



India's National Rural Livelihoods Mission an Overview

In a break from tradition, the Government of India has created a new program that will change how national ministries, state governments, the private sector, banks, and the poor approach this seemingly intractable problem. The new National Rural Livelihoods Mission will reach down to the household level to support the formation of institutions of the poor and the

aggregation of those institutions beyond the community level. The institutions and their aggregate federations will form an *institutional platform*—from the self-help group to the district—with the scope and scale to leverage resources from the public and private sector and to interact favorably with markets. These platforms create an *ecosystem for innovation* where the poor work together and with external agents to identify problems and design solutions. They create the collective space for the poor—who have been reduced to living hand-to-mouth—to save, build assets, adopt new livelihoods, and see new opportunities for themselves and their families. The platforms also provide the organization of consumers and producers that help the private sector see the poor for what they are—one of the largest, most vibrant untapped markets for commerce.

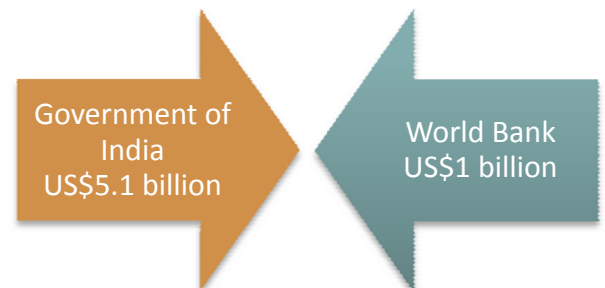
A Program Based on Lessons from Experience

In 2010, the Government of India approved the restructuring of its SGSY program into the National Rural Livelihoods Mission. This move reflects recommendations from stakeholder consultations with state governments, civil society organizations, bankers, academicians, and more. It also reflects lessons from World Bank-financed rural livelihood projects in seven states, *Kerala's Kudumbashree* initiative, and many livelihood programs by civil society organizations. These programs showed that investing in self-managed institutions of the poor and aggregating those institutions beyond the community level yields impressive returns for poverty reduction.

Read more about the analysis underlying this change in the Ministry of Rural Development's strategic framework document entitled, [Poverty Eradication in India by 2015: Rural Household Centered Strategy](#).

The largest poverty reduction initiative in the world

The National Rural Livelihoods Mission (NRLM) is, perhaps, the largest poverty reduction initiative, the largest program for women, in the world with its goal of reaching nearly 70 million rural households. NRLM will launch in the 12 states that account for 85% of the rural poor households in India. GoI will invest US\$5.1 billion in NRLM over next seven years including expected allocation for 12th Five-Year Plan. The World Bank is committing US\$1 billion through its national rural livelihoods project (NRLP)—its largest single investment in a poverty reduction program.



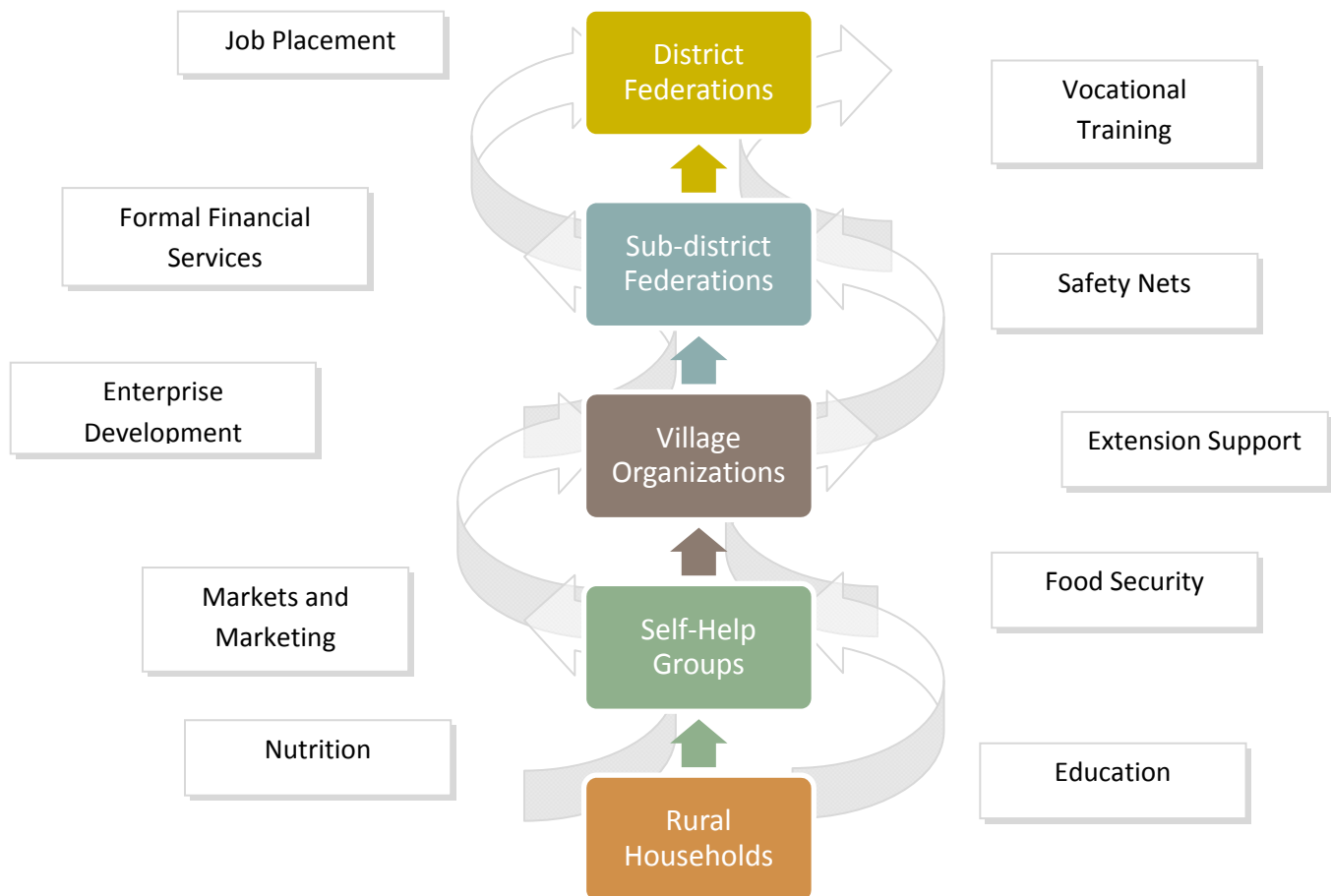
Beyond the GoI and World Bank investment, NRLM will leverage funds from formal finance, other public sector programs, the private sector, and CSOs in support of rural poverty reduction. World Bank livelihoods programs have, in the past, leverage about \$10 for every \$1 of World Bank investment.

Tackling Poverty Down to the Household Level

NRLM will focus on the poverty of rural households, and it will reduce that poverty by mobilizing them into representative and self-managed institutions at the grassroots level—women’s self-help groups (SHGs). Working exclusively through rural women and their organizations, NRLM can have a tremendous impact on gender issues and could be a game changer in terms of achieving the MDGs on nutrition, gender and poverty. Further investments of capital and capacity building will federate the SHGs at the village level and beyond—an institutional platform of the poor—so that poor households can access services and livelihood opportunities previously beyond their reach. Based on experience in several World Bank-supported state livelihood projects, the institutional platform will also give poor households the voice to demand services—early childhood education, pensions and other safety nets, etc.—and the organization to help manage and deliver those services as needed.

The critical goal is to stimulate a diverse array of livelihoods at the local level and even within individual households, NRLM will support grants to SHGs and their federations to help the poor start new livelihoods or improve existing ones—particularly in the agriculture and allied sectors like crops, livestock/dairying, and inland fisheries. While agriculture is a critical source of food and income for the rural poor, it alone cannot raise most families out of poverty, so NRLM will also support enterprise development in the local service sector—e.g., shops, transport services, etc.—as well as training to access sustainable wage employment.

They also build and protect their asset base through savings and ultimately access to formal financial institutions. This access allows poor households to reduce their debt burden by retiring high-cost debt, access new credit at market prices, and access products to reduce their vulnerability, like insurance.



Designed for Management Effectiveness

Poverty is complex and multidimensional, and programs to reduce it can be equally complex; however complexity does not preclude efficiency and effectiveness. NRLM is recruiting professionals from the marketplace to implement its programs in concert with partner organizations. While implementation in communities may begin with external agents, self-replication sets in fairly rapidly. With time, as the institutions of poor grow and mature, their successful members and empowered leaders take charge and accelerate implementation. Best practitioners in communities become *community professionals* (CPs) for mobilization, leadership, financial management, agriculture, livestock health, literacy, and more. This vast resource enables the institutional platform to engage in many sectors and interact with many service providers. As their ability and effectiveness improves successful villages and CPs become resources for other poorer communities and region. Community leadership helps the program expand its outreach while maintaining quality.

NRLM is also investing in a knowledge management ecosystem to achieve scale with quality and in a cost effective manner:

- The program will roll-out in a phased manner to allow each state to implement large scale pilots, creating ‘demonstrate sites’ and ‘best practice areas’ and incorporating lessons from those pilots to scaling up activities.
- A demand-responsive technical assistance system will provide on-site guidance and handholding support to states and other stakeholders. This will include formal twinning arrangements between states for peer learning at all levels—i.e. policy makers to communities.
- Centers of excellence and community learning academies will allow cross-fertilization within and between states through structured learning using a case study approach.
- Virtual communities of practice will leverage IT-based knowledge management and learning platforms and embed proactive dissemination and feedback mechanisms in program implementation structures.

Through the National Rural Livelihoods Project, the World Bank will help NRLM improve program delivery by supporting, both financially and technically, professional implementing structures at the national and the state levels with multi-disciplinary teams drawn from the public, private, financial, and civil society sectors. NRLM will attract professionals from reputed management schools and other disciplines which will contribute to a new work culture in managing livelihood programs. The teams will be supported by strategically outsourced professional service firms and resource agencies to manage the operations at the national, state, district and sub-district level. Beyond the recruitment and partnerships strategy, NRLP has a dedicated funding window to draw in innovators, social entrepreneurs, and private firms to provide range of services to the program clients with efficiency and effectiveness.

For more information, see:

- [The World Bank’s National Rural Livelihoods Project: Overview](#)
- [Frequently Asked Questions: The National Rural Livelihoods Mission and Microfinance](#)