

*EVALUATION STUDY SERIES : ORISSA R O : NO – 14*

**Evaluation of  
Rural Entrepreneurship Development  
Programme in Orissa**



**NATIONAL BANK FOR AGRICULTURE AND RURAL  
DEVELOPMENT  
ORISSA REGIONAL OFFICE  
BHUBANESWAR**

**2007-08**

## ***Credit List***

### ***Overall Direction***

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Mumbai

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## ABBREVIATIONS

REDP	Rural Entrepreneurship Development Programme
CORD	Centre for Organizational Research & Development
DASS	Development Action and Social Services
DDM	District Development Manager
Dev.	Development
DSS	Darbar Sahitya Sansad
EDP	Entrepreneurship Development Programme
LDM	Lead District Manager
MCM	Master Crafts Man
MDMVS	Maa Durga Mahila Vikas Samitee
NABARD	National Bank for Agriculture and Rural Development
NGO	Non Government Organization
No.	Number
ORUPA	Orissa Rural & Urban Producers' Association
Rs.	Rupees
RUDSETI	Rural Development and Self-Employed Training Institutes
SHG	Self Help Group
SNDAYP	Sri Nrusingha Deb Anchalik Yuva Parishad
SYN	Society You Need

## BASIC DATA SHEET

<b>Sample</b>	
Districts	Two: Puri and Khurdha
No. of REDPs	15
No. of Trainees	80
Facilitators	09
Activities	11
<b>Benefits</b>	
Settlement Rate	64 (80%)
Self employment	49 (61%)
Job work	15 (19%)
Average Incremental Income	Rs.941 per month
<b><i>Income Group</i></b>	<b><i>No. of Sample Trainees</i></b>
Nil	16
Upto Rs.1000	31
Rs.1001 - Rs. 2000	28
Rs.2001 – Rs.3000	3
Rs.3001 – Rs.4000	-
Rs.4001 – Rs.5000	-
Rs.5000 – Rs.6000	2
Bank Credit Support	8 (10%)

## **CHAPTER I**

### **RURAL ENTREPRENEURSHIP DEVELOPMENT PROGRAMME: AN OVERVIEW**

In India more than 230 million people are engaged in the agricultural sector. More than three fourth of India's population live in rural areas by farming small plots of land or working as agricultural laborers. Agriculture sector is saturated with manpower and has no opportunity left to employ people gainfully. Further, small holdings, inadequate investment capacity, lack of innovations, seasonality feature, low productivity, sans commercial approach and vagaries of monsoon encumber the farmer house holds to earn enough for their families. On the other hand, there is large scope for employment and income generation in Rural Non Farm Sector activities like village cottage industries, handicrafts, service sector activities, etc. Development of non-farm sector activities with product diversification and market linkage may result increase in productivity, income generation and socio- economic development of rural poor. NABARD, the apex bank for development of rural India, came forward and introduced the Rural Entrepreneurship Development Programme (REDP) for entrepreneurship development for rural unemployed youths. REDP is about imparting new skills or upgrade the existing skill through training to rural educated and unemployed youth so that they take up income generating activities.

#### **Objectives of REDP**

The broad objectives of the REDP are:

- ✓ To generate self employment and make the educated and unemployed rural youth self reliant.
- ✓ Create awareness among the rural people and motivate them to be self-employed and choose a career on the basis of their training and to provide support (bank credit) in establishing enterprises.
- ✓ Creating sustainable employment and income opportunities

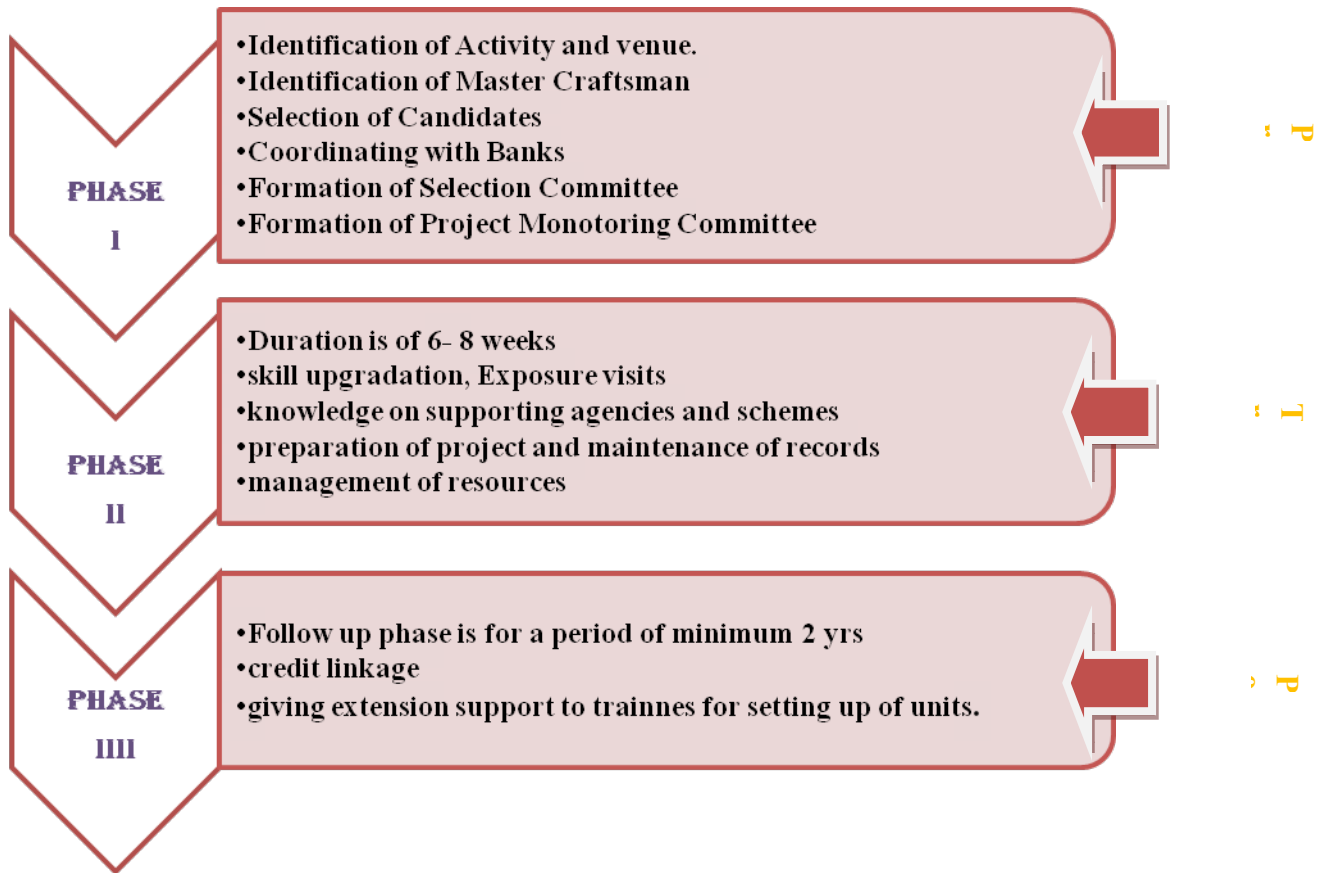
## **Implementation of REDP**

REDP is conducted through a facilitator, which may be a Voluntary Agency, Non Government Organisation (NGO), Development Agency, trust, etc. having good track record and which is professionally competent to implement such skill imparting training activities. The trainees are expected to be self employed after the training and can be extended all extension support like credit from bank, market linkage, etc., by the NGOs. The facilitator is expected to monitor the progress of trainees for at least two years and extend all support in opening their units. The training will impart the participants with necessary skills and required guidance to be self employed.

A Project Monitoring Committee ensures proper implementation of the Programme. Bank branches of the locality of the training venue are associated with the training programmes from the beginning to ensure credit linkage for the trainees. It also works together with Government Departments and Development Agencies for provision of necessary linkage.

Implementation of REDPs can broadly be classified into three phases as indicated in Figure 1.1. Under Phases I, the facilitator identifies the activity on the basis of raw materials available in the locality and market potential for the end product; selects a venue, identifies master craftsman and advertise for selection of candidates. The Selection Committee, consisting of the DDM - NABARD, Lead District Manager, Bankers, etc., shortlists 20 - 25 trainees on basis of their willingness to adopt the activity after training. In the second phase the training and skill imparting goes on. The duration of REDPs range between 3 and 8 weeks. The Project Monitoring Committee regularly monitors the progress of the programme. The facilitator provides all facilities including stay arrangements for the trainees, raw materials to be used for practical during the training, etc. The Phase III is the post training follow up by the facilitator for up to two years. The facilitator pursues the trainees for settlement, arranges for credit and market linkages to the trainees/groups. Figure 1.1 gives a sketch of the three phases of implementation of REDP programme.

**Figure 1.1 : Phases of Implementation of REDPs**



The facilitators regularly apprise the progress of the programme to NABARD through prescribed formats. NABARD provides limited promotional assistance, maximum up to Rs.75,000 for a programme, to select agencies to meet recurring expenditures in conducting REDPs. It includes expenditures for survey to identify potential entrepreneurial activities, market, motivational campaign, publicity, selection process, stipend or lodging and boarding charges depending of merit, stationery, course materials, salary for trainers, honorarium and travel expenses to guest faculty, rent for training hall, hire charges for teaching aids, overhead costs for the agency, field visits and follow up meetings, escort services, etc.

### **Progress and Impact**

REDP was introduced on an experimental basis in the early 1990s as a means to support capacity building of rural unemployed persons to enable them to set up their own

enterprises. The programme successfully passed the experimental phase and proved to be an effective tool in creating enterprises and job opportunities in rural areas. To ensure better impact, the programme has been institutionalized since 1992-93. Rural Development and Self-Employed Training Institutes (RUDSETIs) and Banks were also associated with the conduct of REDPs. As on 31 March 2007, NABARD supported 8358 REDPs across the country with financial assistance of Rs.3947 lakh covering 2.16 lakh rural youths. In addition, Rs.37 lakh of grant assistance was extended to RUDSETIs and such training institutes for conduct of 100 REDPs.

### **REDPs in Orissa**

Orissa is primarily an agrarian state where 65 per cent of the total work force directly or indirectly employed in agriculture. Unfortunately, agriculture is not a profitable proposition for many in the State. Agriculture contributed only 22 per cent of the Net State Domestic Product in 2006-07. Per capita Net State Domestic Product from primary sector (including agriculture, animal husbandry, forestry, fishery, mining & quarrying, etc.) was only Rs.2750 in 2004-05. Agriculture in Orissa is mostly rain fed. Much of the cultivable land is not suitable for cultivation of more than one crop in a year as 47 per cent of the net sown area is highland, and the irrigation potential created was only 26%. Normal rainfall (1451 mm per annum) in the state though is adequate for a majority of agricultural operations, Climatological factors and uneven distribution of precipitation across region and time, seriously affects state's agriculture. Traditional farming practices with negligible commercial crops, frequent occurrence of natural calamities, limited use of fertilizers and dependence on monsoon, all combine to give low yields from agriculture and to place the farmers among the low income group. About 47 per cent of the population in rural Orissa live below the poverty line. Agriculture alone cannot meet the needs of the poor. In this context, rural entrepreneurship and skill development programmes were promoted among rural youths and women in Orissa for income generation through value addition to locally available raw materials.

Orissa otherwise known as Utkal which means land of exquisite arts and crafts. After agriculture, handicraft sector is the prime economic activity in the State that gives

income and employment opportunities to the people of Orissa. Handicrafts as an economic activity had flourished in the State with the patronage of the kings and royal families in good old days. The traders of Orissa were exporting arts and craft items to different islands like Java, Borneo, Sumatra, etc. However, during the British rule, the patronage to such activities diminished and handicrafts lost its economic importance. Of late, inconsistencies in agricultural production and stagnation in farm productivity created pressure on growing rural population to venture into other than farm sector activities for an income or livelihood. The potentials in handicrafts for income and employment opportunities once again explored through rich culture of handicrafts in Orissa. Linkages were established with production centers in hinterlands and market in urban areas and tourist places. Product diversification, design development and finishing in traditional arts and crafts excelled to cope up with national and international standards and pattern.

The State has been the supplier of minerals, metals, precious stones, medicinal plants, coir, handicrafts, appliqué, etc. over centuries but the economic benefit needs to be percolated to grassroot to benefit the poor. Orissa has vast untapped potential in non-farm sector activities as it is famous for its traditional arts and crafts like appliqué, pattachitra (traditional paintings on silk clothes), palm leaf crafts (paintings on palm leaf), sea shell crafts, wood and bamboo crafts, etc. So in order to tap these untapped income generating activities NABARD took the initiatives for imparting skill and entrepreneurship among women and unemployed youths in rural areas and upgrade their skill so that they get gainfully self employed in the Rural Non Farm Sector and earn.

Rural Entrepreneurship Development Programmes (REDP) have played crucial role in maintaining the tune with the demand and supply of handicraft sector. Continuous capacity building expands the production base and widen the scope of economic opportunities in handicraft sector. Further, handicrafts can create income and employment opportunities for all especially for women from every category and all age. In rural Orissa this activity was adopted by many young girls after their education and those who usually do not participate in agricultural practices. Moreover, there are varieties of locally available raw materials, which can be added value by putting it into

artistic shape. Handicrafts add value and market potential to coir, sea shell, golden grass, palm leaves, horns, bamboo, wood etc. Therefore, handicrafts or the techniques to value addition to locally available raw materials through arts and crafts is an area of economic importance and thus, a majority of REDPs in the State are based on arts and crafts activities. A few other activities like food processing, manufacturing etc have also been promoted under REDP programme of NABARD.

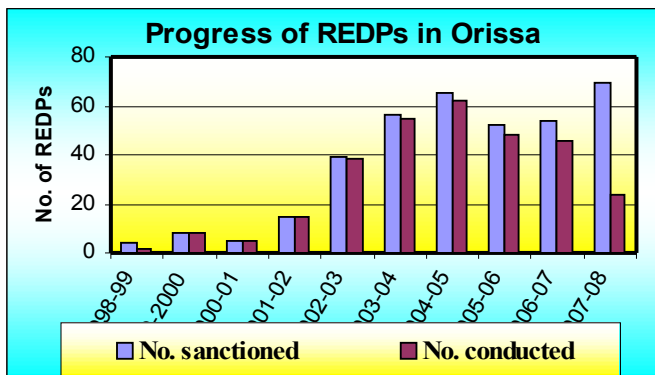
In Orissa Rural Entrepreneurship Development Programme was introduced in the year 1997-98. By the end of March 2008, 361 REDPs have been sanctioned, out of which 295 (83%) have been conducted (Table 1.1). These programmes could give skill and ability for self employment to 8589 rural youths out of which 96 per cent were women. Grant assistance from NABARD of Rs.175.86 lakh have been sanctioned and from this Rs.122.90 lakh have already been disbursed for conduct of the REDPs in Orissa. As many as 183 facilitators were engaged for implementing the REDPs in the state.

**Table 1.1 : Progress of REDPs in Orissa**

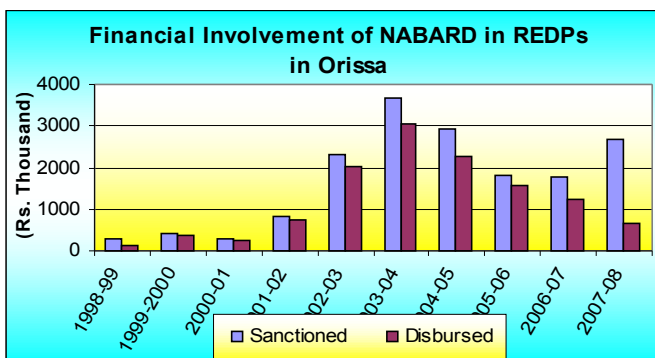
S.No	Year	No. REDPs		Trainees	NABARD Assistance (Rs.000)	
		Sanctioned	Conducted		Sanctioned	Disbursed
1	1998-99	4	2	100	284	119
2	1999-2000	8	8	195	433	353
3	2000-01	5	5	115	274	234
4	2001-02	15	15	330	835	734
5	2002-03	39	38	930	2318	2011
6	2003-04	56	55	1355	3663	3103
7	2004-05	65	62	1540	2933	2260
8	2005-06	53	48	1316	2033	1562
9	2006-07	54	46	1050	2125	1241
10	2007-08	62	16	1658	2688	673
<b>10</b>	<b>Grand Total</b>	<b>361</b>	<b>295</b>	<b>8589</b>	<b>17586</b>	<b>12290</b>

Year-wise progress of REDPs and amount of grant assistance sanctioned to REDPs in Orissa have been indicated in Figure 1.2 and 1.3 respectively. REDPs in Orissa progressed with slow momentum initially and had a takeoff only during 2002-03. Financial contribution from NABARD also kept a similar momentum with the conduct of the programmes. There has been always a shortfall of the programmes completed against the sanction due to reasons like back-out of facilitators and this gap is also equally reflected in the disbursement of grant assistance against the sanctioned amount for the REDPs.

**Figure 1.2 : Year-wise Progress of REDPs in Orissa**



**Table 1.3 : Financial Involvement of NABARD**



A majority of the REDP programmes in Orissa are based on rural arts and crafts, mainly handicraft activities. Handicraft is a traditional activity in Orissa. Most of the rural households in the State do have an affinity and exposure to one or other handicraft activity.

Conduct of REDPs mostly depends on the interests and organizational skill of facilitating agencies. More number of REDPs were organized in districts like Khurdha, Puri, Cuttack and Sambalpur. The presence of good NGOs and also the adequate market potential in these districts could promote more REDPs. No REDPs could be organized in districts like Balasore and Boudh.

## **CHAPTER II**

### **OBJECTIVES AND METHODOLOGY**

#### **Objectives**

The broad objective of the current evaluation study is to examine the progress of entrepreneurship development programmes and its impact on the social and economic life of the rural youths. The specific objectives of the study are:

- i. to examine the process of organizing aspects;
  - choice of activity, location, selection of trainees, training duration, inputs and methods, extension support, motivation, etc.
- ii. to study the hand-hold/escort services;
  - adequacy there of, NGO's involvement, Forward and Backward linkages available through hand holding
- iii. to appreciate the settlement rate;
  - establishing New Enterprises, Obtaining Regular Employment, Skill and Product upgradation and Widening the Market;
- iv. to study the Costs and Benefits involved in REDP with the objective to further optimize the efficiency of the system;
- v. to study the extent of success of the New Enterprises and those Employed in respect of income, employment, skill, and other Changes;
- vi. to study the extent of credit availability against demand by REDP beneficiaries and their adequacy for success; and
- vii. to assess the Macro level credit assistance required for the study area in the context of optimizing REDP objectives for the Social Change.

#### **Methodology**

The inferences and conclusions of the study were drawn on the basis of analysis of secondary data and also primary data collected through a field level investigation. An in-depth study was conducted in two districts of Orissa and first hand information was gathered from randomly selected 80 trainee beneficiaries of 15 sample REDPs conducted in selected districts. The process of sampling scheme, collection of primary and secondary data, and data analysis are discussed in the following paragraphs.

### **i. Sampling Scheme**

The conduct of field study and collection of primary data in respect of REDP beneficiaries was limited to two districts in Orissa.

#### *Selection of District*

In order to assess the socio economic impact of REDPs only the programmes completed by March 2007 were selected with the anticipation that by the time of study the trainees would have got enough scope for settlement. Two districts in coastal Orissa i.e. Khurda and Puri districts, where maximum REDPs have been sanctioned and completed, were identified for the study. Out of the completed 50 REDPs in both districts, 15 were randomly selected for in-depth analyses in terms of the implementation and impact of the programme. The programmes were also conducted in a variety of activities including raw material based, skill based and process based activities. Since these two districts, form a part of undivided Puri district and do have similar social, economic, infrastructure, market and entrepreneurship factors, the sample REDPs were selected from these districts for an in-depth analysis. Annexure III gives activity-wise REDPs conducted in Khurdha and Puri Districts during 2003-04 and 2007-08.

#### *Selection of REDPs and Sample / Control*

REDPs completed by March 2007 were randomly selected for in-depth analysis. These REDPs have completed at least one year by the time of field study. There was adequate time for the trainees to economically adopt the activity. For collection of primary data total 15 REDPs were randomly selected and a minimum of 5 trainees were selected from each REDP. Data were collected on the process of organizing REDPs, settlement rate, backward & forward linkages, credit off-take, income and employment generation, entrepreneurship development, etc. The sample beneficiaries who had started new enterprises / jobs on the strength of training/skill up-gradation through REDPs were selected for collection of data on their *pre-and post* development state for assessing the impact of REDPs through their incremental income, employment generation, etc. The pre-development state of the sample beneficiaries has been considered as the control

situation for assessing the socio economic impact of the Programmes. Table 2.1 gives a brief account of the select REDPs, name of the facilitators, sample size, etc.

**Table 2.1 : Particulars of the select REDPs and Sample size**

Name of Facilitator	Name of REDP	District	No. Trainees	Sample size
SYN	Pattachitra	Khurdha	20	5
	Toy Painting	Khurdha	20	5
ORUPA	Pattachitra	Khurdha	20	5
	Palm Leaf	Khurdha	20	5
	Patchwork	Khurdha	20	5
MDMVS	Dry Fish	Khurdha	20	5
	Chalk & Agarbati	Khurdha	20	5
DASS	Stone Carving	Khurdha	20	5
Adventure	Golden Grass	Puri	20	5
	Patchwork	Puri	20	5
	Golden Grass	Puri	20	5
Lifeline Orissa	Milk Processing	Khurdha	20	5
CORD	Paper craft	Puri	20	5
SNDAYP	Teracota	Puri	20	5
DSS	Golden Grass	Puri	20	5
<b>09 Facilitators</b>	<b>15 REDPs</b>	<b>02 Districts</b>	<b>300 beneficiaries</b>	<b>80 Sample beneficiaries</b>

## ii. Collection of Data

Both primary and secondary data relevant to the study were collected from various sources. A field survey was conducted between 03 and 14 March 2008 in Puri and Khurdha districts to reach out to the sample REDP beneficiaries, facilitators and Mastercraftsmen for first hand information pertaining to the study. Primary data were collected from 80 sample trainee beneficiaries from 15 randomly selected REDPs. These programmes were organized by 9 REDP implementing NGOs. Primary data with structured questionnaires were collected from the sample trainees, trainers and facilitators on the selection process of trainees, NGOs' involvement in forward and backward linkage, cost and benefits involved in REDP, Credit availability, settlement rate, success of opening of new enterprises, etc. In short, the objective was to study the efficiency and effectiveness of REDP to generate income and employment.

### **iii. Data analyses**

The data collected were analyzed according to the objectives of the study. The focus was to assess the overall impact of REDP on sustenance and self employment of rural youth, employment opportunities for the fellow trainees, scope for further extension, credit expansion, etc. Data collected from sample beneficiaries were analyzed to arrive at conclusions on income generation, value addition, technology and skill up-gradation, market and infrastructure adequacy, etc. Appropriate statistical tools like correlation and regression analysis shall be used to analyze data and draw useful inferences. Statistical tables, graphs, histograms and pictorial presentations were applied to portray the trends, spread and progress of the programme. Incremental income, employment generation, skill enhancement, value additions, finance and market, etc. were assessed on the basis of primary collected from the sample trainees of the selected REDPs.

## **CHAPTER –III**

### **MODE OF ORGANIZING REDPS**

REDPs are organized by the Facilitators like NGOs and voluntary agencies who are engaged in entrepreneurship development programmes and who can provide escort services to the trainees for taking up economic activities on the strength of the skill imparted during the training. The facilitators take the lead in organizing the programme and decide the nature of activities, select the trainees, arrange master craftsmen and other logistic supports. NABARD provides necessary guidelines and supports including financial grant assistance to the facilitators.

#### **Selection of Activities**

Among the 15 randomly selected REDPs, 13 programmes were based on arts and crafts activities while two were on food processing activities. In all the cases, the EDP facilitating agencies or the promoting NGOs have identified the activities taking into consideration the market potential of the produce. The NGOs were actively associated with rural development programmes, formation and linkage of SHGs and other social development programmes in the locality. After a preliminary review of the potential for the activities, its market linkages potential, availability of master craftsmen, distance from the training centre to the trainees and so like factors the facilitators have selected the activities. In certain cases where the trainees belonged to SHGs, the facilitators used to discuss with the members of the group and selected the need-based activities for the REDP.

## **Selection of Trainees**

The facilitators scout for the trainees within the locality mostly in the vicinity or nearby villages of the training centre. In case of 08 REDPs the programmes were conducted in a village from where maximum number of trainees turned up and the MCM used to go to the training centre for the programme. In seven other REDPs the trainees were invited to the training centre run by the MCM of the respective trade.

The facilitators have kept the criteria for selection of the trainees as follows :

- (1) Minimum educational qualification : Standard VII
- (2) Age limit : 17 – 35 years

However, a majority of the sample trainees (44%) belonged to the education level between standard VII to X. Six trainees have completed their +2 education. The education norm was relaxed to the participants from SHGs where the activities were intended to take up in group mode. While there was only one illiterate trainee, 10 others have education below VII standard (Table 3.1).

Among the sample trainees, 40% belonged to SHGs while another 18% formed SHGs after training. Other 34 sample trainees were operating individually on their own or working with other entrepreneurs but not formed any SHG (Table 3.2).

**Table 3.1 : Level of Education of the Sample Trainees**

(No. of Trainees)

Sl.No	Name of REDP	+ 2 pass	X - XII	VII - X	Below VII
1	Pattachitra	1	1	3	-
2	Toy Painting	1	2	2	-
3	Pattachitra	-	6	2	-
4	Palm Leaf	-	4	1	-
5	Patchwork	-	6	-	-
6	Dry Fish	-	2	1	2
7	Chalk & Agarbati	-	-	3	2
8	Stone Carving	-	-	2	3
9	Golden Grass	-	2	2	1
10	Patchwork	2	1	2	-
11	Golden Grass	-	-	3	2
12	Milk Processing	2	2	1	-
13	Paper craft	-	-	5	-
14	Teracota	-	-	5	-
15	Golden Grass	-	2	3	1
	Total	6	28	35	11

**Table 3.2 : SHG Membership of Sample Trainees**

(No. of Trainees)

Sl.No	Name of REDP	Before REDP	After REDP	No Member
1	Pattachitra	1	1	3
2	Toy Painting	-	5	-
3	Pattachitra	-	2	6
4	Palm Leaf	-	3	2
5	Patchwork	-	-	6
6	Dry Fish	-	-	5
7	Chalk & Agarbati	5	-	-
8	Stone Carving	5	-	-
9	Golden Grass	5	-	-
10	Patchwork	-	3	2
11	Golden Grass	5	-	-
12	Milk Processing	5	-	-
13	Paper craft	-	-	5
14	Teracota	-	-	5
15	Golden Grass	6	-	-
	Total	32	14	34

### Duration of the programme :

The duration of the REDPs ranged between 4 – 8 weeks depending on the nature of activities. A majority of the sample trainees (76%) have reported that the duration of the training programme was not sufficient (Table 3.3). While 18% reported it was just sufficient, the trainees of only one programme (dry fish processing) have reported the duration was long. Since most of the programmes are handicrafts based and handicrafts being a skillful activity requiring lots of patient practicing for each and every design, the duration was in fact found insufficient for such programmes. About 2/3<sup>rd</sup> of the sample trainees suggested that the training programme especially based on handicrafts items like pattachitra painting, palmleaf crafts, etc. should be at least for six months. A majority of trainees have also suggested that there should be subsequent training programmes on design development and product diversification after year or so of the completion of the first training programme. This will enhance the skill of the trainees, design development and the scope for income generation by them.

**Table 3.3 : Duration of the REDPs**

Sl. No	Name of REDP	Duration (Days)		Views of Trainees on Duration of REDPs (No. of Trainees)			Duration Proposed by Trainees
		proposed by NGO	Approved by NABARD	Long	Sufficient	Not Sufficient	
1	Pattachitra	60	45	-	1	4	6 months
2	Toy Painting	60	45	-	1	4	3 months
3	Pattachitra	60	45	-	-	8	6 months
4	Palm Leaf	60	45	-	-	5	6 months
5	Patchwork	60	45	-	1	5	3 months
6	Dry Fish	30	30	5	-	-	15 days
7	Chalk & Agarbati	30	30	-	5	-	One month
8	Stone Carving	38	30	-	1	4	6 months
9	Golden Grass	60	45	-	-	5	4 months
10	Patchwork	76	60	-	-	5	3 months
11	Golden Grass	76	45	-	-	5	4 months
12	Milk Processing	30	30	-	5	-	One month
13	Paper craft	60	60	-	-	5	4 months
14	Terracota	60	45	-	-	5	6 months
15	Golden Grass	60	45	-	-	6	4 months
Total				5	14	61	

## **Usefulness of the Training**

It was a general opinion of the trainees that the quality of instruction of the training was very good. More than half (54%) of the trainees reported the training programme were very useful while 12% reported the usefulness of the training programme as average (Table 3.4). The usefulness of the training was directly related to the adoption of the economic activity and generation of income by the trainees. In fact, the programmes like Dry fish processing and Chalk and agarbati making and milk processing did not fetch much income to the trainees and hence, the trainees reported the programme as less or moderately useful. About 86% (69 trainees) expressed high satisfaction on their participation in the REDPs. The arts and skill they learned for the lifetime and it can be used in some form or other at different points of time in life. It was however almost a unanimous opinion that the quality of instruction was very good in case of all the REDPs (Table 3.4). It implies that the facilitators have identified suitable Master Craftsmen to impart training and capacity building in various activities.

**Table 3.4 : Usefulness and Quality of the REDPs**

(No. of Trainees)

Name of REDP	Usefulness of the training			Satisfaction		Quality of Instruction	
	Very Useful	Useful	Less Useful	Highly Satisfied	Moderately Satisfied	Very Good	Good
Pattachitra	5	-	-	5	-	5	-
Toy Painting	4	1	-	5	-	5	-
Pattachitra	8	-	-	8	-	8	-
Palm Leaf	2	3	-	5	-	5	-
Patchwork	6	-	-	6	-	6	-
Dry Fish	-	-	5	5	-	5	-
Chalk & Agarbati	-	-	5	-	5	5	-
Stone Carving	-	5	-	-	5	5	-
Golden Grass	5	-	-	5	-	5	-
Patchwork	3	2	-	4	1	3	2
Golden Grass	5	-	-	5	-	5	-
Milk Processing	-	5	-	5	-	5	-
Paper craft	-	5	-	5	-	5	-
Teracota	-	5	-	5	-	5	-
Golden Grass	5	1	-	6	-	6	-
<b>Total</b>	<b>43</b>	<b>27</b>	<b>10</b>	<b>69</b>	<b>11</b>	<b>78</b>	<b>2</b>

### Training Inputs

All the trainees were given training inputs like raw materials, tools and equipments, study and reading materials, stipend, etc. during the training. Even though there was a provision for paying conveyance charges, accommodation, etc. to the trainees as per our REDP guidelines, no training programme included these items. All the trainees reported that the tool kits, study materials and the raw materials provided during the training was adequate. Thirteen out of 15 selected REDPs had organized exposure visits, all within the state; 72% of the trainees have attended exposure visits during the training programme and they have reported that the exposure visits have added to their interest and enthusiasm to take up these activities on an economic scale. All trainees have received stipends during the training programme ranging between Rs.250 to Rs.300 per month. While 90% of the sample trainees felt the stipend amount was adequate only

10% have reported the amount should have been more. A majority of the trainees were of the opinion that though they were happy to receive the stipend, the amount did not matter much to them since they were able to learn some skill and art that would encourage them and enable them to take some productive employment activity subsequently.

## **CHAPTER IV**

### **ROLE OF FACILITATORS IN ORGANIZING REDPs**

The scheme of REDPs though has been designed by NABARD the facilitators it is being practically implemented by the facilitators only. They are the real implementing agency as they organize the programme and also provide escort services to the trainees after the programme. The facilitators execute the programme under the aegis of financial support and guidelines of NABARD for implementation of the scheme. It is therefore the efforts of the facilitator that resolve the success of the programme. NABARD thus while assigning a programme to an implementing agency takes adequate and appropriate measures to assess its capacity to successfully implement the programme and also to give the necessary escort services to the trainee beneficiaries. The facilitators are rated according to twelve different broad parameters essential for organizing one REDP, as given in Appendix I, and one has to score a minimum of 60 marks and at least 40% in each parameter to qualify for availing support from NABARD for organizing one REDP. The DDM of the concerned district also makes scrutiny of the potential of the facilitator for successfully organizing the REDP.

#### **Role of Facilitators in the Pre-Training Stage**

The facilitators take a view on the scope of one REDP in a particular area after a detailed survey on availability of raw materials, master crafts men, market for the produce, willingness to accept on the part of the trainees, banking facilities, etc. They prepare the proposal for the REDP, estimate the budget for the programme, design the schedule for the programme and identify the channels for the raw materials. After getting the sanction from NABARD, the facilitator has to commence the REDP within three months. In the mean time they have to advertise for the trainees, constitute the Project Monitoring Committee (PMC), select the trainees, select the Master Crafts Man, arrange for the training venue and other logistic supports, etc. The facilitators usually take two to three months time to finish off the pre training work. All but three sample REDPs were conducted within the stipulated time frame (Table 4.1). Constitution of PMC, selection of

trainees, availability of MCM, venue, etc. often took time that delayed the commencement of the programmes. In case of the REDP on Dry fish, the programme was slightly deferred due to the rainy season that would hamper drying fish in natural process.

**Table 4.1 : Gap between Sanction and Commencement of REDPs**

Sl. No	Name of NGO	Name of REDP	Date of sanction	Date of commencement	Gap (days)
1	SYN	Pattachitra	12.10.2004	20.07.2005	278
2		Toy Painting	23.04.2003	28.06.2003	65
3	ORUPA	Pattachitra	28.08.2002	18.09.2002	20
4		Palm Leaf	28.08.2002	04.11.2002	65
5		Patchwork	15.10.2004	22.12.2004	67
6	MDMVS	Dry Fish	07.12.2004	20.07.2005	222
7		Chalk & Agarbati	03.01.2007	20.03.2007	47
8	DASS	Stone Carving	15.06.2005	20.07.2005	35
9	Adventure	Golden Grass	02.03.2005	18.04.2005	45
10		Patchwork	24.03.2006	21.06.2006	88
11		Golden Grass	23.01.2006	13.03.2006	50
12	Lifeline Orissa	Milk Processing	02.03.2005	04.05.2005	62
13	CORD	Paper craft	16.02.2005	29.04.2005	75
14	SANDYP	Teracota	02.03.2005	20.07.2005	140
15	DSS	Golden Grass	30.01.2004	10.03.2004	40

### **Role of Facilitators during the Training Stage**

The training period is another crucial stage of implementing the REDs. During this stage the facilitators pursue motivation and awareness on various issues and aspects of the programme to the trainees. It is continuous motivation to the rural youth, especially the women sect, keeps them involved in the programme for initial days until the trainees realize the significance of the vocation. The facilitators through the MCM and experts try to develop entrepreneurial competency among the trainees. The facilitators mobilize raw materials and resources needed for the training and also try to establish a linkage of the sources with the trainees so that they can get uninterrupted raw material supply after the training programme. The trainees were also introduced to basic concepts of finance, book keeping, working capital management, production planning and control, product

costing and pricing, simple market management, drawing up implementation schedule, etc. The facilitators also arrange for guest lecturers who can deliver effective communication with the trainees on these issues. The facilitators in most cases take the trainees to exposure visits to acquaint them with similar kind of entrepreneurship. The PMC also takes review of the progress of the programme. The facilitators during this phase act as the link among varied agencies that can facilitate the trainees to establish an enterprise for self-employment.

### **Role of Facilitators after the Training Programme**

As a requirement of the programme, the facilitators have to give handholding and escort services to the trainees for at least two years. NABARD closely monitors the efforts of the facilitators in this respect. A set of pre-designed formats are given to the facilitators at the time of sanction of the REDP and they have to periodically submit the feedback on settlement and business progress of the trainees in the prescribed format. Twenty-five per cent of the grant assistance, in fact, is released during this period only after satisfactory escort services are provided to the trainees.

After the training programme, the facilitators remain closely associated with the trainees. They guide the trainees to prepare proposal for institutional credit support. They motivate the trainees to initiate self entrepreneurial activities in a small scale. The facilitators like SYN, Adventure, etc. have provided financial support to limited scale to the trainees so that they could establish their own units. Market linkage for raw materials and finished produce is essentially done by the facilitators. Agencies like ORUPA, Adventure, SYN, etc. have their own market network and the trainees of the REDPs well their produce to them. Table 4.2 gives a brief account of the hand holding support provided by the select Facilitators.

**Table 4.2 : Handholding Support provided by the Facilitators**

Sl. No	Name of NGO	Post Training Services by the facilitators
1	SYN	Marketing facilities, Financial support from own source, established one producing unit and facilitated the trainees to take up job work, Design development training to limited beneficiaries under the programmes sponsored by the Handicrafts Development Board.
2	ORUPA	Orissa Rural and Urban Producers' Association (ORUPA) is a state level registered apex body of artisans working in Orissa since last 16 years. It puts efforts in Marketing, Design Development and Product Diversification and Capacity Building of the artisan groups. It has got the membership of International Fair Trade Association (IFAT) and Fair Trade Forum of India (FTF). It has its own outlet in Bhubaneswar and market network in Orissa and outside. It has a website named <a href="http://www.odishacraft.com">www.odishacraft.com</a> where the products are listed with price and are open for orders. The agency has its network of extension support and marketing through out the state.
3	MDMVS	Organized the trainees to form SHGs, provided them space to work, arranged raw materials, market for the produce especially for the trainees of candle and agarbati making, arranged for credit linkage to the SHG with MFI/Banks.
4	DASS	Organized the trainees to form SHG, arranged for market, linked with govt. sponsored programmes, arranged one room for the trainees to facilitate them to work and display their produce.
5	Adventure	Adventure has pioneered in propagation and promotion of golden grass craft, organized several programmes for training, design development on golden grass, has market tie up with exporters and traders on crafts, arranges orders for various products on golden grass. Promoted skilful trainees as MCP for other such training programmes.
6	Lifeline Orissa	Has been pursuing the with the trainees to take up commercial activities for self employment, organizing skill development training programmes, a few trainees of the REDP on milk processing were given some skill on patchwork and tailoring under different programme.
7	CORD	Market support, facilitating the self employed trainees participating in exhibitions
8	SANDYP	Alternate skill and vocational activity
9	DSS	Arranges for market linkage, gets bulk order for various handicrafts items, provided space for work in group.

## **CHAPTER – V**

### **SOCIO – ECONOMIC IMPACT OF REDP**

The impact of REDP programmes has been assessed on the basis of the settlement rate of the trainees and augment in their skill, entrepreneurship, standard of living and increment in income of the trainees after the programme. A comparison with the pre-development state with the post development status of the sample trainees in terms of changes in the level of their skill, entrepreneurship, employment, and income is the basis for assessment of the socio-economic impact of the entrepreneurship development programmes.

#### **Skill Development**

REDPs could excel the skill among the rural youths and women enabling them to take up an economic activity. Out of 80 sample trainees of under selected REDPs, 42 were not having any kind of experience of the activities before the training whereas 38 were having a moderate exposure to the kind of activities they were trained during the REDP. The training module under the REDPs had excelled their skill such that 10 trainees could have excellent skill on their respective trades while 55 have got improved skill and 14 others had moderate skill after the training programme (Table 5.1).

**Table -5.1 : Skill Development Through REDPs**

Name of REDP	Pre Development		Post Development		
	Nil	Moderate	Moderate	Improved	Excellent
Pattachitra	2	3	-	4	1
Toy Painting	-	5	-	-	5
Pattachitra	4	4	-	5	3
Palm Leaf	-	5	-	5	-
Patchwork	2	4	-	5	1
Dry Fish	-	5	-	5	-
Chalk & Agarbati	5	-	5	-	-
Stone Carving	5	-	4	1	-
Golden Grass	4	1	-	5	-
Patchwork	-	5	-	5	-
Golden Grass	4	1	-	5	-
Milk Processing	5	-	-	5	-
Paper craft	5	-	-	5	-
Teracota	5	-	5	-	-
Golden Grass	1	5	-	5	1
<b>Total</b>	<b>42</b>	<b>38</b>	<b>14</b>	<b>55</b>	<b>11</b>

The trainees under activities like pattachitra, toy painting, patch work and palm leaf craft were having moderate exposure to the crafts before the training programme under REDP. These trainees were learning the arts from the craftsmen of the trade in the vicinity. Organized training under REDPs could excel their skill and widen the designs under performance.

The participants under the REDP on dry fish processing belonged to the fishermen community. Catching fish from Chilka lagoon and selling the catch in the local market, either raw or in dry form, was the prime economic activity of the trainees and their families. Under the training, an improved and hygienic method of drying the fish was taught to them with an anticipation that dry fish processed under this improved method would not only fetch a better price but also could expand market base for dry fish. The training definitely created an impact on the level of skill on the trainees. Applying the method for commercial purpose was not successful since the cost of production of dry

fish was considerably high as compared to raw fish thus demand for dry fish was almost negligible.

The REDP on Khondalite stone (sand stone) processing enabled the trainees to put value to the raw sand stones available in the vicinity through the skill gained under the REDP. The trainees could learn making of 14 different useful and decorative items of sand stone, which add value and demand to the stones. After the training programme the trainees used their spare time to prepare articles of stone. The plus point of the programme was the trainees could use their spare time after attending to domestic work for the stone carving. The trainees generally prepared small and less skillful items.

The participants of the REDP on milk processing learned process of making various sweets of milk like Chenagaja, Rasgolla, Chenapoda, Gulab Jamun, Kala jamun, Rabidi, Peda, etc. The master craftsman was a professional chef from Bhubaneswar. He taught the trainees about the skill of preparing various items with definite proportion of ingredients and systematic procedure. The knowledge was so useful that 15 other ladies from the village were attending the programme on their own even without any stipend. The skill was so useful that it can be used at home often to prepare some sweet dishes on festive or such occasions.

## **Employment**

In the pre-development period, five sample trainees, those selected from the REDP on dry fish processing, had their own enterprises or business activities while others were not having any enterprise of their own. There was little scope in the villages for any kind of entrepreneurial activities. First, the rural women were not having any skill or even idea of value addition. Second, there was absolute no linkage with market in the remote areas where from the REDP beneficiaries hailed. In the absence of any skill, only employment opportunity was existing in the rural areas was agricultural labour, that for about 50-60 days of work in a year. Most of the ladies, especially young girls were not taking up farm labour work because of social reasons. Therefore, in the predevelopment period, only 5(6%) were fully employed in their professional family occupation of fisheries, and

26 (33%) others were partially employed in agricultural and allied operations. A majority (61%) of the sample beneficiaries were fully unemployed before the REDPs.

The REDPs could gainfully employ 64 (80%) trainees in the activities they were trained for. Out of them 41 (51%) were fully employed and 23 (29%) were partially employed. The young and unmarried girls between the age group of 20-25 years, have mostly taken up the activities on full time basis, 4-6 hours a day and 25-26 days in month, while the ladies and housewives in most cases were using the skill partially, 2-3 hours per day and 20-24 days in a month, whenever they could get time after attending to the routine domestic work. Most of the young trainees preferred to work, with the handicraft sector. Sustainability was question of their entrepreneurship when the trainees discontinued the activities after marriage because of detachment from the market network and altogether a different socioeconomic situation in the in-law's place.

**Table-5.2 : Status of Employment of Sample Trainees**

Name of REDP	Pre-Development			Post- Development			
	Nil	Partial	Full	Nil	Partial	Full	Other Activities
Pattachitra	3	2	-	-	-	5	-
Toy Painting	-	5	-	-	-	5	-
Pattachitra	4	4	-	-	-	8	-
Palm Leaf	-	5	-	-	-	5	-
Patchwork	2	4	-	-	-	6	-
Dry Fish	-	-	5	-	-	-	5
Chalk & Agarbati	5	-	-	-	5	-	-
Stone Carving	5	-	-	-	4	1	-
Golden Grass	5	-	-	-	-	5	-
Patchwork	4	1	-	-	4	1	-
Golden Grass	5	-	-	-	3	2	-
Milk Processing	5	-	-	3	-	-	2
Paper craft	5	-	-	-	5	-	-
Teracota	5	-	-	5	-	-	-
Golden Grass	1	5	-	-	2	3	-
<b>Total</b>	<b>49</b>	<b>26</b>	<b>5</b>	<b>8</b>	<b>23</b>	<b>41</b>	<b>7</b>

The REDPs reduced the pre-training unemployment situation of 49 trainees to only 8 in the post training period whereas the full employment situation of the trainees have gone up from 5 to 41. Seven trainees resorted to other activities after the training programme as they could not take up the trained activity on a commercial scale. These trainees participated in the training programmes for dry fish processing and milk processing. The trainees under dry fish were given the skill for the process of drying the fish in a scientific and more hygienic way which required procurement of fresh fish, clean it, dry on a clean platform protecting from sand, dust and alien particles, and pack it neatly for sale in the market. This process of drying reduces the weight of the fish to around 40%. Consequently, the market price of dry fish goes up to three times that of the fresh fish in the market. The demand for dry fish produced under this process was quite less because of high price of dry fish as compared to fresh raw fish and the trainees suffered a market setback for the produce under this method. Therefore, they discarded this process and were following the traditional method of drying the left over of fresh fish after selling in the market or some specific varieties of fish that do not have any demand in the local

market. Further, the fish production from Chilka lagoon has declined over the years due to problems like silting, and use of zero nets by the fishermen for catching that kills the fries. The trainees have reported that the average catch per day per boat declined from 40 kg in 2003-04 to 10 kg in 2007-08. On the other hand, the trainees under milk processing also discontinued the commercial use of the skill learned under REDP due to the cumbersome and time-consuming procedures of milk processing, family problems and financial stringencies to adopt the activity on a commercial way.

It was observed that girls below the age of 25 were more enthusiastic in learning the skill, and its commercial application. The motive behind their involvement was to know and learn some arts and crafts, and also to spend the time in a productive way.

After the training programmes under REDP as many as 47 (59%) trainees could establish their own enterprises (Table 5.3). Further, 17(21%) other trainees could employ themselves with the enterprises established by the Master Craftsman of the trade. Out of the 80 sample trainees, 64 (80%) were settled and a major portion of their income was coming from the activity they were trained for. Moreover, the activities they adopted were of their own choice and they could do it with interest and self-esteem.

**Table 5.3 : Own Entrepreneurial Activities among Sample Trainees**

<b>Name of REDP</b>	<b>Pre-Dev.</b>	<b>Post-Dev.</b>	<b>Name of REDP</b>	<b>Pre-Dev.</b>	<b>Post-Dev.</b>
Pattachitra	-	1	Golden Grass	-	5
Toy Painting	-	5	Patchwork	-	5
Pattachitra	-	2	Golden Grass	-	5
Palm Leaf	-	3	Milk Processing	-	-
Patchwork	-	4	Paper craft	-	5
Dry Fish	5	5	Teracota	-	-
Chalk & Agarbati	-	-	Golden Grass	-	5
Stone Carving	-	2	<b>Total</b>	<b>5</b>	<b>47</b>

### **Income Generation**

Since most of the trainees were unemployed and not taking up any economic activities before training, the pre-training income was nil for 61%. The trainees under dry fish processing who were fully employed professional fishermen, were earning on an average

Rs.3,000 per month. For other 26 (33%) partial employed trainees, the pre-training income was between Rs.200 and Rs.500 per month. However, after the training, the income had gone up considerably, ranging between on an average of Rs.500 and Rs.6,500 per month. The average post-development income of all the trainees was Rs.1,213 per month (Table 5.4).

**Table 5.4 : Average Monthly Income Generation by Sample Trainees under REDP**

Income Group	No. of Trainees		
	Pre-dev	Post-dev	Incremental Income
Nil	49	16	16
Upto Rs.1000	26	30	31
Rs.1001 - Rs. 2000	-	27	28
Rs.2001 – Rs.3000	5	3	3
Rs.3001 – Rs.4000	-	2	-
Rs.4001 – Rs.5000	-	-	-
Rs.5000 – Rs.6000	-	2	2
<b>Average Income (Rs.)</b>	<b>272</b>	<b>1213</b>	<b>941</b>

As can be seen from Table 5.4, 31 trainees were earning a net incremental income up to Rs.1000 whereas other 28 trainees were earning net incremental income between Rs.1000 and Rs.2000 per month. Two trainees of REDP on Pattachitra arranged by ORUPA could earn on an average Rs.5500 and Rs.5900 more per month after the training programme. The skill of the trainees and market support by ORUPA made it possible to the village girls taking up the entrepreneurial activities seriously. Sixteen trainees however could not earn any incremental income as they did not take up any commercial activities after the training.

The average monthly net incremental income was below Rs.2000 for 92% (59 of 64) of the trainees who could take up entrepreneurial activities. This amount though seems small but contributes substantially to their families. The trainees belonged to economically backward classes and hailed from rural areas where the average living standard is low. Further, the opportunity cost of the trainees was almost nil as they were not having any other employment prospect in the rustic environment.

Among various programmes, the average incremental income of the sample trainees has been given in Table 5.5. As can be seen from the Table, the trainees under the REDPs organized by SYN, ORUPA, Adventure and DASS were earning relatively good incremental income. The reason behind this was the agencies not only trained the beneficiaries but also extended necessary support continuously to the trainees to establish an economic unit either on their own or in a group or to work with the Master Craftsman. Further, the facilitators were providing market linkage and get supply orders for the produce by the trainees.

**Table 5.5 : Activity-wise status of Income Generation by REDP Trainees**

Name of Facilitator	Name of REDP	Average Income (Rs.)		
		Pre	Post	Increment
SYN	Pattachitra	200	1480	1280
	Toy Painting	160	2140	1980
ORUPA	Pattachitra	162	2488	2326
	Palm Leaf	300	1600	1300
	Patchwork	150	1167	1017
MDMVS	Dry Fish	3000	3000	0
	Chalk & Agarbati	0	190	190
DASS	Stone Carving	0	1290	1290
Adventure	Golden Grass	0	1440	1440
	Patchwork	20	560	540
	Golden Grass	0	880	880
Lifeline Orissa	Milk Processing	0	0	0
CORD	Paper craft	0	640	640
SANDYP	Teracota	0	0	0
DSS	Golden Grass	192	592	400
	<b>Total</b>	<b>272</b>	<b>1213</b>	<b>941</b>

### **Savings**

It is natural that increased income leads to more savings. The incremental income with the young trainees, thus, enabled them to save more. As per the estimations on the basis of primary data collected from the sample trainees under REDP, before the training only two sample trainees were saving small amount of Rs.50 per month. Out of the 64 trainees who took up entrepreneurial activities 59 were regularly saving a part of their

income. The rate of savings ranged between Rs.50 per month on the lower side and up to Rs.2500 per month in the upper side. It can be observed from Table 5.6 that a majority of the trainees were in saving groups between Rs.51 and Rs.200. The average incremental savings was about Rs.220 per month. Rosalin Sahoo, a trainee of an REDP for Pattachitra by ORUPA had set an example of savings among the REDP trainees. She piled up Rs.1.20 lakh in about three and half years time for her sister's marriage. A poor village girl could dream for arranging her sister's marriage in a hotel in Bhubaneswar with all lavishness.

**Table 5.6 : Savings by the Sample Trainees of REDP**

<b>Savings Group</b>	<b>Pre-training</b>	<b>Post-training</b>
Nil	78	21
Upto Rs.50	2	2
Rs.51 - Rs. 100	-	12
Rs.101 – Rs.200	-	27
Rs.201 – Rs.500	-	15
Rs.501 – Rs.1000	-	1
Above Rs.1001	-	2
Total :	80	80

These trainees were however following more or less an orthodox way of saving. Only three could open a savings passbook in any bank or post office. They were mostly keeping the money with themselves and were giving the rest of the money to the family head for domestic expenditure. Four trainees have also lent some amounts, ranging between Rs.400-700, to the neighbours and others as loan.

The REDP training programmes not only provided an opportunity to earn and to save but also enhanced the confidence of the rural youth, especially the women. These activities provided them a productive way of spending time. The trainees were happy with the nature of work and the way entrepreneurship imparted in them. Two third of the sample trainees (53 sample Trainees) have reported that their standard of living improved moderately after the training and another 6 trainees (8 per cent) reported that their standard of living gone up significantly (Table 5.7). Similarly, 59 per cent reported that they had improved their dressing style moderately and another 14 per cent have

been improved it significantly. The REDPs increased self-confidence among 52 per cent of the trainees moderately whereas another 19 per cent have got their confidence increased significantly well. About 56 per cent of the trainees have reported having moderate skill on entrepreneurship while another 12 per cent have reported getting significant entrepreneurship skill after the REDP programmes.

**Table 5.7 : Impact of REDPs on Life Style of Trainees**

<b>Particulars</b>	<b>Moderate</b>	<b>Significant</b>	<b>No Change</b>
Consumption Pattern	53	6	21
Dressing Style	47	11	22
Self Reliance	32	26	22
Confidence	42	15	23
Entrepreneurial Skill	45	10	25

### **Entrepreneurship Development**

The basic objective of REDPs was to develop entrepreneurship among the rural youths so that they could take up a vocation on the basis of the skills gained in the training programmes. It was programmed for generation of employment in the rural locale within the market limitations. During the study, it was observed that the broad objective of the programme was somehow fulfilled in the State of Orissa. According to primary data gathered from the sample beneficiaries, 49 (61%) beneficiaries had established their own enterprises and all of them had established the units after the training programme. All but 5 trainees were successfully running their enterprises by the time of the study. This itself signifies the sustainability of commercial venture through REDPs in the rural economy. The 5 trainees, who discontinued the activities were from REDP milk processing and the reasons for closing down the business activities were personal / family problems and financial stringencies. Apart from, 15 others have got engagements in enterprises run by others. These trainees were mostly from the REDPs on Pattachitra, palm leaf and patch work. They took up the job work with enterprises established by the master craftsman. Most of them were getting a wage for the work at specified rates for different items of work. Three trainees were given regular salaries ranging between Rs.1200 and Rs.1500. Among the enterprises established by the REDP trainees, 32

units were self owned by the trainees, 5 units were jointly owned while 12 trainees were working under SHG mode (Table 5.8).

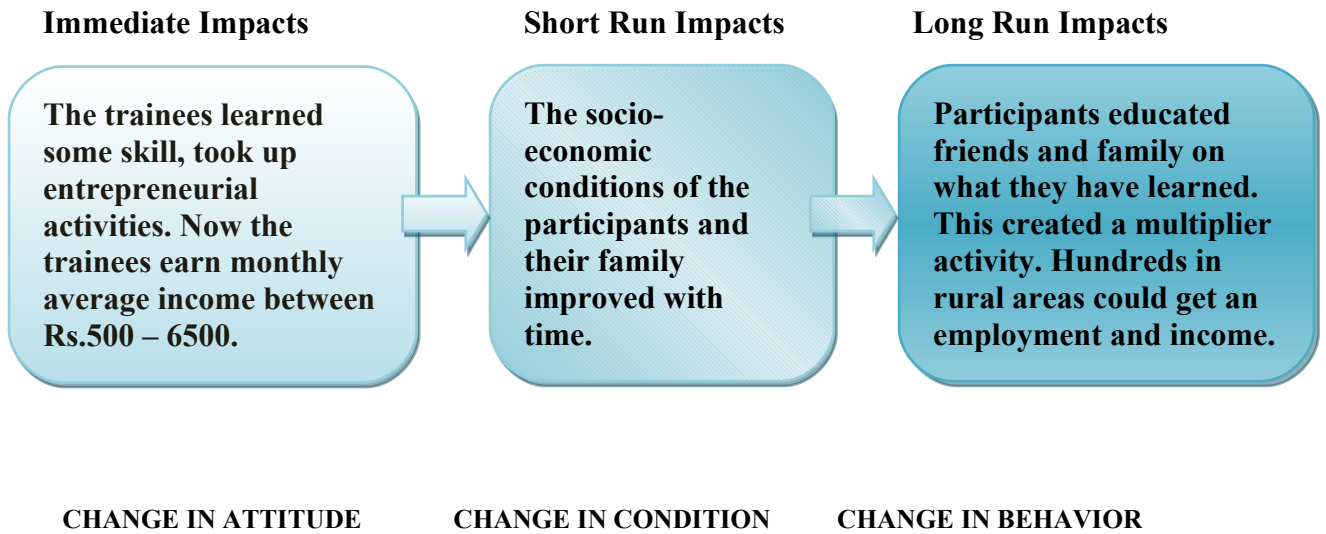
**Table 5.8 : Establishment of Entreprises by Sample REDP Trainees**

Name of REDP	Establishment of Enterprise	Established after Training	Discontinued	Self owned	Jointly owned	Owned by SHGs	Others
Pattachitra	1	1	-	1	-	-	-
Toy Painting	5	5	-	-	5	-	-
Pattachitra	2	2	-	2	-	-	6
Palm Leaf	3	3	-	-	-	3	2
Patchwork	4	4	-	4	-	-	2
Dry Fish	-	-	-	-	-	-	5
Chalk & Agarbati	-	-	-	-	-	-	-
Stone Carving	4	4	-	-	-	4	-
Golden Grass	5	5	-	-	-	5	-
Patchwork	5	5	-	5	-	-	-
Golden Grass	5	5	-	5	-	-	-
Milk Processing	5	5	5	5	-	-	-
Paper craft	5	5	-	5	-	-	-
Teracota	-	-	-	-	-	-	-
Golden Grass	5	5	-	5	-	-	-
<b>Total</b>	<b>49</b>	<b>49</b>	<b>5</b>	<b>32</b>	<b>5</b>	<b>12</b>	<b>15</b>

### **Social Impact**

About 90 per cent of the sample trainees hailed from economically weaker sections of the Society. Half of them belonged to BPL category. The prime family occupation of most of the trainees was agriculture or agricultural labour. About 82 per cent of the trainees were having single earning member in their families. In such a background, even a small earning through self entrepreneurship activity matters much to the beneficiary families. The REDPs provided them not only a past time opportunity, but also income and better standard of living. The trainees had repaid the borrowings from their relatives and neighbours and the loans from the non-formal sources through the earnings under the entrepreneurial activities. For most of the trainees, REDPs generated self-employment and income opportunities in the remote parts where nothing else would

be possible apart from agricultural wage work. The entire socio economic development under the programme was the incremental benefits to the trainees.



## **CHAPTER VI**

### **COSTS AND BENEFITS INVOLVED IN REDP**

Assessment of costs and benefits of a programme reflects its success rate. This also throws a light on the process of implementation and execution of the programme and brings out the scope for improvement. In this perspective assessment of the costs and benefits of the REDPs has been attempted in this chapter on the basis of the primary data collected from the sample trainees as well as the facilitators of the selected programmes.

#### **Costs of REDPs**

Organizing an REDP involves a lot of exercises at the facilitators' end as well as at NABARD, both at the Regional Office and also at the Head Office. Besides, the participants and the Master Craftsmen also put their time and efforts. It is only their response during and after the programme that makes the REDP a successful one. The facilitators provide necessary market and credit linkage and other escort services after the programme. In order to estimate the costs of a programme, the 'costs to NABARD' was made the yardstick.

NABARD bears all the costs eligible under sponsorship for a REDP and gives the entire amount as grant assistance unless the facilitator offers their contribution. The MCM got remuneration for their efforts and the amount towards their salary/honourarium might be more than their opportunity costs otherwise s/he would not have accepted the offer. The trainees were almost unemployed and their pre training income was nil for 61 per cent of the beneficiaries. Further, the average predevelopment income of the trainees was estimated to be Rs.272 per month and the trainees were given a stipend of Rs.250–300 per month apart from raw materials and tools. Therefore, the opportunity costs of the trainees were negligible. In such a situation, the opportunity cost of the trainees or master craftsman was not additionally considered for the costs of the programme.

NABARD sanctions grant assistance taking into account all probable expenses for organizing a REDP. Due considerations were given to the nature, pattern and amount of expenditure while assessing the fund requirements by the facilitator for arranging the programmes. In many cases, the amount of grant assistance sanctioned by NABARD was lower than that of the agency sought for. The reasons were: the agencies usually overestimate the requirements of capital expenditure and hence pruned, slashing down the duration of the programme from the proposed level to a desired level and avoiding unnecessary capital expenditures for organizing the programmes. On the other hand, the amount of grant assistance availed by the facilitators was lower than the amount sanctioned in case of 11 out of 15 sample REDPs. The reasons were the agencies in most cases had not claimed the final instalments after their escort services. The expenditure incurred on the other hand was more than the grant assistance released to the programmes. Some additional expenditure and cost escalation between the preparation of proposal and conduct of the progress were responsible, for extra expenditure and the facilitators had borne the expenses as a part of their own contribution.

Table 6.1 elucidates the details of financial particulars regarding the conduct of each programme. As can be seen from the Table, the average expenditure for organizing one REDP was Rs.53,575 out of which NABARD's contribution in terms of sanction was Rs.47,487 (87%) and average disbursement of NABARD grant assistance was Rs.42,186 (79% of expenditure and 89% of sanction) for one Programme. It was estimated that, on an average, the expenditure for conducting one REDP was Rs.2679 for each trainee and NABARD spent Rs.2109 (disbursed) out of it and rest was the facilitators' contribution.

**Table 6.1 : Costs of REDPs**

SI No	Name of NGO	Name of REDP	Amount Sought for (Rs.)	Amount Sanctioned (Rs)	Amount Disbursed (Rs.)	Actual Expenditure (Rs.)
1	SYN	Pattachitra	90680	58910	44200	65737
2		Toy Painting	90000	74000	64000	76400
3	ORUPA	Pattachitra	71450	58000	51000	64300
4		Palm Leaf	69600	61000	54000	68200
5		Patchwork	68875	46500	34000	47735
6	MDMVS	Dry Fish	64500	51000	51000	56750
7		Chalk & Agarbati	51665	34000	25500	41738
8	DASS	Stone Carving	33060	25400	25245	26570
9	Adventure	Golden Grass	64200	37000	37000	53260
10		Patchwork	76420	51500	46350	63483
11		Golden Grass	70000	39000	39000	46811
12	Lifeline Orissa	Milk Processing	54000	38000	29000	43540
13	CORD	Paper craft	80000	46000	40500	45500
14	SANDYP	Teracota	45500	34000	34000	42200
15	DSS	Golden Grass	93800	58000	58000	61400
<b>Total</b>			<b>1023750</b>	<b>712310</b>	<b>632795</b>	<b>803624</b>
<b>Average per REDP</b>			<b>68250</b>	<b>47487</b>	<b>42186</b>	<b>53575</b>

**Benefits of REDP**

The immediate benefit of REDPs is the scope for employment and income created among the rural youths, especially among the women. About 80% of the REDP beneficiaries were unmarried girls between the age group of 18-25 years. The programmes empowered these girls with self-reliance and the ability to generate some income with a decent working environment. Further, the income generation in most cases was consistent through out the year unlike that from farm operations or other seasonal activities. No doubt, these trainees had a willingness to acquire skill and put their diligent efforts for taking up entrepreneurial activities. The REDPs could show them a path and direction as well as provided handholding support for their advancement in entrepreneurial dealings. The girls with adverse conditions like remote areas, poor economic background and education only enough to read and write never had a dream for an employment and income for them. This was however possible for them because of the interventions through REDPs.

It is difficult to assess the ecstasy among the beneficiaries and the kind of self-confidence implanted in the minds of the trainees through REDPs. It is also difficult to assess the economic returns the trainees would get through out their lifetime from the skill and knowledge acquired through the REDPs. Some of the trainees could pass on the skill to their family members, neighbours, relatives and friends, etc. and it could have a multiplier effect in knowledge dissemination as also in income generation. The benefits are definitely more than the income generated by the trainees from the economic activities adopted after the training programmes since this income was substantial for in many families as most of the REDP beneficiaries come from economically weaker sections and whatever income generated from the entrepreneurial activities, was comprising a significant portion in their family income. This income had enabled the beneficiaries and their families to obtain adequate food, clothing, necessary medical facilities and to get other bare necessities. It is difficult to quantify all such benefits. However, for quantification of immediate benefits of the REDPs, the average income earned by the trainees from the activities adopted after training was considered as the indicator. Table 6.2 gives the account of average income generated by the REDPs estimated on the basis of the primary data collected from the sample trainees.

Value addition properties of the activities as also the market demand for the produce decides the income benefit of the programmes. In case of handicrafts items like Pattachitra, palm leaf craft there is a market potential for the aesthetic value of the traditional arts and crafts and people are ready to pay a good price for a decent piece of work. Certain pieces of work on pattachitra or palm leaf art are being sold at a price ranging between Rs.2000 - Rs.2500. One trainee having adequate skill could prepare three such pieces in 15 days time. Of course such work is being done occasionally only when they get orders for such items or specially prepared for exhibitions. The cost of raw material in such work was also low and hence such activities earn good income to the trainees. In case of activities like soft toys, stone carving, palm leaf crafts & pattachitras (small items), etc., the trainees could produce a good volume in a month. On an average a trainee could produce 2-3 pieces a day which could be sold at a price ranging between Rs.40 - 60 a piece. In case of consumer items like chalk and agarbati,

the price of the produce remains low and consumption demand is not much. Further, there is not much value addition to the raw materials. The only factor choosing this sort of activities was its low skill requirement and illiterate or less educated older persons can adopt this activity easily.

**Table 6.2 : Average Income of REDP Trainees**

Name of Facilitator	Name of REDP	No. of Trainees	Average net Income (Rs.)	
			Per Beneficiary	Per REDP
SYN	Pattachitra	22	1280	28160
	Toy Painting	20	1980	39600
ORUPA	Pattachitra	20	2326	46520
	Palm Leaf	20	1300	26000
	Patchwork	20	1017	20340
MDMVS	Dry Fish	20	0	0
	Chalk & Agarbati	25	190	4750
DASS	Stone Carving	20	1290	25800
Adventure	Golden Grass	23	1440	33120
	Patchwork	22	540	11880
	Golden Grass	20	880	17600
Lifeline Orissa	Milk Processing	20	0	0
CORD	Paper craft	20	640	12800
SANDYP	Teracota	20	0	0
DSS	Golden Grass	20	400	8000
	<b>Average</b>		<b>941</b>	<b>19573</b>

Over all, the efforts as well as the financial involvements in case of three REDPs viz., the REDPs on Dry fish processing, milk processing and terracota could not result any benefit to the trainees. The trainees did not adopt these activities for some or other reasons, as mentioned Chapter V. On the other hand, all other programmes remained successful in terms of employment and income generation by the trainees after the programme. The average expenditure of a programme was Rs.53,575 while it could generate an income of Rs.19,573 per month or annually Rs.2.35 lakh. We can say, by

spending Rs.6.32 lakh NABARD could create employment and income opportunities for 64 persons through interventions in REDP.

## **CHAPTER - VIII**

### **SUMMARY AND CONCLUSION**

On the basis of primary data collected from 80 sample beneficiaries of randomly selected 15 REDPs in Puri and Khurdha Districts, it was estimated that the settlement rate of the programmes was 80 per cent. Settlement rate of some of the programmes was very low or 'nil' and in some others it was as high as 100 per cent. So there are wide variations in rate of settlement. However, activities having market support have seen good settlement rate. The trainees who took up self employment on the strength of the vocation they were trained for could generate an average incremental income of Rs.941 per month, the maximum net income earned was Rs.5,900 per month. Out of the trainees adopted economic activities, 76 per cent were self-employed and rest have taken up job activities.

Rural Entrepreneurship Development Programmes have come up as an efficient instrument in creating income and employment opportunities for the rural youth, especially the women in rural and semi urban areas. The EDPs are the medium for value addition to the resources and reviving the vanishing arts and crafts in the State. The programmes not only rediscovered the economic potential in the traditional art forms but also brought life to artisans as well. Further, the teeming millions who otherwise would have migrated to other areas in search of a livelihood were given an opportunity to explore a living through an alternative or supportive occupation.

REDPs mainly facilitated the rural youths and women to support the family with a supplementary income. In many cases, the income generated by the beneficiary trainees was not handsome, but it was adequate to extend a helping hand to the family. The average incremental income of the sample trainees was Rs.941. This itself was enough to raise a family above the poverty line. In rural Orissa, almost all the economically backward families depend on agriculture wage or the yield from the agriculture of the

small land holdings. This income of one or two earning members of a family is never adequate to feed the family for the entire year as agriculture being a seasonal operation can provide employment for a person up to 60 - 70 days in a year. In such a situation, a supplementary income from a non-earning member of the family or during the lean period of the year is definitely a good support.

Further, the rural youth due to various obvious and known reasons fails to get proper education that is adequate to fetch him or her a decent job. Without proper skill or vocation, one cannot take up any business or entrepreneurial activity. It is also not easy to move out to urban places and get a job there if one does not have any skill or vocation. In such a situation, the EDPs create a scope for these less educated unskilled rural youths to get a job or take up a self employment activity. Many trainees took up the entrepreneurial activities they were trained for under REDPs as the prime activity. The income from these activities was much more than what they were earning previously or what they would have earned from any other activity.

Another, advantage of the EDPs was the choice of activity was suitable to the trainees. Since the facilitators select the activities taking into account the market potential for the produce. The beneficiaries are identified from the target group and from those who are really inclined to learn the skill and utilise it commercially. Though choice of activity and organising the EDPs initially sounds much of a supply oriented programme, the nature of training, market potential and linkage and the scope for earning a good income working at home or in an enterprise with good work environment, make the programme demand driven. This is reflected by the acceptance of the participants to the programme and skill. A majority (80%) utilized the knowledge for a fulltime or part-time income generating activity. Even if one does not utilize the skill for a commercial purpose or in establishing an enterprise after the training programme, one feels elated that she / he could learn a skill which is very useful in his / her life. The programme imparts confidence among the trainees that if at all necessary, they can utilize the skill for an earning.

The added advantage of REDPs is that there are large varieties of activities that can be covered under the training programme. It can be organized at any place and can be designed to suit any type / kind of target group. REDPs can be designed differently for different target groups and at different locations. The programme is very flexible so that it can be designed according to the need. Where people with no skill can be trained for simple activities food processing, candle, chalk and agarbati making or such activities, youths with education and ability were trained for computer hardware, fabrication, repairing electronics and electrical goods.

Most of the REDP activities are low investment requirement enterprises. Except a few activities like fabrication, etc. the capital requirement for establishing an enterprise for the activity after the training was almost 'nil'. That is why even without credit or other financial support the trainees could take up some micro entrepreneurial activities. Of course, often the requirement of working capital and operation costs restricts the size of the enterprise of the trainees.

### **Suggestions :**

1. Around ten per cent of the sanctioned REDPs could not be completed. In some cases the facilitators did not launch the programmes. However, in certain other cases, the programmes were discontinued half way. NABARD also had released a part of the sanctioned amount to such programmes. In these cases, not only NABARD's grant assistance gone waste but also the benefit of the programme could not be realized. One programme of 20 participants gives scope for employment for on an average to 16 persons and generates income benefit of Rs.941 per trainee per month. Failure of one programme cause more loss than the financial component alone. There is need for closer scrutiny, better coordination with the facilitator and intense involvement with the programme till the completion of the programme in all respect.

2. The duration of the programme was restricted to 8 weeks. For many activities, especially for handicrafts like pattachitra, palm leaf craft, and others, the duration was felt very short. In Orissa, majority of REDPs are handicrafts based. Insufficient training period leaves a trainee half skilled which is equivalent to 'no skill'. This leaves the

trainee with lack of confidence and does not encourage one to take up any entrepreneurial activity. The duration for such programmes may be considered for at least four months. Thus, the duration of REDPs may be revised from 2 - 8 weeks to 2 - 16 weeks.

3. The trainees under the study gave more importance to learn the skill / process of the activities than stipend. Stipend was not a major attraction for many but it is an encouragement for all. After the training programme, some trainees used the stipend money to purchase raw materials and started their entrepreneurship. Bank credit was not available to any of the trainees to start their entrepreneurship. However, after successful entrepreneurial activities, some of the trainees were issued Artisan Credit Cards later on. In such a situation, stipends would be useful to the trainees to meet the working capital requirement to some extent to make a beginning with their entrepreneurship of self employment activity. The stipend amount should be minimum of Rs.100 per week.

4. Often the trainees lose their confidence on the entrepreneurial skill after a year or so when they feel the designs they learnt during the REDP became out dated and unable to fetch a market. There is always a need for innovations. It is true that innovations only keep the entrepreneur successful. With the minimum skill given to the trainee in REDP, the trainees were not able to graduate on their own to innovate new ideas and designs. The trainees definitely need support for graduating. Thus, the trainees may be given for a supplement training' programme for 2 - 4 weeks after one year of the completion of the programme. This may encourage the trainees to take up the entrepreneurial activities and thus settlement rate of the REDPs may be increased. This may also instill sustainability to the entrepreneurs/self employment activities.

5. Market linkage to the produce of REDP trainees is the key to success of their entrepreneurship and further progress. There are certain facilitators like ORUPA, who have their own market outlets. Other agencies like Adventure, arranges market support for the produce by their trainees. However, in the absence of sustainable market demand, the poor trainees cannot continue the entrepreneurial activities for long and they may be back to their state of economic trough. It is not that there is no market for the

produce. The hindrance is to establish a link between market and the producers and to enhance knowledge and information base on marketing the specific produce the entrepreneurs come up with. In this perspective, NABARD may arrange every year for one state level workshop of the facilitators where scope for enhancing the market linkage can be established. Samples of various produce may be displayed in the workshop. Concerted efforts to create a market and market linkage for the produce may be made by all facilitators. This will not only benefit the REDP trainees but also the SHGs and micro enterprises spread through out the State.

6. The trainees who have settled with the activities may be facilitated with subsequent exposure cum training programmes for 4-7 days to institutes, experts or enterprise of same or similar trade within as well as outside the State. This may make the trainees spirited to take up their own enterprise more vigourously. The trainees can also get exposed to new designs, perfection in skill and market linkage. Often the individual entrepreneur found unsuitable for larger market because of economies of scale. For example if an entrepreneur gets an order for bulk supply with in a short period, s/he may not be able to produce even if he is offered a better price. In such a situation the exposure visits may introduce them to a group of similar craftsmen who can form a cartel or group.

**Annexure 1**

**Status of NABARD Assisted REDPs in Orissa**

(Position as on 31 March 2008)

Dist	REDPs		Grant Assistance from NABARD (Rs.)	
	Sanctioned	Completed	Sanction	Disbursement
Angul	9	8	583700	467000
Balasore	0	0	0	0
Bargarh	10	10	497500	382500
Bhadrakh	1	1	20000	10000
Bolangir	8	7	385100	285200
Boudh	0	0	0	0
Cuttack	24	21	1206850	932929
Deogarh	5	4	258900	189650
Dhenkanal	18	16	949800	784200
Gajpati	11	11	518600	372920
Ganjam	10	8	445450	318155
Jagatsingpur	12	9	529700	398577
Jajpur	5	4	200800	140450
Jharsuguda	3	2	132000	63250
Kalahandi	15	9	661400	309670
kendrapada	9	8	369700	280409
Keonjhar	6	5	330100	228000
Khurdha	32	31	1763600	1485220
Koraput	11	8	476050	282795
Malkangiri	7	4	327300	234300
Mayurbhanj	9	7	453750	357870
Nabrangpur	6	6	231250	207620
Nayagarh	9	9	429000	340750
Nuapara	4	4	247000	209000
Phulbani	12	8	507500	370600
Puri	27	26	1340900	1182193
Rayagada	7	6	304250	257250
Sambalpur	23	18	1151100	886336
Sonepur	7	7	371000	311000
Sundergarh	9	7	552000	404242
<b>Total</b>	<b>309</b>	<b>264</b>	<b>152,44,300</b>	<b>116,92,086</b>

**ANNEXURE I**  
**DISTRICT-WISE REDPs IN ORISSA**

Sl.	District	2003-04		2004-05		2005-06		2006-07		1997-98 - 2006-07		NB Grant Assistance (Rs. '000)		No. of NGOs
		Sanct.d	Compl.d	Sanct.d	Compl.d	Sanct.d	Compl.d	Sanct.d	Compl.d	Sanct.d	Compl.d	Sanctioned	Disbursed	
1	Angul	3	3	2	2	0	0	1	0	8	7	523	399	5
2	Balasore	0	0	0	0	0	0	0	0	0	8	0	0	0
3	Baragarh	2	2	2	2	1	0	2	0	10	10	491	299	3
4	Bhadrak	0	0	0	0	0	0	1	0	1	1	20	10	1
5	Bolangir	2	2	0	0	0	0	3	0	7	6	335	252	6
6	Boudh	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Cuttack	2	2	5	4	1	1	2	1	22	19	1165	807	16
8	Deogarh	0	0	1	1	1	1	3	0	5	4	250	75	4
9	Dhenkanal	5	4	5	5	6	5	1	0	18	13	947	615	10
10	Gajapati	1	1	2	2	3	3	1	0	11	7	516	242	7
11	Ganjam	0	0	1	1	0	0	4	2	10	6	445	230	10
12	Jagatsinghpur	2	2	5	3	3	3	1	1	10	8	476	281	10
13	Jajpur	0	0	0	0	1	1	2	1	4	4	172	88	
14	Jharsuguda	0	0	0	0	2	1	0	0	3	1	132	40	2
15	Kalahandi	2	2	6	5	2	1	3	0	15	8	644	219	9
16	Kandhamal	1	1	4	2	1	1	2	1	10	7	446	273	6
17	Kendrapara	1	1	1	1	2	2	1	0	9	8	369	206	8
18	Keonjhar	1	1	0	0	2	0	2	0	6	2	330	127	3
<b>19</b>	<b>Khurda</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>32</b>	<b>31</b>	<b>1760</b>	<b>1466</b>	<b>16</b>
20	Koraput	3	3	2	2	4	4	1	1	10	5	266	31	5
21	Malkangiri	3	3	0	0	1	1	3	0	7	3	327	164	5
22	Mayurbhanj	2	2	1	1	2	1	3	2	9	6	453	247	6
23	Nawarangpur	1	1	3	3	3	2	0	1	6	5	231	156	4
24	Nayagarh	3	3	2	2	4	4	0	0	9	8	429	238	8
25	Nuapada	0	0	1	0	0	0	0	0	4	4	247	180	2
<b>26</b>	<b>Puri</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>26</b>	<b>19</b>	<b>1278</b>	<b>786</b>	<b>22</b>
27	Rayagada	1	1	1	1	1	1	3	2	7	5	306	178	5
<b>28</b>	<b>Sambalpur</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>22</b>	<b>17</b>	<b>1117</b>	<b>671</b>	<b>5</b>
29	Sonepur	3	3	2	2	0	0	0	0	7	7	371	303	3
30	Sundeergarh	0	0	3	2	0	0	2	0	9	6	552	304	2
	Total	56	55	66	58	52	42	54	17	297	235	14598	8887	183

**ANNEXURE II**

**Major activities under REDPs**

<b>Activities/Groups</b>	<b>No. of R E D P s Sanctioned</b>	<b>Activities/Groups</b>	<b>No. of R E D P s Sanctioned</b>
Incense Stick / Chalk / Candle Making	17	Horn Craft	2
Applique And Patch Work	8	Jute Craft	4
Automobile Servicing And Repairing	1	Kewda Processing	1
Bag Making	2	Khondalite Stone Processing	3
Cane & Bamboo Crafts	23	Leaf Plate Making	15
Beauty Parlor	1	Leather And Rexin Work	1
Bee Keeping	5	Mat Weaving	2
Brass & Bell Metal	10	Matches Making	1
Broom Making	3	Milk And Milk Products	3
Craft/ Paper Cards	4	Multiple Rural Activities	2
Carpentry	3	Mushroom Cultv.n/ Processing	12
Cement Work	2	Myrobalan Processing	4
Coir Craft	8	Palm Leaf Craft	6
Computer Hardware	1	Vermicomposting	5
Dhokra Crafts	7	Sea Shell Craft	3
Tailoring/Dress Designing	32	Sisal Fibre Weaving	7
Dryfish Processing	2	Brick/Massion/Blacksmithy	3
Electrical Item Repairing	8	Hill Brooms / Brush Making	3
Fabrication Work	1	Soap/Detergent Making	3
Food Processing	32	Soft/Wooden Toys	8
General Edps	11	Straw Craft	1
Golden Grass	10	Terracota	16
Handloom/Spinning	4	Tie & Dye	6
Herbal & Aromatic Plant	1	Zari Work	2
		<b>Total</b>	<b>309</b>

## Appendix 1

### RATING SYSTEM FOR NGOs TO BE CONSIDERED FOR NABARD ASSISTANCE

PARAMETERS	MARKS	
	Maximum	Awarded
<b>1. Formation</b>	<b>5</b>	
More than 10 years old	5	
5 to 10 years	3	
3 to 5 years	2	
<b>2. Local Presence</b>	<b>10</b>	
<b><i>A) Physical presence</i></b>	<b>5</b>	
Agency located in the same area and also predominantly doing its work in the same area	5	
Agency located elsewhere but has been functioning in the proposed area	3	
Agency neither located in the proposed area nor functioning in the same area. It is new to the area	2	
<b><i>B) Rapport with local agencies like banks, Government agencies, PRIs and other developmental agencies</i></b>	<b>5</b>	
<i>( depending on the good rapport developed by the NGO with various agencies, marks may be awarded on a scale of 0 to 5 )</i>		
<b>3. Activities involved with</b>	<b>10</b>	
<b><i>a) Main activity</i></b> <i>( A maximum of 6 marks may be given if the agency is actively involved with the activity for which proposal is now submitted for receipt of grant assistance from NABARD )</i>	<b>6</b>	
<b><i>b) other activities</i></b> <i>( Bonus marks of upto a maximum of 4 marks may be awarded if the agency is also involved with any of the following activities by awarding one mark for each of such activities )</i>	<b>4</b>	
<i>Economic activities related to RNFS</i>		
<i>Providing backward and forward linkages</i>		
<i>Micro credit</i>		
<i>Focus on women</i>		
<i>Environmental programmes</i>		
<i>Social/ educational/ health related activities</i>		
<b>4. Management of NGO</b>	<b>10</b>	

Existence of Regular Board / Governing Body, which meets regularly	4	
Professional and experienced persons in the management	3	
Organisation structure ie. Existence of a proper hierarchy in functioning and there is proper work allotments among the functionaries etc.	3	
<b>5. Book keeping/ Accounts</b>	<b>8</b>	
Accounts are properly maintained and audited uptodate	8	
Accounts are maintained properly but audit in arrears for more than 2 years	4	
Accounts not properly maintained / not audited for long	0	
<b>6. Financial position of the agency</b> <i>( marks may be awarded for the healthy position of assets &amp; liability of the agency, receipts and payment/ income &amp; expenditure, surplus available, honouring financial commitments with banks/ other funding agencies, no case of any misappropriation of funds/ frauds etc. on a scale of 0 to 7 )</i>		
<b>7. Infrastructure of the agency</b>	<b>10</b>	
Agency has adequate infrastructure like land, own building, vehicle( if necessary), office infrastructure etc. for carrying out their activities smoothly	10	
Agency has no land or building but works in a rented premises with adequate infrastructure support including office infrastructure, vehicle ( if necessary ) for carrying out their activities smoothly	8	
Agency works with some infrastructure	4	
Infrastructure is inadequate	2	
<b>8. Training/ Project implementation infrastructure</b>	<b>10</b>	
Agency has adequate infrastructure for training like hall/ training premises, training aids, training workshop for technical training, other amenities etc. required for conducting the training by themselves <i>( depending on the availability of each of these facilities, marks may be awarded on a scale of 8 to 10 )</i>	10	
Agency does not have the training infrastructure of its own but can arrange the same for the smooth conduct of training <i>( depending on the ability to arrange various support facilities for training , marks may be awarded on a scale of 4 to 8 )</i>	7	
<b>9. Manpower</b>	<b>10</b>	

Agency has the required manpower support for implementing the project, including subject matter expert pertaining to the proposed activity <i>(depending on the availability of persons required for the implementation of the project marks may be awarded on a scale of 8 to 10 )</i>	10	
Agency does not have the required manpower/ some of the required persons for implementing the project, but can arrange the same for by hiring/ appointing from outside. <i>(depending on the ability of the agency in arranging the required manpower, marks may be awarded on a scale of 4 to 8 )</i>	7	
<b>10. Past experience</b>	<b>10</b>	
Agency has the past experience in organising similar programmes and was associated with NABARD in the past	10	
Agency has the past experience in organising similar programmes but was not associated with NABARD in the past and approaching NABARD for the first time	8	
Agency has past experience in organising programmes but not in the same line	4	
<b>11. Monitoring arrangement</b>	<b>5</b>	
Agency has good arrangement for regular monitoring of the project	3	
Agency had been regular/ has good system for submitting MIS returns as required by the funding agency	2	
<b>12. Operational Sustainability of the agency</b> <i>( marks may be awarded based on the perception of the officer regarding the standing of the agency and the possibility of its continuing its work for long without winding up in between. on a scale of 0 to 5 ) )</i>	<b>5</b>	

Qualifying marks – at least 60% i.e. 60 or more and should score at least 40% marks under each Parameter.