

STATEMENT I

**PROCEDURE FOR IDENTIFYING AN URBAN POOR HOUSEHOLD FOR ECONOMIC BENEFITS**

As indicated under the SJSRY Guidelines, top priority should be given to those who are poorest of the poor amongst the persons living below the poverty line. Certain non-economic parameters may also be considered for identifying a genuine beneficiary amongst the urban poor for income-generating special loan schemes under this programme. Seven non-economic parameters have been identified for this purpose. These relate to living conditions, comprising the following attributes: (i) Roof of Dwelling Unit, (ii) Floor of Dwelling Unit, (iii) Access to Water, (iv) Access to Sanitation, (v) Education Level, (vi) Type of Employment, and (vii) Status of Children in Household (See Statement II).

2. Each parameter consists of six attributes indicating the condition from 'worst to better'. Accordingly, a 'weightage score' has been assigned to each attribute i.e., from 100 (worst condition) to 0 (better condition). In other words, a beneficiary who has been assigned highest 'weightage score' amongst other urban poor as per norms given at Statement-I, will be given top priority under the programme.

3. Statement-III\* indicates different categories i.e., from top priority to lowest priority as per 'weightage score' to be assigned to a household/future beneficiary.

Example:

Suppose an urban poor person has the following attributes against the identified non-income parameters:

Parameter	Attributes	Weightage score to be assigned as per norms
(1) Roof	Asbestos	60
(2) Floor	Bajri/Semi earthen	80
(3) Water	No water supply	100
(4) Sanitation	Community dry latrine	80
(5) Education	Middle pass	60
(6) Type of Employment	Semi skilled	80
(7) Status of children in household	Working but attending literacy classes sometimes	80
	Total Score	540

Average weightage score for a household i.e. future beneficiary =  $540 / 7 = 77.1$

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*\*Statement-III suggests that a household with Average Weightage Score of 77.1 should be considered for the category of II Priority.*

**ANNEXURE I (contd..)**

**STATEMENT II**

**NON-ECONOMIC PARAMETERS TO BE CONSIDERED FOR DETERMINING  
ELIGIBILITY OF  
A HOUSEHOLD FOR DRAWING BENEFITS UNDER SJSRY**

Parameter	Weightage Score for Attribute					
	100	80	60	40	20	0
	(A)	(B)	(C)	(D)	(E)	(F)
<b>(a) Living Condition</b>						
(i) Roof	Thatch/ Grass	Tarpaulin	Wooden	Asbestos	Tiled	Cement
(ii) Floor	Earthen	Bajri (Semi- earthen)	Bricks	Cement	Chips/Tiles	Marble
(iii) Water	No water supply within 500 yards	Open well/tank/ pond/river	Community hand pump/tube well/bore well	Community tap	Private hand pump/ tube well bore well/ well/	Private piped water supply
(iv) Sanitation	Open Defecation	Community Dry Latrine	Community Pour Flush Latrine	Private Dry Latrine	Private Pour Flush	Private Flush Latrine with Sewer Connection Graduate
(b) Education level	Illiterate	Primary	Middle	Matric	10+2	Graduate
(c) Type of Employment	Unskilled Casual Labourer/ Unemployed	Semi Skilled	Self Employed- Street Vendor/ Push Cart Driver	Own Work Place	Own Work Place & Selling Place	Organised Sector with Social Security
(d) Status of Children in a Household	Working Children & not attending any School/ NFE/ Literacy Classes	Working Children but attending School/ NFE/ Literacy Classes sometimes	Working Children but attending School/NFE /Literacy Classes regularly	Children not working as well as not attending any Classes	Children not working and attending NFE/ Literacy Classes regularly	Children not working and attending School regularly

*NOTE: The above format is a suggestive one. However, the town UPA cell, in consultation with community structures concerned can develop another format including similar parameters based on local conditions/factors to identify the poorest of the poor in the town.*

**STATEMENT III**

**NON-ECONOMIC NORMS/CRITERIA FOR IDENTIFYING A  
BENEFICIARY FROM AMONGST THE URBAN POOR\***

Weightage Score	Priority Category
1. 80 - 100	I Priority (Highest Priority)
2. 60 - 80	II Priority
3. 40 - 60	III Priority
4. 20 - 40	IV Priority
5. 0 - 20	V Priority (Lowest Priority)

*\* This is in addition to the norms based on income parameters which envisage top priority to the household which is below poverty line.*

Note: The Ministry of Housing & Urban Poverty Alleviation will issue guidelines regarding identification of beneficiaries from time to time as required.

## ANNEXURE II

### **OPERATIONAL DETAILS IN REGARD TO SELF-EMPLOYMENT (INDIVIDUAL) THROUGH SETTING UP OF MICRO-ENTERPRISES UNDER USEP**

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|----|---------------------------------|---|
| 1. | Identification of Beneficiaries | : Only those identified and listed on the basis of survey as suggested under Annexure I.  |
| 2. | Eligibility                     | : Urban poor living below the poverty line, in any city/town.   |
| 3. | Age                             | : Should be of minimum 18 years at the time of applying for Bank Loan.  |
| 4. | Residency                       | : Residing in the town for at least three years.  |
| 5. | Defaulter                       | : Should not be a defaulter to any nationalized bank/financial institution/cooperative bank.  |
| 6. | Nature of Activities            | <p>: An illustrative list of activities is as follows:</p> <p>(A) Town services requiring no special skills:<br/>Tea shop, News paper/magazine shop, Ice cream vendor, Milk vendor, Pan/cigarette shop, Fruit/vegetable vending, Laundry work, Rickshaw-pulling, etc.</p> <p>(B) Town services requiring special skills:<br/>Repairing of radio/TV/refrigerator/ air cooler/ air conditioner/mobile phone/cycle/automobile/diesel engines/pump/motor/watches/electrical /electric domestic appliances; Catering, Dry cleaning, Furniture repair, Motor winding, Shoe repair, Book binding as well as skills pertaining to House construction/ upgradation such as plumbing, carpentry, masonry, painting and polishing, tile laying, glass pane fixing, electrical installation, etc.</p> <p>(C) Micro-manufacturing units requiring skills:<br/>Making/manufacturing of washing powder, agarbatti, bangles, garments, plastic toys, footwear, wooden/steel furniture, saree printing, weaving, pottery, blacksmithy, utensil/steel fabrication, food processing, ball pen making etc.</p> <p>(D) Assistance should also be made available under agricultural and allied activities/small scale services/small business activities e.g. general merchant shop, kirana shop, building materials shop, ready-made garments shop, dairy units, etc.</p> <p>(E) No training should be required if the beneficiary has already undergone training in a skill/trade from a known institution, registered NGO/VO, provided requisite certificate is produced to that effect.</p> <p>(F) Training should also not be necessary if the beneficiary has learnt the activity such as pottery making, cobblery, carpentry, ironsmithy, etc. from heredity/other sources. This aspect should however be certified by ULB</p> |
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before recommending /forwarding application to bank.

(G) Training should also not be necessary if a beneficiary has learnt a particular trade from private/public registered company, as apprentice or employee; certificate from the private/public registered company will have to be submitted.

7. Project Cost : The maximum unit project cost for individual cases can be Rs.200,000/-. If two or more eligible persons join together in a partnership, the project with higher costs would also be considered provided share of each person in the project cost is Rs.200,000 or less.
8. Subsidy : Subsidy would be provided at the rate of 25% of the project cost subject to a ceiling of Rs. 50,000/- per beneficiary. In case more than one beneficiary join together and set a project under partnership, subsidy would be calculated for each partner separately.
9. Margin Money : Each beneficiary is required to contribute 5% of the project cost as margin money in cash.
10. Loan (inclusive of subsidy) : 95% of the project cost would be made available by Banks (25% Subsidy amount and 70% of the project cost as Loan sanctioned by bank at the rate of interest applicable to such priority sector lending fixed by the Reserve Bank of India, from time to time). The interest will be charged only on the loan amount.
11. Collateral Guarantee on Bank Loans : The loans would not require any collateral guarantee. Only assets created under the programme would be hypothecated /mortgaged/pledged to the bank advancing the loans.
12. Repayment : Repayment schedule ranges from 3 to 7 years after initial moratorium of 6 to 18 months as decided by Bank.

The CDS/Town UPA Cells will extend help to banks for ensuring regular repayment of loans as per rules.

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### ANNEXURE III

#### **OPERATIONAL DETAILS IN REGARD TO SELF-EMPLOYMENT (GROUP) THROUGH SETTING UP OF MICRO-ENTERPRISES UNDER UWSP**

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1.	Identification of Beneficiaries	:	Only those identified and listed on the basis of survey as suggested under Annexure I.
2.	Eligibility	:	Urban poor women living below the poverty line, in any city/town. Preferably, the senior and better-performing urban women self help groups having credit management abilities and having skills in the proposed activity may be accorded thrust.
3.	Age	:	Members should be of minimum 18 years at the time of the group applying for Bank Loan.
4.	Membership of the Group	:	Minimum number of women in a group is five.
5.	Defaulter	:	Should not be a defaulter to any nationalized bank/financial institution/cooperative bank.
6.	Nature of Activities	:	Any group activity/enterprise development for income generation by the urban poor women, including the activities mentioned for the Individual enterprises in Annexure-II.
7.	Project Cost	:	No maximum limit.
8.	Subsidy	:	Subsidy would be provided at the rate of 35% of the project cost subject to a ceiling of Rs. 3.00 lakhs or Rs. 60,000/- per beneficiary.
9.	Margin Money	:	Groups may be encouraged to contribute 5% of the project cost as margin money in cash.
10.	Loan	:	Loan (excluding the subsidy amount and margin money, if any, from the project cost) would be sanctioned by the banks at rates of interest applicable to such priority sector loans fixed by the Reserve Bank of India from time to time. The interest will be charged only on the loan amount.
11.	Collateral Guarantee Bank Loans	on	The loans would not require any collateral guarantee. Only assets created under the programme would be hypothecated/mortgaged/pledged to the bank advancing the loans.
12.	Repayment	:	Repayment schedule ranges from 3 to 7 years after initial moratorium of 6 to 18 months as decided by bank.

The CDS/Town UPA Cells will extend help to bank for ensuring regular repayment of loans as per rules.

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**INDICATIVE PRINCIPLES FOR SELF-HELP GROUPS/THRIFT & CREDIT SOCIETIES**

A Self-Help Groups (SHG)/Thrift & Credit Society (TCS) shall have:

- Group of women from different families
- Membership based on self-selection
- Ordinarily homogenous – in terms of social and economic conditions and location
- Leadership, preferably unanimous or by consent of majority members and based on rotation
- Savings as entry point and binding factor
- Internal loaning and rotation among members
- Rate of interest / to whom loan to be given to be a collective decision.

PANCHA SUTRAS for a Good SHG / T&CS:

1. Regular savings
2. Regular meetings
3. Regular accounts – book-keeping & accounting
4. Regular repayments
5. Adherence to Terms & Conditions – set Code of Conduct.

Key Operational Principles:

The SHG/T&CS shall be

- Agreed conditions for meetings
- Agreed conditions for savings
- Agreed conditions for loans to be given
- Agreed conditions for loan repayments
- Agreed social agenda

**OPERATIONAL GUIDELINES FOR SKILLS TRAINING FOR EMPLOYMENT  
PROMOTION AMONGST URBAN POOR (STEP-UP)**

**Skill Training:**

- Skill Training to be linked to accreditation, certification and preferably be taken on Public-Private-Partnership (PPP) mode with the involvement of reputed institutions.
- The size of a training class may not be more than 40.
- The total training period for skill upgradation (including apprenticeship, if any) can be upto 6 months.
- Wherever feasible, toolkits may also be provided to trainees who complete the training satisfactorily.
- The cost of toolkit has been included in the average training cost of Rs. 10,000/- per capita. However, in case the toolkit cost exceeds the above ceiling, there is no objection to the excess amount being met from funds other than this programme funds or bank loan or even as beneficiary's contribution.
- Monthly expenditure on training per trainee including material cost, trainer's fees, toolkit cost, other miscellaneous expenses to be incurred by training institution as well as monthly stipend to trainee, may vary depending upon the trade and duration of training. States/UTs should issue guidelines in this regard.

**Skill Development Process:**

The following process may be adopted for developing/upgrading skills of the urban poor:

- i). Market Scan/Surveys to identify the needs of industry, business and service sectors and emerging job opportunities – local, district, state and national and upgrade the information at regular intervals;
- (ii). Livelihoods Survey, Training Needs Assessment, Baseline and Identification of Gaps;
- (iii). Identification of Lead (National or State) and Nodal (Regional/City Level) Institutions – finalize modalities for accreditation, preparation of modules, training of trainers, mentoring, certification, training, etc.
- (iv). Memorandum of Agreement between State Nodal Agency /Urban Local Body (Urban Poverty Alleviation Cell) and Lead/Nodal Training Institutions and between Lead and Nodal institutions;
- (v). Guidelines for Accreditation by Lead Institution, accreditation process and identification of nodal training institutions/agencies to undertake training;
- (vi). Memorandum of Agreement between Lead Institution and Nodal/training institutions/agencies including eminent agencies or institutes in the private sector;
- (vii). Selection of trainees by the ULBs with the help of Community Structures/ Organisations/NGOs based on their education, level of training, experience, aptitude etc.
- (viii). Preparation of Training Calendar and assignment of Trainees to Institutions, Conduct of Training, Examination, Certification Process, Apprenticeship with Industry; and Placement Coordination
- (ix). Monitoring, Quality Control, Review, Evaluation and Corrective Measures
- (x) Post-training Handholding.



**Skills Training Institutes:**

- Focus will be on skills of high-value for which there is market demand. Skills may be differentiated in categories on the basis of entry level qualifications.
- Matriculate pass candidates can be provided technical vocational training of high standard whereas 8<sup>th</sup> pass candidates can be provided training requiring less technical knowledge.
- Persons below 8<sup>th</sup> pass can be provided specially designed training which does not generally require technical skills.
- States/UTs may empanel activity-specific lead institutes (an eminent National or State Government institute like IIT or NIT for each specific technical vocational skill) supported by regional/city level nodal institutions, which will work closely with the Lead Institution.
- The Lead Institution will be responsible for the accreditation of training institutes in the fields concerned (public and private both) and certification.
- The Nodal (regional/city level) institutes will be responsible for training of trainers, supervision of training, mentoring and placement coordination.
- The Lead and Nodal institutions will undertake preparation of high quality training modules, development of curriculum standards, materials for training of instructors and trainees and undertake certification process for the particular skills.
- Public-Private-Partnership models for imparting skills training will be encouraged.

Note: Guidelines for undertaking skill development/upgradation will be issued by the Government of India from time to time, as required.

**COMMUNITY-BASED STRUCTURES TO BE SET UP UNDER SJSRY**

The community based organizations include Neighbourhood Groups (NHGs); Neighbourhood Committees (NHCs) and Community Development Society (CDS).

**I. NEIGHBOURHOOD GROUP (NHG)**

This is an informal association of women living in a mohalla or basti or neighbourhood group of manageable size (preferably of 10 to 40 to represent urban poor / slum families). Geographic contiguity and homogeneity should be the basis to carve out the boundaries of the NHGs. At least one woman resident among them who is willing to serve as a volunteer should be selected as a Resident Community Volunteer (RCV) through community consensus or election or any other democratic process. There should be a change or rotation (if need be) of such volunteers at periodical intervals. The responsibilities of RCVs include:

- (i) to serve as a channel of information and communication among the families in the cluster;
- (ii) to represent the views of the Group in the Neighbourhood Committee, Community Development Society and other forums;
- (iii) to support planning, implementation and monitoring of activities at the neighbourhood level;
- (iv) to foster and encourage self-help, mutual help and participation in community improvement programmes; and
- (v) to motivate the community for being members of self-help groups/thrift and credit society; and to contribute to community development fund.

**II. NEIGHBOURHOOD COMMITTEE (NHC)**

A Neighbourhood Committee (NHC) is a more formal association of women from the Neighbourhood Groups located in close proximity and as far as feasible within the same electoral ward. The Committee should consist of all the RCVs from the Neighbourhood Groups as executives (with voting right). There can also be provision for honorary membership without a voting right for Community Organisers (COs), representatives from other sectoral programmes in the community like ICDS supervisor, school teacher, urban social health activist, ANM etc. The Convener/President of the NHC will be selected/elected by the executive members of the NHC. The Convener will ensure that the meetings of the NHC are convened on regular basis. The responsibilities of the NHC would include:

- (i) to identify local problems and priorities;
- (ii) to provide suggestions for group involvement in meeting the community needs and goals (mini-plans);
- (iii) to support local action with partnership of responsible agencies including community contracts;
- (iv) to provide feedback to agencies on programme effectiveness and out-reach especially for children and women;

- (v) to develop community capacity through training in association with COs, NGOs and other sectoral departments;
- (vi) to develop community-based thrift and credit system as well as neighbourhood development fund;
- (vii) to facilitate the recovery of loans from the beneficiaries in time; and
- (viii) to assist/carry out community surveys in accordance with the guidelines.

The NHC may be registered under the Societies Registration Act, or other appropriate Acts, if so desired. If registered, these NHC may also apply for grants-in-aid under various schemes.

### **III. COMMUNITY DEVELOPMENT SOCIETY (CDS)**

The CDS is a formal association of all the Neighbourhood Committees at the town level based on common goals and objectives. The CDS may consist of elected/selected representatives of NHCs as executive members (with voting right); and other members with honorary membership (with no voting right) which may include community organizers, representatives of NGOs, sectoral departments, leading citizens, elected representatives of the area and other resource persons. The Community Development Society (CDS) should be registered under the Societies Registration Act or other appropriate Act to provide access to grant-in-aid under various schemes and for a wider financial and credit base. The responsibilities of CDS would include:

- (i) to represent needs of all the communities, especially women and children at various levels and forums;
- (ii) to liaise and link-up with agencies and departments to promote action in the community towards fulfillment of their needs;
- (iii) to identify specific training needs and arrange for capacity building of their organizations;
- (iv) to facilitate community surveys to be carried out to identify the genuine beneficiaries for economic and shelter benefits;
- (v) to prepare community development plans and proposals, mobilize resources from the community, town or other sectoral departments for implementation of such plans;
- (vi) to extend help to Banks in coordination with city/town UPA Cell, for ensuring repayment of loans by the beneficiaries in time;
- (vii) to create small community assets in low-income areas in consultation with town city/town UPA Cell and Urban Local Body (ULB); and
- (viii) to develop and implement proposals for support from Community Participation Fund/Community Development Network under JNNURM and other programmes.

Community structures at different levels will be self-managed and may have volunteers in charge of groups of activities such as basic infrastructure, health, education, skill and livelihoods, thrift & credit etc.

The States/UTs may adopt other innovative structural arrangements regarding the hierarchy of community structures as considered appropriate. However, suitable guidelines need to be issued by them.

**FORMATS FOR SUBMISSION OF PROPOSALS FOR INNOVATIVE/ SPECIAL PROJECTS UNDER SJSRY**

1. Name of the Project:
2. Principal Applicant:
3. Conceptual Background of the Project and Features which make it special/ innovative for sanction under Innovative/Special Projects of SJSRY and why it can not be taken up under normal SJSRY or other Programmes being implemented in the city/town:  
  
Possibility of replicability of the project after completion:
4. Area of the Project: Profile of the project area and how the key project activities are suitable for the area and the local people.
5. Project objectives:
6. Project strategy:
7. Project period and Action Plan/Milestones (year-wise) for implementation of the Project:
8. Project scope: Key activities to be taken under the Project:
9. Details of Beneficiaries – Total No./No. under BPL category/No. of SCs/STs/Women /Differently-abled etc. and their linkage with the activities taken in the Project:
10. Implementing Agency, to whom the funds are proposed to be released for implementation:
11. Role of Line Departments/ NGOs/Other institutions:
12. Bench Mark Survey, for indicators on which the success of the project would be monitored and evaluated:
13. Integration with other on-going urban development and social sector development programmes in the area and arrangements for dovetailing funds from non-SJSRY resources and securing convergence:
14. Modalities for Implementation of Project:
  - A. Securing raw materials supply:
  - B. Securing technical know-how:
  - C. Infrastructure development: If infrastructural facilities are proposed to be built, then mention how the same will benefit the urban poor. How will the facilities be maintained and how will the provision of staff, running costs etc. be met after the Project is completed:

- D. Marketing arrangements: Arrangement for marketing of produce in existing markets, strategy for expanding market in future, details of forward and backward linkages:
  - E. Training component: Training needs assessment, identification of skills training institutes, duration of training, funding details and arrangements for training, etc.:
15. Expected Benefits/ Impact of the Project - in terms of increase in income of the poor, year-wise income growth parameters identified etc.
  16. Risk factors affecting the project objectives of increasing the income of poor beneficiaries etc. and the modalities to minimize risks.
  17. Monitoring and evaluation of project: Mention various parameters based on which the project is to be monitored and evaluated. How will the project activities be sustained after completion of the Project?
  18. Technical appraisal of the Project: technical scrutiny and feasibility of the Project (Please indicate whether the concerned technical department/wing of the State Government/State Nodal Agency has vetted the Project. If yes, state the comments of the appraising agency.
  19. Economic appraisal of the Project: (The Project may be got appraised and results of the economic analysis/appraisal regarding the economic viability of the Project, may be indicated appropriately).
  20. Estimated Project Cost: (Please indicate the Central, State and Urban Local Body shares; Credit component, if applicable; Contribution from other sources and from beneficiaries). The estimated cost should indicate the total cost and activity-wise/ source-wise costs also.

	Activity 1	Activity 2 .....	Total
Central Share			
State Share			
Bank Credit			
NHC/CDS Funds			
Beneficiary Contribution			
Other Sources – NGOs etc.			
Total			

Repayment schedule in the case of Loans

21. Whether the Project or part thereof has been submitted to any other agency? If yes, the results thereof. If the Project or its part had been rejected the reasons there of.