



सत्यमेव जयते

Ministry of Rural Development
Government of India



Strategy for Two Crore Lakhpati Didis

Deendayal Antyodaya Yojana-
National Rural Livelihood Mission
(DAY-NRLM)

2023



Today 10 Crore Rural Women are part of the Self-Help Groups.

When you go to a village, you will find 'bank-wali didi', 'Anganwadi didi' and 'dawai-wali (medicine) didi'.

It is my dream to make **two crore lakhpati didis in the villages.**

**Hon'ble Prime Minister
on the 77th Independence Day Speech
(15 August 2023)**



Strategy Note on Enabling Two Crore Lakhpati SHG Didis

1. Introduction

The Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM) has emerged as the largest global programme focused on livelihood augmentation of poor women, and has demonstrated robust processes, programmes leading to socio economic empowerment of women in Rural India. About 9.54 Crore women are part of 87.39 lakh Self Help Groups (SHGs). A great deal of head way has been made in financial inclusion, e.g. Financial literacy, opening of Bank accounts, Credit, insurance etc. Around 33,497 Crore of capitalization support has been provided to the SHGs. This has enabled credit linkage of 6.95 Lakh Crore from the banks to the SHGs and their federations since the year 2013-14. For livelihood augmentation, a number of interventions across farm and non-farm sectors through Mahila Kisan Sashaktikaran Pariyojana (MKSP), National Rural Economic Transformation Project (NRETP), Value Chain Development Projects, Livestock Cluster Promotion, Non Timber Forest Produce (NTFP) Interventions, Integrated Farming Clusters (IFCs), Organic/ Natural Farming, Start-up Village Entrepreneurship Programme (SVEP), Aajeevika Grameen Express Yojana (AGEY), Micro Enterprise Development (MED), One Stop Facility (OSF) and, Incubators among others have been taken up. Further, convergence with the schemes of Ministry of Agriculture and Farmers Welfare (MoA&FW), Ministry of Food Processing and Industries (MoFPI), Department of Animal Husbandry and Dairying (DAH&D), Department of Fisheries etc. have been established. Various State Governments/ UTs have taken up many initiatives at the State/ UT level, e.g. Didi ki Rasoi (Bihar), School Uniform stitching (Madhya Pradesh), Take Home Ration (Uttar Pradesh) etc. In addition, partnership with various Civil Society Organizations, Technical Organizations, Bilateral and Multi-lateral agencies have also been established.

The combined efforts of the Central and State Governments in implementation of the above-mentioned livelihood interventions have resulted in better economic outcome at household level. While the progress in terms of Household (HH) coverage under different livelihood interventions seems promising, there is a need for universalization of livelihoods and enabling sustainable income at HH level.

2. Strategy for livelihood augmentation

The Ministry of Rural Development has adopted “**Whole of Government Approach**” to facilitate livelihoods expansion in the rural areas of the country. The following four key strategies for livelihood augmentation are suggested:

- i. **Deepen, Strengthen and Expand Livelihood options:** The households will be facilitated and enabled to take up diversified income generating activities. A two-step approach as under will be adopted:

Step-1: District Livelihood Potential Mapping (DLPM) will be conducted to identify latent and potential livelihood opportunities through a macro economic analysis of the district (secondary data). This will help in identifying potential livelihood interventions (like - Agriculture, Horticulture, Livestock, NTFP, Enterprise promotion, district specific products/ services and large-scale value chain interventions etc.). The identified interventions may be shared with the SHG federations for further necessary action.

Step-2: Individual/ Group livelihood Activity plans, will be prepared by the Village Organizations (VOs) using the Village Prosperity and Resilience Planning (VPRP) process. In this plan, the support requirements will be articulated in four broad heads i.e. Demand for Assets, Skills, Finance and Market. The VPRPs prepared at the village level by VOs will be integrated at the Gram Panchayat level. These will be further included in the Gram Panchayat Development Plan (GPDP).

- ii. Implementation Support:** Adequate and timely support will be facilitated to the SHG members/ Federations for the Livelihood enhancement. This can be in the form of- Assets (Input, equipment, infrastructure), Skills (Knowledge and practical skills) and Access to Finance (Bank linkage, leveraging departmental schemes, Corporate Social Responsibility etc.) and Market (Branding, Packaging, e-Commerce etc.). For this, Gram Panchayat Development Plan (GPDP) prepared through the above-mentioned process may also be leveraged.
- iii. Convergence and Partnership:** Convergence with various schemes (Inter and Intra departmental) will be undertaken for mobilizing technical, financial resources, capacity building of SHG federations. The convergence is planned as under:

Sl	Ministry	Schemes for Convergence
1	Ministry of Rural development, MoRD	1. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) 2. Deendayal Upadhyay Grameen Kaushal Yojana (DDUGKY) 3. Rural Self Employment Training Institutes (RSETIs) 4. Pradhan Mantri Awas Yojana -Grameen (PMAY-G)
2	Ministry of Agriculture & Farmers' Welfare (MoA&FW)	Mission for Integrated Development of Horticulture (MIDH), Sub Mission on Agriculture Mechanization (SMAM), National Bamboo Mission, National Mission on Honey and Bee Keeping, Promotion of Millets, Pradhan Mantri Krishi Sinchayi Yojana (PMKSY), 10K FPO, Agri Infra Fund (AIF), Natural Farming and Engagement of Community Resource Persons (CRPs) as extension agents for service delivery etc.
3	Department of Animal Husbandry and Dairying (DAHD)	Accredited Agent for Health and Extension of Livestock Production (A-HELP), National Livestock Mission, Animal Husbandry Infrastructure Fund, Rastriya Gokul Mission etc.
4	Ministry of Food Processing Industries (MoFPI)	Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME)
5	Dept. of Fisheries	PM Matsya Sampada Yojana
6	Ministry of Small & Medium Enterprises (MSME)	Scheme of Fund for regeneration of Traditional Industries (SFURTI)
7	Expert Institutions	National Bank for Agriculture and Rural Development (NABARD), National Agricultural Cooperative Marketing Federation of India Ltd (NAFED), Indian Council for Agriculture Research (ICAR), Commodity Boards, Multi-Lateral Institutions.
8	Pvt Sector Partnership	Civil Society Organizations (CSOs), Industry, Foundation for Development of Rural Value Chains (FDRVC)

At the National Level, Steering Committee headed by Secretary, MoRD has been constituted to ensure intradepartmental convergence. Similar Convergence forums at State, District and Block Level are being constituted to review and advise on convergence activities.

Partnership with Start-ups is being explored through Rural Innovation and Social Enterprise (RISE) hub constituted at the central level.

iv. Training and Capacity Building: For Livelihood augmentation, regular and structured capacity building and exposure of Mission Staff, line department officials, Community Institutions, Community Cadre and Resource Persons is of paramount importance. Trainings on multiple aspects of Knowledge and Skills for livelihood activities will be provided. Collaboration with prominent technical institutions, Civil Society organizations will be ensured to further the capacity building mandate.

3. Interventions for Livelihoods

The study "Independent assessment of design strategy and impact of DAY-NRLM¹", conducted by Institute of Rural Management Anand (IRMA) in the year 2017 has mapped the perception of community on impact of DAY-NRLM. It has found that the programme has significantly impacted on dimensions of Women Empowerment, Self Esteem enhancement, personality development, access to micro finance, reduced social evils, increase in livestock production and high cost debt reduction.

The Mission has reached almost saturation level in mobilization of women in to SHGs and their Bank linkage has also been adequately ensured. So, the focus is now on stabilizing the existing and facilitating newer livelihoods opportunities for the SHG members. With an intent to scale up the economic empowerment in a structured way, an output -based indicator (income) seems appropriate for adoption. For this, it is envisaged to ensure minimum annual income of Rs One Lakh to each SHG household (*Lakhpati Didi*). Accordingly, it is proposed to have at least Two Crore (20 Million) Lakhpati didis in next three years.

The Cluster Level Federations (CLFs) are the robust community Institutions developed and strengthened over a period of time. It is important for the sustainability and robust implementation of various interventions, that the CLFs anchor the entire process. Accordingly, CLFs will be strengthened with the required skills and expertise.

The Mission has nurtured a large number of Community Resource Persons (CRPs), who are NRLM's *feet on the ground* and are instrumental in facilitating the interventions taken up by the Mission. At present more than Five Lakh CRPs (Including Samuh Sakhi, Krishi Sakhi, Pashu Sakhi, Madhu Sakhi, Matshya Sakhi, Bank Sakhi, Banking Correspondent Sakhi, etc.) are deployed by the Mission. These CRPs are well trained on technical know how of livelihood interventions, various extension services etc. In addition, the mission has also deployed professionals (National Resource Persons and State Resource Persons) to handhold and train stakeholders at State, District and sub district level professionals.

¹ Institute of Rural management Anand, " Independent assessment of design strategy and impact of DAY-NRLM", 2017, [https://aajeevikaimg.dhwaniris.in/IRMA_NRLM_Final_Report_Without_Design-Upload_1673617350496 .pdf](https://aajeevikaimg.dhwaniris.in/IRMA_NRLM_Final_Report_Without_Design-Upload_1673617350496.pdf), (Accessed on 19th Aug, 2023)

The key interventions mentioned below need to be deepened and strengthened:

A. Capitalization and Bank Linkage Support:

DAY-NRLM provides Revolving Fund (RF) and Community Investment Fund (CIF) as *resource in perpetuity* to the institutions of the poor, to strengthen their institutional and financial management capacity and build their track record to attract mainstream Bank finance. To further the capitalization support and Bank linkage, the existing efforts around demand side will be strengthened and supply side sensitization will be intensified.

In order to ensure more liquidity to the rural poor women, the government has taken number of initiatives, which need to be leveraged substantially. In this regard, Reserve Bank of India (RBI) has increased the *collateral free loans up to Rs 20 Lakh. Interest Subvention (Up to Rs 3 Lakh loan @ 7% Rate of Interest)*, has also been extended uniformly to all the districts in the country. Every women SHG member having Jan Dhan Account is eligible for *Overdraft (OD) limit of ₹ 5,000*. To support women, led enterprises, "*Women Enterprise Acceleration Fund*" of 1,225 crores has been earmarked by the Ministry of Rural Development. It supports terms of credit guarantee and loan to individual SHG entrepreneurs. For this, structured processes for identification, support and monitoring of potential entrepreneurs are being put into place. Standard Operating Processes and training modules on enterprise finance have also been developed.

B. Augmenting Livelihood

B.1 Farm Livelihood Interventions

Majority of the SHG Households are dependent on Agriculture and allied activities, as primary source of their livelihoods. The focus areas under Farm sector will include Sustainable Agriculture (Natural/ Organic farming), Livestock, Fishery and Non-Timber Forest Produce etc. The Mission has curated special interventions and prioritized these in the Annual Action Plan. The key farm interventions to be scaled up are as under:

B.1.1 Sub Sector Intervention: Majority of the SHG households associated with DAY-NRLM have small and marginal land holding. To support the producers overcome various challenges they face in the commodity specific value chain, sub sector approach with end to end value chain solutions is being designed. Presently 12 sub sectors (Bamboo, Honey, Fishery, Moringa, Medicinal and Aromatic Plant, Spices, Fibre Cotton, High Value Horticulture fruits and vegetables, Livestock- Poultry, Goat, Pig, Tasar etc have been identified in consultation with the States. In addition to the above commodities, States may identify potential other commodities which are suitable in the specific areas.

B.1.2 Integrated Farming Clusters (IFCs): The Mission has designed Integrated Farming Cluster initiative with a purpose of promoting diversified livelihoods interventions in a cluster approach. Each IFC is planned with two to three adjoining villages benefiting 250-300 households. All the identified households are facilitated to select three to four livelihood options having maximum potential for growth, in terms of production and productivity, scope for value chain development, processing and marketing. Dedicated fund has been earmarked for each of the cluster, which has budgeted expenditure towards two dedicated Human Resource, capacity building cost, promotion of collectives, establishment of livelihood support service center etc. These IFCs are being strengthened in collaboration with Rapid Rural Community Response (RCRC- a consortium of 85 CSOs). 3200 IFC are proposed to be implemented on priority.

B.1.3 Promotion of Producer Collectives and Women led Business Enterprises: The Mission with an aim to address the issues of the small and marginal producers such as lack of access to markets, credit, technology, inputs, productivity enhancement, value chain interventions at pre, during and post production stage, extension service delivery, high asymmetry in market knowledge and information etc, has initiated organization of small and marginal producers into member owned and member-controlled business entities. The following initiatives will be scaled up:

B.1.3.1 Producer Groups (PGs): The PGs are small sized, unregistered entities with scope for significant business transactions. These groups are also engaged in localized marketing activities catering to the local demand and supply situations. Their business model is primarily based on economies of aggregation and thus aimed at reduction in individual transaction costs. Their target markets are also local and usually fall within a short radius. At the village level, PGs are able to aggregate the commodities and collectively sell them in the market, better price negotiation and higher price realization. The Mission is providing **Rs 2 Lakh per PG** which includes **working capital and infrastructure fund**, for sustaining their business. At present 1.38 Lakh PGs with 21 Lakh members are functional. It is proposed to mobilize new members to the existing PGs and formation of new PGs, handholding them for business planning & operations. It is targeted to promote 2 Lakh PGs and mobilize around 30 Lakh women in to the Producer Groups.

B.1.3.2 Farmer Producer Organizations: In convergence with the Ministry of Agriculture and Farmer's welfare, the Mission has agreed to promote **800 Farmer Producer Organizations (FPOs)**. Under the programme, Rs 15 Lakh of equity grant support is provided to each of the FPOs in three years. So far, 261 FPOs have been promoted with total membership of around 1 Lakh. Membership drive for the existing and new FPOs, registration processes, business plan preparations and their business enhancement will be expedited.

B.1.3.3 Producer Enterprises: The Mission is promoting Large size Producer Enterprises (PEs) which are yielding benefits to the members such as economies of scale and increased bargaining power, improved market reach, access to finance, improved access to extension services, Professional management of the business etc. At present 194 PEs with nearly 5 Lakh members have been promoted. It is proposed to mobilize more members to the existing PEs and the new PEs. A total of 1190 Producer Enterprises will be promoted.

Efforts will also be made to promote federation of these farmer producer organizations/ PEs at State Level.

B.2 Non-Farm Livelihood interventions:

Under non-farm livelihoods – Start-up Village Entrepreneurship Programme (SVEP), One Stop Facility (OSF), Clusters and Incubators etc. are the main schemes which are supporting the SHG members in taking up various livelihood options in a structured way. At present, large number of the enterprises taken up by SHG members or their family members are small, mostly household based, with limited income. However, many of these enterprises have potential to grow and expand. As per the estimates, nearly **one crore women SHG members**, having met their immediate households credit requirements from SHGs, are ready to take the first step towards **graduating as an entrepreneur**. In this regard, following major initiatives of the Mission need scale up:

B.2.1 Start Up Village Entrepreneurship Programme (SVEP): aims to stimulate economic growth and reduce poverty and unemployment in the villages by helping start and support rural enterprises. The Mission has budgeted **Rs 6.5 crore financial support per block** for

this. Block Resource Centers (BRCs) are created in each of the intervention blocks. Further Community Resource Persons- Enterprise Promotion (CRP-EP) are placed in blocks to assist entrepreneurs to access finance from Banks, arrange seed capital for the business and handhold them in growing their enterprise. The SVEP intervention need to be scaled. Accordingly, SVEP implementation in 320 blocks need to be intensified.

B.2.2 One Stop Facility (OSF): OSF is envisaged as a business facilitation-cum-incubation centers at the block level to provide business development services to existing nano-enterprises on a growth track. Each block selected for support under the OSF will support a minimum of 150 enterprises during the project period. The scale of finance for Individual enterprises is Rs 2.5 Lakh and for group Enterprises is Rs 5 Lakh with 10% entrepreneur contribution. The source of financing for these enterprises will be from combination of four sources, i.e. CIF, CEF, undrawn Bank credit at SHG level and loans from formal financial institutions. Accordingly, OSF in 300 selected Blocks will be promoted.

B.2.3 Micro Enterprise Development (MED): The MED scheme has the objective to support SHGs and their family member's enterprises in the non-farm sector. This scheme is planned in such a way that the necessary hand-holding and post enterprise grounding support to entrepreneurs shall be provided and financing part will be mobilized from CIF provided under NRLM and Banks/financial institutions. Financial Inclusion teams in State Rural Livelihood Missions (SRLMs) at States shall actively participate and support in linking the selected MED entrepreneurs with Banks/financial institutions. In each block, there is a budget provision of Rs 20 lakhs for supporting minimum 200 Enterprises. SRLMs can submit the proposals as part of AAP. Accordingly, MEDs in 1,000 blocks will be implemented.

B.2.4 Cluster Promotion: Under DAY-NRLM, two types of clusters are promoted- Artisan clusters (handloom and handicrafts) and Sectoral clusters (food service, tourism, nutrition etc.) Soft interventions including design development, quality assurance, enterprise creation, market development, financing, technology upgradation, skilling, promoting responsible business interventions, strengthening the local ecosystem including development of collective enterprises, and hard interventions like creation of Common Facility Centers (CFCs) / Common Production Centers (CPCs) are supported under the initiative. Each cluster has a potential of engaging at least 100 micro enterprises over the period of intervention.

Provision of Rs 5 crore per cluster for setting-up and operationalizing clusters has been made. SRLM/Technical Support Agencies may leverage additional funds through convergence with existing government schemes such as Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and those of the Development Commissioner (Handicrafts) and Development Commissioner (Handloom).

B.2.5 Incubator: The objective of the initiative is to pilot strategies to scale up at least 150 existing women owned/ women-led growth-oriented enterprises in a State/UT and create models for replicability. The enterprises supported will be in manufacturing and service sectors, which are hamstrung by various facets of market failure and information asymmetry. The total duration of the incubation component is for three years. Provision of Rs 10.70 Crore per State/ UT has been done for promotion of incubators. The SRLMs may identify enterprises which require incubation support and handhold them. Accordingly, 20 Incubators will be developed.

C. Utilising progressive policies of Govt. of India for Livelihood Enhancements

With progressive policy and enabling platforms, supply of goods and services has emerged as one of the potential opportunities for SHGs and their federations to generate revenue. The Public Procurement (Make in India), Order 2017, Department of Industrial Policy and Promotion, Government E-Marketplace (GeM) Platform, Relaxed Norms for Public Procurement for Start Ups, Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2018, Amendment to Rule 153 of General Financial Rules (GFR) 2017, Atmanirbhar Bharat Abhiyaan, Vocal for Local campaign etc. are progressive policies. Further, many States have leveraged these policy and platforms to engage SHGs and their federations for supply of public goods and services. The examples of Electricity bill collection agent, tax collection agents, Jalasathis, Solid waste management, Rural Transportation service, LPG distribution agent, Supply of Biomass Pellets to Thermal Power Plants, vegetable supply in residential schools, Hospital diet management, Community Kitchen, Aahar Centres, PDS dealership, THR distribution to Anganwadi centres etc. are some of the examples, where SRLMs have made a head way. Similar opportunities may be identified and scaled up in the States/UTs.

4. Plan for FY 2023-24

It is planned to support 75 Lakhs HHs to become Lakhpati in the FY 2023-24. Following is the State/UT wise target:

STATE	Plan for FY 23-24 (HHs in Lakh)	STATE	Plan for FY 23-24 (HHs in Lakh)
Madhya Pradesh	8.80	Haryana	0.82
Andhra Pradesh	8.17	Tripura	0.49
Gujarat	7.80	Himachal Pradesh	0.32
Maharashtra	7.59	Kerala	0.27
Telangana	6.50	Mizoram	0.25
Bihar	6.26	Manipur	0.20
West Bengal	6.05	Jammu & Kashmir	0.18
Odisha	4.14	Uttarkhand	0.16
Assam	4.04	Punjab	0.11
Uttar Pradesh	4.03	Meghalaya	0.11
Chhattisgarh	2.71	Nagaland	0.10
Jharkhand	1.87	Sikkim	0.07
Tamil Nadu	1.64	Puducherry	0.06
Karnataka	1.16	Arunachal Pradesh	0.04
Rajasthan	1.08	Goa	0.01

Note: The targets for the subsequent financial years will be finalized in consultation with the States/ UTs.

5. Monitoring

To ensure timebound implementation of activities and mid-term course correction, a robust MIS is essential. For this, a dashboard is being developed in collaboration with National Informatics Centre (NIC). Further, an assessment tool for gauging HH income is being developed. National Level Steering Committee under the chairpersonship of Secretary, MoRD has also been constituted to advise and review the convergence efforts. Similar committees at State and District level are being constituted.

To give impetus to this initiative, the State/UTs, Community organizations and Lakhpati didis will be felicitated through awards and recognitions.

6. Constraints

The DAY-NRLM is a process driven programme where intensive and consistent interventions are required. The above ambitious targets can be achieved if the following issues are addressed:

- i. **Human Resource:** Deployment of adequate skilled Human Resources at various levels, e.g. State/ District/ Block.
- ii. **Timely fund release:** From the treasury to the implementing agency i.e. SRLMs needs to be ensured.
- iii. **Tenure of leadership:** The continuity of the Chief Executive Officers (CEOs)/ State Mission Directors (SMDs) at the State level is essential. Further, persons with adequate seniority in the service and passion for the programme need to be posted.
- iv. **Whole of Society Approach:** The strength of various stakeholders e.g. Private Sector, CSOs and the Start-ups etc. need to be leveraged.
- v. **New Financial modules:** Resource financing through innovative models, e.g. crowd funding, sweat equity, hybrid funding, social sector exchange etc.

7. Conclusion

With the above ongoing interventions and their intensive implementation, it will lead to the achievement of 2 Crore Lakhpati Didi, as announced by the Hon'ble Prime Minister during the 77th Independence Day address (15th August, 2023).

