

Agencies were discussed in depth. I am enclosing for your information the conclusions and recommendations of the Conference (Annex.I). Later, a meeting of the Chief Executives of the Apex Corporation was also taken by me on 12.11.1999 to consider the steps necessary to enable the Corporations to fulfil their objectives. A copy of the minutes of that meeting spelling out the proposed course of action is also enclosed (Annexure II).

The major issues that require urgent attention relate to the following:-

- i) There should be an attempt to cover more people through assistance programmes by increasing the number of SCAs which can then specifically target the discrete sections for various activities which come within their purview.
- ii) At present the assistance programmes are mainly focussed at individuals and the quantum of loan is quite large on the average. However, the objective of the programmes is also to assist the very poor who normally do not have easy access to financial institutions. It is suggested, therefore, that micro-credit programmes be encouraged through Self-Help Groups(SHG)s. This will ensure that the neediest persons get the small amount of credit that they need for self-employment. It is necessary, therefore, to mobilise the communities at whom the programmes are targetted to come forward to avail the benefits of the same through SHGs.
- iii) Release of funds to SCAs from the Apex Corporations is being adversely affected on account of unsatisfactory recoveries. The State Governments perhaps hesitate to give guarantees on this count. A greater emphasis on follow up and recoveries from beneficiaries will ensure proper utilisation of the assistance. It may also be examined whether the recoveries position of the SCAs can be improved by assigning this task to agents from the target group itself on the payment of small commissions.