

# National Conference on **Sustainable SHGs**

**March 04 & 05, 2010  
Chennai**

*Organized by*  
**DHAN Kalanjiam Foundation**

*In collaboration with*  
**INAFI-India and INFOS**

# National Conference on Sustainable SHGs

## Background

The growth of Microfinance sector in India has been significant over last two decades. There exist different approaches and models of microfinance; the most predominant in operation among them is the Self Help Group (SHG) model. The SHG interventions in the country have reached out to more than 17 million households becoming the largest microfinance endeavours in the world in terms of outreach. The Indian microfinance experience is unique in its diversity and has involved the stakeholders such as NGOs, microfinance intermediaries, donor agencies, NABARD, SIDBI, commercial banks, insurance providers, Self Help Groups (SHGs) and their federations, research and academic institutions and the government. The apex financing institutions and commercial banks have played a critical role in the tremendous growth of microfinance in India through the SHG-Bank linkage programme. The state governments have shown keen interest in microfinance as part of their development agenda and they support large scale microfinance programmes.

Despite the remarkable growth and feats of the SHG movement in the country, sustainability of the SHGs continues to be a major concern. It has now been well established that access to a range of microfinance services through SHGs can bring about significant changes in the lives of poor. SHGs are proved to be a good tool for organising the unorganised and building social capital. The impact of SHGs has been well demonstrated on the aspects such as arresting leakages in household cash flows, increasing

income, enhancing asset status, building self-esteem and confidence of women, improving leadership qualities etc. However it should be understood that these are mere beginnings and there is a lot to be done and accomplished. Considering the complexity of poverty issues there is an enormous need to retain and take these achievements forward through generations for comprehensive poverty reduction. But the SHGs in India remain to be the 'populist' programmes of state governments supported by larger bilateral donors and when there is a setback in these factors the very existence of these groups becomes an issue.

There are very few examples in the country on deepening microfinance through federating these SHGs, mainly attributed to diversity of perspectives and institutional capacity among stakeholders on the issue. By many, sustainability is still perceived as mere financial self sufficiency ignoring other vital factors such as governance building, transformation of roles between the promoting organisation and people, creating institutional systems and processes, resource mobilisation and management, building alliances with other partners etc. On the other hand there are quality concerns leading to increase in number of dysfunctional groups and challenges like continuity in linkages with banks, and multiple lending. There is also a serious need for capacity building of SHG promoting organisations to impart 'know-how' on federating SHGs and establish mechanisms for achieving sustainability.

There is a need for assimilating the wisdom of successful experiences and issues on sustaining SHGs and charting out way forward for policy advancement.

## National Conference on Sustainable SHGs

In this backdrop, DHAN Kalanjiam Foundation, a microfinance advancement initiative of DHAN Foundation in collaboration with INAFI-India, a pan India Network of development NGOs involved in promoting SHG-Bank linkage and INFOS, a national network of microfinance SHG Federations is hosting National Conference on Sustainable Self Help Groups (SHGs) with the focus of advancing the SHG movement in the country in Chennai on 4 and 5 March 2010 at Chennai.

### Objectives

To explore appropriate institutional structures and legal forms for SHGs and their federations

To reflect on eliminating 'usury' and advancing SHG-Bank Linkages capitalising on business correspondent and business facilitator of banking initiatives

To deliberate on future of SHGs with specific emphasis on deepening microfinance

To arrive at policy recommendation for strengthening and advancing SHG movement in India

### Areas of deliberation

Affordable Microfinance

Quality & Sustainability

SHG-Bank linkage

Deepening microfinance

Future of SHGs

### Conference design and structure

This is a two days programme. First day of the conference will have an opening ceremony where strategic leaders and practitioner from

prominent institutions will deliver key note address on significant aspects pertaining to future of SHGs followed by breakaway session in two sub plenary-one on the theme of sustainability with regard to finance and the other on deepening microfinance.

Each sub plenary will have a lead paper presentation and sharing of experiences by stakeholders followed by open discussion and consensus building. Eminent persons drawn from the sector from across India would be the panel resource persons.

Day two of the conference will be dedicated to synthesis of the deliberation made on the previous day and to make policy recommendation for advancing SHG Movement in India followed by networking session where participants can meet and discuss with resource institutions and other service providers to look for new partnership and networking opportunities.

### Participants

The conference focuses on policy level issues on the subject. Senior level officials from enabling NGOs/MFIs involved in promoting SHGs and Federations, Commercial Banks, RRBs and Cooperative Banks, Policy making bodies such as Government, RBI, NABARD, SIDBI, etc, Microfinance networks and technical service providers, donor agencies and SHG Federation leaders from across India would be participating.

**Date:** February 04 & 05, 2010

### Venue:

**YMCA Madras Youth centre**

6/74, Ritherdon Road

Vepery

Chennai-7

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## About DHAN Kalanjiam Foundation

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DHAN Kalanjiam Foundation, a microfinance advancement initiative is a subsidiary of DHAN Foundation, a professional development organisation having its presence in 12 states of India through different thematic programmes. DHAN Foundation works towards bringing significant changes in the livelihoods of the poor through innovations in themes and institutions. The DHAN Kalanjiam Foundation primarily focuses on scaling up Kalanjiam enabling model of microfinance to reach a million poor women over next one decade. Through providing a regular access to savings, credit and insurance services through SHGs, the Programme is able to relieve many poor from the clutches of moneylenders and arrest the income drain. In addition, the Programme helped members enhance their income and create assets and social development issues such as health, housing, sanitation, drinking water etc. The DHAN Kalanjiam Foundation is a member of many policy making bodies. As a resource centre many capacity building events and training programmes were organised for bankers, government officials and representatives of NGOs within and outside country. The programme works exclusively with poor women and as on March 2009 has reached out to 434,419 poor families in 11 states of India through promoting 26,049 SHGs.

## About INAFI-India

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INAFI INDIA is the country chapter of INAFI global network of development organisations active in support of savings and credit programmes of member organisations in Asia, Africa, Latin America and Eastern Europe. In realizing this vision, INAFI-India recognizes the critical role of microfinance interventions as part of the development strategy in eradicating root causes of poverty. For INAFI-India, microfinance is a 'means' to the larger end of poverty reduction and the interventions of INAFI and its members go beyond microfinance.

## About INFOS

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INFOS is a national network of Microfinance SHG Federations promoted with the mission of strengthening and sustaining SHG Federations in India. The Network aims at sharing a common mission of contributing towards growth of the member federations through capacity building and policy advocacy initiatives, facilitating co-learning and through inculcating self-regulation. INFOS was incorporated in June 2006 and has come to gain an identity among the SHG federations in the country and position itself as a strong and vibrant network engaged actively in building the social capital of the poor by enabling the demand stream comprising of SHGs and Federations through networking.

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### Secretariat

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#### **National Conference on Sustainable SHGs**DHAN Kalanjiam Foundation

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