



## **URBAN WOMEN SELF-HELP PROGRAMME SCHEME**

This scheme has been launched under Swarn Jayanti Shahari Rozgar Yojana (SJSRY). The objective of this scheme to address Urban Poverty alleviation through gainful employment to the urban unemployed or underemployed poor women by encouraging them to set up self employment ventures and supporting skill development and training programmes to enable them to have access to employment opportunities. The delivery of inputs under the scheme shall be through urban local bodies.

### **1. This Component will be having two sub-components:**

- (i). Assistance to groups of urban poor women for setting up gainful self-employment ventures  
- UWSP (Loan & Subsidy)
- (ii). Revolving Funds for Self-Help Groups (SHGs) / Thrift & Credit Societies (T&CSs) formed  
by the urban poor women – UWSP (Revolving Fund).

### **2. Urban Women Self-Help Programme (Loan & Subsidy)**

2.1. This scheme is distinguished by the special incentive extended to urban poor women who decide to set up self-employment ventures in a group as opposed to individual effort. Groups of urban poor women may take up an economic activity suited to their skill, training, aptitude, and local conditions. Besides generation of income, this group strategy will strive to empower the urban poor women by making them independent as also providing a facilitating atmosphere for self employment. Under UWSP, an activity-focused area-specific approach will be adopted for setting up micro/group enterprises with emphasis on micro-finance.

2.2. To be eligible for subsidy under this scheme, the UWSP group should consist of at least 5 urban poor women. Before starting an income-generating activity the group members must get to know each other well, understand the group strategy, and also recognize the strength and the potential of each member of the group. The group will select an organizer from amongst the members. The group will also select its own activity. Care should be exercised in the selection of activity because the future of the group will rest on the appropriateness of the selection. As far as possible, activities should be selected out of an identified shelf of projects for the area concerned maintained by the town Urban Poverty Alleviation Cell. In addition, every effort will be made to encourage the group to set itself up as a Self-Help Group or Thrift & Credit Society, mobilizing savings and credit.



2.3. For setting up group enterprises, the UWSP group shall be entitled to a subsidy of Rs. 300,000/- or 35% of the cost of project or Rs. 60,000/- per Member of the Group, whichever is less. The remaining amount will be mobilized as Bank Loan and Margin Money.

### **3. Urban Women Self-Help Programme (Revolving Fund)**

3.1. Where the UWSP group sets itself up as a Self-Help Group (SHG) / Thrift & Credit Society (T&CS), mobilizing savings and credit in addition to its other entrepreneurial activities, the SHG/T&CS shall also be entitled to a lump sum grant of Rs. 25,000/- as Revolving Fund at the rate of Rs.2000/- maximum per member. This Revolving Fund shall be available to a simple Self-Help Group / Thrift & Credit Society also, even if the society is not engaged in any project activity or enterprise under UWSP. This fund is meant for the use of the SHG/T&CS for purposes such as:

- i. Purchases of raw materials and marketing;
- ii. Infrastructure support for income generation and other group activities;
- iii. One-time expense on child care activity. Recurring expenses like salary for staff etc. will not be permissible;
- iv. Expenses not exceeding Rs.500/- to meet travel costs of group members for visit to banks, town UPA Cell etc;
- v. Where an individual member of a Thrift & Credit Society / Self-Help Group saves at least Rs.500/- in a fixed deposit for 12 months with the society, she will be entitled to a subsidy of Rs.30 to be paid on her behalf towards a health/life/accident/any other insurance scheme for herself. Moreover, in cases where the member saves at least Rs.750 in a fixed deposit in 12 months, she will be entitled to a subsidy of Rs.60, at the rate of Rs.30 for the member herself and either Rs.30 for her husband towards health/life/accident/any other insurance or Rs.30 for any minor girl child in her family for health/accident insurance. This expense may also be debited to the revolving fund; and
- vi. Any other expense allowed by the State/ULB as being necessary in the society or group's interest based on guidelines.

3.2. A Self-Help Group / Thrift and Credit Society under UWSP shall be entitled for payment of revolving fund not earlier than one year after its formation. In other words, only such a body, in existence and functioning for at least one year, shall be eligible for payment of the revolving fund. The decision whether a group has been in existence and functioning for more than one year shall be taken on the basis of examination of the records of the group as regards the number of meetings held, the collections made from members towards group savings, the regularity of collection, the role of the group in capacity building or training of its members etc. The registration of the groups will be encouraged. However, it may not be insisted upon as a precondition for receipt of revolving fund if their performance is otherwise considered satisfactory by the Urban Poverty Alleviation (UPA) Cell of the Urban Local Body (ULB). Federations of SHGs /T&CS at the cluster/ward/city level will need to be registered for channelisation of



Revolving Fund, bank credit etc. States/UTs will issue guidelines prescribing eligibility criteria for receipt of revolving fund benefits by groups.

3.3. Self-Help Group / Thrift & Credit Society - Bank linkage will be accorded priority under SJSRY. SHG / T&CS will be encouraged to avail bank credit, on the basis of their performance, for their requirements. Flexibility is provided to States/UTs for the involvement of financial institutions / cooperatives/ cooperative banks / NGOs active in the micro-credit field and other micro-finance institutions like Rashtriya Mahila Kosh (RMK), SEWA, NABARD, SIDBI, ICICI Bank etc., wherever desirable, for providing micro-finance to the Self-Help Groups of women. Suitable guidelines in this regard may be issued by the Ministry of Housing & Urban Poverty Alleviation from time to time.