Capacity Building and Training

(Operational Guidelines)

National Urban Livelihoods Mission

Issued in 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
Table of Contents

Objectives ............................................................................................................................................. 1
Overview of National Livelihoods Mission implementation structure ................................. 1
Administration and implementation structure at National level.......................................... 2
Administration and implementation structure at State level ............................................... 3
Administration and implementation structure at City level ................................................. 5
Recruitment process and performance management of Technical Experts of MMUs .......... 6
Training and other capacity building support for MMUs at the National, State and City
levels...................................................................................................................................................... 8
Funding Pattern................................................................................................................................... 8
Annexure I – Details of the Technical Experts to be positioned at NMMU level ............. 10
Annexure II – List of big and small states.................................................................................. 18
Annexure III – Details of Technical Experts to be positioned at SMMU level............... 19
Annexure IV – Model contract for Technical Expert ............................................................. 26
Annexure V – Details of the Technical Experts to be positioned at CMMU level.......... 35
Annexure VI – Framework for selection of an agency for setting up of MMUs at National,
State and City level............................................................................................................................ 41
Annexure VII – Framework for engagement of training agencies for training and other
capacity building support for MMUs at the National, State and City levels.................... 45
1. Objectives

1.1 The key objectives of the Capacity Building and Training (CB&T) component are:

a. 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;

b. To build strong institutional structures at the National, State, and City levels for efficient implementation of the NULM and;

c. 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:

a. Building skills to enable access to growing market-based job opportunities offered by emerging urban economies

b. Training and support for the establishment of micro-enterprises (including urban street vendors) by the urban poor – self and group

c. 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

d. Ensure availability and access of the urban homeless population to permanent 24-hour shelters

e. 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

a. 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.

b. 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.

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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)

<table>
<thead>
<tr>
<th>S.N</th>
<th>Particulars</th>
<th>No. of positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National Mission Manager - Social Mobilisation and Institution Development</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>National Mission Manager - Skills and Livelihoods</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>National Mission Manager – Financial Inclusion &amp; Micro Enterprises</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>National Mission Manager – HR &amp; Capacity Building</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>National Mission Manager – MIS &amp; ME</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>National Mission Manager - Communications and Knowledge Management</td>
<td>1</td>
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<td></td>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
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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

<table>
<thead>
<tr>
<th>S.N</th>
<th>Position</th>
<th>Educational Qualifications</th>
<th>Experience Particulars</th>
<th>Competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National Mission Manager - Social Mobilisation and Institution Development</td>
<td>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.</td>
<td>At least 10 years of experience in Social Development work with poverty reduction programmes of considerable size and scale.</td>
<td>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.</td>
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<td>2</td>
<td>National Mission Manager - Skills and Livelihoods</td>
<td></td>
<td>At least 10 years of experience in implementation of skill training and placement programmes with considerable size and scale.</td>
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<tr>
<td>3</td>
<td>National Mission Manager – Financial Inclusion &amp; Micro Enterprises</td>
<td></td>
<td>At least 10 years of experience in dealing with credit linkages, social security and/or micro enterprises promotion in poverty reduction programmes/ financial institutions.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>National Mission Manager – HR &amp; Capacity Building</td>
<td></td>
<td>At least 10 years of experience in staff recruitment, training and capacity building work with national/ state level projects.</td>
<td>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.</td>
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<tr>
<td>5</td>
<td>National Mission Manager – MIS &amp; ME</td>
<td>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</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>6</td>
<td>National Mission Manager – Communications and Knowledge Management</td>
<td>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.</td>
<td>At least 10 years of experience in development of communications and knowledge management for national/ state level projects.</td>
<td>The person should have, in additional to the above mentioned competencies, acknowledged publishing skills. Persons who had published articles in national and international magazines will be given preference.</td>
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R.S. N.ULM Operational Guidelines for Capacity Building and Training
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,
NULM Operational Guidelines for Capacity Building and Training

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

<table>
<thead>
<tr>
<th>Big states</th>
<th>Small states/UTs</th>
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<tbody>
<tr>
<td>1. Andhra Pradesh</td>
<td>1. Arunachal Pradesh</td>
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<td>2. Assam</td>
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<td>3. Bihar</td>
<td>3. Himachal Pradesh</td>
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<td>5. Gujarat</td>
<td>5. Manipur</td>
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<td>7. Jharkhand</td>
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<td>8. Karnataka</td>
<td>8. Nagaland</td>
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<td>10. Maharashtra</td>
<td>10. Tripura</td>
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<td>11. Madhya Pradesh</td>
<td>11. Uttarakhchal</td>
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<td>13. Punjab</td>
<td>13. Chandigarh</td>
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<td>15. Tamil Nadu</td>
<td>15. Daman &amp; Diu</td>
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<td>16. Uttar Pradesh</td>
<td>16. Lakshadweep</td>
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<td>17. West Bengal</td>
<td>17. Puducherry</td>
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<td>18. Delhi</td>
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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:

<table>
<thead>
<tr>
<th>Big states (6 member team)</th>
<th>Small states (4 member team)</th>
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</thead>
<tbody>
<tr>
<td>1. State Mission Manager - Social Mobilisation and Institution Development</td>
<td>1. State Mission Manager - Social Mobilisation and Infrastructure</td>
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<tr>
<td>2. State Mission Manager – Shelters and Social Infrastructure</td>
<td>2. State Mission Manager - Skills and Livelihoods</td>
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<tr>
<td>5. State Mission Manager - MIS &amp; ME</td>
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<tr>
<td>6. State Mission Manager – HR &amp; Capacity Building</td>
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</table>

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

<table>
<thead>
<tr>
<th>S.N</th>
<th>Position</th>
<th>Education and Experience Particulars</th>
<th>Competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Mission Manager - Social Mobilisation and Institution Development</td>
<td>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</td>
<td>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</td>
</tr>
<tr>
<td>2</td>
<td>State Mission Manager – Shelters and Social Infrastructure</td>
<td>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</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>State Mission Manager - Skills and Livelihoods</td>
<td>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</td>
<td></td>
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<tr>
<td>4</td>
<td>State Mission Manager – Financial Inclusion &amp; Micro Enterprises</td>
<td>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</td>
<td>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.</td>
</tr>
<tr>
<td>5</td>
<td>State Mission Manager – HR &amp; Capacity Building</td>
<td>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</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>State Mission Manager – MIS &amp; ME</td>
<td>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</td>
<td>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</td>
</tr>
</tbody>
</table>
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
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 exits;

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>,

SIGNATURE
Name:
Position:
Date:

For and on behalf of the Consultant,

SIGNATURE
Name:
Position:
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.
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:

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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

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<td>Manager - Social Development &amp; Infrastructure</td>
<td>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</td>
<td>The person should be Proficient with MS office; strong analytical skills; Experience of working with government institutions will be given preference</td>
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<td>2</td>
<td>Manager - Skills and Livelihoods</td>
<td>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</td>
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<td>Manager – Financial Inclusion &amp; Micro Enterprises</td>
<td>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</td>
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<td>Manager – MIS &amp;ME</td>
<td>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</td>
<td>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</td>
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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
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)

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<th>S.N</th>
<th>Key member</th>
<th>Desired profile</th>
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3. Experts and profile of at least 4 positions required at the time of bidding

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<th>Position</th>
<th>Level</th>
<th>Key qualification required</th>
<th>Experience required</th>
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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. Devilment 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

***
Capacity Building and Training

(Operational Guidelines)

National Urban Livelihoods Mission

Issued in December 2013
Employment through Skills Training & Placement
(Operational Guidelines)

National Urban Livelihoods Mission

Issued in December 2013
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
Table of Contents:

Chapter 1: Introduction and Objectives................................................................................................................ 1
Chapter 2: Skill Training Modules ......................................................................................................................... 1
  2.1: Skill Gap Analysis............................................................................................................................... 1
  2.2: Curriculum Designing....................................................................................................................... 2
  2.3: Soft Skills ............................................................................................................................................. 3
  2.4: Course Duration..................................................................................................................................... 3
Chapter 3: Cost & Payment Norms........................................................................................................................ 4
Chapter 4: Certification ........................................................................................................................................... 4
Chapter 5: Skill Training Providers (STPs) ........................................................................................................... 6
  5.1: Identification ...................................................................................................................................... 6
  5.2: Request for Proposal (RFP) for STPs .............................................................................................. 6
  5.3: Post Training Support ....................................................................................................................... 7
  5.4: Post Training Tracking...................................................................................................................... 8
Chapter 6: MIS and Reporting ............................................................................................................................... 8
Chapter 7: Candidates for Training........................................................................................................................ 9
  7.1: Eligibility of the Candidate ............................................................................................................... 9
  7.2: Awareness Generation and Demand Creation...................................................................................... 9
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 timelines 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
i) Period of validity of the RFP and empanelment
ii) Amount of Performance Guarantee
iii) Approximate number of trainees with location and curriculum details
iv) List of Certification Agency, Process and Costing for Certification in detail
v) Conditions for Post Training Support including responsibility to provide placement or Self enterprise establishment support to minimum 50% of successfully trained candidates.
vi) Other Deliverables such as reporting formats, reporting processes, financial inclusion of candidates, maintenance of data base of trainees, etc.
vii) 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.

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, Rozgar Melas, etc. in the slum areas.
Employment through Skills Training & Placement

(Operational Guidelines)

National Urban Livelihoods Mission

Issued in 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
# Table of Content

1. Introduction ................................................................................................................. 1
2. Selection of Beneficiary................................................................................................. 1
3. Educational Qualifications and Training Requirement: .............................................. 2
5. Procedure for interest subsidy:....................................................................................... 3
6. Sub-Component 4.1-Individual Enterprises (SEP-I)-Loan & Subsidy ....................... 3
7. Sub-Component 4.2-Group Enterprises (SEP-G) -Loan & Subsidy............................ 4
8. Procedure for Sponsoring of Applications: ............................................................... 5
9. Task Force at ULB Level............................................................................................... 6
10. Linkage with Credit Guarantee Scheme(CGS) of Ministry of Micro Small & Medium Enterprises (MSME)................................................................................................. 7
11. Progress Reporting for SEP-I & SEP-G.............................................................. 7
12. Sub-Component 4.3- Interest Subsidy on SHG Loans (SHG-Bank Linkage) .......... 8
13. Sub-Component 4.4- Credit Card for enterprise development............................... 10
14. Sub-Component 4.5–Technology, Marketing and Other Support........................ 11
15. Funding Pattern .......................................................................................................... 12
16. Monitoring and Evaluation ....................................................................................... 12
Annexure - I ..................................................................................................................... 13
Annexure - II .................................................................................................................... 15
Annexure – III................................................................. 18
Annexure - IV .................................................................................................................. 23
Annexure – V ................................................................. 26
Annexure – VI.................................................................................................................. 28
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

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

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 though 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
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.
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.
National Urban Livelihoods Mission

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**”.
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.
INTERCETE 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)

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<th>S.No</th>
<th>Branch</th>
<th>Name of the borrower</th>
<th>Loan Account No</th>
<th>Loan Amount Sanc- tioned</th>
<th>Disbursed</th>
<th>Interest Charged</th>
<th>Subsidy Claimed</th>
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B) SEP- G (Group Enterprise)

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<th>Loan Amount</th>
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c) Self Help Group (SHG Bank Linkage)

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<th>Name of the SHG</th>
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<th>Interest</th>
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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 (WSHGs) at 3% pa under NULM for the quarter ending:

Name of the Bank:

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

<table>
<thead>
<tr>
<th>S. No</th>
<th>Branch</th>
<th>Name of the WSHG</th>
<th>Loan Account No</th>
<th>Loan Amount Disbursed</th>
<th>Amount of Interest subvention</th>
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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
Self Employment Programme
(Operational Guidelines)

National Urban Livelihoods Mission

Issued in December 2013
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
Ministry of Housing & Urban Poverty Alleviation
Table of Contents:

COMPONENT 1.1 BUILDING COMMUNITY INSTITUTIONS – SELF HELP GROUPS
AND THEIR FEDERATIONS................................................................................................................. 1
  Self-Help Groups (SHGs) ...................................................................................................................... 1
  Federations of SHGs at the Area and City-levels................................................................................. 2
  Formation of SHGs: Engagement of Resource Organisations (ROs) .............................................. 4
  Transition of community structures under SJSRY TO NULM: ....................................................... 6
COMPONENT 1.2 UNIVERSAL FINANCIAL INCLUSION ............................................................ 7
  Financial Literacy ................................................................................................................................... 7
  Opening of Bank Accounts ................................................................................................................... 7
  Affordable Insurance (Health, Life and Pension):.............................................................................. 8
COMPONENT 1.3 REVOLVING FUND SUPPORT TO SHGs AND THEIR FEDERATIONS... 9
  Revolving Fund Support to Self-Help Groups (SHGs)...................................................................... 9
  Revolving Fund Support to Registered Area Level Federations (ALFs):....................................... 10
COMPONENT 1.4 CITY LIVELIHOOD CENTRES......................................................................... 10
  Concept of City Livelihood Centres (CLCs)..................................................................................... 10
  Process steps for establishment of CLCs by ULBs............................................................................ 11
  Funding for Establishment of CLCs................................................................................................... 12
  Services of CLCs ................................................................................................................................... 12
  Management and Functioning of City Livelihood Centres ............................................................ 14
  Collaboration and Linkages by City Livelihood Centres ................................................................ 14
COMPONENT 1.5 TRAINING FOR COMMUNITY INSTITUTIONS, SHGs AND THEIR
FEDERATIONS........................................................................................................................................ 15
MONITORING & EVALUATION......................................................................................................... 15
Annexure I: Model SHG Rules and Regulations.................................................................................. 16
Annexure II: Model Bye-Laws for ALFs............................................................................................ 22
Annexure III: Checklist for a functional SHG...................................................................................... 29
Annexure IV: Model Framework for Engagement of Resource Organisations (ROs) for the for-
  mation of SHGs under NULM ............................................................................................................... 30
Annexure V: Application for Revolving Fund Support to SHGs under NULM.............................. 35
Annexure VI: Application to Revolving Fund Support to ALFs under NULM .............................. 36
Annexure VII: Proposal Details for Establishment of CLCs .............................................................. 37
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.;

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 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

**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-SHGs, (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'. 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.

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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 BSBDAs 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 redistribution 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:
1. Been in existence for at least 6 months
2. Been meeting and saving regularly (not less than 80% of the members)
3. Been repaying any loans given (not less than 90% repayment)
4. 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

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Factor to be checked</th>
<th>Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Group Size</td>
<td>Number of members in a group</td>
</tr>
<tr>
<td>2.</td>
<td>Types of Members</td>
<td>70% urban poor to ensure Revolving Fund access</td>
</tr>
<tr>
<td>3.</td>
<td>Number of meetings</td>
<td>Minimum once in a week</td>
</tr>
<tr>
<td>4.</td>
<td>Rules of SHGs</td>
<td>The rules of SHGs should be framed and rules followed in every meeting</td>
</tr>
<tr>
<td>5.</td>
<td>Attendance of members per meeting</td>
<td>Minimum 90% attendance per meeting</td>
</tr>
<tr>
<td>6.</td>
<td>Savings collection within the group</td>
<td>Savings deposited by all members in each regular scheduled meeting held</td>
</tr>
<tr>
<td>7.</td>
<td>Internal Loan repayment from members</td>
<td>All internal loans repaid on time by SHG members as per the loan repayment schedule</td>
</tr>
</tbody>
</table>
| 8.     | Maintenance of records     | • 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       | • 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              | • The SHG should have a bank account                                      |
|        |                            | • The SHG should have been successful in grading by a bank for credit access |
| 11.    | Capacity Building          | • 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) bookkeeping 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
National Urban Livelihoods Mission

(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 grassroot 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 monthly / 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

<table>
<thead>
<tr>
<th>Application No</th>
<th>Date of Application</th>
<th>Name of Self Help Group (SHG)</th>
<th>Complete Address with Pin code/ Ph No</th>
<th>Landmark</th>
<th>Date of formation of SHG</th>
<th>Date of opening of bank Account</th>
<th>Bank Account number</th>
<th>Bank Name</th>
<th>Branch Name</th>
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<th>Remarks by</th>
<th>Remarks by</th>
<th>Over all Remarks By</th>
<th>Approved</th>
<th>Date of Transfer of RF to SHG</th>
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Details of Office Bearers of the SHG

<table>
<thead>
<tr>
<th>President</th>
<th>Name</th>
<th>Signature</th>
<th>Ph No</th>
<th>RO/ field coordinator</th>
<th>CMMU representative</th>
<th>ULB Competent Authority</th>
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## 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)

<table>
<thead>
<tr>
<th>Application No</th>
<th>Date of Application</th>
<th>Name of Area Level Federation (ALF)</th>
<th>Complete Address with Pin code/ Ph No</th>
<th>Landmark</th>
<th>Date of formation of ALF</th>
<th>Date of opening of bank Account</th>
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<td>Date of Transfer of RF to ALF</td>
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### Details of Office Bearers of the ALF

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<tr>
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<th>ULB Competent Authority</th>
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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)
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
Social Mobilisation and Institution Development

(Operational Guidelines)

National Urban Livelihoods Mission

Issued in December 2013
Scheme of Shelters for Urban Homeless
(Operational Guidelines)

National Urban Livelihoods Mission

Issued in 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
# Table of Content

Background ..................................................................................................................... 1  
Objective ....................................................................................................................... 1  
Norms and Types of Shelters ....................................................................................... 2  
Facilities at The Shelters ........................................................................................... 3  
Linkages with Entitlements ......................................................................................... 3  
Location of Shelters .................................................................................................... 4  
Design of Shelters ....................................................................................................... 4  
Operation & Management of Shelters ........................................................................ 5  
Project Proposal .......................................................................................................... 6  
Sanction of Project ....................................................................................................... 7  
Funding Pattern .......................................................................................................... 7  
User Fees ..................................................................................................................... 9  
Monitoring And Evaluation ........................................................................................ 9  
Publicity of Information .............................................................................................. 10
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 though 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
National Urban Livelihoods Mission

- 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) SelfHelp 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 –

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<tr>
<th>Sr. No.</th>
<th>Expenditure Heads</th>
<th>Details</th>
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<tr>
<td>1</td>
<td>Annual Maintenance cost/ shelter</td>
<td>Includes expenditure for electricity and other misc. expenses</td>
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<tr>
<td>2</td>
<td>Annual Servicing Cost</td>
<td>Includes cost of upkeep, maintenance, replenishment of bedding and kitchen equipment etc.</td>
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<tr>
<td>3</td>
<td>Annual Cost of providing free food</td>
<td>Restricted to 10% of inmates who are old / infirm etc. and cannot pay</td>
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<tr>
<td>4</td>
<td>Staff Salary</td>
<td>Includes 3 caregivers in 8 hour shifts and 1 full-time manager</td>
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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.
Scheme of Shelters for Urban Homeless

(Operational Guidelines)

National Urban Livelihoods Mission

Issued in December 2013
Support to Urban Street Vendors
(Operational Guidelines)

National Urban Livelihoods Mission

Issued in December 2013
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
Table of Contents

Context of the Component ....................................................................................................................... 1
Objectives .................................................................................................................................................... 1
Role of State Government, Local Authority and Planning Authority .................................................. 2
Components................................................................................................................................................ 2
Component 1: Survey and Issue of Identity Cards ................................................................................... 2
Component 2: Preparation of City Street Vending Plan ....................................................................... 4
Component 3: Infrastructure Improvement ........................................................................................... 5
Component 4: Training and Skill Development .................................................................................... 6
Component 5: Financial Inclusion........................................................................................................... 7
Component 6: Access to Credit ................................................................................................................ 8
Component 7: Linkage with Social Security Schemes .......................................................................... 9
Sanctioning Committee at the State Urban Livelihoods Mission ............................................................ 9
Monitoring and Evaluation .................................................................................................................. 9
Funding Pattern ....................................................................................................................................... 10
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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