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कृपया इस स्थान
में प्रश्न संख्या के
अतिरिक्त कुछ
न लिखें।

UPSC

Answer Questions in NOT MORE THAN the Word Limit specified for each in the Parenthesis.
Content of the Question is more important than length.
(Specimen Answer Booklet - For Practice Purpose Only)

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Q. A pioneering new blended finance programme can create a great opportunity to informal sector workers and entrepreneurs. Explain.

↳ The economic impact of the pandemic in the informal sector especially had a devastating consequences because of raising capital.

↳ India's formal credit system is inhospitable to informal sector workers and micro-entrepreneurs.

↳ New Finance programme

↳ Systematic evaluation of a finance instrument called Returnable Grant (RG) suggest break of vicious cycle of financial exclusion.

Returnable Grant

↳ Developed as part of Revive Initiative by Samhita Social Ventures and Collective Good Foundation (CGF) and supported funding by Philanthropic

concept

↳ Recipients receive a grant with fixed size tailored to their needs under ₹10,000. But conventional grants, there is a expectation to return the grant either in EMI's or Pre-agreed time period.

↳ Beneficiaries are told that timely

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return of the grant will allow Samhita-GRF Beneficiaries to support other workers like themselves.

↳ RGI Programme has grown to reach more than 1,00,000 beneficiaries - Samhita-GRF Invested in rigorous evaluation framework that utilised third party survey organisations to collect baseline, midline and Endline data on individual recipients.

↳ Analysis of the data provide valuable insights about how we can serve the financially marginalised better.

↳ ~~another point.~~

↳ The RBI experience contemplate a 'graduation' Pathway to formal credit for informal sector workers and entrepreneurs. The repayment data from RBI can be used to create a Precredit score which banks could use to make a starter loan to these borrowers.

↳ These starter loans could be supported by credit guarantees or interest subvention, using philanthropic funding in order to incentivise banks to get started. The repayment track record of these starter loans could feed into a formal credit score, essentially opening the door to mainstream formal credit in subsequent cycle.