

IMMEDIATE
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Government of India
Ministry of Rural Development
Department of Rural Development

Krishi Bhavan, New Delhi
Dated 30.9.2009

To

All the Members of
NLSC

Subject: Minutes of the 1st Meeting of the National Level Steering Committee (NLSC) of RSETIs held on September 16, 2009 at New Delhi.

The undersigned is directed to forward herewith a copy of the Minutes of the **1st Meeting of the National Level Steering Committee (NLSC) of RSETIs held on September 16, 2009 at New Delhi** under the Chairmanship of Secretary (RD) at UNNATI, Krishi Bhavan, New Delhi-110012 for information and necessary action.

2. Action Taken Report in this regard may kindly be furnished to this Ministry at the earliest. These Minutes are also available on this Ministry's website: <http://www.rural.nic.in/>latest>.

Yours faithfully,

Sd/-

(Govind Sharma)
Research Officer
(SGSY-Credit/Trg)
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Encl: as above

1. All members of NLSC
2. All State Secretaries of Rural Development Deptt.
3. All CMD's of Public Sector Banks
4. All Director's of RSETIs

Minutes of the 1st meeting of the National Level Steering Committee (NLSC) on Rural Self Employment Training Institute (RSET) held on 16.9.2009 under the Chairpersonship of Secretary (RD)

The first meeting of the NLSC on RSETIs was held on 16.9.2009 under the chairmanship of Secretary (RD). List of participants is annexed.

Welcoming the members of the NLSC, the Secretary (RD) stated that the success of the RSETI initiative has been recognized by the Government and we are in the process of upscaling the same. Through this initiative we aim to draw people away from land activities which contributes less than 20% to GDP despite over 60% being engaged in it. Ministry of Rural Development intends targeting the BPL youth by supporting them to upgrade their skills for achieving higher value addition. Simultaneously it is also intended to train them both for self and wage employment in off farm activities. This meeting is for assessing how the scheme is doing, what bottlenecks are being encountered and how to meet the objective of lifting maximum number of people out of poverty to achieve the MDG goals. Secretary (RD) stated that once the National Rural Livelihood Mission (NRLM) comes into being, there would be a great demand for trained personnel for NRLM itself such as data entry operators, accountants etc. RSETIs should include special training for these trades. Secretary (RD) invited suggestions on improving the architecture of the RSETI so that it works in tandem with the National Rural Livelihood Mission.

Introducing the agenda items, JS(SGSY) stated that progress of establishing RSETIs is satisfactory, although there is no room for complacency. NIRD have released funds to the tune of Rs. 2036.18 lakhs in respect of 66 RSETIs. This year the target is for setting up 200 RSETIs against which NIRD have received 58 proposals. The curriculum for RSETIs is under finalization after which it would be uploaded on the website of NIRD. Suggestions would be invited on the same before finalization. The MIS for SGSY scheme is ready but awaiting NRLM

guidelines based on which it would be suitably revised. The Directory of RSETIs has been published and is also uploaded in the website of NIRD.

Following issues were flagged by JS(SGSY) for the views of NLSC:-

- ✓ Land allotment has been identified as a major bottleneck in implementation of the scheme. Some states have shown marked reluctance in transferring the land to the banks. The Ministry is of the view that these states may consider allotting land to the banks on long lease for setting up RSETIs. Some NGOs are also willing to offer their land on long lease for this purpose. In such cases also the Ministry would consider giving infrastructure fund.
- ✓ Some states such as Haryana and Gujarat have stated that the Government policy does not permit transferring the land free of cost to any agency. These states may consider charging a nominal amount say 5 – 10% of reserve price and banks can pay and buy the land.
- ✓ Some southern states are repeatedly pressing for allowing more than one RSETI in a district. The Government is of the view that unless we saturate with one RSETI in each district, we would not be able to accede to their request. However, in the next phase we will also support RSETIs at block level, if viable.
- ✓ Some proposals have also been received from private parties and private banks including MFIs for establishing RSETIs. As per the guidelines this is a bank led initiative. Suggestions of the Committee are invited on allowing private organizations to participate in the scheme.
- ✓ The Hon'ble Minister has pointed out that there is no public representative in the Local Advisory Committee (LAC). He has suggested that a District Level Committee (DLC) may be set up with local MP as chairman, local

MLAs and members of Zila Parishad as members and District Collector as coordinator. Suggestions of the NLSC members are invited on this.

- ✓ There is a communication gap between the DRDAs and the RSETIs in many districts. It is intended to address this problem in the forthcoming Performance Review Committee meeting.
- ✓ The format for monitoring the physical and financial performance of the RSETIs has to be approved by the NLSC.

Thereafter the floor was thrown open to the NLSC members for their views on the issues flagged above.

R.B.I

The target set for banks for establishing RSETIs is modest and State Government may be exhorted to ensure land allotment. The curriculum finalized should include aspects relating to banking and credit counseling. In view of limited resources, RBI supports saturation approach to establishment of RSETIs i.e. one RSETI in each district has to be ensured before more than one RSETI in specific districts is considered. RBI suggested some modifications in the format which were passed on to DDG NIRD for inclusion. Regarding private participation in this initiative, going by their current level of participation in welfare projects, a cautious approach needs to be ensured. RBI is of the view that for the present it should be a bank led initiative only.

NABARD

NABARD has assisted 19 RUDSETIs for both capital and recurring expenses. They would be willing to support recurring expenses of banks if the annual training program is got approved by them. Presently, NABARD provides one time financial support to rural training institutes who are not receiving any kind of financial support from the Government for Audio Visual equipments. Secretary (RD) suggested that NABARD should consider providing financial

support to those institutes also which are receiving financial support from the Government such as RSETIs.

BIRD

BIRD offered its technical support in finalization of curriculum, training and capacity building of Directors and faculty of RSETIs. They are organizing three TOTs this year, sponsored by NABARD. BIRD can prepare complete training kit including success stories of NABARD. They also offered their services in accreditation of faculty of RSETIs. In remote areas of Jharkhand, Bastar some good NGOs are operating who can be considered for financial assistance if they approach the Government. Bankers' skills need to be upgraded continuously. Special training and capacity building could be considered for states which have extensive mining activities.

Secretary(RD) intervened to state that there is a dearth of trained personnel in the formal system. Innovative networking should be done to tap existing people. Master trainers in respective fields should be identified and brought in to train the beneficiaries.

S.B.I

SBI suggested that BPL population should be the criteria for establishing an RSETI. If the BPL population demands more than one RSETI in one district, the same should be considered favourably. Emphasis should be laid on Training of Trainers, holistic credit linkage plan and tracking performance of RSETIs. The Governing Council of SBI is monitoring the performance of RSETIs closely and as such there is no necessity of establishing one more district level committee.

Thereafter the states who are members of the NLSC were invited to give their views:-

U.P

Land allotment is a major issue as land is very expensive at district level. We could consider clubbing 4-5 blocks and establish one RSETI for them at block level.

West Bengal:

Out of 18 districts, RSETIs have started functioning in 10. The State Government has advised PNB to set up RSETI at Midnapore in hired premises but PNB was reluctant to do so without allotment of land . The representative of PNB clarified that they would be happy to begin the work if only the State Government was willing to give at least a commitment for allotment of land. The representative of West Bengal agreed to provide the same. The representative of State Government also raised the issue of release of infrastructure funds to United Bank for setting up an RSETI on the land of Ramakrishna Mission at Bankura. The bank stated that they were comfortable with the idea of running an RSETI from the said premises however Ramkrishan Mission is not ready to transfer the ownership of the land. It was felt that under these circumstances, it was not possible to release the fund to NIRD.

There was no representative from A.P.

Thereafter, views of other organizations were invited.

Planning Commission:

Planning Commission fully supports the RSETI initiative. Some states, particularly from the south, are proactive whereas others are not so active. Priority should be to push the latter states to set up RSETIs. There should be no duplication of RSETI in a district and saturation approach of establishing one RSETI in each district should be adopted. Funds allotted for duplicate RSETIs should be diverted to other districts in the same or other state. Since the RSETI

initiative is demand driven, the format for monitoring should have a column for number of candidates applying for the training. In view of the success of RD department of Sikkim in rural development, their proposal for being designated as implementing agency for RSETI in Sikkim may be supported. As regards participation of private agencies in the scheme, Planning Commission support the view of RBI that this should not be permitted till such time all PSE RSETIs are completely operational in the country and their performance is reviewed. In case private parties are interested they may approach Ministry of labour for assistance under their skill development missions. As regards establishment of district level committee, there would be role conflict with LAC and hence Planning Commission would not support the move.

Ministry of Finance:

The curriculum should have a convergence with Ministry of Industry, Ministry of Labour, Ministry of Textiles etc. Which have specific programs for industrial clusters. Forward and backward linkages must be ensured for marketing of the products made by beneficiaries. Some of the initiatives taken by A.P Government such as local bazaars, district level marketing initiatives, technical and training development centre etc. may be considered for replication. DRDAs should be more involved in sponsoring/identification of beneficiaries. Instead of beneficiaries coming to RSETIs, RSETIs could also go to the village level as being done by RSETI Jaipur.,

Secretary(RD) suggested that the district industry officer could give exposure to Director RSETI on clusters coming up in a district.

E.D RUDSETI

RUDSETIs have conducted training for data entry operators which was very successful. Where there is already a RUDSETI functioning for the last several years, new RSETI should not be allowed to come up. RUDSETIs follow a rigorous

procedure for inviting candidates for their programs which include newspaper advertisements, personal contact programs etc. However, after following all laid down procedure, if BPL candidates are not forthcoming, RUDSETIs should be allowed to train APL candidates as otherwise the seats would go waste. Secretary (RD) stated that we do not want to dilute the guidelines regarding preference for the BPL candidates. If the guidelines are sought to be relaxed, convincing proof has to be furnished regarding non availability of BPL candidates. This would be considered on a case to case basis. RUDSETIs would be willing to undertake TOT for master craftsmen. Regarding creation of District level Committee, ED RUDSETI was of the view that the local public representatives could be invited as observers for meeting of LAC on a quarterly basis.

Canara Bank

The experience of Canara Bank is that if the Director, RSETI is good, getting candidates for the programs is not an issue. Besides, awareness camps, all India radio announcements, advertisement in newspapers, word of mouth promotion etc. can ensure adequate number of participants. Land allotment by state government is slow. Even location of land is an issue since transportation becomes a problem if RSETIs are located in remote areas. As regards participation of elected representatives, they are already participating in DLRC (District level review committee) and a separate body is not required. RSETIs' item could be added in the agenda of DLRC. The DRDAs are not reimbursing the cost of training BPL as per RSETI scheme.

Syndicate Bank

The LACs monitor the quality of training also. In Karnataka getting candidates is not a problem. We target women candidates specially. Land should be allotted in district head quarter only.

NIRD

A national conference of RSETI directors should be organized where innovative Directors could be allowed to make presentation. A suggestion was made to amend item 3 of Chapter II of the guidelines which lays down the training duration of 1 – 6 weeks. Since it is not possible to have any meaningful training in one week, the suggestion was to amend it to 4 – 6 weeks. But it was stated by RUDSETI and Canara Bank that one week training was quite sufficient for in-situ farm activities such as mushroom cultivation, bee keeping, vermi-composting etc. Hence there was no need to amend the guidelines. However, the trainings need to be monitored to ensure that there is no tendency to have more of than one week trainings to meet the target of 30 – 40 training programs in a year. Proposals for this year need to be expedited by the banks.

Then the other banks and states who were not members of NLSC but had specific problems were invited to speak. Comments made and issues raised by them were as follows:-

- (i) Process of land allotment has to be expedited. There should be a deadline for the states to allot land.
- (ii) District level steering committee will be duplication of agency with LAC.
- (iii) A method of recognition of best performing RSETIs should be adopted.
- (iv) In Kerala cost of land is prohibitive. Government would be willing to issue a notification permitting banks to use the land for RSETIs.

- (v) Karnataka representative stated that no request has come from the banks for revision of cost of training BPL candidates. If request is received, it would be considered.

Following decisions were taken:

- (i) Since the process of allotment of land by the states for establishment of RSETIs is far from satisfactory, it was decided to set a deadline of 31st December, 2009 for land allotment by the states failing which the States / Districts would not be able to avail the funding assistance for establishment of RSETIs. Secretary (RD) would write to all concerned Chief Secretaries of the States accordingly.
- (ii) Some States pointed out that as per their policy, land allotment on free of cost basis is not permissible. It was decided that such States can be given the permission to provide land on long term lease (preferably 90 years with minimum of 33 years) either free of cost or at not more than 10% of the reserve price of the land wherever Banks are willing to pay.
- (iii) Regarding the proposal to establish more than one RSETI in the same district, it was decided to restrict the funding to one RSETI in one district till all the districts are covered in the country.
- (iv) As far as financial support to the rural training institutes by NABARD is concerned, it was decided that NIRD shall obtain the details of the scheme and circulate it to all the states / RSETIs.
- (v) Regarding utilizing the services of existing RUDSETI type institutes, NIRD has been directed to suggest the methodology. In the meantime, State Secretaries of Rural Development can assess the capacity of these institutes and start using their facility for training of rural BPL candidates. States should also ensure that these institutes are brought to the same standard as mentioned in the Guidelines for RSETI issued by Ministry of Rural Development. Proposals for upgradation, if required, may be sent to NIRD by the States.
- (vi) For the current year i.e. 2009-10, there is a target to set up 200 RSETI in the country. So far only 58 proposals have been received by NIRD. NIRD would invite the proposals from the States as well as the Banks at

- the earliest to meet the target and recommend to the Ministry of Rural Development for release of necessary fund to NIRD after scrutiny.
- (vii) A National conference of RSETI Directors would be organized by NIRD wherein success stories and innovation experienced by RSETIs would be discussed. NIRD shall work out ways to provide incentives to the well performing RSETIs.
 - (viii) Curriculum Development for RSETIs is required to be finalized by NIRD, BIRD and RUDSETI Ujre. NIRD informed that Curriculum development for RSETIs is at advanced stage and is likely to be completed by end of September, 2009. Ministry of Rural Development would consider providing financial support if required for this purpose.
 - (ix) In order to utilize the services of successful entrepreneurs and Master Craftsmen, RSETIs can invite the guest faculty for imparting training to the participants. It was further decided that NIRD would recommend the ways and means to utilize the services of Master Craftsmen for training the rural BPL candidates.
 - (x) NIRD shall look into the issue of accreditation of RSETI institutes and recommend the ways and means to ensure that trainees who complete training from RSETI sponsored by one Bank is able to get credit from the other bank without any difficulty.
 - (xi) RSETIs shall take all possible measures to mobilize the rural poor for training. Ministry of Rural Development has already issued directions in this regard. Candidates recommended and certified by PRIs as BPL candidates should be acceptable to RSETIs.
 - (xii) States and NIRD shall ensure that there is no communication gap between DRDAs and RSETIs with regard to the role of RSETIs, its training activities, cost of training etc. It was decided that DRDA would pay for the cost of training of rural BPL candidates as per norms prescribed in the Guideline for RSETIs.
 - (xiii) A documentary film on a typical day in the RUDSETI Ujre would be prepared by RUDSETI Ujre. CDs of success stories of entrepreneurs would also be prepared by RUDSETI Ujre. The required financial support would be provided by Ministry of Rural Development.
 - (xiv) The format for monitoring the performance of RSETIs was approved by the National Level Steering Committee with the modifications suggested by Planning Commission and RBI.
 - (xv) Regarding the constitution of District level Committee, it was suggested that public representatives such as MPs, MLAs and PRI representatives

should be invited in the meetings of Local Advisory Committee on quarterly basis to apprise them of the performance of RSETI and seek their views and guidance.

The meeting ended with a vote of thanks to the chair.

Annexure

1st Meeting of National Level Steering Committee (NLSC) on RSETIs held on 16.09.2009 at Unnati, Krishi Bhavan, New Delhi.

List of participants;

Sr. N o.	Name & Designation	State / Organization
Representatives from Government of India- MoRD		
1	Dr. Rita Sharma, Secretary (RD)	Ministry of Rural Development
2	Dr. Amar Singh, Joint Secretary, SGSY	Ministry of Rural Development
3	Shri K.N. Kumar, DDG, NIRD, Hyderabad	Ministry of Rural Development
4	Shri Jagdish Singh, Director (DRDA)	Ministry of Rural

		Development
5	Smt. V.R. Sharma, Director (Marketing)	Ministry of Rural Development
6	Smt. Nita Kejrewal, Deputy Secretary, SGSY	Ministry of Rural Development
7	Shri Sudhir Shyam, Deputy Secretary (SGSY-Credit/Trg)	Ministry of Rural Development
8	Ms. Renuka Kumar, Under Secretary-SGSY	Ministry of Rural Development
9	Shri Govind Sharma, Research Officer, SGSY-Credit	Ministry of Rural Development
Representatives from Other Central Ministries-Gol & Institutes		
10	Dr. P. C. Mishra, Dy. Adviser (RD)	Planning Commission
11	Ms. Sunita Dawra, D/o Financial Services	Ministry of Finance
12	Shri S.K. Chatterjee, Director	BIRD, Lucknow
13	Shri K.N. Janardhana, Executive Director	RUDSETI, Ujire
Representatives from State Government		
14	Shri H. Prakash, Joint Director, RD & PR Deptt.	Karnataka
15	Shri Jatinder Tungi, Dy. Director, RD	Punjab
16	Shri B.K. Das Gupta, Consultant (SGSY) PR& RD	West Bengal
17	Shri S. Dinesh, Addl. Commissioner, RD	Kerala
18	Shri Vishal Rai, Addl. Commissioner, RD	Uttar Pradesh
19	Shri P.R. Bishnoi, Special Secretary RD	Haryana
20	Shri O.P. Kant, Joint Secretary, RD,	Himachal Pradesh
21	Shri S.C. Sharma, OSD, RD	Uttarakhand
22	Shri M. Manohar Singh, Addl. Director, RDD	Tamil Nadu

23	Shri Girish Sharma, RDD	Himachal Pradesh
Representatives from Banks		
24	Shri B.P. Vijayendra, CGM, RPCD, Central Office	RBI, Mumbai
25	Shri S. G. Rathod, CGM, H.O.	NABARD, Mumbai
26	Shri Y. Vijaya Kumar, DGM, Corporate Centre	SBI, Mumbai
27	Shri V. Jeevan Prakash Shetty, Chief Manager	Vijaya Bank
28	Shri Anandi Lal, GM	Dena Bank
29	Shri S.S. Bhat, AGM	Canara Bank, HO, Bangalore
30	Shri Ambarisha Nanda, GM	United Bank of India, ND
31	Shri Parikshit Subuddh, CM	United Bank of India, Kolkata
32	Shri G. Banerjee, GM	PNB
33	Shri V.K. Srivastava, DGM	PNB, HO, ND
34	Ms. Malkiat Sandhu, AGM	PNB, HO, ND
35	Shri Ashwani Kumar, GM	Allahabad Bank, ND
36	Shri N.P.S. Ahluwalia, AGM	Allahabad BankBank
37	Shri P.K. Aggrawal, AGM, R. O.	Bank of Maharashtra, Delhi
38	Shri U.S.R. Gopal, GM	Andhra Bank, ND
39	Shri Srihari Bhat, GM	Syndicate Bank, HO, Manipal
40	Shri Daljit Singh, DGM	Punjab & Sindh Bank
41	Shri R.K. Agrawal, GM	UCO Bank
42	Shri H.S.R. Praseeda, AGM,	Union Bank of India,

		Mumbai
43	Shri B.N.S. Ratnakar, GM	Central Bank of India, New Delhi

