

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

**Diagram 1**



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

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

2.4. Additionally, in its report, the Working Group on Urban Poverty, Slums and Basic Services in the context of the formulation of the 12<sup>th</sup> Five Year Plan has stated that livelihoods and skill development of the

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

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

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

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

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

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

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

3.2. Strong institutional platforms of the poor support them to build up their own human, social, financial and other resources. This enables them to access their rights, entitlements, opportunities and services, both from the public and private sectors. The social mobilisation process enhances

solidarity, voice and bargaining power of the poor. These processes enable them to pursue viable livelihoods based on leveraging their own resources, skills and preferences. Thus, they can come out of abject poverty and not fall back into a vicious cycle. NULM believes that the programme can be scaled up in a time bound manner, only if it is driven by the poor and their institutions.

### **NULM Mission**

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

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

### **Guiding Principles**

3.4. The guiding principles of NULM are:

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

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

### **Values**

3.5. The Mission will espouse the following values:

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

### **Objectives**

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

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

- v. Building capacity of the urban poor, their institutions and the machinery involved in the implementation of livelihoods development and poverty alleviation programmes.

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

### 3.7. Other objectives of the Mission include:

- a. To achieve inclusion of the urban poor and the vulnerable sections as an integral and valued part of the urban society and economy;
- b. To build capacity and skills at the bottom of the pyramid in emerging industry and service sectors, offering value-added, new employment opportunities in association with the private sector, wherever possible, and thereby also alleviating the skill shortages of the industry and service sectors;
- c. To organise the urban poor through formation of occupation-based and neighbourhood level collectives/institutions founded on self-help principle and federate them at slum and ward/zone/town/city levels to address livelihoods as well as social development concerns;
- d. To promote more equitable access of the urban poor to shelter and basic services such as water supply, sanitation, solid waste management, electricity, roads, transport, etc., and converge livelihoods with other programmes;
- e. To promote financial inclusion by facilitating easy access of the urban poor to financial services such as savings, credit, insurance, money transfers and pensions;
- f. Enable the urban poor to exercise voice in governance structures and decision-making processes.

### **Approach**

3.8. Towards building, supporting and sustaining livelihoods of the urban poor, NULM will attempt to harnesses their innate capabilities, focusing on a community-to-community learning approach, complementing them with capacities (information, knowledge, skills, tools, infrastructure, finance and collectivisation) to deal with the rapidly changing external world. The Mission is conscious of the fact that livelihoods activities are varied; and hence, it intends to work on three

pillars – ‘enhancing and expanding existing livelihoods options of the poor’; ‘building skills for the job opportunities offered by growing urban economies’; and ‘nurturing self-employment and entrepreneurship’.

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

3.10. The urban BPL youth would be offered skill development training under NULM after counselling and matching their aptitude with job requirements and placed in remunerative jobs. Self-employed and entrepreneurially-oriented poor would be provided the requisite skills and financial linkages. They would be nurtured to establish and grow with micro-enterprises. The platforms of the poor will offer space for convergence and partnership with a variety of stakeholders, including the civil society. The organisation of the poor, through their institutions, would reduce transaction costs to individual members, make their livelihoods more viable and accelerate their journey out of poverty and deprivation. They will also facilitate empowerment of the urban poor and access to basic civic services, shelter, benefits available under various programmes and schemes and voice in governance structures and decision-making processes.

#### **IV. Proposed Components of NULM**

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

4.2. NULM will have the following components:

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

- i. Building Community Institutions - SHGs and their Federations;
- ii. Universal Financial Inclusion; and
- iii. Revolving Fund Support to SHGs and their Federations.

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

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

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

- i. Skills Training for Self-Employment;
- ii. Skills Training & Placement for Wage Employment;
- iii. Innovative & Special Projects.

D. Self-employment Programme (SEP):

- i. Individual Enterprises (SEP-I);
- ii. Group Enterprises (SEP-G); and
- iii. Technology, Marketing and Other Support.

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

4.3. The mobilisation of urban poor households to form their own institutions is an important investment for an effective and sustainable poverty reduction programme. NULM envisages universal mobilisation of urban poor households into thrift and credit-based Self-Help Groups (SHGs) and their federations/collectives. At least one member from each urban poor household, identified through Socio-economic Survey, preferably a woman, should be brought under the Self-Help Group network in a time-bound manner. The minimum number of members for a SHG will be 5, but preferably 10-15. The SHG may or may not be registered. NULM envisages that on priority slums in a city/town will be covered under the SHG programme, covering both notified and non-notified slums. The thrift-based groups will serve as a support system for the poorest to meet their financial and social needs. These groups have been found to be particularly useful to the assetless and landless urban poor to reduce the exploitative influence of moneylenders over them. Crucial investments in social mobilisation and institution development would optimize the impact of livelihoods programmes.

4.4. NULM would lay particular emphasis on the mobilisation of vulnerable sections like SCs, STs, minorities, woman-headed households, persons with disability, landless, migrant labourers, street vendors etc. NULM firmly recognizes that investing in poverty alleviation programmes without making suitable investments in social mobilization and institution-building would not result in the desired poverty reduction outcomes.

4.5. Like SJSRY, NULM will rest on the foundation of promoting urban poverty alleviation and livelihoods development through community mobilization from the grassroots level, women's empowerment and development. It will rely on establishing and

nurturing community organizations and structures that will facilitate sustained urban poverty alleviation. This will make the livelihoods activities far more sustainable by creating collectives of women, which will form a network to sustain their activities. NULM envisages close partnerships with the civil society in social mobilisation and community development.

4.6. Under SJSRY, the targeted poor are first mobilised as Neighbourhood Groups (NHGs). These are typically a group of 15-20 women living in the same contiguous area. The Neighbourhood Groups are federated at the slum level as Neighbourhood Committee (NHC). The NHCs are further federated at the Municipality level as Community Development Society (CDS). NULM envisages that Thrift and Credit would be the main activity of NHG, which would be organized as Self-Help Group (SHG). These Thrift and Credit Groups, once matured, could take up small enterprises at Group level or Individual levels with credit facilitation from the banks. The SHGs will federate at the Slum/Ward level into Slum/Ward Level Federation – Area Level Federation (ALF). Area Level Federations are to be further federated at the Zonal/Town/City level as Town or City Level Federation (TLF). Where considered appropriate, cities/towns may organise ward level (rather than slum level) and zone level (rather than city/town level) federations. The existing area-based structures created under SJSRY – NHG, NHC and CDS may be suitably transformed into self-help based structures – SHG, ALF and TLF. The ALF and TLF need to be registered. NULM will aim at strengthening all types of institutions of the urban poor in a partnership mode.

4.7. Under NULM, bank linkages for T&CS/SHG will be promoted for sustenance of the system and self-reliance in the long term through SHG-Bank Linkage programme. Necessary engagement with banks will be undertaken with the help of support professionals/NGOs/CBOs etc.

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

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

4.9. For catalysing the formation of SHGs and their federations, promoting financial inclusion of SHG members, NGOs/CBOs/Facilitators/ Animators will be engaged with slum/ward as the unit. Support of self-help and mutual help promoting institutions in both Government and Civil Society sectors will be solicited. Rs. 5,000 per SHG will be available for NGOs/CBOs / Facilitators/Animators, etc. under NULM towards group formation and development, basic financial inclusion, including bank linkages, and establishing links to ULBs and schemes related to social, occupational and residential vulnerabilities. This amount will be made available for support to SHGs over a period of 18 months. Urban Local Bodies are free to engage institutions/agencies on a ‘whole slum’ or ward basis rather than on a SHG basis, subject to Rs.5,000 being the ceiling limit per SHG. Further guidelines in this regard will be issued by the NULM Mission Directorate.

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

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

4.11. SHGs will be eligible for subsidy on interest above 7 percent per annum on loans availed from banks based on prompt repayment. This subsidy would be available till a member accesses credit through repeat cumulative loaning upto Rs.200,000 per household. Interest subsidy would not be applicable when a SHG avails capital subsidy, say for group enterprise. However, interest subsidy could be availed by a SHG when a fresh loan after repaying the capital subsidy-linked loan is taken. Further

guidelines for availing interest subsidy will be issued by the Mission Directorate from time to time.

4.12. Registration of SHGs may be encouraged. Federations of SHGs / T&CS at the area / ward / zone / city levels – ALF and TLF – will need to be registered for channelization of the revolving fund, bank credit, etc.

4.13. Bank linkages will be accorded high priority under NULM. SHGs will be encouraged to avail bank credit on the basis of their performance for their requirements. Flexibility is available to States / UTs for the involvement of financial institutions.

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

4.14. A Revolving Fund support to the tune of Rs.10,000 will be provided to SHGs with more than 70 per cent BPL members and those which have not availed such support earlier. Similarly, a Revolving Fund support of Rs.50,000 would be available to a registered Slum/Ward Level Federation (ALF) and Rs.100,000 to a registered Zonal/Town/City Level Federation (TLF) for sustaining their activities.

4.15. SHGs under NULM will be eligible for Revolving Fund support that can be towards corpus not earlier than one year after its formation. In other words, only such a body, in existence and functioning for at least one year, shall be eligible for benefit of the Revolving Fund. The decision of whether a group has been in existence and functioning for more than one year shall be taken on the basis of examination of the records of the group as regards the number of meetings held, the collections made from members towards group savings, the regularity of collection, the role of the group in capacity building / training of its members, etc. Suitable criteria will be prescribed by the Mission Directorate at the national level regarding eligibility of SHGs and their federations to avail Revolving Fund support. Guidelines will also be issued on the areas/activities where Revolving Fund by SHGs and their federations can be utilised.

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

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

4.17. A key objective of the Capacity Building and Training component is to transform the role of the M/o HUPA and State Agencies in charge of urban poverty alleviation into providers of high quality technical assistance in the fields of livelihoods promotion and poverty alleviation. NULM will create national and state pools of professionals to support the implementation of programmes for the poor. It is also envisaged that all cities with a population of more than 300,000 as per 2011 Census (numbering 154 in the country covering about 55 percent of total urban population), will be provided with technical support at city level so that they can implement programmes independently with support for the State Mission Management Unit.

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

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

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

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

4.19. The objective of this sub-component is to establish timely and high quality technical assistance at Central, State, District and City levels for rolling out and implementing NULM. This would be achieved by establishing teams of high quality professionals at various levels and institutionalizing partnerships with resource institutions/agencies, public and private sectors considering their domain expertise and experience, for providing technical assistance to cities and towns in various thematic areas such as urban poverty alleviation, skills and livelihoods, social development and convergence, community mobilisation, credit, marketing, research and training, social audit, MIS etc. Task and theme based teams called National/State/City Livelihoods Teams would be established to meet the specific technical support needs. These mobile teams would be drawn from out of a pool of resource persons in the National Mission Management Unit (NMMU)/State Mission Management Unit (SMMU)/District Mission Management Unit (DMMU) for cities/towns with less than 300,000 population as per 2011 Census/City Mission Management Unit (CMMU) for the rest of the cities, resource institutions, agencies etc., hired on retainer basis through a transparent selection process to be followed.

4.20. In the initial phase of implementation, dedicated technical assistance to States would be provided to facilitate their compliance with NULM framework. This would include support for setting-up SMMU/DMMU/CMMU (in cities with more than 300,000 population), staffing with good quality livelihood and programme management professionals and developing efficient institutional systems like HR, MIS, financial management, procurement, and social management. Technical support would also be provided to the States/Cities to undertake comprehensive situational analysis to capture various dimensions of urban poverty in the State/Cities. This would help States to prioritize interventions and resources while formulating State/City Urban Poverty Reduction Strategy/Action Plans. Specific technical assistance products in each of programmatic themes would be offered to provide implementation support to States/Cities for achieving NULM outcomes.

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

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

4.22. NULM will establish Service Centres or Aadhar Kendras, which will act as “one-stop shop” for those seeking services from the informal sector as well as for the urban poor promoting their services and products or seeking information relating to employment and training. Aadhar Kendras can also act as information, facilitation and counselling centres, where the poor can access information on market demand/placement opportunities and skills training programmes offered by reputed institutions, including IITs, NITs, industry associations, engineering colleges, management institutes, foundations and other reputed agencies run by the Government, private or voluntary organisations and industry associations to secure salaried employment with enhanced remuneration. For those seeking to establish and sustain self-employment ventures, the Aadhar Kendras can also facilitate necessary guidance and counselling support. They can also be used for imparting training on basic skills such as life skills, language skills and computer skills. Further, they can be used as demonstration/sale outlets for products manufactured by the self-employed urban poor. The beneficiaries registered with Aadhar Kendras for offering services to citizens will be issued Identity Cards by the Urban Local Body at the time of registration.

4.23. The number of Aadhar Kendras in a city will depend on demand. NULM envisages that one Aadhar Kendra be set up at zonal/city level to cater to a population of about 100,000 persons. To start with, Aadhar Kendras may be established in cities with a population more than 300,000 as per the 2011 Census. The central support for each centre would be limited to Rs. 5 lakhs subject to State/Urban Local Body making building available. This amount can be used for rent (where building is not

available), furniture, basic training facilities and equipment like computers, product demonstration outlets, telephone and other operational expenses, including staffing support on contract basis for 2 years. The Aadhar Kendras will be run on PPP mode or through partnerships of federations of the poor with NGOs/CBOs/resource institutions. They may eventually operate on a revenue-generating and self-sustaining model. Urban Local Bodies may consider additional support to these centres from their own resources. Proposals for Aadhar Kendras will be approved by the State Urban Livelihoods Mission Management Unit.

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

4.24. This component will be used for training and capacity building not only for beneficiaries, but also for other stakeholders such as programme officers, community professionals, NGO/CBO partners, Community Organisers, Urban Local Body functionaries, etc. Part of the amount can be used for community-to-community learning/exposure and immersion visits of members of SHGs and their federations and programme-related personnel. The component will be implemented by national, state and city resources centres/agencies including civil society organisations, and Mission Management Units at various levels. The ceiling amount that can be used for capacity building and training at the State and city level will be Rs.7500 per trainee – with higher rates for national/state level training and lower rates for city and community level programmes. Scales of costs will be as per guidelines issued by NULM. Resource centres/institutions/agencies will be empanelled through a transparent process as per guidelines to be issued by the Mission Directorate.

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

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

4.26. EST&P will target the urban poor subjected to occupational vulnerability. No minimum or maximum educational qualification is prescribed for the selection of beneficiaries under ST&P. The percentage

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

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

4.28. Skill training will be linked to accreditation and certification and preferably be undertaken on a Public-Private-Partnership (PPP) mode with linkage to industry. It will involve reputed institutes, including IITs, Polytechnics, NITs, industry associations, engineering colleges, management institutes, skill training centres, foundations and other reputed entities in government, private and civil society sectors. The selection of these institutes/agencies to impart skills training shall be subject to a transparent process/ verification of brand image and the quality of instructions being imparted. For this purpose and for working out other modalities such as training costs, duration of training programme, curriculum, certification etc., a Committee comprising the concerned State Secretary in charge, State Mission Director, National Urban Livelihood Mission, State Mission Director, National Rural Livelihoods Mission and State Director in charge of Technical Education and Training/Modular Employable Skills will be constituted at the State level. The Committee may involve industry experts as needed as invitees.

4.29. At the district / city level, a similar committee consisting of the District Collector / Dy. Commissioner, Municipal Commissioner / CEO,

District Project Officer (DPO) in charge of NULM, District Officer in charge of NRLM and District Officer in charge of Modular Employable Skills (MES) and District Officer in charge of Industry will deal with selection of agencies/institutions, training costs and duration and other modalities at the district/city level. Suitable Guidelines will be issued by the NULM Mission Directorate in this regard. Services of Building Centres sponsored by the Housing and Urban Development Corporation (HUDCO)/ Building Material Technology Promotion Council (BMPTC)/ Academies of Construction within the States/UTs may be utilized for the purpose of construction-related training, as per local requirements.

4.30. For the purpose of skill training with placement, catalyst organizations/skills training agencies will be selected nationally and in each state through a process of competitive bidding/transparent selection process. Selection of marketable trades, competent skills training providers and certification that have national recognition are the keys to the success of a skills training programme, as the same will ensure absorption of the trained persons into the local industry. The catalyst organizations/agencies should, therefore, be responsible for market scans of skills, identification of institutes, conduct of proper training and placement (at least 75%). The organizations/agencies should work closely with reputed institutes, certifying institutions, industry, SHGs, their federations and Aadhar Kendras in Urban Local Bodies for identification, counselling, training, certification and placement of beneficiaries.

4.31. Given the diversity of local contexts, each State will decide the skills important for their local economies. Apart from the hard skills, training on soft skills should also be provided. This may include spoken English/National/State Language, computer literacy, life skills including training on office and social etiquette, punctuality, etc.

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

- i. Skills Training for Self-Employment;
- ii. Skills Training & Placement for Wage Employment;
- iii. Innovative & Special Projects

**Sub-Component 3.1 – Skills Training for Self-Employment; Sub-component 3.2 – Skills Training & Placement for Wage Employment**

4.33. The cost per trainee under (i) shall not exceed Rs.12,000 (Rs.15,000 in the case of bank linkage, credit mobilization, establishment of micro-enterprise and handholding). That under (ii) will have a ceiling of Rs. 15,000 (Rs.18,000 in the case of NER States and J&K) including placement costs. The sub-component 3.2 will focus on linking skills training to placement and will be implemented at three levels – Central, State and District/City level through a transparent competitive bidding process to select competent skill-training agencies/providers on a PPP mode. 40 per cent of the total funding under NULM will be made available for implementation of EST&P component. 7 percent will be used at the central level on multi-state projects. For the centrally implemented component, no state share provision will be needed. 10 percent will be used at State level and 20 percent at the level of selected districts/cities. 3 percent will be available centrally for innovative or special skills and livelihoods projects. This component can be used for skills training projects at the central level, if required. For proper implementation of the Central/State/ District/City components of EST&P, suitable guidelines will be issued by the Mission Directorate at the national level.

4.34. Sub-components 3.1 and 3.2 will target urban population determined eligible for benefit under the National Food Security Act/Programme. While focus will on the priority segment living below poverty line, SCs, STs, minorities, women and differently abled persons falling outside the priority list but eligible for food security can be covered under EST&P component of NULM.

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

### **Sub-Component 3.3 – Innovative and Special Projects**

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

4.37. The projects must demonstrate strategies to create long-term and sustainable wage employment and self-employment opportunities and may cover organisation of the urban poor, formulation and implementation of innovative skill development programme, provision of support infrastructure, technology, marketing, capacity building, etc. or a combination of these. Innovative / special projects may be undertaken on a partnership mode involving CBOs, NGOs, semi-government organizations, private sector, industry associations, government departments, urban local bodies, national/state/city resource centres or international organisations. The ceiling cost in respect of sanction for of a single innovative/special project is Rs.1 crore.

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

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

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

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

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

4.40. These sub-components will focus on assistance to individuals/groups of urban poor for setting up gainful self-employment ventures/micro-enterprises, suited to their skills, training, aptitude and local conditions. Besides generation of income, these sub-components will strive to empower the urban poor by making them self-reliant and providing a facilitating atmosphere for pursuing self-employment.

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

4.42. **Target Groups:** SEP will target the urban poor individually and in groups subjected to occupational vulnerability. It will lay special focus on women, persons belonging to Scheduled Castes (SC)/Scheduled Tribes (ST), differently-abled persons and such other categories as may be indicated by the Mission from time to time. The percentage of women beneficiaries under SEP-I and SEP-G shall not be less than 30 percent; SCs and STs must be benefited at least to the extent of the proportion of their strength in the city/town population below poverty line (BPL). A special provision of 3 percent reservation in the total number of beneficiaries should be made for the differently-abled under SEP-I and SEP-G. In view of the Prime Minister's "New 15-Point Programme for the Welfare of Minorities", 15 percent of the physical and financial targets under the Self Employment Programme at the national level shall be earmarked for the minority communities.

4.43. **Educational Qualifications:** No minimum or maximum educational qualification is prescribed for selection of beneficiaries under SEP-I and SEP-G. Where the identified activity for micro-enterprise development requires skills training of an appropriate level, the same will be provided to the beneficiaries before extending financial support.

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

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

4.46. **Prioritisation of Micro-Enterprises:** SEP-I and SEP-G will encourage under-employed and unemployed urban poor to set up small enterprises relating to manufacturing, servicing and petty business for which there is considerable demand. Local skills and local crafts should be particularly encouraged. Each district/town/urban local body should develop a compendium of such activities/projects keeping in view skills available, marketability of products, costs, economic viability etc. For the purpose of self-employment, focus may be on two key sectors i.e. Production (Micro-industry), and Business.

4.47. Under the Micro-industry (Manufacturing) side, a group of micro-entrepreneurs (hub) will be encouraged for setting up of enterprises centered around and supported by a Micro Business Centre (MBC), that may be established following a cluster approach. Space may be provided by MBC in the form of working sheds with tools or micro-entrepreneurs may work from their homes and access MBC facilities.

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

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

**4.50. Pattern of Financial Support:** For setting of individual micro-enterprises, the project cost ceiling will be Rs. 2.00 lakhs and the subsidy will be at 25 percent of the project cost (subject to a maximum of Rs.50,000/-). Margin Money is to be 5%. No collateral is envisaged other than the micro-enterprise itself. Interest subsidy at 7 percent will be available on bank loan to SHG member. But both interest subsidy and capital subsidy cannot be availed. Loans can be taken in more than one tranche, if necessary.

4.51. For setting up group enterprises, a group shall be entitled to a subsidy of Rs.300,000/- or 35 percent of the cost of project or Rs.60,000/- per member of the group, whichever is less. The remaining amount will be mobilized as Bank Loan and Margin Money. Subsidy on interest rate above 7 percent will be available on bank loans availed by SHGs from mainstream financial institutions based on prompt repayment. But both interest subsidy and capital subsidy cannot be availed. Loans can be taken in more than one tranche subject the overall subsidy ceiling.

4.52. Individual and group enterprises will be encouraged to avail funds (through loans) under the Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) of the M/o Micro Small and Medium Enterprises (MSME) and Small Industries Development Bank of India (SIDBI). This will enable a credit assistance of up to a limit of Rs.50 lakhs for both term loans and working capital, as is specified in the CGMSE guidelines.

4.53. The lack of identity of the urban poor acts as an impediment to their accessing credit from financial institutions. NULM will strive for the establishment of a dedicated mechanism for creating guarantee and other facilities in connection with lending to the urban poor so that they can have easy access to institutional credit through credit cards, etc.

4.54. To be eligible for subsidy under the group enterprise, the SEP group should consist of at least 5 urban poor women, preferably 10-15 or may be a combined group with more than 70 percent belonging to urban poor. It is essential that the group set itself up as a Self-Help Group/Thrift and Credit Society undertaking thrift, mobilizing savings and credit.

Before starting an income-generating activity the group members must get to know each other well, understand the group strategy, and also recognize the strength and the potential of each member of the group. The group will select an organizer from amongst the members. The group will also select its own activity. Care should be exercised in the selection of activity because the future of the group will rest on the appropriateness of the selection. As far as possible, activities should be selected out of an identified shelf of projects for the area concerned maintained by the district/city authorities.

### **Sub-Component 4.3 – Technology, Marketing and Other Support**

4.55. This component will mainly focus on handholding support for the urban poor entrepreneurs who want to be self-employed and set up their own small businesses or manufacturing units. Under this component, Micro-Business Centres (MBC) will be established at cluster level (e.g. handlooms/handicrafts, food processing, construction, glass and ceramics, electrical and electronics, mechanical engineering, auto driving and mechanics, metal works, etc.), supported with one-time capital grant subject to the concerned State Government/Urban Local Body providing the required land free of cost. This will be run on the basis of a Public-Private-Partnership (P-P-P) model. MBCs could also be run by a society of entrepreneurs themselves with manpower hired on contract basis. Eventually MBCs must run on a revenue generating and self-sustaining model.

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

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

them from the concept stage to commissioning to sustainability. The MBCs and Small Enterprise Advisory Services (SEAS) will specially focus on handholding the urban poor micro-entrepreneurs who have opted for self-employment, with a view to enhancing the success rate of micro-enterprises. The respective State Mission Management Units, adopting a cluster-based approach, will issue operative guidelines for MBCs and SEAS. A Micro Business Centre under NULM can be provided financial support not exceeding one-time amount of Rs.1.00 crore, with central assistance for the same being 75% for States other than NER and Special Category States for which the central support will be 90%. States may provide additional share if needed.

4.58. Technology, marketing, consultancy (advice) and other support may also be provided by States/cities to beneficiaries setting up micro-enterprises, in relation to input procurement, production, packaging, branding, marketing, etc. This can be accomplished by providing selling places for the poor in the form of kiosks and rehri markets, setting up of Aadhar Kendras for a variety of services (like those provided by carpenters, plumbers, electricians, TV/radio/ refrigerator/mobile phone mechanics, etc. who will be available to city residents on call), and through liaison for establishment of weekend markets/festival bazaars/evening markets etc. in municipal grounds or on road sides on one hand and technical assistance with regard to market potential survey, input procurement, joint brand naming/designing, advertising, marketing, etc. on the other.

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

### **12<sup>th</sup> Plan – Key Targets**

4.60. Key targets for the 12<sup>th</sup> Five Year Plan (2012-17) envisaged under NULM are as follows:

- A. Skill Training & Placement: 5 Million
- B. Self-Employment: Individual and Group: 1 Million
- C. Coverage under Self-Help Groups (SHGs) : 1 Million

## V. NULM: Administration and Mission Structure

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5.1. The National Urban Livelihoods Mission will have a three-tier interdependent structure. At the apex of the structure will be the **National Mission Management Unit (NMMU)**, under the Ministry of HUPA, GoI headed by a Mission Director. At the State level, there will be **State Mission Management Unit (SMMU)** under an independent society headed by a Mission Director reporting to the Secretariat Department dealing with Municipalities, which is responsible for implementing skill development/ employment /livelihoods promotion programmes. At the District level, there will be a **District Mission Management Unit (DMMU)** – for cities with less than 300,000 population - to supervise the implementation NULM under the overall guidance of the State Mission - suitably linked to the District Urban Development Agency (DUDA), where the same exists. At the city level, a **City Mission Management Unit (CMMU)** – for cities and towns with more than 300,000 population - will be established to work under the overall guidance of the SMMU. At the ULB level, setting up of the community institutions (viz. NHG/SHG, NHC/ALF, CDS/TLF etc.) under the scheme aided by a cadre of Community Organisers hired on contract basis as in SJSRY may be spread gradually in the urban poor localities/slum clusters, in a phased manner, so as to cover the entire urban poor population within a specified period of time. This may be coordinated by the CMMU.

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

5.2. The ‘National Mission Management Unit (NMMU)’, set up in the Ministry of Housing & Urban Poverty Alleviation under the overall supervision of an Additional Secretary/Joint Secretary in-charge of NULM, to be called the Mission Director, will support implementation of the National Urban Livelihoods Mission. NULM will have a Governing Council (GC) and an Executive Committee (EC). The GC will be constituted under the chairpersonship of the Hon’ble Minister for Housing and Urban Poverty Alleviation, GOI, whereas the EC will be headed by Secretary (HUPA). The GC will have representation from various Ministries at the level of Ministers, Member, Planning Commission, Experts and Civil Society representatives.

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

5.4. The Executive Committee (EC) will be constituted under the chairmanship of Secretary, Mo/HUPA, GoI, to oversee the activities of the Mission and approve the state action plans to ensure that overall objectives of the NULM are achieved within stipulated period. The EC will ensure smooth functional linkages between different Missions, departments and institutions through its constitution. The Chairperson of the EC may nominate additional members to the Committee as per requirement. The EC will meet at least once in every quarter.

5.5. The National Mission Management Unit (NMMU) will be the implementation arm of the NULM. The Unit will provide necessary support to the GC and EC and will administer the Mission. The Unit, headed by the Mission Director and supported by at least four Directors and a multi-disciplinary team of experts in the area of poverty alleviation, skills and livelihoods, slum development/ redevelopment, community mobilization, institution development, social development, credit, marketing, research and training, MIS etc. would be put in place for giving need/demand-based technical assistance to States and Cities. The NMMU will have a dedicated MIS/e-Governance cell to implement on-line monitoring of the Mission. The Unit will converge support from Programme Management Units for JNNURM and RAY to ensure convergence of NULM with shelter/basic services/slum development programmes.

5.6. The NMMU will perform the following functions:

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

- iii. Provide professional and technical support and guidance to the state agencies by seeking out and disseminating pro-poor technologies and institutional innovations through research and development and forging linkages between the state agencies and the national network of resource centres;
- iv. Liaise with other Missions/ Ministries/Departments to explore areas for convergent action and facilitate such convergence to enhance capabilities and access to other entitlements such as food security, education, health, social security etc.;
- v. Explore and facilitate partnerships between National/ State Urban Livelihoods Missions and public, private, NGO/CSO partners for diversifying and sustaining the livelihoods of the urban poor;
- vi. Undertake/commission studies to assess emerging self-employment/skill-based market employment opportunities and disseminate the information to the State agencies;
- vii. Study best practices in skills training/ self-employment/ micro-enterprise development across the country and support their replication in other parts through workshops, cross-learning visits and exchange programmes;
- viii. Develop capacity building and training modules for functionaries of the peoples' institutions as well as the state agencies and district/city units, and other stakeholders participating in the poverty alleviation programmes;
- ix. Facilitate analysis and dissemination of the impact of changing economic policies on the poor and play policy advocacy role;
- x. Act as database on urban poverty statistics by accessing information from multiple sources;
- xi. Identify shortcomings in programme design and implementation and facilitate debates/discussions thereof by experts for finding innovative and workable solutions and their dissemination to the state agencies;
- xii. Promote the institution of comprehensive monitoring and learning systems at the state agencies and district/city units, including web enabled MIS and community monitoring systems; and
- xiii. undertake monitoring/ evaluation/social audit of the Mission activities.

- xiv. Establish a national resource centre on urban poverty, slums and livelihoods as a repository of data, research documents, best practices including books and e-resources, etc.

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

5.7. The implementation of National Urban Livelihoods Mission at the State level will be managed by a two-tier structure – A Governing Council and an Executive Committee.

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

5.9. The State Mission Management Unit (SMMU), headed by State Mission Director (SMD) would be set up by all State Governments to oversee the implementation of the Mission and other poverty alleviation programmes in the State. The SMMU will assist the SMD in the effective implementation of the Mission. As per the requirements, the State Unit would include experts in the areas of social mobilization, institution development, capacity building and training, microfinance development, livelihoods promotion, skill training and placement support, gender, communication, MIS, monitoring and evaluation, human resource, finance, administration, etc. The SMMU will have a dedicated MIS/e-Governance Cell to undertake online monitoring. The SMMU will converge support from programme management units for JNNURM and RAY to ensure convergence with shelter/basic services/slum development programmes. The SMMU may engage thematic experts or empanel reputed resource agencies to provide technical assistance/capacity building to its implementation teams at the district/city levels. The State Mission will have functional autonomy under the overall charge of the Secretary/Principal Secretary concerned for implementing the Mission in the State. The State level Mission will have a Governing Body notified by the State Government.

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

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

- i. Prepare perspective/urban poverty reduction strategy and state action plan by following a bottom-up approach in consonance with the Mission goals and objectives and in close coordination with the state level agencies responsible for implementation of poverty alleviation programmes;
- ii. Provide professional support through a dedicated in-house professional team or outsourced support, to the district/city units;
- iii. Facilitate setting up of district units suitably linked with the DUDAs and city units at ULB level to implement the Mission's activities;
- iv. Guide the district/city units in organizational and technical issues;
- v. Facilitate implementation of the Mission's programmes in the state through district/city units, peoples' institutions, NGOs/ CSOs and private sector partners;
- vi. Coordinate and develop convergence with other Missions and programmes in the state for the required synergy to enhance the capabilities of urban poor and their access to other entitlements such as wage employment, food security, risk mitigation etc. necessary for poverty alleviation;
- vii. Organize state level skill training and placement support programmes, capacity building activities, workshops, seminars and cross-learning visits to promote the objectives of the Mission in the state;
- viii. Document the progress and process of implementation and best practices, including institution of comprehensive MIS and monitoring systems;

- ix. Conduct/commission studies to assess the impact of the Mission on poverty alleviation; and
- x. Facilitate institution of monitoring and learning systems and undertake concurrent/periodic evaluation/social audit, etc.

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

5.12. At the district level, NULM will be managed by an Executive Committee headed by the District Collector / Deputy Commissioner supported by a District Project Officer (DPO) so designated. The Committee will have District Officers in charge of NRLM, Industry, Modular Employable Skills, District Lead Bank Officer and representative of another Bank, 2 representatives of SHGs/Federation, Municipal Commissioners/ Executive Officers of Cities/Towns having population less than 300,000 as per 2011 Census and District Project Officer in charge NULM as members. The State Government may issue appropriate guidelines in the matter, if necessary. A dedicated unit (District Mission Management Unit-DMMU), suitably linked to DUDA under the District Project Officer, will be set up by all States. The DMMU will be guided by the SMMU in planning and implementation of livelihood promotion activities in collaboration with DUDAs. States where DUDAs are not operating may opt for suitable regional support/ alternative structures.

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

5.14. The DPO will manage the Mission activities in the District under the direction of SMMU and District Collector/Deputy Commissioner. The DPO will be assisted by one Assistant Project Officer (APO) and a team of functional specialists in the fields of social mobilization, institution and capacity building, micro finance, livelihoods/ micro

enterprises, gender, communication/IEC, MIS etc. in addition to administration and finance. These specialists will be appointed on contractual basis and will undertake activities in the respective fields under the leadership of District Project Officer and the overall guidance and supervision of the SMMU team. DMMU will report progress of NULM activities to SMMU.

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

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

5.16. At the city level, NULM will be managed by an Executive Committee headed by the Municipal Commissioner/Chief Executive Officer and comprising of officer in charge of NRLM, Industry, Modular Employable Skills, representative of Lead Bank, 2 representatives of SHGs/Federations and City Project Officer in charge of NULM as members, The State Government may issue appropriate guidelines in the matter, if necessary. A dedicated unit (City Mission Management Unit-CMMU), suitably linked to SMMU will be set up by all States in cities with a population of more than 300,000 persons as per 2011 census selected under NULM managed by a City Project Officer (CPO). The CMMU will be guided by the SMMU in planning and implementation of livelihood development and other activities under NULM. They will report progress directly to the SMMU.

5.17. CMMU will be responsible for implementing the Mission's programmes in the city following the NULM guidelines. The City Project

Officer (CPO) will ideally be of the rank of a Deputy Municipal Commissioner/Executive Officer. The CPO will be assisted by one or more Assistant Project Officers (APOs) and a team of functional specialists in the fields of social mobilization, institution and capacity building, micro finance, livelihoods/ micro enterprises, gender, communication/ IEC, MIS etc., in addition to administration and finance. In metropolitan cities, the CPO will be assisted by at least two Assistant Project Officers (APO). The functional specialists will be appointed on contractual basis and will undertake activities in the respective fields under the leadership of City Project Officer.

5.18. The CMMU will be linked with the community development structures in cities.

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

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

5.21. Support for NMMU, SMMU, DMMU and CMMU will be funded under the Capacity Building and Training Component. A total of 5% of the State / UT allocation under NULM can be utilized / distributed to the administrative units and implementing agencies for A&OE purposes.

### **Guidelines for Implementation**

5.22. The Mission Directorate in the Ministry of Housing and Urban Poverty Alleviation (Mo/HUPA), Government of India will issue a set of guidelines from time to time, for effective operationalisation,

implementation and monitoring of the Mission, in close consultation with various stakeholders.

## **VI. Monitoring and Evaluation**

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6.1. Given the geographic scale and magnitude of the resources and activities to be supported by the NULM, a comprehensive and robust monitoring and evaluation system would be established. This will not only track the implementation of progress online but also to provide meaningful reports on household level impacts and implementation experiences so as to enable Mo/HUPA and State Governments to take corrective actions, if necessary. The monitoring activities will include, but not limited to MIS, concurrent and impact evaluation studies, social audit, etc.

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

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

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

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AD/DB