GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Economic Empowerment and Poverty Alleviation – Capital Infusion of Women DWCRA Groups – Orders-Issued.

FINANCE (FR&RM) DEPARTMENT

G.O.Ms. No.62 Dated: 30th May, 2015

Read the following

2. G.O. Ms. No. 31 of Agriculture & Coop (Agri.II) Department dated 10 June 2014

ORDER:

1. The Government of Andhra Pradesh launched the Programme for Elimination of Rural Poverty (Velugu) in 1996 and established the Society for Elimination of Rural Poverty (SERP) in 1997 for mobilisation, organisation and economic empowerment of women in rural areas. These efforts of have created lakhs of grassroots institutions of empowered women popularly known as DWCRA groups that contributed to economic empowerment and poverty alleviation through access to credit, knowledge, skills, value-addition, market linkages, etc. Based on the success of Velugu programme in the rural areas, a Mission for Elimination of Poverty in Municipal Areas (MEPMA) was established with the objective of eliminating poverty in the urban areas and creating slum-free municipalities. In a major policy initiative, the Government has recently entrusted the management responsibility for sand mining in the State to the SHGs, with substantial assured revenue flow to the groups.

2. Notwithstanding these achievements, the State has not kept pace with certain other States in education; health and nutrition related Millennium Development Goals (MDGs). Significantly, the poverty elimination efforts in the State during the past decade had been fragmented and are poorly integrated by virtue of being located across several departments and agencies. Further, the potential of nearly ninety lakh members of DWCRA Groups has not been fully harnessed for a major leap in the economic growth momentum through appropriate technology infusion, skilling of groups, product innovation, marketing support, etc. Moreover, the micro-groups and micro-credit movement has not graduated to managing micro-enterprises and accessing the expanding opportunities, both domestic and global.

Mahila Sadhikara Samstha

3. The Government, having recognised that that poverty is complex and multi-dimensional, requiring multi-sectoral thrust through an integrated institutional platform; greater synergy between different departments, missions, credit institutions, knowledge, skills, and technology networks and markets; and the need and scope for experience, expertise, knowledge and resource sharing between urban and rural poverty elimination efforts, created the Andhra Pradesh Mahila Sadhikara Samstha (APMSS) in the reference
first read above, as the ‘integrated and empowered institution that will absorb lessons from global and national best practices to develop, adapt and refine innovative approaches for empowerment, human development and social protection of rural and urban poor, with unwavering focus on women, as well as those disadvantaged by virtue of being physically and mentally challenged, advanced in age, etc.’

4. The Government has ordered that the Andhra Pradesh Mahila Sadhikara Samstha, by integrating the institutional capacities, experience and expertise accumulated by the Society for Elimination of Rural Poverty (SERP) and the Mission for Elimination of Poverty in Municipal Areas (MEPMA), will ‘provide an integrated institutional mechanism for all programmes, schemes and activities intended for economic empowerment and poverty elimination in both rural and urban areas, encompassing social mobilisation, community institutions development, capacity enhancement, enhanced access to and management of credit, skills, knowledge, technology transfer, value-addition and linkage with markets, access to improved health, nutrition and education services and related empowerment activities. Mahila Sadhikara Samstha will be responsible for planning, co-ordination, monitoring and enabling all Government programmes, schemes and activities intended for poverty elimination and empowerment.’

**Economic Empowerment of Women**

5. With a view to accelerate inclusive economic development of farmers and women, the Government established an expert committee under the chairmanship of Sri P. Kotaiah, former Chairman of NABARD, in the reference second read above. The Government, has carefully reviewed the expert committee report, held extensive consultations with the stakeholders, and after considering all options for speedier economic empowerment of women’s groups (DWCRA Groups) in rural and urban areas for accelerated poverty elimination and improvement in social and human development indicators, has decided to provide Capital Grants to the Self-Help Groups (SHG / DWCRA Groups) that would enable the women’s group to increase its borrowing capacity, leverage additional credit from the financial institution, diversify the investment portfolio and produce better quality products, expand marketing avenues and in the process improve income generation on a sustainable basis and reinvest surplus income in nutrition, education, skills, health and other activities that would enhance the quality of life of the family.

**Capital Infusion**

6. Accordingly, the State Government has decided to reinforce the women empowerment efforts and strengthen the economic development of rural as well as urban poor households and hereby order for infusion of capital to the SHG / DWCRA groups at the rate of Ten Thousand Rupees (Rs.10,000) for every member of the Group. To launch the capital infusion process, an initial amount of Three Thousand Rupees (Rs.3,000) for every member of the SHG/DWCRA group is being transferred to the Group Account between June 02 and 08, 2015.

7. In this direction, the Government hereby order for release of an initial amount of Rupees Two Thousand Six Hundred and Sixty Crores and Six Lakhs (Rs.2,660.06 crores) to the Andhra Pradesh Mahila Sadhikara Samstha, the Nodal Agency for implementation of all activities that would contribute to accelerated women's social and economic
empowerment, including the capital infusion process. The operational guidelines for implementation of the scheme are enclosed as Annexure to this Order. The Government orders for the release of funds to the P.D account of Mahila Sadhikara Samstha duly debiting the expenditure to:


8. In addition, the Government hereby order that the interest charged by the banks on loans to SHGs for the period between 01 February 2014 and 31 March 2015, as arrived at by the Mahila Sadhikara Samstha in close coordination with the SERP and MEPMA based on the transaction data provided by the banks, to the tune of One Thousand Three Hundred and Ten Crore Rupees (Rs.1,310 crores) shall be transferred to the Mahila Sadhikara Samstha in two instalments. The Vaddi Leni Runalu (VLR), if already paid, will be deducted from this payment to be made to the Banks and will be transferred to the capital account of the SHG / DWCRA group. The group loan accounts declared as non-performing assets as of March 31, 2014, as per the database maintained by SERP and MEPMA, however, will not be eligible for interest redemption. The operational guidelines for the management of interest redemption grant (VRL) are being issued separately in consultation with APMSS.

9. The Andhra Pradesh Mahila Sadhikara Samstha will implement and monitor the capital infusion process and will ensure technical assistance, technology transfer, skill training, micro-enterprise promotion, value addition market linkage, and assist the groups in leveraging credit from the Banks in order to provide a massive boost to the economic development and poverty alleviation efforts of the Government.

**Revitalisation of dormant and defunct Groups**

10. The State Government has taken note of the fact that certain SHG / DWCRA Groups have either remained dormant or have become defunct for a plethora of reasons, many a time due to circumstances beyond their control. In order to ensure that these groups, most of which comprise of members from the poorest of the poor and vulnerable households, are given a new opportunity to restart and reinforce group dynamics, initiate the process of internal lending, access credit from the financial institutions and initiate economic activities. In this direction, the Government orders the Mahila Sadhikara Samstha to revitalise the dormant groups and help rejuvenate the defunct groups.

11. In this direction, the Government orders the Andhra Pradesh Mahila Sadhikara Samstha to take all measures required to assist the women members of the inactive and
defunct SHG/DWCRA groups through strong hand holding support, intensive mentoring and launch them on the path of sustainable development. The MSS is hereby directed to prepare a comprehensive plan for the revitalisation of dormant SHG/DWCRA Groups and for rejuvenation of defunct Groups and implement the plan within a time frame of six months. The cost of revitalisation and rejuvenation of Groups will be initially financed from the funds being released in his Order and will be supplemented as and when required. The members of these groups will receive capital infusion after six months of active functioning and demonstrated group cohesion and economic vitality.

12. The APMSS is instructed to ensure effective and timely implementation of the World Bank assisted Andhra Pradesh Rural Inclusive Growth Project (APRIGP) and adopt and apply the best practices from APRIGP and other economic empowerment projects and programmes from across the world for accelerated and inclusive development of rural and urban poor households.


(By Order and in the Name of the Governor of Andhra Pradesh)

DR P.V. RAMESH
Principal Secretary to Government

To
1. The Chief Executive Officer, Mahila Sadhikara Samstha
2. The Chief Executive Officer, Society for Elimination of Rural Poverty
3. The Chief Executive Officer, Mission for Elimination of Poverty in Municipal Areas
4. The Special Chief Secretary, Rural Development Department
5. The Principal Secretary, Municipal Administration and Urban Development Department

A. Copy for Information and Necessary action to:
1. The Chief Secretary to Government of Andhra Pradesh
2. All Special Chief Secretaries / Principal Secretaries / Secretaries to Government
3. The Head of all Government Departments
4. All District Collectors
5. The Account General (A&E) of Andhra Pradesh, Hyderabad
6. The Principal Auditor General of Andhra Pradesh, Hyderabad
7. All District Treasury Officers
8. The Pay and Account Officers, Hyderabad
9. The Director of Treasuries & Accounts, A.P. Hyderabad
10. The Chairman and Managing Director, Andhra Bank, Hyderabad
11. The Managing Director, State Bank of Hyderabad, Hyderabad
12. The Chief General Manager of State Bank of India, Hyderabad
13. The Chief General Manager, RBI, Regional Office, Hyderabad
14. The Chief General Manager, NABARD, Hyderabad
15. The Managing Director of Andhra Pradesh State Co-operative Central Bank
16. Heads of All Public and Private Sector Banks functioning in Andhra Pradesh
17. All Chairman of Regional Rural Banks in Andhra Pradesh State
18. The Convenor of State Level Bankers Committee (SLBC)
19. All Convenors of District Level Bankers Committees (DLCC)

B. Copy for information to:
1. The PS to the Hon’ble Chief Minister of Andhra Pradesh
2. The OSD / PS to all Hon’ble Ministers
3. The PS to the Vice-Chairman and Members of the State Planning Board
4. The PS to the Advisors to the Hon’ble Chief Ministers of Andhra Pradesh
5. SF / SCs

C. Copy to the Information Advisor to the Hon’ble Chief Minister of Andhra Pradesh

// Forwarded by Order//

Section Officer
ANNEXURE TO THE GOVERNMENT ORDER

Guidelines for Implementation of Capital Infusion Scheme to DWCRA (SHG) Groups

A. Scope and Coverage

1. This initiative is called the “Scheme for Capital Infusion to DWCRA (SHG) Groups”. The scheme applies to all Self Help Groups (SHGs), known as DWCRA groups, promoted and supported by the Society for Elimination of Rural Poverty (SERP) and the Mission for Elimination of Poverty in Municipal Areas (MEPMA). The Andhra Pradesh Mahila Sadhikara Samstha (APMSS) will be the principal implementing agency for the scheme.

B. Eligibility

2. All Groups that were in existence as per the record of SERP and MEPMA on March 31, 2014, shall be eligible for capital infusion based on the current membership duly excluding those deceased and those members who have permanently migrated out of the village and ceased to be members of the group on or after March 31, 2014. Membership of the Group shall be the most important criterion for coverage under the scheme.

3. The Groups (SHG / DWCRA) that were on the record of SERP and MEPMA on March 31, 2014, but had been non-functional, defunct, dormant, or disintegrated will be reactivated and revitalised by the Mahila Sadhikara Samstha. Defunct / dormant SHGs will be rejuvenated and non-functional / inactive SHGs will be revitalized by providing intensive support to facilitate group cohesion and strengthen group dynamics, provide skills and managerial training, facilitate the groups to access credit from the Banks. All such groups will be under close observation and supportive guidance for six months. Thereafter, the groups that demonstrate vitality in terms of established standards for self-help affinity groups will receive capital infusion on same terms and conditions as applicable to the other SHGs.

C. Quantum of Capital Infusion

4. Capital Infusion to each SHG / DWCRA Group shall be computed based on it’s membership as mentioned at para-2 above. The Group will receive capital infusion – and not the individual member – at the rate of Ten Thousand Rupees per member. If the Group has ten members as per the eligibility criteria defined above, it would receive a capital grant of One Lakh Rupees. In the first instance, each Group will receive Three Thousand Rupees (Rs.3,000) per eligible member, which entails a group with ten members will receive Thirty Thousand Rupees (Rs.30,000) during Janma Bhoomi Programme between June 2 and 8, 2015.
D. Utilisation of Capital Grant

5. The amount being released by the Government to the Groups for economic empowerment shall be treated as the capital grant from the government in the books of accounts of the SHGs. The capital grant will be operated by the Group as integral part of its group capital duly following the established standard operating procedure that should contribute to substantial diversification of investment portfolio, expansion of income generating opportunities, and overall increase in income returns to the Group and its members. The capital grant will increase the Cash Credit Limit (CCL) of the Group and enable the group to leverage higher level of credit from the partner Bank, which should be utilised for higher value economic activity.

6. The APMSS will support the groups with technical assistance, technology transfer, capacity development, skill training, entrepreneurship development, managerial support, marketing linkages and every other support and facilitation that might enable the groups to realise maximum returns from the capital infusion. The MSS will hire specialists and management experts wherever and whenever required for providing enhanced value added support to the Groups.

D. Flow of Funds

7. The Government in this order is releasing funds required for the Capital Infusion Scheme to the P.D account of Mahila Sadhikara Samstha. The Andhra Pradesh Mahila Sadhikara Samstha will in turn transfer the amount deposited in its PD Account for the purpose of Capital Infusion to the Group Savings Account of all eligible SGHs as per the guidelines through NEFT / RTGS.

8. The APMS will place the list of all Groups eligible for Capital Infusion along with the details of its members on the website of SERP and MEPMA. A copy of the same may be published in the Panchayat building in the rural areas and in the Municipal Office and / or the Ward Office in case of municipal areas. The MSS will ensure that the bank account number of the Group, IFSC, MICR is validated and kept in the database of the SERP / MEPMA. MSS shall transfer the amount to all SHGs eligible for capital infusion in accordance with these guidelines between June 02 and 08, 2015, with the exception of those identified for revitalization. The SHGs identified for revitalization will receive capital infusion after six month period upon demonstration of group dynamism and economic vibrancy.

E. Public Information

9. The Mahila Sadhikara Samstha, in close coordination with the Information and Public Relations (I&PR) Department will launch an extensive as well as intensive campaign to disseminate information about the economic empowerment initiatives of the Government and spread consciousness among the members of SHG / DWCRA Groups to ensure that all members become fully aware of the opportunities for economic development launched by the Government through Capital Infusion Scheme. The MSS will provide detailed training in management of group capital for maximising its income returns. Appropriate IEC Materials and a Training Modules would be developed and implemented during the training period.
10. The District Collectors will organise Group level, Village, Mandal, Municipality, and District Level camps and campaigns to educate the members on the action to be taken at all levels to realise the full potential of the capital infusion scheme. Every Group will receive detailed information on the amount of capital infusion being given to the group and the vision and objectives of the scheme and how the group can derive maximum benefit from the scheme. They will organise intensive financial literacy campaign throughout the year to all Groups focusing on Cash Credit Limit, enterprise business planning and financing skills, including cash-flow based lending, availing loans only by needy persons, and no equal distribution of loans, etc.

11. The members will receive text message from the DRDA / Bank upon issue of money transfer order and up on deposit of money in the bank account of the group respectively. In addition, the Bank branch is requested to issue letter informing the amount and time of deposit in the group account.

F. Partnership with Banks

12. The SHG bank-linkage has been the best performing portfolio in the banks’ priority sector lending arena, especially in the rural areas. A range of measures being launched by the government, in addition to the current capital infusion, that include measures for productivity enhancement in agricultural sector, promotion of non-farm enterprises and a range of investments for double digit growth are likely to significantly increase the demand for quality credit from banks. Considering that SHG-Bank partnership has reduced transaction costs for the Banks, improved credit utilisation efficiency, and substantially expanded the outreach of the Banks deep into the community, the current capital infusion scheme of the government is expected to further strengthen the partnership between the banks and the women’s groups.

13. The Capital Infusion Scheme will further cement the partnership between women’s groups and the banks. The Banks are requested to increase SHG – Bank linkage corpus leverage ratio to 1:8 from the current 1:4; provide Rupay Card to all SHG Members; and proactively support the efforts of APMSS in building the capacity and skills of the SHG Members and make all efforts to increase income returns to the Groups.

G. Grievance Redressal

14. The SHGs will prepare a resolution of their grievances, if any, and submit to the village organization with a copy to the JB-MV committee. A separate register will be maintained for this purpose. The APM of the Mandal will collect all grievances and upload on the website. All receipt of the grievance will be acknowledged in writing by the President/ the Office Bearer of the Village Organisation. The APM will conduct detailed enquiry regarding the grievance and upload the status for taking further action by APMSS. The SHGs shall file their grievances on or before June 30th. APM shall conduct enquiry and upload the findings online by July 15th. All SHGs’ grievances shall be reviewed by APMSS by July 31st. Thereafter, an action taken report shall be sent up to the SHG concerned through the VO with a copy to the JBMV committee.

Dr. P.V. Ramesh, IAS
PRINCIPAL SECRETARY TO GOVERNMENT