Leveraging Institutional Platforms to Promote Convergence
The launch of NRLM to address rural poverty marks a paradigm shift in poverty alleviation because unlike other programs that preceded it, the NRLM focuses on training and capacity building, and enabling women to prepare and implement their livelihoods plans through access to financial resources from their own institutions and from banks. The importance of promoting convergence with other rural development programs, as well other ministries, is enshrined in the framework of NRLM.

The framework envisions that by converging with other programs, NRLM would be able to address the different dimensions of poverty and deprivation. Convergence of social protection schemes like MGNREGS, food security, PDS, social insurance, pensions, etc. with livelihood promotion initiatives under NRLP are expected to generate cash flows at the household level to strengthen savings and credit habits among the rural poor and help them accumulate assets. The approach of building peoples’ institutions under NRLM; therefore creates conditions wherein programs targeting the rural poor converge in terms of content and capital flows.

**Context**

The implementation of convergence initiatives gained traction only from FY 2015-16, primarily due to a shift in the Ministry of Rural Development (MoRD) strategy and the rapid scale-up of NRLM.

**Shift in the Ministry of Rural Development (MoRD) strategy**

As part of a major strategic shift, the MoRD made a concerted effort to foster convergence between line departments with other ministries. The change was conceived to (a) efficiently utilize the substantial resources made available to Gram Panchayats by the Fourteenth Finance Commission in addition to the increased budgetary allocations of major RD programs; and (b) adopt a broader vision to address the multiple dimensions of poverty rather than looking at programs in isolation.

In this context, a series of participatory planning exercises were conducted - beginning with the Intensive Participatory Planning Exercise (IPPE). The IPPE gave voice to the poor, including SHGs and their federations for the first time, in preparation of MGNREGA’s labour budget. In the following years, SHGs have played a key role in the preparation of Gram Panchayat Development Plans (GPDPs).

**Rapid Scale-up of NRLM**

While the importance of SHGs and their federations in conducting participatory processes was always well understood, the rapid expansion of NRLM across all States and UTs (except Delhi and Chandigarh) meant that a critical mass of institutional platforms was developed that could be leveraged by other programs to promote awareness, improve implementation and monitoring.

Considering the emerging priorities of the NRLM, the NRLP was restructured for the third time in Jan’-Feb’ 2016. Among the key changes introduced was the creation of dedicated funds (a new financing window) for economic initiatives related to

- (a) agriculture, livestock, non-farm and skills development,
- (b) financial inclusion and
- (c) convergence initiatives to improve access to other states and Government of India (GoI) welfare schemes and services.

**Convergence between NRLM and other Departments/Ministries**

Convergence has been promoted in two broad strategic manners. The first is the convergence between NRLM and other departments or ministries, which have previously focused on (a) promotion of farm and non-farm livelihoods; (b) access to sanitation services available from the government; (c) promotion of behaviour change communication at the household level; (d) access to nutrition services; and (e) access to other public services and entitlements.

The second is an escalating trend of women-owned and women-led enterprises serving the business needs of government departments, ministries, projects and entities. This typically involves an approach where (a) SRLMs work with...
other government departments to award high-value public-sector contracts to firms owned by SHG members; (b) women-owned enterprises are enlisted as registered vendors to supply raw-material to beneficiaries of government schemes; and (c) women owned enterprises leverage opportunities to capitalize on an array of service-sector requirements within government-run facilities.

This remainder of this chapter will summarize key policy decisions and elaborate on initiatives and success stories that traverse both categories.

Convergence between NRLM and other Departments/Ministries

Department of Agriculture, Cooperation & Farmers’ Welfare, Ministry of Agriculture & Farmers’ Welfare (MoA & FW)

The NRLM promotes Agro-Ecological Practices (AEP) with a focus on the Mahila Kisan (woman farmer), and the eventual aim of turning the village into an intervention unit. Interventions with AEPs have resulted in diversified farming systems, marked with a low cost of cultivation, higher recycling of bio-mass and adoption of sustainable agriculture practices. The convergence between NRLM and Paramparagat Krishi Vikas Pariyojana (PKVY) being implemented by the MoA & FW seeks to (a) provide input support viz. preparation of land, supply of liquid bio-fertilizers, seed preparation, procurement of organic seeds, creation of azola pits, and support in disease and pest control; (b) setting up of custom hiring centres (CHC)/tool banks; (c) creation of cattle shed/poultry shed/pigsty; (d) packing, labelling and branding of organic products; (e) soil testing; (f) organic certification; and (g) exposure visits and training of women farmers and community resource persons.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

The NRLM has converged with MGNREGA with the aim of strengthening livelihoods by the creation of durable and productive community infrastructure. Specifically, this initiative is expected to facilitate the (a) development of storage sheds for custom hiring centres/tool banks; (b) godowns for producer groups/companies; (c) sheds for milk collection centres; (d) sheds/storage units for tasar interventions; (e) construction of vermi/NADEP compost pits/tanks; and (f) setting up rural haats (markets).

Department of Animal Husbandry, Dairying and Fisheries (DADF), Government of India

The areas of cooperation between the NRLM and DADF includes (a) providing milch animals to poor landless farmers, widows and other vulnerable sections of the society; (b) supporting the productivity enhancement of small ruminants and poultry and (c) developing micro-level infrastructure at the village and the household level.

TRIFED, Ministry of Tribal Affairs

A memorandum of understanding was signed between the Tribal Cooperative Marketing Development Federation of India (TRIFED) and NRLM on 10th February 2018. It is envisaged that the collaboration will facilitate the utilization of the SHGs and/or producer collectives for procurement, processing and/or marketing of Minor Forest Produce commodities under the scheme “Minimum Support Price for Minor Forest Produce (MSP for MFP)” being implemented by TRIFED.

It is also envisioned that community owned “Procurement and/or Value addition centres” will be set up by making resources available to SHGs/producer collectives against a business plan. In order to help manage these centres and provide necessary guidance, it is planned that forward and backward linkage will be established, as required. In addition, TRIFED has
proposed to provide assistance in marketing handloom, handicraft and processed packed food or organic products through the TRIBES INDIA outlets.

Ministry of Non-Renewable Energy - 'Million Solar Urja Lamp (SoUL) Program'

The Indian Institute of Technology (IIT)-Bombay had launched a project with an aim to assemble and distribute 1 million solar lamps in 11,000 villages of Madhya Pradesh, Maharashtra, Rajasthan and Odisha between 2014-2016.

This project has now been scaled up with a focus on 'localization of solar energy' through the active involvement of local communities in the implementation process. Further, per the design of the project, IIT-Bombay seeks to transfer the skills and the technological know-how so that the community members can engage in assembly, campaigning, distribution, repair and maintenance of these solar lamps.

In this context, the institute has entered a partnership with four State Rural Livelihood Missions (SRLMs) viz. Assam, Bihar, Jharkhand and Rajasthan. This phase of the project seeks to distribute 7 million solar lamps, with schools as the distribution platform.

The SRLMs are responsible for identifying local people, logistics for training, assembly and distribution (A&D), service repair and maintenance centres, inventory management, monitoring A&D, facilitating enterprise activities and collection of beneficiary information and contribution.

As of date, SHG members have assembled and distributed more than 1.6 million solar lamps to school children.

Ministry of Drinking Water and Sanitation

Community-based organizations have played a critical role in the implementation of the Swachh Bharat Mission – Gramin (SBM-G). As part of the MoU signed with SBM-G, the SRLMs have (a) provided training on safe sanitation practices to community members; (b) developed community cadre to ensure that village becomes open defecation free; (c) appointed village organization as nodal agencies to generate demands for construction of toilets, develop required social capital and identify issues pertaining to the implementation of the scheme; and (d) addressed issues associated with women's health and menstrual hygiene by generating demand for sanitary napkins and foster community participation in promotion of safe menstrual hygiene practices.

Poshan Abhiyaan

Poshan Abhiyaan is a collective effort of three key ministries viz. Ministry of Rural Development (MoRDF), Ministry of Women and Child Development (MoWCD) and Ministry of Health and Family Welfare (MoHFW).

The aim of this collaboration is to (a) promote behavioural change and communication; (b) celebrate Village, Health, Sanitation and Nutrition Day (VHSND); (c) monitor and manage the nutritional status of women and children; (d) promote use of common infrastructure; and (e) promote livelihoods for women’s collectives.

Other key initiatives to promote Food, Nutrition and health of SHG members and children

Swabhimaan project with assistance from UNICEF

The Swabhimaan project (2016-2020) evaluates the delivery of a package of 18 essential nutrition (specific and sensitive) interventions through the NRLM SHGs and VOs, to improve women's nutrition before conception, during pregnancy and after birth, in select blocks of three states viz. Bihar, Chhattisgarh and Odisha. The aim of the project is to engage with SHG, VO and CLF for behavioural change, engagement of adolescents, screening and care of those at most nutritional risk and nutrition enterprises.

The decentralized model of production and distribution of take-home ration in collaboration with Kudumbashree adopted by the Government of Kerala has been replicated by multiple States. Under this
model, members of the SHGs have been given the responsibility of producing supplementary nutrition for children in the age group of 6 months to 3 years. Village Health Sanitation and Nutrition Days (VHSNDs) are expected to play an important role in identifying vulnerable children and women and communicating messages of behaviour change.

The participation of women is seen as the medium for wide dissemination of Social Behavioural Change Communication (SBCC) messages, which is essential in achieving nutritional outcomes. The SHGs and its federations actively participated in the conduct of the VHSND.

**NRLM has signed an MoU with Lady Irwin College, University of Delhi, wherein the latter will establish a centre on “Women Collectives Led Social Action and Sustainable Development”.

The centre is expected to provide technical support and policy guidance to the NRLM for knowledge creation and capacity building.

**Mission Antyodaya**

Apart from the above mentioned inter-departmental/ministerial convergence initiatives, the Ministry of Rural Development launched Mission Antyodaya - a flagship convergence initiative in October 2017 with an aim of developing “Poverty Free India” by 2022. In the first phase (2017-20), the Mission has set itself an ambitious target of bringing 10 million households, across 5000 clusters, (about 50000 Gram Panchayats) out of poverty.

The core belief of the Mission is that the most effective way of addressing the multidimensional nature of poverty is to adopt an inter-sectoral approach and ensure that the benefits of the government schemes being implemented by multiple ministries/departments are delivered to eligible households in a focussed, transparent and accountable manner.

Thus, Mission Antyodaya has been designed as a “convergence framework for measurable effective outcomes on parameters that transform lives and livelihoods.”

The SHGs and its federations promoted under the NRLM are expected to play a critical role in the success of the mission. Apart from supporting the preparation of Gram Panchayat Development Plans (GPDP), the SHGs in these clusters will be trained and mobilized into community owned producer groups and producer companies. In addition, emphasis will be placed on promoting bank linkage, non-farm livelihoods and community driven extension services.

The Mission has placed emphasis on developing a comprehensive baseline and deploying a strong Management Information System (MIS). The baseline data had facilitated the ranking of Gram Panchayats on objective and verifiable indicators and in establishing strengths/areas for improvement for each Gram Panchayat.

**Doing Business with Government – a new paradigm for women Micro and Small Entrepreneurs**

Rural women entrepreneurs are forging a new relationship with the GoI - as suppliers of goods and services. The last decade has seen this relationship mature and move beyond trainee-trainer and beneficiary-donor engagements to one based on supply and demand. The rise of this new dynamic is a result of a changing landscape at both ends – greater number of women-owned micro enterprises in rural India and a more open public procurement regime for micro and small enterprises (MSEs).

The NRLM, through its state functionaries has been instrumental in providing a facilitative environment to about five million women entrepreneurs from Self Help Groups (SHGs) through business development services, access to new markets and affordable finance. Functioning within the larger government structure, several SRLMs are proactively liaising with local authorities and line departments to leverage business opportunities worth millions of dollars for women entrepreneurs. This is evidenced across states, particularly in Kerala, through three key approaches, as follows:
Convergence between two government departments

The first is a convergence approach where SRLMs work with other government departments to award high-value public sector contracts to firms owned by SHG members. This was demonstrated in Kerala in 2000, eleven years before NRLM was launched. The Information Technology Department of the state directed all government entities in Kerala to give preference to women-run computer centers set up under Kudumbashree, while outsourcing data entry, processing, and digitization works.

Subsequently, in 2006, Kudumbashree and the Social Welfare Department collaborated to provide a dietary supplement, called Nutrimix to aanganwadis (community health centres). Nutrimix is a part of take-home ration under the Integrated Child Development Services (ICDS) scheme and is provided to children aged between 6-36 months.

Today, 242 Kudumbashree-units – owned and operated by more than 2,000 women – supply Nutrimix to 33,000 aanganwadis across Kerala, with a collective annual turnover of over INR 100 crore (USD 14 million).

A decade later, Kerala’s Department of Finance, through an unprecedented government order, amended the store purchase rules to allow government entities to sanction work to Kudumbashree women-run stitching enterprises without getting into the complicated tendering process. In 2017-18 alone, the units were able to generate work orders of more than INR 2 crore (USD 281,700). The other states soon followed suit.

In another initiative, MPSRLM secured a contract to provide chikki (peanut and jaggery brittle) to Mid-Day Meal Schools in 64 blocks with severe acute malnutrition. More than 700 women were involved to meet the INR 20 crore (USD 2.8 million) contract. Having established their track record in terms of quality and timeliness, repeat orders are coming in.

In another example of convergence between government bodies, providing new market opportunity for rural women, JEE-ViKA has initiated collaboration with State Health Society to run a canteen in government hospitals. Like a social enterprise, the goal was two-fold: to ensure profits with the social purpose of providing hygienic food to hospital in-patients, visitors and staff. With the technical assistance of Café Kudumbashree – women-run enterprises serving local food in government offices in Kerala – the first canteen was launched in October 2018. Twelve SHG women serve more than 150 plates of food daily, earning an average monthly revenue of INR 3 lakh (USD 4,225). The two departments have signed up to set up thirteen more canteens across all the major district hospitals.

Registering women-owned enterprises as approved vendors to supply raw-material for various Government schemes

Several central and state schemes, particularly those pertaining to the

Kerala

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<th>Units</th>
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Supplies supplementary nutrition for children between 6 months and 3 years.

The turnover of this intervention is about USD 15.4 million.
construction of houses and toilets, permit end-beneficiaries to purchase required material directly from government approved vendors. Several SRLMs swiftly recognized the potential of this arrangement and motivated women entrepreneurs to diversify existing or develop new enterprises to cater to the huge demand for quality material. An example of the second approach are the brick manufacturing units set up to address demand under Pradhan Mantri Awas Yojana (Housing for All) and Swachh Bharat Abhiyan (Clean India Mission). Chhattisgarh, one of the poorest states in the country, leveraged the two schemes, and provided a new market opportunity for 1,989 SHGs (close to 20,000 SHG-women), to manufacture clay bricks. In 2017-18, the women collectively manufactured more than 1,700 lakh bricks, earning a net income of INR 18 crores (USD 2.5 million).

**Capitalizing on-sector requirements within government-run facilities**

The third approach is to leveraging opportunities in the service sector of government enterprises. Kudumbashree, for instance, recognized such a need and set up a Facility Management Centre (FMC) by training its members to provide housekeeping and related services. The first breakthrough for FMC came in the form of a contract with Kochi Metro, where Kudumbashree members managed ticketing, customer care, call center, housekeeping, and gardening at all stations. Based on its success, FMC bagged housekeeping contracts from Vytilla Mobility Hub (a multimode transportation terminal in the State’s commercial capital), Cochin University of Science and Technology, Cochin Shipyard, and the Indian Oil Corporation facility.

In 2016, the Indian Railways entrusted Kudumbashree members with a contract for upkeep and maintenance of AC waiting halls and parking lots on a pilot basis. Content with the services provided, the Railways extended the contract to manage parking lots in 40 stations, including five major stations under Trivandrum division, for three years. In another initiative, the Department of Tourism has released a government order directing District Tourism Promotion Councils in all 14 districts of Kerala to implement ‘Clean Destination Campaign’ through Kudumbashree women. About 1,400 Kudumbashree members, including transgenders, are employed through these initiatives, earning a monthly income between INR 10,000-15,000 (USD 140-210). A logical next step would be to think through creatively on the transition from self-employment opportunities to entrepreneurial ventures.

Irrespective of the chosen approach, public procurement through SHG women-owned enterprises must be dealt with caution. SRLMs must build capacities of women entrepreneurs to independently and critically review contracts for unfavorable business terms.

While the above examples point to specific local successes, the larger policy approach and environment have provided measures such as set-asides, bid-price preferences, and sub-contracting through the Public Procurement Bill to encourage MSE participation in government procurement.

To ensure enforcement of these measures, the government has developed facilitative platforms such as Government E-Market Place (GeM) and MSME Sambandh Portal. While GeM is an inclusive e-marketplace where suppliers (including MSEs) can list their products and services for purchase by government organizations, the latter is a monitoring mechanism to track procurement from MSEs by central government entities.

In February 2019, the government launched another initiative called ‘Swayat’ to assist enterprises run by women and other vulnerable groups to make their products accessible to over 33,000 government buyers through GeM.

As a first in the country, a Solar Module Manufacturing Plant, fully owned and operated by local tribal communities, has been set up in Dungarpur, Rajasthan. IIT Bombay, Rajasthan Grameen Aajeevika Vikas Parishad and the Tribal Area Development Department are supporting this company, which is managed entirely by SHG women. As of today, 86 SHG members who received training on technical and marketing aspects of Solar lamps have assembled and marketed 40,000 solar lamps & earned a revenue of USD 110,000 (at Rs, 200 per lamp). The SHG members who are involved in assembly, distribution and marketing of solar lamps are paid a honorarium of about INR 5000. Therefore, the project is not only providing clean light at affordable cost but also generating livelihoods and employment in rural areas.
The recent efforts made by MoRD are based on the fact that the mandate of poverty alleviation can truly be achieved only by developing synergies between different government programmes. In addition, the experiences of various state-supported rural livelihood programs has shown that investments in social and economic mobilization of the rural poor leads to increased voice, participation and representation of the rural poor in local governments; creates demand side accountability; and pressure for improvements in local governance and last mile service delivery.

In many states, this has led to convergence of various public services, entitlements and programs at the household level, resulting in better targeting of the development programs including increased access to nutrition services and reduction in malnutrition and infant and maternal mortality, increased access to social safety nets including the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), pensions, PDS entitlements and insurance services.

In the entrepreneurship domain, while stand-alone policy initiatives may potentially distort markets, these efforts help in leveling the playing field for women-owned MSEs in the complex terrain of public procurement. Yet, the long-term gains will be realized when we enable entrepreneurs to learn from their experience of public procurement, to build their skills and firm capabilities to compete in other markets. But, for now, rural women entrepreneurs are mastering the art of doing business with government.

The early results of the convergence initiatives launched by the NRLM have yielded promising results and it is expected that these efforts under the overall framework of Mission Antyodaya will lead to a paradigm shift in the implementation of rural development schemes.

### ABOUT THE DISCUSSION NOTE SERIES

This note is part of the South Asia Agriculture and Rural Growth Discussion Note Series, that seeks to disseminate operational learnings and implementation experiences from World Bank financed rural, agriculture and food systems programs in South Asia.

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We are grateful for the generous support from the Ministry of Rural Development, The Bill & Melinda Gates Foundation, The Department for International Development, and various State Rural Development departments.

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