

Guideline for the implementation of the scheme of 'Micro -credit support for Women SHGs in ~~KPK districts~~ under the ~~BI-TAP~~

1. The scheme of 'Micro-credit support to Women SHGs' will focus on strengthening the credit linkage of the Self Help Groups with the banks. This is proposed to be achieved by encouraging them to move from the stage of 'internal lending' to availing credit for income generating activities based on their savings. It is therefore stipulated that an amount of Rs. 5000/- will be provided as an incentive to all those SHGs that avail their first credit linkage subject to guidelines given below. Therefore, the assistance of Rs.5,000/- provided under this scheme will primarily act as a 'saving corpus' facilitating a higher credit quantum from the bank; prevailing norms being in the 1:4 ratio (Savings:Credit). Obviously, the larger bigger quantum of credit shall help the SHGs to adopt more profitable economic ventures ensuring higher economic returns.
2. The scheme shall be implemented through Mahila Vikas Samabaya Nigam (MVSN) which will be the Nodal Agency for the scheme.
3. The SHGs to be assisted shall be identified as per the following criteria.
 - a) The group should have only BPL members.
 - b) The groups should have existed for at least one year.
 - c) The group members should already be engaged in some income-generation activity of a profitable and sustainable nature.
 - d) The group must have saved at least Rs.5000/- in their savings account and must have received not less than Rs.10,000/- towards the first credit from a bank (in the ratio 1:2 if not the prescribed criteria of 1:4). The savings of Rs. 5000/ must from the members' own contribution and not by way of grant from any other source.
 - e) The groups must be meeting regularly and maintaining their accounts properly.

- f) The assistance of Rs. 5000/- will be made available on the basis of the credit availed. The group that avails the credit first will get the assistance first.
4. The process for identifying eligible SHGs and releasing grant to them will be as follows:
- a) The identification of the eligible SHGs will be made by the District Level Scrutiny Committee (DLSC) chaired by the District Collector. The number of proposals to be received Block/ULBs for consideration at this level shall be on the basis of the amount of funds distributed among Block/ULBs by the district administration keeping in view the number of SHGs formed at the beginning of the concerned financial year. A serial list of the SHGs will be maintained for each of the block / ULB on a chronological basis at the district level and the assistance provided to them in that order.
 - b) The eligible SHGs shall be released @ Rs.5000/- each in the form of an A/c payee cheques signed by two Govt. officials as decided by the District Collector.
 - c) Funds will be placed with the districts concerned in proportion to the number of SHGs formed in the concerned districts at the beginning of the financial year in which the grant is released. The Districts should allocate the funds to different blocks / ULBs on the same principle.
5. The District Level Scrutiny Committee (DLSC) shall have the following members:
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|-------------------------------------|---|-----------------|
| i. Collector | - | Chairman |
| ii. PD,DRDA | - | Member |
| iii. PA,ITDA | - | Member |
| iv. District Welfare Officer- | - | Member |
| v. L.D.M. | - | Member |
| vi. District Social Welfare Officer | | Member-Convenor |

6. The DLSC will forward its recommendations to the MVSN which will satisfy itself about the correct application of the norms and the sequential disbursement of the assistance as indicated above.
7. Particular alteration will be given to ensure that those Groups who have received financial assistance from the SC & ST Development Department, the P.R. Department or any other source are excluded from this Scheme so as to avoid duplication and cover unassisted groups.
8. The amount of Rs.5000/- should be used only as a 'saving corpus' for the first three years and not diverted for any other purpose. After successful running for three years the group may freely decide as to what will be done with this amount.
9. Along with the financial assistance, the concerned DSWO will arrange necessary technical assistance and other support services and market linkages to make the economic activities taken up by the SHGs successful. This is of paramount importance to upgrade the skills of the members and for capacity building of the SHGs to improve the profitability of their economic activities.

It is hoped that this assistance will

- Accelerate the progression of new SHGs from internal lending and consumption loans to credit linkage with banks for profitable economic activities,
- Motivate the new groups to increase the quantum of their savings,.
- Promote enterprise among the groups availing first credit linkage, and
- Motivate banks to be more pro-active in offering credit.

The Department will issue clarification from time to time to correct any distortions in the operation of this scheme in the field.