

**GRAMIN VIKAS TRUST
WEST BENGAL**

**REPORT ON TRAINING PROGRAMME
ON
SUSTAINABLE GROUP MODE OF FINANCING
ORGANISED BY
BANKERS INSTITUTE OF RURAL DEVELOPMENT
(BIRD) LUCKNOW**



Bankers Institute of Rural Development, Lucknow, UP in association with Self-Help Group Promotional Forum, Kolkata organized a training programme on ‘**Sustainable Group Mode of Financing**’ at Rural Resource and Training Centre, Umran, Nayabunglow, Ribhoi District, Meghalaya from 14th to 17th January 2014. The program aims at strengthening and up-scaling microfinance initiatives through group mode such as SHGs, JLGs and Federation etc. on a sustainable basis.

Date : 14th to 17th March 2014

Venue : RRTC Umran, Meghalaya

Organised By- Bankers Institute of Rural Development (BIRD), Lucknow.

Gramin Vikas Trust – is operational in West Bengal with a strong determination to enhance the life and livelihood of the resource poor, marginalized /underprivileged community the since the year 1996. A significant numbers of SHGs have been formed and strengthened under the aegis of WADI, Watershed projects and other development interventions. But it has been realized that they require location specific, cost effective delivery mechanism in order to have access to financial capital on the one hand and capacity enhancement to make the “judicious” use of the financial services on the other.

On the basis of the above situation, two officials of GVT- West Bengal participated in a 5 days training on ‘**Sustainable Group Mode of Financing**’ in order to have a strong knowledge base in facilitating the community members to propagate and inculcate the concept of “ Group Mode of Financing” and its sustainability in the near future.

TRAINING DETAILS:

Lecture session- (14th January 2014)

The program was inaugurated by General Manager, NABARD, Meghalaya, Father James Money, Director, RRTC and Sri. B. K. Basu, Programme Director, BIRD, Lucknow. The participants introduced themselves along-with a brief introduction of their organizations. The lecture session started with Sri. B. K. Basu describing the aim of the training programme, his experience on SHG activity in India and challenges faced.



The Reasons for Challenges of Micro Finance Credit Linkages are as follows:-

- Difficult terrain.
- Very poor road connectivity.
- Poor net connectivity.
- Irregular electric supply.

- Poor banking network.
- Lack of marketing arrangements.

Next, Sri. B. K. Basu, Programme Director, BIRD, Lucknow gave an idea about the differences between Self Help Groups and Joint Liability Groups. Sri. Raj Kishore Laskar, Training Manager, SPADE, Kolkata briefly described about rating of SHG by Panchasutra Method .

The ratings of SHG under Panchasutra Method are as follows:-

1. Regular Meetings	-	10 (2 meetings / month)
2. Attendance in meeting	-	10 (regular presence of all members)
3. On time saving deposit	-	20
4. Internal lending	-	20
5. On time loan repayment	-	20
6. Updated of books of account	-	<u>20</u>
Total	-	<u>100</u>

The eligibility criteria of SHG to avail Bank Loan and the components for income enhancements were also discussed by him which were as follows:-

1. SHG should be in active existence for 6 months.
2. SHG should follow Panchasutra Method.
3. SHG should be qualified in grading test by bank.
4. Grading should be two types - Internal / Self Evaluation and External.

The major components of Income enhancement planning process (IEPP) like-

1. Analyzing the economic activity
2. Feasibility analysis of the economic activity
3. Developing of the activity into a large scale business.

A campus visit for the participants facilitated by the officials on different activities like – fishery, piggery, vermin compost, production of Jam, Jelly, Candy, Pickles, Bee Kipping, Agriculture etc was organized.

Field Visit : (16th January 2014)

A Field visit was organized to Nongpoh Block, Ribhoi District, Meghalaya. The programme was organized by RRTC and facilitated by Sri. B. K. Basu, Programme Director, BIRD, Lucknow and District Development Manager, NABARD, Ribhoi.

In this area, three different workshops of SHG's engaged with traditional handloom production were visited. The members were interviewed regarding their membership pattern, activity, coordination, marketing channel, profit level and future plan etc.

(17th January 2014)

The General Manager, NABARD, Meghalaya delivered a presentation on Role of NABARD in SHG movement in India, While Shri. Raj Kumar Laskar from SPADE, Kolkata presented key tenets of National Rural Livelihood Mission and Sri. B. N. Paul, Jt. Secretary, SPADE, Kolkata briefly discussed about SHG 2 Concept.

Reflection:

The SHG-Bank Linkage Programme has been accepted as an effective tool for inclusive growth by extending various financial services to the poor rural households. Through this the members take collective decisions. The Linkage programme take the full advantage of the banking system and also reduces costs for both banks and borrowers. Apart from this, SHG serves as a vehicle for carrying and deepening of their developmental service delivery along with capacity building of the individual members with group cohesion and solidarity.

Rating of the SHGs is a bench marking exercise to grade the group and its worthiness in order to make the groups eligible for credit linkage and availing of revolving funds through Government Schemes.

CONCLUSION:

The training was really a very strong platform where the NGO Personnel had an ample opportunity to gain knowledge about the problems faced in implementing Group Mode of Financing through SHG, JLG with along with the solutions to the same. It will hopefully be effective for the NGOs in realizing their roles and responsibilities in facilitating Group Based Microfinance.