

EXECUTIVE SUMMARY

1. *Since the majority of population in India lives in rural areas and there is widespread poverty in the villages, the development of the country depends on rural development. Alleviation of rural poverty has been the major objective of all the social sector programmes of the Government of India. In view of this; Ministry of Rural Development (MoRD) has launched various programmes to bring about rapid and sustainable development as well as socio-economic transformation in India.*
2. *To cover all aspects of self employment programmes, MoRD adopted a holistic approach and restructured the self-employment programmes by clubbing them together under "Swarnajayanthi Gram Swarajgar Yojana (SGSY)", with the broad objective to bring assisted BPL family above the poverty line by the end of the project period. Under SGSY scheme, 15 per cent of the funds have been earmarked for Special Projects to be taken up by the State / Districts depending on the availability of natural resources, raw materials, skills of people, etc.*
3. *For assessing weather these programmes are resulting in effective deliveries, MoRD has initiated Concurrent Evaluation studies of these Special Projects. The present study is one such effort of MoRD to ascertain weather the broad objectives of Special Projects are being fulfilled through the Special Project under SGSY for Artisan's Village at Pilikula Nisarga Dhama, Moodashedde Village, Mangalore, in the Dakshina Kannada District District of Karnataka State.*
4. *MoRD has awarded Centre for Symbiosis of Technology, Environment & Management (STEM), Bangalore, to undertake the Concurrent Evaluation of the Special Project with specific objective "To evaluate status and impact of the project particularly, in generation of employment opportunities for local people living below poverty line and improvement of their standard of living in Dakshina Kannada and Udupi districts.*
5. *To assess the effectiveness of the ongoing project in terms of deliveries and timeliness, the approach adopted by M/s STEM was two pronged. Firstly, the STEM team interacted with the concerned officials of the Zilla Panchayat, project officials of Pilikula Nisarga Dhama, which is the project implementation agency and secondly, undertook extensive field surveys to have direct interaction with the beneficiaries. Specific Schedules were developed and subsequently canvassed at the district, project and the beneficiary levels.*
6. **Proposed Project:** *The project proposes to assist 300 artisans living below poverty line every year to earn their living. The objectives envisaged under the project are to select key activities for starting income generation activities, to create brand image for the products, to show the younger generation the age-old cottage industries of the region, to socially and economically empower the families to be brought under the scheme and to assist other organizations to replicate such schemes in their districts too.*
7. **Project Coverage:** *This project covers all the 5 taluks of Dakshina Kannada District (Mangalore, Puttur, Sullya, Belthangadi & Bantwal) and 3 taluks of Udupi District (Kundapura, Udupi & Karkal) in Karnataka.*
8. **Project Period:** *The proposed period for the implementation of the Special Project would be three years from the date of sanction of the project. After the period of three years the activities will continue and the funds received from the sale of the products will be utilized to run the Artisans Village.*
9. **Commencement of Project:** *The project proposal was prepared jointly by the Zilla Panchayat, Dakshina Kannada District, Govt. of Karnataka and Pilikula Nisarga Dhama (PND) and was submitted to the Ministry of Rural Development (MoRD), Govt. of India on 1st February 2003. However, based on the observations of the MoRD, the proposal was sanctioned on 28th March 2003.*

10. **Project Implementation and Monitoring:** Pilikula Nisarga Dhama (PND) is the project implementation and monitoring agency. Moreover, Zilla Panchayat, Dakshina Kannada District also acts as a monitoring agency for the effective implementation of the project activities. The evaluation by the implementing agency is on a regular basis by the project coordinator and the project officials of PND. The implementing agency held discussions with the District Industries Centre (DIC) for the identification of activities in different taluks. Moreover, PND has appointed two retired officers from DIC and one Asst. Director on deputation from DIC for the effective implementation of the project. The monitoring by the Zilla Panchayat is done once in three months by the Chief Executive Officer.
11. **Project Cost:** The total project cost as envisaged by the PND for the implementation of the project is Rs.304.00 lakh. However, after reviewing the project proposal the MoRD, Govt. of India sanctioned the proposed project cost of Rs.304.00 lakhs, comprising of PND contribution of Rs.50 lakhs. The total government share of Rs.254.00 lakhs is shared between the Centre and State in the ratio of 75:25 i.e., Central share is Rs.190.50 lakhs and State share is Rs.63.50 lakhs respectively. The project approval committee has desired that since no bank component have been proposed under the project, the amount to be contributed by PND i.e., Rs.50.00 lakhs should be extended to beneficiaries as soft loan in order to inculcate the habit of credit under the SGSY for ensuring credit linkage under the project.
12. **Funds Received:** The total funds received, as on 31st May 2005 was Rs.76.20 lakhs, which was the Centre Share of the first installment. However, the State share of Rs.25.40 lakhs has been released on 18th March 2005 to the Zilla Panchayat but still the State share has not been released from Zilla Panchayat to the implementing agency. The Centre share of Rs.76.20 lakhs, which was released on 28th March 2003 to the ZP, but the ZP released the amount to the implementing agency only on 17th February 2004. At the time of discussions of STEM team it was noted that action towards demand for release of the State share from Zilla Panchayat was in progress.
13. **Utilization of Funds:** The total funds utilized under the project as on 31st May 2005 were Rs.64.36 lakhs. It can be noted that about 85 per cent of the total funds received from Centre has been utilized. As already stated that the State share, which was released on 18th March to the ZP, has not yet been released to the PND. The officials of PND are waiting for the release of the State share from ZP for the timely implementation of the project. It has been informed by the PND officials that the achieving the first year physical targets were hampered due to the delay in the release of the State share from ZP.
14. **Physical Performance of Project:** The project has almost come to an end of its first year of implementation. The entire project period is three years. The first year physical targets of various projects activities taken up indicate initial training at village level, further training as well as skill upgradation takes place simultaneously at Centre of Excellence cum production center, they will go back to their villages and there their production will continue, new artisans will come from villages for upgradation of skills, providing market facilities to village level artisans and developing constant link between center for excellence cum production center at Pilikula and village level artisans with regard to market facilities and also acquire higher skill training.
15. **Selection Criteria of Beneficiaries:** The eligibility criteria adopted for selection of beneficiaries was that they should be rural poor belonging to the BPL families (Yellow Card holders) and should preferably be engaged in farm and non-farm sector activities. Apart from that other BPL beneficiaries who are interested to take up the activities are also equally encouraged. The identified beneficiaries are then imparted training under different crafts by the master craftsmen in their own villages. After completion of the trainings the artisans would be given a choice of starting the production and marketing at the artisan's village or manufacture the products in their own villages.

16. **Composition of Beneficiaries:** Under the first year target of 300 beneficiaries to be trained, as on 31st May 2005 about 104 beneficiaries are under training and about 233 beneficiaries have been identified for training, to be starting shortly. After the trainings are completed the beneficiaries would start manufacturing products and market them at the Artisans village.
17. **Infrastructure:** Under the project as on 31st May 2005, construction of 13 huts to take up production and marketing of rural crafts is nearing completion. All the structures are ready and the finishing works are under progress. The total amount spent on the construction of huts is about Rs.59.56 lakhs as against the first year target cost of Rs.65 lakhs. The details regarding component-wise status is discussed under the section of physical performance. The other infrastructure to be set up within the huts for different activities is proposed to be completed within next three months, as they are awaiting for the release of the State share.
18. **Training:** Under the project specific trainings are proposed for each of the identified crafts with specific time duration. Of the first year target of 300 beneficiaries, trainings for about 104 beneficiaries have started and further about 233 beneficiaries are identified under different crafts for starting the trainings.
19. **Marketing:** Under the project about Rs.20 lakhs has been proposed for market development in the first year. But as on 31st May 2005, no expenditure is made under this component. The reason stated by the implementing agency was that they would start taking up marketing development as soon as the infrastructure set up at the Artisans Village is completed.
20. **Impact on Beneficiaries (Field Survey Based):** In order to assess the impact of the project on the beneficiaries, a primary field survey was undertaken. For this, a well-designed questionnaire having details regarding sex, caste category, occupation, income etc was canvassed. A total of 25 beneficiaries were interviewed personally in six taluks namely; Mangalore, Puttur, Sullya and Bantwal taluks in Dakshina Kannada district and Kundapura and Karkal taluks in Udipi district.

Demographic Profile: The demographic profile of the interviewed beneficiaries is captured in terms of their sex as well as the caste category. It is observed that about 40 per cent of the beneficiaries are male and about 60 per cent are female. The composition in terms of their caste show that about 28 per cent represent SC category, 16 per cent represent ST category, 32 per cent represent OBC category and about 24 per cent constitute others.

Socio-economic Profile: The socio-economic profile of the interviewed beneficiaries is captured in terms of the literacy rate and the occupation of the beneficiaries before including them under the special project. It is observed that about 64 per cent of the beneficiaries interviewed are illiterate. The occupation of the beneficiaries before the start of the project is categorized under agricultural labourers, unemployed, undertaking same occupation and engaged in other activities. It is interesting to note that about 44 per cent of the beneficiaries interviewed were agricultural labourers and only about 16 per cent were involved in the same activity before the start of the project.

Credit / Bank Loans: It was indicated by the interviewed that they were not provided with any bank loans as on date under the project. But they expressed that the project officials have informed them that they would be provided with bank loans when they start manufacturing products at Artisans' Village.

Infrastructure provided: The infrastructure under the project is provided in terms of machines and tools required for imparting trainings under different activities, construction of separate sheds for each of these activities at the Artisans' Village for manufacturing and

marketing of the products. Hence, all the beneficiaries interviewed are provided with one or more types of infrastructure under the project.

Training provided: The activity specific trainings of stipulated duration are provided to the beneficiaries under the project. Of the interviewed beneficiaries it is observed that all the beneficiaries are being imparted or being imparted with the activity specific trainings under the project.

Income Generation / Employment: Under the project as yet the beneficiaries have still not started getting envisaged income because most of the beneficiaries are still being imparted with the trainings. The beneficiaries expressed that they would start earning incomes when they start manufacturing and marketing the products at the Artisans' Village.

Beneficiaries Perception: The beneficiaries are very enthusiastic with the implementation of the project as they feel that with this project they will start getting a good income on the products manufactured by them at the Artisans' Village or at their own villages. They are also happy with the types of trainings being provided under the project, as it would help them in developing skills to take up these activities as a permanent source of income and employment.

21. **Key Issues and Suggestions:** Based on the interactions with the beneficiaries and the officials of the PND and Zilla Panchayat, Dakshina Kannada district, the study team has observed some key issues and suggestions that need to be looked into for the effective implementation of the Special Project.

Progress of the Special Project: The project is presently in the 2nd year of its implementation. As per the project proposal the activities proposed for the first year like imparting skill development trainings for the rural artisans under the 14 identified categories at the village level and construction of the sheds at Artisans' Village are nearing completion. There was a severe delay of about one year for the release of the 1st installment of the central share from the Zilla Panchayat to the implementing agency. It was released only in Feb 2004. However, the 1st installment of the state release was released from the State Govt. in March 2005 but it has still not been released from the Zilla Panchayat to the implementing agency. This led to severe inconvenience for the implementing agency in achieving their physical and financial targets of the 1st year.

Selection Criteria of Beneficiaries: The implementing agency is approaching the GP and based on the recommendation of the Grama Sabhas and the BPL list available with the GP, their project officials are selecting the beneficiaries under the project. However, it was observed by the Zilla Panchayat and also by the study team that the BPL list available was of the year 1998 and further updated list was still not available, hence there found some confusion in the selection process. So the implementation agency is selecting according to the BPL list available, which the Zilla Panchayat feels is not fully applicable as on the present day scenario.

Present Activity Pursued by Beneficiaries: With the start of the special project, the beneficiaries are supported with the training and marketing of their products; hence they feel that with this support they are very positive in taking up this activity as a source of their income and employment. Since the project is still in its initial stages, the beneficiaries have

not started getting the benefits, but they strongly feel that after taking up of the entire project components they would definitely start earning for their living.

Income Generation: The project is still under its initial stage of its implementation and the beneficiaries are under the process of being imparted with the skill development trainings, so the income has not started for the beneficiaries. But they feel that after completing of the trainings at their villages and once they start manufacturing products at the Artisans' Village or elsewhere, with the marketing support of the PND they would be in a position to earn healthy income to sustain their living.

Trainings: Under the project specific trainings are being imparted to the beneficiaries on pottery, black smithy, handloom weaving, carpentry, basket weaving, stone carving and jasmine cultivation under the able guidance of master craftsman. For each of these activities specific trainings for a specific period of time is being imparted to the beneficiaries at their villages. For the other activities the trainings are yet to be started. As against the target of 300 beneficiaries to be trained for first year, about 104 beneficiaries are being imparted trainings and about 233 beneficiaries have been identified for trainings for different activities.

Availability of Raw Materials: The beneficiaries to take up different crafts in different taluks are so identified that the raw materials to manufacture in these areas are easily and locally available. Hence, there is no problem in the availability of the raw materials. After the trainings are completed, if the beneficiaries want to continue the production at their villages there will not face any problem in getting the raw materials. If they intend to start production at the Artisans' Village, then initially the raw materials will be supplied by the PND under the project and later on they would start procuring their raw materials with the sale of the products manufactured by them.

Marketing Facilities: Pilikula Nisarga Dhama (PND) would act as the facilitator for the marketing of the products produced by the artisans. PND would create a brand image for the products and develop marketing facilities. As of now the no marketing strategies have been started under the project as the manufacturing of the products have not started. PND would establish retail outlets at Pilikula, which is a tourist location. Apart from this, the artisans will be facilitated to participate in exhibitions, fares etc within the state and also other states in the country on a regular basis.

Credit Mobilization: Under the project proposal no credit component has been envisaged by the implementing agency. While reviewing the project proposal, the project approval committee felt that since no credit component has been proposed under the project, so the contribution of the PND i.e., Rs.50 lakh should be made available to the beneficiaries as soft loan in order to inculcate the habit of credit under the SGSY for ensuring credit linkage under the project.

Social Mobilization: Under the project the implementing agency is organizing awareness and orientation programmes on a regular basis in the villages with the support of the District Industries Centre (DIC). In these programmes the advantages and the direct and indirect benefits the artisans would get by undertaking these crafts are campaigned. The implementing agency has also employed retired personnel of the DIC, who have expertise in mobilizing the rural poor to take up the rural crafts. Initially, since these crafts were slowly vanishing, the project officials had to face immense difficulties in mobilizing the people to

take up these activities. But, with regularly meeting these beneficiaries and by continuous effort to familiarize them with the benefits, now the beneficiaries are coming forward to take up these rural crafts.

Profitability and Replicability: As yet under the project, the beneficiaries have still not started manufacturing the products, hence they have not being able to incur any profits under the project. But, they do feel that after their successful completion of the trainings and the marketing support of the implementing agency, they are sure to earn good income and start making profits. This particular activity is an area specific, but wherever there are similar prevailing conditions available it can be replicated. There are some agencies already functioning in imparting trainings for specific activities. The study team have visited these places and had discussions with their personnel and also the trainees and the results achieved by the trainees are highly satisfactory.

Sustainability: After the project period, Pilikula Society envisages to continue the Centre for Excellence cum Production Centre from the income of the production made and also service charges of marketing facilities provided by them to the beneficiaries and also by the Society funds. After the project period, the Society will be able to continue basic village level trainings in smaller number. Pilikula Centre for Excellence will continue to impart higher skills to the artisans who were given basic skills under DIC programmes or Zilla Panchayat schemes.

22. **Conclusion:** The study team has found that generally, the beneficiaries identified under this project were very enthusiastic about the project and were optimistic that they would be able to cross the poverty line once the project is fully operationalized. However, in order to achieve the time bound results, the funds should be made available to the implementing agency on time by both the Centre and State governments so that the project is further not delayed on this account. It is time for the implementing agency at this stage to lay special emphasis on establishing proper marketing linkages. This project once successfully implemented would help in development of traditional crafts in these districts and would definitely make a positive impact on the unemployment / under-employment scenario of the districts.