

NEWSLETTER - May 2014



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Dear Reader,

While supporting the Financial Inclusion strategies in India we learned that supply-led and technology-driven approaches do not necessarily result in increased and better use of financial services. Financial Inclusion requires the capability of clients to make informed choices and use the chosen financial products effectively for their own benefit. The RFIP, therefore, devised a localised Financial Capability concept and, based on this, a range of tools that help stakeholders in promoting and improving the Financial Capability of the rural population and the poor. To disseminate the concept and the tools the RFIP is currently conducting roadshows at six regional hubs across the country (see article on Financial Capability). With the same objective of supporting the capacity development of Microfinance clients, and thereby closing the Financial Inclusion gap, the RFIP has published the 'Financial Awareness and Education Toolkit for SHG members', which is being used for expanding the SHG-Bank Linkage Programme to particularly poor and underdeveloped regions, but is generally useful for stakeholders who promote SHGs. As documented in this newsletter, the RFIP has also developed various other materials to support Financial Literacy initiatives, among others a compendium for counsellors of Financial Literacy Centres and a toolkit for Financial Inclusion and Literacy Centres. We are convinced that sound financial institutions and need-based financial services can make a positive impact on the poor's economic and social life, but only if the poor develop their capability to choose and use financial services for their own benefit. This is why people-centred approaches to Financial Inclusion are a focal area of the RFIP.

Dr Detlev Holloh, GIZ Programme Director

HELPING PACS HELP THEMSELVES:

INITIAL EXPERIENCES WITH PACS DEVELOPMENT CELLS IN ODISHA

The NABARD-GIZ Rural Financial Institutions Programme (RFIP) aims at strengthening the Short Term Credit Cooperative Structure (ST-CCS) through various approaches. One of these approaches is the development of local institutionalised capacity to support the management as well as the business development of Primary Agricultural Credit Societies (PACS). Realizing the need for institutionalised support at the district level, NABARD has been promoting the PACS Development Cell (PDC) model since 2012. A PDC is a unit that is attached to a District Central Cooperative Bank (DCCB) and usually staffed with two trained resource persons. NABARD is currently supporting 116 DCCBs in establishing their PDCs.

PDCs as Local Support Structures in Odisha

So far, 8 PDCs have been established in Odisha with financial support from NABARD, the State Government and the State Cooperative Bank. While the RFIP contributes to the capacity development of PDCs across the country, the programme has been providing a range of support measures to the ST-CCS stakeholders and the PDCs in Odisha.

This support has been based on a study, which assessed the needs of stakeholders post the implementation of the Revival Package and a study on the capacity development needs of PDCs (Strengthening PACS through Business Development Cells at DCCB, June 2012). This study highlighted the need for the provision of "on-time" and "need-based" services to the cooperative members for achieving member satisfaction and ensuring a "sustained relationship between the members and their PACS". It also reiterated the need for "improving governance, institutional capability, institutional positioning and visibility of the PACS as local institutions providing financial and non-financial services".

The RFIP adopted a strategy for supporting the capacity development of PDCs that focuses on the development and application of demand-oriented tools for the management and development of PACS, the provision of on-site and off-site hand holding support to the PDC resource persons, and change management measures at the level of PACS.

Tools for PDCs and PACS

The following set of tools was developed, tested and provided for supporting the resource persons and the PACS management in business development:

- Work Plan for PDC resource persons
- MIS Dashboard for PACS
- Basic Business Planning & Budgeting Tool for PACS
- Basic Portfolio Management Tool for PACS
- Business Opportunity Assessment of PACS for the use of PDC resource persons
- Analysis of feasibility and profitability of new products and services for PACS

The above tools were tested at six locations with the participation of eighteen PACS supported by PDCs of Balasore and Bhadrak CCBs and the active involvement of the resource persons of the respective PDCs. In addition to this, the representatives of all the thirty PACS supported by PDC Balasore were sensitized about the above tools. The experiences gained during the field testing helped in making necessary modifications to the tools and finalizing the same for implementation. Workshops were conducted for all the resource persons of the eight PDCs in Odisha in order to sensitize and train them in the use of the tools.



HELPING PACS HELP THEMSELVES (Contd.)

Handholding Support to the PDC in Balasore

Based on the findings of the earlier studies and developed tools, the resource persons of the PDCs, including those from Balasore and Mayurbhanj, are being provided with a combination of on-site and off-site consulting support. Such support is aimed at building their capacity and in helping them to provide support to their respective PACS.

The mandate for the resource persons of the PDCs includes the development of market-oriented Business Development Plans (BDPs) for achieving growth in business and profitability of the select PACS. The resource persons of PDC Balasore, and to a limited extent those of PDC Mayurbhanj, are being provided with handholding support for facilitating the development of demand-oriented BDPs for their respective PACS. The approach being followed is a combination of providing contextual inputs, orienting towards necessary tools and hand-holding with needed guidance on the field. A combination of both on-site and off-site support is being provided to the resource persons. The Secretaries and staff of participating PACS are also provided with orientation and inputs either at their location or at a common location, through different mediums including workshops. The progress so far, as part of this advisory support for business development of PACS, is as under:

- i. The resource persons of the PDC have prepared a work plan based on measurable indicators
- ii. Development of a 'vision' and 'mission' statement for select PACS in Balasore
- iii. Assessment of the business opportunities was undertaken for PACS for which the BDPs are to be prepared
- iv. Analysing the basic financial statements of PACS to
 - a. understand the surplus generated from various activities
 - b. understand the challenges foreseen in wiping out accumulated losses, and
 - c. planning for diversification
- v. Developing market-oriented BDPs based on the members' demand and the PACS' capabilities of mobilizing & handling resources.
- vi. Identifying the common key focus areas across the BDPs of the thirty PACS and one or two key focus areas for each of the twenty PACS for which the BDPs are ready so that the implementation can be focused on these areas.
- vii. Preparing Activity Plans for the implementation of the BDPs.

Way Forward

It is important to assess the initial experiences of the PDC resource persons and the PACS in this initiative of business development. This assessment should be used to structure further handholding support in managing change and increasing their capacities to help themselves.

Implementation of BDPs by PACS - Example

Some examples of generic activities taken up by the PACS supported by the PDCs in Odisha are as follows:

- Conducting village level meetings with focus on members' awareness about PACS and with a goal to increase deposit mobilization, loaning and to improve loan recovery; also to promote more Self Help Groups (SHGs), Joint Liability Groups (JLGs) and Farmers' Clubs (FCs).
- PACS level meetings of SHGs and FCs with the aim of enhancing sustainability through capacity building and increased economic engagement. The goal is to have one SHG and one FC in every village of every PACS, subject to feasibility.
- Regular Interactions (monthly) of CEOs of PACS with the respective DCCB with the aim of 'diversification and expansion' of PACS businesses.

Some specific activities identified as a priority by some of the PACS of the PDC in Balasore DCCB are as follows:

S. No.	Name of the PACS	Identified activity
1	Nizampur	Promoting the use of fertilizers and good quality seeds through FC in every village, Loan Recovery
2	Kasipada	Loan recovery, Deposit counter in a central place
3	Mukulsihi	Strategic Plan with a Vision
4	Panskuli	Agricultural implements & Godown
5	Nuapadi	Evening bank branch for deposits, promoting the use of fertilizers and good quality seeds.
6	Devog	Setting up an SHG, Deposit mobilization
7	Khantapada	Recovery of old outstanding, Godown
8	Panpana	Agricultural Implements, Dealership in Cement, Steel
9	Gopinathpur (Nilgiri)	Diversification into construction material
10	Laxmannath	FC, Deposit mobilization, Promoting Dairy, Vegetable seeds trading
11	Srirampur	JLG; Recovery, Promoting fishery
12	Allalpur	SHG Promotion and Linkage
13	Gopinathpur (Soro)	Deposit mobilization, Recovery improvement, Thresher/Harvester
14	Ada	Seeds production, Deposit mobilization
15	Shyamsundarpur	Diversification into Construction material

FINANCIAL CAPABILITY – A PEOPLE-CENTRED APPROACH TO RETHINK FINANCIAL INCLUSION



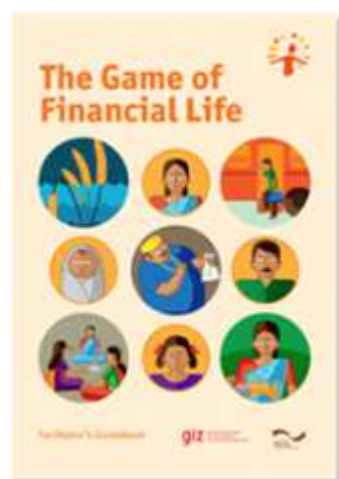
Financial Inclusion strategies are broadly based on the assumption that people who are financially included are able to improve their living situation, move out of poverty and with that, contribute to the growth of the economy they live in. The underlying concept of this development implies that once access to financial services and literacy is established, people would automatically use these services to their own benefit. Yet, reality shows that financial decision making is far more complex and that availing financial products per se does not automatically lead to the betterment of a person's living situation.

The Local Financial Capability Study, conducted by the GIZ-NABARD Rural Financial Institutions Programme (RFIP), therefore puts forth an alternative framework that captures the conditions under which the rural poor make decisions pertaining to their financial health. As outlined in former newsletter issues, the study probes which knowledge, skills, attitudes and experiences help make informed choices regarding the use and management of money.

In order to make this concept more tangible for stakeholders and guide them in incorporating it within more traditional Financial Inclusion programmes, RFIP has developed a toolkit christened "USE: Tools for Financial Impact". USE is conceptualized as targeting a variety of financial service providers and intermediaries as well as the actual rural household and attempts to enhance this new understanding of financial capability through the use of the following three sets of component tools:

- Tools to ENABLE institutions to enhance the abilities of the community members (Life Game including Facilitator's Guidebook, Participants Book, Flipchart, and Community Poster)
- Tools for UNDERSTANDING the concept (movie, poster, brochure, study report, booklet for financial service providers)
- Tools for SUPPORTING the local verification and adoption of the concept to the targeted communities (Research Reckoner)

With the financial sector being aware of the Financial Capability concept, the RFIP is now aiming at a pilot implementation, planning to initiate projects with banks, financial service providers and last mile facilitators such as NGOs and SHG Federations in order to integrate the Financial Capability approach into their business model. To ease the operational alignment, further tools are currently being developed and will be presented and discussed at upcoming regional workshops for practitioners at 6 regional hubs across India.



PAST EVENTS

Steering Committee Meeting of the NABARD-GIZ Rural Financial Institutions Programme, Mumbai; 12th November 2013: The Mr V Ramakrishna Rao, Executive Director, NABARD presided over the NABARD-GIZ RFIP Steering Committee meeting held on the 12th November 2013 at NABARD Head Office. The meeting had the participation of the officials of the implementing departments in NABARD, viz. micro Credit Innovations Dept. (mCID), Financial Inclusion Dept. (FID), Institutional Development Dept. (IDD), Dept. of Supervision (DoS), Centre for Professional Excellence in Cooperatives – Banker's Institute of Rural Development (C-PEC-BIRD) and Corporate Planning Department (CPD) along with the RFIP Team. In addition to sharing the progress and the experiences in the implementation of the RFIP, the broad strategy and goals for the next two years in the three components of the RFIP concerned with i. Strengthening CCS, ii. Promotion of Microfinance, and iii. Promotion of Financial Inclusion were discussed. The meeting was followed up with discussions with CPEC- BIRD over the video conferencing platform on the broad strategy for capacity development of C-PEC on a sustainable basis.

NABARD Signs the Financing and Special Agreement under the NABARD-GIZ Rural Financial Institutions Programme; 22nd November 2013: Mr V Ramakrishna Rao, Executive Director, NABARD signed the supplementary Financing and Special Agreement under the NABARD-GIZ RFIP. The financing agreement places an additional 400,000 Euro at the disposal of NABARD for taking up capacity development measures in the implementation of the RFIP.

IDD and C-PEC Champions Workshop held at Hyderabad; 25th-26th November 2013: The 'C-PEC Champions and IDD Workshop' was held at Hyderabad on the 25th and 26th November, 2013. IDD Nodal officers from 19 ROs participated in the workshop in addition to the CPEC Team from BIRD Lucknow, Bolpur, and Mangalore campuses as well as the RFIP team. Mr M.I. Ganagi, CGM, IDD, HO observed that IDD, HO was committed to the growth and expansion of C-PEC activities and would mobilize necessary resources to strengthen its activities. C-PEC-BIRD and NABARD stressed on the need for taking C-PEC forward in expanding its outreach among cooperatives across all regions of the country. Mr Ganagi also outlined the important role of IDD officers in marketing and anchoring C-PEC's initiatives on the ground in their respective states.



RuPay On-boarding Workshop with NPCI, IIBF, Mumbai, 25th November 2013: GIZ-NABARD RFIP and NPCI (National Payment Corporation of India) jointly organized a workshop for Cooperative Banks on 'RuPayCard On-boarding' at IIBF in Mumbai on 25th November 2013. The objective of the workshop was to sensitize the cooperative banks on various issues related to the on-boarding process of RuPay based payment systems and RuPay Kisan Credit Cards (KCC). The event saw participation from more than 20 Cooperative Banks, DCCBs and CCBs. Shri Niraj Gupta – CGM (FID), NABARD was the key speaker for the event and highlighted the need for increased adoption of technology based innovative payment platform by Cooperative Banks. NPCI also made a presentation on the process requirement for adoption of RuPay KCC by the banks. Shri Navtej Singh from NPCI also graced the occasion and shared his insights on the advantages of RuPay KCC.



State level workshop for stakeholders for up-scaling SHG-BLP in Jammu & Kashmir, Stakeholder Workshop, 28th November 2013: The SHG-BLP programme is in a very nascent stage in J&K state and the growth of SHGs is also skewed, being especially low in Kashmir and Ladakh regions. As per the SLBC data, as on 31 March 2013, a total of 8,632 SHGs have been formed, 7,096 SHGs have been saving-linked and 6,607 SHGs have been credit-linked. Based on the 2011 census, there are approx. 15 lakh rural households in the state (Jammu region-8.02 lakh, Kashmir region – 6.66 lakh and Ladakh region 0.3 lakh) and NABARD has estimated that about 90,000 SHGs can be formed in the state against which about 8,632 SHGs have been formed up to 31 March 2013.

In order to actively support financial and social inclusion through SHGs in the state, NABARD organized a state level stakeholder workshop. The RFIP supported this very important event by sharing expertise and experience from other states to Jammu & Kashmir.

Participants from partner organizations, SHPIs, NABARD District Managers and banks attended the workshop and discussed the wayforward for the SHG movement in J&K. In a concrete next step, NABARD will support the mapping of livelihood opportunities for SHG members in selected districts.

PAST EVENTS - Continued

Violence against Women Workshop, 3rd December 2013: A recent research by the RFIP on effective usage of financial services by rural low-income households revealed that domestic violence and abuse influences the impact of financial services negatively. In other words, families who face problems like different forms of violence might not be able to benefit from access to financial services very effectively. The RFIP was interested in finding out more about the linkages between microfinance and violence against women. Together with SAMPARK, Bangalore, a first survey on existing approaches and initiatives in this area has been conducted with the UN Solution Exchange for Gender Community as a knowledge partner. During a joint workshop with participants from a wide range of NGOs, research and practice organisations, including Ms. Rashmi Singh from the National Mission for Empowerment of Women and Ms. Shamina Shafique from the National Commission of Women, the findings from the survey were discussed. A few suggestions for the way ahead to enable microfinance in becoming a tool for ensuring gender equality and equity were:

- Violence against women needs to be put on the agenda of policy frameworks within the National Rural Livelihood Mission and the Microfinance Regulatory Bill.
- The microfinance movement needs to spearhead Financial Literacy at all levels, including soft skills (negotiation, conflict resolution, and assertiveness), capacity building of community resource persons, and legal rights awareness at SHG meetings.
- People's organizations like Self Help Groups (SHGs) are a critical platform for gender mainstreaming at the grassroots. However, the broader vision of ensuring the welfare of family as a unit is crucial.
- Financial institutions need to introduce and offer financial products for women in old age, single women, and PLHIV (People Living with HIV).
- Grading the SHGs with social indicators should be introduced to enhance women's status in the family.
- More research and piloting of approaches is required.

Workshop with Sa-Dhan on 'MFIs as BCs - Paradigms for the Future' at New Delhi, 16th January 2014



RFIP and Sa-Dhan organized a national workshop on 'MFIs as BCs - Paradigms for the Future' to facilitate peer learning and experiences of MFIs as BCs so as to make the BC operations more relevant, effective and sustainable. Since the introduction of this model, considerable experience has been gained. This workshop titled, "MFIs as BCs: Paradigms for the Future", which was organized by Sa-Dhan and supported by GIZ, was attended by 30 participants from across the country. There were deliberations on the lessons learned, challenges faced and solutions thereof. The specific objectives of the workshop were to:

1. Understand the preparedness required by MFIs to successfully operate as BCs
2. Understand the nature of negotiations required with banks in rolling out the model
3. Assess the support required by MFIs operating as BCs from Sa-Dhan and GIZ

Microfinance India Summit, Ashoka Hotel, New Delhi, 9th-10th December 2013

The 10th Microfinance India Summit 2013 was held between 9th and 10th December 2013 at the Ashoka Hotel, New Delhi, organized by ACCESS. 600 national and international professionals came together to discuss topics around Microfinance and Financial Inclusion in India at the event. In order to better understand the financial and social behaviour within SHGs as well as the transactions between SHGs and banks, GIZ and ACCESS jointly commissioned a study to the Centre for Microfinance at IFMR. The study was conducted in 3 states (Bihar, Madhya Pradesh and Karnataka). During the summit, the study report was launched in a panel titled 'SHG Schematic: Applying the Responsible Finance Lens'. Ms Jonna Bickel, Advisor, GIZ jointly discussed the findings during this panel with the authors of the report from the IFMR Centre for Microfinance as well as participants from Hand in Hand, BIRD, MAVIM and the Karnataka State Cooperative Apex Bank.



PAST EVENTS - Continued

Workshop with Sa-Dhan on 'Evolving Role of SHPIs & SHG Federations in Financial Inclusion: The BC Model', New Delhi, 17th January, 2014

GIZ and Sa-Dhan organized a national workshop on 'Evolving Role of SHPIs & SHG Federations in Financial Inclusion: The BC Model' to discuss the way forward for Self Help Promoting Institutions (SHPIs) and SHG federations in the BC model. The workshop was aimed at understanding issues and challenges faced by SHPIs and federations in implementing the BC model, so as to make the BC operations more relevant, effective and sustainable. The BC model provides an opportunity to SHPIs to facilitate the provision of diverse financial services to the members of SHGs promoted by them. This workshop was organized by Sa-Dhan, supported by GIZ, and was attended by 30 participants.



1. Analyze the convergence in the role played by SHPIs and SHG federations in Financial Inclusion and the opportunities provided by the BC model
2. Discuss the challenges faced by SHPIs and SHG federations in implementation of BC model
3. Discuss solutions and the role that can be played by various stakeholders in BC ecosystem
4. Identification of TA (Technical Assistance) areas for SHPIs

Anchor's Training Workshop for PDC Resource persons from AP on Managing Change at PACS at APCOB-CTI, Hyderabad; 20th-21st January 2014: In the last six months, Business Orientation Workshops have been facilitated by RFIP in about eight districts of Andhra Pradesh (AP). Three people have been identified in each district—usually the PACS Nodal Officer in the DCCB and the PDC-Resource Persons and or PACS CEOs - to play the role of anchors or change agents. The RFIP team is working closely with them for a period of 6 months in thematic workshops (January to June 2014), helping them shape and implement their strategies to transform the PACS. This series will develop a core team in the APCOB/Cooperative Training Institute (CTI)/DCCB system to anchor planned change in the selected PACS in each district. RFIP engaged with the identified 24 anchor persons or change agents in providing them the necessary skills for facilitation process and change management in the Anchor's Training Workshop at APCOB-CTI, Hyderabad on the 20th and 21st January 2014.

NABARD Exposure Visit to KGFS, Tamil Nadu, 23rd – 24th January 2014

The NABARD-GIZ Rural Financial Institutions Programme (RFIP) organized an exposure visit of NABARD officials to IFMR's Kshetriya Gramin Financial Services (KGFS) operations in Tamil Nadu (Trichy-Thanjavur) on 23rd and 24th January, 2014, to see the Financial Inclusion initiatives of KGFS based on their wealth management approach (of Plan, Grow, Protect, Diversify - PGPD) and the master trainer project of KGFS-GIZ (community level generic financial awareness approach adopted by the financial service provider).

The exposure visit was attended by a total of 15 members, 6 members from NABARD HO in Mumbai, 7 from various Regional Offices of NABARD and two members from GIZ. CGM-FID NABARD HO, Mr. Niraj Gupta, CGM NABARD Chennai RO, Ms. Lalita Venkatesan and GM NABARD Chennai RO, Mr. S Athrivel also visited the team and KGFS branches during the exposure visit.

**ToT Workshop for Facilitators on Business Orientation of PACS in Andhra Pradesh; 23rd-25th January, 2014**

Given the enthusiasm of the stakeholders in the business orientation programmes conducted in the initial eight districts of Andhra Pradesh (AP), and the positive response from AP State Cooperative Bank on the utility of this approach to all the districts in AP, 24 identified facilitators from AP including NABARD District Development Managers (DDMs) were provided inputs in managing facilitation, understanding and using 'Future Search' methodology in initiating change and managing change. These trained facilitators would organize Business Orientation Workshops for the PACS in the rest of the 15 districts of AP. They would be provided need-based guidance by the RFIP team.

PAST EVENTS - Continued



Release of 'Online Survey of MFIs as Business Correspondents – An MFIN GIZ Assessment', at CAB, Pune, on 20th February 2014: As part of the study on Microfinance Institutions (MFIs) as Business Correspondents (BCs) undertaken jointly by GIZ and Rabobank, GIZ had conducted an online survey of MFIs in collaboration MFIN, to understand the current position and past experience of MFIs (not-for profit and for profit) as BCs, the sector's future interest in this line of business and the challenges faced by MFIs as BCs.

On 20th February, 2014, at a programme on 'Financial Inclusion through Microfinance: Risks and Opportunities' organised jointly by College of Agricultural Banking (CAB) and M-CRIL at Pune, RFIP launched the findings of the online survey titled

'Online Survey of MFIs as Business Correspondents – An MFIN GIZ Assessment'. The launch was made in the presence of a wide cross-section of industry stakeholders, including those from RBI, NABARD, MFIs, industry associations etc. Ms. Jonna Bickel (Technical Advisor, GIZ), Mr. Alok Prasad (CEO, MFIN), Mr. Srinivasan Santhanam (Consultant, GIZ) and Mr. Abhishek Choudhury (Consultant, GIZ) represented MFIN and GIZ at the launch.

Launch of 'Financial Capability Study Report' and 'Financial Awareness & Education Toolkit for SHG Members', Mumbai, 13th March 2014: As rethinking Financial Inclusion strategies constitutes a major effort that cannot be undertaken by one institution alone, RFIP invited key stakeholders from the financial development sector to discuss further implications and options over the launch of the study report on Financial Capability on March 13th, 2014 in Mumbai. Representatives from major institutions such as NABARD Chairman Dr Harsh Kumar Bhanwala and RBI ED Dr Deepali Pant Joshi shared their thoughts on the importance of gaining a deeper understanding of rural households' financial behaviour. Underlining NABARD's continued commitment, Chairman stated that: "It is a milestone that somebody has been innovative enough to focus on capacity creation in an environment where almost all the attention is around supply side services. [...] It is a very laudable effort and [NABARD] will be partnering it in totality."

As a direct result to the research on Financial Capability, key findings were incorporated in awareness and educational materials for Self Help Groups that got officially launched on the same occasion. The toolkit titled 'Hamari Asha' - a joint effort of the GIZ RFIP team and NABARD's mCID - combines more traditional topics of financial literacy with topics like domestic violence and the importance of girl child education, two points of interest that became prominently visible throughout the Financial Capability research.

Intended to assist community resource persons in forming and nurturing SHGs, the toolkit contains training materials for both the facilitator and the audience, a wide range of awareness tools such as games, posters, charts and brochures that may be used very flexibly by all stakeholders of the SHG-Bank Linkage Programme according to their respective needs. Whether government organizations, NGOs, SHPIs, banks, MFIs, SHG Federations or CBOs – the toolkit offers substantial support for training SHG members and office bearers of the groups in understanding and applying the concepts, processes and procedures of Self Help Groups.



PAST EVENTS - Continued

Launch of Reference Handbook for FLC Counsellors containing FAQs & Answers, IIBF, Mumbai; 29th April, 2014

Indian Institute of Banking & Finance (IIBF) was mandated to develop supporting materials for Financial Literacy Centre (FLC) managers, starting with FAQs. The objective of developing a comprehensive material for FLCs was to help FLC counsellors and clients with a ready reckoner and user friendly compendium of basics of products and services available for the clients and to increase their financial awareness. It is expected that the FAQ compendium will help and guide clients in taking an informed decision to avail banking products and services.

The FLC FAQ handbook contains 206 basic, relevant and easy to understand FAQs on different themes of financial education - KYC norms, savings, credit options, debt restructuring, bank account opening eligibility, interest rate calculation on savings, so on and so forth. The FAQs have been divided into 4 key sections - Deposits, Loans, Legal issues and Remittances.

It is proposed to be circulated extensively across all FLCs in both hard copy and soft copy (CD). The booklet was launched by the IBA (Indian Banks Association) CEO- Shri M.V. Tanksale in Mumbai on 29th April 2014 at IIBF. Mr Tanksale appreciated the efforts of RFIP in disseminating Financial Literacy materials for improving the capacity of FLCs. RFIP, with IIBF, will now replicate the FAQ handbook into vernacular languages for facilitating access by masses and clients across all geographies. RFIP will soon also launch web-based training modules for FLC counsellors.



UPCOMING EVENTS

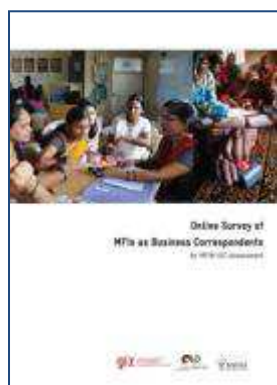
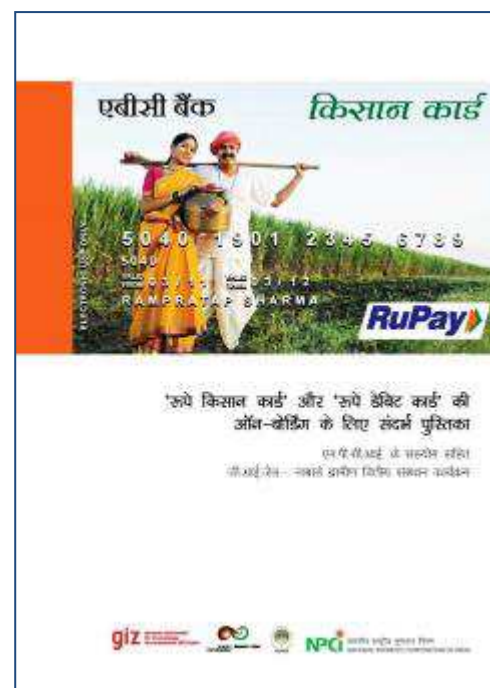
- Workshop for PDC Resource persons from AP on Managing Change at PACS with the theme of Project Management by PACS, 23-24 May 2014
- Workshop for PDC Resource persons from AP on Managing Change at PACS with the theme of Strengthening PACS Financials, 21-22 June 2014
- Mobile Banking Workshop at NABARD RO, Lucknow, in June
- Launch of Mobile Banking Study in July
- RuPay on Boarding Workshops, pan-India, June onwards

FEATURED PUBLICATIONS

Reference Guide for On-Boarding 'RuPay' Kisan and Debit Cards - Hindi

GIZ – NABARD Rural Financial Institutions Programme in Cooperation with NPCI

Lead by the Special Project Unit (SPU-KCC) of NABARD and in association with National Payment Corporation of India (NPCI), a handbook was released in mid-2013 for banks on issuance of 'RuPay' Kisan Credit Card (KCC) which covered common card terminologies, FAQs and NABARD guidelines. Further, based on the feedback received from various stake holders (mainly District Central Cooperative Banks), a need was felt to provide these banks with a more "implementation process-oriented" ready reckoner which could be used as a one point reference guide for preparing an operational roadmap for RuPay on-boarding and taking up further activities in the on-boarding process. Resultantly, this Reference Guide for on-boarding 'RuPay' Kisan and Debit Cards has been jointly prepared by the RFIP & NPCI as a tool for facilitating banks in their on-Boarding process. This reference guide provides the steps required to be taken by banks before issuance of RuPay cards besides providing options available to the bank in selection of approved vendors, while conforming to the compliance guidelines of NPCI. It is expected that this reference guide will serve as a handy toolkit for these banks in facilitating easier and faster on-boarding process management for issuance of RuPay Cards to the rural population of India.

**Online Survey of MFIs as Business Correspondents**

An MFIN-GIZ Assessment

As part of the study on Microfinance Institutions (MFIs) as Business Correspondents (BCs) undertaken jointly by GIZ and Rabobank, RFIP had conducted an online survey of MFIs in collaboration with MFIN, to understand the current position and past experience of MFIs (not-for profit and for profit) as BCs, the sector's future interest in this line of business and the challenges faced by MFIs as BCs. The publication succinctly captures the findings of the survey (<http://mfinindia.org/resource-centre/research-reports-white-papers/>).

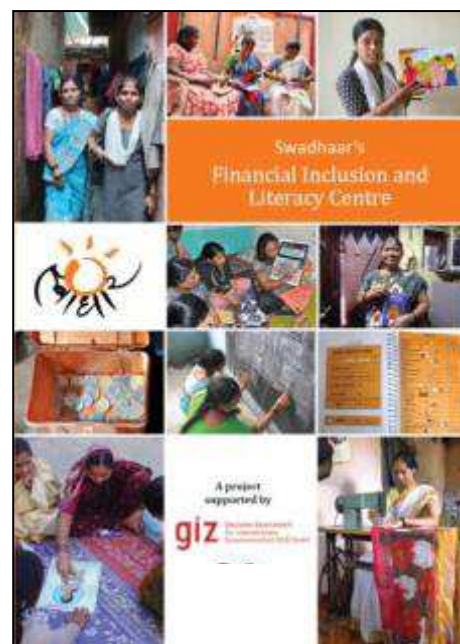
FAQs & Answers for Financial Literacy Centres

The Financial Literacy Centre (FLC) FAQ handbook contains 206 basic, relevant and easy to understand FAQs on different themes of financial education - KYC norms, savings, credit options, debt restructuring, bank account opening eligibility, interest rate calculation on savings, so on and so forth. The FAQs have been divided into 4 key sections - deposits, loans, legal issues and remittance. It is expected that the FLC FAQ booklet will help the ecosystem to standardise the understanding and knowledge by bringing uniformity in the counselling approach being done by the FLC counsellors. This handbook (currently in English and Hindi) is also available in CD format and shall be circulated amongst the Banks besides FLC. An online portal through IIBF is also envisaged to give responses to queries raised through FLCs.



In continuation of GIZ's commitment to promote financial literacy and awareness among poor households as well as the Business Correspondent (BC) model, it has been supporting Swadhaar's Financial Inclusion and Literacy Centre (FILC) initiative. As a part of this initiative, GIZ is supporting Swadhaar to develop a toolkit for their FILCs that would showcase their work to various stakeholders in the industry and also work as a step-by-step guide for other institutions who would want to set up such an FILC in their own area.

The video is ready for circulation and the toolkit is in its final stages of preparation and would be released soon at an appropriate forum.



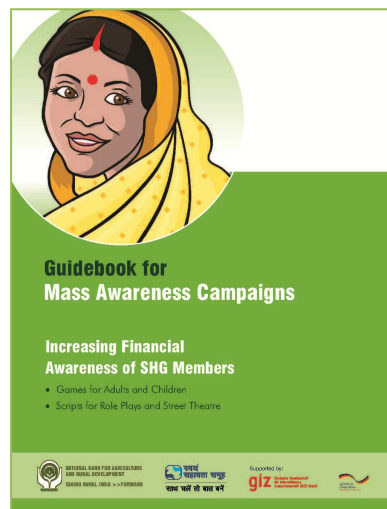
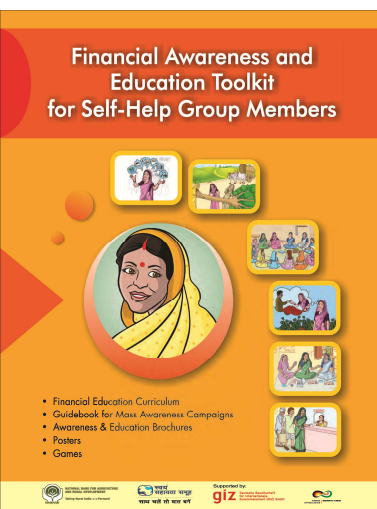
Key findings of the research on Financial Capability (detailed earlier) were incorporated in an awareness and educational toolkit for Self Help Groups that got officially launched along with the study report on Financial Capability on March 13th, 2014 in Mumbai, at the hands of NABARD Chairman Dr. Harsh Kumar Bhanwala and RBI ED Dr. Deepali Pant Joshi. The toolkit titled 'Hamari Asha' - a joint effort of the GIZ RFIP team and NABARD's mCId - combines more traditional topics of Financial Literacy with topics like domestic violence and the importance of girl child education, two points of interest that became prominently visible throughout the Financial Capability research.



FEATURED PRODUCTS (CONTD.)

‘Hamari Asha’ - Financial Awareness and Educational Toolkit for SHGs (contd.)

Intended to assist community resource persons in forming and nurturing SHGs, the toolkit contains training materials for both the facilitator and the audience, a wider range of awareness tools such as games, posters, charts and brochures that may be used very flexibly by all stakeholders of the SHG-Bank Linkage Programme according to their respective needs. Whether government organizations, NGOs, SHPIs, banks, MFIs, SHG Federations or CBOs – the toolkit offers substantial support for training SHG members and office bearers of the groups in understanding and applying the concepts, processes and procedures of Self Help Groups.

**ABOUT US**

The newsletter series ‘Rural Finance and Financial Systems Development India’ is published by the Rural Financial Institutions Programme (RFIP), a technical cooperation programme of the National Bank for Agriculture and Rural Development (NABARD) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The RFIP focuses on providing capacity development support for strengthening the Short-term Cooperative Credit Structure, improving the delivery and use of microfinance services through SHGs, and promoting financial inclusion through improved bank business correspondent models.

The newsletter series covers these areas of work as well as other GIZ India’s initiatives in financial systems development such as micro insurance, agricultural insurance and integrated risk management. Cross-cutting issues of GIZ’s financial sector initiatives are the financial literacy, capability and protection of consumers.

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