

URBAN PROGRAMME REPORT



EC members of Gudivada Town Level Federation

APMAS

Plot No. 20, Rao & Raju Colony
Road No 02, Banjara Hills
Hyderabad-500 034, Andhra Pradesh, INDIA
Phone: +91-40-2354 7927/ 52
Fax: +91-40-2354 7926
Email: mbsreddy@apmas.org



INTRODUCING APMAS

The Self Help Group (SHG) movement in Andhra Pradesh, India has grown exponentially in past years and is now playing a lead role in poverty alleviation. SHGs, which were once small, NGO-led efforts, have now evolved into a widespread movement supported by both formal and informal institutions.

In Andhra Pradesh alone, there are more than 7.5 lakhs (750,000) SHGs – 1.5 lakh (150,000) in urban areas and 6 lakhs (600,000) in rural communities – which comprise over 40% of India's entire SHG participation. Many of these groups have organized themselves into federations, which help dictate issues of SHG governance, resource availability, financial performance, and quality control – and essentially, the SHGs' sustainability. In this context, building the capacities of SHG members and providing linkages (financial and otherwise) becomes extremely important.

APMAS is a national-level resource organization committed to enhancing the quality and sustainability of the SHG movement in India. In its seven years of operation, APMAS has gained considerable experience in supporting Self Help Promoting Institutions (SHPIs) and in working with bankers and government officials to promote high quality SHGs and SHG federations. APMAS' capacity building experiences in Andhra Pradesh, its active participation in national SHG networks, and its partnerships forged throughout India, well equip the organization to facilitate the transformation of the SHG movement into a sustainable system.

VISION

To contribute to the sustainability of the Self Help Group movement in India.

MISSION

To enable SHPIs to provide quality services to strong and vibrant SHGs and SHG Federations. APMAS believes in the self-reliance of community-based organizations engaged in microfinance and livelihood promotion, and strives for excellence in whatever it does and promotes the empowerment of women. APMAS will emerge as a national-level support institution by influencing appropriate policy and effective supervision of federations.

IMPACT

APMAS' qualitative and quantitative impact is substantial. The organization has built a reputation as an institution that ensures quality and quality-based progress in self-help banking, and is widely respected as such.

APMAS initiatives include:

- Providing mentoring support to 47,961 SHGs, 2,066 village organizations and 68 mandal federations in collaboration with Society for Elimination of Rural Poverty (SERP) of the Government of Andhra Pradesh.
- Mentoring 3,667 SHGs, 106 slum-level federations, and 3 town federations in collaboration with Mission for Eradication of Poverty in Municipal Areas (MEPMA) of the Government of Andhra Pradesh.
- Anchoring two district livelihood resource centres (DLRCs), which provide capacity building and other support services to various livelihood promotion organizations.
- Training supporters around the state. APMAS has already trained approximately 60,000 professionals and para-professionals.
- Conducting quality assessments of 426 SHG federations.
- Conducting assessments of over 400 NGOs in more than 20 research studies, for use in selecting partners in watershed programmes.
- Building diverse collaborations and partnerships with state and national government, NGOs, banks, apex institutions, international NGOs, and internal technical support organizations (e.g. DGRV and InWent of Germany).
- Establishing an SHG training/learning centre in Hyderabad to provide a range of services to stakeholders in self-help banking. The centre's facilities permit at least three simultaneous trainings and also hosts a microfinance and livelihoods information resource centre.

STRATEGIC THRUST AREAS

Andhra Pradesh remains APMAS' focus state; however, operations have begun expanding to other states through strategic partnerships in West Bengal, Maharashtra, Gujarat, Orissa, Madhya Pradesh, and Rajasthan. APMAS firmly believes in establishing self-organized supervision systems that can be promoted in collaboration with the National Bank for Agriculture and Rural Development (NABARD), the Indian government, and leading NGOs.

There are thus five strategic thrust areas in APMAS operations:

1. Consolidation of support to the SHG movement in Andhra Pradesh
2. Expansion to select states
3. Facilitation of SHG federations as sustainable financial and livelihood promotion institutions

4. Capacity building at all levels to promote sustainable livelihoods through micro-enterprises.
5. Strategic partnership with NABARD and the Indian government

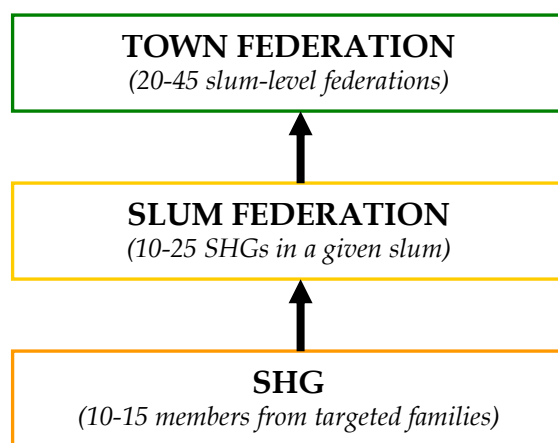
APMAS URBAN PROGRAM

Though poverty is more often associated with rural villages and tribal areas, the poor in India's urban and semi-urban areas have also been struggling to rise from abject poverty. Actions to mobilize and organize the urban impoverished began in the 1990s, but efforts have not focused on organizing people into sustainable institutions.

In April 2006, APMAS created partnerships with Andhra Pradesh Urban Services for the Poor (APUSP) to begin strengthening urban SHGs—and promote settlement- and town-level SHG federations—in LB Nagar, Gudivada and Guntakal towns. These communities have since been serving as pilot projects for creating urban SHG federations, promoting awareness through community and member outreach, and collaborating with other local agencies to integrate initiatives supporting town-level SHG, women's empowerment, and poverty eradication.

MEMBER INSTITUTION STRUCTURE

In these pilot towns, APMAS created a three-tier structure to promote member-owned institutions.



In an effort to engage all families below the poverty line (BPL) in SHGs, new SHGs have been formed in addition to strengthening the existing SHGs (see chart below). To date, 2,741 SHGs are functioning with good practices, and 1,584 SHGs are linked with banks for financial assistance.

Site	Town	Total town-level SHGs	Total settlement-level SHGs
1	Guntakal	1512	1428
2	Gudivada	1071	546
3	L B Nagar	1084	635
Total		3,667	2,609

For long-term sustainability, and in an effort to fortify SHG goals and initiatives, all groups in the slum areas have been formed in slum level federations (chart below). To date, there are a total of 106 slum, or settlement, level federations (SLFs) in the three pilot sites.

Site	Town	No. of settlement-level Samakyas
1	Guntakal	47
2	Gudivada	25
3	LBNagar	34
Total		106

For addressing larger issues, all these settlement federations were joined to form a town-level federation was formed in all the three towns.



SUPPORT STRATEGIES

The following strategies (see chart below) are used to promote and build institutions at the slum and town levels.

Steps	Function
1	<ul style="list-style-type: none"> ▪ Group data and demographics collection ▪ Identify well-functioning SHGs ▪ Developing rapport with the leaders of potential SHGs
2	<ul style="list-style-type: none"> ▪ Initiate group discussions about SHG federations
3	<ul style="list-style-type: none"> ▪ Fix up date for group leaders meeting
4	<ul style="list-style-type: none"> ▪ Second meeting with SHG leaders

5	▪ Facilitate the process with all eligible SHGs
6	▪ Facilitation to form Slum level Federation
7	▪ EC members meeting
8	▪ Facilitation of activities at Slum level
9	▪ Facilitate the process of Town level Federation
10	▪ Facilitate for formation of Town Level Federation

Each institution also has a specific set of duties, expectations, and responsibilities (see chart below).

<i>Institution</i>	<i>Activities</i>
SHG	<ul style="list-style-type: none"> • Provide thrift and credit services to members • Conduct participatory monitoring of the groups • Create group level poverty reduction plans
Slum-level Federation	<ul style="list-style-type: none"> • Provide support services to the SHGs • Arrange line of credit to the SHGs • Address social issues and provide outreach • Monitor SHG performance and provide needed scale-up support • Design and implement need-based programs & services for member SHGs
Town-level Federation	<ul style="list-style-type: none"> • Provide support services to slum federations • Secure linkages with government departments • Audit groups • Provide social security and risk management

SUPPORT SYSTEM

The slum, or settlement level federations have begun to hire their own employees, termed *Nagaradeepikas*. These women form the core leadership of federations and govern institutional bookkeeping.

Nagaradeepika roles and responsibilities include:

1. Attending and facilitating all meetings of SHGs that are members of the SLF.
2. Supervising/auditing SHG books
3. Reviving defunct groups
4. Creating new groups
5. Preparing the SHGs' monthly progress reports
6. Identifying eligible groups for bank linkages and assist in documentation
7. Attending EC meetings and provide SHG progress reviews



8. Write federation books in the EC meeting
9. Support up to 20 SHGs and a settlement-level federation

At present, there are 95 *Nagaradeepikas* working in the three urban pilot sites (see chart).

Site	Town	No. of Nagaradeepikas
1	Guntakal	40
2	Gudivada	25
3	L B Nagar	30
Total		95

At recent stakeholders' meetings, members discussed the critical need for, importance of, *Nagaradeepikas* role in SHG management and strategy building. Due to her significant role in SHG cohesion and sustainability, stakeholders have clarified an honorarium due to *Nagaradeepikas*: each SHG will pay Rs 20 to the federation as a service fee towards the *Nagaradeepikas*' services, and every federation will pay Rs 100.

SLUM LEVEL ACTIVITIES

FOOD SECURITY PROGRAMME

All of the settlement level federations in these three towns are implementing food security program to provide quality rice at cheaper-than-market rates. Sub-committees are formed from the EC of SLFs in each of the settlement for implementing the programme.

The committees began by taking count of interested SHG members, consolidating numbers at the settlement or slum level, and negotiating with dealers. The purchased rice and commodities were then distributed among the SHG members, and payments were collected in 4-6 monthly instalments with minimum service charges. The programme has remained strongly community-driven and has run consistently.



During 2007-08, a total of 29,733 quintals of rice, costing Rs 43,182,227 (4 crores), were purchased and distributed throughout 1,887 SHGs. The rate of repayment is cent percent (100%) in all the SLFs. Books are maintained well at both the SHG and SLF level (chart).

Town	SHGs involved	Rice bought (qtls)	Purchase rate (~Rs/qtl)	Distribution rate/Qtl (Average)	Local rate (~ Rs/qtl)	Financial (average) benefit to	
						Members	Samakya
LBNagar	373	7,007	1,482	1,525	1,836	2179177	301301
Gudivada	513	5850	1,465	1,500	1,650	877500	204750
Guntakal	1001	16,876	1,410	1,440	1,650	3543960	506280



COMMUNITY-BASED SANITATION PROGRAMME

In each town, SHG members attend orientation camps, rallies, and sensitization workshops to learn more about sanitation issues, and in turn, members educate their neighbours on sanitation and the two-bin system of waste disposal. Three SLFs in the LB Nagar municipality have, on a pilot basis, retained all responsibility to maintain the sanitation of their settlements. Federations have identified members from their slum for outreach and monitoring responsibilities; Samakya is monitoring the programme in these areas.

BANK LINKAGES

Community-based Recovery Committees are operating within the SLFs to facilitate bank linkages and recovery between the banks and SHGs. As SHGs and SLFs regulate their own payment recovery, bankers have been very willing to finance groups.

Towns	Guntakal		Gudivada		LBNagar	
	SHGs	Amount*	SHGs	Amount*	SHGs	Amount*
Normal linkage	1025	619.67	491	448.41	185	99.71
Total Fin. Inclusion	45	117.80	17	54.65	19	18.40
Housing-Bridge loan	150	60.00	-	-	-	-

*Rs in Lakhs



INSURANCE PROGRAM

If employed family members die, the family suffers a severe financial crisis. In an effort to address this issue and support family members, life insurance packages for SHG members were created in collaboration with the Life Insurance Corporation (LIC) under the JanaShree Bima Yojana scheme. In the past year, a total of 9,731 SHG members (and the same number of their spouses) are covered under the life insurance program (see chart below).

Town	Members insured	Premium paid to LIC (Rs)	Corpus created at Town Federation
Guntakal	3,870	3,48,30	38,700
Gudivada	3,401	3,06,090	34,010
L B Nagar	2,460	2,21,400	24,600
Total	9,731	8,75,790	97,310

RISK FUND MANAGEMENT

Of the Rs 100 collected from members for the insurance program, only Rs 90 is paid to the LIC as a premium. The additional Rs 10 is put into town-level Samarkya Risk Fund savings. In the case of a sudden death of a family member or husband, a relief payment of Rs 2,000 is used for funeral experiences and other previously unexpected financial risks.

So far, 84 SHG members have been injured and their life insurance claims were processed with the LIC (see chart below). An estimated Rs 9 lakhs (Rs 900,000) has been dispersed to 63 victims' families within the three sites. Additionally, education stipends totalling Rs 14,12,100 were provided to 1,569 young students in the victims' families.

Towns	Guntakal	Gudivada	LBNagar
Injured	41	16	27

Claims drawn	34	15	14
Relief amount (Rs in Lakhs)	5.00	2.30	1.80
Education stipends to children	516	642	411
Amount @ Rs900 per child(Rs in lks)	4.65	5.78	3.70

ADDRESSING SOCIAL ISSUES

In an effort to pursue issues surrounding family strife, orphans and vulnerable children, and gender biases, SHGs have established Family Counselling Centres, which are staffed with SHG trained for counselling.

TOWN LEVEL FEDERATION ACTIVITIES

Town-level federations are primarily concerned with strengthening the SHG movements in towns through capacity and strategy building. Fifty-six capacity building trainings were conducted staff and EC members in 2007; 2,187 EC members in total have been trained in federation concepts, management roles, and responsibilities. Ninty-five *Nagaradeepikas* staff were trained on bookkeeping and SHG concepts. Lastly, the town federations developed Community Resource Persons through trainings in SHG operations; these individuals will serve to enhance SHG skill sets at the base level.

URBAN PROGRAMME IMPACT

The following significant improvements have been reported from these three towns.

- *SHG quality*: improvement in the quality of meetings, savings regularity, loan repayments, and bookkeeping; this quality control is in part due to the monthly SHG progress monitoring conducted by the slum-level federation
- *Loans to federation*: this is particularly the case in Guntakal, where 42 SLFs are linked with banks and the loans are used to implement its food security programme
- *Total financial inclusion*: to meet members' financial requirements during livelihoods creation, and to free them from the high interest rates of old debts, linkages have been established with banks in order to lend up to Rs5.00 lakhs per group; banks have been quite willing to lend money, as SLFs monitor the repayments
- *Women's empowerment*: women are serving as Executive Committee (EC) members in federations, and in doing so, are undergoing capacity building training, conducting exposure visits, and gaining management experience

- *Legitimacy*: member institutions have been registered, thereby granting them the legal status necessary to collaborate with other institutions

LOOKING FORWARD: APMAS ACTION PLAN

These three pilot projects have demonstrated the great need, and capacity, for successful urban SHG institutions. APMAS, having accumulated experiences in developing urban SHGs within the field realities of these respective towns, must now develop a detailed strategic plan for sustainable SHG institutions in consultation with bankers, promoting agencies, and federation representatives.

At this time, APMAS proposes several actions for strengthening the urban SHG movement:

- Facilitate quality control among members, staff, and SHG stakeholders
- Develop systems for membership criteria, savings products, credit products, monitoring, reporting, and policies for savings and loans
- Initiate innovative products and livelihood promotion on an exploratory basis
- Conduct capacity building activities for members, in an effort to enhance local executive skills with aims for self-managed institutions
- Facilitate the institutions' legal status