

FAQs-NRLM

1). what is NRLM – Aajeevika?

National Rural Livelihoods Mission (NRLM) - Aajeevika was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011 as a restructured version of Swarna Jayanti Gram Swarozgar Yojna (SGSY). NRLM has the mandate of reaching out to 100 million rural poor in 6 lakh villages across the country.

The poor have innate capabilities to overcome poverty. NRLM strives towards unleashing this entrepreneurial capability by creating appropriate platforms for the poor through a dedicated and sensitive support structures.

2).How is it different from SGSY?

NRLM has adopted 'demand driven' strategy, in place of SGSY's 'allocation based' strategy. This implies that under NRLM, states have greater autonomy to plan for implementing the programme. NRLM encourages states to prepare State Perspective for Implementation Plans (SPIP) for seven years and Annual Action Plans (AAPs). The allocation for the state is released against the approved AAP.

NRLM has adopted a Participatory Identification of Poor (PIP) instead of the BPL to identify its beneficiaries.

3).What are the key features of NRLM?

NRLM rests on three major pillars – universal social mobilization, financial inclusion and livelihoods enhancement. It works towards bringing at least one member (preferably a woman) from all poor families into the SHG network. The SHGs and their federations offer their members services such as savings, credit and livelihoods support. As the Institutions of the Poor (IoP) mature, they are facilitated to take up livelihoods/income-generating activities.

4).How is NRLM being implemented?

NRLM has put in place a dedicated, sensitive support structure to facilitate the creation and functioning of IoP. The SRLMs are given the responsibility of implementing the programme in the states based on their States Perspective Implementation Plans (SPIPs) and Annual Action Plans (AAPs). District Mission Management Units (DMMU) and Block Mission Management Units (BMMU) are established to implement the programme.

At the national level, the National Rural Livelihoods Promotion Society (NRLPS) has been set up to serve as the technical support agency to NRLM. NRLPS supports the SRLMs in strategizing, planning and implementing NRLM.

5).What is Institutions of the Poor?

SHGs, their federations at the village, cluster levels and beyond, and other collectives of the poor constitute Institutions of Poor (IoP).

SHGs are affinity-based homogenous groups of 10-20 members (usually women). They follow five cardinal principles or Panchsutra (regular meetings, regular savings, internal lending, regular repayment and bookkeeping). The SHGs are federated at the village (Village Organisation), sub-block and higher levels. They are supported to become self-sufficient and community-managed institutions over time.

Institutions of the poor such as SHGs and their village level and higher level federations are necessary to provide space, voice and resources for the poor, and for reducing their dependence on external agencies. They empower them. They also act as instruments of knowledge and technology dissemination, and hubs of production, collectivization and commerce. NRLM, therefore, would focus on setting up these institutions at various levels.

In case of special SHGs i.e. groups in remote tribal areas and in difficult areas, groups with vulnerable persons like disabled persons, the group may be as small as 5 members. Only for groups to be formed with Persons with disabilities, and other special categories like elders, transgender, NRLM will have both men and women in the SHGs.

6).What are the functions of the group?

SHGs are affinity-based savings and credit groups to begin with. They offer solidarity. They provide microfinance services – savings, credit, bank linkages, insurance, remittances, equity etc. They also offer collectivization and group activities. The SHGs offer social security and social action in various fronts including health, nutrition, food, gender, convergence etc., directly or through their federations

7).Is NRLM only for women?

NRLM's priority is to reach out to the poorest, most vulnerable and marginalized. It begins with targeting women and they are considered as representatives of their households. In case of extremely vulnerable persons like Persons with Disabilities (PwDs), elders etc., NRLM mobilizes both men and women. Further, other interventions of NRLM like Rural Self Employment Training Institutes (RSETIs), Aajeevika Skills would reach out to poor in general.

8).Who is eligible for benefits under NRLM?

The NRLM Target Households (NTH) are identified through the Participatory Identification of Poor (PIP) instead of the BPL. The PIP is a community-driven process where the CBOs themselves identify the poor in the village using participatory tools. The list of poor identified by the CBO is vetted by the Gram Sabha.

9).How are partners taken aboard in NRLM?

NRLM works with a variety of organizations for various purposes. It has identified the SRLMs of certain states (AP, Kerala and Bihar) and NROs for implementation support. It has identified National Support Organisations (NSOs) such as PRADAN to provide thematic support. NRLM has also

forged partnerships with Capacity Building Agencies (CBAs) and Academic and Management Institutes to meet its capacity building and technical assistance needs. It has also entered into partnerships with CBOs and NGOs to implement the programme in certain blocks of the country. The NRLPS identifies and empanels these organizations while the SRLMs take their services directly. SRLMs also identify and partner with various partner organizations on their own.

10).How is the SHGs supported under NRLM?

Support to the SHGs of poor is in terms of knowledge, skills, funds, bank linkages and interest subvention. NRLM ensures that the poor are provided with the requisite knowledge and skills to the members, the leaders and the bookkeepers of the SHGs for: managing their institutions, enhancing their credit absorption capacity and credit worthiness, linking up with markets, managing their existing livelihoods, etc.

A multi-pronged approach is envisaged for continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers, NGOs and other key stakeholders.

11).What is financial assistance provided to CBOs under NRLM?

Financial assistance in form of Revolving Fund, Vulnerability Reduction Fund, and Community Investment Fund is provided to the CBOs. NRLM does not provide direct financial support to individual members.

a. Revolving Fund (RF): NRLM provides a Revolving Fund (RF) support to SHGs in existence for a minimum period of 3/6 months and follow the 'Panchasutra' – regular meetings, regular savings, regular internal lending, regular recoveries and maintenance of proper books of accounts. Only

such SHGs that have not received any RF earlier will be provided with RF, as corpus, with a minimum of Rs. 10,000 and up to a maximum of Rs. 15,000 per SHG. The purpose of RF is to strengthen their institutional and financial management capacity and build a good credit history within the group.

b. Vulnerability Reduction Fund (VRF): VRF, to the tune of Rs.1500 per member, is provided to the SHG Federations at the village level in the intensive blocks. VRF will be used for addressing the vulnerabilities of the members like food security, health security etc., and for meeting the needs of the vulnerable persons in the village.

c. Community Investment support Fund (CIF): CIF, to the tune of Rs.3000 per SHG member, is provided to the CLFs in the intensive blocks, to be maintained as resource in perpetuity by the CLF. The CIF is used, by the Federations, to advance loans to the SHGs and/or to undertake the common/collective socio-economic activities. Initially, in the absence of emergence of CLF, the CIF to the tune of Rs.50000 is given to SHG directly on developing its Micro-credit Plan/Micro-plan, to be repaid to CLF via SHG Federation at the village level.

d. Interest subvention: NRLM has a provision for interest subvention, to cover the difference between the Lending Rate of the banks and 7%, on all credit from the banks/financial institutions availed by women SHGs, for a maximum of Rs 3, 00,000 per SHG.

12). what other measures has NRLM taken towards financial inclusion?

NRLM facilitates the SHGs to open and operate bank accounts and bank linkages. It also facilitates access to insurance to members. It is encouraging individual members too to open bank accounts.

13).What is a Micro plan of an SHG?

Micro planning is a process where members are encouraged to recognize, understand and evaluate their resources; analyze challenges they face; identify needs and make future plans to overcome vulnerabilities by making optimum utilization of resources and fostering convergences. The SHGs receive their CIF only on developing their micro plans or microcredit plans.

14). Will Aajeevika strengthen all existing SHGs and federations of the poor?

There are existing institutions of the poor women formed by Government efforts and efforts of NGOs. NRLM would strengthen all existing institutions of the poor in a partnership mode. NRLM strives to build on what exists on ground in terms of SHGs of poor and their federations. After assessing the existing mobilization, NRLM mobilizes the remaining poor in a saturation basis. The new and existing institutions would be strengthened to become self-sustaining accountable and transparent institutions serving the needs of their members. All NRLM compliant institutions would be eligible institutions would receive funds like revolving fund, community investment fund and interest subvention.

15). How many blocks is NRLM being implemented in?

NRLM is presently working in 1009 blocks in an 'intensive' mode. Of these, 50 blocks are being developed as resource blocks to create local human and social capital (IoPs, internal Community Resource Persons (CRPs) etc.) that would support in implementing NRLM in other blocks. The implementation in resource blocks is supported by National Resource Organisations (NROs) such as SERP (AP), Jeevika (Bihar), Kudumbashree (Kerala) etc. In about 50 blocks, NRLM is partnering with existing

Federations and NGOs to saturate the block. In the remaining intensive blocks, the NRLM is fielding its field implementation teams.

NRLM's presence in the remaining blocks in the country, referred as non-intensive blocks, is limited to the extent of supporting the existing mobilization, strengthening the existing institutions, providing revolving fund and bank linkages, and taking up other activities in a limited way.