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## **Effectiveness of CFT Strategy for Convergence between MGNREGS and NRLM of MoRD**

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### **Abstract**

Convergence helps to build on each other's strengths, among two or more programmes, and leads to better achievement of programme goals. Cluster Facilitation Team (CFT) strategy was formulated to nurture convergence between two flagship poverty reduction programmes viz. Mahatma Gandhi National Rural Employment Guarantees Scheme (MGNREGS) and National Rural Livelihood Mission (NRLM), of the Government of India. Civils Society Organizations (CSO), from both government and non-government sectors, played key role in CFT project implementation. The project was piloted in 240 most backward blocks in the country spread across 10 states. Analysis of data from MRNREGS-MIS website indicate that, most of the output, outcome and impact indicators of CFT states, districts and block experienced positive Average Annual Growth Rate (AAGR). CFT states are

better than that of non-CFT states, in most of the cases. The difference between CFT districts and non-CFT districts of select CFT states narrows down for majority of the indicators. At block level, half of the indicators of the non-CFT are better compared with that of CFT blocks. Further disaggregated data at household level, obtained through primary surveys, will give better picture of the effectiveness of the CFT strategy.

### **Key Words**

Civil Society Organizations, Cluster Facilitation Team, Convergence, institutional mechanism, migration, MGNREGS, NRLM, Poverty Reduction

### **1.0 Introduction**

Convergence nurtures synergy among human, financial and technical resources from two or more programmes / schemes, and facilitates their effective utilization, to achieve

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objectives of a programme or scheme. The Ministry of Rural Development (MoRD), Government of India announced 2014-15 as the year of 'convergence' under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Accordingly, the MoRD formulated the Cluster Facilitation Team (CFT) strategy to foster convergence between the two of its flagship programmes viz., MGNREGA and the National Rural Livelihoods Mission (NRLM), working towards eradication of poverty in rural India. Beginning in 2014, the CFT project was piloted in 250 most backward blocks of the country (MoRD 2015).

Civil Society Organizations (CSO), selected by the respective state governments, implemented the CFT project. Government institutions were the CSOs in Andhra Pradesh; Bihar and Telangana states. In Jharkhand, a government institution and a number of NGOs implemented the CFT strategy. In Chhattisgarh, Maharashtra; Odisha; Rajasthan and West Bengal NGOs acted as CSOs. Some CSOs were added, some were removed and others got replaced. While most of the CSOs implemented the CFT project in one state, a few are multi state CSOs.

The CSOs are required to put in place, three CFTs in each block assigned to them. Each CFT constitutes a three-member team with

expertise in i) Soil and Moisture Conservation and/or ii) Agriculture and allied /livelihood activities and/or; iii) Community Mobilization and/or iv) Preparing estimates, doing all measurements and assessing quality of assets. Each CFT performs the role of a Technical Secretariat to the GPs supported by it, supporting about one third GPs of the block. The MoRD provides financial support of Rs. 28 lakhs per year per block for a period of THREE years to CSOs (DoRD 2018), for implementing the CFT strategy. The Ministry released Rs. 6416.56 lakhs to 10 states namely Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and West Bengal during the project period 2013-14 to 2016-17. About 50% of the total funds under the CFT project went to Jharkhand state (DoRD 2017).

### **Objective of Paper**

To ascertain the effectiveness of the CFT strategy with regard to important performance indicators of MGNREGA. This is done by testing the following hypotheses.

### **Null Hypotheses**

**One:** There is no difference in the performance of MGNREGA before and after CFT strategy implementation.

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**Two:** There is no difference in the performance of MGNREGA in CFT category of state/district/blocks and non-CFT states/districts/blocks.

**Alternate Hypotheses:**

**One:** The performance of MGNREGA after implementation of CFT strategy is better than before CFT strategy.

**Two:** There performance of MGNREGA in CFT category of state/district/blocks is better than that in non-CFT states/districts/blocks.

**2.0 Methodology**

This paper is primarily based on secondary data. Data available from the MGNREGA MIS website (<https://mnregaweb4.nic.in/netnrega>) is used to analyze the effectiveness of the CFT strategy at state, district and block level. This is supplemented by a review of studies on CFT strategy.

**Analysis**

Two approaches have been used for analyzing data from MGNREGS MIS website to test the hypotheses.

- a) Before and after CFT strategy and
- b) With and without CFT strategy.

**Before and After Analysis:** *Average Annual Growth Rate (AAGR)*, during the project period is analyzed, for the following three parameters.

- a) Demand generation;
- b) Payment of wages and
- c) Income from wages

A positive AAGR indicates that the CFT project increased demand generation. As the project start date varied from CSO to CSO, to maintain uniformity, 2015-16 to 2019-20, is considered as the reference period for this analysis.

The following set of output and outcome indicators are used to analyze 'demand generation'.

- Persondays Generated (PDG)
- Total Households Worked (THW)
- Total Individuals Worked (TIW)
- Proportion of SC Persondays (SCD)
- Proportion of ST Persondays (STD)
- Proportion Women Persondays (WPD)
- Average Days per Household (ADHH)
- Households completed 100 days (100 HH)
- Total Number of Works Taken Up (TNW)

➤ **Approved Labour Budget (ALB)**

Three outcome indicators are used to analyze 'Payment of Wages' are as follows.

- Wage rate,
- Payment of wages within 15 days and
- Percentage of Expenditure

'Income from Wages' is the impact indicator of MGNREGS.

### 3.0 Findings

This section provides details of a) Before and After Analysis; b) With and Without Analysis and c) Review of other studies.

#### Before and After Analysis

#### Demand Generation

**State Level Analysis:** AAGR was calculated for nine CFT states namely Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Odisha, Rajasthan, Telangana and West Bengal. Together the nine CFT states have positive AAGR for seven of the 10 demand indicators. In case of proportion of SC Persondays, ST Persondays and ADPHH AAGR was in negative. Indicator-wise details are presented in the Table 1.

**Table 1: AAGR of Demand Generation Indicators – Nine CFT States**

S. NO.	INDICATOR	AAGR (%)
		Nine CFT States
1	Persondays Generated	3.52
2	Total Households Worked	3.96
3	Total Individuals Worked	2.70
4	Proportion of SC Persondays	-2.29
5	Proportion of ST Persondays	-3.03
6	Proportion Women Persondays	1.75
7	Average Days per Household	-0.99
8	Households completed 100 days	7.15
9	Total Number of Works Taken Up	8.00
10	Approved Labour Budget	5.5

**District Level Analysis:** This was carried out for CFT districts of a sample of five CFT states namely Andhra Pradesh, Chhattisgarh, Jharkhand, Odisha and Rajasthan. All CFT districts together exhibit positive AAGR for six indicators of demand generation. The AAGR is negative for four other indicators namely SC and ST Persondays, Average Days per Household and Households Completed 100 Days. Indicators-wise details are presented in the Table 2.

**Table 2: AAGR of Demand Generation Indicators – CFT Districts of Five CFT States**

S. NO.	INDICATOR	AAGR (%)
		CFT Districts
1	Persondays Generated	4.05
2	Total Households Worked	4.60
3	Total Individuals Worked	3.83
4	Proportion of SC Persondays	-1.59
5	Proportion of ST Persondays	-1.95
6	Proportion Women Persondays	1.07
7	Average Days per Household	-0.02
8	Households completed 100 days	-1.90
9	Total Number of Works Taken Up	15.89
10	Approved Labour Budget	4.17

**Blocks Level Analysis:** Data of CFT blocks of the CFT districts was analyzed for this purpose. Three of the 10 indicators have negative AAGR, while the remaining indicators show positive AAGR. Total Number of works taken up has higher AAGR at CFT blocks level compared to the CFT districts of the sample CFT states. Further details are given in the Table 3.

**Table 3: Comparison of Demand Generation Indicators - CFT Blocks of CFT Districts of Five CFT States**

S. NO.	INDICATOR	AAGR (%)
		CFT Blocks
1	Persondays Generated	2.45
2	Total Households Worked	1.97
3	Total Individuals Worked	2.01
4	Proportion of SC Persondays	-0.53
5	Proportion of ST Persondays	-1.27
6	Proportion Women Persondays	1.10
7	Average Days per Household	-0.62
8	Households completed 100 days	6.00
9	Total Number of Works Taken Up	21.45

#### Payment of Wages

**States Level:** Nine CFT states together have positive AAGR for all three indicators viz. Wage Rate (3.1%); Payment within 15 days (25.1%) and Percentage of NRM expenditure (1.4%).

**District Level:** CFT districts of five sample CFT states also enjoy a positive AAGR for all three wage related indicators – Wage Rate (4.0%);

Payment within 15 days (20.2%) and % of NRM Expenditure (2.6%).

**Block Level:** All three indicators - Wage Rate (4.2%); Payment within 15 days (21.7%) and % of NRM Expenditure (1.1%).

Indicator wise AAGR for all three levels is summarized in Table 4.

**Table 4: Summary of Payment of Wages Indicators –CFT Blocks, CFT Districts and CFT States Level**

S. NO.	INDICATOR	AAGR (%)		
		CFT Blocks	CFT Districts	CFT States
1	Wage Rate	4.19	4.01	3.12
2	Payment within 15 Days	21.73	20.19	25.1
3	% of Expenditure	1.06	2.61	1.4

#### Income from Wages

The AAGR of the CFT states is 2.1%, while that of the CFT districts of five sample states is 4.3%. CFT blocks of the CFT districts together has an AAGR of 4.0%.

#### With and Without Analysis

##### Demand Generation

Two sets of indicators were used to assess the contribution of CFT on demand generation. **First Set:** Proportion of the following indicators in CFT states/districts/blocks is compared to the proportion of respective rural population. Hence, if CFT is not implemented, the share of the following output indicators will be similar to that of rural population.

- Persondays Generated (PDG)
- Total Households Worked (THW)
- Total Individuals Worked (TIW)
- Households completed 100 days (100 HH)

In case of the second set of indicators, actual values of CFT category compared with that of non-CFT category.

- Proportion of SC Persondays (SCD)
- Proportion of ST Persondays (STD)
- Proportion Women Persondays (WPD)
- Average Days per Household (ADHH)

**State Level Analysis:** As per Census 2011, rural population of the NINE CFT states (Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Odisha, Rajasthan, Telangana and West Bengal) account for about half (48.4%) of the country's rural population. The nine CFT states together enjoy higher proportion for all four first set indicators compared to corresponding rural population. The difference is more pronounced in case of Households Completed 100days of work as shown in Table 5.

**Table 5: Share of First Set of Demand Generation Indicators - CFT and NCFT States**

S. NO.	INDICATOR	PROPORTION (%)	
		Nine CFT States	All Non-CFT States
	RURAL POPULATION	48.4	51.6
1	Persondays Generated	55	46
2	Total Households Worked	51.0	49.0
3	Total Individuals Worked	55.3	44.7
4	Households Completed 100 Days	65.9	34.1

Three of the four Second Set indicators are higher for the nine CFT states together compared to that of the non-CFT states together, as shown in in Table 6.

**Table 6: Comparison Second Set of Demand Generation Indicators - CFT and NCFT States**

S. NO.	INDICATOR	NINE CFT STATES	ALL Non-CFT STATES
1	Proportion of SC Persondays	18.22	14.43
2	Proportion of ST Persondays	19.86	32.23
3	Proportion Women Persondays	51.64	50.15
4	Average Days per Household (Days)	55	42.3

**District Level Analysis:** District level analysis was carried out using data from EIGHT CFT states, as data for West Bengal was not available. The proportion of rural population of all CFT districts of the 8 CFT states is 35.5%. The share of all CFT districts for all four first set indicators viz. Active Job Cards, Active Workers, Person Days Generated and Households completed 100 days is higher than proportion of rural population as seen from Table 7.

**Table 7: Share of First Set of Demand Generation Indicators - CFT and NON-CFT Districts**

S. NO.	INDICATOR	PROPORTION (%)	
		CFT Districts of Eight CFT States	All Non-CFT Districts
	RURAL POPULATION	35.5	64.5
1	Persondays Generated	45.2	54.8
2	Total Households Worked	42.9	57.1
3	Total Individuals Worked	41.8	58.2
4	Households Completed 100 Days	48.3	51.7

Three of the four Second Set indicators are higher for the nine CFT states together compared to that of the non-CFT states together. In case of SC Persondays non-CFT districts is higher, as shown in in Table 8.

**Table 8: Comparison Second Set of Demand Generation Indicators - CFT and Non-CFT Districts**

S. NO.	INDICATOR	CFT DISTRICTS	ALL Non-CFT DISTRICTS
1	Proportion of SC Persondays	14.22	18.41
2	Proportion of ST Persondays	29.94	16.66
3	Proportion Women Persondays	51.23	50.28
4	Average Days per Household (Days)	49.3	46.8

**Block Level Analysis:** Block level analysis was carried out for CFT blocks of CFT districts of eight CFT states. The proportion of rural population of all CFT blocks of the 8 CFT states is 16.1%. The share of all CFT districts for all four first set indicators viz. Three of the four indicators are lower than proportion of the rural population. Share of Total Individuals Worked is marginally higher than the proportion of rural population as shown in Table 9.

**Table 9: Share of First Set of Demand Generation Indicators - CFT and NON-CFT Blocks**

S. NO.	INDICATOR	PROPORTION (%)	
		Nine CFT Blocks	All Non-CFT Blocks
	RURAL POPULATION	16.3	83.7
1	Persondays Generated	14.2	85.8
2	Total Households Worked	15.1	84.9
3	Total Individuals Worked	16.6	83.4
4	Households Completed 100 Days	12.1	87.9

CFT blocks have higher proportion for ST Persondays and Average Days per Household (Days) than non-CFT blocks of the CFT districts. For other two indicators it is lower as shown in Table 10.

**Table 10: Comparison of Second Set of Demand Generation Indicators - CFT and NCFT States**

S. NO.	INDICATOR	CFT DISTRICTS	ALL Non-CFT DISTRICTS
1	Proportion of SC Persondays	9.9	11.1
2	Proportion of ST Persondays	44.2	34.2
3	Proportion Women Persondays	51.8	52.0
4	Average Days per Household (Days)	49.8	49.4

### Review of Other Studies

Average Days of SC households (41) and Average days of ST households (44) of the project CFT blocks was lower than the national average of 45 and 49, in the baseline year 2013–14. However, in 2015-16, the averages of the CFT blocks was at par with the national blocks. Average % wages paid on time of the CFT blocks, improved from 41 to 50 in CFT blocks

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during this period (Sabhiki 2015). In Jharkhand the CFT project was implemented in 76 blocks of 21 districts. Average Persondays Generated (PDG) in CFT GPs of Jharkhand was reported to be consistently higher compared to the GPs in the NCFT blocks, during the CFT project years. The difference is more marked in 2015-16. (Government of Jharkhand, 2016).

An evaluation of the impact of CFT project, implemented by two CSOs, in two blocks in Jharkhand, (IHD 2017) reported positive changes like reduction of role of middle men in getting work under MGNREGA; better awareness among MGNREGA workers about their rights and entitlements to work and payment of wages, provision for unemployment allowance; receipt of timely payment; retaining job cards with workers; improvement in facilities at work site among others.

**Prevention of Migration:** In Jharkhand, assurance of getting 100 days of work under MGNREGA (LEDAS, 2016, 25-26) and construction of farm ponds and two drinking water wells (SUPPORT, 2020, 9) helped to prevent people from migration for work and livelihood.

**Building Other Synergies:** Udyogini led CFT strategy has integrated with Misereor supported 'Food and Nutrition Security Program'

for strategic convergence. As a part of integration, seed support and scientific cultivation practices have been disseminated to those who have already benefitted through CFT in terms of land leveling, water harvest structure such as dobha and well. The beneficiaries have been harvesting bottle gourd, cucumber, bitter gourd and long yard beans for their own consumption and also for selling the surplus at local haat ([www.udyogini.org/integration-of-cft-misereor-deliverable/](http://www.udyogini.org/integration-of-cft-misereor-deliverable/)).

**Institutional Mechanism:** CFT strategy provided the 'Institutional Mechanism', necessary for effective convergence between MGNREGS and NLM, resulting in better poverty reduction (Sridharan 2014).

**Constraints:** An evaluation of the CFT project, two blocks in Rajasthan observed that though CFTs are facilitating mechanisms, they are expected to do the work of the Project Implementing Agency (PIA). Absence of role clarity among various institutions and lack of coordination between the PRIs and CFT is hindering effective implementation of the scheme. Many administrative and structural constraints have caused CFTs faltering in achieving desired results (Bharat Rural Livelihood Foundation, 2017). In Jharkhand rumors by vested interests and threat to CFT members, and viewing CSO as a competitor by panchayat as well as the block staff, came in the way of

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effectiveness of CFT project (Ghatak, 2105, 21-30). In Rajasthan, problems faced in implementation of CFT project include i) overnight increase in number of GPs from four to 41; ii) poor response of government officials and resistance to entry of a new stakeholder; iii) lengthy formalities, at different stages for approval resulting in beneficiaries missing deadlines and iv) reluctance of community to work as laborer due to low wages offered under MGNREGA as compared to potential wages earned from working in nearby cities ([https://srijanindia.org/case\\_studies/a-collaborative-effort-of-key-stakeholders-in-water-conservation-and-livelihood-enhancement-of-the-rural-poor/](https://srijanindia.org/case_studies/a-collaborative-effort-of-key-stakeholders-in-water-conservation-and-livelihood-enhancement-of-the-rural-poor/)).

**Suggestions:** Based on its experience with implementation of the CFT project in Jharkhand a CSO (PRADAN 2017) recommended i) taking up institutional convergence in a more tangible way; ii) setting up panchayat coordination committee to improve monitoring; iii) ensuring predictable and timely availability of funds to CSOs and routing them through panchayats; iv) setting up block level MGNREGA 'Sahayta Kendras' and v) improving CFT MIS component.

#### 4.0 Conclusions

Before and after analysis reveals that CFT states, districts and blocks showed positive Average Annual

Growth Rate (AAGR) for majority of the output, outcome and impact indicators. This is a pointer for the effectiveness of the CFT strategy. CFT states also showed better achievements than non-CFT states. The differences in different indicators narrow down at district level. Non-CFT blocks have higher values for about half of the indicators studied, in comparison to that of CFT blocks.

Analysis of further disaggregated data may provide more correct picture of the effectiveness of the CFT strategy. Hence, analysis of data at household level is suggested for ascertaining the impact of CFT strategy, more rigorously. This involves primary data collection through surveys of households from CFT supported GPs and comparing with those households from non-CFT Gram Panchayats.

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