

Evaluation Study on Matsya Mahila Swavalambana Scheme

Fisheries Department

Executive Summary

ES-1: Scheme details

- The Matsya Mahila Swavalambana Yojane Scheme introduced during 2006-07 by the Department of Fisheries with the main objective of helping the fisher women by providing them financial support to enable to take up new post-harvest activities with no dependency on the money lenders.
- The fresh fish marketing and traditional fish processing are the preferred activity by the fisherwomen due to the high demand for fresh fish and quick return of the investment.
- The Government of Karnataka has allocated an amount of Rs.11 crores under this Scheme since inception upto 31.3.2014. The quantum of assistance per beneficiary/group has been revised upwards thrice. Currently, the maximum Revolving Fund amount is Rs.1 lakh per group or Rs.10,000/- per beneficiary.

ES-2: Approach

- TECSOK has collected details of funds allocated to the implementing agencies viz., the Department and three Federations located at Mysore, Mangalore and Karwar.
- Particulars of beneficiaries were gathered from the implementing agencies along with physical and financial assistance provided under the scheme. Performance details were collected for the period 2006-09 from the Department, which was the implementing agency till then and for the period 2009-2013 from the Federation, which currently operating the scheme.

- Field study was carried out covering a sample of 50 societies (out of 313 societies-16%) assisted by Department, comprising 141 individual beneficiaries. Further, 1428 beneficiaries covering about 10 in each of 141 SHGs coming under three Federations were also interacted during the field study. Thus, making a total of 1569 respondents for the study. Particulars were collected through a structured questionnaire.
- Focused Group Discussions (FGD) were also held at all SHGs. Opinion of officials / officers of Department, Federations and office bearers of Co-operative Societies were collected through structured questionnaires.
- The collected data was compiled, validated and analyzed for generation of the report.

ES - 4 : Performance under the Scheme

- Department has assisted 313 cooperative societies with a total financial outlay of Rs. 168.99 lakhs during the year 2006 to 2009.
- **Under Inland Fisheries** (assisted by the Department) 224 societies were assisted in 26 districts from 2006 to 2009 with a total release of Rs. 46.09 lakhs, with an average of Rs.20,576/- per society.
- **Under Marine Fisheries** 89 societies were assisted in three coastal districts, with a total outlay of Rs.122.90 lakhs, at an average Rs.1,38,090/- per society.
- Average release of assistance / society was 7 times more in coastal districts when compared to inland fishery districts.

- From 2009, the implementation of the scheme was entrusted to three federations, viz., Mysore, Mangalore and Karwar.
- During the period 2009 to 2014, allocation of funds were as follows:
 - Mysore Federation is supposed to cover 26 non-coastal districts under inland fisheries. However, the Federation has covered only 17 districts and assisted 97 cooperative societies and 42 private SHGs with a total outlay of Rs. 100 lakhs.
 - Mangalore Federation in Dakshina Kannada and Udupi districts has covered 34 cooperative societies and 775 private SHGs with a total outlay of Rs. 500 lakhs.
 - Karwar Federation has covered 34 cooperative societies in Uttara Kannada districts with a total outlay of Rs. 300 lakhs.
- Physical performance of the Federations in the last five years:
 - Mysore: Assisted a total of 190 SHGs, of which, 148 SHGs covered by 97 cooperative societies and 42 private SHGs.
 - Mangalore: Assisted a total of 2584 SHGs, of which, 1809 SHGs (through coop. societies) and 775 private SHGs.
 - Karwar: Assisted only 1989 SHGs through coop. societies and no private SHGs.
- Financial performance of the Federations in the last five years:
 - Mysore: Rs. 79 lakhs to the SHGs covered through coop. societies and Rs. 21 lakhs to private SHGs.

- Mangalore: Rs. 904.45 lakhs to the SHGs covered through coop. societies and Rs. 387.35 lakhs to private SHGs.
 - Karwar: Rs. 994.50 lakhs to the SHGs covered only through coop. societies.
- Recovery status of three federations in the last five years :
- Mysore: Against an amount of Rs. 100 lakhs disbursed, only Rs. 28.31 lakhs has been recovered leaving accumulated total dues of Rs. 71.69 lakhs.
 - Mangalore :Against a total disbursement of Rs. 1291.80 lakhs, an amount of Rs.1056.36 lakhs was repaid resulting in a cumulative due of Rs. 235.44 lakhs.
 - Karwar : Against a total disbursement of Rs. 994.40 lakhs, an amount of Rs. 807.08 lakhs was recovered with a cumulative due of Rs. 187.43 lakhs.
- Comparison of recovery by three Federations for last five years are given below:

Rs.lakhs

Name of the Federation	Capital Allocated	Disbursement	Recovery	% age of Recovery	Cum. Due	% age of Cum. Due
Mysore	100	100	28.31	28	71.69	72
Mangalore	500	1291.80	1056.36	82	235.44	18
Karwar	300	994.50	807.08	81	187.4	19

Percentage of Recovery & Due for three Federations are depicted below :

ES-3: Findings of the Study

Coverage & Profile

- During the field study respondents were asked about their opinion whether procedures were followed in selection of beneficiaries. Out of 1,569 beneficiaries contacted 63% were opined that procedures were followed in selection whereas 20% opined negatively. Remaining 17% have not responded.
- Further, respondents have also suggested to adopt some minimum criteria for selection. Of 1569 respondents 22% have given their suggestions on evolving minimum criteria for selection such as minimum period of existence, experience in handling post harvest activities, assessing repayment capacity and exposure to banks.
- During the field study, a total sample of 1569 respondents was covered. Of this maximum (33%) respondents were coming under Mangalore Federation, followed by Mysore (31%).
- Of the total respondents maximum (44%) were in the age group of 26-35 years followed by age group of 36-50 years (33%).
- On enquiry of marital status, it was reported that, 76% of respondents were married, 7% are unmarried and 17% were widows.
- With regard to social category, 17% belong to SC, 2% ST and 74% OBC. The percentage of respondents belonging to general category is just 4%.
- Highest percentage (29%) of respondents was with the education level of 1st to 4th standard, followed by 5th to 7th standard (28%). There were only a small percentage of (5%) were illiterate and 8% were with education of SSLC and above.

- Information on family size of respondents was also gathered during the field study and 48% (max.) of respondents were with family size of 2 to 5 members. 13% of respondents were with family size of 9 to 12.
- 90% of the families of respondents possess BPL Cards whereas 10% have APL Cards. Further, 77% of families procured Election ID Cards, whereas 23% possess Insurance Card.
- Of 1569 respondents except one beneficiary, all are engaged in fishery as the main activity. As a supplementary activity 530 respondents are engaged in agriculture, 664 petty business, 839 agriculture labour / labour work as a source of income.
- Income range of family were also gathered during the field study and maximum (32%) of respondents were in the income group of Rs.11,000 to Rs.15,000 followed by 25% in the range of Rs.8,000 to Rs.10,000. 15% of respondents were having income of more than Rs.25,000/-.
- On awareness of the scheme 63% of respondents revealed that they are aware of the scheme and 20% have responded negatively. No comments from 17% of respondents. Source of awareness was also asked with respondents and it was revealed that majority of the respondents got awareness of the scheme during meetings of the society. Considerable number of respondents have indicated that, source of awareness was office bearers of Co.operative societies / Federations.

Scale of Finance

- During 2006 to 2009, when Department was implementing the scheme 55% of respondents availed the annual assistance in the range of Rs.4,000 to Rs.5,000, majority of them were from coastal districts. 17% of respondents were provided with annual financial assistance of Rs.1000/-. After implementation of the

scheme was transferred to Federations, majority of the (83%) respondents were provided with the annual financial assistance in the range of Rs.4,000 to Rs.5,000 and the balance 17% were provided with Rs.5,000 to RS.10,000/- under the scheme.

- On enquiry whether assistance provided under the scheme is sufficient for meeting the minimum basic requirements in continuing economic activities, 16% of respondents have indicated that loan amount would be adequate and the balance 84% respondents indicated otherwise. Further, in Mangalore Federation 100% respondents have indicated the inadequacy of loan amount.
- 79% of respondents informed that, funds provided to them under the scheme were utilized for the purposes allowed under the scheme. 21% informed that, they have not fully utilized the loan amount to the specified purposes and a portion of loan was utilized for some other purposes like medical bills, school fees, repair of house etc., which were more emergent in nature at that point of time.
- It was revealed during the interaction that, fisher community were depending on many sources of private finances to carry out their day-to-day activities before intervention of scheme. Further, the amount of borrowing was in the range of Rs.10,000 to Rs.20,000 in case of 42% of respondents assisted by the Department. In case of respondents being assisted by Federations also the range of borrowings was same in majority cases (39%) and only 6% of respondents borrowed amount of Rs. 30,000 and above in case of beneficiaries covered under Federations. Most of respondents were dependent on hand loan or money lender thereby expose to the exploitation by them.
- In due course, respondents got awareness and exposure to various funding agencies and it was revealed that, majority of them are currently depending on

formal institutions like Bank, Federation, Cooperative Societies etc., for availing loan.

- Critical analysis was made to examine whether provisions of MMS are overlapped with any similar scheme by the Central or State Government. On prima facie no schemes by the Central / State Government exactly overlap MMS. However, there are some schemes applicable to larger group of beneficiaries, of which fisher women also have taken benefit to supplement their financial needs.

ES-4 : Opinion & Suggestions of Respondents

Respondents have offered many suggestions to improve the scheme, the important ones are as below :

- To give more publicity to the scheme for the benefit of all shareholders of the registered Society / Federation.
- To revise the selection criteria incorporating certain minimum conditions for eligibility. Say, minimum existence period, minimum experience, compulsory bank transaction etc.
- To increase the loan amount atleast to Rs.10,000 per beneficiary due to increase costs.
- To ensure sanctioning of loans within a maximum period of three months with reduced number of visits to the institutions.
- To waive off the outstanding loan amount as beneficiaries in inland fisheries are facing severe problem in repayment of loan due to non availability of tanks to carryout fishing activities.
- To adopt the system of both payment and recovery of loans through Societies as being practiced in Mangalore Federation.

- To reduce the penal interest being charged by Federation for the loan amount outstanding beyond the allowed repayment period of 10 months.
- To adopt cheque system for release of payment to the beneficiaries as being practiced in Mangalore Federation.

ES-5 : Opinion of Implementing Agency

- Implementing agencies were also interacted to gather their opinion on provisions of scheme and its implementation procedures. They have offered some suggestions, as given below :
 - To allocate more capital grant to the Federation enabling them to implement the revised loan amount with immediate effect.
 - To deploy more staff as implementing agencies are facing difficulty in monitoring the recovery mechanism due to the fact that, most of the SHGs / beneficiaries are located at remote places.
 - To adopt system of disbursing and recovery of loan through societies to avoid inconvenience to the respective Federations in monitoring and recovery of loans.
 - To make legal provisions for recovery of loans through proper procedural interventions.

ES-6 : Impact of the Scheme

- MMS has largely impacted the fisher women both in inland and marine districts. Cumulatively, around 48,000 fisher women have been covered under the scheme out of estimated size of about 1,00,000 fisher women.
- Most of the beneficiaries are happy with the scheme and it has enabled them to earn their livelihood requirements.

- The scheme has helped in shifting money lenders to formal institutions for financial needs of the beneficiaries and hence liberated from the clutches of money lenders.
- Scheme has enabled beneficiaries to take up more related economic activities along with main occupation of fishery which resulted in improving their living condition.
- Both Federation and Co-operative Societies are rendering good services in implementation of the scheme.
- Overall 79% of respondents have utilized for the purposes specified under the scheme. Hardly 21% of the beneficiaries have utilized a part of sanctioned amount for other purposes like household commodities, wedding expenses, medicine, payment of school fee, repair of house and purchase of agriculture inputs.

ES-7 : Suggestions for improvement

Based on the findings during the interaction with beneficiaries & other stakeholders and also suggestions provided by them, following suggestions are made for improvement of the scheme:

- To increase the revolving fund for better implementation.
- To maintain systematic record by the Department / Federation on receipt of the application, sanction procedures, etc., to streamline the selection procedures.
- To take care while selecting cooperative societies / SHGs based on the past experience etc., while considering the proposal and financing later.

- To follow single loan facilities to one group for avoiding repeated loan to the same group.
- To introduce a back ended component of subsidy in loan amount to help the needy beneficiaries.
- To increase the coverage of number of societies / beneficiaries especially in Mysore Federation, which supposed to cover 26 districts.
- To provide guidance by the cooperative societies to the beneficiaries in initial spade work like filing of application etc.,
- To organise orientation programme at regular intervals in each districts highlighting the objectives of the schemes and its provisions.

ES-8 : Conclusions

Based on the field study and interactions with various stakeholders following conclusions could be arrived at :

- The scheme has overall helped the fisher community in improving their socio-economic conditions. The scheme has covered about 48% of total active fisher women existing in the State.
- The amount of loan was utilized for the purposes for which it was sanctioned in most of the cases.
- Scheme has helped in shifting from money lenders to formal institutions for availing financial assistance to carry out the activities and hence liberating beneficiaries from the clutches of money lenders.
- Transparency is maintained to the maximum possible extent in identification of beneficiaries and release of funds.

- Implementing agencies are taking maximum effort to identify needy beneficiaries focusing on socially deprived and under privileged families like SC, ST, Minorities, widows, BPL etc.
- Loan amount is inadequate to carry out the specified activities due to increased costs. Beneficiaries are integrating the assistance under various eligible schemes with MMS to maximize the benefits.

ES : 9 – Recommendations

Based on the findings, suggestions and conclusions during the study, following recommendations are made:

Short Term

- To provide more publicity to create awareness about the scheme which will help wider coverage of eligible beneficiaries.
- To revise eligibility criteria for selection to ensure that only needy beneficiaries will get the advantage of the Scheme (proposed criterias like fixing minimum duration of SHG, experience, activity proposed, bank transaction & repayment capacity).
- To provide both original and revised scheme guidelines to the Taluk level officers to ensure the monitoring of the Scheme.
- As the scale of finance has been increased, the department needs to be made responsible for overall supervision and monitoring of the scheme at Taluk/district level.
- Entrepreneurship Awareness programme at Cooperative society level before the release of funds, similar to that of the PMEGP Scheme, will definitely prove to be useful for the SHG members.

- To maintain uniformity in procedural aspects for smooth and meaningful implementation of the scheme across the State.

Mid Term Recommendations

- To encourage Self Help Group for extending financial assistance through their respective Co-operative societies.
- To allocate more capital grant to the Federations, to implement the scheme as per revised GO with immediate effect or the implementing agencies are allowed to cover lesser number of beneficiaries / groups in proportion to the available fund.
- To come out with One Time Settlement (OTS) mechanism for addressing the issues pertaining to defaults due unavoidable circumstances.
- To consider the suggestions of transferring the responsibility of implementing the scheme, from the Mysore Federation to the Department to ensure better implementation (The reasons are highlighted in the general observation of Chapter – 13).

Long Term Recommendations that need Policy Intervention

- To increase the loan amount based on the needs of the respective activity pursued by the beneficiaries.
- To consider increasing budget allocation for federation to coverage more beneficiaries and areas.
- To create a separate cell in the department for effective monitoring the implementation of the scheme enabling corrections that may be required.

In a nutshell, scheme may be continued by implementing the suggestions wherever feasible after due deliberations.

Suggestions for Improvement

Need for continuation / discontinuation of the Scheme with or without modifications.

- ▶ The scheme needs to be continued with increased revolving fund.
- ▶ A schedule for receipt of application, scrutiny, sanction and release of loans in a financial year need to be prepared and followed strictly by Department / Federation.
- ▶ Repeated visits by the applicant to federation need to be stopped by sending communication periodically as per the schedule.
- ▶ Care should be taken while selecting Cooperative societies / SHGs based on the past experience engaged in similar activities.
- ▶ The difficulties faced by the beneficiary need to be taken into consideration by federation officials and the same may be intimated to the Head Office for necessary changes in the future practices.
- ▶ Single loan facility to one group may be followed by avoiding repeated loans to the same group.
- ▶ The subsidy may be introduced in the Scheme to help the beneficiaries.
- ▶ As Mysore Federation covers maximum number of districts when compared to Coastal Districts, there is need for intensive advertisement regarding the Scheme by the societies in order to increase the coverage of number of societies / beneficiaries.
- ▶ Cooperative Societies may be involved for providing guidance, selection of related IG activities, and filing up application, suggesting

alternative Income Generating Activities, and providing consultancy to the eligible candidates.

- ▶ Awareness program for the beneficiaries (both new and existing) at regular intervals may be organised in each district highlighting the scheme objectives, responsibilities of the beneficiaries, repayment of loans, maintenance of records, Savings, managing group funds, consequences of becoming defaulter, management of finance and enterprise.
- ▶ Orientation programme for the office bearers of Co operative societies/SHG's to be more of user friendly, less cumbersome and service provider in formation of Taluk level Federation, indentifying new Income Generation Activities related to post harvest, etc.,
- ▶ Involvement of Research /Academic institutions/collages related to fisheries in identifying newer IGA's at coastal belt where beneficiaries of MMS are highest.
- ▶ The federations do not have any yardstick to assess the background of the Co-operative Societies, percentage of defaulters' in the co-operative societies and the capacity of the SHGs while financing later. Hence, care shall be taken by the federations, before considering the proposal of such co-operative societies.
- ▶ Strengthening of Co operative societies is essential in case of Karwar and Mysore
- ▶ Follow up & immediate action for recovery by the department& Mysore federation is required.

- ▶ Cooperative societies need to facilitate prospective beneficiary groups by arranging counseling through appropriate NGO(s) in the selection of viable IGAs depending on local resources & demand. suggestions
- ▶ Entrepreneurship Awareness programme at Cooperative society level before the release of funds, similar to that of the PMEGP Scheme, will definitely prove to be useful for the SHG members.
- ▶ Training input may also include entrepreneurship development aspects, so as to encourage trainees to take-up self-employment.
- ▶ The post harvest activities which have good demand currently may be identified to provide training to the group members to take-up IGAs / self-employment enabling them to earn their livelihood.
- ▶ Modifications made in the original scheme should be systematically & precisely brought to the notice of all concerned including the ADF's at Taluk level to ensure the monitor of the scheme.
- ▶ Integrate the micro credit linkages with MMS Scheme (particularly in coastal districts) in order to facilitate & empower the beneficiaries to take up IGAs on a viable & sustainable basis.
- ▶ The government can reconsider the method of being continued in extending assistance to private groups.
- ▶ With the scale of finance increased, the department needs to be made responsible for overall supervision and monitoring of the scheme at Taluk/district level.

The SHG approach is always advantageous as the groups are small in number and members have the same social and financial background. This makes it

easier for the members to interact freely with each other while discussing problems and also to take up thrift and internal lending activities.

The habit of small savings by the members and deposit in the Banks will build confidence in linking groups with micro credit schemes for income generation activities. The group is collectively responsible for the repayment of the loan. This enables the members to exert moral pressure on peers who borrow. And, thus implementing agencies will get a much better and timely repayment from the SHGs/beneficiary groups.

Whereas, in case of assisting individual beneficiaries recovery mechanism is very difficult as they are scattered and not easy to access. There will not be any mutual help forthcoming in case of defaulters and thus the default will become chronic in due course.

The lending to SHGs will also help in linking of SHGs to Bank borrow later under micro finance. Gradually, such groups could be dis-associated from the MMS assistance and new groups could be encouraged and supported under MMS.

With the above facts, it is better to sanction RFA to the SHGs than to the individual beneficiaries.

Conclusions & Recommendations

Conclusions

- The Scheme is fulfilling the objective by and large and the impact has been positive.
- The scheme has overall helped the fisher community in improving their socio-economic conditions.
- The scheme has covered almost 48% of active fisher women and impacted their living condition.
- The amount of loan was utilized for the purpose for which it was sanctioned in most of the cases.
- Scheme has helped in shifting from money lenders to formal institutions for availing financial assistance to carry out the activities and hence liberating beneficiaries from the clutches of money lenders.
- There is transparency in identification of beneficiaries and release of funds.
- Implementing agencies are taking maximum effort to identify right and needy beneficiaries focusing on socially deprived and under-privileged families.
- Loan amount is inadequate to carry out the specified activities due to increased costs.
- Care should be taken while selecting the societies based on the past experience, engaged in the type of activities, ability to guide and handle the beneficiaries to operate the Scheme.

- Beneficiaries are integrating the assistance under various eligible schemes with MMS to maximize the benefits.
- There is a general feeling among the beneficiaries of inland Districts that the loan sanctioned under the Scheme need not be repaid and will be written off subsequently.
- Implementing Agencies can create awareness among the beneficiaries about the responsibility of the borrower to repay the loan in time and consequences of default due to non-repayment of loan.
- Beneficiaries selected under the Scheme to be given orientation programme on entrepreneurship & management of Small business.
- Lack of proper infrastructure (viz., shortage of supporting staff for visiting the assisted units for monitoring & recovery) at District level has resulted in poor follow-up, recovery and in enhance the coverage of new Societies/ Groups by the Mysore Federation.
- Scope for encouraging and supporting only to the SHGs rather than individual beneficiaries for smooth and effective implementation of the scheme.
- The original guidelines & modifications made in original Scheme guidelines should be systematically & methodically brought to the notice of all concerned including the ADF's of Taluks.

Recommendations

Short Term

- To provide more publicity to create awareness about the scheme which will help wider coverage of eligible beneficiaries.
- To revise eligibility criteria for selection to ensure that only needy beneficiaries will get the advantage of the Scheme.
- To streamline the procedure for effective, smooth and meaningful implementation of the scheme.
- To provide both original and revised scheme guidelines to the Taluk level officers to ensure the monitoring of the Scheme.
- To review the progress, Project Monitoring Review Committee (PMRC) could be constituted.

Mid Term Recommendations

- To adhere to the concept of Self Help Group and channelizing the funds to them by the Co operative societies.
- To allocate more capital grant to the Federations, to implement the scheme as per revised GO with immediate effect or the implementing agencies are allowed to cover lesser number of beneficiaries / groups in proportion to the available fund.
- To come out with OTS mechanism for addressing the issues pertaining to defaults due unavoidable circumstances.

- To consider the suggestions of shift the responsibility of implementing the scheme from Mysore Federation to the Department to ensure better implementation.

Long Term Recommendations that need Policy Intervention

- To increase the loan amount based on the needs of the respective activity pursued by the beneficiaries.
- To consider increasing budget allocation for federation to coverage more beneficiaries and areas.
- To create a separate cell in the department for effective monitoring the implementation of the scheme enabling corrections that may be required.

In a nutshell, scheme may be continued by implementing the suggestions wherever feasible after due deliberations.