



APMAS

Workshop on

WOMEN IN AGRICULTURE IN SOUTH ASIA

*Organized by AKF & IFPRI
12th-14th August 2008*

**Integration of Agriculture & Extension
Services in SHG Federations for Access and
Control of Productive Resources**

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PRESENTATION STRUCTURE

- **APMAS contribution to SHG movement**
- **Quality of SHGs & Federations**
- **Access to credit**
- **Dynamics in SHG member Households**
- **Issues in SHG & Federations**
- **Way forward**



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ABOUT APMAS

- A public society began work in July 2001
- A national level Resource Institution for strengthening SHGs & SHG Federations
- Areas of work include capacity building, rating, livelihood promotion and research & advocacy

Vision:

*Sustainable SHG
Movement in India*





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CAPACITY BUILDING

- **SERP – APMAS collaboration for results: 68 Mandals, 2051 VO's and 46,225 SHGs**
- **APUSP-support in promoting 102 SLFs and 3 TLFs**
- **Trained > 65,000 professionals & para-professionals directly on SHG & federation through ToT.**
- **Capacity building products-Modules, Manuals, Posters, VCDs, CDs, Cassettes,**
- **State level trainings to MS OB members**
- **Flagship programmes at national level**
- **6- Customized programmes for other states on Book-Keeping to NGO partners**



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CRP STRATEGY

- **Team of four members-2 SHG members, 1-book keeper and 1-community activist**
- **Spends 15 days in a village with SHGs & VO**
- **Focuses on capacity building inputs**
- **Panchasutras-weekly meetings & savings, loans, repayment and book-keeping**
- **Training on preparation of MCP**
- **Identification of social capital and trainings-BKs, CAs, CRPs, other para-professionals**
- **Prepare action plan for 3 months**



QUALITY ASSESSMENT

- **425 SHG federations, MACS, MFIs promoted by 14 Govt. and NGOs were rated across the country**
- **2 consolidated assessment reports were published in 2003-04 and 2006-07**
- **4 evaluation were conducted**
- **6 Rating tools were developed**
- **Data Base of the Organizations rated**



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RESEARCH & ADVOCACY

- **25 Research studies on Quality of SHGs and their federations, Bank Linkage, microfinance, women empowerment, livelihoods**
- **> 10 studies/projects by interns on various issues related to SHG movement**
- **Workshops at national (3), state (7), regional (3) ; district (6) level**
- **On QA Rating tools, SHG Federations, Livelihoods, GO-NGO collaboration, VO-Bank linkage, women issues and so on**



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LIVELIHOOD PROMOTION

- **Initiated in 2004 with the support of AKF**
- **Anchoring 2 DLRC's (Adilabad & Kadapa) and 10 CLRCs in collaboration with DWMA, APARD, RD**
- **Demo sites on Watershed, CLDP and NREGS.**
- **Promoted APLLG.**
- **Integration of LH Promotion with SHG Federations**
- **Promoted Jeans stitching unit, NPM activities, IPM, INM activities, EGS and WS Prog; Vegetable cultivation, dairy, floriculture, horticulture**
- **Immersion programmes, exposure visits and Trainings on FM**



NATIONAL NETWORK OF RESOURCE ORGANIZATIONS

- **Launched in June 2007 with a groups of five (G5) organizations; Included two more new members**
- **APMAS-Hyderabad, Chaitanya-Pune, CmF, ISMW, Reach India, West Bengal SHG Promotion Forum (WBSHGPF) and Grameen Mahila Okkuta (GMO)**
- **Create conducive policy environment**
- **Facilitate flow of funds for SHG promotion & on-lending**
- **Increase cadre of human resources using standardized training and resource material**
- **Building the profile of Community Based mF**
- **Promote innovative models for replication**



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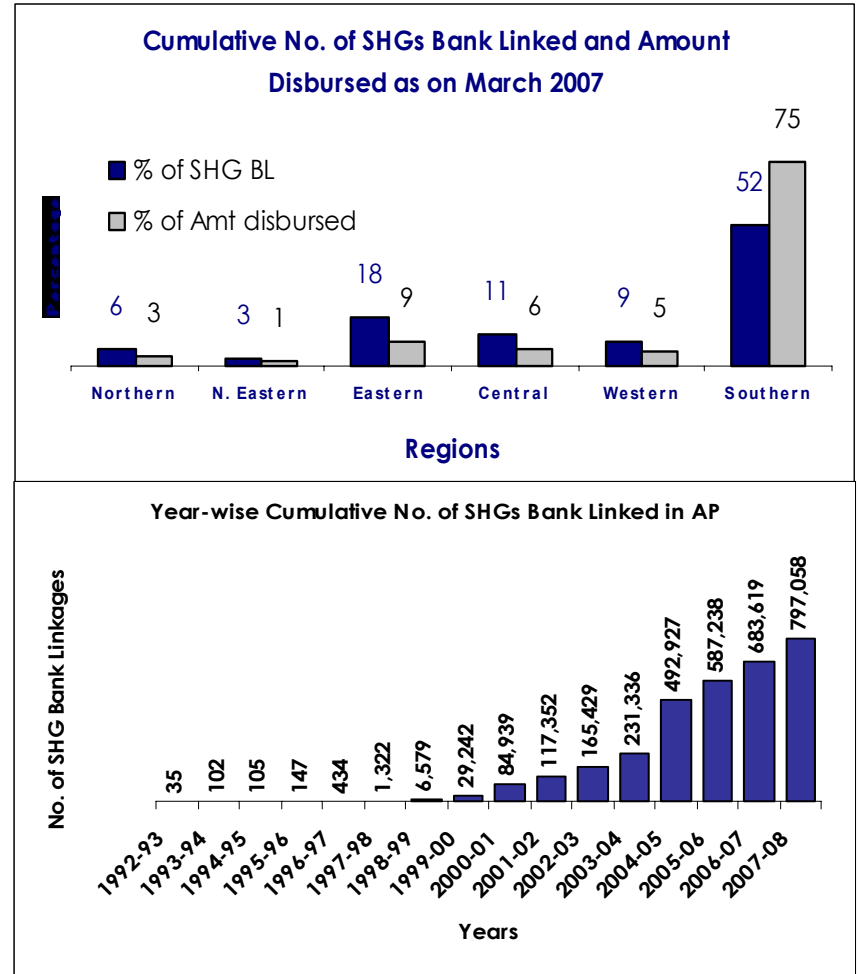
SHG MOVEMENT IN AP

- **75.29 lakh Poor HH as per PIP**
- **91.5 % organized into SHGs**
- **7.08 lakh SHGs in AP as on March 2008**
- **88.32 lakh SHG members as on March '08**
- **Rs.144,407.04 lakhs-Total savings of SHGs**
- **Rs. 310,968.99 lakhs- total corpus of SHGs**
- **Govt, NGOs and Banks are the SHPIs in AP**



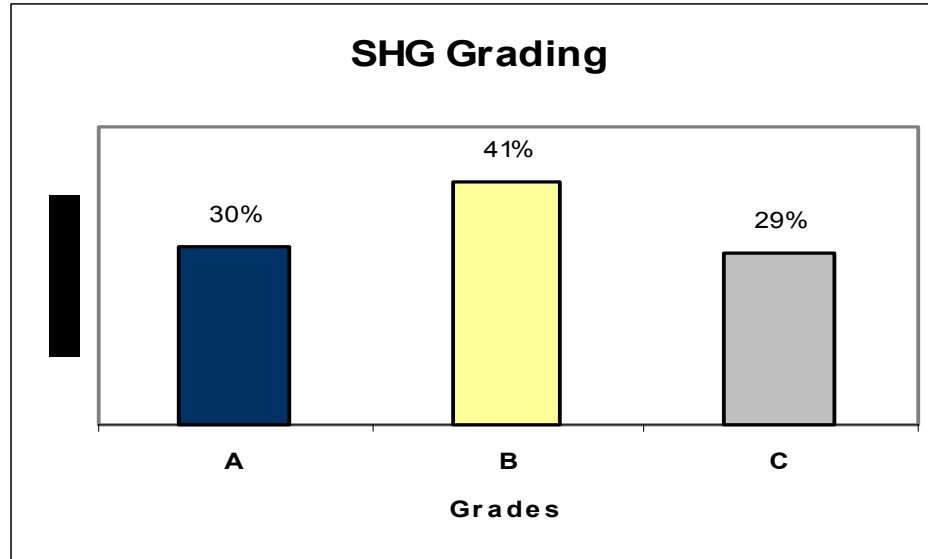
SHG-BL PROGRAMME IN AP

- **3.36 million SHGs in the country; 42% in Southern region**
- **2.92 million cumulative no. of SHGs bank linked in India**
- **Rs. 180,407.42 millions disbursed to SHGs**
- **Rs. 5558.65 lakhs disbursed to 574 SHG fed. in AP**
- **Rs. 557333.85 lakh to 4.15 lakh SHGs in AP- 2007-08**





GRADING OF SHGS



- Poor asset quality and large amount of idle funds
- Irregular meetings and poor book-keeping
- Confined to saving and credit activities
- There are norms but not in practice
- Quality of older SHGs has been decreasing



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SAVINGS

- **Only compulsory savings**
- **No diversity in savings except a little increase in monthly thrift of many SHGs.**
- **Insecurity feeling among members on savings**
- **Low repayment of loans from SHG funds**
- **No returns on savings to members from SHG**
- **Savings became as informal collateral to BL**
- **Group corpus slowly decreasing over years**



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VOLUNTARY SAVINGS

Savings at	% of members	Sum	Mean in Rs.
• Post Office	5	5,500	688
• Banks	4	19,034	3,172
• Chit funds	2	68,000	22,667
• Savings in SHGs	1	720	720
• Insurance	17	12,133	433

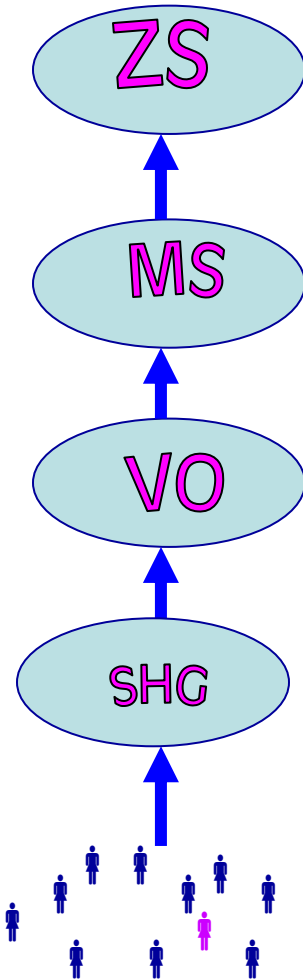


SHG FEDERATIONS IN INDIA

Region	Type of federations			
	PF	SF	TF	Total
Northern	121	26	0	147
N. Eastern	291	22	0	313
Eastern	21,371	784	0	22,155
Central	506	334	1	847
Western	713	1	0	729
Southern	67,655	2,285	22	69,962
Total	90,657	3,452	23	94,153



SHG FEDERATION IN AP



- IKP, APUSP, GRAM, MARI, PEACE, PSS, Navajothi, Krushi, ASP, others
- 37,418 Federations (36,303-primary; 1,093 secondary; and 22 tertiary) were formed by IKP
- 95% of SHG federation in AP (34,269-VOs; 1,085-MSs; and 22-ZSs) was formed by IKP as on March 2008
- Multiple services to their members- financial, non-financial, social, livelihood

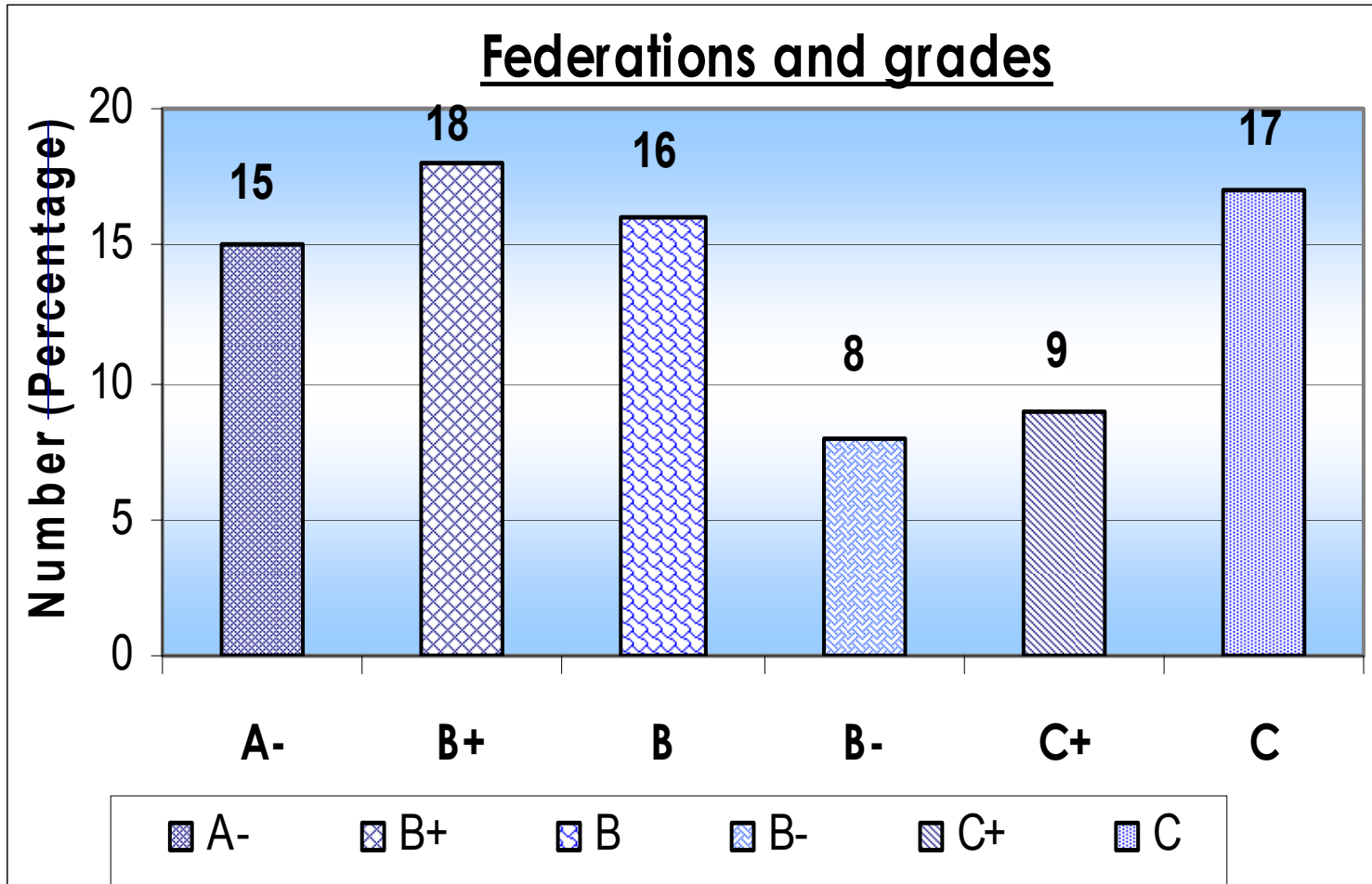


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GRADES: Fed. Rating Tool

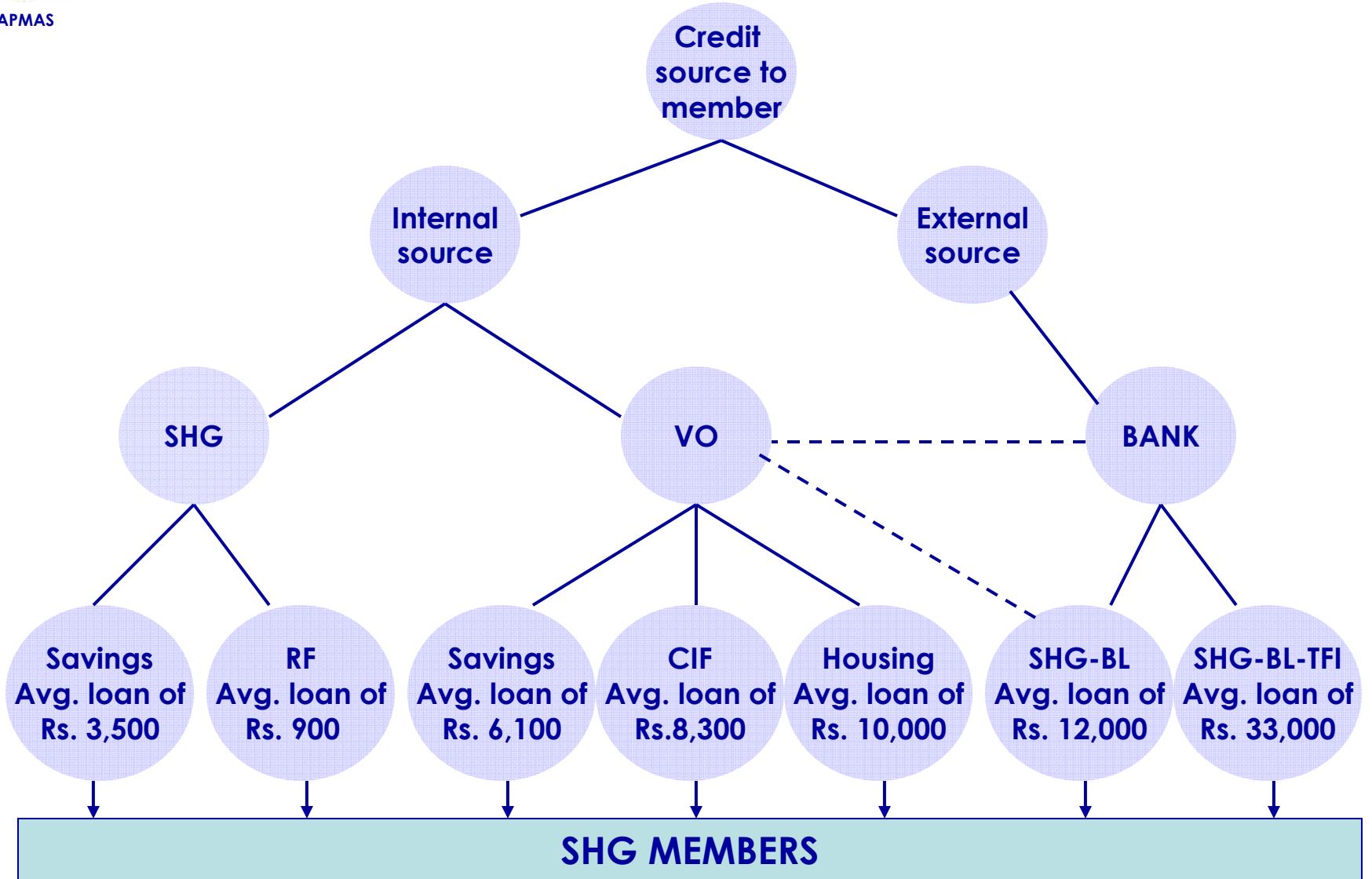
	Category	Marks	Weight
<u>G</u>	<u>G</u>overnance	80	16%
<u>R</u>	<u>R</u>esources	30	6%
<u>A</u>	<u>A</u>sset Quality	50	10%
<u>D</u>	<u>D</u>esign and Implementation of Systems	50	10%
<u>E</u>	<u>E</u>fficiency and profitability	60	12%
<u>S</u>	<u>S</u>ervices to Constituents or SHGs	30	6%
	<u>S</u>HG Performance	200	40%
	Overall Total	500	100%

RATING OF SHG FEDERATIONS



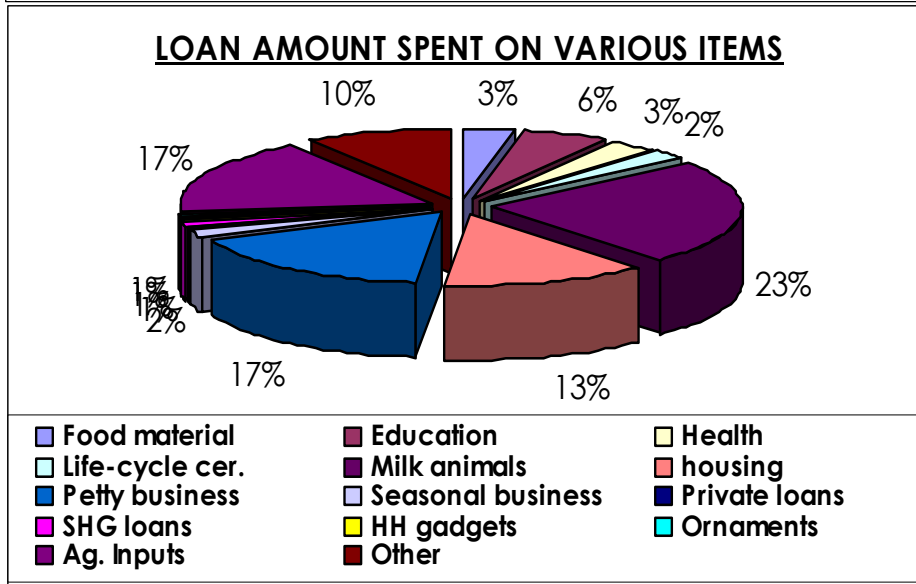
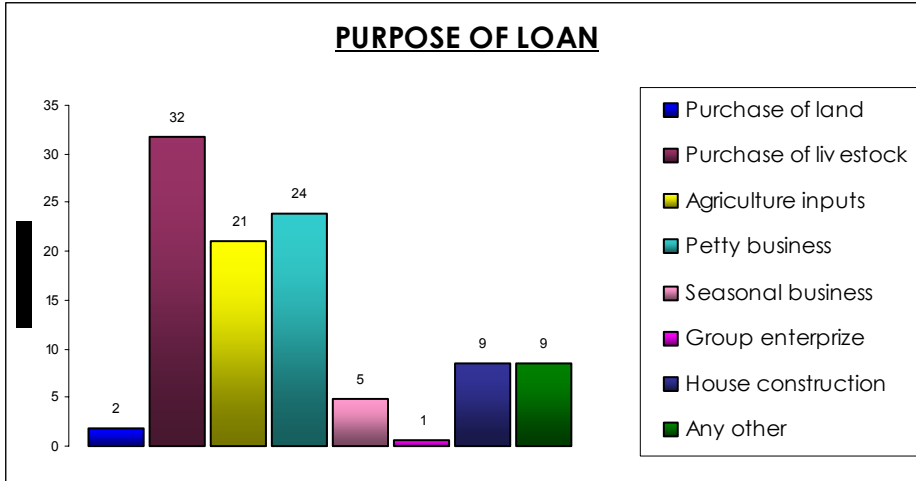


ACCESS TO CREDIT





LOAN DISBURSEMENT



- Many invested loan on ag. Inputs, cattle, petty business, education and housing
- Majority members spent major portion of loan on present occupation
- Large percentage of STs and SCs on new activities
- Loan diversification for other purposes



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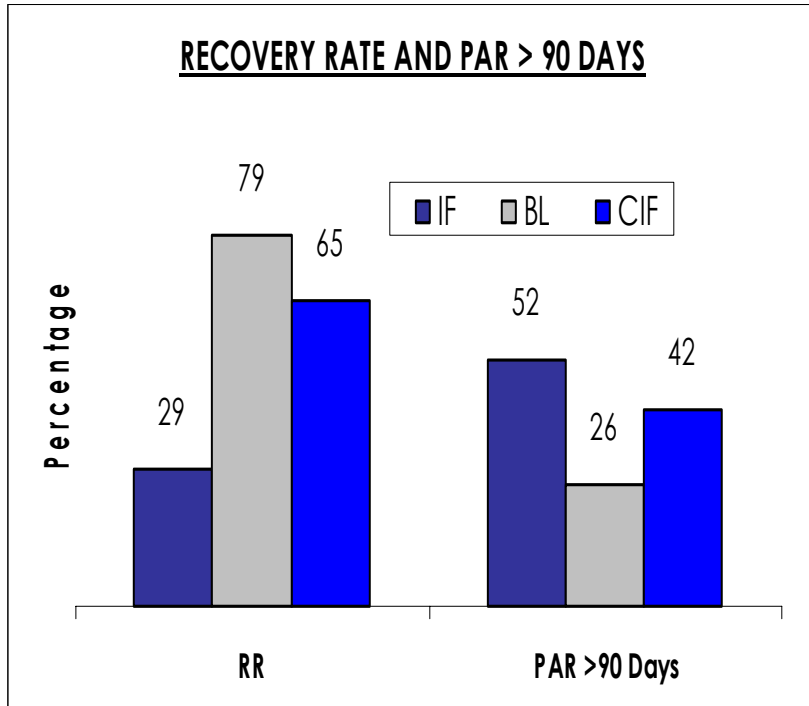
TFI LOANS: PLAN Vs UTILIZATION

TFI: Plan Vs. Utilization (amount in Rs.)				
Purpose	Plan		Utilization	
	% of amt	Average amount	% of amt	Average amount
Debt swapping	16	12,558	21	14,056
IG activities	69	25,394	57	22,571
Social Needs	2	13,333	10	8,674
BL outstanding	13	7,934	13	8,085
Total	100	35,094	100	35,952

- Wide gap between demand and supply
- Loan diversification from IGA to DS and SN
- Except in loan repayment period there is no much difference between SHG-BL and TFI in practice



REPAYMENT OF LOANS

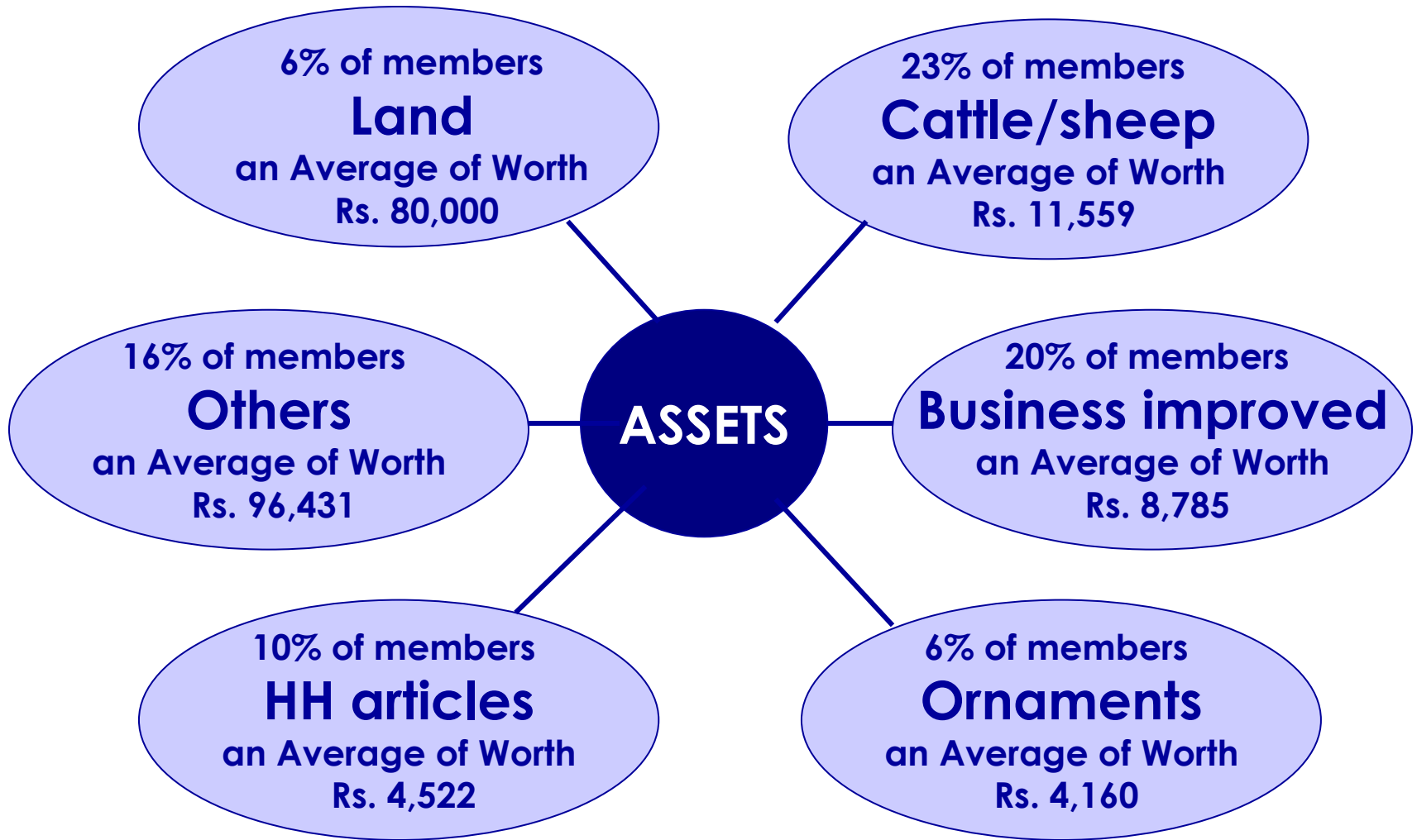


RR- Repayment rate
PAR- Portfolio at risk
IF-Internal fund
BL- Bank Linkage
CIF-Community Investment Fund

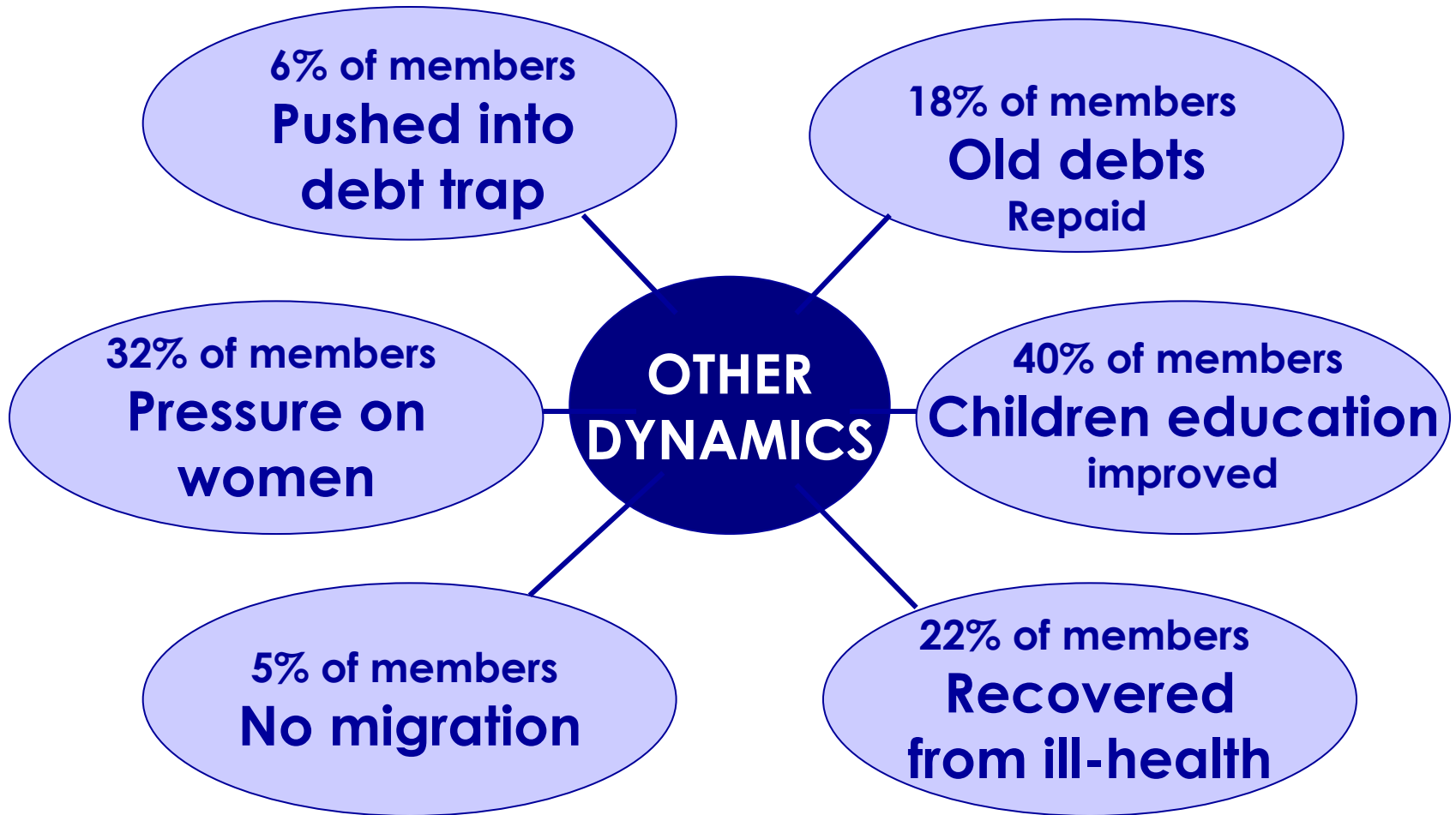
- Target approach at all levels
- Bank linkage & Recovery Committees at all levels
- Bank linkage loan disbursement melas
- Subsidy on interest rates
- Large volume of loans in subsequent linkages
- Awards to branches completed 100 SHG-BL



DYNAMICS AT HOUSEHOLD LEVEL



DYNAMICS AT HOUSEHOLD LEVEL...





ISSUES IN SHGs

- **Quality decrease over years**
- **Decrease of cumulative savings**
- **Irregular meetings with poor attendance**
- **Limiting to savings and credit agenda**
- **Poor book keeping**
- **Decrease in SHG fund lending & low RR**
- **Large amount of idle funds over years**
- **Interest subsidy, loan waiving, politization**



ISSUES IN SHG FEDERATIONS

- **Staff centered and more dependency**
- **Community owned, promoter managed**
- **More focus on financials rather than social**
- **Governance, systems & portfolio quality?**
- **External fund mobilization for on lending**
- **Focus on savings, insurance & remittances**
- **Inadequate CB inputs – promotional funds**
- **Target-oriented approach – sustainability?**



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WAY FORWARD

- **More focus on livelihoods – SHG federations, commodity coops, producer companies**
- **Attention on strengthening institutions – capacity building & mentoring.**
- **GoI, NABARD, State Governments to provide adequate funds for promotion.**
- **A liberal cooperative law at the national level for SHG federations to be autonomous**
- **Increase in quantum of loan under SHG – Bank linkage programme.**
- **Banks to finance SHG federations.**
- **Quality standards and appropriate rating mechanisms for SHG federations**



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Thanks

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