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**Performance and Audit of Income Generation Activity for Livelihood
(Funded by Dewan Foundtion at Hazaribag through Pradan – A Report)**



Members of SHGs participating in a meeting with project team and expert at Bela

Society for Education and Economic Development

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Performance and Review of Working of Dewan Foundation Project at Pradan, Hazaribag, Pradan – Stands for Professional Support for Development Action

It is a voluntary organization established in the year, 1983 in Delhi under Societies Registration Act.

The Approach of Pradan is four pronged for Development:

- Promoting and nurturing Self-Help Groups (SHGs) of poor women and strengthening them as organisations to leverage institutional finances for members' livelihoods.
- Developing and introducing locally suitable economic activities to increase productivity and incomes among SHG members; building synergic collaboration with a wide variety of stakeholders.
- Mobilising finances for livelihood assets and infrastructure from government bodies, donors, banks, and other financial institutions.
- Setting up mechanisms to sustain the livelihood gains made by the poor communities.

PRADAN has resolved to reach out to 1.5 million poor people in the next 10 years as a part of its vision, PRADAN 2017.

PRADAN has 228 professionals. They are divided into 41 teams, work with over 206,298 families in 4,138 villages across eight of the poorest states in the country. A majority of the families that PRADAN works with belong to the Schedule Tribes and Schedule Castes.

Self Help Groups : Hazaribag

It has 286 members in self help groups in Hazaribag, Jharkhand working on poultry farming. There are other self help groups located in other parts of the country

namely, Deogarh, Dholpur, Dumka, Godda, Keonjar, Kesla, Khunti, Bokaro, Tikamgarh, Dnodori, Bankura and Rajgarh.

Dewan Foundation Funding

Dewan Foundation under its scheme of loan funding for income generation for livelihood to members of self help groups has provided a sum of Rs. 1,11,60,250 in the year 2006-07. Of this amount Pradan distributed Rs. 57,97,624 in this year. Rs. 72,40,40,51 in the year 2007-8. It also received Rs.18,77,905 from the Dewan Foundation during this year. Of this amount Rs.60,00,000 were given to Hazaribag self help group activities. In the year 2008-9 it distributed 81,91,634 and had a sum of Rs. 30,04,535 as closing balance. In the year 2009-10 it distributed 24,53,502 and had closing balance of Rs.47,53,964. In the year 2010-11 it distributed 74,60,755 and balance of Rs. 6,47,195.

(Amount in Rs.)

Year	Amount	Amount Disbursed	Balance Amount
2006-07	1,11,60,250	57,97,624	53,62,626
2007-08	18,77,905	72,40,531	-
2008-09	1,11,96,169	81,91,634	30,04,535
2009-10	42,02,951	24,53,502	40,53,964
2010-11	33,53,986	74,60,755	6,47,195

Loan disbursement and Repayment for the year 2010-11 is as follows:

(Amount in Rs.)

Year	Opening Balance	Amount Disbursed	Amount Repaid	Balance
2010-11	1,11,63,387	74,60,755	33,53,986	1,54,70,156

The amount disbursed is less than the amount given by the Foundation. Savings and details of loan payment by individual borrower is not available.

Funding Provided to Hazaribag Project

Of the total amount of Rs.1,11,60,250 in the year 2006-7 a sum of Rs. 800,000 were given to project at Hazaribag in the year 2008-9 and another Rs. 60,00,000 were given in the year 2008-9 . Further a sum of Rs. 4,30, 000 were given in 2010-11. Thus total of Rs. 72,30,000 were disbursed for the Hazaribag project. The project relates to proving funds to members of self help group for poultry Farming.

Hazaribag Poultry Farming Project

There are 286 members in self help groups in Hazaribag. It is stated that a sum of Rs. 68,00,000 has been disbursed through Self Help Groups. On average it is said that on average a sum of Rs. 23,700 is given to each member as loan funding.

The Poultry Project

Pradan has formed a Pproducers' Company under the title of Hazarbag Mahila Grameen Poultry Producers Company Ltd. and registered it under companies Act. Members of self help groups are members of this Company. Members have taken loan from the Dewan Foundation Funding and authorized this company to repay loan. All members have signed the papers authorizing the Company as well as loan papers.

Operation of Project

Poultry Sheds have been provided by the State Government Funding. Government Provided a sum of Rs.17,000 for sheds and Rs. 5000 towards equipment. Actual Cost of Shed + Equipment is stated to be Rs.35,00,00. There is a deficit of Rs. 13,000 which is stated to be met out of member's contribution. Remaining amount Rs 10,700 is stated to be working cost per shed. This amount is met from loan funding from funds provided by Dewan Foundation. Pradan stated to have help building 600 shed from the funding by the State Government and from various scheme of Govt. of India.

How Things Work

Producers Company purchases broilers and they are given to members of Self Help Groups having Poultry Sheds. Feed and know how to grow broilers as chicken with certain level weight is given to members of SHGs. From time to time support is being provided by veterinary doctor who is also officer of the company and staff of Pradan. After six weeks or so when broilers are developed as chicken they are being sold by company to buyers. Purchase order is received by company keeping in view rate in the market. Company then directs buyers to collect from a particular SHG member from the shed. Some time gap is given and same cycle is repeated. It is stated each member is able to earn about 3500 or so for each package sales of chicken. By that means a SHG member can earn about Rs. 21,000 annually, assuming six cycles of production in a year. This is an additional income for house hold by the member of SHG. The nature of rearing and care is such that broilers have to be attended three to - four times a day. This is done by member or any of her family members. As far provision of feed is concerned Pradan has set up another company which supplies feed for broilers to SGH members.

Visit to the Hazaribag Project

Visit to Hazaribag project was done by Dr. G. D. Sharma after having discussion with local office at Delhi. He was helped by Mr. Jha and other staff at Hazaribag. Mr. Jha and his colleagues at Hazaribag provided valuable information and taken him to project sites at Mahua Tand, Barhi, Champadih, Padma and other project sites

Observations of Site Visit

- Mahua Tand was visited in the evening. All the available sheds in this village was visited. Some of them had broilers being reared. Yet, some other had just finished cycle and a few of them were not in use for some months. Every shed has a mention of Dewan Foundation in Hindi with same colour and style of letters. They appeared to have been written before the visit of the expert. Since sheds were built with the help of State Govt. it was not appropriate to mark it for Dewan Foundation alone. At the best it could have been said that with the joint support of State Government and Dewan Foundation. Discussion was held with the women members of self help groups at Mahua Tand and Bela . At Mahua Tand some were doing well. Some had some problems relating to repair of sheds and operation of sheds for quite some time. Yet, others were doing the work as suggested by professional from Pradan and Veterinary doctor of the company. To understand operation of company and their position in the company, loan taken, repayment of loan and interest paid was not known to many in Mahua Tanda as well as in Bela. Some persons in Bela did mention about loan taken, but they were not sure of interest paid and loan repayment.



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दीवान फाउंडेशन
कलावती देवी
बेला







Members of Self Help Groups at Below. Above a women member at Mahua Tanda,
Poultry rearing at Mahua Tanda and Bela.



Professional Team of Pradan and Veterinary Doctor from the Company in meeting at Bela



A shed under construction at Bela

Observations:

The following observations can be made about operation of project at Hazaribag:

1. Pradan has been able to mobilize very backward region and provided opportunity of income generation for livelihood through women members of SHGs.
2. Support provided by the professionals in rural backward and tribal areas is praiseworthy.
3. Working of project here is somewhat different from what is observed elsewhere with regard to income generation activity by members of SHGs for livelihood.
4. Although members have taken loan and signed the papers, but they are not aware of any interest nor repayment of loan.
5. The scheme started in the year 2008 many members were given loan during that period. But repayment or interest to that effect did not start till 2010. Only in 2010-11 some repayment is shown against the members. But no interest amount, amount of saving and inter/ intra group(s) loaning seems to be existing there.
6. Though company was authorized to repay installment, but no installment against the member has been paid till recently.
7. Funds given by Dewan Foundation seems to have gone to company to run the project and members have largely worked for receiving certain amount of income as and when Chicken developed in their shed are sold.
8. It is not clear how share value to each members have been assigned by the company.
9. There is a risk, if due to some bird flu loss occurs there is no saving on which operation can be restarted. Matter was discussed with Veterinary doctor, who is CEO of the company and representatives of Pradan regarding the capitalization, repayment of loan, so that value of share could be known to member of SHG. During the year 2011 it is said a sum of Rs. 8 lakhs is being repaid through Pradan by the company. How reduction in liability of each member has taken place is not known to members. In fact company has to work out and inform the members of SHG about loan repayment and value of their share held with their own and with loan funds.

10. Meetings of SHGs are held; some issues of social values is discussed, but general empowerment as part of group needs to be enhanced.

The following may be recommended for revamping the working of project:

1. Members of SHGs should be fully made aware of concept of Self Help Group and encouraged to save money, may be very small amount so that over a time the group has some capital for inter and intra -group loaning at a very reasonable rate. This could be done, when sale of chicken takes place and they are paid some amount towards their contribution.
2. Members of SHGs may also be asked to repay loan, may be very small amount so that at the end of a period share value can be their own. Some may pay more and regularly, their share value would be higher. Although, these operations taking place in accounting form at the Company may be fine, yet informing the members and imparting sense of ownership is very important.
3. Owing to possibility of bird flu and fluctuation in market price of chicken, there is strong need of risk coverage. This could be possible through setting aside some part of profit as risk fund so that livelihoods of members are not adversely affected during time of their need.

Pradan is doing very important work in very difficult areas pertaining to enhancement of opportunity for income generation for livelihood of women. What it needs is to launch second level of development activities and empowerment of women so that they carry out their livelihood activities on their own and thank Pradan for making them self reliant. This stage is somewhat distant, but Pradan has to work towards this to cover the distance in the empowerment of women of least means.



Broiler under the process of becoming chicken