

# National Urban Livelihoods Mission

Draft Mission Document



Ministry of Housing & Urban Poverty Alleviation  
Government of India  
New Delhi

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# I Introduction

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1.1. Economic development and urbanisation are closely linked. Cities in India are emerging as the country's engines of economic growth, with a contribution of more than 60 per cent to GDP. India's urban population is now 377 million (Census of India, 2011). This represents a 31 per cent increase from 2001 when urban population was 286 million. Despite the robust economic growth at the national level, the number of the urban poor has steadily increased in recent decades. Estimated at 81 million in 2004-05 (NSSO, 61<sup>st</sup> Round), the urban poor represented about 26 per cent of the urban population in India. Many of them are subject to deplorable living conditions in slums and squatter settlements. The slum population in the country is estimated at 93 million in 2011. In addition to the substantive magnitude of the number of urban poor and slum dwellers, a key concern is the rising headcount of the urban poor. The number of urban poor is estimated to have increased during the period 1993-94 to 2004-05 by about 4 million.

1.2. Data from the National Sample Survey Organisation (NSSO) 50<sup>th</sup> and 61<sup>st</sup> Rounds reveals that the Gini ratio of urban consumption distribution (that ranges from 0 with perfect equality to 1 with perfect inequality) increased from 0.34 in 1993-94 to 0.38 in 2004-05, widening the divide between the rich and the poor in cities. The per capita expenditure of the bottom 20

percent of urban households increased at a slower pace than that of the middle 60 percent or top 20 percent. Between 1993-94 and 2004-05, the share of the bottom 20 percent of urban households in total consumption expenditure decreased by 0.78 percentage point; from 8.04 per cent in 1993-94 to 7.26 per cent in 2004-05. In contrast, the share of the top 20 per cent of urban households in total consumption expenditure increased by 2.47 percentage points - from 42.81 percent in 1993-94 to 45.28 percent in 2004-05. The data reflects increasing divide between the rich and the poor in cities.

1.3. Data from Census 2011 reveals that 3 percent of the urban population does not have an exclusive room for living, while 32 percent live in one room house. About 29.4 percent of the urban population do not have access to tap water and 18.6 percent have no latrine facility within the house. 7.3 percent of urban population still do not have access to electricity. With reference to assets, 13.3 percent of urban population do not have access to a television and 89.6 percent do not have access to a computer. 7 percent of the urban population have no access to any asset such as radio, television, computer, telephone, bicycle, scooter or car).

1.4. Urban poverty is multi-dimensional. The urban poor face multiple deprivations - inadequate

access to affordable housing, basic civic services like water, sanitation, drainage, solid waste management, roads, street lighting, health care, education and social security, and livelihoods opportunities. The dimensions of urban poverty can be divided into three categories: (i) residential vulnerability (access to land, shelter, basic services, etc.); (ii) social vulnerability (deprivations related to factors like gender, age and social stratification, lack of social protection, inadequate voice and participation in governance structures, etc.) and (iii) occupational vulnerability (precarious livelihoods, dependence on informal sector for employment and earnings, lack of job security, poor working conditions, etc.). These vulnerabilities are inter-related. Amongst the urban poor, there are sections subject to greater vulnerability in terms of the above classification; these include women, children, and the aged, SCs, STs, minorities and differently-abled persons who deserve attention on a priority basis.

1.5. The Report on Conditions of Work and Promotion of Livelihoods in the Unorganized Sector by the National Commission on Enterprises in the Unorganized Sector brought out in August 2007 (NCEUS, 2007) reveals that in 2004-05, out of India's total workforce, 92 percent worked in the informal economy – in unorganized enterprises or households, excluding regular workers with social security benefits, and in the formal sector without any employment/ social security benefits provided by the employer. The urban informal sector comprises a large

part of the unorganized non-agriculture sector. The proportion of non-agriculture workers in the unorganized sector rose from 32 percent in 1999-2000 to 36 per cent in 2004-05. Out of total workers in the non-agriculture sector, 72 percent were in the unorganized sector in 2004-05 as against 68 percent in 1999-2000. 63 percent of the unorganized workers in non-agriculture sector were self-employed, 17 percent were regular workers and 20 percent belonged to casual categories.

1.6. The total employment in the Indian economy increased from 397 million in 1999-2000 (NSSO 55<sup>th</sup> Round) to 457 million in 2004-05 (NSSO 61<sup>st</sup> Round). This increase of 60 million has been solely of an informal kind. Out of this, 52.3 million occurred in the informal or unorganized sector, while the increase in employment in the organized sector was only 7.5 million. However, this increase has been entirely informal in nature, i.e. without job or social security. Thus, not only has there been an informalisation of the Indian economy but also an informalisation of the formal sector. The data underscores the size and significance of the informal economy or unorganized sector in India.

1.7. Out of the unorganized sector workers engaged in non-agricultural activities in 2004-05, about 73.4 percent had educational attainment level of middle class or below, while 37.4 percent were illiterate or below primary school level. For females, the figures were 84.1 and 54.7 percent respectively. In urban areas, 65.6 percent of the unorganized sector

non-agricultural workers were having education of middle class or below. The figure for urban females was 77.8 percent with 49.3 percent being illiterate or below primary. Low levels of education and skill in the unorganized sector workers have resulted in their inability to access the opportunities offered by emerging markets. This underscores the criticality of skills up-gradation for better livelihoods opportunities in urban areas.

1.8. There is a high congruence between the informal economy and poverty. The NCEUS Report (2007) reveals that at the end of 2004-05, about 77 percent of the total population in the country were living below Rs. 20 per day and constituted most of India's informal economy. About 79 percent of the informal or unorganized workers belonged to this poor and vulnerable group, with the figure at 90 percent for casual workers. These workers had no legal protection of job or working conditions or social security. They lived in abject poverty, excluded from the impressive gains from the economic reforms and liberalisation that ushered in from 1992-93. The bulk of the urban poor find their livelihood in the informal economy; between 94 percent and 98 percent of informal sector workers fall into the vulnerable group category. The number of the urban poor engaged in informal activities is so large that even a small improvement in the

productivity of this segment of population through skill up-gradation can make a huge impact on GDP, leading to inclusive growth.

1.9. In the above background, livelihoods issues, especially skill development for market-based employment as well as self-employment of the informal or unorganised sector workers, who constitute the bulk of the urban poor, is critical and of immediate importance. Urban poverty is different from rural poverty; urban poverty alleviation programmes need to be skills and credit access-based. Urban poverty being multi-dimensional, various vulnerabilities faced by the poor in cities and towns: occupational, residential and social need to be addressed simultaneously in a comprehensive and integrated manner with a targeted focus on the vulnerable groups so that a definitive impact can be made on ground. It is within this context that a mission-mode approach to urban livelihoods is considered necessary in the form of the National Urban Livelihoods Mission (NULM). This document sets forth the features of the NULM and covers an analysis of the approaches and schemes that have preceded this initiative; the mission statement, values, and strategy of NULM; the mission components; financial requirements under NULM; and mission organisation structure.

## II. Existing Approaches

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2.1. Poverty in India has been part of the policy debate right from the First Five Year Plan period with a primary focus on agriculture and rural development. The first conscious attempt to address urban poverty issues was made in the 7<sup>th</sup> Five Year Plan Period (1985-1990), when schemes for urban employment, urban housing and basic services were formulated. It was, however, with the evolution of the 7-year programme of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2005 and the revamping in 2009 of SwarnaJayantiShahariRozgarYojana (SJSRY), being implemented from 1997 with a meagre allocation that a concerted focus was placed on basic services, shelter and livelihood issues of the urban poor, especially slum-dwellers.

### Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

2.2. The programme of JNNURM, implemented in mission-mode since 2005, adopts a two-pronged strategy to assist cities through the provision of citywide infrastructure facilities and basic services to the urban poor. There have been three official reviews of the scheme. The first is the Mid-term appraisal of the 11<sup>th</sup> Five Year Plan by the Planning Commission; the second is an independent appraisal of JNNURM commissioned by the M/o Urban Development; and the third is the report of the High Powered Expert

Committee (HPEC) for Estimating the Investment Requirement for Urban Infrastructure Services. In general, JNNURM has received mixed reviews. However, it is widely acknowledged that JNNURM has led to a new focus on the urban sector throughout the country, creating a facilitative environment for critical urban sector reforms and fund flow to the sector in many states. Much of the investment has been directed towards the provision of basic services like water supply, sanitation and solid waste management, including those to the urban poor. In addition, the programme is credited with incentivizing states and ULBs to raise their aspirations for capital investments and provision of civic services, especially to the urban poor, in the targeted cities/states. Critiques of JNNURM refer to the lack of adequate community participation, weak institutional and human resource capacity of urban local bodies, inadequate implementation of reforms, and lack of integration with the issues of employment in cities and towns.

2.3. However, the implementation of JNNURM, being an effort of the first of its kind, it is obvious that much more effort and commitment are needed to make a sustained dent on the issues of urban poverty and make economic growth inclusive through the development of inclusive cities and towns. Although budgetary allocations for the urban sector have risen substantially, these are too small compared to the

backlog, current and growth needs of the cities and towns. For example, the allocation under the only urban poverty alleviation scheme in the country focused on employment and employability of the urban poor, namely SJSRY for the entire 11<sup>th</sup> Five Year Plan period was about Rs.300 per capita for the urban poor.

### **Rajiv AwasYojana (RAY)**

2.4. Learning from the experience of JNNURM, the M/o HUPA recently launched the “Rajiv AwasYojana” (RAY) scheme envisioning a “Slum-free India” through the legal empowerment of slum dwellers by giving them legal entitlement to dwelling spaces at an affordable cost. RAY intends to support States that are willing to assign property rights to slum-dwellers. It aims to create enabling conditions that will encourage states to tackle slums in a definitive manner by (i) bringing existing slums within the formal system and enabling them to avail of the same amenities as the rest of the town; (ii) redressing the failures of the formal system that lie behind the creation of slums; and (iii) tackling the shortages of urban land and housing that keep shelter and housing out of the reach of the poor and force them to resort to extra-legal solutions in a bid to retain their sources of livelihood. RAY focuses on ‘in-situ’ redevelopment of slums. It adopts a ‘whole city’, ‘whole slum’, ‘all slums’ approach and seeks to develop the supply of urban infrastructure and affordable housing for future population entering the city. RAY targets such issues through policy, planning and regulatory reforms. RAY envisages a strong

linkage with livelihoods issues of the slum dwellers and the urban poor so that they are not dislocated from their workplaces.

### **SwarnaJayantiShahariRozgarYojana (SJSRY)**

2.5. The Ministry of HUPA currently runs an employment-oriented scheme, namely, SwarnaJayantiShahariRozgarYojana (SJSRY). This scheme, started in 1997, seeks to provide gainful employment to the unemployed and underemployed urban poor by encouraging skill development and self-employment and also through wage employment for construction of socially and economically useful public assets. Revamped in 2009, SJSRY has five components: (a) the Urban Self-Employment Programme (USEP), which targets individual urban poor for setting up micro enterprises; (b) the Urban Women Self-Help Programme (UWSP), which targets urban poor women Self Help Groups (SHGs) for setting up group enterprises and providing them assistance through a revolving fund for thrift and credit activities; (c) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP), which targets the urban poor for imparting quality training so as to enhance their employability for self-employment or better salaried employment; (d) the Urban Wage Employment Programme (UWEP), which seeks to assist the urban poor by utilizing their labour for construction of socially useful assets, in towns with less than 5 lakh population as per the 1991 Census; and (e) the Urban Community Development Network (UCDN),

which seeks to assist the urban poor in organizing themselves into self-managed community structures to gain collective strength to address the issues of poverty facing them and to participate in the effective implementation of urban poverty alleviation and social development programmes.

2.6. The SJSRY scheme is being implemented on a cost-sharing basis between the Centre and the States in the ratio of 75:25. Given the low allocations for the scheme, only about 2 lakh urban poor under skill development and 50,000 under self-employment are being benefitted under SJSRY annually. The target under skill development of the urban poor is very small considering that the number of urban poor was estimated at 81 million in 2004-05 and that nationally a target of 500 million persons to be skill-trained by 2022 has been fixed by the National Council on Skill Development.

## **Schemes of other Ministries**

2.7. The schemes of several other Ministries have a direct or indirect bearing on alleviation of urban poverty, including skills and livelihoods through their impact on occupational, social and residential vulnerabilities. These schemes, however, are not focused on the poor and marginalised sections. The important of these are described below:

### **Skill Training and Entrepreneurship Development**

2.8. The M/o Labour and Employment runs the Modular Employable Skills (MES) programme

focusing on demand-driven short-term training courses in consultation with the industry, providing a 'minimum skill set' that is sufficient to ensure gainful employment. The essence of the scheme is its modular nature and emphasis on certification that is nationally recognised.

2.9. The D/o Elementary Education and Literacy, M/o Human Resource Development (HRD) runs the Jan ShikshanSansthan (JSS) scheme for skill up-gradation in the areas of non-formal, adult and continuing education. The scheme provides academic and technical support to ZillaSaksharataSamitis in rural and urban areas. JSS offers a large number of training programmes (approximately 371) across a variety of trades. The D/o of Secondary Education, Ministry of HRD also implements the scheme of Vocationalisation of Higher Secondary Education, offering vocational courses at school level to enhance employability of students who do not intend to pursue further formal education.

2.10. The M/o Micro, Small and Medium Enterprises (MSME) runs a number of schemes for the promotion of micro-enterprises. The Rajiv Gandhi UdyamiMitraYojana (RGUMY) provides handholding support and assistance to potential first generation entrepreneurs, who have already successfully completed training from ITIs, through selected lead agencies, called 'UdyamiMitras', for the establishment and management of new enterprises, in dealing with various procedural and legal hurdles and in completion of various formalities

required for setting up and running enterprises. The scheme of Fund for Regeneration of Traditional Industries (SFURTI) aims at the development of at least 100 traditional industry clusters (khadi, village industry and coir) over a five-year period. The M/o MSME has enacted the MSME Development Act 2006 which aims at facilitating the promotion and development of small and medium enterprises in a competitive way, particularly through the smooth and timely flow of credit.

2.11. The M/o Rural Development has recently launched the National Rural Livelihoods Mission (NRLM) to strengthen livelihoods of the rural poor by promoting SHGs, improving existing occupations, and providing skill development and placement with the aim of improving the credit worthiness of the rural poor. The mission seeks to promote universal social mobilisation, financial inclusion of the rural poor and formation of peoples' institutions into federations for promoting skill and wage employment. The mission places due emphasis on training and capacity building for self-employment and on ensuring a shift from unskilled to skilled labour to exploit opportunities available for wage employment. NRLM organises many of its skills training programmes in urban areas and a synergy may be gained in joint selection of skills training providers and conduct of skills training programmes by NRLM and NULM together.

### **National Skills Development Corporation**

2.12. The recently established National Skill Development

Corporation focuses on promotion of PPP for skill development by catalysing the creation of large, quality, for-profit vocational institutions/agencies. It also provides viability gap funding to build scalable, vocational training initiatives and enables support systems such as quality assurance, information and standards through the establishment of Sector Skills Councils, etc. The NSDC has identified and supported several PPP partners who could be persuaded to undertake programmes for the poor as part of their activities with support under NULM.

### **Social Development/Assistance Programmes**

2.13. The M/o Rural Development runs the National Social Assistance Programme (NSAP) in both rural and urban areas. NSAP comprises of Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS), National Family Benefit Scheme (NFBS) and Annapurna. It would be useful, if eligible members of urban poor households identified under NULM were also enabled to access the assistance under NSAP so that a package of benefits is made available to enable them to cross the poverty line.

2.14. The Ministry of Labour and Employment, Government of India has launched the RashtriyaSwasthyaBima Yojana (RSBY) to provide protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization. Beneficiaries

under RSBY are entitled to hospitalization coverage up to Rs.30,000/- for most of the diseases that require hospitalization; the poor pay a premium of Rs.30, while the rest is subsidised by RSBY. Pre-existing conditions are covered from day one and there is no age limit. Beneficiaries under NULM may be covered by NULM and other social security programmes subject to their eligibility

2.15. The M/o Human Resource Development implements SarvaShikshaAbhiyan. This along with the Mid-day Meal Scheme aim at achieving to objective of right to education. The M/o Health & Family Welfare runs the National Rural Health Mission to carry out necessary architectural correction in the basic health care delivery system in the country. The Mission adopts a synergistic approach by relating health to determinants of good health viz. segments of nutrition, sanitation, hygiene and safe drinking water. It also aims at mainstreaming the Indian systems of medicine to facilitate health care. The goal of the Mission is to improve the availability of and access to quality health care by people, especially for those residing in rural areas, the poor, women and children. NRHM has certain components such as medical facilities in urban areas, which the urban poor could avail. The M/o HFW has recently embarked upon launching a National Urban Health Mission (NUHM) to focus exclusively on the health needs of urban areas, especially the urban poor. The proposed NUHM and NULM could be converged at State/ULB levels.

2.16. The Integrated Child Development Scheme (ICDS) was launched in 1975 by the M/o Women & Child Development in response to the challenge of providing pre-school education on one hand and breaking the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality, on the other. It focuses on improving the nutritional and health status of children in the age group of 0-6 years with a basis for proper psychological, physical and social development. The package of services under ICDS includes supplementary nutrition, immunization, health check-up, referral services, pre-school, non-formal education, and nutrition and health education. There is a need for convergence between ICDS and NULM.

## Lessons from Implementation of SJSRY

2.17. An overview of the implementation of SJSRY in the country throws up a mixed picture. Dedicated implementation/administrative structures created in States like Andhra Pradesh, Kerala and Karnataka for taking up the urban poverty alleviation tasks have contributed to the success of SHG movement and skills training programmes in cities and towns there. The robust network of SHGs and their federations and the key role played by the civil society in these states have enabled the urban poor to access institutional credit and overcome some of the critical technical and market constraints they would otherwise have faced.

But in several States in the country, the progress of the scheme has been rather slow. The M/o HUPA commissioned two reports, the first a general evaluation of SJSRY across the nation, and the second, a concurrent evaluation of SJSRY in nine states. The studies have shown that the scheme has been relatively successful in alleviating urban poverty wherever systematic mobilization of the poor into SHGs, their capacity building and skill development programmes were taken up in a process-intensive and professional manner with a robust implementation structure. However, factors like lack of community awareness about the components of the scheme, absence of dedicated staff to implement the scheme, lack of linkage between skill development and employment opportunities provided by the market and reluctance of officials from banks to extend loans for micro-enterprises under SJSRY, etc. have been found to be the foremost obstacles affecting the accomplishments under the scheme.

2.18. The key lessons learnt from the implementation of SJSRY in relation to other key programmes are described below:

**A. Uneven spread of SHG formation:** A key lesson that emerges from the evaluation studies is the uneven spread of SHGs across the country, with significant success only in the southern states. In the northern, eastern and north-eastern parts of the country, the SHG movement is yet to make a significant headway.

**B. Weak social sector convergence:** Although the revised SJSRY scheme requires a convergence with programmes being implemented by various Ministries / Departments such as Modular Employable Skills (MES), RashtriyaSwasthyaBima Yojana (RSBY), National Social Assistance Programme (NSAP), Mid-day Meal Scheme (MMS), Integrated Child Development Scheme (ICDS), SarvaShikshaAbhiyan(SSA), etc., this has not been fully achieved on ground due to institutional and human resource bottlenecks in municipalities to enforce convergence. Even linkages with existing schemes of the M/o HUPA itself such as JNNURM and RAY have also been weak. BSUP and IHSDP components under JNNURM, for example, have strong components of affordable housing and basic services to the urban poor, but integration with livelihood issues is notional, especially in the resettlement areas where livelihood concerns are paramount for the urban poor. Further 'livelihood' is absent from the 7-point Charter of JNNURM, which includes shelter, tenure security, water and sanitation, and education, health and social security - in convergence with schemes of the relevant line Ministries / Departments.

**C. Problems in targeting of beneficiaries:** Targeting under the SJSRY scheme relies on state-procedures for determining urban BPL lists. These lists are neither uniform nor comparable across states (or time). In addition to methodological issues, BPL surveys at the state/city levels are often conducted at

random time intervals, and therefore the comparability of indicators across time as well as across states and/or pan-India is not possible. Significantly, the targeting of the urban poor for livelihood interventions on the basis of surveys trying to identify poverty in monetary terms may not suffice for addressing the livelihoods requirements of the poor. Further, as these are randomly conducted surveys, they do not capture the dynamism of the informal sector. Further, sometimes the scheme components are implemented by cities without prior survey to assess the needs of the urban poor.

**D. Skills training: lack of an integrated approach:** In some states, the classification of candidates for skill training according to their needs – based on a skill needs assessment survey – is not being taken up. The poor need significant counselling and handholding for the success of attitudinal orientation and skills training programmes. Except for a few select states, training courses offered are not fully synchronized with the investigation of job opportunities by sector based on a comprehensive market scan, the demand for skills by employers, the linkage of training with the needs of industry, as well as the background, aspirations and aptitudes of the beneficiaries. Therefore, the approaches and targets do not reflect the current reality.

**E. Lack of capacity building and training:** This has been at all levels covering all stakeholders, mainly due to, (i) inadequate institutional infrastructure for training – starting

from central to state, city and community level; (ii) lack of trainers; (iii) limited capacity of existing institutions and their inaccessibility to the poor due to entry level barriers, high costs and distant locations, (iv) improper identification of trainees, (v) lack of an umbrella organization for handholding and implementation of training and (vi) non-utilisation of non-government resources available to train various stakeholders.

**F. Top down approach to community structures:** Although the SJSRY scheme has institutionalised community structures and participation, this has been implemented in a comprehensive way only in select states such as Kerala (Kudumbashree) and Andhra Pradesh (MEPMA – Mission for Elimination of Poverty in Municipal Areas), which have adopted mission mode approach. In States where the scheme is successful, the success is attributable to the strong institutionalisation and integration of community structures at the slum and city levels and the close interaction between government functionaries and the community. Such interaction has created a unique synergy through which the channels of communication between the poor and the administration are kept open. This has resulted in demand for skills training and micro-enterprises emerging from the communities themselves based on their own assessment of needs.

**G. Lack of dedicated implementation structure:** One of the major gaps in the scheme implementation has been the lack of

adequate manpower in the States and ULBs and the absence of professionals to support implementation of the process-oriented programme. The existing state and municipal staffs are found to be over-burdened with a number of schemes and tasks. This has led to the lack of action to undertake serious community mobilisation, project preparation, implementation and monitoring activities under SJSRY – leading to a weak delivery mechanism in some states.

#### **H. Lack of sustained financial linkages for self-employment ventures:**

A key critique of the scheme has been its inability to galvanize finances for self-employment ventures of the urban poor. The promotion of self-employment as a long-term strategy for urban poverty alleviation is widely accepted. Roadblocks in the form of access to financial linkages can be explored from two perspectives. From the bankers' perspectives, proposals received are often poorly thought through and presented. In addition, the subsidy amount of 25 per cent as government contribution is seen as too low an amount for the comfort/buffer preferred by banks as a guarantee of loans for micro-enterprises. Additionally, lending to this sector is not seen as attractive. From the borrower's perspective, beneficiaries perceive a lack of sensitivity on the part of financial institutions to their financial needs. This is mostly related to the beneficiaries' inability to produce paper-based evidence of identity to establish a credit history. Clearly, on both sides, advocacy and capacity building are required to get the

beneficiaries' access to loans for urban micro-enterprises. The M/o Finance is already working with M/o Rural Development to sensitize bankers to their schemes. Such interactions should be extended to the schemes of urban poverty alleviation as well.

#### **I. Undue focus on employment of the un-skilled workers:**

A key critique of the UWEP component of SJSRY has been its focus on providing employment to unskilled urban poor as opposed to promotion of skill up-gradation, thus providing them an option for sustained self/wage employment in the long term. This component of the scheme has not taken off in many cities, as the scope of wage employment there is limited.

#### **J. Low scale of financial allocation:**

The quantum of funds made available for SJSRY from its inception in 1997 has been very low and rather symbolic. The annual allocation for the country as a whole prior to the 11<sup>th</sup> Plan was meagre - around Rs.100 crores. As a result, significant issues related to addressing urban poverty concerns remained unattended at various levels; these include:

- i. Lack of policy framework at state level covering all facets of urban poverty namely, skill development, employment, shelter, basic services, participation and voice, etc.;
- ii. Weak organizational capacity of the poor to mobilise themselves into groups, demand better services and raise resources for addressing their issues of poverty.
- iii. Lack of human resources for effective implementation of the

- iv. Lack of professional approach to skill development for market-based employment opportunities with linkage to placement or self-employment;
- v. Weak delivery mechanisms due to inadequate participation and engagement by the community and other stake holders;
- vi. Lack of flow of credit to the urban poor towards self-employment - reluctance by banks to sanction loans to the urban poor beneficiaries in view of informal nature of self-employment ventures and absence of collateral;
- vii. Lack of adequate capacity building and training of stakeholders due to various factors, namely, inadequate institutional infrastructure, lack of trainers, limited capacity of existing institutions and their lack of focus on the needs of urban poor and functionaries dealing with poverty issues, lack of umbrella organization for handholding/implementation support, etc.
- viii. Weak institutional mechanism for ensuring convergence between programmes: JNNURM/RAY, SJSRY and programmes of sectoral ministries, etc.

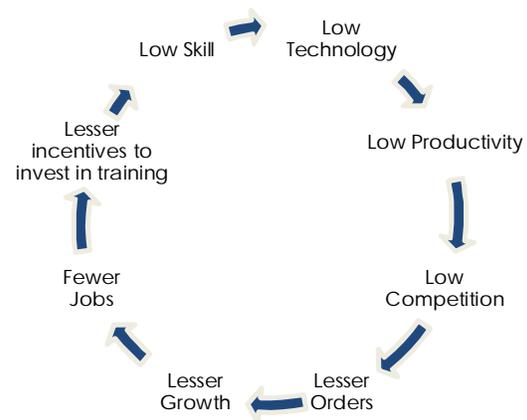
### Need for a Mission-mode Approach to Urban Livelihoods

2.19. The Government’s approach to livelihoods of the poor has, thus far, been scheme-based. Most of the

programmes focusing on livelihoods have targeted rural areas; only under a limited number of schemes has there been a partial targeting of the urban poor. Of these, only SJSRY has focused exclusively on urban poor livelihoods since 1997, albeit with significant funding constraints, which, as described above, have led to serious impediments in addressing the critical concerns of urban poverty comprehensively.

2.20. The inadequate allocation and focus on the livelihoods issues of the urban poor has led to a vicious cycle of low skill economy (see Diagram 1).

**Diagram 1**



2.21. As per the Approach Paper for the 11th Five Year Plan, referring to data collected in the 60th Round NSS, only 3 percent of the rural youth (15-29 years) and 6 percent of the urban youth have gone through any kind of vocational training. Hence, vocational education and skills training to enable the urban poor and migrant rural poor to access market opportunities for jobs are bound to be critical for achieving

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the targets of urban poverty reduction.

2.22. Livelihood of the urban poor, however, is set to get its due focus in the upcoming 12<sup>th</sup> Five Year Plan. The Approach Paper for the 12<sup>th</sup> Five Year Plan has identified, as part of its strategy, one of its key priority areas the task of addressing “the basic needs of the urban poor who are largely employed in the informal sector and suffer from multiple deprivations and vulnerabilities that include lack of access to basic amenities such as water supply, sanitation, health care, education, social security and decent housing.” (Planning Commission, 2011)

2.23. Additionally, in its report, the Working Group on Urban Poverty, Slums and Basic Services in the context of the formulation of the 12<sup>th</sup> Five Year Plan has stated that livelihoods and skill development of the occupationally vulnerable among the urban poor ought to be accorded top priority in the 12<sup>th</sup> Five Year Plan. In particular, the report emphasizes three key focus areas – first, a continued focus on micro-enterprise and skill development for the urban poor, second a mandatory creation / allocation of spaces within city-boundaries for the lives and work of the urban poor, and finally, appropriate corrective legislative action to ensure that the rights of the urban poor to a productive livelihoods are guaranteed. In particular, the Working Group recommended a ‘mission-mode’ approach to urban livelihoods. The suggestion has been accepted by the Steering

Committee on Urbanization for the 12<sup>th</sup> Five Year Plan set up by Planning Commission.

2.24. As the nodal Ministry for urban poverty alleviation, in order to focus policy and programmatic attention on the issue of urban livelihoods in a structured way, the M/o Housing & Urban Poverty Alleviation has envisaged to launch a ‘**National Urban Livelihoods Mission (NULM)**’. This will replace the existing JSRY from the beginning of the 12<sup>th</sup> Five Year Plan NULM would be target-oriented with specific focus on the primary issues pertaining to urban poverty such as skill up-gradation, entrepreneurship development and employment creation through wage employment and self-employment opportunities opened up by the emerging markets in urban areas. It will adopt a Mission approach.

2.25. The implementation of NULM in a Mission mode is essential as it will:

- A. Shift focus from the present allocation-based strategy and distribution of funds to a demand-driven paradigm that provides flexibility to States to formulate their own livelihoods-based State urban poverty reduction strategies and city/town action plans for poverty reduction;
- B. Address livelihoods concerns of the urban poor in convergence with programmes to tackle the multiple vulnerabilities of the urban poor: occupational, residential and social;

- C. Make States and cities/towns focus on tangible outcomes, time-bound targets and monitor the achievement of such targets so linked to specific poverty outcomes;
- D. Facilitate the building of key institutions of the poor and their capacity so that they can implement programmes by themselves with support provided by Government, civil society, the private sector and other partners;
- E. Address the key structural deficiencies observed in the implementation of the present SJSRY, especially the lack of dedicated manpower and professionalism in implementation at the Central, State and City/Town levels; and
- F. Enable steady movement to the ultimate objective that the urban poor drive their own agenda to come out of the clutches of poverty and sustain their own livelihoods.

## III. NULM: Mission Principles, Values, Objectives and Approach

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3.1. The core belief of National Urban Livelihoods Mission (NULM) is that the poor are entrepreneurial and have innate desire to come out of poverty. The challenge is to unleash their capabilities to generate meaningful and sustainable livelihoods. The first step in this process is motivating the urban poor to form their own institutions. They and their institutions need to be provided sufficient capacity so that they can manage the external environment, access finance, expand their skills, enterprises and assets. This requires continuous and carefully designed handholding support. An external, dedicated and sensitive support structure, from the national level to the city and community levels, is required to induce social mobilisation, institution building and livelihoods promotion.

3.2. Strong institutional platforms of the poor support them to build up their own human, social, financial and other resources. This enables them to access their rights, entitlements, opportunities and services, both from the public and private sectors. The social mobilisation process enhances solidarity, voice and bargaining power of the poor. These processes enable them to pursue viable livelihoods based on leveraging their own resources, skills and preferences. Thus, they can come out of abject poverty and not fall back into a vicious cycle. NULM believes that

any livelihoods programme can be scaled up in a time bound manner, only if it is driven by the poor and their institutions.

3.3. As per the Constitution (74<sup>th</sup> Amendment) Act, 1992, urban poverty alleviation is a legitimate function of the Urban Local Bodies (ULB). Therefore, ULBs would need to undertake a coordinating role for all issues and programmes concerning the urban poor in cities/towns, including skills and livelihoods. State/Union Territory Governments will facilitate such coordination by Urban Local Bodies. Ministry of Housing & Urban Poverty Alleviation will function as the nodal Ministry for programmes undertaken by various Ministries relating to the urban poor, including skills training, micro-enterprise development, social inclusion, etc.

### NULM Mission

3.4. The mission of the National Urban Livelihoods Mission (NULM) is:

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

## Guiding Principles

3.5. The guiding principles of NULM are:

- a. The urban poor have a strong desire to improve their quality of life and come out of the clutches of poverty. They have an innate capacity to do so. However, the key enablers empowering them to take positive action in this direction are missing;
- b. Social mobilisation and building strong institutions of the poor in urban areas are critical for unleashing their innate capabilities. For this, an external, dedicated and sensitive support structure is essential so as to catalyse social mobilization, institution-building and empowerment process of the urban poor, in partnership with Non-Government Organisations (NGOs)/Community-based Organisations (CBOs)/the private sector ;
- c. Access to livelihoods enhancement opportunities through information, knowledge, skills training, tools, infrastructure, credit, marketing, collective effort, etc., security of tenure, shelter and basic services enable the urban poor to gain access to improved living conditions, sustainable livelihoods and come out of poverty.
- d. NULM would aim at universalisation of coverage of the urban poor in access to skill development and credit facilities. It will strive for skills training of the urban poor for market-based jobs and self-employment, facilitating easy access credit through

measures such as a credit guarantee fund, etc.

- 3.6. NULM believes that convergence with policies, programmes and schemes of other Ministries / State Governments / ULBs dealing with skills, livelihoods, entrepreneurship development, health, education, social assistance, etc. is crucial to the success of the mission. It will strive to enable the urban poor, including slum dwellers, street vendors, etc., to access the opportunities made available through different schemes in a convergent manner.

## Values

3.7. The Mission will espouse the following values:

- a. Ownership and key role of the urban poor and their institutions in all stages – community needs assessment survey, planning, programme formulation, implementation, monitoring, review and evaluation;
- b. Inclusion of the vulnerable sections of the urban poor in all programmes and processes - equity to the most disadvantaged and marginalized groups of the urban society;
- c. Transparency in programme design and implementation, including institution-building and capacity strengthening; proactive disclosure at all levels and stages;
- d. Mutual accountability of government functionaries and the community;
- e. Partnerships with industry and other stakeholders; and

- f. Community self-reliance, self-dependence, self-help and mutual-help.

## Objectives

3.8. The central objective of NULM is to reduce poverty among the urban poor through the promotion of diversified and gainful self-employment and wage employment opportunities, leading to increased income on a sustainable basis. NULM will adopt a five-pronged strategy:

- i. Enhancing and expanding existing livelihoods options of the urban poor;
- ii. Building skills to enable access to growing market-based job opportunities offered by emerging urban economies;
- iii. Training for and support to the establishment of micro-enterprises by the urban poor – self and group;
- iv. Ensuring linkages to shelter, basic services and empowerment to promote sustainable approaches to poverty alleviation; and
- v. Building capacity of the urban poor, their institutions and the machinery involved in the implementation of livelihoods development and poverty alleviation programmes.

In the long run, NULM is expected to ensure broad-based inclusive growth and reduce disparities across communities, sectors and regions.

3.9. Other objectives of the Mission include:

- a. To achieve inclusion of the urban poor and the vulnerable sections as an integral and valued part of the urban society and economy;

- b. To build capacity and skills at the bottom of the pyramid in emerging industry and service sectors, offering value-added, new employment opportunities in association with the private sector, wherever possible, and thereby also alleviating the skill shortages of the industry and service sectors;

- c. To organise the urban poor through formation of occupation-based and neighbourhood level collectives/institutions founded on self-help principle and federate them at slum, ward/zone and town/city levels to address livelihoods as well as social development concerns;

- d. To promote more equitable access of the urban poor to shelter and basic services such as water supply, sanitation, solid waste management, electricity, roads, transport, etc., and converge livelihoods with other programmes;

- e. To promote financial inclusion by facilitating easy access of the urban poor to financial services such as savings, credit, insurance, money transfers and pensions;

- f. Enable the urban poor to exercise voice in governance structures and decision-making processes.

## Approach

3.10. Towards building, supporting and sustaining livelihoods of the urban poor, NULM will attempt to harnesses their innate capabilities, focusing on a community-to-community learning approach, complementing them with

capacities (information, knowledge, skills, tools, infrastructure, finance and collectivisation) to deal with the rapidly changing external world. The Mission is conscious of the fact that livelihoods activities are varied; and hence, it intends to work on three pillars – **‘enhancing and expanding existing livelihoods options of the poor’**; **‘building skills for the job opportunities offered by growing urban economies’**; and **‘nurturing self-employment and entrepreneurship’**.

3.11. NULM further recognises that **dedicated support structures** help in strengthening the institutional platforms of the poor. These platforms, with support from their accumulated human and social capital, offer a variety of livelihoods services to their members across the value-chains of key products and services of the poor. These include: finance and capital, production and productivity enhancement, covering technology, knowledge, skills, inputs, infrastructure, market linkages etc.

3.12. The urban BPL youth would be offered skill development training under NULM after counselling and matching their aptitude with job requirements and placed in remunerative jobs. Self-employed and entrepreneurially-oriented poor would be provided the requisite skills and financial linkages. They would be nurtured to establish and grow with micro-enterprises. The platforms of the poor will offer space for convergence and partnership with a variety of stakeholders, including the civil society and the private sector. The organisation of the poor, through their institutions, would reduce

transaction costs to individual members, make their livelihoods more viable and accelerate their journey out of poverty and deprivation. They will also facilitate empowerment of the urban poor and access to basic civic services, shelter, benefits available under various programmes and schemes and voice in governance structures and decision-making processes.

3.13. Alliance Strategy - Convergence and Partnerships: NULM would place a very high emphasis on convergence with schemes/programmes of the relevant line Ministries/Departments [such as schemes of Ministry of Micro, Small and Medium Enterprises, Modular Employable scheme of Ministry of Labour, schemes of Ministry of Human Resource Development such as vocational education, Jan SikshanSansthan, etc., National Health Mission of Ministry of Health & Family Welfare and Sector Skill Councils, Master Trainers and PPP programmes of National Skill Development Corporation (NSDC), etc.] and programmes of state governments for developing synergies between them directly duly involving the institutions of the poor. It would proactively seek alliances with Urban Local Bodies (ULBs), NGOs, other civil society organisations, financial institutions, industry, the private sector, skill-training institutions, cooperatives, etc. An alliance strategy will be sought with the National Rural Livelihoods Mission (NRLM) to promote skills training of rural-urban migrants as a bridge between the livelihoods of the rural and urban poor.

3.14. 2009-10 NSSO data reveals that about 80 percent of the urban workers are engaged in the urban informal sector. Many of them are with negligible education, low literacy and low skills. NULM will concentrate on the urban poor, informal sector workers, and marginalized sections of the urban society who have been excluded from the mainstream urban development process. The existing schemes of skills training such as

those of Ministry of Labour and National Skill Development Corporation are focused on skilling of the general population with no specific targeting of the (urban) poor. Accordingly, they do not address issues like community organization, participatory planning, women's empowerment, self-employment, financial inclusion and skills training programmes suiting the specific needs of the people at the bottom of the pyramid..

## IV. Components of NULM

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4.1. NULM seeks to bring about a fundamental systemic reform in the paradigm of urban development, in general and urban poverty alleviation, in particular. This is through mainstreaming the role of the community, community organizations and institutions of the poor to promote livelihood opportunities through self and wage employment, while ensuring convergence with shelter and provision of basic services. However, simultaneous or uniform changes across all States in India would not be feasible. Therefore, it is envisaged to make NULM a State-specific, demand-driven intervention with flexibility to States for up-scaling in due course. Apart from creating an enabling environment in States, the institutional capacities at Central, State, District and City/Urban Local Body levels would be suitably strengthened to understand, adapt and implement the NULM to produce significant outcomes as part of an overall strategy for urban poverty reduction. NULM will be implemented in convergence with Rajiv AwasYojana, Jawaharlal Nehru National Urban Renewal Mission and social sector development programmes of Ministries and States.

4.2. NULM will have the following components:

A. Social Mobilisation and Institution Development (SM&ID) with sub-components:

- i. Building Community Institutions - SHGs and their Federations;
- ii. Universal Financial Inclusion;
- iii. Revolving Fund Support to SHGs and their Federations;
- iv. Community Investment Fund (CIF); and
- v. Credit Guarantee Fund (CGF) for Micro-enterprises.

B. Capacity Building and Training (CB&T) with sub-components:

- i. Technical Support at National, State, District and City/Town Levels;
- ii. Service Centres/Livelihood Centreat City/Town Level; and
- iii. Training and Other Capacity Building Support.

C. Employment through Skills Training and Placement (EST&P)

- i. Skills Training for Micro Enterprise Development/Self-Employment;
- ii. Skills Training & Placement for Salaried/Wage Employment;
- iii. Upgrading Skills of Specially Vulnerable Groups
- iv. Innovative & Special Projects.

D. Self-employment Programme (SEP):

- i. Individual Enterprises (SEP-I);
- ii. Group Enterprises (SEP-G); and
- iii. Credit Card for enterprise development
- iv. Technology, Marketing and Other Support.

## Component 1: Social Mobilisation and Institution Development (SM&ID)

4.3. The mobilisation of urban poor households to form their own institutions is an important investment for an effective and sustainable poverty reduction programme. NULM envisages universal mobilisation of urban poor households into thrift and credit-based Self-Help Groups (SHGs) and their federations/collectives. At least one member from each urban poor household, identified through Socio-economic Survey, preferably a woman, should be brought under the Self-Help Group network in a time-bound manner. The suggested number of members for an SHG is between 5-15 persons. The SHG may not be registered. NULM envisages that on priority slums in a city/town will be covered under the SHG programme, covering both notified and non-notified slums. However, NULM will not exclude the poor and marginalised living in non-slum areas as well. The thrift-based groups will serve as a support system for the poorest to meet their financial and social needs. These groups have been found to be particularly useful to the asset less and landless urban poor to reduce the exploitative influence of moneylenders over them. Crucial investments in social mobilisation and institution development would optimize the impact of livelihoods programmes.

4.4. NULM would lay particular emphasis on the mobilisation of vulnerable sections of the urban population such as SCs, STs,

minorities, female-headed households, persons with disabilities, the destitute, migrant labourers, and specially vulnerable occupational groups such as street vendors, rag pickers, domestic workers, beggars, construction workers, etc. NULM firmly recognizes that investing in poverty alleviation programmes without making suitable investments in social mobilization and institution building, especially for vulnerable occupational groups would not result in the desired poverty reduction outcomes.

4.5. Like SJSRY, NULM will rest on the foundation of promoting urban poverty alleviation and livelihoods development through community mobilization from the grassroots level, women's empowerment and development. It will rely on establishing and nurturing community organizations, structures and networks that will facilitate sustained urban poverty alleviation. This will make the livelihoods activities far more sustainable by creating collectives, which will form a Community Development Network to sustain their activities.

4.6. NULM envisages that Thrift and Credit (T&C), functional literacy and basic skills training would be the main trinity of activities of Self-Help Groups (SHGs). The SHGs will federate at the Slum/Ward-level into Slum/Ward Level Federation – Area Level Federation (ALF). Area Level Federations are to be further federated at the Zonal/Town/City level as Town or City Level Federation (TLF). Where considered appropriate, cities/towns may organise ward level (rather than slum

level) and zone level rather than city/town level federations. The existing area-based structures created under SJSRY – Neighbourhood Group (NHG), Neighbourhood Committee (NHC) and Community Development Society (CDS) may be suitably transformed into self-help based structures in due course. The Area Level Federation and Zonal/Town/City Level Federations need to be registered. NULM will aim at strengthening all types of institutions of the urban poor in a partnership mode. The City Mission Management Unit (CMMU) at the city-level will work with NGOs and CBOs at the local level to mobilise the community, supported by a groups of community organisers/resource persons.

4.7. Under NULM, linkages to banks and other financial institutions for T&CS/SHG/individuals will be promoted for sustenance of the system and self-reliance in the long term through a programme linking SHGswith banks and other financial institutions. Necessary engagement with banks / other financial institutions will be undertaken with the help of support professionals/NGOs/CBOs, the private sector, etc.

4.8. Social Mobilisation and Institution Development (SM&ID) will have five sub-components: (i) Building Community Institutions: SHGs and their Federations; (ii) Universal Financial Inclusion; (iii) Revolving Fund Support to SHGs and their Federations; (iv) Community Investment Fund (CIF); and (v) Credit

Guarantee Fund for supporting urban poor livelihoods.

### **Sub-Component 1.1 – Building Community Institutions: SHGs and their Federations**

4.9. For catalysing the formation of SHGs and their federations, promoting financial inclusion of SHG members, NGOs/CBOs/Facilitators/Animators, private sector, etc. will be engaged with slum/ward as the unit. Support of self-help and mutual help promoting institutions in Government, Civil Society and private sector will be solicited. Rs.10,000 per SHG will be available for NGOs/CBOs/Facilitators/Animators, private sector etc. under NULM towards group formation and development, basic financial inclusion, including linkages to banks and other financial institutions, and establishing links to ULBs and schemes related to social, occupational and residential vulnerabilities. This amount will be made available for support to SHGsover a period of 18-24 months; this is required, as it will take significant time to establish the Thrift and Credit societies, linkages with banks / other financial institutions and getting the SHGs functional. Urban Local Bodies may engage institutions/agencies on a 'whole slum' or ward/zonebasis rather than on a SHG basis, subject to Rs. 10,000 being the ceiling limit per SHG. The figure of Rs.10000 per SHG is based on an assumed expenditure for engaging 1-2 professionals (full-time/part-time) working with 20 SHGs for a period of around 20 months in connection with group formation,

training of SHG members, financial inclusion, group activities etc. Further guidelines in this regard will be issued by the NULM Mission Directorate. The formation of SHGs will be accompanied by essential training for T&C activities, functional literacy and basic skills (such as life skills, language and computer skills) with a special focus on financial inclusion.

### **Sub-Component 1.2 – Universal Financial Inclusion**

4.10. NULM aims to achieve universal financial inclusion, beyond basic banking services, covering all urban poor individuals/households, SHGs and their federations. On one hand, it will promote financial literacy among the urban poor and provide support through a Revolving Fund. On the other, it will coordinate with the financial sector to encourage the use of ICT-based technologies, financial correspondents and community facilitators like “Bank Mitras” and “BimaMitras”. It will also make effort for universal coverage of the urban poor under insurance against the loss of life, health and assets. In particular, NULM will try to cover urban poor households under RashtriyaSwasthyaBimaYojana(RSBY) and similar programmes.

4.11. Federations of SHGs at the area / ward / zone / city levels – ALF and TLF – will need to be registered for channelization of the revolving fund, bank credit, community investment fund etc.

4.12. Linkages to banks and other financial institutions will be accorded high priority under NULM.

Individuals/SHGswill be encouraged to avail credit on the basis of their background/performance and requirements. Flexibility is available to States / UTs for the involvement of financial institutions. SHGs will be eligible for subsidy on interest above 7 percent per annum on loans availed will be based on prompt repayment for either: (i) group activities of the SHG linked to thrift; or (ii) individual or group enterprises. This subsidy would be available till a member accesses credit through repeat cumulative loaning of up to Rs. 2, 00,000 per household.

### **Sub-Component 1.3 – Revolving Fund Support to SHGs and their Federations**

4.13. A Revolving Fund support to the tune of Rs.10,000/SHGwill be provided to SHGs with more than 70 percent BPL members and those, which have not availed such support earlier. Similarly, a Revolving Fund support of Rs.50, 000 would be available to a registered Slum/Ward/Area Level Federation (ALF) to sustain their activities.

4.14. An SHGunder NULM will be eligible for Revolving Fund support that can be towards corpus not earlier than six months after its formation. In other words, only such a body, in existence and functioning for at least six months, shall be eligible for benefit of the Revolving Fund. The decision of whether a group has been in existence and functioning for more than six months shall be taken on the basis of examination of the records of the group as regards the number of

meetings held, the collections made from members towards group savings, the regularity of collection, the role of the group in capacity building / training of its members, etc. Suitable guidelines will be prescribed by the Mission Directorate at the national level regarding the eligibility of SHGs and their federations to avail Revolving Fund support. These guidelines will include the areas/activities where Revolving Fund by SHGs and their federations can be utilised.

#### **Sub-Component 1.4 – Community Investment Fund (CIF)**

4.15. CIF is envisaged under NULM as a tool for financial inclusion to support the urban poor, by increasing their income and employment and decreasing risks through micro-plans of their groups and institutions.

4.16. The primary purpose of CIF is inclusion. It will be a demand-driven fund. Demand for CIF will be generated at the community level. It could be used for purposes such as:

- A. Capitalising poor households;
- B. Mobilising external fund, and
- C. Catalysing product innovation

4.17. Management: The Ministry of Housing & Urban Poverty Alleviation will provide financial assistance to the states under NULM towards the corpus of a State level Community Investment Fund. The states have to provide matching contribution of 50% towards CIF. NULM will allocate Rs.1000 crores as central support to CIF at the central level; additional amount could be considered in due

course. This sum will be administered by an institution of the SHGs and their Federations at the State level or the State Mission Management Unit (SMMU) till such institution is established. This will be a flexi fund, which the cities/towns can access on a demand basis. Demand for CIF will be created at the Area Level Federation and submitted to the Zone/City/Town level Federation, which in turn will submit their proposals to the State level institution/State Mission Management Unit (SMMU). It is suggested that States may take initiative to strengthen CIF with their own funds and funds secured from bilateral/multilateral agencies. The Mission Directorate will issue appropriate guidelines in the matter.

#### **Sub-Component 1.5 Credit Guarantee Fund (CGF)**

4.18. A separate Credit Guarantee Fund (CGF) for supporting urban poor livelihoods will be proposed in consultation with the Department of Financial Services and Department of Expenditure to enable credit support for NULM beneficiaries with a corpus of Rs. 1000 crore which will be enhanced in due course as required. The key principle of CGF is that the borrower shall solicit the loan purely on the assets financed, without any other collateral or third party guarantee. CGF will guarantee loans made by lending institutions to urban poor individuals—upto a sum of Rs.2.00 lakhs and to groups—upto Rs.10 lakhs for the purposes of setting up micro-enterprises. Suitable guidelines will be issued by the Mission Directorate, M/o HUPA

## **Component 2: Capacity Building and Training (CB&T)**

4.19. NULM envisages that the urban poor are equipped with the requisite skills and capacity for organizing themselves, including forming Community Development Networks, creating and managing their own institutions, linking up with banks/other financial institutions, markets and government agencies, managing their own business, promoting self-help and mutual help, enhancing credit-worthiness, demanding tenure security, physical and social services and participating in decision-making structures/processes, etc. Accordingly, a multi-pronged approach is contemplated under NULM for continuous capacity building of targeted families – SHGs and their federations/collectives, government functionaries at Central, State and City/Town levels, bankers, NGOs, CBOs and other stakeholders including the private sector,. Particular emphasis would be placed on engaging and equipping Community Organizers/community resource persons/professionals/civil society organisations/resource centres for capacity building of the Self-Help Groups and linking them and their federations to Urban Local Bodies, government programmes and schemes and the private sector.

4.20. A key objective of the Capacity Building and Training component is to transform the role of the M/o HUPA and State Agencies in charge of urban poverty alleviation into providers of high quality

technical assistance in the fields of livelihoods promotion and poverty alleviation. NULM will create national and state pools of professionals to support the implementation of programmes for the poor. It is also envisaged that all cities with a population of more than 100,000 as per 2011 Census (numbering 468 in the country) and District Headquarters towns with less than 1 lakh population, will be provided with technical support at city/town level in a phased manner so that they can implement programmes independently with support from the State/District Mission Management Unit. For North-Eastern and Special Category States, suitable guidelines of coverage of towns based on alternative criteria will be issued by the Mission Directorate.

4.21. The CB&T component will include the sub-components of:

- i. Technical Support at National, State, District and City levels;
- ii. Livelihood Centres /Service Centres at City/Town/Zone level;
- iii. Support for Training and other Capacity Building Programmes, including Immersion and Exposure visits.

Guidelines will be issued by the Mission Directorate for implementation of the above-mentioned sub-components.

### **Sub-Component 2.1 - Technical Support at National, State and City Levels**

4.22. The objective of this sub-component is to establish timely and high quality technical assistance at Central, State, District and City levels

for rolling out and implementing NULM. This would be achieved by establishing teams of high quality professionals at various levels and institutionalizing partnerships with resource institutions/agencies/civil society, public and private sectors considering their domain expertise and experience, for providing technical assistance to cities and towns in various thematic areas such as urban poverty alleviation, skills and livelihoods, social development and convergence, community mobilisation, credit, marketing, research and training, social audit, MIS, etc. Task and theme based teams called National/State/City Livelihoods Teams would be established to meet the specific technical support needs. These teams would be drawn from out of a pool of resource persons in the National Mission Management Unit (NMMU), State Mission Management Units (SMMUs), District Mission Management Units (DMMUs), City Mission Management Units (CMMUs), resource institutions, agencies etc., hired on contact or retainer basis through a transparent selection process. The structure and coverage of Mission Management Units is specified in Chapter VI of the document.

4.23. In the initial phase of implementation, dedicated technical assistance to States would be provided to facilitate their compliance with the NULM framework. This would include support for setting-up SMMU/DMMU/CMMU, staffing with good quality livelihood and programme management professionals and developing

efficient institutional systems like HR, MIS, financial management, procurement, and social management. Technical support would also be provided to the States/Cities to undertake comprehensive situational analysis to capture various dimensions of urban poverty in the State/Cities. This would help States to prioritize interventions and resources while formulating State/City Urban Poverty Reduction Strategy/Action Plans. Specific technical assistance in each of programmatic themes would be offered to provide implementation support to States/Cities/Towns for achieving NULM outcomes. The funds required for NMMU will be allocated to the Mission Directorate at Central level and those for SMMU/DMMU/CMMU will be released to State Missions. The Mission Directorate at the national level will issue guidelines in the matter.

### **Sub-Component 2.2 – Livelihood Centres /Service Centres at City/Town Level**

4.24. The informal sector has traditionally been a source of service provider for the middle and higher income groups in cities/towns through the provision of services such as domestic help, security, gardening, construction, plumbing, carpentry, electrical work, health care-related support, etc. However, matching demand for such work with the supply of services is the key to long-term sustenance of service-based urban livelihoods initiatives.

4.25. NULM will establish Livelihood Centres/Service Centres, which will act as “one-stop shop” for those seeking services from the informal sector as well as for the urban poor promoting their services and products.

4.26. Livelihood Centres will position as a resource centre for those seeking information relating to employment and skills training opportunities, etc. The centres may give the poor access to information on market demand, placement opportunities and skills training programmes offered by reputed institutions, including IITs, NITs, engineering colleges, management institutes, foundations and other reputed agencies run by the Government, private or voluntary organisations and industry associations to secure salaried employment with enhanced remuneration. For those seeking skills training, wage employment or aiming to establish and sustain self-employment ventures, the Livelihood Centres can facilitate necessary guidance, counselling and technical support.

4.27. Livelihood Centres can facilitate training on entry-level basic skills such as life skills, language skills and computer skills. Further, they can be used as demonstration/sale outlets for products manufactured by the self-employed urban poor. The beneficiaries registered with the Livelihood Centre for offering services to citizens will be issued Identity Cards by the Urban Local Body after suitable assessment.

4.28. Livelihood Centres will be facilitators of alliances at the city level. They will front trade groups and promote trade-based cooperative groups for group micro-enterprises. They will also facilitate on-the-job training and skill upgrading to promote enterprise and wage employment. They may coordinate with various agencies for skills training and micro-enterprise development support including those through Micro-Business Centres. They may also coordinate with bankers, micro-finance institutions, bank mitras, bimamitras, private sector partners, etc. Livelihood Centres may also seek alliances with existing Employment Exchanges in order to facilitate skills training and placement.

4.29. Livelihood Centres will actively seek out alliances with local industries such that these industries will be able to find manpower as per their requirement on a consistent basis.

4.30. NULM envisages that one Livelihood Centre be set up at zonal/city level to cater to a population of about 100,000 persons. A one-time capital grant of Rs. 10 lakhs per Livelihood Centre is to be provided as ‘untied funds’. This amount can be used flexibly - corpus fund, basic training facilities and equipment like computers, product demonstration outlets, furniture, rent (where building is not available), telephone and other operational expenses, staffing support on contract basis, etc.

4.31. The Livelihood Centres will be run on Public-Private Community

Partnership (PPCP) mode or through partnerships of Town Level Federations of SHGs with NGOs/CBOs/resource institutions/private sector and support from Urban Local Body. They may operate on a revenue-generating and self-sustaining model. States/Urban Local Bodies may consider additional support to these centres from their own resources; however funding for Livelihood Centres will not be availed from CIF funds. Proposals for Livelihood Centres will be approved by the State Mission Management Unit. At the city level, the Program Officer of CMMU will coordinate with Livelihood Centres until the Centres function in PPCP mode. The City-level Federation (CLF), in collaboration with the ULBs and the CMMU will work together to establish and run the Livelihood Centres. CMMUs and Livelihood Centres can seek alliances with the Project Implementation Units (PIUs) of RAY and JNNURM to ensure adequate convergence for common urban poverty alleviation goals.

### **Sub-Component 2.3- Training & Other Capacity Building Programmes**

4.32. This component will be used for training and capacity building of stakeholders such as programme officers, community professionals, NGO/CBO partners, community organisers, community resource persons, ULB/State/Central functionaries, etc. with due involvement private sector (industry) etc. This component will include training for SHG members on

management of SHG (e.g. issues like bank linkage, book keeping and accounts, micro-planning, micro-investment process, roles and responsibilities of members, etc.). Part of the amount can be used for community-to-community learning/exposure and immersion visits of members of SHGs and their federations and programme-related personnel. The component will be implemented by national, state and city resources centres/agencies including civil society organisations, and Mission Management Units at various levels. The ceiling amount that can be used for capacity building and training at the Central/State/City level will be Rs.7500 per trainee on an average; separate scales of fees will be prescribed by the Mission Directorate at the centre covering different types of training for different durations and different stakeholders. Resource Centres/institutions/agencies will be empanelled through a transparent process for the purpose of imparting training as per guidelines.

### **Component 3: Employment through Skills Training and Placement (EST&P)**

4.33. This component of NULM will focus on providing assistance for skill formation / up-gradation of the urban poor to enhance their capacity for self-employment or better salaried employment.

4.34. EST&P will target the urban poor subjected to occupational vulnerability. No minimum or maximum educational qualification

is prescribed for the selection of beneficiaries under EST&P. The percentage of women beneficiaries under EST&P shall not be less than 30 percent. SCs and STs must be benefited at least to the extent of the proportion of their strength in the city/town population below poverty line (BPL). A special provision of 3 percent reservation should be made for the differently-abled under this programme. In view of the Prime Minister's 15-Point Programme for the Welfare of Minorities, 15 percent of the physical and financial targets under this component at the national level shall be earmarked for the minority communities.

4.35. EST&P intends to provide training to the urban poor in a variety of service, business and manufacturing activities as well as in local skills and local crafts so that they can set up self-employment ventures or secure salaried employment with enhanced remuneration. Skills training will also cover vital components of the service sector like the construction trade and allied services such as carpentry, plumbing, electrical, electronics, IT-enabled services, tourism and hospitality, security, health care, etc. and also in manufacturing low-cost building materials based on improved or cost-effective technology using local materials.

4.36. Skill training will be linked to accreditation and certification and preferably be undertaken on a Public-Private-Partnership (PPP) mode with linkage to industry. It will involve reputed institutes, including IITs, Polytechnics, NITs, industry

associations, engineering colleges, management institutes, skill training centres, foundations, NSDC and other reputed entities in government, private and civil society sectors. The selection of these institutes/agencies to impart skills training shall be subject to a transparent process/verification of brand image and the quality of instructions being imparted. For this purpose and for working out other modalities such as training costs, duration of training programme, curriculum, certification etc., a committee comprising the concerned State Secretary in charge, State Mission Director, National Urban Livelihood Mission, State Mission Director, National Rural Livelihoods Mission and State Director in charge of Technical Education and Training/Industry/Labour, at least 2 experts, State Lead Bank Officer and one more banker, will be constituted at the state level. The same committee may also look into all policy-related matters relating to micro-enterprises. The committee may involve additional experts from industry, as needed.

4.37. At the district / city level, a similar committee consisting of the District Collector / Dy. Commissioner, Municipal Commissioner / CEO, District Project Officer (DPO) in charge of NULM, District Officer in charge of NRLM and District Officer in charge of Industry/Labour, at least 2 experts, District lead bank officer and one more banker will deal with selection of agencies / institutions, training costs and duration and other modalities at the district / city level. The same committee may also look into all matters relating to micro-enterprises. Suitable guidelines will be issued by the NULM Mission Directorate in this regard. Services of

Building Centres sponsored by the Housing and Urban Development Corporation (HUDCO)/Building Material Technology Promotion Council (BMPTC)/Academies of Construction/reputed Construction Agencies within the States/UTs may be utilized for the purpose of construction-related training, as per local requirements.

4.38. For the purpose of skill training with placement in remunerative jobs, catalyst organizations/skills training agencies will be selected nationally and in each state through a transparent selection process. Selection of marketable trades, competent skills training providers and certification that have national/state recognition are the keys to the success of a skills training programme, as the same will ensure absorption of the trained persons into the local industry. The catalyst organizations/agencies should, therefore, be responsible for market scans of skills, identification of institutes, conduct of proper training and placement in remunerative jobs (at least 75%). The organizations/agencies should work closely with reputed institutes, certifying institutions, industry, SHGs, their federations and Livelihood Centres in Urban Local Bodies for identification, counselling, training, certification and placement of beneficiaries. Under NULM efforts will be made to link training cost to remuneration /increase in income.. States may reflect appropriate specification in that regard in the selection of and agreements signed with Skills Training Providers (STPs). Separate guidelines will be issued by the Mission Directorate in this regard.

4.39. Given the diversity of local contexts, each State will decide the skills important for their local economies. Apart from hard skills, training on soft skills should also be provided. This may include Spoken English/National/State Language, Computer Literacy, Life Skills including training on office and social etiquette, punctuality, etc.

4.40. EST&P will have three sub-components:

- i. Skills Training for Micro-Enterprise Development/ Self-Employment;
- ii. Skills Training & Placement for Salaried/Wage Employment;
- iii. Upgrading Skills of Specially Vulnerable Groups
- iv. Innovative & Special Projects

**Sub-Component 3.1 – Skills Training for Micro-Enterprise Development/Self-Employment;**  
**Sub-component 3.2 – Skills Training & Placement for Salaried/Wage Employment; Sub-Component 3.3 – Upgrading Skills of Specially Vulnerable Groups.**

4.41. The cost per trainee under (i) and (ii) shall not exceed Rs.15,000(Rs.18,000for North-Eastern States and J&K). The cost will include bank linkage, credit mobilization, counseling, micro-enterprise establishment, input procurement and marketing support, and handholding costs in the case of micro-enterprise development/self-employment under 3.1 and placement-related costs under 3.2. The sub-component 3.2 will focus on linking skills training to placement opportunities in the market in

remunerative jobs. It will be implemented at three levels – Central, State and District/City through a transparent process to select competent skill-training agencies/providers on a PPP mode. A part of the payment under 3.1 will be linked to establishment of and satisfactory performance of micro-enterprise for at least a period of 6 months. Similarly, a part of the payment under 3.2 will be for retention in the placed jobs for at least a period of 6 months. Under NULM efforts will be made to link training cost to remuneration / increase in income. States may reflect appropriate specification in that regard in the selection of and agreement signed with Skills Training Providers (STPs). Separate guidelines will be issued by the Mission Directorate in this regard. The Mission Management Units at various levels will establish suitable e-monitoring system in this regard. A minimum of 40 per cent of the total funding under NULM will be made available for implementation of EST&P component. 5percent will be used at the central level on multi-state projects. For the centrally implemented component, no state share provision will be needed. 15percent will be used at State level and 17percent at the level of selected Districts/Cities. The inter se distribution among state and districts/cities could be modified by the StateGovernment as appropriate. 3 percent will be available centrally for innovative or special skills and livelihoods projects. This component can be used for EST&P.

4.42. The figures indicated in paragraph 4.41 are indicative and suitable changes may be effected by the Mission Directorate as NULM proceeds. For proper implementation of the Central/State/District/City components of EST&P, suitable guidelines will be issued by the NULM Mission Directorate.

4.43. Sub-component 3.2 will target urban population determined eligible for benefit under the National Food Security Act/Programme. While focus will on the priority segment living below poverty line, SCs, STs, minorities, women and differently abled persons falling outside the priority list but eligible for food security or under other suitable criteria devised by NULM can be covered under EST&P component of NULM.

4.44. Training cost will cover trainee selection, counselling, training material, trainers' fee, certification, toolkit, other miscellaneous expenses to be incurred by the training institution and also micro-enterprise development/ placement-related expenses. Cost for training in different sectors for varying durations with placement/certification is to be worked out by the respective Mission Management Units at Central, State, District and City levels subject to the guidelines to be issued under NULM. Stipend will need to be avoided, except in the case of on-the-job training.

4.45. EST&P will have a special component for skill upgradation of vulnerable groups like rag-pickers, construction workers, destitutes,

street vendors etc. It is estimated that 2% of the urban population resort to some form of street vending – static or mobile. Street vendors are amongst the marginalised and vulnerable sections of the urban informal sector. They are faced with the lack of access to institutional credit, social security and skills for accessing emerging market opportunities. It is therefore necessary to improve their access to adequate and safe livelihood thus making them an integral part of the broader inclusive urban development process. Under EST&P, States will be encouraged to focus on specially vulnerable groups like street vendors to provide them and their family members skill training and augment existing skill levels.

### **Sub-Component 3.4– Innovative and Special Projects**

4.46. This component will focus on the promotion of novel initiatives in the form of innovative/special projects. These initiatives may be in the nature of pioneering efforts, aimed at catalysing sustainable approaches to urban livelihoods through P-P-C-P, demonstrating a promising technology or making a distinct impact on the urban poverty situation through scalable initiatives.

4.47. The projects must demonstrate strategies to create long-term and sustainable wage employment and self-employment opportunities and may cover organisation of the urban poor, formulation and implementation of innovative skill development programme, provision of support infrastructure, technology,

marketing, capacity building, etc. or a combination of these. Innovative / special projects may be undertaken on a partnership mode involving CBOs, NGOs, semi-government organizations, private sector, industry associations, government departments, urban local bodies, national/state/city resource centres or international organisations. The ceiling cost in respect of sanction for of a single innovative/special project is Rs.5crore.

4.48. This component will be centrally administered in conjunction with the central component for skills training.

## **Component 4: Self-Employment Programme (SEP)**

4.49. This component shall have three sub-components focusing on:

- i. Self-Employment - Individual Enterprises (SEP-I);
- ii. Self-Employment - Group Enterprises (SEP-G); and
- iii. Technology, Marketing and Other Support – TM&OS.

### **Sub-Component 4.1 & 4.2 – Individual (SEP-I) and Group Enterprises (SEP-G) - Loan and Subsidy**

4.50. These sub-components will focus on assistance to individuals/groups of urban poor for setting up gainful self-employment ventures/ micro-enterprises, suited to their skills, training, aptitude and local conditions. Besides generation of income, these sub-components will strive to empower the urban poor

by making them self-reliant and providing a facilitating atmosphere for pursuing self-employment.

4.51. **Coverage:** The sub-components will be applicable to cities and towns in a phased manner. Within each town, it will be implemented by selecting slums or whole clusters of poor in slums, so as to bring in efficiency in the administration and delivery mechanisms as well as making the impact visible.

4.52. **Target Groups:** SEP will target the urban poor individually and in groups subjected to occupational vulnerability. It will lay special focus on SCs, STs, minorities, female-headed households, persons with disabilities, destitutes, migrant labourers and especially vulnerable occupational groups like street vendors, rag pickers, domestic workers and construction workers. The percentage of women beneficiaries under SEP-I and SEP-G shall not be less than 30 percent; SCs and STs must be benefited at least to the extent of the proportion of their strength in the city/town population below poverty line (BPL). A special provision of 3 percent reservation in the total number of beneficiaries should be made for the differently-abled under SEP-I and SEP-G. In view of the Prime Minister's 15-Point Programme for the Welfare of Minorities, 15 percent of the physical and financial targets under the Self Employment Programme at the national level shall be earmarked for the minority communities.

4.53. **Educational Qualifications:** No minimum or maximum educational

qualification is prescribed for selection of beneficiaries under SEP-I and SEP-G. Where the identified activity for micro-enterprise development requires skills training of an appropriate level, the same will be provided to the beneficiaries before extending financial support.

4.54. **Beneficiary Identification:** A house-to-house Socio-economic Survey for identification of the urban poor beneficiaries will be conducted periodically seeking information on residential, social and occupational vulnerabilities. The Ministry of Housing and Urban Poverty Alleviation will communicate formats for conduct of survey and guidelines for the same. Under the current programme of Socio-economic Survey/Census, the Ministry of Housing & Urban Poverty Alleviation has circulated broad guidelines and questionnaire to States/UTs for the conduct of survey for the purpose of identification of urban poor.

4.55. **Cluster Approach:** Identifiably, slums or slum clusters should be taken for support under NULM and efforts should be to ensure that all eligible adults in the cluster are provided with benefits of skill development, self-employment or wage employment so that no urban poor household is left with an adult having no means of earning income. Clusters should be so chosen that the SEP target groups get attention.

4.56. **Prioritisation of Micro-Enterprises:** SEP-I and SEP-G will encourage under-employed and unemployed urban poor to set up small enterprises relating to manufacturing, servicing and petty

business for which there is considerable local demand. Local skills and local crafts should be particularly encouraged. Each District/City/Town should develop a compendium of such activities/projects keeping in view skills available, marketability of products, costs, economic viability etc. For the purpose of self-employment, focus may be on two key sectors i.e. Production (Micro-industry), and Business.

4.57. Under the Micro-industry (Manufacturing) side, a group of micro-entrepreneurs (hub) will be encouraged for setting up of enterprises centered around and supported by a Micro Business Centre (MBC), that may be established following a cluster approach. Space may be provided by MBC in the form of working sheds with tools or micro-entrepreneurs may work from their homes and access MBC facilities. MBCs may also act as self-help promoting institutes along the lines of similar institutes promoted by public sector banks /other financial institutions in rural areas.

4.58. In the Business Sector, i.e. shop-based enterprises, kiosks/spaces may be leased out by ULBs to the urban poor for setting up micro-ventures. Vendors' markets will be promoted by all ULBs. Mobile vending outlets, running on motorized scooters could be encouraged with suitable technological interventions. Beneficiaries could also run their ventures from their own houses /shops, subject to municipal laws permitting such activities.

4.59. Opportunities in the transport sector, viz. running of scooter rickshaws, motorized cycle rickshaws for ferrying people/goods, auto mechanics etc., could be explored in cities. Group Ownership/Occupational Credit Groups concept in this sector may be encouraged.

**4.60. Pattern of Financial Support:** For setting up of individual micro enterprises, beneficiaries may access either capital or proposed interest subsidy; but both interest subsidy and capital subsidy cannot be availed at the same time. For capital subsidy, the project cost ceiling will be Rs. 2.00 lakhs and the subsidy will be 30 per cent of the project cost (subject to a maximum of Rs. 60,000). Beneficiaries may consider mobilizing the remaining amount through margin money or bank credit. No collateral is envisaged other than the micro-enterprise itself. Interest subsidy above 7 percent will be available on a bank loan to SHG members. Loans can be taken in more than one tranche, if necessary. The subsidy for individual micro-enterprises may be used as back-end subsidy or equity.

4.61. For setting up of group micro-enterprises, a group may access either capital or interest subsidy; but both interest subsidy and capital subsidy cannot be availed at the same time. For capital subsidy, the project cost ceiling will be Rs. 10.00 lakh and the subsidy will be 35 per cent of the project cost or Rs. 70,000 per member of the group, whichever is less. The remaining amount will be mobilised through margin money or bank credit. No collateral is

envisaged other than the micro-enterprise itself. It is being proposed that interest subsidy above 7 percent be made available on a bank loan to SHG members. Loans can be taken in more than one tranche, if necessary. The subsidy for group micro-enterprises may be used as back-end subsidy or equity.

4.62. Efforts will be made to encourage individual and group enterprises to avail loans through re-financing facilities provided via the Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) of the M/o Micro, Small and Medium Enterprises (MSME) and Small Industries Development Bank of India (SIDBI) as well as the proposed Credit Guarantee Fund (CGF) under NULM.

4.63. The lack of identity of the urban poor acts as an impediment to their accessing credit from financial institutions. NULM will strive for the establishment of a dedicated mechanism for a separate process for "Know-Your-Customer" (KYC) norms and appraisal system for credit to the urban poor.

4.64. To be eligible for subsidy under the group enterprise, the SEP group should consist of 5-15 women or could be a combined group with more than 70 percent of its members belonging to the urban poor category. It is essential that the group set itself up as a Self-Help Group or Thrift and Credit Society. Before starting an income-generating activity the group members must get to know each other well, understand the group strategy, and also recognize the strength and the potential of each

member of the group. The group will select an organizer from amongst the members. The group will also select its own activity. Care should be exercised in the selection of activity because the future of the group will rest on the appropriateness of the selection. As far as possible, activities should be selected out of an identified shelf of projects for the area concerned maintained by the district/city authorities. In the event that an SHG would like to establish a micro-enterprise, it would be treated as a group enterprise under the SEP component of NULM and the group would be eligible to avail credit and subsidy as specified therein.

#### **Sub-Component 4.3 – Credit Card for enterprise development**

4.65. Efforts will be made to cover individual beneficiaries under this component with credit cards (along the lines of the Swarojgar Credit Card for enterprises) so as to enable them access credit for working capital and other purposes. Suitable guidelines will be issued by the Ministry of Housing Urban Poverty Alleviation, in this regard.

#### **Sub-Component 4.4– Technology, Marketing and Other Support**

4.66. This component will mainly focus on handholding support for the urban poor entrepreneurs who want to be self-employed and set up their own small businesses or manufacturing units.

4.67. Under this component, Micro-Business Centres (MBC) will be

established at the cluster level in select cases (e.g. handlooms/handicrafts, food processing, construction, glass and ceramics, electrical and electronics, mechanical engineering, auto driving and mechanics, metal works, etc.), supported with one-time capital grant(as detailed in paragraph 4.69) subject to the concerned State Government/Urban Local Body providing the required land free of cost. This will be run on the basis of a Public-Private-Community-Partnership (P-P-C-P) model. MBCs could also be run by a society of entrepreneurs themselves with manpower hired on contract basis. Eventually MBCs must run on a revenue generating and self-sustaining model.

4.68. Micro-Business Centres can be planned to cover Services and Business sectors, apart from Micro-industry. For businesses they can help with project preparation, permissions from planning and regulatory agencies, credit mobilisation, maintenance of accounts, securing of inputs, marketing, advertisement, packaging, branding, deciding maximum retail price, etc. MBC proposals will be approved at the level of the State Urban Livelihoods Mission Management Unit

4.69. Small Enterprise Advisory Services (SEAS) will be provided through the MBC, which may be supported by the District/City Mission Management Unit of NULM. The specialists at the DMMU.CMMU may undertake handholding activities for the development of entrepreneurs from the urban poor community and promote business development by

them from the concept stage to commissioning to sustainability. The MBCs and Small Enterprise Advisory Services (SEAS) will specially focus on handholding the urban poor micro-entrepreneurs who have opted for self-employment, with a view to enhancing the success rate of micro-enterprises. The Ministry of Housing & Urban Poverty Alleviation at the national level will issue operational guidelines for MBCs and SEAS.

4.70. A Micro Business Centre under NULM will be provided financial support not exceeding one-time amount of Rs.1.00 crore, with central assistance for the same being 75% for States other than NER and Special Category States for which the central support will be 90%. States may provide additional funding if needed.

4.71. Technology, marketing, consultancy (advice) and other support may also be provided by States/cities to beneficiaries in setting up micro-enterprises, in relation to input procurement, production, packaging, branding, marketing, etc. This may include provision of selling places for poor street vendors in the form of kiosks and rehri markets, weekend markets/festival bazaars/evening markets etc. in municipal grounds or on road sides on one hand and technical assistance with regard to market potential survey, input procurement, joint brand naming/designing, advertising, marketing, etc. on the other. The Livelihood Centres may support the urban poor in offering a variety of services like those provided by carpenters, plumbers, electricians, TV/radio/refrigerator

-  
/mobile phone mechanics, etc. who could be available to city residents on call.

## **Component 5: Programme Implementation – Administration and Other Expenses (A&OE)**

4.72. A total of 5 percent of the allocation under NULM can be utilized at the Centre/State/District/City levels for the purpose of administration and other expenses, including monitoring,

MIS, e-tracking, evaluation and other activities..

4.73. A&OE funds may be used at state/district/city levels for the preparation of State-level Urban Poverty Reduction Strategy / City-level Livelihood Development Plan, Administration, Supervision, Monitoring & Evaluation of NULM including social audit activities, development of e-tools and online monitoring of programmes etc. Relevant guidelines for the use of A&OE funds will be issued by the Mission Directorate.

## V. Funding Under NULM

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### Funding Pattern and Financial Process

5.1. Funding under NULM will be shared between the Centre and the States in the ratio of 75:25 excepting for central components like A&OE and centrally administered components of EST&P. In case of Special Category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu and Kashmir, Himachal Pradesh and Uttarakhand), this ratio will be 90:10.

5.2. The Central share to be released to States under NULM will be tentatively allocated between the States / UTs in relation to the incidence of urban poor population or urban population (or a combination of both) and/or other criteria determined by the Ministry of Housing & Urban Poverty Alleviation. However, additional parameters like absorption capacity (based on the past trend of funds utilization in poverty alleviation schemes) and special requirement will also be taken into consideration during the course of the year depending on physical and financial progress of NULM reported by States. Relevant guidelines on this subject will be issued by the M/o HUPA.

5.3. The release of Central share to States / UTs, will be done in two instalments – directly to the State Urban Livelihoods Mission account following a procedure as was

approved under SJSRY. After retaining the State component, the remaining amount shall be released from the SMMU to CMMU in accordance with targets set/projects received. For cities with no dedicated CMMU, States may decide to release funds to District Mission Management Unit or Urban Local Body as considered appropriate. In the case of the component to be implemented at Central/State/District/City level, proposals will need to be approved by the Executive Committee at Central/State/District/City level following due process. Appropriate financial management guidelines will be issued by the Mission Directorate at national level.

5.4. Under NULM, there will be periodic monitoring of release of funds. Central share will be released to States / UTs only after they fulfil the prescribed criteria regarding submission of Utilisation Certificates (UCs) in accordance with the relevant General Financial Rules as well as release of matching State share for the past releases. However, in order to promote better utilisation of funds under NULM, the idle funds at the central level, which could not be released to the States / UTs, not fulfilling the prescribed criteria, may be diverted to better performing States / UTs (or to centrally administered components) in the 4<sup>th</sup> quarter of a given financial year on a demand-driven basis, keeping in view their performance, allocation of state share, special efforts to

undertake poverty alleviation/livelihoods development initiatives under their own programmes and institution of required capacity. The Mission Directorate will prescribe guidelines in this regard.

5.5. Indicative component-wise allocation of central share will be intimated by the Mission Directorate, NULM, M/o HUPA to the States / UTs from time to time so as to ensure balanced coverage of all components under NULM as well as better utilisation of available funds.

5.6. States / UT – wise annual physical targets under the Mission will be tentatively fixed on the basis of the all-India targets decided by the Mission Directorate. States / UT – wise progress will be monitored against these targets. Central share shall be released to the States / UTs as soon as they become eligible in terms of the prescribed criteria. Inter-se allocation of funds between States / UTs will be based on criteria decided by the Ministry of Housing & Urban Poverty Alleviation at the centre from time to time.

5.7. The State Mission Management Unit (SMMU) shall ensure timely release of funds to the implementing agencies (DMMU/CMMU) based on targets fixed. Suitable procedures will be prescribed by the SMMU in this regard.

## Economic Assistance/Financial Norms/Ceilings

5.8. **Formation of SHGs:** Rs.10,000 per SHG to be given to NGOs/CBOs/Facilitators/Animators/private sector, etc. towards group formation and development and basic financial inclusion. ULBs may engage agencies on a 'whole slum' basis subject to the ceiling cost per SHG as above.

5.9. **Interest Subsidy:** Subsidy on interest rate above 7% per annum for all eligible BPL individuals or SHGs, having more than 70 percent members from BPL, who have availed loans from mainstream financial institutions based on prompt loan repayment. This subsidy cannot be availed in conjunction with capital subsidy.

5.10. **Revolving Fund:** As a corpus to SHG at Rs.10,000 per SHG, and Rs.50,000 per Area Level Federation (ALF). SHG level corpus support is to be given to all SHGs that have not received the revolving fund earlier. Only those SHGs with more than 70% BPL members are eligible for this Revolving Fund subject to relevant guidelines in the matter.

5.11. **Community Investment Fund:** Central pool support of Rs.1,000 crores, to start with, to be provided as corpus to State level Community Investment Funds subject to matching state share. CIF will be assist in capitalizing poor households, leveraging external funds, catalyzing product innovations etc.

5.12. **Credit Guarantee Fund:** Credit Guarantee Fund with corpus of Rs.1000 crores, to start with, will guarantee loans made by lending institutions for individual micro-enterprises up to Rs.2.00 lakhs and group enterprises up to Rs.10 lakhs without any collateral security or third party guarantee.

5.13. **Mission Management Units (MMUs) at the national, state, district and city levels** will be funded from the Capacity Building & Training component under NULM. Guidelines will be issued by the Mission Directorate. Funds for NMMU/SMMU/CMMU will be allocated as per the structures and costs in Annexure.

5.14. **Livelihood Centres** will be set-up at the zonal/city level to cater to a population of about 100,000 persons. Central support to Livelihood Centres in the form of an untied grant will be Rs. 10.00 lakhs per Kendra. The funds for this will be made available under the Capacity Building & Training component under NULM.

5.15. **Training & Other Capacity building-** Rs.7,500 per beneficiary on average subject scales being fixed by the Ministry of HUPA covering training for different stakeholders, programmes and durations: This amount is to be used for training and capacity building of stakeholders such as programme officers, community professionals, NGO/CBO partners, community organisers, community resource persons, Central/State/District/ ULB functionaries etc. As far as SHGs are

concerned, the training here refers to capacity building-related training for SHG members on management of SHG (e.g. issues like bank linkage, book keeping and accounts, micro-planning, micro-investment process, roles and responsibilities of members, etc.)and is distinct from skills training under EST&P component.

5.16. **Employment through Skills Training & Placement (EST&P) for Micro-enterprise development / Self-Employment and Salaried / Wage Employment:** The cost per training for self-employment shall not exceed Rs.15,000 per trainee (Rs.18,000 in the case of NER and bank linkage, sanction of credit, establishment of micro-enterprise and handholding). The cost per trainee for wage-employment shall not exceed Rs.15,000 per trainee (Rs.18,000 in case of NER states & J&K) and will include accreditation, certification and placement expenses. Under NULM training for market-based employment will be linked to placement in remunerative jobs. States will consider reflecting appropriate specification to this fact in the selection and agreement signed with Skills Training Providers (STPs). In the case of training for self-employment, a percentage of the cost specified will be paid conditional upon successful establishment and performance of micro-enterprises for at least 6 months or successful placement in remunerative jobs and retention in placed jobs for at least 6 months.

5.17. **Self-employment Programme for Individual (SEP-I) and Group Enterprises (SEP-G):** For setting up of individual micro enterprises,

beneficiaries may access either capital or interest subsidy; but both interest subsidy and capital subsidy cannot be availed at the same time. For capital subsidy for individual enterprises, the project cost ceiling will be Rs. 2.00 lakhs and the subsidy will be 30 per cent of the project cost (subject to a maximum of Rs. 60,000). For capital subsidy for group enterprises, the project cost ceiling will be Rs. 10.00 lakh and the subsidy will be 35 per cent of the project cost (i.e. Rs. 3.50 lakh in total or Rs. 70,000 per member of the group, whichever is less). The remaining amount for both SEP-I and SEP-G may be mobilised through margin money or bank credit. No collateral is envisaged other than the micro-enterprise itself. Interest subsidy above 7 percent will be available on a bank loan to SHG members to all SHGs having more than 70% BPL members. Loans can be taken in more than one tranche, if necessary. The subsidy for micro-enterprises may be used as back-end subsidy or equity.

**5.18. Innovative/Special Projects:** Expenditure on innovative/special projects should not exceed 3 per cent of the total NULM Budget. The ceiling cost to be sanctioned for one single project is Rs.5.00 crore.

**5.19. Technology &Marketing and Other Support.** Up to 20 percent (25 percent in the case North Eastern Region, including Sikkim) of the State programme outlay (central plus state share) can be utilized for infrastructure and marketing, including setting up of Micro-Business Centres etc.

5.20. Micro-Business Centres (MBCs) will be provided financial support not exceeding Rs.1.00 crore with central assistance for the same being 75% for States other than NER and Special Category States for which the support will be 90%.

**5.21. Administrative & Other Expenses:** A total of 5% of the allocation under NULM can be utilized / distributed to the Mission management/administrative units at the Central/State/District/City levels implementing agencies for A&OE purposes.

## Allocation Proposed for the 12<sup>th</sup> Five Year Plan

5.22. The total fund requirement under NULM for the 12<sup>th</sup> Five Year Plan is proposed to be Rs.20,000crores. The broad targets under NULM for the 12<sup>th</sup> Five Year Plan consistent with the allocation would be as follows:

- A. Skills Training & Placement: 10 Million
- B. Self-Employment - Individual and Group: 1 Million
- C. Formation of Self-Help Groups: 2 Million (members)

5.23. Tentative details of central allocation component-wise are given below. States will have the flexibility to make inter se adjustment between components with approval of the Mission Directorate at the Centre.

| S. No. | Component  | Tentative Allocation of Central Funds |
|--------|--|---------------------------------------|
| 1.     | Community Mobilization and Institution Development including Revolving Fund, Community Investment Fund and Credit Guarantee Fund | 10%                                   |
| 2.     | Capacity Building & Training including Support to Livelihood Centres   | 20%                                   |
| 3.     | Employment through Skills Training and Placement   | 40%                                   |
| 4.     | Self-Employment Programme - Individual & Group Enterprises including Infrastructure and Marketing support                        | 25%                                   |
| 5.     | Administrative and Other Expenses  | 5%                                    |

## Roll out Plan

5.24. NULM will replace SJSRY and be rolled out in a phased manner – Phase I (2012-2014), Phase II (2014-2017) and Phase III (2017-2022). To this end, states will be required to evolve an action plan to roll out NULM in a phased manner as part of the overall State-level, Urban Poverty Reduction Strategy and City-level Livelihood Development Plan.

5.25. In Phase I and Phase II, NULM will be implemented in all States and cover all cities of a population of 100,000 and above as per the 2011 census and District Headquarters towns with less than 1 lakh population. In exceptional cases towns with population below 1 lakh may also be covered; this will be done with concurrence of the Ministry. For North-East and Special

Category States suitable population criteria will be evolved by the Ministry of Housing & Urban Poverty Alleviation. The Ministry will issue suitable guidelines in this regard.

5.26. Phase III from 2017-2022 will be extended to all cities and towns in a gradual manner depending on resources available.

5.27. States will consider launching State Urban Livelihoods Mission to cover additional cities and towns in addition to those taken up under NULM.

5.28. The requirement of funds for Phase I (2012-14) of implementation of NULM will be Rs. 5,000 crores, i.e. 25 percent of the proposed 12<sup>th</sup> Five Year Plan allocation and balance 75 percent funds will be utilised in Phase II (2014-17) of implementation.

## VI. NULM: Administration and Mission Structure

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6.1. The National Urban Livelihoods Mission will have a three-tier interdependent structure. At the apex of the structure will be the **National Mission Management Unit (NMMU)**, under the Ministry of HUPA, GoI as an independent society headed by a Mission Director reporting to Secretary, Housing & Urban Poverty Alleviation. Till the time an independent society is set up, NULM will operate as a programme of M/oHUPA with a dedicated staffing structure. At the State level, there will be **State Mission Management Unit (SMMU)** under an independent society headed by a Mission Director reporting to the Secretariat Department dealing with Municipalities, which is responsible for implementing skill development/employment/livelihoods promotion programmes.

6.2. At the District level, there will be a **District Mission Management Unit (DMMU)** – for cities with a population of 300,000 or less - to supervise the implementation of NULM under the overall guidance of the State Mission - suitably linked to the District Urban Development Agency (DUDA), where the same exists. At the city level, a **City Mission Management Unit (CMMU)** – for cities and towns with a population of 100,000 people or more. CMMUs will be established to work under the overall guidance of the SMMU in case of cities with more than 300,000 population and under overall guidance of DMMU in case of cities with population of 300,000 and less.

At the ULB level, setting up of the community institutions under the scheme aided by a cadre of Community Organisers hired on contract basis as in SJSRY may be spread gradually in the urban poor localities/slum clusters, in a phased manner, so as to cover the entire urban poor population within a specified period of time. This may be coordinated by the CMMU. Suitable guidelines in this regard will be issued by the Mission Directorate at the national level.

6.3. A Technical Advisory Group for NULM at the national, state, district and city levels will be established and consist of experts in skills and livelihood, financial inclusion, social mobilization, capacity building etc., representatives from industry associations, etc. The members of National TAG for NULM and chairperson will be nominated by Hon'ble Minister (HUPA); members and chairperson of the State TAG will be decided by the Chief Minister of the State/Administrator of the UT concerned and will include two nominations from M/o HUPA. Suitable guidelines will be issued by the State/UT concerned for the formation of District and City TAGs for NULM. In all cities where DMMUs are operative, District TAG will be applicable.

6.4. The administrative and mission structure of the NULM at the National, State, District and City levels is described in the Annexure

## **National Mission Management Unit (NMMU) under NULM**

6.5. NULM will set up as an independent society supported by a 'National Mission Management Unit (NMMU)'. This unit will function under the overall supervision of an Additional Secretary/Joint Secretary to be called the Mission Director. The NMMU will support implementation of the National Urban Livelihoods Mission. The Mission Director will be supported by two Directors, 4 Under Secretaries and a technical support team. The NMMU's immediate tasks will be to facilitate the setting up of SMMUs, DMMUs, and CMMUs with adequate staffing, provide support in preparing the Perspective Plans (State Urban Poverty Reduction Strategy) and City Livelihood Development Plans as well as the preparation of guidelines under NULM; an indicative list is given below:

- i. Social mobilization and institutional building
- ii. Financial inclusion
- iii. Skill training for wage and self-employment
- iv. Livelihood Centres
- v. Micro Business Centres (MBCs) and Small Enterprise Advisory Services (SEAS)
- vi. Capacity Building
- vii. Financial Management and Funding Pattern
- viii. Administrative Management and Structure
- ix. State Perspective Plan (Urban Poverty Reduction Strategy)
- x. Livelihood Development Plan
- xi. Innovative and Special Projects
- xii. Monitoring and Evaluation

- xiii. Social Audit
- xiv. Social Sector Convergence & Alliance strategy

6.6. NULM will have a Governing Council (GC) and an Executive Committee (EC). The GC will be constituted under the chairpersonship of the Hon'ble Minister for Housing and Urban Poverty Alleviation, GOI, whereas the EC will be headed by Secretary (HUPA). The GC will have representation from various Ministries at the level of Ministers, Members, Planning Commission, Experts and Civil Society representatives.

6.7. The GC will be the policy-making body setting overall vision and direction to the Mission, consistent with the national objectives. It will lay down priorities and review overall progress and development of the Mission. The GC will be empowered to lay down and amend operational guidelines of NULM. However, the subsidy norms of the NULM as approved by the Cabinet shall under no circumstances be changed or exceeded for any of the Mission components. The GC will meet at least twice a year..

6.8. The Executive Committee (EC) will be constituted under the chairpersonship of Secretary, Mo/HUPA, GoI, to oversee the activities of the Mission and approve the State Urban Poverty Reduction Strategy and Livelihoods Development Plans to ensure that overall objectives of the NULM are achieved within stipulated period. The EC will ensure smooth functional linkages between different Missions,

departments and institutions through its constitution. The Chairperson of the EC may nominate additional members to the Committee as per requirement. The EC will meet at least once in every quarter.

6.9. The National Mission Management Unit (NMMU) will be the implementation arm of the NULM. The Unit will provide necessary support to the GC and EC and will administer the Mission. The Unit, headed by the Mission Director and supported by at least two Directors, four Under Secretaries and a multi-disciplinary team of experts in the area of poverty alleviation, skills and livelihoods, slum development/redevelopment, community mobilization, institution development, social development, credit, marketing, research and training, MIS etc. would be put in place for giving need/demand-based technical assistance to States and cities. There will also be a team of cluster-coordinators at the NMMU responsible exclusively for managing NULM in the states and cities. The NMMU will have a dedicated MIS/e-Governance cell to implement on-line monitoring of the Mission.

6.10. The NMMU will perform the following functions:

- i. Facilitate establishment of state level umbrella agencies by the state governments for providing institutional support for poverty alleviation and livelihoods development programmes;
- ii. Support state level umbrella organizations in the design and implementation of pro-poor policies, programmes and reforms including preparation of

State Urban Poverty Reduction Strategy and Livelihood Development Plan;

- iii. Provide professional and technical support and guidance to the state agencies by seeking out and disseminating pro-poor technologies and institutional innovations through research and development and forging linkages between the state agencies and the national network of resource centres;
- iv. Liaise with other Missions/ Ministries/Departments/ Industry associations to explore areas for convergent action and facilitate such convergence to enhance capabilities and access to other entitlements such as food security, education, health, social security etc.;
- v. Explore and facilitate partnerships between National/State Urban Livelihoods Missions and public, private, NGO/CSO partners for diversifying and sustaining the livelihoods of the urban poor;
- vi. Undertake/commission studies to assess emerging self-employment/skill-based market employment opportunities and disseminate the information to the State agencies;
- vii. Study best practices in skills training/self-employment/micro-enterprise development across the country and support their replication in other parts through workshops, cross-learning visits and exchange programmes;
- viii. Develop capacity building and training modules for functionaries of the peoples' institutions as well as the state agencies and district/city units, and other

- stakeholders participating in the poverty alleviation programmes;
- ix. Facilitate analysis and dissemination of the impact of changing economic policies on the poor and play policy advocacy role;
  - x. Act as database on urban poverty statistics by accessing information from multiple sources;
  - xi. Identify shortcomings in programme design and implementation and facilitate debates/discussions thereof by experts for finding innovative and workable solutions and their dissemination to the state agencies;
  - xii. Promote the institution of comprehensive monitoring and learning systems at the state agencies and district/city units, including web enabled MIS and community monitoring systems; and
  - xiii. Undertake monitoring/evaluation/social audit of the Mission activities.
  - xiv. Establish a national resource centre on urban poverty, slums and livelihoods as a repository of data, research documents, best practices including books and e-resources, etc.
  - xv. Work closely with national network of resource centres/institutes to ensure the needed support for capacity building to states/cities.

## **State Mission Management Unit (SMMU) under NULM**

6.11. The implementation of National Urban Livelihoods Mission at the State level will be managed by a

two-tier structure – A Governing Council and an Executive Committee.

6.12. The State Urban Livelihoods Mission supported by a State Mission Management Unit (SMMU) will have a society structure and have dedicated professionals/domain experts. It will be guided financially, technically and supported by the NULM on need basis. The National and the State Missions will have a symbiotic relationship. They will have mutual access to the knowledge and services in the area of urban livelihoods and poverty alleviation.

6.13. The State Mission Management Unit (SMMU), headed by State Mission Director (SMD) would be set up by all State Governments to oversee the implementation of the Mission and other poverty alleviation programmes in the State. The SMMU will assist the SMD in the effective implementation of the Mission; the SMD will be assisted by at least 4 Project Officers in charge of skills and livelihood, micro-enterprises, capacity building and finance & administration. As per the requirements, the State Unit would include experts in the areas of social mobilization, institution development, capacity building and training, microfinance development, livelihoods promotion, skill training and placement in remunerative jobs, gender, communication, MIS, monitoring and evaluation, human resource, finance, administration, etc. The SMMU will have a dedicated MIS/e-Governance Cell to undertake online monitoring. The

SMMU will converge support from programme management units for JNNURM and RAY to ensure convergence with shelter/basic services/slum development programmes. The SMMU may engage thematic experts or empanel reputed resource agencies to provide technical assistance/capacity building to its implementation teams at the district/city levels. The State Mission will have functional autonomy under the overall charge of the Secretary/Principal Secretary concerned for implementing the Mission in the State. The State level Mission will have a Governing Body notified by the State Government.

6.14. Apart from providing technical inputs required for the promotion of peoples' institutions and the implementation of the Mission's programmes, the State Team will have the responsibility to ensure collaboration among various line Departments of the State Government to facilitate convergence of activities to derive optimal benefits from NULM and other programmes. The team will use the services of national, regional and state resource institutions for the effective implementation of different components of the Mission's programmes and will also ensure proper coordination with the district and city levels units of NULM.

6.15. The state level agency will have the following specific responsibilities:

- i. Prepare State Urban Poverty Reduction Strategy/Livelihood Development Plan following a bottom-up approach in

consonance with the Mission goals and objectives and in close coordination with the state level agencies responsible for implementation of poverty alleviation programmes – availing % A&OE funds of NULM;

- ii. Render assistance to cities for the preparation of City Livelihood Development Plans;
- iii. Facilitate setting up of district units suitably linked with the DUDAs and city units at ULB level to implement the Mission's activities;
- iv. Guide the district/city units in organizational and technical issues;
- v. Provide professional support through a dedicated in-house professional team or outsourced support, to the district/city units as needed;
- vi. Facilitate implementation of the Mission's programmes in the state through district/city units, peoples' institutions, NGOs/CSOs and private sector partners;
- vii. Coordinate and develop convergence with other Missions and programmes in the state for the required synergy to enhance the capabilities of urban poor and their access to other entitlements such as wage employment, food security, risk mitigation etc. necessary for poverty alleviation;
- viii. Organize state level skill training and placement support programmes, capacity building activities,

workshops, seminars and cross-learning visits to promote the objectives of the Mission in the state with assistance for the network of resource centres;

- ix. Document the progress and process of implementation and best practices, including institution of comprehensive MIS and monitoring systems;
- x. Conduct/commission studies to assess the impact of the Mission on poverty alleviation; and
- xi. Facilitate institution of monitoring and learning systems and undertake concurrent/periodic evaluation/social audit, etc.

## **District Mission Management Unit (DMMU) under NULM**

6.16. At the district level, NULM will be managed by an Executive Committee headed by the District Collector/Deputy Commissioner supported by a District Project Officer (DPO) so designated. The Committee will have District Officers in charge of NRLM, Industry, Modular Employable Skills, District Lead Bank Officer and representative of another Bank, 2 representatives of SHGs/Federation, Municipal Commissioners/ Executive Officers of Cities/Towns having population less than 300,000 as per 2011 Census and District Project Officer in charge NULM as members. The State Government may issue appropriate guidelines in the matter, if necessary. A dedicated unit (District Mission

Management Unit-DMMU) will be guided by the SMMU in planning and implementation of livelihood promotion activities in collaboration with DUDAs. States where DUDAs are not operating may opt for suitable regional support/alternative structures.

6.17. The DMMUs will be responsible for implementing the Mission's programmes in the district following NULM guidelines. The district level unit will function under the overall supervision of the state agency and as such it will not be an independent society or entity. In case of cities with a population of 300,000 or less selected for NULM, DMMU will closely supervise the city-level management units and undertake district level programmes like skills training and placement. All other cities - with population more than 300,000 - will be covered by their respective CMMUs reporting to the SMMU. States will have flexibility in deciding the jurisdiction of SMMU, DMMU and CMMU.

6.18. The District Project Officer in charge of NULM at the district level will manage the Mission activities in the District under the direction of SMMU and District Collector/Deputy Commissioner. The DPO will be assisted by at least two Assistant Project Officers (APOs) and a team of functional specialists in the fields of social mobilization, institution and capacity building, micro finance, livelihoods/ micro enterprises, gender, communication/IEC, MIS etc.in addition to administration and finance. These specialists will be appointed on contractual basis and

will undertake activities in the respective fields under the leadership of District Project Officer and the overall guidance and supervision of the SMMU team. DMMU will report progress of NULM activities to SMMU.

6.19. The district unit will essentially function as a capacity building, coordination, supervision, convergence and support unit for the field implementation structures at the ULB level. In particular, the DMMU will monitor the implementation of the programme in cities selected, including setting up of and functioning of Micro Business Centres, Small Enterprise Advisory Services, Livelihood Centres, capacity building activities and undertake concurrent evaluation/social audit of the programme for cities within the district implementing NULM. DMMU will liaise with line departments for implementing urban poverty alleviation and livelihoods development programmes effectively and in a convergent manner. The DMMU will select skill training agencies/institutes and decide on training costs, training duration, certification process, and other modalities etc. following NULM guidelines.

### **City Mission Management Unit (CMMU) under NULM**

6.20. At the city level, NULM will be managed by an Executive Committee headed by the Municipal Commissioner/Chief Executive Officer and comprising of officer in charge of NRLM, Industry, Modular Employable Skills,

representative of Lead Bank, 2 representatives of SHGs/Federations and City Project Officer in charge of NULM as members, The State Government may issue appropriate guidelines in the matter, if necessary. A dedicated unit (City Mission Management Unit-CMMU), will be set up by all States in cities with a population of 100,000 persons as per 2011 census selected under NULM managed by a City Project Officer (CPO). The CMMU will be guided by the SMMU/DMMU (as specified above) in planning and implementation of livelihood development and other activities under NULM. They will report progress directly to the SMMU / DMMU (as specified above).

6.21. CMMU will be responsible for implementing the Mission's programmes in the city following the NULM guidelines. The City Project Officer (CPO) will be of the rank of a Deputy Municipal Commissioner/Executive Officer. The CPO will be assisted by one or more Assistant Project Officers (APOs) and a team of functional specialists in the fields of social mobilization, institution and capacity building, micro finance, livelihoods/ micro enterprises -to develop and implement City/Town Livelihood Development Plan, in addition to administration and finance. Funds for this may be availed under from 5% A&OE of NULM funds. In metropolitan cities, the CPO will be assisted by at least two Assistant Project Officers (APO). The functional specialists will be appointed on contractual basis and will undertake activities in the respective fields under the leadership of City Project Officer.

6.22. The CMMU will be linked with the community development structures in cities, including SHGs and their federations. Community Organisers at the CMMU level will facilitate this interaction. Each CO will cover at least 2000 urban poor families.

6.23. The MMUs at the State, District and City-levels are envisaged as long-term structures for livelihood and skill development of the urban poor on a continuous basis. Therefore, States will be expected to source human resources for the State, District and city-level MMUs through dedicated State/Municipal Cadres for Urban Community Development/ Poverty Alleviation (created where the same do not exist) who will be supported by experts/professionals on contract basis. Until the formulation and operationalisation of the cadres, funds will be available for various positions for managing NULM on contract basis.

6.24. As regards, North-Eastern and Special Category States, UTs and

very small States not having many cities with population of more than 100,000, suitable guidelines will be issued by the Mission Directorate to ensure proper coverage of smaller towns.

6.25. The various tiers of NULM will be closely interlinked and guided by the common objective of promoting sustainable livelihoods of the poor and work with the goal of eradication of urban poverty and empowerment of the urban poor.

## **Guidelines for Implementation**

6.26. The Mission Directorate in the Ministry of Housing and Urban Poverty Alleviation (Mo/HUPA), Government of India will issue a set of guidelines from time to time, for effective operationalisation, implementation and monitoring of the Mission, in close consultation with various stakeholders. The administrative and mission structure of NULM at the National, State, District and City levels is described in the Annexure.

## VII. Monitoring and Evaluation

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7.1. Given the geographic scale and magnitude of the resources and activities to be supported by the NULM, a comprehensive and robust IT enabled implementation, monitoring and evaluation system would be established. This will not only track the implementation of self and wage employment online down to the level of the beneficiaries, but also to provide meaningful reports on household level impacts and implementation experiences so as to enable M/oHUPA and State Governments/District Administration and Urban Local Bodies to take corrective actions, if necessary. Additionally, the tool will also handle financial management, fund flow and utilization and tracking of targets and achievements. The monitoring activities will include, but not limited to MIS/e-Tool, concurrent and impact evaluation studies, social audit, etc. Funds for the same would be met from the 5% A&OE funds as well as the Capacity Building and Training funds under NULM for system requirement study, prototype development, software, deployment at the field level, hosting, personnel and training of stakeholders, as well as related hardware and other costs.

7.2. States / UTs will be required to send in Monthly/Quarterly Progress Reports (QPRs) in prescribed formats with regard to targets and achievements. Apart from MPRs/QPRs, the Mission Directorate, NULM may prescribe other progress reports as may be considered appropriate from time to time. The States / UTs will establish suitable monitoring mechanisms and monthly reporting from the CMMUs and DMMUs regarding the progress of various components of NULM.

7.3. The Mission Directorate, NULM will facilitate the concurrent evaluation of NULM at periodic intervals. The evaluation of the mission will be undertaken during the course of its implementation to effect mid-term corrections and align the scheme on the achievement of its key objectives.

7.4. The cost of monitoring, evaluation and social audit activities will be met under the A&OE component of NULM. States / UTs will be encouraged to undertake online monitoring systems and submit progress reports and other required information online. The NMMU will develop suitable e-tools and training programmes in this regard

# ANNEXURE: Administration and Mission Structure

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## National Level

The Urban Poverty Alleviation (UPA) division of the M/o Housing & Urban Poverty Alleviation, Government of India, New Delhi has the overall responsibility of policy formulation, implementation, monitoring and evaluation of the NULM and for release of central share of funds.

**Governing Council at National Level:** The constitution of the GC will be as follows:

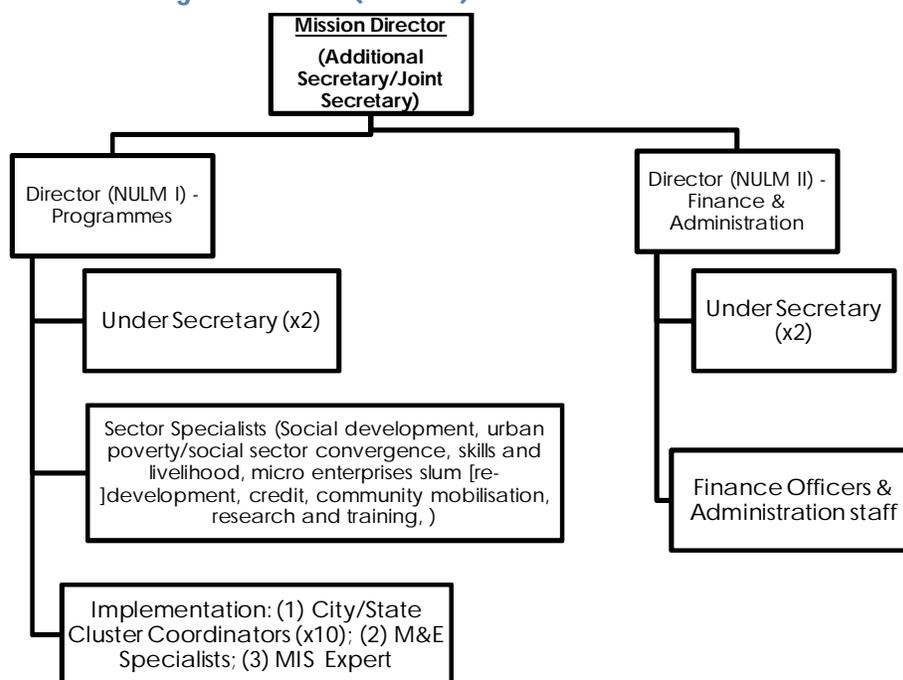
| No.    | Designation   | Membership          |
|--------|---|---------------------|
| 1.     | Minister, Housing & Urban Poverty Alleviation   | Chair               |
| 2.     | Minister, Urban Development   | Member              |
| 3.     | Minister, Rural Development   | Member              |
| 4.     | Minister, Human Resource Development  | Member              |
| 5.     | Minister, Labour & Employment   | Member              |
| 6.     | Minister, Micro, Small & Medium Enterprises   | Member              |
| 7.     | Minister, Women and Child Development   | Member              |
| 8.     | Minister, Social Justice & Empowerment  | Member              |
| 9.     | Adviser to Prime Minister in charge of Skill Development                                      | Member              |
| 10.    | Member (Urban Development), Planning Commission   | Member              |
| 11.    | Member (Labour & Employment), Planning Commission   | Member              |
| 12.    | Governor, Reserve Bank of India in charge of Banking Affairs                                  | Member              |
| 13-15. | State Ministers of UD / LSG / MA on a rotation basis (3) nominated by Chairperson             | Members             |
| 16.    | Chairperson of the Board, National Skills Development Corporation                             | Member              |
| 17-19  | Eminent Livelihood Expert/Civil Society/Industry Representatives (3) nominated by Chairperson | Member              |
| 20     | Secretary (HUPA)  | Member-<br>Convenor |
| 21     | Any other member(s) co-opted by the Chair   | Member              |

**Executive Committee at National Level:** The constitution of the EC will be as follows:

| No. | Designation                                    | Membership |
|-----|--|------------|
| 1.  | Secretary, Housing & Urban Poverty Alleviation | Chair      |
| 2.  | Secretary, Urban Development                   | Member     |
| 3.  | Secretary, Financial Services, M/o Finance     | Member     |
| 4.  | Deputy Governor, RBI                           | Member     |
| 5.  | Chairman, Indian Banks Association             | Member     |
| 6.  | Secretary, Rural Development                   | Member     |
| 7.  | Secretary, Labour & Employment                 | Member     |

| No.    | Designation  | Membership          |
|--------|--|---------------------|
| 8.     | Secretary, Micro, Small & Medium Enterprises                 | Member              |
| 9.     | Secretary, Department of School Education                    | Member              |
| 10.    | Secretary, Women and Child Development                       | Member              |
| 11.    | Secretary, Social Justice & Empowerment                      | Member              |
| 12-13. | Senior Advisors (UD) & (LEM), Planning Commission            | Member              |
| 14-15. | State Secretaries of UD / LSG / MA on a rotation basis(3)    | Members             |
| 16.    | CEO, National Skills Development Corporation                 | Member              |
| 17.    | Joint Secretary & Financial Adviser, MoHUPA                  | Member              |
| 18-19. | Eminent Livelihood Experts/Civil Society Representatives (2) | Member              |
| 20.    | Mission Director (NULM, M/o HUPA)                            | Member-<br>Convenor |
| 21.    | Any other member(s) co-opted by the Chair                    | Member              |

### National Mission Management Unit (NMMU):



## State Level

**Governing Body at State Level:** The constitution of the GB will be as follows:

| No. | Designation  | Membership |
|-----|--|------------|
| 1.  | Chief Minister   | Chair      |
| 2.  | Finance Minister   | Vice-Chair |
| 3.  | Minister, Urban Development / LSG / Municipal Affairs/Administration – in charge of Urban Local Bodies | Member     |
| 4.  | Minister, Rural Development  | Member     |
| 5.  | Minister, Labour & Employment  | Member     |
| 6.  | Minister, Industry   | Member     |

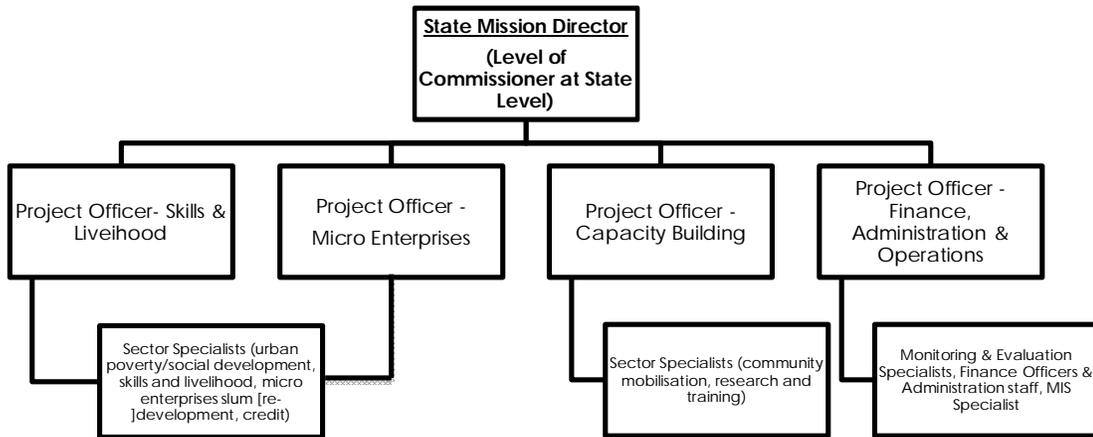
| <b>No.</b> | <b>Designation</b>   | <b>Membership</b> |
|------------|--|-------------------|
| 7.         | Minister, Health   | Member            |
| 8.         | Minister, Technical Education                                  | Member            |
| 9.         | Chief Secretary  | Member            |
| 10.        | State Lead Bank Officer  | Member            |
| 11.        | Representative of M/o HUPA, Gol                                | Member            |
| 12-13      | Representatives of Urban Local Bodies – Mayors/Chairpersons(2) | Members           |
| 14-16      | Livelihood Experts/Civil Society/Industry Representatives (3)  | Members           |
| 17         | Secretary/Principal Secretary in charge of Urban Local Bodies  | Member            |
| 18         | Any other member(s) co-opted by the Chair                      | Member            |

The GB will finalise the states' action plan before final approval from the EC at the Centre.

**Executive Committee at State Level:** The constitution of the EC will be as follows:

| <b>No.</b> | <b>Designation</b>   | <b>Membership</b>   |
|------------|--|---------------------|
| 1.         | Chief Secretary  | Chairman            |
| 2.         | Secretary/Principal Secretary i/c of Urban Local Bodies          | Member              |
| 3.         | Secretary, Finance   | Member              |
| 4.         | Secretary, Rural Development                                     | Member              |
| 5.         | Secretary, Labour & Employment                                   | Member              |
| 6-7.       | State Lead Bank Officer and Head of another Nationalised Bank    | Members             |
| 8.         | State Representative of RBI                                      | Member              |
| 9.         | Industry Representative  | Member              |
| 10-12.     | Representatives of SHGs/Federations (3)                          | Members             |
| 13.        | State Mission Director, NRLM                                     | Member              |
| 14.        | State Officer in charge of Technical Education / Labour/Industry | Member              |
| 15.        | Representative of M/oHUPA  | Member              |
| 16.        | State Mission Director, NULM                                     | Member-<br>Convenor |
| 17         | Any other member(s) co-opted by the Chair                        | Member              |

## State Mission Management Unit (SMMU)

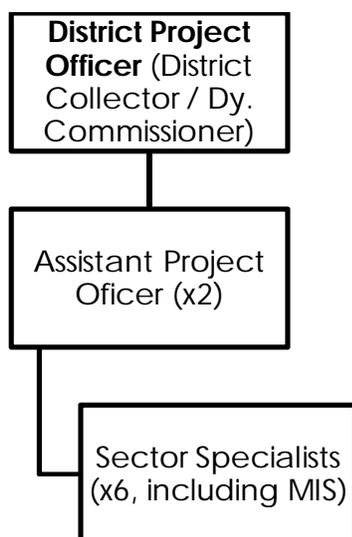


## District Level

**Executive Committee at District Level:** The constitution of the EC will be as follows:

| No.  | Designation   | Membership          |
|------|---|---------------------|
| 1.   | District Collector/Deputy Commissioner                                    | Chairman            |
| 2.   | Municipal Commissioners/Executive Officers of selected Municipalities     | Members             |
| 3.   | District Officer in charge of NRLM  | Member              |
| 4.   | District Officer in charge of Industry/Labour                             | Member              |
| 5-6. | District Lead Bank Officer and District Head of another Nationalised Bank | Members             |
| 7.   | Representatives of SHGs/Federations (2)                                   | Members             |
| 8.   | District Project Officer, NULM  | Member-<br>Convenor |
| 9    | Any other member(s) co-opted by the Chair                                 | Member              |

## District Mission Management Unit (DMMU):

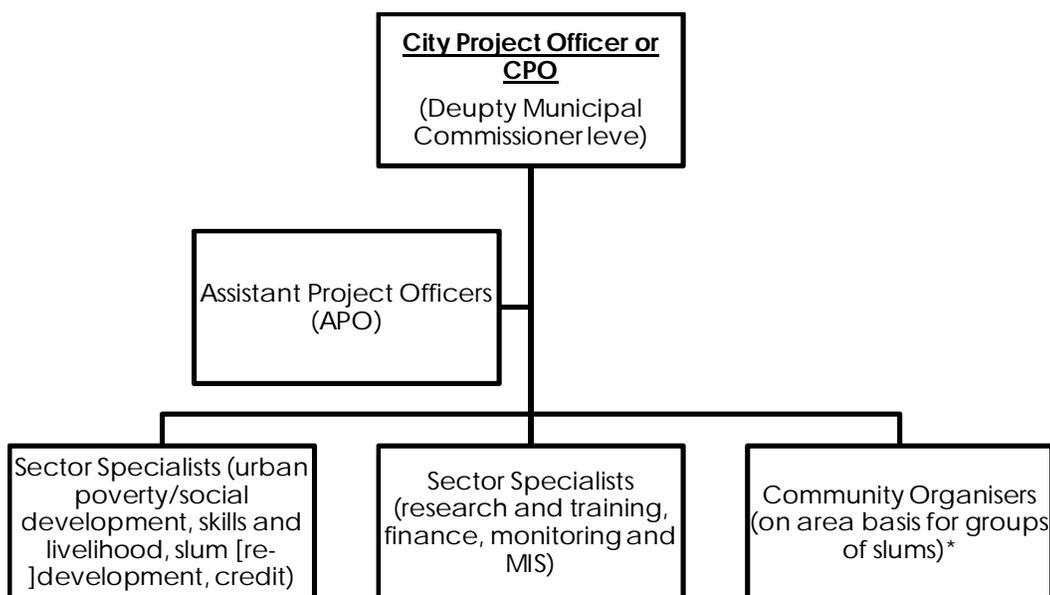


## City Level

**Executive Committee at City Level:** The constitution of the EC will be as follows:

| No.  | Designation                                    | Membership          |
|------|--|---------------------|
| 1.   | Municipal Commissioner                         | Chairman            |
| 2.   | Officer in charge of NRLM                      | Members             |
| 3.   | Officer in charge of Industry                  | Member              |
| 4.   | Officer in charge of Modular Employable Skills | Member              |
| 5.   | Representatives of Banks (2)                   | Member              |
| 6-7. | Representatives of SHGs/Federations (2)        | Members             |
| 8.   | City Project Officer, NULM                     | Member-<br>Convenor |
| 9    | Any other member(s) co-opted by the Chair      | Member              |

**City Mission Management Unit (CMMU):**



\* Covering 2000 urban poor families

SJSRY had allocated Rs. 5000 per CO in 1999. However considering the demand for the scheme and inflation, NULM proposes the remuneration for COs be at Rs. 8,000 (basic) and Rs. 2,000 for allowances that will be linked to performance criteria.

The number of sector specialists will depend on the size of the city with a minimum of 2 specialists in small cities, 4 specialists in medium sized cities and 8 in large / metropolitan cities.

### **Responsibilities of Community Organisers:**

1. Organize the community in the poor settlements.
2. Facilitate community in forming into groups/federations – assisting Institutions/Agencies/Facilitators/Animators.
3. Ensure that all slum households join the self-help groups.

4. Facilitate in formulation and implementation of various programmes/aspects related to NULM.
5. Develop community level comprehensive database on infrastructure, assets and social aspects, update the database periodically, at least once a year, with a special focus on minority communities.
6. Support and strengthen SHGs and their federations including the SHGs of disabled persons in accessing convergent services
7. Promote SHG-Bank linkage; assist poor beneficiaries and banks.
8. Establish liaison with CBOs including NGOs and government departments for convergence
9. Guide and assist in surveys and needs assessment.
10. Support implementation of development works like community contracts, O & M of community assets etc.,
11. Document the working of CBOs and good practices, disseminate and discuss the good practices from outside.
12. Organize community level training and information sharing.
13. Submit periodic reports as necessary.
14. Any other responsibility/duties as assigned from time to time by the CPO.