

Rural Financial Institutions Programme (RFIP)

The Rural Financial Institutions Programme (RFIP) is a bi-lateral cooperation programme of NABARD, on behalf of the Government of India, and Gesellschaft für Internationale Zusammenarbeit (GIZ), on behalf of the Government of the Federal Republic of Germany. It was incepted in 2008/2009. Since 2012 the RFIP consist of three components covering Cooperative Banks, SHG networks and Bank led Financial Inclusion approach.

Under component 3 of RFIP, GIZ and Department of Financial Inclusion and Banking Technology (DFIBT) of NABARD have been working closely on several initiatives adopting the key approaches as given below:

To try and test improved models of Business Correspondent with RRBs.

To improve capacity of Cooperative Banks & Regional Rural Banks to offer varied payment services like RuPay Cards

To improve the financial capabilities of clients through the Financial Literacy approach

The key activities undertaken under each of the above-mentioned approaches are as follows:

1. ASSESSING AND PILOT-TESTING INNOVATIVE BUSINESS CORRESPONDENT APPROACHES - LEVERAGING SHG NETWORKS TO IMPROVE BC MODEL (UTTAR PRADESH)

A pilot project was started in Uttar Pradesh (Unnao district) in collaboration with GBA (Gramin Bank of Aryavart) and RGMVP (Rajiv Gandhi Mahila Vikas Pariyojana). The objective of the pilot was to leverage the existing SHG networks, by building the capacities of selected SHG members who are rendering doorstep banking services on behalf of the RRB while acting as CSP agents (Bank Sakhis). The pilot project leverages technology which enables the Bank Sakhis to offer basic banking services (savings, credit) along with BF (banking facilitator) services. The project is an attempt to understand how effective would the SHG members be as a BC agents and what are the potential benefits of it being a community-driven model. The initiative, ever since its launch, has been able to deliver a BSBD account to more than 18,000 customers spread across 150+ villages in the Unnao district. The project's uniqueness is the fact that it is completely managed by the SHG network comprising of women. For video on the project, please click here.

For more details of the Bank Sakhi Pilot project, please click here : http://www.aryavart-rrb.com/financial_inclusion.html

2. Developing capacity of District Central Cooperative Banks & Regional Rural Banks on technology based payment system services

Component 3 of RFIP works with DFIBT at NABARD to support the on-boarding of StCBs and CCBs onto the payment system for RuPay based payment platform and allied initiatives. Technical Assistance (TA) support has been provided to StCBs and CCBs in the following areas as a part of on-boarding support:

1. Technical support for bank's on-boarding processes
2. Building of bank capacities through trainings

An Implementation Reference Guide was developed for the cooperative banks as a step-by-step guidance for adopting and onboarding RuPay based KCC and payment ecosystem. Please click here for details of RuPay Implementation Reference Guide for STCCS.

Similarly, two publications on Mobile based services have been recently released as detailed below:

Mobile Banking by Business Correspondents in India – A Landscape Study

The 'Landscape study on Mobile Banking by Business Correspondents in India' explores eight m-banking models with respect to geographical reach, scalability, distribution reach and cost effectiveness. RFIP commissioned this study also to gain insights for the introduction of mobile-based banking in rural/cooperative banks. Please click here to access the soft copy of the same.

Handbook on Mobile Banking – Regulatory and On-Boarding Guidelines for Regional Rural Banks and Central Cooperative Banks

This Handbook on Mobile Banking provides a step-by-step on-boarding process for rural/cooperative banks to adopt mobile-based banking. The handbook also deals with the key regulatory guidelines as well as the operational & technical processes to be followed by the banks for initiating mobile-based banking. This includes the Immediate Payment Service (IMPS) platform of the National Payment Corporation of India (NPCI) with special focus on rural/cooperative banks. Please [click here](#) to access the soft copy of the same.

3. To improve the financial capabilities of clients through the Financial Literacy approach

FLC (Financial Literacy Centre) FAQs for FLC Counsellors

Under RFIP projects, IIBF was mandated to develop supporting materials for Financial Literacy Centre (FLC) managers, starting with Frequently Asked Questions (FAQs) and answers thereto. The objective of developing a comprehensive material resource for the 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 booklet will help and guide clients in taking an informed decision to avail themselves of banking products and services. The FAQs cover a broad range of products and services offered by Banks, viz. savings, credit, remittance, Know Your Customer (KYC) guidelines, and legal issues in banking. These FAQs have been circulated to Banks and FLCs in both hard copy format and in soft copy in CDs.

[Please click here for copy of FLC FAQ Handbook \(English\)](#)

[Please click here for copy of FLC FAQ Handbook \(Hindi\)](#)