



## In Pursuit of Promoting Best Practices

APMAS has partnered with IKP, a World Bank funded poverty reduction project in Andhra Pradesh, to assist in the promotion of self help groups (SHGs)<sup>1</sup>. This approach not only helps alleviate rural poverty across the state, but also empowers the women members and gives them a voice through which to raise concerns.

Since August 2003, APMAS has been providing support to IKP in West Godavari, a district in Andhra Pradesh, to ensure quality, diversity and an optimal outreach in institution building and microfinance. APMAS has selected one of the SHG federations in this district for development into a 'model federation.' A 'model federation excels in all best practices, and can serve as a centre for excellence from which other federations can learn.

The first step in developing a federation into a model is to determine the federation's current status, including all strengths and weaknesses. After thorough examination of the federation, it was determined that one of the major weaknesses being faced was a lack of practical information about the members and self help groups. This was hindering the performance of the federation; executive members and staff were unaware of problems within the SHGs, and couldn't track the flow of funds or repayment rates. All of these factors decreased the effectiveness and future sustainability of the federation. With this in mind, APMAS supported the establishment a management information system (MIS) to provide accurate and timely information that could be used for monitoring and decision making.

This process involved gathering the initial information, implementation and setting up a process through which information will be continuously updated; through each step APMAS provided valuable guidance and hand holding. However, the most important aspect of initiating the MIS was training the members on how to effectively use the information for decision making. APMAS staff worked intensively with the federation's executive members and staff to ensure that they fully understood how to use the MIS, and what to look for in the information they receive.

<sup>1</sup> Self help groups (SHGs), are informal groups of 10-20 women who are joined together for a common purpose. These SHGs come together into federation of 5-35 SHGs to form Village Organization (VO). VOs are then further formed into federation of 20-40 to form Mandal Samakya (MS), or a 'federation of federations'. Each level of the federation provides different services and assistance to the members. Moreover, a network of 400 SHGs with more than 5,000 women together in one mandal samakya creates strength in numbers from which the women can tackle larger social issues within their communities.

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*The executive committee members of the mandal samakya are now invited to other federations to provide similar kind of facilitation support provided by APMAS. This type of shared learning further increases pride and ownership for the federation, and transmits valuable information to others.*

The impact of this important intervention by APMAS has been tremendous. First, there has been a reduction in idle funds at the SHG level, resulting in more effective uses of the members' hard earned money. Second, the staff have improved capacities for facilitating meetings which ensures more productive meetings. Third, the bookkeeping and auditing is up to date at the MS level; this guarantees that funds can be tracked and significantly decreases the chances of fraud. Fourth, the representative general body meetings, which are attended by one member of each SHG, have been transformed into an effective forum to discuss the federation's activity plan, budget and expenditure details, leading to a sense of satisfaction and accomplishment felt by all members. Where previously members needed to rely on staff and vague information for decision making, now they are empowered to make accurate and timely decisions on issues affecting all areas of their federation.

While these improvements have undoubtedly benefited the federation, the largest benefit of the MIS isn't a tangible one; it is the increased sense of ownership felt by the members for their federation. With the MIS in place and the capacity to utilize the information, the executive committee is now able to manage the federation's affairs independently.

**The assistance provided by APMAS has empowered the women to determine the destiny of their federation, which is the most crucial element to creating sustainable federations.**



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