

KUDUMBASHREE

Minutes of Plan Review meeting held on 20-01-2000.

The first Plan Review meeting of Kudumbashree in the new millennium was started at 11.00 a.m. in the Conference Hall of State Municipal House, Trivandrum, presided by Executive Director. Account Officer who was on leave did not attend the meeting. Project Officers of millions club (those Municipalities who have exceeded Rs 10 lakhs thrift collection) were also present as special invitees. Attendance list is appended as Annexure-I.

The meeting started with the opening remarks of the Executive Director, wherein it was informed that the model created by Lucknow SUDA in tapping the resources from RMK for SJSRY implementation is commendable and all CDS should follow the same path in channeling the assistance of Rashtriya Mahila Kosh (RMK). While introducing Shri. Kashmiri Lal, General Manager of RMK to the participants, Executive Director informed that he had joined RMK after long years of gratulant service in Government of India.

Shri. Kashmiri Lal, General Manager of RMK in his eloquent and thought provoking deliberation requested Kudumbashree for a free footed march to RMK for availing loans for the poor women in the society. ***He categorically proclaimed that “poor are willing to save and are able to save provided they are motivated and facilitated to save. The peer pressure in groups will substitute all collateral security requirements”.*** Shri. Lal’s deliberation created a feeling in the minds of Kudumbashree Officials that there are alternatives to Bank finance. The darkness created by the Non-co-operation of the Banks in implementation of SJSRY was totally wiped off by switching the floodlight of opportunities.

RMK, since its inception in 1993 has been trying to reach poor women in various parts of the country through approved intermediary organisations.

The bulk of loan have so far been routed through NGOs. Starting with only 24 NGOs during 1993-94, their number crossed 500 during the current year. Although about 24 NGOs from Kerala have collaborated with RMK our position is only 4th in availing and channeling finance to the poor. He requested Kudumbashree to make an all out effort to channel more finance to the poor.

While describing the various activities of RMK he informed that the role of RMK can be grouped into three.

- (1) **Whole sailing role:** – Acts as a whole sailing apex organisation for channeling funds to intermediate micro finance organisations.
- (2) **Market development:**– Support new and existing experienced and in-experienced intermediate micro finance organisation through incentives, training and other non-financial supports.
- (3) **Advocacy role:**– Acts as an advocate for influencing micro finance policy and development.

WHOLE SAILING ROLE

As part of whole sailing the following schemes are undertaken.

- a) **SHG Development Scheme** – up to Rs 1 lakh will be given to newly formed NGOs for developing SHG's. Initially this will be treated as loan but later as an incentive this will be converted as grant if the NGO could mobilise and stabilise at least 25 SHGs.
- b) **Loan Promotion Scheme** - Maximum amount of loan sanctioned to an organisation is Rs 2 lakhs. For availing this loan the NGO should have at least one year of experience in thrift and credit operation. The loan will be given at 8% interest per annum. But NGO is free to charge upto 12% from SHGs. SHGs are given freedom to charge their own interest rate, but not exceeding 18%. Even though NGOs are bound to give 8% by way of interest, they can reduce the interest to 5.5% by availing incentive for prompt disbursement and repayment. If the NGO's performance is satisfactory more loan will be given to the maximum level of 5% of total loan of RMK.
- c) **Revolving Fund** – When one or two loans are taken by NGO having more than five years experience in thrift and credit, after assessing the credit

absorption capacity a revolving fund will be sanctioned not exceeding 10% of total loan of RMK. This will help the NGO to revolve the fund in their system and get maximum benefit out of cyclical operation. By availing this loan the NGO should be able to set up at least 50 stable groups.

- d) **Market Finance Scheme** – RMK will assist NGO to develop a proper market for the products of the beneficiaries.
- e) **Loan Insurance Scheme** - As a relief to the borrowers in case of death or loss of asset on outstanding loan liability, a death relief and rehabilitation scheme is introduced on voluntary and contribution basis. The rates are given below:

Loan up to Rs 2500	-	Rs 1
Rs 5000	-	Rs 2
Rs 7,500	-	Rs 3

Equal contribution will be made both by RMK and the beneficiary.

CRITERIA FOR ELIGIBILITY:

For availing assistance of RMK an NGO should satisfy the following criteria.

1. Should be registered and should have at least three years experience in thrift and credit management.
2. Should be able to produce audited accounts for last three years by appropriately reflecting their achievements.
3. Should have a clause in the byelaw to borrow funds from outside agency.
4. Should be able to recover more than 90% of loan distributed.
5. Should have essential staff and infrastructure.
6. Should give an application in the prescribed proforma with supporting documents.

TERMS AND CONDITIONS OF RMK LOAN:

<i>Maximum amount</i>	-	Rs 7,500
<i>Beneficiary</i>	-	only women entrepreneurs for taking up of income generation activities

- Interest rate** - RMK to NGO – 8%
NGO to SHG - 12%
SHG to beneficiary – upto 18% (interest rate of SBI on un-secured loan)
- Incentive** - 1% of total loan disbursed for timely disbursement.
0.5% of amount recovered for timely repayment.
1% of loan disbursed for training and development of SHG.
- Saving Credit linkage** - Ratio of 1:10 (ie. if a women have saved Rs 500 she can avail a maximum loan of Rs 5,000).

To the queries raised by the participants Shri. Lal clarified that loan application can directly be forwarded to RMK without routing through State Government or RMK's approved Nodal organisations. He also informed that the loan sanctioned will not be given in one lump sum. Only after assessing the performance of disbursement and getting back the relevant records the second instalment will be released.

As a token of gratitude, love and affection of Kudumbashree Director (A&F) presented a Memento to Shri. Kashmiri Lal.

I. DISTRICT PRESENTATION:

As decided earlier Dr. Krishnan Nair, District Mission Co-ordinator, Alappuzha with the active support of ADMC started the presentation by 12 Noon. In his brief and precise lecture he narrated the changes brought-in in the field of urban poverty alleviation in Alleppey District. After joining Kudumbashree team on 10-5-99 with the strong backing of District Collector, he could set up his office on 29-5-1999. The other major landmarks narrated by him are given below:

1. Liaisoning with all District level officers
2. Stream lining CDS and establishing rapport with Municipal Councils
3. Starting monthly review meeting
4. Assisting entrepreneurs to set up micro enterprises
5. As part of Manaveeyam a seminar was organised for highlighting Kudumbashree.

6. Gaining the confidence of Banking community by removing their suspicion about the scheme.
7. Conducting training programme for all UPA functionaries.
8. Participating in Ayalkootta Sangamam at Ulloor organised by Planning Board. Produces from micro entrepreneurs were also exhibited
9. Triggering the NHG linkage with NABARD.
10. Interacting with NGOs and forming a wider forum for eradicating poverty under the leadership of Kudumbashree.
11. Ensuring the assistance of Coir Board for conducting skill upgradation training programmes.
12. Starting and stabilising six DWCUAs in the district.

At the end of his presentation products brought from two DWCUAs were exhibited and were purchased by Executive Director and Director (A&F). The data presented for projecting the performance of various municipalities under his jurisdiction are appended in Annexure-II.

II. NEW DWCUA UNIT OF THIRUVANANTHAPURAM CORPORATION:

As in the case of previous plan review meetings, a DWCUA unit by name Lakshmi Catering Centre was inaugurated by Smt. Indira Padmini, Senior Branch Manager, IOB, Pattom. Lead District Manager, Executive Director, Director (A&F) and Director (Southern Region) were also present in the dias. In the inaugural speech Smt. Indira Padmini congratulated Kudumbashree Officials for initiating this type of moves. Lead Bank Manager in his speech requested for effective interaction between bank managers and Kudumbashree officials. He opined that such interaction would surely help to avoid the `teething problems` in Urban Poverty Alleviating Schemes. The morning session came to a close at 1.30 p.m. with the vote of thanks by Shri.M.Nandakumar, Director (SR).

Afternoon session started at 2.30 p.m. with the direction of Executive Director that all Project Officers should take an all out effort for collecting maximum number of viable proposals from the poor women and to channel assistance from RMK. In the long run, he expected that the CDS should be

able to act as an NGO and work in liaison with similar apex organisations. A discussion on the issue was followed and consensus reached at the following points:

- 1. RMK loan should be utilised for USEP implementation**
- 2. Rate of interest charged from beneficiary should not exceed 12%**
- 3. Maximum period can be 36 months**
- 4. POs and DMCs may submit viable proposals for insuring SJSRY loanees. Executive Director informed that we may be able to insure all SJSRY beneficiaries by the end of this financial year. While submitting proposals both coverage and premium should be thought off.**

The practice of non sanctioning of loans to the persons who have already taken loans and repaid before due date (as practiced in Kanhangad Municipality) is to be curtailed.

III. AMENDMENT TO BYE-LAW:

A discussion was followed on the matter of amending the byelaw of thrift and credit society. Executive Director informed that steps will be initiated from the Head Office level to amend the byelaw in such a way that an individual with atleast two years effective participation in CDS thrift, and particularly with good track record in repayment should be given an opportunity to avail five times the amount contributed to the thrift subject to a maximum amount of Rs 10,000. He further informed that this facility will be available only for taking up of income generation activity under USEP and DWCUA. The queries raised by some of the POs and DMC were also answered.

IV RMK LOAN:

Programme Officer (CR) presented the available data on RMK loan requirement submitted by various Municipalities. He informed that only 19 Municipalities have submitted proposals for availing assistance, the list of which are appended in annexure-III. After discussion it was decided that those Municipalities who desire to avail assistance should submit their proposal before 25-01-2000. A scrutiny of the applications will be conducted at the head office and a detailed project proposal submitted to RMK by the end of January, 2000. PO, UPA Cochin Corporation was directed to go through the list and modify in such a way that the total loan amount doesn't exceed Rs 7,500/=.

Action – All DMCs and PO (CR).

V. STATUS OF THRIFT AND CREDIT:

Programme Officer (NR) presented the data on thrift and credit and informed that the model followed by Kollam Municipality should be adopted by all others including members of millions club. He rightly pointed out that the practice of going to banks with a begging bowl after idling sufficient resources in their hand is to be stopped. While analysing the status of thrift mobilised by millions club members, he pointed out that an amount of Rs 2.04 crore was left idle and kept unutilised. By using this amount at least 10 DWCUAs can be financed. DMCs concerned with the support of Project Officer are directed to prepare a plan before the next meeting for utilising this amount for the formation of DWCUA. A proposal for utilising RMK resource with thrift loan was also presented. Executive Director directed that steps should be initiated by all concerned to lift the Municipalities having thrift Rs 5 lakhs to Rs 7.5 lakhs to the status of million club. Special care is also sought from DMCs for uplifting the 'poorest among the poor' to above Rs 1.5 lakhs (those Municipalities having thrift less than Rs 1 lakh) by 29th February 2000.

Action all DMCs

VI. THRIFT AND CREDIT –
MISAPPROPRIATION REPORTED – ACTION PROPOSED:

Incidents of mis-appropriation of money from CDS accounts were reported from Kanhangad, Moovattupuzha and Nedumangad Municipalities. This matter was discussed by all including the special invitees namely, the Project Officers from millions club. Executive Director observed that COs should show more responsibility since the account is operated jointly by ADS Chairperson and COs. To tackle the problem permanently, the following decision are taken:

- 1. COs should submit monthly tally statements of account to Pos.**
- 2. Pass book and counterfoil should be verified and tallied by Pos.**
- 3. The practice of entrusting thrift collection with ADS Presidents for depositing in the banks can be avoided by directly remitting to the account by the income generation volunteer of the NHG. The counterfoil of the pay-in-slip of the amount, so remitted should be handed over to ADS Chairperson for the purpose of reconciliation..**
- 4. To meet the contingencies at the level of NHGs practice of keeping imprest can be continued. But the amount that can be maintained as imprest is to be decided jointly by CDS, ADS and NHG.**
- 5. Thrift collection can be done only in the NHG meeting.**
- 6. While collecting thrift entry in the pass book is to effected..**
- 7. A detailed statement showing collection, loaning, imprest and remittance in the bank should be prepared and presented in each NHG meeting and verified with the previous meeting..**

Action – 1. All DMCs 2. DMC, Kasargode, Eranakulam & Trivandrum were requested to go through the reports of misappropriation and do the needful to setright the problem.

VII. SJSRY ACTION PLAN***1. Action Plan 98-99 – progress of implementation and data analyses***

With the help of data generated from MIS reports Dr. Leela Kumari, Programme Officer presented the progress of various Municipalities. She informed that Perinthalmanna and Vaikom Municipalities have failed to submit their MIS for the month December, 1999. DMCs are requested to follow up the matter. She also informed that in the implementation of USEP and DWCUA a slight progress is reported in most of the Municipalities. She further informed that the defects pointed out in the last review meeting could not be rectified. All DMCs are once again requested to submit their remarks on the data appended as Annexure-IV. Executive Director requested the DMCs to submit the action taken report at least five days before the next review meeting. He further observed that even though Cochin and Calicut Corporations mobilised Rs 2.38 crores and Rs 0.59 crores respectively by way of thrift, not a single DWCUA unit could be formed. Respective Project Officers and DMCs are directed to take maximum care to form at least one unit in January 2000 itself.

Action -All DMCs, POs of Cochin & Kozhikkode Corporations

2. UWEP PROGRESS

Programme Officer (UPA) reported that only 19 Municipalities have started implementing UWEP, the list of which are appended in Annexure-V. District Mission Co-ordinator, Thrissur, Palakkad and Kannur pointed out that since Kodungallur, Thalassery and Chittoor have reported expenditure in UWEP, they may also be included in the list.

Director (SR) informed that the services of Municipal Engineers are not available for preparation of plan and estimate, supervision and check measurement of works under taken under UWEP.. By citing the minutes of second review meeting Executive Director clarified that in case where

Municipal Engineering Wing is available and are not able to provide their services, services of qualified persons can be tapped for speedy implementation of the programme. They may be paid honoraria at the rate fixed for Peoples Planning Campaign. (Please see the minutes of plan review meeting held in September 1999). To a query raised by District Mission Co-ordinator, Kottayam, it was clarified that even though directions were given for integrating UWEP with other Municipal plan schemes, separate estimate for man-power and material should be prepared and analysed.

Action -All DMCs and Regional Director (CR)

3. Action Plan 2000-2001

Dr. Latha Bhaskar, Programme Officer, presented a brief sketch on plan formulation integrating with Peoples Plan. The details are given below:

Step-1- Need Assessment – should be done by NHG – ADS – CDS

Step-2- Fixation of target – by verifying the District Plan, consulting with DPC, Municipal Council, Task Force, MLEC and District Planning Officer.

Step-3- Highlight the scope of income generation activities – prepare a shelf of project / ideas with the active support of DMC and ADMC for starting up of DWUCA and USEP.

Step-4- Resource mobilization – identification of various potential sources like thrift, RMK loan, bank loan etc apart from SJSRY allocation, 2% UPA and Municipal Plan Fund. Special care should be taken to amass maximum fund from women development programmes earmarked in the Peoples Plan Campaign.

Steps-5- Convergence and linkage – while preparing action plan it should be properly linked with Municipal Plan and maximum convergence should be made possible. In the case of NSDP, housing component should be linked with total housing programme prepared by various Urban Local Bodies and District Panchayats

Modus operandi - Complete the NHG, ADS level meetings and preparation of micro and mini plans by last week of January, 2000.

*Preparation of CDS Plan by 31st January 2000
Regional Directors may arrange regional level workshop for action plan preparation in January itself. For arriving a uniform pattern, Director (CR) may co-ordinate the various functionaries and prepare a plan of action.*

Participating in the discussion, Executive Director requested DMCs to watch the progress of plan implementation in various Municipalities in their districts and in case there is any chance of disallowance this year, Project Officers and DMCs should encouraged alternate plans with the object of getting maximum benefits to the poor people in the Municipality. This will help both the Municipality and CDS. Commenting on the next year's action plan preparation he remarked that "in the first year we were late and missed the cart, in the 2nd year we pushed the cart and in this year we must pull the cart from the front". Ample opportunities are opened up by Information Kerala Mission for providing employment to computer trained youths in Kerala. Executive Director requested all DMCs to equip maximum number of women through training in various Municipalities and form DWCUAs in IT field. As a special case Project Officers are given freedom to utilise Rs 3000 for training instead of Rs 2000 for computer training. But DMCs should take maximum care to ensure that hundred hours (@ 3 to 4 hours per day) training is given with additional knowledge of typing in both English and Malayalam. The target for DWUCAs to be set up on or before 15-3-2000 exclusively with computer trained personals are given below:

Trivandrum	4	Thrissur	2
Kollam	2	Palakkad	3
Pathanamthitta	2	Malappuram	3
Alappuzha	3	Calicut	3
Kottayam	1	Wayanad	1
Idukki	1	Kannur	3
Eranakulam	6	Kasargode	2
		<i>Total</i>	<i>36</i>

Action -All DMCs, Regional Directors & PO (UPA).

4. Group Discussion for Action Plan for 1999-2000

Participants were divided into three groups under the leadership of Directors of the concerned regions and plan of action were prepared for completing the implementation of SJSRY action plan for the year 1999-2000. The decision of groups discussions were presented by respective Regional Directors. From the presentation of Regional Directors the following action points were arrived at:

Director (NR) *Before 28th January, 2000 all DMCs should in consultation with POs concerned prepare a Plan for speedy implementation.*

This Plan will be discussed in the Municipal level Advisory Council before 31st January, 2000.

Present the findings of the Advisory Council in the Municipal Council before 10th February, 2000. If required a special meeting can be convened with the help of Municipal Chairmen. Municipal Chairmen may be requested to invite District Mission Co-ordinator to attend such meetings.

Director (CR) *He informed that implementation of 98-99 plan will be completed by 31st March, 2000. Action Plan for 99-2000 will be implemented on a war footing and atleast 60% target will be achieved in all Districts. As a special care for the Kottayam District a training programme can be arranged with the help of a professional agency on the condition that 50% cost of training will be paid on getting desired results.*

Fairs, exhibitions and Ayalkoota Sangamams will be arranged in the month of February, 2000.

Director (SR) *He expected that except in the case of Pathanamthitta, Alappuzha and Neyyattinkara*

Municipalities everything will be smooth. The fund transferred by Pathanamthitta and Neyyattinkara Municipalities to the relevant account for meeting the decretal amount is to be recouped. In Alappuzha a meeting was convened on 21-1-2000 to sort out the problem and arrive at an amicable solution.

Action -All DMCs and Regional Directors.

VIII. NHG LINKAGE WITH NABARD

While presenting the status of NHG linkage, Shri.M. Ramanunny, Programme Officer (CR) informed that linking of 1400 NHGs would be possible only if serious attempt is made by DMCs. Hence all DMCs are requested to do the needful for achieving the best results. Linkage of NHGs with NABARD will improve the credibility of our organisation. Rather than boasting on the number, we should be able to project our merit based on quality. Since NABARD linkage is a sign of credibility, maximum effort was requested from DMCs.

Action -All DMCs

IX. APPOINTMENT OF HONORARY COs

Director (SR) informed that with the consent of Mayor, Thiruvananthapuram Corporation, an Honorary CO was appointed in Thiruvananthapuram. Shri. Kurian, PO, Calicut Corporation informed that the working of honorary COs in his Corporation is satisfactory. Executive Director informed that similar arrangements can be done in other Municipalities since existing provision of CDS permits the same. While appointing COs, honoraria can be fixed as Rs 300 per month in the beginning and can be considered for increase based on their performance.

Action -All DMCs

X. NSDP- HOUSING

Status of Housing and stages of implementation etc were presented by Dr.Krishnakumar, Programme Officer (NR). Since the presentation was well convincing without further discussion every body shared the feelings expressed by him. The material data presented is appended as Annexure-VI.

Action -All DMCs

XI. TRIBAL PROGRAMMES

Programme Officer (CR) gave a brief report on the training conducted at Kasargode and Wayanad. He further informed that District Mission Co-ordinator, Thrissur is planning to arrange a three day training programme for the five member volunteers of tribal NHGs in the second week of February. The opinion expressed by District Mission Co-ordinator, Idukki for conducting training to the tribal volunteers in the selected tribal pockets (in the 3rd week of February) was also accepted. `

Action – DMC Thrissur, Idukki and PO (CR)

XII. MICRO ENTERPRISE

Even after repeated instructions, most of the DMCs have not submitted the success stories of the Micro Enterprises in the proforma prescribed coming under their jurisdiction. Executive Director informed that hereafter no request will be made to furnish the same but names of the DMCs who have not submitted success stories will be published in the of Kudumbashree newsletter. Since the opportunity once missed will not be offered again, all DMCs are requested to do the needful.

Action -All DMCs

XIII. DOCUMENTATION

Dr. Latha Bhaskar, PO (SR), after releasing November-December issue of Kudumbashree Newsletter informed that the next issue of News Letter will be concentrating on “*Ayalkoottams*”. She further informed that this will be ready by 5th February 2000 and all DMCs were solicited stories on successful . NHGs at least *two from each district before 30-1-2000.*

Action -All DMCs and PO (SR).

XIV. TRAINING NEEDS:

Dr. Leelakumari, Programme Officer, piloted the discussion.

- * Induction training to the New Members of Kudumbashree team will be given after their joining.
- * Training to new POs and COs along with functionaries of weak CDS may be undertaken at regional levels.
- * Southern and Central Regional Directors are requested to complete the women Councillors training programme before 15-2-2000.
- * Workshop on action plan preparation should be conducted at regional levels. The subject matter and course material are to be finalised under the leadership of Director (CR).
- * All DMCs and ADMCs are requested to undergo training on Computer. DMCs are authorised to find out suitable institutes in their districts so that by spending a maximum of Rs 3000/- per head they can learn computer fundamentals, MS, DOS, dBase III Plus, MS-Office, e-mail & Internet operations.

Action -All DMCs, PO (UPA) & Director (A&F).

XV. ADMINISTRATIVE AND FINANCIAL MATTERS:

Smt.L.Vijayalekshmi, Director (A&F), briefly explained various administrative and financial issues and the following decisions were taken:

- 1) In modification of the earlier decision to remit the pension contribution in respect of all officers of Kudumbashree from the Head Office it was decided that Pension Contributions and Leave Salary are to be remitted by the respective Regional and District Officers itself. The matter should be intimated to the head office at the earliest.
- 2) Proforma report for ACR along with self appraisal may be submitted before 10-2-2000 to the head office without fail.
- 3) Financial statements submitted by DMCs were acknowledged. DMCs were requested to modify the Financial Statement by incorporating opening and closing balance from next month onwards.
- 4) Rural Water Supply scheme launched in Kozhikkode, Malappuram, Thrissur and Palakkad Districts with the support of World Bank was reported. All DMCs were requested to render necessary assistance for speedy implementation of this programme.

- 5) DMCs were permitted to inform project Officers that Diary can be purchased and distributed to all RCVs by utilising CDS fund. Instead of going for costly diary, those serving the purpose should be preferred.

Action -All DMCs & Director (A&F).

The next plan review meeting was tentatively fixed ***on 17-2-2000.***
There will not be any change in the venue till the close of this financial year.

The meeting came to a close at 7.00 p.m.

Executive Director