

# DAY-NRLM SCHEME HANDOUTS

## TOPIC – DAY-NRLM

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# NRLM

## National Rural Livelihood Mission

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## 1 Importance

DAY-NRLM is being one of the major schemes for the rural development in India, questions are asked in the NABARD exam every year in all three phases. As per the syllabus, studying this scheme is very important from exam point of view when students can expect the questions for this scheme. The following handout will give detailed information regarding the scheme which helps the students to answer the questions in the exam with clarity.

## 2 Introduction

The National Rural Livelihoods Mission (NRLM) is a centrally sponsored poverty alleviation programme launched on **3<sup>rd</sup> June, 2011**, after restructuring **Swarnjayanthi Gram Swarozgar Yojana (SGSY)**. SGSY is remodeled to form NRLM thereby plugging the shortfalls of SGSY programme. The Mission is implemented with the support of the State Rural Livelihoods Missions (**SRLMs**). This plan is focused on promoting self-employment and organization of rural poor. The basic idea behind this program is to organize the poor into SHG (Self-Help Groups) groups and make them capable for self-employment. This is one of the world's largest initiatives to improve the livelihood of poor.

The core belief of National Rural Livelihood Mission (NRLM) is that the poor have innate capabilities and a strong desire to come out of poverty. They are entrepreneurial, an essential coping mechanism to survive under conditions of poverty. The challenge is to unleash their capabilities to generate meaningful livelihoods and enable them to come out of poverty.

## 3 About NRLM programme:

### 3.1 Mission:

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

### 3.2 Aim of NRML:

It aims at creating efficient and effective institutional platforms of the rural poor, enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services

The scheme seeks to mobilize about 10 crore households in to SHGs and link them to sustainable livelihood opportunities by building their skills and enabling them to access formal source of finance, entitlements and services from both public and private sectors.

### 3.3 Features of NRLM:

- ✓ Universal Social Mobilization (**at least one women member from each eligible rural poor household into SHGs, 50% beneficiaries to be SC/STs, 15% are minorities & 3% are persons with disability**)
- ✓ Participatory Identification of Poor (**as per SECC**)
- ✓ Promotion of Institutions of the poor with special emphasis on women
- ✓ Revolving Fund & Community Investment Fund (CIF)
- ✓ Universal Financial Inclusion
- ✓ Provision of Interest Subvention
- ✓ Livelihoods
- ✓ DAY-NRLM envisages to establish a platform for regular consultations between community based organizations and Panchayat Raj Institutions for exchange of mutual advice, preparation of Gram Panchayat Development plan etc.
- ✓ Convergence with other programs from MoRD and other Central ministries programs
- ✓ Rural Self Employment Training Institutes (RSETIs)

### 3.4 Funding Pattern:

- ✓ Centrally Sponsored Scheme
- ✓ **60:40** for all states
- ✓ **90:10** for North Eastern States & **Sikkim**;
- ✓ **100%** in case of **UTs**

### 3.5 Implementing Agency:

Implemented by the **Ministry of Rural Development (MoRD)**

### 3.6 When it was renamed?

In November **2015**, the program was renamed **Deendayal Antayodaya Yojana** (DAY-NRLM)

### 3.7 Identification of Eligible Households

Households are identified as per **SECC 2011** and through a '**Participatory Identification of Poor**' (PIP), anchored by the members of target communities. All households identified as poor through PIP process are presented to the Grama Sabha for vetting and subsequently approved by Gram Panchayat become eligible for all the benefits under the programme.

### 3.8 Initial Budget:

- NRLM started with a budget of \$5.1 billion.
- The National Rural Livelihood Mission (NRLM) — which includes social mobilization, community institution and capacity building, financial inclusion, livelihood promotion and convergence — **the fund allocation has dropped to 15,047cr**
- In total Rs 2,65,808 crore has been allocated to the Ministry of Rural Development (MoRD) under the Union Budget 2024-25, around Rs.26,824 crore increase than the

revised estimate (a mid-year review of possible expenditure) **for the fiscal year 2024. The Government is expected to spend Rs.15,047 crore an increase of 918 crore compared to the revised estimate of FY 24**

## 4 Support to DAY-NRLM

### 4.1.1 External support:

This program is supported by the **World Bank** with a credit of \$1 Billion

### 4.1.2 Technical support

In order to implement the NRLM effectively, National Rural Livelihoods Promotion Society (**NRLPS**) has been set up under the Societies' Registration Act of 1860, under MoRD, as the technical arm of the Mission.

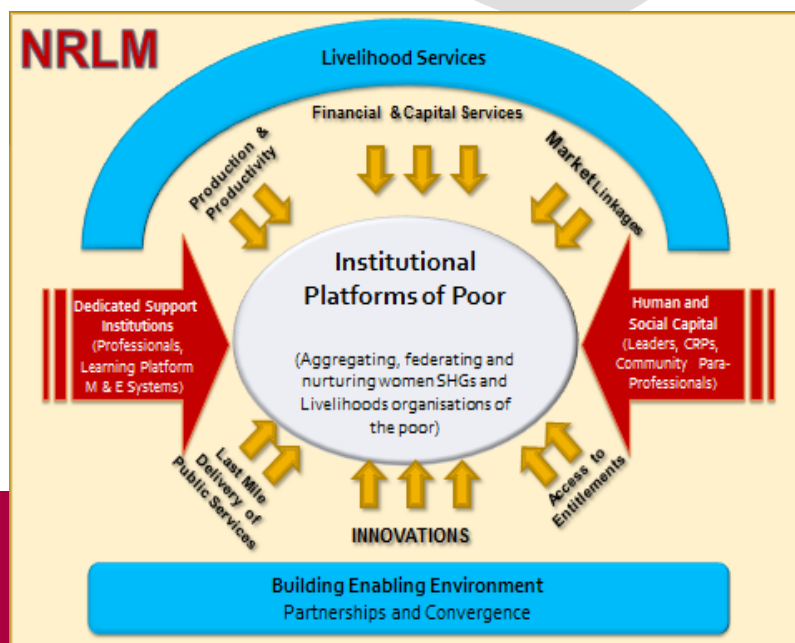
### 4.2 Important Committee:

Committee on Credit Related Issues under SGSY (under the Chairmanship of **Prof. Radhakrishna**)

The government accepted the recommendation of the Committee & restructured SGSY into NRLM in FY 2010-11 to provide greater focus as well as momentum for poverty reduction.

### 4.3 Guiding Principles

- Poor have a strong desire to come out of poverty, and they have innate capabilities
- Social mobilization and building strong institutions of the poor is critical for unleashing the innate capabilities of the poor
- An external dedicated and sensitive support structure is required to induce the social mobilization, institution building and empowerment process
- Facilitating knowledge dissemination, skill building, access to credit, access to marketing, and access to other livelihoods services enables them to enjoy a portfolio of sustainable livelihoods



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#### 4.4 Values:

The core values which guide all the activities under NRLM are as follows:

- Inclusion of the poorest, and meaningful role to the poorest in all the processes
- Transparency and accountability of all processes and institutions
- Ownership and key role of the poor and their institutions in all stages – planning, implementation, and, monitoring
- Community self-reliance and self-dependence

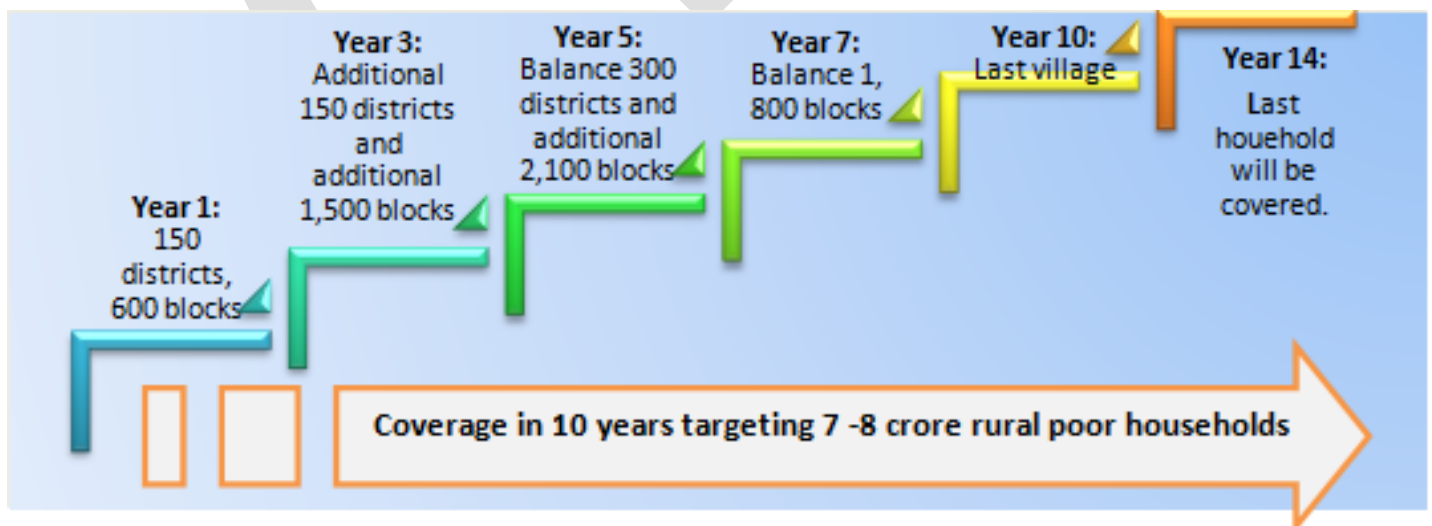
#### 4.5 Pillars of NRLM:

- Enhancing and expanding existing livelihoods options of the poor
- Building skills for the job market outside
- Nurturing self-employed and entrepreneurs

#### 4.6 Implementation of NRLM:

NRLM is a highly process oriented program & requires intensive application of resources, both financial and human, in order to mobilize the poor into functionally effective institutions, promote their financial inclusion, and diversify and strengthen their livelihoods. It is, therefore, not feasible to roll out the program in full scale across the country in one go, and therefore, it has been decided to implement in phased manner. **It aims to cover all eligible households in a phased manner by 2024-25**

The indicative phasing is as under:



**Exit Strategy:** The mission has a clear exit strategy. It is expected that after 10 years in a block, women SHG federations are able to manage their development agenda on their own and external support structure in the form of **Block Mission Management Unit (BMMU)**



would be taken over by the internal support structure of cluster and block level federations supported by community professionals.

**Note:** The blocks & districts in which all components of NRLM are implemented are treated as '**intensive**' blocks & districts, whereas the remaining as '**non-intensive**' blocks & districts.

#### 4.6.1 Implementation at Block Level:

NRLM intends to work in a block for a period of ten years till community federations take responsibility of implementation. A typical block having about **13,500** (90% of total poor) mobilize-able poor households spread over **100-120** villages is divided into **4 clusters** of **30 villages** each.

In a typical intensive block,

- ✓ The first 3 years are spent in building the organizations of the poor by mobilizing them into SHGs, Federations at Village, Cluster level and Block level.
- ✓ The middle years (3-6 years), are invested in deepening the activities and addition of various layers such as health, nutrition, interventions for Persons with Disability (PwD), etc.
- ✓ Last 4 years is essentially a maintenance and withdrawal phase where the community institutions graduate to self-reliance and self-sustainability.

#### 4.7 Support Structure:

NRLM has set up dedicated sensitive support units at the National, State, district and sub-district levels, to catalyze social mobilization, build institutions, capacities and skills, facilitate financial inclusion and access to financial services, support livelihoods and to promote convergence and partnerships with various programs and stakeholders. These units would be staffed with professionally competent and dedicated human resources.





#### 4.8 **Components of NRLM:**

1. Institutional Building & Capacity Building: The mission has developed a 4 tier capacity building architecture and created a resource pools at National, State, District and Block levels
2. Financial Inclusion: Financial Inclusion is primarily being facilitated by enabling SHGs to be linked to banks and to access all financial services through SHG-Bank Linkage Program, Promotion of digital finance and deployment of SHG women as Banking Correspondant Sakhis, common service centres and providing interest subsidy for the loans taken by rural poor.  
DAY-NRLM has also trained and deployed large number of cadres called 'Financial Inclusion- Community Resource Persons' (FL-CRP) to carry out financial literacy camps at village level
3. Sustainable Livelihoods Promotion: DAY-NRLM promotes sustainable agriculture, Livestock, Non Timber Forest Produce (NTFP) in intensive blocks through MKSP, state led livelihood annual action plans and value chain development interventions. The livelihood interventions are being supported by Community Livelihood Resource persons ( Krishi Sakhi, Pashu Sakhi, Van sakhi etc.). Non-farm Livelihood under DAY-NRLM are primarily promoted through various components of SVEP sub scheme- Micro Enterprise Development, One Stop Facility, Clusters, Incubators and Aajeevika Gramin Express Yojana.
4. Social Inclusion & Development
5. Convergence (with other Govt. schemes)

#### 4.9 **Sub Schemes under DAY NRLM:**

- **Mahila Kisan Sashaktikaran Pariyojana:** Launched in 2010-11 to promote to empower women in agriculture and NTFP by making systematic investments to enhance their participation and productivity in agriculture as well as NTFP based livelihoods. It also aims at ensuring nutrition of the poorest of the poor by securing and strengthening the primary livelihoods basket.
- **Start-up Village Entrepreneurship Programme:** It was launched in 2015 to help the rural poor come out of poverty by helping them set up enterprises and provide support. Under SVEP services like Business support, mentorship, seed capital, training and capacity building are provided for supporting small businesses.
- **National Rural Economic Transformation Project:** The Ministry of Rural Development (MORD) has launched NRETP in 2019 in 13 high poverty states with an aim to promote cluster development in the farm and nonfarm sector. The key focus of the project is to transform the economic participation of institutional groups by enabling them to engage in farm and non-farm activities with a strong footing. The National Rural Economic Transformation Project (NRETP) is an additional financing to the \$500 million

(\$250 million by World Bank) National Rural Livelihoods Project (NRLP) approved by the World Bank in July 2011. It is scheduled to close by June 2023

- **Ajeevika Grameen Express Yojana:** a sub scheme under DAY- NRLM for providing safe, affordable and community monitored transport services to rural areas was launched in the year 2017. The vehicles under AEGY are owned and operated by the members of SHGs. The beneficiary SHG member will be provided an interest free loan by the CBO from its Community Investment Fund up to Rs.6.50 lakh for purchase of the vehicle. Alternative, CBO will own the vehicle and lease it to an SHG member to operate the vehicle and pay lease rental to the CBO.

#### 4.10 DAY-NRLM Support Organizations (NSOs):

- A. Central Silk Board
- B. PRADAN supporting in knowledge management and capacity building
- C. Tasar Development Foundation- Tasar Value chain development
- D. NDDDB Dairy Services
- E. FDRVC on development and implementing of farm value chain development

#### 4.11 Coverage under NRLM:

DAY-NRLM has adopted a phased but intensive implementation strategy covering select blocks in each year so as to cover all **blocks** by **2018-19** and all eligible **households** by **2024-25**.

No of States/UTs transited to NRLM	<b>34</b>
Number of Districts with intensive blocks	<b>683</b>
Number of Blocks where intensive implementation has started	<b>6299</b>
SHGs promoted	<b>66 lakhs</b>
Households mobilized to SHGs	<b>7.19 Cr</b>

### 5 SHGs under NRLM:

1. Only Women SHGs (group of **10-20 members** (Minimum **5 members** in hilly terrain, desert and difficult areas))
2. Special/Exclusive SHGs (**People with Disabilities (PwDs), elder & transgender**) both men & women

#### 5.1 Panch Sutras for SHGs:

1. Regular meetings
2. Regular savings
3. Regular internal lending
4. Regular recoveries
5. Maintenance of proper books of accounts

## 5.2 Funds to SHGs/Communities

1. **Revolving Fund (RF)** – One-time corpus fund to SHGs (in existence for a minimum period of 3/6 month & follow 'Panchasutra') with a minimum of **Rs.20,000/-** to a maximum of **Rs.30,000/-** per SHG to strengthen their institutional & financial management capacity & build a good credit history
2. **Community Investment Fund** – This core financial support is provided only to SHGs and their federations to advance loans to enable members to undertake socio-economic activities as per micro-credit/ investment plans. The maximum amount admissible for Community Investment Fund is **Rs.2.50 lakh** per SHG.
3. **Vulnerability reduction fund**- to address vulnerabilities
4. **Start-up fund**- to meet the logistics requirements for community meetings and book keeping.
5. **Interest Subvention (Category-I)** - Interest Subvention to all women SHGs availing bank loans up to **Rs.3.00 lakh** to maintain the interest rate at **7%** per annum in select **250 districts** with an additional subvention of **3%** for timely repayment of loans reducing the effective interest rate to **4% (fully funded by the GoI)**
6. **Interest Subvention (Category-II)** – In the **remaining districts**, subvention on interest rate above **7%** per annum to all NRLM compliant women SHGs (i.e., consisting of at **least 70%** members from NRLM target group) to avail loans up to **Rs.3.00 lakh** from banks, subject to prompt repayment. This part of the scheme would be operationalized by the SRLMs
7. **Under the uniform interest subvention scheme** being implemented from 2022-23 across all districts of the country, women SHGs will be eligible for loans up to Rs.3 lakhs at interest rate of 7% per annum. Further women SHGs can avail loans above Rs.3 lakhs and up to Rs.5 lakhs at interest rate equivalent 1-year MCLR (Marginal Cost of Funds based Lending Rate) of respective lending banks.

## 5.3 Credit facilities to SHGs:

- One Women in every SHG under DAY- NRLM may be provided a loan up to Rs.1 lakh under the Mudra scheme if she is eligible
- Banks are advised to provide a minimum OD facility of Rs.5,000 to every women SHG member having PMJDY Account in accordance with the guidelines issued by IBA
- In order to facilitate women SHG members to graduate to entrepreneurs, banks may consider extending loans up to Rs.10 lakhs to individual members of selected SHGs. No collateral & no margin would be charged **up to ₹10.00 lakh** limit to the SHGs.

## 5.4 Lakhpati Members:

- DAY-NRLM has embarked on an ambitious plan for enabling SHG households to earn income of at least Rs.1 lakh per annum on a sustainable basis.
- On December 2023 Rajasthan Government launched Lakhpati Didi Yojana to make make 1 lakh women lakh patis.

- Finance Minister in Union Budget 2024-25 has announced to make 3 crore women “lakhpati Didis”

### 5.5 One Stop Facility under DAY-NRLM

- One stop facility (OSF) are centers in block at an average cost of Rs.350 lakh per block to support high level enterprises that have potential to grow.
- It is envisaged as a business facilitation cum incubation center at the sub district level to provide business development services to existing Nano enterprises on a growth track.
- OSF is being run by community professionals called Business development support providers
- Clusters of non-farm entrepreneurs are provided with financial support up to Rs.500 lakhs per cluster
- Incubator component is focused towards incubating growing micro enterprises and facilitate their self-sustenance thereby creating local employment opportunities.

## 6 Prajjwala Challenge

With an aim to invite ideas, solutions and actions that can transform rural economy, the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) has launched the **Prajjwala Challenge**. It is one of the platforms where ideas are invited from individuals, Social Enterprises, Start up, Private Sector, Civil Society, Community Based Organization, Academic Institution, Start-ups, Incubation centres, Investors etc having potential to transform the rural economy.

## 7 MCQs for practice:

With a mission of "To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grass root institutions of the poor" **Ajeevika Deen Dayal Antyodaya Yojana - National Livelihoods Mission (NRLM)** was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011 as a restructured version of Swarna Jayanti Gram Swarozgar Yojna (SGSY). Inclusion of the poorest, and meaningful role to the poorest in all the processes, Transparency and accountability of all processes and institutions, Ownership and key role of the poor and their institutions in all stages – planning, implementation and monitoring and Community self-reliance and self-dependence are the core values which guide all the activities under the mission.

- I) Consider the following statements regarding Interest subvention scheme for SHGs under the DDU- NRLM.
- 1) The scheme is limited to Women Self Help Groups under DAY -NRLM in rural areas only.
  - 2) For loans up to ₹3 lakh under the scheme, banks will extend credit at a concessional interest rate of 7% per annum.
  - 3) For loans above ₹3 lakhs to 5 lakh under the scheme banks will extend credit at a interest rate equivalent to their 1 year MCLR or 10%/ annum whichever is lower.

Which of the following statements are correct?

- A) 1 and 2 only
- B) 2 and 3 only
- C) 1 and 3 only
- D) All 1, 2 and 3
- E) None of the above

- II) Which of the following statements regarding Mahila Kisan Sashaktikaran Pariyojana (MKSP) is incorrect?
- A) It was launched in 2010-11 as a sub component of DDU-NRLM for promotion of agri-based livelihood enhancement for women.
  - B) MKSP focuses on 4 livelihoods namely Agriculture, non-timber forest products and livestock and value chain interventions.
  - C) Women farmers are organized as producer groups at Block/Cluster level for value addition and market linkages
  - D) A total of 1,646 organic village clusters have been identified to be developed in partnership with FAO to enable farmers to get better market access.
  - E) None of the above
- III) Ajeevika Grameen Express Yojana a sub scheme under DAY- NRLM for providing safe, affordable and community monitored transport services to rural areas was launched in the year \_\_\_\_\_. The vehicles under AEGY are owned and operated by the members of SHGs. The vehicles are funded through CIF provided by DAY- NRLM to the CBOs. The maximum amount that can be supported to buy a vehicle is \_\_\_\_\_.
- A) 2017, 6.5 lakh
  - B) 2018, 6 lakh
  - C) 2014, 8 lakh
  - D) 2011, 4 lakh
  - E) 2013, 7 lakh
- IV) Under Community Investment Fund of DAY NRLM, a maximum of RS. \_\_\_\_\_ is provided per SHG to enable members to undertake socio-economic activities as per micro-credit/ investment plans.
- A) 3,00,000
  - B) 5,00,000
  - C) 2,50,000
  - D) 2,00,000
  - E) 5,00,000

- V) Under Revolving Fund of NRLM SHGs are provided with a minimum of Rs. \_\_\_\_\_ to a maximum of Rs. \_\_\_\_\_ per SHG to strengthen their institutional & financial management capacity & build a good credit history.
- A) 10,000 , 15,000
  - B) 15,000, 20000
  - C) 20,000, 30,000
  - D) 10,000, 1,00,000
  - E) 5,000, 12,000
- VI) National Rural Economic Transformation Project was launched by Ministry of Rural Development in \_\_\_\_ to promote cluster development in the farm and non-farm sector in 13 high poverty states with an additional financing of Rs. \_\_\_\_\_
- A) 2017, \$250 million**
  - B) 2019, \$500 million**
  - C) 2015, \$500 million**
  - D) 2021, \$200 million**
  - E) 2022, \$250 million**

Answers:

- I) E
- II) E
- III) A
- IV) C
- V) C
- VI) B



## 8 Key Features of DAY-NRLM for DESCRIPTIVE PHASE II

**1. Universal Social Mobilization:** To begin with, DAY-NRLM would ensure that at least one member from each identified rural poor household, preferably a woman, is brought under the Self Help Group (SHG) network in a time bound manner. Subsequently, both women and men would be organized for addressing livelihood issues i.e. farmers organizations, milk producers' cooperatives, weavers associations, etc. All these institutions are inclusive and no poor would be left out of them. DAY-NRLM would ensure adequate coverage of vulnerable sections of the society such that 50% of the beneficiaries are SC/STs, 15% are minorities and 3% are persons with disability, while keeping in view the ultimate target of 100% coverage of all households under the automatically included criteria and households with at least one deprivation criteria as per Socio-Economic and Caste Census (SECC).

**2. Participatory Identification of poor (PIP):** The experience from SGSY suggests that the current BPL list has large inclusion and exclusion errors. To widen the target groups beyond the BPL list and to include all the needy poor identified as households with at least one deprivation criteria as per Socio-Economic and Caste Census (SECC). DAY- NRLM would also undertake community-based process i.e. participation of the poor in the process of identifying the target group. Participatory process based on sound methodology and tools (social mapping and well-being categorization, deprivation indicators) and also locally understood and accepted criterion ensures local consensus that inadvertently reduces the inclusion and exclusion errors and enables formation of the groups on the basis of mutual affinity. Over the years, the participatory method of identifying the poor have been developed and applied successfully in the states like AP, Kerala, Tamil Nadu and Odisha.

The households identified with at least one deprivation criteria as per SECC along with households identified through the P.I.P process would be accepted as DAY-NRLM target group and would be eligible for all the benefits under the programme. The list finalized after PIP process would be vetted by the Gram Sabha and approved by the Gram Panchayat.

Till the PIP process is undertaken by the State in a particular district/Block, the rural households with at least one deprivation criteria as per SECC list would be targeted under DAY-NRLM. As already provided in the Framework for implementation of DAY-NRLM, up to 30% of the total membership of the SHGs may be from among the population marginally above the poverty line, subject to the approval of other members of the group. This 30% also includes the poor households whose name does not figure in the SECC list but are as poor as those included in SECC list.

**3. Promotion of Institutions of the poor:** Strong institutions of the poor such as SHGs and their village level and higher-level federations are necessary to provide space, voice and resources for the poor and for reducing their dependence on external agencies. They empower them and also act as instruments of knowledge and technology dissemination, and hubs of production, collectivization and commerce. DAY-NRLM, therefore, would focus on setting up these institutions at various levels. In addition, DAY- NRLM would promote specialized institutions like Livelihoods collectives, producers' cooperative/companies for livelihoods promotion through deriving economies of scale, backward and forward linkages, and access to information, credit, technology, markets etc.

The Livelihoods collectives would enable the poor to optimize their limited resource.

**4. Strengthening all existing SHGs and federations of the poor.** There are existing institutions of the poor women formed by Government efforts and efforts of NGOs. DAY- NRLM would strengthen all existing institutions of the poor in a partnership mode. The self-help promoting institutions both in the Government and in the NGO sector would promote social accountability practices to introduce greater transparency. This would be in addition to the mechanisms that would be evolved by SRLMs and state governments. The learning from one another underpins the key processes of learning in DAY-NRLM.

**5. Emphasis on Training, Capacity building and skill building:** DAY-NRLM would ensure that the poor are provided with the requisite skills for managing their institutions, linking up with markets, managing their existing livelihoods, enhancing their credit absorption capacity and credit worthiness, etc. A multi-pronged approach is envisaged for continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers, NGOs and other key stakeholders. Particular focus would be on developing and engaging community professionals and community resource persons for capacity building of SHGs and their federations and other collectives. DAY- NRLM would make extensive use of ICT to make knowledge dissemination and capacity building more effective.

**6. Revolving Fund and Community investment support Fund (C.I.F):** A Revolving Fund would be provided to eligible SHGs as an incentive to inculcate the habit of thrift and accumulate their own funds towards meeting their

credit needs in the long-run and immediate consumption needs in the short-run. The C.I.F would be a corpus and used for meeting the members' credit needs directly and as catalytic capital for leveraging repeat bank finance. The C.I.F would be routed to the SHGs through the Federations. The key to coming out of poverty is continuous and easy access to finance, at reasonable rates, till they accumulate their own funds in large measure.

**7. Universal Financial Inclusion:** DAY-NRLM would work towards achieving universal financial inclusion, beyond basic banking services to all the poor households, SHGs and their federations. DAY-NRLM would work on both demand and supply side of Financial Inclusion. On the demand side, it would promote financial literacy among the poor and provides catalytic capital to the SHGs and their federations. On the supply side, it would coordinate with the financial sector and encourage use of Information, Communication & Technology (ICT) based financial technologies, business correspondents and community facilitators like 'Bank Mitras'. It would also work towards universal coverage of rural poor against loss of life, health and assets. Further, it would work on remittances, especially in areas where migration is endemic.

**8. Provision of Interest Subvention:** The rural poor need credit at low rate of interest and in multiple doses to make their ventures economically viable. In order to ensure affordable credit, DAY-NRLM has a provision for subvention on interest rate above 7% per annum for all eligible SHGs, who have availed loans from mainstream financial institutions.

**9. Funding Pattern:** DAY-NRLM is a Centrally Sponsored Scheme and the financing of the programme would be shared between the Centre and the States in the ratio of 60:40 (90:10 in case of North Eastern States including Sikkim; completely from the Centre in case of UTs). The Central allocation earmarked for the States would broadly be distributed in relation to the incidence of poverty in the States.

**10. Phased Implementation:** Social capital of the poor consists of the institutions of the poor, their leaders, community professionals and more importantly community resource persons (poor women whose lives have been transformed through the support of their institutions). Building up social capital takes some time in the initial years, but it multiplies rapidly after some time. If the social capital of the poor does not play the lead role in DAY-NRLM, then it would not be a people's programme. Further, it is important to ensure that the quality and effectiveness of the interventions is not diluted. Therefore, a phased implementation approach is adopted in DAY-NRLM. DAY-NRLM would reach all districts by the end of 12th Five-year Plan.

**11. Intensive blocks.** The blocks that are taken up for implementation of DAY-NRLM, 'intensive blocks', would have access to a full complement of trained professional staff and cover a whole range of activities of universal and intense social and financial inclusion, livelihoods, partnerships etc. However, in the remaining blocks or non-intensive blocks, the activities may be limited in scope and intensity.

**12. Rural Self Employment Training Institutes (RSETIs).** RSETI concept is built on the model pioneered by Rural Development Self Employment Institute (RUDSETI) – a collaborative partnership between SDME Trust and Canara Bank. The model envisages transforming unemployed youth into confident self-employed entrepreneurs through a short duration experiential learning programme followed by systematic long duration hand holding support. The need-based training builds entrepreneurship qualities, improves self-confidence, reduces risk of failure and develops the trainees into change agents. Banks are fully involved in selection, training and post training follow up stages. The needs of the poor articulated through the institutions of the poor would guide RSETIs in preparing the participants/trainees in their pursuits of self-employment and enterprises. DAY-NRLM would encourage public sector banks to set up RSETIs in all districts of the country.