North-Eastern States and Sikkim) is reserved for this purpose.

Skills and Placement Projects: Scale up of existing skills and placement projects through partnership mode as one of the best investments in youth, and provide impetus to livelihoods opportunities in emerging markets. For strengthening this, various models of partnerships with public, private, non-government and community
organizations would be developed. A strong relationship would also be developed with industry associations and sector specific employers' associations.

**Rural Self Employment Training Institutes (RSETIs)**: Aajeevika encourages public sector banks to set up RSETIs in all districts of the country. RSETIs transform unemployed rural youth in the district into confident self-employed entrepreneurs through need-based experiential training program followed by systematic handholding support and bank linkage. Banks are involved in selection, training and post training follow-up stages. RSETIs partner with others, including the institutions of the poor, to realize their mandate and agenda.

**Innovations**: Aajeevika believes that successful innovations can reduce the learning curve for poverty eradication by showing a different pathway out of poverty. Those innovations, which have the potential for reaching out specifically to the poorest or for reaching out to the largest number of poor and having maximum impact with limited resources, would be preferred and supported.

**Convergence**: Aajeevika would place a very high emphasis on convergence with other programmes of the Ministry of Rural Development and other Central Ministries and programmes of State Governments for developing synergies directly and through the institutions of the poor.

**Partnerships with NGOs and other CSOs**: Aajeevika would proactively seek partnerships with Non-Government Organizations (NGOs) and other Civil Society Organizations (CSOs), at two levels - strategic and implementation. The partnerships would be guided by Aajeevika's core beliefs and values, and mutual agreement on processes and outcomes. Aajeevika would develop a national framework for partnerships with NGOs and other CSOs. Further, Aajeevika would seek partnerships with various other stakeholders at various levels directly or through the institutions of the poor.

**Linkages with PRLs**: In view of the eminent roles of Panchayat Raj Institutions (PRIs) that include governance, commercial and political, it is necessary to consciously structure and facilitate a mutually beneficial working relationship between Panchayats and institutions of the poor, particularly at the level of Village Panchayats. Formal platforms would be established for regular consultations between such institutions and PRIs for exchange of mutual advice, support and sharing of resources. However, care would be taken to protect their autonomy. Where there are no PRIs, the linkages would be with traditional local village institutions.

**Sensitive Support Structures**: Aajeevika's process-intensive effort would require dedicated human resources. Realizing this, Aajeevika would be setting up sensitive and dedicated support structures at the National, State, district and sub-district levels. Aajeevika Advisory, Coordination and Empowered Committees and National Mission Management Unit at the national level, State Rural Livelihoods Missions (SRLMs) as autonomous bodies and State Mission Management Units at State level, District Mission Management Units at district level, and sub-district units at block and/or cluster levels would constitute these support structures. The institutions of the poor, their staff and other social capital would also provide the support. These structures would have suitable linkages with Government(s), District Rural Development Agencies (DRDAs), and PRIs. These support structures would be staffed with professionally competent and dedicated human resources through appropriate arrangements including partnerships and outsourcing of services.

**Implementation**: Aajeevika provides fund to States against appraised and approved Annual Action Plans (AAPs) and State Perspective and Implementation Plans (SPIPs) that outline the results and the processes towards these results. It would review the performance against these plans half-yearly and annually and funds flow to the States would be based on the revised annual plans. To begin with SRLMs has to identify limited number of blocks and work intensively for 3 years to evolve
indigenous models of social mobilization, institution building, financial inclusion and livelihoods. Successful implementation of NRLM is dependent on the social capital created in the initial phase of the project and the trained community professionals who are willing to work with the spirit of volunteerism.

**Phased Implementation:** Aajeevika is a process-intensive, community driven large scale poverty alleviation and women empowerment program. It has adopted a phased implementation approach for reaching out to all villages in all blocks of the State as mentioned below:

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 3</th>
<th>Year 5</th>
<th>Year 7</th>
<th>Year 10</th>
<th>Year 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>150 districts</td>
<td>+150 districts</td>
<td>+300 districts</td>
<td></td>
<td>Last village and last household will be covered</td>
<td></td>
</tr>
<tr>
<td>600 blocks</td>
<td>+1,500 blocks</td>
<td>+2,100 blocks</td>
<td>+1,800 blocks</td>
<td>Last village and last household will be covered</td>
<td>Intensive support</td>
</tr>
<tr>
<td>Total districts</td>
<td>300 districts</td>
<td>600 districts</td>
<td></td>
<td>Last village and last household will be covered</td>
<td></td>
</tr>
<tr>
<td>Total blocks</td>
<td>2,100 blocks</td>
<td>4,200 blocks</td>
<td>6,000 blocks</td>
<td></td>
<td></td>
</tr>
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</table>

**Technical Support:** The role of Ministry of Rural Development under Aajeevika is to provide technical assistance to the States and all other partners for creating and strengthening their institutional capacities for its effective implementation. Towards this end, the Ministry has set up National Mission Management Unit (NMMU) at national level, which is manned by professionals from various thematic areas of rural livelihoods. In addition to supporting the States in the planning, roll out and implementation of Aajeevika, the N.M.M.U. is also taking initiatives for building national knowledge management and learning forums/
systems, facilitating partnerships between institutions of the poor and banking sectors, public and private sectors, for ensuring last mile service delivery to reach the poor, etc.

**Monitoring, Evaluation & Learning:** Aajeevika is process intensive and therefore at various levels, it would constantly review, assess and learn from the qualitative and quantitative progress achieved. A robust IT-based Monitoring, Evaluation and Learning (MEL) system would be in place to facilitate learning and continuous improvement and support informed decision making at all levels.

**Mechanisms of Monitoring:** Aajeevika would put in place the following mechanisms for monitoring -

(i) Accountability in institutions of the poor including institutional self-monitoring, peer internal audit of processes and local social audit

(ii) Management Information System (MIS) based input-output monitoring including Results framework-based MIS; Milestones linked to investments/inputs; web-based MIS; real time input-output monitoring at various levels; and MIS with partners’ data

(iii) ICT-framework for dedicated digital grid includes national databases of poor, their institutions, and skill development (jobs/self-employment), national livelihoods portal, communication/knowledge dissemination channels, thematic e-groups etc.

(iv) Internal review mechanisms at various levels

(v) External social audit, public expenditure tracking and community score cards

(v) Impact Assessment - State level baseline assessments and external interim impact evaluation studies of progress on key result indicators; independent national assessment of household level well-being through panel studies at periodic intervals (sample would be large enough to enable quantitative assessments up to district levels); and periodic thematic national assessments
(vi) SRLM Annual Reports and Aajeevika Annual Report

**Fund Tracking System:** Aajeevika would put in place a comprehensive financial management system at the SRLMs to ensure transparency, efficiency and accountability. Aajevika would position an IT-based fund tracking system and promote e-book keeping in institutions of the poor and in support structures.

**Aajeevika Website:** Aajeevika’s bilingual website and logo were launched by Hon’ble Minister of Rural Development during first NRLM Advisory Committee meeting, this year. The website serves as a knowledge hub for NRLM stakeholders, where guidelines and policy documents, AAP, SPIP, sanctions and communication are posted on a regular basis.

**Funding Pattern** Aajeevika is a Centrally Sponsored Scheme and the financing of the programme 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 Central allocation earmarked for the States would broadly be distributed in relation to the incidence of poverty in the States.

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**National Rural Livelihoods Project (NRLP)-Intensive strategy of Aajevika**

The World Bank is providing an investment support under National Rural Livelihoods Project (NRLP) to MoRD for professionalizing the overall program management of Aajevika and moving towards a results-based approach throughout the country. NRLP will support MoRD in creating proofs of concepts and best practice sites in the States in respect of various thematic interventions under NRLM. In addition, NRLP supports the implementation of the NRLM through the transformation of MoRD from the traditional focus of expenditure-based allocation, to one of providing quality technical assistance and results-based financing. Furthermore, being a national level project, NRLP will also make investments in developing a wider base of implementing partnerships with private sector, civil society, and other development institutions for bringing in new ideas, innovations, services, and delivery mechanisms. The primary focus of the implementation support from the World Bank is to support MoRD to become a good quality technical assistance support provider to States and develop program management and monitoring units at different levels.

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*Providing livelihood opportunities in emerging markets*
The World Bank financing for the proposed NRLP is estimated at US$1 billion. The NRLP would be implemented in 13 high poverty States accounting for approx. 90 percent of the rural poor in the country. Intensive livelihood investments would be made by the NRLP in 100 districts and 400 blocks of 13 States (Assam, Bihar, Chhattisgarh, Jharkhand, Gujarat, Maharashtra, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, West Bengal, Karnataka and Tamil Nadu). Distribution of project funds among the States would be based on the relative share of rural BPL population in the total States.

Project Components of NRLP

The activities detailed in the component description below, will provide the enabling environment for the effective utilization of all the resources allocated by the GoI to the NRLM. With the exception of Component Two that will be implemented in the 12 targeted States, the remaining components will provide support at the national level to enable the smooth rollout of the NRLM throughout the country.

Component A: Institutional and Human Capacity Development (US$61.3 million):

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 will finance primarily staff, technical assistance consultancies, and training and related course material. 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:

A.1 Technical Assistance - establish teams of high quality professionals under National Mission Management Unit (NMMU) to provide technical assistance to the States in various thematic areas. This team will provide continuous support to State governments in the implementation of the NRLM and related activities in the rural development sector.

A.2 Human Resource Development - support 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. The activities supported will include curriculum development, design and conduct of training programs including e-learning and distance learning.

Component B: State Livelihood Support (US$793.7 million):

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. The extent of financing to each State will depend on the basis of State-specific needs as detailed in their respective State Prospective and Implementation Plans (SPIP) which will be jointly reviewed and appraised by the MoRD and the WB prior to the financing of any activities. This component will finance livelihood grants to the poor rural households (i.e. SHGs/federations) to undertake productive livelihood activities as detailed in their livelihood plans, support for higher level producer institutions, producer groups, farmers’ collectives, and/or producer companies (PCs), technical assistance consultancies, training and related material, office equipment, and operational costs at the State level and below. To achieve the objective of this component, the proposed project intends to support the following activities:

Component C: Innovation and Partnership Support (US$45 million):

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.
This component will finance pilot initiatives and technical assistance consultancies that support innovative livelihoods activities in agriculture, livestock, youth employment, among others, for rural poor households. Support under this component will be for all States.

**Component D: Project Implementation Support (US$100 million):**

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. Given that the NRLP, and more importantly the NRLM, will be implemented across India, there are substantial managerial requirements which are critical to ensure the satisfactory implementation of both the NRLP and NRLM. In this regard, a dedicated National Mission Management Unit (NMMU) has been established under the MoRD. 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.

Over ₹ 320 crores has already been disbursed to the States under NRLP.

**Aajeevika- implementation progress:** Key outcomes during the year: A National Mission Management Unit (N.M.M.U.) has been set up in the Rural Livelihoods Division of MoRD with the main mandate of providing need based and timely technical assistance to States for rollout and implementation of Aajeevika in the States. The N.M.M.U. has both full time and part time professionals for various thematic interventions. The human resource at NMMU brings in quality domain knowledge with an average experience of approximately 12 years. NMMU has been able to provide adequate technical support to States on a continuous basis to establish the State units (SRLM), provided support in designing and establishing their internal systems, rules and regulations and in preparing their poverty reduction action plans and Annual Action Plans. NMMU have also directly conducted induction and immersion for the newly recruited staff at State level, in addition to helping the States design their own induction and training strategies for their manpower under N.R.L.M. In addition, the N.M.M.U. aims at building a national pool of experts, practitioners and advisers in all the relevant disciplines for providing handholding support to SRLMs.
**Characteristics of Social Mobilization and Institution Building CRPs**

1. Community Resource Persons are active community leaders selected from the members of mature SHGs, Village Organisations (VOs) and higher level federations.

2. CRPs are such women members who have come out of poverty and whose lives have been transformed with the active support, guidance and assistance provided by the SHGs, Village Organisations and higher level federations.

3. Initially they have at-least 2 years of experience as members following the best practices in their groups. Over a period of time they also have accessed multiple doses of loans and improved their livelihood base and standard of living.

4. Their SHGs, Village Organisations and higher level federations have become strong and mature organizations adopting good management practices and addressing social issues successfully. They have good articulation and communications skills.

5. They had suffered from acute poverty in the past and have overcome poverty through the support of the SHG. They have acquired good knowledge and experience on SHG concept, group management norms, SHG meeting process, clarity on the need of Bookkeeping and role of Bookkeeper, Micro Credit Plan (MCP) process, VO meeting process, various functions of VO and VO committees, clarity on the role and function of Community Activist with SHGs and VOs.

6. They have the ability and skills to conduct trainings to the community by drawing lessons from their personal experiences and the best practices of their SHGs, VOs and other federations (community to community learning).

7. They have the ability to use their folklore in the trainings and facilitation for motivating the poor women.

8. They document their SHGs and VOs profiles institutional maturity progress best practices nurtured and adopted and members' case studies and achievements and use them as training material in the trainings and facilitation.

**State level:** As per the 'Framework for Implementation' of Aajeevika all States are required to put in place certain systems before their Annual Action Plans can be approved by the Ministry for release of funds under Aajeevika. This includes setting up the State Rural Livelihoods Mission (SRLM) which will be a autonomous registered society under the State government, appointing a dedicated Chief Executive Officer in the SRLM, putting in place a State Project Management Unit (SPMU), approving the setting up of dedicated implementation structures at the district and sub-district levels, etc. The status of roll out of Aajeevika in the States, as on December 2012, is given at Annexure-IX.

**Resource Organisations:** Aajeevika has identified Resource Organizations, which are State agencies that have successfully implemented rural livelihoods strategies, to deploy trained and quality Community Resource Persons (CRP) teams and Professional Resource Persons (PRPs) and deliver the services relating to training, immersion and handholding to staff/community and ensure high quality and timely service. Society for Elimination of Rural Poverty (SERP), Andhra Pradesh, Bihar Rural Livelihoods Promotion Society (BRLPS), Bihar, Kudumbashree, Kerala, Tamilnadu Women Development Corporation (TNWDC) and Employment Generation and Marketing Mission
(EGMM), Andhra Pradesh are identified as Resource Organizations by Aajeevika. The resource organizations will support SRLMs in rolling out Aajeevika in a few selected intensive blocks in the State and to identify internal CRPs and train them to work independently in the new blocks. They will also support the States in implementing some of the best practices from the resource States in the other States. The performance and outcomes of the intensive blocks are monitored jointly by NMMU and SRLM. NMMU provides technical assistance to SRLMs to convert the learning from intensive blocks to new blocks.

Credit & Marketing Cell

Credit under Aajeevika

Credit is an important pillar of support to the poor. Aajeevika aims to ensure flexible and repeat finance to all eligible SHGs. In order to ensure coordination amongst rural development functionaries, Bankers and PRIs etc. various Committees are constituted under Aajeevika. At the Central level, Central Level Coordination Committee (CLCC) has been constituted to review and ensure effective credit flow to the SHGs. It consists of representatives from State Governments and various Banks to discuss the progress of SHG Bank linkage in the country. Likewise, at the State level, State Level Bankers Committee (SLBC) has been constituted which is required to meet every quarter to ensure proper follow up and effective implementation of the SHG bank linkage program. In the CLCC meeting held on 27th December, 2011, it was decided that a Steering Committee of SLBC would discuss exclusively State specific issues relating to financial inclusion under Aajeevika. This Committee is expected to meet every month and monitor and review bank wise progress of SHG bank linkage at the State level besides discussing other operational issues to remove bottlenecks in SHG Bank linkage program. At the District Level, there is a District (Credit Review) Coordination Committee chaired by the District Collector that shall review the implementation of Aajeevika activities and remove any impediments in flow of credit to SHGs, SHG federations and livelihoods collectives. At sub-district level, the joint block level consultation committees reviews SHG - Bank linkages.

Credit targets under Aajeevika are fixed every year by a Committee having representatives from the Ministry of Finance, NABARD, Reserve Bank of India (RBI), State Bank of India (SBI) and Ministry of Rural Development. For the Financial Year 2011-12, an amount of ₹ 6020.00 crore was fixed as credit target. Against this credit target, an amount of ₹ 4399.00 crore was disbursed by the banks. From year 2012-13, the practice of setting the subsidy linked credit target has been discontinued and States are asked to consider the targets set by NABARD for all women SHGs, i.e. ₹ 17889 crore for the country, as the year’s targets. The same approach will be followed for the year 2013-14, till the States do their own credit planning exercise based on the number of existing SHGs and the potential SHGs in the State. Credit targets and disbursement figures for the years 2011-12 and credit targets for 2012-13 are given at Annexure-X.

Livelihoods

Mahila Kisan Sashaktikaran Pariyojana (MKSP)

Mahila Kisan Sashaktikaran Pariyojana (MKSP) was launched by Government of India in 2010-11 as a sub component in Aajeevika, in order to improve the present status of women in agriculture and enhance the opportunities for empowerment. MKSP was initiated for livelihood enhancement and vulnerability reduction interventions across the country. MKSP recognizes the centrality of women in agriculture and therefore aims to provide direct and indirect support to enable them to achieve sustainable agriculture production. MKSP envisages to initiate learning cycle by which women are enabled to learn and adopt appropriate technologies and farming systems. MKSP is implemented as a sub component of Aajeevika through specially formulated projects.

The primary objective of MKSP is to empower women in agriculture by making systematic
investments to enhance their participation and productivity in agriculture based livelihoods.

Salient features of Mahila Kisan Sashaktikaran Pariyojana (MKSP) are as follows:

a. It is proposed to create sustainable agricultural livelihood opportunities for women in agriculture and in the process ensure food and nutrition security at the household and the community level

b. Community based women institutions in the rural area will be strengthened in order to enable them to manage their agriculture based livelihood activities

c. Use of locally adopted resource conserving, farmer-led and environmentally-friendly technologies has been emphasized upon

d. Ministry of Rural Development would provide funding support of up to 75% (90% in case of North East and Hill States) to project submitted by the State Government/Project Implementing Agency (PIA). Balance is to be contributed by the respective State governments or other donor agencies.

The expected outcomes of Mahila Kisan Sashaktikaran Pariyojana (MKSP) are as follows:

a. Enhancement of net incomes in the incomes of women in agriculture on a sustainable basis

b. Improvement in the food and nutrition security of women in agriculture and their families

c. Increase in area under cultivation, cropping intensity and food production by women

d. Increased levels of skills and performance by women in agriculture

e. Increased access of women in agriculture to productive land, inputs, credit, technology and information

f. Drudgery reduction for women in agriculture through use of gender friendly tools/technologies

g. Increased access to market and market information for better marketing of their products

h. Increased soil health and fertility to sustain agriculture based livelihoods

i. Increased visibility of women in agriculture as an interest group in terms of increased number of women institutions and increase in their entrepreneurship

New livelihood vertical based on Non Timber Forest Produce (NTFP) has also been included under MKSP. The guidelines for both sustainable agriculture and NTFP streams are available on the website of this Ministry at www.rural.nic.in and www.ajeevika.gov.in. The Ministry has sanctioned 37 projects under MKSP so far. Currently, the appraisal process for the projects received during 2012-13 is under way.

Infrastructure and Marketing Support Fund for Livelihoods

For deriving optimum returns from an economic activity, NRLM provides for utilization of up to 20% of the total fund outlay in the annual NRLM plan of the State (25% in the case of North Eastern States) for the infrastructure and marketing support. This fund is meant to provide end-to-end livelihoods solutions for the poor, their SHGs, federations and livelihoods collectives. This fund can also be used for creating both soft and hard infrastructure for supporting livelihoods activities of poor but not to meet recurring expenditures of maintaining infrastructure. Further, this fund is not meant to substitute the infrastructure investment of the various line departments. The infrastructure created with this fund will vest with SHGs or their federations or Livelihoods organization of the poor. Some illustrative purposes for which this fund may be used are -

i. Productive infrastructure for processing, storage and value addition (one time);

ii. Marketing support services like packaging, branding, market research etc. (one time);
iii. Consulting services for productivity enhancement and cost/risk reduction (one time);

iv. Organizing fairs and exhibitions and participation of SHGs in fairs and exhibitions etc.

**Marketing Initiatives**

**a. Organize SARAS Fairs:** Ministry of Rural Development supports the State Governments for organizing one Regional Saras fair in metros and major cities of the State by sanctioning amount upto ₹ 25 lakhs for metro cities and ₹ 20 lakhs to other cities. At present Regional/State SARAS fairs are organised throughout the country where SHGs from different States participate and sell their products. During 2011-12, Ministry organised 22 Regional SARAS fairs throughout the country in which a remarkable number of artisans participated and products worth crores were sold.

**b. Creation of Marketing Centres at Delhi:** Permanent marketing centres provide a platform to the rural artisans to sell their products throughout the year.

Ministry of Rural Development has taken a Gallery at Rajiv Gandhi Crafts Bhavan, Baba Kharak Singh Marg in February, 2007, on rent for display and sale of products of SHGs. The management of the Gallery has been entrusted to Consortium of Women Entrepreneurs of India (CWEI) to run the Gallery in a professional way. The agency has sold products, procured from SHGs covered under SGSY, worth more than 30.10 lakhs between April, 2012 to 30th September, 2012.

44 stalls of DilliHaat, Pitampura were taken on long term lease by the Ministry of Rural Development during 2008, where rural artisans from all States are invited to participate. Such permanent marketing centres in urban areas for swarozgaris of SGSY are expected to promote sale of rural products. These stalls became operational on April 13, 2008 and since then about 2103 artisans have showcased their products and sold products worth more than ₹ 3.87 crores at the Haat.

**c. Creation of Marketing Centres in States:** In order to promote marketing of products at State, district and village level in the States, a scheme was introduced during 2008-09 for setting up of Haats, which provides funds upto ₹ 15 lakhs for creation of Village Haats, upto

*Providing market for the rural products*
₹ 1.5 crores for a district level Haat and upto ₹ 3.00 crores for a Haat at the State capital.

During 2008-09, funds amounting to ₹ 94.62 crores were released as first installment to the States for creation of 1647 village haats in 549 DRDAs for the development of three village haats in each of these districts. Subsequently, during 2009-10, 2010-11 and 2011-12, funds amounting to ₹ 904.50 lakhs, ₹ 1401.750 and ₹ 796.500 lakhs respectively were released to States as 2nd installment for creation of these haats. These village haats are expected to develop as the growth centres for the upliftment of rural areas.

**Placement Linked Skill Development under Aajeevika**

Since 2004-05 within the special project component the Ministry had been taking up placement linked skill development projects on pilot basis through public private partnership (PPP). In view of the success of the pilot projects, efforts have been made to up scale the skill development program as it was felt that regular wage employment to at least one member of rural BPL family will enable it to come out of poverty. In this perspective, from 2006-07 onwards only placement linked skill development projects are considered and are being sanctioned.

Under Aajeevika, 15% of the total allocation is for special projects to try alternative strategies. The emphasis under special projects has been to try out new and innovative initiatives which are in the nature of pioneer projects, capable of triggering much needed growth impulses and thereby indicators of possible alternative strategies.

**Objectives**

The objective of each Special Projects for Skill Development would be to ensure a time-bound training and capacity building program for bringing a specific number of Below Poverty Line (BPL) families above the poverty line through placement ensuring regular wage employment.

**Salient features of this program are as follows:**

**Strategy and approach**

- **Placement linked:** Assured placement for at least 75% of the trainees. This is a demand driven program and one of the main per-requisite of the program is the commitment of the Project Implementing Agencies (PIA’s) / industry to employ the trained persons.

- **Physical infrastructure:** No new infrastructure creation is supported by MoRD under the Program. Leverage and utilization of existing infrastructure and facilities for operation of training centres is the fundamental principle. This enables appropriate use of underutilized infrastructure and helps immediate start of the training programme in decentralized locations.

- **Machinery and equipment:** The PIA has to arrange for requisite machinery and equipment on its own or from the perspective employers to the extent possible on lease/rent or as contribution/participation of employer/PIA.

**Training**

- **Training content:** The PIA has to ensure innovative content development with inputs from the industry to ensure employability as per current industry practices. Course/curriculum should preferably be designed jointly with prospective employers/industry. Training and course content into local languages has to be ensured to enable better absorption by BPL youth who may not have exposure to English.

- **Skill sets:** The objective of the program is to impart skills necessary for regular employment, so that the initial wages are not less than the prescribed minimum wages. In addition to technical skills, soft skills are also to be imparted to beneficiaries to face transition challenges of moving from an agrarian backdrop to the industry environment.
● **Training partners**: Partnership with training agencies and employers which have aptitude and capability to conduct training and placement of rural BPL youth after certification acceptable to the industry is solicited.

● **Course duration**: Preferably short duration of up to three months so that the opportunity cost of being away from productive work opportunities during training period are minimized.

● **Certification and assessment of trainees**: Independent certification and assessment by third party agencies acceptable to the industry or employers is mandatory to ensure high quality standards and employment.

● **Trainee accommodation**: Wherever necessary, boarding and lodging facilities are to be provided to the trainees by the PIA so that BPL youth in remote locations can be covered. In other cases, trainees are to be provided with to and from transport and food.

● **Mobilization and selection of trainees**: All the trainees in the age group of 18-35 years with requisite aptitude depending upon the trade or job requirements are to be selected from rural BPL families, as per the list maintained by the District Rural Development Agencies (DRDAs)/State Government. The Project Implementing Agency (PIA) will take appropriate awareness and publicity campaign in local electronic/print media and organize meetings especially in SC, ST and minority pockets in rural areas for selection of beneficiaries. The Implementing Agency will ensure that out of the total beneficiaries covered, a minimum of 50% will be from SC/ST. Women and minority categories has to be accorded a priority in selection of candidates depending on demographic profile and trade requirements.

**Funding Pattern**

Placement linked skill development projects are being implementing through PPP model. The Ministry provides financial support to the Implementing Agency (IA) by way of grants to the extent of 75% of the total cost of the project. Remaining 25% is borne by the IA or the concerned State Government. The PIA has to arrange for requisite infrastructure, machinery and equipment on its own or from the perspective employers to the extent possible on lease/rent or as contribution/participation of employer/PIA.
Focus Areas

As part of strategy to place special emphasis on remote and difficult areas while sanctioning new placement linked skill development projects, Ministry of Rural Development has identified IAP/LWE districts, Jammu and Kashmir and north-eastern areas as priority areas.

Current Status

The Ministry had initiated placement linked skill development projects on a pilot basis in 2004-05. In view of the substantial success demonstration by these pilot projects, the Ministry has been sanctioning placement linked special projects since 2005-06. Up to 30.11.12 the Ministry has sanctioned 182 Placement Linked Skill Development projects. So far 7.81 lakh rural BPL beneficiaries have been trained and out of which 6.22 lakh (i.e. 79%) have also been provided with placement. During the current year (2012-13), 1.27 lakh candidates have been trained and 1.08 lakh candidates have been placed. State-wise physical and financial progress in at Annexure-XI.

Himayat

The Ministry of Rural Development is also implementing a new scheme under Aajevika titled "Skill Empowerment and Employment in J&K (SEE J&K) "Himayat". This is a training-cum-placement programme developed and initiated by the Ministry of Rural Development as a special scheme to address the needs and aspirations of the unemployed youth in Jammu and Kashmir. The scheme is, however, being implemented by private companies or NGOs who conduct the training and are responsible for placement of youth from low-income families, and gives priority to those with less educational qualifications. Youth are provided short-term training for at least 3 months, in a range of skills for which there is good demand. At the end of the training, the youth are assured of a job and there is one year post-placement tracking to see how they are faring.

Key Features

- Aims to train 1,00,000 youth in 5 years and provide at least 75% of them with jobs.
- Training centres to be developed in each block (geographical area), catering to the specific needs of the local youth.
- Making support available for trainees after training, during placement as well.
- The long term aim of the programme is for the centres to be run by the community and the capabilities transferred to them.

Rural Self Employment Training Institute

The Government of India decided to set up Rural Self Employment Training Institute, one in each district of the country for basic and skill development training of the rural BPL youth to enable them to undertake micro enterprises and wage employment. These will be bank led institutions i.e. will be managed and run by the Public Sector/Private Sector Banks with active co-operation from the State Governments. 500 RSETIs were proposed to be set up in the country in the 11th Five year Plan. RSETIs core offering includes its free, unique and intensive short-term residential self-employment training programs with free food and accommodation, designed specifically for rural youth.

Ministry of Rural Development will bear the one time expenditure, up to a maximum of Rs.1.00crore per institution, on infrastructure development of these Rural Self Employment Training Institutes and through the DRDAs will also provide support towards cost of training for rural BPL candidates to the sponsor Banks. State Governments will provide land, free of cost, to these institutions on priority basis. It would be the responsibility of the banks to manage day to day functioning of the institute.

As on 30th September, 2012, 535 RSETIs are functioning across the country. State-wise position of RSETIs functioning in the country is at Annexure-XII. In order to ensure the same quality of training as provided in the RUDSET, the original promoters of RSETI concept, an MOU was signed with the National Academy of RUDSETI on 29th July,
2011. As a follow up of the MOU following activities have been undertaken:

a. 21 Training programs conducted for Directors of RSETIs and State Level Coordinators including three State level workshops of Maharashtra, West Bengal and Bihar.

b. 20 Bank conclaves held including common conclave for those banks sponsoring less than 10 RSETIs and conclave of State bank associate bank. The first round of Bank conclaves has been completed. Second round has been initiated now.

c. 13 State Level Project Coordinators appointed, trained and placed in State capital.

d. Completed grading of 509 RSETIs. Based on the final grading, 109 RSETIs, their sponsoring bank and the concerned State administration were recognised as well performing agencies.

e. RSETI administrative manual has been completed and launched in the national meet held on 28th July, 2012-09-10.

f. A major bottleneck impeding the growth of the movement was reimbursement of training cost of BPL candidates. Circular streamlining reimbursement of training cost of BPL candidates was issued on 21.5.2012.

g. The first version of the web enabled MIS of RSETI has been developed and is under field trial.

Based on the grading of RSETIs done in July, 2012, around half of the RSETIs were found to be performing at sub-optimal levels. The banks have been asked to chalk out a time bound program of bringing all the RSETIs to the level of B in the next 12 months. In the further 12 months, minimum 75% of these RSETIs should have achieved the level of excellence i.e. A or above. State-wise/RSETI wise targets have been set for all institutes graded B and above. In respect of other RSETIs, it has been decided to concentrate on building the systems first before allocating targets to them. State-wise achievement against these targets is at Annexure-XIII. State-wise grading details is also at Annexure-XIV, XIV(A) & XIV(B).

Overall training target under RSETI scheme for the financial year 2012-13 for Self Employment is 2 lakh persons. Against this, the achievement up to December 2012 stood at 2,17,674 persons, of which 1,50,929 have been settled.