

राष्ट्रीय कृषि और ग्रामीण विकास बैंक
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

Study Proposals on Microfinance

Proposals are invited from recognized research institutions for undertaking sponsored research studies for NABARD on various topics relating to microfinance. The studies need to be conducted keeping in view the development perspective of micro finance in India.

1. Eligibility

- Universities, approved research institutions, organizations, business schools of repute and other research agencies,
- The agency must have completed 3 years of existence,
- Engaged in research work in rural development / social sector/ micro finance,
- The Principal Investigator must have research experience of at least for 7 years in rural development/ social sectors.

2. Time Schedule for submission of application :

Hard copy of the completed proposal as per format at Annexure I has to be forwarded to “The Chief General Manager, Micro Credit Innovations Department, 4-D, C-24, G Block, NABARD, Head Office, Bandra Kurla Complex, Bandra (East), Mumbai 400 051”. The applications (hard copies) completed in all respect should reach the mentioned address on or before 14 August 2015. Soft copies of the proposal may also be sent to mcid@nabard.org.

3. Themes

- A. Impact & Sustainability of SHG BLP in India
- B. Status of Matured SHGs
- C. Status, progress and challenges to SHG-BLP in NE states – Way forward for Microfinance
- D. Comparative study on Livelihood models for SHGs

The agency may submit proposal for one or more from among the above mentioned four themes. The proposal for each study has to be submitted separately.

The studies may cover the Terms of Reference (TOR) on the themes as indicated in Annexure II. The issues are mentioned broadly and researchers may cover other relevant aspects on the theme.

4. Methodology

The study should be based on empirical facts (i.e. analysis of primary data collected by the agency through sample surveys, analysis of secondary data, and supported by adequate review of literature). Except some part of survey works for data collection, the study cannot be outsourced by the agencies partly or entirely. NABARD may choose to be associated in studies at appropriate stages by involving its officers in suitable manner.

5. Selection Procedures

The applicant needs to submit the proposal in prescribed application format (Annexure I). The proposals will be examined in terms of objectives, research methodology suggested, coverage, budget proposed, etc. of the study proposal. Agencies shall be shortlisted on the basis of technical parameters like reputation of institutions, merit of study proposal, past experience and expertise of the agency as well as Principal Investigator (PI) of the study, and financial parameters. A few agencies with most appropriate proposals shortlisted based on the above parameters may be invited to present the approach for the study before a Screening Committee in NABARD, HO, Mumbai. Based on the merit and appropriateness of the proposals, agencies will be selected for awarding the studies. NABARD reserves the right to (i) invite applications directly from agencies of its choice, and (ii) cast-off any/all proposals based on its own set criteria without assigning any reason for it. NABARD's decision in this regard will be final and no further correspondence will be entertained.

6. Duration of the Project

The study has to be completed in all respect within 6 months from the date of acceptance of the offer/terms and conditions of the project. The agency has to submit the draft study report well in advance for vetting by NABARD. Extension of time period will not be allowed under any circumstances.

7. Final acceptance of the Report

The draft report will be reviewed by the experts (internal/external) and comments will be communicated to the agency for incorporating and modifying the report. The agency may be asked to present the modified report in NABARD before the Screening/Expert Committee which will finalize the report/or suggest further modification for refining the report.

8. Budget and Release of fund

- The applicant may submit a realistic budget along with the application and proposal for the study. The budget must be acceptable to NABARD for award of the study.
- On acceptance of the terms and conditions of the study, 25% of the sanctioned amount will be released to the agency, as advance payment. The remaining amount will be released in instalments @ 25% after successful completion of the field study, 40% on acceptance of draft report and the remaining 10% after accepting the final report by NABARD.
- If the revised draft report is not acceptable to NABARD and/or not found satisfactory, the remaining instalment will not be released to the agency. Further, the agency has to refund the entire amount released in case of not submitting the report to the satisfaction of NABARD or failure in submitting draft report of the project in time or abandoning the project before completion.
- The agency has to ensure that the Principal Investigator identified for the study is not changed till the study is completed in all respect. If at all it is essential to do so then the agency has to seek prior approval of NABARD.
- NABARD will pay the travel costs of the Principal Investigator (airfare in shortest route in economy class and eligible taxi fare) in case of pre-sanction presentation and presentation of draft report (on reimbursement basis).

9. Responsibilities

- The agency awarded with the study has to accept the terms and conditions of the project within two weeks of the receipt of the offer letter. The date of acceptance of the offer may be considered as the date of commencement of the project. The agency has to adhere to the time schedule as approved for the study.
- Monthly Progress Report (in addition to ad hoc progress reports) of the study has to be submitted to NABARD regularly, within 5 days of completion of respective period.
- NABARD shall have the sole right to use the report or results of study for its internal use, for training purposes and/or any other manner/purpose it likes.
- The agency and /or the Principal Investigators or others associated with the study shall not publish the report or the results of study project without obtaining written permission from NABARD.
- Any statutory obligation arising out of the study Project / Programme, such as payment of income tax, etc. shall be the exclusive responsibility of the agency. Exemption, if any, is required to be sought by the agency from the competent authority and file the certificate of exemption with NABARD to avoid deduction at source. The details of this may be stated in the proposals.
- NABARD retains the right to withdraw the sanction and recall the amount released in case of non-starter projects or in cases of unsatisfactory progress.

ANNEXURE I
Format for Application for Study on Micro Finance during 2015-16

1	Title of the study	
2	Name of the agency and address	
3	Status of the applicant <i>(indicate nature of organisation, the legal status, mandate, main activities, etc. Copies of Registration. Certificate, Annual Reports for last three years, detailed list of studies/projects conducted by the agency during last three years), details of studies/ projects conducted under micro finance</i>	
4	Details of Principal Investigator (PI) <i>(Attach a brief bio-data indicating name, designation, contact details, qualification, specialised area, experience, important publications, research projects / schemes undertaken/ being carried out, etc.)</i>	
5	Details of important research projects / schemes carried out by the PI and the agency with financial support from various agencies / organisation, including NABARD.	
6	Name / designation of other research staff to be associated with the project <i>(Attach a brief bio-data indicating his/her qualification, specialised area, experience, important publications, important research projects / schemes undertaken, being carried out, separately for each person.)</i>	
7	Availability of technical staff and infrastructure in the agency to undertake the proposed project	
8	Study Proposal details <i>(two copies of self-contained detailed approach paper including background, problem of study, objectives, hypotheses, detailed research methodology, chapterisation, team composition, duration, detailed budget, and other relevant particulars on the topic of study may be submitted)</i>	
8.1	Objectives of the Project <i>(should be precise, problem oriented and achievable within the specified period of time. The assumption made and a clear-cut formulation of the basic hypothesis to be tested also be given. Details may be given in the proposal)</i>	
8.2	Design of Study, methodology to be followed and sample size : <i>(methodology and design with sketch of field visits proposed, data to be collected, statistical analysis proposed, etc. Precise plan for on sample size, area coverage, etc. are to be given. Details may be given in the proposal).</i>	
8.3	Arrangements for analysing and processing the data.	

9. Work plan

Sl. No.	Items of work	Month1	Month 2	Month 3	Month 4	Month 5	Month 6
1							
2							
3							
4							
5							

10. Financial aspects

Sr. No	Particulars	Month1	Month 2	Month 3	Month 4	Month 5	Month 6
1	Salary / Honorarium (pl give details)						
2	Travel cost / data collection (pl give details)						
3	Stationery, typing, printing, etc.						
4	Contingencies (pl specify)						
5	Other (pl specify)						
	Total						

11. Any other details, relevant to the project :

1. *Signature*

Name and Designation

Date :

(Principal Investigator)

2. *Signature*

Name and Designation

Date :

(Head of the Institution)

ANNEXURE II

Terms of Reference for Studies

A. Impact & Sustainability of SHG BLP in India

1. Scope : The study would be conducted in representative states having high density of SHGs. This would be a study to understand the niche developments under SHG Bank Linkage Programme (SHG BLP) in the country over the years. The study may be conducted in Six states viz. Karnataka, Maharashtra, Andhra Pradesh, Odisha, Uttar Pradesh and Assam. Two districts, one ‘less developed’ and another ‘developed’ with respect to data on development indices and having sufficient bank linkage of SHGs, may be selected from each state for in-depth analyses.

2. Time Frame: Six months

3. Important aspects to be studied:

- i. **Status of SHGs :** Regularity in meetings, thrifts, book keeping, internal lending, bank linkage, repayment, factors influencing repayment rates, livelihood activities, formation of JLGs, individual banking, micro insurance, micro pension, adoption of new age banking technology, coverage of members under PMJDY and PMJSY.
- ii. **Capacity Building:** Adequacy and efficacy of training, capacity building, skill development initiatives for SHG members as well as stakeholders, micro entrepreneurship development programmes, livelihood programmes, etc.
- iii. **Impact Assessment:** Impact of SHGs on economic activities, household welfare and social empowerment of members. *Pre and post* SHG membership as well as *with & without* approach may be adopted for impact assessment.
- iv. **Comparative Analysis :** Comparative analysis of the quality, standards and best practices of SHGs promoted by different types of SHPIs; MFI-SHG Linkage vis a vis SHG-Bank Linkage, why SHG members borrow from MFIs even when SHGs are well linked with bank, etc.
- v. **Role of Banking Institutions:** Bankers’ perception and support for SHG, JLG, microfinance; credit linkage, banker SHG relationship, etc.
- vi. **Dormancy and sustainability issues :** Nature and extent of dormancy in SHG BLP, reasons for dormancy, incidence of dormancy, scope for revival of dormant SHGs, the problems and prospects towards sustainability of SHGs.
- vii. **Role of stakeholders:** Role and capability of SHPIs, SHG federations & other stakeholders.
- viii. Recommendations, Strategies and Policy takeaways.

B. Status of Matured SHGs

1. Scope : The study would analyze the antecedents of mature SHGs. Mature SHGs which are more than three years old only be selected as sample for the study. SHGs may be categorized into 3 - 5 years, 5- 7 years & more than 7 years old and examined separately. The study would be conducted in four states viz. West Bengal, Tamil Nadu, Jharkhand and Rajasthan.

2. Time Frame: Six months

3. Important aspects to be studied:

- i. **Functioning of SHGs :** Conduct of regular meetings, decision making process, patterns of savings, book keeping, internal and external lending, maintenance of bank accounts, rotation of leadership, does mutual trust levels decline when savings and loan size increases, etc.
- ii. **Trends and pattern of credit flow :** Credit received by SHGs from different financial institutions; timeliness & adequacy of credit flow; repayment pattern and behavior; default and NPAs if any and reasons there of; managing credit risks, impact of credit linkages & repeat loan, why repeat loan ratio is low, etc.
- iii. **Livelihood activities :** Nature, pattern and suitability of livelihood activities of SHG members; income effect and social effects of livelihood activities; institutional developments like JLG / Producers group/ company/ cooperatives to undertake any economic activity;
- iv. **Hand holding of SHGs :** Nature and extent of hand holding by SHPIs, banks, MFIs, State Govt, etc.; capacity building, skill development of SHG members & stakeholders; skill gaps; availability, timeliness and adequacy of backward and forward linkages.
- v. **Community development:** Role of matured SHGs in community development – social empowerment, literacy, sanitation, health, etc.; liaison with govt. departments, service providers, civil society organizations, PRIs, etc.
- vi. **Use of technology** based services like mobile banking, online banking, POS, KCC, GCC, ATMs, internet, computerized book keeping, etc. by SHG members.
- vii. **Dormancy and sustainability issues :** Nature and extent of dormancy in SHGs, reasons for dormancy, incidence of dormancy, scope for revival of dormant SHGs, the problems and prospects towards sustainability of SHGs.
- viii. MFIs vis a vis SHG Bank Linkage – the problems and prospects;
- ix. Recommendations, Strategies and Policy takeaways.

C . Status, progress and challenges to SHG-BLP in NE states – Way forward for Microfinance

1. Scope : The study would be conducted in North Eastern states with a view to understand the problems and prospects of SHG –BLP and the opportunity for microfinance interventions in the region. The study would be conducted in Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura (all North Eastern States other than Assam and Arunachal Pradesh). Two districts, with comparatively high density of SHGs, one from plain region and one from Hill region, from each state may be selected for in-depth analysis. The report has to be prepared separately for each state.

2. Time Frame : Six months

3. Important aspects to be studied:

- i. **Status of SHG BLP in NER**, nature and extent of thrift, internal lending, book keeping, livelihood activities, social activities, dormancy of SHGs, etc.
- ii. **Presence of good and committed SHPIs** in the region, identification of support structures and other programmes like NERLP, NERCORMP, MRDS, etc.
- iii. **Reasons for slow growth of SHGs and other challenges to SHG BLP** like minimum membership, social structure, education, financial literacy, etc. in NE States – region wise/State wise. Suitability of SHG-BLP model in NE states.
- iv. **Nature and extent of training, capacity building and other supports** for SHG members, SHPIs and other stakeholders; efficacy of capacity building programmes; methodology followed for training and capacity building programmes; assessment of gaps.
- v. **State government’s initiatives** for encouraging SHG BLP; impact of such initiatives – state wise and region wise. Status of NRLM in NE states in terms of SHG formation, Bank linkage and livelihood promotion.
- vi. **Nature and extent of bank linkages**; problems if any, faced in opening accounts and accessing credit; presence of banking facilities and other outlets like ATMs, BC/BF; level of bank’s support in terms of credit lending, and other issues including recovery management, default and NPAs in SHG BLP.
- vii. **Role of various stakeholders including NRLM in graduating SHGs** to micro enterprises / promotion of Livelihood in SHGs;
- viii. **Role of MFIs** in microfinance NBFC-MFI v/s NGO-MFI – Hills v/s Plains; MFI vs. SHPIs; MFIs vs. Banks.
- ix. **Nature and extent of existence of local level institutions facilitating** financial intermediation to rural households, their modus operandi, management, book keeping, decision making procedure, whether such institutions can be utilized for expanding MF in NE region, scope for credit linkage of such institutions with banks.-Suitable models

- x. Way forward -Strategies to improve SHG BLP in NE states – region wise/state wise. Alternative and suitable products for NE region keeping in view tribal characteristics both for Plains and Hills. Recommendations, Suggestions and Policy takeaways.

D. Comparative Study on Livelihood Models of SHG

1. Scope : A comparative study enumerating the livelihood promotion initiatives of SHG members supported by three different types of agencies viz. MFI, State Government agencies, NGOs / SHPIs. The study may be conducted in two states viz. Bihar and Gujrat. In each state, the study will cover at least one MFI, Government Agency and some NGOs / SHPIs undertaking livelihood promotion of SHGs promoted/linked with them.

2. Time Frame : Six months

3. Important aspects to be studied:

- i. Comparison of different models of livelihood promotion undertaken, promotional activities, etc. by three types of agencies;
- ii. Type of livelihood activity supported, major activities – agricultural, livestock, allied activity, rural nonfarm sector activity, etc.
- iii. Impact of livelihood activity on SHG / SHG members/ households in terms of changes in income level and socio-economic status.
- iv. Graduation of SHG into micro enterprise – process and impact.
- v. Hand holding, capacity building, skill & enterprise training, raw material supply, creating linkages with livelihood opportunities, marketing & storage of goods and other support provided by agency; other services like – micro pension, micro insurance, vocational skills training, loans for personal consumption, housing, health, etc.
- vi. Factors responsible for relative success under various models of livelihood programmes; best practices and takeaways; corrective measures for improved results;
- vii. Recommendations, Suggestions and Policy takeaways.