“NABARD – SHG Bank linkage program completes 25 years”

New Delhi, 12th July 2017: Shri Arun Jaitley, Finance Minister today delivered the keynote address on the occasion of the NABARD led Self Help Group (SHG) Bank Linkage Program reaching the milestone timeline of 25 years. The program launched as a pilot by NABARD in 1992 (with a target of linking 500 SHGs in a year’s time) has transformed into the world’s largest micro-finance program, touching a phenomenal over 41 crore rural poor through 86 lakh SHG’s. NABARD dedicated its 36th Foundation Day to this milestone by holding a seminar which was inaugurated by the Finance Minister at Vigyan Bhawan on 11th July 2017.

The SHG Bank Linkage program is the largest such program for women development with a staggering 85% of the groups belonging to women. Around 8.5 crore rural women have been able to chart their own destinies under this initiative. The program has also been one of the largest ever financial inclusion drives and a major business opportunity for the Indian banking system with over Rs. 61,500 crore outstanding bank loans and another Rs. 16,000 crore in savings accounts as on 31st March 2017.

Interestingly, the SHG Bank Linkage Programme accounts for almost half of the Microfinance sector in India.
In its new avatar, the program is leveraging technology and more than 1.27 lakh SHGs are being brought onto the digital platform under NABARD’s E-SHAKTI project covering over 1.46 million household across 18,500 villages. Complete data of all the SHGs is being hosted on a dedicated website which will benefit banks in taking informed decisions on the credit needs of such SHGs. The Hon’ble FM lauded the efforts of NABARD in digitization of SHG accounts and announced the operationalization of digital coverage in another 75 districts taking the total districts to 100 under the ESHAKTI Project of NABARD.

Speaking further on the occasion, Shri Jaitley said, “……….\n……………………………………………………………………………………………
The event saw participation of eminent personalities like Dr. C Rangarajan, Former RBI Governor; Shri Aloysius Fernandez, Padmashree awardee and Member Secretary of MYRADA; Smt. Ela Bhatt, Founder of SEWA and Ramon Magsaysay award; Banks like SBI, Indian Bank, ICICI; SHG Members and NGOs who made significant contribution to the programme were felicitated by Honorable Minister.

( TO BE CROSS CHECKED ON 11-7-17)
Speaking on the occasion, Dr. Harsh Kumar Bhanwala, Chairman, NABARD said, “NABARD has played an active role in this program by taking up various roles of policy advocacy, capacity building of the channel partners and banks. It has also assisted in extending support for promotion of groups, nurturing Self Help Promotion Institutes and collaborating with NRLM. We are aware of the need for product innovations here and the need for leveraging digital technology to ensure that SHGs realize their full potential. ESHAKTI, our latest initiative, is a step in that direction. The pilot on digitization in 25 districts has resulted in re-instilling the bankers’ confidence in SHG Program.”

Smt. Anjuly Chib Duggal, Secretary, Department of Financial Services also spoke on the occasion and stressed upon the synergy between NABARD and Government’s own developmental initiatives.

A commemorative memoir book “25 years of SHG Movement” and a report on “Status of Micro Finance in India 2017” were also released at the occasion followed by thematic discussion on “SHG Bank Linkage Programme- Giant Leap in Women Empowerment & Financial Inclusion” where the leading Microfinance practitioners and bankers were the speakers.