



NABARD's Gender Policy & Programs For Women's Development

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Abstract

The microfinance institutions started with the intention of creating financial support to the rural population, which has been neglected by many financial institutions. Micro-finance institutions have proved that rural population is bankable. The initiatives of financial intermediaries can create a dent in the development of financial credit network amongst rural population. Nabard provides financial assistance to people in rural areas with the aim of helping them become financially empowered and self-reliant. Nabard has developed a special gender policy for women and has launched various programs for the development of women through Nabard. This paper provides information about different types of supporting programmes implemented by nabard for gender policy and women Empowerment.

Key words: NABARD, Gender Policy, Micro finance Institutions, Supporting Programmes, Women Empowerment

Introduction:-

The principle of gender equality is enshrined in the Indian Constitution in its Preamble, Fundamental Rights, Fundamental Duties and Directive Principles. The Constitution of India not only grants equality to women but also empowers the State to adopt measures for positive discrimination in favor of women for neutralizing the cumulative socio-economic, educational and political disadvantages faced by NABARD, a major financial institution has taken a frontline in supporting the programmes of MFIs'. From the analysis it is observed that financial support provided by NABARD has reaped fruits to the rural folks. This paper focuses on the NABARD initiatives to support the rural masses through self help groups (SHGs). This study exhibits that, though there is an increase in SHGs' year by year, it is interesting to note that there is reduction in the amount outstanding by the SHGs'. This shows beyond doubt that the rural folks are also equally positioned as far as banking operations are concerned.

Need for Gender Policy

1. Gender equality is central to the NABARD's mandate for supporting millions of small and marginal farmers, landless labourers and women engaged in agriculture and rural development. NABARD, the apex bank for Agriculture and Rural Development, recognizes that incorporating gender sensitivity into its business and development practices will help in increasing equity and social justice for women.
2. Although NABARD anchors several projects, directly targeting women being implemented across the country over the years there was no specific board approved policy of its own. In order to institutionalize the practices and gender focus across the organization, with commitment and accountability, a need for Gender Policy was felt.
3. Currently, NABARD is accredited as National Implementing Entity (NIE) of Adaptation Fund Board and Green Climate Fund (GCF) of UNFCCC and also to National Adaptation Fund for Climate Change (NAFCC). Development of a Gender Policy was one of the

conditions for accreditation of NABARD as NIE to GCF.

Mainstreaming Gender Sensitivity – Policy Prescription

1. NABARD endeavours to formulate a policy for promoting gender sensitivity in the organization as well as making majority of activities/schemes gender transformative giving due importance, weightage and right to women in business and developmental activities, asset creation, income generation and environment protection, making the activities sustainable.
2. The broad objective of NABARD's Gender Policy will be to promote equality and equity between women and men. To achieve this objective, the intention of the Gender Policy will be to operationalise by mainstreaming of gender in functions of NABARD gradually to achieve women empowerment (financial, legal, social and political) in all our developmental activities through long-term commitment and engagement, including awareness creation, raising adequate resources, leadership and capacity development of partners.

Apart from these, there are other avenues for the provision of credit comprising funds and schemes. Some of them are given below:

1. Self Help Group – Bank Linkage Programme (SHG-BLP)

Based on the observations of various research studies and an action research project carried out by NABARD, the model of 'SHG-BLP' has evolved as a cost-effective mechanism for providing financial services to the unreached and underserved poor households. What started as a pilot to link around 500 SHGs of poor to the formal financial institutions during the year 1992-93 has now become the largest microfinance programme in the world, in terms of the client base and outreach. The SHGs which follow 'Panchsutras' viz. conduct of regular group meetings, regular savings within the group, internal lending based on the demand of members, timely repayment of loan and maintenance of proper books of accounts are considered to be of good quality and over

years have proved themselves to be good customers of Banks.

The NGO sector has played a prominent role of working as a Self Help Group Promoting Institution (SHPI) by organizing, nurturing and enabling credit linkage of SHGs with banks. NABARD later coopted many others as SHPIs including the rural financial institutions (RRBs, DCCBs, PACS), Farmers' Clubs (FCs), SHG Federations, Individual Rural Volunteers (IRVs) etc. These stakeholders were encouraged to take up promotion of SHGs by way of promotional grant assistance from NABARD. This savings led microfinance model has now become the largest coordinated financial inclusion programme in the world covering almost 100 million households in the country. With more than 84% of the groups being exclusively women groups, the programme has provided the much needed push to empowerment of women in the country.

Other than championing the movement and providing promotional support, NABARD has enabled an entire ecosystem of support through policy advocacy at Bank and Government level, organising and sponsoring a large number of training & capacity building programmes, seminars & workshops for the benefit of all the stakeholders viz. the bankers, the Government agencies, the NGO partners and more importantly the SHG members themselves. Banks are also provided 100% refinance support by NABARD for financing of SHGs.

Product level changes like allowing voluntary savings in the group, sanction of cash credit/ overdraft system of lending to SHGs, allowing formation of JLGs within SHGs, improving risk mitigation systems, building second tier institutions of SHGs, etc. were brought subsequently to address operational issues emerging from time to time. Further, to enable SHG Members to take up livelihood activities, NABARD has been supporting Micro Enterprise Development Programmes (MEDPs) and Livelihood and Enterprise Development 2. **Programmes (LEDPs) for SHGs.**

NABARD is implementing and supporting implementation of various Schemes announced by Govt. of India viz. Promotion of Women SHGs (WSHGs) in backward and Left Wing Extremism affected

districts of Ministry of Finance, National Rural Livelihoods Mission (NRLM) of Ministry of Rural Development.

3. Financing of Joint Liability Groups (JLGs)

Financing of JLGs was introduced as a pilot project in 2004-05 by NABARD in 8 States with the support of 13 RRBs. The scheme was later mainstreamed for the banking system in the year 2006. JLGs are informal groups of 4-10 members who are engaged in similar economic activities and who are willing to jointly undertake to repay the loans taken by the Group from the Banks. JLGs basically are Credit groups of small/marginal/tenant farmers/ asset less poor who do not have proper title of their farmland. Regular savings by the JLG members is purely voluntary and their credit needs are met through loans from financial institutions and such loans could be individual loans or group loans against mutual guarantee.

Apart from extending refinance support of 100% to the financing Banks, NABARD also extends financial support for awareness creation and capacity building of all stakeholders under the Scheme. NABARD also extends grant support for formation and nurturing of JLGs to Banks and other JLG Promoting Institutions (JLGPIs).

4. NABARD Financial Services Ltd. (NABFINS)

NABARD, while promoting NABFINS has envisaged that NABFINS shall evolve into a Model Microfinance Institution to set standards of governance among the MFIs, operate with exemplary levels of transparency and operate at reasonable/moderate rates of interest. It is a NBFC – MFI which commenced its operations in November 2009

NABARD is the major shareholder of this MFI others being Government of Karnataka, Canara Bank, Union Bank of India, Bank of Baroda, Federal Bank and Dhanalakshmi Bank. NABFINS extends loans to SHGs through its own trained Business & Development Correspondents (BDCs). NABFINS also extends loans to other second level organizations like Federations as well. NABARD is continuing its refinance assistance to NABFINS. Further details

regarding NABFINS can be seen from www.nabfins.org.

Support for training and capacity building of clients

Giving due recognition to training and capacity building of various stakeholders such as bankers, NGOs, Government officials, SHG members and trainers, NABARD has trained around 39.40 lakh participants as on 31 March 2018, in the process giving shape to a strong back up team for implementation of the programme.

2. Micro Enterprise Development Programme (MEDPs)

NABARD since 2006 has been supporting need-based skill development programmes (MEDPs) for matured SHGs which already have access to finance from Banks. MEDPs are on-location skill development training programmes which attempt to bridge the skill deficits or facilitates optimization of production activities already pursued by the SHG members. Grant is provided to eligible training institutions and SHPIs to provide skill development training in farm/off-farm/service sector activities leading to establishment of micro enterprises either on individual basis or on group basis. Over the years around 4.68 Lakh SHG members have been covered through 16,406 MEDPs.

3. Livelihood and Enterprise Development Programmes (LEDPs)

As skill upgradation trainings alone have limited impact on livelihood creation among the SHG members, it was thought prudent to create sustainable livelihoods among SHG members and to attain optimum benefit out of skill up gradation and a new scheme titled Livelihood and Enterprise Development Programme (LEDP) was launched in December 2015. It envisages conduct of livelihood promotion programmes in clusters. There is provision for intensive training for skill building, refresher training, backward-forward linkages and handholding & escort supports. It also encompasses the complete value chain and offers end-to-end solution to the SHG members. It is to be implemented on a project basis covering 15 to 30 SHGs in a cluster of contiguous villages where from SHG members may be selected.

The skill up gradation training is provided in batches of 25-30 members and covers agri

& allied activities as well as rural off-farm sector activities. LEDP will not only facilitate promotion of sustainable livelihoods but also derive full advantage from promotional assistance. NABARD will provide grant support for skill up gradation programmes, establishment of demonstration unit and need based critical infrastructure. LEDP has been mainstreamed in May 2017. Cumulatively 15,382 SHG members has been supported through 324 LEDPs up to 31st March 2018.

Scheme for promotion of Women SHGs (WSHGs) in backward & LWE districts of India

Subsequent to announcement made by Hon. Finance Minister in the Union Budget 2011-12, a scheme for promotion and financing of Women Self Help Groups (WSHGs) in association with Govt. of India is being implemented across 150 backward and Left Wing Extremism (LWE) affected districts of the country since March-April 2012. The scheme aims at saturating the districts with viable and self-sustainable WSHGs by involving anchor agencies who shall promote & facilitate credit linkage of these groups with Banks, provide continuous handholding support, enable their journey to livelihoods and also take the responsibility for loan repayments. Under the Scheme, in addition to working as an SHPI, the anchor agencies are also expected to serve as a banking / business facilitator for the nodal implementing banks.

To facilitate implementation of the Scheme, an exclusive fund viz. 'Women SHG Development Fund' was set up by Dept. of Financial Services, Ministry of Finance, Govt. of India in NABARD with a stated corpus of Rs. 500 Crore Grant support @ Rs 10,000/- per SHG to the Anchor agencies and also the cost of publicity, training & other capacity building initiatives is met out of this fund. Collaboration with NRLM. NABARD continues close coordination with all stakeholders in SHG BLP sector. Collaboration with NRLM is being regularly maintained and enhanced for the support of SHG BLP. Coordinated efforts like conduct of National level seminars and workshops, mutual dialogues and capacity building of stakeholders on SHG BLP have now become very regular. Coordinated efforts in following

areas have particularly proved immensely fruitful.

4. Training of Trainers (TOT) programme

NABARD and NRLM are collaborating on capacity building needs of bankers and grass root level functionaries to strengthen the Self Help Group bank Linkage Programme through a number of initiatives. With the goal of training all rural bank managers, a series of Training of Trainers (TOT) programmes for Bankers, SRLM staff, DDMs & Officers drawn from 17 states have been held at BIRD, Lucknow. These trainers have further conducted training programmes of bankers in their respective states during the year. Moreover, as a part of the collaboration, state specific trainings of trainers of SHGs on financial inclusion were conducted by BIRD for 9 priority states. These trainers are providing financial literacy training to SHG members and leaders in these states. The financial literacy material developed under NABARD RFIP were used for these trainings. BIRD also conducted two training programmes on Bank Sakhi model for NRLM and SRLM participants during the year.

5. Conduct of Village Level Programmes (VLPs)

With a view to foster better understanding of mutual requirements between banks, SHGs & SHPIs and to sort out issues like credit linkage & repayment etc. at ground level, Village Level Programmes (VLPs) are being conducted with the support of banks and NRLM. These VLPs sponsored by NABARD are also helping in opening of SHG accounts, their credit linkage and regular loan repayments.

Conclusion :

In rural areas, NABARD has created Gender Policy with a view to ensure equal status for women as well as men, and a variety of programs are being implemented. As a result, women in rural areas have become capable and self-reliant. His contribution to the development of rural areas is invaluable. And all this is happening through NABARD. The role of NABARD is crucial for all this.

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