

National Conference on 3-Decades of SHG Bank Linkage & SHG Federation Awards Ceremony

16^h and 17th December 2022

KEY POLICY RECOMMENDATIONS

SHGs AND SHGF VISION 2030

Creation of wealth in an equitable gender-just society that enhances quality of life of women: SHGs and their Federations to evolve into autonomous, independent, self-reliant, sustainable, resilient institutions owned, managed and utilized by women strongly supported by an enabling ecosystem for the SHG movement to realize its full potential of social and economic empowerment of women.

1. Government to ensure enabling environment for SHGs and their Federations to exercise their autonomy and independence.
2. The implications of the Constitution 97th Amendment and subsequent Supreme Court Ruling on VOs and CLFs registered as Cooperatives have to be worked out and they need to be supported accordingly.
3. SHG Federations strengthening recommendations need to be incorporated into the new Cooperative Policy that is being formulated by the Ministry of Cooperation. It can include a separate Act for SHGF, tax exemptions for SHGF and so on.
4. National level confederations of SHG Federations need to be promoted.
5. Still SHG coverage and movement is not advanced in some states which need to be focused.
6. Banks should provide adequate incentives to their branches in financing the Self Help Groups (SHGs) and establish linkages with them, making the procedures simple and easy.
7. Women need to have their own Mahila Banks.
8. SHG lending is a viable business for banks. So, banks can give some concessions to the SHGs.

For SHGs and their Federations

1. The SHGs and their Federations should ensure their sustainability, viability and accountability.

2. SHGs and their Federations should increase their equity base – savings, share capital and others. After strengthening, SHGF can minimize the loan taking from banks and get into more and more internal lending. SHGFs should be leading the future micro finance across the country with more market capital.
3. Adoption of updated technology for SHGF is an important requirement – digitization and precise data of SHGs, online platforms for marketing, monitoring, self-rating and so on.
4. SHG Federations to evolve into fee based services to their members and also practice profit sharing to their members.
5. SHGs should work with all thematic areas and provide their services to the poor in all areas enabling them to raise their income levels and standard of living.
6. Enterprise Promotion: SHGs need to evolve as microenterprises and SHG women need to be entrepreneurs. There can be incubation centres to incubate and strengthen women owned and managed enterprises. SHGF also can offer such incubation services for their entrepreneur members. Market linkages including product development, branding, packing, quality, publicity and distribution are critical for enterprise development. With regard to finance, there can be customized finance products for enterprise development (for both asset creation and working capital) rather than routine bank loans for this purpose.