



# Megh Self Help

Volume 1, Issue 1

Quarterly Newsletter on SHG movement in Meghalaya

Suggested contribution Rs.1/-

## SHG movement in Meghalaya

SHG movement started in India way back in the mid 1980s by NGOs notably MYRADA and PRADAN to provide micro credit services to the poor. What started as a pilot programme has now become a movement for social empowerment - particularly for the rural poor women. The number of SHGs in India linked to banks has increased from about

500 in the early 1990s to more than 29 lakhs in March 2007.

SHG movement in Meghalaya have had a slow start. There are presently about 8000 SHGs in the State under various programme of the Govt and projects run by NGOs, of which 4644 SHGs have been credit linked to banks as of March 2007. The year wise breakup for the last

two years is shown below.

In order to give a thrust for SHG movement in the State, Govt. of Meghalaya vide notification dated 17<sup>th</sup> May 2006 has designated a Senior Civil Servant [Dr. Shreeranjana, IAS] as the State Coordinator for SHGs. The role and functions of the State Coordinator is given on page 4.

### Progress of SHG-Bank linkage programme in the State during the last two years:

Cumulative number of SHGs which have availed bank loan

Year	SHGs under SGSY	SHGs outside SGSY	Total
2005-06	1907	735	2642
2006-07	3433	1211	4644

Source: SLBC, NABARD

## NABARD - Post Office partnership

### Lending to SHGs

NABARD has launched a Pilot Project under which post offices in Meghalaya will disburse credit to SHGs. This Pilot Project which will be implemented by select Post Offices in East Khasi Hills district, is second such Project in the country after Tamil Nadu.

The memorandum of agreement in this regard was signed by Mr. J. G. Menon, General Manager - NABARD and Mrs. M. lawphniaw, Post Master General, North Eastern Region.



### Mkt. of SHGs products

NABARD jointly with India Post has set up a Rural mart in the main Hall of GPO, Shillong for display and sale of products made by SHGs in the State. RRTC, WISE, Bethany Society and Women's Group & Handicraft are the NGOs participating in the project, which is first of its kind in the country. The products include Candles, Dry lowers, Cane & Bamboo products, Organic food products, etc.

### Articles in this newsletter

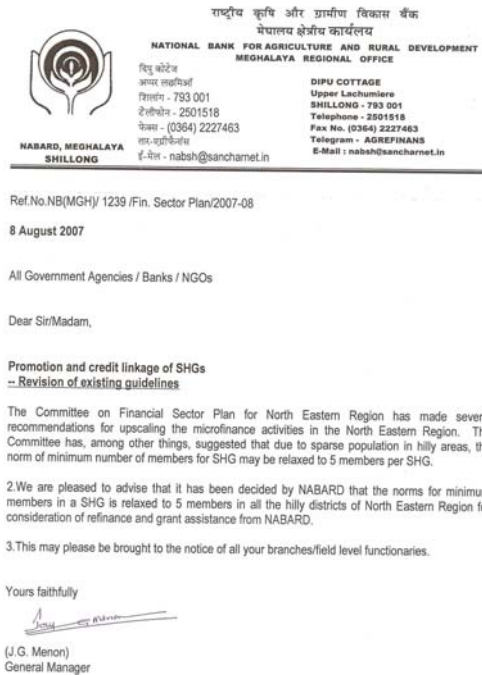
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### Some Self Help Promoting Institutions [SHPI] in the State

- ◆ Achik Welfare Society
- ◆ Bakdil
- ◆ Bethany Society
- ◆ Bosco Reach Out
- ◆ FMA Outreach
- ◆ Khatarshnong Socio Organisation
- ◆ KRIPA Foundation
- ◆ Meghalaya Rural Development Society
- ◆ Mendipathar Multi-purpose Coop. So.
- ◆ NEICORD
- ◆ NERCoRMP
- ◆ R S Lyngdoh Training Centre
- ◆ Samrakshan Trust
- ◆ SELDA
- ◆ WISE

## Revision of existing guidelines on the membership of SHGs

The Committee on Financial Sector Plan for North Eastern Region has made several recommendations for upscaling micro-finance activities in the North Eastern region. One of the committee's suggestion was that due to sparse population in the hilly areas, the norm of minimum number of members for SHG may be relaxed. NABARD vide letter no. NB (MGH)/1239/Fin. Sector Plan/2007-08, dated 8th August 2007, have now relaxed the minimum membership of SHGs to 5 members.



## SNIPPETS

- \* SHGs / NGOs are now eligible to apply for voluntary action fund set up by the State Govt. for arranging Awareness building programmes, seminars, workshops, etc. They need to apply as and when advertisements come out through the Deputy Commissioners.
- \* The Chief Postmaster General, NE Circle have issued 'Pictorial Cover' to celebrate 25 years of NABARD in Meghalaya.
- \* Radio MRDS is being aired from AIR Shillong every Friday at 6:50 pm. The programme is meant for information on SHGs and rural development schemes of the Govt.

## IFAD - MRDS project

The Govt. of Meghalaya and the International Fund for Agricultural Development is jointly implementing the "Livelihoods Improvement Project for the Himalayas". The implementing agency for the Project is the Meghalaya Rural Development Society.

The Project aims to improve and enhance the livelihoods of the poor and marginalized across 15 C&RD Blocks covering 5 Districts of the State. SHGs would be

LIVELIHOOD IMPROJECT FOR THE HIMALAYAS  
PROJECT BLOCKS



the base upon which many of the Project activities would be carried out. The Project is also partnering with 12 NGOs and seeks to support Community Based Organisations.

## Success Stories:

Lumphira A, a women SHG of Nongmensong villages in the out-skirts of Shillong is a group promoted by FMA Outreach for underprivileged Women and Children. All the members comes from poor households whose daily income is through daily wages. Most of the members do not have any enterprising skills. It was through the various training and support from the NGO which slowly em-

powered the grouped through awareness and knowledge. The group opened their account in Federal Bank, Police Bazar, Shillong.

Like any other group they have struggle and through their regular meeting and savings, they were able to loan out money to their members in times of need.

Later they were linked to the State

Council of Science Technology & Environment, Shillong where they got trained in bakery and pickle making. With this training they received they started their own bakery out of their own savings. Today the group's saving in the bank is more than Ten Thousand and loan outstanding to members is also around Ten Thousand, totaling a corpus of Twenty Thousand.

## KHASI SECTION

### Treilang ka NABARD & Post Ophis ban pyntroi ia ki SHG

Ka NABARD ka la plie ka projek thymmai ryngkat bad ki Post Office ha Meghalaya ban iarap ia ki Self Help Group [SHG] lane Seng Rap Lade [SRL]. Kane ka projek ka long kaba ar ha ka Ri, ha kaba ka jylla Tamil Nadu ka long ka jylla kaba nyngkong ban pyntreikam kum kane ka projek. Ia ka dorkhas la ia soi da U General Manager ka NABARD, Mr J. G. Menon bad I Post Master General, North Eastern Region, I Kong M lawphniaw.

Mynta ki kynhun Seng Rap Lade, ki lah ban ioh jingiarap ban seng kam seng jam lyngba ki loan ba lah ban ioh na ki Post Ophis.



### Pynthymmai ka jinglong dkhhot ki SHG

Ka NABARD mynta ka la pyntymmai ka jingling dkhhot ki SHG lane Seng Rap Lade.

Baroh shi katta la juh niew ba ki SHG ki dei ban don ki riewdkhot 10 haduh 20. Hynrei hadien ba la don ka jingiamir jingmut jong ki tnad treikam bapher bapher, mynta ka NABARD ka la pynmih ka jingpynbna [circular] ba ha ki shnong ri-lum jong shatei lah mih ngi, ki SHG ki la lah ban long dkhhot hapdeng 5 haduh 20 ngut.

Ngi ngeit ba kane ka rukom treikam thymmai kan wanrah bun ki jing-myntoi ia ki briew kiba duk kham-tam ia ito ki shnong kiba rit paid.



## GARO SECTION

### NABARD aro Post Office baksa [SHG] ko namrooatani

Meghalaya O gital NABARD project ko Post Office baksa nangrime Self Help Group ba (apsan dakchakgrikaniko) gital dake a'bachengaha. Ian India-o gnipa projek-o a'bachengipa ong'a aro skanggipara Tamil Nadu State onga. Ia NABARD projeko kam ka-na gita, NABARD ni General Manager Mr J G Menon aro North Eastern Region Post Office ne Master Mrs M lawphniaw baksa soi kapaha.

Da'o ia Self Help Group [SHG] ba an'tangtango dakchakgrikani, kam-rangko ka'na gita Post Office-oniko loan rangko ra'iba jakalna man'gen.

### SHG ni niamko gital ong'ataha

NABARD projeko da'ode Self Help Groupko kulina gita gital dakaha.

Una skangde Self Help Groupko ong'atana gita sak 10 ba sak 20 memberrangko nang'achim. Indiba jamno dingtang dingtang kam ka'anirango meligrikana mangani ginin gital niamko ra'gataha aro una da'ode sak 5 ba sak 20 number dakeba form ka'na manaignok.

Chinga ka'donga ia niam gitalchi kam ka'anichi kangal manderangna namgnirangko ra'bagen aro mongsong-bate songadamni kangal rangna dakchakani ong'begen.

# Plan panel for national policy on micro-finance

The Planning Commission has suggested the Centre to come out with a national policy on micro-finance with a view to financially empower the BPL families and reduce overall poverty in the country.

In a report on strengthening the micro-finance sector, the Plan panel pointed out that there is an urgent need for such a policy wherein efforts by various agencies and service providers are in unison and help evolve a coordinated strategy for a faster and smoother growth of the sector.

"At present, both the government and the private agencies involved in micro-finance have devised their own individual strategies in furtherance of their goals. The absence of a comprehensive national level policy has hindered the orderly growth of the sector," the report said.

As such the government should prepare a model Bill on money lending and direct state governments to enact similar legislations to facilitate the expansion of micro-finance. The Centre could take inputs from the

model Bill prepared by a Technical Group for Review of Legislations on Money Lending, which was constituted by the Reserve Bank. The Bill should look at allowing micro-finance institutions (MFIs) to mobilise savings from their members under a regulatory framework monitored by NABARD.

Micro-finance is generally provided in the form of loans by NGOs, self-help groups and other entities to those who do not have direct access to banks. Along with micro-finance, the government should also perceive micro-insurance as a key service for people with financial needs. It would help in keeping the vulnerable section away from poverty trap, the Commission said.

It said, NABARD should coordinate with various insurance companies, Small Industries Development Bank of India (SIDBI), Ministry Small Scale Industry and Rural Development and NGOs to bring out flexible micro-insurance schemes, covering not only loan financed assets, but also life, health, crop and animal husbandry.

Some of the financial institutions should also simplify the formalities of the credit and delivery mechanism to enable semi-literate and illiterate customers to easily access the loan amount, the Commission said.

The government, the Commission said, should also utilise Information and Communication Technology (ICT) for improving the reach of micro-finance in rural areas of the country. The Department of Information Technology should also coordinate with NABARD and Rural Development Ministry to integrate the 'Computer-Munshi System' of accounting with the ICT enabled common service centres.

The Commission is also of the view that the National Sample Survey Organisation (NSSO) and the state governments should conduct periodic surveys of micro-finance organisations in the country and their operations to improve the mechanisms.

Source:

The Hindu, New Delhi, Sept. 23, 2007

## State Coordinator for SHGs

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### About the State Coordinator for SHG

The State Government having acknowledged the need to have assessment and coordinated action plan in the matter of Social Mobilisation in general and the movement of Self Help Groups in the state Notified a senior Civil Servant as the State Coordinator for SHG in the state.

### Role & Function

- ◆ along the lines of RBI Preparing a Directory of existing Self Help Group
- ◆ Preparing report on the status and health of each Self Help Group
- ◆ Suggest measures for activating Moribund Self Help Group
- ◆ To initiate a State Wide Network on SHGs, the function of which will be to help Co-ordinate efforts of the various Government Department, NGOs, Banks etc. that are involved in mobilising and forming SHGs.
- ◆ To evolve a Policy with regards to adoption / co-opting of existence SHGs mobilised through Government programmes such as DRDA, Horticulture, Social and Water Conservation Department programmes etc. by newly introduced Government projects / programmes and NGO such that there is a Co-ordination of efforts and not duplication. This will also help provide a clear statistical reflection of the number and type of SHGs in existence in the field.
- ◆ To initiate dialogue with agencies involved in mobilising SHGs and urge them to form Federations of SHGs and Co-ordinate micro-enterprise livelihood activities such that there can be upscaled for achieving critical mass.
- ◆ To evolve a State Policy and Directives for Banks / Financial Institutions Guidelines / Directives with regard to SHGs.
- ◆ The State Co-ordination is to liaison with potential partners for providing support (Micro Credit, research and market analysis etc) to the SHGs & their Federations.

### PARTNERS:



<http://meghalaya.nic.in/>



<http://nabard.org/>



<http://megsird.gov.in/>



<http://mrds.nic.in/>