



UTTAR PRADESH

**WOMEN SELF-HELP GROUP
MEMBERS DOUBLE UP AS
BANK SAKHIS TO DEEPEN
THE DIGITAL BANKING
FOOTPRINT IN RURAL AREAS**



The Women Self-Help Groups (SHGs) as Business Correspondents (BCs) is a multi-stakeholder project and an initiative of the Rural Financial Institutions Programme (RFIP), a joint collaboration of GIZ and NABARD. It is a project with the sole objective to understand the feasibility, coexistence and mutual fit of SHG networks within the BC ecosystem.

In this series, the Gramin Bank of Aryavart now ARYAVART BANK in cooperation with the GIZ-NABARD RFIP) has identified a well-functioning SHG ecosystem nurtured and promoted by Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP) for this pilot project. Bank Sakhis – selected SHG members who have been acting as a link between the SHGs and the bank – have been trained and equipped to carry out the function of Customer Service Points (CSPs). Handholding support, quality control and supervision

capabilities have been built at the block-level SHG federation, with support from the RGMVP.

The programme aims to “leverage the SHG eco-system for building a sustainable CSP network to offer formal banking services in un/under-banked villages”. The project attempts to test SHG network's strength in terms of ‘local resource, low attrition factor, widen membership base, entrepreneurial flair, and community-driven approach’ can provide a strong human resource pool to develop BC agents capable of offering doorstep banking services to low-income rural households.

“Keeping in view the exclusion level of women and also their role in the economic and family development in the rural areas, the ‘SHG members as a BC Agent’ project was envisaged to explore the potential of the SHG network as a sustainable BC agent to offer banking and other financial services at the doorstep of the villagers,” said Peeyush Kumar Singh, an official from ARYAVART BANK.

Under the project, an SHG ecosystem (comprising Self Help Promoting Institutions, SHG Federation, SHG, and Bank Sakhi) is being identified that nurtures and sustains a committed village volunteer force via SHGs and SHG Federations to foster financial inclusion. The Bank Sakhi network created by the Self Help Promoting Institutions (SHPIs) such as Rajiv Gandhi Mahila Vikas Pariyojna (RGMVP), working under the aegis of SHG federations,

plays an active role as a banking intermediary and a banking facilitator for SHGs in various corners of Uttar Pradesh Adarsh Mahila Block Sangathan, Sumerpur, A Block Level SHG Federation nurtured by RGMVP in the Sumerpur block of Unnao District, where access to formal banking services and its usage has been poor, has been identified by ARYAVART BANK and

- **RGMVP started the “SHG as BC” Pilot project in September 2012 with 26 villages in the first phase. After the design of the process and training modules, the enrollment activities began in March 2013.**
- **The project entered Phase 2 in June 2014. The project added 24 new gram panchayats at Hasanganj block, Unnao district, under the Navyug SHG Federation, to scale up the services and strengthen the CSP network of the SHG federation members.**

The rationale for choosing SHG members (i.e. Bank Sakhis) as CSPs: Bank Sakhis do not have commercial or profit motives as a primary source of inspiration as they are a part (and product) of a strong self-help group network that works entirely voluntarily. Their motivation to don the role of Bank Sakhis comes from a deep sense of voluntary ethics and the social status/empowerment that the

fabric of the SHG fraternity provides. It is also supported and sustained on a 'continuous' basis by the SHPIs through an organisational structure shaped and cemented around the SHG federations at the village and block levels.

“The Bank Sakhis delivers online services for transactions in their accounts, outward and inward remittances, fund transfers in bank accounts, overdrafts up to Rs 10,000 as small credit needs of the family, payment of MNREGA wages, widow/old-age pension, Recurring Deposit, etc,” said Meera Devi, a Bank Sakhi from Unnao. The Bank is also implementing an incentive-based BC as BF Scheme. Under this scheme, the Bank Sakhi is working as extended hands for generating loan applications, recovery of NPA, marketing solar home lighting systems, etc. The Bank Sakhi earns a good amount monthly as an incentive. The Bank has developed software for the “operation of SHG accounts” which will facilitate the operation of SHG accounts at the doorstep.

Target Group

All un/under-banked citizens (particularly women, beneficiaries of Government social security and other schemes) residing in rural areas are the target group under the project area. As per the 2011 census, 69% of the rural households in the Unnao district avail of banking services.

- **Network of 73 Bank Sakhis providing doorstep banking services at 47 Gram Panchayats comprising almost 174 villages/purwa with above 23,000 households**
- **About 75 % of SHG members have voluntarily opened an individual savings account**
- **About 60% of transactions are depositary in nature. It shows the credibility and acceptance of Bank Sakhis by the customers of ARYAVART BANK**



ARYAVART BANK offers various banking services through Bank Sakhis: savings, online fund transfer (intra-bank), inward remittance, recurring deposits, and overdraft facilities. Bank Sakhis

assists the bank in NPA collection, delivery of bank notices to delinquent clients and referring credit proposals.



DIGITAL INNOVATIONS IN FINANCIAL INCLUSION



UTTAR PRADESH

- NO. OF MICRO ATMS: 5835
- NO. OF DEMO ATM VANS: 76
- NO. OF POS/MPOS: 5934
- NO. OF VSAT: 356
- NO. OF FLAPS/DFLAPS: 60252
- NO. OF PEOPLE COVERED UNDER FLAPS/DFLAPS: 3.4 MN
- NO. OF PMJJBY A/CS: 34632
- NO. OF PMSBY A/CS: 35338
- NO. OF BANKS ONBOARDED PFMS: 37 BRANCHES
- NO. OF BANK THAT AVAILED GREEN PIN: 7
- NO. OF GREEN PINS ACTIVATED: 3150



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www.nabard.org

[/nabardonline](https://www.youtube.com/channel/UCqj8K1p1p1p1p1p1p1p1p1p)

Taking Rural India >> Forward

Five points that make the Project Innovative

1. Using the network of female Self Help Group members as a BC Agent for Financial Inclusion.
2. Using Financial Inclusion tools for gender empowerment of women in rural areas.
3. Provision of individual savings services, Recurring Deposits, and remittances to the SHG members at their doorstep in sync with the NABARD SHG-2 guideline.
4. Provision of doorstep banking services like savings, recurring deposits, funds transfer in other accounts, and inward and outward remittances through Bank Sakhis (SHG members) using an ICT-based financial inclusion system.

5. Leveraging the network of Bank Sakhis (i.e. SHG members) in the generation of loan applications, monitoring and managing non-performing assets of the Bank.

Key achievements of the Project:

1. Access to doorstep banking service: The model provided doorstep banking services amongst 11,000 households (comprising 59,000 population) residing at 150 villages across two blocks of Unnao district, Uttar Pradesh.

2. Transaction-led savings account enabled by Bank Sakhis network: In a very limited period, above 67,000 number of transaction worth Rs 7.5 million transactions have been done by 5,843 rural customers.

3. Expression of customers' trust and confidence: Thousands of customers who are currently enjoying the doorstep banking services have expressed tremendous trust and confidence in the SHG members. Slowly and steadily, the existing customers of the ARYAVART BANK who opened their savings accounts at the bank branches are willing to transfer or integrate their existing accounts at or into the PoS device-led doorstep banking service managed by the network of Bank Sakhis.

4. More deposits than withdrawals: Two-thirds of the total number of transactions (i.e. 66% of transactions) done by the customers constitute deposit transactions. It is a positive indicator of customers' trust and confidence in Bank Sakhis.

5. Inclusion of SHG members under financial inclusion: Of the 244 SHGs (comprising 2,619 female members), around 75% have voluntarily enrolled under the ICT-based financial inclusion programme. Quite a few SHG members have saved more in their individual savings accounts than in their SHG-based savings. More importantly, the SHG members performing the BC agent's role have undergone a tremendous positive transformation in their self-confidence, self-esteem and, above all, the respect and recognition amongst the village folks. "The villagers give lots of respect to me and now call me a Bank Didi," says Savita Gupta, a Bank Sakhi.

Scaling up of the Bank Sakhi Project:

Buoyed by the encouraging results, the bank has decided to scale up the project in 100 villages / Gram Panchayats in the four other blocks, and three districts of its area of operation and has started the process in Haidergarh and Trivediganj blocks of Barabanki district.

Leaving of GIZ from the Pilot Project:

On completing the Pilot project, GIZ withdrew on September 15, 2015. After GIZ, RGMVP, through its block-level federation in coordination with the corporate BCs, is providing handholding support to the existing and Bank Sakhis being engaged for the scale-up of the project.