



## Empowering SHGs for Green Action

### Driving Inclusive Climate Action through Community Institutions

Climate change is no longer a distant concern but a lived reality shaping rural livelihoods and development pathways in India. In the emerging discourse on women-led development as a core pillar of the 'Viksit Bharat' agenda, reconsidering the role and potential of Self-Help Groups (SHGs) becomes a crucial strategy. SHGs can contribute not only to addressing challenges related to climate change and biodiversity loss but also to advancing inclusive and sustainable rural development. With strong community linkages and social capital, they are uniquely positioned to promote green livelihoods and local climate action. This article explores strategies to strengthen SHGs as effective drivers of climate-resilient development.

#### Partha Pratim Sahu

**I**mproving and sustaining livelihoods through group-based interventions has emerged as a significant development approach to address various rural challenges. Self-Help Groups (SHGs) have evolved into effective platforms for collective action,

based on the premise that mobilising marginalised and economically weaker sections particularly women and organising them into groups enhances their capacity to participate meaningfully in the development process. This, in turn, improves targeting and strengthens rural development outcomes.

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**From Financial Access to Women-led Entrepreneurship**

With 68% of loans under Pradhan Mantri MUDRA Yojana going to women and 1.51+ crore Lakhpati Didis under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission, women are moving steadily from education to entrepreneurship.



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Over time, SHGs have expanded beyond savings and microfinance activities to include micro-enterprise development, skill building, and livelihood generation. They also play an important role in facilitating access to public services such as health, education, and nutrition.

In the context of emerging priorities such as climate change, the circular economy, waste to wealth initiatives, and strengthening local economies through the 'Vocal for Local' movement, re-examining the role and potential of SHGs becomes essential. Leveraging SHGs in these areas can serve as a strategic pathway towards achieving inclusive and sustainable rural development.

**Key Issues and Concerns**

Rural India is increasingly affected by climate change, facing challenges such as shifting rainfall patterns, rising temperatures, and extreme weather events including floods, droughts, and cyclones. Addressing the impacts of climate change has become one of the most critical challenges of this century, not only for governments, but also for communities and businesses. These impacts threaten the foundations of India's natural environment and have far-reaching consequences for its social and economic systems. Therefore, it is essential to prepare for both the current and anticipated impacts of climate change in the coming years. The key challenge lies in developing

a climate-resilient development framework that is socially inclusive and gender-responsive, while ensuring environmentally and economically sustainable livelihoods.

In recent years, under the National Rural Livelihood Mission (NRLM), several interventions have been implemented to enhance livelihoods and incomes. These include value chain development for high-value farm and non-farm commodities, as well as enterprise promotion initiatives. Programmes such as *Lakhpati Didi*, the *Start-up Village Entrepreneurship Programme* (SVEP), and the *Aajeevika Grameen Express Yojana* (AGEY) focus on developing Community Resource Persons – Enterprise Promotion (CRP-EP) as local mentors to support rural women in starting or expanding small businesses. The Government of India has also made efforts to build a supportive ecosystem for women entrepreneurs.

Despite these initiatives, only a limited number of SHGs have been able to transform into productive and sustainable business entities. A large proportion of SHGs continue to operate at a subsistence level and have not been able to scale up their economic activities. Furthermore, SHG-based enterprises remain highly vulnerable to climate change due to limited awareness, inadequate skills related to resource efficiency, and weak infrastructure.

Climate change impacts can affect multiple dimensions of these enterprises, including physical infrastructure, production processes, supply and value chains, workforce stability, and access to markets and finance. Many SHG enterprises lack the capacity to assess, monitor, and adapt to climate-related risks. The effects of climate variability are already visible, for example, in frequent energy (electricity) and water shortages during summer months.

At the same time, climate change also presents new opportunities for innovation and enterprise development. These include the creation of climate-resilient products and services that cater to emerging needs of communities and markets. Leveraging such opportunities can help SHGs transition towards more sustainable and resilient business models.

**Opportunities and Challenges**

Over the past decade, the National Rural Livelihoods Mission (NRLM) has contributed to a significant

## Waste to Wealth

There are numerous inspiring examples of women-led sustainability initiatives across India that need to be documented and disseminated for wider replication and scaling. This case highlights the inspiring journey of Ms Kamala Moharana, a 64-year-old woman from a village in Kendrapara district, Odisha. She leads the Ma Thanapati Self-Help Group, established in 2016, comprising around 30 women members.

The group is engaged in converting plastic waste such as milk pouches, polythene bags, and food wrappers into value-added products including baskets, pen stands, mobile stands, flower pots,

hand fans, and decorative items. By collecting and recycling waste materials on a daily basis, the group contributes significantly to reducing environmental pollution.

The initiative gained national recognition when it was mentioned by the Prime Minister in 'Mann Ki Baat', following which it received appreciation from various leaders and officials. Today, the activity serves as a sustainable source of income for the women while also promoting cleanliness and environmental awareness in the community. Under her leadership, many rural women are successfully transforming waste into wealth.

transformation in women's social and economic opportunities in rural India through their participation in Self-Help Groups (SHGs). Collectivisation through SHGs has enhanced women's aspirations, mobility, and agency within households as well as in the wider community. Currently, there are over **13.4 million SHGs**, with nearly **100 million active members** across India, most of them are women from poor and marginalised communities.

These grassroot institutions, characterised by strong community linkages, trust, financial inclusion, and established organisational structures, are well positioned to promote climate awareness, sustainable practices, and green solutions at the local level. Strengthening SHGs through capacity building, mentoring, handholding support, and integration with a robust institutional ecosystem can significantly enhance community resilience while contributing to India's climate commitments.

There are several strategic areas where SHGs can effectively contribute to climate adaptation and mitigation through localised solutions tailored to community needs. Sustainable agriculture such as organic and natural farming, use of bio-fertilisers, composting, and reduction of chemical inputs is being actively promoted under NRLM across states. SHGs are also playing an important role in promoting climate-resilient agricultural practices, including Integrated Farming Systems (IFS), kitchen gardens, use of climate-resilient seeds, and adoption of soil health cards.

In the domain of water conservation and watershed management, SHGs contribute not only by mobilising communities but also by participating in the planning and implementation of activities such as construction of check dams, rainwater harvesting structures, and soil conservation measures. The role of SHGs, along with local institutions such as Panchayati Raj Institutions (PRIs), has been clearly recognised in the PMKSY (WDC) 2.0 guidelines.

SHGs have also demonstrated strong potential in waste management and the circular economy. In several states, they are actively engaged in solid and liquid waste management. Their role extends beyond collection, segregation, and recycling to include value addition through converting waste into useful products such as bags, mats, and handicrafts made from materials like water hyacinth.

Furthermore, SHGs are increasingly exploring renewable energy solutions, particularly solar energy. In some cases, they function as energy entrepreneurs by producing, distributing, or maintaining solar lanterns and lighting systems. In forest and tribal-dominated regions, SHGs play a critical role in the sustainable management of common resources, responsible utilisation of non-timber forest products (NTFPs), forest restoration, and preservation of indigenous knowledge systems. Across these domains, SHGs contribute not only to livelihood generation but also to environmental sustainability and climate adaptation and mitigation efforts (Box 1).

**Box 1: SHGs based Case Studies / Best Practices across Indian States**

Interventions	State	Key features
Kudumbashree Model	Kerala	- Women-led waste management enterprises - Organic farming
Zero Budget Natural Farming (ZBNF)	Andhra Pradesh & Telangana	- SHG-driven natural farming
“Palash” Branding Initiative	Jharkhand	- SHGs products honey, pulses, handicrafts marketed under a common brand and promoting sustainable green livelihoods
MAVIM Model	Maharashtra	- Sustainable agriculture and nutrition gardens - SHGs linked with value chains and cooperatives
Waste to Wealth SHGs	Odisha	- SHG women create products from textile waste and plastic waste
NTFPs / Forest-Based Livelihoods	North eastern states	- Bamboo crafts - Products from water hyacinths - conservation + livelihood integration

Despite these opportunities, several challenges and barriers have limited the replication and scaling up of such initiatives. Many rural communities lack access to reliable climate information, technical knowledge, and training required to adopt appropriate solutions. Sensitising communities about climate change should, therefore, be the first step in enabling local action. This can be achieved through the following measures:

- Conducting special Gram Sabhas** (community meetings), facilitated by NGOs, government agencies, and Farmer Producer Organisations (FPOs), to provide climate education using localised data, vulnerability assessments, and future projections;
- Building the capacity of SHG members** to integrate climate concerns into the preparation of Village Prosperity and Resilience Plans (VPRPs), and ensuring their effective integration into Gram Panchayat Development Plans (GPDPs);
- Providing regular capacity-building support to SHGs on practical climate actions such as climate-resilient agriculture, water conservation, and clean energy adoption.

Climate-resilient livelihoods can be further promoted through the adoption of practices such as resilient agriculture, integrated pest management, mixed cropping, and agroforestry. SHGs can also play a key role in enabling decentralised clean energy access in rural areas by facilitating the distribution of renewable energy products, installation of community-

level microgrids and biogas plants, and promoting the adoption of electric mobility solutions. These initiatives can be strengthened by improving SHGs access to climate finance, along with building their capacities in proposal development, financial management, and impact monitoring.

#### Way Forward

While Self-Help Groups (SHGs) demonstrate immense potential to drive grassroots climate adaptation and mitigation, this potential remains largely untapped. The role and potential of SHGs have been recognised in various micro-planning tools, including the Gram Panchayat Development Plan (GPDP), Village Disaster Management Plan (VDMP), and centrally sponsored schemes such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) (now Viksit Bharat—Guarantee for Rozgar and Aajeevika Mission (Gramin)) and Pradhan Mantri Krishi Sinchayee Yojana, Watershed Development Component 2.0 (PMKSY–WDC 2.0). However, training and capacity-building efforts particularly on climate change-related issues remain inadequate.

India has a large cadre of Community Resource Persons (CRPs), including *Kisan Sakhi/Krishi Sakhi*, *Pashu Sakhi* (Livestock CRP), *Doctor Didi*, NTFP CRP, *Matsya Sakhi* (Fisheries CRP), *Udyog Sakhi* (Value Chain CRP), CRP–Enterprise Promotion (CRP-EP), *Bank Mitras*, e-CRPs, *Setu Didi*, *Tablet Didi*, and *Patrakar Didi*,



among others, who play a critical role in implementing rural development programmes. There is a need to strengthen their capacities through regular and structured training programmes, with a specific focus on climate change awareness and skills required to promote climate-resilient livelihoods.


The Gram Panchayat Development Plan (GPDP) can play a pivotal role in integrating climate concerns at the grassroots level. Special Gram Sabhas should be organised not only to sensitise communities about climate change but also to identify and prioritise local challenges. Panchayat secretariats can

function as ‘hyper-local platforms’ or nodal points for addressing climate-related issues by coordinating with stakeholders such as government departments, NGOs, CSR partners, and community institutions. This can help in creating an enabling ecosystem for SHGs to expand and scale up climate-resilient livelihood opportunities.

Panchayats should also actively facilitate awareness among SHGs regarding various schemes and programmes related to enterprise development, particularly those for which they are eligible. Additionally, best practices and successful initiatives across states should be systematically documented


and widely disseminated to support replication and scaling up.

The existing SHG network has significant potential to catalyse grassroots climate action and promote localised solutions, particularly for vulnerable communities. This requires targeted capacity-building programmes, improved access to financial resources, stronger institutional partnerships, and the promotion of decentralised leadership. Strengthening these dimensions will be crucial in unlocking the full potential of SHGs in advancing climate-resilient and sustainable rural development. □



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