



# SHG Presentation

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*How to empower women  
and fight poverty*



# PLAN

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## I. Reminder : Self-Help Group key principles

- 1) Purpose
- 2) How it works

## II. What makes SHG works with SEVAI NGO

- 1) Steps
- 2) SEVAI method, follow-up and support



## Self-Help Groups Key Principles



# PURPOSE



- To **promote women's empowerment** through the creation of mutual aid groups
- To **provide** marginalized women (Dalits, tribal, disabled, widows, AIDS and prostitutes) living below the poverty line (BPL) **the tools** necessary for their social emancipation and economic independence



- To **create saving habits** to help women building their own capital and make them get **government/bank loans**
- To encourage women to learn **literacy** and **numeracy**
- To build awareness on **women rights** and **gender equality**
- To **initiate community and social action**

# HOW IT WORKS



Creation of a **small group** - between **12 to 20 members** - generally homogeneous and related by affinity who decide to **pull together their resources** in order to maximize their economic resources and incomes

- **Meetings** between the SHG members organized on a **regular basis** > every week
- All **decisions** and **savings** done during the meetings (Minimum savings per member based on the poorest member's revenue)
- **Training and awareness programs** organized to increase knowledge and build women self-confidence



➡ **Savings, Credit and Social Involvement = Powerful instruments of empowerment**



**What makes SHG works  
with SEVAI NGO**

# STEPS\*



## 1) SHG Group Creation

- Great work from social workers from SEVAI to meet women from rural areas and present them the program
- Creation of the groups on a **voluntary basis** and by affinity (**women co-opt each other**)
  - = help **sustainability on the long run**

## 2) Training

- SEVAI Provides different kinds of trainings:
  - **Basic skills training**: within the first 6 months, women are trained to the internal functioning of a SHG (accounting, meetings, internal credit / savings system, etc.)
  - **Workshop for self-development**: literacy classes, Women Empowerment (confidence and self-esteem sessions), awareness on social and societal issues (hygiene, disease prevention, etc.)
  - **Micro-entrepreneur management and vocational training**: jasmine cultivation, sewing, pottery making, jute bag training, mat weaving training, production of eatable items, goat rearing, paddy cultivation, etc.

## 3) Access to micro-credit

- Women access their first **micro-credit after 6 months** (« Revolving Fund »)
- Pay back and access to more substantial micro-credits\*\*

## 4) Creation of an economic activity, alone or in common with other SHG members

- **Women can invest in the activity of their choice**, not obviously a common activity, after evaluation of their economic activity by SEVAI's social workers
- Enable them to **generate income**, reimburse their individual loans, **increase their savings**, access to bigger loans\*\*

## 5) Creation of a common economic activity

- After 3 year, the group must launch a **common economic activity** to access a bigger public loan\*\* which can only be invested in this activity

\*See Appendix 1 for details on steps

\*\*See Appendix 2 « Focus on loans » for details on the different micro-credits



# SEVAI METHODS, FOLLOW-UP AND SUPPORT



## WHY SHG GROUPS SUCCEED WITH SEVAI NGO ?

- SEVAI is **recognized by the government** ; without the NGO, women couldn't access micro-credit
  - Not a program only about micro-credit but **a full program to fight poverty and empower women**
  - SEVAI offers **development trainings** like literacy program, hygiene or workshop on social issues which highly contribute to women empowerment
  - Women benefit from a **close follow-up from SEVAI social workers** during and after the creation of the groups
  - SEVAI organises meeting between the different representatives of the SHG to allow them to **share the best practices**
  - Women can then **join Panchayat Level Federations (PLF)\***
  - Old groups are encouraged to help the new groups created
- ⇒ **On the long run, give the community the opportunity to carry the project itself without the intervention of outside help**



*\*See appendix 2: Focus on Panchayat Level Federation (PLF)*



## APPENDIX





# APPENDIX 2: FOCUS ON LOANS



## a REVOLVING FUNDS

**DEFINITION:**  
A first group loan that allows women to build a "capital" and to become familiar with the concepts of money, loan and repayment.

- MAIN CHARACTERISTICS:**
- accessible at least 6 months after the creation of the SHG
  - Amount : 65,000 INR ; Only 55,000 INR must be repaid at an interest rate set at 9% (the remaining 10,000 INR = free of charge)
  - repayment period : up to 3 years

**LIMIT:**  
less and less granted.

## b DIRECT LINKAGE LOAN

**DEFINITION:**  
This loan helps support women in launching their economic activity. Each member can choose a different activity.

- MAIN CHARACTERISTICS:**
- accessible at least 6 months after the creation of the SHG
  - Amount : between 100,000 & 150,000 INR (interest rate at 9%)
  - repayment period : up to 1 year
  - can evolve into a second loan, accessible after the repayment of the 1st one, of a larger amount between 200,000 and 300,000 (repayable between 1 & 3 years maximum)
  - SHG can access this loan multiple times

**LIMIT:**  
No more than 300,000 INR can be borrowed.

## c ECONOMIC ACTIVITIES LOAN

**DEFINITION:**  
A bigger loan to help the SHG to create a single economic activity, common to all members.

- MAIN CHARACTERISTICS:**
- accessible at least 3 years after the creation of the SHG
  - Amount : 500,000 INR ; Only 375,000 INR must be repaid at an interest rate set at 12% (the remaining 125,000 INR = free of charge)
  - repayment period : up to 5 years
  - Can only be invested in the common activity

**LIMIT:**  
All members need to agree to launch one common activity.

## APPENDIX 3: FOCUS ON PANCHAYAT LEVEL FEDERATION

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### PANCHAYAT LEVEL FEDERATIONS (PLF)

- Government body established at district, block and village levels
- **Platform which encourages SHG members to share experience**
- Create social bonds at the level of their community
- **Pool resources and skills from different SHG** (*Example: Within a PLF, members of several SHG can achieve economies of scale in their economic activities by pooling the production systems and sales channels of their products*)
- **Disseminate information:** vertical diffusion of information on government programs (specificities, conditions of access, etc.).

Good to know: *The government give a financial support to PLF. Aim: enable the local community around SHG to be brought together so that it can carry the project itself without the intervention of outside help.*

