

Employment through Skills Training & Placement

(Operational Guidelines)

National Urban Livelihoods
Mission



सत्यमेव जयते

Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14014/58(8)/2012-UPA
Government of India
Ministry of Housing & Urban Poverty Alleviation
(UPA Division)

Nirman Bhawan, New Delhi
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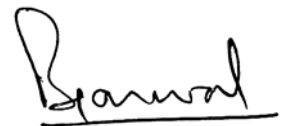
OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for the Employment through Skills Training & Placement (EST&P) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for the Employment through Skills Training & Placement (EST&P) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.

3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)

Joint Secretary to the Government of India
Ministry of Housing & Urban Poverty Alleviation



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1 Introduction and Objectives

The National Skill Development Policy issued in March 2009 states that the demand for skilled manpower by 2022 is 50 Million. Due to increasing urbanization, 50 Million non-farm employment opportunities will be created during the 12th Five Year Plan period and same number of people would be provided certified skill training.

The Employment through Skills Training & Placement (EST&P) Component under NULM is designed to provide skills to the unskilled urban poor as well as to upgrade their existing skills. The program will provide for skill training of the urban poor to enable them setting up self-employment ventures and for salaried jobs in the private sector. The EST&P Program intends to fill the gap between the demand and availability of local skills by providing skill training programs as required by the market.

Objectives

The broader objective of the Employment through Skills Training & Placement (EST&P) Program is –

- To provide an asset to the urban poor in the form of skills for sustainable livelihood
- To increase the income of urban poor through structured, market-oriented certified courses that can provide salaried employment and / or self-employment opportunities which will eventually lead to better living standards and alleviation of urban poverty on a sustainable basis
- Ensure inclusive growth with increased contribution of skilled urban poor to the National Economy.

2 Skill Training Modules

2.1 Skill Gap Analysis

In order to achieve the above objectives, the trainings should be provided as per the industry demand and as per the curriculum recognized nationally. The industry demand for skill can be assessed only through a comprehensive Skill Gap Analysis at city level. The Skill Gap Analysis (SGA) should provide a clear picture of the industry wise demand for trained manpower, nature of skills required, trades to be selected for EST&P both for



wage employment as well as for self-employment. The SGA should also state the nature and duration of the courses required for each trade. Such a study must have projections for a period of 5 years. The Skill Gap Analysis conducted by National Skill Development Corporation (NSDC) may be referred by the State Urban Livelihoods Mission (SULM). The SULM may take help of Sector Skill Councils of NSDC, Technical Universities, State Department of Labour and Employment, State Industries Department, Government sponsored Research Institutions, State Industries Association or any other competent agency to conduct the Skill Gap Analysis. The cost of conducting Skill Gap Analysis may be booked under the A&O Expenses of NULM.

The Skill Gap Analysis should provide demand for employment in upcoming industries and also identify the scope for setting up of self-enterprises in local area. The trainings should be conducted for imparting skills with highest demand in local areas, however for candidates willing to migrate to other regions skill training courses not identified under skill gap analysis may also be conducted.

2.2 Curriculum Designing

The skill trades identified through the skill gap analysis should have a formal standard curriculum which is designed in accordance to the demand of the industry, need for assessment and certification requirements.

The National Occupational Standards (NOS) have been developed by various Sector Skill Councils under NSDC. The NOS specify the standard of performance an individual must achieve for carrying out a function in the work place. The NOS are laid down by the employers through the Sector Skill Councils under NDSC. The NOS and identified Job Roles are in accordance to the standards prescribed under the National Vocational Education Qualifications Framework (NVEQF) as mentioned in the National Skill Policy. The SULM may consider finalizing the curriculum based on the NOS and NVQEF requirements.

The Ministry of Labor & Employment has designed curriculum for a list of Modular Employable Skill (MES) courses under the Skill Development Initiative Scheme. The curriculum as provided by MoL&E may be followed for the skill training courses. However, if MES courses do not have curriculum for any particular skill training then a formal curriculum may be approved by the state.



All the standard curriculum for any training course under EST&P should be designed in consultation with a competent technical agency such as Technical University / College, Directorate of Technical Education, National Skill Development Corporation, Sector Skill Councils of NSDC, etc. Designing of curriculum should not be left on the Skill Training Provider alone. All the courses should be approved by the SULM in consultation with any of the above agencies so as to ensure standardization and job opportunities for trainee. The Training course modules should be in accordance to local industry demand and acceptable at state / national level. The course curriculum should be designed to ensure certification of industry standards.

2.3 Soft Skills

In addition to the basic skill training on specific skills, the training course modules should have the following modules integrated into the course curriculum –

- a. Soft Skills – Basic Communication skills (in English and local language), Basic computer operations (for courses other than computer training), Professional Etiquettes, etc.
- b. Financial Literacy – Orientation and awareness on savings, credit, subsidy, remittance, insurance and pensions.
- c. Other government schemes – the candidate may also be provided information regarding other government schemes (including other components of NULM) and entitlements for poverty alleviation. The ULB should facilitate access to such schemes and entitlements for the urban poor.

The above inputs will also assist the candidate on a longer and sustainable basis.

2.4 Course Duration

It is preferred that the course duration for all the skill training programmes under EST&P would be minimum 3 months (approximately 400 hours of the technical training plus 30 hours for soft skills training) for the cost of Rs. 15,000/- (Rs. 18,000/- for North East and Special States) per candidate. However, depending on the trade and course module, SULM may define trainings with different duration. If the MES Curriculum is being followed, then the basic and advanced level skill training courses may be combined to provide 430 hours training.



3 Cost & Payment Norms

The maximum cost support provided for training under EST&P is Rs. 15,000/- per candidate (Rs. 18,000/- per candidate for North-East and Jammu & Kashmir States). However, the cost of training may vary based on the course curriculum, infrastructure and materials needed for the course, course duration, etc. The training cost will include cost of candidate mobilization, curriculum design, trainer's fees, raw materials required for training, assessment & certification, placement linkage, MIS and post-placement tracking of the candidates. No infrastructure development cost will be supported under this component.

SULM may design the terms of payment preferably in 3 or more installments i.e. 30:50:20. The first two installments may be based on the commencement of training, completion and certification of the candidate and last 20% may be paid on the placement / enterprise development and tracking of candidates for 6 months. However, the SULM may decide on any other payment terms and conditions. The STP shall track the candidates provided with support for microenterprise development and candidates provided with job placement for a period of 6 months.

The amount mentioned above is the maximum support per candidate provided under NULM. However, if the training cost is higher than the above, then the additional cost may be borne by the State Government or by the Skill Training Provider.

4 Certification

Each successful candidate undertaking training under EST&P component of NULM should be awarded a certificate issued by a competent agency which has acceptability in the industry. Assessment of the skills gained should be done by an independent certifying agency. The training agency should not be entrusted with the assessment and certification of the trainees to ensure objective assessment.

The Certification Agency (CA) should be empanelled by the SULM based on the quality, integrity and past-record of the agency. Government and Semi-Government Agencies such as National Council for Vocational Training, State Council for Vocational Training, etc. involved in certification process may be accorded priority. The State may also empanel agencies such as Sector Skill Councils, NSDC, All India Council for Technical Education (AICTE), Technical University, national level industry associations such as ASSOCHAM,



NASSCOM, etc. for the assessment and certification of the candidates, depending on their competence to perform this job.

The SULM may enter into a Memoranda of Understanding with the Certification Agency clearly defining the trainings to be certified, area of operation, delivery standards with time lines and processes, and fee to be charged by the agency. The SULM shall fix the fee for the certification based on the course curriculum and in consultation with competent technical agencies. This fee will be directly paid to the certification agency and will be considered as a part of the training cost.

The same should be mentioned in the Terms of Reference (TOR) issued for Skill Training Providers. The TOR shall clearly state the process for assessment and certification of successful candidates. The STP shall be responsible for arranging and issuing of the certificate through the empanelled Certification Agency.

The ULB / SULM through the State Level Bankers' Committee / District Level Bankers' Committee shall ensure that the certificates are considered as valid document for application of Enterprise loans from Banks.

As and when the candidate completes the training and is ready to undergo assessment, the STP shall inform the concerned Certification Agency with details of number of candidates to be assessed, trades to be assessed and location of the training center. The Certification Agency should ensure assessment and declaration of results within 30 days of receipt of the request from the STP. If a candidate fails in the assessment then she/he should be retrained for re-assessment and certification. The re-training and re-assessment cost of such unsuccessful candidates shall be borne by the STPs. The SULM shall reimburse the training cost of only successful and certified candidates to the STPs.

The Ministry of Labour and Employment under the Skill Development Initiative (SDI) Scheme has identified assessment bodies (the list with contact details is available on the website of MoLE). Based on the assessment of the trained candidates, certification is provided by National Council of Vocational Training (NCVT). The ULB / SULM may adopt the process as under the SDI Scheme for assessment and certification.

The Ministry of Human Resource Development under its Community College Scheme provides certificate to the successful candidates as per the National Vocational Education Qualification Framework (NWQEF). The SULM may try to provide such nationally



recognized certificates.

5 Skill Training Providers (STPs)

5.1. Identification

SULM may empanel private STPs through a bidding process. The selection criteria should be a combination of technical qualification, experience of the organization and the cost of training. Strict technical assessment of STPs shall have to be undertaken by the SULM to ensure that the quality of the training is not compromised.

The SULM may also directly enter into an agreement with Govt. Institutes such as Industrial Training Institutes (ITI), Polytechnic Colleges, Technical Universities, etc. with details of modalities for mobilization, training, certification, bank linkage, mandatory placement / self-employment setting up and tracking of the successful candidate.

SULM may also adopt any other successful model of skill training projects funded through Government of India or State Government programs. SULM may also provide skill training through Industrial houses / Industrial associations which provide for in-house placement of trained beneficiaries.

The empanelment of STPs should be valid for a period of 3 years based on satisfactory performance of the STPs.

The certification of all the trainings should be provided by external independent agency and not by the STP.

SULM may also hire services of external professional agencies, universities, academic institutes, etc. for drafting of the TOR, Appraisal, evaluation and monitoring of the STPs. The cost of the same may be booked under the A&O Expenditure of NULM.

5.2. Request for Proposal (RFP) for STPs

The SULM in consultation with the state government skill training agencies and in accordance with the procurement procedures approved by the State Executive Council shall undertake the bidding process for empanelment of the Skill Training Providers (STP). The Request for Proposals for the STPs should essentially contain the following sections in detail:

- i) Criteria and Process for Technical Assessment



- ii) Period of validity of the RFP and empanelment
- iii) Amount of Performance Guarantee
- iv) Approximate number of trainees with location and curriculum details
- v) List of Certification Agency, Process and Costing for Certification in detail
- vi) Conditions for Post Training Support including responsibility to provide placement or Self enterprise establishment support to minimum 50% of successfully trained candidates.
- vii) Other Deliverables such as reporting formats, reporting processes, financial inclusion of candidates, maintenance of data base of trainees, etc.
- viii) Payment Terms and Conditions with conditions for last installment of training cost to be released only after successful placement or microenterprise development and tracking for 6 months post successful completion of the training.
- ix) Penalties for non-adherence to conditions as mentioned in the contract and deliverables
- x) Process for termination of the contract

5.3. Post Training Support

The STP shall work towards providing job-placement or setting up self-enterprise for all the successful candidates. It is mandatory for the STP to provide placement / self-enterprise set-up support for minimum 50% of successfully trained candidates, inability to do so shall result into suitable penalty as provided in the terms & conditions of the contract with STPs.

Job Placement: On successful completion of the training, the candidate shall be provided placement in suitable job by the STP within one month of completion of the training.

Micro-enterprise: For candidates interested in setting up micro-enterprises, the STPs shall be responsible to assist in setting-up the microenterprise within 3 months of successful completion of the training. The STPs shall provide support for proposal writing, ensure credit from banks, provide support for availing subsidy to candidates regarding any of the micro-enterprise development schemes such as SEP component under NULM, Prime Minister's Employment Generation Programme (PMEGP) under Ministry of Micro, Small and Medium Enterprises (MoMSME), Cluster Development Schemes under MoMSME or any other such scheme.

Financial Inclusion: The STP shall also facilitate the opening of Basic Saving Bank Deposit account for all the candidates who do not have a bank account.



5.4. Post Training Tracking

The STP shall be required to track the successful candidates for a period of 6 months. For the candidates provided with wage employment in any industry information like appointment letter, pay package / remuneration, etc. shall be maintained and submitted to the ULB / SULM as per the terms and conditions of the contract with the STPs.

For the candidates interested in setting up micro-enterprises, the STP shall be responsible for providing support and track the progress of Micro-enterprise for a period of 6 months.

6 MIS and Reporting

For Skill Training Providers: The STP shall have the responsibility of regular reporting on progress of training, placement and micro-enterprise establishment to the ULB and SULM on a regular basis. The formats and periodicity of reporting may be mentioned in the TOR for STPs.

The STP shall also develop and maintain online Management Information System (MIS) for recording the information of all the candidates including their contact details, candidate's bank account details, status of assessment and certification, status of the placement or setting up of a micro-enterprise, etc. on their website. The SULM and ULB shall be provided access to all the information regarding the candidate and the training programs of the STPs. As and when the national MIS for NULM is launched, the STP shall have the responsibility to update the information of candidates as specified by the Ministry.

For SULM / ULB: The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and upto the end of the quarter and key issues in implementation.

In addition, under NULM, a comprehensive and robust IT-enabled NULM MIS will be established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit of proactive disclosure of information and ensuring transparency under NULM, key progress reports under EST&P will also be made available on the public domain in a timely manner.



7 Candidates for Training

7.1. Eligibility of the Candidate

The candidates selected for training under EST&P component of NULM should be from the urban poor households only. The following conditions need to be adhered to in selection of the candidate –

- i) S/he should not have undergone skill development training under the SJSRY / NULM in any other trade during the last 3 years. The candidate can however be provided advanced training on the skills acquired in any previous training.
- ii) The candidate should meet the minimum qualification as per requirement of the training curriculum approved by the State Executive Committee.
- iii) The percentage of SC and ST candidates being trained should not be less than the percentage of SC and ST population in the town.
- iv) Out of the total beneficiaries for the State/UT under EST&P; minimum 30% should be women, minimum 15% should belong to the Minority community and minimum 3% of the candidates should be differently-abled. However based on the trade and area of implementation, if the above requirement of minimum percentage cannot be fulfilled through common training programs, specific training programs targeting the above vulnerable communities maybe undertaken by the SULM.

7.2. Awareness Generation and Demand Creation

The following strategies may be adopted by the SULM for awareness generation and creation of skill training demand from the target community.

- i) The SULM & ULB should conduct mass media campaigns through newspapers, radio, television, posters, wall paintings, SHG meetings, etc. on regular basis to provide information on skill training opportunities and invite applications from the prospective candidates.
- ii) The information regarding the courses, duration, location of training, name and details of skill training providers should be available at all the Urban Local Bodies, City Livelihood Centers and any other urban centers set-up by the government.



- iii) The candidate should be allowed to submit 'an intent to undertake a training' on a plain paper with basic details such as name, age, contact details, name of the training required, Aadhar Card number or other identity document, etc. The prospective candidate can submit the intent to undertake training in physical form at designated centers or through mail or post. On submission of the Intent, the same shall be entered into a register and a receipt with unique registration number shall be issued to the applicant. This will create a Waiting List of prospective candidates for a specific training demanded by the urban poor. The ULB shall accept such intents throughout the year. This register shall be utilized for mobilization of the trainees as and when the demanded training commences in the city. The intent may be received through area offices of Municipal Corporations, Ward Offices, ULBs, Self Help Groups in the areas, Community Organizers, Area Level Federations and City Level Federations of the SHGs, office or training centers of NULM empanelled Skill Training Providers and any other NULM related institutions. The candidate should not have to travel long distances to submit 'the intent to undertake training'.
- iv) The SULM and ULB shall ensure that candidates enlisted in the waiting list shall be informed through available communication means like SMS, letter, Public notice, SHG, ALF, etc. regarding the commencement of training program and details of location of training center, eligibility criteria, course duration, etc.
- v) While deciding on the training programmes calendar for the city, the demand for particular trades as per Waiting List may be considered.
- vi) In addition to the candidates listed in 'Waiting List', the ULB may identify candidates through other means like organizing camps, registration drives, sponsoring by SHGs, etc. However candidates registered in Waiting List will be given preference.
- vii) If a particular skill training is sought by prospective candidates and the ULB does not have competent skill training providers empanelled, then the ULB in consultation with SULM and the local industry association shall arrange to provide the same.
- viii) Before the commencement of the training, a counseling session for all the prospective candidates will be arranged. During this session the prospective candidate would be briefed in detail about the available training program, eligibility criterion, etc.



- ix) At this stage an information and application form will be filled by the beneficiaries. The form shall capture all the details such as education, BPL Status, residential address, other contact details, etc. On the basis of these documents their selection will be done for a suitable training program.
- x) The ULB may also provide information to the probable candidates through Monthly Job Placement Fairs, Rozgaar Melas, etc. in the slum areas.



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Government of India
Ministry of Housing & Urban Poverty Alleviation
Website: <http://mhupa.gov.in>

Social Mobilisation and Institution Development

(Operational Guidelines)

National Urban Livelihoods
Mission



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Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14011/1/2013-UPA
Government of India
Ministry of Housing & Urban Poverty Alleviation
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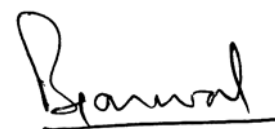
OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for Social Mobilisation and Institution Development (SM&ID) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for Social Mobilisation and Institution Development (SM&ID) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from: http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.

3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)
Joint Secretary to the Government of India
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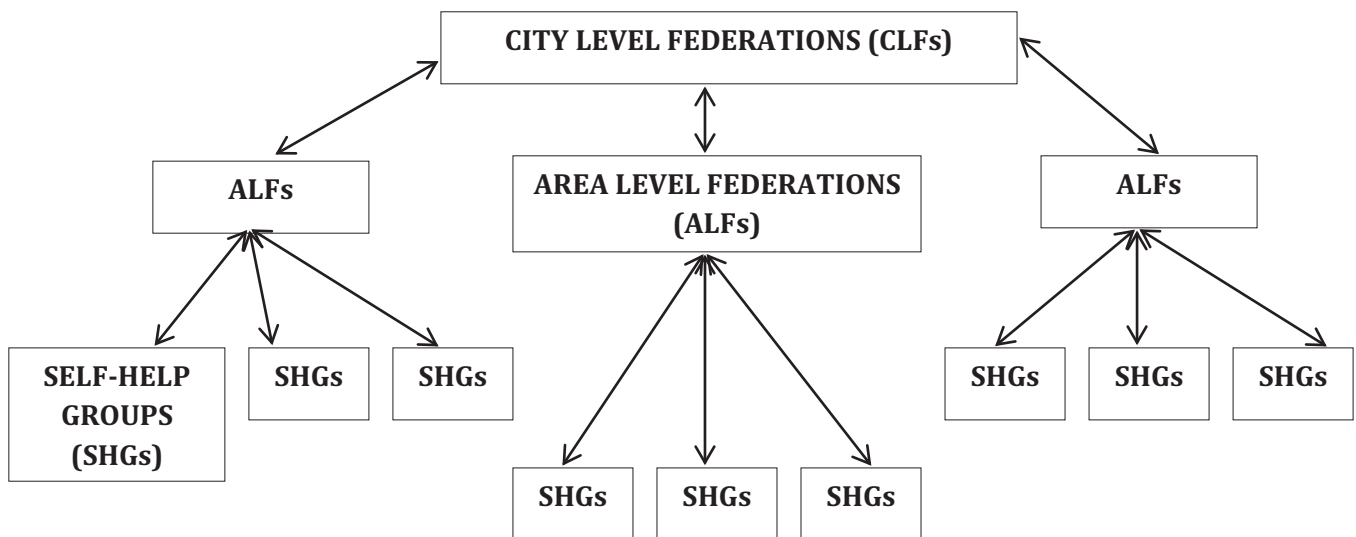
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1. The National Urban Livelihoods Mission (NULM) shall rest on the foundation that the mobilisation of urban poor households to form their own institutions is an important investment for an effective and sustainable poverty reduction programme. These institutions of the poor would partner with local self-governments, public service providers, banks, private sector and other mainstream institutions to facilitate delivery of social and economic services to the poor.

Component 1.1 Building Community Institutions – Self-Help Groups and Their Federations

2. NULM envisages mobilisation of urban poor households into a three tiered structure with Self-Help Groups (SHGs) at the grass-root level, Area Level Federations (ALFs) at the slum / ward level and City-level Federations (CLFs) at the city-level:



Self-Help Groups (SHGs)

3. SHGs are groups of 10 to 20 women or men who come together to improve their living conditions by group savings and loans. These groups conduct regular meetings where the savings of the group is collected into a corpus fund, which is used to provide short-term loans to the members. After some time when the credit requirements of the members increase, the Self Help Group may approach to a bank for loan.

4. **Membership of SHGs:** Under NULM, Self-Help Groups of urban poor will be formed. Non-poor may be included as members in SHGs where strong affinity or special reasons exist. However, at least 70% of the SHG members should be urban poor to qualify for funding support under NULM. SHGs may consist of 10 to 20 members. These groups need not be registered. Normally, women SHGs will be formed, however male SHGs of handicapped persons will be allowed to be formed. The objective is to organise all the urban poor families into SHGs; however, those areas may be taken up first where urban poor are concentrated.



5. **Rules and Regulations:** Each SHG will be encouraged to develop their own rules and regulations. These should cover:

- 5.1. Norms for membership
- 5.2. Norms for group savings including the amount, date of deposit with the group
- 5.3. Role of every office bearer in the SHG
- 5.4. Norms for conduct of group meetings including the number of times the group meets, and the convening of special meetings
- 5.5. Management of savings of group including maximum amount of loans to SHG members, the interest rate, repayment details, and basic criteria to grant a loan
- 5.6. Management of the SHG group bank account
- 5.7. Maintenance of various records including minutes of meetings, member passbooks, savings and loan register and group pass book.
- 5.8. Withdrawal of membership, disqualification of membership, change in the rules and regulations and dissolution of the SHG
- 5.9. Norms for imposition of fines/penalties on group members and amount of penalty for: [a] not attending the meetings, [b] irregular savings, and [c] non-repayment of loan on time, etc.;

Box 1 : Key operational Principles of SHGs:

- Agreed conditions for meetings;
- Agreed conditions for savings;
- Agreed conditions for loans to be given
- Agreed conditions for loan repayments
- Agreed social agenda

6. To facilitate the process of development of rules and regulations of the SHG's, Model Rules and Regulations are given at **Annexure I**. However, these are for guidance only. The SHG should be encouraged to make their own rules and regulations covering points mentioned in paragraph 5.

Box 2: Panchsutra for a good SHG:

1. Regular savings
2. Regular meetings
3. Regular accounts – book-keeping and accounting
4. Regular repayments
5. Adherence to rules and regulations of the SHG

Federations of SHGs at the area and city-levels

7. An Area Level Federation (ALF) is an association of SHGs consisting of representatives from all member SHGs, with the objective of supporting member-SHG, (guiding and monitoring the functioning of SHGs., and forming and training new SHGs.) The federation of SHGs is essential to deal with larger issues like bank linkage, Inter-group lending, negotiations with higher level



structures and to gain greater bargaining power over the rights and privileges of SHGs.

8. **Membership of Area Level Federation:** An Area Level Federation (ALF) may be formed with 10 to 20 SHGs covering an area of a ward or slum or such other geographical unit with a minimum of 2 members (nominated representatives) per SHG. However the Urban Local Body (ULB) may decide the number of SHGs in a federation as per the local conditions.

9. An ALF should be registered as a society/an association under the relevant law of the State. Model bye-laws for ALFs are at Annexure II. However these are only indicative and ALFs should be encouraged to make their own bye-laws.

10. Responsibilities of an ALF:

- 10.1 Facilitate bank linkages for member SHGs i.e. opening of their accounts and helping them getting loans;
- 10.2 Providing hand-holding support in the development of loan proposals by member SHGs;
- 10.3 Capacity building of new SHGs as well as existing member SHGs for their successful functioning;
- 10.4 Facilitate member SHGs' access to benefits under NULM as well as access to social assistance benefits under various government programmes;
- 10.5 Support the formation of new SHGs and monitor and evaluate functioning of its member SHGs (An indicative checklist for a functional SHG is at **Annexure III**)
- 10.6 Resolve issues raised by member SHGs in accessing credit from banks.
- 10.7 Raise issues of importance at the level of the City-Level Federations (CLFs).
- 10.8 Regularly report to the ULB about the SHG's functioning

11. The ALFs will come together to form a City-level Federation (CLF). It is expected that each city will have at least one CLF. The CLFs should be registered as societies/association under the relevant law of the State. All ALFs in a city should be represented at the CLF. Bigger cities may have more than 1 CLF based on the size and population. The CLF is expected to work with ALFs, member SHGs, city administration and financial institutions to ensure social and economic empowerment of the urban poor.

12. Responsibilities of a CLF:

- 12.1 To represent the needs of the urban poor at various levels;
- 12.2 Advocacy with the ULBs and state governments for pro-poor planning, master plans, vendor planning, etc.;
- 12.3 To facilitate access of member ALFs' and member SHGs' to banking services;
- 12.4 New group formation and support;



- 12.5 To identify specific training and capacity building needs of its member ALFs;
- 12.6 Work closely with the respective ULB to facilitate identification of beneficiaries for various government programmes;
- 12.7 Facilitate marketing of SHG produce/products

Formation of SHGs: Engagement of Resource Organisations (ROs)

13. The experts hired under City Mission Management Unit (CMMU) along with the community organizers will work at the field level for formation of SHGs under NULM. The services of ASHA / Anganwadi workers and other community level functionaries under various schemes / programmes of the central and state governments may also be utilised for this purpose.

14. However, for catalysing the formation of SHGs and their federations and to promote the financial inclusion of SHG members under NULM, autonomous registered agencies set up by State or Central Government or well established long-standing federations of SHGs or non-government organisations may be engaged as Resource Organisations (RO). The Resource Organisations will facilitate the formation of SHGs and their development, bank-linkages, their federation at the area and city-levels, training and capacity building, and establishing links to ULBs.

15. A maximum of Rs. 10,000/- can be spent per SHG for its formation, handholding, training of all the members, bank linkage, formation of federation and other related activities. The ULB will decide on the area to be covered per RO depending on their capacity. An RO should cover a minimum of 50 SHGs. States or the ULB will be expected to enter into an agreement with RO and payment will be made on the basis of milestones like SHG formation, training of members, bank linkage, formation of federation at the area and city levels and access to benefits under NULM, including revolving fund. The RO will handhold the SHG for a period of two years.

16. The functions of the RO are as follows:

- 16.1 Identifying Affinity Groups: ROs should identify prior relationships of trust and mutual support and encourage those individuals to form SHGs. The membership should be preferably through participatory approach and self-selection.
- 16.2 Capacity Building: Once the SHG is formed, ROs will be expected to train ALL members of the SHG (not just the leaders/representatives) in: (a) the basic concepts of functioning of a SHG like how to conduct meetings, basics of savings, lending money, repayment habits; responsibilities of group members; (b) book-keeping and accounting, fund management, building bank and credit linkages; (c) communication, decision making, conflict resolution, self-assessment, etc.; and (d) accessing government benefits under NULM and other programmes of the Government.



- 16.3 Handholding support for at least 15 months: Once the groups are formed, ROs will be required to attend their meetings on a regular basis. The ROs will also bring in bankers, government officials from various departments, and members from established SHGs (for cross-learning) to interact with the SHGs. The ROs will assist the Community Organiser in the evaluation of the performance of SHGs being supported by it. Within a month of formation of the SHG, all groups which do not have bank-accounts should be helped to open SHG bank accounts and the ROs will also facilitate credit to SHG from banks. Groups should be encouraged to access credit from other formal sources as well.
- 16.4 Withdrawal of support between 15-24 months: In this period, ROs will be expected to withdraw active support from those SHGs that are formed and performing satisfactorily. At this stage the level of monitoring will increase and at the end of the 24 months of support, a critical evaluation of the supported SHGs in collaboration with the Community Organiser must be undertaken to determine whether the SHG is self-sustaining. ROs will also ensure that SHGs are federated into ALFs and work closely with ALFs and CLFs to build their capacity.
- 16.5 ROs will also facilitate UID enrolment, opening of Basic Savings Bank Deposit Accounts (BSBDAs) and credit counselling of SHG members

A model framework for engagement of ROs under NULM is at **Annexure IV**. These are indicative and for guidance only; States/ULBs may suitably amend these based on local conditions.

17. Selection of ROs:

- 17.1 The autonomous registered agencies set up by state or central governments or well established long-standing federations of SHGs or non-government organisations having significant experience in managing large-scale community driven programmes and developing successful implementation strategies in social mobilization and institution building in urban or rural areas may be preferred as ROs.
- 17.2. In addition, non-government organisations may be selected as an RO on the basis of domain knowledge and prior experience in social mobilization of poor households, training and capacity building, livelihood promotion, and bank linkage. While assessing the capacity of an NGO weightage should also be given to registration status of the organization, turnover, number of years of experience, procurement and financial management capacity and number of dedicated expert staff etc.
- 17.3. State Urban Livelihood Missions (SULMs) will be responsible for the selection of ROs across NULM cities in a transparent manner. SULMs are free to engage ROs at



the state level or allow ULBs to empanel ROs on their own.

- 17.4. Care must be taken to ensure that the RO chosen is experienced in working with the urban poor at the grass-root level and preference must be given to ROs with a proven track record on this.
- 17.5. ROs may engage Community Resource Persons (CRPs) on their team for the formation of SHGs under NULM; however sub-contracting will not be allowed. CRPs are members of a mature SHG, who have good knowledge and experience of SHG concepts, group management norms, SHG meeting process, book-keeping, agenda fixation etc. They have the ability and skills to motivate the poor, and conduct trainings by drawing lessons from their personal experiences and the best practices of their SHGs. CRPs act as guides and role models for other poor individuals.
- 17.6. States may empanel the Resource Organizations through an open competitive bidding process based on strict criteria for selection (technical parameters) so that the quality of services is not compromised.

Transition of community structures under SJSRY TO NULM:

18. Under the “Urban Community Development Network” (UCDN) component of SJSRY, the community structures like “Neighbourhood Groups” (NHGs), “Neighbourhood Committees” (NHCs) and “Community Development Societies” (CDS) have been formed. The SHGs/Thrift & Credit Societies were also allowed to be set up separately. The SHGs/Thrift & Credit Societies formed under SJSRY may continue to function; however, the NHGs will be encouraged to transform into SHGs and do thrift and credit activities. Similarly, NHCs and CDS can gradually migrate to community structures envisaged under NULM.

19. The Resource Organization engaged by the State/ULB will work with community structures formed under SJSRY to bring them in line with the three tiered structure of NULM. Also, the existing SHGs/Thrift & Credit Societies/NHGs formed under SJSRY will be given support for bank-linkages and training and capacity building etc. by the Resource Organization.



COMPONENT 1.2 UNIVERSAL FINANCIAL INCLUSION

20. *Financial Inclusion denotes delivery of banking services and credit at an affordable cost to the vast sections of disadvantaged and low income groups. The various financial services include savings, loans, insurance, payments, remittance facilities and financial counselling / advisory services by the formal financial system*¹. NULM aims to achieve universal financial inclusion, beyond basic banking services, covering all urban poor individuals/households which may include the followings:

Financial Literacy

21. The objectives of Universal Financial Inclusion cannot be achieved in absence of a strong support mechanism pertaining to financial literacy. In order bring all the beneficiaries within the ambit of Universal financial inclusion it is imperative that the States/ULBs should take positive action to achieve financial literacy for individual beneficiaries and SHGs as per their requirements:

- 21.1 The ROs will organise sessions on financial literacy for SHG members. In these sessions the beneficiaries will be made aware about savings, credit, remittance, insurance etc., along with the modalities and operational requirements for accessing the same.
- 21.2 The banks, financial Institutions, insurance agencies, micro finance agencies may be -encouraged to communicate with the urban poor through City Livelihood Centres (CLCs), campaigns etc
- 21.3 ULBs will ensure availability of information and IEC material regarding financial literacy with CLCs, and ROs.
- 21.4 The RBI has issued detailed guidelines to all the banks for opening of Financial Literacy Centres. The latest guidelines are contained in RBI circular RPCD.FLC.No. 12452/12.01.018/2011-12 dated June 6, 2012 and RBI circular RPCD/FLC.No. 7641/12.01.018/2012-13 dated January 31, 2013. As per these guidelines all the lead banks are mandated to open at least one Financial Literacy Centre in the office of Lead District manager. Additional Centre can be opened as per requirement of the area. The ULB will do the necessary coordination in their respective jurisdiction through Financial Literacy Centres (FLCs) of the banks to organise financial literacy sessions and camps.
- 21.5 ULB will assign targets to Community Organisers (COs) and ROs the number of financial literacy sessions and camps to be organised on an annual basis.

¹Report by the Committee on Financial Inclusion Jan 2008' headed by C. Rangarajan



Opening of Bank Accounts

22. Holding a bank account itself confers a sense of identity, status and empowerment and provides access to the formal financial system. The Department of Financial Services, Ministry of Finance, Government of India has issued directions to all the banks to open one account per family in all rural and urban areas. In urban area, the Lead District Manager is required to allocate each ward to a particular bank for ensuring opening of an account for each family (Letter no. 6/23/2012-FI dated 24th July, 2012). Efforts should be made so that all the potential target beneficiaries should have facility of an account as a bare minimum requirement for coverage under this component. The operational steps involved are as follows:

- 22.1 Consensus on procedures/process for opening up of accounts for the beneficiaries including linkage with UID- Aadhaar (if required for KYC) at SULM, State Level Bankers Committee (SLBC) and its convenor bank's level.
- 22.2 The SULM in coordination/ discussion with respective SLBC and its convenor banks need to ensure following
 - 22.2.1 Inclusion of opening up of Basic Savings Bank Deposit Accounts (BSBDAs) for NULM beneficiaries as a priority agenda in meetings of State Level Banking Committee (SLBC)
 - 22.2.2 Operational formalities such as availability of forms at all the branches/ extension counter of the banks, CLCs, & ULBs office.
 - 22.2.3 Organise camps within the respective jurisdiction of ULB in coordination with banks for opening up of accounts with support of COs and ROs
 - 22.2.4 Encourage banks to engage Business correspondents (BC)/Business Facilitators as per the requirement of the city for effective outreach.
- 22.3 The targets for opening of BSBDA for potential beneficiaries will be decided on an annual basis by SULM in discussion with respective SLBC to cover up all the potential NULM beneficiaries in a phased manner.

Affordable Insurance (Health, Life and Pension):

23. In order to bring the beneficiaries of NULM within the ambit of social insurance and to provide coverage from risks/ uncertainties viz: death, accident, disability, hospitalisation & retirement the respective SULMs will ensure facilitation of low cost insurance products/ services including micro-pension to the potential beneficiaries.

- 23.1 SULM should ensure maximum coverage under the existing/ ongoing insurance schemes of Government of India such as Rashtriya Swasthya Bima Yojana (RSBY)



- for health insurance, Aam Admi Bima Yojana (erstwhile Janashree Bima Yojana) for Life Insurance, any state specific insurance schemes and micro insurance products.
- 23.2 Identification/finalisation of insurance schemes by SULM after analysing premium cost and product benefit of each.
 - 23.3 The COs/ROs/other institutions will ensure awareness about the shortlisted schemes through SHG meetings, camps etc. In these meetings, they will communicate the features, advantages, benefits and premium cost along with claims procedures for each scheme. Where possible ULB should ensure that representatives of insurance providers are invited to share the scheme details with the beneficiaries.
 - 23.4 The ULB may explore the possibility of engaging matured SHGs as micro insurance agents in discussion with insurance providers.
 - 23.5 The ULB must take care that no scheme is imposed on the beneficiaries and they should be encouraged to understand the benefits and choose scheme as per their own free will.
 - 23.6 ROs and COs will prepare a list of persons interested in insurance schemes and will facilitate linkage/ enrolment to the selected scheme periodically.
 - 23.7 The ULB will share annual progress made with regard to coverage of beneficiaries under various insurance scheme to SULM.

COMPONENT 1.3 REVOLVING FUND SUPPORT TO SHGs AND THEIR FEDERATIONS

Revolving Fund Support to Self-Help Groups (SHGs)

24. The revolving fund is provided to the Self Help Groups (SHGs) to inculcate the habit of thrift and credit. The revolving fund also builds institutional capacity of the SHGs in managing funds. The revolving fund would form part of the corpus along with their own savings. The revolving fund can also be used for internal lending and interest may be charged similar to interest charged for lending from out of their own savings.

25. A **one-time** Revolving Fund support of Rs.10,000 will be provided to urban poor SHGs, which have not availed such support earlier. A SHG should be functional for a period of **6 months** with at least **70%** of SHG members should be **urban poor** to become eligible for Revolving Fund support under NULM. The RF is also available to existing SHGs formed under SJSRY which have not availed the same.

26. The SHG can route its application (in prescribed format **Annexure-V**) for revolving fund through ROs to ULB. The ULB will check the application and requisite documents/records of the SHG like number of meetings held and minutes recorded since inception, collections made from members towards group savings & regularity in savings, collection and amount of savings



mobilized etc. before sanctioning and releasing the Revolving Fund to eligible SHG. ULB may take some random sample check of RF applications for field level verification if required for due diligence. The RF will be transferred directly into the bank account of the respective SHG by ULB.

27. The ULB should ensure timely release of the revolving fund to the SHG within a period of **15 days** from the date of receipt of application. The ULBs will also periodically report the progress in terms of number of SHGs availed revolving fund to SULM for further reporting to the Ministry.

Revolving Fund Support to Registered Area Level Federations (ALFs):

28. A **one-time** Revolving Fund support to the tune of **Rs. 50,000** would be available to **registered** Area Level Federations (ALFs) of SHGs. This revolving fund may be used as seed capital for the ALFs for smooth operation and will form part of corpus of the ALFs. The ALFs may utilise the revolving fund for onward lending to SHGs, providing to member SHGs various support services and for awareness creation/ information dissemination etc.

29. The registered Area Level Federations (ALFs) may apply to the concerned ULB for revolving fund support in a prescribed format (**Annexure-VI**) with support of ROs. The ULBs will examine the application of an ALF for sanction and release of Revolving Fund broadly based on parameters like documentation with regard to the registration of the ALF, Management of finances/ accounts and source of funds, Number of Meetings with periodicity, Office bearers roles and responsibilities, Training Capacity building of the SHGs and any other parameter as decided by the ULBs. ULB may take some random sample check of applications for field level verification, if required for due diligence. The ULB will transfer the Revolving Fund to the eligible Area Level Federations (ALFs) directly into their bank accounts.

30. The ULBs will also periodically report the progress in terms of number of ALFs availed revolving fund to SULM for further reporting to the Ministry.

COMPONENT 1.4 CITY LIVELIHOOD CENTRES

Concept of City Livelihood Centres (CLCs)

31. The informal sector has traditionally been a source of services for middle and higher income groups in cities through provision of services such as security, carpentry, gardening, construction, plumbing, electrical work, health care support, housekeeping etc. However these services are not available in organized and reliable manner in urban areas.

32. The urban poor who produce marketable goods and services many times are often not able to find a viable market. The urban poor also lack information regarding the various opportunities/ benefits available to them via government and other programmes (e.g. skill training opportunities, bank credit, social security benefits, etc.) Therefore, the urban poor need support services to help



them access several opportunities available to them. For example, to access a micro enterprise loan they should have a project plan, documentation etc., as needed by a bank. They may also need help to access services for registration, accounting and legal support.

33. The objective of establishing City Livelihood Centres (CLCs) at city level is to address the above mentioned gaps and create a platform where:

- 33.1 The urban poor can offer their goods and services in an organized manner to the potential buyers i.e. the CLC would strive to bridge the gap between demand and supply of the goods and services produced by the urban poor.
- 33.2 The urban poor can access information and business support services as and when needed by them, which would otherwise not be accessible to them.

Establishment of CLCs

34. The primary responsibility of establishing and running the CLC rests with the ULB. The ULB will be required to allocate space/ premises for establishing the CLC. It is essential that the CLC is located at a central and convenient location which the urban poor can access easily. If such a space is not available with the ULB, they should hire space for establishing the CLC. ULBs may also outsource the functioning of CLC to Community based Organisation (CBO) (e.g. CLF) or any other organisation/agency, if needed.

35. CLCs may be established as per the following norms:

- 35.1 One (1) CLC per city with population of 1-3 lakh; One (1) CLC can also be established in case of district headquarter towns with population less than 1 lakh;
- 35.2 Two (2) CLCs per city with population of 3-5 lakh;
- 35.3 Three (3) CLCs per city with population of 5-10 lakh;
- 35.4 A maximum of 8 CLCs can be established in cities with population more than 10 Lakhs.

Process steps for establishment of CLCs by ULBs

36. **Preparation of CLC proposal (including action plan)** – The ULB is required to prepare a proposal for establishing a CLC which will be submitted to SULM for approval and sanction. A letter of allotment of building premises (own/ rental) from Urban Local Body should be attached with the proposal submitted to SULM. The proposal must list out the services that the CLC intends to offer and the business model of the CLC. The proposal should contain details as provided in **Annexure VII**.



37. **Approval of proposal by SULM** – SULM will scrutinise the proposal and accord sanction or rejection of the proposal.
38. **Publicity and awareness campaign**- Once the sanction order is received by the ULB, a publicity campaign should be organised in the CLC operational area to create awareness among the urban poor as well as the city residents. Publicity campaign may use pamphlets, local TV/ radio/newspaper ads, announcements, posters, banners, wall writings, etc., in order to have a wider coverage and information to the citizens.
39. **Establishment of infrastructure**- The requisite infrastructure viz., chairs, computers, phones, tables, racks etc., should be placed at the CLC. The suggested space for establishing CLC is 1,000 sq.ft with two rooms and a wash room.
40. **Recruitment of staff** - Initially, a staff of 1-2 persons may be recruited to run the CLC. In case any agency (CBO or Agency) has been given responsibility of managing the CLC, the agency will need to hire the requisite staff.

Funding for Establishment of CLCs

41. Each CLC will be provided a non-recurring grant of Rs. 10 Lakhs as untied funds. The amount will be released in 3 instalments. The milestones for release of instalments may be as follows:
- 41.1 **Release of first instalment** – The first instalment of 30% should be released by SULM to ULB within one week after the proposal is approved and sanction order is sent.
 - 41.2 **Release of second instalment** – The second instalment of 40% can be released once the staff of CLC is recruited as per the action plan.
 - 41.3 **Release of third instalment** – The third instalment of 30% can be released once the CLC is launched and the services are rolled out as per the action plan.
42. **Non-permissible activities for usage of CLC funds:** Central share released for CLCs should not be used for construction or renovation of physical infrastructure.

Services of CLCs

- 42.1 The urban poor will be provided information and necessary support for opening of Bank Accounts, information on training/ employment opportunities under NULM and other schemes, information on social welfare schemes, enrolment for UID/ Aadhar Card etc.
- 42.2 The CLCs will provide support for marketing of goods and services of the urban



poor who are registered with the CLCs. The CLCs may charge a registration fee from those urban poor who are offering their services and products. The registration may be renewed every year on charge of renewal fee. The registration and renewal fee will be fixed by the ULB after consultation with the urban poor in the area.

42.3 **Fee based services:** The CLCs will also offer certain fee based service which the urban poor may avail by paying a nominal fee. The fee for each of these services will be fixed by the ULB after consultation with the urban poor in the area. The list of fee-based services along with their prices will be displayed at the CLC. A indicative list of these services is as under :

42.3.1 **Information on market demand and market strategy-** Urban Poor who run small businesses may be given support to gain a better understanding of what the market needs, demand of the products produced by them, prices, where to sell, etc.

42.3.2 **Sales/Marketing outlets-** CLCs can provide marketing/sales outlets for the products manufactured by urban poor.

42.3.3 **Registration, licensing, accounting and legal services for micro-enterprises** – CLCs can facilitate the registration of micro-enterprises and obtaining of necessary licences required, accounting and other legal services for establishing and running of micro-enterprises.

42.3.4 **Placement services** – CLC may facilitate finding suitable jobs for the urban poor matching their skills by having linkages with industries and their associations in the area.

43. Other Services:

43.1 **Bidding/contracts for citizen services** - CLCs may obtain direct work orders or bid for Annual Maintenance Contracts, municipality contracts/ housing associations service needs viz., plumbing, electricity, carpentry, dispatch of electricity bills, property bills etc. and service the contracts through the registered urban poor offering such services. However, care should be taken that CLC should take up activities relevant for urban poor only to avoid possibility of interest of urban poor pushed into background by other commercial interests.

43.2 CLCs may charge **placement fee** from industries/companies, industry associations, etc. for placing the urban poor as per their requirement (e.g. CLCs may tie up with malls or retail outlets for placing basic housekeeping staff or data-entry operators in companies, etc.)



- 43.3 **Training venue** – If sufficient space and infrastructure is available with CLC, the premises may be provided as training venue also.
- 43.4 **Crèche service** – In case working mothers of members require crèche services, feasibility of setting up crèche service may be explored by CLC.
- 43.5 CLC may explore the possibility of collaboration with UID for issuance of UID/ Aadhar card for citizens in the CLC area.
- 43.6 Provide access to various government departments, banks, insurance agencies and other organisations to communicate with the urban poor.

44. The above list is only indicative. The ULBs may decide the services (fee based or otherwise) to be offered to by the CLCs based on local needs and after due consultation with the urban poor.

Management and Functioning of City Livelihood Centres

45. CLCs may be considered to be functional when the services are rolled out. Each CLC should develop its business plan and identify the services and their fee structure as per market requirement, affordability and viability.

46. In order to manage the day-to-day operations at CLCs, staff should be hired depending on the nature and type of the services provided by the CLCs.

47. In case of contracts/ bids, CLCs will assign tasks among the members and pay them as per the standard rates applicable. In case of individual service calls attended by members (e.g. plumbers, electricians, carpenters, etc), these will be noted, consolidated and accounted for no later than the end of every month.

48. A separate bank account should be opened in the name of CLC and should be operated as joint signatory (with one representative from ULB or organisation/agency and manager of CLC). All the required books of accounts viz., membership details, share capital, business transactions etc., should be maintained properly at the CLC level.

49. **Review of CLC performance** – The performance of CLC will be regularly reviewed by the ULB.

50. **Registration of CLC:** CLCs may be registered under any suitable act applicable in the state. CMMU or agency (if entrusted) may take up the responsibility of registering the CLCs at the city level.

Collaboration and Linkages

51. CLCs are expected to collaborate with a variety of government departments to provide needed services to its members such as, property tax collection, electricity bills distribution, birth certificates etc.,



COMPONENT 1.5 TRAINING FOR COMMUNITY INSTITUTIONS, SHGs AND THEIR FEDERATIONS

52. The basic objective of imparting the training and other capacity building inputs to the community members is to equip them with requisite skills to manage their community institutions.
53. A multi-pronged strategy consisting of exposure visits to model institutions, developing master community resource persons and using them for training the community members should be adopted for continuous capacity building of community structures viz., SHGs and their federations.
54. The minimum training set to the community members should include functioning and management of SHGs and Federations, bank linkages, book keeping, micro planning etc.,
55. A pool of CRPs, professionals, civil society organisations, resource agencies with domain expertise and experience (e.g. issues like bank linkage, book keeping and accounts, micro-planning, micro-investment process, roles and responsibilities of members, etc.), should be identified and engaged for providing capacity building inputs to the community institutions.
56. An average amount of Rs. 7,500 per trainee can be used for training the members of ALFs and CLFs.

MONITORING & EVALUATION

57. The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and upto the end of the quarter, and key issues in implementation.
58. In addition, under NULM, a comprehensive and robust IT-enabled MIS will be established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit of proactive disclosure of information and ensuring transparency under NULM, key progress reports under SM&ID will also be made available on the public domain in a timely manner.



Annexure I: Model SHG Rules and Regulations

1. The name of the group shall be _____ and hereinafter referred to as “The SHG”.

2. The SHG is located in _____ city and the address of the group is as follows:

Pin-code: _____

3. **Objectives:** The objectives of the SHG are:

- a. To promote regular savings among members of the group
- b. To make available credit to members of the group to meet urgent domestic needs
- c. To form a group that would be eligible to receiving benefits under the National Urban Livelihoods Mission (NULM) and other schemes of the Government of India and State Governments and would be able to articulate a demand for the same.
- d. To build leadership skills of members so that they can manage the group in rotation.

4. **Membership:**

- a. Persons above 18 years of age at the time of joining
- b. Persons who are desirous of saving his/her money with the SHG
- c. Persons who are willing to take a loan from the SHG
- d. Persons who have been a resident of _____ <name of a slum/area> _____ since _____ <enter year here> _____
- e. OR persons from families that have been identified as “poor” by the State Government in urban areas.
- f. Not more than one member per family shall be allowed to join a group
- g. The total number of members at any time should not exceed 20 persons or be less than 10 persons.



5. Savings:

- a. Every member shall save Rs. _____ (in figures and words) per month and on _____ (specify date here) all members will deposit their individual savings with the Treasurer of the SHG
- b. The SHG shall decide the savings amount on a regular basis from time to time. Any changes to this amount and the reason for the same will be reflected in the record of the meetings of the SHG
- c. If a member does not pay savings money on a decided date, s/he will be fined with Rs. _____ (in figures and words) per _____ (specify per month, per week, or per day)

6. Group Management:

- a. There shall be a management committee for the SHG responsible for its day-to-day and strategic management
- b. The Management Committee shall consist of three office bearers – Chairperson, Secretary and Treasurer – who shall each be elected by all members of the group from among the members for a period of 1 (one) year.
- c. These office bearers cannot remain in office continuously for more than 2 terms.
- d. In case the group elects to have more than one member per family as members of the group, then no two members of the same family should stand for elections as SHG office bearers at the same time.
- e. Responsibilities of the Chairperson:
 - i. Presides over the regular meetings and any other meetings of the SHG
 - ii. Signs (or puts thumb impression) to approve the decision and resolutions of the SHG taken at various meetings
 - iii. Calls for or postpones a special meeting
 - iv. Solve a complaint with the help of other office bearers and members if required;
 - v. Check and coordinate the activities of the Secretary, Treasurer and other members
 - vi. Maintain relationships within and outside the SHG, especially with the banks and ULB to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of NULM



- vii. Regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.
- f. Responsibilities of the Secretary:
 - i. Call meetings with the prior permission of the Chairperson and prepare the agenda for every meeting
 - ii. Maintain a record of the proceedings of all regular and special meetings and read them out at the next meeting.
 - iii. Write resolutions made at each meeting and read them out at the same meeting.
 - iv. The Secretary will maintain the membership register, attendance register, and activity and resolution register
 - v. Conduct all meetings and chair a meeting if the Chairperson is absent.
 - vi. Verify the books of account of the SHG regularly and report to the members in every meeting.
 - vii. Maintain relationships within and outside the SHG, especially with the banks and ULB to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under NULM
 - viii. Regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.
- g. Responsibilities of the Treasurer:
 - i. Preserve all important papers and documents related to financial matters of the SHG
 - ii. Maintain all accounts of the SHG i.e. members' savings and loan register, member pass books, group bank pass book and loan book, cash transaction register
 - iii. Deposit all cash collected at meetings within two days of collection
 - iv. Pay loans approved by the SHG to members and receive savings, repayment, interest, fines, etc.
 - v. Present all financial reports of the group

7. Meetings:

- a. The group will meet ___<specify number here>_____ time/s every month. The dates



of the meetings are ___<specify dates here>___.

- b. In case of an urgent and important issue, the group can hold special meetings at a shorter notice.
- c. A minimum of 80% of the group's members with at least 2 out of 3 of the office bearers must be present for decisions to be valid. Where decisions on group funds above Rs. _____ (in figures and words) or changes in the rules and regulations are to be made, all members must be present.
- d. The SHG will hold its Annual General Meeting on ___<specify date here>_____ every year. This meeting will review the last year's activities and financial progress and plan the activities for the next year. (The group may use this meeting to conduct regular annual elections for the posts of office bearers of the Managing Committee).
- e. In case of special meetings or a change in the conduct of regular meetings, the Secretary of the group is supposed to give _____ days notice to the members about such meetings.
- f. If a member does not attend ___<specify number of meetings>_____ consecutive periodic meetings without any prior information, s/he will have to face a penalty of Rs. _____ (in figures and words) per meeting missed.

8. Maintenance of Group Records:

- a. Every member will be given a savings and loan passbook where savings and loan balances for each member are recorded and updated regularly. It is the responsibility of the Treasurer to make all entries.
- b. Membership, attendance, activity and resolution registers will be kept with the Secretary to register membership, proceedings, attendance and resolutions of all meetings.
- c. Savings and Loan register will be kept with the Treasurer at the group level to maintain all individual records of savings and loans
- d. Cash book and bank loan register will be maintained by the Treasurer who will update the position of all income and expenditure as well as bank loans received and repaid.
- e. Group Bank Pass Book to be maintained by the Treasurer and updated regularly at each deposit and withdrawal.
- f. All group records are to be made available freely for examination by each individual member during the meetings and at other times, with reasonable notice to the relevant office-bearer of the Managing Committee. SHGs may engage a non-member for book-



keeping, fixing a token payment for the service. However members providing this service to their own SHG will do so on a volunteer basis without payment.

9. Managing the Group's funds:

- a. The loan limit for each individual member shall be decided by the SHG. The amount will not exceed Rs. _____ (in figures and words) at a time.
- b. The interest rate shall be Rs. _____ (in figures and words) per month per Rs. 100.00 (Rupees Hundred Only).
- c. The loan repayment procedure shall be decided by all members of the SHG
- d. On sanction of the loan, the record of the loan, including agreed repayment schedule must be written in the applicant's saving and loan passbook and the group's saving and loan register. Thereafter, all repayments (and defaults, if any) must also be recorded in the applicant's savings and loan passbook and the group's savings and loan register.
- e. The loan shall be granted as long as:
 - i The member has repaid any previous loan amount in full, along with the interest;
 - ii The member has been depositing regular savings with the SHG for a period of at least 3 months.
- f. All the income that accrues to the SHG from interest on savings and loans and returns from penalties and fees will be added to the SHG corpus.

10. Managing the Group's Bank Account:

- a. The SHG account shall be kept in the nearest bank. The Treasurer, Chairperson and/or Secretary (any two) shall have joint signatory power. All withdrawals to be supported by a resolution of the SHG

11. Withdrawal of Membership : <Group members should discuss in detail the procedure and terms of refund of money if a member proposes to leave the group. This should be recorded in the Bye-Laws of the group>.

12. Disqualification of Membership: A member may be disqualified by the SHG on the following criteria:

- a. Non-participation in regular group meetings for more than _____ times
- b. Not depositing regularly for more than _____ months



- c. Not repaying the loan received from the group
 - d. Not following the rules of the group
13. **Change in the rules and regulations:** The rules of the SHG or any part thereof can be amended by all members present at a General Body Meeting convened for the purpose.
14. **Dissolution of the group:** In the event of group dissolution, members need to discuss the formalities and terms of group money distribution and group payables and receivables among themselves before the group can be dissolved. The agreed conditions of dissolution and re-distribution of funds should then be recorded in the bye-laws of the group. Members with a majority vote may decide to dissolve the group.



Annexure II: Model Bye-Laws for ALFs

1. The name of the federation shall be _____ and hereinafter referred to as “The Federation”.

2. The Federation shall accept as members, Self-Help Groups (SHGs) of _____ ward and the address of the group is as follows:

Pincode: _____

3. **Objectives:** The objectives of the Federation are:

- a. To provide a forum for regular interaction and networking between member SHGs and assist in the formation of new SHGs wherever needed
- b. To take up activities that strengthen member SHGs, but cannot be taken up by individual SHGs on their own such as facilitate bank linkages for member SHGs, provide handholding support for the development of member SHG’s loan proposals.
- c. To facilitate member SHGs’ access to benefits under NULM and other Government of India and State Government schemes and to create linkages with institutions of relevance for their welfare e.g. facilitate insurance
- d. Work as an information dissemination body by facilitating member SHGs’ access to skill training and micro-enterprise formation support under NULM as well as access to social assistance benefits under various government programmes, e.g. insurance
- e. Handhold and build the capacity of new member SHGs and regularly review the functioning and strengthen the capacity of existing member SHG to continue to successfully function
- f. To successfully represent the Federation and member SHGs at the City Level Federation
- g. To build leadership skills of members so that they can manage the member SHGs and the federation.

4. **Membership:**

- a. SHGs in the area defined above which have:



- i. Been in existence for at least 6 months
 - ii. Been meeting and saving regularly (not less than 80% of the members)
 - iii. Been repaying any loans given (not less than 90% repayment)
 - iv. Paid the prescribed admission fee and the fixed yearly subscription fees
- b. Each member SHG will elect two of its members to represent the group in the Executive Committee of the Federation for a one year term. One of these members shall be an SHG office bearer; the other one may be a general SHG member or an office bearer.

5. Contributions:

- a. At the time of admission, each SHG shall pay an admission fee of Rs. _____ (in figures and words)
- b. Each member SHG shall pay a subscription fee of Rs. _____ (in figures and words) per year.
- c. If a member SHG does not pay the yearly subscription fee on the decided date, it will be fined Rs. _____ (in figures and words) per _____ (e.g. per month / week / day)

6. Group Management:

- a. A General Body (GB) shall comprise two representatives per member SHG
- b. From the GB, five members shall be selected as the Management Committee who shall be responsible for strategic and day-to-day management of the federation.
- c. The Management Committee shall consist of five office bearers– Chairperson, Secretary, Treasurer, Livelihood Volunteer, Social Security Volunteer and Financial Inclusion Volunteer – who shall each be elected by all members of the ALF from among the ALF members for a period of 1 (one) year.
- d. These office bearers can remain in office continuously for only 2 terms.
- e. All three office bearers must be from three different SHGs.
- f. Responsibilities of the Chairperson:
 - i. Presides over the regular meetings and any other meetings of the Federation
 - ii. Signs (or puts thumb impression) to approve the decision and resolutions of the Federation taken at various meetings



- iii Calls for or postpones a special meeting
 - iv Check and coordinate the activities of the Secretary, Treasurer and other members
 - v Maintains relationships within and outside the Federation, especially with the banks and ULB of _____ (name of the city) to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of NULM
 - vi Regularly report progress of the Federation to the ULB of _____ (name of the city) along with any other details requested in a timely manner.
- g. Responsibilities of the Secretary:
- i Call meetings with the prior permission of the Chairperson and prepare the agenda for every meeting
 - ii Maintain a record of the proceedings of all regular and special meetings and read them out at the next meeting.
 - iii Write resolutions made at each meeting and read them out at the same meeting.
 - iv The Secretary will maintain the membership register, attendance register, and activity and resolution register
 - v Conduct all meetings and chair a meeting if the Chairperson is absent.
 - vi Verify the books of account of the Federation regularly and report to the members in every meeting.
 - vii Maintain relationships within and outside the Federation, especially with the banks and Urban Local Body of _____ (name of the city) to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of NULM
 - viii Regularly report progress of the Federation to the ULB of _____ (name of the city) along with any other details requested in a timely manner.
- h. Responsibilities of the Treasurer:
- i Preserve all important papers and documents related to financial matters of the Federation
 - ii Maintain all accounts of the Federation i.e. cash book, loan ledger, receipt and payment vouchers.



- iii Deposit all cash collected at meetings within two days of collection
- iv Pay loans approved by the Federation to members and receive savings, repayment, interest, fines, etc.
- v Present all financial reports of the group
- i. Responsibilities of the Livelihood Volunteer:
 - i Identify employment sectors which would increase income for SHG members
 - ii Provide support for setting up new enterprise ventures under NULM linking the members to credit and advisory services;
 - iii Provide linkage with skill training opportunities under NULM
- j. Responsibilities of the Social Security Volunteer:
 - i Evaluate the social security needs of member SHGs;
 - ii Liaise with ward officials in charge of health, education and other social security such that member SHGs are linked with benefits available in the city
 - iii Compile and update a list of schemes in the city whose benefits member SHGs can access and disseminate this information through the ALF.
- k. Responsibilities of the Financial Inclusion Volunteer:
 - i Ensure that member SHGs are linked with banks;
 - ii Ensure that member SHGs are linked with financial institutions for insurance and money remittances;
 - iii Ensure that individuals from member SHGs have Basic Savings Bank Deposit Accounts (BSBDAs)
 - iv Ensure that all member SHGs undergo financial literacy training

7. Meetings:

- a. The group will meet ___<specify number here>_____ time/s every month. The dates of the meetings are ___<specify dates here>_____.
- b. In case of an urgent and important issue, the group can hold special meetings at a shorter notice.
- c. A minimum of 80% of the group's members with at least 2 out of 3 of the office bearers



must be present for decisions to be valid. Where decisions on group funds above Rs. _____ (in figures and words) or changes in the bye-laws are to be made, all members must be present.

- d. The Federation will hold its Annual General Meeting on ___ <specify date here> _____ every year. This meeting will review the last year's activities and financial progress and plan the activities for the next year. (The group may use this meeting to conduct regular annual elections for the posts of office bearers of the Managing Committee).
- e. In case of special meetings or change in the conduct of regular meetings, the Secretary supposed to give _____ days notice to the members about such meetings.
- f. If an SHG representative does not attend ___ <specify number of meetings> _____ consecutive periodic meetings without any prior information, the SHG will have to face a penalty of Rs. _____ (in figures and words) per meeting missed.

8. Maintenance of Group Records:

- a. Membership, attendance, activity and resolution registers will be kept with the Secretary to register membership, proceedings, attendance and resolutions of all meetings.
- b. Cash book and bank loan register will be maintained by the Treasurer who will update the position of all income and expenditure as well as bank loans received and repaid.
- c. Group Bank Pass Book to be maintained by the Treasurer and updated regularly at each deposit and withdrawal.
- d. All group records are to be made available freely for examination by each member SHG during the meetings and at other times, with reasonable notice to the relevant office-bearer of the Managing Committee.

9. Managing the Group's funds:

- a. Loans will be considered during periodic meetings of the federation based on a written application from any member SHG addressed to the Chairperson of the Managing Committee of the federation. While representatives of the member SHG applying for the loan may take part in the discussions, they will not be allowed to vote at the time of taking a decision on the loan.
- b. The loan limit for each individual member SHG shall be decided by the full Executive Committee considering the financial position of the federation and its obligations to meet the credit needs of a number of member SHGs
- c. The interest rate shall be Rs. _____ (in figures and words) per month per Rs. 100.00



(Rupees One Hundred Only).

- d. The loan repayment procedure shall be decided by the Executive Committee of the Federation.
- e. On sanction of the loan, the record of the loan, including agreed repayment schedule must be recorded in the Activity, Resolution, Saving and Loan registers. Thereafter, all repayments (and defaults, if any) must also be so recorded.
- f. The loan shall be granted as long as:
 - i The member SHG has paid all federation membership fees due and has repaid any previous loan amount in full, along with the interest
 - ii The proposed loan purpose is viable
 - iii The member SHG is meeting and saving on a regular basis, is following its bye-laws and takes an active interest in the Federation
- g. All the income that accrues to the Federation from interest on savings and loans and returns from penalties and fees will be re-invested in the Federation fund/corpus.

10. Managing the Group's Bank Account:

- a. The Federation account shall be kept in the nearest bank. The Treasurer, Chairperson and/or Secretary (any two) shall have joint signatory power. All withdrawals to be supported by a resolution of the Executive Committee of the Federation.

11. Withdrawal of Membership: <The Executive Committee should discuss in detail the procedure and terms of refund of money if a member SHG proposes to leave the group. This should be recorded in the Bye-Laws of the group>

12. Disqualification of Membership: A member SHG may be disqualified by the Federation on the following criteria:

- a. Non-participation in regular federation meetings for more than _____ times
- b. Not paying the subscription fee
- c. Not repaying the loan received from the federation
- d. Not following the rules of the group

13. Change in the bye-laws: The rules of the Federation or any part thereof can be amended by all members present at a General Body Meeting convened for the purpose.



14. **Dissolution of the federation:** <In the event of group dissolution, members need to discuss the formalities and terms of group money distribution and group payables and receivables among themselves before the group can be dissolved. The agreed conditions of dissolution and re-distribution of funds should then be recorded in the bye-laws of the group. Members with a majority vote may decide to dissolve the group.



Annexure III: Checklist for a functional SHG

This is to be applied monthly

S. No.	Factor to be checked	Checklist
1.	Group Size	Number of members in a group
2.	Types of Members	70% urban poor to ensure Revolving Fund access
3.	Number of meetings	Minimum once in a week
4.	Rules of SHGs	The rules of SHGs should be framed and rules followed in every meeting
5.	Attendance of members per meeting	Minimum 90% attendance per meeting
6.	Savings collection within the group	Savings deposited by all members in each regular scheduled meeting held
7.	Internal Loan repayment from members	All internal loans repaid on time by SHG members as per the loan repayment schedule
8.	Maintenance of records	<ul style="list-style-type: none"> • There should be a record of every meeting in the minute book with signature / thumbprint of all members • Every meeting should have a record of attendance • Savings and internal loans register should be updated in every meeting • Bank passbook to be updated once a month
9.	Management Committee	<ul style="list-style-type: none"> • All three office bearers (Chairperson, Secretary and Treasurer or their equivalents) have been elected • Elections have been carried out once a year • All three office bearers have attended at least 90% meetings each • No two members of the same family are office bearers in the SHG
10.	Bank linkages	<ul style="list-style-type: none"> • The SHG should have a bank account • The SHG should have been successful in grading by a bank for credit access
11.	Capacity Building	<ul style="list-style-type: none"> • Every SHG member has gone through a basic SHG training at least once • Every SHG member has gone through basic financial literacy training at least once • SHG office bearers have undergone leadership and SHG management training



Annexure IV: Model Framework for Engagement of Resource Organisations (ROs) for the formation of SHGs under NULM

(These are simply an indication of how ROs can be engaged by the SULM for community mobilisation. Each SULM is free to adopt or amend these to suit their requirements)

Section A: Background

The National Urban Livelihoods Mission (NULM) aims at reducing 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, by building strong grassroots level institutions of the poor.

To ensure accomplishment of social mobilization, NULM will partner with Resource Organisations (ROs) to promote the formation of SHGs in urban areas. ROs will be engaged to facilitate the formation of SHGs, their development and bank linkages, their federation at the area and city levels, training and capacity building, establishing links to ULBs, and to mitigate social, occupational, and residential vulnerabilities.

Section B: Expected outcomes of the engagement with ROs

1. At least 1 member from each identified urban poor household, preferably a woman has to be a member of an SHG.
 - 1.1. At least 70% of the members of SHGs should be urban poor.
 - 1.2. ROs to train SHGs to build their capacity on issues such as: (a) the SHG concept (including savings), how to conduct meetings, responsibilities of group members, etc; (b) book-keeping and accounting, fund management, building bank and credit linkages; (c) communication, decision making, conflict resolution, self-assessment; and (d) accessing government benefits under NULM, and other social programmes of the central, state and local governments
 - 1.3. All SHGs to have a bank account for deposit of savings;
 - 1.4. All SHGs to be linked to banks for credit;
 - 1.5. All new SHGs formed access revolving fund support under NULM
2. SHGs will be federated at the area-level and at least one City-level Federation will be formed per City.
 - 2.1. ROs to ensure that all members of ALFs/CLFs undergo training to build their capacity on issues such as: (a) the federation concept (including savings), how to



conduct meetings, responsibilities of group members, federations etc; (b) book-keeping and accounting, fund management, building bank and credit linkages; (c) communication, decision making, conflict resolution, self-assessment; and (d) accessing government benefits under NULM, and other social programmes of the central, state and local governments;

2.2. All ALFs/CLFs to be registered;

2.3. All new ALFs formed access revolving fund support under NULM

Section C: Principles of partnerships with ROs

1. At the city-level, the work on NULM will begin with a mapping of the existing SHGs and social mobilisation that already exists in urban areas under NULM, the erstwhile Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and other local schemes. This exercise will also identify pockets where the urban poor have not been mobilised into SHGs at the city-level. The aim of this exercise is to assess the quality of existing SHGs (and where applicable, federations), identify the need for interventions in existing SHGs / Federations to strengthen them and transition them from SJSRY to NULM, and identify where further / new community mobilisation is needed.
2. Resource Organisations will be selected on the basis of strict criteria including registration status of the organization, turnover, number of years of experience, sound procurement and financial management capacity, number of dedicated expert staff, domain knowledge and prior experience in social mobilisation of poor households, training and capacity building, livelihood promotion and bank linkage of the community organisations.
3. Based on the mapping exercise, SULMs will evolve a plan for engagement of ROs for the community mobilisation and institution development under NULM in each state; selection of ROs will be done in a transparent manner.
4. In each city, ULBs will be responsible for developing key deliverables and concrete targets for ROs.
5. The ULB will assign the RO to a compact geographical area of the city within which the RO will function; this assignment will be done on the basis of the capacities of the respective ROs. The RO should cover a minimum of 50 SHGs. As per local conditions, more than one city may be covered by a single RO to achieve critical mass and ensure quality training.
6. ROs will report to ULBs for their day-to-day functioning

Section D: Selection criteria for ROs

1. Government institutions such as state missions of Kerala (Kudumbasree) and Andhra Pradesh



(MEPMA) and other similar missions may be engaged as ROs.

2. Only those NGOs with a strong and proven track record of working in the field should be engaged
3. As per legal requirements, the potential RO should be a registered body.
4. All potential ROs should maintain its accounting records and have properly audited annual statements of income and expenditure
5. The orientation and philosophy of potential ROs should confirm to the essential features of community mobilisation and institution building under NULM namely, adherence to participatory processes, belief in the objective of self-reliance and empowerment of the urban poor, experience in the formation of affinity groups, preferably groups managing credit and involved in income generating activities, and experience of capacity building of grassroots institutions of the poor.
6. The potential RO has a base in the city in which it proposes to work and has field experience in the area with an adequate number of trained field-level staff and a clear understanding of the socio-economic, cultural and political situation of the area. A demonstrable rapport with the community in which the potential RO proposes to work will be an advantage.
7. Resource Organisations may engage Community Resource Persons (CRPs) on their team for the formation of SHGs under NULM; however sub-contracting will not be allowed.
8. The RO should have successfully promoted the formation and bank linkage of at least 100 SHGs.
9. The potential RO should be secular in nature and not be affiliated with any political organisation
10. The potential RO should be willing to sign a Memorandum of Understanding with SULMs or ULBs committing itself:
 - 10.1. To pursuing the objectives and components of NULM;
 - 10.2. To making changes within its strategy and systems if there are obstacles in achieving the objectives of the project;
 - 10.3. To nurture and support SHGs formed as per the guidance and philosophy of NULM;
 - 10.4. To attend meetings and contribute to the feedback systems and procedures required by NULM, including regular reporting.



Section E: Scope of work of ROs

The tasks of ROs will include the following in a specific geographical area within a city assigned to them:

1. Implementing the model of institution building as outlined under NULM via guidelines and advisories issued from time-to-time
2. Mobilising the poor on the basis of affinity groups and building quality SHGs and their federations. The selection of members and the formation of SHGs should be participatory in nature.
3. The RO should ensure that at least 70% of SHG members are urban poor
4. Building the capacity of these institutions by organising training and exposure visits and learning events in order for them to further support livelihoods of their members and also facilitate social action.
5. Once the SHG is formed, ROs will be expected to train ALL members of the SHG (not just the leaders/representatives) in basic issues such as: (a) the SHG concept including savings, how a meeting of an SHG is conducted, responsibilities of group members, federations, etc.; (b) book-keeping and accounting, fund management, building bank and credit linkages; (c) communication, decision making, conflict resolution, self-assessment, etc.; and (d) accessing government benefits under NULM (especially universal financial inclusion, skill training and micro-enterprise development) and other social programmes of the central, state and local governments
6. Handholding support for at least 15 months: Once the groups are formed, ROs will be required to attend their meetings on a regular basis, bring in bankers, government officials from various departments, and members from SHGs established for a period of at least 2 years (for cross-learning) to interact with the SHGs (at the SHG and federation-levels). At this stage, ROs will also organise capacity building and encourage members of the SHG to access benefits under NULM. The ROs will assist the Community Organiser in the evaluation of the performance of SHGs being supported by it. Within a month of formation of the SHG, all groups that are not linked with bank-accounts, should be helped to open SHG bank accounts.
7. Withdrawal of support between 15-24 months: In this period, ROs will be expected to withdraw active support from those SHGs that are formed and performing satisfactorily. At this stage the level of monitoring will increase and at the end of the 24 months of support, a critical evaluation of the supported SHGs in collaboration with the Community Organiser of the ULB must be undertaken to determine whether the SHG may be deemed self-sustaining. Here ROs will encourage SHGs to federate into ALFs and work closely with ALFs and CLFs to build their capacity to take over the handholding function after the RO fully withdraws support.



8. Orchestrating convergence of relevant government programmes including facilitating UID enrolment, opening of Basic Saving Bank Deposit Accounts (BSBDAs) and credit counseling of SHG members

Section G: Monitoring & Evaluation

NULM is process intensive and at various levels it will constantly review, assess and learn from the qualitative and quantitative progress achieved. A robust IT-based monitoring and evaluation MIS would be in place to facilitate this and support informed decision making at all levels. The SULM will put in place various mechanisms for monitoring the progress of the programme in the state. These will include:

1. Accountability in SHGs including institutional self-monitoring, peer internal audit of processes and local social audit
2. MIS based input-output monitoring
3. Independent social audit, and third-party evaluation
4. Impact assessments through baseline assessments, and impact evaluation studies on key result indicators
5. Annual reports
6. Internal review mechanisms including montly / quarterly planning / progress reporting, field visits by staff / officials, joint half-yearly / annual review, review and consultation workshops and meeting of convergence fora, and coordination committees at various levels



Annexure V: Application for Revolving Fund Support to SHGs under NULM

Application for Revolving Fund (RF) Support to Self Help Group (SHG) under NULM (Attach Requisite Documents)										
Application No	Date of Application	Name of Self Help Group (SHG)	Complete Address with Pin code/ Ph No	Landmark	Date of formation of SHG	Date of opening of bank Account	Bank Account number	Bank Name	Branch Name	Branch Address
Details of Office Bearers of the SHG										
President	Name	Signature	Ph No	RO/ field coordinator	Remarks by	Remarks by	Remarks by	Over all Remarks By	Approved <input type="checkbox"/>	Date of Transfer of RF to SHG
Secretary	Name	Signature	Ph No	CMMU representative	Name	Signature	Ph No	Name	Signature	Rejected <input type="checkbox"/>
Treasurer	Name	Signature	Ph No	Name	Signature	Ph No	Date	Date		



Annexure VI: Application to Revolving Fund Support to ALFs under NULM

Application for Revolving Fund (RF) Support to Area Level Federation (ALF) under NULM (Attach Requisite Documents)											
Application No	Date of Application	Name of Area Level Federation (ALF)	Complete Address with Pin code/ Ph No	Landmark	Date of formation of ALF	Date of opening of bank Account	Bank Account number	Bank Name	Branch Name	Branch Address	Date of Registration
Details of Office Bearers of the ALF											
President	Name	Signature	Ph No	Remarks by		Remarks by		Over all Remarks By		Approved <input type="checkbox"/>	Date of Transfer of RF to ALF
				RO/ field coordinator	CMMU representative	ULB Competent Authority			Rejected <input type="checkbox"/>		
Secretary	Name	Signature	Ph No	Name	Signature	Name	Signature	Name	Signature		
				Ph No	Ph No	Ph No	Ph No	Ph No	Ph No		
Treasurer	Name	Signature	Ph No	Date	Date	Date	Date	Date	Date		



Annexure VII: Proposal Details for Establishment of CLCs

The proposal submitted by ULB to SULM should have the following details

1. Name of the Municipality
2. Total wards in the municipality
3. Total slums in the municipality
 - (a) Official
 - (b) Not specified
4. Name (s) of the ward(s) covered by CLC
5. Total population in the area
6. Total Urban poor covered in the area
7. Potential no. of members expected to be covered by CLC
8. Major services possible through CLC in the area
9. Scope for growth of CLC services in the area
10. Details of the premises given for CLC by ULB
 - a. Area
 - b. Location
 - c. Is the location is nearby to ULB office ? (Yes/No)
11. Plan for facilitation of CLC – Resource agency/ CBO
12. Proposal Prepared by
13. Proposal assessed by
14. Name and designation of the forwarding authority
15. Business Plan of CLC – to include break-even and viability



Government of India
Ministry of Housing & Urban Poverty Alleviation
Website: <http://mhupa.gov.in>

Capacity Building and Training

(Operational Guidelines)

National Urban Livelihoods
Mission



सत्यमेव जयते

Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14014/58(9)/2012-UPA
Government of India
Ministry of Housing & Urban Poverty Alleviation
(UPA Division)

Nirman Bhawan, New Delhi
Dated: 18th December 2013

OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for Capacity Building and Training (CB&T) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for Capacity Building and Training (CB&T) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from: http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.

3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)

Joint Secretary to the Government of India
Ministry of Housing & Urban Poverty Alleviation



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1. Objectives

- 1.1 The key objectives of the Capacity Building and Training (CB&T) component are:
- To transform the role of M/o HUPA and State Agencies in charge of urban poverty alleviation into providers of high quality technical assistance in the field of livelihood promotion and urban poverty alleviation;
 - To build strong institutional structures at the National, State, and City levels for efficient implementation of the NULM and;
 - To build capacity of the urban poor, their institutions and the machinery involved in the implementation of NULM

2. Overview of National Livelihoods Mission implementation structure

- 2.1 The objective of National Urban Livelihoods Mission (NULM), a flagship programme of the Ministry of Housing and Urban Poverty Alleviation (M/o HUPA) 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. The important strategies followed by NULM are:
- Building skills to enable access to growing market-based job opportunities offered by emerging urban economies
 - Training and support for the establishment of micro-enterprises (including urban street vendors) by the urban poor – self and group
 - Building capacity of the urban poor, their institutions (such as SHGs and their federations) and the machinery involved in the implementation of livelihoods development and poverty alleviation programmes
 - Ensure availability and access of the urban homeless population to permanent 24-hour shelters
 - Support to Urban Street Vendors
- 2.2 The National Urban Livelihoods Mission will have a three-tier interdependent structure (at national, state and city levels) for implementation of the programme. These 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.

3. Administration and Implementation structure at National level

- 3.1 At the national level, the National Urban Livelihoods Mission (NULM) will be established as a society registered under the appropriate law. A Mission Director will be appointed by the Government of India to look after all aspects of implementation of NULM. National Mission Management Unit (NMMU), a dedicated support team at national level, will be established to support Mission Director in implementation and monitoring of the NULM.
- 3.2 NMMU will be staffed with ten technical specialists having expertise in various fields like Social Mobilisation and Institution Development, Social Infrastructure, Skills and Livelihoods, Financial Inclusion & Micro Enterprises, Housing for Homeless, Finance, MIS, Monitoring and Evaluation, HR, Communications and Knowledge Management. The NMMU will ensure effective coordination with states/UTs and will provide directions and hand holding support to them. The list of positions and Terms of Reference (ToR) for Technical Experts at NMMU level is provided in **Annexure I**.
- 3.3 The functions of NMMU will include, but not be limited to, the following:
 - a. Implementation and monitoring of NULM
 - b. To facilitate establishment of SMMUs by the state governments
 - c. To support preparation of State Urban Poverty Reduction Strategy and Livelihood Development Plan and other pro poor programmes
 - d. To provide professional and technical inputs on specific components of NULM
 - e. To liaise with other Missions/ Ministries/Departments/ Industry Associations to explore areas for convergent action
 - f. To facilitate linkages between NULM and State Urban Livelihoods Missions (SULMs)
 - g. To undertake/commission studies on urban poverty issues and disseminate the findings
 - h. To study best practices across the country and support their replication in other parts



- i. To support the development of capacity building and training modules
- j. To promote comprehensive monitoring and learning systems at the state and city level
- k. To act as a national resource pool which provides information on best practices, statistics on urban poverty, slums and livelihoods etc.
- l. To work closely with a national network of resource centres/institutes to provide capacity building support to states/cities
- m. Organise capacity building of key government staff involved in implementation of NULM as well as technical experts at SMMU, CMMU etc.

3.4 The overall expenditure on CB&T component including technical support at National, State and City levels and training and other capacity building support for Mission Management Units (MMUs) at the National, State and City levels shall not exceed 12% of the total allocation under NULM.

4. Administration and Implementation structure at State level

- 4.1 In every State/UT a State Urban Livelihoods Mission (SULM) will be established as a registered society which will be responsible for implementation of NULM in the state/UT. However, State/UT may designate an autonomous body already working in the field of poverty alleviation and livelihood promotion as the SULM. SULM will be managed by a State Mission Director appointed by the State Government. In addition, the State Government would also appoint required government officials to assist the State Mission Director in respect of Finance and accounts, establishment matters and other such supporting functions.
- 4.2 State Mission Management Unit (SMMU), a dedicated support team at the state level, will be established to support State Mission Director, SULM in the implementation and monitoring of NULM at the state/UT level. This unit will be funded by the NULM.
- 4.3 SMMU will be staffed with technical specialists having expertise in various fields like poverty alleviation, social mobilisation, financial inclusion, livelihoods promotion, human resources etc.
- 4.4 Funding under NULM will be provided for a maximum of six technical experts at SMMU level for big states and four technical experts for small states. The list of big and small



states is given at **Annexure II**. The list of positions and Terms of Reference (ToR) for Technical Experts at SMMU level is provided in **Annexure III**. The model contract for Technical Expert is provided in **Annexure IV**.

- 4.5 In the event that the SMMU positions are not filled, government staff may be deputed for these positions subject to the following conditions being fulfilled:
- a. The official must fulfil all eligibility criteria required for the position
 - b. The position is temporarily filled, and only until such time that the appropriate candidate becomes available
 - c. Payment towards salary and allowances will be limited to norms under NULM. Any extra payment for salary/ allowances will have to be met by the state government
- 4.6 NULM will support SMMU costs for a period of five years. States should build their internal capacities to implement urban poverty alleviation programmes after five years.
- 4.7 The overall responsibilities of the SMMU will include, but not be limited to, the following:
- a. To facilitate implementation of NULM in the state through ULBs
 - b. To facilitate establishment of CMMUs at city level
 - c. To provide professional and technical inputs on specific components of NULM
 - d. To prepare Urban Poverty Reduction Strategy/Livelihood Development Plan for the state
 - e. To support cities in preparation of City Livelihood Development Plans
 - f. To coordinate and develop convergence with other Missions and programmes in the state
 - g. To organize state level capacity building programmes, workshops, seminars and cross-learning visits etc. of key government staff as well as technical experts involved in implementation of NULM at CMMU and SMMU levels
 - h. To document the progress and process of implementation and best practices of NULM
 - i. To undertake/commission studies to assess the impact of the NULM
 - j. To coordinate with various departments of state government, central government, banks and such organisations to help implementation of NULM at the state level.



5. Administration and Implementation structure at City level

- 5.1 At the city level, the NULM activities will be implemented through Urban Local Bodies (ULBs). City Mission Management Unit (CMMU), headed by a City Project Officer (CPO) appointed by state government/ULB, will be formed.
- 5.2 The CMMU will be staffed with technical specialists having expertise in various fields like social mobilisation, institution and capacity building, livelihoods/Micro enterprises, micro finance etc which will be funded under NULM. In addition, the State Government/ULB will also appoint other officials to deal with Finance and accounts, establishment matters and other such support services.
- 5.3 Funding under NULM will be provided for a maximum of four technical experts at the city level for cities having more than 5 lakh population, three technical experts for cities with population of 3 to 5 lakh population and two technical experts for cities below 3 lakh population.
- 5.4 Community Organisers (COs) will also be appointed in the city. Each CO will cover at least 3000 urban poor families. COs should be recruited as per the requirement at city level subject to availability of funds. However, at least one CO should be positioned in every city covered under NULM. The list of positions and Terms of Reference (ToR) for Technical Experts and COs at CMMU level is provided in **Annexure V**.
- 5.5 In the event that the CMMU positions are not filled, government/ ULB staff may be deputed for these positions subject to the following conditions being fulfilled:
 - a. The official must fulfil all eligibility criteria required for the position
 - b. The position is temporarily filled only until such time that the appropriate candidate becomes available
 - c. Payment towards salary and allowances will be limited to norms under NULM. Any extra payment for salary/ allowances will have to be met by the state government or ULBs
- 5.6 Support to CMMU by NULM will be limited to five years only. Within this period, cities should build their internal capacities for effective implementation of urban poverty alleviation programmes after five years.



6. Recruitment process and performance management of Technical Experts of Mission Management Units (MMUs)

- 6.1 Role of Technical Experts-**Technical Experts will be hired at all Mission Management Units (MMUs) for providing inputs and support in their respective specialised area which facilitates effective and efficient implantation by the Mission Director at national level , State Mission Director at the state level and City Project Officer at the city level. The Technical Experts will be the key persons for providing the information related to their subject specialisation and report to the regular government officials who are in charge of the MMUs at all levels.
- 6.2 Method of Recruitment-**Technical Experts required for the SMMU and CMMU may be recruited through open advertisement. States are advised to take up a rigorous process for selection of Technical Experts for SMMU and CMMUs. This process may consist of inviting applications through open advertisement (newspaper, job portals etc), screening of suitable applications as per the laid out criteria, written test to the shortlisted candidates and personal interview. State may appoint a Selection Committee headed by the State Mission Director for the screening and selection of Technical Experts for the SMMU and CMMUs. A representative of the Ministry of Housing and Urban Poverty Alleviation (M/o HUPA) shall be a member of the Selection Committee constituted by the State.
- 6.3 Selection of an Agency/organization for providing services of Technical Experts for NMMU/ SMMU/CMMUs-**At national level, option of appointing external agency/ organization will be considered to provide services of technical experts in NMMU. Similarly, the States may also use the option of appointing an external agency to provide services of Technical Experts in SMMU & CMMU, if it is felt to be the best option given the conditions specific to the state/ city. The framework for the selection of resource agency is given in the **Annexure VI**.
- 6.4 Compensation and allowances**
- In order to attract the best talent with suitable experience in the open market, a maximum consolidated remuneration of Rs. 100,000 per month will be given to the technical experts at the national level who fulfils the experience and education qualifications norms laid out for the position.
 - In case of technical experts recruited for SMMU level a maximum remuneration of



- Rs. 75,000 per month and in case of technical experts recruited for CMMU level a maximum remuneration of Rs. 60,000 per month will be given.
- c. A maximum remuneration of Rs. 10,000 per month will be given to COs at city level.
 - d. These are maximum ceilings for remuneration; however lesser amount can be paid as per the market conditions prevailing at the state/city level.
 - e. A maximum of 40% of the total salary paid to the technical experts can be utilized at NMMU, SMMU and CMMU for TA, DA expenses for the technical expert and for office support (viz., accountant, data entry operator, multi-tasking officials etc.) Rates for TA/DA for travel, accommodation, and food etc. for technical experts will be fixed by the respective MMUs.
 - f. The rates of remuneration paid to Technical Experts may be reviewed, if necessary, after two years and suitably modified as per the market conditions prevailing at that point of time subject to maximum of 10% of the salary paid.

6.5 Performance appraisal of Technical Experts

- a. All the successfully recruited Technical Experts may be given an initial contract for a 2 year period which may consist of probation for a period of 6 months from the date of joining. If the performance is not satisfactory during the probation period, concerned competent authority may take suitable action, including termination of the services of the Technical Experts by giving a notice period of at least one month.
- b. The performance of Technical Experts at all MMUs may be reviewed against their key responsibility areas and on the annual action plan by their respective reporting officers (Mission Director at National level, State Mission Director at the state level and City Project Officer at city level) at the end of two year period. Based on satisfactory performance, Technical Experts may be eligible for renewal of their contract.

- #### **6.6 Termination of services of the Technical Experts** - Immediate termination of Technical Experts also may be taken up in case of breach of trust/ severe misconduct/ non-performance as specified in the personal policy at the SULM/ULB level by giving one month remuneration in lieu of notice period. Suitable terms and conditions regarding this may be incorporated in the contract document.



7. Training and Other Capacity Building Support for Mission Management Units (MMUs) at the National, State and City levels

- 7.1 Building teams of high quality Technical Experts at MMUs, through training and other community-to-community learning/exposure visits, is essential to provide timely and quality technical assistance at National, State and City levels for implementing NULM.
- 7.2 Suitable institutions at National/State level will be identified, empanelled and entered into agreements with for providing capacity building inputs to the MMUs. Capacity building inputs which may include induction and orientation training, exposure visits, learning tours etc should be planned for all stakeholders of MMUs, including Community Organisers and Resource Organisations engaged in NULM.
- 7.3 The selection of institutions/resource agency will be done based on key domain expertise and experience 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., The required pool of resource persons will be maintained by the resource agencies.
- 7.4 NMMU and SMMU staff also will be involved in the training programmes conducted by the resource agencies, if needed.
- 7.5 The SMMUs will be involved in monitoring the efficacy and quality of training.
- 7.6 The framework for training and capacity building support for MMUs at National, State and City level is given at Annexure VII.

8. Funding Pattern

- 8.1 Funding under this component will be shared between the Centre and the States in the ratio of 75:25. In case of special category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Himachal Pradesh and Uttarakhand) this ratio will be 90:10 between the Centre and States.
- 8.2 The total expenditure on the CB&T component shall not exceed 12% of the total allocation under NULM for the State/UT. The Ministry of HUPA, taking in account actual expenditure by the state, may reduce the total number of technical experts to be positioned in a state so that the expenditure on the CB& T component is not disproportionately high compared to the other components of the mission in the State.



- 8.3 In case any additional technical experts are needed at the state and/or at the city level pertaining to the specific needs, states may provide additional funding to the SULM/ULB to meet their expenses related to remuneration.



Annexure I

Details of the Technical Experts to be positioned at NMMU Level

National Mission Management Unit (NMMU) will have ten Technical Experts at national level. The details of the positions at NMMU level are as follows:

1. National Level (10 Member team)

S.N	Particulars	No. of positions
1	National Mission Manager - Social Mobilisation and Institution Development	3
2	National Mission Manager - Skills and Livelihoods	3
3	National Mission Manager – Financial Inclusion & Micro Enterprises	1
4	National Mission Manager – HR & Capacity Building	1
5	National Mission Manager – MIS & ME	1
6	National Mission Manager - Communications and Knowledge Management	1
	Total	10

Terms of Reference (ToR) for NMMU positions

1. Scope of work

The person selected for the above positions will assist the Mission Director, NULM in conceptualising and operationalizing the respective components of NULM. The position is a contractual engagement, initially for two years. Renewal of contract is done every two years based on performance appraisal. The incumbent will directly report to the Mission Director, NULM. S/he will work closely with and support the teams at the state level responsible for respective component of NULM. The person will need to travel extensively to the states implementing NULM. The person should have good command on writing and speaking both English and Hindi languages. Knowing any other regional language will be considered positively.



II. Educational Qualifications, Experience and Competencies

S.N	Position	Educational Qualifications	Experience Particulars	Competencies
1	National Mission Manager - Social Mobilisation and Institution Development	Two year full time Post graduate diploma in Management/ MBA or Masters in any other discipline relevant to the roles and responsibilities of the job from government recognised institutes	At least 10 years of experience in Social Development work with poverty reduction programmes of considerable size and scale At least 10 years of experience in implementation of skill training and placement programmes with considerable size and scale	The person should be Proficient with MS office; should have acknowledged capabilities in partnership management; strong analytical, conceptual and strategic thinking skills; ability to handle large scale planning; handling MIS etc. Experience of working with government institutions will be given preference
2	National Mission Manager - Skills and Livelihoods		At least 10 years of experience in dealing with credit linkages, social security and/or micro enterprises promotion in poverty reduction programmes/ financial institutions	
3	National Mission Manager - Financial Inclusion & Micro Enterprises			
4	National Mission Manager - HR & Capacity Building		At least 10 years of experience in staff recruitment, training and capacity building work with national/ state level projects	The person should have, in addition to the above mentioned competencies, acknowledged capabilities in client management; excellent negotiation skills; ability to handle large scale recruitment; developing a theme based capacity building strategy and modules etc.
5	National Mission Manager - MIS & ME	Two year full time Post Graduate diploma / Masters in Computer Science, M.Sc. (computer science), B.Tech (computer science) or MCA from government recognized institute/ university	At least 10 years of experience in designing and implementation of MIS and ME for large development projects, preferably poverty reduction project and full understanding of Data Analysis Technique	The person should have, in addition to the above mentioned competencies, very good documentation skills and should be very good at preparation of reports; Proficient with Project Management software; Database Management systems; website development and management
6	National Mission Manager- Communications and Knowledge Management	Two year full time Post graduate diploma or Masters in communications/ Journalism/ development communications or any other discipline relevant to the roles and responsibilities of the job from government recognised institutes	At least 10 years of experience in development of communications and knowledge management for national/ state level projects	The person should have, in addition to the above mentioned competencies, acknowledged publishing skills. Persons who had published articles in national and international magazines will be given preference.



III. Key Responsibility Areas

a) National Mission Manager – Social Mobilisation and Institution Development

- i. Ensure that the guidelines for Social mobilisation and institution development component; shelters and social infrastructure aspects of NULM are prepared and made available for the states
- ii. Develop overall action work plan for implementation of Social mobilisation component and shelters and social infrastructure aspects of NULM
- iii. Facilitate states in implementation of the guidelines prescribed by NULM
- iv. Support and guide team responsible for the SM&ID component of NULM at the state/UT level in achieving their targets with respect to community mobilisation, SHGs, Federations, Revolving Fund, CLCs, Urban street vendors and shelters for urban homes components etc.
- v. Facilitate state team responsible for identification and empanelment of Resource Organisations (ROs) for promotion of SHGs; identification of facilitation organisations for promotion of CLCs, Vendor Markets and Shelters for Urban homeless under NULM
- vi. Support state team to ensure the SHGs, ALF and CLF structures are established across all states
- vii. Participate (when needed) as resource person in the capacity building programmes conducted for SMMU and CMMU staff
- viii. Support the resource agencies in capacity building/ sensitization of SMMU/CMMUs. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to social mobilisation, social infrastructure etc., as and when required
- ix. Periodically monitor the quality of trainings conducted on SM&ID component, CLCs, urban street vendors, shelters for urban homeless of NULM
- x. Responsible for providing need based Technical Assistance to the State Mission Management Units
- xi. Arranging for appropriate linkages with relevant agencies/departments and integrate Social mobilisation and social infrastructure agendas in implementing of NULM
- xii. Ensure reporting of the Social mobilisation and institution Development component,



shelters and social infrastructure by SULMs

- xiii. Work closely with other national Mission Managers at the national level for successful implementation of NULM
- xiv. Travel to states for monitoring the implementation of NULM and provide key observations
- xv. Report on Social mobilisation component to Mission Director
- xvi. Perform any other related tasks assigned by the Mission Director, NULM

b) National Mission Manager – Skills and Livelihoods

- i. Ensure that the guidelines for EST & P component of NULM are prepared and made available for the states
- ii. Develop overall action work plan for implementation of EST & P component of NULM
- iii. Facilitate states in implementation of the guidelines prescribed by NULM
- iv. Support and guide team responsible for EST& P component of NULM at the state/UT level in achieving their targets with respect to Identification and empanelment of Skill Training Providers (STPs), agencies for accreditation and certification etc.
- v. Participate (when needed) as resource person in the capacity building programmes conducted for SMMU and CMMU staff
- vi. To periodically monitor the quality of trainings conducted on EST&P component of NULM
- vii. Responsible for providing need based Technical assistance to the State Mission Management Units
- viii. Support the resource agencies in capacity building/ sensitization of CMMUs. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to EST&P as and when required
- ix. Arranging for appropriate linkages with industry associations, skill development mission, sector skill councils, line departments, resource institutes, and other relevant agencies and integrate EST&P agenda in implementing of NULM
- x. Ensure reporting of EST & P component by SLMUs
- xi. Work closely with other National Mission Managers at the national level for successful implementation of NULM



- xii. Travel to states for monitoring the implementation of NULM and provide key observations
- xiii. Report on EST&P component to Mission Director, NULM
- xiv. Perform any other related tasks assigned by the Mission Director, NULM

c) National Mission Manager – Financial Inclusion and Micro Enterprises

- i. Ensure that the guidelines for Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) are prepared and made available for the states
- ii. Develop overall action plan for implementation of Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) of NULM
- iii. Facilitate states in implementation of the guidelines prescribed by NULM
- iv. Support and guide team responsible for Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) of NULM at the state/UT level in achieving their targets with respect to bank linkages for SHGs and its members and the micro enterprises set up by the urban poor
- v. Participate (when needed) as resource person in the capacity building programmes conducted for SMMU and CMMU staff
- vi. To periodically monitor the quality of trainings conducted on Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) of NULM
- vii. Responsible for providing need based Technical Assistance to the State Mission Management Units
- viii. Support the resource agencies in capacity building/ sensitization of CMMUs with in or across the states. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to imparting financial literacy to urban poor and other KRAs as and when required
- ix. Arranging for appropriate linkages with relevant agencies/departments and integrate Universal Financial Inclusion and Self-employment programme agenda in implementing of NULM
- x. Ensure reporting of Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) by SLMUs



- xi. Work closely with other National Mission Managers at the national level for successful implementation of NULM
- xii. Report on Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) to Mission Director, NULM
- xiii. Perform any other related tasks assigned by the Mission Director, NULM

d) National Mission Manager – MIS & ME

- i. Ensure MIS & ME frameworks are made available to the states implementing NULM
- ii. Develop overall action plan for implementation of MIS & ME components of NULM
- iii. Facilitate states and ensure proper implementation of MIS at the state level, compilation of information across the cities and submission of the same to the national level
- iv. Undertake field visits to states for real time monitoring of the scheme
- v. Participate (when needed) as resource person in the capacity building programmes conducted for SMMU and CMMU staff
- vi. Responsible for providing need based Technical Assistance to the State Mission Management Units
- vii. Support capacity building of SMMU/ CMMUs in implementation of MIS and M&E. S/he will also oversee the development of capacity building modules related to MIS etc
- viii. Facilitate states to ensure entire gamut of information and reporting systems like baseline study, MPRs, Process documentation etc.
- ix. Work closely with other National Mission Managers at the national level for successful implementation of NULM
- x. Report on MIS & ME components to Mission Director, NULM
- xi. Perform any other related tasks assigned by the Mission Director, NULM

e) National Mission Manager – HR & Capacity Building

- i. Ensure that the guidelines for HR and CB&T component of NULM are prepared and made available for the states
- ii. Develop overall action plan for implementation of HR and CB & T component of NULM



- iii. Ensure SMMU structures are established across all states
- iv. Facilitate states in implementation of the guidelines prescribed by NULM
- v. support and guide teams responsible for CB&T component of NULM at the state/UT level with respect to trainings, recruitment etc.
- vi. Participate (when needed) as resource person in the capacity building programmes conducted for SMMU and CMMU staff
- vii. Support the resource agencies in capacity building/ sensitization of SMMUs with in or across the states. S/he will also oversee the development of capacity building modules, arranging cross learning workshops
- viii. Responsible for providing need based Technical Assistance to the State Mission Management Units
- ix. Arranging for appropriate linkages with relevant agencies/departments in order to strengthen the capacities of the staff and other stakeholders of NULM
- x. Ensure reporting on CB&T component by SLMUs
- xi. Work closely with other national Mission Managers at the national level for successful implementation of NULM
- xii. Travel to states for monitoring the implementation of NULM and provide key observations
- xiii. Report on CB&T component to Mission Director, NULM
- xiv. Perform any other related tasks assigned by the Mission Director, NULM

f) National Mission Manager – Communications and Knowledge Management

- i. Design and operationalize the framework for communication and knowledge management in NULM
- ii. Develop overall strategy for documentation of best practices at national level
- iii. Develop repository of information, case studies, research publications, best practices (domestic and international) etc on urban poverty, livelihoods promotion, skill enhancement and various other themes related to NULM
- iv. Support and guide teams responsible for knowledge management of NULM and reporting at the state/UT level



- v. Participate (when needed) as resource person in the capacity building programmes conducted for SMMU and CMMU staff
- vi. Responsible for providing need based Technical Assistance to the State Mission Management Units.
- vii. Work closely with other national Mission Managers at the national level for successful implementation of NULM
- viii. Travel to states of NULM and provide key observations
- ix. Report on communications and knowledge management initiatives to Mission Director, NULM
- x. Perform any other related tasks assigned by the Mission Director, NULM



Annexure II

List of Big and Small states

Big states	Small states/UTs
1. Andhra Pradesh	1. Arunachal Pradesh
2. Assam	2. Goa
3. Bihar	3. Himachal Pradesh
4. Chhattisgarh	4. Jammu & Kashmir
5. Gujarat	5. Manipur
6. Haryana	6. Mizoram
7. Jharkhand	7. Meghalaya
8. Karnataka	8. Nagaland
9. Kerala	9. Sikkim
10. Maharashtra	10. Tripura
11. Madhya Pradesh	11. Uttaranchal
12. Orissa	12. Andaman & Nicobar Islands
13. Punjab	13. Chandigarh
14. Rajasthan	14. Dadar & Nagar Haveli
15. Tamil Nadu	15. Daman & Diu
16. Uttar Pradesh	16. Lakshadweep
17. West Bengal	17. Puducherry
18. Delhi	



Annexure III

Details of the Technical Experts to be positioned at SMMU level

State Mission Management Unit (SMMU) will have six experts in big states and four experts in small States/UTs. The list of big and small states is provided at **Annexure II**. However, states may propose their own list based on the requirement for the technical experts in the programme. The details of the positions at SMMU level are as follows:

Big states (6 member team)	Small states (4 member team)
<ol style="list-style-type: none"> 1. State Mission Manager - Social Mobilisation and Institution Development 2. State Mission Manager – Shelters and Social Infrastructure 3. State Mission Manager - Skills and Livelihoods 4. State Mission Manager – Financial Inclusion & Micro Enterprises 5. State Mission Manager - MIS & ME 6. State Mission Manager – HR & Capacity Building 	<ol style="list-style-type: none"> 1. State Mission Manager - Social Mobilisation and Infrastructure 2. State Mission Manager - Skills and Livelihoods 3. State Mission Manager – Financial Inclusion & Micro Enterprises 4. State Mission Manager - MIS & ME

Terms of Reference (ToR) for SMMU positions

I. Scope of work

The person selected for these positions will assist the State Mission Director, SULM in operationalizing the respective components of NULM at the state level. The position is a contractual engagement, initially for two years. Renewal of contract is done every two years based on performance appraisal. The incumbent will directly report to the State Mission Director, SULM. S/he will work closely with and support the teams at the city level responsible for respective component of NULM. The person will need to travel extensively to NULM cities of the state. The person should have good command on writing and speaking both English and the regional language



II. Educational Qualifications, Experience and Competencies

S.N	Position	Education and Experience Particulars	Competencies
1	State Mission Manager - Social Mobilisation and Institution Development	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 5 years of experience Or Graduate from government recognised institutes with 8 years of experience in Social Development work with poverty reduction programmes of considerable size and scale	The person should be Proficient with MS office; should have acknowledged capabilities in partnership management; strong analytical, conceptual and strategic thinking skills; ability to handle large scale planning; handling MIS etc. Experience of working with government institutions will be given preference
2	State Mission Manager - Shelters and Social Infrastructure	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 5 years of experience Or Graduate from government recognised institutes with 8 years of experience in poverty reduction programmes involving social development and establishment/ monitoring/ maintenance of community infrastructures	
3	State Mission Manager - Skills and Livelihoods	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 5 years of experience Or Graduate from government recognised institutes with 8 years of experience in implementation of skill training and placement programmes with considerable size and scale	
4	State Mission Manager - Financial Inclusion & Micro Enterprises	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 5 years of experience Or Graduate from government recognised institutes with 8 years of experience in dealing with credit linkages, social security and/or micro enterprises promotion in poverty reduction programmes/ financial institutions	
5	State Mission Manager – HR & Capacity Building	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 5 years of experience Or Graduate from government recognised institutes with 8 years of experience in staff recruitment, training and capacity building work with state level projects	The person should have, in addition to the above mentioned competencies, acknowledged capabilities in client management; excellent negotiation skills; ability to handle large scale recruitment; developing a theme based capacity building strategy and modules etc.
6	State Mission Manager – MIS & ME	Two year full time Post Graduate diploma / Masters in Computer Science, M.Sc. (computer science), B.Tech (computer science) or MCA from government recognized institute/ university with at least 5 years of experience in designing and implementation of MIS and ME for large development projects, preferably poverty reduction project and full understanding of Data Analysis Technique	The person should have, in addition to the above mentioned competencies, very good documentation skills and should be very good at preparation of reports; Proficient with Project Management software; Database Management systems; website development and management



III, Key Responsibility Areas

a) State Mission Manager – Social Mobilisation and Institution Development

- i. Ensure that state and cities adhere to the guidelines prescribed by NULM
- ii. Develop work plan for implementation of Social mobilisation component in the state
- iii. Responsible for the SM&ID targets of the state with respect to community mobilisation, SHGs, Federations and Revolving Fund
- iv. Identification and empanelment of Resource Organisations (ROs) under NULM
- v. Ensure the SHGs, ALF and CLF structures are established across all cities in the state
- vi. Identifying technical and capacity building resource agencies, regular interface with them and engage them in implementation of NULM
- vii. Responsible for providing need based Technical Assistance to the City Mission Management Units
- viii. Support the resource agencies in capacity building/ sensitization of CMMUs with in or across the states. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to KRAs as and when required
- ix. Arranging for appropriate linkages with relevant agencies/departments and integrate Social mobilisation agenda in implementing of NULM
- x. Ensure reporting of the Social mobilisation and institution Development component
- xi. Work closely with other State Mission Managers at the state level for successful implementation of NULM
- xii. Perform any other related tasks assigned by the State Mission Director, SULM.

b) State Mission Manager – Shelters and Social Infrastructure

- i. Ensure that cities adhere to the guidelines prescribed by NULM
- ii. Planning, establishment and operationalisation of CLCs in the state
- iii. Ensure implementation of USVs & SUH components in the state
- iv. Identification of facilitation organisations for promotion of CLCs and implementation of the same through PPP mode



- v. Work closely with ULBs with regard to CLCs, Vendor Markets and Shelters for Urban homeless
- vi. Ensure that all the city vendor development plan are prepared and operationalized at city level
- vii. Responsible for providing need based Technical assistance to the City Mission Management Units
- viii. Responsible for ensuring linkages with other line departments at the state level for integrating the social infrastructure agenda for effective coordination and implementation of the mission at the state level
- ix. Support the resource agencies in capacity building/ sensitization of CMMUs with in or across the states. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to KRAs as and when required
- x. Ensure reporting against KRAs
- xi. Work closely with other State Mission Managers at the state level for successful implementation of NULM
- xii. Perform any other related tasks assigned by the State Mission Director, SULM

c) State Mission Manager – Skills and Livelihoods

- i. Ensure that state and cities adhere to the EST & P guidelines prescribed by NULM
- ii. Prepare work plan for EST & P agenda across the state
- iii. Responsible for the EST & P targets of the state
- iv. Responsible for Identification and empanelment of Skill Training Providers (STPs), agencies for accreditation and certification
- v. Monitoring the performance quality of the STPs and other agencies involved
- vi. Responsible for providing need based Technical assistance to the City Mission Management Units
- vii. Support the resource agencies in capacity building/ sensitization of CMMUs. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to KRAs as and when required



- viii. Ensure linkages with industry associations, skill development mission, sector skill councils, line departments, resource institutes, and other relevant agencies
- ix. Ensure reporting against KRAs
- x. Work closely with other State Mission Managers at the state level for successful implementation of NULM
- xi. Perform any other related tasks assigned by the State Mission Director, SULM

d) State Mission Manager – Financial Inclusion and Micro Enterprises

- i. Ensure that state and cities adhere to the guidelines prescribed by NULM
- ii. Prepare work plan for Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) agenda across the cities
- iii. Responsible for UFI & SEP targets of the state
- iv. Ensure the bank linkages for SHGs and its members
- v. Facilitate access to credit for micro enterprises set up by the urban poor
- vi. Responsible for providing need based Technical Assistance to the City Mission Management Units
- vii. Support the resource agencies in capacity building/ sensitization of CMMUs with in or across the states. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to imparting financial literacy to urban poor and other KRAs as and when required
- viii. Arranging for appropriate linkages with relevant agencies/departments and integrate Universal Financial Inclusion and Self-employment programme agenda in implementing of NULM
- ix. Ensure reporting against KRAs
- x. Work closely with other State Mission Managers at the state level for successful implementation of NULM
- xi. Perform any other related tasks assigned by the State Mission Director, SULM



e) State Mission Manager – MIS & ME

- i. Prepare work plan for monitoring of the components of NULM
- ii. Responsible for the ensuring proper implementation of MIS at the state level, compilation of information across the cities and submission of the same to the national level
- iii. Undertake field visit to cities /ULB's for real time monitoring of the scheme
- iv. Ensure timely information is submitted by ULB's (CMMU's) for accessing the percolation of the program at grass root level at state level
- v. Responsible for providing need based Technical Assistance to the City Mission Management Units
- vi. Support capacity building of CMMUs with in or across the states in implementation of MIS and M&E. S/he will also oversee the development of capacity building modules related to MIS etc.
- vii. Ensure adherence to all monitoring and reporting systems like baseline study, MPRs, Process documentation etc.
- viii. Work closely with other State Mission Managers at the state level for successful monitoring of NULM
- ix. Perform any other related tasks assigned by the State Mission Director, SULM

f) State Mission Manager – HR & Capacity Building

- i. Ensure that state and cities adhere to the guidelines prescribed by NULM
- ii. Prepare work plan for implementation of CB&T component in the state
- iii. Responsible for the CB&T targets of the state
- iv. Ensure CMMU structures are established and staffed across all cities in the state
- v. Identifying technical and capacity building resource agencies, regular interface with them and engage them for building the capacities of the stakeholders of NULM
- vi. Responsible for providing need based Technical Assistance to the City Mission Management Units
- vii. Support the resource agencies in capacity building/ sensitization of CMMUs with in or



across the states. S/he will also oversee the development of capacity building modules, arranging cross learning workshops related to KRAs as and when required

- viii. Arranging for appropriate linkages with relevant agencies/departments in order to strengthen the capacities of the staff and other stakeholders of NULM
- ix. Reporting against KRAs
- x. Work closely with other State Mission Managers at the state level for successful implementation of NULM
- xi. Perform any other related tasks assigned by the State Mission Director, SULM



Annexure IV

Model contract for Technical Expert (Consultant)

(This model contract suggests the content for contract agreement of a Technical Expert and indicative one. States may use/modify the modal contract as applicable to them)

THIS AGREEMENT is made and executed at <Place> on this the <Date>

BETWEEN

<Name of organisation>, <type of registration and act >, having its Registered Office < office address> (hereinafter referred to “<short form>” which expression shall unless repugnant to the context includes its successors, representatives, agents, attorneys and assigns etc.), as the FIRST PARTY

AND

<Name of the Technical Expert> having its residence at < address>, (hereinafter referred to as “Consultant” which expression shall unless repugnant to the context include its successors, representatives, administrators and assigns etc.), as the SECOND PARTY.

1. PURPOSE

1.1 The purpose of this Agreement is to set out the terms and conditions upon which the Consultant will provide the services as set out in the Terms of Reference attached as **Appendix IIIa** to this Agreement.

2. PRIOR NEGOTIATIONS AND OTHER AGREEMENTS

2.1 This Agreement supersedes all prior representations or agreements whether oral or written between the parties relating to the subject matter hereof.

3. SERVICES PROVIDED BY THE CONSULTANT

3.1 <name of organisation> has offered and the Consultant has accepted this engagement, on the terms set out in this Agreement, to provide independent advisory and consulting services for < name of programme>, as set out in the Terms of Reference attached as **Appendix IVa** to this Agreement and in relation to such projects and management issues as shall emerge, from time to time



3.2 Place: The Services shall be provided at <name of programme> office in <location> or at any other place specified by the <Reporting Officer – Mission Director/ State Mission Director/City Project Officer>. The Consultant may leave the place of work for whatever reason during the term of this assignment subject to the approval of <Reporting Officer>.

3.3 During the term of engagement under this agreement, the Consultant shall not accept or perform engagements for any other company, firm, project or person, and shall be exclusively assigned to the project.

3.5 Throughout the term of this agreement, the Consultant shall, when required, give to the <Reporting Officer> (or to such other person or persons as it may direct) such written or oral advice or information regarding any of the Services as it may reasonably require.

4 PAYMENT TO THE CONSULTANT

4.1 For the services rendered to the project <Organisation name> will pay for the consultant a fee, details of which have been given in **Appendix IVb**

4.2 The fees payable are deemed to cover all costs of whatsoever nature that the Consultant may incur except those otherwise specifically provided for. The agreed fee is inclusive of all sundry payments. However, any taxes or statutory levies shown separately on the invoice shall be paid by the <Organisation name>.

4.3 The payment of fee is subject to complying with the requirements of the terms of reference to the satisfaction of the <Reporting Officer> and preparation/submission of required documents to the satisfaction of the <Reporting Officer>.

4.4 All payments to the Consultant will be made within 15 days of receipt of invoice (to be submitted at the end of the month).

4.5 If the consultant fails to comply with their obligations hereunder then <Organisation name> shall be entitled to set-off payments due and owing to <Organisation name> against such payments as due and owing to the Consultant under this Agreement

4.6 All invoices should be made out to <Organisation name> and should quote the Contract Number.

4.7 The financial limit of <Organisation name>'s liability under this Agreement is as set out in **Appendix IVb** and may not be exceeded without <Organisation name>'s prior written agreement.



No duties shall be performed, which would result in the financial limit of this Agreement being exceeded without the prior written agreement of <Organisation name>.

4.8 The Consultant warrants and represents to <Organisation name> that it is an independent contractor and, as such, bears sole responsibility for payment of applicable taxes and compliance of laws. The consultant further agrees to indemnify <Organisation name> in respect of all and any tax, any other contributions or other local levies of any kind which may be found due from <Organisation name> on any payments or arrangements made under this Agreement together with any interest, penalties or gross-up thereon.

5. INSURANCE

5.1 <Organisation name> shall not be responsible for providing any insurance cover and the Consultant shall be responsible for arranging any cover that may be required for the performance of this Agreement. In particular <Organisation name> requires that the Consultant holds suitable life, medical, Personal Accident and Travel Insurance.

5.2 The consultant engaged to provide the services must be in good health and if his/her health condition is not good enough to complete the assignment, he/she must report his/her health condition to <Reporting Officer> without delay.

5.3 Prior to driving any vehicle, the Consultant must ensure that he/she has insurance cover for both damage to the vehicle itself and any third party liabilities.

6. PERMITS AND LICENCES

6.1 The Consultant shall be solely responsible for obtaining any permit or license required for the performance of this Agreement under the laws and regulations in force at the place where the tasks assigned to the Consultant are to be performed. <Organisation name> may terminate the engagement without notice if the Consultant fails, with or without his/her own fault, to obtain any permit or license required for the performance of this Agreement.

7. STATUS OF CONSULTANT

7.1 Unless otherwise provided, the Consultant shall not act on behalf of or commit <Organisation name> with regard to third parties or hold itself out or permit itself to be held out as having any authority to do or say anything on behalf of or in the name of <Organisation name>. The Consultant shall abstain from any statement or behaviour, which might be misunderstood in this respect by



any third party.

7.2 The Consultant shall refrain from any relationship that would compromise the independence of the Consultant. If the Consultant fails to maintain such independence, <Organisation name> may, without prejudice to compensation for any damage, which <Organisation name> may have suffered on this account, terminate this Agreement forthwith.

7.3 The Consultant shall obey and abide by all laws and regulations in force in the state or country in which this Agreement is to be performed. The Consultant shall indemnify <Organisation name> against any claims and proceedings arising from any infringement by the Consultant of such laws and regulations.

7.4 The Consultant shall respect the political, cultural and religious practices prevailing in the state or country in which this Agreement is to be performed.

8. DISCLOSURE OF INFORMATION

8.1 All Information used or held by the Consultant during the period of the Agreement shall be and remain at all times property of <Organisation name>. Upon the termination or expiration of the Agreement, the Consultant shall promptly deliver to <Organisation name> all such tangible items related to this agreement, which is in its possession or control of the consultant and which either belong to <Organisation name> or contain information related to this agreement.

8.2 The Consultant shall not disclose or use or cause to be disclosed or use, at any time during or subsequent to the Agreement, any secret or confidential information of <Organisation name>, or any other information relating to the business, financial or other affairs of <Organisation name> except as required by <Organisation name> in connection with the Consultant's performance of the Agreement or as required by law with intimation to <Organisation name>.

8.3 The provisions of this clause shall survive termination/expiry of this Agreement at any time for any reason.

9. INTELLECTUAL PROPERTY RIGHTS

9.1 All Intellectual Property Rights created by the Consultant in the course of providing the Services, or otherwise supplied by the Consultant to <Organisation name> in the course of providing the services shall vest in <Organisation name>.

9.2 Without prejudice to the generality of the above said provision, the consultant shall have no rights over any literary or other works which includes database, tables & compilation, computer



programmes, sound recording and photographs created during performance of this contract. The <Organisation name> shall be the first owner of copyright as per the Copyright Act, 1957. The Consultant hereby waives any moral rights in these works.

9.3 The provisions of this clause shall survive termination/expiry of this Agreement at any time for any reason.

10. TERMINATION OF AGREEMENT

10.1 Either party may terminate this agreement by written notice of one month. <Organisation name> may terminate this Agreement by written notice of one month if in the opinion of <Organisation name> it appears desirable; or by summary notice in the event of a material breach by the Consultant of its obligations under this Agreement or if <Organisation name> so demands.

10.2 In the event of termination:

- (a). Payments due under this Agreement will be made up to the date of termination, after setting off dues as per this agreement. No other payments will be due or paid.
- (b). <Organisation name> may require the Consultant to deliver up all working papers, computer disks, tapes or other material, together with any copies relating to the business of <Organisation name> or prepared by the Consultant in connection with this Agreement; and
- (c). All other reports due as at the date of termination shall be submitted.

11. REPORTING

11.1 The Consultant shall report to the <Reporting Officer> and shall furnish with such information and periodic reports as requested.

12. APPLICABLE LAW AND RESOLUTION OF DISPUTES

12.1 This Agreement shall, in all respects be governed by Indian Law. The parties shall endeavour to settle any dispute arising from this Agreement amicably, but in the event that this is not possible the matter in dispute shall be referred to the arbitration of a single arbitrator to be agreed between the parties or in default of agreement, to be nominated by <Organisation name>. The arbitrator's decision shall be final and binding on both parties.

12.2 The Courts of jurisdiction of <location>, India only shall have the jurisdiction to decide any dispute pertaining to interpretation, performance, remedies, liabilities, rights and other matters pertaining to this agreement.



13. NOTICES

13.1 Any notice required to be given by either party to the other shall be in writing and shall be served by sending the same by facsimile, personal delivery or registered post to the address of the other party to receive it as stated below or such other address as may from time to time be notified by either party to the other in writing and any receipt issued by the postal authority shall be conclusive evidence of the fact and date of posting of any such notice.

14. FORCE MAJEURE

14.1 Neither party shall be considered to be in default or in breach of its obligations under this Agreement if the performance of such obligations is prevented by any circumstances of force majeure, which arise after the date when the engagement becomes effective.

15. INDEMNITY

15.1 The Consultant shall exercise reasonable skill, care and diligence in the performance of this Agreement and shall indemnify and keep indemnified <Organisation name>, its agents and employees in respect of any loss, damage or claim howsoever arising out of or related to the execution or implementation of this Agreement.

16. SEVERABILITY

16.1 If any term, clause or provision of this Agreement shall be judged to be invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other term, clause or provision of this Agreement and such invalid term clause or provision shall be deemed to be deleted from this Agreement.

17. LANGUAGE

17.1 Except as may otherwise be agreed all reports or other written or printed material provided by the Consultant and all communications and correspondence between the parties hereto related to this Agreement shall be in the English language.

18. AMENDMENTS

18.1 The provisions of this Agreement may be amended or supplemented only by means of a supplementary agreement signed by each of the parties or their duly authorized representatives.

18.2 This agreement is personal between <Organisation name> and the Consultant and neither may sell, assign or transfer any duties, rights or interests created under this Agreement without the prior written consent of the other.



19. DATE OF COMING INTO FORCE

19.1 This Agreement will come into force as of the date of its signature by both parties.

20. INTERPRETATION:

In this Agreement, unless otherwise specified or repugnant to the context:

20.1 'Intellectual Property Rights' includes any and all patents, patent applications, know how, unregistered and registered trademarks, trade mark applications, trade names, registered designs, unregistered design rights, semiconductor topography rights, copyright, database rights or any other similar intellectual or commercial rights in India or anywhere in the world.

20.2 <Organisation name> means any third party who has appointed/employed/hired <Organisation name> for any purpose.

20.3 Reference to a party is reference to a party of this agreement and this includes the party's permitted assignees and/or the respective successors in title to the whole undertaking;

20.4 Reference to a person includes any person, individual, Company, firm, corporation, government, state or Organisation of a state, or any undertaking regardless of it having a legal representative or not and notwithstanding of the law under which it exists;

20.5 Reference to any statute or statutory instrument or any of its provisions shall be interpreted a statute or statutory instrument or provision that is re-enacted or amended from time to time;

20.6 All words/terms denoting the singular shall include the plural and vice versa; All words/terms denoting any gender shall include all genders;

20.7. All appendices are an integral part of this agreement. References to the appendices shall be interpreted as references of this agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this agreement and caused their seal/signatures to be hereunto affixed as of the day,

For and on behalf of the <Organisation name>,

For and on behalf of the Consultant,

SIGNATURE

SIGNATURE

Name:

Name:

Position:

Date:

Date



Appendix IV a-Terms of Reference

Key Responsibilities

To provide the list of key responsibilities for the position

Appendix IVb: Payment

Subject to the Consultant complying with the requirements of the Terms of Reference to the satisfaction of <Reporting Officer> or its authorized representative and the Consultant submitting an invoice and time sheet/monthly reports (Appendix 3) approved by the <Reporting Officer> or authorized representative detailing the days worked, <Organisation name> will pay fees for the time necessarily spent by the Consultant for the proper purposes of this Agreement at the rate of < remuneration amount> per person month(30 days or prorata). On receipt of Service Tax Registration number from the consultant, <Organisation name> shall also pay Service Tax at the appropriate rate.

Payment of Fees will be subject to deductions of TDS (Tax Deducted at Source) at the appropriate rate.

Communication Allowance on actuals (to the limit of Rs <amount details> per month) shall be reimbursed by <Organisation name>.

For outstation trips (Outside <place of job location>), the TA/DA norms shall be as follows: <Organisation name> shall arrange accommodation or reimburse boarding and lodging expenses (to the limit of < amount details> per day) on actuals.

<Organisation name> shall arrange Outstation travel of upto < number> Kms by train (< class details>). For distances more than <number> KM, Air journey (economy class) through national carriers only shall be facilitated.

The reimbursement of road journey will be restricted to Rs <rate >per km or actual amount whichever is less.



<Organisation name> shall arrange local travel for official purpose only through a non AC taxi. All original ticket stubs and boarding passes, expense vouchers (including duty receipts in case of hiring of taxi and receipt of payments) as appropriate also need to be provided to <Organisation name> along with reimbursement claims.

Leave

The Consultant will be entitled for <number> days Leave (including <number> days sick leave) in a Year. This is in addition to National holidays observed by <Organisation name>

All leaves shall require prior approval of <Reporting Officer> or authorized representative.

There would be no carryover of leave/s at the end of the Contract period and no payment in lieu of un-availed leave.



Annexure V

Details of the Technical Experts to be positioned at CMMU Level

City Mission Management Units (CMMUs) will have with two experts in cities below 3 lakh population, three experts in cities with a population of 3 to 5 lakh and four experts in cities having more than 5 lakh population. However, states/cities may propose their own list based on the requirement for the technical experts in the programme. The details of the positions at CMMU level are as follows:

Large cities (> 5 Lakh Population)	Medium cities (>3 &<5 Lakh Population)	District Headquartered towns (< 1 lakh Population) & Small cities (>1 &<3 Lakh Population)
1. Manager - Social Development & Infrastructure	1. Manager - Social Development & Infrastructure	1. Manager - Social Development & Infrastructure
2. Manager - Skills and Livelihoods	2. Manager - Skills and Livelihoods	2. Manager - Skills and Micro Enterprises
3. Manager –Financial Inclusion& Micro Enterprises	3. Manager –Financial Inclusion& Micro Enterprises	
4. Manager – MIS &ME		

B) Terms of Reference (ToR) for CMMU positions

I. Scope of work

The person selected for these positions will assist the City Project Officer, CMMU in operationalizing the respective components of NULM at the city level. The position is a contractual engagement, initially for two years. Renewal of contract is done every two years based on performance appraisal. The incumbent will directly report to the City Project Officer, CMMU. The person should have good command on writing and speaking both English and the regional language



II. Educational Qualifications, Experience and Competencies

S.No.	Position	Education and Experience Particulars	Competencies
1	Manager - Social Development & Infrastructure	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 3 years of experience Or Graduate from government recognised institutes with 6 years of experience in Social Development work with poverty reduction programmes	The person should be Proficient with MS office; strong analytical skills; Experience of working with government institutions will be given preference
2	Manager - Skills and Livelihoods	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 3 years of experience Or Graduate from government recognised institutes with 6 years of experience in implementation of skill training and placement programmes	
3	Manager – Financial Inclusion & Micro Enterprises	Two year full time Post graduate diploma in Management/ MBA or Masters in any other relevant discipline with 3 years of experience Or Graduate from government recognised institutes with 6 years of experience in dealing with credit linkages, social security and/or micro enterprises promotion in poverty reduction programmes/ financial institutions	
4	Manager – MIS &ME	Two year full time Post Graduate diploma / Masters in Computer Science, M.Sc. (computer science), B.Tech (computer science) or MCA from government recognized institute/ university with at least 3 years of experience in designing and implementation of MIS and ME for large development projects, preferably poverty reduction project	The person should have, in addition to the above mentioned competencies, very good documentation skills and should be very good at preparation of reports; Proficient with Project Management software; Database Management systems; website development and management



III. Key Responsibility Areas

a) Manager – Social Mobilisation and Institution Development

- i. Ensure that city adheres to the guidelines prescribed by NULM
- ii. Develop work plan for implementation of Social mobilisation component for the city
- iii. Responsible for the SM&ID, USVs & SUH targets of the city with respect to community mobilisation, SHGs, Federations, Revolving Fund, CLCs, Vendor development plan, Vendor Markets development and Shelters for Urban homeless etc.
- iv. Ensure the SHGs, ALF and CLF structures are established in the city
- v. Responsible for providing need based Technical Assistance to Community Organisers (COs)
- vi. Arranging for appropriate linkages with relevant agencies/departments and integrate Social mobilisation agenda in implementing of NULM
- vii. Ensure reporting of the Social mobilisation and institution Development component
- viii. Work closely with other Managers at the city level for successful implementation of NULM
- ix. Perform any other related tasks assigned by the City Project Officer, CMMU

b) Manager – Skills and Livelihoods

- i. Ensure that the city adhere to the EST & P guidelines prescribed by NULM
- ii. Prepare work plan for EST & P agenda for the city
- iii. Responsible for the EST & P targets of the city
- iv. Ensure Identification of Skill Training Providers (STPs) at the city level and monitoring the performance quality of the STPs and other agencies involved
- v. Responsible for providing need based Technical assistance to COs
- vi. Ensure linkages with industry associations, skill development mission, sector skill councils, line departments, resource institutes, and other relevant agencies
- vii. Ensure reporting against KRAs
- viii. Work closely with other Managers at the city level for successful implementation of NULM



ix. Perform any other related tasks assigned by the City Project Officer, CMMU

c) Manager – Financial Inclusion and Micro Enterprises

- i. Ensure that the city adhere to the guidelines prescribed by NULM
- ii. Prepare work plan for Universal Financial Inclusion (UFI) and Self Employment Programme (SEP) agenda for the city
- iii. Responsible for UFI & SEP targets of the city
- iv. Ensure the bank linkages for SHGs and its members at the city level
- v. Facilitate access to credit for micro enterprises set up by the urban poor at the city level.
- vi. Responsible for providing need based Technical Assistance to COs
- vii. Arranging for appropriate linkages with relevant agencies/departments and integrate Universal Financial Inclusion and Self-employment programme agenda in implementing of NULM
- viii. Ensure reporting against KRAs
- ix. Work closely with other Managers at the city level for successful implementation of NULM
- x. Perform any other related tasks assigned by the City Project Officer, CMMU

d) Manager – MIS & ME

- i. Prepare work plan for monitoring of the components of NULM
- ii. Responsible for the ensuring proper implementation of MIS at the city level, compilation of information at the city level and submission of the same to the state
- iii. Undertake real time monitoring of the scheme at the city level
- iv. Responsible for timely submission of information to state
- v. Responsible for providing need based Technical Assistance to COs
- vi. Adhere to all monitoring and reporting systems like baseline study, MPRs, Process documentation etc. at city level
- vii. Work closely with other Managers at the city level for successful monitoring of NULM
- viii. Perform any other related tasks assigned by the City Project Officer, CMMU



B) Terms of Reference (ToR) for Community Organiser (CO)

I. Scope of work

The person selected for this position will cover least 3000 urban poor families at the city level. S/he will interact and will have direct interface with the urban poor and assist them in accessing all the benefits of NULM. The position is a contractual engagement, initially for two years. Renewal of contract is done every two years based on performance appraisal. The incumbent will report to the City Project Officer, CMMU or any other officer assigned by him. The person should have good command on writing and speaking both English and the regional language

II. Education and experience particulars

The suggested educational qualification for this position is Intermediate (10+2) in any discipline. However, states and cities may decide to increase the educational qualification required for this position based on the local conditions. Candidates should have at least 5 years of experience in working with community on social development. If the existing COs fulfil the criteria, they may also be considered. Proficiency in MS office (Word, Excel, power point etc) is required.

III. Key Responsibility Areas

- i. Ensure that the social mobilisation of urban poor in his or her operational area – directly or through Resource Organisations (ROs)
- ii. Facilitate community in forming into groups/federations
- iii. Facilitate implementation of various programmes/aspects related to NULM in his/her operational area
- iv. Develop community level comprehensive database on infrastructure, assets and social aspects, update the database periodically
- v. Support and strengthen SHGs and their federations including the SHGs of disabled persons in accessing convergent services
- vi. Promote SHG-Bank linkage
- vii. Establish liaison with government departments for convergence
- viii. Assist in surveys related to NULM
- ix. Support implementation of development works like community contracts, O & M of community assets etc.



- x. Document the working of good practices
- xi. Organize and attend community level meetings trainings, as per the need.
- xii. Submit periodic reports as necessary
- xiii. Any other tasks/ duties as assigned from time to time by the CPO



Annexure VI

Framework for selection of an Agency for setting up of Mission Management Units at National, State or City level

(This framework suggests how an agency can be engaged for setting up of Mission Management Units (MMUs) at National, State and City levels and indicative one. States may use/modify the framework as applicable to them)

I. Background

The mission of National Urban Livelihood Mission (NULM), a flagship programme of the Ministry of Housing and Urban Poverty Alleviation, 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. The important strategies followed by NULM are

- i. Building skills to enable access to growing market-based job opportunities offered by emerging urban economies
- ii. Training for and support for the establishment of micro-enterprises by the urban poor – self and group
- iii. Building capacity of the urban poor, their institutions and the machinery involved in the implementation of livelihoods development and poverty alleviation programmes
- iv. Ensure availability and access of the urban homeless population to permanent 24-hour shelters
- v. Support to Urban Street Vendors

The National Urban Livelihoods Mission (NULM) will have a three-tier interdependent structure for implementation of the programme. NULM will be headed by a Mission Director at the national level, State Urban Livelihoods Mission (SULM) will be headed by a State Mission Director at the state level and a City Project officer (CPO) will be headed by at the city level. These 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.

For the purpose, NULM lays emphasis on promotion of professionally competent and dedicated implementation team structures at the city, state and national level for managing and supporting all mission activities.

NULM may decide to hire the services of an agency that could play the role of the NMMU/ SMMU/ CMMU at National, State or City level respectively, which will provide support services for core programme implementation across all components of NULM. Hiring of such an agency will accordingly replace the need to hire individuals at NMMU/SMMU/CMMU level to support the Mission at these levels.

II. Scope of work

1. The agency will be responsible for deploying suitable and qualified manpower as required by the MMU
2. The manpower deployed by the agency for the MMU will be dedicated full time staff. To ensure quality, the agency will develop and follow an exclusive HR policy describing the standards and guidelines for managing the manpower deployed. The manpower deployed should be in accordance with the service requirement of the MMU for which they are being appointed
3. Composition of manpower to be deployed by the agency will be based on the standard functions of the MMU as described in the CB&T guidelines of NULM
4. The agency will ensure the selection of only those candidates who fulfil the eligibility criteria prescribed. Under no circumstances, should the selection and recruitment process be diluted
5. The agency will ensure that in case a person on the team leaves, a replacement is made available in the shortest possible time
6. The agency will carry out the entire procurement process viz., advertising, issuing RfPs etc. However, evaluation and final selection of the candidates will be carried out by SULM.
7. All the monitoring and reporting aspects of this assignment will be under the control and supervision of State Mission Director



8. The agency will need approval for its activity plan, including deployment of manpower from the State Mission Director on a quarterly basis

III. Selection of agency

The selection will follow quality and cost based selection (QCBS). As part of the proposal, the agency will be required to submit a technical proposal that meets the evaluation criteria to be detailed in the RFP as well as a financial proposal.

IV. Reporting

For all purposes the agency will report to the State Mission Director, NULM, government of India or his/her designee.

V. Duration of work

The selection process will result in a contract for 12 months, though the total duration of the assignment has been envisaged for three years. Depending on the annual performance review of the agency and available budget the contract can be extended further on 12 monthly basis by mutual agreement.

VI. Eligibility criteria

1. The agency should have at least 8 years of experience of providing similar services in the context of Urban Poverty Alleviation.
2. The agency should have at least 5 years of experience in strategic recruitment of professionals at leadership and operational levels both at national and state level.
3. The agency should have helped program management systems including fiduciary assurance mechanisms to at least 3 large scale projects in the past 5 years for national/state level government projects.

Desirable

1. A lead agency that could form a consortium of agencies to bring together diverse experiences in large scale urban poverty program management, strategic recruitment and placement of professionals will be preferred.



Description of services

2. Key staff profile of HRS agency (indicative team of key members required)

S.N	Key member	Desired profile

3. Experts and profile of at least 4 positions required at the time of bidding

Position	Level	Key qualification required	Experience required



Framework for Engagement of Training agencies for Training and Other Capacity Building Support for Mission Management Units (MMUs) at the National, State and City levels

(This framework suggests how training agencies can be engaged by the NULM/ SULM for capacity building of Mission Management Units (MMUs) at National, State and City levels and indicative one. States may use/modify the framework as applicable to them)

A. Background

The objective of National Urban Livelihood Mission (NULM), a flagship programme of the Ministry of Housing and Urban Poverty Alleviation, 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. The important strategies followed by NULM are:

- i. Building skills to enable access to growing market-based job opportunities offered by emerging urban economies
- ii. Training and support for the establishment of micro-enterprises (including urban street vendors) by the urban poor – self and group
- iii. Building capacity of the urban poor, their institutions (such as SHGs and their federations) and the machinery involved in the implementation of livelihoods development and poverty alleviation programmes
- iv. Ensure availability and access of the urban homeless population to permanent 24-hour shelters
- v. Support to Urban Street Vendors

The National Urban Livelihoods Mission will have a three-tier interdependent structure for implementation of the programme. The National Urban Livelihoods Mission (NULM) will be headed by a Mission Director at the national level, the State Urban Livelihoods Mission (SULM) will be headed by a State Mission Director at the state level and City Mission Management Unit (CMMU) will be headed by a City Project officer at the city level. These 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.

The National Mission Management Unit (NMMU) will work as the implementation arm of the NULM. The NMMU facilitates the setting up of SMMUs and CMMUs with adequate staffing, provides support in preparing the Perspective Plans (State Urban Poverty Reduction Strategy) and City Livelihood Development Plans, the preparation of guidelines under NULM, Liaise with other Missions/ Ministries/Departments/ Industry associations to explore areas for convergent action, Explores and facilitate partnerships for the livelihoods of urban poor, Undertake studies on best practices and disseminate the information, Develop capacity building and training modules, Undertake monitoring/evaluation/social audit of the NULM activities, and work closely with national network of resource centres/institutes to ensure the needed support for capacity building to states/cities at the state and city levels.

State Urban Livelihoods Mission (SULM) oversees the implementation of NULM activities at the city level through CMMUs. The SULM prepares State Urban Poverty Reduction Strategy/ Livelihood Development Plan, facilitates the preparation of City Livelihood Development Plans, ensures implementation of mission activities at the city level, guides the city units in organizational and technical issues; organizes 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; document the progress and process of implementation and best practices, undertakes concurrent/periodic evaluation/social audit of NULM activities.

CMMU will be established in all cities with a population of 100,000 persons or more and all District Headquarter Towns with a population of less than 100,000 persons as per 2011 census and will support the ULB for implementation of program activities at the city level.

To ensure Capacity building of MMUs NULM/SULM will engage the services of training agencies. The possible organisations which may be considered as training agencies for capacity building of MMUs are:

- i. NRCs empaneled with Ministry of Housing and Urban Poverty Alleviation
- ii. ATIs at state and district level



iii. Any other training organisations established by government or recognised by government

B. Expected outcomes of the engagement with training agencies

1. The selected training agencies should provide capacity building inputs to key government officials implementing NULM at different levels viz., National, State and City levels and the teams positioned at NMMU, SMMU and CMMU levels. The capacity building inputs should cover, but is not limited to, the following thematic areas
 - i Poverty alleviation – framework, scope and possibilities
 - ii Social mobilisation – formation, functioning and management of SHGs and Federations
 - iii Convergence with line departments and government programmes
 - iv Financial inclusion and social security
 - v Employment through Skill training programmes
 - vi Functioning and management of CLCs
 - vii Management and functioning of Shelters for Urban Homeless
 - viii Devilmment of vendor markets for street vendors
 - ix Training module development
 - x Enterprise promotions for urban poor
 - xi Participatory planning and assessment
 - xii Team Building and management
 - xiii Monitoring and evaluation of programmes
 - xiv Exposure visit to the best practices in and around city/ states
2. The duration of training may vary from 2 day orientation training to 7 days intensive trainings depending on the type of participant and level of knowledge to be imparted. It may consists of class room trainings, exposure visits on thematic areas, leaning visits etc.

C. Engagement criteria for Training Agencies

1. As per of legal requirements, the potential training Organisation should be a registered body.
2. All potential training agencies should maintain its accounting records and have properly audited



annual statements of income and expenditure

3. The training agency should have a minimum 5 years' experience in training and capacity building of various stakeholders
4. The potential training agency should have at least 5 resource team members fully available for capacity building purpose

D. Scope of work of training agencies

The area of coverage and number of trainings to be conducted any given Training Agency will be defined at national or state level (NULM/SULM). The tasks of training agencies should include the following:

1. Preparation of training calendar as per the targets given at NULM/SULM for capacity building of MMU teams
2. Preparation or required training modules
3. Finalisation of training venue with proper infrastructure
4. Prior advance intimation to all MMUs before the commencement of training
5. Conducting the training programmes
6. Detailed reports on the trainings conducted

E. Funding to training agencies

An average amount of Rs. 7,500 per trainee can be used. The instalments to be provided to the training agencies may be as follows:

1. First instalment – 20% - after signing MoU with agency
2. Second instalment – 30% - after receiving the training calendar and quarterly progress report
3. Third instalment and further instalments – after receiving the progress report

F. Monitoring & Evaluation of Training agencies

The NULM/ SULM may develop various mechanisms for monitoring the progress and quality of the training programmes organised by the training agencies. These may include:

1. After training reports submitted by the training agencies



2. Supervision and periodic visits by the key officials of NULM/SULM in the trainings organised by the training agencies
3. Feedback from the training participants
4. Third party evaluation of the trainings organised and the impact of the trainings



Government of India
Ministry of Housing & Urban Poverty Alleviation
Website: <http://mhupa.gov.in>

Self Employment Programme

(Operational Guidelines)

National Urban Livelihoods
Mission



सत्यमेव जयते

Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14014/58(10)/2012-UPA
Government of India
Ministry of Housing & Urban Poverty Alleviation
(UPA Division)

Nirman Bhawan, New Delhi
Dated: 18th December 2013

OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for the Self-Employment Programme (SEP) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for the Self-Employment Programme (SEP) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from: http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.
3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)

Joint Secretary to the Government of India
Ministry of Housing & Urban Poverty Alleviation



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1. Introduction

- 1.1. This component will focus on financial 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. The component will also support Self Help Groups (SHGs) of urban poor to access easy credit from bank and avail interest subsidy on SHG loans. The component will further focus on technology, marketing and other support services to the individuals, group entrepreneurs, SHG members and Urban street vendors/ hawkers engaged in micro enterprises for their livelihoods. The component will also facilitate credit cards for working capital requirement of the entrepreneurs.
 - 1.2. The underemployed and unemployed urban poor will be encouraged 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 Urban Local Body (ULB) should develop a compendium of such activities/projects keeping in view skills available, marketability of products, costs, economic viability etc.
 - 1.3. The percentage of women beneficiaries under SEP 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 of poor. 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, at least 15 percent of the physical and financial targets under this component shall be earmarked for the minority communities.
2. **Selection of Beneficiary:** The Community Organisers (COs) and professionals from Urban Local Body (ULB) will identify the prospective beneficiaries from among the urban poor. The community structures formed under Social Mobilisation & Institutional Development (SM&ID) component of NULM viz: Self Help Groups (SHGs) and Area Level Federations (ALFs) may also refer prospective individual and group entrepreneurs for purpose of financial assistance under SEP to ULB. The beneficiaries may directly approach ULB or its representatives for assistance. Banks may also identify prospective beneficiaries at their end and send such cases directly to ULB.



3. **Educational Qualifications and Training Requirement:** No minimum educational qualification is required for prospective beneficiaries under this component. However, where the identified activity for micro-enterprise development requires some special skills, appropriate training must be provided to the beneficiaries before extending financial support by linking them for training under **Component 3: Employment through Skills Training and Placement (EST&P)**. Financial assistance should be extended only after the prospective beneficiary has acquired required skills for running the proposed micro-enterprise.
 - 3.1. Such training may not be necessary if the beneficiary has already undergone training from a known institution, registered NGO/Voluntary Organisation or trained under any government scheme provided requisite certificate is produced. In case the beneficiary has acquired requisite skills from family occupation such cases should be certified by the ULB before extending financial assistance.
 - 3.2. **Entrepreneurship Development Programme (EDP):** In addition to skill training of the beneficiaries, the ULB will also arrange to conduct Entrepreneurship Development Programme for **3-7 days** for individual and group entrepreneurs. The EDP will cover basics of entrepreneurship development such as management of an enterprise, basic accounting, financial management, marketing, backward and forward linkages, legal procedures, costing and revenue etc. In addition to above topics the module should also include group dynamics, allocation of work, profit sharing mechanism etc. for group enterprises.
 - 3.3. The EDP module may be developed and finalised by State Urban Livelihoods Mission (SULM) supported by State Mission Management Unit (SMMU) with assistance of an empaneled institution/agency or consulting firm and same may be utilised for conducting training programme by the ULB. This EDP training may be arranged through institutions such as Rural Self Employment Training Institutes (RSETI), reputed institutions engaged in entrepreneurship development/ training, management/ educational institutes, reputed NGOs engaged in entrepreneurship development/ training etc.
 - 3.4. Any cost incurred on training of beneficiaries under this component is to be met out of EST&P component budget.



4. **Pattern of Financial Assistance:** The financial assistance available to urban poor in setting up individual and group enterprises will be in the form of Interest subsidy on the bank loans. Interest subsidy, over and above 7% rate of interest will be available on a bank loan for setting up of individual or group enterprises. The difference between 7% p.a. and the prevailing rate of interest will be provided to banks under NULM. Interest subsidy will be given only in case of timely repayment of loan. Suitable certification from banks will be obtained in this regard.

5. **Procedure for interest subsidy:**

5.1. All scheduled commercial banks(SCBs), Regional Rural Banks(RRBs) and cooperative banks, which are on the Core Banking Solution (CBS) platform would be eligible for getting interest subvention under the scheme

5.2. After disbursement of loan to the beneficiaries, the concerned branch of the bank will send details of disbursed loan cases to ULB along with details of interest subsidy amount.

5.3. The settlement of claims made by banks would be done on quarterly basis by the ULBs, however the submission of claims should be monthly. The ULB will check the data at their end and will release the interest subsidy amount (difference between 7% p.a. and prevailing rate of interest) to the banks.

5.4. A prescribed format for interest subsidy claims for loans under this component enclosed at (*Annexure-V*).

5.5. The State Level Bankers Committees (SLBCs) has the option of evolving any alternative procedure of aggregating/ sanction of claims in consultation with the state government.

5.6. The pending claims should not be more than a quarter. In case the claims of the banks are not settled for a period of 6 months, SLBC is empowered to stop the scheme temporarily in selected cities subject to clearance of claims by such ULBs. In such eventualities, the claims settlement should prospectively be given to the Lead District Bank.

6. **Sub-Component 4.1-Individual Enterprises (SEP-I)-Loan & Subsidy**

6.1. An urban poor individual beneficiary desirous of setting up an individual micro-enterprise for self-employment can avail benefit of subsidised loan under this component from any bank. The norms/ specifications for individual micro-enterprise loans are as follows

6.2. **Age:** The prospective beneficiary should have attained the age of **18 Years** at the time of



applying for loan.

- 6.3. **Project Cost (PC):** The Maximum unit Project Cost for individual micro-enterprises cases is **Rs 200,000 (Rs Two Lakhs)**
- 6.4. **Collateral on Bank Loan:** No collateral required. As per RBI Circular RPCD.SME & NFS. BC.No. 79 /06.02.31/2009-10 dated May 6, 2010 banks are mandated not to accept collateral security in the case of loans upto **10 lakhs** extended to units in the MSE sector (*Annexure-I*). Therefore only the assets created would be hypothecated/ mortgaged/ pledged to banks for advancing loans. The banks may approach Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) setup by Small Industries Development Bank (SIDBI) and Government of India for the purpose of availing guarantee cover for SEP loans as per the eligibility of the activity for guarantee cover (*Details of the scheme are at Annexure-II*)
- 6.5. **Repayment:** Repayment schedule ranges from **5 to 7 Years** after initial moratorium of 6-18 months as per norms of the banks.

7. **Sub-Component 4.2-Group Enterprises (SEP-G) -Loan & Subsidy**

A Self Help Group (SHG) or members of an SHG constituted under SJSRY/ NULM or a group of urban poor desirous of setting up a group enterprise for self-employment can avail benefit of subsidised loans under this component from any bank. The norms/ specifications for group micro-enterprise loans are as follows

- 7.1. **Eligibility:** The group enterprise should have minimum 5 members with a minimum of **70% members from urban poor families**. The application/ intent to set up a group enterprise by beneficiaries/ group members should preferably be referred by the community structures viz: **SHG/ ALF formed under SJSRY/NULM**.
- 7.2. **Age:** All members of the group enterprise should have attained an age of **18 years** at the time of applying for bank loan.
- 7.3. **Project Cost (PC):** The Maximum unit Project Cost for a group enterprise is **Rs 10,00,000 (Rs Ten Lakhs)**
- 7.4. **Loan:** Project Cost less the beneficiary contribution (as specified by bank) would be made available as loan amount to the group enterprise by the bank.



- 7.5. **Collateral Guarantee on Bank Loan:** No collateral guarantee required. Only the assets created would be hypothecated/ mortgaged/ pledged to banks for advancing loans. The banks may approach Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) as detailed in Para-6.4.
- 7.6. **Repayment:** Repayment schedule ranges from 5 to 7 Years after initial moratorium of 6- 18 months as decided by banks.

8. Procedure for Sponsoring of Applications:

- 8.1. The application for individual and group enterprise loans will be sponsored by the Urban Local Body (ULB) which will be the sponsoring agency for the individual and group enterprise.
- 8.2. The ULB will create awareness regarding SEP to the prospective beneficiaries through mass media campaigns, IEC activities, advertisements in local newspapers, City Livelihoods Centres (CLCs) etc. The ULB may also disseminate information regarding this component through active involvement of Resource Organisations and its field staff.
- 8.3. The beneficiaries desirous of seeking financial assistance for setting up an enterprise can submit an application of intent to the concerned ULB officials on a plain paper with basic details viz: Name, Age, Contact details, Address, Aadhaar details (if any), amount of loan required, bank account number (if available), type of enterprise/ activity, category etc. The intent could also be sent by mail /post to the ULB office. The ULB shall accept such intents throughout the year.
- 8.4. The community structures formed under Social Mobilisation & Institutional Development (SM&ID) component of NULM viz: Self Help Groups (SHGs)/ Area Level Federations (ALFs) may also refer prospective individual and group entrepreneurs for purpose of financial assistance under SEP to ULB.
- 8.5. On submission/receipt of the intent from the beneficiary the respective ULB will enter the details in a register/or MIS if available and hence will generate a waiting list of beneficiaries. The ULB will issue an acknowledgement to the beneficiary with a unique registration number, which may be used as a reference number for tracking the status of application.
- 8.6. Banks may also identify beneficiaries as per the eligibility criterion and receive the intent letter. The applications received directly by the banks will be referred to the ULB. The



applications in this case will also form a part of the waiting list.

- 8.7. ULB will call the beneficiaries in order of the waiting list to complete requisite documentation including filling of Loan Application Form (LAF), activity details, identity proof, address proof, bank account details etc. The SULM may develop a Loan Application Form (LAF) in suitable format in consultation with State Level Bankers Committee (SLBC) convenor bank. The same LAF may be utilised across the State.
- 8.8. The applications completed in all respect will be sent to the TASK force constituted at ULB level for scrutiny, which will call the prospective beneficiaries for an interview before recommending or rejecting the application or call for additional information from the applicant if required.
- 8.9. The case duly recommended by the task force will be forwarded by the ULB to the concerned banks for further processing. Such cases recommended by task force have to be processed by concerned banks with in a time frame of **15 days**. As these cases are already recommended by the task force, such cases should be rejected by banks only in exceptional circumstances.
- 8.10. The banks will send a periodic report to the ULB on the status of the applications received. In case of MIS being used, the banks may be allowed to update the status of application online in addition to manual report.

9. Task Force at ULB Level

- 9.1. A Task Force may be constituted at ULB level for recommending cases for individual and group enterprises for onward transmission to the banks by the ULB. The Chief Executive Officer (CEO)/ Municipal Commissioner of ULB will be responsible to constitute the Task Force and will be **The Chairman** of the Task force. There could be **more than 1** task force at ULB level depending upon the size/population of the ULB. The indicative composition of the Task Force is as follows



Table No : 1

Sr No	TASK Force at ULB level	ROLE
1.	Chief Executive Officer (CEO) ULB/ Municipal Commissioner of ULB/ or any representative authorised by CEO ULB	Chairman
2.	Lead District Manager (LDM)	Member
3.	City Project Officer (CPO), ULB/ or any authorised representative of ULB	Member Convenor
4.	Representative from District Industries Centre (DIC)	Member
5.	Senior Branch Managers (Max-2) of banks	Member
6.	Representatives(2) of Area Level Federation / City Level Federation	Member

9.2. The ULB will forward the applications to the task force, which will be scrutinized based on experience, skills, viability of activity, scope of the activity etc. Thereafter the Task Force will shortlist the applications and call for interview of the applicants.

9.3. The task force will then recommend the applications if found suitable, reject if found unsuitable or ask the beneficiary to submit further requisite information for re-examination on case to case basis.

10. **Linkage with Credit Guarantee Scheme(CGS) of Ministry of Micro Small & Medium Enterprises (MSME)**

The banks may approach Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) setup by Small Industries Development Bank (SIDBI) and Government of India for the purpose of availing guarantee cover for SEP loans as per the eligibility of the activity for guarantee cover. The details of the scheme are provided at **Annexure-II**. The Reserve Bank of India (RBI) in its circular dated 06th May 2010 has also directed the banks to take Credit Guarantee Scheme cover instead of collateral security (**Annexure-I**).

11. **Progress Reporting for SEP-I & SEP-G**

11.1. The ULB will prepare a data sheet of the applications recommended by the TASK force along with their status details of the sanction, disbursement and rejection (along with



reasons) after validating the same with the respective banks. This data sheet will be sent to SULM on a monthly basis.

11.2. The SULM will compile all the reports received from respective ULBs and will communicate to M/o HUPA on a monthly basis.

11.3. SULM must ensure that progress under SEP is reviewed in every SLBC and District Consultative Committee meetings. Any other important issue with regard to SEP may be taken up by SULM with SLBC convenor bank for effective coordination and implementation.

12. Sub-Component 4.3- Interest Subsidy on SHG Loans (SHG-Bank Linkage)

12.1. Linking of SHGs with banks have been emphasized in the Monetary policy of Reserve Bank of India and Union Budget announcements from time to time and various guidelines in this regard have been issued by the Reserve Bank of India(RBI) to banks. To scale up the SHGs linkage programme and make it sustainable, banks have been advised to consider lending to SHGs as part of their mainstream credit operations both at policy and implementation level.

12.2. As per Master Circular on SHG-Bank Linkage Programme by Reserve Bank of India (RPCD.FID. BC.No. 10/12.01.033/ 2013-14 dated 01 July 2013 -**Annexure-III**) RBI has instructed the banks for SHG bank Linkage. SHG Bank Linkage includes Opening of Savings Bank Account of Self Help Groups (whether registered or unregistered), which are engaged in promoting habit of savings among their members as a starting point. Thereafter the SHGs may be sanctioned **Savings Linked Loans** (varying from a saving to loan ratio of 1:1 to 1:4) after due assessment or grading by banks. However, in case of matured SHGs, loans may be given beyond the limit of four times the savings as per the discretion of the bank. The RBI has also instructed that the advances to SHGs' irrespective of the purposes for which the members of SHGs should be included by the banks as part of their lending to the weaker sections.

12.3. Under Social Mobilisation & Institution Development (SM&ID) component of NULM the ULB will do necessary groundwork to open bank accounts for SHGs and facilitating access to Revolving Fund (RF). The ULB may also engage Resource Organisation (RO) for the purpose or may directly facilitate SHGs through its staff. (**Concept & Formation of SHGs, ROs and Revolving Fund has been detailed out in SM&ID guidelines**)



- 12.4. With a view to provide access to credit at affordable rate of interest to the urban poor, NULM will provide interest subsidy for SHGs accessing bank loan. The interest subsidy will be the difference between the prevailing rate of interest charged by the bank and 7% per annum, on all loans to **SHGs of urban poor**. This difference in interest amount on SHG loan (between the prevailing rate of interest and 7% per annum) will be reimbursed to banks.
- 12.5. An additional **3 percent** interest subvention will be provided to all **Women SHGs (WSHGs)** who repay their loan in time. The Interest subsidy will be subject to timely repayment of the loan (as per the loan repayment schedule) and suitable certification obtained from banks by the ULB. The additional 3% interest subvention amount will be reimbursed to the eligible WSHGs. The banks should credit the amount of 3% interest subvention to the eligible WSHGs accounts and thereafter seek the reimbursement.
- 12.6. The ULB through its field staff or Resource Organisation (ROs) will facilitate filling of loan applications for eligible SHGs to access credit from the banks. The ULB will be responsible to forward the Loan application of the SHGs to the concerned banks with requisite documentation. The ULB will maintain area wise, bank-wise, ROs/ Staff wise data of SHGs loan applications forwarded to the banks. The same will be sent to SULM on a monthly basis.
- 12.7. The banks will send the details of disbursed loan cases to the ULB along with the calculation details of the interest subsidy amount. The ULB will check the data at their end and will release the interest subsidy amount on quarterly basis to the banks following a similar procedure as mentioned in **Para 5**. The prescribed format for claiming the additional interest subvention is enclosed at (*Annexure-VI*).
- 12.8. In order to ensure effective SHG-Bank Linkage under NULM, the SULM will monitor and review the progress of banks on regular basis and co-ordinate with SLBC for interest subsidy/ subvention on SHG Loans in the state. Active involvement of State level Bankers Committee (SLBC) and lead banks may be ensured for sensitization of bank and branch staff for financial inclusion of urban poor.
- 12.9. It may be noted that the identification, selection, formation and monitoring of SHGs who are to get interest subvention would be the responsibility of State/ ULBs and banks would not be liable for wrong identification of SHGs who get interest subvention.



12.10. RBI guidelines for prompt repayment are as follows

a. For Cash Credit Limit to SHGs:

- i. Outstanding balance shall not have remained in excess of the sanctioned limit/ drawing power continuously for more than **30 days**.
- ii. There should be regular credits and debits in the account. In any case there shall be at least one customer induced credit during the month.
- iii. Customer induced Credits during a month shall be sufficient to cover the interest debited during the month

b. For Term Loan to SHGs: A term loan account where all of the interest payments and/ or instalments of principal were paid within **30 days** of the due date during the entire tenure of the loans would be considered as an account having prompt payment

The prompt payment guidelines will continue to be guided by RBI guidelines on the subject in future.

13. Sub-Component 4.4- Credit Card for enterprise development

13.1. The financial assistance to the individual entrepreneurs through subsidised loan for setting up of enterprises under NULM could be viewed as initial impetus to facilitate livelihood support to the urban poor. However the individual entrepreneurs require further financial support in terms of working capital to make the enterprise economically sustainable. This may include immediate and short term monthly requirement of cash for meeting expenses for purchase of goods, raw materials and other miscellaneous expenditures etc. The micro-entrepreneur does not have a regular fixed monthly cash inflow/income to meet expenses arising out of entrepreneurial activities. Also to approach a financial institution for such immediate credit requirement, requires procedural documentation and consumes a lot of time. This need for working capital credit is generally met from informal sources of credit (including money lenders) which is typically available at high rate of interest.

13.2. In order to support the micro-entrepreneurs to meet their working capital and miscellaneous credit needs, NULM will facilitate access to Credit Cards through banks

13.3. The SULM in consultation with the State Level Bankers Committee (SLBC) will



finalise the norms, limits and specifications for issuance of credit card to the individual entrepreneurs. The **General Credit Card Scheme (GCC)**, which is being implemented by all scheduled commercial banks or any other variant of credit cards for enterprise development of banks in urban areas, may be explored by SULM and SLBC for the same. The details of revised GCC scheme as per RBI notification is provided at **Annexure-IV**

- 13.4. The ULB will identify the prospective beneficiaries and will facilitate linkages with banks for issuance of credit cards. The focus is to initially facilitate issuance of credit card to cover all the beneficiaries who have availed financial assistance under SEP. Additionally other beneficiaries who are running their own business but have not availed assistance under SEP may also be covered if they satisfy the norms of issuance of credit cards.
- 13.5. The targets for the same may be decided at ULB level and the progress under this component is aggregated at SULM level and communicated to M/o HUPA periodically.

14. Sub-Component 4.5–Technology, Marketing and Other Support

- 14.1. Micro entrepreneurs often need support in order to grow and sustain their businesses. Support needed may be for establishment, technology, marketing, and other services. Micro entrepreneurs who run very small businesses may need to gain a better understanding of what the market needs, demand of the products produced by them, prices, where to sell, etc. Support services under this component are envisaged with a view to provide an encouraging environment for development of micro enterprises.
- 14.2. The City Livelihood Centres (CLCs) established under NULM will offer services to the micro-enterprises such as in establishment (licenses, certificates registration, legal services etc.), production, procurement, technology, processing, marketing, sales, packaging, accounting etc. for long term sustainability. CLC will also provide support in taking up feasibility/ assessment studies on market demand and market strategy for products and services of micro-enterprises.
- 14.3. All SEP individual and groups enterprises can avail the services from CLCs as per the norms of CLCs. The CLC with support of ULB may also tie up with various other government schemes which offer services and benefits for micro-enterprise development for the benefit of beneficiaries.
- 14.4. The SULM may arrange for additional funds/professional assistance for the purpose of



providing above services to CLCs.

15. Funding Pattern

- 15.1. Funding under this component will be shared between the Centre and the States in the ratio of **75:25**. In case of special category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Himachal Pradesh and Uttarakhand) this ratio will be **90:10** between the Centre and States.
- 15.2. The Ministry will allocate funds to the states on annual basis based on the targets assigned to the states. The states in consultation with the respective SLBCs and ULBs will decide the targets and corresponding funds will be allocated to ULBs so that full reimbursement to the banks on account of Interest subvention is settled during the financial year and no subvention amount overdue or pending with the states.

16. Monitoring and Evaluation

- 16.1. The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and up to the end of the quarter and key issues in implementation.
- 16.2. In addition, under NULM, a comprehensive and robust IT-enabled NULM MIS will be established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit of proactive disclosure of information and ensuring transparency under NULM, key progress reports under SEP will also be made available in the public domain in a timely manner.

**ANNEXURE-I****RBI/2009-10/449 RPCD.SME & NFS. BC.No. 79 /06.02.31/2009-10 May 6, 2010**

The Chairman/ Managing Director
All Scheduled Commercial Banks
(Including Regional Rural Banks and Local Area Banks)

Dear Sir

Working Group to Review the Credit Guarantee Scheme for Micro and Small Enterprises (MSEs) – Collateral free loans to MSEs

As you are aware, a Working Group was constituted by the Reserve Bank of India to review the Credit Guarantee Scheme (CGS) of the Credit Guarantee Fund Trust for Micro and Small Enterprises (Chairman: Shri V.K. Sharma, Executive Director, RBI) and suggest measures to enhance its usage. The Report of the Working Group was released on March 6, 2010, which is available on our website (www.rbi.org.in). The Working Group has, inter alia, recommended that

“the limit for collateral free loans to the MSE sector be increased from the present level of Rs. 5 lakh to Rs.10 lakh and it be made mandatory for banks. Banks, in turn, can take cover for the collateral free credit facilities under CGS. In order to upscale the CGS, it is necessary to create widespread awareness about the key features and benefits of the Scheme. As the branch level functionaries have a predilection to lend against collaterals, the Group recommends that the Chief Executive Officers (CEOs) of banks assume complete and total ownership in the matter of strongly encouraging the branch level functionaries to avail of the CGS cover, including making performance in this regard a criterion in the evaluation of their field staff.”

The above recommendations have been accepted by the Reserve Bank of India. Accordingly, in modification of our circular RPCD.SME & NFS.BC.No.16/06.02.31(P)/2009-10 dated August 24, 2009, banks are mandated not to accept collateral security in the case of loans upto Rs 10 lakh extended to units in the MSE sector.

2. Banks may also strongly encourage their branch level functionaries to avail of the CGS cover, including making performance in this regard a criterion in the evaluation of their field staff.



3. You are requested to issue suitable instructions to your branches/ controlling offices for meticulous and strict compliance in this regard.

4. Please acknowledge receipt.

Yours faithfully

(R.C. Sarangi)

Chief General Manager



ANNEXURE-II

CREDIT GUARANTEE FUND SCHEME FOR MICRO AND SMALL ENTERPRISES

Introduction

The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) was launched by the Government of India to make available collateral-free credit to the micro and small enterprise sector. Both the existing and the new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Fund Scheme for Micro and Small Enterprises. The scheme was formally launched on August 30, 2000 and is operational with effect from 1st January 2000. The corpus of CGTMSE is being contributed by the Government and SIDBI in the ratio of 4:1 respectively and has contributed Rs.1906.55 crore to the corpus of the Trust up to March 31,2010. As announced in the Package for MSEs, the corpus is to be raised to Rs.2500 crore by the end of 11th Plan.

Eligible Lending Institutions

The institutions, which are eligible under the scheme, are scheduled commercial banks (Public Sector Banks/Private Sector Banks/Foreign Banks) and select Regional Rural Banks (which have been classified under 'Sustainable Viable' category by NABARD). National Small Industries Corporation Ltd. (NSIC), North Eastern Development Finance Corporation Ltd. (NEDFi) and SIDBI have also been made eligible institutions. As on March 31, 2010, there were 112 eligible Lending Institutions registered as (MLIs) of the Trust, comprising of 27 Public Sector Banks, 16 Private Sector Banks, 61 Regional Rural Banks, 2 Foreign Bank and 6 other Institutions viz., NSIC, NEDFI, SIDBI and The Tamil Nadu Industrial Investment Corporation(TNIIC).

Eligible Credit Facility

The credit facilities which are eligible to be covered under the scheme are both term loans and working capital facility up to Rs.100 lakh per borrowing unit, extended without any collateral security or third party guarantee, to a new or existing micro and small enterprise.



For those units covered under the guarantee scheme, which may become sick owing to factors beyond the control of management, rehabilitation assistance extended by the lender could also be covered under the guarantee scheme. It is noteworthy that if the credit facility exceeds Rs.50 lakh, it may still be covered under the scheme but the guarantee cover will be extended for credit assistance of Rs.50 lakh only. Another important requirement under the scheme is that the credit facility should be availed by the borrowing unit from a single lending institution. However, the unit already assisted by the State Level Institution/NSIC/NEDFi can be covered under the scheme for the credit facility availed from member bank, subject to fulfillment of other eligibility criteria. Any credit facility in respect of which risks are additionally covered under a scheme, operated by Government or other agencies, will not be eligible for coverage under the scheme.

Guarantee Cover

The guarantee cover available under the scheme is to the extent of 75 per cent of the sanctioned amount of the credit facility. The extent of guarantee cover is 80 per cent for (i) micro enterprises for loans up to Rs.5 lakh; (ii) MSEs operated and/or owned by women; and (iii) all loans in the North-East Region. In case of default, Trust settles the claim up to 75% (or 80% wherever applicable) of the amount in default of the credit facility extended by the lending institution. For this purpose the amount in default is reckoned as the principal amount outstanding in the account of the borrower, in respect of term loan, and amount of outstanding working capital facilities, including interest, as on the date of the account turning Non-Performing Asset (NPA).

Tenure of Guarantee

The Guarantee cover under the scheme is for the agreed tenure of the term loan/composite credit. In case of working capital, the guarantee cover is of 5 years or block of 5 years.

Fee for Guarantee

The fee payable to the Trust under the scheme is one-time guarantee fee of 1.5% and annual service fee of 0.75% on the credit facilities sanctioned. For loans up to Rs.5 lakh, the one-time guarantee fee and annual service fee is 1% and 0.5% respectively. Further, for loans in the North-East Region, the one-time guarantee fee is only 0.75%.



Website

Operations of CGTMSE are conducted through Internet. The website of CGTMSE has been hosted at www.cgtsi.org.in

Scheme Awareness Programmes

CGTMSE has adopted multi-channel approach for creating awareness about its guarantee scheme amongst banks, MSE associations, entrepreneurs, etc. through print and electronic media, by conducting workshops/seminars, attending meetings convened at various district/state/national fora, etc. As on March 31, 2010, 1080 workshops and seminars were conducted on Credit Guarantee Scheme. Also, CGTMSE participated in 19 exhibitions and attended 304 SLBC/meetings convened by RBI/other Government offices. Posters and mailers have been circulated to banks, industry associations, and other stakeholders for promoting the scheme and creating its greater awareness. With a view to imparting training to MLIs through their training colleges, multimedia CD-ROM containing operational modalities of the scheme, was distributed to the staff training centers/colleges of the MLIs. The Trust has recently launched an advertisement campaign in 194 newspapers across the country through DAVP, which has created considerable awareness about the scheme among the target audience.



RPCD.FID. BC.No. 10/12.01.033/ 2013-14 July 01, 2013

The Chairman/ Managing Director/

Chief Executive Officer

All Scheduled Commercial Banks

Dear Sir,

Master Circular on SHG-Bank Linkage Programme

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on SHG-Bank Linkage Programme. In order to enable the banks to have instructions at one place, a Master Circular incorporating the existing guidelines/instructions on the subject has been updated and enclosed. This Master Circular consolidates and updates the circulars issued by Reserve Bank on the subject up to June 30, 2013 as indicated in the Appendix.

Yours faithfully

(A. Udgata)

Principal Chief General Manager

Encl: As above

Master Circular on SHG-Bank Linkage Programme

1. Despite the vast expansion of the formal credit system in the country, the dependence of the rural poor on moneylenders somehow continued in many areas, especially for meeting emergent requirements. Such dependence was pronounced in the case of marginal farmers, landless labourers, petty traders and rural artisans belonging to socially and economically backward classes and tribes whose propensity to save is limited or too small to be mopped up by the banks. For various reasons, credit to these sections of the population had not been



institutionalized. The studies conducted by NABARD, APRACA and ILO on the informal groups promoted by Non-Governmental Organizations (NGOs) brought out that Self-Help Savings and Credit Groups had the potential to bring together the formal banking structure and the rural poor for mutual benefit and that their working had been encouraging.

2. Accordingly, NABARD launched a pilot project to cover Self-Help Groups (SHGs) promoted by Non-Governmental Organizations, banks and other agencies under the pilot project and supported it by way of refinance. The quick studies conducted by NABARD in a few states to assess the impact of the linkage project brought out encouraging and positive features like increase in loan volume of the SHGs, definite shift in the loaning pattern of the members from non-income generating activities to production activities, nearly 100% recovery performance, significant reduction in the transaction costs for both the banks and the borrowers etc., besides leading to gradual increase in the income level of the SHG members. Another significant feature observed in the linkage project was that about 85% of the groups linked with the banks were formed exclusively by women.
3. With a view to studying the functioning of SHGs and NGOs for expanding their activities and deepening their role in the rural sector, in November 1994, RBI constituted a working Group comprising eminent NGO functionaries, academicians, consultants and bankers under the Chairmanship of Shri S.K. Kalia, the then Managing Director, NABARD. The Working Group was of the view that the linking of SHGs with the banks is a cost effective, transparent and flexible approach to improve the accessibility of credit from the formal banking system to the unreached rural poor, which is expected to offer the much needed solution to the twin problems being faced by the banks, viz recovery of loans in the rural areas and the high transaction cost in dealing with small borrowers at frequent intervals. The Group, therefore, felt that the thrust of the policy should be to encourage the formation of SHGs and their linking with the banks and in this regard, the banks have a major role to play. The Working Group had recommended that the banks should treat the linkage programme as a business opportunity and they may design area specific and group specific loan packages taking into account inter alia the potential, local needs, available talent/skills etc.
4. The Reserve Bank constituted four informal groups in October 2002 to examine various issues concerning micro-finance delivery. Linking of SHGs with banks have been emphasized in the Monetary policy of Reserve Bank of India and Union Budget announcements from time to time and various guidelines have been issued to banks in this regard. To scale up



the SHGs linkage programme and make it sustainable, banks were advised that they may consider lending to SHGs as part of their mainstream credit operations both at policy and implementation level. They may include SHG linkage in their corporate strategy/plan, training curriculum of their officers and staff and implement it as a regular business activity and monitor and review it periodically.

5. **Separate Segment under priority sector:** In order to enable the banks to report their SHG lending without difficulty, it was decided that the banks should report their lending to SHGs and/or to NGOs for on-lending to SHGs/members of SHGs under the new segment, viz. 'Advances to SHGs' irrespective of the purposes for which the members of SHGs have been disbursed loans. Lending to SHGs should be included by the banks as part of their lending to the weaker sections.
6. **Opening of Savings Bank A/c:** The SHGs registered or unregistered which are engaged in promoting savings habits among their members would be eligible to open savings bank accounts with banks. These SHGs need not necessarily have already availed of credit facilities from banks before opening savings bank accounts. KYC verification of all the members of SHG need not be done while opening the savings bank account of the SHG as KYC verification of all the office bearers would suffice. Further, it is clarified that since KYC would have already been verified while opening the savings bank account and the account continues to be in operation and is being used for credit linkage, no separate KYC verification of the members or office bearers is necessary at the time of credit linking of SHGs,
7. **SHG lending to be a part of planning process:** Bank lending to SHGs should be included in branch credit plan, block credit plan, district credit plan and state credit plan of each bank. While no target is being prescribed under SHG bank linkage programme, utmost priority should be accorded to the sector in preparation of these plans. It should also form an integral part of the bank's corporate credit plan.
8. **Margin and Security Norms:** As per operational guidelines of NABARD, SHGs may be sanctioned savings linked loans by banks (varying from a saving to loan ratio of 1:1 to 1:4). However, in case of matured SHGs, loans may be given beyond the limit of four times the savings as per the discretion of the bank. Experience showed that group dynamics and peer pressure brought in excellent recovery from members of the SHGs. The flexibility allowed to the banks in respect of margin, security norms, etc. under the pilot project continues to be



operational under the linkage programme even beyond the pilot phase.

9. **Documentation:** A simple system requiring minimum procedures and documentation is a precondition for augmenting flow of credit to SHGs. Keeping in view the nature of lending and status of borrowers, banks should strive to remove all operational irritants and make arrangements to expeditiously sanction and disburse credit by delegating adequate sanctioning powers to branch managers. The loan application forms, procedures and documents should be made simple. It would help in providing prompt and hassle-free credit.
10. **Presence of defaulters in SHGs:** The defaults by a few members of SHGs and/or their family members to the financing bank should not ordinarily come in the way of financing SHGs per se by banks provided the SHG is not in default to it. However, the bank loan may not be utilized by the SHG for financing a defaulter member to the bank.
11. **Capacity Building and Training:** An important step in the Linkage Programme would be the training of the field level officials and sensitization of the controlling and other senior officials of the bank. Considering the need and magnitude of training requirements of bank officers/staff both at field level and controlling office level, the banks may initiate suitable steps to internalize the SHGs linkage project and organize exclusive short duration programmes for the field level functionaries. In addition, suitable awareness/sensitization programmes may be conducted for their middle level controlling officers as well as senior officers.
12. **Monitoring and Review of SHG Lending:** Having regard to the potential of the SHGs, banks may have to closely monitor the progress regularly at various levels. In order to give a boost to the ongoing SHG bank linkage programme for credit flow to the unorganized sector, banks were advised in January 2004 that monitoring of SHG bank linkage programme may be made a regular item on the agenda for discussion at the SLBC and DCC meetings. It should be reviewed at the highest corporate level on a quarterly basis. Further the progress of the programme may be reviewed by the banks at regular intervals. A progress report may be sent to NABARD (Micro Credit Innovations Department), Mumbai, on a half-yearly basis, as on 30 September and 31 March each year so as to reach within 30 days of the half-year to which the report relates.
13. **Encourage SHG Linkage:** Banks should provide adequate incentives to their branches in financing the Self Help Groups (SHGs) and establish linkages with them, making the procedures absolutely simple and easy while providing for total flexibility in such procedures to suit local conditions. The group dynamics of working of the SHGs may be left to themselves



and need neither be regulated nor formal structures imposed or insisted upon. The approach to financing of SHGs should be totally hassle-free and may include consumption expenditures.

14. **Interest rates:** The interest rate applicable to loans given by banks to Self Help Groups/ member beneficiaries would be left to their discretion.
15. **Total Financial Inclusion and Credit Requirement of SHGs:** Banks have been advised to meet the entire credit requirements of SHG members, as envisaged in the Paragraph 93 of the Union Budget announcement made by the Honourable Finance Minister for the year 2008-09 where in it was stated as under: *“Banks will be encouraged to embrace the concept of Total Financial Inclusion. Government will request all scheduled commercial banks to follow the example set by some public sector banks and meet the entire credit requirements of SHG members, namely, (a) income generation activities, (b) social needs like housing, education, marriage, etc. and (c) debt swapping”*.

ANNEXURE-IV

RBI/2013-14/389

RPCD.MSME & NFS. BC. No. 61/06.02.31/2013-14 December 2, 2013

The Chairman/Managing Director/ Chief Executive Officer

All Scheduled Commercial Banks

(Including Regional Rural Banks)

Dear Sir / Madam

Revised General Credit Card (GCC) Scheme

Please refer to our circular RPCD.CO.No.RRB.BC.59/03.05.33(F)/2005-06 dated December 27, 2005 and circular no. RPCD.CO.Plan.BC.No.66/04.09.01/2007-08 dated May 06, 2008 on the General Credit Card (GCC) Scheme.

2. During Financial Inclusion Plan (FIP) review meetings held with banks during May-July 2013, it was observed that data reported by banks under GCC is not showing entrepreneurial credit extended to individuals. In order to enhance the coverage of GCC Scheme to ensure greater credit linkage for all productive activities within the overall Priority sector guidelines and to capture all credit extended by banks to individuals for non-farm entrepreneurial activity the GCC guidelines are being revised. The revised Scheme is at **Annex**.

3. You are further advised that any other Credit Card (e.g. Artisan Credit Card, Laghu Udyami Card, Swarojgar Credit Card, and Weaver's Card etc.) in existence and catering to the non-farm entrepreneurial credit needs of individuals should be included for reporting of credit extended through the General Credit Cards under the Financial Inclusion Plans (FIPs). As the GCC is intended to cover all entrepreneurial credit, consumption credit extended to individuals should not be reported under GCC.

4. The issuance of GCC does not preclude the banks from issuing any other credit card to their customers for their consumption needs. Consumption credit provided by banks is to be reported separately under the head of Overdraft (OD)/consumption credit in the FIP reporting format prescribed by Reserve Bank of India.



5. These guidelines will supersede the GCC guidelines issued by Reserve Bank of India in December 2005 and May 2008. The revision has been done to ensure greater flow of entrepreneurial credit to individuals, particularly to borrowers of small means.

6. All banks are advised to implement the Revised General Credit Card Scheme with immediate effect under advice to us.

Yours faithfully

(Madhavi Sharma)

Chief General Manager

Encl: As above

1. Objectives

The objective is to increase flow of credit to individuals for entrepreneurial activity in the non-farm sector provided through the General Credit Card.

2. Eligibility

All non-farm entrepreneurial credit extended to individuals, which is eligible for classification under the priority sector guidelines.

3. Coverage

The scheme shall cover the entire country.

4. Nature of financial accommodation

Any credit facility extended under the Scheme would include both working capital and term loan requirements of entrepreneurs. The GCC, preferably, may be issued as a Smart card / Debit card (Biometric smart card compatible for use in the ATMs / Hand held Swipe Machines and capable of storing adequate information on entrepreneur's identity, assets and credit profile etc.). Wherever the accounts are not digitized, the GCC may be issued as a card/pass book or a credit card cum pass book incorporating the name, address, photograph of the holder, particulars of borrowing limit, validity period etc. for the time being which will serve both as an identity card as well as facilitate recording of the transactions on an ongoing basis.



5. Quantum of credit limit

There will be no ceiling on the loan amount as long as the loan is for the purpose of non-farm entrepreneurial activity and is otherwise eligible for classification as priority sector. The limits should be fixed on the basis of risk assessment on a case to case basis.

6. Security

Security norms will be applicable as per Reserve Bank guidelines on collateral free lending for micro and small units issued from time to time.

7. Rate of Interest

To be decided by banks in terms of their Board approved policies within the overall guidelines issued by Reserve Bank on interest rates from time to time.



**INTEREST SUBSIDY CLAIMS UNDER NATIONAL URBAN LIVELIHOODS
MISSION (NULM)**

1. Name of the Bank:

Submission of Interest subsidy claims to lend @ 7% p.a. to SEP-I, SEP-G and SHGs under NULM for quarter ending (Figs in Rs):

We hereby apply for sanction and release of interest subsidy aggregating to Rs..... (Rupees.....)

covering Accounts in respect of financial assistance sanctioned to following constituent accounts numbers as per the details given below

A) SEP- I (Individual Enterprise)

S.No	Branch	Name of the borrower	Loan Account No	Loan Amount		Interest	
				Sanc-tioned	Disbursed	Charged	Subsidy Claimed
1	2	3	4	5	6	7	8
1							
2							
3							
	Total						



B) SEP- G (Group Enterprise)

No	Branch	Name of the Group	Loan Ac- count No	Loan Amount		Interest	
				Sanc- tioned	Disbursed	Charged	Subsidy Claimed
1	2	3	4	5	6	7	8
1							
2							
3							
	Total						

c) Self Help Group (SHG Bank Linkage)

No	Branch	Name of the SHG	Loan Ac- count No	Loan Amount		Interest	
				Sanc- tioned	Disbursed	Charged	Subsidy Claimed
1	2	3	4	5	6	7	8
1							
2							
3							
	Total						

Place:

(Signature of the Authorised Officer of the Bank)

Date and Seal of the Bank



Submission of claims for additional Interest Subvention to lend Women Self Help Groups (WSHG's) at 3% pa under NULM for the quarter ending:

Name of the Bank:

Statement for the quarterly claims: Loans disbursed/outstanding (Figs in Rs)

S. No	Branch	Name of the WSHG	Loan Account No	Loan Amount Disbursed	Amount of Interest subvention
1	2	3	4	5	6
1					
2					
3					
	Total				

We hereby certify that above loans were repaid on time and the benefit of additional interest subvention has been passed on to the WSHG's account, reducing effective rate of interest to 4% for the prompt payee WSHGs

Place

(Signature of the Authorised Officer of the Bank)

Date and Seal of the Bank

Scheme of Shelters for Urban Homeless

(Operational Guidelines)

National Urban Livelihoods
Mission



सत्यमेव जयते

Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14014/58(19)/2012-USD
Government of India
Ministry of Housing & Urban Poverty Alleviation
(UPA Division)

Nirman Bhawan, New Delhi
Dated: 13th December 2013

OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for the Scheme of Shelter for Urban Homeless (SUH) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for the Scheme of Shelter for Urban Homeless (SUH) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.

3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)
Joint Secretary to the Government of India
Ministry of Housing & Urban Poverty Alleviation



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THE SCHEME OF SHELTER FOR URBAN HOMELESS (SUH)

1. **BACKGROUND:**

The National Urban Housing & Habitat Policy (NUHHP), 2007 aims at promoting sustainable development of habitat in the country with a view to ensuring equitable supply of land, shelter and services at affordable prices to all sections of the society. However, the most vulnerable of these are the urban homeless.

The Urban homeless persons contribute to the economy of the cities and thus the nation as cheap labour in the informal sector; yet they live with no shelter or social security protection. The urban homeless survive with many challenges like no access to elementary public services such as health, education, food, water and sanitation.

National Urban Livelihoods Mission (NULM) aims at providing permanent shelter equipped with essential services to the urban homeless in a phased manner under the Scheme of Shelter for Urban Homeless (SUH).

2. **OBJECTIVE:**

The objectives of the Shelter for Urban Homeless (SUH) component of NULM scheme are to:

- 2.1. Ensure availability and access of the urban homeless population to permanent shelters including the basic infrastructure facilities like water supply, sanitation, safety and security;
- 2.2. Cater to the needs of especially vulnerable segments of the urban homeless like the dependent children, aged, disabled, mentally ill and recovering gravely ill, by creating special sections within homeless shelters and provisioning special service linkages for them.
- 2.3. Provide access to various entitlements, viz. social security pensions, PDS, ICDS, identity, financial inclusion, education, affordable housing etc. for homeless populations.
- 2.4. Formulate structures and framework of engagement for development, management and monitoring of shelters and ensuring basic services to homeless persons, by state and civil society organisations including homeless collectives.



3. **NORMS AND TYPES OF SHELTERS:**

- 3.1. The shelters should be permanent all-weather shelters for the urban homeless. For every one lakh urban population, provisions should be made for permanent community shelters for a minimum of one hundred persons. Depending upon local conditions each shelter could cater to 50 or 100 persons.
- 3.2. The scheme will be implemented in all district headquarter towns and other towns with population of one lakh or more as per the Census of 2011. However, priority may be given to cities with population above one million and cities/towns of special social, historical or tourist importance identified by the Government of India/ State Government. In addition, taking into account the requirement of shelters, other towns may be allowed in exceptional cases on the request of the State.
- 3.3. Some of these shelters may cater to the most vulnerable groups within the homeless populations such as (a) single women and their dependent minor children, (b) aged, (c) infirm, (d) disabled, (e) mentally challenged etc. Actual break-up would depend on local particularities, and size of the city and total numbers of shelters. States/ULBs may consider setting up separate shelters to cater the special needs such as:
 - a) Men shelters: Since the proportion of men among homeless is higher separate shelters for men could be built to primarily cater to single working men.
 - b) Women shelters: Shelters for the exclusive use of women in terms of its location, design, services and support systems, could be designed to cater to the needs of women and their dependent children. In every ULB, no matter how small the populace, at least one such shelter for women would be constructed.
 - c) Family Shelters: For families living on the streets; family shelters may be provided with a special design for privacy, with shared common spaces.
 - d) Special Shelters: Taking into account special needs for segments of homeless persons, such as old persons without care, mentally ill, recovering patients and their families etc. special shelters may be provided.

However, depending on the need, a shelter may cater to working men, women and family with appropriate spaces demarcated for each of the categories.



4. FACILITIES AT THE SHELTERS

The shelters will be permanent, running through out the year; and open round the clock, because many homeless persons find work in the nights. Following facilities/amenities may be provided at the shelters for dignified living:

- a) Well ventilated rooms.
- b) Water arrangements (Potable drinking water and other needs) and sanitation.
- c) Adequate bathing & toilet facilities.
- d) Standard lighting for shelter.
- e) Adequate fire protection measures, as per the norms.
- f) First aid kit.
- g) Pest and vector (mosquito) control
- h) Regular cleaning of blankets, mattresses and sheets, and maintenance of other services.
- i) Common kitchen/cooking space, necessary utensils for cooking and serving, cooking gas connections etc.
- j) Child care facilities for children by linking the shelter to the nearest Anganwadi Centers
- k) Facilitation for convergence with other services/entitlements.

5. LINKAGES WITH ENTITLEMENTS

Shelters will be a space for convergence and provisions of various entitlements of social security, food, education and health care systems. All homeless persons, in shelters should be given priority under various schemes, and government programmes. An illustrative list where such convergence is desirable is given below:

- Identity Proof & Postal Address, Elector's Photo Identity Card (EPIC), etc.
- Old age, widows and disability pensions
- BPL cards, PDS ration cards, etc.
- Bank or post office accounts
- ICDS services
- Admission to government schools



- Rashtriya Swasthya Bima Yojana
- Admissions to public hospitals for health care
- Linkage to Rajiv Awas Yojana
- Free Legal Aid

6. LOCATION OF SHELTERS:

- 6.1. Location should be close to homeless concentrations and work sites as far as practicable. They may preferably be located close to the areas where the poorest congregate like railway stations, bus depots, terminals, markets, wholesale mandis (market yards) etc., The location could be decided after mapping the concentration areas where homeless persons reside and work.
- 6.2. Systematic surveys would be undertaken in cities/towns by the local/municipal bodies so as to assess accurately the need for shelters at suitable locations. As far as possible, sites providing maximum convenience to the beneficiaries may be identified. While undertaking the survey and identifying beneficiaries, implementing agencies may involve civil society representatives.
- 6.3. The shelters should be permitted in residential, commercial, industrial and public and semi-public use zones, and should be allowed in other use zones also, on special permission by the planning authority/ urban local body. If need be, the Master plans may be suitably amended to permit construction of such shelters or special permission may be sought from the competent authority.

7. DESIGN OF SHELTERS:

- 7.1. For all the shelters, a space of 50 square feet per person will be taken as the minimum space to be provided. Under the component, construction of new shelters as well as refurbishing of existing building as homeless shelters will be allowed.
- 7.2. Where existing infrastructure/public buildings are being used, suitable refurbishment may be done to meet requisite services / space requirement. For refurbishment and utilisation of existing buildings as shelters, required Building Fitness Certificate shall be obtained from competent authorities.
- 7.3. Permanent shelters may be built of concrete or durable and weather proof alternate structures, with environmental friendly designs, rain water harvesting, solar heating / lighting facilities etc. For constructing new shelters, the State Governments may use innovative technologies/



designs for low cost and energy efficient buildings as far as possible.

8. OPERATION & MANAGEMENT OF SHELTERS:

- 8.1. The operations and management of the shelters can be undertaken by ULBs or any other agencies identified by the ULBs such as :
- (i) Homeless persons' collectives
 - (ii) Youth and Women's community based groups
 - (iii) Universities and Institutions
 - (iv) Nehru Yuya Kendras
 - (v) Unorganised workers' trade unions
 - (vi) NGOs and CSOs registered under the Societies Registration Act, 1860 and Trust Acts or other similar laws of the State Governments.
 - (vii) Self Help Groups and committees recognised by the State govt/ Urban Self Governments.
 - (viii) Resident Welfare Associations
 - (ix) Public/Private Sector Companies or Associations
- 8.2. These agencies may also facilitate orientation, training and identification of shelter staff.
- 8.3. A Shelter Management Committee (SMC) will be constituted with local ward member, ULB representative, caretakers, and few nominated residents of the shelter as member. The SMC shall supervise the day-to-day functioning of the Shelter.
- 8.4. Each shelter shall have the following minimum full time staff for looking after daily management, upkeep, cleanliness and discipline at the shelter:
- (i) One full time Manager
 - (ii) 3 Caregivers i.e. one caregiver for one shift of 8 hours.
- 8.5. The staff may be engaged by the ULB or resourced through agencies/ institutions responsible for operating the shelters. For shelters with women inmates, minimum one woman caregiver should be given.
- 8.6. The salary cost for the above positions can be included in O&M cost of the project, however if more staff is required, then the ULB / State Government may arrange for the funds from other sources.



8.7. The following registers will be maintained at all the Shelters –

- (i) Shelter Asset Inventory Book
- (ii) Accounts Register / Cash Book to monitor day to day expenditure & receipts
- (iii) Attendance Register
- (iv) Shelter Management Committee Meeting Register
- (v) Personnel Register with Salary Payment Details
- (vi) House Keeping & Maintenance Register
- (vii) Complaints and Suggestion Register

9. **PROJECT PROPOSAL:**

- 9.1. The shelters under this scheme would be established by the State/ULBs and operated either by them or through agencies identified by the State or ULBs. Convergence / dovetailing of this scheme with similar programmes for urban homeless being implemented by States/UTs will be permissible.
- 9.2. The agencies as mentioned in para 8.1 may be involved in project formulation, execution and / or operations & management of the shelters as per the local requirements. Such institutions may be encouraged to contribute in the capital cost and in operations & management cost of the shelters. However, the capital assets so created shall be under the ownership of the State Government/ULB.
- 9.3. ULB will be required to submit proposal for construction and management of shelters with Proposed Date of Completion (PDCs), other timelines and costing details. The proposal should be forwarded by the ULB to SULM (nodal agency for implementation of NULM) of the State.
- 9.4. For construction of new shelters, it will be the responsibility of the State Government/ULB to bring in the land. All the necessary clearances and approvals for the land must be obtained prior to preparation of the proposal. The cost of the land acquisition is not eligible for funding under the scheme.
- 9.5. For construction of new shelters, the current Central PWD rates applicable to the region / State Schedule of Rates (SOR) where construction is proposed will be applicable.
- 9.6. The proposals should be accompanied by a Detailed Project Report (DPR) with all



administrative and regulatory clearances.

- 9.7. For refurbishment of existing structures, the necessary approvals, lease agreement, ownership deed and such necessary documents need to be submitted with the project proposal.
- 9.8. The proposal should also contain shelter management mechanism including details of the staff, constitution, roles and responsibility of SMC, facilities / amenities being provided at the shelter, operational mechanism, Code of Conduct for the staff and residents, responsibilities of the shelter inmates, Delegation of Power to manage / operate the shelter, etc. The Project should also clearly state the process to be adopted for sustaining the shelter after 5 years of operation with indicative source of funding support for operations and management of the shelter.
- 9.9. Mechanism for handing over assets created and its operations and maintenance should be clearly delineated before submission of a proposal by the ULB.

10. **SANCTION OF PROJECT:**

A Project Sanction Committee shall be constituted at the State level under the Chairmanship of Principal Secretary/Secretary in-charge of NULM with representatives of all concerned departments in the State for consideration and approval of proposals submitted by ULBs/SULM under this component of NULM. A representative of the Ministry of HUPA shall be a member of this Sanctioning Committee.

11. **FUNDING PATTERN:**

- 11.1. Government of India would fund 75% of the cost of construction of the shelters and 25% would be the State contribution. 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.
- 11.2. Where existing infrastructure / public buildings are to be used, financial support for suitable refurbishment and augmentation to meet requisite services / space requirement would also be provided in ratio of 75:25 or 90:10 as applicable.
- 11.3. In case the agencies as mentioned in para 8.1 above want to contribute funds to the capital cost and/or annual O&M cost, balance requirement of funds will be shared between the centre and the state in the ratio of 75:25 or 90:10 as applicable.
- 11.4. For the sanctioned projects, SULM would release the funds to ULBs in instalments based



on the status of construction / refurbishment. The SULM may consider releasing funds to the ULBs in three instalments of 40%, 40% and 20% subject to utilization of funds released earlier and satisfactory progress of the construction/refurbishment of the shelter.

- 11.5. Any cost escalations beyond the original Proposed Date of Completion (PDC) of the project at the time of sanction would be borne by the respective State Government/ULB.
- 11.6. Central Government would also provide 75% or 90% of the O & M cost as the case may be, for each shelter for the period of first 5 years of operation. For O&M of one shelter catering to 50 urban homeless an amount of Rs. 6,00,000/- per annum is provisioned. The following Expenditure heads are permissible under the O&M cost for the shelters –

Sr. No.	Expenditure Heads	Details
1	Annual Maintenance cost/ shelter	Includes expenditure for electricity and other misc. expenses
2	Annual Servicing Cost	Includes cost of upkeep, maintenance, replenishment of bedding and kitchen equipment etc.
3	Annual Cost of providing free food	Restricted to 10% of inmates who are old / infirm etc. and cannot pay
4	Staff Salary	Includes 3 caregivers in 8 hour shifts and 1 full-time manager
Total O&M Cost permissible – Rs. 6,00,000/- for one Shelter catering to 50 urban homeless		

Additional funding required, if any for the O&M of the shelters may be borne by the State/ ULB or arranged through any other source.

- 11.7. The funds for Operations & Management of the shelters should be released to the ULBs post completion of the construction / refurbishment preferably in instalments. The instalments of O&M funds should be released well in advance in order to ensure smooth operation and maintenance of the shelters. The necessary procedures for verification of utilisation of funds released for O&M may be finalised by the SULM.



12. USER FEES

12.1. User fees, if any, will be levied with the objective of improving participation of the residents in operations of the shelter and would be modestly priced. The fund so collected could be utilised for maintenance of the facilities. The following will determine the norms and application of user fees by any implementing authority:

- a) Nominal charges could be collected depending on the income levels of the urban homeless at rates ranging from 1/10 to 1/20 of their income. For those with no payment capacities, total exemption should be granted.
- b) Meals provided at the shelter must be fully subsidized for old, infirm, disabled women and men and all children. For other shelter residents, meals may be provided at subsidized costs as decided by the State/ULB.
- c) All residents will be encouraged to offer voluntary services for maintenance of shelter homes including mess facilities, cleanliness, etc. on rotation basis (e.g. half day service per person /week). These norms to be evolved by the shelter manager together with the shelter management committee.

13. MONITORING AND EVALUATION

13.1. Under NULM, an Executive Committee under the chairpersonship of the Municipal Commissioner is required to be constituted to manage the affairs of NULM. This EC at the city level will be responsible for review and supervision of the working of shelters with the participation of community representatives, civil society organizations, line departments and elected representatives, etc.

13.2. The SULM and the ULB/executing agencies shall report quarterly progress of the respective projects in prescribed form, indicating the cumulative achievement up to the end of the quarter under report and key issues in implementation.

13.3. The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and up to the end of the quarter and key issues in implementation.

13.4. In addition, under NULM, a comprehensive and robust IT-enabled NULM MIS will be



established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit of proactive disclosure of information and ensuring transparency under NULM, key progress reports under SUSV will also be made available in the public domain in a timely manner. In addition, States/ULBs would undertake independent quality evaluation for quality checks on projects being implemented. Apart from that, social audit of each shelter should be organised at least once a year.

- 13.5. The State/ULB shall prescribe norms and guidelines on the Grievance redressal mechanism.
- 13.6. Every shelter should be linked with a high school or college, so that the students can engage with the residents of the shelters, ensuring quality of the shelters, and learning community service.

14. **PUBLICITY OF INFORMATION**

In order to ensure that the information about availability of shelters for urban homeless reaches the ultimate beneficiaries, i.e. the targeted population, adequate publicity measures should be taken by the State/ULB on regular basis.



Government of India
Ministry of Housing & Urban Poverty Alleviation
Website: <http://mhupa.gov.in>

Support to Urban Street Vendors

(Operational Guidelines)

National Urban Livelihoods
Mission



Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14014/1/2013-USD
Government of India
Ministry of Housing & Urban Poverty Alleviation
(UPA Division)

Nirman Bhawan, New Delhi

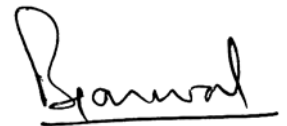
Dated: 13th December 2013

OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for Support to Urban Street Vendors (SUSV) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for Support to Urban Street Vendors (SUSV) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from: http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.
3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)
Joint Secretary to the Government of India
Ministry of Housing & Urban Poverty Alleviation



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1. Context of the Component

1.1 Street vendors constitute an important segment at the bottom of the pyramid of the informal economy in cities. Street vending provides a source of self-employment, and acts as a measure of urban poverty alleviation. Street vending also has a prominent place in the urban supply chain, and provides inexpensive and convenient access to goods and services to all segments of the population including the poor. Street vending is therefore an integral part of the economic growth process in urban areas.

1.2 Low levels of education and skills, limited access to formal credit and micro enterprise support constrain street vendors' ability to access emerging market opportunities. On account of being unorganised and self-employed, street vendors and their families often lack in any linkage to social security, welfare and assistance schemes and initiatives of the Government. This makes street vendors and their families vulnerable in difficult times, or when they may require assistance for unforeseen expenses.

1.3 In this context, the National Urban Livelihoods Mission (NULM) seeks to address the concerns of urban street vendors by facilitating access to suitable spaces for vending, institutional credit, improved skills and social security linkages. The Support to Urban Street Vendors Component of NULM sets out the strategy and operational guidelines with regard to this component.

2. Objectives

2.1 The objective of the component is to address the vulnerabilities of the urban street vendors through a multi-pronged approach. This includes:

- (i) Survey of street vendors and issue of Identity Cards
- (ii) Development of city street vending plans
- (iii) Infrastructure development of vending zones in the city
- (iv) Training and Skill Development
- (v) Financial Inclusion
- (vi) Access to credit
- (vii) Linkages to social security schemes



3. Role of State Government, Local Authority and Planning Authority

3.1 The State Government shall have overall responsibility for:

- (i) Providing overall direction.
- (ii) Establishing mechanisms for sanction of project proposals.
- (iii) Establishing mechanisms for monitoring and supervision of implementation.
- (iv) Establishing mechanisms for progress reporting.

3.2 The State Urban Livelihoods Mission (SULM) will be the nodal agency responsible for overall implementation of the component. At the city level, the responsibility for implementation will rest with the Urban Local Body (ULB).

3.3 The implementation would also require coordination between several authorities including Urban Local Bodies, Development Authorities and Town Planning Agencies, Land and Revenue Departments and District Collector offices. This coordination will be ensured by the State Government and the ULB.

3.4 The ULB will consult and coordinate with the planning authority, which could be an Urban Development Authority or any other authority in a city or town responsible for regulating land use in the city. The role of the town planning authority in the implementation of the scheme will include preparation and notification of pro-vending land use plans, and for providing land and development approval for vendors' markets.

3.5 Other agencies such as the Revenue Department, the Police Department and Public Health and Engineering Department (or Water Board) may be required to provide support and assistance to the local authority to facilitate the implementation of the component.

4. Components

Components 1: Survey and Issue of Identity Cards

4.1 Under this sub-component, financial support will be provided to the ULBs for conduct of survey for identification and enlisting of street vendors. The survey should preferably be conducted on a whole city basis. Alternatively, the ULB may also choose to complete the survey in a phased manner, covering one area (ward/ zone/ specified part of city) at a time. In this case, the area identified should be sufficiently large to accommodate mobility of vendors within the area.



4.2 The survey must cover all street vendors in the area being surveyed. ULB will develop methodology for conducting the survey. At a minimum, the survey must include:

- Name
- Name of parents
- Permanent Address
- Present Address
- Identity proof (if any)
- Telephone number (if any)
- Place of vending
- Type of vending activity
- Time/Duration of engagement as a vendor
- Details of family members
- If identified as beneficiary/poor for any of the government schemes like Food Security Act, TPDS, SJSRY, etc. and details thereof

During the survey, the original documents pertaining to present/permanent address proof, especially in the case of migratory population may also be verified so that the Identity Cards issued to the surveyed street vendors can act as sufficient documentation for opening of their bank accounts, getting loans from banks, accessing social security benefits, etc.

4.3 The ULB will issue Identity Cards to all the surveyed/identified street vendors. A data base of all street vendors will be maintained by the ULB. Since the vendors are mobile, the software should be able to track (based on either present/permanent address or any other criteria) whether the vendor has already been covered and issued an Identity Card.

4.4 The State or ULB may engage an agency through an RFP following a transparent process of selection to carry out survey of street vendors. In case the ULB issues the RFP, the shortlisted proposals must be sent to the Sanctioning Committee of SULM for consideration and approval. The ULB may also propose alternative methods of survey, such as through community participation or with the support of NGOs or government or research agencies. Such proposals too will need approval of the Sanctioning Committee of SULM.



Component 2: Preparation of City Street Vending Plan

4.5 Under this sub-component, financial support will be provided to the ULB for preparation of City Street Vending Plan which will contain the following:

- (i) profile of street vending trades and activities;
- (ii) spatial distribution of street vending activities;
- (iii) earmarking of space or area for vending zones;
- (iv) determination of vending zones as restriction- free vending zones, restricted vending zones and no-vending zones;
- (v) estimates of holding capacity of vending zones, which is the maximum number of street vendors who can be accommodated in any vending zone;
- (vi) understanding of key challenges, constraints and issues relating to street vending; and
- (vii) Possible solutions and potential street vending areas.

The Street Vending Plan will also take into account the natural markets where sellers and buyers naturally congregate for the sale and purchase of products and services. The Plan will be developed after consultations with Street Vendor's representatives and other relevant stakeholders.

4.6 While preparing the Street Vending Plan, the ULB, in coordination with the city police, traffic police, planning authority and other local agencies should also devise and promote vendor friendly policies, solutions and strategies to accommodate and facilitate street vending in a manner that is conducive to street vendors and the public at large. This may include policies for traffic management and regulation on market days or at certain times of the day, arrangements for lighting, water, sanitation and waste disposal in street vendor market areas. The ULB may coordinate with planning authorities to develop pro-vending norms and stipulation of vending spaces in new or refurbished roads, markets, office and residential complexes and other public spaces and public infrastructure. This will ensure greater acceptability of Street Vending Plans among the stakeholders.

4.7 The ULB should make every effort to minimise disruption to existing markets while developing the city street vending plan. Accordingly, the plan may be developed in such a manner that no relocation or eviction of street vendors takes place. Re-location of street vendors, if required,



must be based on consultation with the affected vendors.

4.8 Based on the survey findings, the City Street Vending plan may also include a digitised or non-digitised map of vending activities, vending trades and existing markets at ward or zone level.

4.9 For preparing the City Street Vending Plan, the SULM/ULB may engage consultants/ agency hired through a selection process as defined in 4.4 above and the work may be awarded after approval by the Sanctioning Committee of SULM. City Street Vending Plans will be submitted to the SULM for approval, and will be considered final once approved by SULM. SULM will also ensure that these plans are integrated into development plans of the city as per requirement of the law and procedures.

Component 3: Infrastructure Improvement

4.10 Under this sub-component, financial support will be provided to the ULBs for improvement of infrastructure and provision of basic services in the existing markets of street vendors. The ULBs will prepare a Detailed Implementation Plan (DIP) for such infrastructure improvement projects which may include improved civic facilities such as paving, water supply, toilets, waste disposal facility, lighting, common storage space, specialized carts for specific types of trades, temporary sheds and/or parking facilities. The infrastructure requirements for vendors markets will be assessed based on consultations with street vendors and their associations, local agencies and other stakeholders and will be facilitated by the ULB.

4.11 The DIP for infrastructure improvement must be prepared only after the street vendor survey for the area where the project is located, has been completed. In exceptional cases where the survey is not initiated and the ULB feels that there is an immediate need for a project, which will benefit a large number of street vendors, then the survey for that area along with its cost may be included in the DIP. The ULB must ensure that prior to commencing work on the project, the street vendors who will benefit, have been issued the Identity Card as well as the Street Vending Certificate as per the prevailing policy, Act or guidelines of the state. The list of beneficiaries of the project should be placed in the public domain and displayed on the notice board of the ULB and posted on the website of the ULB/State before taking up the project.

4.12 While preparing the DIP, provision for providing specialized carts to the street vendors for specific types of trades such as food vending etc. may be included with a view to improve the hygiene and optimal utilization of space. These carts may be funded through individual loans covered under the SEP component of NULM.



4.13 DIPs should contain:

- (i) Project rationale, details of beneficiaries and stakeholders, how it will contribute to improved street vending in the surrounding area, and how it fits within the overall City Street Vending Plan
- (ii) Land ownership details
- (iii) Relocation plan, if any must be supported by a letter of consent from the affected street vendors and/or their association
- (iv) Specific infrastructure improvement project details with costs, including operations and maintenance plan
- (v) Detailed and complete list of beneficiaries who will benefit from the project – in case the survey is not complete and will be conducted as part of the DIP, the list of beneficiaries will have to be provided upon completion of the survey and prior to commencement of infrastructure improvement. SULM may release the second installment of funds for the project, contingent on the list of beneficiaries.
- (vi) Safety concerns, if any, relating to fire hazard or other hazards.

4.14 The ULB may also develop DIP for creation of “food streets”, “farmers markets”, “night market” and other such specialised/theme based markets subject to the provisions stipulated above. In markets where food will be prepared in the market, the ULB should take into account issues of food safety and fire hazard in addition to other elements of infrastructure improvement that will be required.

4.15 For preparation of DIPs, the ULB may hire consultants using a process similar to 4.4 above. DIPs must be submitted to the Sanctioning Committee of SULM for approval.

Component 4: Training and Skill Development

4.16 The ULB will conduct one to two days training programmes for all street vendors taking one area at a time. The aim of this program will be to orient the street vendors on aspects such as their rights and responsibilities, specific policies or laws related to street vendors, food safety, maintenance of hygiene, waste disposal, etc.

4.17 Modules for training, IEC material and workshops may be developed/organised by the SULM/ULB in partnership with any resource agency identified by them. Delivery of training may be outsourced to a training institute, a specialized agency such as Food Safety and Standards



Authority of India or a reputed NGO.

4.18 Street vendors who undergo a training programme/workshop will be paid a daily amount as stipend for number of days attended, and calculated based upon opportunity cost of livelihood. This daily stipend should not be less than the minimum wage applicable in the State for urban areas. The training cost should also include trainer fee, food, and travel cost, subject to a maximum of Rs. 750 per person per day. Cost of conducting such specialised training programmes for the street vendors will be met from the Employment through Skill Training and Placement (EST&P) component of NULM.

4.19 Reports of training conducted and feedback from participants of the training programme will be submitted by the ULB on a monthly basis.

Component 5: Financial Inclusion

4.20 Street vendors are often unable to access organised banking services as they lack identity documents, proof of address, tenure or legal rights over their place or business and evidence of their trades and professions. It is envisaged that the Identity Cards issued to street vendors under this scheme will help promote access to banking services. SULM and ULBs will liaise with banks and other financial institutions to facilitate access to banking and financial services based on documents issued to street vendors by the ULBs.

4.21 The SULM at state level will include financial inclusion of urban street vendors as a separate agenda in State Level Bankers Committee (SLBC) and District Consultative Committee (DCC) meetings. The aim of inclusion will be to ensure that all street vendors have bank accounts and are included in financial literacy programmes organized by the banks.

4.22 **Financial Literacy:** The ULB will organise sessions on financial literacy for identified street vendors with support of resource organisation and field staff. In these sessions the street vendors will be made aware about the savings, credit, insurance etc., along with the modalities and operational requirements for accessing the same. The banks and Financial Institutions may be encouraged to communicate with the street vendors through City Livelihoods Centre (CLC), camps etc. The ULB will do the necessary coordination with the Lead District Manager (LDM) of the Lead Bank and Financial Literacy & Credit Counseling Centers (FLCCs) of the banks to organise financial literacy sessions and camps.



4.23 Opening of Basic Savings Bank Deposit Account: This includes opening of Basic Savings Bank Deposit Accounts for all the identified street vendors. The SULM in discussion and coordination with respective SLBC convenor bank, ULB, DCC and LDM will ensure the following:

- Provide the Lead District Manager of the Lead Bank and DCC with the list of identified street vendors to be covered at city level
- Operational formalities such as availability of forms at all the branches/ extension counter of the banks, CLCs, & ULB office.
- Organise camps within the respective jurisdiction of banks for opening of accounts with support of ULB field staff and Resource Organisation.
- Engagement of Business Correspondents (BC)/Business Facilitators by banks as per the requirement of the city for better outreach.

Component 6: Access to Credit

Access to credit to fulfil the working capital requirement of the street vendors includes facilitating access to loans to the street vendors from banks. It will also focus on facilitating access to credit cards to identified individual street vendors to meet their working capital requirements.

4.24 Access to Credit: The Self Employment Programme–Individual Enterprises (SEP-I) component of NULM provides financial assistance to urban poor in the form of interest subsidy on bank loans for setting up individual enterprises. In accordance with SEP guidelines, loans can be made available to the identified urban poor street vendors at 7% rate of interest. The modalities and procedure for availing loans for poor street vendors will be similar as detailed out in SEP-I component.

4.25 It is envisaged that other street vendors interested in availing loans for their enterprise, will be facilitated for loan linkages with banks by the ULB. The ULB will identify such street vendors and will thereafter take their intent for loan requirement and route their application for further processing by banks.

4.26 Credit Card for Urban Street Vendors: The ULB will also facilitate access to credit cards for eligible urban street vendors to meet their working capital and miscellaneous credit needs. The ULB will identify the prospective street vendors and will facilitate linkages with banks for issuance of credit cards. The focus is to initially facilitate issuance of existing credit cards of banks such as



General Credit Card (GCC) or any other variant of credit card for micro enterprise development to the urban street vendors.

4.27 The Ministry of HUPA will also explore the possibility of devising an exclusive Credit Card Scheme for Urban Street Vendors in consultation with Department of Financial Services, Reserve Bank of India and other banks.

Component 7: Linkage with Social Security Schemes

4.28 In order to bring the street vendors within the ambit of social insurance and to provide coverage from risks/ uncertainties, ULBs will facilitate enrolment of street vendors in insurance schemes of Government of India such as Rashtriya Swasthya Bima Yojana (RSBY) for health insurance, Aam Aadmi Bima Yojna (erstwhile Janashree Bima Yojna) for Life Insurance or any state specific insurance schemes. However, the enrolment in any insurance scheme by ULB should be as per the free will of the street vendors.

4.29 The ULB will also promote awareness and facilitate enrolment of street vendors in other social security, welfare and social assistance schemes of state and central government.

5. Sanctioning Committee at the State Urban Livelihoods Mission

There would be a Sanctioning Committee under the chairmanship of Principal Secretary/Secretary in-charge of NULM at the State level with representatives of other concerned departments in the State for consideration and approval of proposals submitted by ULBs/SULM under this component of NULM. A representative of the Ministry of HUPA shall be a member of this Sanctioning Committee.

6. Monitoring and Evaluation

6.1 The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and up to the end of the quarter and key issues in implementation.

6.2 In addition, under NULM, a comprehensive and robust IT-enabled NULM MIS will be established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit



of proactive disclosure of information and ensuring transparency under NULM, key progress reports under SUSV will also be made available in the public domain in a timely manner.

7. **Funding Pattern**

Up to 5% of the total NULM allocation of the State can be spent on implementation of this component of NULM (excluding any cost incurred on training and access to credit which will be met from EST&P and SEP components respectively). Funding pattern of Central and State share will be in the ratio of 75:25. In case of north eastern states (Arunachal Pradesh, Assam, Manipur, Meghalaya, Tripura, Mizoram, Nagaland, Sikkim) and special category states (Jammu and Kashmir, Himachal Pradesh and Uttarakhand) this will be in the ratio of 90:10.



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OPERATIONAL GUIDELINES OF NULM FOR INNOVATIVE & SPECIAL PROJECTS (I&SP)

Introduction

1. In keeping with the mission's need to learn from, support and inculcate innovative initiatives, the National Urban Livelihoods Mission (NULM) will promote novel approaches in the form of innovative and special projects. The objective of projects under this component will be to implement a time-bound programme to demonstrate an approach that is likely to have wide implications for sustaining urban poverty alleviation efforts
2. A project taken up under this component may include pioneering approaches, innovations to strategies under NULM, or catalysing efforts in geographical areas where these have not been undertaken before. These projects may also include activities not possible to address through the normal course of NULM implementation. Further, special projects to address livelihood issues of most vulnerable sections like physically-challenged, rag pickers, domestic workers, rickshaw pullers, sanitation workers and other such vulnerable groups may also be taken up.
3. Innovative / special projects may be undertaken on a partnership mode involving CBOs, NGOs, semi-government Organisations, private sector, industry associations, government departments/ agencies, urban local bodies, national/state/city resource centres or international organisations.
4. The proposals for Innovative & Special Projects must be situated in the cities covered by NULM.

Project Proposal

5. Government departments / agencies, urban local bodies, and registered bodies such as CBOs, NGOs, semi-government organisations, the private sector, industry associations, educational and/or research institutions, and national / state / city resource centres may propose projects under this component to the State/UT Government / SULM in the prescribed format at Annexure I with an advance copy of the proposal to the National Mission Directorate, NULM
6. The State Government / SULM will examine the proposal in terms of profile and experience of the agency proposing the project, justification and feasibility of the project, funding details, modalities for implementation, time schedule for completion etc., and send their recommendations/comments along with the proposal to the National Mission Directorate, NULM.

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7. The consent of the State Government / ULB or any other agency who will be required to maintain the assets, or sustain the project after the project period is required to be produced at the time of recommending the project to the National Mission Directorate, NULM.

8. All proposals received from the State Government / SULM will also be screened by the National Mission Directorate, NULM. For projects requiring professional appraisal, the National Mission Directorate, NULM may engage an agency for this purpose, and the cost of appraisal will be paid to such agency out of the A&OE funds under NULM.

Sanction of Projects

9. The project proposals recommended by the State/UT Governments/SULM will be considered by the **Project Approval Committee (PAC)**, constituted by the Ministry of HUPA for approval of the projects. The PAC, at the time of sanction of the project, will also prescribe the time schedule within which the project will be completed. However, this may be revised taking into account unforeseen factors or other such circumstances by the National Mission Directorate, NULM.

10. The composition of the Project Approval Committee (PAC) will be as follows:

S. No.	Designation	Membership
10.1.	Secretary, M/o HUPA	Chairperson
10.2.	Joint Secretary i/c of NULM, M/o HUPA	Member
10.3.	Joint Secretary & Financial Advisor, M/o HUPA	Member
10.4.	Joint Secretary(JNNURM & RAY), M/o HUPA	Member
10.5.	Mission Director(s), SULM of the concerned states which have submitted proposals under I&SP component	Member(s)
10.6.	Any other person(s) invited by the Chairperson	Member(s)
10.7.	Director / Dy. Secretary i/c of NULM, M/o HUPA	Member-Convenor

11. Representatives of the agencies proposing projects may be called to make presentations or provide clarifications at the meetings of the PAC, if considered necessary.

12. The PAC may also invite technical experts and the appraisal agency as attendees to the meetings to provide inputs on the proposals received under this component.

Funding Pattern

13. Under NULM, up to five (5) percent of the total Central Funds will be used for Special & Innovative Projects. This component will be centrally administered and no

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state share will be required for the projects sanctioned under this component. The funding support for a project under this component will depend on the nature of projects and will not be subject to the funding norms under other existing components of NULM.

14. On approval of the project by the PAC, the National Mission Directorate, NULM will release the funds to the State Government / SULM for onward release to the implementing agency. The Funds will be released to the State/UT Government/SULM in appropriate number of installments as approved by the PAC. Second and subsequent installments will be released only after submission of Utilization Certificate for at least 75% of the funds already released.

15. A bi-partite agreement will be signed for the implementation of the project between the concerned State Government (SULM) and the agency undertaking the project. This agreement must have clear project outputs and deliverables, and must clearly indicate payment milestones. A sample agreement is given at **Annexure II**; this may be modified to suit the context of the project approved.

16. The SULM will be required to maintain a separate account for funds released under this component. As funds released to the State/UT Governments/SULM under this component are meant for particular projects, therefore the release of Grants-in-Aid to States for implementation of other components of NULM will not depend on the utilisation of funds released for projects under I&SP component.

17. Audit of the approved I&SP project is required to be carried by an Auditor (Chartered Accountant) appointed for the purpose. The audit may preferably be done through a Chartered Accountant empanelled by the CAG or the Income Tax Department.

18. The interest amount accrued on the deposits of the I&SP Project funds in Banks at State and Implementing Agency levels shall be treated as part of the Project funds and shall be utilized on Project activities only. Accordingly, the interest earned on funds should be shown separately and should be added to the available funds while claiming subsequent installments.

Monitoring & Evaluation

19. The implementing agencies shall report quarterly progress in formats prescribed from time-to-time, indicating achievements and any key issues in implementation. Whenever the outcome of the projects is in terms of coverage of

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beneficiaries, the number of women beneficiaries should be separately reflected in the project proposal and progress reports.

20. On completion of the project, the implementing agency shall submit a report on the implementation, learning and suggestions for scaling-up and incorporation of the learning into NULM State Government and NULM Mission Directorate.

21. Normally, project proposals will have a provision of evaluation by a professional agency on completion of the project. The cost of evaluation will be incorporated in the project cost itself. However, for the purpose of evaluation of these projects, the National Mission Directorate, NULM may also engage a separate agency if needed and the cost of evaluation will be paid to the selected agency from out of A&OE funds under NULM.

FORMAT FOR THE SUBMISSION OF PROPOSALS

PART I: PROJECT SUMMARY

1. Name of the Project:
2. Name of the city and state in which this project will be implemented:
3. Project Objectives:
4. Project period:
5. Background of the project & features which make it special / innovative:
[include here the justification for why the project is being proposed as innovative or special project]
6. Details of the target beneficiaries to be covered by this project:
 - a. Total number of beneficiaries to be covered:
 - b. Profile of the beneficiaries: *[these may be SCs, STs, minorities, female-headed households, persons with disabilities, the destitute, migrant labourers, and especially vulnerable occupational groups such as street vendors, rag pickers, domestic workers, beggars, construction workers, etc.]*

PART II: IMPLEMENTING AGENCY DETAILS*

7. Name of the Implementing Agency:
8. Name & Contact details of the Representative, Implementing Agency:
9. Legal status of the Implementing Agency:
[e.g. registration status and details]
10. Last 3 years audited financial statements (in annexure):
11. Bank details of the Implementing Agency to which funds are to be released:
12. Experience of the agency in implementation of similar projects:
*[*include a detailed profile of the implementing agency in annexure to the proposal]*

PART III: PROJECT IMPLEMENTATION & MONITORING DETAILS

13. Project Strategy: *[Specify here the manner in which the project will achieve the goals and key outcomes proposed]*
14. Key outcomes of the project:
[specify here the expected benefits / impact of the project in terms of indicators such as increased reach of social mobilization, increase in income of the target group, increased retention in jobs of the target group, sustainability of enterprise of the target group, increased reach of credit facilities to the target group, increase in efficiency (time and cost), , etc.]
15. Role of partner agencies (if any):
[this could include line departments, NGOs and any other stakeholder institution – clearly indicate their responsibilities and their impact on the project]
16. Modalities for implementation of the project:
[describe here how various inputs such as technical inputs, raw materials, infrastructure development, marketing, training, etc., will be secured and managed]
17. Benchmark survey for indicators on the basis of which the project would be implemented, monitored and evaluated
18. Quarter-wise Action Plan / Milestones for implementation:

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19. Consent of the State Government / ULB / Other relevant agency who will be required to maintain assets / sustain the project after completion of the project:

PART IV: FUNDING DETAILS

20. Estimated total project cost:
[Please include in an annexure to this, a detailed budget statement indicating all (sub-) components of the project. Separate details of capital expenditure, funding of machinery and equipment, construction costs and HR costs as applicable must be included.]
21. Per capita cost for beneficiaries being covered:
22. Economic viability of the project (where applicable):
[include the report in annexure to the proposal where applicable]
23. Whether partial funding for this proposal is being sought from other sources? If yes, kindly provide details:
24. Whether the project, or part thereof, has been submitted to any other agency? If yes, the results thereof. If the project or its part has/had been rejected, the reasons should be indicated clearly.
[If the project is partially being funded by another agency, then a letter certifying that funding has been received / is likely to be received. If not, then a self-attestation by the agency that additional funds are not being sought and will not be sought for the project]
25. Funding milestones proposed:

Installment No.	Installment %	Installment Amount	Milestones against which installment is to be released	Expected date of completion of milestone
(1)	(2)	(3)	(4)	(5)

PART V: PROJECT LEARNINGS

26. Expected project learnings to be recommended to NULM:
[include here key lessons that the project would like to demonstrate to NULM and features from the project that can be recommended for inclusion after the project completion]
27. Likely issues in scaling-up the project to the rest of the country and how the project seeks to overcome this:
28. Describe how the project will be taken-up on a longer-term basis by the city and state:
[include here details of the partnership with ULB and state governments and expected commitments including funding support required to sustain the project in the long-run].
29. How capital assets used are to be disposed off after the project completion:

Annexure II

SAMPLE BI-PARTITE AGREEMENT FOR PROJECTS UNDER I&SP
COMPONENT OF NULM

Memorandum of Agreement (MoA)

Between

The State Government of _____
Through _____ (SULM)

And

(Implementing Agency)

OPERATIONAL GUIDELINES OF NULM FOR INNOVATIVE & SPECIAL PROJECTS

This agreement is signed on the _____th day of _____(month), of the Year Two Thousand and _____, between the following parties:

State Urban Livelihood Mission (SULM), Government of _____, (which expression shall, unless repugnant to the context of its meaning thereof, include its successors, nominees and assignees), located at _____(address), which has the mandate of implementing and expediting Central, State and local sector schemes pertaining to urban development, local self government, housing and urban poverty alleviation, including the National Urban Livelihoods Mission in the state of _____, hereafter referred to as the **FirstParty**;

AND

_____, (which expression shall, unless repugnant to the context of its meaning thereof, include its successors, nominees and assignees), located at _____(address). *<Include a brief one paragraph description of the implementing agency here>*, hereafter referred to as the **SecondParty**;

The First Party and Second Party shall collectively be known as “**Parties**” to this agreement.

WHEREAS the **First Party** is responsible for implementation of the National Urban Livelihoods Mission in the state of _____, in accordance with the requirements of the National Mission Directorate, National Urban Livelihoods Mission (NULM), Ministry of Housing & Urban Poverty Alleviation, Government of India;

AND WHEREAS the **Second Party** with expertise in the areas of _____ and _____ proposes the project to be implemented under the Innovative & Special Projects Component of the National Urban Livelihoods Mission (NULM) in the city(ies) of _____ in the state of _____;

AND WHEREAS the **Parties** agree that the activities shall be undertaken without discrimination – direct or indirect, because of, but not limited to, caste, race, ethnicity, religion or creed, status of nationality, political belief, gender, or handicapped status.

NOW THEREFORE, on the basis of mutual trust and in the spirit of mutual cooperation the parties have entered into this present Agreement.

1. **DEFINITIONS:** For the purpose of this Agreement, the following definitions shall apply:
 - 1.1. “NULM” shall mean the National Urban Livelihoods Mission;

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- 1.2. "NULM Mission Directorate" shall mean the implementation arm of NULM of the Government of India located within the Ministry of Housing and Urban Poverty Alleviation;
 - 1.3. "Project Approval Committee" or "PAC" shall refer to the committee constituted under the Innovative & Special Projects (I&SP) component of NULM with the mandate to approve I&SP projects and recommend their sanction to NULM;
 - 1.4. "SULM, _____" shall mean the nodal office for implementation of NULM by the State Government of _____ located within the _____, Government of _____;
 - 1.5. "Implementing Agency" shall refer to the institution / agency responsible for implementing the project under the Innovative & Special Projects component of NULM and within the terms of this agreement, also referred to as the Second Party;
 - 1.6. "Project" shall refer to the proposal approved by the PAC under the Innovative & Special Projects component of NULM;
 - 1.7. "Expenditure" shall mean the sum of disbursements made and valid outstanding obligations incurred in respect of goods and services rendered;
 - 1.8. "Assets" shall mean cash, supplies including physical assets such as constructions or purchased machinery and equipment purchased by the Second Party in the course of and with the funds of this Project;
 - 1.9. "To advance" shall mean a transfer of Assets, the accounting of which must be rendered by the Second Party at a later date, as herein agreed upon between the Parties;
 - 1.10. "Income" shall mean the interest on Project funds and all revenue derived from the use or sale of capital equipment, and from items purchased with funds provided by the First Party, or from revenues generated from Project outputs;
 - 1.11. "Site" or "Sites" shall mean the city or cities where the Project will be implemented and agreed upon in the context of this Agreement;
 - 1.12. "Reporting Quarter" shall mean a period of three (3) Reporting Months for which progress has to be reported through quarterly progress reports;
 - 1.13. "Fiscal Year" shall refer to the period between 1st April of the first year and 31st March of the year immediately thereafter the first year;
 - 1.14. (any other definitions pertinent to the context of the proposal)
- 2. PROJECT:**
- 2.1. The Second Party, shall develop a detailed results-based framework for the Project subject to the terms and conditions mentioned in this agreement and Terms of Reference (ToR) attached as **Annexure I**;
 - 2.2. The result-based framework shall be developed within ____ days of signing of this Agreement and approved by the SULM, _____, within _____ calendar month(s) of submission. This framework shall be used to implement and monitor the project;

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- 2.3. The Project will be implemented in the following sites:
 - 2.3.1. (list the city / cities where the project will be implemented here)
- 2.4. The Project will be implemented by the Second Party in the sites mentioned in this Agreement;
- 2.5. The Second Party shall undertake, as per the conditions of this Agreement, the complete responsibility for the successful commissioning and implementation of the Project;
- 2.6. The Second Party shall designate its representative to act as a Focal Point of the Project, in consultation with the SULM, _____, who shall act as the overall coordinator of the Project and assume primary responsibility for all aspects of it;
- 2.7. The Second Party may be called upon by the NULM Mission Directorate and / or SULM, _____ for meetings at their respective Headquarters to discuss the progress of the Project and make presentations thereon;

3. DURATION:

- 3.1. This Agreement shall come into effect on _____ (OR the date of signature of this agreement by all Parties) and shall be valid for a period of _____ month(s).
- 3.2. This Agreement may be extended by mutual consent of all Parties in writing.

4. PAYMENTS:

- 4.1. A total of Rs. _____ (Rupees _____ only) shall be paid to the Second Party by the First Party.
- 4.2. The payment will be made as per the following schedule:

Installment No.	Milestones	% Payment	Amount (Rs. In Lakh / '000s)
1			
2			
3			
4			
5			

- 4.3. The First Party shall ensure that payment of second and subsequent installments will be made subject to utilization of at least 75% of the payment released earlier and achievement of the milestones as explained in above table. The Second Party shall provide all necessary documentation, including Utilization Certificates, in the formats specified by the First Party as supporting proof of this fact.
- 4.4. The Second Party shall ensure that the funds provided are used for the purpose for which they were given and should not be mixed with other funds.

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4.5. In the event of a breach regarding the terms and conditions of this Agreement, the First Party shall be entitled to withhold subsequent installments;

5. GENERAL PROVISIONS:

5.1. The Second Party shall implement the Project under this Agreement with due diligence and efficacy and with due regard to the judicious use of funds;

5.2. The Second Party shall act at all times so as to protect and not be in conflict with the interests of the First Party;

5.3. The First Party undertakes no responsibilities in respect of life, health, accident, travel or any other insurance coverage which may be necessary or desirable for the purpose of this Agreement or personnel performing services under this Agreement;

5.4. The Second Party shall be solely liable for the claims by the other parties arising from the negligent acts of the Second Party to admission in the course of implementing this Agreement and under no circumstances shall the First Party be held liable for such claims by other parties.

5.5. In the event that the Second Party defaults on the deliverables, the First Party shall be entitled to recover the funds advanced to the Second Party as per extant rules;

6. RECORD, INFORMATION AND REPORTS:

6.1. The Second Party shall keep accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available to it under this Agreement;

6.2. The Second Party shall ensure that all expenditure made is in conformity with the provisions of this Agreement and for each disbursement, adequate supporting documentation shall be maintained, including original invoices, bills, and receipts pertinent to the transaction;

6.3. The Second Party shall maintain a record of all Income and Assets generated under the project and make this record available to the other Parties of this Agreement on a demand basis;

6.4. The Second Party shall compile, furnish and make available to the First Party, any reasonable request in respect of the information and reports of services undertaken in the course of implementation of the Project by the Second Party;

6.5. Upon completion of the Project or Termination of the Agreement, the Second Party shall maintain all Project-related records for a period of at least four (4) years from the termination of the Agreement or completion of the Project, unless otherwise agreed upon between the Parties;

6.6. The Project will be monitored at the state level by the SULM, _____. The Second Party will be required to submit duly filled quarterly progress reports to the SULM in formats prescribed by the SULM, _____ no later than ____ calendar days after the end of the Reporting Quarter;

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- 6.7. On completion of the Project, the Second Party will be expected to submit a Project Completion Report no later than _____ calendar month after termination of the project. Inter alia, this report will cover:
 - 6.7.1. Achievements against the result-based framework of the Project;
 - 6.7.2. Impact assessment of the Project on the lives of the intended beneficiaries, including, where applicable, details of the improvement of their livelihood opportunities;
 - 6.7.3. Key learnings from implementation of the Project;
 - 6.7.4. Suggestions for sustainability of the Project in the Site(s) mentioned in this Agreement;
 - 6.7.5. Suggestions for scaling-up the initiative;
 - 6.7.6. Recommendations for inclusion of the initiative within the wider policy and programme implementation of NULM;
 - 6.7.7. Audited statement of funds released for the project;
- 6.8. The Project will be monitored at the national level by the NULM Mission Directorate. The First Party will be required to submit duly filled quarterly progress reports to the NULM Mission Directorate in the prescribed format no later than 15 calendar days after the end of the Reporting Quarter;
- 6.9. The Parties agree that all records, information and reports generated by the Second Party in the course of implementing this Agreement will be the Intellectual Property of the NULM Mission Directorate and the permission to use any such material generated must be confirmed in writing by the NULM Mission Directorate;
- 6.10. The Second Party agrees to indemnify the NULM Mission Directorate and the First Party against all claims and damages for any infringement of any Intellectual Property Rights while providing their services under the activities covered under this Agreement;

7. TERMINATION OF THIS AGREEMENT:

- 7.1. This Agreement shall be deemed to be “Terminated” if the duration of the Agreement has ended without further extension of the period of the Agreement or if any of the Parties have terminated the agreement by mutual consent in writing subject to paragraph 7.2 of this Agreement;
- 7.2. If the Second Party terminates the Agreement in writing prior to the completion of the duration of the Agreement, the Agreement will be deemed to be “Terminated” only upon subsequent written confirmation of the same by the First Party
- 7.3. Upon such termination, the Second Party shall submit to the First Party all records, information and reports specified in Section 6 of this Agreement
- 7.4. None of the Parties to this Agreement shall be held responsible for non-fulfilment of their obligations under this Agreement due to the exigencies of one or more of **Force Majeure** events such as, but not limited to Floods, Earthquakes, Strikes, Lockouts, Epidemics, and Riots, provided that on the occurrence and cessation of such an event(s), the affected Parties shall give

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notice in writing to the other Parties within ____ calendar days of the occurrence and cessation of such an event(s). In such an event(s), the Parties will be expected to re-negotiate the timelines of this Agreement and agree upon the revised timelines in writing.

8. **DISPUTE:** This Agreement shall be governed by the Laws of the _____. In respect of all matters arising out of or relating to this Agreement, the courts at _____ shall have exclusive jurisdiction

IN WITNESS THEREOF the representatives of the Parties to this Agreement being fully authorised have hereunto signed in their respective names and have executed these present this _____th day of _____(month), _____(year).

AUTHORSIED SIGNATORIES

For an on behalf of the State Government of _____

Through _____ (SULM), **as the First Party**

Name: _____

Designation: _____

For an on behalf of _____
(The Implementing Agency),

as the Second Party

Name: _____

Designation: _____

In the presence of the following two witnesses

Witness 1 signature: _____

Name: _____

Designation: _____

Witness 2 signature: _____

Name: _____

Designation: _____

ANNEXURE 1: *Include here the Terms of Reference of the Project*

National Urban Livelihoods Mission

Mission Document



सत्यमेव जयते

Government of India
Ministry of Housing & Urban Poverty Alleviation

National Urban Livelihoods Mission

Mission Document



Ministry of Housing & Urban Poverty Alleviation
Government of India



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Introduction

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. As per Census of India, 2011, India's urban population is now 377 million which shows a 31 per cent increase from 2001. 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. The urban informal sector comprises a large part of the unorganized non-agriculture sector. 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.

1.2 Most of the poor are involved in informal sector activities where there is a constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover. Even when segments of the urban population are not income-poor, they face deprivation in terms of lack of access to sanitary living conditions and their well-being is hampered by discrimination, social exclusion, crime, violence, insecurity of tenure, hazardous environmental conditions and lack of voice in governance.

1.3 The dimensions of urban poverty can be broadly 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.

1.4 The National Urban Housing and Habitat Policy (NUHHP), 2007 aims to promote sustainable development of habitat in the country with a view to ensure equitable supply of land, shelter and services at affordable prices to all sections of the society. The most vulnerable of these are the urban homeless who live with no shelter or social security / protection. Recent pronouncements of the Supreme Court of India have brought into focus the plight of the urban homeless by holding that the right to dignified shelters is a necessary component of the right to life under Article 21 of the Constitution of India. There is therefore a need to develop a policy and programme for the urban homeless.



1.5 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. Residential vulnerability issues are being addressed through programmes like JNNURM and RAY. The other two vulnerabilities: occupational and social can be best addressed by creating opportunities for skill development leading to market-based employment and helping them to set up self-employment ventures. Urban poverty alleviation programmes need to be based on skill development and easy access to credit. It is in this context that a mission-mode approach to urban livelihoods is considered necessary in the form of the National Urban Livelihoods Mission (NULM).



Mission, Principles, Values, Strategy

NULM Mission

2.1 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. The mission would aim at providing shelter equipped with essential services to the urban homeless in a phased manner. In addition, the Mission would also address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities.

Guiding Principles

2.2 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 livelihood promotion.

2.3 NULM believes that any livelihood promotion programme can be scaled up in a time-bound manner only if driven by the poor and their institutions. Such strong institutional platforms support the poor in building up their own human, social, financial, and other assets. This in turn, enables them access to rights, entitlements, opportunities and services from the public and private sectors, while enhancing their solidarity, voice and bargaining power.

2.4 As per the Constitution (74th Amendment) Act, 1992, urban poverty alleviation is a legitimate function of the Urban Local Bodies (ULB). Therefore, ULBs would need to undertake a lead role for all issues and programmes concerning the urban poor in cities/towns, including skills and livelihoods.

2.5 NULM would aim at universal coverage of the urban poor for 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 to credit.

2.6 Street vendors constitute an important segment of the urban population at the bottom of the pyramid. Street vending provides a source of self-employment, and thus acts as a measure of



urban poverty alleviation without major Government intervention. They have a prominent place in the urban supply chain and are an integral part of the economic growth process within urban areas. NULM would aim at facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities.

2.7 Urban homeless persons who live without shelter or social security/ protection are the most vulnerable class, even while they contribute towards sustaining cities with their cheap labour. Life on the streets involves surviving continuously at the edge, in a physically brutalized and challenging environment. There is a need for appropriate policy intervention to address the challenges faced by homeless people, with regard to shelter, social housing and social protection. Accordingly, NULM would aim at providing shelter equipped with essential services to the urban homeless in a phased manner.

2.8 NULM would place a very high emphasis on convergence with schemes/programmes of the relevant line Ministries/Departments and programmes of state governments dealing with skills, livelihoods, entrepreneurship development, health, education, social assistance, etc. An alliance strategy will be sought with all concerned departments to promote skills training of rural-urban migrants as a bridge between the livelihoods of the rural and urban poor.

2.9 NULM would aim at partnership with the private sector in providing skill training, employment and operation of shelter for homeless. It will strive for active participation of private and civil society sectors in providing shelter to the urban homeless, skill training and placement of the urban poor and also in facilitating technological, marketing and handholding support for the urban poor entrepreneurs who want to be self-employed and set up their own small businesses or manufacturing units.

Values

2.10 The mission will espouse the following values:

- i Ownership and productive involvement of the urban poor and their institutions in all processes;
- ii Transparency in programme design and implementation, including institution - building and capacity strengthening;
- iii Accountability of government functionaries and the community;
- iv Partnerships with industry and other stakeholders; and



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

Strategy

2.11 NULM will adopt the following strategy:

- i Building capacity of the urban poor, their institutions and the machinery involved in the implementation of livelihoods development and poverty alleviation programmes through handholding support;
- ii Enhancing and expanding existing livelihoods options of the urban poor;
- iii Building skills to enable access to growing market-based job opportunities offered by emerging urban economies;
- iv Training for and support to the establishment of micro-enterprises by the urban poor – self and group;
- v Ensure availability and access for the urban homeless population to permanent 24-hour shelters including the basic infrastructural facilities like water supply, sanitation, safety and security;
- vi Cater to the needs of especially vulnerable segments of the urban homeless like the dependent children, aged, disabled, mentally ill, and recovering patients etc., by creating special sections within homeless shelters and provisioning special service linkages for them;
- vii To establish strong rights-based linkages with other programmes which cover the right of the urban homeless to food, healthcare, education, etc. and ensure access for homeless populations to various entitlements, including to social security pensions, PDS, ICDS, feeding programmes, drinking water, sanitation, identity, financial inclusion, school admission etc., and to affordable housing;
- viii To address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities.



NULM Mission Cities and Target Population

3.1 In the 12th Five Year Plan, NULM will be implemented in all District Headquarter Towns and all other cities with a population of 100,000 or more as per 2011 Census. However, other towns may be allowed in exceptional cases on request of the States.

3.2 The primary target of NULM is the urban poor, including the urban homeless. The Socio-economic and Caste Census (SECC), 2011 for identification of urban poor is currently under progress. Accordingly, as an interim measure, the target of NULM will be the urban population identified presently as below poverty line population in urban areas by the States/UTs. The coverage may be broadened to include families of disadvantaged groups like SCs, STs, women, minorities, disabled etc. subject to a maximum of 25 percent of the above urban poor population.



Social Mobilisation And Institution Development (SM&ID)

4.1 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 social mobilisation of urban poor into Self-Help Groups (SHGs) and their federations. At least one member from each urban poor household, preferably a woman, should be brought under the Self-Help Group network in a time-bound manner. These groups will serve as a support system for the poor, to meet their financial and social needs. Normally, women SHGs will be formed, however male SHGs of handicapped persons will be allowed to be formed.

4.2 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 especially vulnerable occupational groups such as street vendors, rag pickers, domestic workers, beggars, construction workers, etc.

4.3 SHGs will federate at the Slum/Ward-level into an Area Level Federation (ALF). ALFs will organize into federation at the City level as a City Level Federation (CLF). The existing area-based structures created under SJSRY – Neighbourhood Group (NHG), Neighbourhood Committee (NHC) and Community Development Society (CDS) may be suitably transformed into SHG-based structures in due course. The Area Level Federation and City Level Federations will be registered bodies.

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

4.4 For catalysing the formation of SHGs and their federations and to promote the financial inclusion of SHG members under NULM, Resource Organisations (ROs) will be engaged to facilitate the formation of SHGs, their development and bank-linkages, formation of their federations at the area and city levels, training and capacity building, and establishing links to ULBs and to mitigate social, occupational and residential vulnerabilities.

4.5 Autonomous registered agencies set up by State or Central Government or well established long-standing federations of SHGs having significant experience in managing large-scale community driven programmes and developing successful implementation strategies in social mobilisation and institution building in urban or rural areas may be preferred as Resource Organisations.

4.6 In addition, non-government organisations may be selected as a Resource Organisation on the basis of strict criteria including registration status of the organisation, turnover, number of years of experience, sound procurement and financial management capacity, number of dedicated expert staff, domain knowledge and prior experience in social mobilisation of poor households, training and capacity building, livelihood promotion, and bank linkage of the community organisations.



4.7 A maximum of Rs. 10,000/- can be spent per self help group for its formation, handholding up to two years, training of all the members, bank linkage, formation of federation and other related activities. States will be expected to enter into an agreement with Resource Organisations and payment will be made on the basis of milestones like SHG formation, training of members, bank linkage, formation of federation at the area and city levels and access to benefits under NULM, including revolving fund. The Resource Organisation will handhold the SHG for a period up to two years.

4.8 The services of ASHA / Anganwadi workers and other community level functionaries under various schemes / programmes of the Central and State Governments may also be utilised at the field level to facilitate the formation of SHGs under NULM.

Sub-Component – Universal Financial Inclusion

4.9 NULM aims to achieve universal financial inclusion, through opening of basic savings accounts, facilitating access to financial literacy, credit, affordable insurance, and remittance facilities to the urban poor and their institutions. It will also coordinate with financial institutions to encourage the use of ICT-based technologies, financial correspondents and community facilitators like “Bank Mitras” and “Bima Mitras” for the benefit of the urban poor. In particular, NULM will facilitate coverage of urban poor households under schemes such as Rashtriya Swasthya Bima Yojana (RSBY), Jan Shree Bima Yojana (JSBY) and similar programmes.

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

4.10 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). A Revolving Fund support to the tune of Rs.10,000/- per SHG will be provided to SHGs with more than 70 percent urban poor members and those, which have not availed such support earlier. This Revolving fund is to be given only to those SHGs who have been doing thrift and credit activities for at least six months.

4.11 A Revolving Fund support of Rs.50,000/- would be available to a registered Area Level Federation (ALF) to sustain their activities.

Sub-Component – City Livelihood Centres (CLCs)

4.12 The objective of City Livelihoods Centre (CLC) is to provide a platform where by the urban poor can market their services and access information and other benefits. CLCs will act as a “one-stop shop” for those seeking services from the informal sector as well as for the urban poor promoting their services and products.

4.13 CLCs will be positioned 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, skills training programmes offered and placement opportunities. 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.

4.14 Establishment of City Livelihood Centres (CLCs) will be permissible as per the following norms:

Population of city	Ceiling on Number of CLCs to be established
Between 1-3 lakh	1
More than 3 lakh and upto 5 lakh	2
More than 5 lakh and upto 10 lakh	3
Above 10 lakh	8
District Headquarter Towns with population below 1 lakh	1

4.15 A grant of Rs. 10 lakh per CLC will be provided as 'untied funds' in instalments linked to achievement of milestones. This amount can be used for a 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. 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.

4.16 CLCs shall be established by any Facilitating Agency viz., CLFs/ SHGs/ NGOs/CBOs/ Resource Institutions/ Private sector Organisations etc., through Public Private Community Partnership (PPCP) model.

Sub-Component– Training & Other Capacity Building Programmes for SHGs and their Federations

4.17 This component will be used for training and capacity building of SHGs and their federations on various issues like bank linkage, book keeping and accounts, micro-planning, micro-investment process, roles and responsibilities of members, etc. The component will be implemented by national, state and city resources centres/agencies including civil society organisations, and Mission Management Units at various levels.

4.18 For training of members of ALFs and CLFs, the ceiling amount that can be used for capacity building and training at the Central/State/City level will be Rs.7,500 per trainee on an average. Part of the amount may also be used for community-to-community learning/exposure and immersion visits of members of SHGs and their federations and programme-related personnel.



Capacity Building And Training (CB&T)

5.1 A key objective of the Capacity Building and Training component is to transform the role of the Ministry of Housing & Urban Poverty Alleviation and State Agencies in charge of urban poverty alleviation into providers of high quality technical assistance in the fields of urban livelihoods promotion and urban poverty alleviation.

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

5.2 The objective of this sub-component is to establish timely and high quality technical assistance at Central, State and City levels to roll out and implement NULM.

5.3 A National Mission Management Unit (NMMU) will be established at the Centre. Additionally, support to States and Cities would be provided for setting-up of State Mission Management Unit (SMMU) and City Mission Management Unit (CMMU) 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 SMMUs and CMMUs will be released to State Missions.

5.4 Mission Management Units (MMUs) will be established at the Centre, States and in NULM mission cities with dedicated technical support as follows:

Mission Management Unit	No. of technical staff per unit
NMMU	10
SMMU – Big States	6
SMMU – Small States	4
CMMU – DHQ towns (below 1 lakh population) and small towns (between 1 and 3 lakh population)	2
CMMU – Medium Towns (between 3 and 5 lakh population)	3
CMMU – Large Towns (greater than 5 lakh population)	4
Community Organizers	1 CO per 3000 urban poor families

The list of Big and Small State/UT is at **Annexure**.



5.5 The funding support for SMMU and CMMU will be available only for five years. It is expected that during this period, states will create and establish their municipal cadres for sustained implementation of NULM and other urban poverty alleviation programmes.

Sub-Component– Training & Other Capacity Building Programmes for MMUs

5.6 This component will be used for training and capacity building of the technical resource persons of the MMUs at National, State and City level. 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.7,500 per trainee on an average. Part of the amount can be used for community-to-community learning/exposure and immersion visits of members of the MMUs and programme-related personnel. Resource Centres / institutions / agencies will be empanelled through a transparent process for the purpose of imparting training as per guidelines.



Employment Through Skills Training And Placement (EST&P)

6.1 This component of NULM will focus on providing assistance for development / upgrading of the skills of the urban poor so as to enhance their capacity for self-employment and salaried employment. EST&P intends to provide training to the urban poor as per the skill demand from the market, so that they can set up self-employment ventures or secure salaried employment. 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 of poor. 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, at least 15 percent of the physical and financial targets under this component shall be earmarked for the minority communities. Apart from that, special attention will be paid to the skill upgradation of vulnerable groups like beggars, rag pickers, construction workers, destitute, etc.

6.2 Skill training will be linked to accreditation and certification and preferably be undertaken on a Public-Private-Partnership (PPP) mode. It will involve reputed institutes, including ITIs, 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.

6.3 The cost per beneficiary shall not exceed Rs.15,000 (Rs.18,000 for North-Eastern and Special Category States), which will include training cost, trainee mobilisation, 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. If the training cost is higher than the maximum cost per beneficiary permissible under the scheme, the same may be met by the State Government or the beneficiaries.

6.4 A part of the payment will be linked to establishment of and satisfactory performance of micro-enterprise for at least a period of 6 months or retention in the placed jobs for at least a period of 6 months.

6.5 The organisations/agencies imparting skill training should work closely with reputed institutes, certifying institutions, industry, SHGs, their federations and CLCs in ULBs for identification, counselling, training, certification and placement of beneficiaries. For placement linked skill training, the Skill Training Providers (STPs) will be responsible for at least 50 percent placement in remunerative jobs or as decided by the National Skill Development Authority.

6.6 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 as a part of the same training programme. This may include Spoken English/National/State Language, Financial Literacy, Computer Literacy, Life Skills including training on office and social etiquette, punctuality, etc. States may reflect appropriate specification in that regard in the selection of and agreement signed with Skills Training Providers (STPs).

6.7 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 and City levels subject to the guidelines to be issued under NULM.



Self-Employment Programme (SEP)

Sub-Component – Self Employment-Individual and Group Enterprises

7.1 This component will focus on financial 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. The under-employed and unemployed urban poor will be encouraged 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 City/Town should develop a compendium of such activities/projects keeping in view skills available, marketability of products, costs, economic viability etc. No minimum or maximum educational qualification is prescribed for the selection of beneficiaries under SEP. The percentage of women beneficiaries under SEP 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 of poor. 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, at least 15 percent of the physical and financial targets under this component shall be earmarked for the minority communities.

7.2 Under this component, setting up of both individual and group micro enterprises will be supported. The project cost ceiling will be Rs. 2.00 lakh for individual enterprises and Rs. 10 Lakh for group enterprises. Individual and groups may be provided loan from the banks and the application for such loans be preferably recommended by the SHGs.

7.3 Interest subsidy over and above 7 percent rate of interest will be available on a bank loan for setting up of an individual or group enterprise. No collateral is envisaged other than the micro-enterprise itself.

Sub-Component – SHG - Bank Linkage

7.4 Also, Interest Subsidy over and above 7 percent rate of interest will be applicable to all SHGs accessing bank loan. An additional 3 percent interest subvention will be provided to all women SHGs who repay their loan in time in all the cities.

7.5 The interest subvention will be subject to timely repayment by the beneficiaries. Suitable certification from banks will be obtained in this regard. The difference between 7 percent or 4 percent as the case may be and the prevailing rate of interest will be provided to banks under NULM.



Sub-Component – Credit Card for enterprise development

7.6 Under this component, efforts will be made to cover beneficiaries with credit cards for working capital and other purposes.

Sub-Component – Technology, Marketing and Other Support

7.7 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.



Support to Urban Street Vendors

8.1 This component aims at skilling of street vendors, support micro-enterprise development, credit enablement and pro-vending urban planning along with supporting social security options for vulnerable groups such as women, SCs/STs and minorities. Up to 5 percent of the total NULM budget will be spent on this component.

Sub-Component - Pro-vending urban planning

8.2 Under NULM, states and cities will conduct a periodic socio-economic survey of street vendors, register street vendors and will issue Identity cards for street vendors. A database of street vendors will be developed and maintained at each city. This will enable States/ULBs to prepare pro-vending urban planning and provide space for street vending.

Sub-component - Skill Development and Micro-enterprise Development support for Street Vendors

8.3 Under NULM, poor and EWS street vendors in urban areas can access skill training under the EST&P component of NULM and micro-enterprise development support under the SEP component of NULM.

Sub-component - Credit-enablement of Street Vendors

8.4 Street Vendors will be encouraged to access basic banking services. Additionally, efforts will be made to cover individual beneficiaries with Credit Cards so as to enable street vendors access for working capital and other purposes.

Sub-component - Development of Vendors' Markets

8.5 Development of vendors' market/vending zones/informal sector markets in accordance with Town Vending Plans with infrastructure/civic facilities such as paving, water supply, solid waste disposal facility, lighting, storage space, parking facilities etc.

Sub-component - Social Security Convergence

8.6 Under NULM, street vendors will be encouraged to access other social security benefits available to them through various schemes of the Government of India (such as Rashtriya Swasthya Bima Yojana), state-level and city-level social security and social assistance initiatives / schemes.



Funding Pattern And Financial Process

9.1 The financing of the Mission shall be shared between the Centre and the States/UTs on the following basis:

Sl. No	States/UTs	Central Share (percent)	State Share (percent)
1	North Eastern and Special Category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim; Uttarakhand, Himachal Pradesh, Jammu and Kashmir)	90	10
2	All other States and Union Territories	75	25

9.2 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. However, additional parameters like absorption capacity (based on the past trend of funds utilisation 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.

9.3 State / 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. State / UT – wise progress will be monitored against these targets.

9.4 The release of Central share to States / UTs, will be done in two instalments – directly to the account of the State Mission Management Unit. 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. After retaining the State component, the remaining amount shall be released by the SMMU to CMMU in accordance with targets set/projects received.

9.5 Under NULM, there will be periodic monitoring of release of funds. 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 4th quarter of a given financial year, keeping in view their performance and demand for additional funds.

9.6 Indicative component-wise allocation of central share will be intimated by the Mission Directorate, NULM, Ministry of Housing & Urban Poverty Alleviation 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. The States may change the inter - se allocation between the components of the Scheme depending on their need with the approval of Mission Directorate, NULM, Ministry of Housing & Urban Poverty Alleviation.



Scheme of Shelter For Urban Homeless (SUH)

10.1 The main objective of Scheme of Shelter for Urban Homeless (SUH) is to provide shelter and all other essential services to the poorest of the poor segment of urban societies. The shelters should be permanent all-weather 24 x 7 shelters for the urban homeless. For every one lakh urban population, provisions should be made for permanent community shelters for a minimum of one hundred persons. Depending upon local conditions each shelter could cater to between 50 and 100 persons.

10.2 Priority would be given to cities with population above one million in census of 2011, and other cities and towns identified by the Government of India/ State Governments to be of special social, historical or tourist importance.

10.3 For shelter planning purposes, a space of 50 sq. feet or 4.645 Sq. meters or say, 5 square meters per person may be taken as the minimum space to be provided.

10.4 The basic common facilities/amenities such as water, sanitation, electricity, kitchen/ cooking space, common recreation space may be provided at the shelters for dignified human living. Also linkage with Anganwadi, PHC, childcare facilities and other social assistance programme, etc. may be ensured.

10.5 **Linkages with entitlements:** Shelters should be a space for convergence and provisions of various entitlements of social security, food, education and health care systems. All homeless persons, in shelters should be given priority under various schemes, and Government programmes. This is because the homeless are unable to access many services due to lack of documentary proof such as address and birth proof etc.

10.6 **Location of Shelters:** Location should be close to homeless concentrations and work sites as far as practicable. They may be located close to the areas where the poorest congregate like railway stations, bus depots, terminals, markets, wholesale mandis etc. The Urban Development Projects Formulation and Implementation (UDPFI) guidelines and Master Plans may be suitably amended to permit construction of such shelters in public and semipublic use zones, industrial and recreational areas.

10.7 **Design of Shelters:** Where existing infrastructure / public buildings are being used, suitable refurbishment and augmentation to meet requisite services / space requirement should be done. Permanent shelters may be built of concrete or durable and weather proof alternate structures. The State Governments will be encouraged to adopt innovative designs for low cost and energy efficient buildings.

10.8 Each implementing Organisation shall set up a Shelter Management Committee (SMC),



comprising preferably caretakers, and persons nominated from amongst residents of the shelter. Such a Shelter Management Committee shall be responsible for daily management, upkeep, cleanliness and discipline at the shelter.

10.9 Each shelter will be managed by a full time staff / team comprising a field officer (coordinator, overseeing smooth functioning, Government interface), a home manager (kitchen management, record maintenance, dispute resolution etc.), a resident shelter caretaker, and a watchperson. These may or may not be Government staff and resourced through agencies/ institutions responsible for operating the shelters.

10.10 The Community Kitchens may be run by the State agencies or any private agencies for provision of healthy and hygienic food at affordable rates to the poor. Voluntary participation of the beneficiaries should be encouraged to bring in a sense of ownership.

10.11 **Funding Pattern for SUH:** Government of India would fund 75 percent of the cost of construction of the shelters and 25 percent would be the State contribution. 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. It will be the responsibility of the State Governments to bring in land as their contribution.

10.12 For Operation & Maintenance of the shelter, Central Government would provide 75 percent or 90 percent of the Operational & Maintenance cost, as the case may be for each shelter to all states for 5 years.

10.13 Nominal charges as rent could be collected depending on the income levels of the urban homeless at rates ranging from 1/10 to 1/20 of their income, so as to bring in commitment of the beneficiaries. This fund could be utilized for maintenance of the facilities. For those with no payment capacities, total exemption could be granted.



Innovative And Special Projects

11.1 This component will focus on the promotion of novel initiatives in the form of innovative projects. These initiatives may be in the nature of pioneering efforts, aimed at catalysing sustainable approaches to urban livelihoods through Public, Private, Community Partnership (P-P-C-P), demonstrating a promising methodology or making a distinct impact on the urban poverty situation through scalable initiatives. The projects must demonstrate strategies to create long-term and sustainable livelihood 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 Organisations, private sector, industry associations, government departments/agencies, urban local bodies, national/state/city resource centres or international organisations.

11.2 For this component, 5 percent of the total Central funds will be used. This component will be centrally administered and no state share provision will be needed. Special projects covering proposals under any of the components will be implemented directly by the National Mission Directorate.



Administration And Other Expenses (A&OE)

12.1 2 percent of the allocation under NULM can be utilized at the Centre/State/City levels for administration and other expenses, including monitoring, development and maintenance of database, MIS, e-tracking, evaluation and other activities.

Information, Education And Communication (IEC)

12.2 3 percent of the allocation under NULM can be utilized at the Centre/State/City levels for the purpose of IEC.



NULM Administration And Mission Structure

13.1 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 Housing & Urban Poverty Alleviation, Government of India as an independent society under the charge of a Mission Director reporting to Secretary, Housing & Urban Poverty Alleviation. Till such time an independent society is set up, NULM will operate as a programme of Ministry of Housing & Urban Poverty Alleviation 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. At the city level, a City Mission Management Unit (CMMU) will be established in all NULM Cities to work under the overall guidance of the SMMU.

13.2 Technical Advisory Groups (TAGs) at the national, state, and city levels will be established which will consist of experts in skills and livelihoods, financial inclusion, social mobilisation, capacity building, representatives from industry associations, etc. The members of National TAG for NULM and Chairperson will be nominated by 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 Ministry of Housing & Urban Poverty Alleviation. Suitable guidelines will be issued by the State/UT concerned for the formation of City TAGs for NULM.

National Mission Management Unit (NMMU)

13.3 NULM will have a Governing Council (GC) chaired by the Minister for Housing & Urban Poverty Alleviation and an Executive Committee (EC) chaired by the Secretary, Housing & Urban Poverty Alleviation. 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 composition of the GC will be as follows:

Sl No.	Designation	Membership
1.	Minister, Housing & Urban Poverty Alleviation	Chairperson
2-4.	State Ministers of UD / LSG / MA on a rotation basis (x3) nominated by Chairperson	Members
5.	Member (Urban Development), Planning Commission	Member
6.	Member (Labour & Employment), Planning Commission	Member
7.	Secretary, Urban Development	Member
8.	Secretary, Rural Development	Member
9.	Secretary, Human Resource Development	Member



Sl No.	Designation	Membership
10.	Secretary, Labour & Employment	Member
11.	Secretary, Micro, Small & Medium Enterprises	Member
12.	Secretary, Women and Child Development	Member
13.	Secretary, Social Justice & Empowerment	Member
14.	Adviser to Prime Minister in charge of Skill Development	Member
15	Deputy Governor, Reserve Bank of India in charge of Banking Affairs	Member
16.	Chairperson of the Board, National Skills Development Corporation	Member
17-19	Eminent Livelihood Expert/Civil Society/Industry Representatives (x3) nominated by the Chairperson	Members
20	Secretary (HUPA)	Member-Convenor
21	Any other member(s) co-opted by the Chairperson	Member(s)

13.4 The Executive Committee (EC) will be constituted under the chairpersonship of Secretary, Ministry of Housing and Urban Poverty Alleviation, GoI, to oversee the activities of the Mission. 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 composition of the EC will be as follows:

Sl. No.	Designation	Membership
1.	Secretary, Housing & Urban Poverty Alleviation	Chairperson
2.	Secretary, Urban Development or his nominee	Member
3.	Secretary, Financial Services, M/o Finance or his nominee	Member
4.	Deputy Governor, RBI or his nominee	Member
5.	Chairman, Indian Banks Association	Member
6.	Secretary, Rural Development or nominee	Member
7.	Secretary, Labour & Employment or nominee	Member
8.	Secretary, Micro, Small & Medium Enterprises or nominee	Member
9.	Secretary, Department of School Education or nominee	Member
10.	Secretary, Women and Child Development or nominee	Member
11.	Secretary, Social Justice & Empowerment or nominee	Member
12-13.	Senior Advisors (UD) & (LEM), Planning Commission	Members
14.	Mission Director (JNNURM), Ministry of Housing & Urban Poverty Alleviation	Member
15.	Joint Secretary & Financial Adviser, Ministry of Housing & Urban Poverty Alleviation	Member
16-17.	State Secretaries of UD / LSG / MA on a rotation basis (x3)	Members
18.	CEO, National Skills Development Corporation	Member



Sl. No.	Designation	Membership
19-20.	Eminent Livelihood Experts/Civil Society Representatives (x2) as nominated by Minister, Housing & Urban Poverty Alleviation	Members
21-23	Municipal Commissioners (x3) on a rotation basis nominated by the Chairperson	Members
24.	Mission Director (NULM, Ministry of Housing & Urban Poverty Alleviation)	Member-Convenor
25.	Any other member(s) co-opted by the Chairperson	Member(s)

13.5 NULM will be set up as an independent society supported by a 'National Mission Management Unit (NMMU)'. This unit will function under the overall supervision of 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, 5 Section Officers and 6 Assistants, other subordinate staff and a technical support team with at least 10 technical experts.

13.6 The NMMU's tasks will be to facilitate the setting up of SMMUs and CMMUs with adequate staffing, provide support in preparing the Perspective Plans (State Urban Poverty Reduction Strategy) and City Livelihood Development Plans, preparation of guidelines under NULM, oversee the implementation of NULM, facilitation of the creation of shelters for urban homeless and liaise with other Missions/ Ministries/Departments/ Industry associations to explore areas for convergent action at the national, state and city levels.

State Mission Management Unit (SMMU)

13.7 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. At the state-level, NULM will also have a Governing Council chaired by the Chief Minister of the State and an Executive Committee chaired by the Chief Secretary of the State.

13.8 The composition of the GC will be as follows:

Sl No.	Designation	Membership
1.	Chief Minister	Chairperson
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
7.	Minister, Health	Member
8.	Minister, Technical Education	Member
9.	Chief Secretary	Member
10.	State Lead Bank Officer	Member
11.	Representative of Ministry of Housing & Urban Poverty Alleviation, GoI	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 NULM	Member-Convenor
18	Any other member(s) co-opted by the Chairperson	Member(s)

13.9 The composition of the EC will be as follows:

Sl No.	Designation	Membership
1.	Chief Secretary	Chairperson
2.	Secretary/Principal Secretary i/c of Urban Local Bodies	Member
3.	Secretary/Principal Secretary i/c of Urban Development/Housing	Member
4.	Secretary, Finance	Member
5.	Secretary, Rural Development	Member
6.	Secretary, Labour & Employment	Member
7.	Secretary, Social Welfare	Member
8.	Secretary, Health & Family Welfare	Member
9.	Secretary, Public Works Department	Member
10.	Secretary, Food & Civil Supplies	Member
11.	Secretary Social Justice & Empowerment	Member
12.	Secretary in charge of Primary Education	Member
13-14	State Lead Bank Officer and Head of another Nationalised Bank	Members
15.	State Representative of RBI	Member
16.	Industry Representative	Member
17-19.	Representatives of SHGs/Federations (3)	Members
20.	State Mission Director, NRLM	Member
21.	State Officer in charge of Technical Education / Labour/Industry	Member
22.	Representative of Ministry of Housing & Urban Poverty Alleviation	Member
23.	State Mission Director, NULM	Member-Convenor
24.	Any other member(s) co-opted by the Chairperson	Member(s)

13.10 The projects under SUH would be formulated, constructed and operated by the municipal



bodies or other agencies including the private organisations identified by the State Government or local bodies. Sanction of suitable and viable projects under SUH after appraisal of each project will be done at the level of State EC.

13.11 The State Urban Livelihoods Mission will be set up as a society and will be supported by a State Mission Management Unit (SMMU) to oversee the implementation of the Mission and other poverty alleviation programmes in the State. 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.

13.12 The SMMU will be headed by a State Mission Director (SMD) who will be assisted by at least 4 Project Officers in charge of skills and livelihood, micro-enterprises, capacity building and finance & administration. The State Mission will have functional autonomy under the overall charge of the Secretary/Principal Secretary concerned for implementing the Mission in the State.

13.13 As per the requirements, the State Unit would include experts in the areas of social mobilisation, 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.

13.14 The SMMU will have a dedicated MIS Cell to undertake online monitoring. The SMMU will coordinate with programme management units for JNNURM and RAY to ensure convergence of programmes.

13.15 The SMMU 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. It 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 city level units of NULM.

City Mission Management Unit (CMMU)

13.16 At the city level, NULM will be managed by an Executive Committee chaired by the Municipal Commissioner. The composition of the EC will be as follows:

Sl No.	Designation	Membership
1.	Municipal Commissioner	Chairperson
2.	Officer in charge of NRLM	Member
3.	Officer in charge of Industry	Member
4.	Officer in charge of Modular Employable Skills	Member



Sl No.	Designation	Membership
5.	Chief Medical Officer	Member
6.	District Social Welfare Officer	Member
7.	Senior-most CE / SE / EE of PWD posted at the district	Member
8.	Senior-most district-level officer responsible for primary / secondary education	Member
9.	District Supply Officer	Member
10-11	Representatives of Banks (2)	Members
12-13	Representatives of SHGs/Federations (2)	Members
14	City Project Officer, NULM	Member-Convenor
15	Any other member(s) co-opted by the Chairperson	Member(s)

13.17 In addition to livelihood components under NULM, the EC at the city level will be responsible for the planning, implementation and management of facilities created under SUH with the participation of municipal authorities, community representatives, civil society organisations, line departments and elected representatives.

13.18 A dedicated unit City Mission Management Unit (CMMU) will be managed by a City Project Officer (CPO). The CPO will be of the rank of a Deputy Municipal Commissioner/Executive Officer and will be assisted by one or more Assistant Project Officers (APOs) and a team of functional specialists in the fields of social mobilisation, institution and capacity building, micro finance, livelihoods/ micro enterprises. 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. The CMMU will be linked to the community structures in the cities. The Community Organisers (COs) will be hired by the CMMU to facilitate this linkage. Each CO will cover at least 3,000 urban poor families.

13.19 CMMU will be responsible for implementing the Mission's programmes in the city following the NULM guidelines, developing and implementing City/Town Livelihood Development Plan and the administration and finance of NULM in the city.

13.20 The MMUs at the state 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 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 for a period of five years.



Monitoring & Evaluation

14.1 States / UTs will be required to send in Monthly Progress Reports (MPRs) / 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 regarding the progress of various components of NULM.

14.2 Given the geographic scale and magnitude of the resources and activities to be supported by NULM, a comprehensive and robust IT enabled NULM MIS would be established for tracking of targets and achievements. States / UTs will be required to submit progress reports online.

14.3 The monitoring activities will include, but not be limited to, third party evaluation, impact evaluation studies and social audit, etc. 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.

14.4 The cost for these activities will be met under the A&OE component of NULM.

Guidelines for Implementation

15.1 The Mission Directorate in the Ministry of Housing and Urban Poverty Alleviation, Government of India will issue a set of detailed operational guidelines from time to time for each component and sub-component of NULM, for effective operationalisation, implementation and monitoring of the Mission.



Annexure: List of States/UTs

List of big states	List of small states/UTs
1. Andhra Pradesh	1. Arunachal Pradesh
2. Assam	2. Goa
3. Bihar	3. Himachal Pradesh
4. Chhattisgarh	4. Jammu & Kashmir
5. Gujarat	5. Manipur
6. Haryana	6. Mizoram
7. Jharkhand	7. Meghalaya
8. Karnataka	8. Nagaland
9. Kerala	9. Sikkim
10. Maharashtra	10. Tripura
11. Madhya Pradesh	11. Uttaranchal
12. Orissa	12. Andaman & Nicobar Islands
13. Punjab	13. Chandigarh
14. Rajasthan	14. Dadar & Nagar Haveli
15. Tamil Nadu	15. Daman & Diu
16. Uttar Pradesh	16. Lakshadweep
17. West Bengal	17. Puducherry
18. Delhi	



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