



Sakh Se Vikas

SAKH-SE-VIKAS

Sakh-se-Vikas is a regional development initiative in the state of Rajasthan. Despite being the largest state in the country, Rajasthan lags behind other states on many development indicators. The difficult geographic and climatic conditions- 60 per cent area covered with desert on the western side, hilly terrain on the southern side and proneness to droughts coupled with the weak infrastructure facilities make development a slow process. This strengthens the case for promoting microfinance as a tool for interventions to promote livelihood development and poverty reduction.



The Sakh-se-Vikas initiative seeks to demonstrate poverty reduction through community-owned, financially viable microfinance programmes for underprivileged communities in Rajasthan. Seeded in 2003 with support from the Sir Ratan Tata Trust, the SSV initiative has been continuously evolving its strategies to achieve its two key objectives:

I) Impacting practice at community level:

- Reaching out to poor through provision of comprehensive mF services
- Reduction of vulnerability/ deepening through asset building and risk mitigation products
- Income generation through arresting leakages such as in health and interest burden
- Stabilising existing livelihoods and developing other collective livelihood interventions, including business development services
- Investing in community owned institutions to build leadership and bridge linkages with mainstream



II) Sector building:

- To develop resource agencies for the microfinance sector
- Invest in other significant players such as government and banks
- Building human resource and institutional capacities in the self-help sector
- Creating conducive policy environment that fosters growth of self-help based microfinance

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SSV: MILESTONES SO FAR

Outreach (through direct action)

- 6 districts- Dholpur, Tonk, Ajmer, Alwar, Banswara and Dungarpur.
- 50,000 poor households
- 3,600 SHGs
- 19 SHG federations



Key achievements & impact

- 14 federations progressing towards covering operational costs
- Livelihoods enhancement: Around 3,500 member households accessing livelihood support services for dairy and goat-rearing in 3 districts. The price realized by members for milk has increased by 30 per cent.
- Reduction in high-interest loans from money-lenders: There is 59 per cent reduction in loans being taken from money-lenders. Loans from SHGs comprise 60 per cent of total loans accessed by member households. An important impact is the savings on usurious interest rates charged by money-lenders.
- Social impact on women is reflected in an increased involvement in decision making in the family. A positive response was received from 45 per cent of the SHG members against 10 per cent of sample of non-SHG members. Increased utilisation of health services by members is also reported.



- Existing SSV regions
- Proposed SSV regions

Sector Building

- State level microfinance colloquium organized annually since last 4 years to highlight issues in growth of microfinance sector especially community based microfinance
- Setting up of Centre for micro Finance to catalyze the growth of microfinance in state
- Publication of Rajasthan Microfinance Sector Report 2007

The Memorandum of Understanding (MoU) between the Government of Rajasthan and Sir Ratan Tata Trust—a core promoter of SSV, for the implementation of Mitigation of Poverty in West Rajasthan (MPOWER)—acknowledges the work of SSV. The MoU mentions that “the GoR is interested to draw on the experience of Sakh Se Vikas initiative and is desirous of building synergies ... for enhancing capacities at different levels”.

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RESOURCE AGENCY

SSV has a rich experience of demonstrating quality microfinance and livelihood programmes. Current collaborations include partnerships with the Bank of Baroda for the Dungarpur Centenary Year Project of the Bank, with the Department of Women and Child Development (DWCD) for capacity building of their staff and improvement in quality of their groups in two blocks and with the District Poverty Initiatives Project as implementing partners in three districts.

SSV strategic partners are working towards a more intensive engagement as resource agency in the state. Key strategies to achieve this would be:

- Offer quality training programmes: orientation for bankers, perspective building on microfinance for NGOs, knowledge and skill building for human resources
- Handholding support to SHG federations and SHPIs for strengthening the mF programme
- Form partnerships with mainstream stakeholders to increase outreach and quality of mF programmes

NETWORKING AND POLICY ADVOCACY

SSV partners, led by CmF, have also been engaged in policy advocacy to highlight issues that constrain the growth and upscaling of community based microfinance in the state. Notable efforts of partners such as CmF in this regard include the publication and dissemination of the 'Rajasthan Microfinance Sector Report 2007' and highlighting the need for an SHG promotion fund at the state level. SSV partners are also represented on various state level policy and programmes planning forums, State Level Bankers' Committee, etc.



THE ROAD AHEAD: FUTURE CHALLENGES AND EMERGING DIRECTIONS



Institution building:

Strengthening of existing and new federation to enable them to develop as mature and independent entities is a key challenge in the future. Efforts in this direction have been initiated with vision building exercises, leadership development through intensive capacity

enhancement and streamlining of structure and systems at the institutional level. To make these institutions play a meaningful role in the development context of their villages and area, exploration with development schemes and programmes such as NREGS, SGSY, insurance and pension schemes.

Maintaining quality & deepening microfinance & livelihoods programme:

Quality processes and community based institutions are the core of SSV. In the coming years, SSV aims to work intensively on deepening the financial and livelihood services being rendered through the federations. Piloting and upscaling would be done for financial services such as- promotion of savings, social security and risk mitigation instruments. Agriculture and livestock are the key livelihood based livelihood promotion and providing business development services for these.

Expansion to unreached areas: SSV initiative plans to expand its outreach to 125,000 households in the next 3-5 years. Area saturation approach in existing regions and expansion in unreached areas especially in West Rajasthan would be the focus. Active engagement with Government of Rajasthan (GoR)'s MPOWER project is also planned.



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ABOUT THE SSV STRATEGIC PARTNERS

The SSV initiative currently has six strategic partners. Each of these are well-acknowledged development agencies at the regional and national levels. While all are independent entities with their own stated vision approaches, the key identifying features across all partners include:

- Embodiment of the principles of self-help in the organizational vision and its programmes
- Comprehensive demonstration of financially self-sustainable and community owned microfinance based institutions and livelihood models
- Adherence to 'SSV' quality standards in process and performance of microfinance programmes
- Active resource agency role at district/ regional level especially engaging with banks and government

Centre for micro Finance (CmF) based at Jaipur is the nodal agency for the SSV initiative. CmF's role is to initiate and steer the collective efforts of the partners to achieve the objectives of the initiative.

ABOUT THE SIR RATAN TATA TRUST

The Sir Ratan Tata Trust (www.srftt.org) is a grant making organization which supports development programmes in the areas of Rural Livelihoods & Communities, Education, Enhancing Civil Society & Governance, Health and Arts & Culture. Strategic grant making and sectoral engagement are the two major roles that characterise the work of the Trust. Across all portfolios, the Trust focuses on long term work on select regions and sub-themes with a view to improve the quality of life of the communities. The Trust, with other stakeholders in the state also helped to set up Centre for micro Finance (CmF) to engage with the microfinance sector and stakeholders through collaborations, networking, dialogue and advocacy.

The microfinance portfolio of the Trust supports work in around 10 states in the country, including support to district level initiatives in three districts of Rajasthan, Uttarakhand and Jharkhand. The key focus areas are to promote community based microfinance programmes through people's institutions, integrate microfinance with livelihoods, deepen insurance and social security and work with financial institutions.

ROLE OF THE SIR RATAN TATA TRUST IN SSV

While the Trust has been one of the key founders of the SSV, the strategic partners of the initiative provide direction to the initiative thereby shaping its vision, goals and strategies. The Trust is committed to support the growth of the SSV and partnering with the initiative to leverage the experience in the development of microfinance programmes in other regions of the Trust's work.

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SSV PARTNERS CURRENTLY ARE

CmF is a state level agency working to promote the growth of the microfinance sector in Rajasthan. It provides technical and financial support for innovative ideas in increasing out-reach of mF services; undertakes and disseminates relevant research to practitioners and to policy makers and promotes collaborations among various stakeholders. CmF is the nodal agency role for the SSV initiative.

IBTADA's work is focused on promotion of SHGs and girl child education in Alwar. It has a decade long experience in promoting women's institutions around savings and credit, and developing livelihood linkages for them. It is an acknowledged resource agency providing capacity building support to government departments, NGOs and other agencies.

Jan Shiksha Evam Vikas Sangathan (PEDO) has a long and rich experience in promotion of quality SHGs and their higher tier institutions focused on achieving self-sustainability. PEDO is also actively working as a resource agency in Dungarpur and southern region of the state for government, non-government agencies and banks. PEDO also hosts the Western Regional Chapter of Indian Network of Microfinance Federations of Self-Help Group (INFOS).

Kalanjam Foundation (a DHAN subsidiary) has been working for more than two decades to promote nested institution model of SHGs and federations in backward regions in rural, urban, tribal and coastal contexts. SHG Bank linkage and integrated developmental interventions like health, education, business, housing etc through community based organizations are demonstrated in this model. KF is working in Rajasthan in Banswara district.

PRADAN is one of the pioneers in the promotion of SHGs in India, having formed its first SHG in Alwar, Rajasthan in 1987. PRADAN is working in Dausa and Dholpur districts to promote dairy and goat-rearing based livelihoods for SHG members. It is also focusing on developing SHG members as community resource persons to take up transformational roles

SRIJAN works across different regions in the country to promote water based livelihoods for the rural poor through establishing market access, linkage with banks, and enhancing productivity. Srijan is working in Tonk to promote dairy based livelihoods for SHGs and providing marketing support through the women's federation.

ARAVALI works to build the overall institutional capacities of small NGOs in livelihoods, micro-finance, natural resource management. Through its 3 Regional Resource Centres and Human and Institutional Capacity Enhancement cell, ARAVALI is supporting its partner NGOs to integrate livelihoods with the microfinance activities.



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