

# SELF HELP GROUP



# WHAT IS SHG ?

## What is Self Help Group –

A group that has the following characteristics is called Self Help Group;

- 1) Homogeneous – social/ economic/ objectives etc.
- 2) Commonality of interests/ activities/ objectives/ mission
- 3) Strong feeling of unity - ownership

## **WHAT IS SHG ? Contd....**

- 4) Respect to others**
- 5) Active participation by all**
- 6) Freedom of expression of ideas & feelings**
- 7) Democratic decision making**
- 8) Urge to come up socially & economically through collective & Mutual efforts**

# WHAT IS SHG ? **Contd....**

## **Characteristics of SHG -**

- **Homogeneity**
- **Participation by all**
- **Membership- 08-20**
- **Own Byelaws**
- **Regular meeting**
- **Proper maintenance of records**
- **Regular & Equal saving**
- **Democratic functioning**

# WHAT IS SHG ? **Contd....**

## Panch-Sutra of an Ideal SHG

Regular Meeting

Regular Savings

Proper book-keeping

Inter-loaning

Regular Repayment

# STAGES OF SHG FORMATION

**There are four stage of formation/  
promotion of SHG;**

- 1. Forming Stage : 01-03 months**
- 2. Storming Stage : 03-06 months**
- 3. Norming Stage : 06-09 months**
- 4. Performing Stage : 09-12 months**

# How do SHGs function?

**Simple rules are required for SHGs to function. The following are some important rules:**

- **Common agreement on when to meet**
- **Decision on time and place of meetings**
- **Agreed penalties for non-attendance**
- **Agreement on amount of saving**
- **Giving small loans to each other**
- **Taking loan from banks, repayment habits**

# ELIGIBILITY OF SHG FOR BANK LINKAGE

**For a SHG to become eligible for Bank Linkage should have;**

- 1. Homogeneity**
- 2. Membership- 08-20**
- 3. Regular meeting**
- 4. Proper maintenance of records.**
- 5. > 06 month Old**
- 6. Inter-loaning**
- 7. Repayment started**



# REGISTER TO BE MAINTAINED BY SHG

**Common books/ registers to be maintained by a SHG are as under;**

- 1. Bye-laws of SHGs**
- 2. Minutes/ Proceedings register**
- 3. SHG account Register** – It will have various sections such as monthly savings, loan availed, loan given to members, income & expenditure etc.
- 4. Members' passbook** – two sections (1) savings & (2) loan details

# ASSESSMENT OF SHG FOR BANK LINKAGE

We need to know whether the SHG has been functioning well. The check list given below will help us to assess each SHG in a simple, but effective manner.

Sl. No	Factors to be checked	Very good	Good	Unsatisfactory
1.	Group Size	15 to 20	10 to 15	less than 10
2.	Type of members	Only very poor members	2 or 3 not very poor members	many not poor members
3.	No. of meetings	Two meetings in a month	One meetings in a month	No specific date of meeting
4.				

# ASSESSMENT OF SHG FOR BANK LINKAGE

Sl. No.	Factors to be checked	Very good	Good	Unsatisfactory
5.	Attendance of members	More than 90%	70 to 90%	Less than 70%
6.	Participation of members	Very high level of participation	Medium level of participation	Low level of participation
7.	Savings collection within the group	Two or more than times a month	One time a month	One time in two- three month
8.	Amount to be saved	Fixed amount	Varying amounts	—
9.	Interest on internal loan	Depending upon the purpose	1%- 2%	More than 2%
10.	Utilization of Savings amount by SHG	Fully used for loaning to members	Partly used for loaning	Poor utilization

# ASSESSMENT OF SHG FOR BANK LINKAGE

Sl. No.	Factors to be checked	Very good	Good	Unsatisfactory
11.	Loan recoveries	More than 90%	70 to 90%	Less than 70%
12.	Maintenance of books	All books are regularly maintained and updated	Most important registers (minutes, savings, loans, etc.) are updated	Irregular in maintaining and updating books
13.	Accumulated savings	More than Rs. 5000/-	Rs. 3000-5000/-	Less than Rs. 3000/-
14.	Knowledge of the Rules of the SHG	Known to all	—	Not known to all
15.	Education level	More than 20 percent of members can read and write	—	Less than 20 per cent know to read and write
16.	Knowledge of Govt. programs	All are aware of Govt. programs	Most of the members know about Govt. programs	No one knows

# Project Support To SHGs

- Supports in Formation & Strengthening of SHGs
- Bay Laws Formation ,
- Proceeding Writing, Record Keeping
- Assist in Identification of Income Generation Activities
- Assist in preparation of Business Plans
- Skill Based Training to SHGs
- Capital Cost- 75%, 50%
- Revolving Fund – 1 lac to each Self help group
- Hand holding in Marketing of SHGs produce
- Support to Bank Linkage – 5% Rate of Interest

# Role and Responsibilities of Project Staff

Assistance to Project in facilitating linkage between Project & Community in;

Community Mobilization

Micro plan Preparation

Group Formation & Management

Coordination with stake holders

Record & Book keeping facilitation









# Functional Responsibilities of FTU Coordinator

- 1. The functional responsibilities of FTU Coordinator include:**
- 2. Preparation of Range Annual Financial Inclusion Plan for SHG-Bank Linkage;**
- 3. Preparation of strategies and operational plan for financial inclusion of poor;**
- 4. Monitoring and review formation/ revival of SHGs/ CIGs as per the annual plan**
- 5. Monitoring and review SHG credit linkage performance as per the annual plan**
- 6. Facilitate opening of bank accounts for SHGs;**
- 7. Facilitate grading and assessment of the SHGs formed;**

# Functional Responsibilities of FTU Coordinator

- 8. Identify and resolve the bank linkage issues with bank branches, SHGs, community staff and block professional staff; and**
- 9. Document and monitor block level performance of SHG bank linkage.**
- 10. Guide and facilitate working of GP Mobilizers and Ward Facilitators towards their role and responsibilities in formation of SHGs/ CIGs and their bank linkage.**
- 11. Development of knowledge products and capacity building modules;**
- 12. Facilitate and coordinate with VFDS/GP in organizing various trainings and capacity building programmes of SHGs/ CIGs and other project field functionaries.**

# Functional Responsibilities of FTU Coordinator

13. Facilitate and coordinate with VFDS/GP in arranging exposure visits (inter-state and intra-state) to successful SHGs/ CIGs towards cross learning and experience sharing.
14. Represent FTU on Block Level Bankers Committee (BLBC) meetings and other District level forums;
15. Build relationship with different stakeholders – leading banks operating in the Range i.e. bank branches, FTU/DMUPMU field offices and line departments.
16. Initiate new projects/innovations for achieving universal financial inclusion.
17. Under guidance from the FTU Officer, FTU Coordinator will also coordinate with the **local line departments** for inter-sectoral convergence, participate in meetings at local level, and extend support for planning, preparing estimates, monitoring, supervision and follow-ups, documentation and reporting the physical and financial progress.

# Do's for front line staff/field staff

- **Sit at the equal level**
- **Encourage participation of poor, women and children**
- **Unlearn yourself to learn from the villagers**
- **Cross check the collected information through triangulation techniques**
- **Hand over the stick to the villagers**

# Coordination with various Stakeholders

- ❖ Facilitate the activities of **Project** at Division, Range VFDS & SHG levels
- ❖ Facilitate meetings/ interactions/ group discussions of **external agencies/ consultants/ experts visiting VFDS/ SHGs for various studies/ reporting**
- ❖ Facilitate **social audit** of the activities/ interventions carried out under the project and its proper and timely documentation and reporting
- ❖ Facilitate VFDS/ SHG in **proper documentation** record keeping and various reports and their timely submission to FTUs/ DMUs
- ❖ Facilitate VFDS in **process documentation** and its proper upkeep for future reference and use for publicity and reporting.

# Don't for front line staff/field staff

- **Don't lecture but listen to the village people**
- **Don't focus on extraction of information but facilitate the villagers to analyze and use the information for them.**
- **Don't measure what you can't use**
- **Don't use authoritarian or manipulative style of communication**
- **Don't use communication blocks such as don't advice, criticize, provide solutions, and give threats and orders or lecture.**





# Action Plan for SMS & FTU Co.

## **For Batch I VFDS**

- Review of Micro plan
- Work on convergence of micro plan activities with line deptt.
- Institutional Strengthening of VFDS & SHG
- Ensure regular meeting , record keeping and proper updating
- Business plan preparation in Hindi and its proper implementation.
- Ensure proper utilization of capital cost.
- Update VFDS and SHG information
- Documentation of Trainings conducted , Exposure Visits & Success stories.

# For Batch II VFDS

- Preparation of Micro plan
- Approval in General House
- Community works to be identified and implemented properly.
- Update detail of 25 points of VFDS
- SHG formation and its strengthening
- Identification of need based Income generation activities
- Business plan preparation and its implementation.
- Proper utilization of capital cost.
- Update VFDS and SHG information
- Documentation of Trainings conducted , Exposure Visits & Success stories.

# For Batch III VFDS

- Formation of VFDS
- Registration of VFDS, opening of two VFDS Accounts ,record keeping
- Micro plan preparation,( in Hindi )
- Selection of SHG, its formation, account opening & framing of By laws
- Strengthening of SHGs & proper identification of need based IGA
- Business plan preparation in Hindi.
- Update detail of VFDS & SHG.