

Odisha Inclusive Finance Bulletin

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PSIG PROGRAMME UPDATES

Ninth Meeting of State Financial Inclusion Forum



Units Development & Refinance Agency (MUDRA) Ltd: Status, Opportunities, Challenges and Way forward”. The programme witnessed an overwhelming participation from Banks, BCs, NGO-MFIs along with SFIF members, sector experts and Govt officials. Mr.

Under the aegis of Poorest States Inclusive Growth(PSIG) Programme, funded by DFID and implemented by SIDBI, ACCESS-ASSIST organized the 9th meeting of State Financial Inclusion Forum at Hotel Mayfair, Bhubaneswar on 2nd March 2016 on the theme of “Micro

Behera, AGM MUDRA shared the progress up-dates and explained various processes involved in the re-financing by MUDRA. The queries raised by bankers and other participants were also clarified through the discussions. The key deliberations of the meeting suggested the need for synergy between

Regional Lenders’ Forum Meeting



The 2nd Regional Lenders’ Forum Meeting was organized in the second half of 2nd March 2016 with the key objective to enhance bank lending to MFIs. Representatives from various Banks, MFIs, SRO-MFIN, Credit Bureau-CRIF High Mark and Officials from RBI-Regional Office were present

in the meeting. The deliberations focused on how Banks and MFIs can work together in order to meet the financial service needs, including credit for the clients to scale-up their business activities. The RBI team also advised both the Banks and MFIs to work in a coordinated manner to reach out to increased number of clients in the state through diversified and affordable financial services. Timely use and reference of credit bureau data that provides information on creditworthiness and reliability of the clients by banks and MFIs was emphasized. The MFIs



Inside the Issue

1. PSIG Programme Updates
2. Other PSIG States updates
3. State Financial Inclusion Status
4. Recent Developments in FI space
5. Interview with sector experts

Government Departments, Banks and MFIs to expand the outreach of the MUDRA scheme. A few action points which came out during the meeting included-a quick assessment of the impact of MUDRA loans on the clients, advocacy with MUDRA management to re-look at the current eligibility criteria for Banks, RRBs, UCBs, MFIs etc. and relaxation in entry criteria to facilitate linkage of MFIs with MUDRA to avail re-financing and channelize that for potential entrepreneurs in the state.

operating in Odisha are currently reporting to 1 or 2 Credit Bureau systems including to High Mark that has helped them strategize and analyze their lending patterns in an effective manner. During the discussions, various self-regulatory principles such as avoiding over-indebtedness, maintaining transparency, adopting appropriate interaction & collection practices, ensuring KYC, data sharing with credit bureau, integrating credit plus services etc were emphasized by MFIN. Organizing more Bankers-MFIs interface, sharing of data with banks and advocacy with their respective HOs on MFI lending etc were suggested by the participants.

Orientation-cum-Banker's Exposure Visit



As a follow up action to the previous lenders' forum meet, an Orientation-cum-Exposure visit was organized in Bhubaneswar, which was conducted by Shri A.R. Samal, former GM-SIDBI. In the second half, bankers

were taken for a field visit followed by interactions with the Branch & HO staff of Swayamshree Micro Credit Services (SMCS)-one of the leading home grown MFIs & partner to PSIG in Odisha. Besides having direct interactions with the SHG members, Bankers had an opportunity to gather information on the microfinance operation, business model, governance structure, management practices, MIS, risk mitigation mechanism, client protection measures etc. of SMCS. While appreciating the good works of SMCS, all the bankers advised the MFI to prepare and submit the loan proposals to them.

Orientation Programme on Atal Pension Yojana:

Two orientation programmes on Atal Pension Yojana for bankers and other stakeholders, at the state and district level were organized in Bhubaneswar and Baripada district respectively, on 8th & 10th February under the PSIG initiatives. The main objective was to orient the participants on the process of APY enrollment and to understand the key issues and challenges faced by the Bankers and other stakeholders while implementing APY on the ground level. All the leading banks along with BCs/MFIs employed as service providers by banks participated and shared their experiences on the progress of APY enrollment so far. Both product and process level issues were also discussed & clarified during the programme. The participants also deliberated on the possible ways forward to expand the APY coverage.



PSIG-SIDBI Event Updates

1. Gender Sensitization workshop for all the PSIG Partner MFI of Odisha was conducted at SIDBI MSME International Training Institute (SITI), Bhubaneswar on December 22, 2015.
2. PSIG Away Day was conducted in Puri on February 25-26, 2016 wherein all the PSIG Team members participated to reflect upon the progress of the project. The two day opportunity was utilized to think on the achievement of PSIG till date, focus of PSIG for remaining period of the project and its relevance to the project objectives.
3. Launch workshop for Financial Literacy & Women Empowerment Project, Odisha was held at Hotel Mayfair on March 3, 2016, wherein all the major stakeholders including State Government representative, RBI and lead Bank representative were present. Programme objectives, highlights and expectations was discussed.
4. Project Advisory Committee meeting of Mahashakti Foundation and Annapurna Microfinance Private Limited was held to review the progress of these MFIs in tune with objectives of PSIG in the State.
5. Training Programme for women participants was conducted by SIDBI MSME International Training Institute (SITI), Bhubaneswar on International Women's Day on March 8, 2016 wherein PSIG partner MFI nominated their women staff to the Training Programme.



OTHER PSIG STATES UPDATES

Madhya Pradesh:

- **District level APY Orientation Programme in Datia** - An orientation programme on Atal Pension Yojana was organized on 5th February 2016 in association with PFRDA and Centum Learning. Participants from Banks (PSU/ RRBs/ Cooperative Banks, Private Banks), MFIs, and Government Departments attended the programme.
- **4th SFIF Meeting**- Fourth meeting of SFIF, Madhya Pradesh was held on 19th February 2016. The key theme of the meeting was “*PMJDY – Progress Till Date, Challenges and Way forward*”. The meeting was attended by representatives from various PSU Banks, RRBs, Cooperative Banks, RBI, NABARD, SLBC, MFIs and SFIF members.

Uttar Pradesh:

- **APY Orientation Programme**- An orientation programme on Atal Pension Yojana was organized one as State level orientation programme in Lucknow and two district level orientation programmes in Raebareilly & Rampur on 19th, 22nd & 28th January respectively.
- **6th SFIF Meeting**- Sixth meeting of State Financial Inclusion forum was organized on 2nd Feb 2016 in Lucknow at BIRD. The key theme for the meeting was Micro Units Development & Refinance Agency Ltd. (MUDRA): Status, Opportunities, and Challenges. The meeting was attended by 40 Stakeholders from PSU Banks, RRBs, RBI, NABARD, MFIs & NGOs.
- **Exposure visit for FLC Counselors**- Organized two day exposure visit for FLC Counselors on 11 & 12th Feb 2016 in Mathura with participation from RBI, NABARD, BIRD, LDM Mathura and 11 FLC Counselors. The two day visit also had a session with BIRD on revised RBI guidelines for all the FLC Counselors.

Bihar:

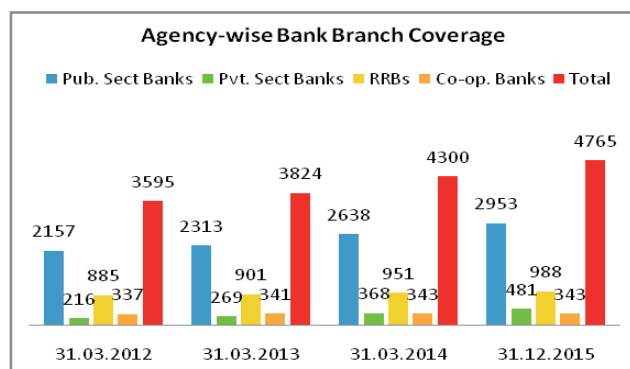
- **District level APY sensitization Programme**- Two District level Sensitization programme on Atal Pension Yojana was organized in Gaya and Begusarai on 19th January and 4th February, 2016. A total of 80 government and bank officials were sensitized from these two programmes.
- **9th SFIF Meeting**- Ninth meeting of State Financial Inclusion Forum was organized on 3rd February. Key theme of the meeting was “*Role of Financial Literacy in Financial Inclusion of the poor - its strategies, initiatives, challenges and way forward*”. The meeting was attended by SFIF members, Government officials, BCNMs, TSPs, Public and private sector banks among others.
- **Roundtable on Mudra Yojana**- Roundtable on “*Mudra Yojana: Status, Opportunities and Challenge*” was organized on 4th of March, 2016. 39 senior officials from Government, Commercial Banks, Regional Rural Banks and Microfinance Institutions had attended the programme.

STATE FINANCIAL INCLUSION STATUS

State Initiatives in Financial Inclusion

- Banks have opened 99 branches in the state during the period from 01.04.2015 to 31.12.2015, out of which 50 are in rural centres. 33 branches have been opened in unbanked Gram Panchayats.
- As on 31.08.2015, Banks have covered 39928 villages constituting 87.01 % of the total target. Out of these villages, 446 are covered through B & M Branches and rest by branchless modes mainly through BC mode.
- SLBC has identified 78 villages with population above 5000 without a bank branch of a scheduled commercial bank in Odisha. The identified villages have been allotted among scheduled commercial banks for opening of branches by 31st March, 2017.

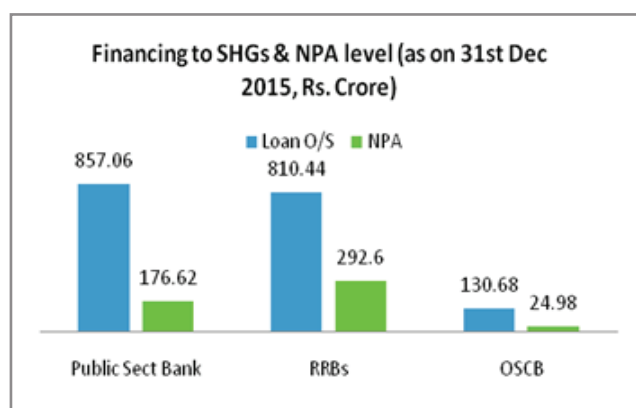
Bank Branch Coverage in Odisha:



(Source: SLBC Odisha)

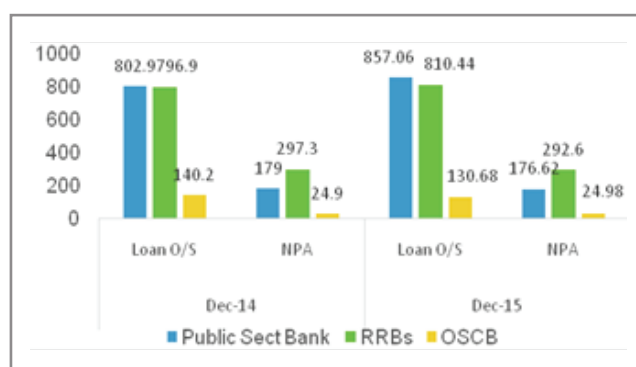
There has been a positive increase in the number of bank branches operational in the state. By the end of December 2015, the total number of Bank Branches in Odisha increased to 4765 from 4300 last year (increased by 10%). However against a target of 1962, Banks have opened only 33 branches in the unbanked GPs in the year 2015-16, depicting limited outreach in underserved areas. The data also indicates that the number of branches of RRBs have increased marginally and Co-operative Banks have remained by and large static in this period. Extension of banking connectivity in unbanked areas will expand financial inclusion to marginalized areas and also will prevent the operation of fake financial institutions in the state.

Status of SHG-BLP & NPA level in Odisha:



(Source: SLBC Odisha)

Financing to SHGs is done by all the banks but growing NPAs in the SHG portfolio has been a key constraint in SHG-BLP. As reflected in the graph, the ratio of NPA vis-à-vis loan outstanding in SHG financing is higher in case of RRBs and OSCB than that of the PSB. This highlights the need for more stringent procedures to curb the increasing volume and share of NPA in the loan outstanding. However the financial achievement against target is 56% under SHG-Bank Linkage Programme. To facilitate this 363 Bank Mitras were positioned in different Bank branches in erstwhile 38 TRIPTI Blocks. As on 31st December 2015, 1378 Samanwaya Melas were organized and an amount of Rs.6.76 Cr was recovered from 4298 WSHGs during this Mela. 7950 WSHGs were credit linked amounting to of Rs.88.71 Cr during various Samanwaya Melas.



(Source: SLBC Odisha)

As represented in the graph along side, the NPA of the public sector banks stood at INR 179 Crore as on December 2014 whereas it decline and stood at INR 176.62 Crore in the month of December 2015. The reported NPA of Regional Rural Banks (RRBs) declined from INR 297.3 Crore as on December 2014 to INR 292.6 Crore in the month of December 2015. The NPA portfolio of OSCB remained same as that of the last year. About 569 BLRCs are formed to facilitate NPA reduction.

Status of Social Security Scheme in Odisha:

Enrollment Status of Social Security Schemes (As on 31.12.2015)	
PMJDY	7,846,699
PMSBY	31,73,786
PMJJBY	8,41,379
APY	63,160

(Source: SLBC Odisha)

Table 1

The tables show the progress update of accounts opened and enrolled under PMJDY and its social security schemes- PMSBY, PMJJBY & APY. It is observed that the uptake of PMSBY is higher than PMJJBY and APY. As on 31.12.2015, out of 264 claims lodged, 216 have been disposed off under PMSBY and out of 59 claims lodged under PMJJBY, 21 have been disposed off. The progress under APY has been very slow mainly due to lack of demand from the clients' side as many of them considered it as a very long-term benefit.

Performance under MUDRA - Amt. in Rs. Crore (As on 31.03.2016)							
Sishu		Kishore		Tarun		Total	
A/C	Amt	A/C	Amt	A/C	Amt	A/C	Amt
2096277	3452.58	52678	953.89	11724	792.56	2160679	5199.03

(Source: MUDRA)

Table 2

Coverage under MUDRA is growing in a slow but steady manner. Banks are putting up their best efforts to reach out increased number of entrepreneurs in Odisha. As on 31st March a total of 2160679 accounts are opened and 5384.25 cr has been sanctioned out of which 5199.03 cr disbursed in the state.

Microfinance Coverage in Odisha: The Status Update (As on 31st December 2015)							
Progress as on September 2015			Progress as on December 2015				
MFI	No. of Borrowers	Amount of Loan O/S (Rs Crore)	No. of Borrowers	Amount of Loan O/S (Rs Crore)	No. of Districts Covered	No. of micro insurance clients	No. of micro pension enrolled
AMPL	310743	371.8	3,24,925	422.97	25	3,24,925	-
Mahashakti	28350	33.8	33414	38.5	7	56700	-
SMSSL	18418	23.5	19191	23.13	3	8632	-
Sambandh	52224	61.4	54,949	67.64	10	41,438	494
SMCS	26947	33	26117	31.67	16	26177	5298
GUF SPL	32777	39.9	32172	33.27	7	32172	-
Adhikar	50810	54	60,544	58.01	17	1,21,088	12255
KGFS	NA	NA	37765	60.72	1	25016	18433
Ujjivan	NA	NA	76,913	124.9	7	76,913	-
Suryodaya	70000	83	76000	102	22	-	-
L&T MF	260000	320	NA	NA	NA	NA	NA
Spandana	204515	224	2,17,311	241.62	25	2,17,311	-
SKS	NA	NA	NA	NA	NA	NA	-
BSFL	NA	NA	NA	NA	NA	NA	NA
AROHAN	-	-	36000	40	8	36000	NA

Table 3

The above table shows the comparative progress (Sept-Dec 2015) of some of the prominent MFIs/NBFCs in the state. Except one or two organizations most of the MFIs have been able to expand their outreach and portfolio during Dec quarter in comparison to the quarter ending Sept'2015. There is also an increased coverage under micro insurance services for the borrowers, mainly through credit linked products. Sharing of data with Credit Bureaus and responsible finance practices also found to be significantly adopted by the MFIs. The sector as a whole will look forward to more and more bank lending in the coming quarters and thereby more clients get the benefits of microfinance.

RECENT DEVELOPMENTS IN FINANCIAL INCLUSION SPACE

DCB Bank and Annapurna Microfinance Company seal equity deal: DCB Bank Limited has announced to acquire an equity stake of 5.81 per cent for Rs 9.99 crore in its long standing business partner Annapurna Microfinance Private Limited (AMPL)

SKS Microfinance Ltd announced a 93.4% jump in its net profit. The growth is mainly due to the company's efforts to reduce operational costs and the lower cost of funds. On a quarter-on-quarter basis, the net profit grew 2%, from Rs.78 crore in September-end.

Disha Microfin to act as rural and semi-urban focused bank: Gujarat-based Disha Microfin Private Limited that received in-principle approval for small finance bank (SFB) in September last year, will act as a rural and semi-urban focused bank after being operational. The microfinance institute (MFI) Disha is aiming to launch itself as SFB by end of calendar year 2016 and is awaiting regulatory approvals from the concerned authority.

Bandhan joins Indian banking league with 501 branches: Bandhan Bank on Sunday began operations as a full-fledged bank with 501 branches and 1.43 crore

accounts across the country, becoming the newest member of the estimated USD two-trillion Indian banking industry.

Microfinance Institutions Network (MFIN) Hosts the South Asian Regional Conclave on Financial Inclusion Through Microfinance: First Such Regional Conclave in India with a focus to Facilitate Regional Dialogue and Cross Learning among South Asian Countries Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka. MFIN hosted this regional conclave in collaboration with the South Asia Micro-Entrepreneurs Network (SAMN).

Microfinance market could grow three fold in 3-5 yrs ICRA: Given the drive for financial inclusion, the micro-finance market, which essentially covers small-ticket loans for under-banked in India, has potential to grow over three-fold to Rs 3.4 lakh crore over the next five years, according to rating agency ICRA. At present, the market size is Rs 1.1 lakh crore as of September 30, 2015, covered by Self-Help Group Bank Linkage Programme, Microfinance Institutions (MFIs) and Bandhan Bank.

In Budget 2016 Finance Minister reported that an amount of Rs 1 lakh crore

was sanctioned to 2.5 crore borrowers by February 2016 under the PM Mudra scheme and has proposed an increased allocation of Rs 1.80 lakh crore for the same. Small and medium enterprises (SME) are the backbone of the economy, contributing an estimated 8 percent of GDP, 45 percent of manufacturing output and 40 percent of exports.

Global investors put more capital in Bandhan Bank: Singapore's sovereign wealth fund GIC and International Finance Corporation along with state-run Small Industries Development Bank of India, together put in Rs 482 crore in Bandhan, taking the entity's total capital to Rs 3,052 crore, more than six times the minimum Rs 500 crore capital norms for new private banks.

Atal Pension Yojana eligible for tax benefits: Contributions to the Atal Pension Yojana (APY) will now be eligible for the same tax benefits as the National Pension System (NPS), according to a circular released by the Income Tax department. The tax benefits include the additional deduction of Rs 50,000 under section 80CCD(1) introduced in last year's Budget.

Beneficiaries of Pension Payments in cash under National Social Assistance Programme (NSAP): Department of Financial Services, Ministry of Finance, Government of India (DFS) has informed that National Social Assistance Programme (NSAP) is a social security and welfare programme to provide support to aged persons, widows, disabled persons and bereaved families on death of primary bread winner, belonging to below poverty line households. Out of 317.04 lakh such beneficiaries, 81.11 lakh beneficiaries are being paid through cash.

In order to ensure transparency and offer options to the beneficiaries of NSAP, it has been decided to facilitate the capture of Aadhaar numbers and opening of Bank accounts in the next round of NSAP payments by cash in public meetings, such as Gram Sabhas in rural areas and Ward Centers / Area Sabhas in urban area.

Airtel M Commerce receives RBI licence to start payments bank: Airtel M Commerce Services Limited (AMSL), a subsidiary of Bharti Airtel Limited has been granted payments bank license from Reserve Bank of India that it had applied for in partnership with Kotak Mahindra Bank.

Yes Bank inks pact to 'on-lend' \$50 million to women: Private lender Yes Bank today inked a tripartite agreement for on-lending \$50 million loan from World Bank arm International Finance Corporation (IFC) to women entrepreneurs.

The bank will engage Goldman Sachs for identification and lending methodology to reach out to credit worthy Business women, the lender said in a statement.

Aadhaar Bill to improve financial inclusion: The Lok Sabha's passage of the Aadhaar legislation takes the government one step closer to seed its myriad welfare schemes with the unique identity number while furthering its financial inclusion agenda.

The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Bill, 2016, once passed by the Rajya Sabha and receives the President's assent would make it essential for people to provide their unique identity number for availing government benefits.

India's first small finance bank launched: Capital Small Finance Bank, India's first small finance bank, was launched in Punjab. It opened 10 new branches on its inaugural day. It is among the 10 entities that were given the in-principle approval by the Reserve Bank of India (RBI) to set up small finance banks.

Unified Payment Interface: Unified Payment Interface (UPI), which aims to move the country towards a more cashless model. Developed by the National Payment Corporation of India (NPCI), the payment interface is expected to be a game changer in mobile banking.

IFMR Capital initiates first capital market transaction for MUDRA: IFMR Capital has facilitated the first ever capital market transaction for MUDRA (Micro Units Development & Refinance Agency), which focuses on providing low cost loans to microfinance and non-banking financial institutions.

Nabard to support banks to open branches in LWE-affected districts: National Bank for Agriculture & Rural

Development (NABARD) has pledged support to banks for opening branches in the un-banked villages in the Left Wing Extremist (LWE) affected districts in the country. NABARD would offer support for solar-powered VSAT connectivity. The states where 150 LWE districts are identified by NABARD for implementation of the scheme include Madhya Pradesh, Odisha, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tamil Nadu and Telangana.

Consumer finance major 'Home Credit' enables first time borrowers: Home Credit India Finance Pvt. Ltd. is one of India's fast-growing Non-Banking Financial Companies (NBFC) that enables progress through consumer finance solutions. Through 2015-16, the company saw 31 percent of its first time loan takers from Delhi NCR eligible for a second loan from the company. 14 percent of the customers were actually gone on to take a second loan from the company, thereby building a healthy credit score.

PCI extends insurance benefit to all RuPay cardholders: National Payment Corporation of India (NPCI), the umbrella organisation for all retail payments system in the country has announced relaxation for claiming personal accident insurance for all RuPay cardholders in the country. Earlier the benefit was applicable only to those cardholders who had performed at least one transaction in 90 days.

Banks to benefit from RBI's PSLC guidelines: Moody's - RBI released guidelines for priority sector lending certificates (PSLC), whereby banks can buy and sell such credits to manage their priority sector lending requirements.

INTERVIEW WITH SECTOR EXPERTS

Expanding Financial Inclusion through Financial Literacy: Role of Community Functionaries as Financial Literacy Facilitators- B.M. Patnaik, State Financial Inclusion Advisor, OLM

Looking at the importance of financial literacy, the National Rural Livelihoods Mission (NRLM) & Odisha Livelihoods Mission (OLM) are undertaking various activities related to financial literacy to educate poor SHG members and help expand financial inclusion in Odisha.



Mr. B. M. Patnaik,
State Financial Inclusion
Advisor, Odisha
Livelihood Mission

Brief about NRLM/OLM

National Rural Livelihoods Mission (NRLM), now known as Deendayal Antyodaya Yojana (DAY), was launched with effect from 01 April 2013. It stands on 3 pillars of Social Inclusion, Economic Inclusion and Financial Inclusion. Under Social Inclusion, rural women are made a part of the Self Help Groups. Any woman from the eligible families can become a member of a Women Self Help Group (WSHG) that has been included, revived or

formed under NRLM. The SHGs are federated to Cluster level Forum (CLF) at the village level with participation of representatives of all the WSHGs of the village. At the Gram Panchayat (GP) level, there is a Gram Panchayat Level Federation (GPLF) with the participation of representatives from the CLFs located in the GP.

The Mission is implemented in a phased manner by gradually adopting Blocks and GPs in an intensive mode where the above described community set up is positioned. In Odisha, till March 2016, intensive intervention has been done in 1514 GPs of 88 blocks of 24 districts. During 2016-17, it will spread to remaining 6 districts with additional 19 blocks. At the end of year 2016-17, the programme will spread to about 2000 GPs, which is about one third of the total GPs of the state. As far as Financial Inclusion is concerned, the WSHG and bank linkage have been an integral part of the Mission. The Mission cannot run without the support of financial institutions especially banks. The bank loan is required for Economic Inclusion through promotion of livelihood activities and enhancement of production and productivity. The increased income from the activity will help in improving the quality of life of the poor families. In addition to the staff of NRLM/OLM, a number of community functionaries are engaged in implementing the programmes including the Office bearers of WSHG, CLF and GPLF, Community Resource Persons- Community Management (CRP-CM), Master Book Keepers (MBK) at GPLF level and Bank Mitra at Bank Branch level. They are being equipped with knowledge and skills to carry forward the Mission on a sustainable mode, even after the closure of the Mission and withdrawal of project personnel.

Key Challenges:

The challenge for financial literacy is the size and type of the target group. The target beneficiaries are the rural, poor and illiterate people. The number is very large. They cannot be provided inputs in a classroom or camp mode. Further it cannot be a onetime intervention. The process has to be slow and continuous. This will involve lots of time and

resources. The present mechanism of financial literacy delivery is both inadequate and ineffective. The Financial Literacy Centres set up by banks are inadequately manned, accompanied by infrastructural constraints. The strategy adopted by them to hold financial literacy camps at different locations does not create a sustainable impact in the area. Many a time they work for banks only, especially the sponsored banks. Other financial products rarely find place in their literacy initiatives. In view of the manpower and infrastructure constraints, not many financial camps are being organised. As a result the coverage of people through financial literacy programmes is limited. Within NRLM/OLM programme, the Bank Mitra is utilising her most of the time in the branch to facilitate the transactions of WSHGs in the branch. As such she is not able to spare much time to attend WSHG meetings to spread the message of comprehensive financial inclusion and financial literacy.

Suggestions for Improvement:

Financial Literacy Centre (FLC) should be set effectively which would undertake regular financial literacy sessions for the office bearers, staff and specifically for the SHG members on a regular manner. To make financial literacy a continuous and sustainable intervention, developing community functionaries like WSHG, CLF, GPLF: office bearers, MBK, Bank Mitra and CRP-CM as Financial Literacy Facilitators is important. Positioning of an additional community functionary such as Bitta Mitra will be of great help to advance the financial literacy and financial inclusion initiatives at the block level.

✓ The FLCs can train the community functionaries on a periodical basis at the block/district levels. Training of Trainers (ToTs) on financial literacy for the MBKs, Bitta Mitras etc should be organized to equip them with the required knowledge and skill set to act as FL Facilitators and impart FL training sessions for the CRPs and the SHG members on an on-going manner. This will help coverage of large number of WSHG members in Financial Literacy programmes

and will help in up scaling financial inclusion.

- ✓ Review of the existing materials and literature on financial literacy being used by various stakeholders can be done to come out with standardized FL training manual in local language. The community functionaries will have to be supported with simple literature for distribution among the WSHG members.
- ✓ Alongwith traditional methodologies, the ICT based approach to deliver financial literacy & capability modules for the SHGs members may be adopted. An ICT based delivery of inputs has been found to be more cost effective, besides its ability to scale and reach large numbers quickly. In view of those audio visual aids like films, posters, wall paintings, folk forms covering financial literacy can also be developed to facilitate long term impact.
- ✓ The MBKs/Bitta Mitra should also be oriented to facilitate accounts opening for the left over families in the areas, if any, and educate them to enrol under various social security schemes offered by PMJDY, LIC and other service providers.
- ✓ Banks can also engage the GPLF and Bitta Mitra as a Business Correspondent so that she will be able to operate from the GPLF office using the hand held gadgets. SHGs and other customers of the bank can transact from GPLF office. Bitta Mitra and GPLF will get some additional income from this business.
- ✓ To make the programmes more effective, specialised organisations, which are bank and institution neutral, should be engaged for the purpose. They can project a bigger canvas incorporating the activities of Banks, MFI, Insurance Companies, Pension Service providers, fund managers and regulators, SEBI etc.
- ✓ The FLC should also monitor the progress by obtaining report from the Facilitators on a monthly basis about the programmes taken up by them to spread the message of financial literacy.

Empowering Women through strengthening & linking SHGs with Utkal Grameen Bank



Mr. Prakash B. Divekar
Chairman
Utkal Grameen Bank

UTKAL GRAMEEN BANK-one of the two Regional Rural Banks in Odisha has been making sincere efforts to reach out to increased number of poor and vulnerable group of people through its 442 Branches and more than 600 kiosk outlets spread over 17 districts of Western and Southern Odisha. The operational area of the Bank is predominantly backward, tribal dominated, hilly and inaccessible terrain with low literacy rate. In order to help improve the socio-economic conditions of the local communities; especially for empowering women, UGB has been promoting women SHGs in an extensive manner to link them with its banking services. UGB adopts various effective and innovative methods to achieve the desired impacts in the communities.

In addition to educating SHGs through its branches, UGB has been organizing mega SHG camps at different locations mainly to create mass awareness on the need and importance of financial inclusion, financial literacy, financial products, social security schemes launched by Govt. of India and credit linked them in the process. Recently the UGB had organized a number of such camps in its operational areas which were attended by thousands of SHG members. The camp at Nuapada

near Titilagarh witnessed the presence of about 1500 Women SHG members. UGB invited dignitaries/experts from OLM, NABARD, SBI, ASSIST, Govt officials from the local block office, PRIs etc.

Two distinguished guests- Padmashree Award winners for WSHG movement in neighboring state -Mrs. Phool Basan Bai Yadav and Mrs. Shamshad Begum from Chattisgarh joined the camp to address the gathering. The experts highlighted the importance of social and economic empowerment of women and about the need of financial inclusion and the role of SHGs for that. Bank had arranged stalls for display of various products manufactured by SHGs, enrolment of savings Bank holders into Social Security Schemes, distribution of ATM RuPay Cards, opening of BSBD Accounts, collection of applications for fresh linkage/repeat assistance. 127 Women SHGs were credit linked to the tune of Rs.128.41 lakhs; 250 BSBD Accounts were opened, 340 ATM RuPay Cards were distributed. UGB has been also organizing such camps at Rairakhol, Rayagada, Sonapur Kalahandi, etc. Held at Thuamul-Rampur, the most backward tribal pocket of Kalahandi district, the camp was attended by more than 100 members from 124 SHGs during which 94 defunct groups were reactivated and credit linked to the bank again. Also 30 new groups were extended bank loans.

Another initiative was taken to hold a conclave of NGOs at Jeypore for deliberating on their role vis-à-vis Rural Development and credit linkage with Banks. It was attended by leading



Mega SHG linkage-cum-financial awareness camp conducted by UGB and attended by Padmashree Phoolbasan Bai Yadav & Padmashree Shamshad Begum

NGOs like Access Assist, Pradaan, Pragati etc. The feedback received was immensely helpful to rightly align the SHG movement so as to make it more effective. The cooperation between the Bank and the NGOs was underlined for effective spread of Financial Literacy and Rural Development. UGB also regularly undertakes financial literacy programmes for the SHG members in its operational areas with the support from NABARD. Besides running the FLC at district levels, the bank adopts innovative methodology to educate SHGs and the community on the importance of financial inclusion, planning and schemes including PMJDY and its social security services etc. UGB organizes such FL camps at the weekly haat (market places) to attract the attention of the people. It also makes use of the locally available drum, music etc and pass on the FL messages through that. Close interactions with people and clarifying their doubts help them to better understand the importance of the schemes and enrol them in that. Among others the women SHG members takes keen interest in all the FL camps and enrol in the social security schemes under PMJDY

(Source of Information: SLBC Agenda, VC Circle, Economic Times, Business Standard, Indian Express, Huff Post, RBI Website)

About us:

The Poorest States Inclusive Growth Programme (PSIG): The DFID supported Poorest States Inclusive Growth (PSIG) programme, implemented by SIDBI, aims to increase access of financial services to 12 million low income clients in the 4 State of UP, MP, Bihar and Odisha. This £30m, 7-year project has three distinct outputs – policy advocacy, capacity building and financial literacy & women empowerment. ACCESS-ASSIST is managing the policy component of the programme.



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