FUNCTIONING
OF
SELF HELP GROUPS
This chapter focuses attention on describing the functioning, fund management and capacity building of SHGs. Andhra Pradesh has been in the forefront of the self-help movement in India. Along side women's own savings, a major initiative in providing SHG members with bank credits was introduced in 1992. Apart from banks, some NGOs are also striving to empower the unorganized women to organize them financially so that the "investment deprivation" may not be an impediment to conquer the "opportunity poverty". The gender streamlining strategy aims at provisions of benefits of growth process to women by socio-economic background in terms of labour, income, credit and investment etc., "Self-Help Group" strategy also adopts the same philosophy and aims at bringing the excluded and neglected women into mainstream of economic development through "saving-investment-employment and income generation" strategy. This socio economic programme reinforce each other and promote all-round development of the children, the women, the house holds and the communities. It is a process which ultimately leads to self-fulfillment of each member of the society.
3.1. AIMS AND OBJECTIVES OF SELF-HELP GROUPS:

Aims:

The aim of the SHG is to bring out all-round sustainable development among the rural poor women with the intention of helping them save, collect and manage their funds, and help one another by way of credit from their own funds. Even in cases where the SHGs have come up primarily for taking up economic activity, saving mobilization has become important to the member’s families, villages.

Objectives:

Its objectives are multifaceted oriented with the intention of poverty eradication and it also intends for the promotion of economic activities. The main objectives of SHG are:

1. To promote community organizing activities by bringing all the people under one roof, identifying common issues/needs, decision-making based on common issues, creating local leadership and exploring the possibilities of solving problems.

2. To encourage savings among the group members, encouraging formation of cooperatives for undertaking income generating/economic activities, and creating an organized platform to mobilize savings.
3. To build a local network of credit groups, monitoring the savings and credit activities of the group, and initiation of successful activities in other areas.

4. To create employment opportunities and to empower the rural women. It also improves the living standards of the rural people by alleviating poverty.

5. To make easy access to institutional credit facilities and to extend financial support through government delivery system.

6. To develop the poor women to meet the credit needs of the members in time for consumption, income generation, asset formation and other appropriate purposes.

7. To help members in acquiring and use of appropriate technical knowledge and managerial skills in relation to their occupation in order to increase productivity.

8. To create awareness and work for human health development.

9. To build a trust and confidence between bankers and rural poor and to encourage banking activity in a segment of population which generally finds it difficult to secure loans.

10. To achieve women and child welfare programme goals by actively involving these women groups in universal immunization
programmes, universal elementary education small family norms and the like.

11. To create a common fund by the members through their regular savings.

12. To provide a cost effective delivery mechanism for small credit to its members.

13. To allow SHG to act as a forum for the members to provide space and support to each other.

14. To strengthen to ensure that they contribute to the empowerment of poor women.

3.2. SHG FUNCTIONS and CHARACTERISTICS:

SHGs are mostly informal groups where members pool savings and relend in the group on a rotational basis. The groups have a common perception of need and improvise towards collective action. Many such groups formed around specific production activities, promote savings among members and use the pooled resources to meet various credit needs of members (especially consumption needs). Where funds generation is low in the initial phases due to low saving capacities, this is supplemented by external resources loaned by NGOs. Thus, SHGs have been able to provide primitive banking services to its members that are
cost-effective, flexible and without defaults. Based on local requirements, SHGs have evolved their own characteristics of functioning:

1. Group members usually create a common fund by contributing their small savings on a regular basis.

2. Groups evolve flexible systems of working (sometimes with the help of NGOs) and manage pooled resources in a democratic way.

3. Loan requests are considered by groups in periodic meetings and competing claims on limited resources are settled by consensus.

4. Loans are given mainly on trust with minimum documentation and without any security.

5. The loan amounts are small, frequent, for short duration and are mainly for unconventional purposes.

6. The rate of interest vary from group to group and the purpose of loan. It is higher than that of banks but lower than that of moneylenders.

7. At periodic meetings, besides collecting money, social and economic issues are also discussed.

8. Defaults are rare due to group pressure and intimate knowledge of the end use of credit.
3.3. FORMATION AND WORKING PATTERN OF SHGs

SHGs is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a common fund. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management. While formulating the SHG, the broad guidelines to be followed are as follows:

- SHGs are usually informal groups whose members have a common perception of need. The number of members in each SHG generally ranges between 15 to 20 to facilitate participatory process.

- All members of the group should belong to families below poverty line. The group shall not consist of more than one member from the same family. A person should not be a member of more than one group.

- Among the members of the group, a member is selected as an "Animator" and two members are selected as the representatives to serve the group as a President and Secretary. In case of no proper education among SHG members, they can take support of other male or female for performing the functions of "Animator".
➢ The Animator is selected for the period of two years and he/she has to maintain the accounts of the group in a transparent manner.

➢ The group should devise a code of conduct (group management norms) to bind itself. This should be in the form of conducting regular meetings (weekly or fortnightly), functioning in a democratic manner allowing free exchange of views and participation by the members in the decision making process.

➢ The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda and record the resolutions of the meeting. The representatives of group have to perform these functions.

➢ The members should build their own corpus through regular savings. For which, the members themselves should decide the quantum of savings, collect the minimum voluntary saving amount from all the members regularly, and the so collected savings will be treated as the “group corpus fund”.

➢ The group corpus fund should be used to advance loans to the members. The group should develop financial management norms covering the loans sanction procedure, repayment schedule and interest rates through the discussions and express their commitment to adhere to the norms.
The group should be able to prioritize the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments to be paid by the prospective loan borrowers.

After six months of creating the group corpus fund, the group can open a group account in the bank so as to deposit the corpus fund and getting matching grants (from the government and bank) and finally to disburse the same to the members as loan.

The group should maintain simple basic records such as Minutes books, Attendance register, Loan ledger, General ledger, Cash Book, bank passbook and individual pass books.

The group members can also discuss about the rotation of group funds, bank loan, repayment of loan, social and community action programme to be undertaken by the group time to time.

The group members should make a habit of attending the related/training/work shops/seminars, exposures which are conducted within and outside the village with out fail. They can have a strict mechanism that violators are liable to pay a fine except for the genuine reasons.
➢ The SHG members should co-operate and participate in spirit in all the developmental activities related to the members families, village, the group, environment etc.,

➢ The group members should participate in researching/ learning, dissemination and adoption of appropriate technologies for their development.

➢ All the members should work with concern towards creating/building socio economical safety and stress on population control.

➢ These group members will also take loans from banks or voluntary agencies or any other promotional institutions to meet their requirements.

➢ The group itself take the help of Non-Government Organization (NGO) which makes assessment of individual credit needs of SHG members and submits it to the bank for connection of collective loans in SHG name. Then the group collectively ensures repayment of loans given by the bank.  

3.4. RIGHTS AND OBLIGATIONS OF MEMBERS:

It is quite interesting to note that the rights and obligations of members are almost convergent, mainly on account of Self Help Group
being a member owned, managed and controlled institution. Every ordinary member is also a part of management. Hence, transparency is the watch word. Since the SHG follows a participatory approach, every member has a right to manage the activities of the group and every member has an implied obligations of contributing agreed thrift amount to the group and discharging of responsibilities assigned to him.

— Every member has a right to determine goals, objectives and vision of the group.

— Every member has a right to participate in every activity of the group

— Every member has a right to participate in group meetings and decision making

— Every member has a right to participate in the leadership function

— Every member has right to access loans from the pooled corpus funds of the group

— Every member has a right to share in the group's wealth

— Every member has a right to scrutinize group's records and inspect property

— Every member has a right to withdraw from membership in genuine circumstances

Every member is under obligation to accept goals, objectives and vision of the group

Every member is under obligation to participate in all group activities

Every member is under obligation to make oneself aware and abide by group norms and rules

Every member is under obligation to participate in group meetings and decision making

Every member is under obligation to contribute minimum agreed thrift amount to the group

Every member is under obligation to act with diligence in discharge of group responsibilities

Every member is under obligation to discharge debt liability contracted by the group

Every member is under obligation to participate in supervision of group finances/businesses

Every member is under obligation to defend the group at all fora.⁴
3.5. CAPACITY BUILDING AND FUND MANAGEMENT IN SHGs:

Every SHG that is in existence at least for a period of 6 months and has demonstrated the potential of a viable group enters the second stage, where in it receives the revolving fund and also embarks on further capacity building of its entire team. The terms "revolving fund" is a misnomer. In the administrative parlance, it is better known as back hand subsidy. But in practice, it is nothing but a simple subsidy to each and every group passing first gradation. After first grading (i.e. when members are formed into a group and contribute some money), the groups gets the subsidy and the bank credit amounting to around four times the group corpus. District Rural Development Agency (DRDA) will arrange to provide the revolving fund to such groups, meeting their share from out of 10% of SGSY – SGSY fund. The group shall-keep the following Principles in view concerning the management of the revolving fund:

I. The revolving fund is provided to the groups to augment the group’s corpus so as to enable more number of members to access loan and also to facilitate increase in the per capita loan available to the members.

II. As the revolving fund become part and parcel of the group corpus, the group should follow same norms for utilization as in the case of their own saving fund.
III. The group should discuss the credit requirements of the members and advance loans from out of the corpus (savings + interest + revolving fund) to a few members and fix repayment schedule and interest rates. From the amounts recovered from the loans, new members could be covered.

IV. On receipt of the revolving fund, the group shall utilize the fund in the manner and for purposes it deems fit. The idea is that the group should develop the capacity to utilize funds it has received from outside. The revolving fund can be used by the group for purchase of raw materials, marketing or infrastructure support for income generating activities. It can alternatively be used for lending to individual members for their own purposes. The members shall inculcate the habit of prompt and full repayment of the loans taken by them from the revolving fund.

V. Efficient cash management in a meeting reflects the fund management capability of the group. Idle funds are a drag on the group. Responsibility sharing in cash management at each meeting on rotation basis for assisting the group leaders will not only promote transparency but also enhance fund management competence among group members.

VI. In the initial stages only short term loans are extended, usually for periods ranging from 3-12 months, to enable larger number of
members access credit facility from the group. However, insistence on monthly repayments from borrowing members will accelerate the velocity of lending within the group, which also partially reflect equality in loan access to group members.

VII. Groups must have a policy on interest rates. Most groups charge interest rates that are linked to contemporary market rates. It is also desirable to build in risk factor in their interest rate structure in long term. Generally interest is not paid to the members on the compulsory savings. Even in cases where interest is computed on compulsory thrift contributions, the same is merged with the member savings, rendering the very process infructuous.

VIII. Members must be made aware of their cumulative thrift contributions and loan outstandings. Investment of pooled savings in a common asset (even a productive one) and blocking internal lending will in fact run counter to the objective of giving sustainable credit access to poor households. Further, the risk of investing entire corpus in a single activity is fraught with risks.

IX. The group has to continuously increase it's capacity and pass through different gradings to get more support from the Government and banks. It has to satisfy the bank by being effective and capable of taking up economic activities in a more productive manner.
3.6. LEADERSHIP RESPONSIBILITIES:

Leadership is an important factor for making a group or organization successful. Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals. Without a good leader, organization/group can not function effectively. Since the group or organization is basically a deliberate creation of human beings for certain specified objectives, the activities of its members need to be directed in a certain way. In case of the SHGs, the leader has to follow a participative, democratic and consultative approach. The leader has to contribute to group goals and share responsibilities more rather than exercising power and control over the group members. It is apt to realize that leadership in Self Help Group is a verb and not a noun. The range of leadership responsibilities include the following.

- Providing guidance for group activities
- Assisting in information sharing among group members
- Helping define problems and identify solutions
- Facilitating appraisal of group performance
- Encouraging members to offer ideas and opinions
- Resolving conflicts and disputes among group members
- Conducting meetings and facilitating group decisions
- Organizing, implementing and coordinating group plans
— Facilitating financial transactions during groups meetings
— Maintaining and keeping books of accounts
— Maintaining a bank account on behalf of the group
— Representing the group’s interests to outside bodies
— conducting negotiations and doing business with other organizations
— Rendering truthful and correct accounts to members

Considering the wide ranging responsibilities of leaders in Self Help Groups, responsibility sharing mechanism by assigning different leadership roles to several members must be worked out. This entails:

— Grouping of leadership responsibilities and identifying leader positions
— Affording clarity in roles & responsibilities of different leadership positions
— Selecting leaders for discharging expected leadership tasks on consensual basis
— Developing systems and procedures where ordinary members are required to assist leaders in discharge of routine functions
— Providing in-built mechanism for rotation of leadership at least once in two years with clear succession plans for smooth change-over of leadership, similar to that found in rotary clubs
— Adopting a methodology for changing leaders in case of non-fulfillment of expected roles

3.7. CONDUCT OF SHG MEETINGS:

Group meetings include times when members gather either periodically or at short notice to discuss the activities of the group and decide on its future actions. All activities in Self Help Group revolve around meetings at which members access savings and credit services, share experiences, learn from each other and also receive education and training.

— Meeting is a forum for group action and facilitates information sharing among members.

— Meetings are to be convened at regular intervals as per the convenience of the members.

— While frequency of meetings is guided by the convenience of members, the critical determinant is the ability of members to discharge financial obligation to the group. In other words, thrift, credit and record keeping functions must converge with the meeting at least once in a month.

— Meetings must be held at a mutually decided place, date and time. In other words, meetings are conducted at same place, on the same day and at same time each time they are held
— In the absence of a common meeting place, meetings could be held at the house of each member by rotation

— Active participation in the deliberations by all members must be encouraged with expression of free and frank views. However, involvement of non-members in the decision making process should be strictly objected to

— Structured agenda for group meeting with definite sequence of activities to be pursued (viz., attendance, review of decisions of previous meeting, thrift, repayments, loans & social issues) will make meetings effective

— Deliberations on other social and community issues together with routine financial matters are found to consolidate group dynamics

— Sharing of various responsibilities among the members during the meeting process.

— Attendance of members taken before commencement of deliberations at the meeting enables effective member participation

— Meetings should have near-full attendance of members and any absence of members must be viewed seriously.
— Penal provisions like fines, penalties, etc., must be enforced for late coming/leave without prior intimation

— Chronic absenteeism in meetings are generally discouraged by withholding or delaying other pecuniary benefits to members

3.8. RECORD KEEPING:

Record keeping is possibly the most crucial function in a Self Help Group often confined to the periphery. An efficient record keeping assumes significance for promoting transparency in the system considering the need for providing safety of micro deposits pooled in savings and credit programmes. An effective information system that supports their self management efforts in sine-qua-non for sustainability of Self Help Groups. Such system can be considered effective when it is easily understood and appeals to cognitive abilities of ignorant and illiterate community. Besides, it must be credible, verifiable and should facilitate quick recall of stored information in the perception of users. Some of the best practices in record keeping area could reflect upon the following issues:

— Critical self-awareness must be created among groups on issues relating to record keeping

— Groups must assume the responsibility for safe keeping of records

— Group members must be trained to recognize books of accounts and their structure
— Groups must be encouraged to discuss on nature and contents of records

— Groups must be encouraged to hire services of local book keeper to upkeep records in case of non availability of literate members in the group capable of writing the records

— Groups must be strongly encouraged to compensate for services rendered by book keeper

— Groups must ensure that books are updated while the meeting is in progress

— Groups must ensure that book writer reads out the notings made by him in various books

— Groups must develop a practice of closing the books of accounts by year end

— Cross checking of books across groups (peer audit) could be encouraged for audit purposes

— Groups must encourage its members to learn to read and write their own books in the long run

— Members must cultivate habit of confirming entries in member passbook
3.9. ADMINISTRATIVE SET UP:

For the effective administration of SHG programme, both the central and the state governments have set up separate departments to implement these programmes in the country.

3.9.1. At Central Level:

The Administrative set up of SHGs starts at the central Level with the Ministry of Rural Development, Government of India, New Delhi which has the overall responsibility of policy formulation, monitoring and evaluation of the programme and for release of central share of funds. A Central Level Co-Ordination Committee (CLCC) has been constituted as under to assist the Department. The CLCC will meet once in six months. The Secretary, Department of Rural Development is the chairman and there are other members who are the Secretaries or Joint Secretaries representing various ministerial departments and States. The Non-Official members are also represented in the committee and the details of composition of CLCC are presented in Table 3.1.
### Table 3.1

**COMPOSITION OF “CENTRAL LEVEL CO-ORDINATION COMMITTEE”**

<table>
<thead>
<tr>
<th></th>
<th>Position and Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Secretary, Minister of Rural Development Chairman</td>
<td></td>
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<tr>
<td>2</td>
<td>Deputy Governor, Reserve Bank of India Member</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Secretary, Dept. of Agriculture &amp; Co-operation Member</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Secretary Department of Expenditure Member</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Special Secretary, Banking Division, Ministry of Finance Member</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Secretary, Department of Women and child development Member</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Secretary Department of Small Scale &amp; Agro-related Industries Member</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Secretary, Department of Science &amp; Technology Member</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Secretary, Ministry of Welfare Member</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Managing Director, NABARD Member</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Adviser (Rural Development), Planning commission Member</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Additional Secretary &amp; FA, Ministry of Rural Development Member</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>State Secretaries of Rural Development Member</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Chairman-cum managing Director of all Commercial sector banks Member</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Director General, CAPART Member</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Director General, NIRD Member</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Chairman, Indian Banks Association Member</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Joint Secretary (IRD) – Department of Rural Development Member – Secretary</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Swarna Jayanti Gram Swarozgar Yojana Guidelines, Government of India, Minister of Rural Development, New Delhi; p. 57
The functions of the Central Committee are as follows:

1. To review and ensure effective implementation of the programmes.
2. To review linkages for support services for SGSY.
3. To review progress of these programs in Physical, Financial and Qualitative terms including Credit assistance to prospective beneficiaries.
4. To consider Concurrent evaluation of reports on the implementation of scheme.
5. To provide a forum for a continuous dialogue with the state Government and Bankers for their active initiation and participation.
6. To review the credit arrangements and recommend changes and improvements as and when necessary.
7. To look after the framing and revision of guidelines for the effective implementation of the programmes.
8. To review the block plans, district plans, annual plans formulated for the scheme.

3.9.2. At State Level:

In Andhra Pradesh, The ministry of Panchayati Raj, The Department of Rural Development or any other Department to which the subject of rural development is allocated is responsible for planning, implementation, monitoring and evaluation of the SHG programme at the state level. The Secretary Rural Development will be the chairman and the Joint/Deputy
Secretary, Department of Rural Development as Member-Secretary and there are various Heads of Departments including a representative from the Government of India and the details of composition of state level committee are presented in Table 3.2.

**Table 3.2**

**COMPOSITION OF "STATE LEVEL COMMITTEE"**

<table>
<thead>
<tr>
<th>No.</th>
<th>Position</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chief Secretary/Development Commissioner</td>
<td>Chairman</td>
</tr>
<tr>
<td>2</td>
<td>Secretary, D/o institutional Finance</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Secretary, D/o Planning</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Secretary, In-Charge of Women's Development</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Concerned Heads of the line Departments as and when required</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>Secretary in-charge of Welfare of SC/STs</td>
<td>Member</td>
</tr>
<tr>
<td>7</td>
<td>Representative of NABARD (Local Head of Regional Office)</td>
<td>Member</td>
</tr>
<tr>
<td>8</td>
<td>Representative of RBI</td>
<td>Member</td>
</tr>
<tr>
<td>9</td>
<td>Representatives of Concerned implementing banks at state Headquarters</td>
<td>Member</td>
</tr>
<tr>
<td>10</td>
<td>A representative of the Government of India not below the rank of Deputy Secretary</td>
<td>Member</td>
</tr>
<tr>
<td>11</td>
<td>Director SIRD</td>
<td>Member</td>
</tr>
<tr>
<td>12</td>
<td>Convener, SLBC</td>
<td>Member</td>
</tr>
<tr>
<td>13</td>
<td>Secretary in-charge of Rural Development</td>
<td>Member – Secretary</td>
</tr>
</tbody>
</table>

*Source: Swarna Jayanti Gram Swarozgar Yojana Guidelines, Government of India, Minister of Rural Development, New Delhi; p. 56.*
Functions of the state level SGSY Committee are as under:

1. To provide leadership and guidance in the planning implementation and monitoring of the programme.
2. To review the district-wise progress under SGSY and suggest remedial actions.
3. To monitor and evaluate the implementation of the programme with reference to the objectives of the programme.
4. To review the involvement of reputed NGOs in the SGSY and provide directions if necessary.
5. To provide a forum for a meaningful dialogue between the policy makers at the state level and the implementers at the field level as well as bankers.
6. To discuss any other issue relating to SGSY.
7. To secure inter-departmental co-ordination and linkages for the programmes.
8. To consider needs and changes in the administrative set up for the implementation of the programme of the SHG and approve the establishment pattern.

3.9.3. At District Level:

This programme is implemented through District Rural Development Agency (DRDA) at the District level. In Andhra Pradesh, the DRDA is generally headed by the Collector, who acts as the chairman. The project Director of DRDA functions as the Member-Secretary. The chairman of
DRDA is empowered to form an executive committee and this executive committee will assist the DRDA. This executive committee consists of all the District Level officers and other officers found necessary for the planning and implementation of the programme. The governing body of the DRDA should meet once in a quarter and the executive committee. The details of composition of District Level Committee are presented in Table 3.3.

Table 3.3

**COMPOSITON OF “DISTRICT LEVEL COMMITTEE”**

<table>
<thead>
<tr>
<th></th>
<th>District Collector/Chief executive officer</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>DDM of NABARD</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>LDO of RBI</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>District Level Co-ordinators of the implementing banks</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Concerned Heads of district level line departments</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>General Manager, DIC</td>
<td>Member</td>
</tr>
<tr>
<td>7</td>
<td>District KVIB Officer</td>
<td>Member</td>
</tr>
<tr>
<td>8</td>
<td>Project Director, DRDA</td>
<td>Member</td>
</tr>
<tr>
<td>9</td>
<td>2-3 NGO representatives</td>
<td>Member</td>
</tr>
<tr>
<td>10</td>
<td>Lead bank officer</td>
<td>Member</td>
</tr>
</tbody>
</table>

**Source:** Swarna Jayanti Gram Swarozgar Yojana Guidelines, Government of India, Minister of Rural Development, New Delhi; p. 55.
The functions of the District SGSY Committee i.e., DRDA are as under:

The DRDA will be the overall in-charge of the planning and implementation, monitoring and evolution of the SHG programme at the District level.

I. To keep the District Level Agencies and Mandal Level Agencies informed of the basic parameters, the requirements of the SHG programme and the tasks to be performed by all these agencies.

II. Monitoring and review of the overall progress in physical and financial terms.

III. Sorting out inter-agency differences and to prepare items for consideration of state Level Committee.

IV. Assessing training needs of swarozgaris and also review the arrangements for training including identification of appropriate institutions and also.

V. Monitor the recovery position bank-wise and block-wise so as to initiate corrective measures wherever necessary.

VI. To co-ordinate and oversee the services, preparation of perspectives plans and annual action plans of the Mandals and finally prepare a district plan.

VII. To evaluate and monitor the programme to ensure its effectiveness.
VIII. To Secure Inter-Sectional and Inter-Departmental Co-ordination.

IX. To give publicity to the achievements made under the programme and disseminate knowledge and buildup awareness about the programme, and

X. To send periodical reports to the state Government in the prescribed formats.

3.9.4. Mandal Level SGSY Committee

SHG programme is implemented at The Mandal Level and the director of DRDA is generally acts as chairman. The meetings of this committee shall be convened by the Mandal Development Officer (MDO), lead Bank Officer, RBI may attend the meetings as special invitees. They may attend as many meetings as possible in each mandal, so that they are familiar with the ground level problems and can help in sorting them out. The details of the Mandal Level SGSY committee’s composition are presented in Table 3.4.
### Table 3.4

**COMPOSITION OF “MANDAL LEVEL COMMITTEE”**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project Director – DRDA Chairman</td>
<td>Chairman</td>
</tr>
<tr>
<td>2</td>
<td>Project Officer (Self-employment)</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Branch Managers of all implementing Bank branches in Block</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Mandal Level/Sub-Division level officers of the concerned</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>NGOs representative (One)</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>Mandal Development Officer</td>
<td>Convener</td>
</tr>
</tbody>
</table>

**Source:** Swarna Jayanti Gram Swarozgar Yojana Guidelines, Government of India, Minister of Rural Development, New Delhi; p. 53.

**The main functions of Mandal Level SGSY committee are:**

I. Identification of key activities prior to the beginning of the programme.

II. Selection of villages and numbers of Swarozgaris to be covered each year.

III. Assignment of the work among the bank branches.

IV. Monitoring the performance through different agencies, Mandal samakhyas, Village organizations, etc.,

V. Co-ordination issues in respect of infrastructure, credit management technology and marketing issues.

VI. Review of incomes being earned by Swarozgaris.
VII. Review of the recovery performance; fixing dates for recovery camps etc.,

VIII. Conduct of sample checks of verification of assets,

IX. Preparation of Monthly Reports by the Mandal Development Office based on the information furnished by the banks and place them in monthly meetings to identify the different problems in executing the scheme.

X. Review of progress of Swarozgaris in crossing the poverty line.⁶

To sum up, the principles and guidelines were evolved comprehensively in all matters relating to formation of SHGs, discharge of functions, fixing responsibilities, capacity building, fund management, leadership responsibilities, conduct of group meetings, and record keeping instructions. Every SHG shall follow these principles and directions as these pave the way of effectiveness in administering its activities. All the SHGs will have a uniform and an organized mechanism if they form and function as per these guidelines. There is a clear expression of role and responsibilities of every individual or executive. It is find that a well built mechanism is seen in every matter relating to SHGs.
3.10. REFERENCES

(1) Swarna Jayanti Gram Swarojgar Yojana Guidelines, Government of India, Ministry of Rural Development, New Delhi, p. 49


(3) Swarna Jayanti Gram Swarozgar Yojana, Guidelines, OP. Cit., p.51.


(6) Swarna Jayanti Gram Swarozgar Yojana, Guidelines, OP. Cit., p.52.