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# **STUDY FINDINGS ON IMPACT EVALUATION OF NSTFDC SCHEMES**

**Submitted To  
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## Abbreviation used

<b>Abbreviation</b>	<b>Used for</b>
<b>NSTFDC</b>	National Scheduled Tribes Finance Development Corporation
<b>GVT</b>	Gramin Vikas Trust
<b>NABCONS</b>	NABARD Consultancy Services
<b>KRIBHCO</b>	Krishak Bharati Cooperative Limited
<b>TLS</b>	Term Loan Scheme
<b>AMSY</b>	<i>Adivasi Mahila Shashktikaran Yojana</i>
<b>I-FGD</b>	Issue focused Group Discussion
<b>IPEA</b>	Independent Project Evaluation Agency
<b>SCAs</b>	State Chanelizing Agency
<b>BLS</b>	Bridge Loan Scheme
<b>MCS</b>	Micro Credit Scheme
<b>ST</b>	Scheduled Tribes
<b>ToR</b>	Terms of Reference
<b>STT</b>	Strategic Task Team
<b>OTT</b>	Operational Task Team
<b>NGO</b>	Non Government Organization
<b>UT</b>	Union Territory
<b>CBO</b>	Community Based Organization
<b>FI</b>	Financial Inquiry
<b>IGA</b>	Income Generating Activities
<b>RSCSTFDCCL</b>	Rajasthan Scheduled Cast ,Scheduled Tribes Finance & Development Cooperatives Corporation Limited
<b>CSOs</b>	Civil Society Organization
<b>IEC</b>	Information Education and Communication
<b>MIS</b>	Management Information System
<b>DM</b>	District Magistrate
<b>LBM</b>	Lead Bank Manager
<b>AD</b>	Assistant Director
<b>CEO</b>	Chief Executive Officer
<b>SEP</b>	Scheme Exit Protocol
<b>M/Q/APR</b>	Monthly/Quarterly/Annual Progress Report

## Chapter - 1: Introduction

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**1.1** National Scheduled Tribes Finance and Development Corporation (NSTFDC) is aimed to provide financial assistance at concessional rates for taking up income generating activities for economic upliftment of tribal people. It provides assistance mainly for following schemes like IGA, Forward and backward marketing support, skill and Entrepreneurial development etc and also helps State Channelizing Agency (SCAs) for data base preparation, management development programme of professionals and publicity and awareness about Schemes. For IGA, there are 4-5 schemes like Term Loan Scheme (TLS), Bridge Loan Scheme (BLS), *Adivasi Mahila Shashktikaran Yojana*(AMSY), SHGs Scheme and Micro Credit Scheme.

So far efforts under these schemes are concerned; NSTFDC has give out a loan of Rs. 800 Crore with coverage of 24 lacs tribal families prevailing in tribal domain of India. In this context, it is very necessary to analyze the impact of these schemes on economic upliftment of tribal people in terms of quality of life and increasing employability skills and wages. In this regards, NSTFDC attempt to conduct an evaluation study of these schemes preferably in Rajasthan and West Bengal where outreach of these schemes are measurable in terms of qualitative and quantitative and awarded the study to NABCONS for both states. Considering Gramin Vikas Trust (GVT-A unit promoted by KRIBHCO-Govt of India) as a NABARD's associate organization in Rajasthan, further NABCONS has shown confidence in GVT for conducting evaluation study and sublet the present assignment to **GVT ( named as IPEA-Independent Project Evaluation Agency)**, especially for Rajasthan State considering wider presence and adequate sharpened skills and expertise. The present study is aimed to assess the impact of corporation schemes, identify operational problems and restricted access in the service delivery mechanism particularly in three priority and more focused districts viz. Banswara, Dausa and Sawai Madhopur in Rajasthan.

## **1.2 Terms of Reference:**

The study ToR was carefully designed by NSTFDC itself based on following objectives set for study and subsequently, it was strictly followed by IPEA in every aspect. Prior to evaluation at ground ,a day long orientation training was given to Multi faceted team experts of IPEA on all technical aspects (objectives, outcomes, methodology, analysis and documentation etc) of proposed study.

### **1.2.1 Study Objectives**

- To access the impact of NSTFDC Schemes.
- To identify bottleneck in the implementation and delivery mechanism.
- To suggest, improvements/ solutions.
- To identify new channels to increase the flow of funds.

### **1.2.2 Expected deliverables**

- Assessment of impact, both financial and social with reference to income, education, health care, social status, etc. of the identified beneficiaries. This would include comments/ observations on direct and indirect outcomes, effectiveness of NSTFDC interventions on resources and livelihoods, pre and post assistance analysis and comparison with control sample.
- Assessment of capacities and capabilities of implementing agencies with reference to manpower, infrastructure, expertise, etc. This would include comments on sustainability of the existing model, suggesting measures for improvements and identifying alternative mechanisms to supplement the efforts of existing implementing agencies.
- Identification of gaps/ bottlenecks in the existing model in reaching the target groups and suggesting improvements in the same.
- Enumeration of detailed modalities for the implementation of NSTFDC Micro Finance Scheme and its bank linkage.

1.2.3 **Project Stakeholders:** Following stakeholders planned to involve in study as they are directly or indirectly associated with this scheme. **Apart from primary stakeholder as ultimate beneficiaries, the secondary stakeholders like SHGs, NGOs, Cooperative societies, Banks and SCA located at Jaipur (Rajasthan) are key facilitators in schemes implementation.** Being an assessment study, there is need to evaluate the

intensity of schemes' outcomes, thus, there is need to compare real beneficiaries with individual ST non beneficiaries who have not availed any benefits under NSTFDC schemes.

**1.2.4 Data collection:** Schedules/ questionnaire related to SCAs were used while schedules/questionnaire related to SHG, MCS and BLS schemes were not used due to absence of these schemes in sampled study area resulted, study does not needed to interact with related secondary stakeholders like SHGs, Cooperatives and Bankers .In addition to that, primary data also collected through semi-structured interviews, Issue Focused Group Discussions (I-FGD) during investigation. Data sources were as follows:

- Impact assessment: Individual ST beneficiaries and non beneficiaries.
- Assessment of capacities and capabilities of implementing agencies: SCAs
- Identification of gaps/ bottlenecks in the existing model in reaching the target groups and suggesting improvements in the same: Individual ST beneficiaries and non beneficiaries and SCAs.

**1.2.5 Districts covered:** The Present study covering three districts of Rajasthan viz. Banswara, Dausa and Sawai Madhopur which is comparatively more focused & prioritized for evaluation purpose by NSTFDC. The profile of target area as given below:

- Banswara: out of 6 benefited blocks, 5 blocks were covered.
- Dausa: out of 5 blocks, all 5 were covered
- Sawai Madhopur: out of 7 blocks, all 7 were covered.

**1.2.6 Sample size:** As per indicated by NSTFDC, the study has cover 200 ST beneficiaries and 50 non-beneficiaries (25% of ST Beneficiaries). Upto medium extent, efforts were exerted to broad base the sample giving representation of beneficiaries of different age groups, income groups, gender, year of assistance, schemes, etc. and also across various sectors of activities like agriculture, industry and service sector. Study has covered beneficiaries assisted under NSTFDC schemes since its inception i.e. 2001 to March 2007. More samples were taken from last 3 years to get larger perceptive of different schemes run by NSTFDC.



## 1.3 Methodology

### 1.3.1 Scope of the Study

The present impact evaluation study covers the ST individuals' directly benefited from NSTFDC schemes. These individuals are from different age groups, income groups, gender, year of assistance, schemes, etc. and also across various sectors of activities like agriculture, industry and service sector.

In this study, amongst the 380 individual beneficiaries available in the study area, 200 were interviewed for impact assessment through semi-structured interviews/I-FGD. For this purpose a detailed household survey of 200 beneficiary families was conducted in addition to 50 non-beneficiary families as control. The study also includes I-FGD with secondary stakeholders like SCAs.

### 1.3.2 Sampling criteria

For this study total available beneficiaries of the NSTFDC scheme were 380 across three districts as mentioned above. IPEA has interacted to 200 beneficiaries on following criterions:

- Initially, 200 respondents were selected on random basis keeping the view of different age groups, income groups, gender, year of assistance, schemes, etc. but due to geographically scattered pattern of beneficiaries and non availability and/ or non-responsiveness of the selected respondents in initial days of field investigation, it was decided to go for interview as per availability of respondent across villages in respective blocks of each district with taking care of better representation of target area on atleast 2-3 key parameters. This was major limitation in finalizing value sampling of study and apart of scattered presence of proposed respondents, time stipulated for study i.e. 20 days also limiting to attain sound representative sampling.
- Planned and actual number of individual respondents are as under:

District	Number of beneficiaries under study				
	Existing	Planned	% Planned	Covered	% Covered
Banswara	154	80	52	77	50
Dausa	86	46	53	48	56
Sawai Madhopur	140	74	53	75	54
<b>Total</b>	<b>380</b>	<b>200</b>	<b>53</b>	<b>200</b>	<b>53</b>

Non-beneficiaries were selected from same visited villages, where beneficiaries were available for response to keep comparative similar socio-economic situations.

### **1.3.3 Data Collection**

The relevant data has been collected and compiled for impact study through questionnaires answered by ST individuals (both beneficiary and non-beneficiary) and various secondary stakeholders like SCAs. Primary data has been collected from the primary and secondary stakeholders, while secondary data from the respective NSTFDC district offices. The questionnaire was segregated into 13 sections constituting the personal information, demographic profile, details of assistance from NSTFDC, awareness about NSTFDC schemes, Opinions and perspectives on assistance received and about activity, time spent for receiving assistance, repayment performance, post assistance activity profile, sources of funds, employment generation by the activity, information on social indicators and suggestions from the beneficiary for making improvements in the scheme.

#### **Steps undertaken during the impact study:**

- Clarity about study purpose and role of IPEA in respect to assigned task.
- Proper orientation of ToR to PI- IPEA and Strategic Task Team (STT) for conducting impact assessment by NABCONS.
- Prior to launching the evaluation study, PI and multi-faceted experienced evaluators from STT has given orientation to field investigators and DEO for conducting respective studies through day long teaching at district level.
- An introductory meeting was conducted with respective nodal offices of NSTFDC in each district determining the purpose of conducting the study and to get secondary information (e.g. beneficiaries' profile, Schemes profile, guideline, Progress or status report, operational and strategic issues, other field records relevant to scope of study).
- Initial informal conversation with criteria specific beneficiaries for different sub habitation to ensure mutual belief & trust with them. Somewhere possible, villages meeting was also organized to make them aware about NSTFDC & its schemes and about purpose of study
- Collection of raw data as per the questionnaire with multiple informal questioning in a very participatory way.

- Besides interviews with households, informal interviews were also conducted with secondary stakeholders like SCAs, local NGOs, Key Opinion Leaders, etc. to get qualitative multi-perspectives for the evaluation study.

#### **1.3.4 Sources of data/information:**

- Primary data were collected through individual semi-structured interviews using multi-questioning schedule from individual ST beneficiary and non-beneficiary respondents.
- Secondary data was collected from NSTFDC offices of respective districts.
- Secondary data was collected from SCAs.
- Other relevant information on operational issues of Schemes from local NGOs, Key Opinion Leaders.

**1.3.5 Schedules for data collection:** The schedules for various respondents based on ToR were developed by NSTFDC and provided to IPEA for taking up evaluation study. The content of questionnaire for beneficiaries was very much relevant according to ToR but for non individual beneficiaries, questionnaire was not seems explicit in respect to getting larger perspective that not taking benefit from NSTFDC.

#### **Discussions with stakeholders:**

- Primary stakeholders: ST Beneficiaries, Non beneficiaries
- Secondary stakeholders: SCAs, District Nodal Offices, NGOs, Opinion leaders

#### **1.3.7 Caveats:**

- Geographically spread out pattern of beneficiaries (average 1.2 beneficiaries per village) and non availability and/or non responsiveness of beneficiary resulted confined the interaction with respondents.
- Unavailability/ unawareness about data of financial part with beneficiaries.
- Unresponsiveness of beneficiaries to field investigators.
- Poor publicity of NSTFDC schemes resulted less mobilization.
- Limited time span (20 days) for conducting study, looking to patchy product delivery in sampled area.
- Control sample was confined to only ST individuals who have not benefited under NSTFDC schemes, resulted hindrance in choosing appropriate respondents.
- Focused on only two schemes i.e. *TLS* and *AMSY* by NSTFDC in sampled area, resulted in difficulty in getting wider perspectives of schemes during study

## Chapter - 2: Implementation of NSTFDC Schemes by SCAs

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### 2.1 Brief Details of the Schemes:

NSTFDC is the apex institution for financing, facilitating and mobilizing funds from other sources and promoting human resource and economic development activities of the Scheduled Tribes. It provides assistance mainly for following schemes like IGA, Forward and backward marketing support, skill and Entrepreneurial development etc also helps State Chanelizing Agency (SCAs) for data base preparation, management development programme of professionals and publicity and awareness about Schemes. For IGA, there are 4-5 schemes like Term Loan Scheme (TLS), Bridge Loan Scheme (BLS), *Adivasi Mahila Shashktikaran Yojana*(AMSY),SHGs Scheme and Micro Credit Scheme.

#### 2.1.1 TERM LOAN SCHEME

NSTFDC provides Term Loan for project/unit costing upto Rs.10.00 lacs. NSTFDC may provide Term Loan upto 90% of the Cost of Project/Scheme, subject to the condition that State/UT level chanelizing agencies contribute their share of assistance as per their scheme and provide the required subsidy, besides tying up financial assistance from other available sources, if any. Entire Working Capital requirement for project/unit costing upto Rs.1.00 lacs may be treated as part of cost of project. For Project/Unit costing above Rs.1.00 lacs, working capital upto 30% of the cost of project subject to a maximum of Rs. 3.00 lacs would be considered as part of cost of project. Interest rate up to 5 Lacs is 4 % (SCAs) and 7 % (Beneficiaries) and above to 5 lacs, it is 6 % (SCAs) and 9 % (Beneficiaries). Loan is to be repaid in quarterly/half yearly installments, as the case may be, within a maximum period of 10 years including suitable moratorium period.

#### 2.1.2 BRIDGE LOAN SCHEME.

Bridge Loan may be provided to meet the funding requirement of project against sanctioned subsidy/capital incentives etc., by the government agencies or any other source of funds sanctioned by any recognized agency, available for the project but not disbursable during implementation period of project. NSTFDC provides Bridge Loan for project/unit costing upto Rs.10.00 lacs. Interest rate on Bridge Loan is at par with rate of interest for Term Loan. Sanctioning agency to ensure release of funds directly to State

level chanelizing agency or NSTFDC, within a maximum period of 2 years from the date of first release of Bridge Loan by NSTFDC.

### **2.1.3 ADIVASI MAHILA SASHAKTIKARAN YOJANA (AMSY)**

It is an exclusive concessional scheme for the economic development of eligible ST women. Term Loan for scheme/ project costing up to Rs. 50,000/- per unit/ profit center. NSTFDC may provide Term Loan upto 90% of the Cost of Project/Scheme, subject to the condition that State/UT level chanelizing agencies contribute their share of assistance as per their scheme and provide the required subsidy, besides tying up financial assistance from other available sources, if any. Promoter's Contribution: may not to be insisted upon. Repayment period is maximum of 10 years and interest rate is 4% per annum only.

### **2.1.4 SELF HELP GROUP SCHEME**

NSTFDC provides financial assistance for scheme project having unit cost upto Rs 25.00 lacs per SHG.. This provides term loan upto 90% of the cost of scheme /project subject to investment per members not exceeding Rs 50,000/- per unit. All other norms are applicable like to TLS. Contribution from SHGs is minimum required at the rate of 10 % of the cost of the project scheme. NSTFDC shall charge interest @5% per annum (NSTFDC share) from the SCAs and in turn SCAs may charge upto 8% p.a. from the SHGs.

### **2.1.5 MICRO CREDIT SCHEME (MCS)**

This scheme is meant to provide small loans to the eligible scheduled tribes, for undertaking self employment ventures /activities only, through the existing profit making self help groups. NSTFDC provides loan upto Rs 0.35- 5.00 lacs per SHG. SCAs shall provide eligible amount of margin money/subsidy as per their norms for the target group and remaining amount may be provided as Term Loan by NSTFDC. NSTFDC may provide upto 10 % of the funds required, as term loan, in the case of SCAs is/are not able to provide margin money/subsidy. Repeat loan may give to members by the SHGs. However, the repeat loan to the SHGs by SCAs shall be given only after the entire dues of earlier loan taken under scheme, are repaid by the SHGs to SCAs and then, SCAs to NSTFDC. NSTFDC shall charge interest upto 3 % p.a. from the SCAs and Then SCAs charge from SHGs @ 6% p.a. and SHGs charge from members @ 9 to 15 % p.a.

## 2.2 Operations of NSTFDC

- Financing overall viable income generating schemes for the Scheduled Tribes having annual family income up to double the poverty line (target group) through the State Channelizing Agencies (SCAs) and other recognized institutions nominated by the respective State /UT Governments.
- Providing Micro-Credit Finance.
- Providing grants for skill development programmes, also chanelized through the State Channelizing Agencies.
- To fill the critical gaps by providing backward and forward linkages, for activities undertaken by the target group.
- Providing advisory services to target group and SCAs.
- Upgrading skills of officers of State level chanelizing agencies, through periodic training programmes.
- Providing grants to SCAs for enabling them to computerize their database pertaining to NSTFDC assisted schemes in their States/UTs.

### 2.2.1 Eligibility criteria for getting loan from NSTFDC

- The beneficiary (ies) should be from Scheduled Tribes Community
- Annual family income of the beneficiary (ies) / member (s) of Co-operative society or any other form of Legal Association should not exceed double the poverty line (DPL) income limit (presently Rs.31,952/- p.a. for rural areas and Rs.42,412/- p.a. for urban areas).

### 2.2.2 Financing programs and lending norms

A. Income generating Activities for target group: broadly classified into following categories:

- Term loan for all type of constituents
- Bridge Loan for all type of constituents
- *Adivasi Mahila Sashaktikaran Yojana (AMSY)*
- Scheme for Self Help Groups
- Micro Credit Scheme fro Self Help Groups

B. Marketing Support Assistance

In studied area belonging to three districts of Rajasthan, loans were given only for two schemes only viz. Term Loan Scheme and AMSY, brief outline of which is as follows:

### 2.3 Adherence to the Guidelines:

During interaction with district nodal officers and officers from RSCSTFDCCL at Jaipur, it was noticed that for all schemes under NSTFDC, they strictly followed the guidelines as per instruction issued by NSTFDC.

### 2.4 Coverage (Geographical, Physical, Financial, etc.)

It was tried to cover maximum geographical area and representation of beneficiaries from each benefited block of respective districts. Geographical and Physical coverage of study is shown in following table.1

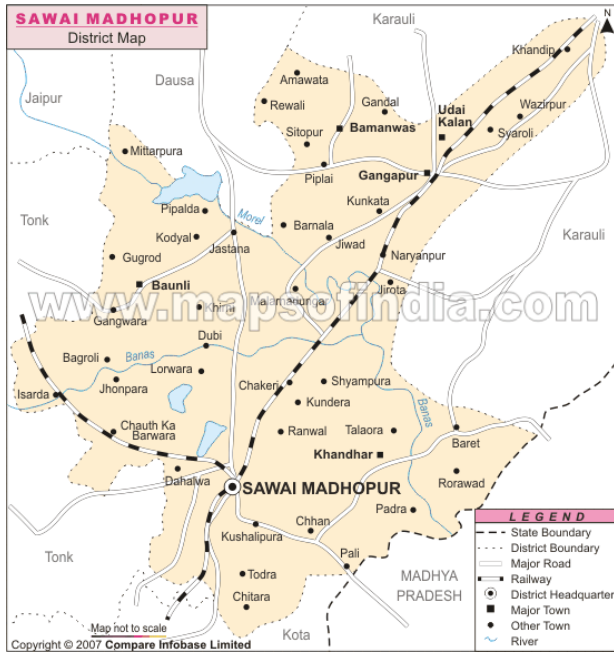
**Table: 1 showing Geographical and physical coverage of Beneficiaries under NSTFDC schemes in three studied villages.**

District	S#	Block	No of beneficiaries				
			Existing	Covered			Percent
				TLS	AMSY	Total	
Banswara	1	Anandpuri	2	0	1	1	50
	2	Bagidora	15	8	3	12	80
	3	Gadi	25	9	6	15	60
	4	Ghatol	34	10	5	15	44
	5	Talwara	77	29	5	34	44
	6	Sajjangarh	0	0	0	0	.-
	7	Kushalgarh	1	0	0	0	0
		<b>Sub Total</b>	<b>154</b>	<b>56</b>	<b>20</b>	<b>77</b>	<b>50</b>
Dausa	1	Dausa	32	17	3	20	63
	2	Mahua	13	4	0	4	31
	3	Bandikui	5	1	0	1	20
	4	Lalsot	17	8	2	9	53
	5	Sikrai	19	14	0	14	74
		<b>Sub Total</b>	<b>86</b>	<b>44</b>	<b>5</b>	<b>49</b>	<b>56</b>
S Madhopur	1	S Madhopur	55	18	7	25	45
	2	Choth Ka Barwada	12	2	3	5	42
	3	Malarana Dungar	14	7	2	9	64
	4	Bamanwas	29	17	5	22	76
	5	Bonli	14	9	2	11	79
	6	Khandar	6	2	0	2	33
	7	Gangapur City	8	1	0	1	13
		<b>Sub Total</b>	<b>138</b>	<b>56</b>	<b>19</b>	<b>75</b>	<b>54</b>
		<b>Total</b>	<b>378</b>	<b>156</b>	<b>44</b>	<b>200</b>	<b>53</b>

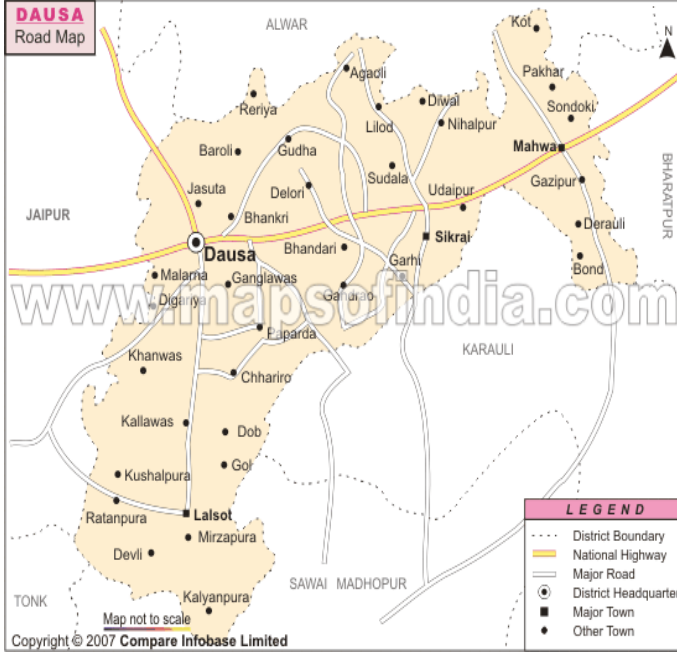
## 2.5 Operational Issues

- Sanctioning Process of Loan disbursement by SCAs was found quite longer resulted District Nodal office facing lot of problems raised by local applicants and this need to address very promptly to ensure effective delivery system by incorporating minimum time of approval in SCAs guideline.
- After sanctioning of loan by SCAs, there is time provision of 45 days to ensure the loan formalities by applicants and during this period, applicant some times could not manage time properly for submitting loan documents to SCAs, resulted they could not availed the financial assistance.
- Repayment mechanism with time effectiveness is questionable because many times, information relates to identification & residential proof provided by applicants at the time of loan disbursement, is not physically verified, resulted problems at the time of recovery of default beneficiaries arises.
- Awareness level about NSTFDC's schemes among local mass is major issue behind broken outreach of schemes at end users and this leads to somewhere badly upsetting the product users when he informed about repayment modalities by NSTDFC and by this time, he fully misguided by middleman who provoked to take financial assistance without informing actual modalities.
- Promotion on other assistance schemes like BLS, MCS and SHG scheme is one of the measurable concerns for immediate consideration and in this regards, district nodal offices should be fully equipped with skills & expertise for marketing these un-reached CBO friendly products.
- At most visited places, staff deployed at District level belongs to other Govt departments are working on secondment basis and their business orientation particularly for marketing users friendly loan products of NSTFDC in rural/urban areas is another anxiety for ensuring schemes outcomes.

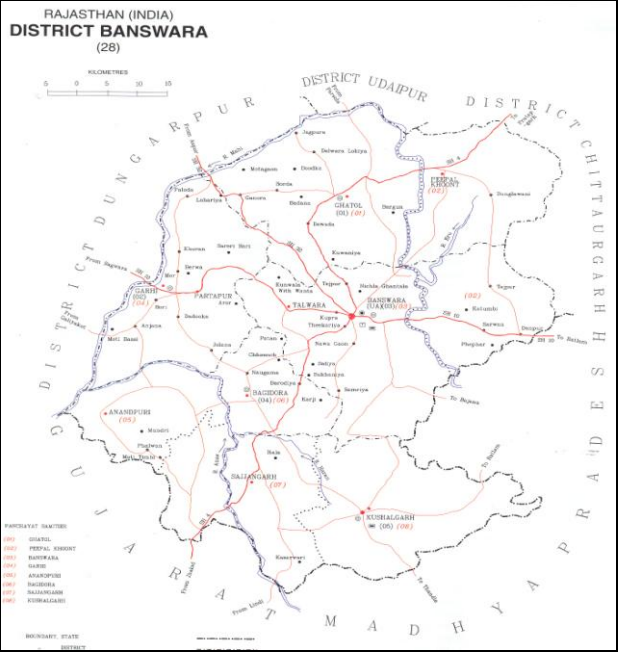




**Sawai Madhopur**



**Dausa**



**Banswara**

**Figure 1. Maps of Studied blocks of three districts under NSTFDC Schemes**

## **2.6 Effectiveness of the Present Delivery/ Implementation Mechanism-Gaps and bottlenecks**

- There is no documentation of beneficiaries wise Repayment schedule at district office resulted it becomes very difficult to monitor beneficiaries wise repayment status and even concerned beneficiaries do not know about repayment schedule and status. This is major gap which affects the effectiveness of implementation mechanism.
- The process adopted in loan disbursement to beneficiaries is quite longer resulted delayed benefits could not put high-quality impact in terms of their livelihoods.
- Inconsistency in professional services among corporation staff working on secondment basis is major issue which affects the present delivery and monitoring mechanism of NSTFDC.
- Publicity of NSTFDC schemes in target group especially in women was found quite discouraging and it should be properly addressed so that every one can come close to this kind of assistance.

## **2.7 Capacity and Capability of Implementing Agencies**

- **Manpower:** Complete staff of NSTFDC (including project officer and accountant) offices of respective districts is on deputation from other departments; hence, feeling of ownership of work is not present.
- **Infrastructure:** offices are running in one room at Zila Parishad premises in all three districts struggling for minimum office requirement.
- **Expertise:** Since staff in on secondment from other departments/ offices, no one could have expertise in terms of NSTFDC schemes. Data entry operators are either not available or on contract basis, computerization of data is not complete at Sawai Madhopur and Dausa ,while at Banswara office information about address of the beneficiaries is incompletely available.
- **Timelines** in Implementation of Schemes: In every financial year, NSTFDC used to take applications for loan from ST individuals but it take time of almost a year to get sanction note from state office to district office. After getting sanction, if

documentation work on behalf of beneficiary is complete, loan get disburse within one month of date of sanctioning.

- **Support to Beneficiaries:** Procedure for loan sanctioning by SCAs is very time taking & complex in nature and during this period, applicants expect lot of support from NSTFDC staff in terms of procedural *know-how* and upto possible extent, staff concerned provides full support to applicants with adherence to guideline in way of facilitating bank guarantor, procedural documentation etc. Moreover, NSTFDC also provides techno-managerial *know-how* for specified credit linked activities to beneficiaries through arranging trainings.
- **Recovery of Loans:** Due to poor financial inquiry procedure, loan recovery becomes very difficulty for NSTFDC resulted repayment mechanism badly affected. In case of loan disbursement to needy person, recovery of loan is quite encouraging and person who availed financial assistance under NSTFDC just for snatch opportunity, their recovery of loan is very tiresome.

**2.8 Observations of the Study Team:** The Team IPEA gathered following observations during evaluation which affects largely towards effective implementation of NSTFDC schemes.

- Inadequate staff at district office. Project officers at respective district offices and all higher level staff even at state level are on deputation from other government departments.
- Delayed procedure in loan approval from upwards.
- Not enough expertise among existing staff towards effective scheme implementation as all staff is from other departments on deputation for short span of time.
- Staff is adhered to guidelines very much in terms of eligibility criteria for sanctioning and disbursement of loan, recovery from defaulters, etc.
- No separate wing for scrutiny of appropriate application by FI for verification of proof of address produced by beneficiary.
- Lack of effective monitoring system in terms of computerized record keeping of beneficiaries, especially repayment schedule, which leads to time taking

procedure every time whenever new project Officer/ accountant join at district level. Also district wise annual report is not available at any studied district.

- Poor communication and directions from upwards to district unit.
- Publicity of NSTFDC schemes\_at ground level is poor which restricts prospective beneficiaries to get benefited on scale.

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## **Chapter: 3 Distinguishing features of Sample & Control beneficiaries**

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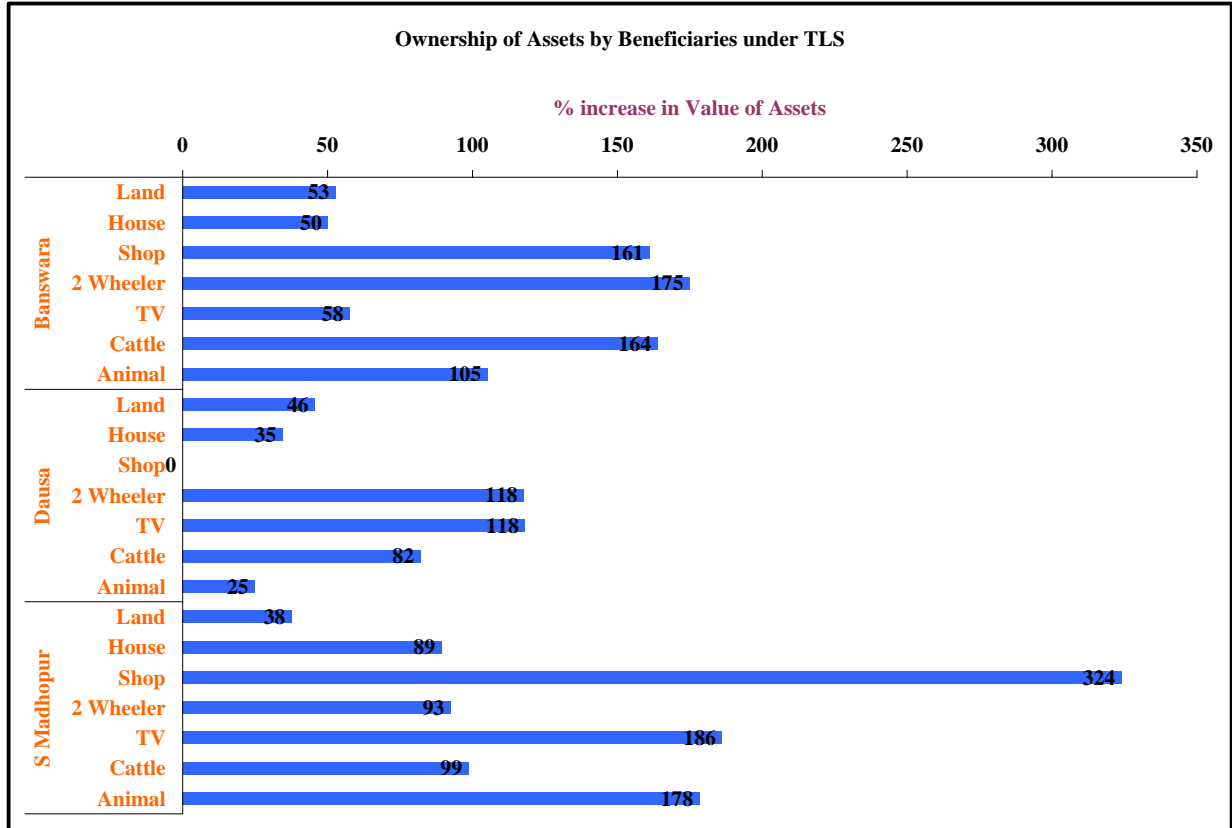
The observations were congregated on pre and post development scenario of studied beneficiaries in comparison with control sample after extensive exercise of data collation, interpretation and analysis keeping in mind of objectives set for impact study of NSTFDC schemes. Data of 200 sampled respondent were posted on excel spread sheet to get comprehensive ideas of studied area across the various sections like district, schemes, qualitative aspects similarly adjacent 50 control sampled respondents were also collated on spread sheet to understand the development scenario due to their non involvement in NSTFDC schemes.

The beneficiaries sample was carefully analyzed on various parameters with control sample in order to get wider perspectives on post development scenario in terms of quality life and increased employability skills & wages. The observations gathered are presented in form of distinguishing features of pre and post assessment of NSTFDC scheme and details are given below:

### **3.1 Pre and Post Development Scenario**

#### **3.1 Ownership of assets**

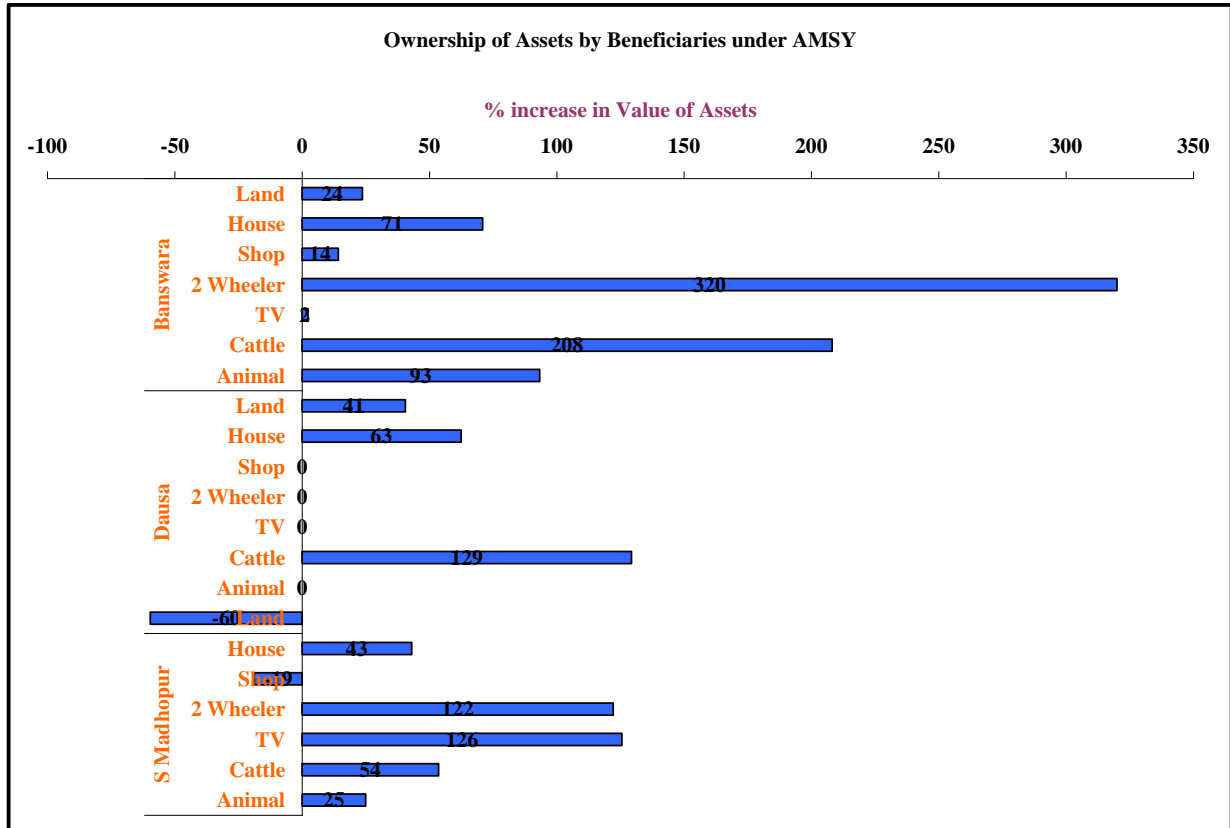
Under Term loan Scheme (TLS), the ownership of immovable assets ( land, house and shop etc), movable assets (2-wheeler, TV, CC, Freeze, others), living assets (cattle and Draught animals) has been analyzed after assistance from NSTFDC and district wise % increase in ownership of these various assets in the scheme illustrated in Figure:2. The below placed Figure:2 reveals that in Banswara area, respondent beneficiaries increased ownership on assets like Two wheeler (175 %), shop (161 %) and cattle (164 %) through benefits availed from NSTFDC schemes and others sources. In Dausa area, product users comparatively increased ownership on two wheeler and TV (both 118 % increase), while in case of Sawai Madhopur, beneficiaries showed increased ownership with setting up of shop (324 % increase), purchasing of TV (186 % increase) and animal through assistance obtained from schemes and other sources.



**Figure-2**

Similarly in *Adivasi Mahila Sashaktikaran Yojana (AMS)*, district wise % increase in ownership of these various immovable, movable and living assets in the scheme were analyzed and trends in ownership is illustrated in below figure: 3 which reveals that with efforts of NSTFDC schemes and other sources, ownership in Banswara in term of percentage has been increased on movable assets i.e. two wheeler (320 % increase) and on living assets like cattle (208%) and draught animals (93%), while in Dausa; it was found increased with cattle purchasing (129 %) by women's benefited under AMS and other sources. If we see it for Sawai Madhopur, assets ownership was found increased with purchasing TVs and two wheelers.

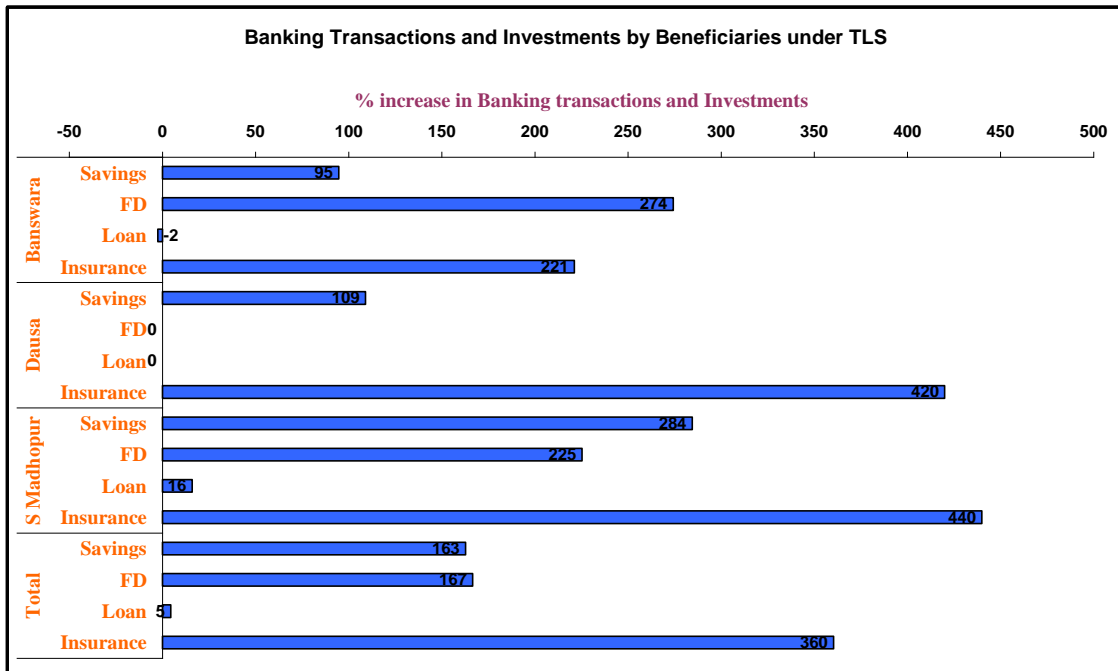
Comparative study of TLS and AMS reveals that increase in ownership of Shop and Land is very high among beneficiaries of TLS then AMS where it is negligible. In other movable, immovable and living assets, increase in ownership over previous years is at par in both schemes.



**Figure: 3**

### 3.2 Banking transaction and investments

Under Term loan Scheme (TLS), the changed pattern in banking transactions/investment through savings bank, FD, loan and insurance has been assessed after assistance from NSTFDC schemes. District wise percent increase in transactions/ investments in the same scheme illustrated in figure: 4.



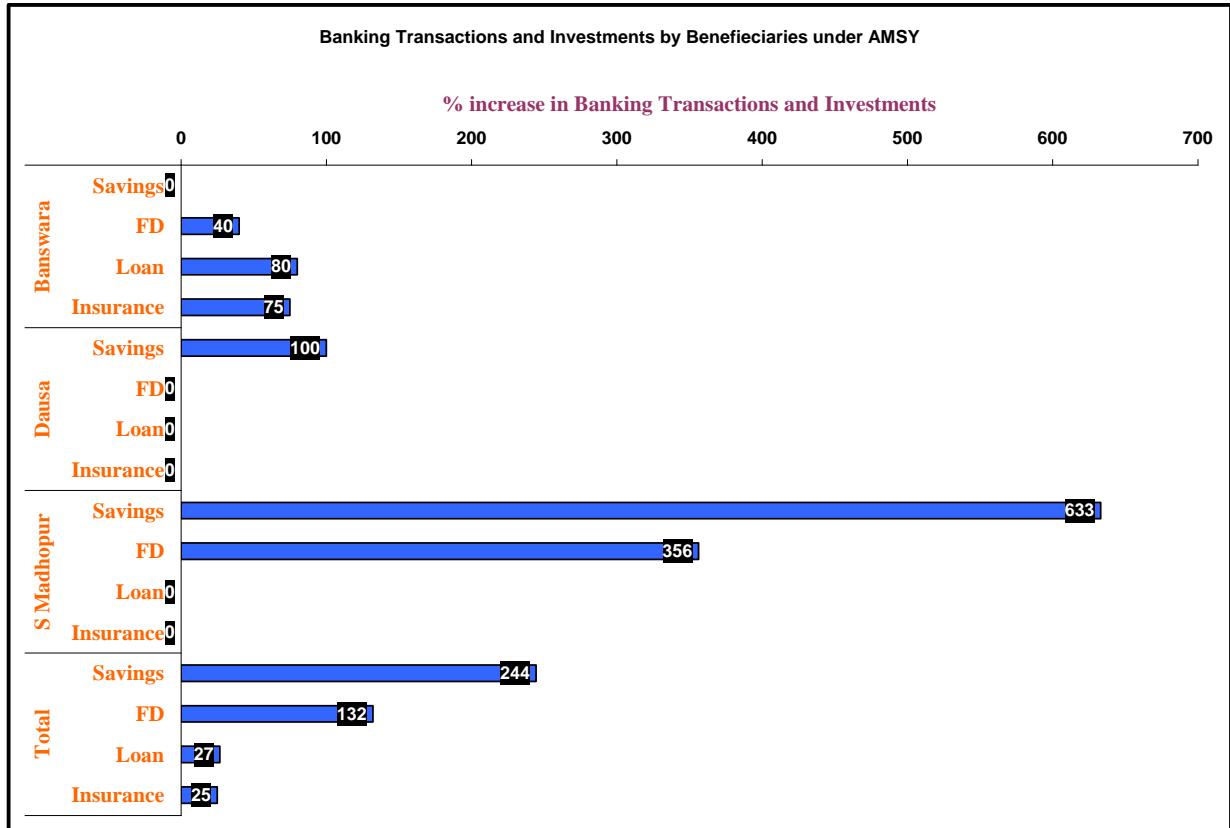
**Figure: 4**

The above placed Figure: 4 reveals that in after post assistance received from NSTFDC schemes, beneficiaries shown very high interest to invest in insurance in Dausa (420% increase in investment among beneficiaries) and S Madhopur (440%) area. When we look at FDs it is comparatively high in Banswara and S Madhopur area where it was 274% and 225% respectively in comparison to Dausa area where it was zero increase. Figure show that over all beneficiaries have invested the amount at par in both savings and FDs ,while insurance is at very higher choice to invest.

While in AMSY, district wise % increase in transaction/investment through various deposits and transaction in the scheme illustrated in below placed figure: 5, reveals that only in S.Madhopur, respondents told that they had huge banking investment through FD and saving, while in Dausa and Banswara area, trends on banking investment and transaction was little bit unsatisfactory.

Comparison of figure: 4 & 5 shows that there is much difference of savings as investment in Insurance where beneficiaries under AMSY shown very less interest in comparison with under TLS.

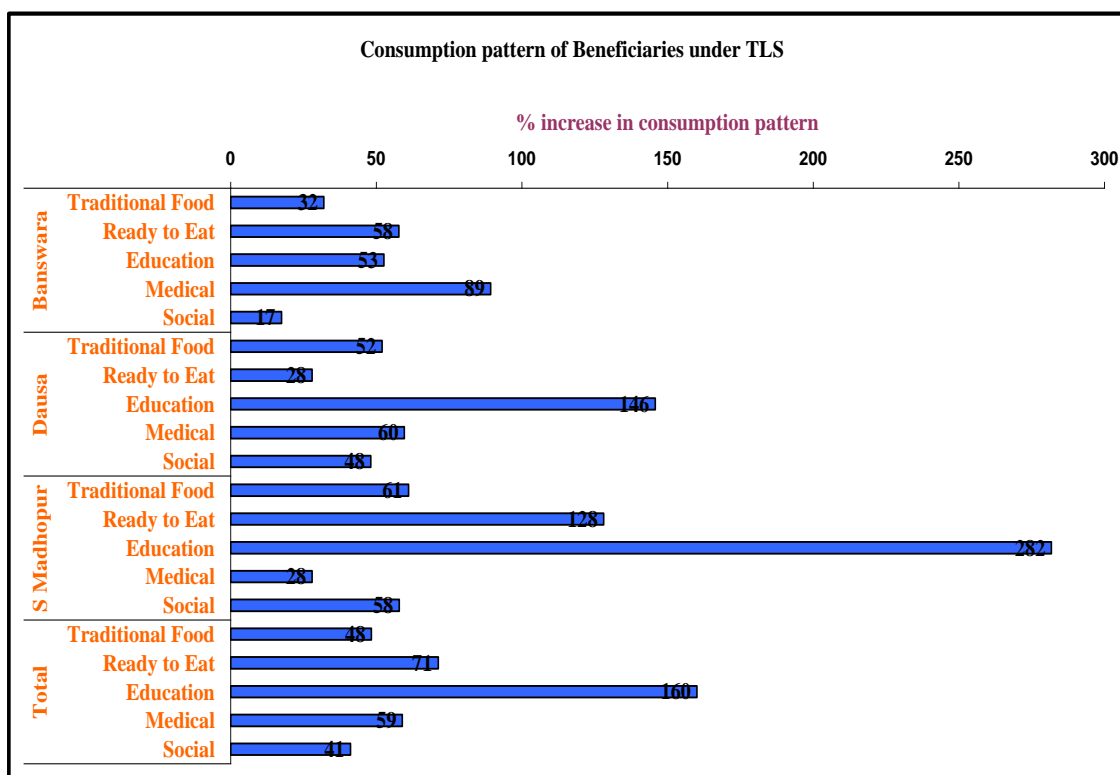




**Figure: 5**

### 3.2 Household consumption pattern

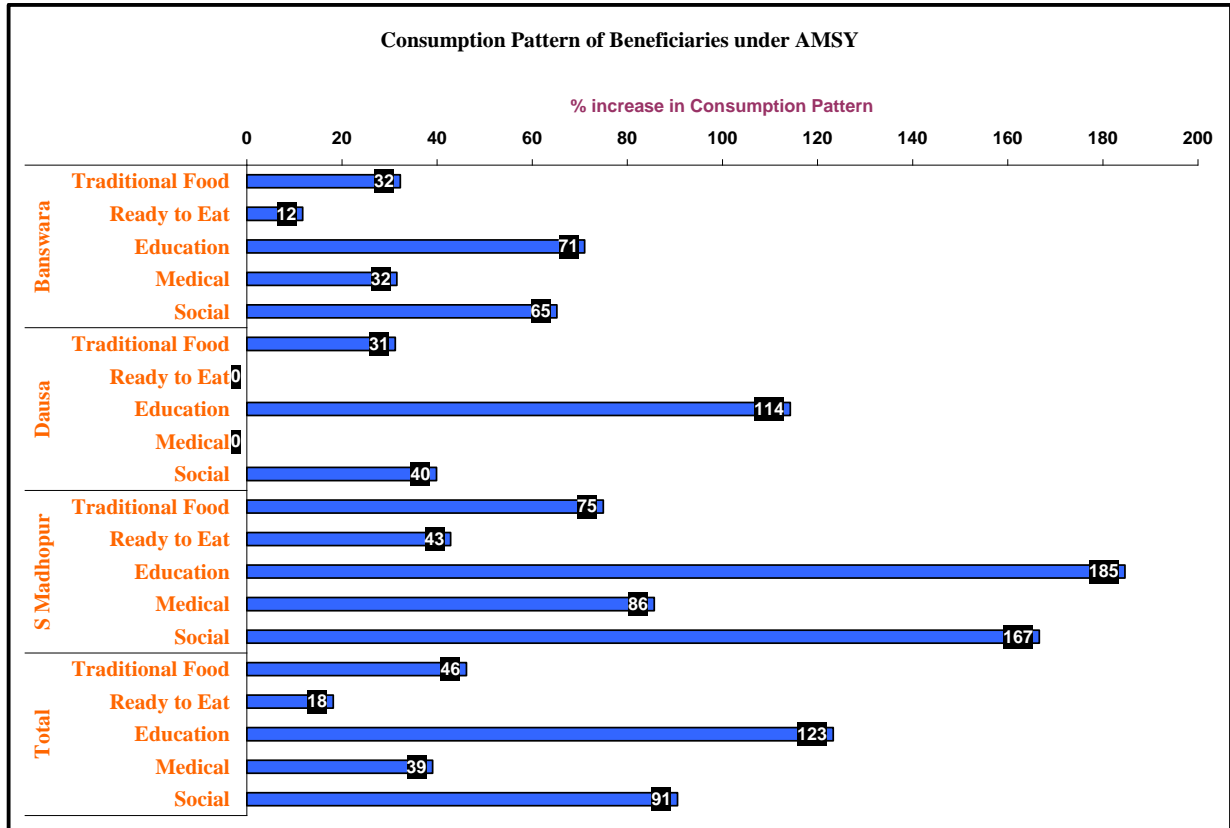
Consumption pattern in terms of expenditure per year as % increase (in year 2008-09 over previous year) in expenses incurred on food, clothing, housing, energy use, awareness level about child health and education, medical facilities and social customs has been analyzed and illustrated in figure: 6. The figure indicates that in Dausa and Banswara, accessibility on medical & education facilities and purchased food consumption is comparatively increased after post assistance from NSTFDC schemes and other sources, while in S.Madhopur, food consumption pattern of traditional and purchased foods from market was found high and accessibility to educational facility was found highest in this district among studied area.



**Figure: 6**

If we look these trends among respondent benefited under *AMSY*, % increase in expenses incurred on food, clothing, housing, energy use, awareness level about child health and education, medical facilities and social customs, as clearly shown in below illustrated figure: 7 which reveals that accessibility to education facilities is very much increased in all three studied districts while social participation of beneficiaries also encouraged after post assistance.

Comparison between both schemes reveals that Beneficiaries of *AMSY* who are women only has spent more in social customs while *TLS* beneficiaries spend more in marked packed food in comparison with vice versa.



**Figure: 7**

### 3.2 Comparison with sample

#### 3.2.1 Coverage under NSTFDC scheme

The present study confined to interaction with 200 beneficiaries of three districts under TLS and AMSY schemes and as far their coverage under NSTFDC schemes is concerned in terms of nature, quantum and modalities of loan disbursed, the below presented table indicates that all benefits drawn under TLS and AMSY schemes. Among 200 beneficiaries, Rs 2.08 Crore were distributed against loan application of Rs 2.32 Crore (average loan availed Rs 105700/-), while beneficiaries contribution goes around 15 % of total project cost in terms of cash.

**Table-2 showing activity based loaning pattern among responded households in comparison to control sample.**

Activity	Banswara			Dausa			S Madhopur			Total	
	TLS	AMSY	Control	TLS	AMSY	Control	TLS	AMSY	Control	Beneficiary	Control
Agriculture	2	1	2	0	0	0	5	0	0	8	2
Business	1	0	1	2	0	0	5	2	0	10	1
Dairy	16	2	1	19	4	0	21	12	5	74	6
Home	1	0	1	0	0	0	0	0	0	1	1
Hotel	1	0	2	0	0	0	0	0	0	1	2
Photocopy machine	1	0	1	0	0	0	0	0	0	1	1
Poultry	0	0	1	0	0	0	0	0	2	0	3
Shop	25	17	2	13	1	0	14	4	0	74	2
Tent House	0	0	0	2	0	0	0	0	0	2	0
Tractor Trolley	0	0	0	1	0	0	2	0	0	3	0
Vehicle	10	0	0	6	0	1	9	1	0	26	1
None	0	0	9	0	0	11	0	0	11	0	31
<b>Total</b>	<b>57</b>	<b>20</b>	<b>20</b>	<b>43</b>	<b>5</b>	<b>12</b>	<b>56</b>	<b>19</b>	<b>18</b>	<b>200</b>	<b>50</b>

In Banswara, 44 % beneficiaries availed loan for shop & 28 % for dairy under TLS and in AMSY also, beneficiaries obtained loan for shop purpose. Dairy as IGA was major rationale of loan assistance in Dausa (44 %) and S.Madhapur (38 %) under both schemes.

While control sample indicates that few of loan based activities like agriculture, hotel business and shop in Banswara and dairy in S.Madhapur was carried out by 38% responded families who assisted under other than NSTFDC schemes.

After analysis with control sample, NTFDC schemes were found very helpful in promoting largely shop and dairy based IGA units.

### **3.2.2 Skill and Awareness towards schemes**

Prior to execution of loan based activities, techno-managerial *know-how* was provided to beneficiaries so that he/she may able to run his IAG unit with full skilled and expertise. In this regards, among studied households, a day long Training was provided for setting up and operanalize IGA unit but below given data in table -3 shows that 26-32 % households received trainings and after analysis revealed that 57 % were semi skilled and 22 % were fully skilled.

**Table-3 Showing Skill initiatives by NSTFDC for their loanee with comparison to Non NSTFDC beneficiaries.**

District	Scheme	No of Respondents	Training Received by	Impact of training		
				None	Semi-Skilled	Fully Skilled
Banswara	TLS	57	17	6	8	3
	AMSY	20	3	1	2	0
	Control	20	2	0	1	1
Dausa	TLS	43	5	0	5	0
	AMSY	5	2	1	0	1
	Control	12	0	0	0	0
S Madhopur	TLS	56	19	4	9	6
	AMSY	19	9	2	3	4
	Control	18	2	0	0	2
<b>Total</b>	<b>TLS</b>	<b>156</b>	<b>41</b>	<b>10</b>	<b>22</b>	<b>9</b>
	<b>AMSY</b>	<b>44</b>	<b>14</b>	<b>4</b>	<b>5</b>	<b>5</b>
	<b>Control</b>	<b>50</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>3</b>

If we look to control sample from all three districts, only 4 beneficiaries were trained on Entrepreneurial skill development under other schemes. The comparison shows that NSTFDC beneficiaries enhanced their skills in comparatively better to Non NSTFDC beneficiaries.

**Table: 4 showing the awareness level towards NSTFDC**

District	Scheme	Total No of Respondents	Aware about Scheme	Aware about SCA	Source of Information				Reason of Choosing		
					Media	Fellow Beneficiary	Govt/ SCA	Other	Suited to Existing Skill	New Livelihood opportunity	Incentives of Subsidy
Banswara	TLS	57	24	38	5	27	5	6	40	35	46
	AMSY	20	4	5	2	8	1	0	7	14	17
	Control	20	5	5	1	2	1	1	3	4	6
Dausa	TLS	43	19	22	11	13	15	0	16	15	11
	AMSY	5	1	1	2	1	1	0	2	5	1
	Control	12	0	0	0	0	0	0	0	0	0
Madhopur	TLS	56	41	25	34	15	24	1	22	25	37
	AMSY	19	11	8	7	6	8	1	4	6	12
	Control	18	3	2	2	3	0	0	0	1	4
<b>Total</b>	<b>TLS</b>	<b>156</b>	<b>84</b>	<b>85</b>	<b>50</b>	<b>55</b>	<b>44</b>	<b>7</b>	<b>78</b>	<b>75</b>	<b>94</b>
	<b>AMSY</b>	<b>44</b>	<b>16</b>	<b>14</b>	<b>11</b>	<b>15</b>	<b>10</b>	<b>1</b>	<b>13</b>	<b>25</b>	<b>30</b>
	<b>Control</b>	<b>50</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>10</b>

Above table stated that about 50 % studied households expressed unawareness about NSTFDC scheme and SCAs working. Among districts, S. Madhopur showed better awareness level about schemes as well as SCAs working. Most of beneficiaries were informed about schemes through

fellow beneficiaries (35%), than by Media (30%). Reasons for choosing these schemes were found vary with many reasons but mainly, 62 % responded beneficiaries favoured these schemes due to provision of subsidy in loan.

Only 15 % Non NSTFDC beneficiaries are aware about NSTFDC schemes and SCAs, informed by media and fellow beneficiaries. Non NSTFDC beneficiaries also favoured loan based schemes due to provision of subsidy in loan.

### 3.2.3 Opinion and Perspectives on assistance /activity

During semi-structured interview with 200 beneficiaries, opinion and perspective were gathered on procedural aspects, documentation, loaning, repayment period and interest rate and wider perception scheme /district wise shown in below given Table: 5

**Table: 5 Showing Opinion and Perspectives on assistance /activity**

District	Scheme	No of Respondent	Procedural problem	Documentati on Problem	Sanction Loan Reasonable	Repayment Period Reasonable	Interest Rate Reasonable
Banswara	TLS	57	49	50	14	43	43
	AMSY	20	13	15	17	16	14
	Control	5	3	5	5	5	5
Dausa	TLS	43	30	29	29	34	37
	AMSY	5	3	3	2	3	4
	Control	1	0	1	1	0	1
Madhopur	TLS	56	33	32	30	35	40
	AMSY	19	8	9	10	9	9
	Control	6	1	2	2	3	3
<b>Total</b>	<b>TLS</b>	<b>156</b>	<b>112</b>	<b>111</b>	<b>73</b>	<b>112</b>	<b>77</b>
	<b>AMSY</b>	<b>44</b>	<b>24</b>	<b>27</b>	<b>29</b>	<b>28</b>	<b>27</b>
	<b>Control</b>	<b>12</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>

During questionnaire survey, around 68 % beneficiaries registered procedural and documentation problem to study team, while around 70 % beneficiaries said reasonable repayment period and 52 % beneficiaries spoken the reasonability about sanctioned loan amount and its interest rate. Non NSTFDC beneficiaries (control) were found with good opinion and perspectives on loaning procedure, repayment period and interest rate except of documentation problem.

### 3.2.4 Time spent for Product delivery and repayment.

During study, evaluation team also made efforts to analyze the time spent in getting loan assistance and estimated the number of visit by applicant to district office and subsequently time cost consumed were also calculated schemes/district wise.

**Table: 6 Showing Time spent for Product assistance by loan applicants**

District	Scheme	No of Respondents	Average No. of Visits	Average Time per visit ( hours)	Average Cost per visit (INR)
Banswara	TLS	57	13	5	135
	AMSY	20	7	5	185
	Control	5	12	7	150
Dausa	TLS	43	15	4	364
	AMSY	5	13	4	360
	Control	1	15	1	100
S Madhopur	TLS	56	13	5	436
	AMSY	19	7	5	465
	Control	6	10	6	150
<b>Total</b>	<b>TLS</b>	<b>156</b>	<b>14</b>	<b>5</b>	<b>312</b>
	<b>AMSY</b>	<b>44</b>	<b>9</b>	<b>5</b>	<b>337</b>
	<b>Control</b>	<b>12</b>	<b>12</b>	<b>5</b>	<b>133</b>

Table:6 indicate that visit , time and cost was found high in getting assistance under Term loan scheme ,while in AMSY, applicant found quite contented in terms of visit for getting assistance. Non NSTFDC beneficiaries also faced similar problems in getting loan assistance as in case of TLS beneficiaries.

### 3.2.4 Post Assistance Activity with Cost Effectiveness

Post assistance activity was also examined during the study with 200 NSTFDC beneficiaries and 12 Non-NSTFDC beneficiaries with cost benefit analysis. For that, value & cost of production was worked out and subsequently, *net surplus* was calculated which has been shown in Table: 7.

*Net surplus* was comparatively found more with beneficiaries under TLS while it was found lesser in AMSY and Non NSTFDC scheme.

**Table: 7 showing Post Assistance Activity with Cost Effectiveness of studied households**

District	Scheme	No of Respondents	Average Value of Produce	Average Cost of produce	Average Net Surplus
Banswara	TLS	57	59377	40807	17921
	AMSY	20	50750	35700	15050
	Control	7	57429	38714	18714
Dausa	TLS	43	48791	34395	17488
	AMSY	5	48600	28800	19800
	Control	2	62500	50000	12500
S Madhopur	TLS	56	45303	30961	14341
	AMSY	19	21968	14974	8205
	Control	6	49250	37250	12000
<b>Total</b>	<b>TLS</b>	<b>156</b>	<b>51157</b>	<b>35388</b>	<b>16584</b>
	<b>AMSY</b>	<b>44</b>	<b>40439</b>	<b>26491</b>	<b>14352</b>
	<b>Control</b>	<b>15</b>	<b>56393</b>	<b>41988</b>	<b>14405</b>

### 3.2.5 Financial resource

The below illustrated graphs shows utilization pattern of various fund sources among beneficiaries from three districts in comparison to control sample.

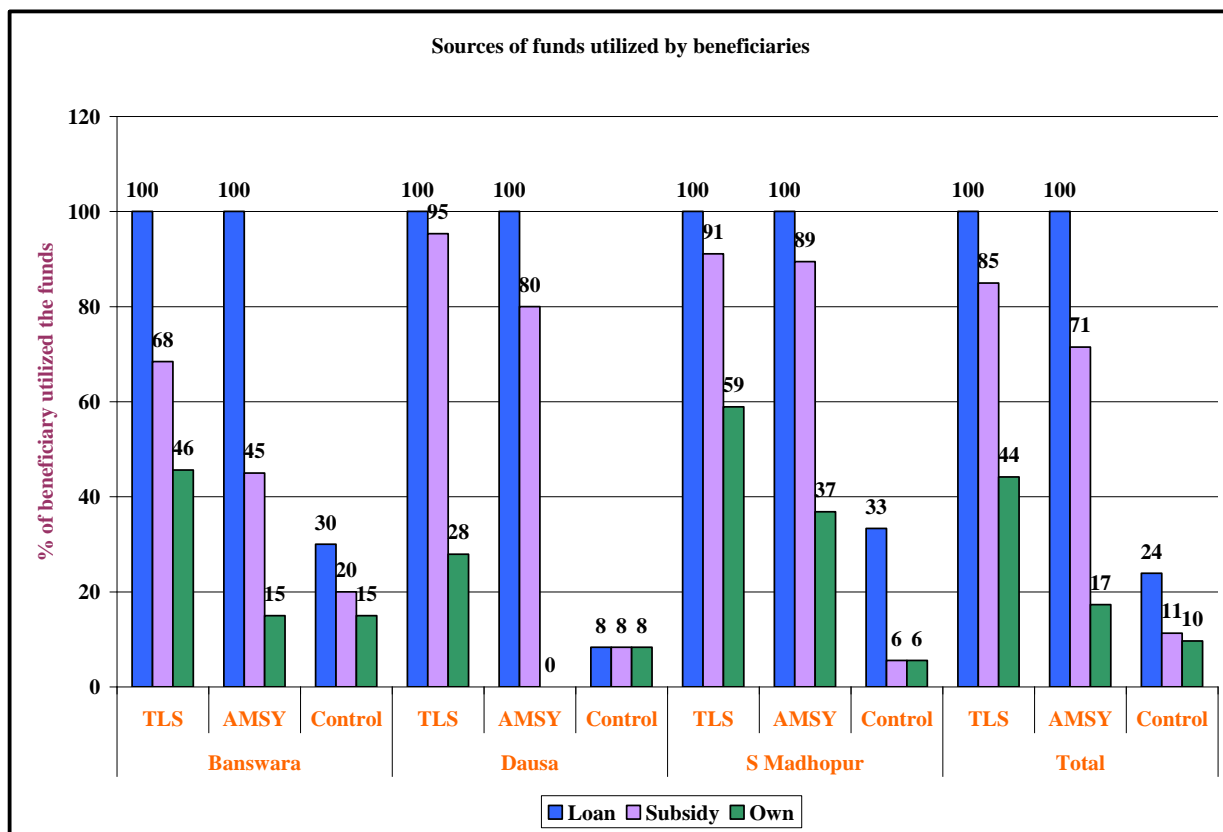


Figure-8



During study, it has been observed that under TLS, 58 % responded loanee from Banswara under NSTFDC availed the opportunity of subsidy facilities while 46 % beneficiaries contributed money from their own resources. Similarly in case of AMSY and control schemes in Banswara, only 15 % responded loanee contribute financial resources from their own funds while availing subsidy facilities by responded loanee under *AMSY and control* are 45 and 20 % respectively.

In case of Dausa, 95 % responded loanee under TLS availed the opportunity of subsidy facilities while 28 % beneficiaries contributed money from their own resources while in AMSY, though 80% beneficiaries availed subsidy funds but no body has contributed from their own resources. If we look at control sample that means benefited under Non NSTFDC, 8 % studied families availed subsidy funds alongwith self contribution.

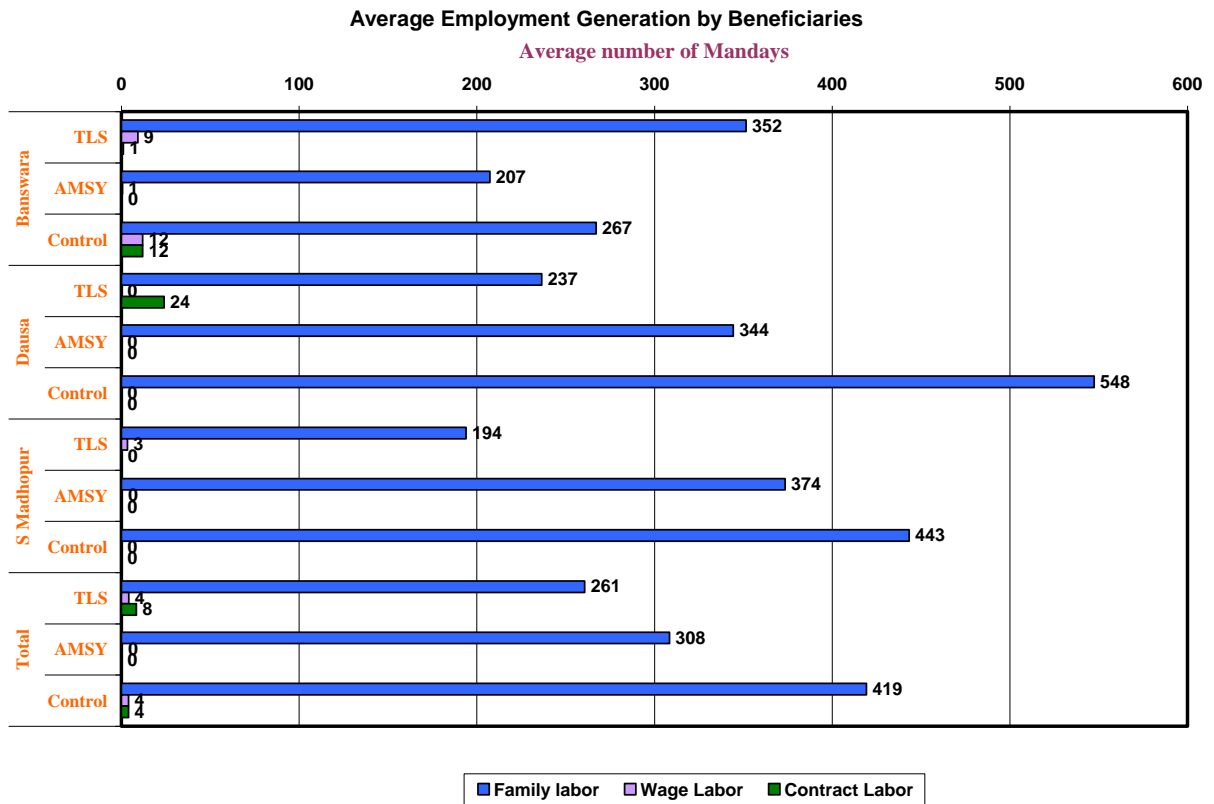
In S.Madhopur, sources of fund utilized by beneficiaries are quite encouraging and under TLS, 91% of responded loanee availed subsidy facility, while 59 % contributed resources at their own funds. Similar trends in *AMSY* for S.Madhopur has also been observed that 89 % of responded loanee availed subsidy facility, 37 % of loanee respondent invested own funds for activity. Efforts by Non NSTFDC beneficiaries were little bit meager and out of 33 % loanee responded, only 6 % availed subsidy facilities and invested their own funds also.

### **3.2.6 Employment generation**

The below illustrated figure-9 reveals that among NSTFDC beneficiaries, employment creation in terms of average mendays generated very significantly under NSTFDC schemes in 2008-09 . Through setting up of IGAs in Banswara under TLS, 352 average mendays has been generated among family members while wage labour and contract was found propionate very less similarly under AMSY and Non NSTFDC members, 207 and 267 average mendays has been generated in the studied period of year 2008-09 respectively. Overall, it indicates that TLS was found more significant in terms of employment generation within family members.

In case of S.Madhopur, family based employment was generated more among Non NSTFDC members in terms of average mendays (443) in compare to AMSY (374) and TLS (174) and

similar trends also found among respondent in Dausa ,where average mendays was recorded quite high in Control (548) in comparison to AMSY (344) and TLS (237).



**Figure-9**

## Success Story



### **Beneficiary with Tractor as Income Generation Activity under TLS**

Mr Kanheyalal Damor, 50 years, resident of village Bhatar Nali (PS Gadi, District Banswara) was dependent on agriculture only before year 2000 in spite of having degree of Bachelors in Arts with annual savings of Rs. 8-10 thousands per annum only. He availed a term loan of Rs. 2,20,000/- for purchase of a Tractor and used it in agriculture and loading of agri by products as well as stone, bricks, etc. construction material. Now his savings is above Rs. 25000 per annum after repayment of full loan and he happily motivates others also to avail loan facility from NSTFDC to be a entrepreneur. He him self now applied for a new loan of Rs. 1,00,000/- to start a tent house in his own village.

## Chapter: 4 Impact of NSTFDC Scheme

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Based on observations made on pre and post development scenario and compared various perspectives of responded scheme beneficiaries with control sample, following impact were observed in terms of income skill, resource generation, livelihoods and finally in quality of life among beneficiaries under NSTFDC scheme in comparison to control sample.

### 4. 1 On direct and indirect income

On the basis of district / scheme / activity wise observations of NSTFDC beneficiaries and non-beneficiaries, following impact have been shown by analysis of the related data:

- **On Direct Income:** Beneficiaries under TLS were able to produce a average net surplus of Rs. 16584/- in FY 2008-09 ,while with those (other than NSTFDC) who availed assistance from sources other then NSTFDC were able to produce a net surplus of Rs. 14405/- only which reveals that due to NSTFDC assistance, beneficiaries saved 15% net surplus then control. This direct income ultimately aid in economic upliftment of beneficiaries with improved livelihoods. Their confidence level and decision making process towards entrepreneurial development has been make better up in both TLS and AMSY beneficiaries. Increase in direct income among women benefited under AMSY empowered economically to make them able for taking decision on the financial management for her family. This direct income also improved banking transaction and investment through saving, fixed deposits and inculcate good habit of investment even through insurance. In this way, they have developed self reliant system to effectively manage their income augmenting activity and leads to less dependency on further loans with better financial sustainability. Impact on awareness about investment on life insurance is very high in TLS beneficiaries but at very low side in AMSY beneficiaries who are women only which reveals that they still think that insurance of men is more important then women as men is considered primary earning source for household.
- **On Indirect Income:** Beneficiaries were able to create employment among their family members only, while creation of employment for wage/ contract laborers was found negligible except of 2-3 income generation activities like milch cattle rearing, tent house

etc.. Ultimately the total income provided as employment added to own household income. Through creation of employment opportunities within benefited family, *offcourse*, purchasing power and investment practices also improved in terms of increasing ownership and banking investment. Indirectly, beneficiaries under both schemes became more confident and socially secured by developing self managed viable entrepreneurial unit.

#### 4.2 On the resources and Livelihoods

- Beneficiaries under both schemes has created enough impact in terms of improving with sustained livelihoods and resource generation through immovable/ movable / living assets. Employment has been significantly produced by loanee of AMSY and TLS in terms of increased family labour employment and this was achieved mostly from viable option of IGA like dairy, shop, tent house and Taxi vehicle. Employment generation was only confined to family labour in most of cases and very less impact on creation of wage and contract labour except in dairy and tent house.
- Comparing to other than NSTFDC schemes, employment was less generated in Dausa and S.Madhopur under both schemes, might be due to many reasons like potential of chosen loan based activities, scheme related modalities, providing adequate entrepreneurial skills and exposure on techno-managerial *know- how, etc* under AMSY and TLS.
- Compared within two studied schemes, *AMSY* showed better impact in terms of generating adequate employment in S.Madhopur and Dausa and this indicates about suitability of need based credit linked income augmenting activity chosen by women under *AMSY*. Overall, study reveals that employment generation among family members /others is mainly dependent upon suitability of income generation activities to target area rather than source of credit linked assistance.
- Beneficiaries under both schemes also improved the ownership over household assets like TV, two wheeler and cattle through enhanced purchasing power resulted better quality of life. Under both schemes, lesser impact over creation of immovable assets was largely observed in compared to movable assets and living assets and this might be due to quantum of credit assistance and financial viability of activities chosen. Overall, both

schemes have adequate impacts on ownership creation through purchasing of rationally valued movable and living assets.

- Beneficiaries under TLS also generate economic capital by investment in insurance schemes and bank deposits, this leads to financial security of family members for future.

#### 4.3 Social aspects like education, health care, social status etc.

- Accessibility towards education and health has been increased drastically due to increasing consumption pattern in terms of expenditure per year towards quality education and good health and that leads to increased awareness level towards quality life.
- Lesser impacts were observed over consumption pattern (in terms of annual expenditure) of food due to replacement of traditional food with improved nutritive marketed food not enough. Similarly, on consumption pattern on clothing, there is not major deviation after post assistance. Respondent under both schemes and control could not express their views on energy consumption pattern.
- Participation level in social customs particularly in marriages, ceremonies and death rituals has been comparatively increased, might be due to improved spending capacity in social programmes. This ultimately helps out in good recognition in their socio-cultural system.
- Consumption pattern in terms of purchasing marketed quality food instead of traditional food has been improved in Sawai Madhopur district in both TLS and AMSY which indicate that improvement in balanced dietary food habits and upliftment socially also.

## Chapter: 5 Performance of Micro Credit Scheme

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The present chapters have to enlighten the performance of Micro credit scheme carried out by NSTFDC but in studied villages, IPEA able to get overall perspectives of only two schemes i.e. TLS and *AMSY* under NSTFDC schemes, while there is no respondent sample was made available by all district nodal offices on MCS, SHG and BLS schemes, resulted it was not possible to assess the performance of micro credit schemes in three studied districts. In order to acquire wider perspective on all schemes, the matter was discussed with SCA authority about these unreached schemes in studied area and they informed that in Rajasthan, MCS & SHG has not been launched yet now because of their apprehension/risk assumption on loan repayment by SHGs under these schemes and they focused more to upscale individual assisted loan scheme due to lesser risk factor.

## Chapter: 6 Suggestions and Recommendations

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Based on observations made on pre and post development scenario and subsequent description on impact observed on execution of NSTFDC schemes in previous Chapters, the present Chapter:6 has been arrived with some concrete suggestions and recommendation for effective implementation and betterment of NSTFDC schemes in all facets. The following suggestion and recommendation are made in line with increasing effectiveness of NSTFDC credit linked subsidy assistance in all parts of Rajasthan.

### 6.1 Comments on the existing models for financing ST, both in the formal as well as informal structure

#### 6.1.1 at planning level

- Sanctioning process of loan disbursement by SCAs seems quite longer, resulted delayed assistance could not make *high value* impact in terms of enhanced livelihoods and this need to be immediately taken care of to ensure well-timed delivery system by incorporating minimum time of approval in SCAs guideline. Further, the guideline can be also valued by incorporating the clause of decentralizing the fund, functions and functionaries at district level as all scheme operational district have already a well accepted screening committee headed by DM with consist of district Nodal officer, CEO(ZP) LBM,AD( Social Welfare). The District level committee should be more accountable for applicants screening, planning, loan sanctioning and review & monitoring of NSTFDC schemes.
- Prior to district wise target allocation of NSTFDC schemes, socio-techno feasibility of various credit linked assistance products should be assessed carefully so that customized products can be made available to beneficiaries for respective geographical area and make sure justice to reliability of all products.
- It is strongly suggested that in social welfare programme in tribal domain, awareness level should be upto larger extent with effective promotional activities (IEC) either by extension workers or by local CSOs and this leads to speedy percolation of benefits of



- users friendly schemes products at unreached disadvantaged layer in society. This can be very well done by advertising products through exposure, trainings, exhibition, role plays, night camps and pamphlets distribution among prospective beneficiaries.
- Proper orientation and facilitation is required to prospective beneficiaries on procedural aspects of loan application so that he/she can submit quality application within stipulated time and moreover, in addition to a day long periodical training, district nodal offices establish customer friendly **HELP DESK** at district level for proper consultation.
  - **Communication System:** The study emphasized that there should be introduction of **Jankar system** \* at village level to scheme's advocacy & promotion in remotest area. For information, **Jankar System** is well tested and widely adopted extension system in rural development and firstly introduced and practiced by Gramin Vikas Trust under **KRIBHCO-Indo-British Rainfed Farming Project(1992-2006)** in resource poor tribal domain of Western India. Jankar is basically a cadre of local *para-professional* having a wide experience of local geographical situation, social system and resources and they may act as catalyst between project implementing agency and targeted communities. To convince them about NSTFDC schemes, they may used as **Advisor** for targeted communities to make them persuade about users friendly products and can be hired on performance incentive basis.
  - NSTFDC develop individual schemes like TLS, BLS and *AMSY* and in studied area, SCAs not extended any assistance under BLS so far who has taken earlier assistance in TLS, *AMSY* or other schemes and this clearly indicate that loan equivalent to total project cost was fully disbursed to individuals under TLS and resulted there is lot of scope remained for bridging loan under BLS. Now, it is being suggested to screen out those beneficiaries who are in need of bridge loan to expand their current entrepreneurial unit.

### 6.1.2 at execution level

- Somewhere it is seen that prospective beneficiary selected non viable IGAs which leads to economic losses to him/her and ultimately to NSTFDC as a new defaulter. To overcome such situations, it is suggested that technical *know how* should be provided on different activities so prospective beneficiary could choose best suited IGA for

him/her after accessing *pros* and *cons* in respect to that particular area. Overall, prospective beneficiaries need lot of facilitation, guidance and directions in choosing viable option of income augmentation so that high quality impacts can be seen in larger area.

- To overcome problem of recovery which might be due to non-viability of chosen activity, backward and forward linkage for different activities should be part of implementation strategy for that necessary entrepreneurial back up could be arranged by SCAs /NSTFDC. It will help the beneficiaries to enjoy the economies of scale by taking help in input supply, processing and marketing of product outcome which ultimately improve economy of the activity and beneficiary could repay the loan amount as per repayment schedule.
- In studied area, only two schemes were found operational (TLS and *AMSY*), while MCS and SHG is not popularized. Major reason came into observation regarding it is perception in mind of district offices that recovery is not easier in these cases in comparison to individual schemes. It is strongly suggested that district having potential to financially sustain the local CBOs, should be introduce and upscale these MCS and SHG schemes at least on pilot basis to erase misconceived perceptions about unresponsiveness of these schemes and to access pros and cons by respective district offices. It is also suggested that before initiating such process, district offices should be fully equipped with skills and expertise.
- It is analyzed that increase in ownership of assets is comparatively lower in case of immovable assets like land and housing. So, it is being suggested that more emphasis should be given to help the beneficiaries to choose such activities which are economically viable in long term so they can able to have ownership over immovable assets like land and housing with increased surplus.

## **6.2 Detailed modalities for implementation of Micro Credit Scheme through Public Sector Banks/RRBs**

- No perception were gathered on detailed modalities of MCS through banking institution because of outreach of MCS schemes is almost negligible, resulted IPEA is not in position to made any suggestion and recommendation for MCS schemes.

## **6.3 Documentation and regulatory requirements of the recommended model**

- In this new hi-tech era, it is strongly recommended that every district office must be computerized for developing MIS which is monitoring tools for any office. Moreover, all district offices should be linked with SCAs through software based internet system. It is also suggested that for optimum utilization of these hard and soft components, training should be organized for every district nodal officer and accountant.
- Due to working of all senior staff at both district / state level on deputation basis from other Government departments and periodical interdepartmental transfers, every time manpower consumed in understanding the process at state and/ or district level. It is suggested that NSTFDC schemes should not be considered as short term project and senior staff should be deputed on regular basis so they should understand the vision of NSTFDC towards running of such schemes and could develop customized skills and expertise which will help out both chanelizing agency in terms of effective execution and monitoring and to beneficiaries in terms of proper guidance for activity and on time loan disbursement and repayment.
- It is observed in all cases in study area that beneficiaries do not have any loan document including complete repayment schedule. It is recommended that district offices should provide complete loan document file and orient the beneficiaries about importance of loan document for proper follow up action on repayment schedule.

## Chapter: 7 Conclusions and Action Plan

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### 7.1 Summary of findings and Conclusion

#### 7.1.1 Executive Summary

Overall findings of the impact assessment is that beneficiaries performed as entrepreneur, got benefited at very good extend in terms of creation of movable and living assets apart from savings especially in insuring their own life, although the activities chosen were not enough to create immovable assets. Due to their economic upliftment and sustained livelihood, they are able to increase purchasing power which ultimately benefited them by improved consumption pattern upto some extent. As they have generated well enough family labor through their respective IGAs which eventually increased overall family income, make them aware about child education and family health and more participation in social customs increased their social status and confidence of living. IGAs which could create wage and contract labor, needs to be upscale. Women entrepreneurs under *AMSY* shown very good performance in terms of both savings and households' purchasing power but low investment in insurance in comparison with *TLS* beneficiaries show that society still not considering her as independent income augmenter for family for her insurance. District nodal offices with a well recognized committee is for screening the applications only which might also play better role in speedy sanctioning the loan application. Also these district offices are not equipped with basic infrastructure facilities like computerization of work and scheme specific dedicated staff which affects both quantum and quality of work. Awareness about *NSTFDC* and its scheme in general unprivileged mass is very poor restricting its penetration and benefits. Prospective beneficiaries have to invest lot of time and money for getting the loan disbursed because of time taking procedure of sanctioning the loan from centralized system and poor understanding about documentation formalities. Major suggestions found from beneficiaries were requests to decrease the paperwork formalities and increase the subsidy part.

### **7.1.2 Conclusion**

Based on summarized findings of evaluation on impacts of NSTFDC schemes, study has been concluded that impacts pertaining to both schemes (*TLS and AMSY*) on studied ST beneficiaries were found significant in terms of acquired skills, family based employment generation, assets creation, ownership & decision making, quality of life and finally in enhanced sustained livelihoods in comparison to Non-NSTFDC schemes and considering to this, both schemes should be upscale with wider coverage with strict follow up of above suggested delivery and regulatory mechanism in order to overcome bottleneck in implementation. NSTFDC should pay more focus on effective percolation of all users friendly credit linked products to economically deprived layer of society and come out with concrete visionary, realistic 20-years business plan of NSTFDC schemes based on value added project management system. Present fund regulatory system of NSTFDC with existing state channels should be more decentralized for effective fund flow, leads to high quality impact of livelihood focused activities, rather than identifying new channels. NSTFDC.

## 7.2 Suggested action plan

Levels	Context/ Perspective	Strategy	Doable Action	Action by	Action to be taken	Expected Outcomes
At policy	Decentralized fund regulatory system	Transfer of funds, functions and functionaries from SCAs to District	<b>“Consultation workshop with policy planners”</b> involving all state authorities	NSTFDC, New Delhi	Within six months	Fastened loaning process
	Full fledged, scheme specific manpower	Deployment of experienced staff with long term vision	Recruitment on experienced professionals from open market on <i>ad hoc</i> basis	RSCSTFDCCL, Jaipur (Rajasthan)	Within six months	Improved efficacy of products delivery & implementation mechanism
At planning	Publicity of NSTFDC programme	Promotion of users friendly credit linked products for effective outreach to needy layer through IEC and Jankar System	<b>IEC activities</b> like Training, advocacy, pamphlets distribution, night camp, role play, exposure and use of village para professionals as Advisor	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District office	Within two months	Targeted needy and disadvantaged layer of society
	Promotion of SHG scheme and MCS	Identification of potential area where community institution playing active role in development	<ol style="list-style-type: none"> <li><b>1. Location Mapping of the product specific potential areas</b> with assurance of better prospective.</li> <li>Organize the <b>“Workshop with SHGs facilitating NGOs and Institution”</b> for popularization of these schemes.</li> <li>Exposure for SCAs and district staff members to successful micro-credit institutions to break their misconceived perceptions towards recovery from SHGs.</li> </ol>	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District offices	Within three months	Improved financial viability of SHGs, cooperatives and other CBOs

	Documentation of NSTFDC programme	Developing computerized MIS related to beneficiaries profile with repayment schedule, case study, MPR/QPR/APR, Brochures, Financial budgeting and accounting system	<ol style="list-style-type: none"> <li>1. Complete Computerization of SCA and District Offices.</li> <li>2. Establishment of <b>Software based Intranet System</b> at all district and state office.</li> <li>3. Technical Training on use of these software based system.</li> </ol>	RSCSTFDCCL, Jaipur(Rajasthan)  Consultant Management Services	Within six months	Effective monitoring and assessment of schemes
	Beneficiary's profile validation	Developing system for address verification of beneficiaries	<ol style="list-style-type: none"> <li>1. Financial Inquiry (FI) and address verification at door.</li> <li>2. Cross validation with secondary information</li> </ol>	concerned District offices	Within three months	Reduced the possibility of poor recovery
At execution	Support to beneficiaries	Facilitation to beneficiaries in terms of loan documentation, techno managerial <i>know-how</i> on opted IGAs with effective linkage back up	<ol style="list-style-type: none"> <li>1. Establishment of <b>HELP DESK</b> at district offices.</li> <li>2. Periodically organized Pre and post assistance Trainings at district level.</li> <li>3. Exposure visits to ideal IGA</li> </ol>	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District offices	Within two months	Fastened loan documentation process and improvised skills and expertise on chosen IGA.
	Extending financial assistance through BLS	Techno-managerial consultation with TLS and AMSY Beneficiaries on expanding IGAs with enhanced cost effectiveness.	<ol style="list-style-type: none"> <li>1. Exposure for TLS and AMSY beneficiaries to well established model IGAs.</li> <li>2. Organizing "<b>Expert talk</b>" for providing technical consultations on Entrepreneurial Management</li> </ol>	RSCSTFDCCL, Jaipur(Rajasthan) and concerned Distrcit offices	Within two months	Promoted BLS scheme with greater efficacy

At monitoring	Strict follow up of repayment schedule	Developing computerized MIS on Repayment Schedule for speedy tracking	1. Deployment of separate dedicated staff at each district level for developing effective repayment mechanism and frequent field visits  2. Providing loan document file with detailed repayment schedule to concerned beneficiaries.	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District office	Within six months	Reduced the possibility of poor recovery
	Output based monitoring	Developing a framework of output oriented activity monitoring at all level of Project management cycle	1. Training to District nodal officers and field staff on <b>Output oriented Activity Monitoring Mechanism</b> . 2. Developing monitoring schedule of format and database MIS. 3. Developing <b>Activity Monitoring Calendar</b> on yearly basis.	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District office	Within three months	Ensured output based monitoring
	Effective reporting and communication system	Developing a effective communication and reporting system upto downwards through periodical reports, <b>Jankar</b> system	1. Submission of <b>MPR/QPR/APR</b> on schematic progress on quantitative and qualitative aspects. 2. Introduce <b>Jankar</b> system by deploying local cadre of village para-professional workers among target group as a motivator cum facilitator on incentive basis.	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District office	Within six months	Developed Effective communication and documentation system
At assessment	Periodical assessment to ensure high quality delivery mechanism	Periodical assessment of NSTFDC schemes to increase efficacy of programme through suggestion and recommendation	1. Independent evaluation by expert organization using <b>Participatory Evaluation Mechanism</b> .	NSTFDC, New Delhi	Every year	Ensured high quality project management system through value added suggestive mechanism



			2. Develop <b>Process Documentation Framework</b> and success studies for dissemination and sharing of experience with wider audience.			
	Inside Assessment on Schemes rather than with other non NSTFDC schemes	Impact Assessment of targeted recipient in terms of pre and post support	Evaluation study should be designed in such a way that the socio-economic changes after post assistance can be visualize to assess impact level of scheme rather than comparing post assistance changes with that of other scheme.	NSTFDC, New Delhi	Every year	Ensured value added outcome of schemes.
At Scheme Exit Protocol (SEP)	Financial sustainability of established Entrepreneurs of NSTFDC.	Facilitating viable linkage of established entrepreneurs with local banking institution and CBOs through liaisoning and networking.	1. Organizing State level Sensitization workshop on <b>“Post facilitation with local financial institution and CBOs”</b> to uphold established entrepreneur under schemes. 2. Develop a <b>People centric multi-stakeholder Development model</b> to dovetail NSTFDC schemes with similar programme of banking institution/CBOs.	NSTFDC, New Delhi  RSCSTFDCCL, Jaipur (Rajasthan)	Within six months wherever desired	Economically viable entrepreneurs through productive linkage with local institution
	Ensuring forward linkage at SEP.	Extending best possible support for forward linkage to make most viable successful entrepreneurial unit.	1. Organizing <b>Business Meets</b> with local traders/purchasers/exporter related to scheme end product. 2. Facilitating <b>Participation of beneficiaries in Trade fair</b> at national/state level.	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District offices	Within three months wherever desired	Ensured financially sustained IGAs with market led value added supply chain.

	Ownership and sustainability.	Developing a sense of ownership and skills among beneficiaries on effective sustained management.	Sensitization of beneficiaries to make unit financial viable and self sustained at the time of NSTFDC exit.	RSCSTFDCCL, Jaipur (Rajasthan) and concerned District offices	Within six months wherever desired	Ensured financial viability with greater ownership, sense of belongingness and sharpened techno-managerial skills among beneficiaries
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# Annexure

Annexure I: Tables of Primary data used in study  
(As attached file named 'NSTFDC Annexure I\_Tables')

Annexure II: Schedules used for the study  
(As attached file named 'NSTFDC Annexure II\_Schedules')