

# **Manual Twelve**

Manner of execution of subsidy programs

## **DeendayalAntyodayaYojana-National Urban Livelihoods Mission (DAY-NULM)**

NULM has replaced SJSRY scheme w.e.f. 01.04.2014 and will be implemented in all the cities with population of One Lac & above, besides all the district headquarter towns/cities irrespective of the population being less than One lac as per census 2011. It is a flagship programme of MOHUPA, Govt. of India, to reduce poverty & vulnerability of urban poor households. The mission will focus on building skills to enable access to growing market-based job opportunities, support to the establishment of micro-enterprises by the urban poor-self and group and to enhance & expand existing livelihood options of urban poor.

The mission will cover 26 towns / cities. Only the urban BPL families can avail the benefits of the scheme.

**NULM has six components.**

### **1. Social Mobilization and Institutional Development (SM&ID)**

NULM envisages social mobilisation of urban poor into Self-Help Groups (SHGs) and their federations. SHGs will serve as support system for the poor, to meet their financial and social needs. Atleast 70% of members shall be urban poor to qualify for funding support under NULM. SHGs will federate at the Slum/Ward level into an Area Level Federation (ALF). ALFs will organize into federations at the City level as City Level Federation (CLF). Both ALF and CLF will be registered body.

For catalyzing the formation of SHGs and their federations and to promote the financial inclusion of SHG members under NULM, Resource Organizations (ROs) will be engaged to facilitate the formation of SHGs, their development and bank linkages, formation of their federations at the area and city levels, training and capacity building and establishing links to ULBs. NULM aims to achieve universal financial inclusion, through opening of basic savings accounts, facilitating access to financial literacy, credit, affordable insurance and remittance facilities to the urban poor and their institutions. A revolving

fund support of Rs 10000/- per SHG will be provided. City Livelihoods Centre (CLC), a platform where by the urban poor can market their services and access information and other benefits will be established. A grant of RS.10.00 Lacs per CLC will be provided as united funds in installments linked to achievement of milestones will be made available.

## **2. Self Employment Programme (SEP)**

SEP will focus on financial assistance to individual groups of urban poor for setting up of gainful self employment ventures/ micro enterprises, suited to their skills , training, aptitude and local conditions. The individuals and groups will be then provided loans from banks. The interest subsidy over and above 7 % of interest will be available on a bank loan for setting up of an individual or group enterprise.

**There are 3 Components of SEP:**

### **A) SEP (Individual Enterprises)**

An urban poor individual beneficiary desirous of setting up an individual micro-enterprise for self –employment can avail benefit of subsidised loan.

- **Age:** The prospective beneficiary should have attained the age of **18 Years** at the time of applying for loan.
- **Project cost (PC):**The Maximum unit Project Cost is **Rs200,000 (Rs Two Lakhs)**
- **Collateral on Bank Loan:** No collateral required.

The banks may approach Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set up by Small Industries Development Bank (SIDBI) and Government of India for the purpose of availing guarantee cover for SEP loans as per the eligibility of the activity for guarantee cover.

- **Repayment:** Repayment schedule ranges from **5to7 Years** after initial moratorium of 6-18 months as per norms of the banks.

### **B) SEP (Group Enterprise)**

A Self Help Group (SHG) or members of an SHG constituted under NULM can avail benefit of subsidized loans.

- **Eligibility:** The group enterprise should have minimum 5 members with a minimum of 70% members from urban poor families.
- **Age:** All members of the group enterprise should have attained an age of 18 years at the time of applying for bank loan.
- **Project Cost (PC):** The Maximum unit Project Cost is Rs 10, 00,000 (RS Ten Lakhs).
- **Collateral Guarantee on Bank Loan:** No collateral guarantee required.
- **Repayment:** Repayment schedule ranges from 5 to 7 Years after initial moratorium of 6-18 months as decided by banks.

### **C) SEP (Bank Linkage)**

- SHGs, whose Savings Bank account has been opened may be sanctioned Savings Linked loans (varying from a saving to loan ratio of 1:1 to 1:4) after due assessment or grading by banks.
- In case of matured SHGs, loans may be given beyond the limit of four times the savings as per the discretion of the bank.
- The RBI has also instructed that the advances to SHGs irrespective of the purposes for which the members of SHGs should be included by the banks as part of their lending to the weaker sections.

### **3. Scheme of Shelter for Urban Homeless**

This component will provide shelter & all other essential services to the poorest of poor segment of urban societies. Shelters should be permanent all weather 24X7 shelters. This will also focus to provide access to various entitlements like social security pension, education and affordable housing for homeless population.

### **4. Support to Urban Street Vendors (SUSV)**

SUSV will address the concerns of urban street vendors by providing suitable space for vending. It will also provide Skill Development & Micro-enterprise Development support for Street Vendors with Credit Enablement of Street Vendors.

## **5. Capacity Building & Training (CB&T)**

CB&T will transform the role of M/o HUPA and State Agencies in charge of urban poverty alleviation into providers of high quality technical assistance in field of livelihood promotion. This will focus to build strong institutional structures at National, State and City levels and to build capacity of urban poor, their institutions and machinery involved in implementation of scheme. It will follow Three tier systems:-

- (a) Mission Director at National Level
- (b) Mission Director at State Level
- (c) City Project Officer (CPO) at city level for managing the National Mission Management Unit (NMMU), State Mission Management Unit (SMMU) & City Mission Management Unit (CMMU) respectively.

## **6. Employment through Skills Training & Placement (EST&P)**

EST&P will provide skills in various trades to Urban poor through Skill Training Providers for sustainable livelihood. It will also lay emphasis to increase income of Urban poor through market oriented certified courses. The implementation under this component has been allocated to Punjab Skill Development Mission (PSDM). Skill Training will be linked to accreditation and certification. The cost for every trainee is Rs.15000/- per course.