



Views and Suggestions of the Members on National Rural Livelihood Mission

**MICROFINANCE COMMUNITY OF PRACTICE
SOLUTION EXCHANGE, UNITED NATIONS, INDIA**

Bottlenecks of SGSY Scheme

Target Approach

Focus on savings and bank linkages - not livelihoods

Groups were formed on external criteria – not on affinity

Limited institutional capacity building

Overlapping SHG formed under SGSY and SBLP

Purposes of the loans were decided by each district

Selection of livelihood options -Irrespective of the viability

Inadequate institutional linkages, suboptimal financing and non existent capacity building



SPECIFIC RECOMMENDATIONS

Time Frame of the project - At least seven years

CEO shall be taken from the Open Market – Not Programme Director, DRDA

Social Venture Capital Company or a Micro Finance Institution at the State level

**Providing Target based incentive package to the NGOs
in order to leverage credit from financial institutions**

Facilitating /Using Primary Agricultural Cooperative Societies (PACS) as SHPIs

**Studying and Analyzing Resources of the target people vis-à-vis markets and
customizing scheme as per local conditions and demand**

Working Capital could be part of the Business plan

Focus on Qualitative Transformation and not merely on Horizontal Growth

SPECIFIC RECOMMENDATIONS

- **Focusing on institutional capacity building of SHGs/Federations**
- **Skills Development trainings - especially for off-farm IGAs**
- **Resource Mapping at various levels before selecting Activities**
- **Matching - livelihood profile of the specific area- resource profile and the market demand**
- **Promotional funds – to be released through national level autonomous agencies having experience in managing Prom. funds**
- **Identify/support/Link- Sub-Sector Resource organizations**

M&E : Tracking financial condition of households over a period of time

Systems and Mechanism to Risks to the person and the enterprise

Well Structured grievance redressal mechanism

Deputing good Bank officers on Deputation to coordinate the credit linkages

SYSTEMS AND MECHANISM

Using Subcontracting and Ancillarization

Time limit for processing and investigation of Loan Applications

Target the poor- not just BPL

Using Value Chain Analysis For specific sub-sector activity

System of regular self rating and external rating by competent Orgn/NGOs

Subsidy not in cash But Subsidized Services – Marketing, inputs, technology, transport

Thanks

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