A Proportionate Regulatory Framework for Savings Groups

Balancing Informality with the Benefits of Formality

Stefan Staschen

November 2025

Table of Contents

Table of Contents **2**

Boxes **3**

Tables **3**

Executive Summary **4**

List of Acronyms **6**

1. Introduction **7**

2. What Do We Mean by Savings Group, What by Regulation? **9**

Savings groups 9

Regulatory approaches 10

3. Why Regulate Savings Groups? **12**

Use regulation as promotion 12

Minimize loss of savings 12

Improve quality of SGs 13

Facilitate linkages between formal FSPs and SGs 13

Identify SGs eligible for government and/or donor funding 14

Lower money laundering and terrorist financing risks 14

Create more visibility of SG operations 15

4. Balancing Costs and Benefits **17**

5. Key Issues in Regulating Savings Groups **19**

Mandatory or voluntary regulation 19

Supervisory capacity 22

Registration 23

The role of data 25

Legal form of SGs 28

Legal status of federations 30

Safeguarding excess funds 31

6. A Simple Roadmap for a Light Touch Regulatory Framework **32**

Diagnostic of status quo 32

Stakeholder analysis 33

Designing a proportionate regulatory framework 35

Acknowledgements **39**

References **40**

Boxes

Box 1: The experience of the Hustler Fund in Kenya 14

Box 2: Examples of mandatory regulation of savings groups 20

Box 3: India's Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) 21

Box 4: The role of federations in regulating and supervising cooperative financial institutions 23

Box 5: Examples of role of local government in registration........ 24

Box 6: The role of mobile financial services as an "on-ramp" to formal financial services 27

Box 7: Regulating Bank Linkages in India 28

Tables

Table 1: Prevalence of Savings Groups and Regulatory Status........ 8

Table 2: Regulatory approaches 11

Table 3: Reasons for regulating savings groups 15

Table 4: Regulatory and market diagnostic of savings groups 33

Table 5: Stakeholder analysis........ 34

Executive Summary

This paper examines the global experience of regulating Savings Groups (SGs). SGs are informal, self-governed financial collectives vital for women's economic empowerment and financial inclusion, especially in remote areas. SGs are typically informal in the sense that they operate outside the regulated financial sector. This informality fosters flexibility and allows for a low-cost delivery model. However, it also limits SGs access to broader financial services through linkages with the formal financial sector.

SGs are numerous in many countries of the Global South and play an essential role in serving low-income women, many of whom lack access to any other financial service provider. As part of this research, the author visited Kenya, Tanzania, and Uganda in East Africa, as well as India. In each of the East African markets, it is estimated that the number of SGs is in the hundreds of thousands, while in India, the estimated total is 14.3 million groups reaching 178 million households. Globally it is estimated that SGs have 500 million members with 80 percent of them being women. Research provides rigorous evidence of the impact of savings groups on women's financial inclusion and economic activity (IPA 2025).

Policymakers in various countries are increasingly considering regulating or, at least, registering SGs, often without clearly stating the objectives they want to achieve with this. This report looks systematically at the range of motivations for regulating SGs such as enhancing trust and reputation, safeguarding members' savings, improving governance standards, facilitating linkages with Financial Service Providers (FSPs), enabling data collection for financial inclusion monitoring, and mitigating risks like fraud or money laundering. It considers the validity of these motivations within the specific country context. It follows the assumption that the benefits of regulating SGs in terms of achieving public interest objectives must be balanced against their costs—both institutional and compliance-related—and the risk of undermining the social fabric that makes SGs an effective vehicle for providing basic financial services and pursuing broader goals of women economic empowerment. The overall goal is to create a proportionate regulatory framework that considers the specific risk profile of SGs.

The report discusses key regulatory issues that need to be addressed when regulating SGs and summarizes early insights from several country cases:

- Mandatory vs. voluntary registration, with voluntary systems and clear incentives proving more effective.
- Supervisory capacity, advocating for risk-based, proportional approaches and leveraging technology for monitoring.
- Registration and data collection, emphasizing digitization and efficient systems.
- Legal form, noting that formal legal status can facilitate FSP linkages but may introduce new compliance burdens.

- Legal status of federations, with experience varying a lot depending on the legal structure of the country.
- Safeguarding excess funds, highlighting the need for safe storage through formal financial institutions.

The paper proposes a roadmap for a light-touch regulatory framework:

1. Conduct a comprehensive diagnostic of the SG sector and legal environment.
2. Analyze stakeholders and their interests.
3. Design a proportionate, incentive-based framework that supports SGs' evolution and avoids unnecessary regulatory barriers.

The report concludes with guiding principles for designing an appropriate and enabling regulatory framework and outlines three scenarios to guide the choice of regulatory approach depending on the stage of market development.

Guiding principles include:

- **Align regulation with supervisory capacity** and apply proportionality.
- **Harness digitization** through centralized databases and offsite monitoring.
- **Incentivize rather than mandate registration** with access to programs, subsidies, and linkages.
- **Preserve informality's strengths** by avoiding overly prescriptive rules.
- **Remove regulatory barriers** such as restrictive lending and KYC requirements.
- **Delegate or federate supervision** where appropriate.
- **Measure impact and adapt** regulation over time.
- **Evolve with market maturity** from voluntary registration (Scenario 1) to minimum standards for operations and governance (Scenario 2) to digital integration of individual members and credit reporting (Scenario 3).

List of Acronyms

AVEC	Association de Valorisation de l'Entraide Communautaire
BoT	Bank of Tanzania
CFI	Cooperative financial institution
CG	Community group
CIF	Community Investment Support Fund
CLF	Cluster level federation
CMG	Community microfinance group
DAY-NRLM	*Deendayal Antyodaya Yojana* - National Rural Livelihoods Mission
FSP	Financial Service Providers
KYC	Know Your Customer
MIS	Management Information System
MFI	Microfinance Institution
MFS	Mobile Financial Services
MRD	Microfinance Regulatory Department
NASASA	National Stokvel Association of South Africa
NRLM	National Rural Livelihoods Mission
PO-RALG	President's Office Regional Administration and Local Government
RBI	Reserve Bank of India
RF	Revolving Fund
RPGEM	Network of Savings Group Promoters in Madagascar
SG	Savings group
SHG	Self-help group
SRLM	State Rural Livelihoods Mission
UMRA	Uganda Microfinance Regulatory Authority
VO	Village organization
VSLA	Village Savings and Loan Association

1. Introduction

Savings groups (SGs) play an essential role in women's economic empowerment in general and in financial inclusion in particular. They are considered important grassroots organizations that can operate in some of the most challenging and remote environments. They thrive on self-governance without the strings attached to formal financial sector providers (FSPs). At the same time, they are limited in terms of the range and scope of financial services they can offer unless they are linked with banks and other formal financial service providers (FSPs). This creates an inherent tension between the informality of SGs and the goal of fostering stronger connections with the formal financial sector. Data about the sector and its contribution to financial inclusion is patchy. Table 1 provides estimates for a few countries covered in this report.

This report explores regulatory approaches to providing SGs with a more formal structure that minimizes compliance costs while preserving their core strengths of informality. Additionally, the report examines cost-effective strategies to enhance the quality of SGs via formal oversight.

The Gates Foundation's Women Economic Empowerment team has commissioned this study with the overall goal of better understanding the role of regulation in using SGs as a vehicle to onboard women into more inclusive credit systems and providing them with financial products more suitable to their needs. It wants to learn from global experience with integrating SGs into formal financial systems. This report provides a simple roadmap for designing a regulatory framework for SGs drawing on a review of successful elements of such approaches. It draws on extensive desk research and on country visits by the author to Kenya, Uganda and Tanzania in February/March 2025 and to India in May 2025.

Chapter 2 introduces the concept of SGs as a global phenomenon and their defining elements. It also discusses the term regulation and how it is used in the context of SGs. Chapter 3 looks at various motivations to regulate SGs. Chapter 4 discusses the critical need to balance the costs and benefits of regulation and its implications for SGs. Chapter 5 covers key issues in regulating SGs and explores how these have been addressed in various markets, while Chapter 6 concludes with a simple roadmap for designing a proportionate regulatory framework for SGs.

Table 1: Prevalence of Savings Groups and Regulatory Status

	Number of SGs	Number of registered groups	Importance for financial inclusion
India	Total number of SHGs is estimated to be 14.3 million reaching 178 million households (Access 2024)	Estimate of 8.3 million SHGs being part of NRLM (Access 2024), while the NRLM Dashboard estimates that 9.2 million SHGs have been promoted[1]	Linkages with banks: 14.42 million SHGs are savings linked and 7.74 million credit linked (Access 2024)
Kenya	Numbers vary widely with between 300,000 (2012) and 1 million (2018) chamas estimated to exist in Kenya[2]	50,000 chamas have been registered with the Micro and Small Enterprise Authority to benefit from the Hustler Fund.[3] No data about registration with the Department of Social Development	28% of population use Chama; 20% use Chama for savings; 5.2% were only informally included; 15pp more women than men use informal groups[4]
Tanzania	An estimated 150,000 SGs must register as CMG (Bank of Tanzania); Vodacom has registered about 500,000 SGs on M-Koba (Interview); CARE has formed 35,000 VSLAs	More than 50,000 CMGs have been registered as of March 2025 (Bank of Tanzania)	In 2023, 12% of population use CMGs, 18% borrow from SGs, and 17% save with SGs[5]
Uganda	One estimate is that there are 300,000 VSLAs in Uganda (Ensibuuko)	According to FinScope 2023, 37 percent of SGs are registered. No aggregate number is available, as groups register on the district level	30% of adults belong to a VSLA. VSLAs are the most preferred financial institution for 50% of women and 31% of men[6]

[1] http://www.nrlm.gov.in.

[2] See https://tinyurl.com/545zum67 and https://tinyurl.com/8v8xm4pw.

[3] See https://www.hustlerfund.go.ke .

[4] See https://finaccess.knbs.or.ke.

[5] See https://www.fsdt.or.tz/finscope.

[6] See https://fsduganda.or.ug/b_a_goals/finscope-uganda-2023-survey-report.

2. What Do We Mean by Savings Group, What by Regulation?

Both the term savings group and regulation require further explanation, as they are used with varying meanings.

Savings groups

We use SG as the generic term for community-based financial service providers that deliver basic financial services to their members. There is no uniform definition of what constitutes a SG. This research covers SGs with the following key elements:

- A limited number (typically in the range of 10 – 30) of self-selected individuals – primarily women and in many cases exclusively women – come together to form a group and contribute an agreed minimum amount of savings during regular (typically weekly, biweekly, or monthly) meetings. In some cases, members can voluntarily provide higher amounts.
- Funds collected during those meetings are lent out to members according to predetermined rules and excess funds are stored for safekeeping.[7]
- Groups are self-governed by rules agreed upon by group members. Group leaders are elected from among the group members. Typically, the official roles within these groups include chairperson, treasurer, and secretary.
- Groups can be time-bound and share out all funds collected at the end of a cycle or exist in perpetuity and accumulate funds over time.

Globally, a diverse array of terms is used to describe groups adhering to these key principles. We use the term SG as it is the most widely used in the industry.[8] These groups are known locally by different names, e.g. *chama in Kenya, self-help group* (SHG) in India, *stokvel* in South Africa, *tontine* in Rwanda, and *paluwagan* in the Philippines. SGs offer savings **and loans**, which is reflected in the terminology used by some international NGOs supporting SGs. For example, Care International refers to them as *village savings*

[7] Sometimes Rotating Savings and Credit Associations (ROSCAs) are considered a type of SG, even though they are even less formal in nature by not accumulating any funds and not paying interest on loans (e.g., IPA 2025). For this study, they are not considered a type of SG.

[8] E.g., this is the term that was used by the SEEP network in its series of publications on SGs and is used by the Digital Savings Group Community (dsghub.org).

and loan association (VSLAs), while Catholic Relief Service uses the term *savings and internal lending community* (SILC).[9]

Regulatory approaches

Regulation means that a regulatory authority is setting binding rules. For regulation to be meaningful it includes oversight (offsite monitoring) or supervision (including onsite inspections) of compliance with the set rules and enforcement actions in case of non-compliance. Different types of regulations can be distinguished such as prudential regulation ensuring the safety and soundness of FSPs, conduct of business regulation aimed at ensuring fair treatment of customers and ethical behavior by FSPs, or AML/CFT regulation against money laundering and financing of terrorism. Regulation is not the same as registration. Merely registering SGs with an authority, without any subsequent follow-up, primarily focuses on identifying the number and certain characteristics of registered entities (in this case, SGs). This approach is quite different from ongoing regulation and supervision. There is a continuum of approaches between prudential regulation and one-off registration, with periodic re-registration and some level of monitoring and oversight somewhere in between.

Closely related to the question of registration vs. regulation is the question of what data is being collected. This could be a one-off exercise at the time of registration with a focus on group-level data, but it could also be periodic (quarterly or annually) reporting on the activities of the group. In addition, there might be specific data calls by the regulator for specific purposes.

Another criterion for distinguishing regulatory approaches is the identity of the regulatory authority. In the financial sector, this is typically the central bank or a separate financial sector regulator. However, there are also instances of delegating this task to another government entity, a federation, or even an industry association. The latter is referred to as self-regulation, as an association of SGs would oversee its own members.[10]

Typically, a regulatory authority is not expected to conduct onsite visits to SGs for compliance checks, though some regulators may possess the authority to do so in specific cases. An alternative, less burdensome method involves the regulator visiting either the delegated authority or a self-regulatory organization, depending on the organizational structure implemented in that country. In some cases, no visits are conducted at all, and the regulator purely relies on information collected through offsite monitoring.

A final distinguishing criterion is the question of enforceability of the rules. In a system with voluntary registration/regulation, it is at the discretion of the SG whether to register, yet if it decides to do so, it will be

[9] The focus here is on the financial services provided by these groups and not on their wider role in economic development and women empowerment. With reference to the latter, the Gates Foundation has also used the term *women empowerment collective.* In Nigeria, the term *women affinity group* is widely used.

[10] There might also be cases where regulations and guidelines are issued by the financial sector regulator and only supervision is delegated to another authority or industry association.

bound by the rules set in regulation. In some countries, regulation of SGs is mandated; however, the scope of enforcement powers differs significantly across these jurisdictions. If no specific measures of enforcement are mentioned even though it is a system of mandatory registration, its effectiveness is doubtful. In other cases, the regulator has specific enforcement powers such as imposing corrective measures, applying penalties or even closing down SGs.

Table 2: Regulatory approaches

	Light	**Moderate**	**Strict**
Regulatory approach	Registration	Monitoring and oversight	Prudential regulation and supervision
Data collection	At time of registration with focus on group data	Specific data requests in case of need	Periodic reporting about members and transactions
Regulatory body	Industry association or federation	Delegated government body	Financial sector regulator
Inspection	No onsite visits	Visits to delegated authority or self-regulatory organization	Onsite visits to SGs
Enforceability	Voluntary system (often compliance a precondition for something else)	Binding rules, no specific enforcement measures	Sanctions for non-compliance (corrective measures, penalties, closure)

Table 2 summarizes the range of regulatory approaches as found in the countries studied. Different combinations of various elements are possible. For example, a country can follow a light approach regarding the choice of regulatory body and a strict approach regarding data collection, although there is likely to be a bias towards light, moderate or strict approaches across all elements, as they are not independent of each other.

3. Why Regulate Savings Groups?

SGs have traditionally operated outside the ambit of the financial sector regulator for good reasons. They thrive on being informal FSPs relying on self-governance, which also allows them to be low-cost providers of basic financial services. Additionally, they are often too numerous and too small to warrant the attention of regulatory authorities. However, there is an increasing number of countries that are either considering or have already introduced a regulatory framework for SGs.[11] This chapter lists the reasons most frequently put forward in favor of regulating SGs and considers the reasoning behind each of them. It draws on interviews with country experts and a comprehensive literature review.

Use regulation as promotion

Regulation implies imposing restrictions and setting boundaries and thus seems to be the opposite of promotion. However, regarding SG regulation there is a widespread expectation that *enabling* regulation will lead to the promotion and growth of the sector.[12] There are many examples of governments actively supporting SGs in the country – with the National Rural Livelihoods Mission (NRLM) in India probably being the most prominent example globally – however, this support must be clearly distinguished from regulating the sector. The main reason why regulation could be considered a type of promotion is the official recognition that comes along with regulating SGs, which increases the trust in SGs and their reputation. Whether this is indeed the case depends primarily on the exact type of regulation imposed. Regulatory changes can also unlock the potential of SGs if they are about removing existing bottlenecks for SGs to operate. One example would be if Know Your Customer (KYC) requirements for SGs to be linked with formal FSPs were not aligned with the informal nature of the groups and amendments to the regulation changes this.

Minimize loss of savings

Safeguarding depositors is one of the main reasons for financial regulation. While the overall savings amount in SGs may seem insignificant from a systemic risk standpoint, individual savings amounts might hold substantial value from individual member's perspective, as SGs predominantly cater to low-income populations. Depositor risk is primarily kept in check through peer monitoring within the groups. Excess funds are often kept in formal FSP accounts, which implies that they are covered by the safety net provided for those. There could be fraud risk with "rogue promoters" defrauding members of their savings or group leaders taking advantage of others by diverting funds. Surprisingly, little seems to be known about the extent of those risks and the overall loss of

[11] Countries studied for this research are Cote d'Ivoire, India, Kenya, Madagascar, Philippines, Rwanda, South Africa, Tanzania, and Uganda.

[12] One example is a recent paper by Care (2024), which looks at case studies of enabling regulatory environments. Its subtitle is "Regulation and Standards as a Mechanism to Promote the Growth and Sustainability of Savings Groups."

savings that are held with SGs. Regulators following a risk-based approach will likely not focus their attention on SGs because of the overall low risk in terms of total assets held in SGs.

Improve quality of SGs

The overall quality and performance of SGs depends on several factors such as regular meetings, regular savings, regular internal lending, regular recoveries and maintenance of proper books of accounts.[13] Regulation can set minimum standards in all these areas and also define minimum requirements for office holders and for the SG's constitution. For this to be meaningful and lead to an overall increase in quality of the groups, the regulator would have to monitor compliance with the requirements and apply sanctions for non-compliance. And even that is unlikely to improve the quality unless regulation is accompanied by capacity building of SGs. Furthermore, there is the risk of imposing rigid 'best practices' on SGs, potentially stifling their operational flexibility and diversity. After all, one of the strengths of SGs is the diversity of groups and flexibility to tailor internal rules to member needs.

Facilitate linkages between formal FSPs and SGs

Formal FSPs are often hesitant to lend to SGs if these are informal groups without any external oversight, legal identity, formal financial history, and collateral. SGs might also have difficulties with opening savings accounts or accessing other financial services such as insurance or investments because of their informal nature. Talking to formal FSPs, most of them expressed a clear preference for engaging with registered SGs, thus regulation can make an important difference.[14] Existing regulatory frameworks for SGs vary regarding whether registering SGs with the appointed authority implies recognition as a legal entity (see Chapter 5 below). Whether the fact that an SG is regulated is a clear sign of the group being of good quality depends on the effectiveness of the regulatory framework. If it is a simple system of registration without continuous monitoring, it is not clear why FSPs would consider them better credit risks than any other group. In the end, it is the role of the lender to conduct a thorough credit assessment, and one can question why it should be the regulator's responsibility to vouch for the quality of the SG.

There are also other regulatory measures that can facilitate linkages such as credit reporting and simplifying customer due diligence (CDD) requirements. Regulation may mandate reporting to credit reference systems to establish a financial history for the groups and, less frequently, for individual members of the groups, which helps to increase their creditworthiness. Regulation can also allow for simplified CDD for SGs recognizing that they generally constitute lower risks and adjust identification requirements to what is realistic for group members to provide.

[13] This is referred to as SGs practicing *Panchasutras* in India.

[14] This is not to say that lending by banks has not happened prior to regulation being introduced. Examples are BPR in Rwanda, Centenary and Barclays Bank in Uganda, and NMB and MCB in Tanzania.

Identify SGs eligible for government and/or donor funding

Donors and governments in many countries prefer engaging with regulated SGs when they use them to implement economic and social development programs such as livelihood support or cash transfer programs. One such example is the Hustler Fund in Kenya (see Box 1). Like the previous point, this could be regarded as outsourcing the group due diligence process to the regulator. While there could be economies of scale and scope in doing so, it is not one of the original reasons for regulating FSPs. There are also examples of SGs receiving significant government support while still being informal such as the support by the Ministry of Rural Development to SHGs in India.

Box 1: The experience of the Hustler Fund in Kenya

The Kenyan government launched the Financial Inclusion Fund, popularly known as the Hustler Fund, in November 2022, just after the inauguration of President William Ruto. The fund was a campaign promise by Ruto when he was a presidential candidate. It provides subsidized loans to individuals, MSMEs, SACCOs and startups in the informal sector with the goal to spur economic growth and job creation. The fund lends to individuals an increasingly also to groups (chamas). One of the eligibility criteria of the groups is to be registered with the the Micro and Small Enterprises Authority (which is different from the Department of Social Development). The repayment performance of loans has been poor, although figures vary widely. Some reports suggest that more than 50% of loans are in default,[i] while a study by the Kenya Human Rights Commission reports a default rate of 68.3 percent and concludes because of this and the opaque governance structure the Hustler Fund must be scrapped (KHRC 2025). The risk of such subsidized government programs is that individuals are incentivized to form groups with the single purpose of accessing cheap government funds and without strong incentives to repay. This can undermine the repayment discipline that has slowly being built by existing groups to become eligible for private sector loans.

On the positive side, data from repeat lending to well-performing borrowers is being leveraged to build credit scores and connect good borrowers with banks for access to additional commercial financing from bank resources, pointing to the power of data to drive full financial inclusion.

[i] See https://african.business/2024/09/finance-services/default-rates-for-kenyas-hustler-fund-loans-over-50.

Lower money laundering and terrorist financing risks

SGs can in theory also being used for money laundering and terrorist financing. SGs are typically not considered ‘accountable institutions’ under the respective AML/CFT legislation of each country. This has been raised as an issue regarding stokvels in South Africa with some of the stokvels being much larger than typical SGs. However, it does not seem to be of concern in any of the other countries covered in this research. Overall, integrity risks associated with SGs should be low because of the limited value of transactions and the tight social control within the groups.

Create more visibility of SG operations

A final reason for regulating SGs that has been brought forward is to create more visibility of the SG sector in line with a general preference for formalizing the informal sector. There is a dearth of data about the number of SGs in each country, their membership, the volume, value and type of financial transactions, and basic performance data. If there were a mandatory registration and reporting system, basic supply side data could be collected. This can be useful for financial inclusion monitoring purposes and to generally understand the importance of SGs in serving low-income households with basic financial services. Alternatives to such a mandatory reporting system with potentially high costs could be collecting data through demand-side surveys.

There might also be an interest in bringing SGs within the tax net, although this has also been identified as the main disincentive for SGs to register in the first place.

Table 3: Reasons for regulating savings groups

Reason for regulation	Pro	Con
Use regulation as promotion	Enabling regulation is expected to strengthen SGs as widespread view among policymakers and promoters	Regulation is not the same as promotion unless it is about removing existing regulatory constraints
Minimize loss of savings	Safeguarding depositors is one of the main rationales for regulation	When following a risk-based and proportional approach to regulation, SGs are unlikely to be a priority. Peer monitoring and internal control are efficient means to mitigate this risk.
Improve quality of SGs	Regulation can set minimum standards in areas such as governance and accounting to build trust and minimize misuse	Risk of imposing rigid 'best practices' and stifling flexibility. Regulation alone will not improve quality if not effectively enforced and complemented by capacity building
Facilitate linkages	Legal status of SGs and external oversight can incentivize formal FSP to lend to SGs.	The credit assessment is the role of the lender and should not be outsourced to a regulatory authority. While recognition of

Reason for regulation	Pro	Con
	Simplified CDD rules and credit reporting can also help to facilitate linkages.	SGs as legal entities might help, it can also drive up compliance costs and is not indispensable.
Identify SGs eligible for external support	Preference of government and donors to engage with regulated SGs	The role of funders/government is to set clear eligibility criteria and to enforce them. Screening costs should be borne by the supporting entity and not externalized to a regulatory authority
Lower ML/FT risks	ML/FT risks seem to be a concern in some countries, although evidence is scant	The limited size and small amounts do not render SGs an attractive channel for illicit activities
Create more visibility of SG operations	A mandatory registration and reporting system allows for collecting relevant data for financial inclusion monitoring. Formalizing SGs can increase tax revenue if not exempted.	The fear of being taxed is one of the main reasons for SGs to avoid being registered. There are other means to collect data for financial inclusion monitoring such as demand side surveys.

4. Balancing Costs and Benefits

Regulation does not come without costs. A main imperative in setting up a proportionate regulatory framework is to balance those costs against the expected benefits. While it is not easy to do this in a scientific manner, as it would require monetizing all types of costs and benefits to make them comparable, it is still useful to list the main categories of costs and benefits and consider them when designing a regulatory framework for SGs.

On the benefits side, the previous chapter has listed the main reasons for regulating SGs, which are all considered to bring benefits for the SG members, for those serving SGs and for the government. The ultimate objective should be to increase the general welfare of SG members. The main potential benefits are (depending on the exact regulatory approach taken):

- Reduce the risk of fraud and loss of savings
- Improve the quality of SGs by setting minimum standards for governance, leadership, and operations
- Incentivize formal FSPs to provide loans to SGs and to individual group members and open savings accounts for SGs and their members
- Facilitate the use of SGs for economic and social development programs
- Collect better supply side data about SGs for financial inclusion monitoring
- Formalize operations to lower ML/FT risks

To what extent these benefits can be reaped through regulation depends not only on the effectiveness of the regulatory framework but also accompanying measures. For example, simply regulating minimum standards is unlikely to have much of an impact if it is not accompanied by support measures that incentive SGs to improve their standards such as capacity building or financial assistance.

The benefits should be seen in relation to the expected costs of regulation, which can be broken down into institutional costs as expenditures for the regulatory authority, compliance costs as incurred by SGs, and structural costs as a result of market failures.

- **Institutional costs:** These are expenditures of the regulatory authority to regulate and supervise SGs. A one-off system of registration certainly has lower costs that one where SGs are regulated and supervised on an ongoing basis. Because of the large number, costs will be relatively high in comparison to overall assets held in the sector.
- **Compliance costs** are incurred by SGs and include costs of registering with the authority (e.g. opportunity costs of time spent on this, travel costs, registration and renewal fees), costs of reporting, but also costs of changing the way SGs operate in response to regulation (e.g., increased

cost of bookkeeping and digitization, changes in governance and operations in response to regulation). If registration implies being brought within the tax net, this can create additional expenses for SGs. Compliance costs could also include the costs of possible political interference in operations and of paying bribes to the authority in charge of registering or supervising SGs (Arora and Robinson 2019). Compliance costs are typically a multiple of institutional costs.

- Finally, **structural costs** are most difficult to quantify but can also be substantial. These are the costs of distortions being created in the market through regulation, e.g. SGs not being set up in the first place or products not being offered because of high compliance costs. Formalization undermining the role of social cohesion and thus one of the core strengths of SGs would fall into this category.

A critical consideration is to identify who bears the costs of regulation and who reaps the benefits. In the case of government authorities, donors, or lenders pushing for more formalized structures that make it easier for them to engage with SGs (providing grants or loans or using them for other economic or social purposes), the benefits accrue to them, as they need to spend less effort on choosing eligible SGs. The costs are primarily borne by the regulator and by the regulated groups. There could be a fee for registration, which makes it even more expensive for the SGs to register, but lowers the cost burden for the regulator. Should regulation enhance access to a wider range of suitable financial products, SG members are likely to be the primary beneficiaries. Should regulation raise the overall quality of SGs, both group members and lenders benefit. These are just some examples, and it is recommendable to consider the distribution of costs and benefits when designing a regulatory framework.

5. Key Issues in Regulating Savings Groups

This chapter draws on practical experience from global research looking at the main challenges countries have encountered with regulating SGs and provides possible solutions to these challenges. In many cases, the evidence base is not strong enough to draw definitive conclusions or the experience with solutions is too recent to generate sufficient insights. Still, some of the country examples can be an important point of reference when designing an enabling regulatory framework for SGs.

Mandatory or voluntary regulation

A few countries have issued a mandate for all SGs to be regulated (see Box 2 for examples). Evidence thus far indicates that enforcing such a mandate in practice has proven to be challenging. In Uganda and Tanzania, estimates are that only a minority of SGs has registered to date.[15] In Rwanda, the regulation is too recent to tell. The National Stokvel Association of South Africa (NASASA) as the only recognized SRO in South Africa has after 30 years registered about 125,000 stokvels, while it estimates that the total number of stokvels in the country are around 800,000 (Natarajan 2022).[16] This is not a surprising outcome considering the humongous task of getting hundreds of thousands of SGs to register, especially if they do not see any tangible benefits of doing so.

Other countries have steered away from mandating registration and instead relied on SGs registering out of their own initiative in exchange for some reward that comes with registration. One example is India, where SHGs are not required to be regulated, yet the *Deendayal Antyodaya Yojana* - National Rural Livelihoods Mission (DAY-NRLM)[17] imposes close oversight by its implementation structure in exchange for significant capacity building and financial support to the groups. As a result, the majority of previously existing SHGs have now been coopted under the NRLM ecosystem while also many new groups have been promoted by DAY-NRLM (see Box 3). In other countries, only registered SHGs are eligible for subsidized government funding schemes (this is the case in Kenya, but also in Uganda and Tanzania where groups are subject to mandatory regulation).

[15] In Uganda, the number of total registered SHGs is not known, as they are registered with the local authorities and there is no central database yet. In Tanzania, BoT has registered about 50,000 CMGs and it estimates that about 100,000 more SGs need to register.

[16] According to the exemption notice, only stokvels holding contributions from members exceeding ZAR 100,000 (USD 5,600) must become a member of an SRO, which might explain the high number of unregistered stokvels.

[17] There is also an urban equivalent of this – the National Urban Livelihoods Mission – which however has been considered much less of a success and is not the focus of this study.

Box 2: Examples of mandatory regulation of savings groups

In Uganda, SGs (referred to as SHGs) are defined as one type of tier 4 microfinance institution (MFI) that is regulated under the Tier 4 MFI and Money Lenders Act (2016), for which the Microfinance Regulatory Department (MRD) within the Ministry of Finance, Planning and Economic Development is the regulator.[i] According to Section 99 of this law, SHGs shall be registered with a responsible officer on the district level.

In Tanzania, SGs fall under the definition of “community microfinance group (CMG)” in the Microfinance Act (2018) and are defined as Tier 4 microfinance service providers. The regulator in charge of CMGs is the central bank, Bank of Tanzania (BoT).

Another example is Rwanda, where regulatory treatment of SGs has changed over time. SGs were first brought under the MFI Law in 2008 and categorized as informal MFIs, then removed from the ambit of the law in 2022, as regulation without supervision was not deemed effective, and finally brought back under the law through a revision of the law governing deposit-taking MFIs in 2024. The law requires the Minister of Finance to issue an order providing the details, which was published in August 2024.[ii]

Finally, in South Africa, the activities of stokvels (the local name for SGs) are considered to fall under the definition of “the business of a bank” in the Banks Act (1990). In 1995, the South African Reserve Bank (the central bank) issued an exemption notice which has since been revised several times (last in August 2014). According to this, stokvels are under certain conditions exempted from the requirements of the Banks Act, one of them being that they become a member of a self-regulatory organization (SRO) approved by the Registrar of Banks. In effect this means that stokvels are required to register with such a self-regulatory body, as applying for a bank license is not a realistic option for them.

[i] This was until earlier 2025 under the Uganda Microfinance Regulatory Authority, UMRA, which was dissolved and its responsibilities transferred to the Ministry.

[ii] Ministerial Order nº 001/24/10/TC of 21-08-2024 governing tontines. (https://tinyurl.com/3w668n5z).

Issuing a mandate that is and cannot be strictly enforced is not advisable, as it leads to regulatory forbearance and undermines the reputation of the regulator, potentially affecting its ability to enforce other rules. Instead, strong incentives could be built into the system for SGs to register on their own initiative in exchange for clear benefits. Those that prefer to stay outside the regulatory ambit can continue operating, albeit with a more limited scope of operations (e.g., no linkages with formal FSPs or no access to subsidized government programs).

Box 3: India's Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)

The DAY-NRLM in India is a government initiative under the Ministry of Rural Development launched in 2011 and aimed at alleviating rural poverty and creating sustainable livelihood opportunities for the rural poor. A central pillar of the program is the SHG-bank linkage program, which connects women-led SHGs with formal banking services. The program has received significant funding from the central government (with support by the World Bank) and the state governments. The state and central government support includes financial assistance to SHGs in the form of a Revolving Fund (RF) ranging between INR20,000 – INR30,000 per SHG (USD 235-350) and a Community Investment Support Fund (CIF) routed through the implementation structure of DAY-NRLM and to be maintained in perpetuity by the federations. DAY-NRLM includes an interest subvention scheme with details prescribed in the annual Master Circular on DAY-NRLM issued by the RBI.[i] It is estimated that the per SHG member budget allocation from the central government was USD 18.40 in the year 2023.[ii] While this sounds relatively affordable, it is probably much more than most other governments are currently spending on supporting such women empowerment collectives. There is also the open question of whether and, if so, how government support will eventually be phased out.

There is a multi-layered implementation structure of DAY-NRLM with a national unit at the Ministry of Rural Development, state units consisting of the State Rural Livelihoods Mission (SRLM) and District and Block Mission Management Units, and community-based organizations at the lowest level. The latter follow a federated structure with SHGs at the lowest level federated into village organizations (5-20 SHGs), which in turn form cluster level federations (20-39 village organizations, 300-400 SHGs, and about 3,000 – 5,000 members).[iii]

According to the NRLM Dashboard, about 9.2 million SHGs have been promoted reaching more than 100m households.[iv] The Ministry of Rural Development recently announced that formal FSPs have disbursed over INR11 trillion (USD 125 billion) to SHGs since the inception of DAY-NRLM, which is a remarkable success.[V]

[i] The latest version is RBI (2025a).

[ii] On top of this, there are contributions by state governments, which typically provide 40 percent of overall funding. According to the Gates Foundation, it is estimated that USD 11 billion cumulative funding from the Government of India have been spent on this between inception and March 2023 (MSC research). This includes World Bank funding and excludes state government contributions.

[iii] See https://lakhpatididi.gov.in/wp-content/uploads/2024/02/Guidance_Note_on_CLF.pdf.

[iv] http://www.nrlm.gov.in/.

[V] See https://www.pib.gov.in/PressReleasePage.aspx?PRID=2149656 .

Supervisory capacity

The resources and capacity of supervisory authorities are limited, often even more so in emerging markets and developing economies than in advanced economies. An imperative following from this is to adopt a risk-based and proportional approach in supervision. When it comes to supervising SGs, the approach must be customized to align with the specific risk profiles and compliance capabilities of the SGs. A first and important step will be to operate a voluntary, incentive-based system of regulation rather than imposing a general mandate to be regulated, as discussed above.

Supervision should prioritize offsite monitoring over onsite supervision, as the limited size and operations of SGs do not warrant the latter approach. The use of supervisory technology (SupTech) can go a long way in lowering costs of offsite monitoring.

In many countries, the primary regulatory authority for the financial sector demonstrates a lack of interest in directly supervising SGs due to capacity limitations. One response has been to delegate the task of supervision to another government authority or an SRO. In Tanzania, the Microfinance Act (Sec. 14 (1b)) provides BoT with the authority to delegate any of its functions or powers regarding CMGs to the local government authorities, which it did. In South Africa, NASASA as the industry association of stokvels has been appointed to supervise stokvels that want to take advantage of an exemption from the Banks Act. Although delegating tasks may seem rational due to capacity limitations of the regulatory authority, it is unclear if the delegated authorities are better equipped to fulfill these tasks, as they may face similar capacity constraints (Arora and Robinson 2019). A crucial criterion to consider is whether synergies exist with other tasks, such as leveraging the existing network of staff in rural areas (see 'Registration' below). There is also the question of whether incentives are aligned in case an industry body is chosen as the delegated authority, which at the same time is controlled by the members it is representing and also plays a role in advocacy and promotion (Cuevas and Fischer 2006). The general assumption is that this only works if the association is in turn supervised by the main regulatory authority, something that is more commonly found in regulation of cooperative financial institutions (CFIs).

A few countries are envisioning a role for federations or associations in supervising SGs or already practicing this today:

- Under the NRLM scheme, **India** has set up a tiered structure of SHG federations with village organization (VOs) and cluster level federations (CLFs) that provide a range of services to SHGs. These federated structures could potentially also play a role in a system where the state or national regulator indirectly supervises individual SHGs, if the government was to decide to regulate SHGs.

- In **Madagascar**, the promoters of SGs, which are broadly defined as support or assistance organizations, play an important role in supervising SGs and providing technical support to them. They can only operate after they have applied with a detailed operational plan to the Ministry of Finance and have received a notice of no objection. They are also required to become a member of the Network of Savings Group Promoters in Madagascar (RPGEM). RPGEM has developed a code of ethics in consultation with the Ministry, with which all promoters must comply.

- Finally, in **Cote d'Ivoire** a Draft Law on SGs (referred to as Association de Valorisation de l'Entraide Communautaire or AVEC) dating back from 2023 envisions that two or more mature AVECs join and form a network, which then acts as a watchdog and monitors their affiliated AVECs.[18]

Box 4 looks at the experience of cooperative financial institutions in such indirect supervision approaches where associations or federations play an important role.

Box 4: The role of federations in regulating and supervising cooperative financial institutions

There are some countries with a very long history of CFIs going back to the 19th century (e.g. Germany, France, and Canada). Their regulatory and supervisory structure has evolved over time and can provide some useful lessons for how a federated structure of SG supervision could look like. In these countries, individual CFIs have become members of a network or federation, which has developed internal rules and governance structures and thus in a sense developed its own private regulations for their members. The federations also play important roles in providing common services to their members such as capacity building, supporting them in risk management, emergency liquidity assistance, and even offering mutual guarantee schemes (Coelho et al. 2019). There are many variants to this. However, an interesting aspect is that these federations have in some countries also been officially recognized by the regulator (like NASASA in South Africa) and taken on the role of a delegated regulator and supervisor. They might carry the legal responsibility of ensuring the solvency of their affiliated CFIs (as in France). In Brazil, second-tier cooperatives are responsible for supervising affiliate CFIs.

Cuevas and Fischer (2006) conclude:

"Indirect supervision is a powerful tool to: (i) adapt supervision to specific needs of the CFI; (ii) facilitate integration of CFIs to a supervision environment with financial sector standards; and (iii) encourage integration."

Registration

The initial step in any initiative to regulate SGs is to register them. This alone is not an easy task because of the sheer number of groups, their informality and their location in often remote rural areas. Regulatory authorities are usually headquartered in the capital and do not have a ground-level system for registration. There is also no need for this as FSPs can apply for registration and licensing through digital channels with many of them also having offices at the same city as the regulator. Such a centralized or digital system does not easily work for SGs. Consequently, many countries utilize the extensive rural network of local

[18] This draft law was first published in 2023. It seems it has still not been passed.

government authorities, typically supervised by the Ministry of Rural or Local Development (see Box 5). The advantage is that these structures already exist and are well known in the local community. A possible challenge is that local government officials are not necessarily financial sector experts and might require some training to collect necessary data. An important (and often controversial) question is whether they can charge fees for registration, which might come on top of a registration fee charged by the national authority. In several countries, this practice is explicitly prohibited (e.g., in Rwanda and Tanzania). In Uganda, it is left to the local government authorities and has led to controversies, as registration fees vary and group members have complained about this. There are also reports of bribes having to be paid even though fees are prohibited (e.g., in Tanzania).

Box 5: Examples of role of local government in registration

In Tanzania, BoT has delegated registration and supervision of CMGs to the Local Government Authorities (LGAs) under the President's Office Regional Administration and Local Government (PO-RALG). Community Development Officers receive the application from the group leader, check the filled form for accuracy, then send it to the District Community Development Officer (the head of department at the district level), who then sends it to District Executive Director for approval.

In Uganda, the District Community Development Officer under the Ministry of Gender, Labour and Social Development (or its equivalent in Cities and Municipalities) is responsible for registering SHGs. It appears some groups are also registered with Community Development Officers at sub-county level, of which there are more than 1,500 in Uganda.

In Rwanda, a tontine is registered with the administration of the Sector (416 in number nation-wide) in which it operates.

In Kenya, SGs can register as a community group with the support by the social development committee at the sub-county level (314 nation-wide), which is a devolved government function.

In India, individual SHGs are not required to register, yet those groups that want to benefit from financial assistance (RF and CIF) are entered into a central depository called NRLM MIS with a unique SHG ID as well as the member ID. A community coordinator or the village organization keeps an inventory of all SHG in the village and reports this in the system.

With group members often being semi-literate or illiterate, it is important for them to receive assistance with registration (and later also with applying for loans from formal FSPs or opening savings accounts with them). In Tanzania, this role is acknowledged in regulation, which requires community-based trainers to register with local government authorities and pay a registration fee for this.[19] These are individuals that mobilize people to form groups and train groups.

[19] See the Microfinance (Role of the Minister) Regulations (2019) under the MFI Act (https://tinyurl.com/2u66pzrz).

In India, it is not the SHGs that are registered, as formalizing them is considered too high a burden for them, but federations of SHGs formed at village, Gram Panchayat, cluster or higher level. These federations may register under appropriate state laws.

The role of data

Collecting data about SGs and their members

Upon registering an SG, a key question arises regarding the type of data collected about SGs, their members, and their operations, as well as the frequency of collection. A few countries are in the process of setting up a central database for collecting SG data. However, very little information is available publicly about details of data being collected and how it is being used. The following summarizes what transpired from interviews with regulators and experts in various countries:

- **Uganda:** A SHG submits financial records to the District Community Development Officer (DCDO) on an annual basis, who in turn reports to MRD annually. The report by the DCDO to MRD includes the total number of registered SHGs, total number of members, gender distribution, average savings and loan disbursements per group, and the default rate. The reporting is currently still being done manually, while MRD is setting up a digitized registration system. As of now, MRD does not know the total number of SHGs registered, as registration is done at the district level.[20]

- **Tanzania:** A CMG shall, on a quarterly basis, submit to the Bank of Tanzania or Delegated Authority reports of its basic financial records and other relevant information. The report must, at a minimum, contain the following information: member subscriptions, mobilized contributions, loan portfolio, expenditures, earnings, distribution of surplus and borrowings; records of the number, attendance and relevant matters of meetings held within a quarter (Sec. 21 CMG Regulations).[21] Groups report to the local government through the community development officer, who aggregates data and reports to the BoT or delegated authority (PO-RALG). Reporting at the ward level is paper-based, then digitized at council level.

- **Kenya:** SGs can register as community groups (CGs). If they do so, a CG shall send a report to the Director of Social Development once every two years covering at least its activities and financial affairs (Sec. 33 CG Registration Act). A central Management Information System (MIS) is still being rolled out by the Directorate of Social Development, which will be used both for registration and reporting.

- **Madagascar:** The promoters of SGs are required to prepare annual activity reports to the Ministry of Finance about their engagements with SGs with detailed aggregate data about the operations of SGs

[20] This apparent contradiction is likely attributable to the poor quality of reporting by the District Community Development Officers to UMRA.

[21] The Third Schedule of the CMG Regulations includes the reporting format (https://tinyurl.com/55d86ukd).

under its management including their financial performance (Ministère de l'Économie et des Finances 2023 : Annexe). It is not clear how well this is working in practice.

- **India:** The National Rural Livelihoods Mission (NRLM), through its National Mission Management Unit (NMMU), has been revamping its IT infrastructure to establish a comprehensive digital system, LokOS, for Self-Help Groups (SHGs) and their upper-level federations. The NMMU reports that data for 9.1 million SHGs and approximately 100 million SHG member profiles have been successfully captured. Each member profile contains 54 data points. NRLM works with 500,000 specially trained bookkeepers in rural areas who assist with capturing and recording the data in LokOS. On the member level, 96 percent of Aadhaar (the digital ID) details have been captured. The next step will be to capture transaction data of SHGs and do use the data collected for credit scoring of SHGs. An additional initiative focuses on the rollout of a CLF web application designed to aggregate data at the cluster level.

In sum, India seems to be most advanced in collecting SG data, even though it is not about reporting to a regulatory authority, but voluntary data collection for those SHGs that want to benefit from being part of DAY-NRLM. In other countries, reporting requirements exist, but the system is mostly still being rolled out and not yet put to much use in terms of monitoring the quality of SGs or for financial inclusion monitoring. There are no reporting requirements about individual SG member transactions, although this is something LokOS in India has launched and is slowly rolling out throughout the NRLM groups.

Reporting to credit reference systems

SGs and their members are typically outside formal credit reference systems, although there are some attempts to change this. Transactions between SGs and formal FSPs will, in many cases, already be captured in credit information system where those exist and do not exclude such transactions (e.g., in Uganda loans below Ush 500,000 [USD 140] do not have to be reported). In cases where SGs have a unique identifier, they should be able to build a credit score over time. In Tanzania, the CMG Regulations (Art. 27) require all CMGs to report to a credit reference bureau. According to BOT, some large CMGs are reporting, but for others the reporting template needs to be simplified for them to comply with this requirement.

Even if there is no mandatory reporting of credit data by SGs, private sector initiatives are emerging to incorporate SG data into the datasets collected by credit reference bureaus. One example is gnuGrid in Uganda, which collects SG data and has built a VSLA score (SGs are widely referred to as VSLAs in Uganda) for SG members with individual member scores being used for building a group score.[22] gnuGrid uses transactional but also behavioral data such as group attendance.

Digitizing transactional data

In addition, there have been many initiatives over the years to digitize the operations of SGs. Such initiatives are not driven by regulation, but mostly by the desire to make better use of the data for building a financial

[22] https://gnugridcrb.com.

track record of groups and of individual group members. One example is Ensibuuko in Uganda, which provides a platform for SGs to digitize their operations.[23] This does not only facilitate linkages with formal FSPs but also makes them more secure with a higher share of cashless operations. Another example is LokOS in India, which started with digitization group-level data. As a next phase, it is now rolling out the digitization of bookkeeping of SHGs, which allows it to capture transaction data. This is not an easy process and will take some time to be rolled out to all 9.1 million SHGs. As of May 2025, 100,000 SHGs are reporting transaction data through LokOS, which equals about 1 percent of SHGs.

Box 6: The role of mobile financial services as an “on-ramp” to formal financial services

East Africa provides interesting lessons about the role of mobile financial services not only in digitizing group transactions, but also in providing a graduation pathway for women to get their first accounts and ultimately move on toward being fully banked.

In Tanzania, all the mobile financial services (MFS) providers have launched a mobile group savings product which mirrors many of the key characteristics of a SG in a digital setting. Group members sign up digitally and saving and lending is done digitally on the platform. One example is Vodacom’s M-Koba.[i] This product is adopted not only by existing SGs to digitize their operations, but also by newly formed purely digital SGs. The regulatory treatment of these groups is interesting: While there is a legal requirement in Tanzania for SGs to register, this does not apply to Vodacom, as it has successfully argued with Bank of Tanzania that it simply provides the platform. It is therefore the responsibility of the group to register. M-Koba has onboarded almost 500,000 groups since its launch in 2019.

Alternatively, group transactions are digitized using one of the group-digitization apps such as Chomoka, DreamSave, or Savix that digitize group transactions and can integrate with mobile wallets. Once group transactions have moved from cash into traceable digital transactions, this creates digital transaction histories for individual members that banks can underwrite. Most of the MFS providers offer savings and loan products in partnership with banks such as M-Shwari and KCB M-Pesa, which are offered by Safaricom in partnership with banks in Kenya. Eventually members will qualify to use full banking services.

[i] https://vodacom.co.tz/mkoba.

It is unlikely that the digitization of group transactions will become a regulatory requirement anywhere any time soon, as it is still out of reach for many of the groups. However, it is important to consider the potential of digitization as a bridge to formal financial services. A particular role in this play mobile financial services (see Box 6) and therefore MFS regulations such as CDD rules for opening MFS accounts become relevant. One of the key questions is whether mobile wallets can be opened in the name of the group.[24]

---

[23] https://ensibuuko.com.

[24] The limiting factor could also be rules for SIM ownership that might preclude SGs to acqure a SIM in the name of the group.

Legal form of SGs

One aspect that emerged as a key ingredient of an enabling regulatory framework for SGs aimed at fostering linkages with formal FSPs is the question of the legal form of SGs. For lenders, the informal nature of SGs and their composition of individual members, who often lack a financial track record and might also not have the necessary KYC documents, increases the lending risk. This is why many banks do rely on group leaders when providing loans to SGs: they collect their ID documents; they go after them when loans are in default. This is a role group leaders do not like to play, as they become responsible for the repayment performance of their group members rather than the whole group being held accountable. Recognizing this challenge, regulators in various markets have taken initiatives to provide SGs with stronger legal recognition:

- In **India**, according to a senior official of the Ministry of Rural Development, SHGs are not informal, but "quasi-formal". While they are not considered corporate entities, way back in 1991 the Reserve Bank of India (RBI) identified them as entities that can access banking services (RBI 1991). Instead of regulating SHGs, it standardized the way banks engage with them by setting common acceptable standards for SHGs opening bank accounts as well as receiving credit. SHGs are the only non-corporate entities that can be lent to (this does not apply to joint liability groups, which are used in group lending). In addition, banks are strongly encouraged to open savings accounts for them and lend to them (see Box 7).

Box 7: Regulating Bank Linkages in India

India is different in many ways from other countries in the way the government has recognized and systematically promoted the role of SGs. It is primarily a case study about a broader supportive policy framework than one specifically about SG regulation, as SHGs are not regulated in India. Still, it is worth looking at the two RBI circulars that are most interesting from a regulatory point of view, the Master Circulars on the SHG-Bank Linkage Program and on DAY-NRLM, respectively, which are both issued on an annual basis (RBI 2025a and RBI 2025b are the most recent versions). While RBI does not regulate SHGs, it regulates banks in India and these circulars are addressed to them.

The SHG-Bank Linkage Program Master Circular covers the opening of savings bank accounts by SHG and lending to SHGs. All SHGs, registered and unregistered, are eligible to open savings accounts. Lending to SHGs is regulated according to guidelines issued by the National Bank for Agriculture and Rural Development (NABARD) and banks "should strive to remove all operational irritants". Defaults by individual SHG members should not keep banks from lending to the SHG provided that the SHG is not in default. Important is also that loans to SHGs are eligible for classification under Priority Sector Lending, which is an important policy instrument by RBI to direct lending by all banks (including private sector banks) to certain priority sectors.

The DAY-NRLM Master Circular is a unique piece of regulatory guidance, as it primarily explains in detail the DAY-NRLM Program by the Government of India for building strong SHGs and enabling SHGs to access a range of financial services, but is issued by the regulatory authority.[i] It includes details about the financial assistance to SHGs and the interest subvention scheme (see Box 2). However, it also covers the role of banks regarding NRLM groups in opening savings accounts for all SHGs and their federations and to provide loans to SHGs per grading norms fixed by NABARD. It goes even further in advising banks on the loan amounts to SHGs for each of the lending cycles broken down by type of loan and to individual women SHG members and the purposes these individual loans are used for.

The numbers are impressive. According to the Ministry of Rural Development (MoRD 2025), during the year 2024 under the NRLM scheme 4.25 million women SHGs have been credit linked, and banks have disbursed more than INR 1,188 billion (USD 14.3 billion) to SHGs. This is an average credit disbursed per SHG of USD 3,365. Since inception of the NRLM scheme in April 2013, SHGs have accessed INR 9,850 billion (USD 115 billion). According to the Inclusive Finance India Report 2024 (ACCESS 2024) overall 178 million households have been linked through SHGs (58% of which are part of the NRLM according to data by NABARD). In 2024, 14.42 million SHGs were savings linked and 7.74 million credit linked (this includes independent SHGs). Bank loans outstanding totaled INR 2,595 billion (USD 31.27 billion).

[i] According to our interviews, the Ministry of Rural Development is heavily involved in drafting the Circular, but it is issued by RBI as this is the regulator commercial banks most closely listen to.

- In **Uganda**, SHGs are not considered formal entities even if registered with MRD. One of the stated rationales of registering groups is to support linkages to formal FSPs (UMRA 2022: Sec. 9.1b). The Guidelines encourage SHGs to access financial services from FSPs (Sec. 11b), but this does not help if FSPs are not interested in offering those services. The law and guidelines are silent on the question of legal status of an SHG. However, the fact alone that an SHG is registered provides them with formal recognition, which interview partners widely acknowledge as helping them to access formal financial services, even if they remain informal. The registration certificate issued by MRD gives SHGs a unique identification number, addressing a challenge highlighted by various interview partners regarding lending to SHGs. Previously, each local government authority used its own identification system when registering SHGs on the local level.

- Tanzania follows a different approach. A CMG is categorized as a type of ‘microfinance service provider’ under the Microfinance Act. According to Sec. 31 (2) of this law, “a registered microfinance service provider shall by virtue of its registration be a body corporate capable in its name of (a) suing and being sued; (b) acquiring, purchasing or otherwise disposing of any property, movable or immovable; (c) entering into contract; and (d) performing all acts which can be done by a body corporate and which are necessary for the proper performance of its duties and functions.”

- A similar approach is used in Rwanda, where Art. 17 of the Ministerial Order governing tontines states: “A tontine registered in accordance with provisions of this Order automatically acquires legal personality.”

- Contrary to these examples, Madagascar defines a SG as a “group of natural persons not endowed with legal personality” (Ministère de l’Économie et des Finances 2023: Art. 3), and it does not say anywhere that this changes once the SG registers. Notably, the same decree from the Ministry states that “No injection of funds from outside or transfer of funds outside the group is permitted (Art. 6.5),” suggesting that establishing linkages with formal FSPs may not be feasible.

In sum, a wide range of approaches has been taken regarding the legal status of SGs. Madagascar exemplifies one end of the spectrum where SGs remain informal despite receiving legal recognition from the Ministry of Economy and Finance. Linkages with formal FSPs appear to be prohibited, rendering their formal legal status less significant. In India and Uganda, linkages are encouraged, even though SGs remain informal. An official recognition of the role of SGs by the regulatory authority is generally perceived as an important step. Tanzania and Rwanda adopt an approach on the other end of the spectrum by declaring that SGs become a legal entity once they register. This has certainly increased the confidence by FSPs to engage with SGs in Tanzania. For Rwanda it is still too early to tell as the regulation was only introduced recently.

A potential drawback of providing SGs with legal status is that SGs might have to comply with legal and regulatory obligations such as keeping proper financial records or filing tax returns. In fact, experts have noted that the fear of increased visibility to tax authorities upon registration acts as a substantial deterrent for SGs to register.

Legal status of federations

SGs as defined in this study are limited in size and thus cannot grow beyond a certain number of members. Yet federations of SGs can easily grow into larger organizations and carry significant risks depending on the role they play. Therefore, their legal status becomes critical to ensure transparency and accountability in the sector. In India, cluster level federations to not only lend to SHGs, but they also accept deposits from member SHGs and village organizations. This requires them to be appropriately regulated and supervised. In many cases, they are registered under Cooperative Acts (state-level legislation in India with each state having its own Cooperative Act) or under the Societies Registration Act. However, both options are considered a “force-fit” as they do not consider the layered structure of SHG and their federations and create a range of other challenges (PRADAN 2024). There is an ongoing discussion in India about creating a more appropriate legal structure for the federated structures.

Again, it might be useful to look at the experience of federations for CFIs that also play a role in delegated supervision and their regulatory treatment. In Canada, Germany and France, the federations are directly supervised by the regulatory authority. In some cases, they hold their own license as a CFI or bank, but this depends very much on the range of services they provide and the type of licenses that would suit their operations. Even if they are not a regulated financial institution, they might be subject to supervisory review because of their delegated role in supervising their members (Cuevas and Fischer 2006).

Safeguarding excess funds

It is surprising that most of the regulatory frameworks are silent on the point of safeguarding funds mobilized by the SGs and not immediately lent out again. Facilitating linkages with formal FSPs can go a long way, as excess funds are brought under the financial safety net for such institutions (prudential regulation and supervision, deposit protection, resolution frameworks, etc.). However, storing such excess funds in the formal financial sector is typically not a regulatory requirement and formal FSPs must be prepared to open such accounts in the name of the SG in the first place. One exception is Madagascar, where SGs must store cash mobilized by the SG if it “represents a proven risk” in an electronic money account opened in the name of the group or with a formal FSP of their choice (Ministère de l’Économie et des Finances 2023: Art. 6.4).

6. A Simple Roadmap for a Light Touch Regulatory Framework

Overall, there is still very limited systematic evidence on what works and what does not in regulating SGs. Still, the review of existing regulatory framework for SGs and interview evidence from the countries covered in this research allow for a general outline of a roadmap of how to develop an enabling regulatory framework. This roadmap can be broken down into three main steps: the diagnostic of the status quo, a stakeholder analysis, and the design phase.

Diagnostic of status quo

While it appears evident that a comprehensive diagnostic of the current situation should be the initial step, in practice, many countries embarking on the journey to regulate SGs often fail to conduct this systematically. The following Table 4 summarizes the main elements of such a diagnostic. The focus should be on a comprehensive market and legal diagnostic. A baseline can be established through a mixed method approach of a census looking at available data (e.g. by promoters or government authorities) and a nationally representative household survey (or a module as part of a broader survey). The survey would not only gather data about the size of the SG sector in the country but also help to understand the main risks faced by SG members, which might justify more stringent regulation of the sector. A clear understanding of the prevalence of these risks is a crucial prerequisite for designing an appropriate regulatory framework.

On the legal side, many countries do not clearly define the lower boundary below which FSPs - informal or not - are exempt from a registration or even licensing requirement under financial sector law. The legal diagnostic might reveal that a strict reading of the law on banking or cooperatives requires them to be regulated under either of these laws because SGs take savings (even if only from members) and lend (even if only to members), which is not a realistic proposition and thus unlikely to be enforced in practice.[25]

[25] This is the case in South Africa's Bank Law and triggered the issuance of the exemption notice. NASASA has set a lower boundary by only requiring stokvels to register that have at least 20 members and operate on a commercial basis (National Treasury 2023).

Table 4: Regulatory and market diagnostic of savings groups

Area	Information to be collected	Methodology
Types and prevalence of SGs	Categorize existing SGs by their main features (e.g., accumulating or not, size, local names used, the range of services offered, level of digitization; level of federation; etc.) and the prevalence of each type	Customer survey (with the Global Findex and FinScope as a starting point, better via a specific survey on SGs)
Main customer risks in using SGs	Prevalence of risk types such as loss of funds due to fraud, elite capture, theft, natural disaster, embezzlement, system failure etc.; conduct of business risks	Customer survey (with the Global Findex and FinScope as a starting point, even better a specific survey on SGs); expert interviews with promoters, development and government agencies
Main needs of SG customers	Unmet demand of customers and role of SGs in filling the gap	Customer survey
Financial and digital infrastructure	Payment system (including mobile money platforms) available to SGs; digitization of SG operations	Desk research; expert interviews
Legal diagnostic	Existing financial laws and regulations applying to SGs (including cooperative and microfinance legislation) and their details; legal options for SGs to register (as financial institution and/or community group); other laws and regulations potentially applying to SGs in areas such as tax and AML/CFT	Legal diagnostic with use of local legal counsel

Stakeholder analysis

As explained in Chapter 3, the motivations for regulating SGs vary and not all of them trigger a need for a regulatory response. An essential step in revising the regulatory framework for SGs is to conduct an analysis of the main stakeholders, their motivations, and potential roles (see Table 5). This includes an assessment of the institutional landscape of regulatory authorities and government authorities that are covering the financial sector, are interested in the topic, and could potentially play a role in a regulatory system for SGs. Although SG members are the most affected by regulatory choices, they often lack a substantial voice in the discussions about regulating the sector. Support institutions and promoters are likely to be the strongest advocates of their interests.

Table 5: Stakeholder analysis

Stakeholder group	Examples	Possible interest in regulating SGs	Possible role in introducing and implementing regulatory framework
Government	Ministry in charge of Local Government, Rural Development, or Social Development; Ministry in charge of Finance	Responding to grievances; using SGs as a financial inclusion and/or women economic empowerment tool; channeling social benefit payments	Initiating legal changes; local government role in registration; potentially also role in regulation and supervision, designing incentives for SGs to register and for FSPs to link with SGs
Regulatory authorities	Central bank or other financial sector authority, specialized regulator for microfinance or CFIs; financial conduct authority	Pursuing their regulatory mandates of stability, inclusion, protection, and integrity	Regulatory and supervisory authority with potential role to delegate some of its tasks
Support institutions and promoters	International NGOs, local NGOs/civil society organizations	Advocating for the interests of SG members; pursuing agenda of financial inclusion and women economic empowerment	Support with regulatory compliance; potentially also a statutory role in delegated supervision
Financial service providers	Commercial banks, MFIs, CFIs, MFS providers	Ensuring minimum quality of SGs; attracting new clients (SGs and individual members); removing regulatory obstacles for linkages	Advocacy in favor of regulatory changes

A more in-depth stakeholder analysis would also consider the level of interest, the power to influence and the resources of each of the stakeholder groups. As a result of such a mapping exercise, it is possible to develop an engagement strategy of how to revise the regulatory framework for SGs.26 Experience from CARE's work in Uganda shows that an inclusive approach in designing the regulatory framework is central to ensuing ownership and sustainability (Lauter 2024).

Designing a proportionate regulatory framework

The final step of the road map is the actual design of the regulatory framework. The result of this depends on the previous steps – the assessment of the status quo and the mapping of stakeholders and their respective interests and influence. Based on the global landscaping conducted as part of this research, several general principles can be derived for designing a light-touch and enabling regulatory framework for SGs.

Align regulatory approach with capacity to supervise and enforce

Too often, regulatory frameworks appear to have been designed at the drawing board without sufficient regard for the realities of informal SGs and the capacity of regulatory authorities to implement and enforce them. The regulatory approach should follow the principle of proportionality, tailoring measures to the size, complexity, and risk profiles of various types of FSPs. In practice, SGs should rarely attract significant regulatory attention when following such an approach. Choosing a strict regulatory approach as described in Table 2 will impose significant compliance costs on new and immature SGs may hinder their growth and development. In most cases, simple registration and periodic reporting should suffice – a light or moderate regulatory approach. Although there are examples of regulatory frameworks that go beyond such basic requirements – such as Tanzania and Uganda - it remains to be seen whether these can be effectively implemented. One area where greater regulatory attention does seem warranted is in conduct of business rules (which could fall under a different regulator depending on the country's institutional structure). While SGs are generally expected to solve issues internally, cases of fraud and embezzlement highlight the need for individual members to have an external body to report grievances to.

Harness potential of digitization

One way to reduce supervisory and compliance costs is to focus the regulatory approach on offsite surveillance rather than onsite inspections. Setting up a central digital database for registration and periodic reporting will significantly enhance the collection of key information about SGs, helping SGs to establish a track record and thus making it easier for FSPs to lend to them. Data entry is likely to require some assistance on the local level (e.g., the NRLM bookkeepers supporting SHGs in India) and might still be paper-based on this lowest level, even though it could be digitized and aggregated on the national level. Linking individual members' profiles with their national ID in countries with a well-developed ID system will allow them to be uniquely identified and use their profile when individually engaging with FSPs. Reporting

[26] For a practical guide to conduct a stakeholder analysis, see World Bank 2016.

of relevant credit data to a credit reference system is something that should be explored but not without considering the lower average amounts and therefore the need for an adjusted pricing structure.

A different question is the collection of transaction data on the individual member level. The use of digital platforms by all SGs is still a distant dream in most countries and this is unlikely to be a regulatory requirement any time soon.

Incentivize rather than mandate

While several countries have introduced a mandatory registration requirement for SGs, none has come close to achieving universal coverage. For a mandatory system to be effective, it requires stringent sanctions for non-compliance, including potential closure of SGs and monetary penalties. SGs are unlikely to be able to pay penalty fees and closing previously informal groups because they did not register does not sound like a useful strategy. A system that sets clear incentives for registration is better than a mandate that is not enforced. Key incentives for registration include access to government programs and government subsidies (such as the interest subvention scheme in India), enhanced linkages (given that formal FSPs prefer working with registered groups), and opportunities to benefit from other support such as capacity building. An important decision point for the design of the regulation will be whether registration implies SGs becoming a legal entity or not. Further evidence is needed to address this question, which should not only consider the advantages, but also additional compliance costs. A voluntary registration system also offers the benefit of allowing SGs to continue being informal if they so choose.

The primary disincentive to registration is the fear that it will lead to inclusion in the tax net. It is crucial to clearly communicate that registration will not subject groups to taxation, either currently or in the future. Additionally, registration fees serve as another disincentive and should ideally be prohibited.

Finally, the most successful SG ecosystems have evolved in countries that combine a light-hand regulatory approach of the sector with support measures. A combination of incentives and penalties (with the main penalty often being the removal of the incentive) seems to work best.

Do not undermine the strength of informality

There remains a lack of research examining the risk that formalization may undermine some of the inherent strengths of SGs such as their low-cost operating models, local management and governance of the groups, strong common bonds, and flexibility to be shaped in line with the needs of group members. Some of the existing regulatory frameworks have strayed beyond a general description of how SGs operate (core elements such as group size, having regular meetings, agreeing on a constitution, electing group leaders) and describe details that read more like a best practice guide than a regulation. It seems very unlikely that these can be enforced in practice. What would be the appropriate sanction if an SG does not comply with only a few of those rules set in the regulation? And what if an SG prefers to set its own rules that differ from those described? Instead, the design of the regulatory framework must follow the development of the SG sector in the country and their evolving functions.

Remove any unnecessary regulatory barriers

An enabling regulatory framework implies that regulation does not impede the development and growth of SGs. A customized regulatory framework for SGs introduces additional costs that must be carefully weighed against their benefits (refer to Chapter 4). However, existing regulations might also create hurdles for SGs that could be relatively easy to remove. Most important in this regard are rules around lending to non-corporate entities and KYC rules, which should be clarified to allow formal FSPs to lend to SGs, and not only to individual members of SGs.

Delegate and federate where it makes sense

Both delegation and federation are strategies that have been used to deal with limited capacity by the supervisory authority. The advantages are most evident in the case of delegating the registration of SGs to a local government authority. It is much less clear whether delegating all the supervisory tasks to another government authority can solve capacity issues as it can easily lead to a case where the lack of capacity by the main financial authority is replaced by the lack of capacity of another government authority that has even less expertise in regulating the financial sector. An alternative approach is indirect supervision through federations or associations (see Box 3) that conduct day-to-day supervision. These federations have potentially better understanding of SG operations and potential risks. In turn, these federations would be supervised by the regulatory authority. Important questions are the qualification of the federation's staff and how the federations are remunerated for their role in supervising SGs. There are valuable lessons to be learned from the regulation of CFIs, making this an area worth further exploration (see 'Legal Status of Federations' in Chapter 5).

Measure the impact of regulation and adjust over time

It is widely believed that bringing SGs under regulatory control will generally enhance their quality, make them better clients for formal FSPs, and increase their role in meeting the financial needs of their members. However, this raises an important question: Why would this effect occur? A mandatory one-time registration requirement, without subsequent follow-up, is unlikely to significantly impact the sector and will likely increase costs. It is not clear that a bank can necessarily reduce its efforts to carefully select creditworthy SGs unless the regulation has a significant impact on the quality of SGs and thus regulation can be considered a meaningful signal about the quality of the group. A fundamental element in any new regulatory system should be to clearly articulate the objectives of the regulation and collect relevant data to measure the achievement of those objectives. Such an assessment should facilitate periodic updates to the regulatory framework and render it more effective by adapting it to the observed impacts over time.

Adapt regulatory approach as market matures

Countries are at very different stages of development when it comes to SGs and the regulatory approach should be chosen accordingly. At the risk of oversimplification, three broad scenarios can be distinguished that describe the current state of the sector, the appropriate regulatory approach and key regulatory provisions.

In ***Scenario 1**,* SGs are primarily operating below the radar of the regulatory authority. The main motivation by regulators is to better understand the size of the sector, its contribution to financial inclusion, and the main risks encountered. As a first step, they need to collect relevant data about the sector, as described under 'Diagnostic of status quo'. A way to institutionalize data collection is to incentivize SGs to register with a centralized database and report periodic data. This should still be complemented by periodic customer surveys assuming that not all SGs register and report and thus the supply side data would not be comprehensive.

The main regulatory provisions would be to establish a (voluntary) registration system for SGs that collects key aggregate data about SG operations. This needs to be coupled with an effective incentive system for registration, e.g. by registration opening up access to capacity building, government and/or donor funding, providing SGs with a formal legal status or a preferential tax status.

In ***Scenario 2**,* policymakers recognize SGs as important providers of basic financial services and thereby playing a key role in financial inclusion. They are also seen as a potential avenue for women economic empowerment. Linkages with banks and other formal FSPs will allow SGs to move beyond the limitations of their own resources. The corresponding regulatory approach would be to move beyond simple registration and reporting by setting minimum standards for operations and governance while leaving sufficient flexibility for SGs to choose the operational model best suited to the needs of their members.

Regulations could stipulate, among others, key areas to be covered in the constitution of the SG, roles of group leaders and other office holders, and set minimum standards for the frequency of meetings, savings and internal lending activities, recoveries and accounting standards. If effectively enforced, being registered would then be a meaningful signal to formal FSPs, promoters and other support organizations that the group is operational sound and thereby facilitate linkages.

Finally, in ***Scenario 3*** individual members of the group come into focus. Being a member of an SG is regarded as a graduation pathway to full financial inclusion. Attention turns to the digital footprint left by member transactions and how this can be used in the credit assessment. Essential for this is for individual member transaction being digitized. Reporting to a credit reference system can make an important difference. Mandating digitization of transactions and reporting to credit reference services risks excluding many SGs. However, a voluntary system of reporting digital transaction data will allow the best performing SGs to integrate their members into the formal financial sector.

Acknowledgements

This report draws on prior desk research conducted jointly by Mehmet Kerse and the author, commissioned by CGAP. I am grateful for valuable comments from Madhu Khetan (PRADAN); Greta Bull; Leesa Shrader; Sybil Chidiac (Gates Foundation); Ravi Kant and Tri Vikram (MSC). I also thank the following organizations who generously shared their time and perspectives during our country visits to Kenya, Tanzania, and Uganda (March 2025) and India (May 2025).

India:

Home Department, Government of Bihar; IIM Bengaluru; JEEVIKA (Bihar Rural Livelihoods Promotion Society); MSC; NABARD; MFIN; Ministry of Rural Development; NRLM/NMMU; PRADAN; StreeNidhi; SKDPRP; a Self-Help Group (Bihar); State Bank of India; World Bank India

Kenya:

CARE Kenya; Caritas Nairobi; Department of Social Development; Financial Sector Deepening (FSD) Kenya; SASRA; Stanbic Foundation; World Bank Kenya

Tanzania:

Bank of Tanzania; CARE Tanzania; CRDB Foundation; Financial Sector Deepening (FSD) Tanzania; VisionFund Tanzania; World Bank Tanzania

Uganda:

CARE Uganda; Ensibuuko; Financial Sector Deepening (FSD) Uganda; FINCA Uganda; GnuGRID; Ministry of Finance, Planning and Economic Development; Uganda Microfinance Regulatory Authority; VisionFund Uganda

Any errors or omissions are the sole responsibility of the author.

References

Arora, Sukhwinder, and Ian Robinson (2019). *Savings groups and Consumer Protection: Government Regulation, Rules and Guidelines.* SEEP Case Study.

Coelho, Rodrigo, Jose Angelo Mazzillo, Jean-Philippe Svoronos and Taohua Yu (2019). *Regulation and Supervision of Financial Cooperatives.* FSI Insights on Policy Implementation No. 15. Financial Stability Institute. (https://www.bis.org/fsi/publ/insights15.htm)

Cuevas, Carlos E., and Klaus P. Fischer (2006). *Cooperative Financial Institutions: Issues in Governance, Regulation, and Supervision.* World Bank. (https://tinyurl.com/y5cr268v).

DAY-NRLM (2017). *A Handbook on SHG – Bank Linkage.* Ministry of Rural Development.

ACCESS (2024*).* *Inclusive Finance India Report 2024.* ACCESS development Services. (https://tinyurl.com/4ayxjp3t).

IPA (2025). *Understanding the Impacts of Savings Groups on Women's Economic Activity: Synthesis of Recent Literature.* Innovations for Poverty Action. May.(https://tinyurl.com/mppx8hsdy)

KHRC (2025). *Failing the Hustlers.* Kenya Human Rights Commission. (https://tinyurl.com/3rjukf2w).

Lauter, Margie (2024). *From Grassroots to Governance: Case Studies of Enabling Regulatory Environments for Savings Groups.* Care International. (https://www.jstor.org/stable/resrep64609).

Mbhekeni, Zimkhitha Faith (2021). *Legal Perspectives on the Potential Regulation of Stokvels in South Africa (Minor Dissertation).* University of Johannesburg. (https://tinyurl.com/3m3d668f).

Ministère de l'Économie et des Finances (2023), *Régissant les activités des groupes d'épargne.* Arrête N°632/2023. (https://tinyurl.com/mh72m6yb).

Natarajan, Harish, Douglas Randall, and Rekha Reddy (2022). *South Africa – Financial Sector Assessment Program: Technical Note – Financial Inclusion.* World Bank Group. (https://tinyurl.com/ymyufujd)

MoRD (2025). *Annual Report 2025-25.* Ministry of Rural Development.

National Treasury (2023). *An Inclusive Financial Sector for All.* November. Department National Treasury. (https://tinyurl.com/3h44kvbk).

PRADAN (2024). *A Study on Possible Statutory Frameworks for Registration of SHG Cluster Level Federations promoted by DAY-NRLM. Unpublished.*

RBI (1991). *Master Circular on Improving Access of Rural Poor to Banking: Role of Intervening Agencies – Self Help Groups.* July 24. RPCD.No.Plan.BC.13/PL-09.22/91/92. Reserve Bank of India.

RBI (2025a). *Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).* April 1. FIDD.GSSD.CO.BC.No.01/09.01.003/2025-26. (https://tinyurl.com/483jkcm6).

RBI (2025b). *Master Circular on SHG-Bank Linkage Programme.* 1 April. FIDD.CO.FID.BC.No.4/12.01.033/2025-26. (https://tinyurl.com/3yvaxfxe)

UMRA (2022). *Operational Guidelines for Self-Help Groups (SHGs).* Uganda Microfinance Regulatory Authority.(https://tinyurl.com/3sktz28n).

World Bank (2016). *Public-Private Dialogue (PPD) Stakeholder Mapping Tookit: A Practical Guide for Stakeholder Analysis in PPD Using the Net-Map Method.* World Bank Group. (https://tinyurl.com/3sa6mc6s).