



UMBRELLA PROGRAMME FOR NATURAL RESOURCE MANAGEMENT (UPNRM)

Unsustainable Utilization of Natural Resources – A Cause of Poverty

The Challenge Link rural livelihood development with sustainable NRM

As productive resources like land, water and forest dwindle, so do the livelihoods of India's 450 million rural poor who depend on them. The government's subsidy programmes to ensure sustainable and efficient use of the limited natural resources need to be supplemented by private investment to improve/restore the situation.

The Way Forward Private Investment in sustainable livelihood activities

Poor people are ready to be a part of in natural resource-based businesses. Yet, many vulnerable sections of the society (scheduled castes, scheduled tribes and women, etc.) remain excluded under the existing private and public financing mechanisms.

State supported interventions like grants and subsidies need to be complemented by private investment to ensure the desired developmental effect. Enabling rural people and businesses to take loans enhances their economic viability while encouraging responsibility and ownership to sustainably manage natural resources to make a living.

UPNRM has financed 269 projects across India, amounting to Rs 5.16 billion. The number of UPNRM funded projects is steadily growing. It has touched the lives of more than 0.3 million rural people since 2008.

UPNRM Support Mechanisms

Innovative Finance for Community Managed Natural Resource Based Rural Businesses Tailored loans with a grant facility and public private partnerships to foster business viability and community ownership

1) Project/Business Finance through Tailored Loans

What: Develop, promote and demonstrate successful community-managed natural resource based rural businesses models that use loans to facilitate income generating activities. The integral grant component is used to build the implementing agencies' competences required to capacitate the poor in managing their rural businesses and livelihood.

Why: Ensure the shift from grant- to loan-based natural resource projects that improve rural livelihoods.

Products: (1) Loans on flexible terms to start business activities; (2) grants to build capacities of the community & client agencies; and (3) strengthen backward & forward business linkages.

Flexible Loan Terms: Unlike conventional financial products, interest rate, tenure, gestation period, collaterals and other terms of UPNRM loans depend on the nature of the project, the implementing partners and the target group.

2) Public Private Partnerships (PPP)

What: Support partnerships between state/public sector agencies and corporates that link rural producer organizations to existing value chains.

Why: Develop frameworks for systematic partnerships that ensure sustainable use of natural resources.

Activities: (1) Develop technical & managerial competences of CBOs required to enter into partnerships with corporates and the government; and (2) test & implement PPP models.

UPNRM The road to economically viable and sustainable rural business - Fostering Business Viability and Community Ownership

A snapshot UPNRM facilitates private sector investments in projects and encourages partnerships that link natural resource management with livelihood improvements of the rural poor through flexible loans and public private partnerships.

What is our objective? Making environmental friendly economic growth accessible to all strata of society to reduce poverty by creating livelihood opportunities, increasing farm income, strengthening the agriculture value chain and conserving the natural resources.

Who do we work with? Non-government organisations, cooperatives, producer companies, corporates, micro-finance institutions, community based organisations (CBOs), banks, trusts, public sector agencies such as state boards, corporations, etc.

What do we finance? Sustainable Agriculture, Wasteland Plantation, Integrated Animal Husbandry, Processing and Value Addition like Handicraft Development, and the Promotion of NRM Based Enterprise, etc.

Why are we different? Innovation – Our 'credit plus' facility offers a mixture of financial and technical support comprising of capacity building with continual guidance throughout the implementation period to manage business risks.

Are you eligible? Essential project ingredients: (1) Pro-poor; (2) Environmental sustainability; (3) Local community participation; (4) Strengthen decentralized governance; (5) Integrate various disciplinary approaches responsive to community needs.

