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कृषि भवन, नई दिल्ली-110114
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D.O.No. I-12011/16/2012-SGSY(C)



Dated: 25.10.2012

Dear

As you are aware, the Government of India, Ministry of Rural Development has launched the National Rural Livelihoods Mission (NRLM) to be implemented in a mission mode across the country. NRLM replaces the earlier scheme SGSY that had the underlying principle of promoting self-employment through the organization of the poor in self help groups:

NRLM has set out with an agenda to reach out, mobilize and support 7.0 Crore BPL households across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayat consisting of 6.0 lakh villages in the country into self-managed SHGs their federations and livelihoods collectives. NRLM's long-term dedicated sensitive support mechanism would extend facilitation support in all their efforts to get out of poverty, in addition to assisting in increased access to their rights, entitlements and public services and better social indicators of empowerment.

Credit is an important pillar of support to the poor. NRLM aims to ensure flexible and repeat finance to all eligible SHGs. In the Central level Coordination Committee (CLCC) meeting held on 27-12-2011, it was decided that a Steering Committee of SLBC would discuss exclusively state specific issues relating to financial inclusion under NRLM (Aajeevika) program in the respective states.

As you may be aware all the State Level Bankers Committee (SLBC) are required to constitute a separate Sub Committee for SHG Bank Linkage. This committee is expected to meet every month and:

- monitor & review the Bank wise Progress of SHG Bank Linkage program at the State level.
- discuss various issues and bottlenecks in implementing the SHG Bank linkage program.
- discuss ways to simplify the documentation procedures.

Further, at the District level presently there is no specific Sub Committee for SHG Bank Linkage. But in the District Consultative Committee there is one Sub Committee called SGSY coordination committee. Again from our experience we find that the SGSY coordination committee under DCC is not active in most of the states.

In this regard, I have sent letters the SLBC Conveners to form and activate these committees in the states concerned. I have also written to the Chairman, NABARD to pursue this matter personally and give directions to their Regional Heads to engross in the formation of Sub Committee for Bank Linkage and more so in proper functioning of the said Committee at the state level. At the district level, Convener SLBC has been asked to ensure formation of NRLM Coordination Committee and its proper functioning. The Chairman NABARD has also been requested to ensure that their DDMS/AGMs in the districts follow up with the DCC for formation and proper functioning of NRLM Coordination Committee besides revival of Block Level Coordination Committee (BLCC) at their respective districts. Copies of the communication addressed to Convener, SLBC and Chairman, NABARD are enclosed.

I would request you to kindly ensure that at the State level the meetings of the SHG Bank Linkage Committee are held regularly and issues related to credit flow to SHGs are discussed. At the district level, you are requested to give suitable directions to the PD, DRDA to attend the meetings of the NRLM Coordination Committee and discuss issues related to credit flow to SHGs. The PD, DRDA should also ensure participation of concerned official in the Block Level Coordination Committee (BLCC).

Finally, I believe the purpose of the above mechanism is to ensure that not a single and eligible SHG desiring credit is missed out in the credit delivery mechanism. We have to gear the entire delivery mechanism to ensure this.

With regards,

O/C

Yours sincerely,

Sd/-


(T Vijay Kumar)

To

Principal Secretary (RD), all States

Copy for information to:

1. Shri Anurag Jain, Joint Secretary, DFS
2. Deputy Governor, RBI
3. CMDs of all banks
4. Principal Secretary (RD), all States
5. Mission Director SRLM, all States



(T Vijay Kumar)