

# Pathways to Enhancing Financial Inclusion

## Insights, Impact, and Challenges

Project team: Akhand Tiwari, Mimansa Khanna, Abhishek Katariya

(Supported by others based on specific needs and requirements)

Project Duration: January 2022 to December 2024

# Project overview

**Summary:** Pathways to Enhancing Financial Inclusion in India - Phase 2 (PEFI 2.0) aims to deepen financial inclusion. The approach informs policy initiatives on consumer protection, product development, and the CICO network, providing evidence, based on learnings in Aspirational Districts, to improve access to and usage of financial services among women and men.

## Problems and its significance:

- Banking channels: Lack of accessibility and gender focus limits women's financial access. Improving these channels will better serve the LMI, particularly women.
- Consumer Protection and GRM: Inadequate grievance systems to protect LMI segment reduce their trust.
- LMI Focused Products: Inadequately tailored products lead to low adoption. Designing gender-focused products will enhance women's financial inclusion.

## Innovative practices/ unique approaches introduced:

- Evidence based policy development for strengthening and gender-sensitizing banking networks to increase women's access and usage.
- Creating tailored financial products to boost women's use of savings, credit, and insurance.
- Collaborating with fintechs and FSPs to develop LMI focused financial products, robust GRM and improve service delivery.

## Key stakeholders:

NITI Aayog,  
Department of  
Financial Services,  
MoWCD, Regulators,  
Financial Service  
Providers, and  
private sector  
players

## Geographical areas:

The project covers all states of India, leveraging FSP's network. The focus of the project will be providing evidence for policy and strategic initiatives in rural areas.

# Project Outcomes Achieved (incl WIP)

## Improved agent management practices:

Learnings and insights focused on strengthening CICO channels, with recommendations that will impact **~1.95 million** agents across India, were shared with Department of Financial Services, Ministry of Finance. Strategic support for the next phase of PMJDY meant for **approx. 705 million BSBDA holders**

## Improved GRM and CP practices:

The project focuses on improving GRM by enhancing customer support and accountability in financial services. Ongoing efforts include implementing gender-sensitive grievance redressal systems to benefit around **70 million low-income individuals** and refining complaint resolution processes for LMI.

## Enhanced product portfolio targeting women:

Successfully designed gender-focused financial products, including the "Access to Finance" report, for women entrepreneurs with SeWA. Initiated pilot with Arth Digital on credit products, Union Bank of India to roll out gender-centric products, with a Regional Rural Bank to offer credit products to BC agents.

## Enhanced analytical information with key stakeholders:

We are working on the financial inclusion metrics integrated in government systems which enhances local decision-making, fosters collaboration across departments, and improves availability of data supporting data-driven insights impacting over **0.26 million Gram Panchayats.**

# Key Learnings and Insights

## Things that worked

- Inputs for PMJDY 2.0 to bring focus on use and quality of financial services by strengthening grievance systems, strengthening banking channels, and need based products.
- Strategic support to draft roadmap to increase uptake of government insurance products (PMJJBY, PMSBY).
- Conducted studies that informed policy and strategic initiatives, driving improvements in financial access and usage for LMI populations. For instance, Financial Services Space framework to enhance women's financial usage, CICO studies to diversify agent services, and AePS fraud analysis improved gap identification and collaboration through key recommendations.
- Engaged in partnerships with various categories of providers to explore and implement innovative financial solutions, such as Arth Digital, UBI, and JRGB.

## Challenges

- Data reporting systems face challenges with consistency and depth, particularly in gathering gender-disaggregated data at district and block levels. This hinders effective decision-making and policy implementation.
- Digital solutions such as chatbots are not user-friendly for LMI populations.
- CICO networks face sustainability issues due to high costs, low volumes, and limited incentives.
- Shifts in senior management within partner FSPs have disrupted continuity in initiatives.

## What could have been done differently?

- Engage New Age agents to expand service reach and strengthen last-mile financial access.
- Digital Solutions: Design more intuitive, user-friendly digital tools, including chatbots, with targeted training to boost technology literacy and confidence among LMI populations.

# Opportunities for collaboration

1

Dissemination workshops: Collaborate with thematic experts, financial institutions, and government stakeholders to host workshops that share insights, promote good practices, and encourage stakeholder engagement to advance financial inclusion.

2

Women-focused product design: Work with FSPs, and women's advocacy groups to co-design financial products that meet the unique needs of women, ensuring better access and usage.

3

Enabling gender-disaggregated data: Partner with data analytics firms, financial service providers, and policy makers to gather and utilize gender-disaggregated data, helping address the specific financial needs of both women and men.

4

Data aggregation systems: Partnership to develop systems that collect and organize financial data, enabling better analysis and decision-making at different levels.

5

Collaboration on initiatives to expand FL/FC programs and promote positive financial behaviors.

# Team Information

**Akhand Jyoti Tiwari** is a Partner at MSC. Akhand has more than 18 years of work experience consulting with policymakers, practitioners, multi and bi-laterals, donors, philanthropies, academics, and think tanks. Akhand specializes in inclusive development, specifically in financial services, gender, the future of work, and livelihoods.



**Mimansa Khanna** is a Senior Manager at MSC and has more than nine years of experience gained through projects with the government, policy think tanks, financial service providers, philanthropies and MFIs. She specializes in inclusive finance, gender inclusivity, and livelihood interventions, design thinking, and policy advisory.



**Sonal Jaitly** is an Associate Partner in MSC and leads the Gender Equality and Social Inclusion Practice. Sonal has more than 14 years of experience through projects with development banks, international funding agencies, UN Women, MFIs, and community-based institutions in India. She specializes in promoting women-led enterprises, gender mainstreaming with the financial sector, integrating insights from behavioral sciences, and using technology and digital financial services to enhance inclusion.



**Abhishek Katariya** is a Manager at MSC. He has over seven years of experience across multiple domains that include strategy, operations, capacity building of MSMEs, innovation and research. His areas of expertise include strategic planning, designing solutions for rural entrepreneurs, digital transformation of training delivery, designing large-scale surveys, and managing stakeholders.



Supported by other colleagues based on specific needs and requirements

**Thank You**