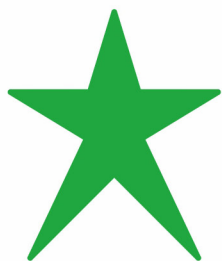


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DEVELOPMENT ALTERNATIVES

Madhuri emerged as a grassroots energy leader mobilising local entrepreneurs to join the Urja Mandala initiative driving a community shift from diesel dependence to clean, solar-powered livelihoods



Innovative Finance: Creating Pathways for the Future of Development

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Rural India is driving change, but outdated finance systems are holding entrepreneurs back. In this editorial, Kanika Verma explores how new models—rooted in trust, flexibility, and innovation—are unlocking dignified finance for women and the ‘missing middle’. Through AI-driven underwriting, community-based credit, and a new Credit Guarantee Fund, a bold financial architecture is emerging—one that empowers first-time entrepreneurs, fuels aspirations, and moves finance closer to those who deserve it most.

The Role of Innovative Finance in Creating an Ecosystem for Women Entrepreneurs

Research from the International Finance Corporation (IFC) shows that addressing the credit gap faced by women entrepreneurs in India could boost the country’s GDP by more than \$30 billion. According to Irwan Malhotra, making this change requires a fresh look at how we allocate capital. He emphasises that this transformation depends on three connected pillars that together can lead to significant advancements.



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In this article, Glenissa Pereira and Tanvi Verma emphasise that for India to meet its SDGs by 2030, a transformative approach to both development and finance is imperative. They highlight that achieving this requires an investment of \$2.64 trillion. The authors note that conventional methods have fallen short. Instead, they advocate for a shift towards community-led finance, which focuses on local solutions and innovative financial strategies.

Rural Women and Entrepreneurs Are Financing a Just Energy Transition

Urja Mandala stands as a strong example of a financially sound, community-owned energy ecosystem, merging the advantages of clean technology with the creativity of local stakeholders. In this article, Tulsi Yadav highlights how this initiative is connecting 66 businesses in Mirzapur while also enhancing livelihoods in the community.



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In this article, Jyoti Tiwari and Sunny Kumar explore the efforts of Development Alternatives to empower women by establishing the Mahila E-Shakti Fund and Shakti Kendra. These initiatives serve as powerful tools for fostering social change, offering women a secure and respectful environment to work, gain new skills, and lead ventures in areas where their involvement has historically been limited.

The views expressed in the articles in this newsletter are those of the authors and not necessarily those of Development Alternatives.

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Finance that Builds Futures: Reimagining Capital for the Aspirations of a Changing India



‘When women support each other, we all rise together’ – Roshni Begum, empowering others to take that first step

The global financial landscape is undergoing a major transformation, driven by heightened volatility and evolving credit dynamics.[1] In India, these global shifts are mirrored by domestic challenges. These developments underscore a critical issue: while traditional financial systems are adapting to new global realities, significant segments of the population remain excluded [2] and continue to face unmet capital needs. Tightening liquidity and evolving financial structures necessitate innovative approaches and viable instruments to ensure inclusive access to finance, enabling broader economic participation.

Meanwhile, the microfinance sector, with a growing portfolio exceeding ₹4 lakh crore, [3] continues to serve the underserved but lacks the innovation or flexibility required. Non-performing assets (NPAs) have surged to ₹50,000 crore as of last year,[4] exposing a system that no longer meets the evolving needs and changing aspirations. This surge is a reflection of deeper disparities where capital bypasses the informal entrepreneurs. The result:

rigid systems, rising risk, and rural communities left to bear the burden of a financial architecture that fails to serve them effectively.

The Finance Gap: Women Left Out

Around 30% of women-led individual enterprises and 22.2% of collectives remains risky in the eyes of lenders, simply because they lack paperwork, business registration, or formal credit histories. While women’s participation in entrepreneurship is rising, business loans account for a mere 3% of all loans taken by women in 2024—far behind personal and gold loans.[5] This starkly exposes how deeply formal credit systems exclude women entrepreneurs. Between the ₹10,000 loans of self-help groups and the ₹10 lakh tickets of VC-funded enterprises lies a wide chasm. This is the ‘missing middle’—entrepreneurs who are growth-ready but credit-invisible. Development Alternatives’ experience shows that out of every 100 entrepreneurs seeking to set up their enterprises,

only about 7 succeed. What they need is not charity, but for dignified capital, tailored instruments, and patient support that meets them where they are.

In rural India, where entrepreneurship is emerging as a powerful driver of change, formal finance systems continue to operate with outdated frameworks. Banks rely on standardised risk assessments that often fail to capture the true potential of an entrepreneur—penalising women for lower educational qualifications, lack of prior business experience, or the absence of a male co-applicant. These rigid perceptions increase loan rejection rates, especially for women in rural areas.

According to TransUnion CIBIL Insights,[6] women actually maintain better credit profiles and repayment rates than men. In Development Alternatives' work on women's economic empowerment, we consistently find that women entrepreneurs not only repay their loans on time but also expand their businesses, create jobs, and support their communities. Yet, they face significant barriers when trying to scale, especially when moving beyond microloans. Even when finance reaches women, it typically recirculates within the same closed networks where borrowers get repeat loans. Between 2016 and 2021, the number of 'New to Credit' (NTC) women borrowers grew from 8.1 million to 9.6 million—just a 3% annual increase. This slow growth underscores how existing systems continue to exclude millions of credit-deserving women from accessing formal finance.

The Missing Middle: When Aspiration Meets a Dead End

Let's stop calling rural India 'resource-poor'. It is rich in people, networks, and institutions. Self-help groups (SHGs), follow-on public offering (FPOs), and cluster-level federation (CLF) are no longer just savings groups—they are running solar grids, service kiosks, packaging units, and e-rickshaw fleets.

Rural women entrepreneurs are stepping far beyond traditional roles, leading Shakti Kendras, managing vehicle repair centres, and running construction work, and even optical stores. In Badagaon, Jhansi, the Shakti Kendra run by the Shri Rajaram Sarkar Sankul Samiti is led by Parvati, Kalpana, and Munni—women who are not only managing a solar-powered enterprise but reimagining what rural industry can look like.

Like many women entrepreneurs, Roshni Begum, a doormat producer from Mirzapur, struggled with cash flow as the capital cycle worked against her. Her business did not lack demand, but to keep production running, she needed to pay upfront for raw materials, wages, and logistics—often waiting weeks for payments from buyers. She bore all the risks and yet remained the last to be paid. Roshni's turning point came when she secured a ₹25,000 loan from an a microfinance institution (MFI). It was not a large amount by institutional standards, but for her, it meant continuity, confidence, and control. Today, Roshni employs 20 more women and has become what we call a 'serial entrepreneur', facilitating economic independence for more women in her community, where she also helps other women get loans.

Yet businesses like hers are too small for banks, too large for MFIs, and often too 'non-traditional' for any mainstream lender. The result? Dreams stall, momentum breaks, and potential remains untapped.

'When I got the chance to employ more women, it gave me more than just visibility—it boosted my confidence. I also participated in peer-to-peer sessions where I shared my learnings and struggles with other women entrepreneurs. Now, I want to help more women like me take that first step. If we support each other, we all rise together.'

- Roshni Begum

Moving Beyond the Financial Instruments of the Past

Many of our current systems were never designed for rural women—or women in general. Credit scores like CIBIL are built on assumptions of salaried income, property ownership, and formal transactions. But what about women who run household-based businesses or those who borrow informally, but repay consistently?

In rural contexts, credit dignity and financial fluidity matter far more than credit scores. To truly empower women, finance must be redesigned around three pillars: **Time**—aligned with seasonal incomes and daily rhythms; **Trust**—built on SHGs, peer networks, and community leaders; and **Terrain**—adapted to digital gaps, weak infrastructure, and gendered barriers. Only credit systems rooted in real-world realities can unlock true financial inclusion.

To move beyond traditional credit assessment models that often exclude first-time or informal entrepreneurs, we have adopted AI-driven credit underwriting in partnership with Rang De, India's pioneering peer-to-peer lending platform. Unlike conventional CIBIL, this approach builds a more contextual, demographic-centric credit profile, reflecting ground realities like income cycles, repayment behaviour, and social trust. Over 15,000 entrepreneurs—many of them first-time borrowers without any prior credit history—have already accessed this service, unlocking pathways to formal loans. This is more than just an innovation in scoring; it is a shift in who gets to be seen as 'creditworthy'.

Fueling a Million Aspirations in 1000 Days

On our mission to cater to a million livelihoods, we are reimagining finance as a tool for agency, aspiration, and acceleration. We are laying the foundation for a future where money moves with purpose and livelihoods multiply at scale.

At Development Alternatives, our approach is simple but bold:


- **Aspire:** Begin with the ambitions of the people.
- **Embed:** Build inside existing systems, not outside them.
- **Catalyse:** Use finance to unlock ecosystems—not just disburse capital.

It is time to embrace community-based credit ratings, peer endorsements, transaction-based assessments, and micro-equity models. We need to reward behaviours like timely repayment, risk-sharing through collectives, or climate-positive practices. The era of 'one-size-fits-all' finance is over—we need persona-based financing that recognise the diverse journeys of entrepreneurs as youth, mothers, migrants, or micro-innovators.

As rural India transforms—driven by rising aspirations, digital inclusion, and women stepping into non-traditional enterprises—the demand for innovative finance is growing louder. To respond to this shift, we are also building a Credit Guarantee Fund (CGF) in partnership with Givfunds to bridge the persistent financing gap faced by 'missing middle' entrepreneurs: those too big for microfinance but too small or informal for banks. The fund is being designed to replace debt-heavy instruments and blend donor, lender, and community capital to de-risk lending, expand access, and enable dignified finance for first-time borrowers who are often deemed 'new to credit'. By covering initial losses

and incentivising them, the CGF will propel the lending institutions to extend credit to underserved entrepreneurs.

As we develop this new financial architecture, we are also designing innovative products that align with the lived realities of women and rural entrepreneurs—flexible, contextual, and rooted in trust, not just credit scores. Together, these shifts signal a move towards a more inclusive, responsive financial system—one that meets entrepreneurs where they are and grows with them.

India is changing. Rural India is not just watching this change; it is driving it. The question is no longer how we can give them finance. It is: how can finance evolve to deserve entrepreneurs like Roshni, Parvati, Kalpana, and Munni? 

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The Role of Innovative Finance in Creating an Ecosystem for Women Entrepreneurs



At the intersection of gender, climate, and livelihoods, women are leading change—unlocking capital is key to scaling their impact

A strong economy is not just about the capital available—it is about who gets to access it. Unfortunately, a significant number of women entrepreneurs today continue to find themselves on the sidelines.

India boasts over [15 million women-owned enterprises](#), yet only a fraction can access formal credit. This represents a tremendous opportunity for inclusive growth. Research from the International Finance Corporation (IFC) suggests that closing the credit gap for women entrepreneurs in India could potentially add over **\$30 billion** to the GDP.

But this change will not come from any one actor alone. It will require a collective effort—**philanthropic foundations, CSR funds, financial institutions, and government agencies**—working together with a shared

vision. Each has a role to play. Each strengthens the others.

To facilitate this change, we need to rethink how capital flows—and, more importantly, who it is directed towards.

This is where **innovative finance** can truly revolutionise the landscape. It goes beyond serving as a mere new option; it heralds a systemic transformation—one that reimagines how we blend capital, reduce risk, and create ecosystems that centre women entrepreneurs at every step.

Innovative finance represents more than just a financial resource—it is about imagination. It involves recognising potential where others see risk and building models that are inclusive. If we genuinely aspire for gender equity and economic justice, our

support for women entrepreneurs needs to extend beyond goodwill to embracing daring investments and cooperative ventures.

We believe this shift rests on three interlocking pillars that, together, can move the needle:

1. Leverage Guarantees from Philanthropy

Philanthropy does not need to end with grants. In fact, one of the most high-impact ways it can drive change is by acting as a **guarantor**—absorbing the first layer of risk to unlock larger, more flexible capital from mainstream financial institutions. A well-structured guarantee fund can help financial institutions lend to women entrepreneurs who lack traditional credit histories, thereby lowering the threshold for financial inclusion. Models like blended finance have already proven successful in climate financing and can be tailored for gender inclusion as well.

A study by the World Bank highlights that credit guarantees when used effectively, can **increase loan volumes by over 30%** in underserved segments.

2. CSR for Ecosystem Development

While credit is essential, it is not enough. Many women entrepreneurs also need access to digital tools, business mentorship, compliance knowledge, and networks. This is where **Corporate Social Responsibility (CSR)** can step in powerfully. CSR funds can be channelled into foundational support—capacity-building programs, digital literacy, green entrepreneurship training, and go-to-

market strategies—that prepare women not just to launch enterprises, but to scale them sustainably.

By anchoring CSR investments in ecosystem development, we create a pipeline of investible women-led enterprises that are ready for formal finance.

3. Activate Financial Institutions as Scalable Enablers

Once the foundation is laid, financial institutions can step in to **deploy credit strategically**. Whether it is working capital loans or asset-based financing, with philanthropic guarantees and CSR-backed capacity building in place, the perceived risk of lending drops—and the actual opportunity soars.

What emerges from this multi-stakeholder approach is not just access to credit—it is a **financial ecosystem** rooted in equity, trust, and long-term impact.

At the intersection of **gender, livelihoods, and climate**, lies one of the most powerful opportunities of our time. Women are already leading grassroots solutions in agriculture, health, education, and clean energy. We owe it to them—and to our collective future—to unlock the capital they need to lead at scale.



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Financing India's SDGs: Unlocking Innovation Through Local Communities



Navchetna Urja Mandala Samiti members manage a 30 kWp solar mini-grid in Sikhar, Mirzapur—boosting operational efficiency by 30% and incomes by 20%, while driving local entrepreneurship and clean energy-led growth

India's ambition to achieve the Sustainable Development Goals (SDGs) by 2030 calls for a seismic shift in our approach to development and finance accessibility. With a staggering investment requirement of \$2.64 trillion [1] we can no longer rely solely on traditional top-down models that depend on public budgets, debt, and philanthropy; these methods are no longer yielding or producing an impact that is sustainable and scalable. Instead, we must reimagine financial strategies that place communities at the forefront and prioritise local solutions, while promoting innovative, inclusive finance.

Why Community-Led Finance Matters

For decades, development finance has followed a linear, centralised path designed at the top and implemented at the bottom. While well-intentioned, this model often misses the value of local relevance and long-term sustainability. In contrast, a community-first approach recognises that solutions are already emerging from the ground up, led by those who experience the societal challenges first-hand.

Across India, women's collectives, farmer-producer organisations, and grassroots social enterprises are implementing local solutions in education, healthcare, livelihoods, water, and clean energy. However, these communities often lack access to flexible, reliable, and compassionate capital. It has become crucial to mobilise innovative financing to support them, as this is not just a strategy for growth, but a vital step towards achieving true equity and inclusion.

Blended Finance: A Bridge to the Base

Blended finance, which leverages public or philanthropic capital to de-risk investments and attract private funding, can serve as a vital bridge between capital and communities. However, it should extend beyond large-scale infrastructure to include areas like regenerative agriculture, rural enterprise development, and localised strategies for climate adaptation, mitigation, and resource efficiency.

Expanding initiatives like Viability Gap Funding (VGF), an Indian government scheme that helps make infrastructure projects commercially viable to support these sectors, could catalyse inclusive growth. At the same time, fostering collaborations between public, private, and community partnerships is essential to directly engage local institutions like decentralised renewable energy developers and grassroots sustainable enterprises.

Scaling Impact, Not Just Capital

India's impact investing ecosystem is growing, yet too often focuses on metro-based, tech-driven models. To foster true inclusion, we must redirect this capital towards rural and underserved areas.

This means establishing a standardised framework for measuring impact that considers social, economic, and environmental returns. We also need to empower grassroots entrepreneurs to become investment-ready and incentivise domestic venture capital and

private equity to back enterprises working on gender equity, sustainable livelihoods, rural healthcare and education, and climate resilience.

Climate Finance That Reaches the Frontlines

As climate shocks grow in both intensity and frequency, India stands at a critical juncture. The nation faces a range of extreme weather events, from scorching heat waves, to submerging floods and battering cyclones. These impacts are not only escalating, but are also becoming deeply unequal. The most vulnerable communities bear the brunt of climate extremes despite contributing the least to the crisis.

In light of this situation, it is crucial that climate finance shift gears from mitigation-heavy, infrastructure-led investments to community-centred adaptation and local resilience-building.

Climate adaptation must be rooted in local realities. Solutions should draw from the unique ecosystems, traditions, and lived experiences of communities. Community-led initiatives must be recognised as critical climate actions and financed accordingly.

Local institutions, especially those led by women, often have the contextual knowledge and networks needed to design and implement effective adaptation strategies. However, they lack the capacity and autonomy to manage climate funds. Therefore, strengthening their local institutional capacity to access climate finance and creating participatory accountability frameworks is crucial.

Marginalised groups, including women, dalits, Adivasis, and others, experience climate impacts differently and more acutely. Yet they remain underrepresented in climate planning and decision-making processes. Inclusive financing mechanisms must ensure that women and socially excluded groups have a seat at the table in fund governance, project design, and implementation and

policies should be developed to incentivise projects that actively build agency among these groups. Additionally, capturing disaggregated data is crucial to assess and address differential vulnerabilities.

A Policy Playbook for Transformation and the Case for Going Local


Localised solutions like Urja Mandala and Shakti Kendra are inherently more agile, cost-effective, and context-aware. These models are not just scalable, they are replicable, especially when backed by patient capital, shared knowledge networks, and enabling policy ecosystems.

To unlock the full potential of innovative finance for the SDGs, India must make the following policy pivots:

- **Decentralise financial flows** to enable direct access for community-based organisations.
- **Design flexible instruments** that support experimentation, learning, and long-term impact.
- **Establish blended capital platforms** that bring together public, private, and philanthropic actors with community intermediaries, eventually owned and led by community.

From Transaction to Transformation

Innovative finance must go beyond trendy terms and instead become a pathway for democratising development. By empowering local leadership, unlocking capital at the last mile, and embedding equity into every decision, India can close its SDG financing gap. This approach should focus on elevating grassroots innovations rather than merely scaling down top-down solutions.

It is time to move from charity to co-creation—from mere transaction to genuine transformation. 

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Rural Women and Entrepreneurs Are Financing a Just Energy Transition

For years, Nirmal Pandey endured the challenges that came with unpredictable electricity supply in India's rural areas. With power cuts dictating his business hours, he had no choice but to depend on diesel generators that drained both fuel and profits alike. Days were short. Costs were high. Growth seemed a distant dream.

However, everything changed in June 2024 when Nirmal switched to a decentralised solar mini-grid under Urja Mandala—a women-led, community-powered energy transition.

Nirmal Pandey, owner of an agri-input centre, in Mirzapur, expanded his business after switching to Urja Mandala's solar mini-grid, an initiative led and maintained by local women collectives.



Nirmal Pandey, owner of an agri-input centre in Mirzapur

Not Just a Mini-Grid, A Movement

Urja Mandala is a financially viable, community-owned energy ecosystem that combines the power of clean technology with the ingenuity of local stakeholders. The model is based on collaborative ownership and pooled investment, an approach that breaks away from the conventional donor-driven or top-down infrastructure

development paradigms. The core idea is a simple yet radical: those who use the energy should also co-create and co-own it.

The model brings together RESCOs (Renewable Energy Service Companies) who finance and set up the solar infrastructure, women collectives (formed under farmer producer companies and cluster-level federations) who manage operations, maintenance, customer relationships, and payments. Through power purchase agreements (PPAs) between these collectives and RESCOs, a transparent cost recovery mechanisms is established, solidifying ownership.

Rural micro-entrepreneurs, the end-users, pay for the electricity through prepaid smart meters, ensuring transparency, reduced defaults, and steady cash flows. This revenue supports O&M costs (operations and maintenance) and helps repay RESCOs, creating a circular financial system.

In essence, Urja Mandala democratises energy finance. It shifts from a top-heavy subsidy model to a distributed investment model, where profits and control are shared among the community.

Powering People, Not Just Machines

For the people who are a part of this ecosystem, the impact has been tangible. Businesses that once struggled with sporadic electricity for 5–7 hours are now thriving with consistent power for 10–15 hours a day, resulting in a remarkable 51.72% increase in productivity and a tangible increase in income due to lower diesel costs.

Currently, 66 businesses across Mirzapur are plugged into the grid—carpentry shops, flour mills, welding units, kirana stores—and 150 more are in the pipeline. Together, they are not facilitating a reliable cost-effective power supply but also fostering livelihoods within the community.



Members of the Rani Urja Mandala Mahila Samiti stand proud at the inauguration of a 32.5 kW solar mini-grid in Patratoli, Nawagarh, Jharkhand on 29 January 2025

For Nirmal, the numbers speak volumes: he saves ₹3000 per month, has hired two additional employees, and is witnessing a growing customer base. 'Earlier I had to shut by dusk. Now I stay open till late evening. I have even added a seed counter,' he says, smiling. His story is echoed by women entrepreneurs in neighbouring villages, who now oversee metre readings, manage customer bills, and troubleshoot energy disruptions, all while balancing family responsibilities and challenging gender norms.

A Blueprint for India's Energy Future

As India sets its sights on achieving a remarkable 500 GW of non-fossil fuel target by 2030, models like Urja Mandala offer a glimpse into a greener, fairer energy future. This transition goes beyond mere technology; it encompasses social and economic dimensions as well.

Urja Mandala is a key component of the 30-month 'Energy Transition for Rural Empowerment' project, implemented by Development Alternatives in partnership with HSBC. This project involves the establishment of eight Urja Mandalas that harness renewable energy sources with a combined capacity of 7.5 MW. It is expected to mitigate 10,000 tCO₂e of greenhouse gas

emissions by replacing diesel and coal-fired energy sources. Currently, six Urja Mandalas are operational in Uttar Pradesh (Bahraich and Mirzapur districts) and Jharkhand (Gumla and Simdega districts).

The model is replicable and scalable, especially in geographies where centralised grids have failed or faltered. More importantly, it ensures that rural communities are not mere beneficiaries of clean energy but co-architects of it.

Watch our [film](#) on Urja Mandala to learn more about the initiative.

- Join us as a RESCO partner to accelerate the energy transition.
- Become an Impact Partner to identify and build many more Urja Mandala sites.
- Be an Investor to invest in the potential of Urja Mandalas.
- For more information, contact us at urjamandala@devalt.org.



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From Access to Action: Rural Women Redefining Development in Bundelkhand

Century-old social customs and patriarchal norms have led women to lose confidence in themselves and their ability to bring about social change, which affects their own lives and the families they raise. Development Alternatives is working on strengthening women-led-community institutions by using entrepreneurship as a vehicle to bring about social change. This approach improves women's agency in managing local resources and challenges stereotypes by encouraging them to take on non-traditional roles.

In the heartland of Bundelkhand, where economic opportunities are often few and far between, a quiet transformation is taking place—led not by external forces, but by the women of the region themselves. With innovative financial models to support them, these women are stepping into roles once considered out of reach, becoming business owners, drivers, technicians, and solar energy entrepreneurs.

At the centre of this transformation are two groundbreaking initiatives: the Mahila E-Shakti Fund and the Shakti Kendra. Both initiatives are rooted in the principle that access to tailored, inclusive finance can be a powerful catalyst for women's empowerment and community development.

The Mahila E-Shakti Fund: Putting Women in the Driver's Seat

Launched in November 2024, the Mahila E-Shakti Fund is a pioneering financing programme by the Indian Micro Enterprises Development Foundation (IMEDF). It is a special-purpose vehicle of the Development Alternatives Group conceptualised with the guidance of renowned economist Dr Swaminathan Aiyer. At its core, the fund aims to remove the traditional financial barriers that keep rural women from entering entrepreneurial roles. By offering collateral-free loans at just 5% annual interest, coupled with strategic partnerships, the fund empowers women to take charge of their economic futures.

One of the most notable aspects of this initiative is its collaboration with e-rickshaw manufacturers. These partnerships enable the production of discounted lithium-ion battery-powered vehicles leading to savings of up to ₹70,000 for the women entrepreneurs. Women like Santoshi Devi Kushwaha and Madhu Kushwaha are now proud owners of e-rickshaws, driving income directly to their households. Beyond simply navigating roads, they are navigating new identities. With the income they generate, they contribute to household finances, pay for children's education, and reinvest in their future.



Santoshi Devi Kushwaha, a proud owner of an e-rickshaw under Mahila E-Shakti fund

'This support not only boosts household incomes but also promotes financial independence, pride, and a strong sense of identity within families and communities,' shared Navneet Singh Chattwal, Regional Director at Development Alternatives, Orchha, during the fund's inauguration.

The Mahila E-Shakti Fund is now gearing up to include other underserved segments such as street vendors and micro-entrepreneurs, proving that financial innovation can be deeply rooted in local realities while building scalable models for national impact.

Shakti Kendra: Solar-Powered Enterprises, Women-Powered Change

Further into Bundelkhand, in a modest village of Ghughuwa stands the Shakti Kendra—a women-led common facility centre that houses three micro-enterprises: an oil expeller with packaging unit, a slipper-making unit, and a disposable plate-making unit. All three are powered by a 26 kWp solar energy system, a nod to sustainability woven into the economic fabric of the community.

This initiative was brought to life through a multi-stakeholder partnership: Bank of America National Association provided the funding, Development Alternatives served as the implementation partner, and the Uttar Pradesh State Rural Livelihood Mission (UPSRLM) offered state-level support. But it is the women who drive it all.



Women from Raja Ram CLF at the Shakti Kendra in Ghughuwa, Jhansi

The ‘Shakti Samuday’—a collective platform of local women leaders—manages the Kendra. Thirty self-help groups (SHGs) pooled in ₹40,000 each, raising ₹12 lakhs to procure machinery and construct infrastructure. Development Alternatives facilitated solarisation, machinery, and intensive capacity building—ranging from business management to technical and safety training.

The impact? Tangible and powerful. The kendra generates ₹7–8 lakhs annually in revenue and has created sustainable

livelihoods for 10 women, all members of the Raja Ram Cluster-Level Federation. (For context, a cluster-level federation is a secondary-level federation of SHGs covering a cluster of villages and has been instrumental in scaling local economies, facilitating solidarity, and serving as a platform for greater collective action and improved access to markets and financial inclusion in rural India.) This particular Shakti Kendra has already helped mitigate over 10 tonnes of CO₂, with expectations to offset 15 tonnes annually—a clear example of how green finance can align with inclusive development goals.

Beyond numbers, the Shakti Kendra has provided women with a safe, dignified space to work, acquire new skills, and lead enterprises in sectors where their presence has traditionally been minimal.

The Larger Picture: Innovative Finance as a Driver of Equity and Sustainability

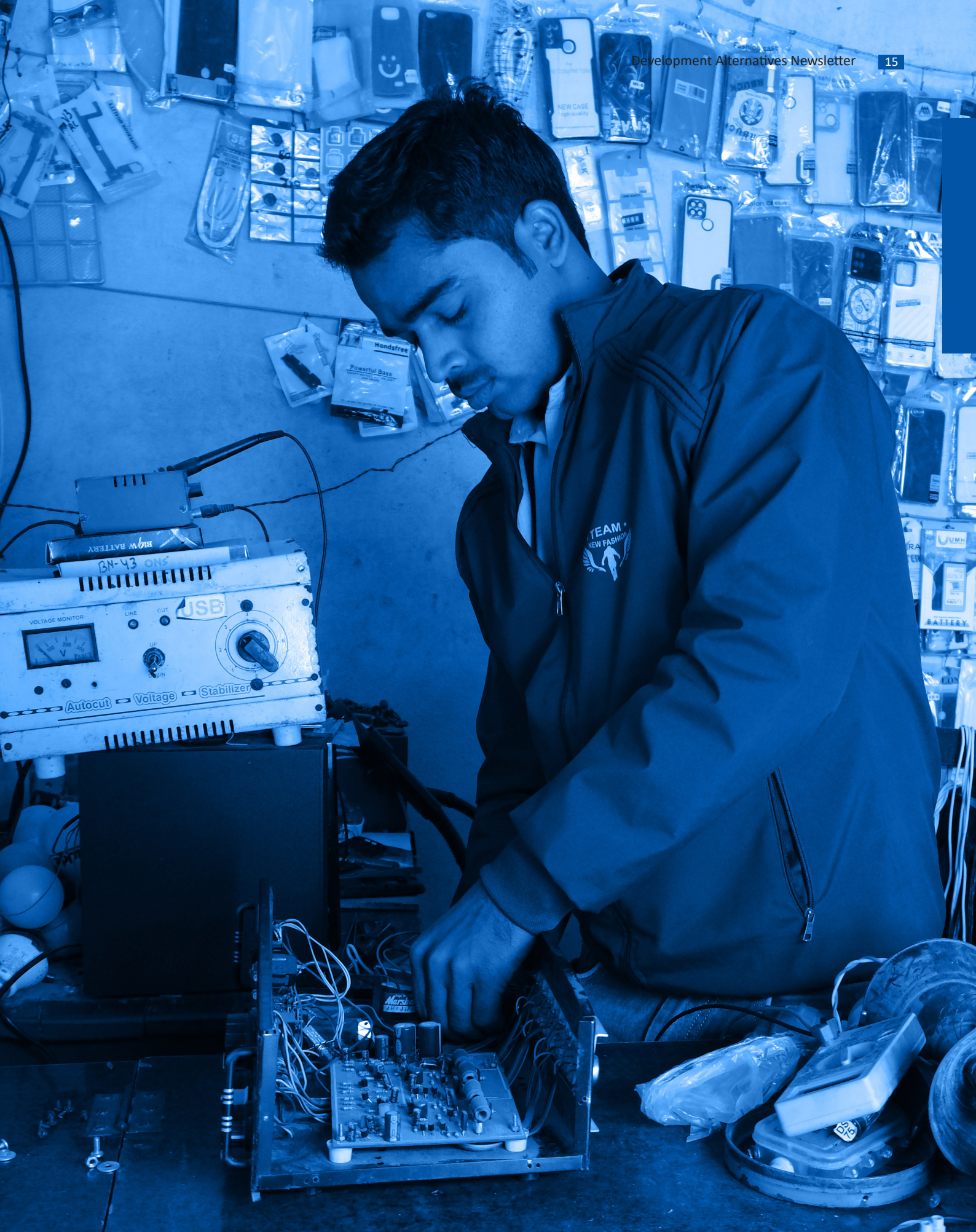
The Mahila E-Shakti Fund and Shakti Kendra show how finance does not have to be intimidating or exclusive. When designed with local realities in mind, it can become a powerful tool for inclusion, dignity, and long-term resilience.

In these instances, innovative financing goes beyond just offering capital. It de-risks entrepreneurship, builds community trust, and aligns economic incentives with environmental sustainability.

Most importantly, it places women at the centre of rural transformation—not as beneficiaries, but as architects of a better future. □

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Entrepreneurship thrives when communities lead.

In Mirzapur, Jay Prakash Yadav's electric repair shop stands as a testament to what's possible when systemic solutions and individual ambition come together under Samudyam.

Women-led Clusters — a Beacon of Empowerment



Jungle Mahal Tasar Cluster — reviving nature through tasar silk production

Jungle Mahal Cluster is located in Jhargram district of West Bengal. It is an all-women-based silk cluster with 70% artisans from the forest-dwelling Scheduled Communities. The cluster is based on a circular economy model and promotes the production of ingenious Tasar raw silk, where the silk rearing species of trees are planted and carbon sequestration is promoted through VERRA's VCS programme, in which the farmers transfer the generated verified carbon units (VCUs) to the project proponent.

Contact ashishchakraborty@pradan.net for more information.

Lac Cluster — a platform for tribal women to gain financial independence

Lac and other non-timber forest products (NTFP) cluster is located in Kamdara block of Gumla District in Jharkhand, which provides an arena to the tribal women in terms of better production, aggregation, value addition through primary and secondary processing, packaging and marketing of NTFP, which is the indigenous practice of the region. The whole unit of the cluster is being operated and managed by women who are being trained on various technical, governance, and management skill.

Contact pranitadas@udyogini.org for more information.



Agro-Business cluster — providing connectivity to North East through outreach of native produce

Promotion of agriculture, horticulture, and livestock rearing are the main livelihood practices in the aspirational district of Kiphire, Nagaland. Agro-business cluster promotes the cultivation of produces such as kholar beans, ginger, turmeric, honey wax by the Naga women and also facilitate the market linkage and capacity building of the women farmers in managing the overall operations of the cluster-based works.

Contact rutho@neida.org.in for more information.



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