

Impact Assessment report  
Of  
Pilot Project  
On  
Sustainable livelihood through  
Vibrant SHGs in two blocks

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## EXECUTIVE SUMMARY

Microfinance services in Rajasthan are predominantly delivered through SHG-Bank linkage model. There are about 2.5 lakh Self Help Groups reported in the state. The largest SHG promoting organization is the Department of Women and Child Development (DWCD), which has about 70% of the total SHGs in State. There are voluntary agencies that have excellent and sustainable microFinance programmes. However, the quality and sustainability of the SHGs is a major concern of many stakeholders. Currently there are approximately 70% groups in the state that need training, handholding support and other guidance for bringing regularity in meetings, savings, inter loaning, record writing repeated linkage with banks, for taking up income generating activities on sustainable basis. It will be wastage of efforts if new groups are promoted without strengthening already formed groups. Since DWCD is the largest promoter of group in the state; hence by default the number of groups' required technical support is huge and need immediate attention as it impact the sector.

CmF in consultation with DWCD envisaged a pilot project to be implemented with the support of two grassroots level voluntary organizations viz. PEDO working in Dungarpur district of Rajasthan and IBTADA in the Alwar district of Rajasthan who had experience and skill to form good quality SHGs. This project was to pilot an organizational design where Department of Women and Child Development and Voluntary Organizations work jointly to improve the quality of SHGs and demonstrate the process to department for maximizing the impact of Self Help Groups and to make women groups (SHGs) robust on both fronts- social and economic. Hence, a two year Project titled "Sustainable Livelihood through vibrant SHGs" was designed with inputs from these two voluntary organizations.

The pilot was designed for a period of two years, May 2007 to April 2009 and later extended by six months i.e. by October 2009. The Pilot project dealt with 734 groups. The project involved working with already formed group. Purpose of new group formation was to demonstrate the processes / steps involved in forming / nurturing a good quality groups to DWCD staff.

The purpose of the impact study was to assess the impact at three levels:

- a. Group (SHG) level, quality enhancement and financial parameters.
- b. Change in the knowledge, skills and attitude of the DWCD field staff.
- c. Member household level, trend in credit availability from SHGs and its utilization.

The key findings of the Impact Assessment at three levels (*mentioned above*) are highlighted in the ensuing narrative and have been assessed based on the data collected during Impact Assessment study, objectives and expected outcomes of the Project, the factual data as per the MIS and field research observations. The field visits and data collection for Impact assessment study was carried out nearly 5 months after the closure of the Project.

The groups under the project which comprises existing groups and groups formed during tenure of project were well aware about purpose of SHGs, realized the importance of regular meetings, regularity in attendance and need for maintaining updated records which was not the case before the project as evident from baseline & MIS report. During the Project, same was emphasized through rounds of trainings and periodic monitoring by the staff of implementing NGOs. However, with the closure of the Project, the external monitoring has ended and hence the combined effect of the above two aspects has gradually decreased resulting in quiet a few sample SHGs (6 out of sample size of 36) reporting gradual irregularity in terms of meetings, attendance and updated records.

SHG members have become moderately confident of handling and maintaining Record Books. In terms of understanding the need to maintain specific records, mainly the Leaders have understood the importance of record books such as Minutes of the SHG meetings, Savings books, Loan Ledger, Trial Balance Sheet etc. However barring two SHGs rest all have clearly stated the need for further handholding and technical assistance to maintain Books of Accounts, Bank records and building rapport with Bank Officials. Also, the need for external monitoring is strongly felt by all the SHG members, individual household responses and DWCD staff as well.

The major impact of this Project has been towards providing access to financial services to SHG members especially Savings, Internal Credit/ Loaning and Credit through Bank Linkages. The SHG members value these services. While majority of SHGs could not access Bank Loans earlier, with implementation of this Project they have availed bank loans for the first time. The livelihood linkage of SHG amongst the selected sample has been mainly on towards the existing primary occupation, consumption for social or health related reasons and debt swapping in descending order. The utilization of credit either through banks or internal savings also indicates the same pattern as stated above. Also responses of individual SHG members at household level has revealed that the access to such financial services and being part of the SHG (effectively through this pilot project) has increased their involvement in the family decision making process.

In nutshell, the Project had able to demonstrate the process of qualitative group formation. The element of nurturing had going on along with SHGs accessing financial services

through basic capacity building and lots of mentoring inputs from the NGO staff, when the Project duration ended. The Project needs to be continued for the SHGs to strengthen their capacities and become self-sustainable as was envisaged during conceptualization of the Pilot Project.

All the key findings point towards the need for continuity for some more time, say by six months. Taking the cue from the learning of this successful Pilot Project, a bigger Project with defined objectives which builds on the earlier objectives needs to be developed and implemented for longer period in more geographical areas for maximum impact of SHG movement. It is further recommended that new project should encompass more active role of department.

## CHAPTER 1: INTRODUCTION

### 1.1 Background of the project under Impact study:

In India, Self Help Groups (SHGs) represent a unique mechanism to increase the access of the financial services to the deprived and underserved strata of society. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs and increasingly by Government agencies. Linked not only to banks but also to wider development programs, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend as well as access to other financial services. SHGs also act as community platforms from which women become active in village affairs, take part in political decision making process at village level or take action to address social or community issues (the abuse of women, alcoholism, the dowry system, schools, sanitation facilities and water supply).

The state of Rajasthan had approximately 2 lakhs Self Help Groups<sup>1</sup> operating by the year 2007 out of which approximately 70% of these SHGs were promoted by the Department of Women and Child Development (DWCD), Government of Rajasthan. The quality and sustainability of the SHGs is a major concern of each stakeholder. Currently there are many groups that needs training and other guidance for repeated linkage with banks, for taking up income generating activities on sustainable basis, and also for brining regularity in meetings, savings, inter loaning and record writing. It will be wastage of efforts if new groups are promoted without strengthening already formed groups. This project was to pilot an design in which Department of Women and Child Development and Voluntary Organizations work jointly to improve the quality of SHGs and demonstrate the process of quality improvement to maximize the impact of Self Help Groups and make women groups (SHGs) robust on both fronts- social and economic.

### 1.2 Main objectives of the project:

- ❑ To strengthen existing SHGs for self-sustainability
- ❑ To demonstrate the qualitative process of group formation and nurturing
- ❑ To develop suitable models of sustainable livelihood enhancement / income generation
- ❑ To develop a model of GO-NGO Collaboration in microFinance through SHGs

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<sup>1</sup> Source : A Pilot Project Sustainable Livelihoods through Vibrant SHGs in Two Blocks, project report submitted to Sir Ratan Tata Trust, Mumbai by Center for Microfinance (CmF), Jaipur

The pilot was designed for a period of two years, May 2007 to April 2009 and later extended by six months i.e. by October 2009. The Pilot project dealt with 734 groups. In the original plan the number of groups was 700 (350 in each block), out of which 500 were old groups (250 in each block) & 200 new groups (100 in each block). The purpose of new group formation was to demonstrate the processes / steps involved in forming / nurturing a good quality groups to DWCD staff.

The first year of the project focused on:

- Recruitment and orientation of project staff by the implementing partner agency.
- Benchmarking and Grading of existing DWCD self help groups
- Trainings for DWCD staff involved in SHG formation: Anganwadi workers<sup>2</sup>, Saathins<sup>3</sup> and Sahyoginis<sup>4</sup>
- Through the sector supervisors, provide handholding support to DWCD staff in conducting meetings of SHGs, record keeping etc.
- Establish systems in groups to conduct regular meetings, record keeping, financial transactions etc.
- Formation of new groups
- A review cum sharing event was organized by CmF wherein the progress and problems were shared with the DWCD at the state level

The second year and consequent period of the project focused on, activities of bank linkages, orientation of bankers towards DWCD groups, capacity building of groups and group leaders, strengthening and exploration of livelihood activities for these groups.

**1.3 Project Area:** The project area includes two blocks

Sr. No.	District	Block	Partner NGO
1.	Dungarpur	Dungarpur	PEDO
2.	Alwar	Ramgarh	Ibtada

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<sup>2</sup> Anganwadi worker (with minimum education of 8<sup>th</sup> standard pass) is the designation for women working under the Integrated Child Development Scheme on the aspects of health, nutrition and child development. There is suppose to be one Anganwadi worker per thousand population

<sup>3</sup> Sathins are helpers to the Anganwadi worker in the Anganwadi centre

<sup>4</sup> Sahyoginis (ASHA Sahyoginis) are Accredited Social Health Activist, selected from the village through Gram Sabha, who is suppose to work as the interface between community and the public health system

#### 1.4 Role of project partners:

This was a pilot project involving multi stakeholders i.e. implementing partners, coordination and support agency, funding partners and community.

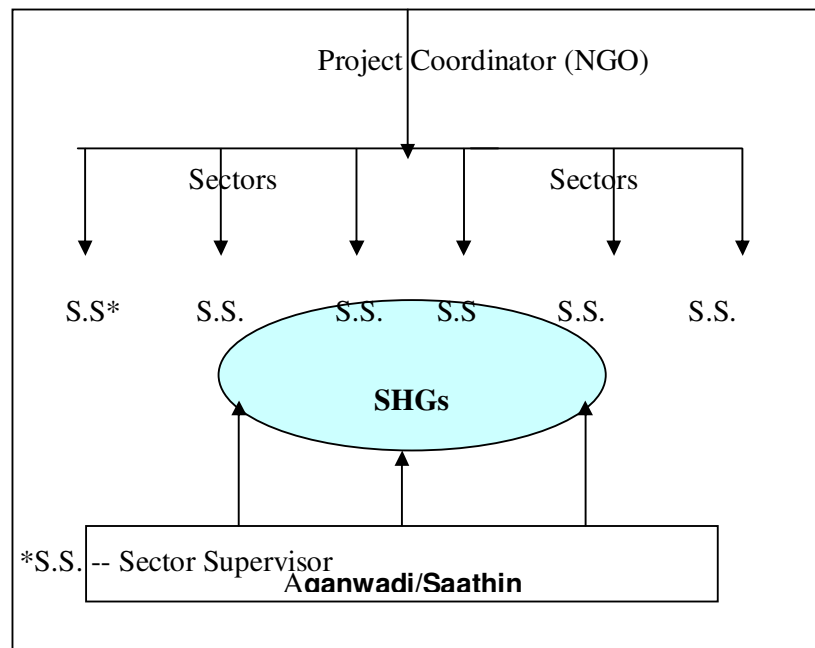
PEDO in Dungarpur & Ibtada in Alwar was the implementing partners and had put a dedicated team of experienced and skilled staff exclusively for this project. The role of these partners was capacity building of SHGs, field staff (*anganwadi workers & sathins*) of DWCD through their dedicated team for this project.

**Department of Women and Child Development (DWCD)** had provided concurrence and co-operation in implementing the project in the proposed blocks and districts. After training and handholding support to DWCD staff, they had facilitated in executing the progress of the project. Selected *Sathins* and *anganwadi workers* working for DWCD has worked as facilitator cum Munshi in the project.

**Centre for microFinance (CmF)** has coordinated the overall project from various stakeholders and also was the lead agency for technical support in design, implementation and evaluation of the project. In addition, it had undertaken process documentation, organized reviews and assist in timely implementation of activities.

**SRTT** had provided the necessary financial support for project implementation and took up reviews and evaluation.

#### 1.5 Structure for the Project implementation team





The project had a coordinator as the nodal person, each from PEDO and Ibtada. She / he were responsible to coordinate both with DWCD and CmF. Each block was divided into sectors and each sectors had sector supervisors. The Sector Supervisor assisted the coordinators in project planning, implementation and supervision at field level. Each Sector Supervisor was responsible for 25-30 groups and to carry out the hand holding activities for the group and the DWCD staff.

### **1.6 Expected output**

1. All groups have a quality enhancement to be graded as 'A' grade
2. At least 90% of the qualifying SHGs to be linked with banks
3. About 150 groups (75 groups in each block) are able to take up income generation activities on regular basis.
4. The skill level of the project staff is increased.
5. A successful model of GO-NGO collaboration that can be replicated in other blocks/districts.

## CHAPTER 2: ABOUT THE STUDY

The overall objective, the methodology and scope of the Impact Study is discussed in this chapter.

### 2.1 Purpose of the Impact Study

The purpose of the impact study is to assess the impact at three levels:

- a. **Group level** - quality enhancement on financial and non financial parameters:
  - Regularity in meetings, attendance
  - Savings, inter-loaning
  - Bank linkages: status, problems, efforts made
  - Record-keeping, financial systems etc
  - Knowledge and capacities of members and leaders
  - Livelihood linkages
- b. **Change in the knowledge, skills and attitude of the DWCD field staff**
- c. **Impact on member household level, trend in credit availability from SHGs and its utilization.**

### 2.2 Methodology

The impact was primarily assessed using group discussion, interview, review of reports & MIS. Following tools at different levels have been used for same:

- Structure schedule for SHGs
- Focused group discussions with member in SHG
- Focused group discussion with DWCD staff i.e. Aganwadi, Saathin & Sahyogin supplemented with case study
- Structured questionnaire for Household Surveys

### 2.3 Sample size:

Purposive Sampling & Random sampling method have been used as the sampling procedure for data collection. There are usually one or more predefined groups that the study seeks to analyze.

A total of 36 SHGs (5% of total groups) were selected for data collection and Focus Group Discussion (FGD). From each block 18 SHGs were selected which were spread over four sectors. Out of 36 SHGs, 24 were old one i.e. on which quality improvement work has been done since day one while 12 were new SHGs i.e. which formed during project period.

Skill enhancement among field staff of department i.e. Aganwadi, Saathin & Sahyogin was one of the prime objectives of the project. To measure the impact of various training and continuous handholding support, 8 FGDs were carried out with department staff.

The Household Schedules were carried out with 98 respondents from 33 SHGs in the project area. Three respondents were interviewed from each SHG with an inbuilt design that one leader (president/ secretary/ treasurer of the group) and two members were interviewed in each SHG. The members selected for household interview were not to be from the same groups with whom the SHG FGDs were conducted.

A tabular representation of sample size is as follows:

Block	No. of SHGs		No. of FGD with DWCD Staff	No. of Household	No of sector
	Old	New			
Alwar	12	6	4	49	4
Dungarpur	12	6	4	49	4
<b>Total</b>	<b>24</b>	<b>12</b>	<b>8</b>	<b>98</b>	<b>8</b>

#### **2.4 Geographical area selected based on the selection:**

The scope of the exercise had predefined the area selection for the study to be Dungarpur block of Dungarpur district and Ramgarh block of Alwar district. Keeping in mind availability of old groups, new groups and closed/defunct groups, the selection of the villages within these blocks was done.

Accordingly, following villages were selected at each block for all three levels of data collection:

**Alwar District:** Alawada, Bamboli, Behripur, Chidwara, Khed, Milakpur, Nadka, Nagi Megha, Piproli and Ramgarh.

**Dungarpur District:** Asela khas, Kesarpura, Mala Falia, Naranya, Raagela, Ransagar Upargaon, Faloj, Naraniya & Punali.

#### **2.5 Study Tools:**

Based on the purpose of the Impact Assessment Study and criteria for selecting the methodology, sample size and geographic area specifications, study tools for three levels of data collection were developed. Structured questionnaire & Focus Group Discussion was used as a tool to study the impact and changes of the Self Help Groups, Focused group

discussion & case study method for the DWCD staffs and structured Household Questionnaire was used to collect data from the individual households. The tools are attached in following order:

1. The SHG FGD are at Annexure I
2. The Member House hold level structured questionnaire is at Annexure II
3. The DWCD staff FGD discussion points are at Annexure III.

## CHAPTER 3: FACTS & FINDINGS

### SHG Data Analysis:

The Impact study of the project was undertaken during April 2010 in two district of Rajasthan viz. Dungarpur and Alwar, covering a sample of 18 Focus Group Discussion of SHGs, 48 Individual Household Sample Survey and 4 FGDs with DWCD workers in each district. As the pilot project was designed to be implemented by two voluntary organizations working closely with the community in both the districts, so PEDO was the implementing agency at Dungarpur and Ibtada was the implementing agency at Alwar.

### 3.1 Location wise spread of the sample:

For administrative purpose each blocks in Rajasthan have been divided into number of sector depending upon area and population. The Dungarpur block had 9 sectors and Ramgarh block were divided into 8 sectors. In Dungarpur Punali, Damri, Bassi and Dungarpur were the four sectors selected for the study. From the above mentioned four sectors, 10 villages were chosen to conduct FGDs and households survey.

**Table 3.1 Village wise SHG FGDs in Dungarpur district**

Sr. no	Villages	No of FGDs
1	Aselakhas	2
2	Punali	2
3	Uppargaon	2
4	Aantri	2
5	Raagela	2
6	Ransagar	2
7	Kasar Pura	1
8	Naraniya	2
9	Pagara	1
10	Mala Falia	2
	<b>Total</b>	<b>18</b>

In Alwar too four sectors were selected for the study. The sectors were Nogawa, Bamboli, Piproli and Ramgarh. From selected sectors, 10 villages were chosen for data collection & FGDs.

**Table 3.2 Village wise SHG FGDs in Dungarpur district**

Sr. no	Names of Villages	No of FGDs
1	Alawda	2
2	Bamboli	2
3	Behripur	2
4	Chidwa	2
5	Milakpur	2
6	Nadka	2
7	Nagli Megha	1
8	Piproli	2
9	Ramgarh	2
10	Sahajpur	1
	<b>Total</b>	<b>18</b>

### 3.2 Profile of the SHGs

#### 3.2.1 Dungarpur SHG profile:

The average membership in the Dungarpur was 12 and almost all the groups had at least an average of 54 % (Table 3.2) attendance in the FGDs conducted for the impact study. The average age of the SHG members in the Dungarpur district were found to be between 35 to 40 years. 12.42 % of the members in the SHGs selected for the FGD were illiterate, 75.82% were literate (*women who could sign their name*). The remaining 11.77 % were the educated ones who have attended school and with few of them completing undergraduate degrees. Very Few women in the SHGs of Dungarpur were found to be actively entrepreneurial,

promoting and working on small business of their own (like having petty shop, tailoring unit, handicraft worker etc).

**Table 3.2 Distribution of SHG members present for the FGDs conducted in Dungarpur**

Village Name	Total no of SHG Member	Members Present for FGD	Percentage
Ransagar	11	6	54 %
Ragella (2)	27	12	44 %
Asela Khas (2)	24	13	54 %
Uppar Gaon (2)	23	11	48%
Mala Falia (2)	21	12	57%
Pagara	14	9	64 %
Kesarpura (2)	20	11	55 %
Naranya (2)	22	13	59 %
Punali (2)	26	14	53%
Falaj (2)	25	13	52%
<b>Average</b>	<b>12</b>	<b>6.5</b>	<b>54 %</b>

### 3.2.2 Alwar SHG Profile:

In the Ramgarh SHGs, the average membership is 11 and nearly 60 % of the SHG members participated during the Focus group discussion for the Impact study. The average age of SHG members is 35 years in Ramgarh, with youngest member of 21 years and eldest member of 70 years of age. In the sample size selected for the SHG FGD at Ramgarh Block, the percentage of SHG women who are illiterate, literate and having Primary education are nearly the same. 33.6% SHG members are illiterate, while 33% members can sign or are literate and same percentage of members has received Primary education. Out of the 18 SHG FGDs at Alwar, 10 groups were formed during the implementation of the project, 2 were defunct groups and 6 were old groups. Most of the new groups mentioned above are the ones that were revived during the project implementation after being disband.

In terms of pattern of occupation or income generation activities undertaken by the SHG members, there is almost 100% overlap in occupation like Agriculture and Animal Husbandry. Nearly 56% of the sample population undertakes Agriculture and Animal Husbandry simultaneously as a main source of income. A slight overlap can be seen in income generation activities of Daily Wage labourer and livestock rearing. The reason for such an overlap is the obvious concept of primary occupation and secondary occupation. Almost 29.27% members are daily wage labourers, 11.5% members are home makers and substantially low percentile SHG members 3.4% have their own small business.

**Table 3.3 Distribution of SHG members present for the FGDs conducted in Alwar**

Village Name	Total no of SHG Member	Members Present for FGD	Percentage
Milakpur	10	6	60 %
Alawada (2)	26	11	42 %
Behripur (2)	23	15	65 %
Ramgarh (2)	20	13	65 %
Nadka (2)	22	16	72 %
Khed	10	7	7%
Bamboli (2)	24	13	54 %
Piproli (2)	23	11	47 %
Nagli Megha (2)	20	14	70 %
Chidwa (2)	20	12	60 %
<b>Average</b>	11	6.5	60 %

### 3.3 Impact on financial & non financial parameters of SHG:

#### 3.3.1 Impact on Savings:

Out of 36 groups 12 was new groups i.e. formed during the project period and remaining 24 was old one. The monthly savings amount is collected by the Treasurer of the group during the monthly meeting of the group. The groups reported to be saving within the range of Rs. 25/- to Rs 200/- (Table 3.4), however only 14% of groups reported per member/month savings less than Rs. 50. At the time of project launch, baseline data reveals that there were 46% of groups in which savings/month/member was less than Rs. 50. A clear impact can be seen that there were 31% groups in which member savings per month was equal to or greater than Rs. 100, the statistics on this parameter was less than 10% at the time of beginning of the project. The saving amount of the sample can be bifurcated as follows; the new groups have monthly savings amount of Rs. 100/- while there are 2 incidences of Old groups where the savings amount has been increased to Rs. 200 per month. Most of the old groups have graduated from saving Rs 20 to Rs. 50 per month during the tenure of the Project.

**Table 3.4 Distribution of savings/member/month in groups**

Amount as Monthly Savings	No of Group in Dungarpur	No of Group in Alwar
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Rs 25/-	4	1
Rs 50/-	9	6
Rs 100/-	5	9
Rs. 200	0	2
<b>Total</b>	<b>18</b>	<b>18</b>

### 3.3.2 Upward slope in Interloaning:

From baseline and grading report of SHGs, it was observed that huge amount of groups' fund is lying idle either in saving bank account or in cash with office bearer of SHGs. About 57% of total group fund was lying idle.

There was stark improvement in scenario before and after the Project implementation as regards to Internal Loan at SHG level. Only 7 SHGs out of 24 old SHGs in the study were equipped with internal loan facilities for its members prior to the implementation of the project. During the project implementation and after it, all the 36 SHGs (*12 formed during project period and 24 old one*) have started Internal Loan for their members. The terms and conditions for repayment of loan are flexible and are dependent on the member's capacity to repay. Regular savings has led to on time disbursal of internal credit. The Rate of Interest for internal loans is 24% in all the SHGs. Member shared that internal the system of internal loan has provided a lot of relief as same can be used in the time of urgency which was not the case earlier.

### 3.3.3 Bank linkages:

Majority of the members referred to "Credit service" as one of the most important financial services they access through the SHG and bank is a major source for credit need. The groups availed bank loans to fulfil their member's credit need if the total demand is larger than the total savings. Only 4 (16%) out of 24 SHGs were able to avail bank loans prior to the implementation of the Project. During the implementation of the projects all the sample SHGs were graded by banks as well as by implementing agencies and applications were put for bank loan. Barring an incident where one SHG at Bamboli village in Alwar reported that it did not avail sanctioned Bank Loan due to bad behaviour of the Bank staff rest all SHGs have availed Bank Loans in the range of Rs. 15,000 to Rs. 120,000. In fact 11 SHGs have availed Bank Loans twice during the tenure of the Project. So the number jumped from 16% to 100% in two and half years regarding bank linkages.

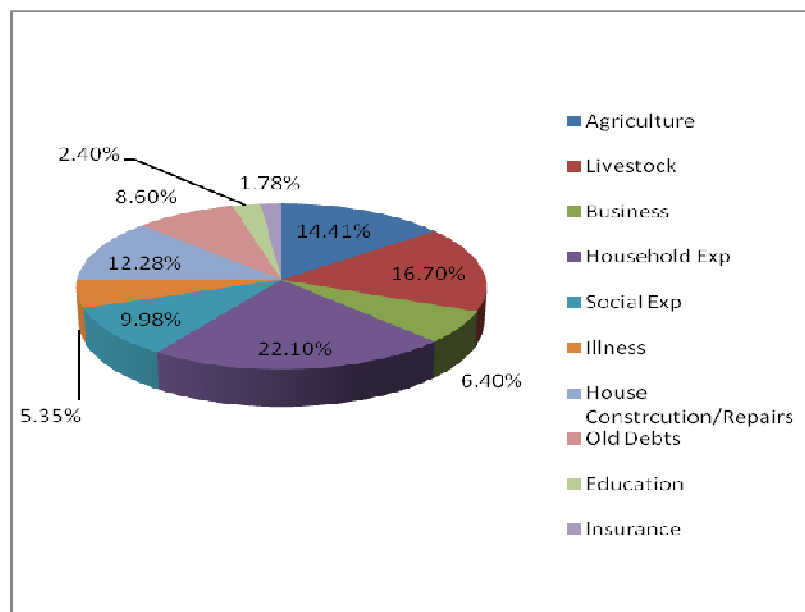
Members in the FGDs expressed that the help and guidance received for bank liaison and coordination work from NGOs staff is now missing due to closure of Project. They strongly feel the need for such a support.

### 3.3.4 Status of repayment rate:

Repayment has always been an issue with the department promoted groups because proper system of financial transactions has not been followed, lack of records, ownership among members etc. All these lead to improper repayment and default, 6 out of 24 sample groups were defunct. The main problem with these groups was that they had never function like a group – it was mostly the office bearers who were active. As per the baseline report of the project, the overall repayment rate was 59%.

The challenges in ensuring the repayment and reviving the groups was not just to set the system in groups but also to remove the defaulter tag from it, said project coordinators. The active members who had taken the loan were either not ready for repayment or they were not capable of immediate repayment. The Animators / Sector Supervisors from implementing agencies along with department staff made group level plan for recovery. Office bearers and members of groups were taken on exposure to good quality groups with an objective to show how recovery at group level is done. Meantime the groups saving, internal loaning, and meeting were regularised. Inputs in the form of member based credit planning, need based credit to members, group decision before providing a loan to members against the earlier system of mercy of department staffs have helped in improvement of repayment rate. The data from all the 36 sample groups reflect 98% on time repayment.

### 3.3.5 Credit utilization pattern:



The above pie chart reflects the use of credit by 36 SHGs under study. Almost 37.5% of credit amount has been directly put for income generation activities which comprises of Agriculture (14.41%), Livestock (16.7%) and Business (6.4%). Approx 12.28% of credit has been utilized for house construction/repairs, (8.6%) for repaying old debts, (2.4%) for education and (1.78%) for insurance. These activities indirectly help the household in enhancing income, resting leakages and get rid from clutches of moneylenders. Group level meticulous credit planning, business development support by implementing agencies and continuous hand holding support to group are the rationale for proper use of credit. Although there was no as such data available for mapping the use of credit prior to the project but FGDs with members revealed that they have never get need based credit and business development services prior to implementation of this project.

### **3.3.6 about group meeting & attendance:**

Baseline data revealed that only 7 out of 24 sample groups were having regular meeting with average attendance of 53% prior to this pilot project. During interaction with members it was found that there were manifold reasons for it. Lack of awareness among members, no clear benefit from group, dominancy of facilitators over groups' activity were some of the important factors, shared members of groups. SHG members further shared that during our training and visit to other group, we've realized the importance of regular meeting. Now all the 36 groups regularly meet in a month to discuss the issues related to group with average attendance of 81% attendance.

### **3.3.7 Record updation and maintenance:**

Record maintenance was one of the crucial reasons for poor quality of groups. None of the sample groups were familiar with financial statement like Trial balance which ensures financial transparency in a group upto greater extent; reflect the earlier report of centre. No specific training has ever imparted to facilitators/ groups on the importance of record maintenance and updation. One of the branch managers shared the fact that:

*“We do not find the complete record which raises our concern that fund at group level is not maintained in transparent manner and hence we feel hesitant to lend to department promoted groups”.*

Implementing agencies had imparted training to group members on the importance of record maintenance and special training to facilitators on record writing and updation which had improved the overall quality of groups.

*“Aneetadevi aged 26 is the President of Poonam Sahayata Samuh which was formed by the Aanganwadi worker Harjeetkaur on 1<sup>st</sup> September 2006. After having undergone the second round of training on Book keeping, record maintenance and trial balance sheet, Aneetadevi was advised by Harjeetkaur to share the learning with all the SHG members. This was carried*

*out with a view to enhance the understanding at member level and also to increase the sense of belonging and identifying with SHGs activities. Interestingly, Poonam Sahayata Samuh has members in the widest age range of 21 to 75 years. Information dissemination by the Group President has led to better understanding of Book keeping amongst the SHG members”.*

All the 36 groups studied were having updated record. Members shared that now we feel more confident in our group as all transactions are recorded in books and easy in availing credit facility from banks. Members also shared that updated records tells us which member has outstanding, who needs to pay fine and who all are not regularly participating in the meeting and hence necessary actions for them by rest of members

### **3.3.7 Issue of capacity of Leaders & Members:**

Lack of proper training to SHGs was one of the most important reasons for poor quality of groups, said implementing agencies. Out of 24 SHG only 4 had received training prior to the project and that too one time on the very basic concept of group. Interaction with SHGs revealed that only 7 groups in the 24 FGDs have claimed to be maintaining all the books (*Minutes book, Savings ledger, Loan ledger, Bank pass book*) before project started as they were not aware about the ways and methods to maintain the books plus also not realizing the importance of updating the same. Everything dependent on facilitators as leaders of the groups were not familiar with roles & responsibility as they have never told about that, said leaders of the SHGs in FGD.

The most important part of this pilot project and almost all positive changes in SHGs and staffs of department are attributed to various capacities building programme being provided to them, shared by project coordinators, members of SHGs and also accepted by department staff during FGDs. The entire training programme/exposure visit had been designed based on the need of the group and staffs which were identified at the time of grading. During the project period all the 36 SHGs have received training on Group Concept, Formation & nurturing, role of leaders & members. All the technical trainings were provided by subject matter specialist from both the implementing agencies. Project coordinator shared that followings training were provided to the groups and its members:

Type of training	Participants	Topics covered	Duration	Method
Orientation training	SHG members	On Group concept: Basic concept of SHGs, principals governing SHGs	One day	Poster display, presentation, role play

	Leaders of SHG	Role of leaders in SHG	One - two day	Poster display, presentation, role play
Exposure visit	SHG members	Concept of service fee, self grading etc.	One day	Filed visit, participating in the meeting
Handholding support	SHG	On every theme that	On regular basis	Participation in group meeting, record writing, sector meeting

Members maintained that it was only after the trainings provided by staff of NGOs, they learnt the real importance of SHG, role of leaders in SHG, importance of maintaining proper records etc. One group from *Naranya* village, Dungarpur talked about mishandling of group funds due to irregularity in record keeping before building associations with project. But not the case now as leaders of the group make it sure that all the transactions get recorded on the same day and also after recording (*writing in books by facilitators*) it will be read out by facilitators in presence of all members present in the meeting. One of the most important trainings that implementing agencies had given to the groups/facilitators according to the respondent was – teaching them to prepare the Trial Balance of their accounts on a monthly basis. On checking the records of the groups, it was found that almost all of them regularly prepared the trial balance with the help of project staff during the course of the project. The respondents in the FGDs mentioned that they were not doing any other activity in the SHG apart from savings and credit and that too on irregular basis. They have also mentioned that after the training and support provided by NGOs staff, their monthly meetings have become regular and attendance in the meetings has improved substantially.

But after the closure of the project, 13 groups out of 36 (sample) have stopped preparing the trial balance as they do not get the required technical support from department staff.

### **3.3.8 System of transaction in meeting:**

During FGD, members shared that earlier there was no ownership about the group and we (*members*) believed that this group belong to facilitators (*department staff*) as everything was done at her mercy. Key functions of group like Savings collection, loan disbursements etc. were carried out by office bearer (*in 70% cases dept. staff was the office bearer*) outside meeting and as per her wish and whim. So members used to contact office bearer for any support and help. Out of 24 old groups in the study, 16 groups were completely hijacked by facilitators as all transactions and decisions were taken by her.

With the inception of project, emphasis was put to create an ownership among members through various methods. Members further shared that other staff (PEDO/Ibtada staff) advises and helped us to form and implement rules for SHG. Rules like all transactions will

be carried out in meeting, facilitators will not touch the amount, all decision will be participatory in nature etc. Data shows that 28 out of 36 groups were following the rules and doing all transactions in meeting only. The process had enthused the confidence and generated feeling of ownership and transparency in the groups. Members proudly shared that this is our groups and we decide what to do and what not, which was not the case earlier.

### **3.3.9 Special sector meeting:**

There is a system of review meeting every month in each sector of the block which is presided by Lady Supervisors (LS) of the DWCD department. In sector meeting the LS put least emphasis on SHG related work, no proper monitoring and support to field workers. This apathy of LS resulted in degradation of quality, shared the Chief executive of implementing agencies. Facilitators of all 24 groups shared that many times we felt helpless as there was no support system for SHG related work.

Systems of special sector meetings were put in place which used to be organized every month in every sector exclusively to discuss the progress and issue related to SHG. These sector meetings were attended by AWWs, sahyoginis & saathin (*facilitators*), Project team from implementing partners and Lady Supervisors. These meetings act as a support and pressure point for facilitators in terms that every facilitator used to share the progress of previous month and challenges faced. Members of all the 36 groups in the study said that this sector meeting is playing a major role in maintaining the quality, sharing the learning and peer pressure for other groups. The concept of the sector meeting has also positively impacted the repayment rate.

### **3.3.10 Case of honorarium/service fee by SHGs:**

Lack of interest on the part of facilitators due to absence of any monetary benefit was one of the stumbling blocks in promoting & nurturing the quality groups as shared by facilitators. They (facilitators) used to take SHG related work as a burden as it demands a lot of attention and no direct benefit to them. Hence always on least priority of facilitators, said one Aaganwadi workers and agreed by almost all department staff (*Aaganwadi workers, Saathin & Sahyogin*). None of the 24 groups were paying any honorarium to facilitators for their services.

As both the implementing organizations (PEDO/Ibtada) works on the principals of financial self sustainability, hence they tried to promote this mechanism for the desired results, said project coordinator from both the organizations. Initially there were many resistances from all quarters of the members as shared by SHG members from both the district but when they (SHG members) were taken to visit other groups, who were paying the service fee and other charges, members got convinced and now all the 36 groups were paying the service fee in the range of Rs. 50-Rs. 200 per month depending upon volume of transactions. This not only has

improved the services of facilitators towards groups but also increased their accountability to 100% and motivated to perform SHGs related work.

### **3.4 DWCD FGDs analysis:**

As per directives of the DWCD in 2003-2004 under the ICDS scheme the formation of SHG was one of the job responsibilities for the Aanganwadi workers and Health workers (Sahyogin). They continued to form SHGs without any understanding of the basic group concept, composition of a good quality group and absolutely no understanding regarding importance of record keeping, books of account, tackling Group dynamics and no direction for future progress. The awareness at SHG level regarding basic orientation & concept of group formation etc. was abysmally low as these facilitators couldn't impart/provide the required knowledge and skills to SHG as they themselves were not acquainted with the requisite knowledge and skills.

*“Radhaben Pattidar (age55) is an Aanganwadi worker from Uppargaon village in the Dungarpur district. She was recruited by DWCD as an Aanganwadi worker in the year 1992. She had first formed an SHG group on the directions of her Department (DWCD) in the year 2001. She said 6 out of the 10 group members were her family members and close kin. It was only in 2005, when one of the groups under her leadership approached the bank for loan and was refused on the grounds of members being from the same family – they realized that one SHG cannot have two members with the same BPL number”.*

Focus Group Discussions were conducted with the DWCD workers which include Anganwadi workers, Sathins and Sahyoginis who were responsible for forming and nurturing the groups. In total 8 FGDs were conducted, 4 in each of the districts. The FGDs were conducted with a primary focus to understand the change in attitude towards their responsibility of group formation and their knowledge enhancement of best practices and their increased interest towards replicating the learning from this project. The FGDs brought out that their (Aanganwadi workers, Saathin & Sahyogin) primary responsibility is ensuring the development of women, children and adolescent girls within their area of operations. In terms of priority, more importance is on immunisation of the mother and child, nutrition, health and education. The salary and the extension of their contracts are based on their performance of the above duties and thus formation of SHGs and nurturing them is last on the list of their priorities.

As a result of this Project the DWCD staffs have started engaging with the groups in a serious and regular manner. Also the system of service fee per months as an incentive to the DWCD workers by groups have increased their interest towards groups.

The respondents also stated that no proper trainings were provided to them prior to the project implementation. All the trainings conducted by their parent department were related to women's health, hygiene, education and child care. Only the workers, who have been associated with DWCD for long duration, have availed one training on the concept of SHG. Various capacity building inputs provided by the implementing agencies include Training on Group Formation, Record Keeping, Accounts and MIS etc. The DWCD workers were also taken on exposure visit to observe the best practices followed, shared by facilitators during FGDs in both the districts. The benefit was visible in terms of updated records, enhanced knowledge about SHGs and most important the SHGs related activity was on the priority of their work. 28 out of 36 groups visited have update records, 23 were ready with trial balance and almost 71% of department staff present in the FGDs can manage single handed to prepare all the records including trial balance. However with closure of the project,

The interactions within the group of the DWCD staff indicate on the change in their knowledge and attitude regarding SHG formation for empowerment of women for both financial and social independence, increase in the role as a family decision making, women becoming more involved in the society and increasing of confidence to tackle the problems of life. The DWCD workers also felt that it was the SHG activities that have made the women confident to come out their homes and interact with others. SHGs has taught the women members on how to manage their finances and in times of emergencies the solidarity of the group helps them handle the situation in better manner than as it would have been handled in absence of SHG.

The best practices to be followed for a functional and sustainable SHG are now clear to the DWCD workers and they are implementing the same to strengthen the groups. Importance of regular monthly meetings with nearly 100% attendance, internal lending, book keeping and discipline has become clear to the workers not only through the trainings and exposure visits but more so from their own experience in the groups. The workers were able to understand and encourage the members of the groups towards staggered and regular increment in savings amount. The bank account operations by the SHG members not only help them save money but also enhance their confidences in interacting with officials.

One of the important points emphasised by the DWCD workers is the need of continuous support from the implementing agency for better performance as they regularly conducted the performance review meetings. They stated that it would be helpful for the women members if the staff from the implementing agencies help them access any livelihood activities.

The outcomes of the FGDs have been encouraging i.e. in lieu of project objectives but it was also observed that the staffs need hand-holding support for some more time.



### **3.5 Household data analysis:**

One of the quantitative methodologies used to understand the impact of the Project was through structured house-hold interviews of SHG women members. The main objective of the individual house-hold survey was to assess the impact of the project on their house-hold level income, asset creation, social empowerment in terms of voicing their opinion, decision making within the family etc.

#### *3.5.1 Socio-economic profile of the Individual SHG member Households*

- a) Amongst the 49 individual respondents at Alwar, 20% OBCs, 21% Muslims while majority of them 40% were SCs, 6% STs and 13% were gen. At Dungarpur, 89% respondents were Scheduled Tribe and 11% from Scheduled Caste Category.
- b) Nearly 50% of the respondents at Alwar were in age group of 21 to 35 years, followed by 44.44% in the age range of 36 to 50 years and only 5.56% were above 50 years of age. At Dungarpur, 83.3% of the respondents were in age group of 21 to 35 years while remaining 16.7% were in the age group of 36 to 50 years.
- c) The literacy levels were higher in the younger age group at both the blocks, with 66.67% at Alwar and 44.44 % at Dungarpur being able to sign their names. 5.56% respondents at Alwar and 16.67% at Dungarpur have cleared their eighth standard exam. Almost 5.56% at Dungarpur have either cleared secondary state board exams or have achieved graduate degrees. On an average nearly 25% respondents at both the blocks were illiterate.
- d) The House structure at Alwar has nearly 77.7 % Pucca construction, about 16.67% Semi Pucca and 5.56% Kuccha construction. At Dungarpur the situation is diametrically opposite. Majority of houses, nearly 83.3% were Kuccha constructions followed by 11.11% Semi Pucca and only 5.56% Pucca constructions.

#### *3.5.2 Occupation and Income levels:*

Predominantly, Agriculture is the primary occupation at both the blocks. Almost 38.9 % sample households at Alwar and 40% at Dungarpur were into Agriculture. This is followed by Masonry at Alwar which accounts for nearly 27.8%. Dungarpur has almost 11.2% household members as Migrant labourers while SHG household at Alwar did not report of migrant labour as primary occupation. Similarly, 12.9% member household are working as Daily Wage Labourers at Alwar while, at Dungarpur Daily wage labour constitute 23%. At both the places, 14.6% household

have reported being engaged as Agriculture Labourer, Artisan, petty shop owners and Aaganwadi workers as primary occupation. Nearly 11.2% household members at Dungarpur have taken up Driving as primary occupation, while only 5.6% at Alwar work as Drivers for their primary source of income.

### 3.5.3 *Monthly Incomes:*

Majority of the SHG households at both the blocks fall into the income range of Rs. 3001/- to Rs. 6000/- per month. At Alwar nearly 55.6% and at Dungarpur 76.7 % households come under this income range. An income below this range accounts for nearly 5.7% households at Alwar and 16.67% at Dungarpur.

There are 22.2% households at Alwar in the income range of Rs. 6001/- to Rs. 9000/- while none at Dungarpur come under this range. 5.7% households at Alwar block are in the income range of Rs. 9001/- to Rs. 12,000/- and again no household at Dungarpur come under this category. Surprisingly, 5.6% households at Dungarpur come under the next income range of Rs. 12,001/- to Rs. 15,000/-. At Alwar, 6.6% households come under the income range of Rs. 12,001/- to 15,000/- and 4.2% Rs. 15,001/- to 18,000/-.

The above data highlights that the income levels at Alwar are comparatively higher than that at Dungarpur and same was evident from the standard of living and access to basic amenities of the members at both the blocks.

### 3.5.4 **Impact at household level:**

The prime objective of the project was to improve the quality of SHGs with enhanced skill of department staff at ground level as mentioned in the project report and proposal. There was no substantial impact at household level of the community under project. However, it is important to mentioned here that with improved quality of SHGs, members felt some changes in savings rate, credit utilization, redemption of old debts, expenditure pattern and social status of member at household levels. The impact on these dimensions is discussed as following:

**a) Support through regular savings:** Members shared that with regular meeting of groups and almost 100% mandatory savings by members have increased the group fund over a period of time. This fund is being utilized by members in case of emergency or any other need to fulfil their small requirement which was completely earlier. Many of us (members) have used the fund in case of medical emergency for our family. This service has generated a lot of importance of SHGs even in our family, said all members in FGD.

**b) Reasonable Credit:** With improved bank linkages and overall credit at a tune of Rs. 153 lakhs during project period has increased the liquidity at members' level which they have used for productive purpose with the help of project staff. Data shows that almost 37.5% of total credit has been put for income generation activities which have more or less increased the income at household levels.

**c) Redemption of old debt:** This is one of the direct benefits at household level through this project although small in number. Out of 98 households under study, 13 (13.6%) members said that they have utilized the improved credit services of SHG to repay the old debt. Our family members feel very happy that I've (members) been associated with a group which is supporting the household need.

**d) Increase in expenditure on Education and Health**

i. Increase in Expenditure on Education:

In Alwar nearly 38.9 % women members responded that expenditure on Education has increased after joining the SHG. Almost 44.44% women members in Dungarpur responded of similar increase in expenditure on Education. This increase in expenditure on education could be attributed to various socio-economical reasons; nevertheless, the women members do feel there has been a contribution of SHG credit and savings.

ii. Increase in Expenditure on Health:

Nearly 55.56% women at Dungarpur have attributed the increase in expenditure on health care due to SHG support while 44.44% at Alwar agreed on the same.

**e) Inclusion/ Involvement in decision making at family level:**

At Alwar, data shows that 77.78% women agreed to be involved into the decision making process at household level. While, 94.44% women at Dungarpur SHGs agreed to be part of the family decision making process. Many of the women have stated the control or access to immediate and cheaper credit through the SHGs, is one of the major reasons for increase or improvement of their role in the family decision making process.

With the capacity building and exposure visit to quality groups, women are able to speak in some public forums in addition to family. As they gain more confidence through SHG processes, percentage of women who think has increased. Similarly, they feel that their views are being taken into cognizance. These are very significant social developments that SHGs bring about.

## CHAPTER 4: CONCLUSION & RECOMMENDATION

The key findings of the Impact Assessment at three levels are highlighted in the ensuing narrative and have been assessed based on the data collected during Impact Assessment study, objectives and expected outcomes of the Project, the factual data as per the MIS and field research observations. It is important to mention that the key findings are also based on the field observations during the data collection process which was carried out nearly 5 months after the closure of the Project.

### **Key Findings:**

- The new groups formed or old groups revived in the project, unlike before, have realized and internalized the importance of regular meetings, regularity in attendance and need for maintaining updated records. During the Project, same was emphasized through need based trainings and periodic monitoring by the staff of implementing NGOs. However, with the closure of the Project, the external monitoring has ended and hence the combined effect of the above two aspects has gradually decreased resulting in quiet a few sample SHGs (6 out of sample size of 36) reporting irregularity creeping in terms of meetings, attendance and updated records.
- The SHG members have become moderately confident of handling and maintaining Record Books. There was feeling of ownership among members for SHGs and a faith that this (SHG) is a medium which may help us in availing financial services. However, barring two SHGs rest all have clearly stated the need for further handholding and technical assistance to maintain Books of Accounts, Bank records and building rapport with Bank Officials.
- The major impact of this Project had been towards providing access to financial services to the SHG members especially Savings, Internal Credit/ Loaning and Credit through Bank Linkages. The SHG members value these services. While majority of SHGs could not access Bank Loans earlier, with implementation of this Project they have availed bank loans for the first time.
- The access to credit through from bank or internal loan to an individual member through of SHG cannot capture a trend in their utilization pattern to indicate increase in family income. However, as evident from the responses of individual SHG members at household level, the access to such financial & other services from SHG have increased their involvement in the family decision making process.

- There is definite enhancement in knowledge of department staffs regarding SHG promotion and nurturing due to various specific trainings. As a result of this Project the DWCD staffs have started engaging with the groups in a serious and regular manner. Also the system of service fee per months as an incentive to the DWCD workers by groups have increased their interest towards groups.
- The livelihood linkage of SHG amongst the selected sample has been mainly towards strengthening the existing sources. The utilization of credit by members is mainly towards the existing primary occupation, consumption for social or health related reasons and debt swapping in descending order. The limited impact on the livelihood linkages of the SHGs is due to the shorter span of the Project.

The above findings clearly points out that the Project have achieved its objective to demonstrate the process of quality group formation and the elements of nurturing. It has also succeeded in enhancing the capacity of department staff towards maintaining good quality SHGs. System of special sector meeting & honorarium to facilitators every month by SHGs is appreciable step which has been widely accepted by members & facilitators. However, it was also observed that as the support of implementing agencies was not there and system like sector meeting was not taking place in few areas, some laxity was observed in concern groups. The Project needs to be continued for some more time probably by Six months to make the system more grounded and become self-sustainable.

**Recommendation:**

All the key findings indicate that project has achieved its objective of demonstrating the process of improving the quality of SHGs. At same time it should have been continued for six more months as the need clearly felt on ground. Taking the cue from the this Pilot Project's learning, a new Project with defined objectives which builds on the earlier objectives needs to be developed and implemented for longer period. It is further recommended to build in the new Project a clear roll-out plan for mid level department staff likes Lady Supervisors, CDPOs and deputy director which was somehow missing in it and hence their cooperation was very limited.