

STRENGTHENING LINKAGES WITH FINANCIAL INSTITUTIONS

After the formation of groups

Himalayan Action Research Center (HARC) has been engaged in initiating poverty alleviation program for more than one and half decade through empowering community based institutions in Naugoan Block of Uttarkashi District. This resulted in formation of a number of groups and federation in Rawain valley, which are successfully engaged in thrift and credit operations as well as also moved towards establishing micro enterprise. To enable these groups to run their saving and credit activities smoothly HARC made many intervention like awareness program, exposures and training on account management, internal loaning management etc. Due to easy excess to credit facilities women groups started in income generation activities in a small scale. For the expansion and sustainability of these income generation and production activities there was a need of financial support. To solve this problem HARC had regular interaction with local banks and financial institution.

Interventions for bringing bankers and groups on a single platform

Through regular interaction with banker and financial institution HARC realized that banks are reluctant to provide loan to groups, which are not formed under Swaran Jyanti Swarojgar Yogna (SJSY) scheme of the government. So HARC had to make lot of efforts to sensitized the bankers and financial institution towards the credit needs of these groups and federation. In this context HARC organized a number of fairs and exhibitions for introducing the activities of groups and federations to the officials of banks and also facilitated the visits of bank officials to the villages for the physical verification of groups and federations. Along with these interventions HARC also organized a number of trainings and workshops for the groups and federation to develop there understanding on their linkages with bank. The following activities have under taken-

- Organized orientation workshops for the member of groups and federation for developing there understanding on different schemes of bank and financial institutions.
- Organized face to face interaction between the members of group and officials of state bank and cooperative bank. These interface activities helped the officials to understand SHGs, their way of functioning and their saving and inter loaning activities.



- Organizing practical training & exposure for target group on understanding banking procedure such as required document for opening account, rules & regulation for availing credit facility.
- Orientations of SHGs have been done on the procedure of obtaining cash credit limit from the bank and its utilization.
- Insurance companies were invited to Naugoan for providing information on social security schemes to members of groups and federation.
- Organizing Kissan Credit Card (KCC) camp for sensitization of banker & farmer associated with association.
- Providing support (developing proposals, helping in getting required documents) to the target groups to access financial support from financial institution such as State Bank, KVIC. Co-operative bank.
- Apart from sensitizing bank official in Naugoan, HARC also discussed these issues at regional manager level and they were also invited by HARC to the first profit sharing event of co-operative.

Impacts

- In lieu of these efforts, SBI organized the 'Loan Mela 2004' at HARC, Naugoan to started a scheme in Uttaranchal named 'Support to Housing Scheme'. The bank had provided 5 Lakhs 68 Thousand loan to six groups of Rawain valley under 'Support to Housing Scheme'.
- Banks issued 325 'Kissan Credit Cards' under which the farmers avail loan of 60,00,000 in the first round agricultural activities.
- The bank officials distributed certificates to 20 SHGs, which were selected as model, SHGs on the basis of maximum utilization of savings in productive work, timely return of loan and done thrift & credit operations regularly.
- Apart from this, the SBI bank of Naugoan, Gadoli, Purola, Mori and Damta through different schemes of banks provided 1.12 crore rupees loan to SHGs and farmers.
- SBI had sanctioned the loan of Rs 05 lakhs to co-operative for promoting their business.