

UMBRELLA PROGRAMME FOR NATURAL RESOURCE MANAGEMENT (UPNRM)



To achieve environment friendly economic growth across rural areas of India, UPNRM supports projects that link natural resource management with livelihood improvements of the rural poor. The programme follows a unique approach through tailored loans with a modest grant component, capacity building measures and partnership facilitation. Till date 280 projects across India have been sanctioned worth Rs 5.87 billion. The number of UPNRM funded projects is steadily growing. UPNRM has touched the lives of more than 0.3 million rural people since 2008.

PROGRAMME OBJECTIVE

Create livelihood opportunities, increase farm incomes and enhance agricultural value chains through investment in rural businesses and sustainable use of natural resources.

PROGRAMME PARTNERS

National Bank for Agriculture and Rural Development (NABARD) and the German Development Bank (KfW).

ALLIED ORGANIZATIONS

Project implementing agencies ('Channel Partners') are NGOs, Cooperatives, Producer Organizations, Private and Public limited Companies, Banks, Micro-Finance Institutions, Community Based Organizations and Public Sector Agencies in rural areas across India; other allied organizations are consulting companies and agencies that provide Capacity Building, Information and Knowledge Management services.

Activities Covered

Core Areas:

- Soil & Water Conservation
- Plantation & Horticulture (tree based farming, Bamboo based farming wadi development, organic farming, energy plantation)
- Forestry
- Farming System Management
- Climate Change adaption

Supplementary Areas:

- Processing and Marketing (e.g. lac, honey, gum, cashew, vegetable, fruits etc.)
- Renewable energy (e.g. bio-fuel, biomass, Solar etc.)
- Livelihood activities (agri allied activities handicrafts etc.)
- Microfinance
- Other supporting activities that help NRM

Information and Knowledge Management:

- Proposal Development
- Planning
- Capacity Building
- Knowledge Management System

Financial Assistance

- Loans
- Bundled small grants

Loans:

Investment loans of long term for

- NRM measures
- Livelihood activities
- Infrastructure
- Plant & machinery
- Storage
- Marketing chains

Working capital loans for

- Production of raw material
- Procurement and stocking of produce
- Processing & packing
- Marketing interventions, distribution

Grants

- Proposal Development
- Capacity Building
- Community Mobilisation
- Cost of Expertise
- Project Management

Loan Terms

- Interest attractive compared to PLR of banks
- Long term loans and revolving loans possible
- Grace period to take care of deficient cash flow during gestation period

ABOUT THE UPNRM PROGRAMME

Exploitation and degradation of productive resources such as land, water and forest, negatively affect the livelihoods of India's 450 million rural poor who are mostly dependent on agriculture. At the same time, government supported interventions such as grants and subsidies need to be complemented by private investment to ensure the desired developmental effect. Enabling rural people and businesses to take on tailored loans can enhance their economic viability as well as encourage ownership and responsibility to manage natural resources. Yet, many vulnerable sections of the society, e.g. scheduled tribes, women, etc. remain excluded from existing private and public financing schemes.

UPNRM has developed an approach that provides a mix of financial and technical support which comprises capacity building, marketing, infrastructure support as well as risk mitigation strategies.

The UPNRM "credit plus" facility provides projects and businesses loan with an integral 'accompanying measure' or grant. The grant

component is to build the project implementing agencies' (channel partners) - competencies and help to capacitate the poor in managing their rural businesses and livelihoods. Unlike conventional financial products, UPNRM loans allow terms that depend on the nature of the project, channel partner and the target group, while their interest rate is lower than that of commercial credits.

Furthermore, UPNRM promotes partnerships between private and public sector agencies that link rural businesses to existing value chains. The programme helps to develop technical and managerial competencies of community based organizations required to enter into partnerships with corporates and the government and assists the partnerships technically as well as financially.

UPNRM's capacity building programme strengthens the channel partners' skills and efficiency through various types of interventions, e.g. training, hand holding support, field visits, experience sharing workshops.

A capacity needs assessment identifies and prioritizes a project implementing organization's requirements, among others in accounting, planning, reporting, production and/or processing techniques. The capacity building programme facilitates replication of UPNRM approaches and supports UPNRM's vision of a gradual shift from grant-funded to loan-based natural resource management projects across India.

The UPNRM eligibility criteria serve as benchmarks for projects to access support under the programme; which include:

1. Engaging rural poor people,
2. Protecting the environment,
3. Promoting community participation,
4. Strengthening decentralized governance,
5. Integrating various disciplinary approaches that are responsive to community needs.

Key results

Since 2007, UPNRM's innovative and inclusive approach has benefited more than 3,32,051 people promoting livelihood activities that use, replenish and conserve local natural resources in an efficient and sustainable manner. UPNRM is:

Far reaching - 280 projects have been sanctioned under UPNRM with financial assistance of Rs. 587 crore covering 20 states and one union territory of India,

Pro-poor - There has been a near threefold (175%) increase in mean income in all interventions which have been implemented under UPNRM,

Environmentally sustainable - Projects generated about 34,750 quintals of vermincompost replacing 1.73 lakh kilograms of chemical fertilizers. More than 90% of the projects deal directly with conservation and maintenance of natural resources.

Gender-friendly and inclusive - 44% of all project participants are women, around 78% are from scheduled castes and tribes and other backward castes, **Climate friendly** - An agro-forestry project has been registered as a Clean Development Mechanism (CDM) project and it is expected to mitigate 33,400 tons of CO₂ annually, Agro-forestry plantations covering 4.2 million trees in 2300 ha of private wasteland has contributed to an annual carbon sequestration of roughly 2,01,618 tons of CO₂.

Multi-sectoral - UPNRM supports projects in the fields of agriculture, organic farming, animal husbandry and integrated dairy, agro-processing, efficient irrigation, fisheries, ecotourism, medicinal plants, marketing of agri-products, nontimber forest produce, renewable energy, seed production, effective utilization of residue products. agro-forestry, drinking water and many more.



'The UPNRM loan of Rs. 36,000 has helped me to purchase milch animals and construct a biogas and vermi-composting unit. Besides my income of Rs.7,500 per year from dairy farming, the environment friendly practices help me to save Rs.9,000 on fertilizers and earn Rs. 12,500 from selling vermi-compost.'

Vaishali V. Gavade, farmer from Gavdewadi village, Patan taluka, Satara district, Maharashtra; project by Lupin Human Welfare and Research Foundation (LHWRF)



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