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# Mainstreaming of Resource Convergence in Policymaking, Programme Design and Execution

By  
Dr. Aruna (Limaye) Sharma

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**December 2013**

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### Foreword

The United Nations Development Programme is privileged to support the preparation of this report, a sequel to the 2008 *Reaching the Last Beneficiary: Resource Convergence Mantra Model*.

Using examples from across India, the report shows that inter-sectoral convergence is resulting in the more efficient use of resources and improved service delivery. Special attention is given to some of the most important missions and schemes in India including the Mahatma Gandhi National Rural Employment Guarantee Act, the largest employment guarantee initiative in the world, the Indira Awas Yojana and the National Rural Livelihoods Mission. The report includes an illuminating discussion of Madhya Pradesh's pioneering model for financial inclusion.

By documenting the innovation and system re-engineering necessary to ensure stronger convergence, the report will help both policy-makers and practitioners in their on-going efforts to design and implement effective public programmes.

A handwritten signature in blue ink, appearing to read 'Lise Grande'.

Lise Grande

United Nations Resident Coordinator  
Resident Representative United Nations Development Programme



# ACKNOWLEDGEMENT

Resource Convergence began as an individual choice, a way of functioning that some officers adopted in an effort to be more effective and efficient. It soon evolved as a concept that found its way into the system and is now becoming an integral part of policy-making at both the center and state levels. In this Impact Study I have tried to assess the extent to which the concept of Resource Convergence has been translated into a system of functioning.

I would like to take this opportunity to express my deep sense of gratitude to those without whose co-operation and guidance the study as well as the book would not have seen the light of the day.

My sincere thanks to Mr. Thomas K Cherian and Mr. Rajesh Sharma, Consultants appointed by UNDP; author Mr. S.M. Vijayanand, Additional Secretary, Ministry of Rural Development, GoI who contributed the chapter on convergence in the Mahatma Gandhi National Rural Employee Guarantee Act (MGNREGA); my colleague Mr. John Kingsley, who authored the chapter of SSSM; and my colleagues Dr. Ravindra Pastore, Commissioner, MGNREGA, and Mr. V.K. Batham, Secretary, Social Justice, Government of Madhya Pradesh, who have led the teams bringing convergence in the MGNREGA and working on the Samagra common database.

This impact study would have been incomplete but for the field visits to the seven states - Andhra Pradesh, Tamil Nadu, Kerala, Sikkim, Himachal Pradesh, Chattisgarh and New Delhi to identify the exact status and understand the way convergence has been imbibed by the states and districts. The team which undertook this study would like to acknowledge the cooperation received from officials of all seven states and GoI (listed below), who despite being busy with their scheduled work, supported our work by giving us not only the resources and documents required but also their time.

I would also like to acknowledge the contribution of Dr. M.K. Rao, Director General, National Institute of Rural Development (NIRD), Hyderabad; Dr. Jaylaxmi, Professor, NIRD, Hyderabad; and Mr. S.P. Takkar, Special Chief Secretary, Planning Department, Government of Andhra Pradesh. My thanks to Mr. B.D. Viridi, Senior Advisor, Planning Commission and his team for providing us some valuable feedback during the study. Finally, I would like to thank Mr. C.S. Reddy, Director, Andhra Pradesh Mahila Abhivruddhi Society, Hyderabad for his views and suggestions.

Last, but not the least, I also acknowledge the timely inputs and support, including logistical, from UNDP country officials and UNDP state officials Mr. Amit Anand and Mr. Akhilesh Kekre, for giving me the freedom and autonomy to complete the work in flexible time.

Resource Convergence was my style of functioning, a passion. I am glad to see it becoming a part of the system.

**Dr. Aruna (Limaye) Sharma**



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# ABBREVIATIONS

AABY	Aam Aadmi Bema Yojana
ACS	Additional Central Scheme
ADS	Area Development Societies
ANM	Auxiliary Nurse Mid-wife
APMIP	Andhra Pradesh Micro Irrigation Project
APMAS	Andhra Pradesh Mahila Abhivruddhi Society
ASER	Annual Status of Education Report
ASHA	Accredited Social Health Activists
ATIs	Administrative Training Institutes
ATMAs	Agriculture Technology Management Agency
AWC	Anganwadi Centre
AWW	Anganwadi Worker
AYUSH	Ayurvedic, Yoga & Naturopathy, Unani, Siddha and Homoeopathy
BEC	Block Electrification Committee
BLTAG	Block Level Technical Advisory Group
BPL	Below Poverty Line
BRGF	Backward Region Grand Fund
BRHCC	Block Rural House Construction Committee
CAD	Current Account Deficit
CBO	Community Based Organization
CCA	Convergent Community Action
CDP	Catalytic Development Programme
CICO	Cash in Cash Out
CIG	Common Interest Group
CMRHM	Chief Minister's Rural Housing Mission
CSB	Central Silk Board
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
CSS	Centrally Sponsored Scheme
DBT	Direct Benefit Transfer
DFO	District Forest Officer
DHDR	District Human Development Report
DLTC	District Level Technical Committee
DoLR	Department of Land Resources
DPC	District Programme Committee
DPO	District Programme Officer

DRDA	District Rural Development Agency
DSO	District Statistical Officer
DWMA	District Water Management Authority
GDP	Gross Domestic Product
GIS	Geographic Information System
GoAP	Government of Andhra Pradesh
GoCG	Government of Chattisgarh
GoHP	Government of Himachal Pradesh
Gol	Government of India
GoK	Government of Kerala
GoM	Group of Ministers
GoMP	Government of Madhya Pradesh
GoND	Government of New Delhi
GoS	Government of Sikkim
GoTN	Government of Tamil Nadu
GP	Gram Panchyat
GRS	Gram Rozgar Sahayak
HDI	Human Development Index
HoD	Head of Department
IAY	Indira Awas Yojana
ICAR	Indian Council of Agriculture Research
ICDS	Integrated Child Development Services
ICT	Information & Communication Technology
IHHL	Individual House hold Latrines
IMR	Infant Mortality Rate
IWMP	Integrated Watershed Management Programmme
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
JSBY	Jana Shree Bema Yojana
JSY	Janani Suraksha Yojana
LAMPS	Large Area Multi-purpose Cooperative Society
KVK	Krishi Vigyan Kendra
MDG	Millennium Development Goal
MDM	Mid-day Meal
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MKSP	Mahila Kisan Sashaktikaran Pariyojana
MoE&F	Ministry of Environment and Forest
MoWR	Ministry of Water Resources
NABARD	National Bank for Agriculture & Rural Development



NBA	Nirmal Bharat Abhiyan
NDC	National Development Council
NFHS	National Family Health Survey
NGO	Non Governmental Organization
NGP	Nirmal Gram Puruskar
NIC	National Informatics Centre
NIRD	National Institution for Rural Development
NRDWP	National Rural Drinking Water Programme
NRDWS	National Rural Development Water Supply
NRHM	National Rural Health Mission
NRLM	National Rural Livelihood Mission
NSAP	National Social Assistance Programme
OBC	Other Backward Caste
PACS	Primary Agriculture Credit Society
PDS	Public Distribution System
PMGSY	Prime Minister Gramin Sadak Yojana
PPP	Public Private Partnership/Purchasing Power Parity
PRIs	Panchayati Raj Institutions
PVTG	Particularly Vulnerable Tribal Groups
PTAs	Parent Teacher Associations
PVP	Pudhu Vaazavu Project
PYKKA	Panchyat Yuva Krida Aur Khe   Abhiyan
RD	Rural Development
RCH	Reproductive & Child Health
RCMM	Resource Convergence Mantra Model
RGPSA	Rajiv Gandhi Panchyat Sashaktikaran Abhiyan
RGGVY	Rajiv Gandhi Gramin Vidyutikaran Yojana
RKVY	Rashtriya Krishi Vikas Yojana
RMSA	Rashtriya Madhyamik Shiksha Abhiyaan
RRB	Regional Rural Banks
RSBY	Rashtriya Swasthaya Bema Yojana
RSETI	Rural Self Employment Training Institute
RSM	Rural Sanitation Mission
RWS&S	Rural Water Supply & Sanitation
SABLA	Rajiv Gandhi Scheme for Adolescent Girls
SC	Schedule Caste
SCSP	Scheduled Caste Sub-Plan
SGRY	Sampoorna Gramin Rozgar Yojana
SHGs	Self Help Groups

SIRD	State Institute for Rural Development
SRS	Sample Registration System
SSA	Sarva Shiksha Abhiyaan
SSSM	Samagra Samajik Suraksha Mission
ST	Schedule Tribal
SWC-CCT	Soil & Water Conservation – Continuous Contour Trench
TAGs	Technical Advisory Groups
TPDS	Targeted Public Distribution System
TSC	Total Sanitation Campaign
TSP	Tribal Sub-Plan
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children Fund
WBM	Water Bound Macadam
WCD	Women & Child Development



# Resource Convergence in Policymaking, Programme Design and Execution

## EXECUTIVE SUMMARY

### Background

India is at that challenging stage when it is imperative to have a systematic plan and strategy to optimise its resources and trigger its growth and employment opportunities. Its current status is a matter of concern -- with low human development indices, India ranks 136th among 187 countries and is 63rd in the world hunger index. India's human resources have to be transformed into an asset instead of liability.

The adverse fluctuating exchange rate, inflation, sky-rocketing prices of consumer goods and the worrying Current Account Deficit – all these factors underline the urgent need to put the country's available resources to optimal use for sustainable growth and to achieve the national objectives.

A sub-standard performance level of any developmental activity is often attributed to a lack of resources. However, in most cases that does not reflect the reality: the problem is not one of lack of resources but of sub-optimal management of resources. It is, therefore, important to evaluate the mechanism incorporated in policymaking, programme design and execution for optimum utilization of funds.

The concept of Resource Convergence was introduced and evolved to enhance qualitative sustainable outcomes. The model and methodology advocated ensures convergence of all the resources that are available at national, state and district – the cutting edge - levels. All the stakeholders - the government, non-governmental organizations (NGOs), civil society, the corporate sector, thinkers and philanthropists – are a part of the resource convergence strategy.

If a corporate body were given an assured input of Rs.1,200 crore per annum to meet the demands of a population of around 1,000,000 they would first create a corporate strategy and a business plan. Each of the 672 districts in India get a similar amount per annum for infrastructure and human resource development. Thus, the districts need a similar plan, defining the outputs for sustainable and achievable outcomes. It is not as if plans are not made, but the emphasis so far has been on planning for schemes in silos (in isolation from others), whereas the need is for a paradigm shift to planning for activities and results to get the desired outcomes. Each district should develop a strategic business plan to trigger sustainable qualitative outcomes that contribute to an accelerated improvement in growth and human development indices.

Policy formulations at the centre and state must ensure optimum use of resources and also avoid duplication of efforts and resources for the same outcomes. Crisis management and patchwork solutions no longer work. Today's professionalism demands a systematic approach with short-

and long-term goals and listed interventions that are modified and adapted as the project progresses towards the well-defined objectives.

The challenge, therefore, is to ensure that every rupee spent is utilized productively; that however scant the resources, they are used to their optimum. The ability of the government to perform is under severe stress when the style of functioning is in silos and the focus is more on procedures than results. This leads to a clouded focus and slows down decision-making. Thus, there is an urgent need to set a drill that is oriented to objectives and outcomes, enables correct and speedy decision-making, has a set time frame for execution and qualitative implementation – and adopts the concept of convergence.

### **Evolution of Resource Convergence**

UNDP's project in 2000 on the improvements required in the delivery of developmental funds and benefits to India's 607 districts highlighted the availability of huge funds scattered over multiple schemes in the districts and the rampant resource wastage caused by duplication of efforts and lapsing of unutilized funds. Implicit in this revelation was the urgent need to converge all these resources. A year earlier, the Government of India (GoI) and UNICEF had jointly agreed on a Master Plan of Operation that included a concerted implementation strategy on mother-and-child development. This had several elements of resource convergence.

The concept of resource convergence may have been practiced by individuals for long, but as a policymaking and executing strategy it was first discussed and documented in the early 1990s by the National Institute of Rural Development (NIRD), which deliberated upon it in the context of applying it in intra-department and inter-department schemes with similar objectives. NIRD produced a plan for Tripura, which made an effort to address the state's developmental issues systematically and adopt a holistic approach through horizontal linkages between different agencies. It could be viewed as a pilot project to test resource convergence. The results were promising.

Sensing its potential, the Government of India mooted the idea for convergence at the district level in its monthly magazine, *Yojana*, in an article titled Ensuring Better Execution of Schemes (31 December 1992 issue), followed by a brochure on the subject. The concept was then put into practice in Madhya Pradesh by the state's Dairy Federation, which made attempts to implement strong fiscal management and use all possible resources for development. This was also the focus of a UNDP workshop for stakeholders held in 2002 at New Delhi.

The concept of resource convergence got its entry in the country's Five Year Plans with a mention in the Tenth Plan document. UNDP extended its support and prepared a comprehensive publication, *Resource Convergence Mantra Model*, which was released in 2008. It focused on the tools that can be adopted to ensure a holistic plan which brings together activities involving resources of various departments. It starts with the premise that the major factors inhibiting growth in India are not lack of legal provisions, executing agencies, financial resources or appropriate policy but the quality of management. Thus, resource convergence evolved as a tool for better management.

The vast number of agencies involved in developmental activity has resulted in the resources being thinly spread and huge amounts being wasted in either duplication of efforts or in reinventing the wheel. It has also created a lot of watertight empires - the silos, with multiple agencies working towards the same goal, often against each other instead of with each other. Thus while it is imperative that sufficient financial resources be allocated to achieve the goals, the bigger challenge is to ensure that they are utilized so as to produce the desired outcomes. Unutilized funds represent an opportunity lost for those who could have availed the benefits of that specific scheme.

The goal of optimising utilization and outcome can be met by convergence of these resources at the planning and implementation stage at the centre, state and district levels. It is also important to work on merging schemes with similar objectives and beneficiaries at state and national levels so as to weed out duplication and wastage.

The concept of convergence has now been accepted in the country's policymaking. What started as just a paragraph in the Tenth Plan document became a complete chapter in the Eleventh Plan on the feasibility of adopting the convergence approach for optimum utilization of resources and finances. In the last couple of years, many state governments have taken the initiative by converging major schemes like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and Nirmal Bharat Abhiyan (NBA) for ensuring qualitative sustainable assets.

The Twelfth Plan (2012-2017) has emphasized the desirability of merging Centrally Sponsored Schemes (CSS) to enable more convergence. It has adopted a multi-sector developmental pattern through its programmes and schemes, but the need is to optimise benefits, avoid duplication and ensure easy and quick access to information and services. This is possible through convergence, which has now been incorporated across all sectors. For example, the National Rural Health Mission (NRHM) has added specific directions for convergence between the programmes of the Ministry of Health and Family Welfare (MoHFW) and those of the Ministry of Women and Child Development (MoWCD). Similarly, the Mission for Agriculture Growth has adopted the convergence approach to meet its target to increase productivity.

This impact study is an attempt to critically analyze the extent to which the concept of resource convergence has been incorporated in the policymaking directives issued by the central and state governments, the programme design and the actual implementation on the ground. Such a critical analysis would enable us to chart the way forward.

The first chapter of the study gives an understanding of the concept of resource convergence and the hindrances to implementing it. The next chapter outlines the efforts made by the Planning Commission to list out similar schemes and initiate efforts to merge them. The chapter also outlines the conducive environment that is enabling more and more initiatives to adopt convergence, as well as the accounting and audit procedure needed for convergence. Chapters III, IV and V offer the empirical evidence of convergence being incorporated in the programme design and in the guidelines issued by the central government. They also detail the gaps that still need to be filled in the flagship programmes of MGNREGA, the food security scheme and the

agriculture sector. The MGNREGA has not just facilitated convergence by issuing guidelines but has also inbuilt it across programmes between various ministries. Chapter VI captures the initiatives taken by various state governments to ease out the mechanism to bring out convergence at the district and village levels. Chapter VII elaborates on the convergence strategy for financial inclusion and related issues, while Chapter VIII presents the common database developed in Madhya Pradesh as a base for entitlement and the Management Information Systems (MIS) systems created for direct benefit transfer (DBT). Chapter X focuses on the convergence efforts made in corporate social responsibility (CSR) and private-public partnership initiatives. The last chapter analyzes the success till date, identifies the gaps and lists the way forward.

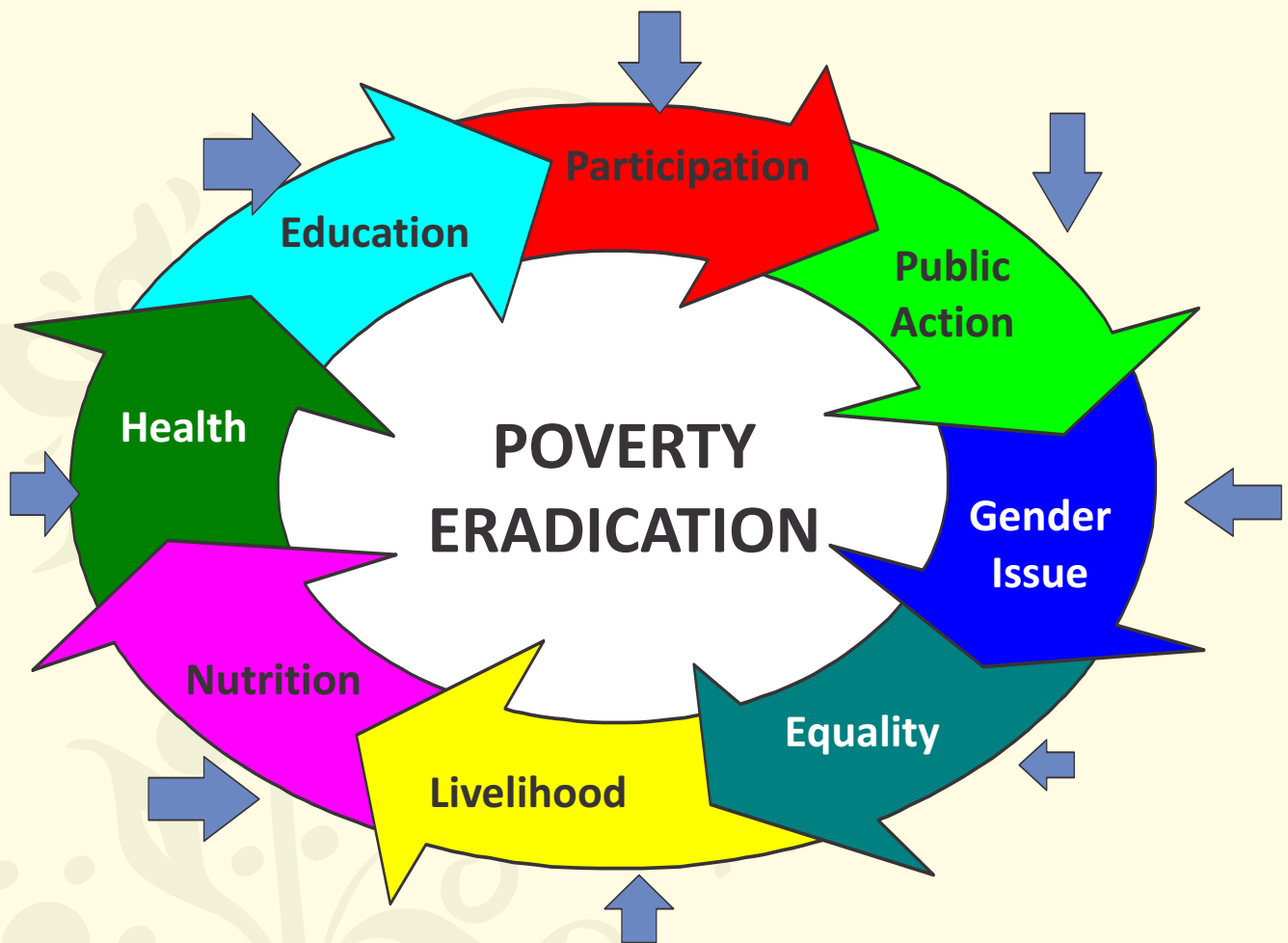


# **Chapter 1**

## **Resource Convergence Mantra : The Concept**

# Approach to Development

*Vicious Circle  
To  
Virtuous Circle*





# Resource Convergence Mantra : The Concept

The Resource Convergence Mantra Model (RCMM) aims to establish a synergy between the government, NGOs, the private sector and the beneficiaries for a progressive realization of the rights of India's poorest citizens.

- It proposes an approach, which can be adopted at the centre and at the village, block, district and state levels.
- It emphasizes the need for holistic planning to convert department targets to realistic plans.
- It has an inbuilt model to implement the paradigm shift from planning for schemes to planning for activities.
- It provides information and communications technology (ICT) tools for effective and qualitative monitoring.
- While it harnesses all private investments, along with new opportunities, technology and potential in a top-down model, it identifies the real needs, aspirations and opportunities with a bottom-up feedback mechanism. Thus it establishes synergy between the top-down and bottom-up approaches.
- The methodology is to take up four to five thrust activities as entry points in the district/state, list out the components and identify the schemes which can be converged.
- The Resource Convergence Mantra harnesses the plethora of schemes to ensure that each of the targeted communities, families and individuals are provided the basic needs that are their right through one scheme or other in a holistic manner.

## 1.1 Hindrances to Executing Resource Convergence

**1.1.1 Plethora of schemes:** In the last 61 years, we have seen an overabundance of schemes that are similar in objective but emanate from different sources. They all have adequate funding. The result of this overlapping is underachievement, due to wastage of funds and confusion that makes it difficult to trace or count the services.

The resource convergence approach begins with an identification of all the required thrust activities and their components at a given location - village, group of villages, panchayat (institutions of local self-governance), tehsil (administrative division that serves as the headquarters for several villages or small towns), routes, district or state. On the basis of this a holistic plan is made, getting together all the existing schemes and weeding out wastage and duplication.

**1.1.2 Number of agencies:** Multiple agencies – the bane of Indian planning - are the result of a division of resources without a full assessment of the needs of various sectors. Apart from the government agencies and departments that are engaged in developmental work, there are also many non-government organizations, voluntary agencies and donors who play a crucial role in implementing the various programmes. At times, more than one agency provides the same service or services in a particular area without any integration. Not only is there no common agenda for two agencies working in the same area, but there is also a lack of coordination between government departments.

The new recommended approach for convergence of services is to channelize the resources and strengths of various agencies for a particular thrust activity. This will enable planners to view schemes of each agency and the physical and financial resources available and thus systematically link every bit to become part of a whole.

**1.1.3 Lack of access to information:** Information is the key to the success of any plan and absence or lack of access to it adversely affects the planning process, resulting in a serious lacunae. Even census information is made public only two or three years after it is compiled in the form of reports but the basic digitized survey is not shared. The basic data can become a common database for monitoring multiple family- or individual-oriented programmes and will make multiple surveys unnecessary.

**1.1.4 Lack of systematic tools:** Getting specific information from a government department is a complicated process that further underlines the need for a holistic, convergent approach. The incorporation of an ICT tool like Samagra Samajik Surksha Mission (SSSM) and an indigenous Information Technology (IT)-enabled GIS (Geographic Information System) tool, Gram Drishti, in the convergent approach offers an alternative that combines individual wisdom with easily available and updated information.

**1.1.5 Personality-based approach:** An analysis of India's development story shows that there are some islands of success; sometimes there are just a few years of success in between years of limited action. This inconsistency is because the planning and implementation process is often dependent on the person sitting on top rather than on a systematic management tool or approach. The 73rd and 74th constitutional amendments, which have empowered Panchayati Raj Institutions (PRI) and District Planning Committees (DPCs), envisage the use of collective wisdom to negate the personality-based approach. However, the confusion caused by the multiplicity of schemes and agencies, coupled with the lack of access to adequate information, has made the members of these PRIs and DPCs passive participants.

When a plan of action is based on the assumptions, exposures, knowledge and experience of an individual or a group of individuals - community leaders, planners, or government officials - its execution and impact will usually last or be maximized as long as they are in that position or location. Besides, they often duplicate it in their next area of operation without assessing the local needs and the resources of the programme there. The participation of local people, other

experts, and the community is minimal in such an approach. There is also a tendency not to use the modern tools and techniques available when the planning is personality-based. E-Panchayat, now propagated by the Ministry of Panchayati Raj, provides tools to overcome the issue. There is a compelling case for having a single strong individual, family, community and infrastructure database for all the agencies to work upon. The database is to be real time to ensure proper policy planning and to prevent duplication of work.

**1.1.6 Planning for schemes and not for activities:** The trend so far has been to plan for a scheme rather than for an activity. There are as many plans as there are schemes without any horizontal linkages with each other. The planning exercise is reduced to mere arithmetic. Thus while there is an emphasis on division in the top-down planning – dividing resources between districts, blocks and panchayats – in the case of bottom-up planning it is just a matter of addition of schemes without any scope for holistic planning. The district plan becomes just a binding exercise, with different plans of the myriad agencies for each scheme bound in a book with a glossy cover. There is no integration, no coming together for a common objective. The Twelfth Plan has taken a step in the right direction by merging schemes under CSS: it has condensed 140 schemes to 66, including only 17 flagship schemes. This paradigm shift from planning for schemes to planning for activities will ensure that the resources are put to focused use and with an economy of scale.

## 1.2 Justification for Resource Convergence

The result of the hindrances listed above is that despite the government and its numerous agencies, as the largest service providers, investing heavily in manpower and money for the development agenda, the number of rural poor has more or less remained static in terms of absolute numbers. In percentage terms, poverty levels have reduced from 56 percent of India's population in 1973/74 to a little above 26 percent in 2013. But that figure is questionable as the government's food security initiative (or rather foodgrain security initiative) is targeting 67 percent of the population to provide extremely cheap foodgrain. Resources are unevenly distributed, leading to the neglect of some areas and increases in disparities, with the most vulnerable and disadvantaged groups unable to access developmental interventions. The incorporation of the resource convergence concept in the programmes and schemes of the Eleventh Plan have brought about a change in the fragmented planning process, which had led to sub-optimal use of resources and dilution of development outcomes at the grassroots.



Some of the advantages of resource convergence are summarized below:

- **Saves time:** The process of convergence is a time-saving process. The overall aim of every service provider is to make the benefits available to the eligible target group – but administrative actions preceding that delivery of benefits can often cause delays that could even reduce the number of beneficiaries who can be reached in a given time. The convergence of services saves a lot of time of each and every department at each and every step. Many actions and deeds are done in a joint manner, thus avoiding duplication and saving time.
- **Helps in building rapport:** Convergence helps in building a rapport with different departments and institutions, as well as with the communities. Since the essence of convergence is working together with other stakeholders, it brings them together, leading to a healthy exchange of views and inter-personal communication. This creates a positive rapport that can only enhance programme delivery.
- **Increases efficiency:** Once processes of different programmes are merged, there are fewer delays, less duplication, faster delivery. Besides, as the service providers exchange views, new ideas emerge, they learn from each other's mistakes and best practices, often leading to new and more efficient ways of providing services.
- **Reduces workload:** As services providers work together, there is a division of work and elimination of work that was earlier being duplicated. Many responsibilities and duties are shared.

### 1.3 Strategy for Resource Convergence

There is a three-fold strategy for adopting resource convergence. At the level of the centre, CSS schemes need to be constantly reviewed and those with similar objectives should be merged. A good start has already been made with the acceptance of the report of the Chaturvedi Committee and the consequent Cabinet decision to merge several of the existing 147 CSS schemes, condensing them to 66 schemes in the Twelfth Plan period. This should be a continuous exercise.

The second tier is the provision of a window for convergence in the various CSS and ACA (Additional Central Assistance) programmes of the centre and state governments. The evolution of flagship programmes like NRHM, MGNREGA, NBA, and RKVY (Rastriya Krishi Vikas Yojana) are examples of building convergence in programme details. This merging has given the state governments the opportunity for the devolution of central and state funds. The Panch Parmeshwar scheme of Madhya Pradesh devolved the funds of the Thirteenth Finance Commission and the Third State Finance Commission, along with stamp duty, to the gram (village) panchayat, enabling them to get bulk funds to plan their activities. (Prior to this, funds



were made available to panchayats piecemeal from various sources, forcing them to undertake projects in bits and pieces as the funds came.) There is also a window to further converge with MGNREGA schemes – referred to henceforth as MGNREGS (the Mahatma Gandhi National Rural Employment Guarantee schemes). One result of this approach is that every village in Madhya Pradesh has been able to construct cement concrete roads with drains.

The next important entry point for resource convergence is the district planning body. After deliberations, a thrust activity is selected for an area. Using the Resource Convergence Mantra Model software, the planners can identify the components for that activity, the existing schemes which cater to that component and the financial resources available. The next stage is to start informed planning for each component. This systematic approach ensures holistic planning and resource convergence with sustainable development. In sync with the government's focus on the bottom-up planning process, the RCMM tool facilitates decentralization. It is invaluable for NGOs as it helps them ensure that every rupee can be used in such a way that it complements or supplements the selected thrust activity. This programme also supports the prudent realization that the focus should not only be on adding new resources but also on using the existing resources to their optimum. A World Bank report states: “When systems are failing, it is not enough to fix the pipes, one needs to fix the institutions that fix the pipes.” The Resource Convergence Model enables that “fixing” of the institutions.

The task is not difficult, as proved by experiments done in selected areas by the centre and state and districts across the country. Let us take the example of a district where the thrust activity is horticulture; the crop could be flowers, fruits, vegetables or spices. The need is for a holistic plan that encompasses planning for each of the components, such as: identification of suitable areas for the crops, assessment of status on date, awareness building and training for the crop to be introduced, listing of the agencies/departments involved, nurseries, credit, land shaping, source and type of irrigation (drip/sprinkler), road network for transport of product, cold storages, and – extremely important – intermediary crops to be planted till the horticulture crop starts giving returns. For each of these components there are a plethora of schemes available under different sectors - rural development; employment; watershed schemes spread over six agencies; road construction under state, central and rural development sectors; horticulture board; departmental schemes; other livelihood schemes; direct funding by banks; credit schemes; subsidy schemes etc.

Non-synchronized efforts lead to little change in the condition of the targeted beneficiary. So is it feasible to have a multi-agency system for a single objective? If yes, how can it be made operational? The answer lies in a paradigm shift from planning for schemes to planning for activities. The focus has to shift to planning for the thrust activity and working to achieve the common objective by clubbing all the distributed resources.

As noted above, the number and variety of schemes – many with more or less the same objectives – is mind-boggling. While some schemes are located in one ministry or department,

others are distributed among different ministries and departments. Is it any wonder that the objective often gets buried under this maze of schemes? And yet there are some areas which are not covered by any scheme. The resource convergence approach has made it possible to identify the gaps in ensuring the holistic approach. For example, there was no scheme for children from age 0 to 3, the critical period for malnutrition and for determining the Infant Mortality Rate (IMR). Once the gap was identified, NRHM and Integrated Child Development Services (ICDS) covered it in their modified convergence approach.

This impact study covers the changes that have been incorporated at the centre in the CSS and ACA schemes to imbibe resource convergence, the efforts made by state governments and the individual efforts carried out in the districts. Development initiatives start with the premise that, at the very minimum, each family should have access to affordable health services, education, housing, hygiene, sanitation, food security and enhanced livelihood opportunities to ensure them dignity and empower them to strive to come above the poverty line. **There is now a realization that converging resources can bring out the best of each initiative. Thus, area development, family enhancement and individual opportunities are optimised by using resource convergence. This report also introduces a new concept - the *samruddhi* line or the line of prosperity, as against the poverty line. That is what a country as a whole has to strive for.** The welfare schemes that are dispensed like charity should be seen as interventions and handholding to equip the individual to come out of the vicious cycle of poverty and to put a stop to poverty being perpetuated from generation to generation. Resource convergence is the best strategy to ensure that each intervention acts as a trigger to start and accelerate the movement towards the *sumruddhi* line.

# Chapter 2

## **The Planning Commission Adopts Resource Convergence**

REPORT  
OF THE COMMITTEE  
ON  
RESTRUCTURING OF  
CENTRALLY SPONSORED SCHEMES  
(CSS)



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(September, 2011)



# The Planning Commission Adopts Resource Convergence

The Planning Commission has a key role to play in meeting the prime requirement for resource convergence - the merging of schemes with similar objectives. It can do this at two levels. One, to work out a mechanism to list out the CSS and ACA schemes that have similar objectives and then to take steps to merge them. It is important to minimize the number of schemes advocated by the central and state governments. Second, the Planning Commission must create an enabling environment to initiate steps for convergence in programme design by the centre and state governments and also work out systems to account and audit the schemes that converge together to get a single output.

The Directive Principles of State Policy of the Constitution of India (Part IV, Articles 36 to 50) guide the policies of various wings of the government and act as an overriding philosophical foundation. These require a national effort to improve human development indices and minimize inequalities in the infrastructure among states. The Centrally Sponsored Schemes play an important role in achieving these goals but there is now a growing understanding of the need to reduce and merge schemes.

## 2.1 Growing Voices from the States

The National Development Council (NDC) has discussed issues relating to CSS extensively in several meetings. The first sub-committee on this issue, set up in 1967, recommended that a limited number of important schemes be implemented as matters of national policy. However, over a period of time the CSS grew - from 190 at the end of the Fifth Plan to 360 at the end of the Ninth Plan. Even when there was a reduction of CSS, the number of sub-schemes increased or there would be new schemes before the end of the Plan period taking the total up. For example, at the start of the Eleventh Plan, the number of schemes had declined from 155 (2005/06) to 99 (2007/08) but by 2011/12 it increased to 147.

In meetings of NDC, state chief ministers have emphasized the need to reduce the number of CSS and suggested the following measures to achieve such a reduction:

- putting a cap on CSS at one-sixth of central Plan assistance;
- transferring a number of identified schemes to state governments;
- consulting with states, particularly if the schemes are not 100 percent centrally funded;
- giving flexibility to states to adapt the programme to the state-specific conditions.
- transferring the entire CSS funds to the states without any restrictions;
- funding CSS 100 percent with no imposition of state share; and
- ensuring flexibility in the implementation of these schemes.

The transfer of funds to the states is now taking place through CSS, ACA and other central schemes. Of the total CSS provision of Rs.6,60,506.40 crore during the Eleventh Plan, the nine flagship CSS alone accounted for Rs. 5,24,465.99 crore i.e 79.4 percent. The share of all CSS as percentage of the Gross Budgetary Support (GBS) has increased continuously in the last three Plans. In the Eleventh Plan it went up to 41.59 percent as against 38.64 percent in the Tenth Plan and 31 percent in the Ninth Plan. However, normal central assistance to states declined to 6.74 percent of the GBS during the Eleventh Plan. The sharp decline in the Eleventh Plan was partly due to the fact that in earlier Plans, assistance was given in the form of central grants as well as loans, while in the Eleventh Plan only grants were given. Loans are now taken by the state governments. The system of implementing ACA and CSS as separate categories of schemes is artificial. Both are administered in the same manner.

The pattern of assistance for states under CSS varies from 100 percent to 90:10 for North-East States, 65:35 in Sarva Shiksha Abhiyan (SSA), 75:25 in Indira Awaas Yojna (IAY) and 75:25 in other schemes. The rapid increase in CSS and the need for contributing the state share has led to the state government's being forced to allocate a large part of their scarce resources away from their own Plan priorities. The states have to first match the contribution from the centre, thus blocking or delaying their plan process. In several cases, the states have found it difficult to access CSS funds because they have had difficulty in mobilizing the contributory state share for these schemes. Thus, the state government's first priority becomes providing matching funds for CSS schemes. The reason for this situation is the non-flexibility of CSS. The problem may aggravate in future when the state share for several flagships increases to 50:50 in the next few years.

## **2.2 Move Towards Restructuring Centrally Sponsored Schemes**

In April 2011, the Planning Commission constituted a sub-committee on "Restructuring of Centrally Sponsored Schemes" under the chairmanship of Mr. B.K. Chaturvedi. The sub-committee handed over its report to the Group of Ministers (GoM) in September 2011, recommending merging schemes with common objectives; more flexibility within CSS; and bringing down CSS from 147 to 59 to avoid any overlap.

The GoM on Restructuring of CSS (whose members are the finance and commerce ministers and the deputy chairman of the Planning Commission) has decided to condense 147 central schemes into 70 for better monitoring and implementation in the Twelfth Five Year Plan. It has approved setting up of a flexi-funds system in each scheme, so that state governments can use 10 percent of the budget allocated for CSS within the broader framework of the flagship programme. To ensure better utilization of funds under CSS, the GoM approved transferring of funds from the central government to the state consolidated funds and not directly to the implementing agencies. This is a major shift from the micro-monitoring done by the centre which resulted in impregnable silos.

That apart, the panel has approved setting up of state-specific guidelines in each centrally sponsored scheme. The panel ironed out the differences between ministries and it is this spirit of compromise that made them keep the number of schemes to be merged to 70, as against the Chaturvedi Committee's suggestion of 59. Concerned over the proliferation of CSS, Finance Minister P. Chidambaram in his budget speech not only announced the merger into 70 schemes, but also declared that “each scheme will be reviewed once in two years.”

After a further deliberation, and in a bid to improve monitoring and provide greater flexibility to states, the central Cabinet decided to condense the CSS to 66 during the Twelfth Five Year Plan. For example, the several schemes for horticulture have been condensed into one scheme.


This merging of CSS and the major decision to transfer funds to the consolidated funds of the state, instead of directly sending them to districts, will create an enabling environment conducive to bringing in convergence. The districts will have to deal with fewer schemes. The government has also decided to alter the scheme guidelines to suit the requirements of the states and give them greater flexibility to spend up to 10 percent of the allocated funds (as 'flexi-funds'). The states would have the flexibility to incur expenditure under any scheme (up to 10 percent of the allocation) as long as the project is within the broad guideline of a scheme. This move, recommended in the RCMM, will be accelerated during the Twelfth Plan period.

The merged schemes will include 17 flagship programmes, such as the Rashtriya Krishi Vikas Yojana, Nirmal Bharat Abhiyan, National Rural Drinking Water Programme, National Health Mission, Backward Region Grant Fund, Integrated Watershed Management Programme, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), Indira Awas Yojana and Mahatma Gandhi National Rural Employment Guarantee Schemes. All of them have significant outlays for major interventions, ranging from Rs 4,200 crore to Rs. 30,000 crore. There is also a Rs. 577 crore allocation for a capacity building scheme for panchayat institutions. These flagship schemes will enable better resource convergence as each of them are targeted to a clear objective and allow for enough flexibility.

The budget estimates of 2013/14, have a budgetary provision for 137 CSS and 5 ACA schemes in addition to block grants. The full restructuring will become applicable from the financial year 2014/15 with just 66 CSS items. These arrangements will come into force for the remaining years of the Twelfth Five Year Plan and will help in optimum utilization of resources for the desired results.

The Finance Minister in his budget speech this year also had stated that government is concerned about the proliferation of CSS and ACA schemes and that each scheme would be reviewed and restructured.

However, there is still a gap in the process of convergence that needs to be filled - the system for accounting when execution of a job that cannot be split is done by convergence of multiple schemes. For example, a cement-concrete road with drains is to be constructed in a village using



funds from MGNREGA, the Thirteenth Finance Commission and the State Finance commission. The work itself cannot be split, so there is a need to develop an IT-based accounting system where the first booking for labour is from MGNREGA funds and for material from the Thirteenth Finance Commission Fund. Convergence for the road construction itself can be split thus - earth work under MGNREGA and consolidation and bitumen layer under another agency. Software is being developed for a systematic accounting tool that will enable concurrent auditing so that the finance and audit requirements are taken care of while executing convergence.

Thus, the efforts of the Planning Commission for resource convergence are reflected in the budget for 2013/14, which has provisions for the key elements of RCMM - merging schemes with similar or the same objectives and flexibility to innovate more convergence.

# **Chapter 3**

## **Convergence of Programmes for Poverty Reduction**





# Convergence of Programmes for Poverty Reduction

## 3.1 Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act marks a paradigm shift to the rights agenda. This flagship scheme of the Government of India guarantees 100 days of employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. Aruna Roy and Nachiket Udupa note: “Whereas most welfare programmes cast the state in the role of benefactor, offering handouts to the poor, the MGNREGA is built around notions of citizenship and entitlement.” MGNREGA recognizes the right to work and sees employment as a strategy to reduce poverty.

Poverty is a multi-dimensional, multi-faceted phenomenon, with each feature interacting with one or more features to produce a ratchet effect. Any strategy to combat poverty, therefore, needs to be multi-sectoral, multi-strategic and, therefore, multi-schematic. Thus, if all anti-poverty programmes could be brought together, the effect would be manifold compared to the impact of individual programmes implemented independent of each other. This developmental truism is the basis for the concepts of integration and convergence. It is important to differentiate between these two terms.

Integration implies a more organic combination of programmes responding to holistic plans from below. This calls for flexible resources and giving power to the people to choose their priorities in a rational manner and get them approved using the flexibility provided. This is a classical people's plan.





Convergence emerges from the fact that several programmes exist with separate identities (and sometimes associated with strong personality egos) but with similar objectives. There has to be a conscious effort to bring them together to achieve the best fit to the needs of the poor so that their collective impact is much more than the sum of their individual impacts. This is called convergence. This requires even more intensive planning, both top-down and bottom-up.

In other words, convergence means coming closer together whereas integration suggests combination to become a whole.

All the major anti-poverty Centrally Sponsored Schemes envisage convergence of some kind. But two of the major programmes which are critical in the context of poverty reduction, the National Rural Livelihood Mission (NRLM) and the MGNREGS, need a schematic mechanism to bring in convergence.

NRLM basically aims at organizing the poor and giving them a voice which would mature into power and authority to articulate their demands and get their development priorities accepted and realized. Naturally, they are the best vehicles for demand-led convergence, which is obviously the best form of convergence.

MGNREGA provides guaranteed resources to the poor and makes it clear that while provision of employment is the most important feature of the programme, it has to result in the creation of productive assets which would enhance the livelihood security of households in rural areas. Convergence is linked to the basic architecture and concept of the Mahatma Gandhi National Rural Employment Guarantee Act. It is essentially a works programme that can be plugged into various sectors and schemes. It has a largely untied resource with huge allocations and builds on the strength of local planning. Thus MGNREGA provides a window for convergence.

A look at the categories of works outlined in Schedule I of the Act, shows that each one of them requires convergence with other programmes, resources and services to realize its potential. For example, the following activities complement each other; they cannot be executed in silo and have to converge with the watershed programme

- **Water conservation**
- **Provision of irrigation facility**
- **Drought proofing**
- **Flood control**

Similarly, the following are essential to provide infrastructure in villages:

- **Rural connectivity**
- **Anganwadis**
- **Sanitation**
- **Playgrounds**

Convergence of programmes focusing on the above elements will ensure quality infrastructure. It will enable a good labour-to-material ratio at the district level. Recently a policy decision has been taken to include construction of foodgrain storage facilities in rural areas as permissible works for the implementation of the National Food Security Act 2013 under MGNREGA. Thus, an objective of decentralized storage can be provided under MGNREGA.



## 3.2 Concept

For effective convergence it is important that various aspects of each programme be proactively brought together in a coordinated manner so that they can fall into proper place, becoming as close as is possible to a whole. Convergence naturally improves over time. It requires a common logic guiding it and is best brought about through choice from below.

Theoretically, there are basically four kinds of convergence:

**Assimilation:** One or more programmes lose their identity.

**Integration:** The balancing is very strong so that the product looks totally different.

**Separation:** Identities are retained and distinctiveness is maintained.

**Novelty:** The sum is new and interesting, quite beyond what the constituents implied.

But in practice it is not possible to categorize the convergence of a development programme so clearly. It could have some features of all the categories. For example, when MGNREGS is converged with any programme, there is assimilation in respect of processes like social audit but there is also a need to have a mechanism for maintaining separate accounts and Management Information Systems and the final outcome could be a super-project like the revival of a river, which is a combination of watershed and MGNREGA work.

We have recently seen the introduction of a new term: 'cross-vergence,' which is a kind of hybridization resulting in something unique and significantly different from the original components.

Conceptually, the drivers of convergence could be identified as follows:

- (a) Realization that competition and parallel working leads to a waste of resources, resulting in cynicism and public criticism.
- (b) Mature learning that facilitates understanding across boundaries and brings out the possibilities of joined-up action.
- (c) A spirit of cooperation that pools together disparate elements among stakeholders and generates a motivation to work together.
- (d) Common response forced by shock or extremely difficult problems.

The convergence of programmes requires both bottom-up and top-down approaches and processes. Since the programmes have different guidelines and have been implemented by different agencies, there has to be a clear directive from above to converge. The target area, as well as the target group, has to be more or less homogeneous. The needs have to be clearly brought out from below so that convergence can be meaningfully beneficial. Thus, for the CSS and ACA schemes, it is important to clearly define the possibility and form of convergence and give enough flexibility to states or districts to formulate the execution plan.

Convergence of public programmes is at several levels, which could be classified as follows:

**Convergence of human resources** – Professionals and technical experts from a relevant department provide their services to improve the performance of a programme of a different department but in a sector in which they have proficiency. Thus, if agricultural experts work with a gram panchayat in its MGNREGA programme, it results in such a convergence. It ensures that relevant technologies and techniques flow to enrich a programme.

**Convergence of financial/scheme resources** – In this case, there is a pooling of resources from two different programmes. A typical example is the construction of individual household latrines with resources from NBA and MGNREGA merged fully for the purpose of achieving the objective.

**Convergence to enlarge the scope of a programme** – Here different components are provided from different schemes so that ultimately the scope of the key programme is expanded significantly. For example, if Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA), a programme to build rural playgrounds, is converged with MGNREGS, the size and facilities on the playground could be increased considerably by using MGNREGS for all the labour-intensive components and PYKKA for all the material-intensive components. Such convergence calls for intelligent and coherent planning.

**Convergence to provide complementarity of independent items or components** – Here the programmes are implemented independently as separate components but are planned so as to provide complementarity. Thus, after a road work is completed under the Pradhan Mantri Gram Sadak Yojana (PMGSY), if avenue plantation is taken up under MGNREGS, such a convergence is achieved.

**Convergence of schemes for a set of beneficiaries selected through a foolproof process** – In programmes which are targeted at a set of beneficiaries either through proper selection, as in the case of Indira Awaas Yojana, or self-selection, as in the case of MGNREGA, it can be safely assumed that the beneficiaries have a set of characteristics which make them automatically eligible for certain other programmes which have been framed for such a target group. Some good examples: automatic provision of health insurance under Rashtriya Swasthya Bima Yojana (RSBY) to MGNREGS workers who have put in at least 15 days of work; giving priority to children of workers who have put in 100 days of work, for selection under NRLM's skills and placement component, which plans to impart skills to 50 lakh rural below-poverty-line youth in the Twelfth Plan; and making RSBY available automatically to all beneficiaries of the National Social Assistance Programme.

**Area-based convergence** – This implies converging several schemes in one location, leading to one major comprehensive initiative for that area. Developing a livable habitation around a set of houses under the Indira Awaas Yojana, by bringing together schemes for land development and local connectivity (MGNREGS), sanitation (NBA), water supply (National

Rural Drinking Water Supply programme), power supply (the Rajiv Gandhi Grameen Vidyutikaran Yojana [RGGVY]) and livelihoods development (NRLM) is a good instance of area-based convergence.

**Convergence for sustainability** – Public assets created under a programme may require continuous maintenance for which programme funds are normally not available. Thus, in the spirit of convergence, there could be routine maintenance of all community assets created under the Integrated Watershed Management Programme (IWMP) or roads constructed under PMGSY using MGNREGS, to ensure plantation along the road to retain the shoulders.

**Convergence to strengthen participation** –The highest form of participation is empowering people to shape their development in accordance with their priorities by giving them decision-making ability and power on application of resources. Participation enhances the efficiency of resource use as it is linked to felt needs and commonly identified priorities. It also leads to higher accountability and promotes contribution from the people in terms of cash, kind or labour. Using a programme to strengthen people's participation can be best seen in utilization of the self-help group (SHG) network under NRLM linked with MGNREGS, which facilitates provision of additional cash income to the poor through work. It also creates assets as desired by the people, directly benefitting their livelihoods through watershed management, horticulture and so on.

**Convergence to achieve a grand objective** – It is commonly accepted that climate change affects the poor most severely. Therefore, programmes like MGNREGS could focus on adaptation/ abatement efforts, particularly Natural Resource Management, to increase biomass and water availability, working within schemes for these sectors. This thus becomes convergence to achieve a larger societal purpose.

**Convergence to strengthen governance** – Ultimately for governance to improve, there should be strong and effective local governments. Panchayats are the prime planners of MGNREGS. If resources could be converged with MGNREGS from other schemes, it would build the capacity of panchayats to plan for local level development. Thus, participatory planning could be an entry-point to push for strengthening of local governments.

The above classification is only illustrative and none of the categories are mutually exclusive; they have to necessarily overlap. But this wide-ranging classification demonstrates that convergence has great developmental value. It avoids sub-optimal utilization of resources; reduces fragmentation of efforts; avoids overlaps and duplication; facilitates response to diverse needs; enhances the value of money by efficient use of human and financial resources; facilitates pro-poor pooling of resources; and enhances synergy for better impact. Ultimately convergence provides opportunities for participatory planning, which, if brought about through the involvement of the local governments, could achieve the twin objective of strengthening the institutions of the people (the SHGs and other community-based organizations) and the institutions for the people (the panchayats). It thus builds both social and political capital, one reinforcing the other.

### 3.3 Framework for Convergence Inbuilt by Ministry of Rural Development

In order to realize the potential of convergence, the Ministry of Rural Development has been promoting it through cogent advisories, which provide not only policy backing but also the operational framework for meaningful convergence. Some of these key initiatives are summarized below.

#### 3.3.1 MGNREGS

- (i) **Convergence with National Afforestation Programme:** (NREGA and schemes of Ministry of Environment and Forests -19 January 2009, No. J-11019/2/2008-NREGA;MORD, GOI)

This would facilitate forestation of additional areas, particularly in respect of the following:

- (a) Aided natural regeneration
- (b) Artificial regeneration
- (c) Bamboo plantation
- (d) Cane plantation
- (e) Mixed plantation of trees having medicinal and food value
- (f) Mixed plantation of trees having other economic value
- (g) Pasture development
- (h) Water conservation and water harvesting
- (i) Land development

This initiative requires very close liaison between the Forest Department and the Rural Development Department at the state and district levels and between the gram panchayats and Joint Forest Management Committees. It needs an area-based approach that takes into account the spirit of the forestry laws and an ecological perspective. It provides for pooling of financial resources and, more importantly, making available technical support to the village panchayats from the Forest Department.

- (ii) **MGNREGA and PMGSY:** (9 February 2009, DO. No. Dy. 178/SRD/09-NREGA,MORD, GOI and 1 November 2013)

Since the policy for both schemes is set by the same department at the national level, convergence is easier. Some of the important areas of convergence are:

- (a) Avenue plantation
- (b) Routine maintenance of roads (including strengthening of embankment after the five-year mandatory maintenance by the contractor is over)

- (c) Developing a network of roads below the district rural road network
  - (d) Construction of ponds at the outlet side of culverts.
- (iii) **MGNREGS and IWMP:** (Guidelines 29 May 2009; No. J-11019/2/208.NREGA, MORD, GOI)

This will facilitate making technical expertise of the cutting edge available to functionaries implementing IWMP, either to expand the project area or to intensify activities within the project area. It also has the potential for strengthening gram panchayats and local people's committees. There is scope for intelligent planning for livelihood security by taking up eligible items of work in the farmlands of small and marginal farmers. This agricultural activity could be supplemented by other livelihood activities for which funds could be provided by IWMP and NRLM.

- (iv) **MGNREGS with activities of Irrigation and Water Resources Departments:** (18 February 2009, MORD, GOI joint letter issued by the two concerned departments)

The activities which could be taken up are:

- (a) Desilting of canals and other structures
- (b) Construction of field channels
- (c) Construction of farm ponds
- (d) Land leveling
- (e) Preparation and restoration of water bodies

People's groups, such as Water Users Association, and the technical manpower of the Water Resources Department could supplement the efforts of panchayats in developing appropriate plans and implementing them. This would work best with an area approach.

- (v) **MGNREGS and agricultural programmes:** (Joint letter in October 2009 followed by 13 June 2013; M-13011/1/2009-MGNREGA, MORD, GOI)

Here the convergence could be basically to expand the scope of the schemes of the Agriculture Department with special focus on the following activities:

- (a) Water harvesting – including creating water bodies for inland fisheries
- (b) Horticulture
- (c) Individual works on lands of small and marginal farmers

The technical resources of the Indian Council of Agricultural Research (ICAR), institutions such as the Krishi Vigyan Kendras (KVKs), Agricultural Technology Management Agency (ATMA) and the Agriculture Department could be provided to panchayats for enhancing the quality of planning and implementation. This knowledge partnership is very critical for the effectiveness of programmes.

(vi) **MGNREGS and NBA:** (19 October 2013, DO J-1-11017/40/2011 MGNREGA (UN))

This convergence has huge potential to tackle the sanitation problem of rural India. With each toilet costing Rs. 9,200, MGNREGA could provide Rs. 4,500 as labour cost for supplementing the Rs. 4,700 provided under Nirmal Bharat Abhiyan. But more important is the synchronization of fund flow to the beneficiaries. There should be a focus on avoiding multiplicity of agencies. The agency implementing MGNREGA should issue sanction orders, route funds and directly pay the beneficiaries. The key to the success of this initiative lies in the motivation of the beneficiaries not only individually but collectively. The entire village should take up the construction of latrines and every sanitation activity in the village, especially those related to solid and liquid waste management, as a crusade. Social mobilization is critical because sanitation is a continuous social activity to be performed by the community through fundamental behaviour changes. All the relevant governmental programmes need to be brought together for this.

(vii) **Pilot project for convergence between MGNREGA and rubber plantations:** (2 August 2013, DO No. J-11017.17.2013-MGNREGA (UN) (Pt. III))

This initiative, covering 500 hectares in Kerala and Assam, focuses on very small farmers intending to take up rubber cultivation limited to one hectare per farmer. This would enhance the livelihood of poor farmers and enable provision of technical assistance from the Rubber Board to village panchayats, resulting in productive assets having the scope for a flow of substantial cash benefits over a long time.

(viii) **MGNREGA and sericulture:** (2013-14 Guidelines of convergence with CDP- Catalytic Development Program with Ministry of Textiles)

This is a recent initiative focusing on small and marginal farmers with priority to Scheduled Caste (SC) and Scheduled Tribes (ST) farmers. The bulk of the cultivation and maintenance cost of mulberry could be met by MGNREGA, with other components related to rearing being supported by the Central Silk Board using the existing extension systems.

Almost all the work involved in sericulture, including silkworm host plantation, is labour intensive. It is estimated that around 11 man years of employment is generated by 1 hectare of silkworm host plantation along the entire silk production chain covering all the activities till final product. These activities cover development and maintenance of host plantation, silkworm rearing, silk reeling, silk twisting and silk weaving. Among these, cultivation and maintenance of host plants of silkworms is a critical agriculture-oriented and labour-intensive land-based activity. Hence, to start with, development of systematic plantations of the host plants of mulberry and vanya silkworms and their maintenance till they become productive are being proposed as convergence initiatives under MGNREGA.



Convergence between MGNREGA and the Catalytic Development Programme (CDP) of the Ministry of Textiles (MoT) is mutually beneficial, as it has the advantage of guaranteed resource support, which ensures transparency and accountability. Untied funds and the provision of decentralized planning enable comprehensive need-based planning at the grassroots with the Panchayati Raj Institutions playing a pivotal role. Convergence planning can achieve multiple goals in the development of the sericulture industry by maximizing returns from the investments, promotion of public-private community partnership, sustainable development, pooling of human and capital resources, transfer of technologies evolved from the R&D institutes of the Central Silk Board, and value addition through provision of backward and forward linkages from the CDP schemes of the MoT.

- (ix) **MGNREGS and PYKKA:** This is an ambitious attempt to provide good quality playgrounds in rural areas, especially at the village and block panchayat levels. The positive effects of playgrounds have not been fully realized in this country. Apart from providing space for physical exercise and recreation, they contribute in developing relationships among the youth and diverting them from unhealthy habits and anti-social activities. Technical knowledge for constructing playgrounds is not easily available and there is a need for intensive capacity building of the engineering staff implementing the programme. Joint planning by the gram/block panchayat and the department/agency dealing with sports is very critical.

### **3.3.2 Indira Awaas Yojna**

The larger objective of IAY is to provide a livable home in a livable habitat. This calls for convergence related to physical connectivity, power connectivity and provision of facilities like drinking water and sanitation. Convergence with sanitation is now mandatory so all the new IAY houses – over 30 lakh per year – would have toilets. Efforts are on to provide them power connections under RGGVY and drinking water under the National Rural Drinking Water Programme (NRDWP).

### **3.3.3 National Rural Livelihood Mission:** (8 October 2013, J-11017/17/2013-MGNREGA (UN) (Part II), MORD, GOI)

This new scheme intends to organize the rural poor of India into 70 lakh Self-Help Groups which would be federated at the appropriate village panchayat sub-block or block level over the next five years. It is expected to create the social capital required to promote demand-led convergence through plans emanating from the community after a highly participatory self-assessment of their situation and prioritization of their requirements. This has the potential to draw together different schemes related to poverty reduction.

As of now, convergence of NRLM schemes like Mahila Kisan Sashaktikaran Pariyojana (MKSP) with MGNREGS has been initiated. The SHGs are gradually expected to take the central role in MGNREGS right from the planning stage, including the organization of workers through mates

मुख्यमंत्री आवास मिशन योजना अन्तर्गत  
ग्राम पंचायत इटार पहाड़ हितग्राही का नाम  
लल्लू कोल



provided by the SHG network. This has the potential to transform MGNREGS into a real demand-based programme of the poor and address several deficiencies like non-provision of entitlements, malfeasance and so on.

Before detailing the areas for convergence between NRLM and MGNREGS, here is a brief introduction to the two initiatives which have found prominent place in this report.

The National Rural Livelihood Mission and the Mahatma Gandhi National Rural Employment Guarantee Act are both flagship programmes implemented by the Ministry of Rural Development to provide enhanced wage payments and secure livelihoods to the rural poor.

**Objective of MGNREGA:** The Act provides universal access for every rural household to 100 days of wage employment for creation of durable assets at the community level and is aimed at enhancing their livelihoods.

**Objective of NRLM:** The programme works towards creating robust institutional platforms of the rural poor, in the form of Self-Help Groups and their federations, to improve their access to financial services, and thereby build their sustainable livelihoods.

**Need of Convergence:** One of the greatest criticisms of the MGNREGA has been its inability to ensure predictable income streams and sustainable livelihoods from assets created by the workers employed under the Act. In addition, workers are increasingly being dis-incentivised from participating in the programme because of delays in sanction of works and timely payment



of wages. Convergence with the NRLM, has the potential of ensuring that Community Based Organizations (CBOs) play an active role in mobilisation, identification, planning and payment, thereby ensuring greater participation of the poor in the decentralized process of the selection and sanction of works under MGNREGA. In addition, CBOs and their members can ease the bottlenecks being witnessed in the last-mile delivery of entitlements under MGNREGA to the citizen.

**Scope of Convergence:** The convergence between NRLM and MGNREGA is envisaged in the following components:

- Creation of awareness and demand generation
- Identification and planning for works that converge with the livelihood plans
- Worksite execution and measurement
- Advance payment of wages to MGNREGA workers through funds devolved to CBOs
- Provision of capacity building and training for all stakeholders involved, including PRIs.

### **Modalities of Convergence:**

**Resource Organisations:** The Civil Society Organizations identified using an intensive process will be notified as Resource Organisations for this convergence.

#### **Creation of awareness and demand generation:**

- a. The SHGs and their CBOs will ensure that one member of every entitled household:
  - i. gets a job card
  - ii. gets 100 days' work as per their entitlement and need
  - iii. registers for work every week, as per the requirement, with the Gram Rozgar Sahayak (GRS)
- b. The GRS will comply with the requirements of CBOs in full. He/she will make available sufficient demand registration forms with each CBO. Cases of non-compliance will call for action on the GRS.

As this chapter has shown, there are several Centrally Sponsored Schemes addressing different aspects of poverty. Using the SHG network to analyze the needs of the intended beneficiaries and articulate them and the panchayats to develop a convergent plan for poverty reduction in response, could produce dramatic positive results.

If we go beyond seeing just employment as the answer for poverty alleviation, there are a number of schemes and programmes, which when converged can have a ripple effect and accelerate the pace for poverty elimination. The elements of such an anti-poverty sub-plan are outlined below (only acronyms have been used for schemes already mentioned and spelt out earlier in this report):

### FOOD AND NUTRITION SECURITY

- ICDS – and its three streams of services
- Mid-day meal
- Rajiv Gandhi Scheme for Empowerment of Adolescent Girls–Sabla
- Targeted Public Distribution System (TPDS) – Right to Food

### BASIC MINIMUM NEEDS

- Housing
  - IAY
- Toilets
  - Total Sanitation Campaign (TSC)
- Drinking water
  - NRDWP
- Power connectivity
  - RGGVY
  - Ministry of New and Renewable Energy Sources
- Physical Connectivity
  - PMGSY
- Miscellaneous Schemes
  - Backward Regions Grant Fund (BRGF)
  - Trade Facilitation Centre grants

### SOCIAL SECURITY

- National Social Assistance Programme (NSAP)
- RSBY
- Aam Aadmi Bima Yojana / Janashree Beema Yojana (JBV)
- Janani Suraksha Yojana (JSY)
- National Old-Age Pension Scheme
- Care for the challenged

### HUMAN DEVELOPMENT

- Health
  - NRHM
  - RSBY
- Education
  - ICDS
  - SSA/Rashtriya Madhyamik Siksha Abhiyan
  - Right to Education

### SOCIAL DEVELOPMENT

- Scheduled Caste Sub-Plan (SCSP)
- Tribal Sub-Plan (TSP)

### ECOLOGICAL DEVELOPMENT

- MGNREGS
- National Water Management Project
- National Afforestation Programme

### ECONOMIC DEVELOPMENT

- Cash Income
  - MGNREGS
- Agriculture
  - RKVY
  - MGNREGS
  - MKSP
- Micro-enterprises
  - NRLM
  - Rural Self Employment Training Institute
- Salaried Job
  - Skills and Placement component of NRLM
- Credit
  - NRLM

If those below the poverty line get the benefit of the schemes listed above in a convergent form, then there is no doubt that the family will get the basic needs of housing, food, shelter, health, education and the opportunity to get engaged in a sustainable livelihood to maintain the benefits of these efforts.

### 3.4 Challenges

In respect of policy support and issue of operational guidelines there are several challenges which need to be addressed.

- (1) Departmentalism- this surprisingly seems to be more intense at the cutting-edge level. Across states this is related to the work culture of departments and is aggravated by the fear of losing identity. It would not be wrong to identify ego issues as one of the biggest single stumbling block in bringing about convergence. The tendencies for rent-seeking and malfeasance also prevent smooth convergence. It is well known that the labour-intensive part of any work is that component which provides huge flexibility for “adjustments” and corruption. Therefore, there is a reluctance to part with this lucrative part of works to MGNREGS.
- (2) Mitigating the risk of double claims from MGNREGS and the department- this could partly be addressed through improved social audit and better MIS.
- (3) Administrative challenges- These are related to procedures, fund flow, mode of execution, supervisory arrangements, reporting arrangements and so on. Since these have hardened over years, re-engineering is a challenge.
- (4) Synchronization of different portions of the workflow- this will hopefully get smoothened out with time.
- (5) Multiple modes of execution- If MGNREGS is to be linked to a contractor-executed work then the difficulties are very severe since the two modes of execution are structurally different as one is top-down and other is bottom-up. The nature of the work forces involved is also very dissimilar.
- (6) Machine versus man- Many of the public works are becoming machine- intensive with very high productivity. Substitution by labour is costly. Striking a balance is proving increasingly difficult.

Capacity building is the main approach to addressing these challenges. Also, piloting convergence and developing Resource Panchayats and Resource Districts in different parts of the country for cross-learning is very critical for up-scaling convergence. Another requirement is detailing of procedures to sort out the differences. This can be done only at the state level for which necessary motivation and technical assistance has to be provided. The MIS needs to be suitably modified to capture convergence. Finally, analyzing best practices for overcoming challenges would provide several leads for taking the next steps.



# उचित मूल्य की दुकान

अन्नपूर्णा  
योजना का  
सामान  
गेहूँ-2 रु. कि  
चावल-3 रु. कि



# **Chapter 4**

## **Foodgrain Security Scheme and Convergence**





# Foodgrain Security Scheme and Convergence

With a surface area of 3,287 thousand sq. km; and a population density of 382 per square kilometer (*Census 2011*), India has a total 1,797,990 sq. km of agricultural land, with availability of 128 hectares of arable land per 1,000 population (*World Bank Country Data 2012*). According to World Bank statistics, arable land as a percent of total land area in India is 41.36 percent, against the world average of 11.3 percent.

Once dependent on food imports to feed its population, India today is not only self-sufficient in grain production, but also has a substantial reserve. The progress made by agriculture in the last four decades has been the result of systematic and scientific interventions in educating farmers and targeted subsidy for improved availability of inputs. The self-sufficiency in availability of foodgrains is one of the biggest success stories of free India. Food security is now a major flagship programme but the challenges remain – to provide access to food and to ensure its impact in bringing down malnutrition. This chapter analyzes the mandatory convergence needed to ensure qualitative and sustainable desired results.

## 4.1 Right to Food

There is increasing recognition worldwide that food and nutrition are human rights. Every State is obliged to ensure freedom from hunger for everyone under its jurisdiction by providing access to the minimum essential food which is sufficient, nutritionally adequate and safe. The challenge, therefore, is for the State to create an enabling environment to ensure production of adequate foodgrains and, if need be, to import them to feed the population in the country.

Where does India stands to fulfill this obligation? India has enough food available. Thus, the State has succeeded in its obligation to produce enough food, but the challenge is distribution.

## 4.2 Right to Food Guidelines

The approach to meeting the citizens' Right to Food is of human-centered development. The acronym PANTHER is used to depict the obligation of the State. It stands for:

- Participation
- Accountability
- Non-discrimination
- Transparency
- Human dignity
- Empowerment
- Rule of Law

India has a robust democracy with several institutions and institutional structures (like the ones listed below) to ensure that the government fulfills its food security obligations.

- Supreme Court
- National Human Rights Commission
- Constitutional framework emphasizing the rights approach
- Active media
- Civil society backed by a strong legal framework
- Appropriate policies and supplementing programmes in place

### 4.3 Assets and Challenges

India has a population of 1,210 million (*Census 2011*), of which 63.9 percent are in the working age group. Its Gross Domestic Product (GDP) is US\$ 1.842 trillion with per capita GDP of US\$ 1,489 (*World Bank Country Data 2012*). India is ranked 10th globally in terms of nominal GDP while in terms of the more realistic Purchasing Power Parity (PPP), it ranks third - after United States and China. The per capita gross national income of India is US\$ 3,285, with India ranked 136th among all States. (*HDR Statistics, UNDP 2012*)

India's population is an asset, given the high percentage of its young productive population. But it also provides a challenge in executing the right to food.

India's other asset is its foodgrain production. India is now the world's second largest producer of both wheat and rice. It caters not only to the food requirement of its one billion plus population, but also to some other populations around the globe through its export of foodgrains. The recent sharp rises in cereal prices have left 37 poor countries in an emergency situation and sparked food riots – but this did not happen in India. In fact, the announcement from New Delhi that India would produce a bounteous harvest of wheat and rice is said to have driven wheat prices to a six-month low in the U.S. market. This highlights the unique position India holds in the international food security sector.

However, India faces what economists Jean Dreze and Amartya Sen describe as the “paradox of hunger amidst plenty.” The World Hunger Series report for 2006 highlights what it calls India's silent emergency. It points out that although India has not suffered from a major famine since the 1943 Bengal crisis, more people die each year of malnutrition than those who lost their lives in 1943.

#### ***The Challenges***

In India hunger and malnutrition are not caused by lack of food but by lack of access to available food. It is, therefore, important to recognize the fundamental difference between availability (is there food around?) and access (do you have physical and economic access to that food?). One major reason for the lack of access to food is poverty. Of India's 1.2 billion population, 26 percent are listed as Below the Poverty Line (BPL) and it is they who suffer from hunger and malnutrition.



Thus, the major challenge is to identify the people in this vulnerable group and develop mechanisms for ensuring their access to foodgrains.

The food should be accessible and available in a manner that is sustainable in the longer term and should be of adequate quantity and quality. It should satisfy the dietary needs of the individuals and be acceptable within a given culture.

It is equally important that this is done in a manner that maintains the dignity of the individual. The Right to Food is not a charity concept but the obligation of the State.

#### **4.4 Strategy to Ensure Access for Right to Food**

The Government of India's strategy to ensure the Right to Food for all was to create a Public Distribution System, an effective mechanism for distribution of food to the population, specifically targeting vulnerable groups. For administrative purposes, the vulnerable are identified as BPL families and the poorest of the poor in the Antyodaya Anna Yojana. The attempt is to make sure that none of the eligible households is left out of the targeted interventions and that the ineligible are not listed.

India adopted the Public Distribution System with a three-fold objective:

- to ensure a minimum support price for their produce to the farmers, most of who are small and marginal with farming as their major source of income;
- to control the price of foodgrains in the open market, which is feasible as the government has huge stocks of foodgrains stored all over the country; and
- to make foodgrains available to the most vulnerable at a cheaper cost through fair price shops, under the Food for Work programmes and as a supplementary diet under the Integrated Child Development Services and the Mid Day Meal Scheme (MDM).

#### **4.5 Targets and Schemes**

Eradication of hunger is one of the Millennium Development Goals (MDGs), with a clearly set target to reduce the number of undernourished people to half their present level no later than 2015. India is working towards this goal “to halve the proportion of people who suffer from hunger.”

The right to adequate food is realized when every man, woman and child, alone or in community with others, have physical and economic access at all times to adequate food or means for its procurement. The schemes for providing supplementary diet and an assured means of livelihood (which means an assurance of money to buy food) emanate from several ministries and departments including Food and Civil Supplies, Women and Child Development, Rural Development, Social and Economic Affairs, Urban Poverty and Health and Family Welfare.

The schemes include the Integrated Child Development Services, Food for Work, the National Rural Employment Guarantee Scheme, Mid Day Meal Scheme, Targeted Public Distribution System, National Old Age Pension scheme, Village Grain Bank Scheme, Antyodaya Anna Yojana,

Rajiv Gandhi Scheme for Empowerment of Adolescent Girls –SABLA, National Maternity Benefit Scheme and National Family Benefit Scheme. All of them have a target approach – they are planned for a specific number of beneficiaries, sometimes belonging to a specific group.

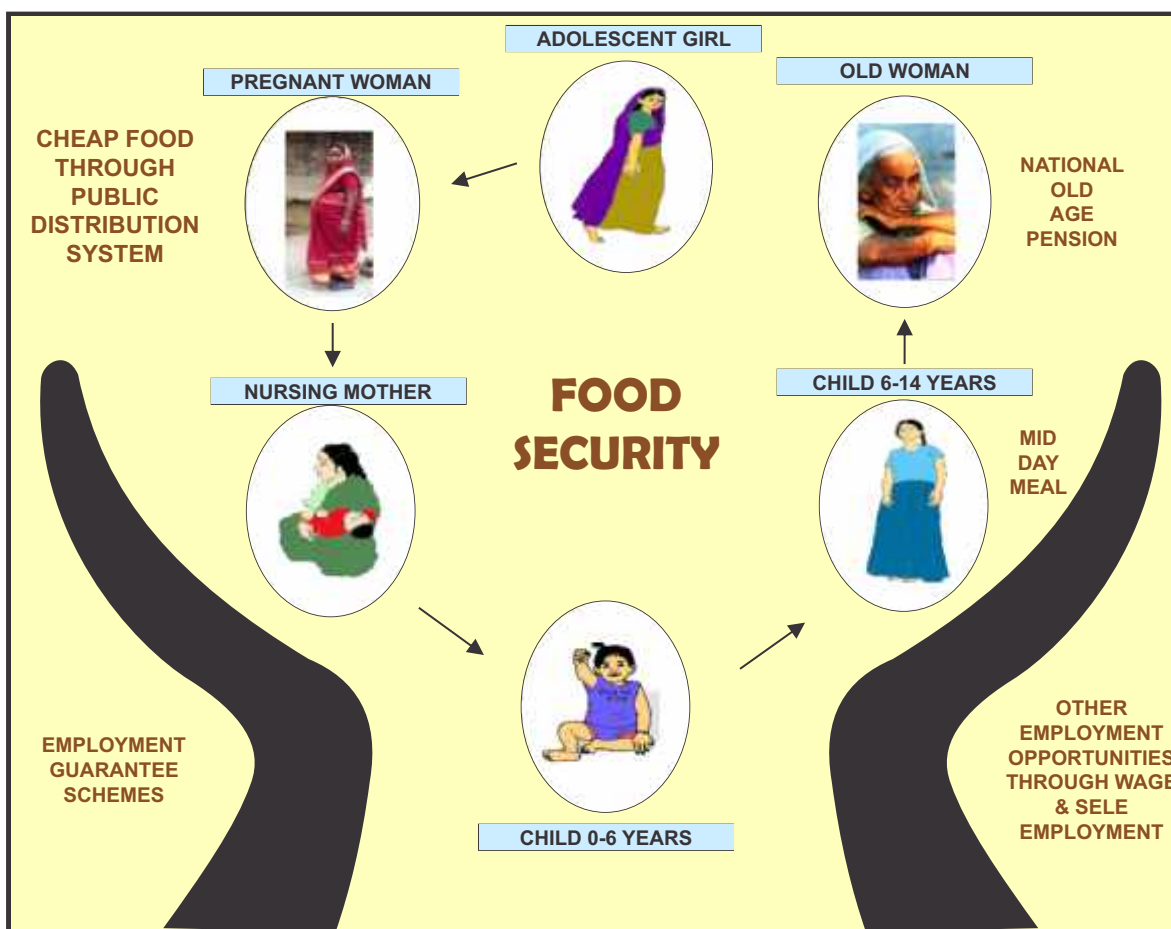
Unfortunately, not all of them have had the desired effect. The achievements of the schemes are more quantitative - in terms of budget utilization – than qualitative. The statistics at macro levels are fine but the system disappoints at the cutting edge, at decentralized levels, at the level of accountability of panchayats, where it has to be about names and faces.

It is time to take a hard look at some facts, emerging from several studies and scheme-evaluations, which are indicative of the inherent weaknesses in the PDS.

- Food is rotting in government warehouses due to faulty planning.
- 44 percent of households are deficient in calorie intake.
- Spending on PDS has risen dramatically but much of it is because of increasing operational costs rather than delivery improvement.
- PDS has seen some market distortions and been accused of having an urban bias.
- BPL households have not been properly covered owing to leakages, fake cards and use of facilities by better-off households.



## 4.6 Convergence to Ensure Food Security During the Entire Life Cycle



As the diagram illustrates, to ensure food security for the entire life cycle, the convergence should not be limited to agriculture, its allied activities and the Food and Civil Supplies Department but should extend to the departments working on women and children issues, health, primary education, social justice and empowerment, rural development and institutions that provide employment.

Given below is a summary of the programmes that cater to different stages of a person's life in this broader context of food security. They offer a scope for convergence with each other.

**Adolescent girls:** UNFPA, UNICEF and other donor agencies and Department of WCD have several initiatives for adolescent girls. There are also other programmes focusing on adult education and health awareness, both generic and related to HIV and sexual and reproductive health (SRH), which have components to generate awareness of their hygiene among adolescent girls so that they are well-nourished.

**Pregnant women:** The Supreme Court-mandated universalization of ICDS has seen a massive effort to extend all services offered by the scheme to every child below 6 years all adolescent girls and all expectant and nursing mothers. The schemes are executed through Anganwadi Centres (AWC) by Anganwadi workers (AWW). Thus the convergence of ICDS with health will ensure qualitative outcomes.

The government's scheme of distribution of iron-folic acid (IFA) tablets to pregnant women is a laudable intervention. However, the anemic status of pregnant mothers continues as women have certain issues with these tablets. One of their side effects is gastric irritation. This means that the women need to have access to toilets – which are few and far between in rural areas. The women, therefore, prefer not to have the tablets. Thus, a programme on construction of toilets for women needs to be converged with the programme of distribution of iron folic acid. This calls for several people in the development sector working together - the AWW, the Accredited Social Health Activist (ASHA), and persons from the sanitation department and the rural development scheme.

**Nursing mothers:** The convergence for services to nursing mothers covers not just supplementing her diet (ICDS schemes), but also transport to take her to the health centre or hospital and institutional delivery (health department), postnatal care, and monitoring the immunization and growth of the child. There is also scope for convergence with the Agriculture Department in relation to the kitchen garden scheme under which women are encouraged to grow greens and climbers like bottle gourd, pumpkin and beans to supplement micronutrients in their daily diet. In this context, nutritionists also recommend cooking in an iron vessel for iron content and adding an egg to the vegetable. AWWs, ASHAs and Agriculture Department extension workers involved in distributing mini-kits for kitchen gardens to women could also counsel them about this.

**Children of 0-3 years:** According to nutritionists malnutrition sets in at this age much faster than at later ages. Yet, ICDS has often been accused of neglecting this group. India's Infant Mortality Rate is 42 (deaths per 1000 live births) (*SRS, September 2013*). There is a need to disseminate best practices to be followed for this cohort through convergence between awareness building and adult education programmes. Initiatives such as the 100 percent immunization programme; monitoring every child by birth registration; provision of supplementary nutrition by developing local diets instead of exotic imported supplements; and neonatal care will go a long way in bringing down the IMR.

The 2005-2006 National Family Health Survey (NFHS) III highlighting the slide in total immunization even in developed states should be an eye-opener. The statistics reported by the chief medical officers of the districts have always shown immunization to the tune of 99 percent to 100 percent, but this survey showed how these figures (caused by monitoring vaccines consumed rather than monitoring children) have misguided implementers and policymakers. The focus should be on monitoring every child at the village. The task is not difficult because, based on the birth rate, the vaccination and immunization requirement is not more than four to

five in a village. Given the plethora of extension workers like ASHAs and AWWs, not a single child should be missed out. Instead of having cumbersome monitoring charts, the focus should be on registering every pregnant woman and child.

Getting immunization to 100 percent is critical because immunization enables assimilation of food intake and is therefore an important intervention for food security. The 0-3 age group requires special attention to lay the foundation for a healthy future.

**Age groups 3-6 years :** ICDS centres target this age group by providing pre-school teaching, immunization and a nutritious food diet – but supply delays have dented its achievements. It has also been noted that even though financial and physical targets are achieved, there is little improvement in the nutritional levels. This is a classic case of asking the “correct” questions in monitoring. The need is to monitor nutritional status and not just the consumption pattern. There should be a parallel intervention to improve cooking habits and shift to more nutritious food within the same expenditure. The Tribhuvan Das Foundation has experimented with this successfully by training housewives to cook their staple food in a more nutritious manner under the supervision of nutrition experts.

**Mid day meals:** Reportedly the world's largest school-feeding programme, the Government of India's Mid Day Meal Scheme provides hot, cooked nutritious and culturally appropriate free mid day meals to all primary and upper primary class children in government and government-aided schools and other schools supported under the Sarva Shiksha Abhiyan and the National Child Labour Project (NCLP). The implementation models used differ from state to state but within the guidelines set by the government and subsequent Supreme Court judgments.

Madhya Pradesh has added another developmental perspective by having the food prepared by Self-Help Groups who ensure that the food is nutritious and the raw materials are procured and produced locally. In some states NGOs prepare the food. The Supreme Court has mandated that "In appointment of cooks and helpers, preference shall be given to Dalits, Scheduled Castes and Scheduled Tribes." Parent-teacher associations have to ensure the food's quality. The children's parents too get involved: It is heartening to see villagers providing a sweet dish or extra vegetables.

Apart from providing children nutrition and a guaranteed meal, the biggest achievement of this programme has been increasing school enrollment, with parents keen to send their children to school for that meal.

There are several implementation issues and there have been recent shocking cases of children dying after consuming meals that were adulterated. This has highlighted the need to monitor the programme effectively. It must be executed with a missionary spirit. There should be a special focus on homeless children, orphanages and ashram schools to widen its impact. The scope for convergence is high – with panchayats, SHGs (thus providing sustainable income to the group), NGOs, employment programmes, initiatives for dalits and SCs and STs. Perhaps the best monitors for the programme are community members since this directly affects their own children. There should be zero tolerance for inefficiency or malpractices.



**Public Distribution and Targeted Public Distribution (TPD) Systems:** To strengthen the impact of PDS, which is essentially a general entitlement scheme, the Government of India launched the TPDS in 1997 with a focus on the poor. The Food Security Act has envisaged coverage for 67 percent population and is inclusive in nature. However, ensuring access of PDS to excluded groups such as slum dwellers, urban homeless populations and forest dwellers, still remains a major challenge. The most disadvantaged still don't get access and those who do would not have the purchasing power to buy in bulk and are more liable to buy their rations daily in small quantities, which is not feasible under PDS. Another challenge is the issue of ration cards being used as proxy identity cards, which needs to be stopped. The Multipurpose card could be a solution to this.

**Antyodaya:** The Antyodaya scheme, which aims to remove abject poverty, offers highly subsidized grain for impoverished households headed by single women; old and disabled people; bonded workers; primitive tribal groups; households with people who have stigmatized and debilitating illnesses, like TB, HIV AIDS and leprosy; and urban homeless populations. The accountability of the scheme should be by monitoring the outcome in terms of ensuring that none of the targeted population is suffering from starvation. It can be executed by adopting a zero-hunger target, as Brazil has done.

At the village level the scheme should have a “face and name” approach, with the most vulnerable listed, approached, made aware of the scheme and monitored so that they draw their quota of foodgrains under the scheme. However, it should not be offered like a dole and their dignity should be maintained. The foodgrains are their entitlement and not philanthropy.

**Insurance for the poor:** The objective of the Janashree Bima Yojna scheme of the Life Insurance Corporation is to provide life insurance protection to the rural and urban poor living below or just marginally above the poverty line. By making members of some approved vocation/occupation groups eligible, it also covers the unorganized sector. The nodal agency for executing it is a state government department which is concerned with the welfare of any such vocation/occupation group, a welfare fund or society, village panchayats, NGO and SHGs. The scheme ensures family benefit insurance in case of the death of the breadwinner and also provides for higher education (class 9th to 12th) to two children in the family by giving them scholarships. The scheme benefits from convergence with the development departments of the government, the insurance sector, NGOs and donor agencies.

**Old age pension:** There is a national pension scheme for senior citizens among BPL populations, widows and disabled persons. Many improvements have been made in the delivery mechanisms to ensure its proper execution. This scheme indirectly provides food security for the vulnerable elderly persons who do not have assets or a family to take care of them.

Thus, convergence of all the above schemes that cover the life cycle is essential to achieve the laudable food security objective.

# **Chapter 5**

**Agriculture and Convergence to  
Increase Productivity in  
Semi-arid Areas**





# Agriculture and Convergence to Increase Productivity in Semi-arid Areas

## 5.1 Background

Agriculture is still providing livelihood to more than 70 percent of India's population and is the backbone of India's self-sufficiency in foodgrains. However, the last few years have seen India go through a severe agrarian crisis and record a lower-than-expected agricultural growth. According to the World Bank, India's agricultural growth rate in the past decade (1995/96-2004/05) slowed down to less than 2 percent per year, compared to about 3.5 percent per annum in the preceding decade. This is a critical situation for a country in which two-thirds of the billion-plus population depends on agriculture. About 115 million families are classified as farming families. Furthermore, a country with a large population has to be nearly self-sufficient in essential food items; otherwise supply constraints could upset macroeconomic stability and growth prospects.

India also has the greatest concentration of rural households that are totally landless — 17 million households. Landlessness and rural poverty are closely linked. In fact, a World Bank report, "India: Achievements and Challenges in Reducing Poverty" (A World Bank Country Study 1997), stated that landlessness is by far the greatest predictor of poverty in India — even more so than caste or illiteracy.

All the above facts underscore the importance of the country's agricultural policy in determining the socioeconomic status of its citizens. When the First Five Year Plan was launched, the central purpose of planning was identified as that of initiating "a process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life." The manner in which this purpose has been translated into specific objectives has varied from Plan to Plan and has both impacted and reflected the prevalent status.

In its early years, independent India suffered several famines, droughts and food shortages. But following the Green Revolution in the 1960s, yields and food stocks rose manifold. The approach to agriculture has seen a drastic change after the opening up of the economy — the changes have not always been positive. Commercial crops are eating into the fertile land tracts meant for essential foodgrains. Land under agriculture has reduced. Six years after the World Trade Organization came into existence, the anticipated gains for India from the trade liberalization process in agriculture are not to the desired extent. Perhaps nothing has awakened the country to this agrarian crisis more than the headline-making suicides by farmers. This chapter analyzes the shortcomings of the steps taken so far and offers a solution which will target the symptoms and not the causes.

## 5.2 Convergence To Optimise Packages For Farmers

The investment in the agriculture sector is by itself not sufficient to resolve the issues of providing sustainable employment to India's farmers, who comprise a major part of the population. There is an urgent need to optimise these investments in the farm sector, intensify the gains from cultivable land, improve the land and find alternate source of livelihood, if necessary.

Over a year after Prime Minister Manmohan Singh announced a Rs. 17,000-crore package for alleviating the agrarian crisis in 31 districts hit by farmer suicides in Maharashtra (most notably Vidarbha), Andhra Pradesh, Karnataka and Kerala, the expert group he set up on rural indebtedness called for “urgent corrections” in the implementation of the PM's package. It flagged the lack of coordination between different agencies implementing the schemes: credit component being managed by the Ministry of Finance; watershed and rainwater initiatives by the National Bank for Agriculture and Rural Development (NABARD) and the Departments of Rural Development, and Agriculture; irrigation by the Ministry of Water Resources; extension services and seeds by the Ministry of Agriculture; and livestock by the Departments of Animal Husbandry, Dairying and Fisheries. Each ministry works in isolation. Convergence of these ministries and their resources and inputs should have been inbuilt in the package. The report reiterated the argument that just floating a targeted scheme and financial resource is not a guarantee to resolving the issue. It is important to adopt the convergence approach between different agencies of the government and the private sector.

The Twelfth Plan too has flagged the issue. It calls upon every district to draw up a district plan that fully utilizes an initial resource envelope available from all existing schemes, state or central, including its own resources and resources at the district level from central schemes such as those of rural development. The district agricultural plan should include livestock and fishing and be integrated with minor irrigation projects, rural development works and with other schemes for water harvesting and conservation. The planning process should be objective-based and outcome-oriented keeping in view the sustainable management of natural resources and technological possibilities in each agro-climatic region.

Whatever action has been taken so far towards convergence is incomplete. For example, horizontal linkages between agencies have not been identified and each of them is again emerging as a watertight compartment. The last functionary at the grassroots level needs crystal clear instructions on convergence to optimise development initiatives. But schemes with similar objectives are not yet merged and the different schemes of different agencies have their own set of instructions, making convergence a challenge.

Unfortunately, at the state level the strategy towards agriculture does not cover microlevel planning. Often the broad themes that guide the central sector and the Centrally Sponsored Schemes are reflected in the states' agricultural plans. In many cases these are only little more than each state's share of CSS whose guidelines are centrally determined and whose release is a

problem. Some states are guided more by the schemes of the centre than the local needs for agriculture in the state. Each state must focus on the issues suitable to not just its land and climate types but also its social ethos.

Moreover, since central funds flow through different channels and to different levels, district plans are no more than a collection of proposals to different central departments. Since each central department clears proposals on its own priorities, the resulting state and district plans do not always offer region-specific solutions or have a unified focus. The district plan is often just an accumulation of plans of various agencies with no detailing of an inter-related sequence of execution of activities. Apart from the 48 schemes emanating from the Agriculture Department, there are schemes of other ministries and departments concerned with microcredit financing; major, minor and micro irrigation; wasteland development and forest area projects. Things are somewhat better where the state component of the total plan expenditure on agriculture is high, but this is getting rarer.

One major new central intervention in the agriculture sector is the Rashtriya Krishi Vikas Yojana, with an outlay of Rs. 25,000 crore over the Eleventh Five Year Plan and continued in the Twelfth Plan. The scheme for Additional Central Assistance to the states offers incentives to states to increase public investment in agriculture and allied sectors. A state will be entitled to RKVY funds only if it maintains or increases its Plan expenditure for agriculture and allied sectors. The other objectives of RKVY are: to provide flexibility and autonomy to the states in planning and executing programmes for agriculture; ensure the preparation of agriculture plans for the districts and states; achieve the goal of reducing the yield gaps in important crops; maximize returns to the farmers; and to address the agriculture and allied sectors in an integrated manner. One of the basic features of this scheme is that it “encourages convergence with other programmes” and integration of “agriculture and allied sectors comprehensively.”

However, it is important that the integration and convergence should not remain restricted to schemes of the Agriculture Department alone but should also extend to interventions of other departments such as land development, rural development, irrigation and credit schemes.

The basic objective of agriculture is to optimise the output from available land, keeping track of environmental concerns and giving maximum benefits to the farmers. A systematic approach to the thrust activity for agriculture needs to converge several components when making a sustainable plan for the next 10 to 15 years.

Convergence is needed between the specialized units in the Department of Agriculture; the Agriculture, Forest and Wasteland Development Board; micro-finance institutions like the National Credit Fund for Women or the Rashtriya Mahila Kosh, banks and the private sector; government nurseries and private providers of seeds and fertilizers; suppliers of agriculture instruments, sprinklers and drip irrigation instruments; subsidy schemes in this area; and schemes for the empowerment of women in agriculture. All these agencies and schemes will have their specific criteria, focus, priorities and norms even when the objective is the same. Thus the challenge is to harmonize all these and evolve a system to bring in convergence between

these inputs and have an integrated plan with both horizontal and vertical linkages. The need for monitoring cannot be undervalued as an essential part of resource management. The monitoring has to ensure that the resources are not just converged but utilized as per seasonality.

Given below are the various components that comprise the thrust activities for agriculture, and the resource convergence strategy.

**Land:** The first step is to map the cultivable and the potentially cultivable land in the district and list the present agriculture practices. The listing should include land under cultivation (crop-wise)/ barren land/ land under forest/ actual coverage. This can be completed within 15 days as the statistics are already available with the district's statistical officer, planning officer and the deputy director for agriculture. The Windows-based mapping tool, Gram Drishti, can be valuable for this exercise as it enables the user to translate any information available in Excel sheets into a special display. Where land records are not computerized, the consolidated village-wise information covering details of land, crop sown, source of irrigation, and other factors can be easily fed into an Excel sheet in a decentralized manner so that it is then available for informed and systematic decision-making. This activity needs convergence between the Departments of Land Records and Agriculture.

**Land for landless:** Several efforts to distribute ceiling surplus land, land under bhoodan (land voluntarily given by wealthy landowners to the landless) and cultivable wasteland to the landless have failed in their objective. The beneficiary leaves the land and goes back to working as an agriculture labourer or sells off the land or it gets occupied by the previous landowner or people with clout.

The reason for this failure is lack of convergence. The activity of allotting land was seemingly considered an end in itself. It is essential to converge this action with training the new landowner, land improvement activities, and handholding for at least four to five crop cycles by giving them a mini-kit of inputs and establishing market contacts. Only then will it lead to sustainable livelihood for the beneficiary. This requires convergence between revenue agencies, agriculture extension agencies, credit agencies, coordination with other poverty alleviation and development schemes and also marketing. The state governments have taken some initiatives to develop software (such as Gram Drishti, developed by IIT Mumbai), which can help the planners



and implementers of this activity find the relevant schemes available for each component and successfully converge them for execution.

**Land shaping:** The land needs to be shaped and treated under a scientific plan to ensure that there is no waterlogging and there is optimum utilization of available water. This should be part of the watershed activity as each land comes under a watershed project. The fund availability should not be restricted to that available for the watershed project alone but dovetailed with employment schemes. The individual can work on his/her own land and get wages for the work under employment schemes. Watershed itself needs convergence as it is handled by different agencies, such as the Ministry of Rural Development and institutions dealing with wasteland development, agriculture, and soil conservation. Employment guarantee schemes are currently part of infrastructure development as labour-intensive asset-building exercises. Land development too not only provides the beneficiary immediate employment but also develops his/her land and thus ensures a source of increased income for the future.

Under the National Rural Employment Guarantee Programme, once an individual registers in the panchayat indicating his/her readiness to take on unskilled work, it is mandatory to provide employment within five kilometres within 15 days. The best employment for a person with land can be in his/her own land or own watershed. This approach, executed in a systematic manner, not only ensures that the beneficiaries get wages but also enables them to develop their own assets, thus triggering further sources of employment. These similar schemes of Agriculture department can also be converged for optimisation of efforts.

**Soil conservation:** It is necessary to focus on soil conservation measures both for environmental concerns and long-term sustainability. Unfortunately, there are few experts on soil conservation at the grass-root level, where soil conservation measures are seen in the narrow sense of just building structures. The result is wasteful and unproductive resource spending. A systematic convergent plan drawn and executed under the technical supervision of an expert will optimise the outcome. The limited local expertise available should be pooled and used by different agencies. This is feasible if the plan is drawn not independently for each agency but by adopting the convergence model.

**Cropping pattern:** After the Green Revolution no systematic efforts were made by research agencies and the extension staff to educate and inform farmers about the crops most suitable for a specific kind of soil and land. That would have been the right time to incorporate the concept of an Agriculture Doctor who analyzes soil type, the location of the land, its slope, climatic conditions and similar factors and then recommends the right crop and the cropping pattern. This would have optimised the effects of the Green Revolution. Instead, this kind of decision was left to the farmers who either blindly followed what others around them were doing or got lured by the economics advocated by seed manufacturing agencies or succumbed to the market forces without any systematic analysis. This is the main reason of heavy indebtedness among farmers. The Resource Convergence Mantra Model gives a platform for initiating such a process either in the government sector or by private-public partnership. The Agriculture Doctor prescribes what



is best suited and then the components can be tapped by converging the schemes to ensure horizontal linkages, holistic planning and, most important, optimum use of the resources available for the best suitable and sustainable outcomes.

**Combination with allied activities:** Resource convergence facilitates systematic mixed farming in terms of combining crops with poultry, piggery and fisheries, depending on the land and other factors. The Northeast pattern of combining piggeries in the basement of a house on stilts and horticulture requires careful planning and complete information about the gestation period. For example, while growing fruits with a long gestation period, farmers should be advised to also grow intermediate crops. Thus a farmer who introduces an orange crop, which bears fruits in four to seven years, should additionally plant, say, coriander in year one and papaya the next and so on...till the orange starts fruiting. This will ensure him/her a regular income in the intermediate period as well. But planning has to be specific for each land holding. At the execution level it should not be just statistics but it should be planning by name and face to ensure sustainable outputs and surplus income to every farmer.

**Training of farmers:** Proper training of the farmers has to be a part of any initiatives or new methods introduced. The extension staff should take the farmer into confidence before either introducing a new crop or a better practice and follow that up with complete information, orientation and training.

I would like to illustrate this with the excellent work done by the village extension officer in the District of Raipur when I was a probationer there in 1983. Thanks to his initiatives and efforts, the village had the second highest productivity of paddy per acre in the country. He started off by first targeting farmers with large land holdings, introducing them to better seeds, agriculture practices and inputs. The following year he took the seeds from the first lot of farmers and gave them to the others, thus making the whole village a model for best agricultural practices for paddy cultivation.

Such a systematic approach needs to be monitored and encouraged. The training, which can be done on demonstration plots, must also include confidence building and should empower the farmers to take decisions on the play of market forces and commercial advocacy targeted at them for a particular kind of agriculture practice or specific seeds, chemical fertilizers, oil seeds, pulses and other products. They should also be able to access targeted schemes.

There are several agriculture extension schemes such as Krishak Mitra Yojana and Rashtriya Krishi Vistar Pariyojana, run by the Ministries of Agriculture and Rural Development, which have provisions for training SHGs (farmers' SHGs can use this fund). The Department of Horticulture has demonstrations for best practices in growing specified crops. There is also training by lending institutions and by private manufacturers of products. Some training programmes include inter-phase workshops with the experts using modern means of communication and media at the Krishi Vigyan Kendra.



**Availability of good quality seed/ saplings:** There is an urgent need for new high quality seeds which are resistant to diseases and give the desired yields in several crops, especially soya bean (Madhya Pradesh) and cotton (Maharashtra). The KVKs and the Indian Council of Agricultural Research should not only address these specific needs but also target their research observations to the concerned farmers. The ongoing debate on genetic seeds needs to be explained to the farmers. In fact, it should be made mandatory for selling agencies to declare the pros and cons of their products and for seed manufactures to guarantee insurance in case of failure so that there is some level of accountability.

The seed production programme need not be funded just from resources of the Agriculture Department but also from employment-generation schemes of other departments of the government and private sector since all these schemes generate employment. These include Integrated Pest Management (IPT) demonstrations, targeted schemes for better seeds in pulses and maize, distribution of mini-kits for spices and floriculture seeds, Annapoorna Yojana to enable exchange of seeds (exchange low-yielding seeds for better variety seeds) for SC/ST farmers, and horticulture top working for ber (Indian berry or plum) as the budding of ber ensures that the next crop will be of a very high yield and quality.

Similarly when there is limited funding for a scheme for a specific crop or component (grafting, budding, top dressing) gaps can be filled by dovetailing it with supplementary and complementary schemes and tapping other resources. Most executing agencies don't do this as they are caught in compartmentalized mindsets. The RCMM guards against this by linking each thrust activity with schemes that supplement and complement the objective. This utilization of optimal inputs ensures an increase in productivity.

**Irrigation:** Irrigation accounts for, by far, the largest part of the total investment in the agricultural sector. However, the intensively irrigated crop production regions that currently hold the key to the country's food security are experiencing technology fatigue and are under increasing environmental stress. There is also the problem of major investments not yielding optimum results because of inefficient or insufficient support structures or inputs. The answer lies in dovetailing major and minor irrigation projects. For example, there are dams which cannot function because no water courses are made. They can be dovetailed to the National Rural Employment Guarantee Programme. Other activities and programmes that can be converged are: the construction of new tanks or deepening of existing water tanks; small and minor irrigation schemes; making provisions for protection from flooding; micromanagement plan; watershed; and water conservation. The thrust activity of irrigation needs to be planned in a holistic manner, bringing all these components together.

The next step is optimum utilization of water by encouraging the use of sprinklers, drip irrigation, plastics for horticulture water conservation and subsidy for instruments for plant protection. Thus irrigation is not just an issue of one department but requires dovetailing with employment-generation schemes, proper land shaping, planning, credit for drip/well/sprinklers/lift irrigation,

and grants and loans from special targeted schemes for SC/ST/Other Backward Castes (OBC) and women. The RCMM advocates and incorporates all the above.

**Agriculture implements:** These include sprayers, hand sprayers, machine sprayers, harvesters and even simple instruments for top working for fruit trees and floriculture. These instruments can be given on credit, through grants, as part of mini-kits or through direct purchase or hire. Often the distribution of these implements is taken in isolation, resulting in its non-availability for some needy farmers. Convergence links it with the identified thrust activity so that appropriate implements in sufficient quantity are available and there is no wasteful expenditure.

**Fertilizers:** The government gave a subsidy on fertilizers to manufacturers in the hope that the benefit would ultimately be passed on to the poor farmers. However, that has not happened to the extent expected. It is commonly felt that this subsidy has benefited the manufacturers more than the farmers. The book adjustments make it appear like a relief to the farmer but this scheme does not improve his immediate income levels, increase productivity, nor amount to a complete waiver of the loan – it just means some relief from the accrued interest and postponement of the installments to be paid.

It is important that any activity directed relating to fertilizer subsidy has an individual rather than general approach. The correct dose of fertilizer to be used has to be individualistic (land-specific) – this ensures that no farmer is burdened with more fertilizer than he needs, thus saving him from unnecessary indebtedness. The extension staff should be Agriculture Doctors (using the green cross to help farmers identify them) who can prescribe to individual farmers the right dose of fertilizers, and also the cropping pattern to rejuvenate the micronutrients in the soil in a natural way. For example, leguminous planting after wheat works as the best rotation pattern. There is a trend towards organic farming and farmers should be informed about its benefits, essentials and other details.

**Pesticide:** With control of pests being the objective, activities target both the issue of subsidies in pesticide control and also propagation of organic pesticides. The RCMM highlights the role of the Agriculture Doctor in recommending the kind of pesticide (natural or chemical), the amount to be used and the timing. RCMM lists the converging components.

**Harvesting:** RCMM guides farmers to a holistic approach to harvesting and towards using appropriate technology. Systematic convergence can help them minimize costs (by linking them with appropriate credit schemes) and even give them an additional source of earning if they operate through SHGs and cooperatives. If they are made part of a labour cooperative, they can earn for their labour and those with sophisticated instruments can add value to their labour and thus increase their earnings.

**Storage:** Activities and funds of several ministries and other stakeholders can be converged to ensure good storage facilities. These include the Ministry of Rural Development's infrastructure schemes, Ministry of Food and Civil Supplies Warehousing Scheme, public-private partnerships, funds of agriculture mandis (autonomous bodies for agriculture marketing), the Horticulture

Board's subsidy schemes for cold storage, and direct funding by banks for temporary and long-term storage facilities.

**Marketing:** The first need is to converge schemes to educate farmers about their rights in terms of setting prices and empowering them for collective informed negotiations with the buyers. The thrust activity of increase in production and crop selection has to include the component of marketing and an investment in building the capacity of farmers to market effectively. They should be exposed to all aspects of this operation (such as the possibility of buy-back arrangements with the private sector). Farmers should have established linkages with wholesale mandis, corporate farming, cold storages, private sector, processing plants and retail outlets.

**Credit:** Loans are available to farmers through several institutions and programmes, such as cooperative banks, lead bank district credit plan, kisan credit cards (introduced by GOI to provide affordable credit to farmers), Primary Agriculture Credit Societies (PACS), Large Area Multipurpose Cooperative Societies (LAMPS) for SC/ST farmers, and credit for land development. However, there is a need to rationalize their borrowing, both in terms of the extent of finance required and the cost of that loan. RCMM guides them on both, ensuring a better repayment percentage by facilitating linkages that ensure optimum utilization of the money at the least cost. The credit gets supplemented by forward and backward linkages automatically and thus ensures fruitful usage of the credit given.

There is also a need to focus more on the root of the problem and the attitude to loans by empowering them to take decisions that are beneficial to them and have some relation to the size and potential of their land holding. Misguided by the lure of cash crops, many of them indulge in heavy borrowing. They have no belief in or understanding of the banking system and depend on money lenders. There is a need to converge efforts to increase productivity, educate them in the advantages of the banking system and create a more flexi-lending system with low interest rates.

**Finance planning:** The cause of farmers' suicides in most cases has been poor finance management rather than crop failure. It is therefore as essential to educate farmers in finance planning as in agriculture technology. The training to farmers is currently done in bits and pieces under various schemes of the government. The convergence module on finance planning will empower farmers to plan their finances – and will facilitate the process of doing so.

**Alternatives after calamities:** Farmers need to be educated about crop insurance and their own insurance. Given the high vulnerability of the Indian farmer to the vagaries of nature, it is essential to have in place a plan of action after calamities, including insurance cover for the farmers. However, insurance policies need to be aligned to ground realities, otherwise, like the National Crop Insurance scheme, they will be non-starters. This scheme uses the tehsil as the unit - it is based on the area approach, with a taluk/tehsil taken to be the area. Indemnities payable to farmers in the area are assessed on the basis of the average yield for the area; the variations in the yield within the area are neglected. This method is considered unsatisfactory.

To be effective, insurance schemes in this sector have to be more localized and even individualized. Recommendations for improved schemes have reduced the unit area to panchayat level and have brought localized calamities also into the purview of coverage. Thus they have defined areas for notified crops for widespread calamities, whereas the insurance provisions are on an individual basis for localized calamities such as hailstorm, landslide, cyclone and flood.

The Tsumani relief package is a typical illustration of the problems referred to above. The farmers in the affected region were given seeds which would not give a suitable yield in the soil which had become saline as an aftermath of the 2004 Tsunami that struck the eastern coast of India. In fact, the compensation package (apart from giving the right kind of seeds for saline soil) should have factored in low early returns and given seeds for three crops - till the soil became normal. Thus the issue of compensation of crop has to be more technology-based than a revenue model. It also has to be rights-based and not given as a charity. After any calamity, it is important to salvage the crop, suggest alternatives and provide a bridge in terms of compensation. Converging welfare with the effective technological inputs ensures a cushion in case of calamities. Thus necessary amendments are required in the relief manuals.

The other relevant insurance schemes include Janashree to ensure higher education to children of farmers; life insurance schemes of the private sector; group insurance; and insurance for small and marginal farmers. Then there are the federations (such as those of fisheries and dairy farmers) which have welfare measures for the family of the deceased. Schemes like Janashree encourage higher education among the wards. The premium for these schemes should be paid by SC/ST/OBC corporations.

**Biogas:** Holistic planning enables the farmer to make use of a byproduct of his farming as compost and as energy for cooking and, if possible, for electricity as well. It could trigger an environmental initiative like creating a smoke-less chulha (cooking stove). The convergent approach thus fills the gap for these products by constant education by different field workers and does not restrict it to a field visit by a functionary of the department or agency dealing with biogas.

**Forest dwellers:** The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, is a key piece of forest legislation focusing on the rights of forest dwelling communities to land and other resources, denied to them over decades as a result of the continuance of colonial forest laws in India. The Act has generated a lot of debate – and concern among conservationists. Flagging several cross-cutting issues related to Forest Rights, it call for convergent action among several set of stakeholders for realization of the rights of tribals and forest dwellers over forest and forest resources. However, this document will limit itself to the issues related to sustainable income, displacement and rehabilitation of tribals.

Despite forest produce being a multimillion rupee trade, there are few mechanisms for using it to generate sustainable livelihood opportunities for the tribal population. This in itself can be a thrust activity to list land- and forest-based produce and its collection, growth, marketing, value

addition etc. There is ample scope for convergence to achieve the outcome of giving the forest dwellers an income that can move from sustainable to surplus. The tendu patta (leaf used for making beedis or thin Indian cigarettes) trade in Madhya Pradesh is an excellent illustration of linkage between the collectors of leaves and professional marketing practices

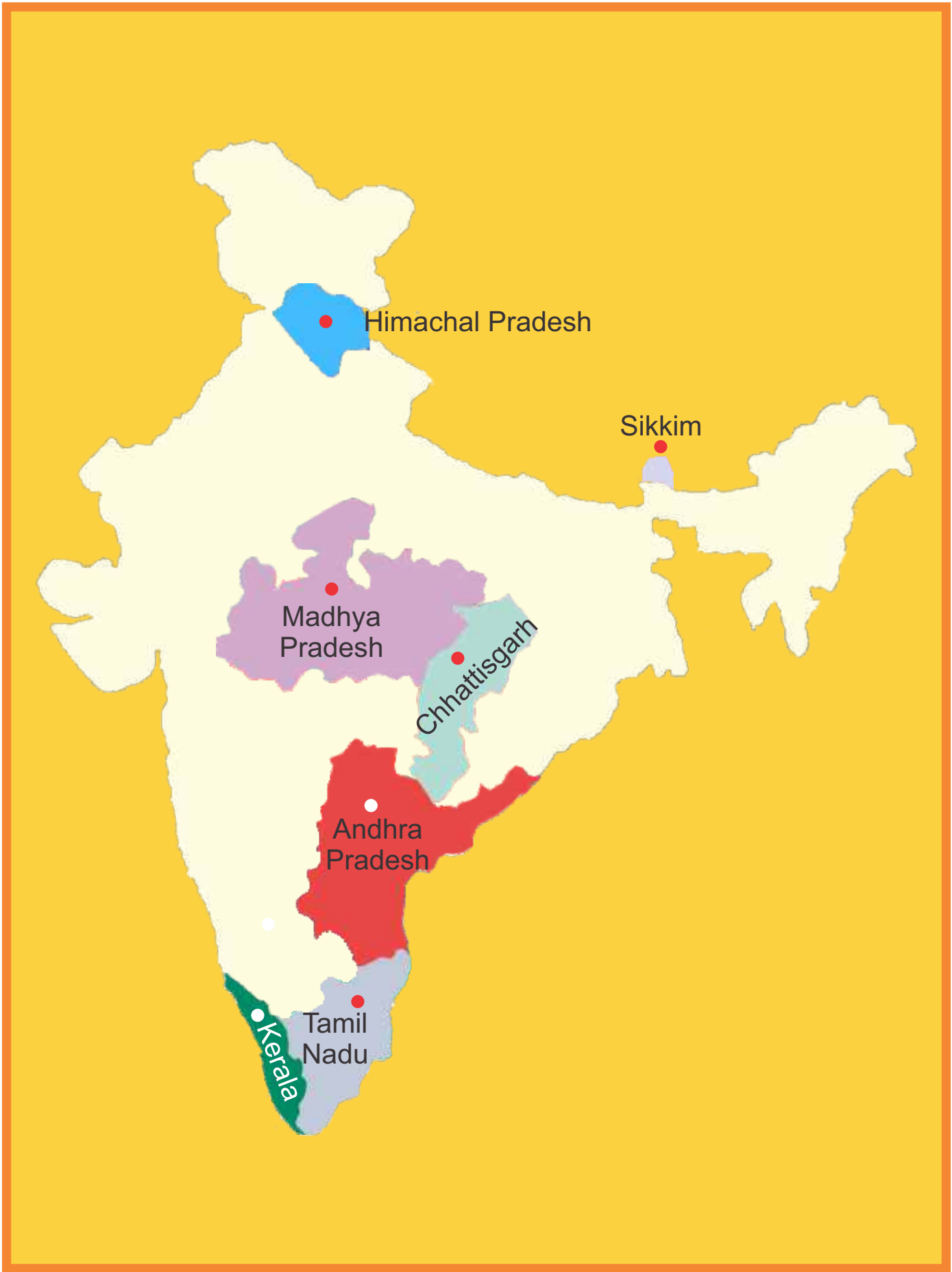
### 5.3 Conclusion

There are countless schemes for all the above elements but little information is available on the impact of schemes at the critical cutting edge level. There is a need for effective outcome-oriented monitoring. Most of these schemes are universal and do not take into account specifics. Schemes are often lost in the maze of scores of schemes; many lie unutilized, their objective forgotten, even though the scheme remains. An objective analysis shows that only 12 percent of the schemes are utilized. Thus after a calamity, waiver of interest and giving a fresh loan is easier said than done; watershed development has become just a formality; major irrigation schemes have been accorded low priority; rainwater harvesting is done more as a demonstration than a regular practice. Extension services, which have a pivotal role to play, have unfortunately been ignored. Respect for the last functionary needs to be regained to make these schemes work for the actual targeted beneficiaries.

Part of the 59th Round of the National Sample Survey Organization, carried out in 2003, was the Situation Assessment Survey (SAS) of Farmers. The results of the SAS survey were compiled in five valuable reports: Indebtedness of Farmers; Some Aspects of Farming; Access to Modern Technology; Household Consumption Expenditure for Farmers; and Income, Expenditure and Productive Assets of Farmer Households.

Dr. M. S. Swaminathan (known in India as one of the architects of the Green Revolution; described by the United Nations Environment Program as the Father of Economic Ecology) has also authored a five-volume report with recommendations for rejuvenating Indian agriculture. The National Development Council (NDC) too has prepared its diagnosis and prescriptions. There have been a number of committees on financial inclusion. But all these recommendations are being addressed in bits and pieces. If they are followed in a comprehensive, consistent manner, agriculture will emerge as the driving force to push the country's growth rate even higher.

The issue today is not one of lack of laws or financial and other resources, or even an appropriate policy – it is simply one of poor management. Thus, there is still a gap in clarity about the concept of incorporating convergence in programme designs as it cuts across many ministries. The Ministry of Agriculture itself has a plethora of schemes and there are suggestions to merge them in the Twelfth Plan period. Optimal use of land to enhance productivity continues to be a major challenge as holdings are becoming fragmented due to large family size.





# **Chapter 6**

## **State and District Convergence Initiatives: Case Studies of Six States**

- 
- ◆ Andhra Pradesh
  - ◆ Chhattisgarh
  - ◆ Himachal Pradesh
  - ◆ Kerala
  - ◆ Madhya Pradesh
  - ◆ Sikkim
  - ◆ Tamil Nadu

# State and District Convergence Initiatives: Case Studies of Six States

State governments and districts across the country have taken initiatives to issue guidelines and directions and also work out execution plans using the concept of convergence for maximizing the impact of programmes and bringing about a qualitative change.

## 6.1 Need for Clarity of Directions

**6.1.1 Programme goals and implementation in isolation:** Even though all the guidelines stipulate inter-programme coordination and convergence, such inter-departmental consultation is a rare phenomenon. There is reluctance among the sectoral departments to commit funds for projects emanating from other plans. There is a fear of losing control over 'their' resources. This is seen not only among officials but also non-officials. There are misunderstandings that need to be cleared. Consensus at the state level among the related departments is the initial step which needs to be passed on to their respective departments at the district level. In the absence of institutional platforms for convergence, departmental functionaries are raising questions about how to monitor that the planned convergence does take place. This is especially challenging when the resources may be under the control of agencies outside the fold of the main programme seeking convergence.

There is also a feeling that convergence at the state level through the State Convergence Plan is more feasible than at district or lower levels. On the other hand, there is a school of thought that many convergence efforts pertaining to inter-department cooperation may not be amenable to gram panchayat level convergence. It is necessary work out a blend of approaches.

**6.1.2 Empowered authority:** To ensure inter-departmental coordination and resource pooling and facilitate convergence at the district level (as the line departments are under different lines of command and control), district authorities should be notified and given a mandate and the required authority for accomplishing convergence.

**6.1.3 Differences in norms of similar type of benefits:** There are differences in norms of subsidy/unit cost and accounting procedures that bring in conflicts and complexities in the process of planning for convergence. There is a need for harmonizing guidelines for convergence. However, convergence itself can streamline such dichotomy in its wake. A few are listed below:

- There are competing demands for funds from other departments (in convergence mode) that are starved of funds without any reciprocal dovetailing process/

arrangements. In certain cases, the budgetary allocation under the state plan has been diverted for some other purposes.

- Double recording of works is a major problem in convergence. At present there is no mechanism to cross-check the records of various departments/agencies.
- Sometimes it is very difficult to get the information on availability of funds. The committed fund flow under various sectors is either not known or there is an unwillingness to provide details without which the convergence exercise may not be feasible.

## 6.2 Initiatives Recommended to State Governments

In order to achieve convergence in the implementation of development programmes, experts recommend that state governments adopt the following measures:

**Change in guidelines:** The ministries concerned should identify the areas of convergence and bring about appropriate amendments to guidelines and circulars.

**Flexibility:** A certain amount of flexibility may be needed for convergence to work and this has to be approved by the district-level committee or authority.

**PRIs as centre point:** The government recently issued guidelines making the Panchayat Raj Institutions as the focal point for the implementation of the Sakshara Bharat adult education programme. In the long run, all the ministries should use this type of well-established institutional platform to achieve convergence. Thus, the administrative approval and accounting software can be initiated at the level of the panchayat to develop uniformity and avoid double booking.

**Integrated and comprehensive training:** The guidelines of different ministries have provision for organizing training programmes for their functionaries. This compartmentalized system of training does not recognize the vital link between different programmes. Hence the training should be designed in such a way that the functionaries equipped with the necessary skills to achieve convergence in programme implementation can be mobilized by related departments. The training funds of different programmes need to be pooled for integrated and holistic training.

**Accounting system and recording of works:** Appropriate monitoring mechanisms should be put in place to avoid double recording of the same work in different programmes. The accounting system should also be modified accordingly.

## 6.3 Implementation Issues of Flagship Programmes and Steps Initiated by State Governments

### National Rural Employment Guarantee Scheme (MGNREGS)

#### Issues:

- There is a general feeling that the post office may not be the ideal institution to distribute wages. Several problems, including the possibility of corruption, have been observed.
- The nature of works being adopted appeared ad-hoc and without any sound consideration of their long-term value.
- There were complaints of delayed payments and procedural delays.
- There are implementation problems because of a clash with the agricultural season and no proper articulation of demand and supply.
- The linkage with line departments in implementation of the projects is weak.
- There is no proper system for purchase of materials and procurement of services of skilled labour.

#### Suggestions for improvement:

- The development of the Sanchaya Post software for devolution of funds to the post office should be accelerated. Since 40 percent of the beneficiaries have their accounts in post offices, their role as financial institutions cannot be neglected. The government should expedite efforts to bring post offices into core banking mode.
- Instead of inducting a large number of officials, gram panchayats may be given more powers for execution and effective supervision in villages where they have not been given such powers.
- There is a need to expand permissible items of work and services to include housing, compost and soak pits, cleaning public places, care of the elderly chronically ill, and services that can be performed by barefoot extension workers. There should also be a focus on skill development for self employment and wage employment.

### Sarva Siksha Abhiyan

#### Issues:

- There is no linkage with district and grass-root level plans.
- Funds are distributed based on the available budget, not on the plan and so the plan is sometimes downsized abruptly without consulting the planning unit.
- Allied sectors are not taken into consideration while preparing the plan.

- There is no coordination between schemes of the School Education Department and the Project Directorate of SSA but a dual role has been given to the Divisional Education Officer at the divisional level.
- The monitoring mechanism is very ineffective as there are no consultants at the divisional and district level.

#### **Suggestions for improvement:**

School education schemes should be clubbed into three: primary (class one to five), high school (class 5 to 10) and post-class 10 (vocational and traditional education).

#### **Mid Day Meal Scheme**

MDM is the world's largest school lunch programme covering about 120 million children.

#### **Issues:**

- The absence of a base line survey has resulted in the adoption of incorrect enrolment statistics by the Programme Approval Board for sanction of the annual work plan and budget. As a consequence there is excess or insufficient allocation of foodgrains and financial assistance from the government.
- In the absence of regular inspection of the schools by the state monitoring committees "the quality of the meals in terms of hygiene, caloric content, micronutrient and supplements suffered."
- The monitoring mechanisms envisaged in the scheme guidelines are yet to be established. The nodal department had also not carried out any impact assessment to ascertain the reasons for non-achievement of the primary objectives of the scheme and to identify remedial measures that could be adopted to improve implementation.
- Mismatch between enrolment, attendance, children availing MDMS, utilization of cooking assistance and lifting of foodgrains.
- Lifting and reaching foodgrains to schools in difficult areas is a recurring issue.
- Inadequate provisions for appointment of cooks results in teachers/students being engaged in cooking and serving in some states.
- There is an inadequacy of quality control of food due to insufficient cooking grant per head.
- There is little contribution from the community to strengthen the programme.
- The monitoring and management structure in many states is inadequate.

#### **Suggestions for improvement:**

- The ministry should ensure that the annual work plans and budgets of states are examined by the Programme Approval Board, especially with reference to enrolment and average daily attendance data which is crucial for allotment of foodgrains and financial assistance by the centre.



- The nodal department should undertake an impact assessment to review the implementation of the scheme and identify causes for lack of improvement in enrolment, attendance and retention levels, so as to enable corrective action to achieve the objectives of the scheme.

### **Prime Minister's Gram Sadak Yojana**

#### **Issues:**

- There are problems in forest clearance for laying roads.
- The state governments should provide a budget for maintenance of the road constructed under PMGSY for a period of five years on a continuous basis. Even though there is a provision for this in the state budget, there is no release of funds due to various reasons.
- There is no dedicated staff appointed exclusively for this project, as has been mandated by the guidelines.
- The online monitoring system needs to be strengthened.

#### **Suggestions for improvement:**

- A separate revolving fund should be created for repairs and maintenance of roads.
- Maintenance grants should be released to PRIs.
- There should not be any delay in release of money to a contractor who has completed his work.
- Local people should be engaged for construction of roads.

### **Drinking Water Supply**

#### **Issues:**

- There is no realistic identification of problem habitations.
- There is an incorrect prioritization of works and wasteful and unfruitful expenditure.
- This sector is marked by time and cost overrun and incomplete, delayed, non-functional and defunct projects.
- There are doubts about the quality of water and sustainability of resources.

#### **Suggestion for improvement:**

There should be a ground level approach to addressing the drinking water needs of the problem habitations – instead of pouring money into schemes to achieve numbers (coverage of problem habitation and number of works executed), disregarding the ground situation.

## 6.4 Case Studies: Convergence in Different Departments of State Governments

### 6.4.1 Government of Sikkim

The State Government of Sikkim launched the ambitious “Mission: Poverty Free Sikkim - 2013” on 22 September 2010 with a vision of eradicating the curse of poverty from the state. One of the important milestones in this journey towards freedom from poverty is quality housing for all.



The Chief Minister's Rural Housing Mission (CMRHM) to achieve the status of a “Kutcha House Free State – 2013” is a targeted scheme with the objective of assisting eligible rural households to convert their existing kutcha houses (made of material like hay or mud which cannot withstand harsh weather) to pucca (solid). In Sikkim due to the persistent efforts of the government, the problem of shelterless households has been solved and every household has a roof above its head. The objective of this scheme is to bring about a qualitative improvement in the housing status of the poor by providing them a housing grant.

Baseline surveys conducted by the Rural Management and Development Department in mid-2010 with the help of gram panchayats and blocks pegged the figure of households staying in kutcha houses at 6,000. A kutcha house has a roof made up of chitra, siru, tarpaulin or drum sheet. The project will be based on the IAY pattern with a model house design and will be implemented in all the rural areas of the state. The ceiling for conversion grants of an existing kutcha house to a pucca house will be fixed at Rs 3 .50 lakh per unit. The disbursements will be rapid to assist in swift completion of this project.

This grant will be released in four installments, subject to the house construction attaining pre-defined milestones. This will include material support of 54 GCI sheets. The beneficiary selection criteria will be a local household residing in a kutcha house as on 1 January 2011. The selection will be through a ward sabha (assembly) and gram sabha (village assembly), with final approval by a Block Rural House Construction Committee (BRHCC) constituted under the chairmanship of the local Member of the Legislative Assembly. The BRHCC will also supervise the construction of the house. Wherever the beneficiary is found incapable of constructing the house, the BRHCC will take up the implementation as a special case.

Monitoring of the implementation of this scheme will be done through mandatory social audits which will be conducted annually. IEC and ICT (Information and Communication Technology) will be widely used to create awareness, capacity building and efficient project management.

Electrification and water supply will be converged from ongoing government programmes. The target is to complete the construction of these approximately 6,000 houses in two years, and release the total budget of Rs. 211.20 crore over three years.

### **Convergence**

The Secretary, Government of Sikkim, Department of Rural Management and Development, issued a government order in May 2011 regarding convergence of CMRHM with MGNREGA.

Thus in light of the government order, CMRHM was dovetailed with Indra Awas Yojna and the electrification of the houses was done through the Rajiv Gandhi Gramin Vidyutikaran Yojana and water supply was provided through the National Rural Drinking Water Programme. The land development and protection work around the house sites was carried out under MGNREGA. The Forest Department provided timber at a subsidized rate and also issued a market order for extraction of timber from a person's own land holding.

For the sake of convergence of services, the list of activities, sector and department, was transferred to the zilas (administrative district) and gram panchayats. This helped provide clarity with regard to the distribution of functions between the state government, the zila and the gram panchayats. Line department functionaries have been posted to the zila and block administrative centres, though not always and in all places in sufficient number.

At the gram panchayat level two planning exercises took place: preparation of five year plans and annual plans. The Eleventh Five Year Plan (2007- 2012) was prepared by the gram panchayats in 2006. For each fiscal year, annual plans are prepared in the gram panchayat unit, and discussed and prioritized in wards and gram sabhas. To strengthen the capacities for decentralized grassroots planning, the Government of Sikkim sought the aid of the Indo-Swiss Project in Sikkim and the Swiss Agency for Development and Cooperation in New Delhi, for supporting the Rural Management and Development Department in preparing guidelines for a village development action plan.

### **6.4.2 Government of Kerala**

The process of convergence took off in Kerala well before the central guidelines were issued. State-level convergence meetings were conducted with heads of departments, for discussing the possibilities and need for convergence of water resource schemes, forest works and agriculture schemes with MGNREGS. The state government has issued a framework for convergence of these sectors in the form of guidelines, which clearly spell out the roles and responsibilities of various functionaries of MGNREGS and other departments.

The following steps have been taken by various government departments to sustain convergence.

For getting technical support, town planning offices (with district planning and statistical officers) are created as a technical secretariat; people's participation is improved through various institutions from gram sabha up to districts; a multistage decentralized plan formulation

process is adopted at different stages - environment setting, situation analysis, need identification, vision setting, plan formulation, projectization, plan testing, plan approval and plan implementation. For the convergence of services, the state operates mainly through various institutions and instruments such as the gram sabha, neighbourhood groups, resource persons, development seminars, and a taskforce (working groups comprising members of the gram panchayat, block panchayat and district panchayat). Multiple committees within the gram panchayat and the State Election Commission have a prime function to perform in this exercise.

The first activity is the constitution of working groups for important development sectors in local governments. The local governments have the freedom to form as many working groups as required in addition to the mandatory ones. Each group has an elected member of the local government as its chairperson. A leading expert in the sector, who is nominated by the local government, has to function as the vice-chairman. The working group has the power to co-opt more members to its fold and to set up task forces to perform any task devolved on to it.

Identification of the needs of the people is the next step in the process. This involves a wide range of consultations and consolidation of ideas. It starts with holding a meeting of stakeholders to identify their needs.

Before holding the meetings of the gram or ward sabhas, the media is used to disseminate information and create an enabling environment. Six facilitators - three women nominated by the Area Development Society of Kudumbashree (the women-oriented, community-based State Poverty Eradication Mission of the Government of Kerala) and one woman and two men identified unanimously by the agency (Local Government Good Practices of Decentralized District Planning in Selected States) - are trained for and involved in each sabha.

The agenda for discussion in the sabha is a semi-structured questionnaire covering key development issues within the local government as a whole. After the plenary session the participants are divided into break-out groups based on development sectors for deeper discussions. They assemble again in the summing up session to consolidate the discussions in all the break-out groups. The sabhas list out development priorities ranked in the descending order of preference. In the case of infrastructure like roads, buildings, irrigation schemes, water supply schemes, and electrification, they put forth norms for prioritization of beneficiaries for the whole village panchayat, municipality and corporation. They also prepare suggestions on maintenance of assets separately.

In the case of block panchayats, gram sabha-like sessions are held with all elected members of the village, block and district panchayats within their jurisdiction. In the case of district panchayats this exercise is limited to Standing Committee chairpersons of gram panchayats and elected members of block panchayats and the district panchayat. Every plan is based on a development vision derived after wide discussions and consultations.

The next step is the preparation of a two-part Vision and Development Report by a team consisting of officials and resource persons and based on the outputs from the working groups

and gram sabha meetings. The report is on the pattern of the City Development Plan under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The District Planning Committee prepares the Development Report and Vision Document for the whole district. The district panchayats do not have separate vision documents. The Development Report and Vision Document focuses on the development situation in the local government in respect of different sectors along with an overall assessment of development based on all data available locally and additional data collected as required specially for the document. The Anti-Poverty Sub-Plan, Governance Plan, Maintenance Plan and, wherever applicable, the Tribal Sub-Plan are separate documents with full details.

Seminars are held to evolve a consensus on development strategy and discuss the Draft Plan and Maintenance Plan. Participants include professionals, people from different walks of life and two representatives - one male and one female - nominated by each gram or ward sabha. The summary of the Development Report and Vision Document is circulated. The Development Seminars thus fine-tune the specific strategies to be followed and fix the priorities. Each local government has a key development theme for the plan as a whole or for each of the five years in relation to the broad themes for the district developed by the DPCs. The elected councils of local governments meet key members of the working groups and consider the suggestions and recommendations of the development seminar. As a result, the local government adopts suitable good practices of convergence and makes refinements in priorities, strategies and allocations.

The working groups then prepare detailed projects in the prescribed formats by limiting the estimated expenditure within the pre-determined allocation. The project proposals are submitted to a web-based support system to ensure standardization, easy approval and consolidation at the state level. Working groups are also responsible for proper technical assessment in matters like suitable type of irrigation projects, mix of measures in watershed management, source sustainability in water supply programmes, technological and managerial soundness in sanitation projects and other issues. The working groups give accurate assessments of cost as well as environmental implications of projects having such implications. The plan finalization is done by the local government.

The Technical Advisory Groups (TAGs) created at the district and block level scrutinize the plans. TAGs are constituted at the district level for block panchayats and district panchayats, at the block level for village panchayats and at the municipality or corporation level for municipalities and corporations. The TAG does not have any power to change the priority determined by a local government or to force a local government to take up a particular scheme or work. Any dispute regarding acceptance of a scheme at the block, municipality or corporation TAG is referred to the district TAG for a decision.

The TAG sub-groups go through every project in detail, visit sites as required and make suitable recommendations to the DPC. A checklist of different kinds of projects has been incorporated into an electronic process of appraisal. In case the TAG identifies any problem with local



government projects, it holds discussions with the local government's elected head and the implementing officer concerned and sorts out matters across the table. No plan is forwarded to the DPC without the required allocation for mandatory schemes. The appraisal of projects by the TAG is done meticulously to ensure the quality of projects. The district collectors can commence penal action against those TAG members who recommend projects without proper scrutiny.

The local governments put forward their plans in one lot to the TAG secretary, who does a quick preliminary scrutiny and then segregates the projects among different sub-groups of the TAG for detailed scrutiny. The TAG does not take more than 10 days for inspection of a local government plan.

The draft plan of the district panchayats and corporations is submitted to a state-level Technical Group after testing by the TAG, which presents a special report to the DPC on their general assessment of the quality of the projects along with suggestions for improving the quality of implementation.

The projects scrutinized by the TAG are considered in detail by the DPCs before taking a decision. The DPCs might go beyond ensuring that the guidelines are adhered to and also verify whether the plans match the priorities outlined in their Vision Documents as well as the district vision. The DPCs cannot give ad-hoc or conditional clearances. If they believe that modification of a local government plan is necessary, they hold discussions with key representatives of the local government, including the elected head. If there is a dispute that cannot be sorted out locally, the matter is referred to the Decentralization Coordination Committee at the state level.

A summary of the approved plan in an electronic form (containing details like allocation, implementing officer, physical targets, implementation charts) is given to the office of the DPC for approval. An official order containing those details is issued by the DPC for fund release by treasuries and for monitoring purposes.

As the above detailed narration reveals, the convergence of services and plan formulation in Kerala is a multi-stage process which has widened the avenues of people's participation. It has been widely acknowledged and recommended for replication.

### **Convergence under MGNREGS**

The convergence of MGNREGS with other programmes is a state-driven intervention in Kerala, which has 45 lakh unemployed people. According to the Economic Review Report 2012, Kerala at 9.9 percent, has the fourth highest unemployment rate among states. However, provision of employment under MGNREGA is a challenge to the administration, as it is in other states. Hence, the state administration has taken a decision to identify the manual works of line departments that fall under eight categories of MGNREGA. As the state has major irrigation projects and forest fringes, initially the work of these two departments was taken into consideration. Among the manual work identified was: desilting canals, digging elephant trenches and fish ponds, creation of fire lines and building development roads. Most of these are generally assigned to contractors but the state government, after discussions with the district collectors and



departmental heads, decided to engage MGNREGS workers. The line departments have restricted their regular tender procedures and involvement of contractors only to material-oriented works. All works that can be taken up manually are being proposed under MGNREGS.

Two other important issues in Kerala are agriculture productivity and eco-restoration. Almost 78 percent of the total land area of the state is under agriculture and human dwellings, and the remaining 22 percent is under forests and forest plantations. Hence, the agriculture department has included the following work for consideration under MGNREGS soil and water conservation, land development, horticulture, skill development, and farm machinery usage (through KVKs). The state has also created a fund towards eco-restoration of river banks.

The line departments identify the works to be taken under MGNREGS and put the list before the ward sabhas for discussion and incorporation in the gram panchayat MGNREGS plan. The gram panchayat has departmental officials who will prepare the technical estimations. For forest works the department of forests will prepare the technical estimations and submit them to the gram panchayat for getting necessary administrative sanctions from the District Planning Committee.

One major achievement of Kerala in the context of MGNREGS is the selection of mates (akin to peer leaders), who are now an integral and critical part of all work executed under the scheme. They are responsible for maintenance of muster rolls and the worksite diary at worksites. About 60,000 mates were selected from among the members of Area Development Societies (ADS) and were trained under MGNREGS. For all works executed under MGNREGS, the mates shall be selected from the trained group to manage worksite during work execution.

The convergence approach in the state has facilitated the protection of the rights and entitlements of MGNREGS workers.

The Government of Kerala selected Palakkad, Mallapuram and Trivandrum districts to take up convergence pilots with the Ministry of Water Resources. Mallapuram was identified for ICAR convergence. Wayanad is expected to take up pilot projects in collaboration with the Ministry of Environment and Forests (MoE&F).

As noted above, Kerala has decentralized the process of planning, implementation and monitoring. Identification of works is generally done by the local committees along with ward members and officials of the concerned departments and put before the gram sabha for approval. To make the process of planning, implementation and monitoring more effective, the state government has created the following bodies:

**District Level Technical Committees (DLTCs)** are formed at the district level for monitoring water resource schemes taken up under MGNREGS and to provide training. DLTC has a chairperson (nominated by the state government) and four experts - the principal agricultural officer, district planning officer, executive engineer (minor irrigation) and executive engineer (of the Kerala Water Authority). The convener of the group is the joint coordinator of the poverty alleviation units.

**Block Level Technical Advisory Group (BLTAG)** has been formed to provide technical assistance at the block level. The members of the group include the overseer (soil conservation), block panchayat assistant executive engineer and other experts.

**Gram Panchayat Level Technical Advisory Group** is an advisory group with 10 to 16 members, with the gram panchayat president as the chairman and the krishi officer as the convener. The other members include the village extension officer, the gram panchayat assistant engineer/overseer and the MGNREGS assistant engineer/overseer.

### **Convergence initiatives**

Kollam, an ancient and historic sea port city on the Arabian Sea coast, is today the headquarters of the revenue district of Kollam, which is known as the cashew capital of the world. The district has an area of 2,491 square kilometers, 70 gram panchayats, 11 block panchayats, three municipalities and the City Corporation of Kollam. MGNREGS was launched in the district in 2008-2009. Some of the projects in different villages of Kollam are summarized below.

### **Paathirikkal: A fine example of convergence**

A model for inter-sectoral convergence, Pathanapuram Gram Panchayat situated along the north-east border of Kollam district, is a high range area, traditionally known for paddy farming. But about a decade ago, acute shortage of farm labour and diminishing returns, made paddy cultivation an unattractive proposition. It is in this backdrop that the MGNREGS, as a part of the state's convergence initiative, was used as a campaign plank to revive paddy cultivation – with success.

In addition, a watershed master plan was prepared and water conservation measures like constructing ponds and canals and renovation of traditional ponds and streams were organized under the MGNREGS. Land holdings of small and marginal farmers were taken up for land development, irrigation and extension of paddy and vegetable cultivation.

The Pathirikkal farmlands are a watershed expanse in the Pathanapuram Panchayat having an area of 9.2754 square kilometers. An extent of 4,392 cents within this expanse is owned by 43 persons; 1,943 cents is marshy land while the remaining 2,349 cent is dry land. (In South India land is measured in cents: 1 acre = 100 cents = 4840 square yards; 1 cent = 48.4 square yards.) To develop the full area for agricultural purposes, the Pathanapuram gram panchayat drew up a participatory watershed master plan and carried out the following works (funds in paranthesis) with the involvement of farmers:

Canal development	:	Rs. 1,03,008
Bund development	:	Rs. 1,64,908
Desilting and de-weeding	:	Rs. 19,31,014.80
Percolation tank	:	Rs. 1,59,840
Tilling and ploughing	:	Rs. 81,543
Land smoothening	:	Rs. 19,415
Centripetal terracing	:	Rs. 52,345

Contour terracing	:	Rs. 4,27,657
Contour bunds	:	Rs. 2,45,934
Contour trenches	:	Rs. 1,30,266.25
Rainwater pits	:	Rs. 2,85,091
Ridge and furrow for pulses	:	Rs. 78,030
Ditch and furrow for vegetable farming and horticulture	:	Rs. 1,54,830
Irrigation tank	:	Rs. 6,00,000
Irrigation well	:	Rs. 3,75,000
Gravitation canal	:	Rs. 8,325
Live fencing	:	Rs. 16,350
Decentralized nurseries	:	Rs. 1,60,000
Total	:	Rs. 49,93,557.05

The fund sources for these projects come under two categories:

A) Land development: Project cost - Rs. 49,21,958; MGNREGS - Rs. 49,21,958.

B) Production enhancement: Project cost - Rs. 13,99,100; Plan Fund - Rs. 2,29,200; Agriculture Department - Rs. 64,000; and beneficiary contribution - Rs. 11,05,900.

Total amount of both categories: Rs. 63,21,058

Under MGNREGS, 20 acres of fallow land at Pathirikkal was made cultivable. In the first phase de-silting streams and de-weeding paddy fields were taken up. The budget details are:

(1) Renovation and development

of streams	:	Rs. 79,128
(2) Laying of ridges	:	Rs. 1,57,468
(3) De-weeding	:	Rs. 31,813
(4) Tilling and ploughing	:	Rs. 2,93,753
Total expenditure	:	Rs. 5,62,162.

In addition, the Agriculture Department distributed seeds, fertilizers and bonus to the farmers of the land.

This initiative has brought paddy cultivation back to Pathirikkal.

**Kummil: Reviving water bodies**

At Kummil gram panchayat MGNREGS's efforts demonstrated not just convergence but also the value of manual work and the dignity of labour through the endeavors of a group of women. MGNREGA makes it clear that while provision of employment is the most important feature of the programme, it has to result in the creation of productive assets which would enhance the livelihood security of households in rural areas. Kummil, the smallest gram panchayat of the

district, is blessed with a number of water bodies. However these natural resources have not been properly cared for. The canals and ponds were choked with an overgrowth of weeds and shrubs, thus bringing down their capacity.

MGNREGA chalked out an action plan to revive these water bodies through a convergence of services between the Panchayat Department and the Irrigation Department. The most significant aspect of this initiative was convincing the local women, who considered it below their status to engage in farm labour, to undertake the work. These women workers made valuable labour contributions for reviving the water bodies and making the fields cultivable again. Unemployed before this, they are now earning members of the society, which, in turn has served to enhance their economic, social and political status.

#### **Sooranad: Coir protection**

The Sooranad North gram panchayat is a land blessed with a lot of water resources for agriculture, especially paddy farming. The panchayat has vast expanses of paddy fields which are irrigated primarily by three streams. In fact, agricultural activities in the entire area are mostly dependent upon the Nediypadam stream (length: 1,600 metres), the Kizhakidaela stream (3,200 metres) and the Anayadithodu stream (1,150 metres). Often during the rains, the embankments cave in, filling up the course with water. The Panchayat Department took the initiative of innovatively using eco-friendly coir geo-textiles instead of rubble masonry for protecting the embankments. The MGNREGS project saw convergence between the Panchayat Department and the Department of Handlooms.

After laying geo-textile mats along the embankments, indigenous grass suitable for preventing soil erosion was planted through these mats. This ensures that the banks remain strong even after the geo-mats get degraded. This system had brought down the embankment protection cost by 30 percent and it is absolutely eco friendly. The use of coir geo-textile helped in allocating flowing some portion of MGNREGA funds, though indirectly, to the traditional coir sector.

#### **Nadukunnu: Convergence that changed the landscape**

The Nadukunnu ward of Melila gram panchayat is largely a drought-prone area whose farmers are caught in the vicious cycle of poverty. There are about 46 families here who are solely dependent on agriculture but do not have the financial capacity to meet the cost of irrigation and land development. The result was a consistently low yield from the farms. To solve this crisis, the government established convergence of services between the Departments of Land Development and Irrigation. Land development activities comprising rainwater harvesting pits, earthen bunds and centripetal bunding of coconut palms were taken up under MGNREGS. The work began on 14 April 2010 and was completed on 29 May 2010. Of the 46 families, 42 also worked on their fields for 35 days creating 1065 person days. Through this initiative, 750 rainwater harvesting pits, each of a length of 1 metre, width of 60 centimetres and depth of 50 centimetres, were dug. An earthen bund of 1500 meters was erected to prevent soil erosion. The uneven land was leveled.

All these interventions resulted in an increase in the productivity of the land. The rainwater harvesting pits mitigated the severity of the effects of a drought. The entire landholdings have now been rendered cultivable. Coconut palms have started yielding more. The programme was complemented with free fertilizer supply from Krishi Bhavan. This was all the result of the magic of convergence.

#### **6.4.3 Government of Chhattisgarh**

In Chhattisgarh, the state government had identified five old districts (Raipur, Rajnandgaon, Bastar, Surguja, Dantewada) and one new district (Kabirdham) for implementing convergence pilot projects for rural development with different departments. The converging schemes are from Ministry of Water Resources (MoWR), MGNREGS, ICAR and MoE&F.

Several meeting were held in the state to discuss and formulate the necessary instructions for adherence at different levels. The first initiative of convergence began in 2006 and was later fine-tuned with Gol guidelines in departments like horticulture, water resources (irrigation), forestry, agriculture, sericulture and rural engineer services. Presently, gram panchayats and janpad panchayat proposals are consolidated by the chief executive officer of the zila panchayat and then submitted to the zila panchayat for approval.

In the past the National Institute of Rural Development had conducted few successful and innovative projects, which are presented below as these have potential for wider replication.

##### **Self-reliance of Baiga tribes through sericulture**

The vision of this project, located in the region inhabited by Baigas, a Particularly Vulnerable Tribal Group (PVTG), is to make them self-reliant. As a part of the strategy, 10,000 tribals have been imparted training in livelihood security. For instance, in the Jhalmala gram panchayat of Kabirdham district, a sericulture unit has come up using the funds of MGNREGS, Sericulture Department and the Backward Regions Grant Fund. An approach road worth Rs.10.97 lakh has been leveled and laid with MGNREGS funds. The building for the sericulture unit, costing Rs. 17.63 lakh, was constructed using BRG funds. There is a stop dam (costing Rs.10.80 lakh) constructed nearby, which meets the water requirements of the plantations under MGNREGS.

##### **Plant nursery and vermicompost project**

In the same district, a plant nursery has been raised and is maintained, utilizing the resources of MGNREGS, the Forest Department and the Swarnajayanti Gram Swarojgar Yojana (SGSY). The cost of the water-bound macadam (WBM) approach road, land leveling and plantation was borne by MGNREGS. The Forest Department helped in raising a nursery worth of Rs. 31.20 lakh. It maintains the nursery and grows plant saplings to be distributed free for plantation. MGNREGS funds were also used for constructing vermicompost pits, which used the waste material generated by the nursery. This became the source for organic manure for the nursery. The pits have now been handed over to an SHG (Jai Narmade Swayam Sahayata Samooh) of the local community. Till date, five lakh plants, one lakh sagaun (teakwood), two lakh bamboo plants and two lakh mixed variety of plants have been distributed. Each vermicompost pit produces 400

quintal of compost and is sold at Rs.500 per quintal, resulting in a profit of Rs. 2 lakh to the SHG per year. This experience has been replicated in nearby gram panchayats also.

### **Ecotourism at Bastar Haat**

In Bastar, a wasteland has been transformed into a tourist spot called the Bastar Haat, using the funds of MGNREGS, RSVY, SGSY and the Twelfth Finance Commission. The regional KVK provided the technical expertise. The convergence planning achieved multiple goals such as maximization of returns from the investment, promotion of public private-community partnerships, sustainable development, meeting the unmet needs of the community and emergence of a tourist spot. The convergence saw a pooling of both human and capital resources, transfer of productive and eco-friendly technologies and value addition through provision of backward and forward linkages. Every department played its role successfully and the result is a very good picnic and tourist spot, which attracts people from far off places too.

The following factors were kept in mind before the work was executed: goal congruence of the stakeholders, local needs, identification of the right area, technical know-how and administrative guidance.

### **Agro-silvi-horticulture and soil conservation model**

Bastar was one of the districts selected for convergence pilots with different departments working for rural development. Converging MoWR schemes with MGNREGA, a model for uplands and vadis (homesteads) was developed, based on agro-horti-silvi-culture with a soil-water conservation model and intercropping. The project included the following steps:

- Soil and water conservation – continuous contour trench (SWC-CCT) and bunding to divide the fields into small pieces (10m width) and for collection of water in the percolation well at the field bottom
- Planting of fruit trees (mango, cashew, amla, lemon, litchi, guava)
- Adoption of indigenous micro-irrigation technique for fruit plants
- Planting of multipurpose trees on farm boundary for vegetative fencing, fodder, fuel and green manuring
- Intercropping of maize, cowpea and vegetables.

This model has evidently helped conserve 6.4 tonnes of soil per hectare, as against the loss of 8 tonnes of soil per hectare recorded from untreated land, as per the district-level soil data. This is a good example of works in the convergence mode with line departments and schemes.

### **Optimising lowlands and harvested water**

Another example of convergence initiatives taken by line departments with government schemes resulted in vegetable cultivation in lowlands and utilization of harvested water through a paddle-operated pump. Primarily a convergence of MoWR schemes with MGNREGA, the converging departments for this project include water resource, irrigation, forests, agriculture,



horticulture, sericulture and rural engineering services. The works in the convergence mode are proposed by gram panchayats, consolidated at the block level and submitted to the zila panchayat for approval.

The example given below is one of the few successful and innovative projects that has been recommended for wider application by NIRD.

A pond of 30 by 30 by 2.1 metres was dug for storing the harvested water. A paddle-operated low lift pump with a capacity to lift 3,000 to 4,000 liters per hour from a depth of 10 to 12 feet was provided to the beneficiaries. These pumps are user friendly and can be operated by a woman or even a child (above 14 yrs) for more than two-and-a-half hours a day. The outcome of the intervention can be seen by the fact that vegetable cultivation of cauliflower and cabbage was introduced in this area after the paddy season.

#### **Kartala's model for tribal families**

The state government's initiative of convergence for BPL tribal families in four villages of Kartala block in Bilaspur district has turned out to be a model programme worthy of replication. It started in 2010 with several rounds of discussions with these families in Badmaar, Koi, Champa and Chorbhatti villages to convince them to be a part of a agriculture-based convergence programme.

As part of the process of motivating them, they were taken to other blocks to show them villages and agricultural fields (vadis) where a convergence model had already been implemented and to meet and know the experiences of tribal BPL families there. These exercises had a positive impact and 108 families registered their name as beneficiaries. They formed nine beneficiary groups and 15 Self-Help Groups.

After further discussions with the families, the Departments of Forests and Rural Development decided to construct nurseries with the help of the beneficiaries' families (since the land is owned by the beneficiaries). Under the Vadi Development programme of the National Bank for Agriculture and Rural Development, fruit plants, seeds of local pulses, generator sets and irrigation pipes were distributed among all the families.

While pipes were purchased on 80 percent subsidy from the Department of Agriculture under the Shakambari scheme, potatoes were given by the Horticulture Department free of cost and the fencing of the land was done by the beneficiaries themselves. These families took advantage of the available technical guidance, resources and facilities and started cultivating vegetables, pulses and fruits, which they are selling in the market through a buy-back policy and getting good returns. The buy-back policy guaranteed them a market for their produce during the initial stage and ensured a minimum price. As the programme becomes sustainable, market forces will come into play.

Mainly two types of intercropping have been done in these four villages under the convergence model. One is through the vadi approach (horticulture for commercial use), while the other is through the kitchen garden, with the convergence of the Horticulture Department. The

objective of the kitchen gardens is to enhance the quality of nutrition and the calories in the diet of the BPL tribal families.

#### **6.4.4 Government of Himachal Pradesh**

There are currently 18,246 Anganwadi centres in Himachal Pradesh where effective convergence is visible between health schemes and ICDS at the village level. All the AWWs have been designated as link workers under NRHM and they are performing the functions of ASHAs. A health day is organized on the first Tuesday of each month where the AWW and health functionaries mobilize women and children, provide health education and perform other routine Reproductive Child Health (RCH) services. This convergence has been incorporated in the central government in the respective ministries of Health and Women and Child Welfare.

To utilize untied funds, a common joint account has been opened in the name of the gram pradhan (village head) and the Auxiliary Nurse Midwives (ANM) of the sub-centre. The pradhan of the gram panchayat is also a member of the Village Health and Water Sanitation Committee, which decides on the work to be executed. The signatures of both the pradhan of the gram panchayat and the ANM are required to withdraw money from the bank.

A sanitation campaign is organized by the Departments of Rural Development and Panchyati Raj in convergence with other departments. Although no common committee has been constituted at the department level, the Health Department and its functionaries at all levels are also actively involved in this campaign.

NRHM has specific provisions for mainstreaming AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha, Sowa Rigpa and Homoeopathy) in the National Health Care Delivery System at all levels. Financial assistance is also available for this delivery mechanism. The School Health Programme and the Anemia-Free Himachal Campaign are being conducted under integration with AYUSH.

#### **6.4.5 Government of Andhra Pradesh**

The Government of Andhra Pradesh began its convergence initiative in 2006 with guidelines received from the central government. It implemented different models of the concept till 2010, when it formulized a standard pattern under the chairmanship of the Chief Secretary and constituted a Groups of Secretaries (GoS) for convergence in different sectors. For proper implementation and policy-level decision-making, government orders were issued and the Terms of Reference (TOR) and scope of work for each sector/department were defined.

Every group has the following members, sector wise:

- Principal secretary of government, Planning Commission
- Additional principal secretary/principal secretary of departments
- Principal secretary, finance
- Principal secretary of the implementing department as member - convener

The government order consists of the scope of work, in which the following points are to be considered:

- A. Improvement in outcome indicators as per the commitment of MDG and in comparison with the best of states in India. Sub-points are mentioned as per the departments which are involved in the convergence.
- B. Analysis of existing data of different departments
  - Establishment of a State Programme Implementation Unit in the line departments and networking with professional organizations.
  - The possibilities of propelling the growth through evolving and putting in place effective monitoring mechanisms.
  - Preparation of a Result Framework Document.
  - Identification of monthly outputs and establishment of a system for monitoring outputs.
  - Utilization of the services of professional organizations like Centre for Economic and Social Studies (CESS) to conduct evaluation studies in addition to the ongoing monitoring of activities done by respective departments and social audits.

The group can invite the secretaries of other departments and NGOs and other reputed organizations having related field-level experience as special invitees for the meetings.

The group shall meet at least once a month to review the progress and have interactions with the district administration.

Convergence is taking place in the state for last three years according to the above format in the following departments and sectors:

1. Primary sector, road sector, social sector and rural and urban infrastructure development for poverty eradication.
2. Between MGNREGS and horticulture schemes (the comprehensive land development programme of NABARD, Andhra Pradesh micro-irrigation project and schemes of the Tribal Welfare Department).
3. Convergence of industry sector for improvement in outcomes indicators to attract industrial investment, facilitation for setting up of new micro and small and medium enterprises, creation of industrial clusters, employments ventures, water supply to industries etc.
4. Convergence of road sector for improving connectivity and propelling growth, provision of wage employment, rural road connectivity, providing highway road connectivity to major cities, road length per square kilometre, analysis of existing data leading to convergence of Panchyati Raj roads, Road Development-MGNREGS, Tribal Welfare and R&B (Roads and Buildings) Roads Department and its maintenance etc.

5. Convergence of primary sector for more effective implementation of flagship programmes. The convergence initiatives of the state government cover increase in foodgrain production, area under SRI (System of Rice Intensification) cultivation, increase area under pulses, storage/godown space, horticulture production, reduction in post-harvest losses and establishing cold storage units etc.
6. Convergence of social sectors flagship programmes for improvement in Human Development Index (HDI) and achievement of MDGs.
7. Convergence in rural and urban infrastructure development for poverty eradication for more effective implementation of flagship programmes.
8. Convergence of AWCs with Rural Development Departments, community- based initiatives in nutrition and pre-school centres for strengthening Anganwadi centres in disadvantaged localities, for universalization of ICDS with quality.
9. Convergence of Health and Nutrition Status of Women and Children, inter-departmental coordination for effective convergence and launch of Maarpu (a mother and child health programme).
10. Mahatma Gandhi National Rural Guarantee Scheme – Nirmal Bharat Abhiyan – sanitation facilities to all habitations – convergence with TSC works with the Rural Water Supply and Sanitation (RWS&S) Department.

NIRD Hyderabad has conducted several studies on the many models of convergence that have operated in the state since 2006.

In the districts, a detailed and well-designed process was followed in the identification and design of convergence activities. Under the direction of the project officer of the District Water Management Agency (DWMA), activities to be covered by MGNREGA and line departments/agencies were discussed and communicated down the line up to the mandal level (known as the tehsil level in some parts of the country). With regard to the funding arrangements, the MGNREGA has been the principal contributor and the line departments join with their technical input and funds in a small way. Training programmes and video-conferences are organized and meetings are held to make the officials more clear about the concept of convergence.

The process of convergence with other departments is summarized below. All the work mentioned here is being done under MGNREGA.

Activities like bush clearance, removal of boulders, land leveling, creation of irrigation facilities, drilling of bore wells and erection of pump sets including energization are taken up in convergence with the Comprehensive Land Development Programme (CLPD). The use of machinery is significant in this context. The State Horticulture Mission provides technical knowledge and subsidized inputs, including supply of saplings, for use by the small and marginal farmers and to provide subsidized drip irrigation facility to the small farmers on 30:70 ratios and

with AP Micro-irrigation Project (APMIP) funds. The Scheduled Tribes Corporation has taken up the development of lands belonging to tribals. It executes works with its own funds but has sought the support of the CLDP for gap filling. The ST Corporation has tied up with the mandals for land development and horticulture and with APMIP for drip irrigation. Horticulture plantation has been taken up with the Watershed Development Programme and its maintenance cost was also absorbed.

Another convergence initiative is the comprehensive restoration of tank works at the rate of one per gram panchayat. Bush clearance, stump removal and similar tasks that require machinery are done with regular departmental funds. Work requiring manual labour and material components are met from MGNREGA funds, with technical support from the Irrigation, Panchayati Raj and Rural Water Supply Departments.

For construction of rural roads, the superintendent engineer monitors the execution of works involving all the mandal engineers. The funds are given by the government directly to the Public Roads Department and the software is provided by DWMA.

Convergence for forest nurseries saw the District Forest Officers (DFOs) taking up work in the forest area, with software support from DWMA. The Government gives funds directly to the DFOs.

The DWMA utilizes the SHGs and their networks for publicizing MGNREGA and creating awareness among wage employment seekers through village organizations that they are entitled to 100 days of guaranteed employment. In this process, the SHG members too get to know more about the government schemes, and therefore, it acts as a platform for capacity building for them. At the same time, it provides a broader citizen base. Either the spouse of the SHG member or the member herself is a MGNREGA wage employment seeker. Training to all the beneficiaries of the horticulture schemes is provided by the Agriculture Technology Management Agency funded through the Joint Director (Agriculture).

At large-scale rubber and coffee plantations, convergence has been adopted in an effort to change the face of the rural economy of the concerned region. The Rubber Board and Coffee Board provided technical inputs. These projects have mainly been taken up in the tribal areas of Paderu, Vishakhapatnam (coffee) and Rampachodavaram, East Godavari (rubber).

This innovative initiative is part of an effort of the state government to reach out to the most marginalized people. Before launching this project, the coverage of Chenchus (a PVTG) was merely 2 percent, but after the intervention, 80 percent of the Chenchus have been covered. Under this arrangement, there is a guarantee of 100 days of work for both husband and wife. A village organization under Indira Kranthi Patham has provided an advance to the wage employment seekers which is adjustable against the work they do. This has been done to counter the problem of non-availability of financial delivery infrastructure in the form of banks/ post offices and, more importantly, to meet the consumption needs (food security) of the Chenchus.



### **Convergence for horticulture**

Small and marginal farmers have taken up horticulture for their livelihoods. Under the convergence programme, four to five farmers are constituted into a group called the Common Interest Group (CIG). Each farmer earmarks two acre of his land for the project. The farmers are given training to cultivate horticulture crops such as mango and sweet lime, by the horticulture department. Convergence is between the APMIP, the Horticulture Department and MGNREGS. Drip irrigation is provided by the kisan (farmers) group of APMIP, which has already brought irrigation technology to the farm by laying water pipes across the field. APMIP has also developed a small farm pond for the CIG group. The programme is subsidy- driven, with the Irrigation Department and the Horticulture Department contributing 70 percent and 30 percent respectively. The wage component in the project is covered under the MGNREGS which offers jobs such as digging pits and clearing the land. The farmers are also given plant material (such as seeds and saplings) and Rs. 900 per acre towards intercropping. This initiative can be seen in other districts also.

#### **6.4.6 Government of Tamil Nadu**

**Convergence for the poorest of the poor:** The Government of Tamil Nadu in its concerted effort to eliminate poverty has consciously and systematically promoted community-based interventions through the World Bank-aided Tamil Nadu Pudhu Vaazhvu Project (PVP) (Tamil Nadu Empowerment and Poverty Reduction Project). With its thrust on transformational and sustainable results, the project follows the community-driven development approach targeting the poorest of poor, including the marginalized and vulnerable at the household level.





Convergence activities under this project have been carried out in the following departments and institutions:

1. Animal Husbandry
2. Agriculture
3. Hindu Endowment Board, Rameshwaram
4. District Industries Centre
5. Tamil Nadu Adi Dravidar Housing Development Corporation
6. District Adi Dravidar Welfare Office
7. Social Welfare
8. Backward Class Welfare Department
9. District Rural Development Agency
10. Tamil Nadu Corporation for Development of Women
11. Lead Bank
12. Rural Self Employment Training Institute
13. Dairying
14. Revenue Department
15. Health Department
16. Cooperatives
17. Panchayats
18. NABARD

The project is being implemented in 16 backward district of Tamil Nadu, including five blocks of Ramanathapuram District, one of the most backward districts in the state. The strategy adopted here is to assist the target beneficiaries of PVP through the existing welfare schemes of all the above departments. Pooling all the welfare schemes towards the PIP (Participatory Identification of Poor) list of eligible persons, will facilitate efforts to help them come out of poverty. Convergence meetings are held periodically at which all the district-level heads of departments implementing individual benefit schemes converge suitable welfare schemes meant for PVP's target beneficiaries.

For example, the Animal Husbandry Department received 188 applications from the five blocks of Ramanathapuram District for setting up native chicken farms. Focusing on those eligible for PVP, 50 applicants received the benefits of the project.

The 18 departments listed above received a total of 38,178 applications under 34 PVP components. Out of these 13,275 applicants benefited from the project. In the following components 100 percent beneficiaries received the benefits: National Mission for Protein Supplement; exposure visit under ATMA; demonstration of vermin compost; food processing training; beneficiary selection for free animals provision; sewing machines for differently-abled; maintenance grant; youth skill training; disbursement; and free vocational trainings.

### **Convergence of NBA and MGNREGA for sanitation**

The Government of India has issued an order that the Total Sanitation Campaign shall be known as Nirmal Bharat Abhiyan and the sanitation works shall be carried out in convergence with the Mahatma Gandhi National Rural Employment Guarantee Scheme. The Tamil Nadu state government is following these guidelines and the work for the construction of household latrines and solid and liquid waste management is being done under NBA in convergence with MGNREGA.

The Total Sanitation Campaign was introduced in Cuddalore and Coimbatore districts initially in 1999 and was extended in phases to all other districts in Tamil Nadu by 2004. So far, 26,347 Anganwadi toilets have been constructed at a cost of Rs. 16.81 crore. All the Anganwadi centres which did not have a functional toilet now have a provision for baby-friendly toilets. Funding for school sanitation in the NBA project is shared between the central government and the state government in the ratio of 70:30. A total of 46,986 school toilets at a cost of Rs. 111.55 crore have been completed so far in panchayat union and government schools. The schools listed by the School Education Department have also been verified and 2057 schools where toilets were not available have been covered, as per the directions of the Supreme Court. All activities with regard to the provision of sanitation and hygiene education in Anganwadis and schools were done in tandem with the Social Welfare and School Education Departments. Thus the government has ensured that all Anganwadis and schools in the state are provided toilets.

The Community Sanitary Complex is an important component of NBA. These complexes were set up in any place in the village which was acceptable to the stakeholders and accessible to them. The village panchayat and the user groups are expected to own the ultimate responsibility or make alternative arrangements at the village level for the maintenance of the complex. The sharing pattern amongst the central government, state government and the community is in the ratio of 60:30:10. The village panchayat also can make the community contribute. So far, 1,732 complexes have been constructed at a cost of Rs. 27 crore.

As regards individual house-hold latrines (IHHL), against the target of 86,67,088 for Tamil Nadu, 71,12,683 toilets have been constructed so far.

The Rural Sanitary Mart (RSM) is a commercial venture with a social objective. It is an outlet for the materials required for construction of sanitary latrines and for all sanitary facilities needed for individuals, families and the environment in the rural areas. The focus is on facilities, which are technically and financially suitable to the area. The RSM may be opened and operated by NGOs, SHGs, women's organizations, panchayats, and other such groups. An amount of Rs. 2.93 crore has been incurred as expenditure for establishing 195 RSMs in 31 districts of the state.

Production centres are set up as a means to improve the production of cost-effective and affordable sanitary materials under the NBA. A maximum amount of Rs.3.50 lakh per production centre can be provided for construction of a shed, training of masons and also for sanction of a revolving fund. So far, 65 production centres have been established in the state at a cost of Rs. 65 lakh.

The Chief Minister of Tamil Nadu announced the “Clean Village Campaign” Award in July 2003 for the best performing village panchayats in the field of sanitation, thereby highlighting the importance of sanitation. Taking a cue from this and to give a fillip to TCS, the central government has started awarding Nirmal Gram Puraskar (NGP) awards from 2005 to recognize the efforts of PRIs and other institutions towards full sanitation coverage in their respective areas. Up to 2011, five block panchayats and 2,385 village panchayats of Tamil Nadu have received NGP awards for achieving 100 percent sanitation and overall cleanliness.

#### **Gandhinagar – Makeshift to Facelift**

This is the story of the transformation of a small group of gypsy beggars in Gandhinagar in Seikalathur Village of Manamadurai Block, Sivaganga District, into a self-reliant, self-confident group residing in a colony with all basic infrastructure facilities. It is also another example of the success of convergence - in this case of the Swarnajayanti Gram Swarojgar Yojana, the Indira Awaas Yojana and the Basic Amenities State Scheme, supported by government assistance, NGO's motivation and people's participation.

Fifteen beggar families (with two blind couples among them) lived in makeshift tents in Gandhinagar. An NGO, Social Education for Rural Development (SERD), organized them into two Self-Help Groups. With economic assistance of Rs. 1 lakh each from the District Rural Development Agency (DRDA), Sivaganga district and State Bank of India, Manamadurai, the SHGs started making and selling soft toys and fancy items. Seeing the families' tattered tent housing, the district administration sanctioned 15 IAY Houses. Basic amenities like lighting, cement concrete roads and water facilities were sanctioned to the colony at an estimated cost of Rs. 4.50 lakh from the Basic Amenities 2006-07 (State Scheme) and under routine department procedures. Canara Bank extended a loan of Rs. 20,000 each, under the Differential Rate of Interest Scheme for rural housing to enable the IAY beneficiaries to complete their houses, without being debtors of cut-throat private money lenders. This scheme was piloted in Sivaganga district on the direction of the Union Finance Minister Mr. P. Chidambaram. As a result, 15 families were brought out of begging. They go about their daily chores with self-confidence and pride. One family owns an auto-rickshaw now. On the whole, Gandhinagar got a facelift and its residents, a smile of hope on their faces.

## **6.5 GoI-UN Partnership on Convergence**

### **Mid-Term Evaluation of GoI-UN Joint Programme on Convergence**

The Government of India-United Nations Joint Programme on Convergence was implemented in seven states: Odisha, Rajasthan, Bihar, Chhattisgarh, Madhya Pradesh, Jharkhand and Uttar Pradesh. It was launched in 2008 in response to the emphasis the Eleventh Five Year Plan placed on decentralized, integrated and outcome-based planning for improving the effectiveness of development programmes, facilitating inclusive growth and achieving MDGs at the local level.

The programme ended in 2012 but some of the activities have demonstrated their impact and their potential for being replicated in other parts of the country.

A compendium of innovations and initiatives has been prepared as part of the mid-term evaluation of the GoI-UN programme. The Government of India, supported by the UN agencies, piloted and developed a community monitoring tool - the Peoples' Assessment of Health Education and Livelihoods, Water and Sanitation Services (PAHELI). PAHELI is a powerful, replicable and flexible tool for incorporating excluded and marginalized communities, especially women, into the decentralized planning and participatory monitoring and learning processes.

PAHELI is essentially a household survey designed to help people understand and assess their current status with regard to key human development outcomes in water and sanitation, maternal and child health, education and literacy. The PAHELI framework was developed with MDGs in mind on the one hand and India's major social sector schemes on the other. The surveyors also visited village facilities like anganwadis, schools, health centres and PDS shops to get a client perspective on the quality of services being provided by these village-based institutions. One district from each of the seven states participated in the PAHELI 2011 exercise.

PAHELI has simple pictographic measures and methods which can be employed by ordinary people and the resulting assessment serves as a first step for action and change. The action can be activities that households can do to improve their own outcomes as well as activities to hold the government (and providers of basic services) accountable. PAHELI has been carried out by Pratham's ASER (Annual Status of Education Report) Center and local partners in each state. The exercise was funded by the UN-Planning Commission Joint Convergence Programme.

#### **GoI-UN Joint Programme on Convergence**

The following is a summary of the GOI-UN Joint Programme on Convergence (*excerpted from the UNDP India web page*).

India has experienced considerable economic growth in the recent past with substantial reduction in poverty. However, India faces stiff challenges in achieving several MDGs. In view of this, the country's Eleventh Five Year Plan placed strong emphasis on decentralized and outcome-based planning to improve effectiveness of development programmes and to facilitate inclusive growth. However, lack of convergence, which limits absorption and effective utilization of funds, still remains a major challenge in the implementation of development programmes. Against this background, a joint programme on convergence has been initiated with the Planning Commission, Government of India, in five districts in each of the seven United Nations Development Assistance Framework (UNDAF) states. The programme is strategized to leverage the capacity building support provided through the Backward Regions Grant Fund and the emphasis placed there on participatory planning by the local governments. The programme contributes to the achievement of UNDAF Outcome III, which states that by 2012, the Eleventh Five-Year Plan targets related to the MDGs are on track in select districts in seven priority states

## Objectives

The Joint UN Programme on Convergence aims to address the obstacles in effective and efficient implementation of government's development plans and programmes. It seeks to bring synergy between the various efforts undertaken in selected 35 districts of the seven UNDAF states. Following outcomes are expected from the programme:

- Adoption of integrated and inclusive district planning
- Effective utilization of resources from government's programmes and other sources by the district
- Improvement in the delivery of government programmes at the local level
- Monitoring used for management and planning purposes

The outcomes achieved from the programme are further expected to support related initiatives by the Planning Commission and the state governments to strengthen district planning. Key roles of the agencies in the joint programme include-

- UNDP: Strengthen State and district-level institutions, enhance their capacities, demonstrate innovative and replicable approaches to inclusive planning and monitoring, and develop sustainable partnerships with Administrative Training Institutes (ATIs)/State Institutes of Rural Development (SIRD) and other sectoral training institutions for district planning. Supports transformation of district planning to be outcome-oriented through change management initiatives and results-based management trainings.
- UNICEF: Deploy district facilitators (multi-skilled development professionals) as part of the district technical support team to the District Planning Committee in 35 districts, reporting to the district collector, and upwards to the State Planning Board/Department.
- UNFPA: Conduct training programmes and provides technical inputs on data needs for the development of MDG-oriented plans of the districts, and for the orientation of senior officials at state and district levels utilizing national resource institutions for this exercise.

## Results

- A set of three modules on Integrated District Planning for training of master trainers, district officials and technical support groups was prepared. An interactive e-learning tool based on the Planning Commission's "Manual on Integrated District Planning" was also prepared.
- Multi-stakeholder partnership initiated with ATIs/SIRD and other sectoral training institutions in seven UNDAF states for capacity building of functionaries on district planning.

- Change management project piloted in the districts to strengthen the convergent planning process initiated in all the seven UNDAF states, and ground-level assessment completed to prepare a model on change management. The emphasis of the change management process was to create awareness among the district level officials about the need to converge as a team and move away from the traditional 'silo-ed' approach to planning and implementation.
- Use of District Human Development Reports (DHDRs) as the basic tools for undertaking a situation analysis and developing perspective plans for districts initiated in the UNDAF states.
- Preparation of gender sub-plans initiated as part of the district plans in all pilot districts of six UNDAF states - Rajasthan, Bihar, Odisha, Chhattisgarh, Madhya Pradesh and Uttar Pradesh; gender sub-plan for 2011-12 prepared in Udaipur, Rajasthan and draft chapter prepared in Korba, Chhattisgarh. Gender sub-planning was initiated to look at all the gender issues from a gender lens and to encourage district officials to look at responses to these issues with a collective/ convergent approach.
- Community monitoring tool, PAHELI rolled out in all pilot districts of seven UNDAF states to understand how people perceive and rank the impact of various governmental interventions. The tool monitors sectoral schemes and progress at local levels towards the achievement of MDGs.
- Village Index Card/Urban Index Card developed in Chhattisgarh to capture essential sex disaggregated data for planning on human development indicators and monitoring of MDGs.
- Technical support provided by 43 district facilitators at the district, state and national levels to support efforts to (a) analyze flagship programmes and district plans (b) undertake decentralized district planning process (c) analyze funds allocated and utilized.
- Programmes for senior government officers and district statistical officers on the use of data for planning and monitoring purposes at the sub-national level developed.

In conclusion, as this chapter has highlighted, many state governments have issued guidelines and worked at state and district level to streamline and make execution of convergence easy and replicable. Thus, during the Eleventh Plan period Resource Convergence has been imbibed into the functioning of state governments.



# **Chapter 7**

## **Convergence for Financial Inclusion and Direct Benefits Transfer in Madhya Pradesh**

# WHO IS AT THE CENTER ?

**We or Beneficiaries**



**Beneficiaries**



**We**

# Convergence for Financial Inclusion and Direct Benefits Transfer in Madhya Pradesh

## 7.1 Introduction

Madhya Pradesh, with an area of 3.08 lakh square kilometres, is the second largest state in India after Rajasthan. It has a total of 50 districts and 52,117 inhabited villages, governed by 23,006 panchayats. As per the 2011 Census, Madhya Pradesh has a population of 7.27 crore with more than 75 percent residing in villages. The tribes of Madhya Pradesh constitute over 20 percent of the state's population. More than 30 percent of the state's total area is enveloped by forests. The eastern districts of Balaghat, Mandla, Shahdol and Sidhi have dense forest cover.

## 7.2 Convergence Strategy for Financial Inclusion

Looking at the challenges to physical and economic access to financial services in the state, the Government of Madhya Pradesh developed a Financial Inclusion model which is based on a three-pronged approach:

1. A common database across all schemes along with a single listed account number (SAMAGRA).
2. Transfer of funds to scheduled commercial banks as well as cooperative banks and post offices (e-FMS).
3. Ensuring financial viability of the service-dispensing unit.

Each of these elements is discussed in some detail below.

## 7.3 Common Database

Recognizing that identification and enumeration of its inhabitants is an important starting point, the state, through its Samagra Samajik Suraksha Mission, was able to map all of its families and give each individual and each family a unique identification number. This database is managed by its Ministry of Information Technology through the National Informatics Centre (NIC) (website: <http://www.nic.in/state/MadhyaPradesh>) at Bhopal. The unique identification number is called the Samagra number and contains within it all the information relating to the location of the individual and the household as well. If the last digit is a “zero” then the number refers to the household, i.e., it is the family's Samagra number, while numbers from 1 to 9 refer to individual members of the household. Birth and death registration has also been linked to this

database so that at all times it offers a complete demographic record. This database contains a number of pieces of data:

1. The number of each scheme that is associated with the individual and the family – MGNREGS, scholarships, pensions, etc.
2. The number of the bank account to which funds have to be transferred.
3. Aadhaar number, wherever available.
4. Photograph of the dwelling/toilet (if the individual has already benefited under any government scheme).
5. Caste details.
6. BPL number/Labour Department number, if construction labourer.
7. Linked to MIS of other departments like Health, MGNRGA, NBA, NSAP (pension schemes), etc.

## 7.4 Funds Transfer

Through some careful coordination under the chairmanship of the chief minister at the cabinet level and an inter-departmental coordination committee chaired by the chief secretary, it was ensured that all the funds from all the schemes of the state government and the central government to a beneficiary go to the same bank account of that individual, unlike the situation previously prevalent where each scheme had its own distinct disbursement structure.

## 7.5 Financial Viability

At the State Level Banker's Committee the bankers provided feedback that they needed an annual cash transfer flow of Rs.45 lakh to ensure viability of even their ultra-small branch. In order to ensure that and also to balance that with good access, the state set for itself the goal that a cash-in-cash-out (CICO) point would be available to every resident within the entire state at a maximum distance of 5 kilometres from his home and that one of the following would be present within that radius:

- A regular branch or an ultra-small branch of a scheduled commercial bank.
- A Regional Rural Bank (RRB) branch.
- A Cooperative Bank branch.
- A post office or a sub-post office.

It ensured the following, once the specific location was identified:

1. All disbursements to the beneficiaries would go to that very same point and the same bank (financial institution) account.
2. The account of the panchayat was also shifted there (this alone brought in about Rs.25 lakh of cash transfer business annually).
3. A 100 square feet area was given inside the Panchayat Bhavan to the access point, free of cost.

These efforts have yielded the following positive results:

1. The average annual cash transfer through each of these access points now exceeds Rs.1 crore, thus addressing the issue of financial viability.
2. Customers have moved from maintaining an average savings account balance of Rs.58 to Rs.1000.
3. As comfort with the local population increases, the banks have started to gradually build up their lending businesses as well, along with financial literacy on having recurring saving accounts.
4. The branch staff could be relied upon to operate a fraud-free mechanism using their internal processes.

However, it was also clear that if the radius is reduced below 5 kilometres, financial viability could be a challenge.

To ensure that this did not happen and the 5-kilometre limit was maintained, at the District Level Bankers Committee (DLBC) level the position of the lead district coordinator had to be revived and upgraded. A request had to be made at the State Level Bankers Committee (SLBC) level for this to happen. With their viability confirmed, the bankers are now in a win-win situation.

## 7.6 Shadow Villages

During the mapping exercise it was discovered that 14,000 out of the state's 53,012 villages did not have even one of the four CICO choices listed above. These 14,000 villages were identified as "Shadow Villages". For total financial inclusion, there was a need for 2,988 access points to cover these villages. After strenuous efforts at the SLBC level, 1,861 access points have been opened and have done a business of more than Rs.1,200 crore. The Reserve Bank of India (RBI) has given instructions that 30 percent of the branches of new banks are to open in rural unbanked areas. So far 18 full-fledged branches have been opened in these shadow areas. The need is to have 100 such branches so that each can take care of 30 ultra-small branches. The experience of the 18 branches shows that these can be financially viable propositions. Direct Benefit Transfer to all MGNREGA beneficiaries and all pension beneficiaries to the tune of Rs.800 crore have been disbursed through this conduit.

## 7.7 How RBI Can Assist in Greater Financial Inclusion

1. A much higher degree of coordination with the central government is needed to ensure that there are no cross and confusing instructions from various stakeholders at that level. For example, there was a directive to transfer all accounts to commercial banks that are in core banking. Since the penetration of these banks is very low, this created chaos, apart from being against the principle of increasing access. It is important to understand that financial inclusion is not just a matter of disbursement of MGNREGA, pension or

scholarship. So thinking of just a mechanism to disburse is a short-sighted approach. The need is to make the system operative in non-core banking financial institutions. Thus, the tendency to directly issue instructions to the field and to the bankers without considering the ground reality has to stop. The careful balance between access and viability should not be disturbed or it will negate all efforts at financial inclusion.

2. Progress on core banking for India Post, Cooperative Banks, Primary Agriculture Cooperative Credit Societies (PACCS) and RRB branches has to be completed at the earliest so that rapid movement of money becomes possible.
3. The definition of unbanked villages has to be made uniform at the state level and not bank-by-bank so that multiple branches are avoided in the same village at least until all the unbanked villages are covered. There is a need to define Rural Unbanked Areas as Shadow Areas and to open one-third of the new branches of each bank there. The decision on the location of these branches has to be taken by SLBCs. Perhaps Reserve Bank of India could coordinate this effort across banks.

## 7.8 Unmet Needs

1. The National Pension Scheme-Lite has to be integrated with this infrastructure.
2. A good set of insurance schemes have to be integrated with this model.
3. While there is good mobile connectivity there is no sign of internet connectivity and the National Optical Fibre Network infrastructure at the panchayat level.



# Chapter 8

## **Samagra Samajik Suraksha Mission and Convergence**



मध्यप्रदेश शासन  
Government of Madhya Pradesh

समग्र स्मार्ट कार्ड SAMAGRA SMART CARD

समग्र परिवार नम्बर  
(Samagra Family No.) : 12345678  
समग्र सदस्य नम्बर  
(Samagra Member No.) : 123456789  
आधार नम्बर  
(Aadhaar No.) : 123456789123



नाम : श्यामलाल  
NAME : SHAYAMLAL  
पिता/पति का नाम : रामलाल  
FATHER'S / HUSBAND'S NAME : RAMLAL  
माता का नाम : प्रेमलता  
MOTHER'S NAME : PREMLATA  
जन्म तिथि/DoB : 01/01/1955  
लिंग/GENDER : पुरुष/MALE  
वर्ग/CATEGORY : अ.जा./S.C.



कार्ड धारक के हस्ताक्षर/  
अंगूठे के निशान

परिचय पत्र जारी करने का दिनांक : 20/11/2013  
स्मार्ट कार्ड की वैधता दिनांक : 31/03/2023

प्राधिकृत अधिकारी का पदनाम



मध्यप्रदेश शासन  
Government of Madhya Pradesh

समग्र स्मार्ट कार्ड SAMAGRA SMART CARD

मोबाईल नम्बर : 9425124567  
राशन कार्ड का प्रकार/नम्बर : AAY/123  
विकलांग श्रेणी, प्रतिशत : मानसिक रूप से अविकसित, 80 %

पता : मकान नम्बर 24, रोहित नगर  
नया चीचा, रानीपुर, कैसला,  
होशंगाबाद मध्यप्रदेश  
पिन - 461551



नोट :-

1. कार्ड गुम होने अथवा क्षतिग्रस्त होने की स्थिति में संबंधित जनपद पंचायत/नगरीय निकाय कार्यालय को तत्काल सूचित करें।
2. अधिक जानकारी समग्र पोर्टल <http://socialsecurity.mp.gov.in/> से प्राप्त करें।
3. Toll Free Helpline No. 155343, 18002335343

# Samagra Samajik Suraksha Mission and Convergence

## 8.1 What is SSSM?

Samagra Samajik Suraksha Mission, which means Integrated Social Security Mission, was created in August 2012 for enabling the resolution passed by the Madhya Pradesh Assembly on 14 May 2010 to provide social security for the socially weaker sections, such as BPL, disabled, senior citizens, widows and destitutes. There are different schemes for them under different departments. The mandate of the Mission is to simplify these schemes and provide the same benefits to beneficiaries through one single agency and to bring about transparency through direct transfer without manual interference. The Mission was created under the Social Justice Department and has been registered under the Societies Act. To ensure inter-departmental coordination the General Body of the Mission is headed by the Chief Minister and the Executive Committee by the Chief Secretary.

## 8.2 What is the need for SSSM?

India, being a welfare state, has several welfare-oriented schemes targeted at the marginalized sections of society. Since different departments of both the central and state governments provide the benefits of these schemes directly to the beneficiaries, these individuals have to criss-cross the departments to avail of them. At each step, the genuineness of the application and applicant has to be verified, causing delays, duplication of paperwork and harassment and defeating the basic purpose of providing these welfare schemes.

The state government, therefore, decided to constitute an integrated social security mission. SSSM is an umbrella organization which can coordinate and monitor the implementation and provide technical and administrative support to implementing departments. It also gives publicity to the welfare schemes so that more and more beneficiaries can avail of their benefits.

## 8.3 Objectives of SSSM

- Standardization and rationalization of schemes and benefits
- Simplification of schemes and procedure
- Convergence of schemes and single-service delivery points for similarly placed schemes under one department and with proper delivery
- Providing technological solutions for attaining the above objectives

- Transparency and digitized information of beneficiaries
- Better monitoring and publicity.

## 8.4 Strategy Adopted

The Mission has grouped the beneficiary oriented schemes into the following three groups under different departments:

- Social Justice Department - pension schemes, insurance, marriage assistance scheme, assistance for cremation expenses etc.
- Health Department - all health-related benefits, such as Janini Suraksha Yojana, maternity and paternity leave assistance etc.
- School Education Department - scholarships and education assistance for STs, SCs, OBCs, minorities, disabled, merit category, the general poor, labourers etc.

The Mission's primary work is to provide IT support and a common database. The central government's National Informatics Center has been chosen as the Mission's technological partner for development of software, with other technological support from the IT Department of the Government of Madhya Pradesh.

## 8.5 Understanding of Convergence Adopted in SSSM

**Coming together:** Coming together from different directions, especially a uniting or merging of groups or tendencies that were originally opposed or very different.

**Condition of decreasing differences:** The characteristic of a series or sequence of numbers in which the difference between each term and the following term decreases.

**Similar:** The tendency of different species to develop similar characteristics in response to a set of environmental conditions.

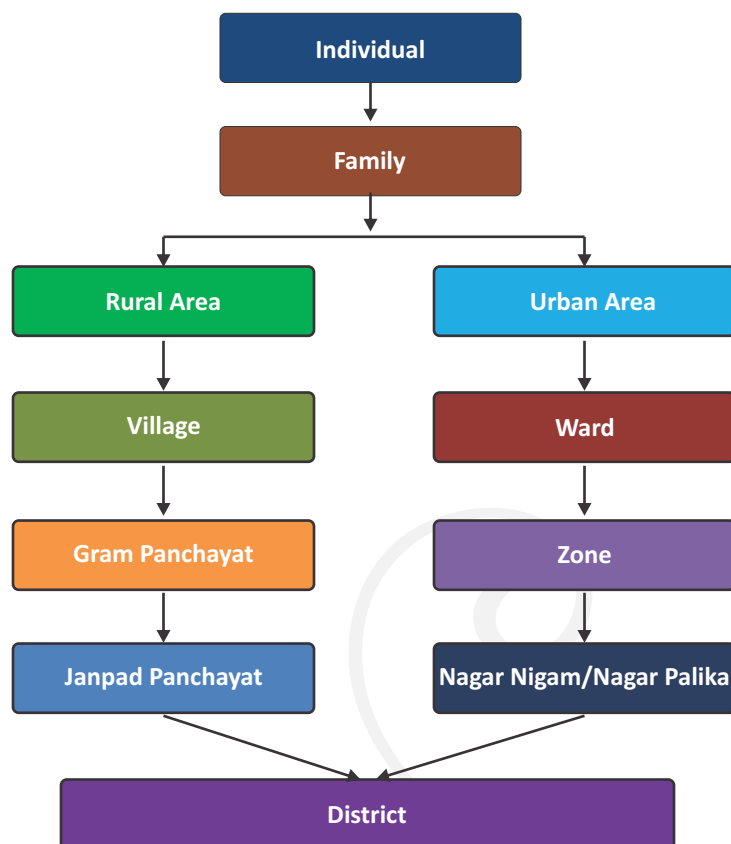
### Convergences in SSSM

#### 8.5.1 Database

Database convergence is a unique feature of SSSM. The database of the citizens of Madhya Pradesh has been prepared incorporating the general attributes which are required by different departments.

The database was prepared by a survey of all villages and towns by the existing government machinery in a specially designed format. It identifies the person with his/her family. The individual, therefore, has a scientific unique number and also that of his or her family. This enables linking entitlement and monitoring to the database. If the family lives in a rural area then it is identified with village, gram panchayat to block (Janpath Panchayat). If the family



identified is in an urban area then it is identified with the urban local body. These blocks and urban local bodies together form the district database. All districts together form the state's database.



The formats used in the survey are designed with the aim of convergence of different schemes, programmes, future surveys etc. The survey form has two parts - one for the family and the other for individual members of the family. All common attributes of the family are taken in the family form and individual attributes in the individual survey form.

The formats of survey forms for rural and urban areas are unique to their respective areas.

### Family Information - Rural



परिवार समग्र पोर्टल आई.डी.		मध्यप्रदेश शासन – समग्र सामाजिक सुरक्षा कार्यक्रम (ग्रामीण क्षेत्र)		FCI+F-R		
जिला	क्षेत्र	ग्रामीण	जनपद पंचायत	ग्राम पंचायत	पिन	पिनकोड
परिवार के मुखिया का नाम	विमुक्त एवं घुमक्कड़ जाति	हाँ	नहीं	पता		

Caste, SubCaste	BPL(Blue)/AAY(Yellow)/APL(White)	Card No	DATPC	Gas Company	Gas Agency Name	Gas Consumer Number	FPS Name

#### परिवार सदस्यों की जानकारी

Memberid	Member Name (English+Hindi)	Father Name	Spouse Name	DOB/Age	Gender	Relation with HOF	UID NO (AADHAR NO)	Mobile no	Saving A/C No	Bank/Post office Name	Labor Card BOCWC/MGNREGS/MMMSY/MHTC	PESNION SSP/MRMD

### Family Information - Urban

	मध्यप्रदेश शासन – समग्र सामाजिक सुरक्षा कार्यक्रम (शहरी क्षेत्र)		FCI+F-U			
जिला	क्षेत्र	शहरी	नगर निगम, नगर पालिका, नगर परिषद	जोन	वार्ड	पिनकोड
समग्र परिवार आई.डी.	परिवार के मुखिया का नाम	पता				

जाति , उपजाति	विमुक्त एवं घुमक्कड़ जाति जाति	BPL(Blue)/AAY(Yellow)/APL(White) Card No	गैस कंपनी	गैस एजेंसी का नाम	गैस उपभोक्ता क्रमांक	शासकीय उचित मूल्य दुकान का नाम (FPS)

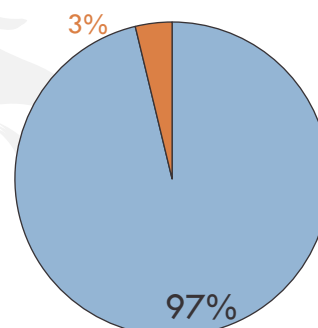
#### परिवार सदस्यों की जानकारी

समग्र परिवार सदस्य आई.डी.	परिवार सदस्य का नाम (English+Hindi)	पिता का नाम	पति/पत्नी का नाम	जन्मतिथि / आयु	लिंग	मुखिया से संबंध	UID NO (AADHAR NO)	मोबाइल नंबर	बचत खाता नम्बर	वित्तीय संस्था का नाम	श्रमिक संवर्ग के कार्ड BOCWC/HTRC/ PHERI/UHHW /MHTC/OTHERS	पेंशन योजना IGNOAPS/IGNWPS/IGNDPS/SSP/MRMD

So far, the digitized database of 97 percent of the population of Madhya Pradesh state as per 2011 census is available.

### Achievment Against Total Population(7.25 Crore)

- Registered Person on Portal
- Remaining





### ***8.5.2 Standardization and rationalization of different schemes***

One of the objectives of SSSM is standardization and rationalization of schemes and benefits. There are too many schemes and most of them do not have any sunset clause. The old schemes are not relevant in the changed environment so new schemes are added year after year, thus just building a huge monument of schemes in different formats

In an effort at standardization and rationalization, these social sector schemes and their benefits have been grouped into three sectors:

- i) Social Justice department
- ii) Health department
- iii) School education department

These groups have studied the different schemes and programmes and brought about uniformity of nearly 76 schemes such as :

- Scholarship and related benefits (38 schemes)
- Maternity leave assistance (6 schemes)
- Health benefits (7 schemes)
- Pension (6 schemes)
- Insurance and ex-gratia (7 schemes)
- Funeral assistance (5 schemes)
- Marriage assistance (7 schemes)

### ***8.5.3 Sanctioning of similarly placed schemes of different departments***

SSSM provides for convergence in sanctioning of different department schemes by one person who is actually at the helm of affairs and will sanction the benefits, irrespective of the department of origin of the scheme. For example, the School Education Department will sanction all scholarships of students, no matter which department has sponsored them.

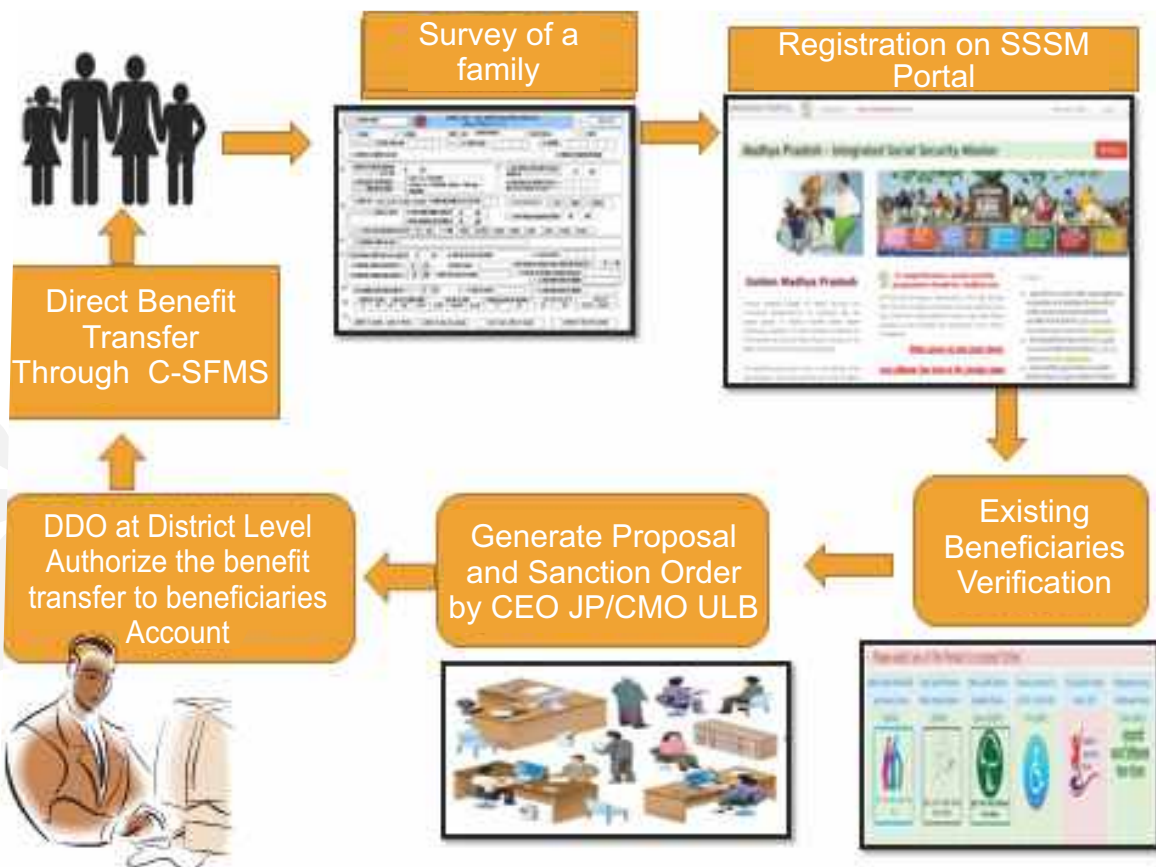
### ***8.5.4 Convergence to avoid multiple surveys***

There are innumerable surveys conducted by different departments for serving their limited departmental purpose. These stand-alone surveys cover only one particular aspect of the scheme or programme but the data they collect is repeated in other surveys. Every year electoral rolls updation is conducted by going door-to-door to identify persons above 18 years to be enrolled in the electoral rolls. Similarly, the Total Sanitation survey identifies people not having toilets. SSSM has the general attributes of all citizens hence village-wise data can be extracted from the database and the department can zero in on the family or particular person who is its targeted beneficiary. This will reduce work and manpower usage. Hence SSSM offers convergence of different surveys by developing a common database. This also helps avoid any duplication of benefits.

### 8.5.5 Convergence to have common point for disbursement

The beneficiaries of some programmes and projects receive money, which is disbursed by way of cheques. The beneficiary decides which bank account it is to be sent to and the department decides the time line. But since it is not automated it is very difficult to monitor. SSSM database has the account number and details of the bank for direct benefit transfer for each individual hence all cash transfers can be transferred electronically and monitored. Since all departments will deposit the money in the same account number, the quantum of benefits received by the individual over the years can be seen and improvements (or lack of them) in the lifestyle can be studied – and corrective action taken, where necessary. Disbursement can be made directly from the treasury or from the department's bank account.

## PROCESS TO GET BENEFIT ON SSSM PORTAL



## 8.6 Convergence for Ensuring Real-Time Updation of Data

Every department gets data on the distribution of benefits to its beneficiaries from their field offices quarterly or as decided by the department. Usually these reports take time to reach the head office and since they are not beneficiary-wise information but only give the number of beneficiaries, it is not possible for the head office to track a particular beneficiary or a particular transaction. By using the SSSM portal for transaction of benefits to the beneficiaries, the real-time reports can be accessed and if the department needs verification it can do so by tracking the bank account.

## 8.7 Monitoring by Convergence

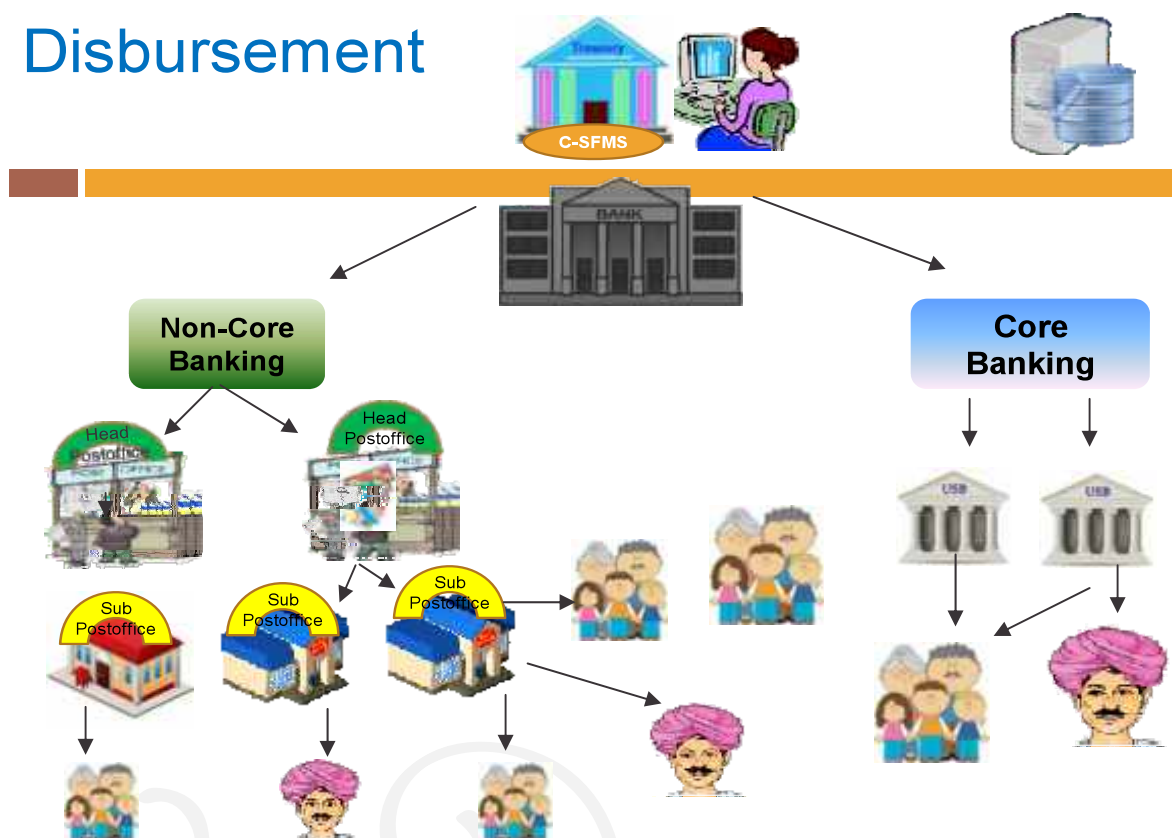
The SSSM database allows departments to monitor their schemes and individual beneficiaries. Since SSSM can monitor the benefits provided by different departments to an individual and to a family, it can help in planning for the betterment of the individual/family and to take corrective measures in the schemes.

## 8.8 Convergence in Financial Inclusion

There are different financial institutions offering services in the state. SSSM provides for financial inclusion of every individual from a minor onwards. The account number entered in the SSSM portal is used for every government transfer and hence opening of a bank account is must. Government departments help their beneficiaries to open accounts in banks or post offices which are designated by the Madhya Pradesh model of financial inclusion for that particular area within a five kilometer radius.

The SSSM portal provides for benefits to be transferred to the designated account of the individual irrespective of the mode of transfer or bank. Hence helping individuals have accounts makes them join the mainstream and ensures financial inclusion.

# Disbursement



SSSM is thus one of the most important tools of convergence. These convergences are of departments, schemes and programmes, planning, evaluation and monitoring and also a tool for inclusion. SSSM has enabled DBT for all pension schemes from the treasury directly into the accounts of beneficiaries, MGNREGA payments, all types of scholarships spread over different departments, labour compensation related to maternity leave, housing schemes like Indira Awas Yojana and many other such transactions. The DBT is done in 15,600 financial institutions including banks, cooperative banks, rural banks and post offices. This is reportedly the highest DBT in the country and covers the entire universe of beneficiaries in Madhya Pradesh.

# **Chapter 9**

## **Convergence for Corporate Social Responsibility**

# Corporate Social Responsibility (CSR)



*CSR needs constant hand holding for  
sustainable opportunities to the disadvantaged*



# Convergence for Corporate Social Responsibility

## 9.1 Introduction

“...in a more globalized, interconnected and competitive world, the way that environmental, social and corporate governance issues are managed is part of companies' overall management quality needed to compete successfully. Companies that perform better with regard to these issues can increase shareholder value by, for example, properly managing risks, anticipating regulatory action or accessing new markets, while at the same time contributing to the sustainable development of the societies in which they operate. Moreover, these issues can have a strong impact on reputation and brands, an increasingly important part of company value.” (From “The Global Compact: Who Cares Wins: Connecting Financial Markets to a Changing World,” 2004, United Nations and Swiss Federal Department of Foreign Affairs.)

“We live in an age in which companies, some equivalent in wealth to countries, call the shots and control much of the earth's resources. Because corporates intervene in so many areas of social life, they must be responsible towards society and the environment. In India, as in the rest of the world, there is a growing realization that capital markets and corporations are, after all, created by society and must therefore serve it, not merely profit from it. Consumers and citizens can make all the difference in urging corporates to do this.” (From the website of the Rai Foundation)

“The term corporate sustainability is of relatively recent vintage. Not so the philosophy of social responsibility.... The multitude of social development and environment initiatives [we have nurtured].... flows from a wellspring of voluntary, as opposed to obligatory, commitment.” (From the Tata website)

Corporates have differing perspectives and approaches to Corporate Social Responsibility. But they all recognize the importance of 'reputation capital' for capturing and sustaining markets. Seen thus, CSR is basically a new business strategy to reduce investment risks and maximize profits by taking all the key stakeholders into confidence. Corporates today include corporate social responsibility in their advertising and social marketing initiatives.

## 9.2 Corporate Governance and CSR (Excerpts from Strandberg Report)

*“The Canadian Co-operative Association, interested in promoting good governance and social responsibility practices to its member cooperatives, sponsored an international thought-leaders study by Strandberg Consulting on the nature of convergence between corporate governance and corporate social responsibility in 2005.*

*The study probed the following issues:*

- 1) What is the degree and nature of convergence of social, environmental and governance practices of corporations?*
- 2) What are the governance practices that exemplify best practice social and environmental performance and how fundamental are these governance practices to a company's effective financial and non-financial performance?*
- 3) What are the factors driving these trends and will the social and environmental aspects of corporate governance grow in importance in the future?*

*In order to address these questions, 13 “thought-leaders” working and advising in the corporate governance field were interviewed. They represented a range of perspectives including business networks, sustainability think tanks, rating agencies, investment research and consulting firms, environmental groups and academic and director training programmes.*

*The following are excerpts from a summary of the themes and trends identified by these thought-leaders on the convergence between corporate governance and corporate social responsibility.*

*The most significant difference amongst the interviewees was their opinion on the nature of convergence between CSR and corporate governance. They could be divided into two groups: those who saw convergence at the level of values and those who saw convergence at the operational risk level. However, the groups were not mutually exclusive, insofar as there was a unanimous view that CSR is increasingly becoming a factor in risk and opportunity management, and therefore, a business strategy.*

#### **9.2.1 Convergence at values level**

*Those who saw convergence at the level of values perceive that good governance is becoming more broadly defined to include ethical considerations, a result of a number of significant governance oversight failures. The two comments below are representative of this view:*

- Good governance is primarily about values rather than rules. If good governance flows from values, it is important to state them and live them. CSR is an external expression of those values.*
- Corporate governance is going beyond the traditional core governance functions to incorporate the values dimension. Part of the governance process is determining what kind of corporate citizen the company seeks to be; CSR is part of this exercise.*

*According to this group, governance has largely been a “box-ticking” exercise to date. However, there is an emerging paradigm of governance that perceives CSR and corporate governance to be one and the same at the level of values: an ethical strand joins governance with CSR thinking.*

*Governance must have an ethical backbone because good governance practiced as a technical exercise results in Enron, considered by many to be a shining star in terms of technical governance. Ethical or values-based governance considers such issues as the kind of product and service the company produces, how it is produced and the social and environmental impacts of*

*production — considerations of a CSR nature. A values-based governance programme would include a corporate philosophy governing medium and long term actions, articulating an approach that reconciles short-term profits with long-term profitability.*

### **9.2.2 Convergence at risk level**

*An alternative view was expressed by a number of interviewees who believed CSR only connected to corporate governance at the operational risk level:*

- *It depends on what you mean by convergence — CSR is an operational risk issue. We are learning from corporate governance meltdowns and the rise of social and environmental reporting standards (through the Global Reporting Initiative) to systemize non-financial issues. While corporate governance is now defined in a way that includes risk management, it is a question of what risk one is looking at — in the case of CSR, social and environmental risks.*
- *We are not seeing a convergence, but a realization that CSR risks can have a financial impact on a company and companies should be managing this area. Companies are recognizing the financial risks evident in CSR.*
- *We are not talking about CSR but about risks which will be ingrained in corporate behaviour.*
- *Not a convergence but a risk to be managed. Companies don't make value judgments, but some things become so reprehensible in society that they become a risk to the business.*
- *CSR is evolving from an NGO-driven movement for greater good to a business-led risk management strategy, and because of this CSR is central to governance. Long-range risk management business planning is central to a global company's strategy in a globalized world.*

*Convergence is being driven by the view that boards have a fiduciary responsibility to address risks and CSR is fundamentally about risk management. They did not share the view that CSR converges with governance at the values level. However, across the board interviewees agreed that because the nature of CSR management can differentiate company performance it is relevant to corporate governance. They agreed that effective management of CSR risks and opportunities can improve financial results thereby warranting governance.”*

## **9.3 Making CSR Mandatory**

The Companies Bill 2012 has proposed a framework for all companies meeting the prescribed criteria to contribute 2 percent of their net profits for a specified CSR purpose. While most Indian CSR activity has traditionally been in a voluntary form, the now proposed mandatory CSR will put greater responsibilities on companies to set out a clear framework and process to ensure stricter compliance.

According to the Companies Bill 2012, every company

- having a net worth of Rs. 500 crore or more;
- or turnover of Rs. 1,000 crore or more;
- or a net profit of Rs. 5 crore or more during any financial year

shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The new Companies Bill makes it mandatory for companies above thresholds to spend 2 percent of their net profit on CSR activities.

## 9.4 Priority Areas

The Madhya Pradesh Department of Panchayat, Rural Development and Social Justice is looking at CSR beyond just philanthropy or a one-time relationship. It proposes to invite CSR initiatives to invest in labour-oriented high quality production units, fill the infrastructure gaps in the state and impart skill training – all through convergence with ongoing government schemes.

The state government envisages that the CSR interventions, and plans of companies, Public Sector Undertakings and other entities should focus on fostering the following kinds of capital in the state with the active involvement of the Department of Panchayat, Rural Development and Social Justice:

### **Investment to trigger jobs:**

- The private sector to establish labour oriented manufacturing units exploring the concept of trans-village industries. Cost of skill development will be borne under NRLM and CSR can be used to establish manufacturing units that have large-scale labour potential.

### **Filling infrastructural gaps:**

- Using modern technologies like pre-fabrication for building works such as Anganwadi Bhawan, E-Panchyat Bhawan, godowns, lighting in streets of rural areas and internal roads and drainage systems in rural areas.

Maintenance, if needed, for these interventions will be taken up by the PRI from panchayat funds.



# **Chapter 10**

## **The Way Forward**

## Small Farmers Family belonging to Scheduled Caste



Resource Convergence  
Aruna Sharma

## Small Farmers Family belonging to Scheduled Caste



Resource Convergence  
Aruna Sharma



## The Way Forward

Resource Convergence to optimise financial and human resources has been well recognized in policymaking. A conscious effort has been made to underline its importance in the Twelfth Five Year Plan which has established a time line to merge schemes with similar objectives. Equally, it has been recognized that there are some objectives that are unique by their very nature and cannot be addressed under the existing plethora of schemes. But recognizing their significance, a concept of flexi-funding has been created to enable the state governments to address their unique requirements.

One of the most important developments in resource convergence has been the individual efforts of the districts and panchayats which can be well replicated across the country.

The expansion of information technology has provided the appropriate canvas to create a common database for converging schemes, as has been attempted in SSSM, which has built-in mechanisms to ensure updation of the data at the panchayat level so as to always have a real-time database. This common converged database is enabling the Government of Madhya Pradesh to provide direct benefit transfers of 100 percent pensions, MGNREGA payments, scholarship payments, health benefits, housing loans etc. The common database that captures the eligibility parameters enables departments and institutions to work out the entitlements and ensure that no deserving individual is excluded. It will also enable the state government to know the amount of assistance allotted under various schemes to a family or individual, thus enabling it to check that the benefits are not cornered by a few.

This system can be built up with ease by other states based on the data of the National Population Register (NPR) as that also has data household-wise of the entire village or town. The monitoring system will ensure updating on real-time and the system will also enable all transactions.

The paradigm shift to the geographical area will lead to greater penetration of financial institutions into villages, which will move from having access to gaining access. This is the only way to ensure sustainability of direct benefit transfers, inculcate the habit of saving in the beneficiaries and make these financial institutions as business models.

Food security data is also linked with this common database to ensure that the entitlement is accurate and steps can be taken to use this 'Samagra Card' (a smart card) to update the foodgrain transactions of a family. Thus, convergence not only eases execution and brings in transparency but also enables entitlements and informed decision-making of policies.

Convergence in the upcoming Fourteenth Finance Commission will enable the devolution of state finance commission funds to the local bodies, thus allowing them to plan and execute their real need as the funds are not thinly spread and are flexi-funds.

The food security mechanism needs convergence of procurement, storage and distribution through the public distribution system. Once the convergence is systematized through the entire system, it will stop the wastage that occurs during transport and in storage and will ensure quick disbursement.

Increasing agriculture productivity is now the challenge India needs to take up urgently after, having achieved self-sufficiency in foodgrain production. It is important now to plan for using the arable land for optimising productivity of not just foodgrains but also of oil seeds, pulses, fruits and vegetables. India is blessed with climatic conditions that allow us to grow all types of vegetables and fruits. Thus, a systematic agri-plan, by converging the plethora of schemes and allowing flexibility to adapt to local climatic and soil conditions, can help to evolve mechanisms to choose suitable crops and optimise production. Irrigation expansion plans need to be dovetailed for optimising the water resources so as to maximize productivity.

The term Resource Convergence has now become a common parlance in the development agenda. The serious efforts to merge the Centrally Sponsored Schemes will go a long way in easing out duplication and enabling better convergence. Each of the schemes independently provides the scope for convergence. The state and district administrations have also been innovative in creating systems to facilitate convergence. Thus, the impact of resource convergence in policymaking, in the design of schemes and at the cutting edge is already evident. In the coming years it will get assimilated in the drill of execution.

It is important to ensure that the convergence concept is inbuilt into CSR efforts as CSR should fill the gaps and not duplicate the efforts of the government. CSR can be used to enhance the manufacturing sectors in the states and fill in the infrastructure and management gaps. A proper utilization of CSR can contribute to the country's growth.

Convergence can help make a paradigm shift from 'Good Governance' to 'Effective Governance' to get the desired outcomes.

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## List of Persons Contacted During State Visits

Dr. M.K. Rao Director General National Institute for Rural Development, Hyderabad.	Mr. Rajshekhar CEO Society for Elimination of Rural Poverty (SERP), Hyderabad
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Mrs. Usha Rani Director, SHGs Federation, Society for Elimination of Rural Poverty, Hyderabad	Mr. P. Chinniathathia Director, Social Security, Society for Elimination of Rural Poverty, Hyderabad
Dr. Bhagya Laxmi Director, Women Empowerment, Society for Elimination of Rural Poverty Hyderabad	Mr. Thakkar Principal Secretary, Planning, Government of Andhra Pradesh, Hyderabad
Mr. Sudershan Reddy, Joint Director, Planning, Government of Andhra Pradesh	Mr. Devashish Das, Secretary, Government of Chattisgarh, Raipur
Mr. P.C. Mishra, Member Secretary, State Planning Commission, Government of Chattisgarh	Mrs. Sangeeta P. Director, National Rural Livelihoods Mission, Government of Chattisgarh
Mr. S. Alok, Joint Commissioner National Rural Livelihoods Mission, Government of Chattisgarh, Raipur	Dr. R.K.Singh, Director , State Institute of Rural Development, Chattisgarh, Raipur
Mr. Anurag Jain Joint Secretary Department of Finance Government of India, New Delhi	Mr. B.D. Viridi, Advisor, PP & MLP Planning Commission Government of India, New Delhi
Dr. Indu Patnaik Joint Advisor, MLP Planning Commission Government of India, New Delhi	Mr. Sunder Mishra District Planning Specialist. UNDP- Planning Commission, New Delhi



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# About the Author



Dr. Aruna Limaye Sharma is an Indian Administrative Service Officer of the 1982 batch. She has a Masters Degree in Development Studies from Bath University, United Kingdom and a PhD in Development Economics from Delhi University.

Dr Sharma has held several important positions like those of the District Collector, Managing Director of Madhya Pradesh Dairy Federation, Commissioner and Secretary of Public Health, Director Institutional Finance, Director General of Doordarshan-the Public Broadcaster of India. Presently she is the Development Commissioner & Additional Chief Secretary, Panchayat, Rural Development and Social Justice to the Government of Madhya Pradesh. Dr. Sharma has also worked on several important international assignments including those as FAO Consultant to the Government of Zimbabwe and Vietnam.

In each of these positions, she has provided transformational leadership for bringing about qualitative changes. Inter – sectoral coordination, innovative interventions enabled her to establish sustainable systems in the organizations that she served. These outcomes have become trendsetters in policy making, as evidenced in the revival of four milk production plants to provide sustainable incomes to the milk producers during her tenure with the Dairy Federation and successful broadcast of the 2010 New Delhi Commonwealth Games.

She introduced the term Resource Convergence in the parlance of policy making and implementation of Government programmes. Her previous publication 'Reaching the Last Beneficiary: Resource Convergence Mantra Model' released by UNDP in 2008 and the present effort 'Mainstreaming of Resource Convergence in Policymaking, Programme Design and Execution' is about how innovative thinking has resulted in the concept of 'Convergence' entering the formal vocabulary of Indian Development.

Dr. Sharma's latest effort, in her current avatar as the Additional Chief Secretary, has led to the development of Samruddhi – the Madhya Pradesh Model of Financial Inclusion, which is again based on values and approaches she has championed – inter-sectoral convergence, innovation and transformation. This model is being widely appreciated by the Ministry of Finance, Government of India, Reserve Bank of India, and the banking and social sectors.

Some of her publications include – 'Reaching the Last Beneficiary: Resource Convergence Mantra Model', 2008 UNDP, India; Country Paper on Food Security of India, FAO; Study on imbibing of Resource Convergence in Policy making and program formulations, UNDP; Samruddhi – Madhya Pradesh Model for Financial Inclusion, GoMP 2013; and a number of articles and research papers on Health Care, Banking Structure and Financial Inclusion.



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