



**GOVERNMENT OF NAGALAND  
EVALUATION REPORT ON IMPLEMENTATION OF SWARAN JAYANTI  
SHAHARI ROZGAR YOJANA (SJSRY) IN NAGALAND**

**Directorate of Evaluation  
Government of Nagaland  
Nagaland: Kohima.**

## PREFACE

The urban poverty alleviation programme, Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was initiated in Nagaland during the year 1999 with the specified objectives to bring up socio-economic life of the poorest in the urban areas by giving them income generating assists and access to credit and capacity building. The schemes under SJSRY are implemented in the State through State Urban Development agency (SUDA) at the State level and District Urban Development Agencies (DUDAs) at the district level. SUDA & DUDAs are the only agency in the State which implement programmes for upliftment of living conditions of the persons living below poverty line in the urban areas. Considering the importance of the programme, the State Planning & Coordination department considered it is necessary to evaluate its activities and impact on the target people. Accordingly, the Department of Evaluation was asked to under take on Evaluation study of the programme.

The objectives of the study was to assess the working of SUDA and DUDAs, its impact on raising the income of the beneficiaries, its problems and bottlenecks in execution of the programme, and suggest measures for improving the implementation of the scheme/programme in the future. The evaluation study finds that the performance of Thrift and Credit Societies and DWACUA groups, women self help groups assisted under the programme, is encouraging. Absence of uniformity in grant of assistance to these self help groups, however, is a cause of concern. The execution of USEP, another component of SJSRY needs to be examined closely, with focus on better selection procedure, stress on recovery of loans and greater follow-up action.

It is hoped that this evaluation report, particularly the findings and suggestions made here, will be useful for the implementing agencies, the policy makers and others who are interested in the scheme.

This Report is primarily due to the efforts of the Study coordinator, Shri. N. Iralu, Deputy Director of Evaluation, who coordinated this study and prepared the draft report. All the field officers of the Directorate and the sampled Districts willingly invested in this study with their energy and time for collection of data. The Directorate of Evaluation also gratefully acknowledges the co-operation and assistance extended by the implementing officers and staff of the State Urban Development Agency and the Urban Development department

*Aparna Bhatia, I.E.S.*  
Director of Evaluation  
Nagaland, Kohima.

## **ABBREVIATIONS USED**

BPL	: Below Poverty Line
CDS	: Community Development Society
CO	: Community organiser
DUDA	: District Urban Development Agency
DWACUA	: Development Of Women And Children in Urban Areas
NGO	: Non Government Organisation
NHGs	: Neighborhood Groups NHCs Neighbourhod Committees
PMRY	: Prime Minister's Rozgar Yojna
SHG	: Self Help Group
SJSRY	: Swarna Jayanti Shahari Rozgar Yojana
SUDA	: State Urban Development Agency
T& CS	: Thrift & Credit Societies
USEP'	: Urban Self Employment Programme

## CONTENTS

### **Preface**

#### *Abbreviations used*

Chapter 1	Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
Chapter 2	Organisation
Chapter 3	Sub-Components of SJSRY
Chapter 4	Impact of the Programme
Chapter 5	Main Finding & Suggestions

## CHAPTER I

### THE SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)

1.1 Guidelines issued by Ministry of Urban Affairs & Urban Development, Department of Urban Employment & Poverty Alleviation state "The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) shall seek to provide gainful employment to the urban unemployed or under employed poor through encouraging the setting up of self-employment ventures or provision of wage employment. This programme will rely on creation of suitable community structures on UBSP pattern and delivery of inputs under this programme shall be through the medium of urban local bodies and as such community structures. The SJSRY shall be funded on a 75:25 basis between the centre and the states. Under the SJSRY programme community organizations like Neighborhood Groups (NHGs), Neighborhood Communities (NHCs) and community Development Societies (CDSs) shall be set up in the target areas. These CDSs may also set themselves of as thrift and credit societies to encourage community saving and other group activities".

#### **1.2 Under this programme, there are four district parts/ schemes.**

1. Assistance to individual urban poor beneficiaries for setting up gainful self employment ventures through the Urban Self Employment Programme (USEP).
2. Assistance to groups of urban poor women for setting up gainful self employment ventures through Development of women and Children in the Urban Area (DWCUA).
3. Thrift and Credit societies. Training of beneficiaries.

1.3 USEP is a component of SJSRY provides self-employment to the urban poor by identifying the below poverty line persons in the urban areas. Entrepreneurs are selected by the DUDAs by involving members of Urban Local bodies and financing Banks officials to enable them and to take up some income generating scheme. This scheme is generally meant for under-Matriculates. Under the scheme, the selected entrepreneurs have to open a saving account in the Bank allocated to them, with margin money of Rs.2500/- each and after verification, a subsidy amount of Rs.7500/- each is deposited through the DUDAs. The banks have to provide loan up to Rs.40,000/- as per the laid down conditions/ guidelines of the programme.

1.4 DWCUA provides assistance to urban poor women to set up self employment ventures as a group. To be eligible for subsidy under this scheme, the DWCUA group should consist of at least 10 poor women. The DWCUA group society is entitled to a subsidy of Rs. 1,25,000 or 50% of the cost of project, which ever is lesser.

1.5 The group of poor women, known as thrift and credit society, is entitled to a grant of Rs. 25,000 /- as revolving fund, at the rate of Rs.1000/-(maximum) per member. There

should be 25 members in each group. This money can be utilised according to the needs of the members for generating income for the groups.

### **Target Groups**

1.6 The programme covers those people who are living below poverty line in urban areas. Special attention has to be given to women from schedule castes/ tribes and disabled persons. Educational qualifications for eligible persons who are under -matriculates.

### **Identification of Target Group**

1.7 The target group (under BPL) are to be identified by following the following procedures:

- (a) By conducting door to door survey by the Community Organizers.
- (b) By prioritizing among the poorest of the poor.
- (c) By means of self-employment and wage employment programmes/ schemes

### **Introduction of the Programme in Nagaland**

1.8 In Nagaland the Swarna Jayanti Shahari Rozgar Yojana was introduced in 1999. The schemes under SJSRY are implemented in the State through SUDA at the State Level and DUDA at the District Level. Urban Development Department officially formed the State Urban Development Agencies (SUDA) and the District Urban Development Agency (DUDA) during April 1999 at par with other states in the country. At present there are eight DUDAs in the state, in each of the district headquarters.

### **Charter for SUD A/DUDAs**

1. To develop and implement the State urban poverty alleviation programmes and policies within the overall State Urban strategy.
2. To identify the urban poor families, those living below the poverty line in Nagaland.
3. To provide technical support to District / Towns Urban Development Agencies to achieve convergence targets and participatory system.
4. Monitor and assess the Urban Poverty Alleviation programme of the identified urban poor in the State.
5. Plan and co-ordinate town visits for setting up of urban micro enterprises to encourage unemployed urban youth to take up self-employment ventures and to arrange loan-cum-subsidy assistance for such ventures.
6. Plan, co-ordinate and monitor State training programme with various departments and agencies.
7. Mobilize resources and determine allocation based on needs and performanes.
8. Guide and supervise the programme implementation through visits to the projects/schemes.
9. To exercised financial control of the funds under the Centrally Sponsored Schemes of urban development and regulate release of funds for various programmes and projects.

The aim and objective of the SJSRY programme is to improve the living standard of urban people who are poor and living under below poverty-line in the State. As reported

by SUDA, up to 2000-2001, the Agency had generated about 510 self-employment opportunities under the urban Self-Employment programs (USEP).

### **Need for Evaluation Study**

The Planning, Coordination and Urban Development, Government of Nagaland suggested taking up an evaluation study on implementation of SJSRY by DUDA/DUDA. SUDA/DUDA programme is an important poverty eradication programme especially for the urban areas. Further, to put in more investment: to cover more of beneficiaries under the programme of it was decided to take up an evaluation of the programme.

### **Objectives of the Evaluation Study**

- 1.12 1. To assess the performance of the SUDA/DUDA in the State.
2. To study the organizational and administrative infrastructure.
3. To assess how the target groups has been identified, selected and benefited.
4. To study how financial assistance has been given to beneficiaries and for what types of activities.
5. To study the role of the financial institutions in meeting the credit needs of the beneficiaries.
6. To asses the impact of the programme on the level of income and standards of living of the beneficiaries.
7. To asses the achievement of the programme both physical and financial.
8. To find out the procedural deviation, if any, for identification of beneficiaries.

### **Coverage**

1.13 Five districts, namely, Kohima, Dimapur, Phek and Zunheboto and Tuensang were selected for conducting this study. 135 sample beneficiaries of this scheme (89 beneficiaries of USEP, 29 Thrift & Credit Societies and 19 DWACUA groups) in a three years reference period from 1999-2000 to 2001-2002 were selected and interviewed from the five selected districts.

### **Tools of Observation**

1.14 The following four stratified schedules were prepared for collection of data:  
Schedule A: SUDA Level schedule  
Schedule B: DUDA.Level Schedule  
Schedule C: Financing Banks schedule  
Schedule D: Beneficiaries schedule .

1.15 The physical and financial achievements of the SUDA/ DUDA during the three years reference period were collected through the Schedule A and Schedule B. Besides qualitative information like the views of the concerning officer regarding the implementation of the programme collected through these Schedules, quantitative data like identification and coverage of beneficiaries and existing infrastructural facilities were also obtained.

## **Objectives of the Evaluation Study**

- 1.12 1. To assess the performance of the SUDA/DUDA in the State.
2. To study the organizational and administrative infrastructure.
3. To assess how the target groups has been identified, selected and benefited.
4. To study how financial assistance has been given to beneficiaries and for what types of activities.
5. To study the role of the financial institutions in meeting the credit needs of the beneficiaries.
6. To asses the impact of the programme on the level of income and standards of living of the beneficiaries.
7. To asses the achievement of the programme both physical and financial.
8. To find out the procedural deviation, if any, for identification of beneficiaries.

## **Coverage**

1.13 Five districts, namely, Kohima, Dimapur, Phek and Zunheboto and Tuensang were selected for conducting this study. 135 sample beneficiaries of this scheme (89 beneficiaries of USEP, 29 Thrift & Credit Societies and 19 DWACUA groups) in a three years reference period from 1999-2000 to 2001-2002 were selected and interviewed from the five selected districts.

## **Tools of Observation**

1.14 The following four stratified schedules were prepared for collection of data:  
Schedule A: SUDA Level schedule  
Schedule B: DUDA Level Schedule  
Schedule C: Financing Banks schedule  
Schedule D: Beneficiaries schedule.

1.15 The physical and financial achievements of the SUDA/DUDA during the three years reference period were collected through the Schedule A and Schedule B. Besides qualitative information like the views of the concerning officer regarding the implementation of the programme collected through these Schedules, quantitative data like identification and coverage of beneficiaries and existing infrastructural facilities were also obtained. 1.16 All the banks in the sample districts granting loans to the beneficiaries under SJSRY were also included under the scope of the Study. Information regarding the amount of loan and sides released, the interest charged, the procedure followed for releasing the loan and subsidy and above all, the problems experienced by the Bank officials for such work were collected with Schedule C.

1.17 The Beneficiary Schedule - Schedule D is the most important one in which vital information like loan and subsidy given to the beneficiary, the utilisation of the amount, supply and possession of assets, the additional income and employment generated out of the scheme, were collected from the sample beneficiaries.



## **Organisation of Field Work**

1.18 The Evaluation Officers and Evaluation Inspectors were deputed to the Districts to collect field information from various levels. The Deputy Director and Assistant Directors of Evaluation Department supervised the fieldwork. The fieldwork for the study was carried out during May-June 2003.

## CHAPTER 2

### ORGANISATION

#### Organisation Structure

2.1 The central guideline of the SJSRY prescribe the following organization structure:

(1) At the community level, a Community Organizer(CO) shall be appointed for about 2000 identified families. He/ she should be a full- time functionary, either recruited or taken on deputation.

(2) At the town level, there shall be an Urban Poverty Eradication Cell under the charge of a Project Officer. The project officer shall be responsible for co-ordination the activities of all the CDS and COS.

(3) At the district level, the State Government shall constitute a full time (DUDA) with an officer designated as the District Project Officer. This project officer with work under the over all guidance of the District Collector but shall be personally responsible for ensuring effective implementation of urban poverty alleviation initiatives in all urban areas within the district.

(4) At the State level, there shall be a State Urban Development Authority(SUDA), which will be headed by a full time senior Officer of the State government. The SUDA shall be designated as the State Nodal Agency for Urban anti-poverty programmes.

#### Organisation Structure in Nagaland

2.2 The organizational structure of SUDA and DUDA, on the date of visit by the Evaluation team is shown in Table 1 & 2. At the state level, the Development Commissioner acts as Chairman of the state urban development agency on ex-official basis .He is assisted in policy matters and decision making by SUDA Board members.

The constitution of SUDA board is as under:-

1. Development Commissioner	-	Chairman
2. Secretary, Industries	-	Member
3. Secretary Social Welfare	-	Member
4. Secretary Women Development	-	Member
5. Secretary, W & Housing Department	-	Member
6. General Manager, HUDCO	-	Member
7. Chief Town Planner	-	Member
8. NGO-Consultant, SUDA	-	Member
9. Senior Town Planner	-	Member Secretary

2.3 The day to day working of the Agency is supervised by Member Secretary, SUDA. There are two Community organizers who are appointed and drawing a fixed pay of Rs. 4000/- in the SUDA office. There is also one office assistant, one office peon, a sweeper and a chowkidar working on regular basis in SUDA.

**TABLE 1**

**ORGANIZATION STRUCTURE OF SUDA OFFICE AS ON DATE OF VISIT**

1	Category of staff/Post	In position	Remarks
1.	Chairman	1	Development Commissioner
			is Ex-officio Chairman
2.	Secretary	1	
3.	NGO Representative	1	(works on Honorary basis)
4.	Office Assistant	1	
5.	Community organizer	2	Work on fixed pay
6.	Office Peon	1	
7.	Sweeper	1	
8.	Chowkidar	1	

Source-SUDA office.

District Level Organisation 2.4 In the DUDA level organization Additional Deputy Commissioner in each district is acting as Chairman and is designated as the District Project Officer and is responsible for the implementation of the programme. He is also assisted by one Assistant Town Planner in each district and who act as Secretary in their respective Districts. There are two (2) community organizers in each DUDA Office drawing a fixed pay of Rs. 4000/- each per month.

**TABLE 2**

**ORGANISATION STRUCTURE OF DUD As**

(as on date of visit)

	Designation	In position	Remarks
1.	Chairman	1	ADC of the district in
			ex-officio capacity
2.	Secretary	1	Assistant Town Planner
			in Ex-officio capacity
3.	Community organizers	1	Work on fixed pay
			@Rs. 4000/-P.M.

*Source- DUDA offices.*

2.5 At present there is no regular Ministerial Staff in the districts the Additional Deputy Commissioner is designated as the District Project Officer as well as Chairman of DUDA in each District. The implementing Department also felt that there should be a full-time State Project Director in the State Level assisted by Project Officer and Project Assistant and other ministerial staff on regular basis for effective implementation of the schemes.

## Training & Education

2.6 The Organisation has no training facilities to impart education to the beneficiaries in SUDA/DUDA. However training for beneficiaries and other is arranged from time to time in the industrial training institutes and other private institutes.

## Chapter 3

### SUB-COMPONENTS OF SJSRY

#### Urban Self Employment Programme (USEP)

3.1 Urban Development Department had officially constituted the State Urban Development Agency (SUDA) and the district Urban Development Agencies (DUDAs) in 1999. Up to 2001-2002, the Agency has generated the 662 number of self employment opportunities / avenues under the Urban Self-Employment Programme (USEP). This is a component of SJSRY wherein self-employment is provided to the urban poor by identifying the BPL persons in the urban areas. Eligible entrepreneurs are selected by the DUDAs by involving members of Urban Local Bodies and bank officials to take up any income generating scheme. Under this scheme, the selected entrepreneurs have to open a savings account in a bank with margin money of Rs. 2500/- each. A subsidy amount of Rs. 7500/- each is deposited through the DUDAs. Banks have to sanction and provide loan (up to Rs. 40,000/-). During 2001-2002 districts-wise distribution are shown in Table 3.

**TABLE 3**

#### PHYSICAL TARGETS AND ACHIEVEMENTS OF SUDA UNDER USEP

District	Entrepreneurs assisted under USEP						Total
	1999-2000		2000-2001		2001-2002		
	T	A	T	A	T	A	
1. Kohima	40	40	40	40	80	80	160
2. Dimapur	50	50	40	40	90	90	180
3. Tuensang	31	31	31	31	60	60	120
4. Zunheboto	25	25	25	25	50	50	100
5. Phek	25	25	25	25	50	50	100
Total	171		161		330		662

T- Target; A- Achievements

Source: - SUDA

3.2 Table 4 shows the allocation of funds to the State Urban Development Agency (Central share and the state share) on the basis of which the scheme is being implemented.

**TABLE 4**  
**FINANCIAL ALLOCATION AND EXPENDITURE OF SUDA**

Year	Fund Received		Total	Expenditure		Total
	Central	State		Central	State	
1999-2000	80.34	00	82.34	82.34	00	82.34
2000-2001	76.05	20.00	96.25	76.25	20.00	96.25
2001-2002	37.00	70.00	107.00	37.00	70.00	107.00

Source:-SUDA

3.3 The Financial allocation and expenditure of DUDAs in selected district are presented in Table 5. From the Table it can be seen that there is no Non-Plan budget provisions. Allocation of funds and expenditure in respect of DUDAs in Zunheboto and Phek district were not furnished to the Evaluation teams.

**TABLE 5**  
**ALLOCATION AND EXPENDITURE OF DUDA IN THE SAMPLE**  
(Rupees in lakh)

District	Year	Provision in Plan Budget	Provision in Non-Plan Budget	Total	Actual Plan Expenditure	Total
1. Kohima	1999-2000	29.25	Nil	29.25	25.25	29.25
	2000-2001			.		.
	2001-2002	30.01	Nil	30.00	30.00	30.00
2. Dimapur	1999-2000	27.93	Nil	27.93	27.93	27.93
	2000-2001	35.06	Nil	35.06	35.06	35.06
	2001-2002	29.96	Nil	29.96	29.96	29.96
3. Tuensang	1999-2000	16.50	Nil	16.50	16.50	16.50
	2000-2001	0.48	Nil	0.48	48,000	0.48
	2001-2002	12.95	Nil	12.95	12.95	12.95
4. Zunheboto	Not made available					
5. Phek	Not made available					

### **Development of Women and Children in Urban Areas**

3.4 Table 6 depicts the number of DWCUA societies formed during the reference period in the five sampled districts in the State. As mentioned earlier, SUDAs/DUDAs also initiated formation of women self-help groups in all districts headquarters to take up any income generating scheme by providing a certain amount of subsidy. So far ,the Agency

had helped in the formation of 53 DWCUA and 100 Thrift and Credit Societies as can be seen in Table 6. The names of the DWACUA groups constituted and assisted during the reference period can be seen in Table 7.

**TABLE 6**  
**NUMBER OF BENEFICIARIES OF DWCUA**  
**COVERED FROM 1999-2000 TO 2001-2002**

DISTRICT	1999-2000		2000-2001		2001-2002		TOTAL
	T	A	T	A	T	A	
1. Kohima	3	3	8	8	2	2	
2. Dimapur	4	4	10	10	5	5	19
3. Zunheboto	2	2	3	3	2	2	7
4. Phek	2	2	3	3	2	2	7
5. Tuensang	2	2	3	3	2	2	7
		13	27	27		13	53

**T- Target; A- Achievements**

**Source: SUDA**

3.5 This scheme is set up to give special attention to urban poor woman who decided to set up self employment ventures in a group not as individual, Groups of poor women can take up an economic activity to suit their skills and aptitude. To be eligible for subsidy under this scheme, the DWCUA group should consist of at least 10 poor women. The DWCUA group society shall be entitled to a subsidy of Rs1, 25,000/- or 50% of the cost project. Table 7 presents the names of the selected societies under DWCUA and the amount of subsidy received by each group from the selected five districts.

3.6 The Evaluation team interviewed 17 Chairmen and members of DWCUA societies from the five selected districts. From Tables it can be seen that the amount of subsidy granted to the various societies is not uniform. Some societies were granted full amount of subsidy of Rs.1, 25,000/- while others were not even granted even half the entitled amount. For example, all four numbers of societies

**TABLE 7****NAMES OE THE SELECTED DWCUA GROUPS INTERVIEWED**

District	Name of Society	Number of Members	Scheme	Location	Financing Agency	Subsidy Amt (Rs.)
Kohima	1. United Women Society	25	Floriculture	Officer Hill	DUDA	1,20,000
	2. Elicir Women Society	25	Tution Centre	Officer Hill	DUDA	30,000
	3. Green Field Society	25	Multipurpose Society	Agri Colony	DUDA	30,000
	4. Progress Women Society	25	Piggery Farming	Lower AG	DUDA	30,000
	5. Quodju Tailoring	25	Tailoring	P.R.Hill	DUDA	1,20,000
	6. Nouphe Society	25	Weaving	Naga Bazar	DUDA	1,20,000
	7. Ktakeji Society	25	Hand Loon & Rabbit rearing	Officer Hill & Agri Colony	DUDA	1,20,000
	8. Thegoba Women	25	Dairy Farm	Officer Hill	DUDA	30,000
Dimapur	1. Residency Women Union	25	Piggery	PWD Colony	DUDA	1,25,000
	2. Women & Children Welfaress	15	Floriculture	Island Colony	DUDA	1,25,000
	3. Women & Children Welfare Society	25	Piggery	Nuton Basti	DUDA	1,25,000
	4. Duncan Basti	20	Flower Nursery	Duncan Basti	DUDA	1,25,000
Tuensang	1. Sunflower DWCUA Society	20	Floriculture	Tuensang Town	DUDA	50,00.0
	2. Rosy UWCUA Society	20	Floriculture	3rd NAP Sector-1	DUDA	40,000
	3. Lily Society	20	Weaving	Tuensang Town	DUDA	80,000
	4. Weaving Society	Nil	Weaving	Tuensang Near PWD	DUDA	1,25,000

To located in Dimapur were granted a subsidy of Rs.1, 20,000/ - only. In Kohima district out of 9 selected societies, four of them were granted Rs.30, 000 each. In Tuensang District except Weaving Society, the other three societies got Rs.40, 000 to Rs.80, 000/- each. The disparity of granting of subsidy money should be avoided for incentive for upliftment of urban poor people in target areas. It is suggested that subsidy of Rs.1, 25,000/- should be granted equally to all societies under DWCUA scheme in future to avoid misuse of fund

3.7 In Kohima the Evaluation team also found that the DWCUA groups in the urban area are working hard to bring about social change and economic enhancement in the colonies. The society is assisted by the community organisers. In Dimapur, the team also found that with the help of Rs.1, 25,000/- as subsidy the DWACUA groups established ventures for generation of employment opportunities for dropped out student and destitute women in the sector colony

3.8 Table 8 shows the numbers of Thrift and Credit Societies assisted during the reference period from the selected five districts of Kohima, Dimapur, Zunheboto, Phek and Tuensang. As per SUDA sources, so far 100 Thrift and Credit Societies have been covered till the dated visit by the evaluation team. The district wise names of the Thrift and Credit societies who were assisted by DUDAs may be seen in Table 9

**TABLE 8**

**NUMBER OF THRIFT & CREDIT SOCIETIES ASSISTED DURING THE**

DISTRICT	1999-2000		2000-2001		2001-2002		TOTAL
	T	A	T	A	T	A	
1. KOHIMA	6	6	8	8	11	11	25
2. DIMAPUR	8	8	10	10	12	12	30
3. ZUNHEBOTO	4	4	3	3	8	8	15
4. PHEK	4	4]	3	3	8	8	15
5. TUENSANG	4	4	3	3	8	' 8	15
	26		27		47		100

**T-TARGET; A-ACHIEVEMENT**

*Source: - DUDA Offices*

3.9 As per guidelines of SJSRY, the Community Development Societies (CDSs) may also set themselves up as thrift and societies to encourage community saving, as also other group activities. However, Thrift and Credit Societies may either Separate from CDSs as well.

3.10 Thrift and Credit Society shall also be entitled to a grant of Rs.25, 000/- as revolving fund at the rate of Rs.1000/- maximum per member. This revolving fund can be made available to a simple thrift and credit society even if the society is not engaged in any project activities under DWCUA. (This revolving fund is meant for the use of the group/society for purpose of purchase of raw materials, income generation, health, etc).

3.11 Moreover, when the member saves at least Rs.750/- in a fixed deposit account, in 12 months, she is entitled to a subsidy of Rs.60/- at the rate of Rs.30 for the member herself and Rs.30/- either for her husband or towards health/ accident etc or Rs.30 for any minor child in her family. Thrift and Credit Society shall be entitled for payment of revolving fund not earlier than one year after its formation.



3.12 The Evaluation team interviewed about 29 sample beneficiaries in five selected district head quarters. It is observed that out of 29 societies, 21 of them were granted subsidy of Rs.25,000/- each and 6 of them were granted subsidy ranging from Rs.10,000/- to Rs.15,000/- each instead of the prescribed Rs.25,000/- as subsidy. It is found that in Zunheboto and Tuensang districts subsidy was granted to some societies even though the societies had not mentioned the name of the schemes (refer column 4 and 5 in Table 8).

3.13 Therefore, it is suggested that subsidy of Rs.25,000/- should be granted equally to all Thrift and Credit in future to avoid misuse of funds .It is not fair to grant one society will full subsidy of Rs.25, 000 and to other lesser subsidy than entitled amount as the number of members in all the societies are the same.

### **Self-employment through Setting Up Micro-enterprise and Skill Development.**

3.14 This programme encourages under-employed and unemployment urban youth to set up small enterprises relating to servicing petty business and manufacturing, for which there is a lot of potential in urban areas. Local skills and local crafts are encouraged for this purpose. To avoid duplication with the ongoing Prime Minister's Rozgar Yojana (PMRY), this component of SJSRY is confined to bellow poverty line (BPL) beneficiaries who have got education up to ninth standard.

**TABLE 9**

**NAMES OF THE SELECTED THIRFT S CREDIT SOCIETIES INTERVIEWED**

<b>District</b>	<b>Name of Society</b>	<b>Number of Members</b>	<b>Scheme</b>	<b>Location</b>	<b>Financing Agency</b>	<b>Subsidy Amt (Rs.l</b>
Kohima	1. Nourhe Women Society	25	Floriculture	Kizihe, Kohima	DUDA	25,000
	2. K.V.K. Women self help group, society	25	Kitchen Garden	C.R.P. Camp Lerie	DUDA	25,000
	3. Lower Agri Women Welfare Union	25	Money Lending	Agri Colony, Kohima	DUDA	25,000
	4. Kekhrie Society	25	Money Lending	Para Medical Cly.	DUDA	25,000
	5. Upper Para Medical Women Society	25	Kitchen Garden	Upper Para Medical	DUDA	10,000
	6. Upper Chandmari Women Society	25	Tuition Centre	Upper Chandmari	DUDA	25,000
	7. Upper A.G. Women Society	25	Piggery farming	Upper A.G.	DUDA	25,000
	8. Kenei Women Society	25	Money Lending	Lower A.G.	DUDA	25,000
	9. Lower New Market Women Society	25	Weaving	Lower New Market	DUDA	25,000
	10. Upper New Market Women Society	25	Money Lending	Upper New Market	DUDA	25,000
	H.Zatou Women Society	25	Money Lending	Midland, Kohima	DUDA	25,000
	12. Kruolie Krotho	25	Money Lending	Kisubozou	DUDA	25,000
	13. Kikru Society	25	Piggery farming	Lower D.B.Iock	DUDA	25,000
	14. Thega Krotho	25	Money Lending	Kisubozou	DUDA	25,000
Zunheboto	1. Mulakiphe Society	25	Money Lending	D.C.'s Hill Zbto.	DUDA	25,000
	2. Likivipu Society	25	Money Lending	Khuwoboto	DUDA	25,000
	3. Kikivi Society	25	Money Lending	Khuwoboto	DUDA	20,000
	4. Nikuphu Society	25	Money Lending	Old Town Zbto.	DUDA	10,000
	5. Akivipu Society	25	Money Lending	Aluhuto Colony	DUDA	10,000
	6. Ache Limi Society	25	Grocery Shop	Anuiphoto Colony	DUDA	25,000
	7. Ithilu Society	25	Grocery Shop	North Point Zbto.	DUDA	10,000
	8. A Oasa Society	25	Grocery Shop	North Point Zbto	DUDA	25,000
Tuensang	1. T.S. Credit Society'B'	25	Int. Loan System	Tuensang Town	DUDA	25,000
	2. Tgnd Society 'C	25	Nil	Tuensang Town	DUDA	25,000
	3. TCS Group 'A'	25	Nil	Tuensang Town	DUDA	25,000
	4. Credit Society	25	Vegetable Shop	3rd NAP Sector	DUDA	25,000
	5. Credit Society	25	Nil	Old Medical	DUDA	25,000
	6. Beguria Society	25	Nil	Old Medical	DUDA	25,000
	7. Lolus Society	25	Nil	Old Medical	DUDA	25,000

The maximum unit cost will be Rs.50,000/ - and the maximum allowable subsidy will be 15% of the project cost, subject to a limit of Rs.7,500. The beneficiary is required to contribute 5% of the project cost as margin money.

### **Operational Details in Regard to Individual Self Employment Through Setting Up of Micro-enterprises Under USEP.**

- 3.15 (1) Eligibility: Urban poor living below poverty line in Urban area.
- (2) Family Income: Annual family income of less than Rs.11850/-
- (3) Residence: Residing in town for at least three years.
- (4) Nature of activities: Any kinds of petty business & small enterprises for self-Employment.
- (5) Project cost : Project up to Rs.50, 000/ - is under the scheme in care of individual.
- (6) Subsidy: Subsidy would be provided at the rate of 15% of the project cost subject to a Ceiling of Rs.7500/- per beneficiary.
- (7) Margin Money: Each beneficiary is required to contribute 5% of the project cost as Margin money in each.
- (8) Loan (inclusive of subsidy):. 95% of the project cost would be sanction as loan by Bank with interest.
- (9) Re-payment.: Repayment of loan within 3 to 7 years.

3.16 During the last 3 years from 1999-2000 to 2001-2002 662 numbers of beneficiaries have been selected from 5 sample Districts of Kohima, Dimapur, Phek Zunheboto and Tuensang. The Evaluation teams interviewed 89 sample beneficiaries from 5 sample districts as presented in Table 10.

### **Role of Financing Institutions**

3.17 The financial institutions play an important role in the implementation of self employment programme. The study found that almost all the banks located in town and cities were associated in extending loan to the beneficiaries. All the banks were co-operative in providing necessary information to the Evaluation teams.

3.18 The beneficiaries assisted under self employment programme were expected to get economic benefit and they are expected to repay the loan installments regularly. From Table-----it can be seen that an amount of Rs. 39, 05,730 (Rupees thirty nine lakhs, five thousand seven hundred and thirty only) was granted to the 89 beneficiaries in the five sample districts during the reference period. But it is not encouraging to see that out of Rs.39, 05,730/- only 14.42 percent could be recovered from the beneficiaries of the USEP. It can be seen from the Table that many beneficiaries are not repaying the loans sincerely .

3.19 Many of the beneficiaries are under B.P.L. Categories and they are earnestly working and functioning their units smoothly. But some beneficiaries are not B.P.L. categories and are not very sincere in running their businesses. It was reported to the Evaluation team that some of them were diverting the loan for medical treatment and other purposes. It was reported that in Zunheboto district some of the beneficiaries were summoned to police Station as the Order was issued by the administrative Department due to delay repayment. Some of the beneficiaries has suggested that the Bank authorities should issue one Account Book to them to maintain recovery, balance and interest loan granted to them to facilitate repayment of loan.

### **Granting of Subsidy**

3.20 From the Table 10 it can be seen that some of the beneficiaries were not granted subsidy of Rs.7500/- ( as in case of 3 and 8,9,10 and 23 in Kohima District.).

### **Rate of Interest Charged**

3.21 From the Table it can be seen that the rate of interest is found to be different from bank to bank. For example, Vijay Bank, Kohima charged 11% percent interest whereas C.B.I. Kohima and S.B.I. (Lerie) charged 13.5% interest. And again, Vijay Bank Dimapur charged 12% interest. So it is found that the Vijay Bank is charging different rate of interest in different places.

3.22 In Phek District, it is found that the S.B.I. Phek charged 10% interest to a beneficiaries but to some other the rate of interest is found to be 12%, 13% and 14% so the rate of interest is ranging from 10% to 14% from Bank to Bank. But the rate of interest is in almost all the Bank charged 12% interest as is seen in Table 10. It is said that the rate of interest is depending on the nature of scheme and activities which is decided by the individual Bank by its Board of Directors. Bank Branches do not have any right to decide the rate of interest.

**TABLE 10**  
**BENEFICIARIES WHO HAVE TAKEN LOAN FROM BANK UNDER USEP**  
**DURING 1999-2000 TO 2001-2002**

Sl. No	District	Name of Beneficiary	Trade & Location	Bank	Amount of Loan	Year	Subsidy	Recovery Performance	Rate of Interest
1.	Kohima	Mrs. Methathilu	Parlour 8-9 Super Market (k)	Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Nil	11%
2.	Kohima	Yau Keditsu	Cable Supply, GHS Kohima	SBI Bank M (B)	Rs. 40,000	2001	Rs. 7000	Rs. 17,000	12%
3.	Kohima	Menquzotuo-ii	M.Grocery Shop, HS Colony	Vijay Bank, Kohima Branch	Rs. 40,000	2000	Subsidy not released	Nil	12%
4.	Kohima	Mrs. Adoii Khezie	Weavina Unit, Kohima Town	Vijav Bank, Kohima Branch	Rs. 38,000	2001	Rs. 7000	Rs. 17,000	12%
5.	Kohima	Arjun Chettri	Xerox P.C.O. Unit, Chandmari	Vijay Bank, Kohima Branch	Rs. 50,000	2002	Rs. 7000	Nil	11%
6.	Kohima	Imtila	Readymade Garments	UCO Bank Kh.	Rs. 50,000	2001	Rs. 7000	Rs. 17,000	12%
7.	Kohima	Mrs. M. Avono	Stationery & Grocery	SBI Lerie	Rs. 38,000	1999	Rs. 7000	Nil	11%
8.	Kohima	Mr. Tsuknung	Opp. Yatri Niwas General Store	CBI Kohima Upper Chanemari	Rs. 50,000	2001	Rs. 7000	Rs. 17,000	12%
9.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Nil	12%
10.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	11%
11.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	12%
12.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	11%
13.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	12%
14.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	12%
15.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	11%
16.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	12%
17.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	11%
18.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	12%
19.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	12%
20.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	11%
21.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	12%
22.	Kohima			Vijay Bank, Kohima	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	11%

				Branch					
23.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	12%
24.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	1999	Rs. 7000	Rs. 17,000	12%
25.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Nil	11%
26.	Kohima			Vijay Bank, Kohima Branch	Rs. 40,000	2001	Rs. 7000	Rs. 17,000	12%

**TABLE 10 (Contd.)**

Sl. No.	District	Name of Beneficiary	Trade & Location	Bank	Amount of Loan	Year	Subsidy
1.	Phek	Smt. Zapolu	Rice Mill, Zion Colony	SBI, Phek Branch	Rs. 50,000	2001	Rs. 7500
2.	Phek	Shri Vekhosa M. New Town Phek	Electronic Shop, Zion Colony	SBI, Phek Branch	Rs. 50,000	2000	Rs. 7500
3.	Phek	Shri Vohukho	Grocery Shop, Zion Colony	SBI, Phek Branch	Rs. 50,000	2001	Rs. 7500
4.	Phek	Smti Vesapalu	Garment, Phek Town	SBI, Phek Branch	Rs. 47,000	2001	Rs. 7500
5.	Phek	Miss Soscheculu	Pan Shop Hebron II Colony	SBI, Phek Branch	Rs. 47,000	2001	Rs. 7500
6.	Phek	Ms. Diesino	Grocery Bethany II Colony Pan	SBI, Phek Branch	Rs. 50,000	2001	Rs. 7500
7.	Phek	M. Vero, Mero	Shop, Hebron I Colony Grocery	SBI, Phek Branch	Rs. 47,000	2002	Rs. 7500
8.	Phek	Mrs. Mesepre-u	Shop, Hebron I Colony	SBI, Phek Branch	Rs. 47,000	2000	Rs. 7500
9.	Phek	Mrs. Neimepepe-ii	Pan & Grocery Shop,	SBI, Phek Branch	Rs. 47,000	2000	Rs. 7500
10.	Phek	Mr. Sakhazo	Hebron I Colony	SBI, Phek Branch	Rs. 47,000	2001	Rs. 7500
11.	Phek	Mr. Kuneyi (Sakhazo)	Grocery Shop, Bethel Colony	SBI, Phek Branch	Rs. 40,000	2001	Rs. 7500
12.	Phek	Mr. Vepokhrulu	Grocery Shop, Bethel Colony	SBI, Phek Branch	Rs. 47,000	2000	Rs. 7500
13.	Phek	Mr. Venopalu	Grocery Shop, Bethel-I Colony	SBI, Phek Branch	Rs. 47,000	2001	Rs. 7500
14.	Phek	Mr. Kedutele Krone	Knitting, Bible Hill	SBI, Phek Branch	Rs. 50,000	2002	Rs. 7500
15.	Phek	Shri Shekhovi	Readymade Garment, Bible Hill	SBI, Phek Branch	Rs. 50,000	2001	Rs. 7500
16.	Phek	Mrs. Shenuzulii	Workshop, bethany II	SBI, Phek Branch	Rs. 50,000	2000	Rs. 7500
17.	Phek	Mr. Naleprachifo	Grocery Shop, Zion Colony Pan Shop, New Colony, Phek Town	SBI, Phek Branch	Rs. 40,000	2002	Rs. 7500
1.	Tuensang	Smt. Khunla Chang	Int. System, Tuensang Town	Co. Op. Bank, Tsg Br.	Rs. 50,000	2002	Rs. 7500
2.	Tuensang	Mr. L. Longri Sangtam	Steel Fabrication, Bazar 'B' Tuensang	SBI, Tuensang Branch	Rs. 50,000	2002	Rs. 7500
3.	Tuensang	Mr. Temjenmeren Sangtam	Grocery Shop, Tuensang Town	SBI, Tuensang Branch	Rs. 49,000	2002	Rs. 7500
4.	Tuensang	Ms. Mukhela Yimchunger	Piggery unit Post Office Sect.	SBI, Tuensang Branch	Rs. 50,000	2002	Rs. 7500
5.	Tuensang	Mr. Limatemsu Sangtam	Piggery unit Post Office Sect.	SBI, Tuensang Branch	Rs. 50,000	2002	Rs. 7500

### Criteria of Granting Loan to Beneficiary

3.23 The names of beneficiaries will be selected by DUDA and forwarded to bank official. The bank officials will study the viability of the scheme like flexibility of the project, capability of the borrower to meet repayment and capability of the borrower to set up the unit. After that the loan will be granted to beneficiary on 2 to 3 installment basis. Repayment of loan in 30 installments will be started after six month of final disbursement of loan.

3.24 Sometime there is difficulties and problems to give loan to beneficiaries under this programme if there is no proper address. So proper address is a must so that the bank official will not find difficulties locate out the beneficiaries.

### **Views of the Bank Officials**

3.25 View of the Bank Officials on Problems faced by them and also the suggestions for improvement in implementation were collected and presented below.

3.26 All the Bank Officials reported that they faced difficulties in recovering the loan from beneficiaries. It was said that most of the borrowers do not attend the notice served by the bank. Normally, the bank officials served demand notice to beneficiaries who failed to repay the loan. Inspire of continuous reminders, loan is not repaid. It was difficult for the bank to go in search of the defaulters

### **3.27 Suggestion made by the bank officials to solve the problem in the interest of the scheme**

(1) Beneficiaries should be properly guided that financial assistance is provided to them for their self-employment and with a view to alleviate poverty. This facility for them does not exclude them from repayment obligations towards the banks. At the screening level itself, the eligible and really intending people should be selected.

(2) The Agency must educate the beneficiaries on how to utilise the scheme properly. Orientation towards own economic activity has to be developed by the help of this programme.

(3) Before sanctioning the loan, all the beneficiaries should be motivated for the repayment of loan and also for successful implementation of their schemes

(4) There should be a Guarantor of loan for the loan sanctioned in the State, the Guarantor should be preferably be a government employee.

(5) There should be a legislative Act for easy legal action against the defaulters.

(6) Every project should be visited by DUDA and Bank officials jointly before and after sanction of loan. Recovery should be done jointly in a similar manner. Combined efforts from both the government department concerned and the bank should be

## CHAPTER 4

### IMPACT OF THE PROGRAMME

- 4.1 In order to assess the impact of the SJSRY programme of 136 beneficiaries was selected and interviewed.

**TABLE 11**  
**DISTRIBUTION OF BENEFICIARIES UNDER USEP WHO COULD NOT BE**  
**CONTINUED THE SCHEMES DUE TO VARIOUS REASONS**

Total of beneficiaries	Reasons for discontinuance	No. of failure beneficiaries	Percentage of discontinued cases
89	1. Due to poor economic condition	6	6.74
	2. Lack of market for the product	3	3.37
	3. Low income unit	4	4.47
	4. Inadequacy of loan	7	7.86
	5. Disinterest in the scheme	4	
	6. Dimension of loan for other purpose	8	4.49
	7. Other reasons	Nil	8.98
	<b>Total :-</b>	<b>32</b>	<b>35.59%</b>

**Source: Field investigation**

#### **Success and failure of scheme under USEP**

4.2 Success of a scheme depends on factors like the interest, determination and ability of beneficiary to run the scheme. For the purpose of this Evaluation study the beneficiaries who continued the scheme on the date of survey were treated as successful cases. The remaining cases were treated as failure cases.



4.3 Table 11 reveals that out of the total 89 sample beneficiaries selected for the study, 32 could be treated as failure cases. It can be seen that 6.74 percent dropped the scheme due to poor economic condition. Another 3.37 percent of beneficiary discontinued the scheme due to lack of market for the product or lack of customers to purchase the goods from them, and 4.49 percent gave up the scheme due to low income from the unit. Another 7.86 percent were compelled to give up the scheme due to inadequacy of loan and other 8.98 percent diverted the loan to other purposes. It is reported that some of the beneficiaries utilised the loan for medical treatment and construction of building. It is suggested that proper follow-up action should be taken to attend the problems of the beneficiaries after sanctioning the loan. An attempt was made to find out the reasons for discontinuance of various schemes. It is observed that misutilisation of loan and insincerity on the part of beneficiaries were the main cause of failure to continue with the scheme.

**TABLE 12**

**DISTRIBUTION OF BENEFICIARIES UNDER SJSRY WHO DISCONTINUED THE SCHEME**

SI. No.	Various Categories Under SJSRY	No. of Beneficiaries interviewed	No. of Beneficiaries Discontinued the scheme	Percentage
1.	USEP	89	32	35.95
2.	Thrift Credit Society	31	Nil	-
3.	DWCUA	16	1	6.25
	Total	136	33	

**Success and failure of Schemes under SJSRY.**

4.4 As SJSRY aims to engage the urban poor in productive, income generating activities/projects, the success of the programme can be seen from examining the number of beneficiaries who continued to reap benefit from the income generating activity for which they were assisted under the programme. Out of the total 89 beneficiaries selected for the study under USEP, 35 percent gave up the scheme due to various reasons (as mentioned in Table No.II). It is suggested that proper follow-up action should be taken to see the problems of the beneficiaries. Poor people generally have a high tendency to consume unless consumption needs are taken care of, it will be difficult to prevent division of assets for other purposes.

4.5 The Evaluation teams interviewed 31 sample beneficiaries of Thrift & Credit Society and as observed from the Table 12,100 percent of these societies were functioning till the date of survey /field visit. The Evaluation Teams interviewed 16 sample societies of

DWCUA. It was reported that all the societies except one was functioning till the date field visit ( 6.25 percent failure rate which is satisfactory, as shown in the Table 12.This shows an encouraging cent percent success rate in the Agency's urban poverty alleviation efforts through the formation of Thrift and Credit Societies. The DWACUA groups, on the basics of this analysis appear to be performing satisfactorily

**TABLE 13**

**DISTRIBUTION OF BENEFICIARIES ACCORDING TO THE EDUCATIONAL QUALIFICATION**

No. of Beneficiary	Below Matric	10+2 pass	Graduate.
136	87	44	5
Percentage: -	63.97	32.35	3.67

**Source: - Field investigations**

4.6 Table 13 shows the educational qualifications of the beneficiaries who were selected under the programme. As per the central Guidelines of the scheme, there will be no minimum educational qualification for beneficiaries under this programme. However, to avoid on overlap with the PRMY scheme for the self employment components, this scheme shall not apply to beneficiaries educated beyond the IX standard.

4.7 However, it can be seen from the Table 13 that this scheme applied to beneficiaries who has educational qualification of matric and above five of the beneficiaries selected were graduate passed and 44 of them were 10+2 passed. Thus 63.97 percent of the selected beneficiaries had read up to Class-IX and the rest had more qualifications than eligible under the scheme. It would be appropriate for the Selection Board of beneficiaries for SJSRY to ensure that guidelines are followed and beneficiaries, suitable under the eligibility criteria selected.

**TABLE 14**

**DISTRIBUTION OF SAMPLE BENEFICIARIES ACCORDING TO THE MANNER OF THEIR IDENTIFICATION**

SI. No.	No. of Beneficiaries	Manner of Identification	No. of Beneficiary	Percentage
1.	By Govt. Official	-	50	36.76
2.	By Bank Official	-	10	7.35
3.	Urban Local Body	-	44	32.35
4.	Politician	-	11	8.08
5.	By own effort	-	16	11.76
6.	Other	-	5	3.67
	Total :-		136	100%

**Source: - Field Investigations**

**Manner of Identification**

4.8 As per the guidelines, it is required that a houses-to-house survey to identify the genuine beneficiaries should be done. Community Organizers should be involved in this task under the guidance of the Town Urban Poverty Eradication Cell/Urban Local Body. Lists of beneficiaries will be displayed at the Urban Local Body Office. Top priority should be given to those who are below the poverty line. However, the laid down guidelines are not properly followed. It can be seen in Table 13 that 36.76 percent of beneficiaries were selected by the Urban Local Bodies. It is observed that 8.08 were selected by the politician. Another 11.76 percent were selected through interview/submission of application. It is recommended that the procedure of selection should be strictly followed so that the deserving poor can be selected under the SJSRY in a transparent manner.

**TABLE 15**

**BENEFICIARIES UNDER USEP WHO COULD NOT BE CONTACTED DURING THE COURSE OF FIELD SURVEY BY REASON**

Sl. No.	Reasons	No. of Beneficiary
1.	Wrong address furnished area	7
2.	Left the urban	1
3.	Other reason	1

**Failure to contact**

4.9 During the course of field survey, nine beneficiaries under USEP could not be contacted due to various reasons, seven of beneficiaries could not be contacted as their proper addresses were not recorded. One beneficiary could not be contacted as he had left the place of residence and could not be traced out. In other cases, due to shifting of location, the beneficiaries could not be located. It is reported by the Evaluation Teams that many beneficiaries and their projects could not be located in the absence of records of proper addresses of the beneficiaries.

**TABLE 16**

**DISTRIBUTION OF BENEFICIARIES BY REASONS FOR THE NON-REPAYMENT OF LOAN UNDER USEP**

Reasons for Non-Payment of Loan	No. of Beneficiaries Percent	
1. Due to negligence	4	4.44
2. Paying gradually	14	15.73
3. Scheme not running properly	20	22.47

4. No response.	38	42.69
5. Lack proper Knowledge	19	11.23

**Source: Field investigations**

### Recovery of Loan

4.10 It is not encouraging to see that out of Rs.39.05.730 only 9,63.590 i.e. 14.42 percent could be recovered from the beneficiaries under self-employment. It can be seen from Table 10 that most of them are repaying the loan very slowly. From Table 16 is seen that 15.73% beneficiaries responded that they are repaying gradually. 42.69 percent of the defaulting respondes did not explain the reasons and 11.2? percent reported non repayment due to lack of proper knowledge.

Respondent's Views on Mode of Payment of Loan 4.11 Table17 presented to show the manner for payment of loan by banks to beneficiaries 95.50 percent responded said that bank authority co-operated with them for payment of loan and only 4.49 percent said that banks are not cooperative 76.48% responded that loan is released by installment and 65.16% said that they appreciate the release of loan on the basis of installment. Only34.83% did not agree with it to far as the rate of interest is concerned, 57.30% said that the rate of interest is reasonable and 42.64% said that the rate of interest is high.

**TABLE 17**

### DISTRIBUTION OF BENEFICIARIES ACCORDING TO THE MANNERS FOR PAYMENT OF LOAN BY FINANCIAL INSTITUTE UNDER USEP

Districts	No.of Beneficiaries	Responses of Beneficiaries							
		Bank officers Co-operate during repayment of loan		Loan is released by Inst.	Whole amount	Appreciate the release of Loan on installments		The rate of interest is reasonable	
		Yes	No			Yes	No	Yes	No
Kohima	25	25	Nil	9	16	25	Nil	25	Nil
Dimapur	19	19	-	19		19	-	16	3
Zunheboto	23	23	4	18	5	23	19	3	20
Tuensang	5	5	-	5	-	5	2	4	1
Phek	17	17	-	17		17	10	3	14
Total :-	89	85	4	68	21	58	31	51	38
Percent :-		95.50	4.49	76.40	23.59	65.16	34.83	57.30	42.69

**Source: Field investigations**

4.12 An attempt was made to find out the reasons for discontinuance of various schemes. It is observed that mutualisation of loan and insincerity on the part of beneficiaries were the main causes or failure to continue with the scheme/project.

**TABLE 18**  
**DISTRIBUTION OF USEP BENEFICIARIES (WHO CONTINUED THE**  
**SCHEME) BY THEIR ANNUAL FAMILY INCOME**

Annual family	Distribution of beneficiaries who have continued the scheme Income			
	Before taking over the scheme	Percentage	After taking over the scheme	Percentage
Upto Rs, 11,850	25	43.35	10	17.54
Upto Rs. 20000	14	24.56	21	36.84
Upto Rs. 30000	10	17.54	14	24.56
30000-above				

*Source: Field investigations*

**Income of the Beneficiaries**

4.13 From Table 18, it can be seen that 43.85% of the beneficiaries had an annual income of more than Rs.11,850.

4.13 From Table 18, it can be seen that 43.85% of the beneficiaries had an annual income of more than Rs.11,850.

**TABLE 19 OF RISE IN FAMILY INCOME DUE TO THE SCHEME UNDER  
SJSRY/SUDA/DUDA**

Sl. No.	District-Wise No. of Beneficiaries	No of respondents who responded that there is improvement in.											
		Health and sanitation.		Nutrition		Housing of Children		Education of Children		Clothing of the families		Participation in social service	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Kohima-47	25	22	27	20	22	25	23	24	24	23	35	12
2	Dimapur-27	17	10	20	7	9	18	20	7	18	9	20	7
3	Zunheboto-31	10	21	15	16	10	21	12	19	9	22	15	16
4	Tuensang-14	5	9	4	10	4	10	6	8	5	9	10	4
5	Phek-17	15	2	13	4	11	6	13	4	14	3	13	4
	Total –136	72	64	69	57	56	80	74	62	70	66	93	43
		47.05	58.08	41.91	41.17	58.82	54.41	45.58	51.47	48.52	68.38	31.61	

*Source:- Field investigations*

**TABLE 20  
MANNER OF IDENTIFICATION OF BENEFICIARY WHO WERE SELECTED  
UNDER USEP**

No.of beneficiaries	SI. No.	Manner of Identification	No. of beneficiaries	Percentage
89 (USEP)	1	Govt. Official	29	31.46
	2	Bank official		
	3	Urban Local Body	36	40.44
	4	Politician	14	15.73
	5	By own effort	U	1135
	6	Other		

*Source:- Field Investigations*

**TABLE 21**  
**INFORMATION OF VISIT MADE BY THE GOVT. OFFICIALS AND OTHER**  
**AGENTS TO BENEFICIARIES DURING THE LAST3 YEARS**

Name of the Visiting agents	No.of time visited during the			
	1999-2000	2000-2001	2001-02	
1. Any Official from SUDA/DUDA	30	40	90	180
2. Any Official from financing Bank	2	7	3	12
3. Any Public leader				
4. Any local NGO agent.				
5. Other				

**Source:- Field Investigations**

#### **Effect of Rise in Family Income**

4.15 Table 19 represents the effect of rise in family income due to the scheme under poverty alleviation programme. With the rise in family income, the nutrition of food consumed, health and sanitation of family, housing condition, drinking water facilities, education of the children, clothing of the family etc. were expected to improve. 52.94 percent of the beneficiaries responded that there is improvement in health and sanitation but 47.05 percent reported that there is no improvement in health and sanitation, as seen in column 3 of the task. 58.08 percent of beneficiaries reported that there is improvement in nutrition of the food consumed but 41.91 percent of beneficiaries reported that there is no improvement in nutrition of food. Column 5 reveals that there is no improvement in housing condition. Only 41.17 percent of beneficiaries said that there is improvement in housing condition. Most of the Naga people like to take part in social activities and services. Hence 68.38 percent of beneficiaries responded that there is improvement in participation in social service and 31.61 percent gave negative answered.

#### **Identification of Beneficiary Under USEP**

4.16 The guidelines envisaged that a house- to-house survey for identification of genuine beneficiaries should be carried out. This scheme shall not apply to beneficiaries educated

beyond the IX standard. Community structures like the community development societies will be involved to select the genuine beneficiaries. List of beneficiaries finalised should be displayed at the urban local body office and also in the concerned local area. In such way only genuine person who are B P L category will selected. However, by Table 20 it is revealed that 31.81 percent of beneficiaries were selected by the Govt. Officials and in 15.90 percent of beneficiaries reported that they were selected by the politicians through their own effort/applications so it is shown that only 40.90 percent of beneficiaries were selected by SUDA/DUDA or urban local body. This indicates that the procedure of selection was violated in many cases. This might have deprived some deserving poor people from being selected.

### **Inspections & Visits Made**

4.17 Table 21 represented the information of Visits made by the Government officials and other agents to beneficiaries. It is very important to take follow-up action after disbursement of Loan and Subsidy to beneficiaries to observe how they are implementing their income generating schemes. From table 21 it can be seen that between 1999-2000 to 2001-2002 official from SUDA/DUDA made 80 visits to various trades/ ventures implemented by the various categories of beneficiaries under SUDA/ DUDA. The table reveals maximum visits were made during 2001-2002 by the officials from implementing Agency. Other Public leaders made 12 visits to beneficiaries unit. Sometimes the borrowers could not pay attention to the demand notice served to them for repayment of loan and in such cases community organizers from SUDA/DUDA used visit them for recovery of loan. Inspections /visits should not be formality, but should be constructive, purposeful and with a view to improving the working of the programme. There is a lot of scope for improving the working system of beneficiaries by providing them the right guidance through visits .

## **CHAPTER -5**

### **MAIN FINDINGS AND SUGGESTION**

#### **Mode of Selection of Beneficiaries**

5.1. Mode of Selection of beneficiary should be strictly adhere to norms and procedures as laid down in the guidelines, and list of beneficiaries finalized should be displayed at the urban local body office. Only the deserving poor people should be selected by the DUDAs involving members of Urban Local Bodies and financing bank officials To take up any income generating scheme, only the needy and ambitious beneficiaries should be selected.

5.2 However, it is revealed that some of the beneficiaries were selected with recommendation of government officials and politicians. Some of the beneficiaries were selected through their own applications. This indicates that the procedure of selection was violated. It is suggested that only deserving poor people should be selected in future be strictly following the laid down procedures for identification and selection of beneficiaries.



### **Educational Status**

5.3 This scheme is meant for those urban people who have read up to Class IX or below. But, as can be seen from Table 13 there are some beneficiaries with educational attainments beyond matric and above. Five of them were graduate but were selected as beneficiaries. It is suggested that the selected Board of SUDA/DUDA should ensure that the rules and procedures laid down is implemented for the interest of the people at large and to achieve the objective of the scheme.

### **B.P.L. Category**

5.4 In many cases it is reported that there are many people who are not under B.P.L. category but selected. Some of them were found to be in government service and earning a handsome salary but were still selected as beneficiaries.

### **Education & Training**

5.5 Education and training facilities should be given to beneficiaries before the implementation, it is important to educate the interested entrepreneur that the loan granted under USEP is not a subsidy but has to be repaid with interest. The misconception that SJSRY Loan is a financial assistance without repayment obligation should be removed.

### **Defaulter & Recovery of Loan**

5.6 The recovery of loan is very low. As there was no system of mortgage guarantor ship, recovery of loan is likely to face great set-back Unless some drastic action is initiated against the willful defaulters, recovery of loan would remain very low and unsatisfactory.

Shifting of Unit

5.7 Many ventures are not successful due to wrong selection of location of the project. Moreover the location of the venture should not be allowed to shifted to another district as it hampers supervision and timely recovery of loan.

### **Thrift and Credit Society**

5.8 Thrift and Credit Societies, consisting of 25 members have been granted a sum of Rs.25,000/- only which is 100% subsidy. Some of them utilized the money as revolving fund amongst members at local interest and other are doing farming and undertakes income generating schemes. These societies were found to be satisfactory and need to be encouraged.

### **Development of Women and Children in Urban Areas (DWCUA)**

5.9 DWCUA Groups are also women self help group societies consisting of 25 members. They were granted an amount of Rs.1,25,000/ - as 100% subsidy. They take up various profitable ventures. The Evaluation Team interviewed 17 societies from 5 sample districts head quarters and found that the amount subsidy granted to the various societies are not uniform as some of them we granted subsidy of Rs. 1,25,000/ whereas some other

were granted a subsidy ranging from Rs. 30,000/- to Rs. 1,20,000/- only. As Subsidy should be granted equally to all societies under DWCUA scheme in future to avoid the misuse of funds.

### **Organization Structure**

5.10 The Evaluation Teams found that the community organizers appointed on an ad hoc basis on a fixed pay of Rs.4000/- per month are doing commendable work. There are a lot of responsibilities to be carried out by the community organizers. As per guideline "Community organizer should as far as practicable, be a woman. She should be a full time functionary either recruited, or taken on deputation from some Government Department or employed on a contract basis."

5.11 At present there is no regular ministerial staff in the State level as well as in the District Office. Addl. Deputy Commissioner is designated as the District project officer as well as Chairman of DUDA in each District. As desired by the concerned Department it is suggested that there should be a full-time state project Director in the State Level assisted by Project officer and project Assistant and other Ministerial staff on a regular basis for better implementation of the Programme.

### **Problems Faced By Bank Officials**

5.12 All the bank officials reported that they are facing some problem and difficulties to recover the loan from borrowers. It is said that most of the borrowers do not attend the notice served by the bank. So it is recommended that combined efforts from both the Department concerned and banks should be taken and in case of default legal action should be taken for recovery of the loan. After disbursement, proper recovery and follow up should be made by DUDA/Bank. Pre-sanction inspection and post-sanction inspection should be carried out to supervise the loan parties and to ensure recovery.