

Supporting Aspirational Blocks

Insights, Impact, and Challenges

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(Supported by others based on specific needs and requirements)

Project Duration: December 2023 to December 2025

Project Overview

Summary: The project aims to enhance financial inclusion and development efforts in [Aspirational Districts](#) (ADs) and [Aspirational Blocks](#) (ABs), with a special emphasis on promoting greater use of digital financial services by both women and men.

Problems and its significance: While a district may perform well overall, the progress in financial inclusion is uneven across blocks, particularly affecting women and marginalized groups. Limited digital literacy, inadequate infrastructure, and fragmented coordination in underserved blocks hinder access and usage of financial products and services and digital adoption.

Key stakeholders:

NITI Aayog, Government ministries, Regulators, Financial Service Providers, and private sector players

Geographical areas:

97 Aspirational districts and 400 aspirational blocks spread across 264 districts in 16 states

Innovative practices/ unique approaches introduced:

- System strengthening: Enhancing systems and processes while building stakeholder's capacity to optimize financial inclusion (FI) efforts in underserved areas.
- Banking channel expansion (PVTG focus): Targeted efforts led to significant growth in banking touchpoints in PVTG blocks.
- Evidence generation: Documenting insights to scale successful FI practices, informing strategies for broader replication across ABs. FI status assessment covering 30 ABs is underway.
- Innovative models to drive digital adoption: Implement mission mode activities to increase merchant points, enhance digital transaction capabilities in underserved areas, and design DFS solutions.

Project Outcomes Achieved (incl WIP)

- *Approx. 70 million people, including 6.5 million in PVTG blocks.*
- *38% (approx. 64,000 to 88,300) in 471 ABs till March 2024¹ since inception.*
- *Indirect impact on 479 million people that reside in the 16 states and 727 million adult LMI population pan India.*

Strengthened ability at district and block to enhance FI : MSC has supported capacity-building initiatives under the Aspirational Blocks Program (ABP), particularly co-creating FI sectoral training for officials from 500 Aspirational blocks (ABs).

Increased adoption of digital financial services: Mission-mode activities are underway to increase merchant points, addressing low UPI usage and overcoming fears in adopting digital financial services (DFS).

Accelerated FI progress through technical assistance: Technical assistance for banking channel expansion under the ADP/ABP led to an increase in banking touchpoints.

PMJDY accounts in 112 ADs increased by 9%, with PMJJBY and PMSBY enrollments rising by 47% and 37%, respectively, from June 2023 to June 2024².

Informed decision-making through data-driven insights: [“The Real Gap” study](#) on bank account access and usage has informed key decisions by DFS and NITI Aayog. We have designed an FI dashboard to pilot in six ABs.

The strategic initiatives aim to benefit ~705 million BSBID account holders³ and will support data-driven decisions for targeted interventions by ~22,000 District and Block officers.

1. MSC analysis of the Number of banking touchpoints as accessed on [Champions of Change – Aspirational Blocks Programme](#)
2. MSC analysis from [Champions of Change – Aspirational Districts Programme](#)
3. [RBI report:](#)

Key Learnings and Insights

Things that worked

- Ground evidence to policymakers results in positive action at their end. Eg. TFIIP.
- Institutionalization of capacity building: ABP emphasizes capacity building through training and leadership programs for Block Level Officials and other key stakeholders.
- Localized interventions act as key drivers for FI activities, focused on access and usage. Eg. district-level resource mobilization, coordinated Departmental efforts tailored to local needs.
- Collaboration between government agencies, financial institutions, and other organizations facilitated financial inclusion in remote areas. Initiatives such as DLICs¹ highlight the strength of multi-stakeholder partnerships in reaching underserved communities.

1. DLIC- District Level Implementation Committee as part of monitoring process for FI

Challenges

- Sustaining governance improvements and retaining trained personnel is challenging during scaling.
- Bridging the digital divide remains difficult, particularly in achieving last-mile connectivity for LMI women and men.
- This is further complicated by fragmented data and the lack of detailed, organized information needed for targeted solutions.

What could have been done differently?

- Greater collaboration with development partners.
- Engaging with government bodies for regulations that promote innovation while ensuring security and trust in new service offerings.
- Strengthen grassroots networks to expand last-mile delivery and adoption of DFS, ensuring better outreach and confidence among LMI.

Opportunities for collaboration

1

Collaboration in intervention states to organize dissemination workshops, exchange good practices, and co-design products and services tailored for LMI groups.

2

Gender-focused financial products: Design products specifically tailored to the needs of women , bridging gaps in uptake and usage of financial products.

3

Cross-sectoral digital platforms: Develop multi-sector platforms that converge financial inclusion with healthcare, agriculture, and education for holistic growth.

4

Models to fast-track an increase of adequate number of banking touch points to serve the LMI segment.

Team Information

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



Akshat Pathak, Associate Partner at MSC. With over 12 years of experience, Akshat has led projects with governments, central banks, FinTechs, mobile money operators, and microfinance institutions. His expertise includes digital financial services, public financial management, donor program design, and institutional assessments, across several countries.



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.



Sushma Kaw is a Manager at MSC with over eleven years of extensive experience. She is a seasoned professional specializing in project execution for central and state governments. Her areas of expertise include designing and conducting research, capacity building, business process re-engineering.



Gayatri is an Assistant Manager at MSC. She holds a master's degree in Management and has more than four years of experience in Financial Inclusion consulting. Her areas of expertise include digital financial services, agent network management, and community-based organizations and women collectives, such as self-help groups.



Supported by other colleagues, including Bhawani Bakshi and Mohak Srivastava (MEL experts), based on specific needs.

Thank You