Executive Summary

The MEL team at Samita - CGF (Collective Good Foundation) conducted a preliminary assessment to gauge the performance of different cohorts and communities under the REVIVE's Returnable grant program. This is part of a series of knowledge outputs to understand the usage, interaction and working of the returnable grant as a blended finance model within the Indian context. For the current analysis, we focus on the returnability of the grant, primarily examining the cohorts/communities that received the returnable grant as cash. The performance of the returnable grant given in the form of a voucher and bundled with different forms of livelihood support will be examined as the relevant cohorts and programs mature.

From REVIVE's returnable grant program, we sampled 1,827 participants from cohorts that had completed repayments across 3 EMI cycles (i.e. one quarter) and above. In total, this sample includes 8 different cohorts (ACF, Arth, Atpar, Dhriiti, Manndeshi, Pratham, SEWA, Vrutti) consisting of street vendors, farmers, beauty preneurs and microentrepreneurs (food, textile, handicrafts, dairy, petty shops etc.). The cohorts are largely skewed towards women with 5 out of 8 cohorts being all female and the participants are spread over multiple locations within the country with a prominent presence in Maharashtra and Gujarat.

1. Repayment and recovery

The Returnable Grant (RG) program was offered as an emergency response to the pandemic and its significant impact on the livelihoods of those engaged in the informal economy. The RG program was conceptualised with the aim of promoting income and livelihood recovery and the repayments that are built within the program design are an objective indicator of the same. The hypothesis for using repayments as an indicator of recovery is that an individual would be able to pay only if they had the means to do so, given the lack of a legal obligation in the RG program. In our analysis, we have measured repayments in two ways:

1. Capital recovery in terms of amount
2. Repayment consistency in terms of number of missed repayments

It was observed that the overall repayments in terms of capital recovery across all cohorts was 87%. While the capital recovery was 100% for those who received the RG as a voucher (ACF-farmers) , the best performing cohort among those who received the RG as cash was as high as 97.95% (Manndeshi).

In terms of repayment consistency, 83.3% of the participants repaid consistently i.e. did not miss any payments in the EMI cycles they were obligated to pay. The farmers made the repayment lump sum, Mann Deshi emerged to be the best performing cohort in terms of repayment consistency with 98% of the cohort missing none of the repayments due.

2. Understanding high repayments

The highest performing cohorts who were given the RG as cash and paid on a monthly basis are the Manndeshi (all female entrepreneurs) and ATPAR (entrepreneurs with disabilities) cohorts. It was noteworthy that the participants among these cohorts had a greater percentage of individuals with access to higher education and other indicators of financial status such as pucca houses that are self-owned. This demonstrated a great capability among the implementing partners to sift through participants who were in grave need of credit and prove to be "good risks" at the same time.

3. The design of the program and its effect on repayments

It was found that the highest number of participants who paid in full consecutively belonged to the group of individuals who got the smallest ticket size of ₹ 5,000. Among those who received the RG as cash and are making repayments on a monthly basis, those who have completed the lowest number of emi cycles have the highest repayments, however, neither of these observations can be separated from the effect of the high repayment rates of the Mann Deshi cohort (N = 944) who all received ₹ 5,000 and so far have the shorted collapsed emi-cycles.

4. Types of Implementation partners and repayments

Based on the types of association with implementation partners, the cohorts were divided into:

1. Those who had an NBFC involved in the program implementation along with the on-ground partner.
2. Those who didn't have an NBFC but where the implementation partner had previous financial expertise in microfinance initiatives.

Vulnerable communities such as the beautypreneurs, entrepreneurs with disabilities and entrepreneurs within the network of the NBFC Arth fall under the first category. Micro entrepreneurs associated with organisations like SEWA and Mann Deshi (average capital recovery : 97.95%) fall in the second category.

On average, the cohorts with implementing partners who had financial expertise had much higher repayments (95.23%) as compared to those with NBFC partners (68.88%). We see a similar trajectory in terms of repayment consistency where cohorts with financial expertise support (93.18%) performed much better than those with NBFCs (58.20%).

5. Understanding low repayments : Impact of the pandemic

Different cohorts commenced their programs at different points in time. Each cohort also had different experiences of the pandemic due to the trade specific adversities induced by the lockdowns. Cohorts that had commenced prior to the second wave and continued their repayments post the second wave, had the hardest time in recovery. However, their repayments prior to the second wave are comparatively similar to that of the repayment rates of the current higher performing cohorts that commenced repayments after the second wave. Therefore, the effect of the second wave on vulnerable communities such as street vendors and beautypreneurs is pertinent to the discussion on repayments.

6. Next steps and the way forward

- As some of the initial cohorts mature in the incoming months, we aim to collect holistic data through the end lines and including sections on livelihood and income indicators to offer a complete picture beyond the repayments in order to understand the RG model and its impact on different communities.
- As REVIVE achieves scale, we aim to use this as an opportunity to use experiments and randomised control trials to establish causality through a rigorous mechanism as well as track our participants over multiple years to have a 360° assessment of their needs.
- Specifically, with regards to the RG program, we are creating a pre-credit score along with financial institutions to ensure that participants have access to formal sources of credit after the successful completion of the program. We hope that our participants, especially those who are first time borrowers, can use the RG to establish a documented credit history
- As the existing cohorts mature and more cohorts are onboarded, we aim to build a comprehensive dataset and utilise it to build a multi-regression based predictive repayment model.

1. REVIVE's Inception

The pandemic's harsh impact on informal workers and macro-and nano-enterprises inspired the creation of the REVIVE alliance. REVIVE focused on providing timely and affordable working capital to workers and entrepreneurs in the informal sector. In addition to these financial instruments, REVIVE conceived training and skilling programs around digital and financial inclusion to enable entry/re-entry into the job market.

Blended finance offers the promise of highly flexible financial instruments crafted for providing relief and facilitating recovery through an uncertain economic environment. REVIVE generated a range of financial instruments (RGs, Pay-for-Performance, one-time grants, direct benefit transfers) seeking to address diverse beneficiary communities and needs. The most innovative of these instruments was the returnable grant, a new blended financial instrument that aims to leverage the best of a loan and a grant, where there is an expectation to repay but there is no legal obligation to do so. The instrument allows for extensive customisation of grant amounts (ticket size), timelines for repayment, and method of repayment (lump sum or in instalments).

To build knowledge about the novel instrument and tailor it to various economic realities, we sought to understand the credit needs of beneficiaries, how individuals utilise such an instrument, and what factors increase the ability and willingness to repay. Going forward, we aim to conduct similar assessments for some of the other instruments that were aforementioned and these include - the Pay for Performance program and the Digital - Financial inclusion programs.

1.1 REVIVE in the context of the larger Indian financial inclusion ecosystem

- **Different from other microfinance initiatives**

The microfinance revolution has been at the core of this discussion. While microfinance has evidently proven its mettle, there remains a need for alternative financial inclusion models that target individual borrowers that cannot be a part of lending groups. REVIVE's Returnable Grant (RG) model is similar to a microfinance loan - a small amount is given to those who are in need of financial assistance and who have typically been excluded from the formal credit system. However, the RG differs from the Microfinance model on three fundamental programmatic dimensions:

- The lack of a legal obligation to repay
- No requirement for any kind of collateral (neither traditional nor social)
- No interest payments

- **Different from a simple grant**

The RG differs from traditional grants due to the expectation of repayment. The beneficiary is expected to return only the sum of the grant, without any interest. Therefore, unlike a simple grant, a returnable grant generates significant multiplier effects in terms of reaching a larger number of beneficiaries as opposed to a simple grant deployed for the same amount of funds. Through estimates of average recovery rates we hypothesise that funds recovered can be revolved to reach 5-7 times more people as compared to a simple grant. This hypothesis will be validated against REVIVE's internal data generated across multiple cycles.

2. Descriptives of the population under REVIVE

In this report, we consider data from cohorts that have completed at least 3 cycles of repayment. Cohorts included are:

Farmers

Supported by the Briharti Foundation (the non-profit foundation of Claris Lifesciences), REVIVE worked with small-scale farmers in Gujarat's Somnath district beginning in August 2020. These farmers primarily cultivate cotton and groundnuts. They suffered due to the pandemic and required monetary support to purchase agricultural inputs for their Kharif crop. The returnable grant, designed as a voucher, provided a sum of INR 10,000 to the farmer to procure fertilizers and pesticides from the farmer producers' organisation which provide these inputs at subsidized rates. The grant sum was designed to be repaid in lump-sum post-harvest at a time of cash inflow (February 2021). This enabled the farmers to protect their livelihoods.

Street Vendors

The pandemic especially affected informal workers such as street vendors. REVIVE supported women street vendors in Ahmedabad, Gujarat in October 2020 in partnership with SEWA. Street vendors faced many pandemic challenges such as drop in customer footfalls, governmental restrictions on vending, and mounting costs to restock given the supply chain disruptions. To ease their immediate financial distress and provide capital for business revival, INR 10,000 was provided to each woman. The return payments began in December 2020 and continued for 11 monthly cycles ending in January 2022. Currently, SEWA is in the process of identifying the next set of women to be reached with the sum recovered.

Arth (Microentrepreneurs)

This is a cohort of women nano entrepreneurs based in Uttar Pradesh, Rajasthan and Haryana supported by REVIVE in partnership with Arth. They come from different trades that range from the production and sales of pickles to clothes and dairy items among other goods. They all earn less than 4 lacs per annum and with low reserves their businesses were severely impacted due to the pandemic. To procure resources and sustain their business, returnable grant amounts of INR 20,000 to 30,000 were given. Their monthly return payments began in April 2021 and are to continue for a 1 year period. Currently, the returnable grant has been extended to a second batch of women in Arth's network.

ATPAR (Entrepreneurs with disabilities)

ATPAR aims to create an enabling ecosystem for entrepreneurs with disabilities. ATPAR's NEDAR (Network of Entrepreneurs with Disabilities for Assistance and Rehabilitation) provides multidimensional support to Persons with Disabilities (PwDs). Within this network, some entrepreneurs needed financial assistance to restart their businesses and recover from the economic impact of the pandemic, and they were supported in this effort by a RG. The grant amount for this cohort ranged from INR 20,000 to 40,000 with a monthly repayment continued for an year.

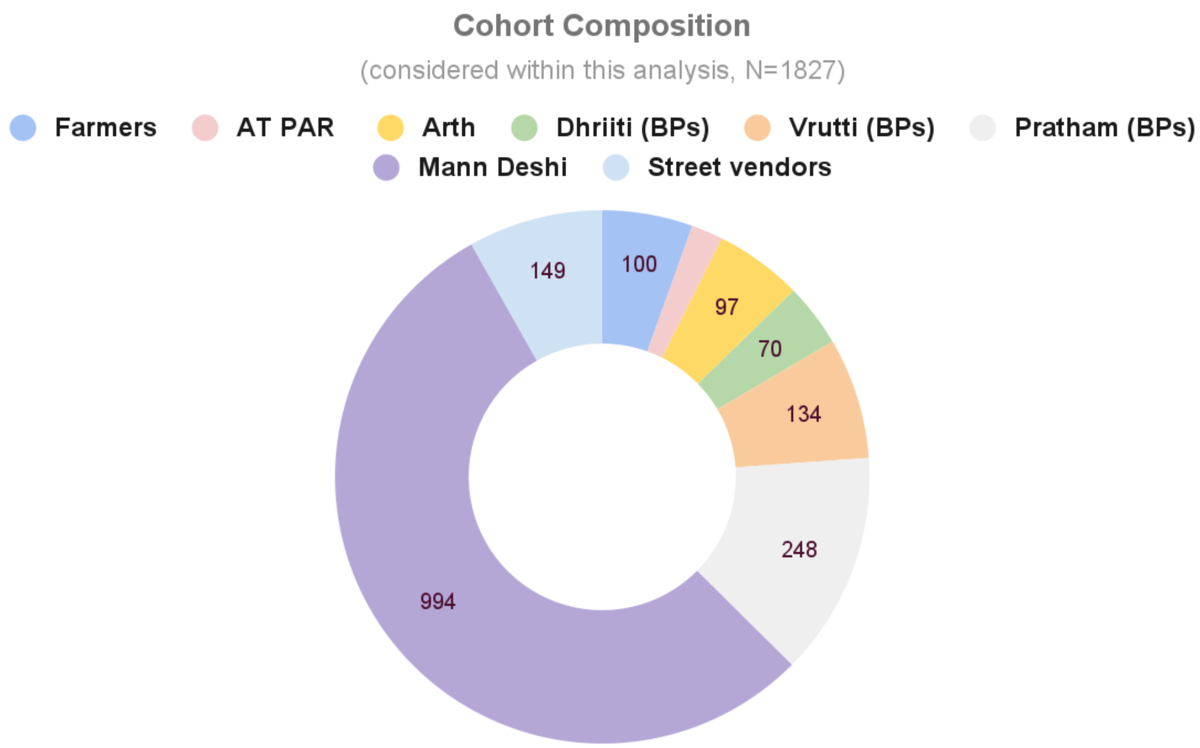
Beautypreneurs (Micro entrepreneurs working in the beauty industry)

Due to lockdown restrictions, door – to – door sales of beauty services and products was halted. The need is especially acute given that this industry is one of the largest employers of economically marginalised women in cities. Barriers to accessing any form of formal financial aid for income-generation is significant because these entrepreneurs lack formal documents, adequate collateral, credit histories and other resources required by banks.

REVIVE partnered with Godrej and implementation partners Dhriiti, Vrutti and Pratham to assist entrepreneurs from Delhi NCR and Karnataka through the returnable grant initiative. The beautypreneurs (BPs) were offered returnable grants (of INR 5000, 10,000, 20,000), with an instalment based repayment model for working capital to purchase equipment like PPE, disposable beauty kits, and UV sterilisers to enhance work readiness in a post - Covid-19 environment.

MannDeshi (Micro entrepreneurs)

This cohort comprises women entrepreneurs engaged in a series of occupations such as beauty entrepreneurship, snack making, retail and general stores, and agarbatti making from nine districts in Maharashtra. All of them have availed support from Manndeshi Foundation in the form of basic financial literacy training, enterprise management training and linkages to markets. REVIVE is supporting the women with their working capital needs through a RG of INR 5,000 to be repaid over 5 monthly cycles.



3. Design and Success of the RG

A variety of recipients were provided an RG under REVIVE. Several aspects of the RG design were customised to make it more inclusive. Ticket sizes were adjusted depending on the cohort's comfort with repaying the amount; moratorium periods were provided to allow for more time and flexibility to recover from the pandemic, and repayment schedules of paying in lump sum versus paying on a monthly basis were considered to allow for different timings of cash inflow for different trades. For some microentrepreneurs amenable to formal sources of credit, a 'Pay for Performance' model was developed with subsidised interest rates based on repayment behaviours. REVIVE also customises cycles and amount of repayment terms based on the context of recipients.

Repayment is a key objective measure of success that can be consistently observed across cohorts in spite of the customization of program details for each cohort. Repayment rates are also the critical metric to assess the promise of RGs for revolving of capital to generate the desired multiplier impact. Collecting and examining repayment behaviours thus serves several purposes of understanding the working of the instrument, discerning the ability to revolve capital, as well as developing proxy credit histories.

This report seeks to assess the effectiveness of the returnable grant program. Two principal avenues for assessing outcomes are possible:

1. Repayment metrics
    a. Capital Recovery Rate
    b. Repayment Consistency
2. Welfare-based metrics

We discuss the merits and shortcomings of each approach below before turning to the evidence and learnings generated by our MEL process.

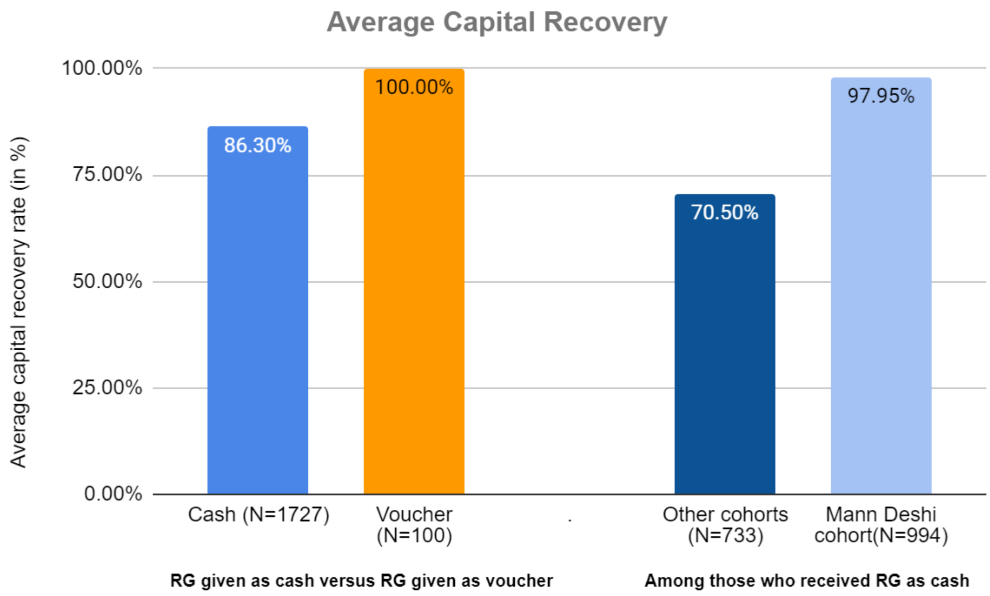
3.1. Repayment metrics

3.1.a. Capital Recovery Rate

Capital recovery is the amount recovered from the participants against the expected amount to be recovered in the duration of repayment observation.

REVIVE's RG program is a remarkable success as judged by its capital recovery rate:

- Participants across all cohorts had an average capital recovery rate of 87%.
- The capital recovery rate of those who received the RG as a voucher is 100% (farmer cohort, N = 100). The rate for those who received the RG as cash is 86.3% (all other cohorts, N = 1727)
- Among those who received RG as cash, Manndeshi is the largest (n = 994) and best performing cohort with an average recovery rate of 97.95%.
- Excluding the Manndeshi cohort, we find that the rest of the participants who received RG as cash have an average capital recovery rate of 70.5%.

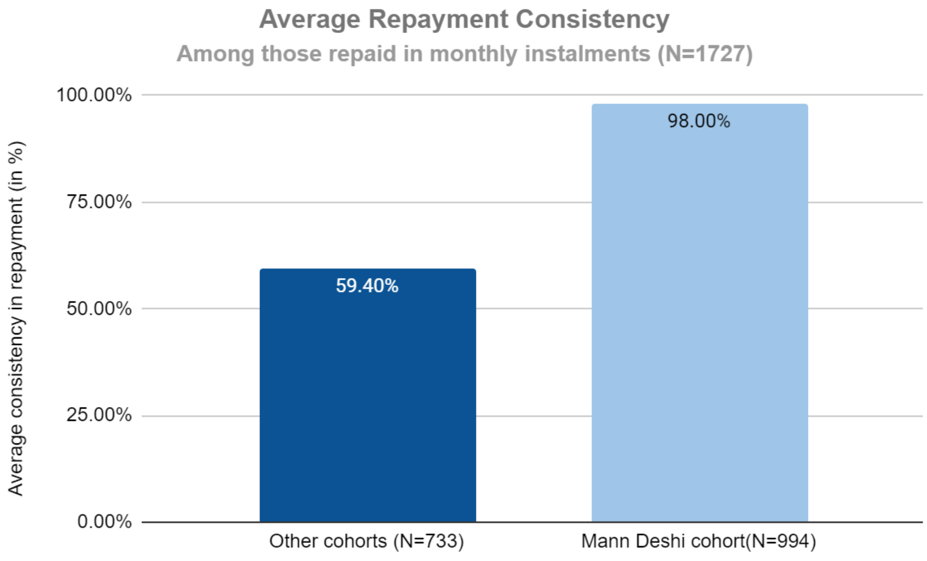


3.1.b. Repayment Consistency

Repayment is considered consistent if any payment is made, without fail, every EMI cycle where it was due.

The key findings from our analysis of repayment consistency are:

- 83.3% of the participants across all cohorts repaid consistently.
- Only the farmer cohort made a single lump-sum payment. All others paid on a monthly schedule. If we exclude the farmer cohort, 81.3% of the remaining participants repaid consistently.
- Among those who received RG as cash, Manndeshi (n = 994, 97.95% capital recovery rate) is the best performing cohort. 98% of its participants repaid consistently.
- Excluding the Manndeshi cohort, 59.4% of the other participants repaid consistently.



A working assumption behind this approach is that successful repayment is an objective non-self-reported indicator of economic recovery. The lack of a legal obligation to repay implies that an individual would only repay if and when they have the means. The high capital recovery and repayment consistency rates even for cohorts and communities hardest hit by the pandemic is an encouraging result and suggests gradual but steady economic recovery.

3.2. Welfare-based metrics of success

A welfarist approach to assessing the RG program's success would focus on identifying if those who received an RG enjoyed higher incomes and more robust livelihoods after the RG program than before it. We selected the repayment-based measure of success for several reasons, but principally because measures of income and livelihood are necessarily survey-based and therefore self-reported by participants while repayment is an objective external metric. Further, most cohorts are still in the process of completing their programs and so we have not yet collected end-line data.

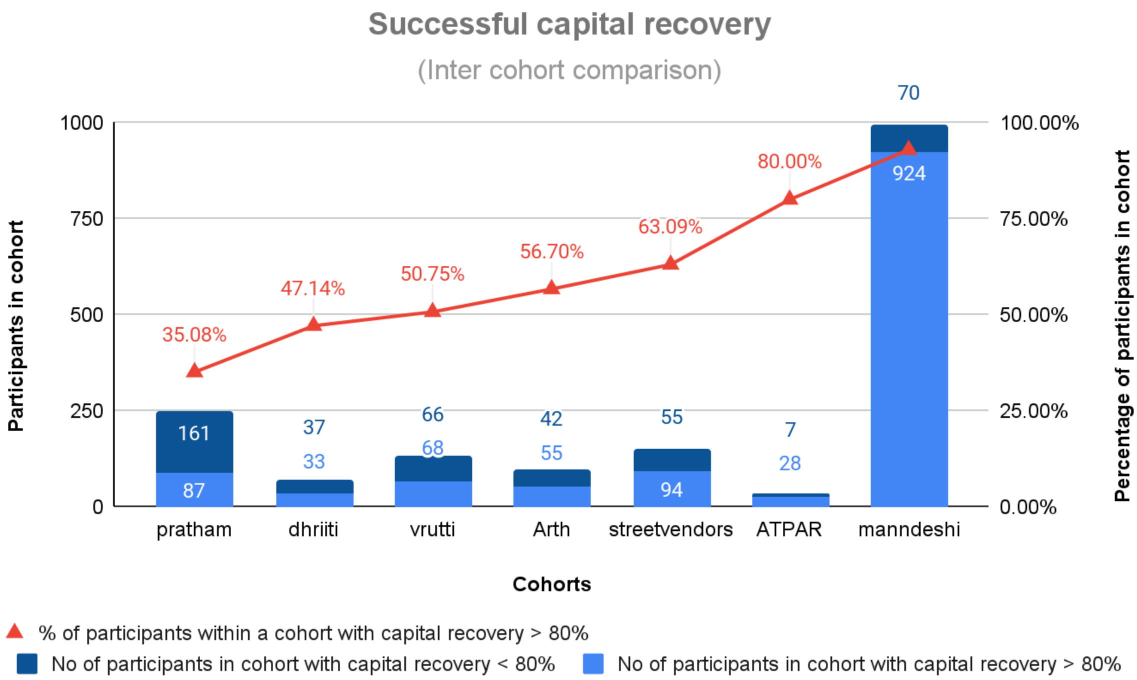
As such data become available, we will be able to supplement the repayment-focused analysis with more direct, albeit self-reported, income and livelihood outcome measures. But for now, both theoretically and practically, we are relying on repayment data for our analysis.

4. Insights

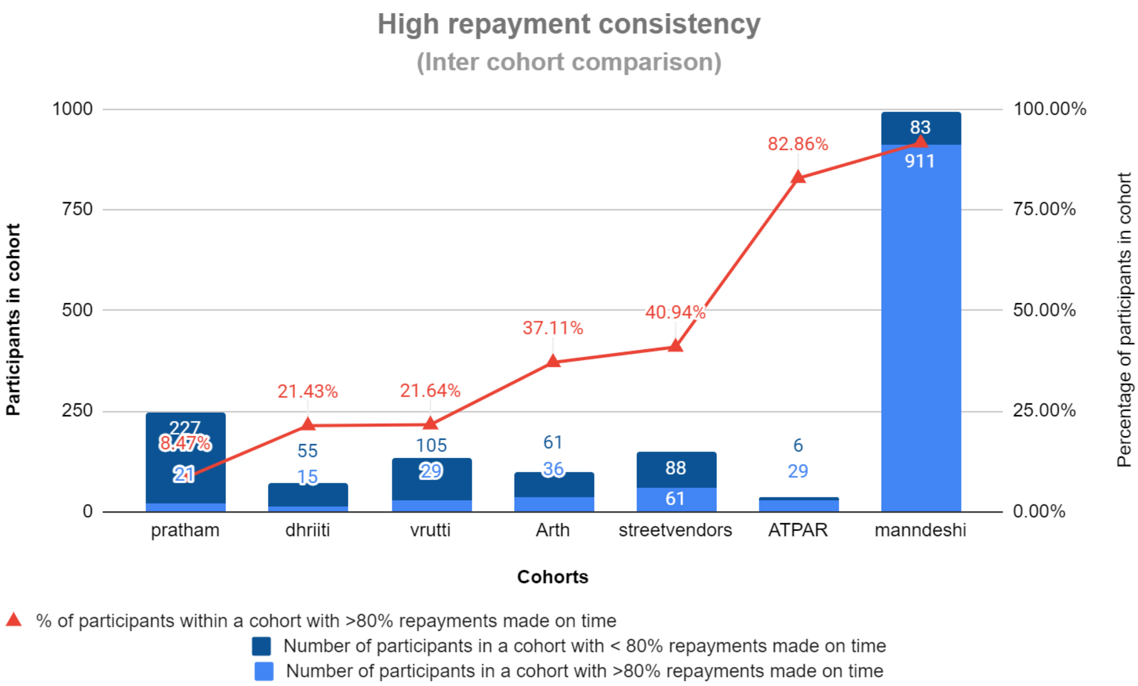
In this section, we discuss major insights gleaned from the repayment performance data from the earliest cohorts included in the RG program under REVIVE.

4.1 Examining high repayment performance

Among those who received the returnable grant in cash, 74.6% of the participants across cohorts have repaid greater than 80% of the amount they owed. Some cohorts have a markedly higher repayment performance than others. Specifically, over 80% of the participants paid back greater than 80% of the amount they owed in two cohorts of micro entrepreneurs (N=1029), namely Manndeshi (92.9%) and ATPAR (80%).



We find a similar trend when we examine the consistency of repayments of the participants. 91.6% of microentrepreneurs associated with Manndeshi and 82.86% of the entrepreneurs with disabilities associated with ATPAR made repayments consistently.



4.1.1. Why are the repayments of some micro entrepreneurs higher than the others?

To understand the determinants of successful repayment, we study the socio-economic profile of the members of these cohorts.

Gender	89.1% of all participants who received the RG are women. Out of them, 74.6% of the women were highly successful in making repayments (more than 80% of capital recovered)
Education	74.2% of those who have completed education beyond 8th grade were among those highly successful in making repayments (more than 80% of capital recovered)
Household type and ownership	The majority of participants (82.5%) said they lived in pucca housing and 65.5% reported that they were owners of their residence. (Note that these indicators are not available for the Manndeshi cohort but given their higher education profile we expect an even greater share of those participants to have similarly secure housing situations.)

A credible working hypothesis to explain higher repayment is that certain implementing partners built cohorts that were constructed to include individuals pre-identified as ‘good risks’: relatively highly educated and with more established economic and business credentials. Yet it bears stressing that even these individuals urgently needed capital to recover from the pandemic, just as was true for other communities that belong to a lower socio-economic strata. It demonstrates that despite the appetite for credit and ability to repay, this segment lacks confidence to engage formal financial institutions and remain excluded from the formal credit market. The data confirms REVIVE’s ability to not only identify implementation partners but also to execute processes to train, handhold and to support them in communication, selecting the right target group and co-creating the product structure that employ effective targeting mechanisms highly attuned to identifying this segment of the unbanked.

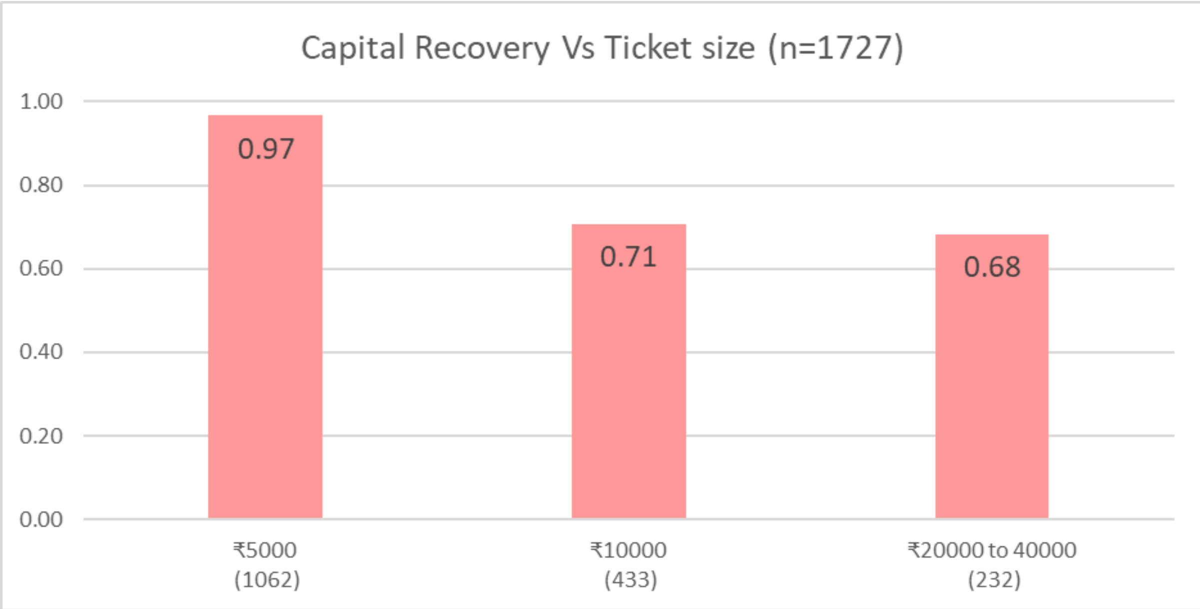
4.2. How the program was structured

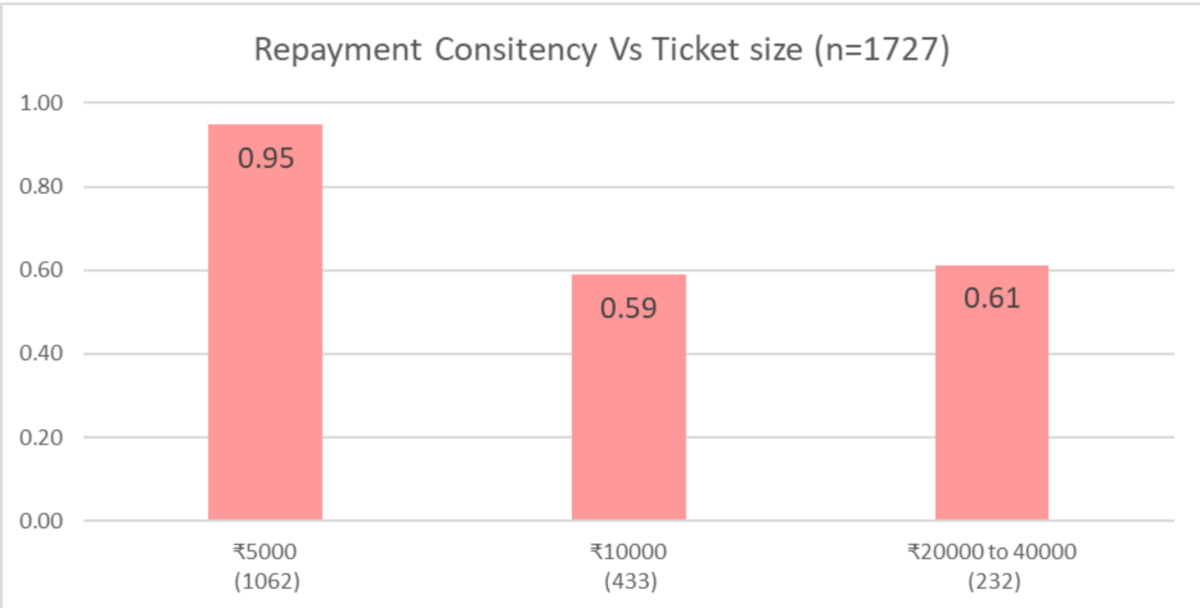
REVIVE emphasises community needs in program design and therefore encourages flexibility in designing the intervention. Community needs vary in terms of amounts beneficiaries are comfortable taking on a moral obligation to repay, as well as in the duration they need to make good their repayment commitment. Accordingly, REVIVE has tailored a number of factors while designing cohort-specific interventions. These factors include ticket size, deferment period and repayment period.

4.2.1. Ticket size

REVIVE varies the grant amount given to recipients based on their need discussed with implementation partners. With a few cohorts (Dhritti, Vrutti, Pratham and Atpar), the REVIVE team directly asked the recipients what size grant they required.

The current data indicates that the capital recovery and repayment consistency are the highest for the lowest ticket size (₹ 5000). Both metrics decrease significantly by almost 30% for the ₹ 10000 ticket size. This effect is driven by the high success rate of the Manndeshi cohort which exclusively utilised the ₹ 5000 ticket size.



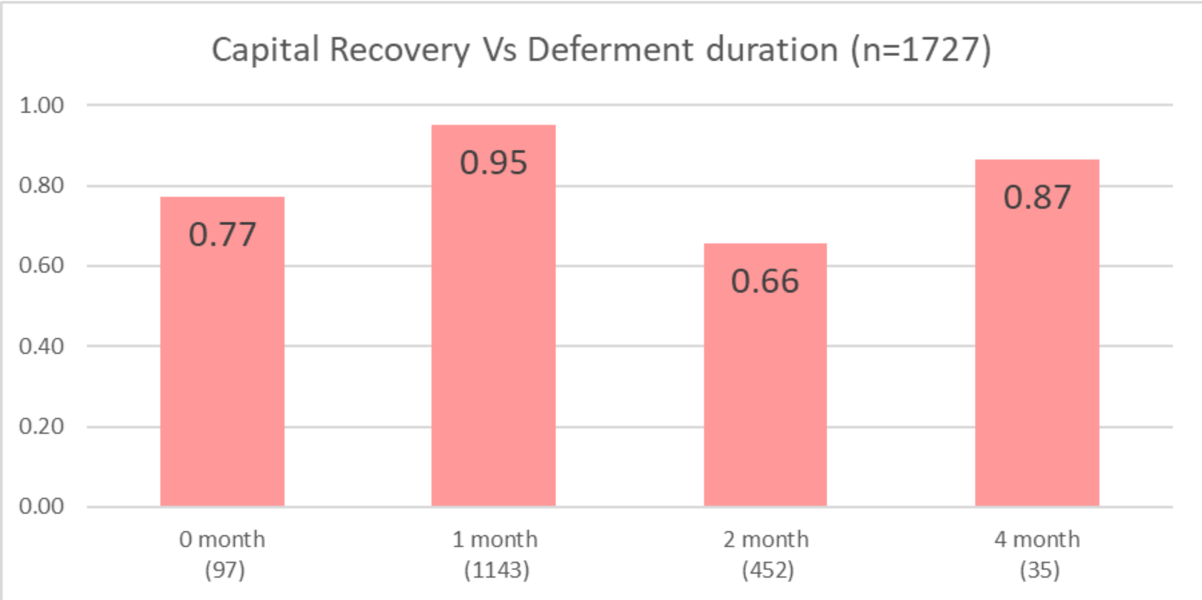


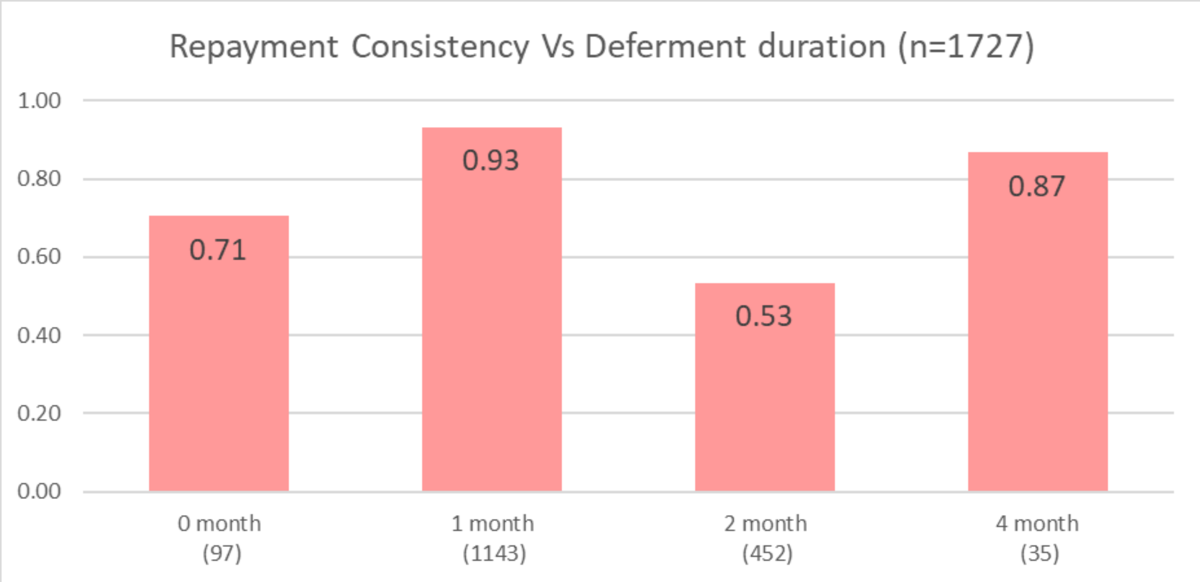
4.2.2 Deferment Period

After the disbursement of money, the recipient gets a specific deferment period before the repayment cycles begin. This time period allows the recipient not only to address pressing financial needs but also to revive their income-generating activities. REVIVE designs deferment period for each cohort specific to their needs. For example, the Beauty-preneurs cohort received a deferment period of 2 months, while entrepreneurs with disability (ATPAR) received a 4-month deferment period. There is no variation of deferment periods within cohorts.

Deferment Duration	Cohorts
0	Arth
1	Manndeshi and Streetvendors
2	Dhriiti, Vrutti and Pratham
4	ATPAR

The data do not reveal any correlation between capital recovery or repayment consistency and the length of deferment duration. This suggests that the deferment period designed to cater for the specific needs of the cohort is best suited for capital recovery and repayment consistency too. In the future, randomising the deferment durations offered within a cohort could help us understand its effect on outcomes better.



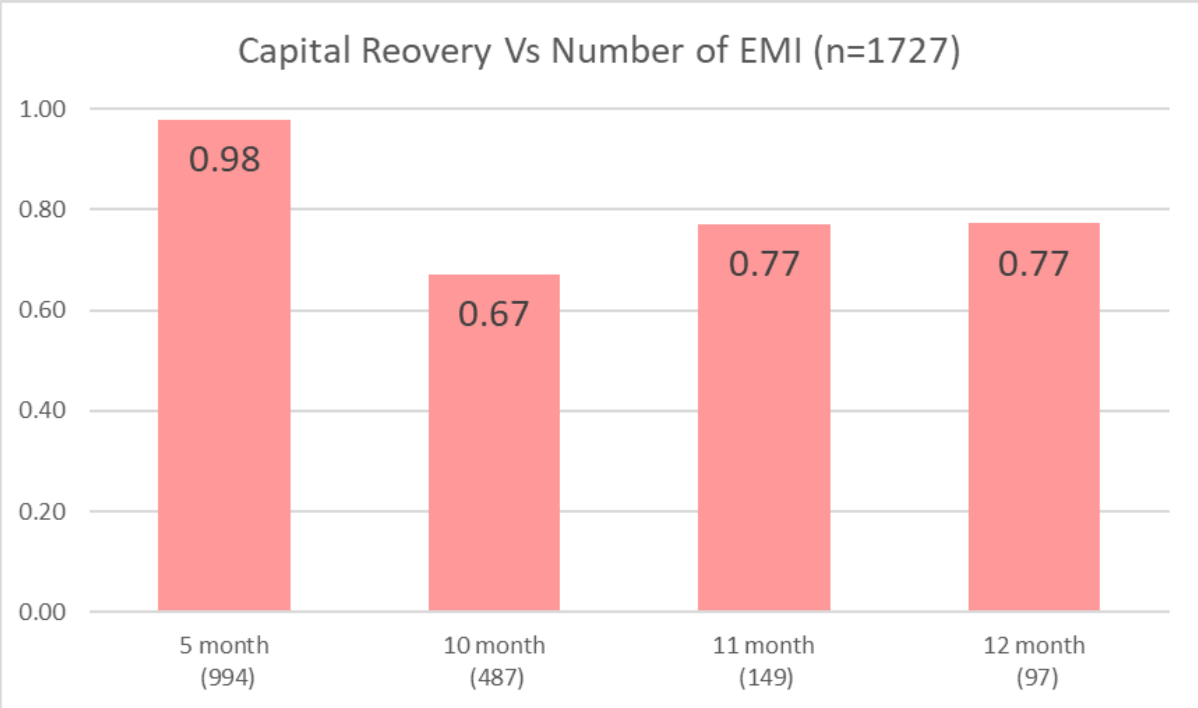


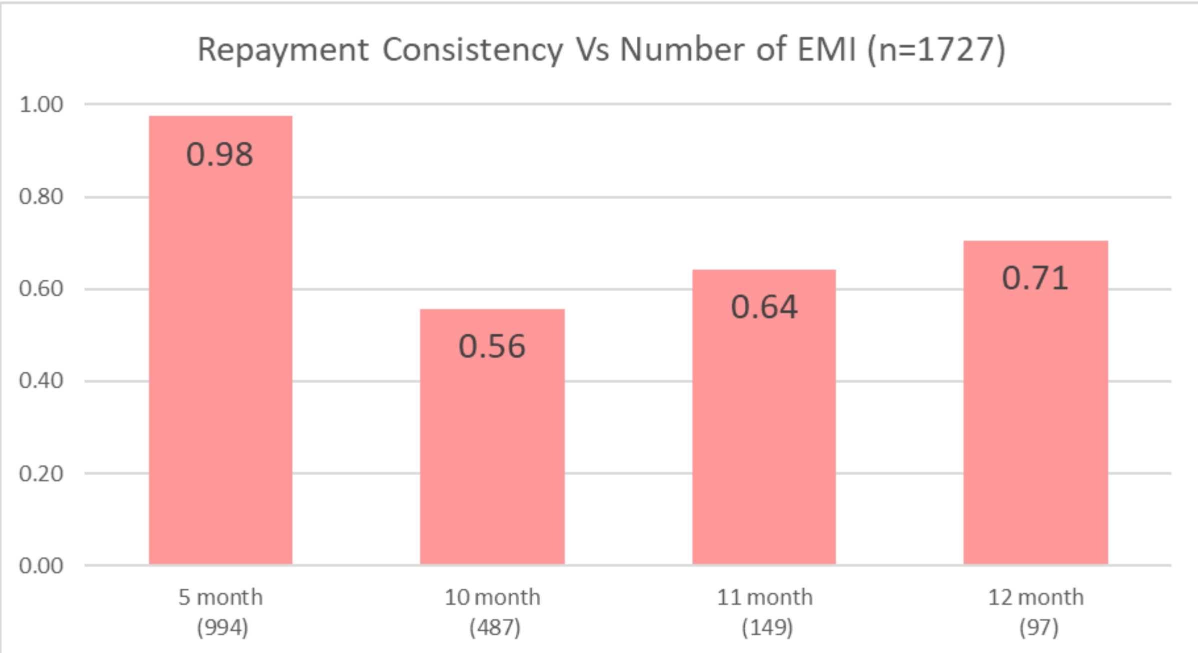
4.2.3 Number of repayment cycles

After the deferment period, the repayment commences. The total repayment amount is divided equally into the number of cycles of repayment. The number of repayment cycles varies from 5 to 12 for the data cohorts considered in this analysis:

Number of repayment cycles	Cohort
5	Manndeshi
10	ATPAR, Dhriiti, Vrutti and Pratham
11	Street Vendors
12	Arth

Capital recovery and repayment consistency is highest for those who received the lowest number of repayment cycles, i.e., 5 months and decreases by almost 30% for those who received 10 cycles of repayment and above, though this cannot be distinguished from a Manndeshi cohort effect. Outcomes appear to improve for those cohorts with the longest repayment cycles but we will need to wait for additional cohort-data before we can know with any certainty if this is a true effect.





4.3. What can we say about the partners and on-ground implementation?

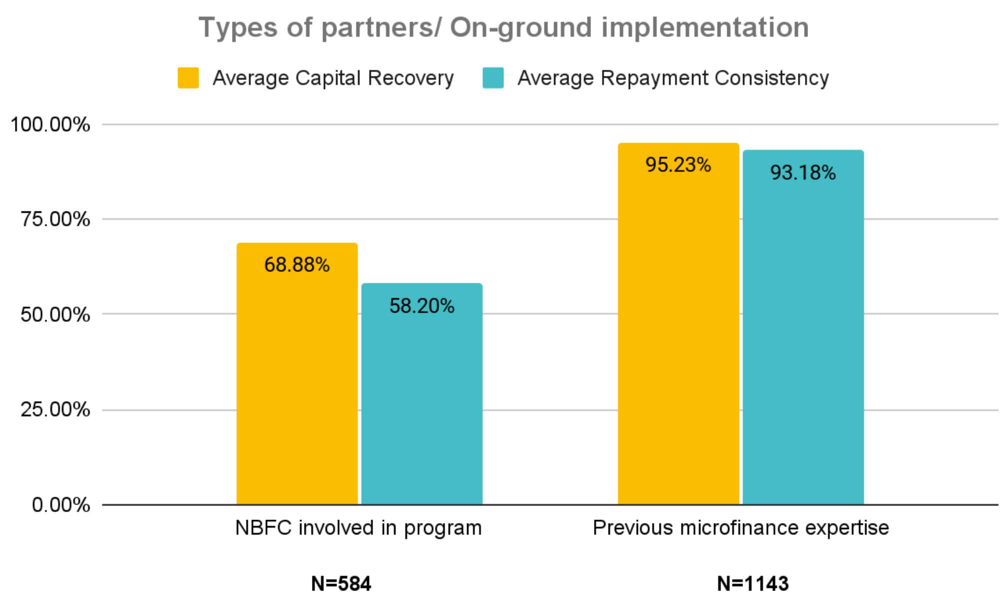
The relationship between the participants and the implementation partners is an intangible and central feature of the RG program. We distinguish between cohorts as follows:

- Those who had an NBFC involved in the program implementation
- Those who didn't have an NBFC but where the implementation partner had previous financial expertise in microfinance initiatives.

The NBFC linked cohorts are Arth (women micro entrepreneurs), ATPAR (entrepreneurs with disabilities) and beautypreneurs (Dhriiti, Vrutti, Pratham). The farmer cohort was excluded from this computation since the RG was offered as a voucher and repaid lump sum. The Manndeshi (women micro entrepreneurs) and street vendors were supported by implementing partners that had financial expertise but were not NBFCs. Using this categorization, we find the following patterns:

- **Capital recovery** :
  - Full capital has been recovered from 82.68% of the participants who had partners with financial expertise (average capital recovery - 95.23%)
  - 26.88% of the participants with NBFC partners have paid the full amount due so far. (average capital recovery rate - 68.88%)

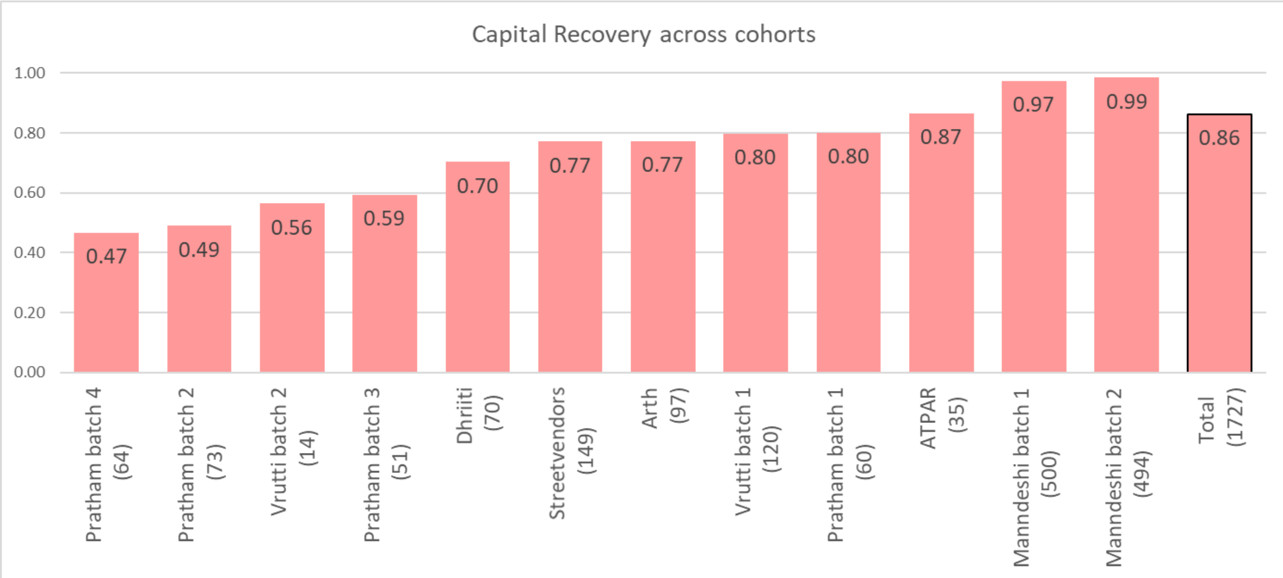
- **Repayment consistency** :
  - 80.84% of the time, participants who had partners with financial expertise did not miss repayment in any emi cycle (average repayment consistency rate - 93.18%).
  - Incase of those who had an NBFC partner only 6.34% of the time participants did not miss any repayments. (average repayment consistency rate - 58.20%)



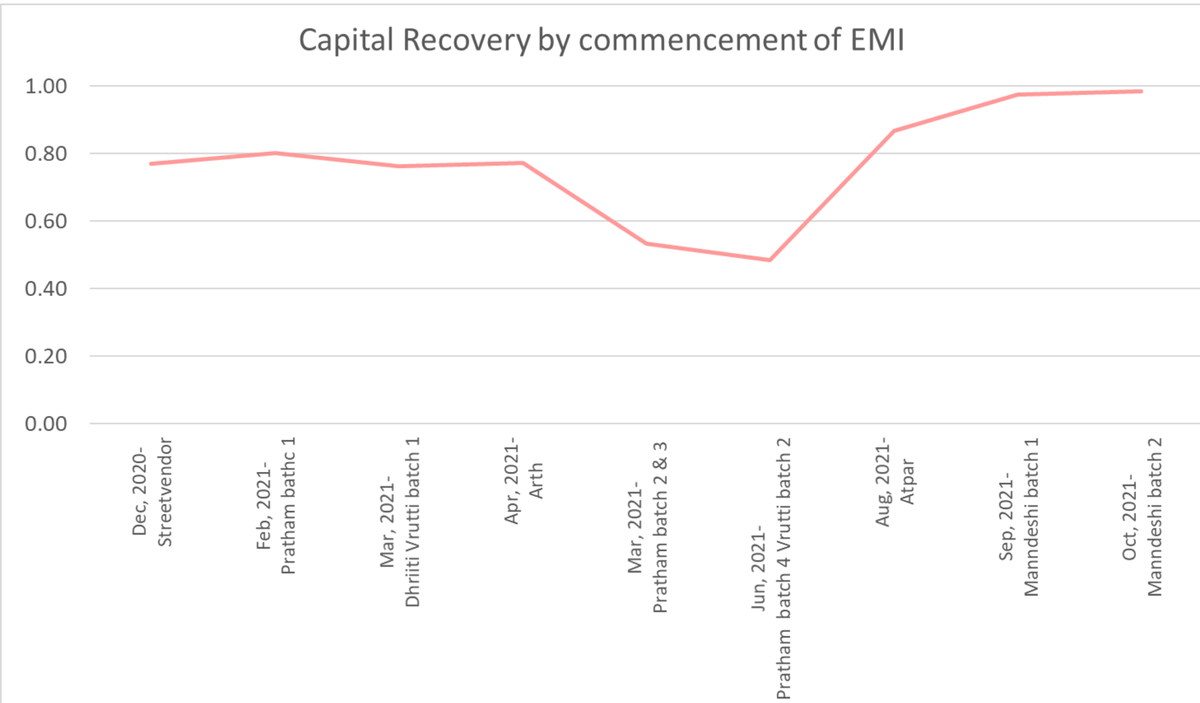
These data suggest that cohorts with implementation partners that have financial expertise fare considerably better than cohorts with NBFCs involved. However, we caution that this data is skewed by a few cohorts driving high repayment rates and will need additional cohort-data to become available before we can confirm this result.

4.4. What can we discern from those who made lower repayments in comparison with the others?

The returnable grant program commenced for different cohorts and their batches at different times in the past two years. Each of these cohorts experienced varying degrees of adversity due to the pandemic. The figure below illustrates the capital recovery rates for all cohorts and batches for which sufficient data is available.



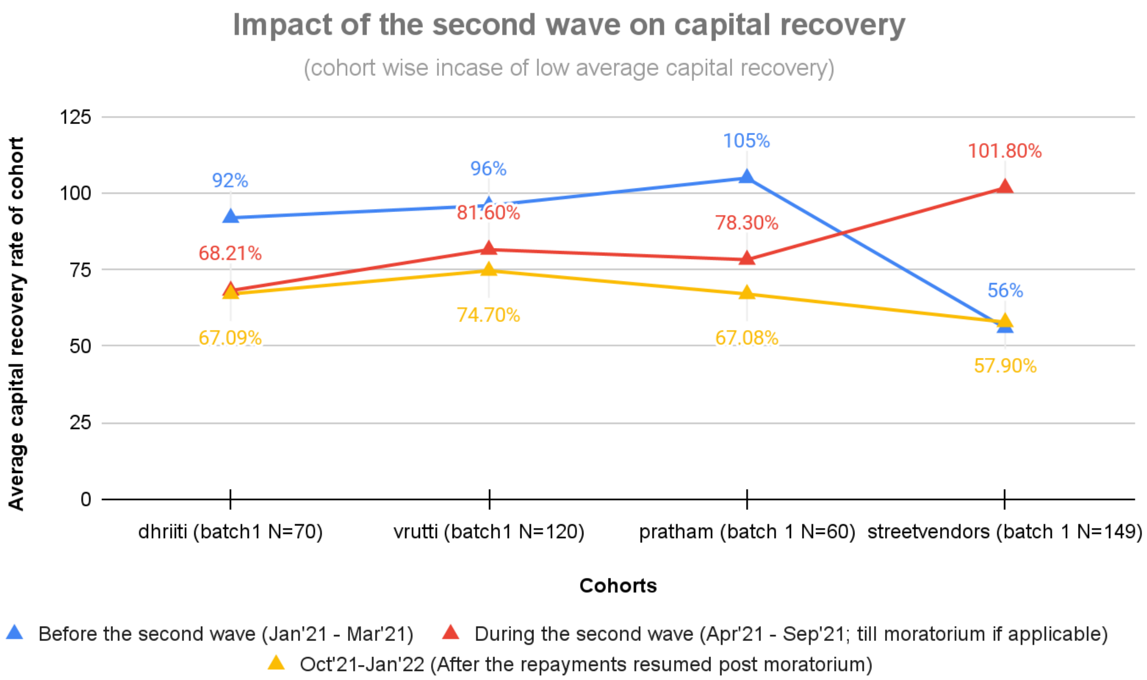
Capital recovery rates are lowest for those cohorts that commenced repayments during the second wave of pandemic: March to June 2021. Note however that these cohorts have yet to complete all the repayment cycles and we will be analysing additional data to see if this trend persists or if they make up earlier shortfalls caused by the second wave.



The reality of the devastating second wave led to a modification in the RG program strategy. Relaxation and flexible repayment options were provided, wherein the moral obligation to pay the full emi amounts on time were relaxed for those belonging to lower socio-economic strata. A moratorium was extended for vulnerable communities like the Beautypreneurs (Pratham, Vrutti, Dhriiti) while others (street vendors) chose to continue to make repayments paying what they could if they could.

We examined the capital recovery rates of these vulnerable communities during different stages: prior to the second wave of the pandemic, months during and immediately following the second wave and after the moratorium period when the quantum and regularity of repayments stabilised.

- Prior to the second wave of the pandemic the capital recovery rate of these vulnerable communities was high and comparable to those of the high-performing cohorts consisting of participants from highly educated backgrounds and moderate asset ownership.
- In the months immediately after the second wave, we see a persistent downward trend in the amounts repaid by the participants
- Even as repayments stabilised, we find that the capital recovery remains low. This suggests two hypotheses. First, that the participants are still recovering from the impact of the second wave and need further relief or credit. Second, that the lack of direct and focussed engagement (during the moratorium period) weakened the moral obligation.



5. Limitations

5.1 Incomplete data

Many of the cohorts are still in the execution phase and are a couple of months away from the program end. Planned endline surveys will help us understand other outcomes of the programs, including changes in income and livelihood status.

5.2 Skewed nature of data

Data considered for the present analysis is dominated by the Mann Deshi cohort, which accounts for roughly half of all the participants in our sample. Mann Deshi is also the cohort with the highest capital recovery (95%) and repayment consistency (97%).

5.3 Unavailability of data

Missing data on many indicators was high as the data submitted by implementing partners lacks the desired quality. The MEL team is addressing these challenges by introducing new processes for timely monitoring of data quality as well as building the capacity of implementing partners in data collection and management.

6. Next Steps

6.1 Holistic Analysis

In the next quarter, the cohorts considered would have completed the endline survey. MEL team would conduct analysis on the additional outcomes of the programs including changes in income and livelihood status. Few other cohorts would have also completed at least three cycles of repayment which we considered as the criteria for selecting in this report. This will help to get away from the dominance of the Mann Deshi cohort. Additionally, the MEL team plans to address the limitation of the unavailability of data by adding questions on these indicators in the endline survey.

6.2 Upgradation of MEL framework

REVIVE started as an immediate response to the crises induced by the covid pandemic. There was acute urgency to act quickly to the needs of people. The situation provided very little space for the MEL team to design a robust MEL strategy. Hence, during the last year of the execution of REVIVE, the MEL team focused on understanding the outcomes of the programs through recipients' repayment behaviour. Now, the situation is becoming better and has given space to design a robust MEL strategy and we plan to upgrade it with the following additions.

1. Holistic picture of livelihood improvement

The current primary data collection methodology for measuring income parameters heavily relies on self-reported data by recipients on their annual or monthly income. We observed that the questions are very direct to the indicator, and recipients struggle to answer the questions correctly. Going forward, we are planning to address this shortcoming by expanding our measurement more than income to measure the change in livelihood improvement. Currently, we are planning to measure indicators such as savings, expenditure etc and assess the feasibility of different methodologies to adopt the most reliable ones.

2. Research and experimentation

Along with regular monitoring and evaluation of the programs, it is important to understand the effectiveness of the interventions and the causations of these interventions to the impact generated in the lives of recipients. The MEL team plans to execute experiments to understand the efficacy of different financial models; approaches and test the effectiveness of various behaviour and communication nudges adopted by the program

7. REVIVE 2.0

7.1 Multi-year tracking

REVIVE aims to bring a transformative impact on the lives of recipients. This takes multi-year tracking of their lives to understand the change and impact due to the interventions. Along with this, REVIVE aims to have multiple touchpoints over the recipients' lifecycle. Aligning with these objectives, REVIVE alliance is set to build a tech platform to track the recipients over multiple years. The MEL team will focus on assessing the needs of recipients on a regular basis by micro and macro views on recipients' profiles by mapping in-house instruments and available programs and schemes in the ecosystem.

7.2 The graduation Approach

The term graduation refers to recipients moving out of poverty and graduating into income-generating activities that let them sustain themselves without an external form of intervention[1], originally developed by BRAC in Bangladesh. The model focuses on four critical approaches: social protection, livelihood promotions, financial inclusion, and social empowerment. While REVIVE currently works on three of these, we aim to deepen the focus on financial inclusion. We hope to transition our RG recipients into the formal banking system (saving facilities, credit and insurance mechanism and loan) to help them avail of borrowing from formal sources and increase their savings. For this, we are currently looking at:

1. Credit-worthiness certificate

A central data management system would track recipients and their repayment behaviours and could then be used to issue a credit-worthiness certificate. We will be engaging with formal financial institutions and NBFCs to facilitate the use of such certificates for availing of loans in the future.

2. Predictive repayment model

REVIVE will develop a mathematical model for the prediction of repayment. Initially, we are assessing the correlation of profile indicators of the recipients (e.g., type of business, gender, location, etc) with the repayment behaviour. The repayment model would be used to predict the repayment of future recipients through the measured classification of various indicators.

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Stata code file for the analysis - rganalysis_final.do

[1] World bank Group, Creating Pathways for the Poorest : Early Lessons on Implementing the Graduation Model- World