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**PARLIAMENT OF INDIA
LOK SABHA**

**COMMITTEE ON EMPOWERMENT OF WOMEN
(2017-2018)**

(SIXTEENTH LOK SABHA)

TWELFTH REPORT

'EMPOWERING WOMEN THROUGH SELF HELP GROUPS'

[Action Taken by the Government on the recommendations contained in the Eighth Report (Sixteenth Lok Sabha) of the Committee on Empowerment of Women (2016-2017) on the subject 'Empowering Women through Self Help Groups']



**LOK SABHA SECRETARIAT
*NEW DELHI***

August, 2018/Shravana, 1940 (Saka)

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Presented to Lok Sabha on 08 August, 2018

Laid in Rajya Sabha on 08 August, 2018



LOK SABHA SECRETARIAT
NEW DELHI

August, 2018/Shravana, 1940 (Saka)

E.W.C. No. 105.

PRICE: Rs. _____

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Published under

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**COMPOSITION OF THE COMMITTEE ON EMPOWERMENT OF WOMEN
(2017-2018)**

Hon'ble Chairperson - Smt. Bijoya Chakravarty

**MEMBERS
LOK SABHA**

2. Shrimati Anju Bala
3. Shrimati Renuka Butta
4. Km. Sushmita Dev
5. Shrimati Rama Devi
6. Shrimati Jyoti Dhurve
7. Ms. Bhavana Gawali (Patil)
8. Shrimati Darshanaben Jardosh
9. Shrimati Raksha Khadse
10. Shrimati Poonamben Hematbhai Maadam
11. Shrimati Jayshreeben Patel
12. Shrimati Riti Pathak
13. Sushree Sadhvi Savitri Bai Phoole
14. Shrimati Satabdi Roy (Banerjee)
15. Shrimati Mala Rajya Laxmi Shah
16. Shrimati Supriya Sule
17. Shrimati Rita Tarai
18. Shrimati P. K. Sreemathi Teacher
19. Shrimati Savitri Thakur
20. Shrimati R. Vanaroja

Rajya Sabha

21. Shrimati Jharna Das Baidya
22. Smt. Vijila Sathyananth
23. Shri Prabhat Jha
24. Shrimati Kanimozhi
25. Shri Anubhav Mohanty
26. Smt. Vandana Chavan
27. Shrimati Kahkashan Perween
28. Ms. Dola Sen
29. Ms. Saroj Pandey
30. Shrimati Wansuk Syiem

(iii)

Secretariat

- | | | | |
|----|------------------------|---|------------------------|
| 1. | Shri N. C. Gupta | - | Joint Secretary |
| 2. | Shri. T. S. Rangarajan | - | Director |
| 3. | Shri Khakhai Zou | - | Additional Director |
| 4. | Shri Rajesh Mohan | - | Under Secretary |
| 5. | Shrimati Raji Manish | - | Sr.Committee Assistant |

INTRODUCTION

I, the Chairperson, Committee on Empowerment of Women, having been authorized by the Committee to submit the Report on their behalf, present this Twelfth Report (Sixteenth Lok Sabha) on the action taken by the Government on the recommendations contained in their Eighth Report (Sixteenth Lok Sabha) on 'Empowering Women through Self Help Groups'.

2. The Eighth Report of the Committee on Empowerment of Women was presented to Lok Sabha and laid in Rajya Sabha on 16 December, 2016. The Ministry of Rural Development, Ministry of Finance and Ministry of Women and Child Development have furnished the action taken replies to all the Observations/Recommendations contained in the Report.

3. The Committee on Empowerment of Women (2017-18) considered and adopted the draft Action Taken Report at their sitting held on 03 August, 2018. Minutes of the sitting are given in Appendix I.

4. An analysis of the action taken by the Government on the recommendations contained in the Eighth Report (Sixteenth Lok Sabha) of the Committee is given in Appendix II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;
07 August, 2018
16 Shravana , 1940 (Saka)

BIJOYA CHAKRAVARTY,
CHAIRPERSON,
COMMITTEE ON EMPOWERMENT OF WOMEN.

CHAPTER I

REPORT

This Report deals with the action taken by the Government on the observations/recommendations contained in the eighth Report (Sixteenth Lok Sabha) of the Committee on Empowerment of Women on the subject Empowering Women through Self Help Groups' pertaining to the Ministry of Rural Development, Ministry of Finance (Department of Financial Services) and Ministry of Women and Child Development.

2. The Eighth Report of the Committee was presented to Lok Sabha on 16th December, 2016 and was simultaneously laid in Rajya Sabha on the same day.

3. The Action Taken Replies in respect of all the 29 observations/recommendations contained in the Report have been received from the Government. These have been categorized as follows:-

- (i) Observations/Recommendations, which have been accepted by the Government.

Recommendation Para No:- 2.1,2.2, 2.3, 2.4, 2.6, 2.7, 2.8, 2.9, 2.13, 2.14, 2.15, 2.16, 2.18, 2.19, 2.20, 2.21, 2.24, 2.25, 2.26, 2.27 and 2.28

Total :21

Chapter-II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government.

Recommendation Para No:- Nil

Total: 00

Chapter-III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.

Recommendation Para No:- 2.17 and 2.22

Total: 02

Chapter-IV

- (iv) Observations/Recommendations in respect of which the Government have furnished interim replies.

Recommendation Para No:- 2.5, 2.10, 2.11, 2.12, 2.23 and 2.29

Total : 06
Chapter-V

4. The Committee trust that utmost importance would be given by the Government to the implementation of their recommendations. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reasons, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that the Action Taken Notes on the recommendations/observations contained in Chapter-I of this Report and final reply to the observations/recommendations contained in Chapter-V of the Report of which Government has submitted interim reply, may be furnished to the Committee within three months of the presentation of this Report.

5. The Committee will now deal with those actions taken replies of the Government, which need reiteration or merit comments.

Formation of SHGs in remote areas and tribal areas

(Recommendation Para No. 2.5)

6. Highlighting the cause of poverty and absence of women empowerment as the two major factors hindering the social and economical development of the tribal community, the Committee had recommended in their original report to give special attention to the tribal areas with a tailor made approach catering to their specific needs and capacities so that financial inclusion of the remote areas and economic and social empowerment of the tribal women are achieved at a faster pace.

7. The Ministry of Rural Development (Department of Rural Development) in their action taken reply on the aforementioned recommendation has stated as under:-

"The recommendation has been noted. DAY-NRLM has a tribal sub-plan under which dedicated funds are ear-marked in the annual budget for the

implementation of the programme for the benefit of the tribal population. The funds allocated during the last 3 years (2014-15 to 2016-17) and the current year (2017-18) are as follows:-

(Rupees in crore)

Financial Year	Allocation		Release
	B.E.	R.E.	
2014-15	434.24	184.15	176.20
2015-16	237.19	225.78	210.35
2016-17	231.74	264.84	264.84
2017-18	613.41	-	230.62

The programme also provides for coverage of 50% of the total number of beneficiaries from the Scheduled Caste / Scheduled Tribe communities. As per the information available, out of estimated number of 454 scheduled blocks, DAY-NRLM is being implemented in about 214 blocks in an "intensive" approach. It is also informed that under NRLM a special project for the tribal area i.e. Attapady project is being implemented in the Kerala State. More focussed approach is being followed in this project. The states where there is significant tribal population have been shown the implementation strategies followed in the special project and accordingly informed the States that while preparing Annual Action Plan, more emphasis should be given to the tribal areas".

Comments of the Committee

8. The Committee note that under tribal sub-plan of DAY-NRLM, dedicated funds are earmarked every year in the budget for the implementation of programmes for the benefit of the tribal population and out of estimated number of 454 scheduled blocks, DAY-NRLM is being implemented in about 214 blocks in an 'intense' approach. Moreover, a special project is being implemented for the tribals in Attapady region in Kerala . While appreciating the efforts made by the Ministry to implement DAY-NRLM projects in tribal areas with an intense and focussed approach, the Committee, nonetheless, reiterate their earlier recommendation that special attention may be given to the tribal areas with a tailor made approach catering to the specific needs and capacities of the tribal community so that economic and social empowerment of the tribal women are achieved at a faster pace. Necessary initiatives may also be taken to implement the DAY-NRLM Scheme to the remaining blocks of the country for the benefit of the tribal population and women empowerment and the

Committee may be apprised of the progress made by the Government in the implementation of DAY-NRLM projects in the tribal areas with special reference to the progress achieved in Attapady project within 3 months from the date of presentation of this Report.

Production related issues: Availability of raw materials

(Recommendation Para No. 2.10)

9. Understanding the dire need of educating the SHG Members about locally available raw materials and their diverse uses , the Committee had desired that information about locally available raw material and their varied uses should be disseminated to SHGs so that they can tap locally available raw material to its fullest potential and produce innovative products at a competitive rate.

10 The Ministry of Rural Development (Department of Rural Development) in their action taken reply on the aforementioned recommendation has stated as under:-

"The recommendation has been noted and will be brought to the notice of the State Governments for appropriate action. It may, however, be mentioned that wherever feasible, DAY NRLM SHGs / Producer Groups have initiated group/ bulk purchase of raw material etc. including agricultural inputs (seeds, fertilizers) and receive discounts and started receiving benefits of scale. DAY NRLM, through special fund in livelihoods, has initiated value chain intervention in several states. Within Value Chain intervention, producer groups are formed and members are trained in handling of commodities. About 84,000 Producers Groups are functioning under DAY-NRLM and the Ministry is focussing on upscaling this number. "

Comments of the Committee

11. While observing that the Ministry has noted the recommendation of the Committee and has agreed to bring the same to the notice of the State Governments for appropriate action, the Committee desire that the steps taken by the Ministry to implement the recommendation of the Committee and the action taken by the State Governments in this direction may be informed to the Committee within three months from the date of presentation of this Report.

Quality, innovative designs, proper branding and packaging of SHG products

(Recommendation Para No. 2.11)

12. Highlighting the importance of quality and diversity in the products of SHGs, the Committee, in their original report had recommended that Ministry of Finance and Ministry of Rural Development should take necessary steps in the direction of ensuring quality and diversity in the products made by SHGs.

13. The Ministry of Rural Development (Department of Rural Development) in its action taken reply on the aforementioned recommendation has stated as under:-

"DAY-NRLM lays adequate emphasis for promoting infrastructure and marketing as an integral part of the programme. The States are allowed to utilise 20% of the funds (25% in the case of North Eastern States) for infrastructure and marketing which will cover branding, value chain development, etc. The Ministry of Rural Development is also organising SARAS fair annually in New Delhi in conjunction with the International Trade Fair and other fairs to popularise SHG products. All states are also supported to organise one SARAS Mela annually in their states. From 2017-18 states will be supported for organising 2 SARAS Melas annually. In addition to the support provided by DAY-NRLM, NABARD has also taken some initiatives to create a niche market for the SHG products on Pan India basis which are as under:

a) Exhibitions/Melas

With a view to providing a marketing platform to the SHGs and rural artisans NABARD has been supporting exhibitions of rural arts and crafts at the District, State and National level thereby giving them an opportunity to showcase rural crafts, arts, skills, food products, cottage industries etc. and thereby giving a boost to the livelihood of SHG members.

During 2016-17, as on 31 December 2016, NABARD organized/sponsored 143 melas/exhibitions in different parts of the country with financial assistance of Rs.234.09 lakh.

One of the prominent events was "Mahalaxmi SARAS Mela", an annual exhibition-cum-sale of products made by SHGs/ rural artisans, for which grant assistance is provided by NABARD. The Mela is organized in Mumbai by the Gol and the Government of Maharashtra, jointly with NABARD. During 2016-17, 50 stalls were allotted to NABARD in which 51 exhibitors from 28 states displayed their products. Grant assistance of Rs.40 lakh was sanctioned towards conducting the SARAS Mela. As many as 30 SHGs who had not earlier participated in Mahalaxmi SARAS were given an opportunity to participate in the SARAS Mela 2017 for the first time.

NABARD has also been supporting the Surajkund International Craft Fair, Haryana organised by Ministry of Tourism and Textile, GoI and Haryana Tourism Dept for the last six years by sponsoring stalls for rural artisans/SHGs. During 2016-17, it extended grant support of Rs.64.60 lakh for the fair by sponsoring 50 stalls.

Similarly NABARD supports and sponsors stalls in all major melas/ exhibitions conducted by State Governments in all states.

b) Support for Rural Haat, Rural Mart

Rural Mart

In order to facilitate marketing linkages of SHG products and handicrafts or agro based products of artisans a scheme of Rural Mart is being implemented by NABARD. Under the scheme setting up of retail outlets is encouraged on highways, religious places, place of tourist importance etc. Products of SHGs/SHG federations supported by NABARD are sold. The assistance are in the form of grant support/Revolving Fund Assistance. A total number of 19 Rural Marts with grant assistance of Rs.54.31 lakh were sanctioned during the current year.

Rural Haat

NABARD also supports Rural Haat i.e. bazaar - an open air market that serves as a trading venue for local people in rural areas. Such Haats also provide a platform for trading of SHG products.

Efforts in e-marketing

NABARD through a technology platform of e-portal had made efforts to promote SHG and artisan products in 2014-15. However, since we were not satisfied with the performance the arrangement is not being taken forward. We will again consider the proposal once we are able to identify a suitable agency for partnering.

Collaboration with IRCTC for e-marketing of SHG products and e catering by SHGs.

NABARD has started a pilot on e-catering by SHGs in trains in collaboration with IRCTC. The scope for e Marketing of SHG products and developing a portal is being explored. These efforts will be continued with enhanced vigour."

Comments of the Committee

14. The Committee observe that NABARD has been supplementing the efforts of SHGs towards quality of products, designing, branding, packaging, education, training , sales promotion, technology and other marketing issues by organising/sponsoring exhibitions, melas, Rural Haats, Rural Marts etc. The States are also allowed to utilise 20% of the funds (25% in the case of North Eastern States) for infrastructure and marketing which will cover branding, value chain development etc. However, the Committee find that the reply of the Ministry is silent about the specific measures that are taken by the Government to ensure quality and innovative designs in the products made by SHGs. The Committee, therefore, desire that the Ministry may apprise the Committee about the specific actions taken in this regard .

The Committee further note that the efforts made by NABARD to promote SHG and artisan products in 2014-15 through e-portal did not yield desired results as a result of which the arrangement has not been taken forward. The Committee have been informed that the Government is willing to consider the proposal once they are able to identify a suitable agency for partnering. The Committee may be informed about the progress achieved in this regard.

Further, NABARD has started a pilot project on e-catering by SHGs in trains in collaboration with IRCTC. The Committee may be informed about the results of this pilot project as well

Creation of avenues for marketing

(Recommendation Para No. 2.12)

15. The Committee had observed in their original report that lack of regular or permanent place to sell the products is one of the major problems faced by SHGs and hence, had impressed upon the Ministry of Finance and Ministry of Rural Development to develop some generic strategies including marketing the products of SHGs through e-portal so that the various marketing related issues faced by SHGs can be addressed effectively.

16. The Ministry of Rural Development (Department of Rural Development) in its action taken reply on the aforementioned recommendation has stated as under:-

"As already stated in reply to recommendation No. 2.11, NABARD supplements the efforts towards quality of products, designing, branding, packaging, education, training, sales promotion, technology and other marketing issues by

way of support for organising Exhibitions / Melas, Rural Haat, Rural Mart, Collaboration with IRCTC for e-marketing of SHG products and e catering by SHGs through Women Self Help Group Development Fund, Off Farm Sector Promotion Fund, etc. A few states like Madhya Pradesh, Bihar have entered into partnerships with private retail chains or companies for providing space for sale of SHG products like vegetables, packaged food products, handicrafts etc. States like West Bengal have developed e-portals for this purpose. These efforts will be continued with enhanced vigour."

Comments of the Committee

17. As already observed by the Committee in recommendation No.14, NABARD supplements the marketing scope of SHG products through various means . The Committee also note that a few States like Madhya Pradesh and Bihar have entered into partnerships with private retail chains or companies for providing space for sale of various kinds of SHG products. West Bengal has developed e-portal for this purpose. However, the Committee strongly feel that only a few States offering marketing support to SHG products will not fructify the goals envisaged under DAY-NRLM. As DAY-NRLM is now under implementation across the country in all the 29 States and 5 Union Territories , it is imperative that all the States and UTs concerned should explore the ways and means to aid the sale of SHG products, be it through partnerships with retail chains or through e-portals or through any other custom made method that suits the unique situation of individual SHGs. The Committee, therefore, wish that the Ministry of Rural Development and Ministry of Finance should take up the issue of extending marketing support to the SHGs with the States in right earnest.

Role and Monitoring of NGOs.

(Recommendation Para No. 2.17)

18. Having observed that no database of NGOs working with SHGs are available with the NRLM Division, the Committee, in their original report, had urged upon the Government to take desired steps to maintain a database of NGOs so that a unified strategy to monitor the work of NGOs can be drawn up as well as handholding services can be provided to the NGOs.

19. The Ministry of Rural Development (Department of Rural Development) in their action taken reply on the aforementioned recommendation has stated as under:-

"Under DAY – NRLM there is a provision that any state can partner with NGOs to facilitate in implementation of programme. Specific guidelines have also been framed for training partnership with NGOs. The decision for having partnership with any organisation is to be taken by SRLMs. Some of the SRLMs have already done partnership with NGOs. In Jharkhand it is with Professional Assistance for Development Action (PRADAN), in Maharashtra with Mahila Arthik Vikas Mahamandal (MAVIM), in Uttar Pradesh with Rajiv Gandhi Mahila Vikas Pariyojna (RGMVP). A list of 32NGOs who are presently associated with DAY-NRLM has already been uploaded on the “Darpan” web portal maintained by NITI Aayog. The list is attached as Annexure 6.

Comments of the Committee

20. Taking into consideration the necessity and advantages of having a database of all the NGOs, the Committee had recommended that a database of NGOs which are working with SHGs may be maintained at the central level. The Committee, however, are disappointed to note that the Ministry has a list of only 32 NGOs that are presently associated with DAY-NRLM and not the complete list of all SHGs that are associated with all the SRLMs. The Committee understand that the Ministry of Rural Development is providing guidance to the States for implementation of DAY-NRLM through National Rural Livelihoods Promotion Society (NRLPS). When the Ministry is actively involved with the States in the implementation of DAY-NRLM, it is necessary that the Ministry also has a holistic knowledge of the functioning of SRLMs including information about the NGOs that are associated with the implementation of the projects. The Committee, therefore, reiterate their earlier recommendation that the Ministry may maintain a database of all the NGOs that are associated with DAY-NRLM.

Community Resource Persons and Auditing of SHGs

(Recommendation Para No. 2.22)

21. Having observed that annual auditing is not a regular practice with all the SHGs, the Committee had recommended in their original report that SHGs should be advised to adopt annual auditing as a regular practice so that the financial deficiencies in the functioning of SHGs can be addressed and resolved effectively on time.

22. The Ministry of Rural Development (Department of Rural Development) in its action taken reply on the aforementioned recommendation has stated as under:-

" DAY-NRLM core strategy is generation and utilization of community resource persons (CRPs) in social mobilisation and institution building through federating Self-Help Groups of women. The programme ensures providing intensive training to build capacity of the CRPs for formation, development and capacity building of SHG members for routine operations like, recording minutes of the meeting, write cash book, individual passbook, prepare trial balance, loan register, etc. As a part of the quality assurance, DAY- NRLM promotes internal audit of SHG transactions by trained cadre like book writers, master book writers and special cadre developed for auditing and system strengthening purposes. For instance, SHG auditors are being trained and certified in Kudumbashree, Kerala by KAAS (Kudumbashree Accounts and Audit Services); West Bengal have trained and certified their auditor CRPs by Institute of Cost Accountants of India, Kolkata. Similarly Jeevika Bihar, J&K and Jharkhand have trained SHG auditors to conduct audit of SHGs. "

Comments of the Committee

23. Highlighting the importance of auditing as an important tool that helps to understand the quality of SHGs in relation to their financial scenario, the Committee had recommended that SHGs should be advised to adopt annual auditing as a regular practice so that the financial deficiencies in the functioning of SHGs can be addressed and resolved effectively on time. The Committee are happy to note that as part of the quality assurance, DAY-NRLM promotes internal audit of SHG transactions by trained cadre like book writers, master book writers and special cadre developed for auditing and system strengthening purposes. However, the Committee are constrained to note that the Ministry has not given any affirmative reply as to whether all the SHGs associated with DAY-NRLM have adopted annual auditing as a regular practice or not. The Committee would like to get a clear answer from the Ministry in this regard.

Impact evaluation of NRLM.

(Recommendation Para No. 2.23)

24. Underscoring the importance of periodical impact evaluation of any project in identifying the strengths, shortcoming and difficulties involved in the project as well as initiating timely interventions and corrective measures for the success of the

programme, the Committee, in their original report, had desired that the Ministry may inform the Committee about the findings of the study commissioned by the Ministry and conducted by Institute of Rural Management (IRMA).

25. The Ministry of Rural Development (Department of Rural Development) in its action taken reply on the aforementioned recommendation has stated as under:-

"The Institute of Rural Management (IRMA) has submitted the Report. A copy of the Executive Summary of the Report is attached as Annexure 7."

Comments of the Committee

26. As DAY-NRLM is being implemented across the country and is making significant progress, this mid-term assessment commissioned by the Ministry to understand the effectiveness of the design, strategies and emerging outcomes of the programme is quite praiseworthy. The Committee hope that the Ministry will give due importance to the key findings of the study and will spare no efforts in implementing the vital recommendations made by the Institute of Rural Management (IRMA). The Committee may be apprised of the initiatives taken by the Ministry in this regard. If the Ministry disagrees with any of the findings in the Study or finds it not necessary to implement any of the recommendations put forth by IRMA, the reasons for the same may also be communicated to the Committee within three months from the date of presentation of this report.

Rashtriya Mahila Kosh

(Recommendation No. 2.29)

27. The Committee had observed in their original report that Rashtriya Mahila Kosh (RMK) which provides micro credit to women SHGs and Joint Liability Groups (JLG) was under revamping and had desired that the Ministry of Women and Child Development may inform the Committee about the status of the revamping proposal and the actions taken to streamline and strengthen RMK.

28. The Ministry of Women and Child Development in its action taken reply on the aforementioned recommendation has stated as under:-

"The Expert Committee constituted on 05.08.2014 headed by Mrs. Naina Lal Kidwai to strengthen Rashtriya Mahila Kosh (RMK) recommended to take a conscious decision on whether to continue to work in the area of micro financing directly, increase lending rates to 9-10 % to continue lending; as low interest

encourages IMO's to willfully default. The Governing Board in its 52nd meeting held on 03.12.2014 however decided that since loans are for poor women, RMK loans should continue to be disbursed at the interest rate of 6% p.a. not as recommended by the Expert Committee.

The Committee also suggested not restricting itself to only one category of beneficiaries as Memorandum of Association indicates many options to spread out its activities /services which RMK could venture into. (livelihood, skill, capacity building through training, backward and forward linkages);

The same has been agreed to and also in order to fulfil the objective of RMK to promote and support schemes for sustenance of women's existing employment and generation of further employment, 'Mahila-E-Haat', an online marketing platform was launched on 07th March, 2016 by the Ministry of Women and Child Development for empowering women for their financial inclusion. This unique e-platform is expected to empower and strengthen financial inclusion of women entrepreneurs in the economy by providing better marketing avenues, continued sustenance and support to their creativity. This online marketing portal 'Mahila E-haat' has been launched as a micro site on Rashtriya Mahila Kosh to promote awareness workshops and soft intervention are being conducted across the country for the benefit of women entrepreneurs / SHGs/ NGOs.

In furtherance to the above, the following measures are also undertaken to streamline it and the roadmap laid out for the future of RMK for taking the fruits of micro credit to various parts of the country and to make RMK a major venture in terms of efforts in poverty alleviation coupled with cost effectiveness:

The Governing Board of RMK in its 48th meeting held on 18.03.2013 reduced the maximum rate of Interest from 8% to 6% chargeable by RMK to NGOs w.e.f. 01.04.2013. In the same analogy, the Rate of Interest chargeable by NGOs to the end beneficiaries (SHG/Women entrepreneurs) has been reduced from 18% to 14 %. The Rate of Interest chargeable by NGOs to the end beneficiaries has been further reduced from 14 % to 10 % by the 54th Governing Board in its meeting dated 17.11.2015.

Proposal for restructuring of RMK indicating the requirement of additional manpower was submitted for approval of Ministry of Finance through IFD of the Ministry.

Recovery and follow-up action like periodical review of existing loans, issuing overdue notices, show cause notices, blacklisting, proceeding under Sec 138 of NI Act, initiating arbitration proceedings, Decree & Award Execution, etc.

are being taken against the defaulter of RMK loans given earlier. As a result Rs.19.75 Crore recovery has taken place since April, 2015 till March, 2017.

A single Loan Committee of RMK has been constituted under the chairmanship of Secretary, WCD for future loans.

With a view to make loaning guidelines of RMK more effective and customer friendly the Governing Board (GB) of RMK in its 53rd GB meeting has directed to revise the lending guidelines. The revised lending guidelines of RMK was placed for approval of GB in its 58th GB meeting held on 27th March, 2017 wherein the Governing Board(GB) suggested to revisit the Draft Loan Guidelines and take administrative decision. The same is under process."

Comments of the Committee

29. The Committee observe that pursuant to the 52nd and 53rd meetings held by the Governing Board, various effective steps have been taken to strengthen and streamline the functioning of Rashtriya Mahila Kosh (RMK). A Committee of RMK has also been constituted under the Chairmanship of Secretary, WCD for future loans. The Committee also note that with a view to make the loaning guidelines of RMK more effective and customer friendly, the Governing Board of RMK has suggested the Ministry to revisit the Draft Loan Guidelines and take administrative decision and the same is under process with the Ministry. While appreciating the efforts made by the Ministry for the positive remodelling of RMK, the Committee desire that they may be apprised of the further developments with regard to the proposal of revised lending guidelines.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation No. 2.1)

Successful coverage of NRLM in States / UTs

The Committee note that National Rural Livelihood Mission (NRLM) has been designed from the learnings amalgamated from various poverty eradication programmes including Swarn Jayanti Gram Swarozgar Yojana (SGSY). NRLM has set off with an agenda to reach out to all rural poor households by the year 2024-25 through a phased implementation strategy. Even though, the Mission was launched in June, 2011, the subsequent years till 2014 were transition years for the States and as of August, 2016, all States except Goa and the Union Territory of Puducherry have transited to NRLM. Despite the hiccups in the initial years, NRLM has now gathered steam and the number of functional SHGs under NRLM has risen from 17,44,189, to 28,78,004 during the period from February 2015 to August, 2016. While taking note of this praiseworthy progress, the Committee, nonetheless wish, to caution the Ministry to exercise utmost care that NRLM does not encounter the same drawbacks and stumble on pitfalls that befell on SGSY programme. In fact, the Committee in their 18th Report on 'Functioning of Self Help Groups for Economic Empowerment of Women' had put forth various recommendations for the successful implementation of SGSY and had hoped that this ambitious project of the Government would bring in palpable changes in the lives of the poor. Later, it was quite disheartening for the Committee to see the failure of this programme. The Committee, therefore, strongly recommend that the Ministry should attend to every micro and macro detail required for the growth and success of NRLM in a time bound manner without slackening their pace of coverage across the country including the State of Goa and UT of Puducherry and take concerted efforts to help NRLM realise its cherished dream of eradication of poverty and financial inclusion of the poor and marginalised sections of the society, especially women, within the target period of 2024-25 with unified planning, proper monitoring and expert guidance.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Government is implementing Deendayal AntyodayaYojana – National Rural Livelihoods Mission (DAY – NRLM) across the country in a mission mode with the objective of organizing the rural poor women into Self Help Groups (SHGs), and continuously nurturing and supporting them to take economic activities till they attain appreciable increase in incomes over a period of time to improve their quality of life and come out of abject poverty. This objective is sought to be achieved by organizing one woman member from each rural poor household into Self Help Groups (SHGs), their

training and capacity building, facilitating their micro-livelihoods plans, and enabling them to implement their livelihoods plans through accessing financial resources from their own institutions and the banks. Since social capital generation and building capacities of the implementation structures of the States missions takes time, DAY - NRLM has adopted a phased implementation strategy to provide intensive support to the SHGs and their federations such that the Mission reaches out to all rural poor households by 2024-25. As envisaged, DAY-NRLM is now under implementation across the country in all the 29 States and 5 Union Territories (except Delhi and Chandigarh where it is not to be implemented).

The Ministry is looking in to all the aspects of the programme so as to achieve its target of universal coverage of rural poor by the year 2024-25.

In order to address the special needs of certain States and regions, the Government has sanctioned the following special packages under DAY-NRLM:-

- (i) **Jammu & Kashmir** - In the case of Jammu & Kashmir, considering its socio-economic conditions and a host of other factors perpetuating poverty and backwardness in the State, it has been considered necessary to implement the programme more intensively to reach a saturation level within a period of five years to cover all vulnerable rural households, estimated at two thirds of the rural households in the State
- (ii) **All North Eastern States, except Assam** - Considering the socio-economic conditions of the North Eastern states and the sensitivity of the region from security point of view, it has been considered important to accelerate the pace of implementation of the programme in North Eastern states to cover all vulnerable rural households estimated at two- thirds of the total rural households in these States, by the year 2024-25. This would be possible only if the state-wise allocation of funds is made on a need basis without linking it with poverty ratios. This has not been made applicable in the case of Assam because that state is covered under the World Bank aided National Rural Livelihood Project (NRLP) and is therefore receiving additional funding support through NRLP also.
- (iii) **Uttarakhand, Himachal Pradesh & Jammu & Kashmir**:-Funding under DAY-NRLM is in the ratio of 60:40 between Centre and States. However, in the case of three Himalayan States,(namely, Uttrakhand, Himachal Pradesh, and Jammu & Kashmir), and all the north-eastern states (including Assam), it is in the ratio of 90:10 between Centre and States.
- (iv) In the case of Union Territories, funding is 100% by the Centre.

Since the programme is process intensive, the implementation is done in a phased manner so as to ensure that it addresses all aspects to ensure quality in the delivery of results. Accordingly, districts have been classified as Intensive and Non-Intensive districts. The programme implementation is taken up comprehensively in the intensive districts. In the non intensive districts, the initial ground work for social

mobilization and capacity building is taken up in a planned manner so that these districts would gradually mature in to intensive districts.

In order to ensure that adequate support is available to high poverty States, Government of India has also secured IDA credit (World Bank loan), for implementation of National Rural Livelihood Project (NRLP) in 13 high poverty States which provides the necessary technical assistance and professional support.

DAY-NRLM works in a mission mode taking care of effective planning and implementation processes as prescribed under standard protocols issued by DAY-NRLM. This mission also uses differential strategies for social inclusion of all identified rural poor households into functionally effective and self-managed institutions, with particular focus on more vulnerable section. DAY-NRLM focuses on stabilizing and promoting existing livelihood portfolio of the poor by way of 'vulnerability reduction' and 'livelihoods enhancement' through deepening/enhancing and expanding existing livelihoods options and tapping new opportunities in farm and non-farm sectors. To this end Mahila Kisan Sashaktikaran Pariyojana (MKSP) and Start-up Village Entrepreneurship Programme (SVEP) have been initiated. In addition, dedicated funds under World Bank supported National Rural Livelihood Project (NRLP) have been allocated for livelihood projects, financial inclusion projects and convergence projects. Thus, under DAY-NRLM adequate steps and processes have been taken to cater to macro and micro details required for effective implementation of the programme.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.2)

Role of State Governments in the success of SHGs

The Committee note that at State level, State Rural Livelihood Mission (SRLM) constituted by States oversees the implementation of all NRLM related activities. The three level units of SRLM viz., State Mission Management Unit (SMMU), District Mission Management Unit (DMMU) and Block Mission Management Unit (BMMU) spearhead the implementation process of the Mission in a State. The Committee observe from the success stories of 'Kudumbashree' in Kerala and the SHGs in Andhra Pradesh and Karnataka that the pro active role played by State Governments contribute substantially to the success of SHGs in a State. Hence, as the State Governments have an overarching role to play in framing conducive financial and economic policies which can help Micro Finance Institutions and rural development, the Committee strongly recommend that NRLM should work in tandem with the State Governments, holding consultation with the States and guiding them whenever necessary to fulfil this ambitious project of the Government.

Replies of the Ministry of Rural Development (Department of Rural Development)

The recommendation made has been noted for compliance. It may be added that the Ministry is providing guidance to the states for implementation of DAY-NRLM. A national level society, namely, National Rural Livelihoods Promotion Society (NRLPS), has been set up by the Government as an autonomous body to provide professional and technical support to the Deendayal AntyodayaYojana - National Rural Livelihoods Mission and the State Rural Livelihoods Missions (SRLMs). The broad objectives of NRLPS are:-

- i) To build capacities of the SRLMs in planning, implementing and monitoring DAY-NRLM;
- ii) To support SRLMs in preparing their Annual Action Plans.
- iii) To support the national and State missions in designing and implementing livelihoods pilots, placement linked skill development projects, self-employment projects, pilots on financial inclusion, social inclusion; and
- iv) To support the national and state missions for Monitoring and Evaluation (M&E), Management Information System (MIS), financial management, procurements.

NRLPS has professionals from various thematic areas relating to DAY-NRLM. The Society is providing technical support to various components relating to implementation of DAY – NRLM like Institution Building, Financial Inclusion, Financial Management and Procurement, Social Inclusion and Social Development, Food, Nutrition, Health and WASH (Water, Sanitation and Hygiene), Livelihoods – both farm and non-farm, skill development, Panchayati Raj Institution – Community Based Organization (PRI-CBO) Convergence, Management Information System (MIS), and Monitoring & Evaluation.

In addition to the above, NRLPS has designated State Anchors for each State to provide professional and technical support on a continuing basis. Through its various efforts, NRLPS has effectively supported the roll out and implementation of DAY-NRLM in all the 29 states and 5 Union Territories in the country

Some of the SRLMs who have vast experience in the implementation of the programme have also been designated as National Resource Organizations (NROs) to provide support to other SRLMs. In addition, National Institute of Rural Development & Panchayati Raj, Hyderabad, is also functioning as an NRO.

The National Mission Management Unit (NMMU) at NRLPS supports all the states in preparing their Annual Action Plans and also, after its approval, in its roll out. There is a continuous intense engagement of this Ministry with all States / Union Territories. The consultations with States are held whenever any policy decisions are to be taken. The consultations are held with States for finalising of training material or protocols or any material which facilitates the implementation of NRLM in the States.

The implementation of the programme is being reviewed regularly. This includes submission of periodical reports by the SRLMs, periodic meeting of the Performance Review Committee (PRC) of the Ministry, monitoring the submission of Utilization Certificates, submission of reports by third party monitoring through National Level Monitors, and bi-monthly financial management review of all states.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.3)

Uneven spread of SHGs in the country

During the last decade, the country has recorded a tremendous growth of SHGs. The total number of functional SHGs under NRLM has increased from 17,44,189 to 28,78,004 during the period from 2015 to 2016. The State of Andhra Pradesh account for the largest number of functional SHGs under NRLM in the country (23.25%), followed by Bihar (17.87%), Telangana (14.71%) and Kerala (9.24%). Alongwith Bihar, various States like Gujarat, West Bengal, Odisha, Madhya Pradesh and Karnataka have shown marked improvement in the growth of SHGs in the last one year. Similarly, many other States, as is evident from Annexure I, are picking up pace in the formation of SHGs. However, while States like Manipur and Tripura have increased their SHG tallies from 0 to 424 and 529 respectively, Arunachal Pradesh is yet to have a SHG in the State. This shows the regional inequalities in the spread of SHGs in the country. As the Committee firmly believe that SHGs substantially contribute towards the empowerment of women in rural areas and ensure their equality of status as participants, decision-makers and beneficiaries in the democratic, economic and social spheres of life, they strongly recommend that this uneven spread of SHGs may be attended to by bringing on board those States which have not yet instituted the implementing mechanism under the ambit of NRLM at the earliest. However, the Committee would also like to impress upon the Ministry to ensure that SHGs are not formed across the country merely for the sake of increasing their number and only to become defunct after two or three years but that they are formed after doing proper ground work and that they function in an efficient manner too.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Ministry of Rural Development, in conjunction with all programme implementing States / Union Territories, is working towards achieving an even growth in the formation of Self Help Groups. The following statement indicates State-wise formation of Self Help Groups during the years 2014-15, 2015-16 and 2016-17:-

NRLM - No. of Self Help Group				
S.No.	State	2014-15	2015-16	2016-17
1	ANDHRA PRADESH	15354	11467	-
2	ASSAM	10271	13682	16690
3	BIHAR	191498	107695	167252
4	CHHATTISGARH	7677	10152	23093
5	GUJARAT	12966	26329	23557
6	JHARKHAND	9017	10900	40648
7	KARNATAKA	12698	15904	3334
8	KERALA	2140	2954	10176
9	MADHYA PRADESH	16716	42650	39695
10	MAHARASHTRA	16971	17013	20236
11	ODISHA	15607	20284	11408
12	RAJASTHAN	932	23249	22348
13	TAMIL NADU	10984	10672	6285
14	TELANGANA	12600	6622	-
15	UTTAR PRADESH	4760	18999	17866
16	WEST BENGAL	11391	23096	22640
17	HARYANA	2342	1229	3413
18	HIMACHAL PRADESH	785	1323	920
19	JAMMU AND KASHMIR	3998	3675	7127
20	PUNJAB	572	1245	1524
21	UTTARAKHAND	548	717	2148
22	ARUNACHAL PRADESH	0	0	131
23	MANIPUR	0	80	457
24	MEGHALAYA	129	626	996

25	MIZORAM	288	73	1188
26	NAGALAND	630	39	1104
27	SIKKIM	0	291	814
28	TRIPURA	96	913	1636
29	GOA			
	Total:	360970	371879	446686

From the above it is clear that the formation of Self Help Groups is progressing in all the States.

DAY-NRLM is a Centrally Sponsored Scheme. As per DAY-NRLM framework, each SHG needs to follow 'Panchsutra' viz. regular meetings, regular savings, regular lending, regular repayment and regular record keeping, which has to be ensured by the State Missions promoted by State Government through effective monitoring, which ensures effective functioning of Self Help Groups (SHGs) promoted under DAY-NRLM. For this purpose, each state has set up a dedicated State Rural Livelihoods Mission (SRLM) with a dedicated implementation structure at the state, district and block / sub-block level manned by professionals from various thematic areas. The professionals provide long term hand holding support to the women SHG members. Further, the Ministry of Rural Development has rolled out an effective monitoring mechanism of SHGs functions through a Management Information System (MIS) of SHGs which records all the transactions of the SHGs crucial for the implementation of DAY-NRLM. States have been requested to implement the transaction based system effectively. As of now, 21 out of 29 States have initiated rolling out of the transaction based monitoring system. In addition, the progress in all key parameters is monitored through an on-line system of Monthly Progress Report. Further, dedicated professionals at the block level, in addition to community cadres, provide training and capacity building to SHGs on a continuous basis so that SHGs are strengthened and become sustainable.

From the SHG members who have done some good work, are also considered as Community Resource Persons (CRP). These CRPs are the backbone of the programme and are engaged to support the various components of the programme. This ensures empowerment of these women and also that all knowledge resides with the community so that they are able to sustain even after the closure of the programme. It is expected that all these steps will ensure that the SHGs becoming dormant or inactive are reduced to a minimum.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.4)

Focussed attention on SHGs in North Eastern States

In continuation of the observations proffered in the preceding paragraph, the Committee would like to emphasise that the North East region merits special attention of the Government in the formation of SHGs. The Committee note that out of the eight North Eastern States viz., Arunachal Pradesh, Assam, Sikkim, Nagaland, Meghalaya, Manipur, Tripura and Mizoram, all the States except Arunachal Pradesh have functional SHGs under NRLM, with Assam being in the forefront. Arunachal Pradesh is yet to set up an implementation machinery. The Committee also note that North East is a financially excluded region in the country owing to difficult terrain and socio cultural climate. There is a lack of adequate bank branches too in this region. The Committee feel that this situation is neither conducive for the financial inclusion nor for the growth of SHGs in the region. Though, the North Eastern States have taken significant strides in the formation of SHGs in the recent years, the Committee feel that focussed efforts are necessary to increase the number of qualitatively sound SHGs in the region. Here, the Committee would like to point out one positive aspect of the region is that literacy rate in North East is higher than the national average and this factor could leverage Government's efforts to augment SHG coverage of the region. Hence, the Committee urge the Ministry to make optimum use of the positive aspects of the region, chart out a road map to tackle the geographical and socio-cultural issues related to the area, do careful human resource planning, provide adequate training, create a common platform for all stakeholders including NABARD and other MFIs to address various issues related to SHGs and work in close coordination with the State Governments to take synergetic efforts in accelerating the progress to bring the North Eastern states under the domain of financial inclusion through formation of SHGs.

Replies of the Ministry of Rural Development (Department of Rural Development)

As already stated in reply to recommendation No. 2.1, keeping in view the socio-economic conditions of the North Eastern states and the sensitivity of the region from security point of view, it has been considered important to accelerate the pace of implementation of the programme in North Eastern states to cover all vulnerable rural households estimated at two- thirds of the total rural households in these States, by the year 2024-25. This would be possible only if the state-wise allocation of funds is made on a need basis without linking it with poverty ratios. Accordingly, Government has approved a special package for the NE States, other than Assam. This has not been made applicable in the case of Assam because that state is covered under the World Bank aided National Rural Livelihood Project (NRLP) and is therefore receiving additional funding support through NRLP also. Further, in the case of north eastern

states, including Assam, funding under DAY-NRLM is in the ratio of 90 : 10 between Centre and States.

All individual States in the north-eastern region, prepare an Annual Action Plan to take care of human resources, training, and institutional building requirements keeping in view geographical and socio-economic conditions. These Annual Action Plans are to duly appraised and thereafter approved by a high level committee in the Ministry of Rural Development chaired by Secretary (Rural Development). State anchors have been assigned for all NE States from amongst the central team of professionals [the National Mission Management Unit (NMMU)] to provide / liaise between the States and the Ministry of Rural Development, for any support required by the State. The Ministry of Rural Development also has an institutional mechanism namely Central Level Coordination Committee (CLCC) to discuss and resolve all outstanding problems relating to credit linkage for the SHGs. All stakeholders like banks, NABARD and the State Government (including North Eastern States) are a part of the CLCC.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.6)

Incentives and Awards to SHG Federations

The Committee observe that SHG Federations play an important role in the growth of SHGs. These structures of cluster- (village) level, block- (sub-district) level and district-level federations aim to provide support services to their member SHGs and SHG members respectively. They act as an interface between SHGs and mainstream institutions. They can be a participatory platform for the SHGs to share their experiences, voice their concerns and find collective solutions. The Committee are of the view that what the individual SHGs could not achieve, can be achieved by the Federations by pooling their collective skills and resources. They can also guide and monitor the functioning of SHGs and also form and train new SHGs. The Committee understand that so far 21,98,604 SHGs have been federated into Village Organizations. Keeping in view the importance of the SHG Federations, the Committee recommend that the Ministry may consider providing incentives or awards to each successfully graded Federation to motivate them to render better performance. The interest accrued from the incentive fund may be used by them for administrative purposes or to take up some social welfare activities.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Ministry has already instituted an award scheme for best performing SHGs and their federations. The SHGs and VOs for the award is selected on the basis of a definite laid down criteria. During the year 2016-17, 30 SHGs have been awarded the prize money of Rs. 1,00,000 each and 10 VOs have been awarded the prize money of Rs. 2,00,000 each. The awards to SHGs and VOs were envisaged to recognize and acknowledge the outstanding performance of the community institutions of SHGs and VOs promoted under NRLM such that they act as an incentive for other SHGs and VOs to improve their performance. Clear indications for assessing the strength and maturity of SHG Federations are also being developed.

Further, it was also advised that the SRLMs may also institute State Level Awards for best performing SHGs and VOs to carry forward the spirit of national awards.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.7)

Literacy among SHG members

The Committee observe that in all the States where SHGs are doing well, the literacy rate amongst its women members is high. As education is one of the most important means of empowering women with the knowledge, skills and self-confidence necessary to participate fully in the development process, the Committee feel that women SHG members who are illiterate should be encouraged to learn to read and write which, in turn, can aid them in capacity building, especially accounting, financial management and organizational development. The Committee, therefore, suggest that in order to motivate the rural women SHG members, the Ministry may think in the direction of instituting cash award for those SHGs who have 100% literate SHG members. However, the Committee would like to put in a word of caution that this should never set the wrong practice of SHGs insisting that only literate women can join a SHG. The Committee also suggest that awards may also be instituted for honouring those SHGs which fight against social injustice and violence perpetrated against women so that alongwith economic empowerment, women SHG members become torchbearers in creating a better social environment.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Ministry of Rural Development has an award scheme under which selection was made on the following process-

- i. Each state was required to nominate 3 SHGs (1 under Institution Building-Capacity Building and Social Development category, 1 under Micro-finance category and 1 under Enterprise/ livelihoods activity category) and 1 VO. From out of the total nominations by SRLMs, the MORD selected suitable SHGs and VOs for the award. The total number of national awards was 30 for SHGs and 10 for VOs. No state-wise awards were presented.
- ii. All SHGs and VOs satisfying certain pre-determined criteria by the NRLM were eligible for consideration for the Annual National Awards. The SHG and VO nomination formats are presented in **Annexure-1** and **Annexure-2**, respectively. The eligibility criteria to facilitate selection of SHGs and VOs are outlined in **Annexure-3** and **Annexure-4**.
- iii. While nominating SHGs under IB-CB and social development categories, the SRLMs were required to recommend those SHGs which had (i) adhered to *Panch Sutras*; (ii) practiced rotation of leadership; (iii) underwent training in core modules; (iv) contributed to social capital generation; (v) adopted/practiced undertook individual/collective social/ community activities – construction and use of IHHLs, effective use of *Anganwadi*/ ICDS and public health services, sending all eligible children to school *etc.* Under micro-finance category, the states were advised to recommend SHGs which adhere to all core principles of micro-finance including regular savings, inter-lending, correct bookkeeping by a trained bookkeeper, access of RF and CIF, repeated access of bank loans and timely repayment, equitable use of funds *etc.* SHGs under enterprise category must have established and run profitably a collective enterprise or individual enterprises by members which are not only feasible, and viable but also contribute significantly to the livelihoods of the member households.

The Ministry is planning to make this event an annual one and may present the awards to the best performing CBOs every year, based on select criteria (which may change on a yearly basis). The Committee's suggestion of instituting cash award for those SHGs which have 100% literate SHG members, is commendable and could be adopted as one of the many criteria for selection of CBOs for receiving awards.

There may be number of SHGs where all members are literate. Therefore, selecting SHGs only on the basis of one criteria will be a challenging job. We may put this criteria as one of the criteria in addition to other criteria for selecting the best SHGs.

Further, the Committee's suggestion to honour those SHGs which fight against social injustice and violence perpetrated against women so that along with economic

empowerment, women SHG members become torchbearers in creating a better social environment, have already been adopted while awarding the CBOs in financial year 2016-17. The selection criteria also incorporate the qualitative performance of the CBOs and thus assesses if the CBO has taken any social action. High scores are given to such CBOs which have shown an exemplary conduct in fighting social malpractices. Many such SHGs which have fought against the prevailing social evils, have been awarded. The list of all SHGs and VOs that have been awarded in FY 16-17 is presented as **Annexure -5**.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.8)

Capacity Building and Skill Development of SHG Members

The Committee observe that various training modules have been developed under NRLM to impart training for the capacity building of women SHG members with regard to SHG concepts, management, leadership, micro credit plan, Village Organization concepts, participatory identification of poor (PIP), gender and women empowerment, book keeping etc. However, the Committee feel that all the members in a SHG may not have the same caliber and expertise and there is a need to pay special attention to them. Hence, the Committee recommend that such members in every SHG may be identified and a special training programme may be designed to make them competent so that they can give optimum contribution to the development of the SHGs. Further, under skill development, the training given to the SHGs in the specific areas of product selection, quality of products, production techniques, managerial ability, packaging, labelling, other technical knowledge etc. should be up to the mark so that these SHGs can compete with stronger units or other companies in the market and the quality of SHG products and productivity of SHGs are not compromised.

Replies of the Ministry of Rural Development (Department of Rural Development)

Under DAY – NRLM special focus is given on the training of SHG members even refresher training are also planned for the members. Number of CRP cadres are also being created under NRLM for providing training on various activities.

It may also be stated that under DAY-NRLM, 20% of the funds (25% in case of North Eastern States) are allowed to be utilised for infrastructure and marketing requirements. The NRLPS have also engaged a technical support agency to provide assistance to States for value chain development. Value Chain Development Interventions focusses on developing a complete business model to provide primary producers an end to end

solution, starting from organizing producers into producer organizations to enhancing productivity through technical support and building market linkages for better income generation. The Ministry has also, through a procurement process, drawn up a panel of technical support agencies for value chain development which could be utilised by the States for engaging an agency for this activity. The opportunities are also provided to SHGs to show case and market their products through melas (fairs) as well as participation in the International Trade Fair held annually at New Delhi.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.9)

Increasing the awareness of SHG Members

The Committee are informed that adequate measures are taken to create awareness among SHG members about the functioning of SHGs and various schemes that are beneficial to them. However, many times majority of the groups remain unaware of the schemes offered to them either due to lack of literacy or lack of holistic involvement. As the rural women are considered to be the pivot to strengthen the efforts to end rural poverty, raising their level of awareness about their occupational field and other socio-cultural issues is highly imperative for their economic as well as social well being. The Committee, therefore, recommend that frequent awareness camps may be organised by the SRLM to create awareness among the SHG members about the functioning of SHGs, different schemes of assistance available to the participants in the SHGs, availability of raw materials, importance of branding, advertising and its impact on the sale of the products, general social issues and so on. In order to motivate the members, SHG members who have raised their voice against social issues or created successful business ventures can also be roped in to these awareness camps to give inspirational talks.

Replies of the Ministry of Rural Development (Department of Rural Development)

The capacity building provided to SHG members under the scheme adequately cover the requirements such as awareness generation, access to benefits and facilities available under different schemes of the Government, marketing of products, general issues etc. Training to SHG members is provided frequently to keep them abreast with the latest information on these aspects. In addition, DAY-NRLM is piloting projects on CBO-PRI convergence and other convergence projects for ensuring awareness among SHG members about their entitlements and making sure they receive those, through inter-departmental convergences.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.13)

Unity among members in Women SHGs

The Committee *inter alia* observe that one major factor contributing to the success of a SHG is the unity amongst its members. The Committee have been informed that the interpersonal differences in SHGs are usually discussed during the meetings of SHGs and solutions are arrived at. While appreciating this, the Committee suggest that the SHG members may be made aware of the importance of unity among its members as lack of unity among women members owing to personal reasons can shake the very foundation of a SHG . It is also suggested that measures should be taken to avoid instances of strong members in the group earning a lion's share of the profit by exploiting the ignorant and illiterate members in the group.

Replies of the Ministry of Rural Development (Department of Rural Development)

Affinity among members is a major consideration in the formation of Self Help Groups. With a view to ensure this, the system of participatory identification of the poor has been adopted for selection of beneficiaries under DAY-NRLM. The system helps to provide major weightage to poverty in the selection process. The list of beneficiaries is also vetted by the Gram Sabha. The existing system already has adequate checks and balances to ensure that the groups are not controlled by the better off and strong members.

(M/o Rural Development O.M. No. H.11011/03/2016-RL (Part) dated 16th June, 2016)

(Recommendation No. 2.14)

Income generating activities

The Committee have been apprised that SHGs are involved in various kinds of income producing activities like agarbatti making, pickle making, sericulture, bag making, candle making etc. During the Committee's study tour, the Committee observed that Tamil Nadu Corporation for Development of Women (TNCDW) has been promoting women SHGs in starting small scale catering businesses and running canteens. Hundreds of canteens run by women have come up in the offices of district collectors and block development officers in Tamil Nadu. The Committee feel that this is a very promising sector for women and suggest that the possibilities of this sector should be fully exploited, wherever feasible, as hygienic and quality food is very much in demand across the country. The Committee also note that in a SHG group now it is possible for members to take up individual activity for income generation instead of engaging in group activities. The Committee appreciate this power of choice given to individual members for income generation but at the same time hope that as the group is

collectively responsible for the repayment of the loan obtained, the members who engage in individual livelihood activity are made well aware of their responsibility as a group member so that problems related to repayment of loan does not crop up.

Replies of the Ministry of Rural Development (Department of Rural Development)

The recommendation is noted. The sensitisation of the members about their responsibilities is already being addressed in the training programmes.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.15)

Monitoring of SHGs

The Committee observe that a vigilant and effective monitoring system holds the key to the success of any project. Effective monitoring can bring into light the capacity building and awareness needs of SHGs and will help in providing timely clarifications and assistance for the growth of SHGs. The Committee understand that the Government has put in place real time reports to monitor the functioning of SHGs on a monthly frequency. There are Management Information System (MIS) available for SHG level transactions managed at the State level or project level. Several State Rural Livelihood Missions and NGOs have their own MIS to monitor the functioning of SHGs. As a robust monitoring mechanism can regularly keep a tab on prevailing impediments and offer timely remedial measures, the Committee would like to urge the Ministry of Rural Development and Ministry of Finance to periodically assess the effectualness of the existing monitoring mechanism and ceaselessly keep on devising novel and more scientific ways to make it even more functional as per the changing needs and objective realities of time. The Committee also suggest that all the State governments concerned may be urged to develop their own effective monitoring mechanism to carry out periodical monitoring of SHGs so that any issues affecting the growth of the SHGs can be nipped in the bud and the SHG movement is turned into a success saga in the country.

Replies of the Ministry of Rural Development (Department of Rural Development)

To monitor the progress of the programme, a comprehensive MIS has been developed under the programme. All the SRLMs are providing information through this MIS. Further, additionality has been brought into the MIS by bringing Transaction based

SHGs Accounting System to monitor all the transactions of SHGs. As of now, 21 out of 29 States have initiated rolling out of the transaction based monitoring system.

NABARD while sanctioning projects to NGOs prescribes robust monitoring mechanism. The release of grant to SHGs is made on the recommendations of "Project Implementation and Monitoring Committee". NABARD has also developed an online portal for monitoring the performance of NGOs supported by it. The Block Level Bankers Committee, District Level Review Committee/District Consultation Committee, State Level Bankers Committee which meet every quarter reviews the progress of SHGs at macro level and suggest remedial measures. NABARD participates in all such District Level and State Level meetings for monitoring the progress. For monitoring the transaction level performance of SHGs, NABARD has initiated SHG Digitisation project on pilot basis which enables SHG level monitoring through the pilot project e-shakti.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.16)

Adequacy of well trained staff

The Committee observe that NRLM has set up dedicated and sensitive support units at the National, State, District and Sub-district levels, to catalyze social mobilization, build institutions, capacities and skills, facilitate financial inclusion and access to financial services, support livelihoods and to promote convergence and partnerships with various programmes and stakeholders. The Ministry of Rural Development has stated that these units would be staffed with professionally competent and dedicated human resources. The Committee are happy with this measure and hope that the Ministry will make optimum use of the manpower available with them for the vigorous growth of SHGs. However, the Committee observe that at State level the State Rural Livelihoods Missions (SRLM), constituted by State Governments, oversee the implementation of all NRLM related activities in the state. As SRLM is playing a major role in the formation and growth of SHGs in a State, it is a pre-requisite that SRLM is equipped with adequate and well trained officials. The Committee, therefore, desire that all the States concerned may be exhorted to deploy sufficient, well trained qualified and dedicated human resources under SRLM who can motivate and guide SHG members, and ensure effective and timely implementation of the projects and provide handholding services to the SHGs in their initial years to help them stand on good stead and become a success.

Replies of the Ministry of Rural Development (Department of Rural Development)

State Rural Livelihoods Mission (SRLM) plays a major role in facilitating the formation and growth of SHGs in the State. Accordingly, as specifically presented in the Model HR Manual, normative staff Structures are recommended and the SRLMs are advised to

hire full - time professionals to be placed at the State/ District and Block levels. The professional staff in these Units broadly belong to 2 Categories : Program Staff and Systems Staff.

Besides, as the SRLM progresses, the number of staff ramp up gradually as the expansion and deepening progresses. Also, as the SRLM enters into the 3rd / 4th year of implementation, the thematic area focus also changes with the changing emphasis from mobilization, inclusion, saturation to deepening, social development, Livelihoods, Convergence.

Staff at State level anchor select districts / blocks, and the staff at district level anchor select blocks / clusters and the staff at block level anchor Clusters / GPs and Villages. This helps ensure that each district / block and sub - block level is putting in concerted efforts in implementing the program.

Cluster Coordinators are keys in the implementation of the program as they work closely with the community members, providing training and handholding support in order to facilitate better understanding of the NRLM processes.

All staff undergo structured induction training and refresher trainings, which include village stay and classroom trainings.

NRLPS on its part, makes sure that the SRLMs are fully well staffed with professionals with the right qualifications and experience through periodic monitoring of their staff status and recruitment status, where vacancies exist..

In the major high poverty states (numbering 13), the necessary support for creation of institutional structure at State, District and Block levels with adequate human resources is being provided by the National Rural Livelihood Project funded through the World Bank loan. The manpower position in all the SRLMs is reviewed regularly in the Performance Review Meeting and at the meetings of the Empowered Committee while considering the Annual Action Plan of SRLMs.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.18)

Convergence of SHG with other schemes

The Committee have been informed that there is a need to converge SHG-BLP with NRLM and other State sponsored programmes. It has been perceived that convergence of programmes will lead to better use of available resources, improve the

quality of services, sustainable handholding services and also significantly lower the cost of services being extended to the rural poor. The Ministry has informed that as per the implementation framework of NRLM, convergence with MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) is an integral part of the programme and State Governments have been advised to promote convergence between SHGs and MGNREGA programme. The Committee too unequivocally agree that convergence will bring in synergies between different government programmes in terms of planning, process and implementation which, in turn, will facilitate sustainable development and create durable assets in the rural area. The Committee, therefore urge upon the Government to draw an action plan in coordination with the State governments for the convergence of SHGs with other State sponsored programmes at the earliest with a well laid out roadmap. The Committee also recommend that the glitches standing in the way of fructifying the convergence may be sorted out in consultation with all the stakeholders concerned at the earliest. The Committee would like to be kept abreast of the developments in this regard.

Replies of the Ministry of Rural Development (Department of Rural Development)

Convergence with various programmes under DAY-NRLM is an integral part of the programme. DAY-NRLM has approved special convergence fund for nine States to converge various programmes and schemes such as Swachh Bharat Mission, MGNREGA, NSAP, Health-Nutrition and WASH, Agriculture, ICDS and Grampanchayat Development Plan under PRI.

The objectives of this fund are as follows.

- To fast track the process of convergent action resulting in increased demand generation and supply management;
- Promoting convergent action to help deprived families to come-out of deprivation (poverty) as per SECC data and as identified by the GP and DAY-NRLM CBOs
- Evolve scalable approaches and strategies for promoting convergence across NRLP/NRLM Blocks

DAY-NRLM also promotes partnerships between PRIs and Community Based Organizations for which pilots have been taken up in 9 States with support from Kudumbashree, Kerala.

In the implementation of the scheme, the bottlenecks and hitches, if any, are sorted out in consultation with the concerned stake-holders.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.19)

Political Empowerment of Women SHGs

The Committee note that with the advent of SHGs, women across the country have been slowly but steadily climbing the ladder of socio-economic development in the rural areas. SHGs have not only produced tangible assets and improved the living conditions of the rural women but have also helped in honing their leadership skills and changing much of their social outlook and attitudes thereby ensuring their socio-economic development. However, it is to be noted that political empowerment of rural women, which is yet another objective of the formation of SHGs, has not been achieved to the desired level till date. Political empowerment of women through SHGs is negligible across the country, barring a few examples of SHGs holding sway over Panchayat elections in States like Kerala, Andhra Pradesh and Odisha. Despite having 33 per cent of reservation for women in Panchayati Raj Institutions and urban local bodies in all States, women are yet to make their strong presence felt in this field. Since, women empowerment is impossible in the absence of their representatives in decision making bodies, the Committee suggest that the Ministry should take adequate measures to motivate SHG members to participate in political processes on equal footing with their male counterparts so that the political empowerment of women through SHGs becomes a reality in near future.

Replies of the Ministry of Rural Development (Department of Rural Development)

Recognizing the importance of participation of women in the decision making bodies, particularly the Panchayati Raj Institutions, the following activities are undertaken under DAY-NRLM with the support of the State Rural Livelihood Missions:

- i. Adoption of Dasha sutra: All Self Help Groups of women are being guided to adopting ten operating principles. One of the key principles that the SHGs are required to follow is to ensure that all women in the village participate in statutory Gram Sabhas as well as Mahila/women Gram Sabhas.
- ii. Capacity Building of SHGs: The State Missions provide module based training to SHG women on several aspects related to their empowerment including the importance of participating in the Gram Sabha and raising their demands. The training also provides information on the importance of women contesting the Panchayat elections, the eligibility of women members to contest such elections and the powers and functions of elected Panchayat Office Bearers.
- iii. Support from Kudumshree: The State Missions are encouraged to use the services of Kudumshree, the Kerala State Livelihood Mission, to promote

- participation of women in Gram Panchayats-Gram Sabhas, elections to panchayat bodies and decision making.
- iv. PRI Pilot: In order to promote greater convergence between SHGs and PRIs, DAY-NRLM has been implementing a pilot project in 81 blocks in 33 districts of 11 States. The objective of the pilot is to promote participation of SHG women in planning and implementation of Gram Panchayat Development plans such that the priorities of the poor women are adequately addressed.
 - v. Sensitization of PR functionaries: DAY-NRLM has been providing systematic training and orientation to PR functionaries and decision makers on the needs of the poor in general and that of women in particular.
 - vi. Encouraging Trend: The sustained efforts of the Ministry are showing results in terms of the enhanced participation of women in preparation of Gram Sabha, preparation of Gram Panchayat Development Plans, Number of women candidates contesting and winning Panchayat elections, Cooperative elections etc. across the country.

It may be mentioned that in many states, SHG members have now been elected into PRIs.

The Ministry will continue to pursue the recommendations through the State Missions.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.20)

Swachh Bharat Mission and Women SHGs

The Committee are happy to see that women SHG members along with NGOs and other organizations are playing a pivotal role under Swachh Bharat Mission to make villages free of open defecation. As per the Swachhta Status Report in 2015, more than 50% of the rural population defecate in open and it is one of the biggest challenges before the country. The SHGs, in fact, long before associating themselves with the Swachh Bharat Mission, have been agents of cleanliness and hygiene as they used to undertake hygienic waste disposal projects. As NRLM is being implemented across the country through a huge network of SHGs, they can effectively generate awareness in the society and bring about positive behavioural changes in people. However, as SHG members are engaged in pursuing their economic activities along with managing their household duties, they need spare time as well as adequate training to shoulder this onerous task. Hence, the Committee desire that the requirements of SHG members in this mission, be it in the form of capacity building or finance, may be addressed by the Ministries concerned so that SHG members can be fired up with energy and passion to

work for this cause. The Committee would also like to suggest that while working for Swachh Bharat campaign, *inter alia*, SHG members may generate awareness amongst rural womenfolk about safe menstrual hygiene practices and hygienic disposal of sanitary pads too. The Committee appreciate the country's rural women for their energy, courage and commitment towards making a clean India and look forward to their efforts bearing fruits within the target period of 2019.

Replies of the Ministry of Rural Development (Department of Rural Development)

It is submitted that due care is taken while involving women, ensuring their participation at a time convenient to them, and necessary training is also imparted on their role in the *Swachh Bharat Abhiyan*. Steps are being taken to ensure that women are active in promoting sanitation and hygiene. Women are trained :

- as behaviour change agents for sanitation and menstrual hygiene,
- as masons who can construct toilets,
- as women who can operate rural sanitary marts,
- as women who can supervise solid waste management, and also
- as women who produce and market feminine hygiene products.

The aim is to ensure that women are not passive recipients of the *Swachh Bharat Abhiyan* funds, but contribute to the process as well.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.21)

Mahila Kisan Sashaktikaran Pariyojana

The Committee find that to improve the present status of women in Agriculture, and to enhance the opportunities for their empowerment, 'Mahila Kisan Sashaktikaran Pariyojana' (MKSP) is being run as a sub component of the National Rural Livelihood Mission (NRLM) in which about 2 million rural women engaged in agriculture are being targeted to be empowered through multiple interventions. The funding to the tune of 75% (90% for North Eastern States) for the project is provided by the Ministry of Rural Development in accordance with the projects submitted by the State Governments under MKSP. Along with other organizations, SHGs can also submit proposals under MKSP. The Committee note that MKSP is one of the first programmes of the Government that recognizes women farmers as the primary stakeholder. If farming is established as a profitable and sustainable livelihood, it will not only ensure food security for the nation and empowerment of women farmers but will also reduce distress migration of farmer families. As MKSP does not make formal ownership of land the

basis for working with women farmers, the programme is in a privileged position to rise to the agricultural demands of the country and making substantive equality of women its ultimate goal. Hence, the Committee desire that more and more SHGs may be encouraged to resort to agriculture as a means of economic empowerment. The best practices adopted in agriculture by successful SHGs like 'Kudumbashree', 'Indira KranthiPatham', 'Tejaswani' etc. can be emulated by other SHGs under MKSP. The Committee hope that the involvement of SHG women farmers, among other inputs, will play a very critical role in terms of traditional skills, technical know-how, rural penetration and linkages with locally existing markets in heralding a national agricultural revival and ushering in the second green revolution.

Replies of the Ministry of Rural Development (Department of Rural Development)

NRLM had launched the program Mahila Kisan Sashaktikaran Pariyojana (MKSP) in 2010-11 to empower the women in agriculture which is also to address many of the above issues. MKSP projects are implemented by NGOs and SRLMs. Under MKSP, the work is majorly carried out in two major domains- sustainable agriculture and NTFP activities and livestock is envisaged as the universal intervention in both the domains. A total of 71 MKSP projects spread over across 18 States are currently being implemented covering 30 lakhs mahila kisans. Best Practices from the MKSP projects are shared by implementing agencies in write-shops and workshops and for replication.

DAY-NRLM through its focused livelihoods interventions also believe the same. DAY-NRLM is focusing towards value chain development interventions for establishing market linkage initiatives as a step forward for the ongoing MKSP projects. In MKSP, value chain development activities have also taken up in establishing marketing linkage for the produce of mahila kisan. DAY-NRLM, under value chain development initiative has already sanctioned 10 projects in 5 states which will cover 1.30 lakh women farmers. Projects have also been sanctioned to two states (Madhya Pradesh and Bihar) to establish Women Milk Producer Company with support of NDDB Dairy Services which will cover more than 54 thousand women. This year onwards DAY-NRLM is planning to implement livelihoods intervention in line with MKSP, on universalisation mode.

With the learning from MKSP, some states are also coming up with new idea and concept of similar model for expansion of farm livelihoods activities involving SHG women. Odisha state has come up with such initiative titled "Mission 2,64" where the state has envisioned to cover 2.64 lakhs households to promote sustainable agriculture and improved livestock management practices, creating strong community cadres of women and need based value chain development activities and establishment of custom hiring centre for access to agri equipment by SHG women members.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.24)

Issues faced by SHGs in availing loans

During the study tour, the Committee have been informed that one of the major problems faced by the SHG members with regard to micro credit is delay in obtaining loans from the banks. The Committee have also been informed that some of the Regional Rural Banks show reluctance in lending to SHGs and even SHGs with good credit history do not receive adequate credit. The Committee feel perturbed with such feedbacks from the SHG members and apprehend that if the current state of affairs are not handled properly by the Ministry of Finance, the woes of SHGs with regard to obtaining loans from banks, be it the delay in financing or repeat financing or the non-cooperative attitude of the banks, will continue to plague the SHGs and adversely affect their growth. The Committee, therefore, recommend that the extant training programmes, exposure visits and sensitizations programmes for bankers to address the issues related to financing of SHGs may be modified or advanced in accordance with the realistic demand and issue necessary guidelines to bring about attitudinal changes in the bank officials towards SHGs.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Ministry of Rural Development under DAY-NRLM is taking systematic steps to facilitate credit linkage of SHGs from banks. It is submitted that during the FY 2016-17, a total of 15.85 Lakh SHGs were disbursed loans worth 37,800 Cr by banks. To facilitate hassle free access to bank credit, DAY-NRLM through SRLMs have trained over 2000 bank officials including exposure visits to best practice sites. Apart from the trainings, at the state level, the operational issues related to SHG Bank Linkage are also taken up in the SLBC Sub-committee on SHG Bank linkage. At the national level, two National Workshops – at New Delhi (on May 2016) and at Udaipur (on August 2016) involving senior officials from Priority Sector Department of Banks were organized. At these events, senior bank officials were apprised of the operational challenges and were requested to issue necessary instructions to branches for ensuring smooth credit linkage of SHGs. Apart from these, to address the specific issue of delay in sanction of loans by banks, DAY-NRLM has instituted a mechanism of monitoring pending loan application with various bank branches. The same was then informed to higher authorities of respective banks for speedy disposal.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.25)

Regulation of Micro Finance Institutions (MFIs)

The Committee have observed that many SHGs have been availing loans from various MFIs and credit flow from MFIs have risen from 37,599 crore in 2014-15 to Rs.61,860 crore in 2015-16. Though this shows the growing impact of MFIs on the economic growth of the country, the disappointing factor is that these MFIs are not governed by any regulation as of now. The Micro Finance Institutions (Development and Regulation) Bill which was introduced in 2012 has failed to see the light of the day. As MFIs serve a particularly vulnerable section of the society who lack financial literacy, individual bargaining power and are less equipped to absorb external shocks, the Committee feel that stringent regulatory measures need to be put in place to address the issues in this realm. The Committee also feel that cases of suicide of the large number of micro finance borrowers reported in Andhra Pradesh in 2010 due to multiple credit lending, exorbitant rate of interest and coercive recovery methods would not have had happened if a strong regulatory mechanism had been in place. Hence, considering the proliferation of MFIs in the country and the vulnerable sections of the society that is exposed to it, the Committee, strongly urge the Ministry of Finance to take suitable measures to put in place an effective regulatory mechanism for MFIs which will address all the core issues in the micro finance sector. The Committee would like to be apprised of the steps taken in this regard.

Replies of the Ministry of Rural Development (Department of Rural Development)

Micro Finance Institutions (MFIs) primarily extend loans to individuals and JLGs. However a small part of loan is extended through SHG route.

The Department of Financial Services has informed that in the wake of Andhra Pradesh crisis, a Sub-Committee was set up under the chairmanship of Shri Y. H. Malegam, the then member, Central Board, Reserve Bank of India (RBI) to examine inter alia, prevalent practices of Micro Finance Institutions (MFIs) in regard to interest rates, lending & practices to identify trends that impinge on borrower's interest etc. The Sub Committee submitted its report in January 2011 and recommended, inter-alia, a separate category of Non-Banking Financial Company (NBFC) viz. NBFC-MFIs along with a regulatory framework for the same, interest rate caps, minimum net worth, lending process, recovery process etc. New regulations were thereafter issued by the RBI for NBFC-MFIs. All Micro Finance Institutions (MFIs) which are Non Banking

Financial Companies (NBFCs) are therefore regulated by Reserve Bank of India (RBI) under the provisions of Chapter III B of the RBI Act, 1934.

In order to ensure effective monitoring of the functioning of NBFC-MFIs, RBI has given recognition to two Self Regulatory Organisations (SROs) namely MFIN and Sa-Dhan. MFIs which are members of these Self Regulatory Organisations (SROs) also adhere to a voluntary industry Code of Conduct.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.26)

Digitisation of SHGs

The Committee observe that NABARD's project EShakti aims to bring SHG members under the fold of Financial Inclusion whereby they can access wider range of financial services and bankers can easily appraise and keep a track of the SHGs that are credit linked. A plethora of benefits are perceived under EShakti including improved quality of book-keeping which is a very important tool for the successful functioning of an SHG , reducing saving-credit linkage gap, tracking credit history of members, transparency through real time SMS alerts to members on updation and convergence of SHG with other Government programmes etc. Under NABARD's pilot project for digitisation of all SHGs, 10 districts across 10 states of the country are proposed to be covered. The pilot started by NABARD in 2014-15 is to be executed over a period of 2 years and is expected to cover 75,000 SHGs touching the lives of over 11 lakh rural households. The Committee appreciate this thoughtful step taken by NABARD for ease of doing business in the field of SHGs and hope that digitisation will usher in greater transparency and credibility to operations of SHGs and increase the comfort of bankers in credit appraisal, disbursement and monitoring. The Committee would like to be apprised of the progress achieved in this regard.

Replies of the Ministry of Rural Development (Department of Rural Development)

As reported by NABARD, the pilot project EShakti for digitisation of SHGs was launched on 15 March 2015 realizing that information technology is a huge enabler to address various issues related to the SHG Bank Linkage Programme being pursued by the banking system in the country since the year 1996. The portal also enables online monitoring and quality grading of SHGs throwing up warning signals for stakeholders to take corrective action.

This pilot project, in the two districts Ramgarh (Jharkhand) and Dhule (Maharashtra) taken up under Phase I, has shown encouraging results. It has witnessed a credit linkage in numbers terms by 148% amounting to Rs 39.79 Cr (55% increase) post implementation. Buoyed with these initial results, the pilot project, in Phase II has been expanded to include another 22 districts in the country viz., Nalbari (Assam), Muzaffarpur (Bihar), Rajnandgaon (Chhattisgarh), Mehsana (Gujarat), Mandi (HP), Ambala (Haryana), Udhampur (J&K), Mysuru (Karnataka), Kasaragod (Kerala), Indore (MP), Wardha (Maharashtra), West Garo Hills (Meghalaya), Jagatsinghpur (Odisha), Bikaner (Rajasthan), Jhalawar (Rajasthan), West Tripura (Tripura), Barabanki (UP), Varanasi (UP), Dehradun (Uttarakhand), West Medinipur (West Bengal), Hazaribagh (Jharkhand) and UT of Puducherry and the same is under different stages of implementation. So far, more than 1,24,500 SHGs, including those from National Rural Livelihood Mission (NRLM) in certain states, have so far been on boarded on the EShakti platform.

The project is expected to touch the lives of over 1.43 million rural households across 18,200 Villages.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.27)

Interest rate of loans

The Committee observe that in order to facilitate the entrepreneurial activities of women SHGs, NRLM has a provision for interest subvention in 250 select districts. All NRLM compliant SHGs in the select districts are charged interest on bank loans at the rate of 7 per cent upto an amount of Rs. 3 lakhs and the SHGs will get additional interest subvention of 3% on prompt repayment of loan, thereby reducing the effective rate of interest to 4%. In the remaining districts, NRLM compliant SHGs will get interest subvention to the extent of difference between the lending rates and 7% for loan upto Rs. 3 lakhs, subjective to the norms prescribed by the SRLMs concerned. Earlier 150 select districts used to enjoy this subvention and now additional 100 districts have been added to it thereby increasing the number of districts to 250. The Committee are happy with this addition of 100 more districts under the 3 per cent subvention scheme and hope that this will give a fillip to the SHGs in those regions and will encourage the SHGs in general for prompt repayment of loan. The Committee further note that acknowledging the potential of the SHG products and the sincere efforts of women SHGs in prompt repayment of loan, State Governments like Maharashtra and Karnataka have announced to provide interest free loan to women SHGs. The Committee appreciate this welcome move from the part of the State Governments and sincerely wish that the government would encourage other States to emulate this positive step to boost the morale of the SHG members.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Ministry of Rural Development under DAY-NRLM has launched the scheme on providing interest subvention to women SHGs SHG from April 2013. DAY-NRLM has also been advocating that state governments align existing interest subvention scheme for women SHG with the scheme under DAY-NRLM or announce new schemes to provide additional benefits over and above what is provided under DAY-NRLM.

Apart from Maharashtra and Karnataka, the following states have announced schemes for providing interest subvention to SHG.

State	Support Available under the scheme
Gujarat	As per the scheme, in Category-I districts, provision of additional subvention of 3% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 1% per annum. In remaining districts (category-II districts), provision for 3% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 4% per annum
Orissa	Applicable for all women SHGs upto loans of Rs 3 lakhs. In 18 IAP districts, provision of additional subvention of 2% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 2% per annum. In 12 non-IAP districts, provision for 5% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 2% per annum
West Bengal	Applicable for all women SHGs upto loans of Rs 3 lakhs. In category 1 districts, provision of additional subvention of 3% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 1% per annum. In remaining districts, provision for 3% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 4% per annum
Harayana	Applicable for all NRLM Compliant women SHGs upto loans of Rs 3 lakhs. In category-II districts, provision for 3% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 4% per annum
Chhattisgarh	Applicable for all women SHGs upto loans of Rs 3 lakhs. In category 1 districts, provision of additional subvention of 1% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 3% per annum. In remaining districts (category-II districts), provision for additional 4% interest subvention on prompt repayment to all women SHGs

	making effective interest rate for SHGs at 3% per annum
Jharkhand	Applicable for all women SHGs upto loans of Rs 3 lakhs. In category 1 districts, provision of additional subvention of 4% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 0% per annum. In remaining districts (category-II districts), provision for additional 7% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 0% per annum
Andhra Pradesh	Applicable for all women SHGs upto loans of Rs 3 lakhs. In category 1 districts, provision of additional subvention of 4% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 0% per annum. In remaining districts (category-II districts), provision for additional 7% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 0% per annum
Telangana	Applicable for all women SHGs upto loans of Rs 3 lakhs. In category 1 districts, provision of additional subvention of 4% (over and above the central scheme) to all women SHGs on prompt repayment making effective interest rate for SHGs at 0% per annum. In remaining districts (category-II districts), provision for additional 7% interest subvention on prompt repayment to all women SHGs making effective interest rate for SHGs at 0% per annum

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

(Recommendation No. 2.28)

SHG-Bank Linkage Programme

The Committee note that Self Help Group- Bank Linkage programme (SHG-BLP) took off with the objective of providing the rural poor with access to formal banking services. The programme was successful to a great extent due to the participation of various banks across the country, untiring efforts by NGOs, federations of SHGs, farmers clubs and individual rural volunteers for promotion, nurturing and credit linkage of SHGs. Moreover, the statistics of the Reserve Bank of India reveal that financing of SHG groups by commercial banks over the years is coming down and financing of micro finance institutions is going up. The Committee also note the concern expressed by the Ministry of Rural Development that the main challenge in this area is that the bank lending need to go up. The Committee feel that the goal of pan-India coverage of

poor households for creating livelihood through the mechanism of SHG-BLP requires several interventions including leveraging technology, capacity building of all the stakeholders such as bankers, NGOs, Government agencies, SHG members and trainers and designing of a wide range of deposit and credit products suiting the requirements of the poor. The Committee, therefore, exhort the Ministry of Finance and NABARD to take concerted efforts in this direction and apprise the Committee accordingly. The Committee further desire that with regard to misutilisation of bank credits by SHG members, individual banks may start a vigilance cell with competent officers to take stock of the activities of SHGs and set the alarm bells ringing in time to prevent misutilisation of bank credit by SHG members.

Replies of the Ministry of Rural Development (Department of Rural Development)

NABARD has informed as under:-

In order to cover the poor household through mechanism of SHG BLP several interventions have been made by NABARD during the last couple of years.

Consequent upon the recommendation of Expert Group on DFI for Women Self Help Groups, DFS had directed that a separate Advisory Board in NABARD consisting of stake holders be constituted so as to provide pointed focus to the activities of SHG Bank Linkage. Accordingly, a SHG BLP Strategic Advisory Board was constituted in NABARD in 2015.

The Advisory Board has met twice during the last two years and has made significant recommendations which are being implemented. Some of the important action points are as under:

1. Greater coordination between NABARD and NRLM
2. Special focus on priority states
3. Rigorous grading of SHPIs
4. Training of Bankers
5. Promotion of livelihood
6. Reducing the gap between savings and credit linked SHGs
7. Addressing the issues of low level of credit to SHGs
8. Tackling NPA
9. Increasing bank outreach

On the basis of recommendation and action points suggested by the Board NABARD has worked out its own strategy and implemented the same. The efforts have yielded result as SHG BLP touches more than 10 cr. household through 79 lakh SHGs with thrift and deposit of about Rs.13691 cr. and loan off take of Rs.37287 cr. The loan outstanding as on 31 March 2016 was of the order of Rs.57119 cr. During the financial year 2015-16 the loan disbursement to SHGs went up by 35% while there was a reduction in NPA by about 100 basis points.

During 2015-16, 2.06 lakh new SHGs were added and there was a jump of 2.67% in the number of savings linked SHGs over the previous year. During the year the disbursement of loan was made to 18.32 lakh SHGs, an increase of 13% over 2014-15. The average quantum of loans disbursed to SHGs during the year was 2.03 lakh which was 20% higher than the previous year. The average loan disbursed per SHG by commercial banks was Rs.2, 22, 427/- while it was Rs.1,94,833/- and Rs.1,27,894/- for RRBs and Cooperative Banks respectively.

NABARD has also taken some innovative policy and operational initiatives such as conducting Village Level Programmes to have better interface between bankers and SHGs, pilot on digitisation of SHG books, launching of Livelihood Entrepreneurship Development Programme, broad basing the partnership with NGOs, NABFINS for upscaling credit linkage. NABARD has also sensitised and convinced the bankers to upscale the credit linkage in various fora like meeting of GMs of priority sector of PSBs, Chairmen of RRBs, and CEOs of Cooperative Banks.

Capacity Building Efforts

Apart from extending support to partner agencies for promotion and nurturing of SHGs, NABARD facilitates training and capacity buildings of various stake holders such as bankers, NGOs, Govt. officials, SHGs, SHG Federations and trainers. Cumulatively over 35.94 lakh stake holders have been trained by NABARD as on 31 March 2016 which include among others women SHG leaders and members.

NABARD has also initiated Micro Enterprise Development Programme (MEDP) since 2006 under which SHG members are trained in livelihood activities such as bee-keeping, mushroom cultivation, horticulture and floriculture, vermi-compost etc. As on 31 March 2016, 4.02 lakh trainees from matured SHGs, mostly women have been trained with NABARD support.

The Regional Offices of NABARD in the state level and district level meetings such as State Level Bankers Committee, District Level Consultation Committee etc. strongly take up the issues of saving and credit linkage of SHGs. Other initiatives included greater coordination with NRLM in matters of capacity building and policy issues, increasing the coverage of digitisation of SHGs to 22 more states and collaborating with IRCTC for associating SHGs in e Catering/e Marketing in railways.

The efforts of NABARD and other stake holders have resulted in savings and credit linkage of SHGs mostly those of women.

Department of Financial Services has informed as under:-

Consequent upon the recommendation of Expert Group on Development Financial Institutions (DFI) for Women Self Help Groups, Department of Financial Services

had directed that a separate Advisory Board in NABARD consisting of stake holders be constituted so as to provide pointed focus to the activities of SHG bank Linkage.

The growth of this programme over the last 3 years is indicated in the table below:-

Particulars	2013-14 No. of SHG (in lakhs)	2014-15 No. of SHG (in lakhs)	2015-16 No. of SHG (in lakhs)
SHG savings linked (cumulative)	74.30	76.97	79.03

NABARD has taken several initiatives which include Programmes to promote interface between bankers and SHGs, pilot on digitisation of SHG books, launching of Livelihood Entrepreneurship Development Programmes, etc. NABARD also attempts to sensitise the bankers to upscale the credit linkage of SHGs and facilitates training and capacity building of various stake holders.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

(Recommendation No. 2.17)

Role and Monitoring of NGOs

The Committee note that NGOs have been the path breakers in the formation and growth of SHGs in the country starting with MYRADA in the State of Karnataka. The path blazed by the pioneer NGOs was trod upon by NGOs in other States to make the economic empowerment of women through SHGs a reality. Several NGOs have played a commendable role in promoting SHGs and linking them with banks. The Committee note that SRLM also partner with NGOs in terms of mobilization, institution building and capacity building. However, the Committee observe that no database of NGOs working with SHGs are available with the NRLM division. The Committee feel that as NGOs can work as a catalyst in the successful formation and growth of SHGs, a database relating to NGOs connected with SHGs will not only facilitate the government agencies to draw up a unified strategy to monitor the work of NGOs but also provide adequate handholding services to the NGOs too, be it in the form of training and capacity building of NGOs or providing them with incentive packages or hassle-free grants wherever and whenever necessary. The Committee, therefore, urge upon the Government to take the desired steps in this direction and apprise the Committee accordingly.

Replies of the Ministry of Rural Development (Department of Rural Development)

Under DAY – NRLM there is a provision that any state can partner with NGOs to facilitate in implementation of programme. Specific guidelines have also been framed for training partnership with NGOs. The decision for having partnership with any organisation is to be taken by SRLMs. Some of the SRLMs have already done partnership with NGOs. In Jharkhand it is with Professional Assistance for Development Action (PRADAN), in Maharashtra with Mahila Arthik Vikas Mahamandal (MAVIM), in Uttar Pradesh with Rajiv Gandhi Mahila Vikas Pariyojna (RGMVP).

A list of 32NGOs who are presently associated with DAY-NRLM has already been uploaded on the “Darpan” web portal maintained by NITI Aayog. The list is attached as **Annexure 6**.

(O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 20 of Chapter I of the Report)

(Recommendation No. 2.22)

Community Resource Persons and Auditing of SHGs

The Committee observe that instead of solely relying on NGOs or on Governments, NRLM is relying on the women who have worked long with SHGs to work as Community Resource Persons (CRPs) to help in social mobilisation and institution building. These CRPs have long experience as members of SHGs and have used SHGs as a strong tool to come out of poverty. As CRPs play a dynamic role in nurturing SHGs, the Committee desire that no efforts should be spared in providing intensive training for the capacity building of CRPs so that formation, development and capacity building of SHGs do not suffer. The Committee further note that the SHGs are required to do annual auditing of SHGs bearing the expense for the same from their own fund, but this has not become a practice among many SHGs. The Committee find this quite inappropriate as auditing is an important tool that helps to understand the quality of SHGs in relation to their financial statements, reveals the income and expenditure patterns, surplus and loss in their business as well as the reasons and issues related to them and therefore, recommend that SHGs should be advised to adopt annual auditing as a regular practice so that the financial deficiencies in the functioning of SHGs can be addressed and resolved effectively on time.

Replies of the Ministry of Rural Development (Department of Rural Development)

DAY-NRLM core strategy is generation and utilization of community resource persons (CRPs) in social mobilisation and institution building through federating Self-Help Groups of women.

The programme ensures providing intensive training to build capacity of the CRPs for formation, development and capacity building of SHG members for routine operations like, recording minutes of the meeting, write cash book, individual passbook, prepare trial balance, loan register, etc. As a part of the quality assurance, DAY- NRLM promotes internal audit of SHG transactions by trained cadre like book writers, master book writers and special cadre developed for auditing and system strengthening purposes. For instance, SHG auditors are being trained and certified in Kudumbashree, Kerala by KAAS (Kudumbashree Accounts and Audit Services); West Bengal have trained and certified their auditor CRPs by Institute of Cost Accountants of India, Kolkata. Similarly Jeevika Bihar, J&K and Jharkhand have trained SHG auditors to conduct audit of SHGs.

(O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 23 of Chapter I of the Report)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

(Recommendation No. 2.5)

Formation of SHGs in remote areas and tribal areas

The Committee note that the Ministry has assured that under NRLM, districts and blocks for implementation of the programme are selected in an objective manner, keeping in view the poverty criterion based on the Human Development Indices. The Committee are happy with this implementation strategy of the Ministry and hope that this approach of SHG formation will help remote villages, dispersed habitations and poor households get inevitably covered under NRLM. However, the Committee feel that formation of SHGs in tribal areas deserve special attention of the Government. As the demands and capacity of the tribal areas are different from rural and suburban areas, they need a customized strategy in harmony with their socio-economic conditions, culture, capacity and natural resources. Special efforts will also be required to increase their awareness, to motivate them and improve their skills and knowledge. Several bottlenecks such as lack of literacy, financial management, discipline as a group, marketing of the products etc. need to be tackled in a special way. Their leisurely pace of life and culture may also stand in the way of any rapid change for their socio-economic development and women empowerment. As poverty and absence of women empowerment are two major hurdles plaguing the tribal community hindering their social and economical development, the Committee recommend that special attention may be given to the tribal areas with a tailor made approach catering to their specific needs and capacities so that financial inclusion of the remote areas and economic and social empowerment of the tribal women are achieved at a faster pace. The Committee would like to be apprised about the progress achieved in this regard.

Replies of the Ministry of Rural Development (Department of Rural Development)

The recommendation has been noted. DAY-NRLM has a tribal sub-plan under which dedicated funds are ear-marked in the annual budget for the implementation of the programme for the benefit of the tribal population. The funds allocated during the last 3 years (2014-15 to 2016-17) and the current year (2017-18) are as follows:-

(Rupees in crore)

Financial Year	Allocation		Release
	B.E.	R.E.	
2014-15	434.24	184.15	176.20
2015-16	237.19	225.78	210.35
2016-17	231.74	264.84	264.84
2017-18	613.41	-	230.62

The programme also provides for coverage of 50% of the total number of beneficiaries from the Scheduled Caste / Scheduled Tribe communities. As per the information available, out of estimated number of 454 scheduled blocks, DAY-NRLM is being implemented in about 214 blocks in an "intensive" approach.

It is also informed that under NRLM a special project for the tribal area i.e. Attapady project is being implemented in the Kerala State. More focussed approach is being followed in this project. The states where there is significant tribal population have been shown the implementation strategies followed in the special project and accordingly informed the States that while preparing Annual Action Plan, more emphasis should be given to the tribal areas.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 8 of Chapter I of the Report)

(Recommendation No. 2.10)

Production Related Issues: Availability of raw materials

During the study tours, the Committee have been informed that non availability of raw materials at a cheaper cost is a major problem faced by SHGs. It has been observed that many SHGs procure raw materials individually from the suppliers in smaller quantities and hence they are not able to enjoy the benefits of large scale purchases like discount, credit facilities etc. Moreover, there is no systematic arrangement made by SHGs to purchase raw materials in bulk quantities and preserve them properly. SHGs also lack linkage with major suppliers of raw materials and they are ignorant about the major raw material suppliers and their terms and conditions. All these result in SHG members purchasing raw materials at a higher rate. Hence, the Committee feel that there is a dire need to educate and train the SHG members about locally available raw materials and their diverse uses. The Committee, therefore, desire that information about locally available raw material and their varied uses should be disseminated to SHGs so that they can tap locally available raw material to its fullest potential and produce innovative products at a competitive rate.

Replies of the Ministry of Rural Development (Department of Rural Development)

The recommendation has been noted and will be brought to the notice of the State Governments for appropriate action. It may, however, be mentioned that wherever feasible, DAY NRLM SHGs / Producer Groups have initiated group/ bulk purchase of raw material etc. including agricultural inputs (seeds, fertilizers) and receive discounts and started receiving benefits of scale. DAY NRLM,

through special fund in livelihoods, has initiated value chain intervention in several states. Within Value Chain intervention, producer groups are formed and members are trained in handling of commodities. About 84,000 Producers Groups are functioning under DAY-NRLM and the Ministry is focussing on upscaling this number.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 11 of Chapter I of the Report)

(Recommendation No. 2.11)

Quality, innovative designs, proper branding and packaging of SHG products

The Committee note that SHG members create a large number of products, some of which compete with branded or established products in terms of quality. However, it has been observed that in the consumer market, the quality of a product is often linked to brand name and attractive packaging. Therefore, even if the quality of SHG products is at par with the products of large manufacturing concerns, the SHG products lack lustre in the eyes of the consumer due to unattractive packaging and the buyer hesitates to buy such products. Hence, it is highly imperative that not only the quality of the product but the finishing and packaging also must be made attractive and at par with that of the big company products. Moreover, lack of variety and repetition of designs in products like bags, garments etc make the consumers shy away from SHG products. The Committee understand that the Ministry of Finance is in constant touch with design agencies like National Institute of Design and State level design institutes and are trying to link those with the SHGs. As the consumers of today seek quality and variety in products, the Committee are of the view that SHG products can make an impact in the market if the group members are committed towards quality, diversity in designs and hygiene and, hence, recommend that Ministry of Finance and Ministry of Rural development should take all necessary efforts in this direction.

Replies of the Ministry of Rural Development (Department of Rural Development)

DAY-NRLM lays adequate emphasis for promoting infrastructure and marketing as an integral part of the programme. The States are allowed to utilise 20% of the funds (25% in the case of North Eastern States) for infrastructure and marketing which will cover branding, value chain development, etc. The Ministry of Rural Development is also organising SARAS fair annually in New Delhi in conjunction with the International Trade Fair and other fairs to popularise SHG products. All states are also supported to organise one SARAS Mela annually in their states. From 2017-18 states will be supported for organising 2 SARAS Melas annually. In addition to the support provided

by DAY-NRLM, NABARD has also taken some initiatives to create a niche market for the SHG products on Pan India basis which are as under:

a) **Exhibitions/Melas**

With a view to providing a marketing platform to the SHGs and rural artisans NABARD has been supporting exhibitions of rural arts and crafts at the District, State and National level thereby giving them an opportunity to showcase rural crafts, arts, skills, food products, cottage industries etc. and thereby giving a boost to the livelihood of SHG members.

During 2016-17, as on 31 December 2016, NABARD organized/sponsored 143 melas/exhibitions in different parts of the country with financial assistance of Rs.234.09 lakh.

One of the prominent events was “Mahalaxmi SARAS Mela”, an annual exhibition-cum-sale of products made by SHGs/ rural artisans, for which grant assistance is provided by NABARD. The Mela is organized in Mumbai by the GoI and the Government of Maharashtra, jointly with NABARD. During 2016-17, 50 stalls were allotted to NABARD in which 51 exhibitors from 28 states displayed their products. Grant assistance of Rs.40 lakh was sanctioned towards conducting the SARAS Mela. As many as 30 SHGs who had not earlier participated in Mahalaxmi SARAS were given an opportunity to participate in the SARAS Mela 2017 for the first time.

NABARD has also been supporting the Surajkund International Craft Fair, Haryana organised by Ministry of Tourism and Textile, GoI and Haryana Tourism Dept for the last six years by sponsoring stalls for rural artisans/SHGs. During 2016-17, it extended grant support of Rs.64.60 lakh for the fair by sponsoring 50 stalls.

Similarly NABARD supports and sponsors stalls in all major melas/ exhibitions conducted by State Governments in all states.

b) **Support for Rural Haat, Rural Mart**

Rural Mart

In order to facilitate marketing linkages of SHG products and handicrafts or agro based products of artisans a scheme of Rural Mart is being implemented by NABARD. Under the scheme setting up of retail outlets is encouraged on highways, religious places, place of tourist importance etc. Products of SHGs/SHG federations supported by NABARD are sold. The assistance are in the form of grant support/Revolving Fund Assistance. A total number of 19 Rural Marts with grant assistance of Rs.54.31 lakh were sanctioned during the current year.

Rural Haat

NABARD also supports Rural Haat i.e. bazaar - an open air market that serves as a trading venue for local people in rural areas. Such Haats also provide a platform for trading of SHG products.

Efforts in e-marketing

NABARD through a technology platform of e-portal had made efforts to promote SHG and artisan products in 2014-15. However, since we were not satisfied with the performance the arrangement is not being taken forward. We will again consider the proposal once we are able to identify a suitable agency for partnering.

Collaboration with IRCTC for e-marketing of SHG products and e catering by SHGs.

NABARD has started a pilot on e-catering by SHGs in trains in collaboration with IRCTC. The scope for e Marketing of SHG products and developing a portal is being explored.

These efforts will be continued with enhanced vigour.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 14 of Chapter I of the Report)

(Recommendation No. 2.12)

Creation of avenues for marketing

A major problem faced by SHGs is lack of regular or permanent markets to sell their products. Presently, many States have provided permanent marketing complexes for the SHGs, and options like e-commerce, e-portal etc. are also being explored by various SHGs. Exhibition cum sales are organized for the SHGs in village haats and on special occasions. Many SHGs even venture out of their own States and participate in trade fairs conducted in other States. Nevertheless, successful and profitable marketing of SHG products is a major issue with SHGs. Hence, the Committee recommend that suitable interventions may be made by the Ministry of Finance and Ministry of Rural Development in the area of educating and training the SHGs in addressing the marketing issues related to shortage of sufficient orders, lack of linkage with marketing agencies, inadequate sales promotion measures or advertisements about SHG products, dearth of sustainable markets, absence of a proper brand name, unattractive and low quality packaging of the products, poor quality of products due to the application of traditional technology, stiff competition from other players, lack of a well

defined and well knit channel of distribution for marketing etc. Though marketing strategies may differ depending on the unique situation of the individual business, some generic strategies can be categorized for the help of the SHGs. The Ministries may also impress upon the State governments concerned to take suitable steps for extending marketing support to the SHGs. The Committee note that NABARD has stated that there is a need to build a data bank with regard to the availability of quantum and quality of SHG products available on pan-India basis to make the sale of SHG products through e-portal a success. The Committee hope that NABARD will take pro-active steps in this direction and e-marketing of SHG products will be given due attention and priority.

Replies of the Ministry of Rural Development (Department of Rural Development)

As already stated in reply to recommendation No. 2.11, NABARD supplements the efforts towards quality of products, designing, branding, packaging, education, training, sales promotion, technology and other marketing issues by way of support for organising Exhibitions / Melas, Rural Haat, Rural Mart, Collaboration with IRCTC for e-marketing of SHG products and e catering by SHGs through Women Self Help Group Development Fund, Off Farm Sector Promotion Fund, etc. A few states like Madhya Pradesh, Bihar have entered into partnerships with private retail chains or companies for providing space for sale of SHG products like vegetables, packaged food products, handicrafts etc. States like West Bengal have developed e-portals for this purpose. These efforts will be continued with enhanced vigour.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 17 of Chapter I of the Report)

(Recommendation No. 2.23)

Impact evaluation of NRLM

The Committee find that the intensive implementation of the Mission in a phased manner had started in most states during the financial year 2012-13 and had gathered momentum during 2013-14. The Committee further note that all states are now required to undertake impact evaluation studies, starting with the baseline study. So far, 13 states have conducted livelihoods assessment study, 8 states have submitted their final report and reports from 5 states are awaited. Further, for conducting impact evaluation of NRLM, a study has been commissioned, to be conducted by the Institute of Rural Management (IRMA), Anand, Gujarat. It is expected that the study will be completed by the end of December, 2016 and the report is expected to be submitted during January-February, 2017. The Committee firmly believe that periodical impact evaluation of any

project is of high importance as it helps in identifying the strengths, shortcomings and difficulties involved in the project and initiating timely interventions and corrective measures wherever necessary for the success of the programme. The Committee appreciate this measure taken by the Ministry to commission an impact assessment study at the initial stage of NRLM and desire that the Committee be kept abreast of the findings of the study.

Replies of the Ministry of Rural Development (Department of Rural Development)

The Institute of Rural Management (IRMA) has submitted the Report. A copy of the Executive Summary of the Report is attached as **Annexure 7**.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 26 of Chapter I of the Report)

(Recommendation No. 2.29)

Rashtriya Mahila Kosh

27. The Committee had observed in their original report that Rashtriya Mahila Kosh (RMK) which provides micro credit to women SHGs and Joint Liability Groups (JLG) was under revamping and had desired that the Ministry of Women and Child Development may inform the Committee about the status of the revamping proposal and the actions taken to streamline and strengthen RMK.

28. The Ministry of Women and Child Development in its action taken reply on the aforementioned recommendation, which was furnished through the Ministry of Rural Development, has stated as under:-

"The Expert Committee constituted on 05.08.2014 headed by Mrs. Naina Lal Kidwai to strengthen Rashtriya Mahila Kosh (RMK) recommended to take a conscious decision on whether to continue to work in the area of micro financing directly, increase lending rates to 9-10 % to continue lending; as low interest encourages IMOs to willfully default. The Governing Board in its 52nd meeting held on 03.12.2014 however decided that since loans are for poor women, RMK loans should continue to be disbursed at the interest rate of 6% p.a. not as recommended by the Expert Committee.

The Committee also suggested not restricting itself to only one category of beneficiaries as Memorandum of Association indicates many options to spread

out its activities /services which RMK could venture into. (livelihood, skill, capacity building through training, backward and forward linkages);

The same has been agreed to and also in order to fulfil the objective of RMK to promote and support schemes for sustenance of women's existing employment and generation of further employment, 'Mahila-E-Haat', an online marketing platform was launched on 07th March, 2016 by the Ministry of Women and Child Development for empowering women for their financial inclusion. This unique e-platform is expected to empower and strengthen financial inclusion of women entrepreneurs in the economy by providing better marketing avenues, continued sustenance and support to their creativity. This online marketing portal 'Mahila E-haat' has been launched as a micro site on Rashtriya Mahila Kosh to promote awareness workshops and soft intervention are being conducted across the country for the benefit of women entrepreneurs / SHGs/ NGOs.

In furtherance to the above, the following measures are also undertaken to streamline it and the roadmap laid out for the future of RMK for taking the fruits of micro credit to various parts of the country and to make RMK a major venture in terms of efforts in poverty alleviation coupled with cost effectiveness:

The Governing Board of RMK in its 48th meeting held on 18.03.2013 reduced the maximum rate of Interest from 8% to 6% chargeable by RMK to NGOs w.e.f. 01.04.2013. In the same analogy, the Rate of Interest chargeable by NGOs to the end beneficiaries (SHG/Women entrepreneurs) has been reduced from 18% to 14 %. The Rate of Interest chargeable by NGOs to the end beneficiaries has been further reduced from 14 % to 10 % by the 54th Governing Board in its meeting dated 17.11.2015.

Proposal for restructuring of RMK indicating the requirement of additional manpower was submitted for approval of Ministry of Finance through IFD of the Ministry.

Recovery and follow-up action like periodical review of existing loans, issuing overdue notices, show cause notices, blacklisting, proceeding under Sec 138 of NI Act, initiating arbitration proceedings, Decree & Award Execution, etc. are being taken against the defaulter of RMK loans given earlier. As a result Rs.19.75 Crore recovery has taken place since April, 2015 till March, 2017.

A single Loan Committee of RMK has been constituted under the chairmanship of Secretary, WCD for future loans.

With a view to make loaning guidelines of RMK more effective and customer friendly the Governing Board (GB) of RMK in its 53rd GB meeting has directed to revise the lending guidelines. The revised lending guidelines of RMK was placed for approval of GB in its 58th GB meeting held on 27th March, 2017 wherein the Governing Board(GB) suggested to revisit the Draft Loan Guidelines and take administrative decision. The same is under process."

29. The Committee observe that pursuant to the 52nd and 53rd meetings held by the Governing Board, various effective steps have been taken to strengthen and streamline the functioning of RMK. A single Loan Committee of RMK has also been constituted under the Chairmanship of Secretary, WCD for future loans. The Committee also note that with a view to make the loaning guidelines of RMK more effective and customer friendly, the Governing Board of RMK has suggested the Ministry to revisit the Draft Loan Guidelines and take administrative decision and the same is under process with the Ministry. While appreciating the efforts taken by the Ministry for the positive remodelling of RMK, the Committee desire that they may be apprised of the further developments with regard to the proposal of revised lending guidelines.

(M/o Rural Development O.M. No.H.11011/1/2017-RL dated 16th June, 2016)

Comments of the Committee

(Please see Paragraph No. 29 of Chapter I of the Report)

NEW DELHI;
07 August , 2018
16 Shravana , 1940 (Saka)

BIJOYA CHAKRAVARTY,
CHAIRPERSON,
COMMITTEE ON EMPOWERMENT OF WOMEN.

			VO/CLF Leader	Training Received	Internal Loans	Loans from CIF	Loans from Bank Credit
3.1							
3.2							
3.3							
3.4							
3.5							
3.6							
3.7							
3.8							
3.9							
3.10							
3.11							
3.12							
3.13							
3.14							
3.15							
3.16	Indicate rate of interest charged on internal loans, CIF loans and loans from bank credit (%)						

4. SHG Meetings

- 4.1 Norm adopted for meetings (Weekly/Fortnightly/Monthly/Other)
- 4.2 Number of weekly meetings expected to be conducted since coming into NRLM fold
- 4.3 Number of weekly meetings actually conducted since coming into NRLM fold

4.4 Average percentage of member attendance at meetings during last one year

5. SHG Members Trained

5.1 Number of SHG members trained for at least one day

5.2 Number of SHG leaders trained for at least one day

5.3 Number of CRPs/Activists/Bookkeepers trained from the group

6. SHG Savings and Internal Lending

6.1 Norm of saving practiced since coming into NRLM fold – in rupees per person per month/week

6.2 Cumulative amount of saving available with SHG (in Rs.)

6.3 Number of current defaulters of saving (for more than three months)

6.4 Additional saving practiced, if any (amount per month per person in Rs.)

6.5 Number of times cumulative savings distributed among members, if any

6.6 Corpus* of the SHG at the end of Dec.'15(in Rs.) (*Corpus includes cumulative savings, RF received, grants received and income earned)

6.7 Total number of members who have not taken internal loans from SHG corpus

6.8 Number of internal loans overdue at the end of Dec.'15 (more than 90 days)

6.9 Proportion of corpus held as idle fund during last one year (amount in bank plus cash on hand)

7. Funds Accessed/Leveraged(Up to Dec.'15)

7.1 Amount of RF/Other grants received (in Rs.)	
7.2 Amount of CIF received (all installments)(in Rs.)	
7.3 Number of times SHG has accessed bank loans	
7.4 Cumulative amount of bank loansaccessed(in Rs.) (Term loans and loan under CCL)	
7.5 Current bank loan amount overdue (during the last 90 days)	
7.6 Number of times interest subvention received	
7.7 Cumulative amount of interest subvention received(in Rs.)	
7.8 Amount of other external funds received, if any(in Rs.)	

8. Collective/Individual Enterprises/Livelihood Activities taken-up

8.1 Has the SHG taken up any collective enterprise with bank loan/CIF/own funds? If so, the nature of enterprise, its age, annual turnover and number of people engaged in the activity and market linkages created. Indicate viability, feasibility and sustainability features of the enterprise

8.2 Have the individual members set up individual enterprises (handicrafts, home based enterprises etc.,) with CIF/bank loan/ SHG's own funds? If so, indicate the nature of activities taken up and their livelihood potential – employment, profitability, market potential etc.

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8.3 Number of members taking up additional/new livelihood activities after receiving CIF/bank loan/internal loan

--

8.4 Number of SHG members experiencing improved asset base with SHG support (as reported by SHG members)

--

Number of SHG members experiencing higher incomes after joining SHG (as reported by SHG members)

--

9. Books, Bookkeepers and Bookkeeping Practices

9.1 Does the SHG have all books of accounts prescribed (Cash book, Minutes Book, Loan Ledger, Saving Ledger and Bank Passbook)

--

9.2 Does the SHG have a trained bookkeeper? (Paid/Unpaid)

--

9.3 Are the books updated? (Complete, Correct and Consistent entries)

--

9.4 Are all members aware of basic financial transactions of SHG?

--

10. Social Development Indicators

10.1 Number of member households without individual bank account

--

- 10.2 Number of member household with school dropouts (Primary and Secondary Schools)
- 10.3 Number of member households with working children
- 10.4 Number of member households without individual household functional toilets
- 10.5 Number of members currently enrolled under any insurance scheme
- 10.6 Number of collective social activities taken up by the group

Scrutinized and recommended by SRLM:

Signature and Stamp:

Date:

2.1	Composition of EC	SC	ST	OBC	Minorities	Others	Total
1	members						

3. Leadership (Office Bearers (OBs))

3.1 No. of leadership changes since formation (*Replacement of at least one member*)

OB Position	Present OBs			Immediately Preceding OBs		
	Name	Soc. Cat.	Edn.	Name	Soc. Cat.	Edn.
President						
Vice-President						
Secretary						
Joint Secretary						
Treasurer						

4. VO-EC Meetings

4.1 Norm for conducting EC meeting of VO (1=Fortnightly; 2=Monthly; 3=Quarterly)

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4.2 Number of EC meetings held since formation

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4.3 Date of conduct of last six meetings

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4.4 Attendance at last six meetings

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4.5 No. of SHGs represented at meetings

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5. Details of Training Received by Present VO-OB/EC Members

S. No.	OB/EC/Sub-Committees	Number	Number Trained	Type/Content of Training/ Exposure Visit

6. Book Keeping

S. No.	Name of the Book	Availability (1=Yes; 2=No)	Updated (1=Yes; 2=No)	If not update, when was it last updated (date)
6.1	Membership & share holder register			
6.2	Minutes book			
6.3	Cash book			
6.4	Attendance register			
6.5	General ledger			
6.6	Savings register			
6.7	Loan register			
6.8	Bank pass book			
6.9	Training register			

7 CIF Receipts and Disbursements of VO

- 7.1 Start-up fund received (in Rs.)
- 7.2 CIF received up to Dec.'15 (in Rs.)
- 7.3 No. of SHGs eligible for CIF up to Dec.'15
- 7.4 No. of eligible SHGs provided MCP training up to Dec.'15
- 7.5 No. of SHGs that submitted CIF proposal up to Dec.'15
- 7.6 No. of SHGs provided CIF up to Dec.'15 (in Rs.)
- 7.7 Amount of CIF recovered up to Dec.'15 (in Rs.)
- 7.8 CIF overdues up to Dec.'15 (in Rs.) (more than 90 days)
- 7.9 Idle funds in the bank account during the 3 months preceding at the end of Dec.'15
- 7.10 CIF demand-collection ratio at the end of Dec.'15

8. Financial Transactions of VO (Collect one or two or three audited or unaudited statements of accounts and annual reports as applicable and attach to the schedule) (in Rs.)

S. No.	Item	2015-16	2014-15	2013-14
8.1	Total Receipts			
8.2	Total Payments			
8.3	Total Income			
8.4	Total Expenditure			
8.5	Total Assets at the end of			
8.6	Total Liabilities at the end of			
8.7	Total Corpus at the end of			

9. Statutory Audit

9.1 No. of FYs completed since registration of VO

9.2 No. of FYs for which audit completed

10. CRPs/Activists with the VO

S. No.	Name	CRP/Activist Position	Social Category	Age	Edn.	Working Since (MMYY)	Monthly Honorarium (inRs.)
10.1							
10.2							
10.3							
10.4							
10.5							

11. Details of Sub-Committees in the VO(Indicate Only Live Sub-Committees)

S. No.	Name of Sub-Committee	No. of Members of Sub-Committee
11.1		
11.2		
11.3		
11.4		

12. Indicate the Role Played by VO in the Implementation of MGNREGS, Mid-Day Meal Scheme, Health and Nutrition Activities, Collective Social Activities etc.

Scrutinized and recommended by SRLM:

Signature and Stamp:

Date:

Annexure-3
(Refer recommendation No. 2.7)

Suggested Evaluation Criteria for Nomination of SHGs by SRLMs

S. No.	Criterion	Observed Value	Maximum Score	Remarks, if any
1.	Adoption of <i>Panchsutras</i>		10	
2.	Percentage of scheduled meetings held since coming into NRLM fold		10	
3.	Average percentage of member attendance the meetings during the last six months		10	
4.	Percentage of cumulative expected savings made since coming into NRLM fold		10	
5.	Proportion of members trained		10	
6.	Percentage of members borrowed through internal lending		10	
7.	Overdue internal lending (more than 90 days as on 31 st Dec.'15)		10	
8.	Total corpus including RF at the end of Dec.'15, (in Rs)		10	
9.	Amount of CIF received		10	
10.	Number of times bank loans received		10	
11.	Cumulative amount of bank loan received		10	
12.	Over dues of bank loan at the end of Dec.'15		10	
13.	Percent of members taking up livelihoods with CIF/bank loan		10	
14.	Percentage of members with individual bank account		10	
15.	Proportion of members with insurance coverage		10	
16.	Proportion of member households with individual sanitary latrines		10	
17.	Proportion of households without child labour		10	
18.	Proportion of households without school dropouts		10	
19.	Presence of trained bookkeeper		10	
20.	Quality of leadership		10	
	Total		200	

Notes:

1. The observed values in percentages should be converted into decimal scores. For example, a criterion with an observed value of 75% will receive 7.5 in the decimal scale.
2. Only SHGs obtaining more than a total score of 150 may be considered for screening and recommendations

Annexure-4
(Refer Recommendation No. 2.7)

Suggested Evaluation Criteria for Nomination of VOs by SRLMs

S. Nr.	Criterion	Observed Value	Maximum Score	Remarks, if any
1.	Percentage of total SHGs in the VO		10	
2.	Percentage of scheduled EC meetings held		10	
3.	Average percentage of EC members attending the EC meetings since the formation of VO		10	
4.	Proportion of EC members trained at least once		10	
5.	Number of CRPs and other social capital on the rolls of VO		10	
	Percentage of SHGs provided MCP training		10	
6.	Percentage of SHGs provided CIF		10	
7.	Percentage of SHGs with CIF over dues at the end of Dec.'15 (more than 90 days)		10	
8.	CIF demand-collection ratio at the end of Dec.'15		10	
9.	Quality of bookkeeping(Books, Bookkeeper and Bookkeeping)*		10	
10.	Common social and economic activities taken up including convergent activities, health and nutrition, sanitation etc**.		10	
	Total		100	

Notes:

1. *, ** observed values may be based on assessment. For example high quality bookkeeping may be assigned 100% and good quality may be assigned 75% and so on. In respect of common activities, the range and duration of activities may be judgmentally converted into percentages.
2. The observed values in percentages should be converted into decimal scores. For example, a criterion with an observed value of 75% will receive 7.5 in the decimal scale.
3. Only SHGs obtaining more than a total score of 75 may be considered for screening and recommendations.

Annexure-5

(Refer Recommendation No. 2.7)

LIST OF SHGs NOMINATED FOR AWARD

S. No.	SHG nominated for Award	Village/ GP	Block and Distict	State	Amount
1	Dipandita SHG	Bhuyankhat	Sapekhati Development Block, Sivasagar	Assam	1,00,000/-
2	Meera SHG	Hussainapuram	Orvakal, Kurnool	Andhra Pradesh	1,00,000/-
3	Madhavarajulu SHG	Siddarampura m	B.K. Samudram, Anantpur		1,00,000/-
4	Srinivasa SHG	Bhyravapalem	I Polavaram, East Godavari		1,00,000/-
5	DurgaJeevika SHG	BadiKenor	Sarmera, Nalanda	Bihar	1,00,000/-
6	Jai Satnami SHG	Rengakatera	Rajnandgaon, Rajnandgaon	Chhattisgarh	1,00,000/-
7	Maksad SHG	Dhidhara	Tauru, Mewat	Haryana	1,00,000/-
8	Shalimar SHG	Bugroo	Khansahib, Budgam	Jammu & Kashmir	1,00,000/-
9	SurajMukhiMahilaSamuh	Jiddu	Angara, Ranchi	Jharkhand	1,00,000/-
10	Haritha NHG	Kanjikuzhy	Idukki, Idukki	Kerala	1,00,000/-
11	Kairaly NHG	Thankamany	Idukki, Idukki		1,00,000/-
12	Kalpaka NHG	Kaduthurathy	Kaduthurathy, Kottayam		1,00,000/-
13	VaibhavLaxmi SHG	Ibrahimpur	Bhokhardan, Jalna	Maharashtra	1,00,000/-
14	Adivasi Laxmi	Jimalgutta	Etapalli, Gadchiroli		1,00,000/-
15	Ekta SHG	Sindhi Meghe	Wardha, Wardha		1,00,000/-
16	Shri Ram SHG	Nivoda	Aron, Guna	Madhya Pradesh	1,00,000/-
17	GurujiAajeevika SHG	Balipur	Manawar, Dhar		1,00,000/-
18	Laxmi SHG	Tharoda	Agar, Malwa		1,00,000/-
19	Baneswari SHG	Gobindpur	Bonaigarh, Sundargarh	Odisha	1,00,000/-
20	MaaSuliaThakurani SHG	Fasipalli	Odagoan, Nayagarh		1,00,000/-
21	Sharmila SHG	Jaggannathpura	Jhadol, Udaipur	Rajasthan	1,00,000/-
22	Semparuthipoo SHG	S.Kanchipuram	Kundadam, Tirupur	Tamil Nadu	1,00,000/-
23	Parasakthi SHG	Kumarettiyapuram	Sattur, Virudhunagar		1,00,000/-
24	GangaiMahalir SHG	Ayankarisalkulam	Watrap, Virudhunagar		1,00,000/-
25	Sujathasupriya	Nayudupeta	Khammam	Telangana	1,00,000/-

	SHG		(Rural), Khammam		
26	SwamySharana mAyyappa SHG	Elukurthi	Geesukonda, Warangal		1,00,000/-
27	Maya Mahila SHG	Ekghara	Ahirori, Hardoi	Uttar Pradesh	1,00,000/-
28	BagmariSarada SHG	Bagmari	Ramnagar-I, PurbaMedinipur	West Bengal	1,00,000/-
29	MuktiSwanirvar Dal	Nachhipur	Tarakeswar, Hooghly		1,00,000/-
30	Sristi SHG	MirjanglaBasti	Naxalbari, Darjeeling		1,00,000/-
Total					30,00,000/-

LIST OF VOs NOMINATED FOR AWARD

S.No	VO nominated for Award	Village/ GP	Block and district	State	Amount
1	ShanthyGramabhi VrudhiSamsta, Kethavaram (Regd.)	Kethvaram	Orvakal, Kurnool District	Andhra Pradesh	2,00,000/-
2	ChandaniJeevika VO	Sarfuddinpur	Bochaha, Muzaffarpur	Bihar	2,00,000/-
3	ArathiMahila VO	Pendra	Chura, Gariyaband	Chhattisga rh	2,00,000/-
4	MasaniyaAajivika Mahila Gram Sangathan	Sirka GP	Angara, Ranchi	Jharkhand	2,00,000/-
5	Himayat VO	Dabipora GP	Khansahib, Budgam	Jammu & Kashmir	2,00,000/-
6	SavitribaiPhuleGr amsangh	Hasnabad	Bhokardan, Jalna	Maharasht ra	2,00,000/-
7	Gram Sangathan - Sankal	Sankal GP	Gairatganj, Raisen	Madhya Pradesh	2,00,000/-
8	Jamboo Panchayat MahaSangh	Jamboo GP	Mahakalapada, Kendrapada	Odisha	2,00,000/-
9	Saraswathi Village Organisation	ChinnaBonala	Sircilla, Karimnagar	Telangana	2,00,000/-
10	AtmaSammanMah ila SHG Co- operative Society Ltd.	Sahapur GP	Dubrajpur, Birbhum	West Bengal	2,00,000/-
Total					20,00,000/-

Annexure-6
Recommendation No. 2.17

SI No	PIA Name	PIA ID	DARPAN Portal Regd No	Type Of Reg.	Year Of Reg	Reg. No
1	MS Swaminathan Research Foundation, Jeypore	1	TN/2016/0095681	Trust	1988	15006
2	Madhyam Foundation	2	OR/2009/0009465	Society	2004	21879/57
3	PRADAN	3	DL/2009/0016772	Society	1985	13434
4	Life Academy of Vocational Studies	4	OR/2009/000538	Society	1991	3710384/91
5	Harsha Trust	5	OR/2015/0089760	Trust	2002	211/2002
6	ORRISSA	6	OR/2015/0090995	Society	1988	104830005
7	Lok Kalyan Parishad	8	WB/2009/0015010	Society	1977	S/19888
8	Bastar Sewak Mandal	9	CG/2010/0027721	Society	1977	5714
9	Action for Social Advancement	37	MP/2016/0103576	Cooperative Society	2013	9001/2008
10	NEDC, convener Rashtriya Gramin Vikas Nidhi	38	AS/2016/0103646	Cooperative Society	1990	205
11	Tagore Society for Rural Development	39	WB/2016/0102369	Cooperative Society	1984	FCR147120038
12	SUPPORT	40	JH/2016/0102642	Cooperative Society	2001	FCR1976
13	Rural Development Association	41	WB/2016/0102764	Cooperative Society	1979	S/26573
14	MYRADA	42	TN/2016/0100393	Cooperative Society	1968	S.76/6869
15	Centre for Advanced Research Development	44	MP/2009/0000138	Cooperative Society	1992	25634
16	Centre for Micro Finance	45	RJ/2016/0103144	Cooperative Society	2007	766/Jaipur/200607
17	CORD	47	HP/2009/0009186	Cooperative Society	2003	8684
18	BAIF MITTRA	48	MH/2016/0103334	Cooperative Society	1967	ITACT1961

19	SRIJAN FOUNDATION	49	JH/2009/0003163	Cooperative Society	2003	CIT/HZB/Tech/12A/XI30/200304/218789
20	Society for Promotion Of Wastelands Development	50	DL/2010/0034666	Cooperative Society	1982	S/12546of1982
21	Udyogini	51	DL/2009/0002685	Cooperative Society	1992	St23137
22	Kovel Foundation	52	AP/2016/0103667	Cooperative Society	1994	1882
23	JATTU	53	AP/2016/0103672	Cooperative Society	1998	TrustAct
24	Deepak Foundation	54	GJ/2009/0008944	Cooperative Society	1982	ISO9001:2008
25	Shroff Foundation Trust	59	GJ/2009/0011487	Cooperative Society	1980	E/2818
26	IDF	62	KA/2016/0102271	Cooperative Society	2001	179/200102
27	N M SADGURU WATER AND DEVELOPMENT FOUNDATION	65	GJ/2009/0014428	Cooperative Society	1987	FCRA042070038
29	Life Education And Development Support	68	JH/2011/0039596	Cooperative Society	2005	19526
30	Cohesion Foundation Trust	69	GJ/2012/0052100	Cooperative Society	2001	E13497
31	Sahayog Community Coordination Network CCN	70	AP/2016/0103605	Cooperative Society	1993	1170of1993
32	Lokprerna	71	JH/2011/0046211	Cooperative Society	1992	I860Bihar22

Executive Summary

The Mission

1. The *Deendayal Antyodaya Yojana*-National Rural Livelihoods Mission (DAY-NRLM) is a centrally sponsored programme that aims at eliminating rural poverty through promotion of multiple livelihoods for each rural poor household. The DAY-NRLM seeks to reach out to all rural poor households and impact their livelihoods significantly by 2024-25. This is sought to be achieved through universal social mobilization by inter alia organizing one woman member from each rural poor household into Self Help Groups (SHGs), their training and capacity building, facilitating their micro-livelihoods plans, and enabling them to implement their livelihoods plans through accessing financial resources from their own institutions and the banks.

2. The community institutions are expected to enable the poor to overcome three types of exclusions responsible for perpetuating poverty viz., social exclusion, financial exclusion, and economic exclusion. The four key components of the Mission viz., social mobilization and institution building, financial inclusion, livelihoods promotion, and convergence and social development are designed to address the exclusions of the rural poor, eliminate their poverty, and bring them into the economic mainstream.

3. States are implementing DAY-NRLM in a phased but intensive mode through dedicated implementation architecture – an autonomous professional society at the state level, professional implementation support units at the district and block levels. As of March 2017, the Mission was being implemented in about 3,500 blocks spread across 29 states and 5 UTs. The Mission had mobilized over 3.86 crore households into 32.5 lakh SHGs and had achieved significant progress in financial inclusion and are promotion of livelihoods of the poor.

Objectives of the Study

4. As the Mission has expanded to all States and has made significant progress, a mid-term assessment was commissioned to understand the effectiveness of the design and strategies and the emerging outcomes. The task of independent assessment was entrusted to IRMA with the following objectives:

- To evaluate the key design features, components, implementation architecture and systems established, strategies, and key processes adopted by the Mission;
- To evaluate the effectiveness of resource block, intensive block and partnership block strategy;

- To examine the appropriateness phased expansion approach of the Mission;
- To assess the key processes adopted and emerging results of the mission in different component areas viz., social inclusion, institution building, financial inclusion, livelihoods promotion, and entitlements and convergence;
- To study the functioning of community institutions promoted with particular reference to their self-reliance and sustainability features;
- To assess preliminary outcomes/ impacts of the intervention; and
- To assess the implementation strategy, functioning and intermediate outcomes of RSETIs

Methods Adopted

5. Multiple methods viz., qualitative, quasi-qualitative (fuzzy cognitive mapping approach), and quantitative, have been used to understand and analyze the programme implementation and its impacts. The study was conducted during July 2016 – January 2017, in eight sample states of Bihar, Jharkhand, Madhya Pradesh, Maharashtra, Tamil Nadu, Andhra Pradesh, Nagaland, and Jammu & Kashmir.

Design, Strategy, Implementation and Progress

6. Building upon the experience of implementing poverty alleviation programmes in the past few decades, the DAY-NRLM was designed with the following key features:

- Universal social mobilization and social inclusion of the poor;
- Financial inclusion;
- Community funds as resources in perpetuity;
- Livelihoods promotion;
- Rural self-employment training institutes (RSETIs);
- Convergence, partnerships, and linkages; and
- Sensitive Support Structures.

7. In keeping with the design, all states have promoted a Special Purpose Vehicle (SPV) for delivery of the Mission. However, a certain degree of autonomy to SRLMs based on local conditions will be beneficial. Although the overall design recognizes that poor people are engaged in multiple livelihood activities necessitating diversified types of support, most SRLMs at this stage were found promoting only two or three key livelihoods. However, states were in the process of promoting newer livelihoods besides strengthening the existing ones. The Mission is providing only a catalytic capital to promote livelihoods, with a major proportion of livelihood finance coming from the mainstream banks through SHG bank linkage programme. While the loans accessed under the SHG Bank Linkage scheme has seen a considerable growth, especially in the poorer States such as Bihar, there appears to be ample scope for improving bank finance for livelihoods promotion.

8. Dedicated implementation support structures have been set-up at all levels right up to the block. The NMMU is the mission management unit that is meant to lead the programme at national level. SMMUs are set up to spearhead implementation at the state level. The DMMUs and BMMUs are the professional implementation units at the district and block levels. Sub-block units are informal entities led by cluster coordinators. Professionals largely hired from the market, lead the thematic units in the SMMU and DMMUs, under the overall technical support and guidance from the NMMU. The BMMUs lead Mission implementation from the front-end, with the support of community resource persons and other types of social capital.

9. A study of the support structures in the sample states revealed that there was relatively high attrition in some states, largely due to HR hygiene factors as well as inter-state variations in compensation. There were also delays in the reimbursement of travel claims. However, with the adoption of HR manuals by some of the states, most of the HR problems are getting addressed. The study also brought out that high turnover of CEOs and COOs in some states is a matter of concern. Continuity in tenure of the CEOs and other senior professionals is very important for uninterrupted implementation of the Mission. This is equally important in respect of the BMMU professionals who lead community institution building, financial inclusion and livelihoods promotion, at the cutting-edge level. It would be important to retain the BMMU professionals for a fairly long-term to promote sustainable institutions and livelihoods. Importance of retaining the professionals, who have had live contact with the institutions of the poor needs no emphasis.

10. Sponsored and funded by the MoRD, the Mission is implemented by the SRLMs. The Annual Action Plans approved by the MoRD form the basis for implementation of the Mission. Each approved AAP, carries with it financial allocations. Central funds are released in installments to the state treasuries, which in turn transfer the funds to the state Missions, along with their share. The state Missions implement the AAPs as per the protocols, SOPs and processes laid down by the MoRD. The National Mission Management Unit provides technical support to the SRLMs in the actual implementation. The study of sample states, however, revealed two constraints. First, some state treasuries were found not releasing the central and state shares to the Missions on time. The delays in fund release were found affecting the pace of Mission implementation. Secondly, the states were not claiming the full quota of approved funds from the MoRD, due to slow pace of fund utilization.

11. Given the constraints of financial resources and social capital, the Mission has rightly adopted a phased intensive approach, along with a resource block strategy in partnership with NRO states. In addition, the Mission has had several partnerships with NSOs and other livelihoods organizations to strengthen implementation. The strategy of

creating sensitive support structures at different levels of Mission has provided the much-needed professional support for catalyzing the Mission activities. These institutions have also attracted professionals from the market, which has now become the core strength of the Mission. More significantly, the support structures enjoy a certain degree of autonomy to adopt innovative demand-driven strategies adopted from successful local models. The 'proof-of-concept' demonstrated through resource blocks and the social capital generated in the resource/intensive blocks has contributed to the pace of implementation. However, the social capital generated needs to be optimally deployed and utilized to speed-up Mission implementation. Notwithstanding these limitations, the Mission has by and large adopted process intensive approach, which has been successful in galvanizing the collective energies of the poor for undertaking livelihood activities.

12. The variations across the states in the strategy and the processes adopted reflect the spirit of democratic federalism. While the sequential model of social mobilization followed by livelihoods at farm and non-farm level has worked well in a few states, indications are that livelihood promotion could go hand-in-hand with social mobilization provided adequate emphasis is placed on principles of collective action. SRLMs can work out partnerships with agencies that have the skills and are willing to hand-hold producer groups in this transition. Further, the strategy of NRLM is integrating and absorbing in nature. It has the innate capacity to accommodate different approaches and models to achieve the livelihoods objective. The strength of the strategy lies in the hierarchical community institutional architecture created and the handles that it affords to link with the external world.

13. The Mission units have been successful in mobilizing the target groups using PIP approach initially followed by the adoption of SECC data in more recent period. The mobilization completed up to March 2017 is inclusive, although there is still scope for mobilizing some marginalized households. The Mission has also been effective in promoting financial inclusion of the poor. Apart from providing RF and CIF to a significant proportion of the SHGs, the Mission has facilitated access of a large proportion of SHGs to the bank credit. During the last two years, dedicated efforts have also been made to provide insurance services to the poor. More recently, the emphasis is on promoting bank accounts for individual members of the SHGs to facilitate, among others, direct benefit transfer. Towards this objective, the member accounts are also being *Aadhar* seeded.

14. There has been a phenomenal growth in the number of SHGs during the last four years of the Mission. However, the progress of federating the SHGs into VOs and VOs into CLFs needs to be augmented. Further, there is need to provide a statutory basis to the VOs and CLFs such that they could become micro-finance institutions. The statutory status could also perpetuate their long-term sustainability. Equally important is to

promote the pace of SHG-bank linkage not only in terms of the number of SHGs bank linked, but also in the quantum of loans.

15. As the Mission has promoted a large network of community institutions and different types of cadres, it is imperative that it focuses on strengthening and diversifying livelihood portfolio now. However, promoting livelihoods on a large scale is a daunting proposition even at the best of times. The Mission needs to leverage the strengths of multiple agencies and learn from a large number of best practices in the country. The livelihood strategy also needs to be contextualized to different eco-systems.

16. The Mission has been successful in creating enabling environment for the SHGs, VOs and CLFs to manage their RF, CIF, and VRF well. However, DAY-NRLM 2.0 needs to strengthen this resolve to orient the entities for sustainable enterprise creation and management. It is expected that DAY-NRLM interventions need to transform the SHGs/VOs/CLFs into business driven entities by leveraging their strength. Such transformation needs identification of value chains with proper clustering supported by principal firms, network development agents; and identification of supply chain network partners. Clustering across districts, states and regions as applicable need to be taken up sector based corridors for entities to join the supply chain(s). Wherever possible, the Mission units should explore possibilities for converging with government, private sectors and NGO partners. The experiences of KVK, ATMA, NABARD, PCs, FPOs and civil society organizations need to be leveraged. Towards this end, value chain steering committees could be promoted at different levels of the Mission. Livelihoods promotion pre-supposes availability of necessary infrastructure and supply side dynamism. The Mission needs to identify such gaps and explore partnerships.

17. Apart from overseeing value chain plans and aggregating such plans for clustering, providing related infrastructure, setting-up sector specific corridors, technology backstopping, networking with public-private partnerships, creating market oriented scenarios to shield producers from market pressure, would be necessary. These committees need to conceptualize, model, prototype and pilot innovation driven value chain with active support of identified credible and performing SHGs/VOs/CLFs/PCs/FPOs for scaling up. 'Innovation fund' should be earmarked for these efforts at the levels of DAY-NRLM and SRLMs.

18. Despite some of its noteworthy achievements, the DAY-NRLM has faced several constraints and challenges. In terms of the programme-level issues, the depth and width of outreach across the states have not been uniform. Considerable variations have been observed in implementation of the strategies and operations owing to structural and resource constraints. However, the DAY-NRLM has displayed considerable flexibility to adapt to newer challenges. The adoption of target oriented approach for

performance monitoring may have the effect of diluting quality of processes in the long run. Further, the emphasis on converging with too many local programmes could also result in dilution of the core process agenda.

Impact Evaluation Using Micro-Econometric Approach

20. An attempt was made to assess the early outcomes of the Mission viz., assets, income, consumption, savings and investment, borrowing, outstanding debt, and migration, using a micro-econometric approach that adopted the propensity-score matching method. Household data collected from three states viz., Jharkhand, Maharashtra and Madhya Pradesh. The survey data was collected from 4,472 households spanning across 746 villages. The study team randomly selected 5 treatment (mostly resource blocks) and 5 control blocks. However, the sampling strategy was adjusted to address state specific constraints related to availability of blocks and villages. For village selection, propensity scores were estimated on the basis of pre-intervention village-level characteristics that were accessed through already existing SECC and Census 2011 datasets. Following village selection, SECC data was used to randomly select households. The household survey was canvassed to these units.

21. The Mission treatment effects were estimated using the kernel matching method. A selection model was used to balance or minimize pre-programme differences between DAY-NRLM (referred as treatment) and non-DAY-NRLM (referred as control) households allowing the study, thereby, to estimate unbiased impact parameters for the programme on intended outcomes.

22. The study findings reveal that households in treatment areas have a higher number of productive livestock assets than those in control areas. However, no significant difference in the ownership of consumer durables (such as televisions, motor vehicles etc.) between households in treatment and control areas could be found. While the results indicate that total (net) household incomes in treatment areas were approximately 22% higher than those in control areas, largely on account of incomes from enterprises or other sources. In fact, the propensity score estimates indicate that treatment villages on an average have an 11.05 greater number of enterprises compared to control villages.

23. In terms of average monthly household consumption expenditure, it was found that households in programme areas do not differ significantly from households in non-programme areas. However, there are differences in the quality of consumption with treatment households had a lower share in food consumption but had larger expenditures on schooling relative to those in control villages. Treatment households are significantly likelier to opt for savings from formal institutions (such as banks and

MFIs). About 60% of all households in treatment areas are likely to save annually in Self-help Groups (SHGs) compared to only 16% in control areas. However, the level of savings on the part households in treatment areas is not significantly higher than that of control households.

24. The preference of treatment households for formal institutions for savings is also seen in their proclivity for formal sources of credit. On the average, households residing in treatment areas have taken 0.32 more loans than those in control areas. Indeed, households in treatment areas, on average, have a higher loan size (nearly 67% more than the loan sizes for control households), and are more likely to borrow from formal sources of credit such as banks, MFIs and SHGs, than informal sources (such as moneylenders, friends, or family) suggesting that they have significantly improved access to and uptake of formal credit. These results suggest a broad variety of programme impacts on diverse aspects of livelihoods that are inter-related and matter in terms of improvement in development outcomes.

Impact Assessment using Fuzzy Cognitive Mapping Approach

25. While the micro-econometric approach provides a quantitative measure of DAY-NRLM impacts on seven main variables, the fuzzy cognitive mapping approach evaluates DAY-NRLM impacts on 22 main variables. Based on the fuzzy cognitive mapping (FCM) approach impacts of NRLM interventions were assessed at two levels: (i) household level and (ii) programme and policy level. The FCM approach was used to model, study, and understand the behavior and functioning of complex systems based on people's perception. In order to assess impacts at the household level both the programme participants and programme functionaries of district, state and national levels were facilitated to draw fuzzy cognitive maps (FCMs).

26. For assessing the impacts of DAY-NRLM interventions at the household level 233 programme functionaries and 2561 programme participants constructed FCMs. However, for programme and policy-level impacts of DAYNRLM interventions only 92 programme functionaries constructed FCMs. The FCMs were coded into separate excel sheets with each concept listed in vertical and horizontal axes forming adjacency matrices. All individual fuzzy cognitive maps obtained from the FCM exercise were aggregated using the standard aggregation method by computing an arithmetic mean at each interconnection of the adjacency matrix. To simplify and understand the structure of the complex maps concepts were condensed by qualitative aggregation. The condensed concepts and their sub-concepts were tabulated to form FCM charts to conduct further FCM exercise with communities and programme functionaries. Cognitive interpretive diagrams (CID) were prepared to depict the linkages between the concepts. Besides, a CID also reflects the importance of different concepts within the system.

27. The programme functionaries have perceived higher impacts of DAY-NRLM interventions at the household level compared to programme participants in 14 out of 22 concepts. In some of the concepts like access to micro-finance, better agricultural techniques, increased agricultural production, and increased income programme participants perceived low impacts although programme functionaries perceived much higher impacts. The programme participants perceived higher rating on the following impacts compared to other concepts:

- women empowerment;
- self-esteem enhancement;
- personality development;
- access to micro-finance;
- reduced social evils;
- increase in livestock production; and
- high cost debt reduction.

28. On the other hand, the programme functionaries perceived higher ratings on the following compared to other concepts:

- access to micro-finance;
- women empowerment;
- self-esteem enhancement;
- institutional building;
- increased social cohesion;
- personality development;
- better standards of living;
- financial stability;
- increase in income;
- reduced social evils;
- increase in agricultural production; and
- increase in livestock production.

29. Post DAY-NRLM intervention, there has been a positive change at the household level. Both classes of respondents perceived that personal assets (personality development, self-esteem, motivation, confidence etc.) show maximum positive impacts, followed by social assets (reduced social evils, increased social cohesion, etc.), financial assets (financial stability, access to micro-finance etc.), and human assets (women empowerment, better sanitation and health, better education, better standards of living). Physical assets (water supply and irrigation, infrastructure development, etc.) show the least increase. Although, there has been significant increase in productive livestock assets, overall natural assets show less increase. Organizational assets also show significant increase as perceived by both the respondents.

30. The community members perceive that the SHGs have been propagating awareness on social issues including alcoholism, child marriages, child labour, dowry, gender discrimination and domestic violence. The community members perceive that intervention of DAY-NRLM has given them voice, which is helping them to access, a range of government schemes. Further, the respondents also stated that DAY-NRLM has given the rural poor an opportunity to improve their livelihoods. It is to be noted that several other state and central government-sponsored schemes have started making use of the community institutions for better implementation.

Management Information System

31. DAY-NRLM is adopting a 'transaction-based' MIS. The system needs to be supported by detailing transaction life cycles at all levels, preparing transaction tables and creating data model standards. Seamless integration between databases needs to be taken up. A robust national level 'data model' is needed urgently and MoRD should steer this exercise. Unique identification number for SHG/VO/CLF/PC/FPOs could be a game changer in the seamless data integration. Transaction alerts need to be well crafted for all stakeholders especially banks, and members of SHGs. Validation of transactions is seen to be inadequate in sample SRLMs wherein the role of SLBC is severely underperformed. Alerts on delays, wrong entries, failed transactions and transaction reversals, validation of accounts and performance of banks are of prime concern for any 'transaction based' intervention. The alerts need to be part of the DAY-NRLM process. Irrespective of strategies to adopt PIP and/or SECC based identification MIS should have enough safeguards for data warehousing and data mining for traceability and analyses.

32. NIC cloud '*Meghraj*' is used for data, intranet, and web-related services. Entirely depending on this arrangement is not free from challenges. Ideally, the DAY-NRLM should adopt a 'hybrid' form of cloud with fail over platforms and share bandwidth across SRLMs. The SRLMs should be discouraged from having their own Management Information Systems. VPN supported cloud administration would be ideal for DAY-NRLM and its constituents since the approach is 'process specific'. Distributed database architecture will be beneficial in this environment. Audit trails should be put in place.

33. All SRLMs and DAY-NRLM should adopt common standards for operating systems, databases, applications, protocols on operation and security. Interactions for all stakeholders and at all layers of the MIS pyramid need to be supported by alerts through interactive services in local language interfaces (aligned to GPS coordinates). Links of CBOs with banks should be uniformly managed and SLBC needs to take the lead. It was observed that SHG product codes are not uniform across linked banks, further, the software application is not common across banks and not aligned to RBI standards either. Similarly, rate of interests for SHGs as per their categories (listed

through district category declared by DAY-NRLM) are without any alignment as envisaged. Approval cycle time for linking to banks, releasing loans and cycle time for updating transactions need to improve drastically.

34. Information dissemination and networking should be well organized with the support of ICTs. ICTs can be used for wider reach and dissemination of best practices of the entities nurtured. Networks with programmes like e-Shakti programme of NABARD, e-NAM and other initiatives need to be promoted for single window services to members of DAY-NRLM.

RSETIs

35. It may be noted that the sample districts were chosen for the entire study and not exclusively for the RSETIs. In the district selected, the teams undertook an assessment of the RSETIs available in such districts. As such, the sampling procedure adopted has inherent limitations. Having said that, the study team observed that the sample RSETIs suffered from inadequate infrastructure as well as shortage of faculty. Out of 15 RSETIs visited, only 5 had their own buildings and about 50% had the required faculty strength. Further, the mobilization drives were largely unsystematic as there is no budgetary allocation for the same.

36. Majority of the RSETIs reported that they had not conducted market research to assess the demand for the courses. This could adversely impact the settlement rate of the candidates. Also, the annual target of 750 candidates to be trained per RSETI per year is modest and can be increased, the percentage of candidates settled w.r.t candidates trained has scope for improvement.

37. Overall, while the concept and the design of RSETI is sound, factors such as inadequate infrastructure, market linkage and coordination with the sponsoring institutions are impeding it from achieving its full potential.

Key Recommendations

38. Some of the SRLMs have reported about delay in the release of funds by the state treasury. This process needs to be monitored and improved. Establishing transactions through the principles of 'Escrow Accounting' can improve the process. There is need to introduce an ecosystem with adoption of suitable technologies to trigger alerts on non-compliance of fund disbursements and generation of online MIS at various level for respective stakeholders including NMMU, State treasury, SRLMs, DMMU, BMMU and Banks.

39. Apart from formalizing organizational structural arrangements, SRLMs are expected to have competent human resource up to the level of sub-block units. Performance incentive based compensation packages should be designed for attracting and retaining professionals to manage the programme at various levels.

40. Provision of process manuals in the areas of HR, Procurement and Accounting for SRLMs is a major step for the DAY-NRLM. Such manuals for SHGs, VOs and CLFs should also be prepared.

41. Entities like SHGs, VOs, CLFs, FPOs created should be registered under appropriate Act. At least, the higher-level structures, like CLFs, FPOs necessarily have to attain required legal form and size for sustainability.

42. NMMU and SRLMs should support creation of business environment, enhancement of skills, and identification of value chains with proper clustering supported by principal firms, network development agents; and identification of supply chain network partners. Clustering across states, districts and regions need to be taken up for creation of sector-based corridors. This approach needs to be scaled up by DAY-NRLM and have nationwide value chain plans.

43. While the micro-econometric approach provides a quantitative measure of DAY-NRLM impacts on seven main variables, the fuzzy cognitive mapping approach evaluates its impacts on 22 main (variable) concepts. Impacts such as women empowerment, enhancement of self-esteem of the women, personality development of women, reduction in social evils, social cohesion, which have registered high degree impacts of the intervention, should be triangulated using structural equation modelling.

44. Agriculture, augmentation of natural resources, and infrastructure development has registered low impacts. Hence convergence arrangements need to be worked out for climate resilient production system.

COMMITTEE ON EMPOWERMENT OF WOMEN (2017-2018)

**MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE
HELD ON FRIDAY, 3 August, 2018**

The Committee sat from 1000 hrs. to 1115 hrs. in Committee Room "C", Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Smt. Bijoya Chakravarty - Chairperson

MEMBERS

LOK SABHA

2. Smt. Anju Bala
3. Smt. Renuka Butta
4. Smt. Jyoti Dhurve
5. Smt. Darshanaben Jardosh
6. Smt. Raksha Khadse
7. Smt. Jayshreeben Patel
8. Smt. Riti Pathak
9. Smt. Satabdi Roy (Banerjee)
10. Smt. Mala Rajya Laxmi Shah
11. Smt. Supriya Sule
12. Smt. Rita Tarai
13. Smt. Savitri Thakur

RAJYA SABHA

14. Smt. Jharna Das Baidya
15. Smt. Vijila Sathyananth
16. Smt. Vandana Chavan
17. Smt. Kahkashan Perween
18. Smt. Wansuk Syiem

SECRETARIAT

- 1. Shri N.C. Gupta. - Joint Secretary
- 2. Shri Khakhai Zou - Additional Director

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting of the Committee:

3. The Committee then took up the following draft Reports for consideration

(i) Draft Action Taken Report of the Committee on the action taken by the Government on the recommendations contained in their 8th Report (Sixteenth Lok Sabha) on the subject 'Empowering Women through Self Help Groups',

(ii)*****

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4. After some deliberations, the Committee adopted the Draft Reports without any modification and authorized the Chairperson to finalise the Draft Reports and present the same to both the Houses of Parliament.

5. *****

6. *****

7. *****

The Committee then adjourned.

___ ***** Matters not related to this Report

(Vide Para 4 of the Introduction)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE EIGHTH REPORT (SIXTEENTH LOK SABHA) OF THE COMMITTEE ON EMPOWERMENT OF WOMEN (2016-2017) ON 'EMPOWERING WOMEN THROUGH SELF HELP GROUPS'.

(i)	Total No. of Recommendations	29
(ii)	Observations/Recommendations which have been accepted by the Government: Para Nos. :- 2.1,2.2, 2.3, 2.4, 2.6, 2.7, 2.8, 2.9, 2.13, 2.14, 2.15, 2.16, 2.18, 2.19, 2.20, 2.21, 2.24, 2.25, 2.26, 2.27 and 2.28	21
	Percentage	72%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:	Nil
	Percentage	0%
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee Para Nos. 2.17 and 2.22	02
	Percentage	7%
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited: Para Nos. 2.5, 2.10, 2.11, 2.12, 2.23 and 2.29	06
	Percentage	21%

