

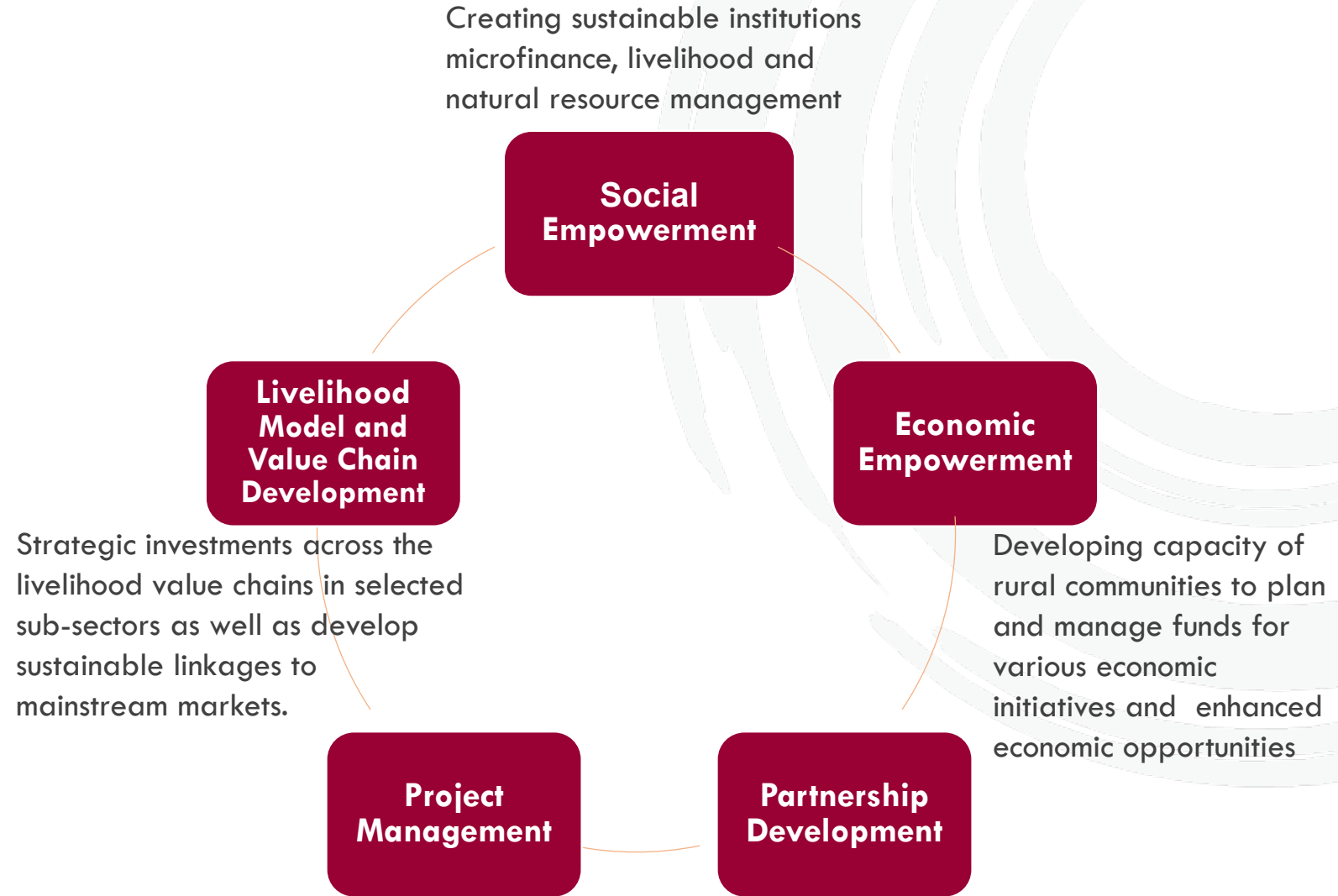
Evidence-based Policymaking for Rural Transformation: Exploring the Role of Women's Collectives and Community Participation

Findings from the North-East Rural Livelihoods Project

9th January, 2020

Overview of NERLP

- Commissioned in 2011 with an objective **“to improve rural livelihoods especially that of women, unemployed youth and the most disadvantaged, in four North Eastern States”** namely, Mizoram, Nagaland, Sikkim, and Tripura
- Since 2011 NERLP has mobilized more than 28,000 women from poor rural households into self-help groups (SHG) in its 4 focus states, 1645 villages and 58 blocks



Activities

Social mobilization and creation of market linkages

Creation of SHGs, SHG Federations, CDG, PGs and POs

Partnerships with key organizations for value chain development and new market linkages

convergence and Partnerships

Convergence resources and leverage other

Youth trainings

Registration and counselling of youth for skill and vocational trainings

Immediate Outcomes

Access to low cost credit by the means of financial inclusion

Increased investment in productive assets and higher intensity of engagement in livelihood activities

Enhanced use of improved farm inputs and production technologies

Improved access to village level critical infrastructure and better use of natural resources

Enhanced access to input and output markets

Enhanced availability of resources for infrastructure development and capacity building

Placement of youth with select employers locally and nationally

Establishment of small businesses/enterprises by trained youth

Intermediate Outcomes

Diversified and upscaled livelihood activities (both off farm and on farm including agriculture, fisheries, livestock and enterprises)

Increased employment of youth

Impact

Improved household income especially of women, unemployed youth and the most vulnerable and marginalised households in four north- east states

Research Design and Methodology

Mix method approach and Quasi-experimental design

Overarching research questions

1. What is the effect of the program in improving key outcomes? Have the target outcomes been achieved?
2. Did the program have differential impacts on different sub-samples of interest?
3. What are the reasons for attainment and non-attainment of outcome targets?

Design

The evaluation involves creation of a **matched counterfactual** using **Propensity Score Matching (PSM)** on pre-intervention variables like caste, gender, religion and other time invariant household characteristics

Creation of retrospective baseline using recall method

Challenges

1. Absence of baseline
2. Identification of comparison

Study Area and Coverage

#	Units	Project Area	Non-project Area	Total
1	States			4
2	Districts	8	16	24
4	Households surveyed (Household questionnaire)	3296	3,437	6,733
6	SHGs interviewed (SHG questionnaire)	568	0	568

Income Impacts

Average income increase is significantly higher in project areas

Population level impact on households' income (*Average treatment effect on household income due to the project using Propensity Score Matching*)

Project households have an average income increase of 17.80%* (INR 21,372) as compared to households in the non-project area at the end of the project**

- **Factors leading to impact**

- ≈ **Participation in SHG creates a significant improvement in income.**

- a. SHG households have 14%* (INR 16,221) higher income than the non-SHG households in the project area

- ≈ **Other Contributors to the increase in income of the project households:**

- a. With every loan received, households have experienced a significant increase in income of INR 15,734.

- b. Besides loans, the diversification or upscaling of livelihood activities and

- c. Access to new input and output markets also have contributed towards an increase in the household income

Income Impacts

Level of attainment of PDO and achievement of key results ratifies the theory of change

Achievement of PDO Indicator *(At least 60% of SHG households achieve a minimum of 30% increase in income in real terms by the end of the project)*

More than half (51%) of the project SHG households have experienced an increase in income of 30% or more, in real terms

- **Inclusion of poor**
 - a. 20.40 % of the poor households have experienced an income increase of 30% or more.
 - b. Increase in household income is concentrated in the bottom four deciles.

Results attained

SHGs leading the change process



Social Parameters

- **Mobilization of women into SHG** - 88% of SHG women in the project area are first time SHG members
- **Inclusive Mobilization and Outreach**
 - ≈ 86% of vulnerable and marginalized people are project beneficiaries
 - ≈ Majority of the design elements including loans, CDP usage and vocational/skill training have benefitted the marginalized sections.
 - ≈ inclusion of geographically hard-to-reach districts like Lunglei and Tuensang.
- **Investments on capacitating SHGs** - Majority of the SHGs have been training on OM, FM and BoRs; 72% of the project SHGs have achieved an 'A' Grade



Economic Parameters

- **Access to Loans**
 - ≈ **Positive story on access and repayment:** 94% SHGs have received at least 2 livelihood funds; 63% women have taken at least one loan from the SHG; 91% have paid back the livelihood loans to their federations
 - ≈ **Ubiquitous benefits:** Access to finance has impacted many economic aspects, such as upscaling, diversification and technology adoption, among others
- **Institutional sustainability of SHG**
 - ≈ About 18% of SHGs are credit linked
 - ≈ 52% of the SHGs supported by the project are institutionally sustainable

Results attained

SHGs leading the change process

Institutional strengthening through federations

- All the SHGs have been federated and operate through a set of vibrant committees
 - ≈ Executive committee and sub-committees, such as the audit committee, the procurement committee, etc.
- **Capacity building needs:** More investments of organizational management capacities is a felt need
- **Leveraging the strength of federating:**
 - ≈ Mature federations have helped develop village welfare activities, including CDPs

Creating enabling environment for women's participation and leadership

- >60% of the SHG women have reported an increased role in decision making on use of income and livelihood activities.
- 75% of the SHG women have reported enhanced mobility
- Through their participation in various institutions, women had the opportunity to support community economic development issues, engage in problem resolution and lead through various forums.

Results attained

leveraging social capital to improve livelihoods

Project has facilitated access to improved livelihood Practices, technologies and markets

- ~34% of households have adopted improved farm and non-farm technologies
- ~ 53% of the households have diversified or upscaled* their livelihood activities
- ~25% of the households have been linked to new input and output markets

Creating enabling ecosystem

- Veterinary and horticulture departments, businesses like Godrej, organizations like SESTA, the Spice Board of India, the Goat Trust, etc.
- Reinforcement of market side partnership is needed as the way forward

Results attained

leveraging social capital to create community level infrastructure investments

▪ **Community development plans and their early impacts**

≈ CDPs have been implemented in 68% of the project villages

≈ In villages where CDP is completed, 67% of the project households are using the asset created; 95% of the CDP users have reported having been benefitted using CDP

▪ **Nature of CDPs**

≈ 45% are related to water management, primarily water tanks used for irrigations. Several village-level critical infrastructures, like market sheds, collection centers, and small link roads, are also constructed under CDPs

Milk Collection Centre in Sikkim

The collection center constructed under a CDP has driven both public and private investment in the village, eventually making dairy a more profitable venture. It has help establish market linkage with the Sikkim Milk Union, helping realize better price. As the volume of milk collected at the center is increasing with each passing month, the Sikkim Milk Union has provided a bulk cooler to the center that will help them to handle bulk supply and reduce spoilage.

Lessons learnt and way forward

- **A compelling impact narrative around social mobilization, and market linkages**

- ≈ able to create strong community institutions; facilitate access to credit and provide handholding support which has led to buttressing of livelihoods.

- ≈ Working hard-to-reach geographies and varied contexts, the income change for SHG households over the baseline is substantial.

- **Intervention timelines and its actualization of impacts**

- ≈ NERLP embodied an intense formative stage, which also formed the edifice for backloaded high impact interventions like CDPs.

- ≈ Commensurate to this, while the income impacts ratifies the theory of change, it elicits design inputs to future investments

- ≈ Livelihood infrastructure investments vis-à-vis creation of strong institutions

Lessons Learnt and Way forward

Investment in capacity development

- ≈ While the federations are doing well in terms of meeting their operating costs, their capacity to manage the funds beyond the project may be limited at best
- ≈ Also given the limited skill sets of federation functionaries, they will need further training and refresher courses to expand their management capacities, especially as the members change, the funds grow and loan demand increases

Sustainability of CDP structures

- ≈ While purchase, management and maintenance sub-committees for each structure are formed, post project maintenance guidelines are less clear as most projects have not reached that stage yet

Engagement with supply side

- ≈ Given that mostly supply-side factors impacted the bank linkage, it is important to create awareness among bankers about the demand and potential in SHG lending
- ≈ The State Level Bankers' Committee (SLBC) platform also can be better used to discuss issues and create awareness among bankers at the state level



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