



Financial Inclusion Conference 2012
“The First Mile Walk into the Financial System”

7 - 8 August 2012
Hotel Ashok, New Delhi
Day 1: August 7, 2012

Theme:

Financial Inclusion has been a priority area for the Government in propelling inclusive growth. Plans, policies and programs are undertaken to drive the agenda of financial inclusion and integrate every common citizen of India in the fold of formal financial system of the Country. The RBI approach is driven by a bank led model supported with ICT and BCs. RBI has also taken steps in opening No-frills accounts, relaxing KYC norms, deregulation of pricing, promoting SHG bank linkage model and many more.

From the perspective of a poor household, entering into the financial system is a daunting step forward, especially because most of them are first generation clients with little financial education. The first mile walk of the client is fraught with uncertainties, insecurities and lack of knowledge. Delivery models and approaches are many: bank, a post office, RRB, cooperative, SHG, MFI, moneylenders etc. Sometimes there is confusion and at times there are compulsions to choose one institution over the other. Confusions prevail in trading off between prices, timeliness, convenience, adequacy, and many more. Such tradeoffs are also subjected to number of alternatives available, understanding and awareness of the products and services, urgency of the service and so on.

Supply side institutions have their own challenges, for instance, demographic spread to low population and remote locations, financial literacy, technological solutions, viability of business models, regulatory issues and compliance etc. Microfinance institutions and the community based models, mostly considered as the last mile connectivity in the financial system, have played a key role in furthering the objective of financial inclusion. They are uniquely and distinctively positioned to help and smoothen this first mile walk of the poor. Some of the challenges of this sector are sui generis because of the target segment and the geography. The Conference will look at the nuances of the three main streams working in the financial inclusion arena: SHG Bank linkage, Micro Finance Institutions and the BC model. This Conference aims to highlight the dilemmas & challenges of these institutions and clients they serve. Consequently, it seeks to deliberate upon the need for appropriate policy interventions to make financial inclusion a reality.

Session Plan:

9:00am – 9:30am	Registration
9:30am – 11:00am	<p>Inaugural Session: <i>A short Film on Financial Inclusion</i> Introduction to the conference: Dr. Amiya Sharma, Chair, Sa-Dhan Opening Remarks: Ms Naina Lal Kidwai, Vice President, FICCI and Country Head HSBC India Keynote Address: Shri D K Mittal, Secretary, DFS, Ministry of Finance Theme Address: Dr K C Chakrabarty, Deputy Governor, Reserve Bank of India <i>Release of Bharat Microfinance Report-2012</i></p>
11:00am – 11:30am	Tea – Coffee Break
11:30am – 1:00pm	<p>Session 1: Microfinance and Inclusive Growth: What are the measures of Success or learning?</p> <p>To attain inclusive growth, provision of financial services to the excluded population assumes significance. Access to financial services esp credit has undergone sea change in the last two decades. Microfinance sector has been and continues to be one of the important delivery channels in providing the much needed service to the poor. Further this intervention helped in empowerment of women, financial education, livelihoods creation and overall impact in the lives of the poor households. While many of these positive changes are attributed to the microfinance movement as a whole, criticism and challenges to the movement reached its peak in the recent times. The tradeoffs between social and commercial objectives are questioned.</p> <p>Therefore, the aim of this session is to lay out the distinct features of microfinance that has a positive impact on the lives of the poor. In re-iterating and highlighting the social relevance of the sector, it is time to look at the relevance of the sector in its present form. Further it would also examine the lessons learnt and the way forward in responsible lending.</p> <p>Panel of Speakers:</p> <ul style="list-style-type: none"> • Mr Mathew Titus, Executive Director, Sa-Dhan-Moderator • Mr Jayanta Sinha, Chief General Manager – Rural Business, SBI • Mr Dr. Ramesh Bellamkonda, Project Director, BSS Microfinance Pvt. Ltd • Mr Larry Reed, Director, Microcredit Summit Campaign • Dr Hema Bansal, India Manager – SMART Campaign • Mr T K Arun, Editor, Times opinion • Community representative

1:00pm – 2:00pm	Lunch
2:00pm – 3:45pm	<p>Session 2: Significance and Sustainability of SHG Federations</p> <p>One of the important movements rendering the Financial Inclusion Agenda is the Self Help Groups. Concerns over self reliance, sustainability and social change have led to promotion of SHG federations. Even if such federations are formed, graduated and matured, the opinion over the role of such federations remain divided, whether financial or non financial. Consequently, the question of significance of such institutions and their sustainability remained unanswered. The session aims at discussing these issues related to capacity building, scaling up, and institutional strengthening etc and suggest a way forward for the future of SHG federations in India</p> <p>Panel of Speakers:</p> <ul style="list-style-type: none"> • Ms Meera Sanyal, Country Executive, The Royal Bank of Scotland- Chair • Dr B S Suran, Chief General Manager, MCID, NABARD • Mr. R B Gupta, General Manager, Central Bank of India • Mr. C S Reddy, Chief Executive officer, APMAS • Ms. Kalpana Pant, Joint Director, Chaitanya • Federation Representatives
3:45pm – 4:15pm	Tea – Coffee Break
4:15pm – 5:30pm	<p>Session 3:</p> <p>Breakaway Session-1 Building an Effective Credit Information System</p> <p>Credit Information Bureaus are one of the ways to address the issue of over-indebtedness, information asymmetry, and promote transparency in the financial services industry. In India Credit Information Bureaus in the Microfinance space is yet to reach the scale in addressing such issues. Successful implementation of the CIB program is associated with the issues of technology, regulation, pricing, inclusion of SHG data and many more</p> <p>This session aim to deliberate upon the issues before various stakeholders in building an effective credit information system that works.</p> <p>Panel of Speakers:</p> <ul style="list-style-type: none"> • Colin Raymond, Credit Bureau and Risk Management Advisor, Global Financial Markets Department, IFC-Moderator • Mr. Sriram Kalyanaraman, Director, Equifax Credit Information Services Pvt Ltd • Ms Mehr Shah, Executive Director, South Asia Microfinance Network • Mr. Suresh Krishna, Managing Director, Grameen Financial Services Pvt. Ltd • Mr. V S Radhakrishnan, Managing Director & CEO, Janalakshmi Financial Services Pvt Ltd

	<p>Breakaway Session-2: Promoting Microenterprise and Livelihoods Finance</p> <p>The Government is promoting small and microenterprises under different schemes and program. Adequate and timely credit is one of the most important factors in building enterprises. It is a trite observation that microfinance and SHG loans are insufficient to take up micro enterprise activities. Extending large sized loans by the MFIs are subjected to regulatory compliance, availability of funds from banks and appropriate product and systems development.</p> <p>This session endeavors is to understand the reinforcing factors for deepening microenterprise initiatives, the regulatory constraints and the strategic advantage of microfinance institutions in order to make the government's efforts effective.</p> <p>Panel of Speakers:</p> <ul style="list-style-type: none"> • Mr Dillip Chenoy, MD & CEO, National Skill Development Corporation-Chair • Mr Sachidanand Madan, CEO, Technico Agri Sciences Ltd, ITC • Mr S K V Srinivasan, Executive Director, IDBI Bank • Mr Bhagirath Iyer, Partner, IFMR Capital • Mr Alok Prasad, Chief Executive Officer, MFIN <p>Breakaway Session-3: Wider inclusion: Social Security for the Poor</p> <p>Savings, credit, insurance, remittance, pension and financial education are integral part of the financial service industry. The poor need all the above service as much as a middleclass or elite class. However, other than credit, all other services are far from reach of the por. Numerous schemes, programs and policies are implemented in this regard without much attainment. MFIs, CBOs and CSOs can play a very important role in providing such services due to their local presence and access to the clients. Many MFIs have done tremendous work in this regard. But there are challenges arising out of regulation, pricing, technology and others in taking these allied services to the poor. This session endeavors to delve into the constraints of using such local intermediaries in reaching to the poor and extending these services.</p> <p>Panel of Speakers:</p> <ul style="list-style-type: none"> • Shri Arvind Kumar, Joint Secretary (Pension & Insurance), Ministry of Finance-Chair • Smt Padma Iyer Kaul, Executive Director, PFRDA • Mr Yogesh Gupta, Sr VP & Head, Micro insurance, Bajaj Allianz Life Insurance • Mr V Sathyakumar, Director-Microinsurance, LIC • Mr Kumar Shailabh, Executive Head, Uplift Mutuals • Mr Arman, Oza, Chief Executive Officer, Vimo SEWA
05.30pm-06.00pm	<p>Swavalamban: Old age income security for unorganized sector</p> <p>Old age income security for the workers in unorganised sector has been recognized as an important service. Govt. of India has announced 'Swavalamban Yojana' for the workers in unorganised sector. PFRDA has recognised the need to make the service available through the NPS platform. It had launched low cost and effective products for the target clientele.</p>

	<p>In delivering the service, grassroots institutions are required to collaborate with NPS as aggregators in awareness building, business development, services delivery and so on. MFIs can play a great role as aggregators for NPS. Awareness among the clients and MFIs, cost implications and regulatory constraints are some of the issues that need attention.</p> <p>Speaker:</p> <ul style="list-style-type: none"> • Smt Padma Iyer Kaul, Executive Director, PFRDA • Mr A G Das, Chief General Manager, PFRDA
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Day 2: August 8, 2012

09.30am-10.00am	<p>Special Address: Financial Inclusion and Public Policy</p> <p>Shri Jairam Ramesh, Honorable Minister for Rural Development, Govt of India</p>
10.00am-11.00am	<p>The First Mile Walk: The experiences of Life</p> <p>The institutional reach of microfinance sector has definite impact on the life of the end users, especially the women. The impact not only ends in bringing the financial products to them but unlock whole gamut of new experiences which they have been deprived of. The experiences include access to the finance, capacity building, developmental information and getting support to explore the possibilities to develop leadership. Often it has been assessed by the parameters of supply side to gaze the success of the intervention. However there is also need to understand the dynamics of change in the life of the end users, if any.</p> <p>This session will bring insight on the major shift in the lives of the end users from their own narration. This session will also bring together different stakeholders to develop understanding on other significant requirements of the clients in order to bring positive change in life cycle .</p> <p><i>Interactive Session with Community leaders</i></p> <p>Facilitator: Ms. H. Bedi, Managing Trustee, Development Support Team</p>
11.00am-11.30am	<p>Tea Break</p>

11.30am – 1:30pm

Session 4:

Breakaway session-1 Business Correspondents: A Potential Model

The Bank led Correspondent Model offers a huge opportunity for CBOs and MFIs to participate in the Financial Inclusion program. However, since its inception in 2006, the BC model continues to struggle with some of the key issues from time to time. This includes, but not limited to, the issues of commercial viability, eligible institutions, scalability and sustainability, issues of financial literacy and client education, capacity building and sustainable income of the CSP etc. Through the session, we need to address some of the critical questions: Has the BC model been successful in spirit to help poor move into inclusion. These challenges need to be looked from the vantage point of the poor. What is the road beyond the No Frill accounts and what happens with the new model of one BC per cluster? The session aims to delve into these challenges and suggest a way forward for the MFIs and CBOs in the BC model rollout

Panelist

- Mr Umesh Kumar, Joint Secretary, DFS, Ministry of Finance-Chair
- Mr R Prabha, Expert –Banking & Microfinance-Lead Speaker
- Mr Mukul Jaisawal, Managing Director, CASHPOR Micro Credit Ltd
- Mr Rajeev Lal, General Manager, State Bank of India
- Mr Abhishek Sinha, Co-Founder & CEO, Eko India Financial Services Pvt Ltd

Breakaway session-2 Overcoming Barriers to Resource Flow to MFIs

Liquidity crisis that emanated from the events unfolded in AP towards the end of 2010, is showing signs of improvement. It remains to be seen, however, if the sector (and some players) will ever be able to come out of the crisis. While numerous steps have been taken by the sector- capital inflow into the sector remains sluggish. While we are clearly better off compared to 18 months ago, many institutions (some large and mainly smaller) institutions are in a situation where they may have to wind up their operations. SHGs and federations are equally finding it difficult to get bank credit. NPAs have shot up considerably.

This session will aim to understand what are the real reasons for this liquidity crunch, is their actually a resumption of liquidity flow to the sector(or was it the Q4 phenomena), is the funding now targeted to a select set of players, and should we get used to this 'new normal'?

Panel Discussion

- Mr Royston Braganza, CEO, Grameen Capital India -Moderator
- Mr P K Saha, Chief General Manager, SIDBI
- Mr P S Hooda, General Manager, Oriental Bank of Commerce
- Mr C S Ghosh, Chairman & Managing Director, Bandhan Financial Services Pvt Ltd
- Mr Vineet Rai, CEO, Aavishkaar Venture Management Service

Breakaway session-3 Overcoming Barriers to Resource Flow to SHGs and Federations

The outcome of SHGs and their federations has been remarkable during the past 20 years of journey. It had the impact both on social and financial lives of the poor. The potential for credit absorption among the SHG borrowers remains high. However, lately the resource flow to the sector including the SHGs and Federations is coming down. Deteriorating asset quality, lack of promotional fund, issues viability & sustainability are some of the important areas that need

	<p>attention.</p> <p>The session aims at deliberating the issues and the requisite measures to overcome the barriers to resource flow. This session is to delve on the concerns among the lenders, their expectations from the SHGs, Federations and SHPIs.</p> <p>Panel Discussion</p> <ul style="list-style-type: none"> • Mr Vivekanand Salimath, Chairman, IDF Financial Services-- Moderator • Mr Parsuram Nayak, Wholetime Director, SMCS • Ajay Desai, Group Executive Vice President & Chief Financial Inclusion Officer, Yes Bank • Mr S.R. Nimesh, General Manager, RMK • Mr S Indrajeet, Chairman, Gurgaon Gramin Bank • Mr J K Thakar, Deputy General Manager, State Bank of India
1:30pm – 2:30pm	Lunch
2:30pm – 4:00pm	<p>Session 5: Microfinance Regulation: The Emerging Landscape</p> <p>The Microfinance sector has been seeking a regulatory structure to gain recognition, legitimacy and a framework to operate in. The recent guidelines on NBFC-MFIs, Priority Sector Lending are some of the regulatory prescriptions from the RBI. The MFI Bill 2012, presently in the Parliament, provides for development and regulation of the MFIs for the purpose of facilitating access to credit, thrift and other micro finance services and promoting financial inclusion. This session would attempt to deliberate upon whether the current regulatory prescriptions are furthering the objective of financial inclusion and universal access to financial services, whether the proposed legislation adequately responds to the need of the sector and the people at the receiving end of the services, whether the concerns of client protection and grievance redressal is built in appropriately, whether SROs can play a key role in ensuring self regulation, supervision of the MFIs and so on.</p> <p>Panel of Speakers:</p> <ul style="list-style-type: none"> • Ms Mythili Bhusnurmath, Consulting Editor, Economic Times-Moderator • Mr Anurag Jain, Joint Secretary, Department of Financial Services, Ministry of Finance • Mr M R Umarji, Chief Adviser (Legal), Indian Banks' Association • Mr Vijay Mahajan, Chairman, BASIX • Mrs Archana Mangalagiri, General Manager, DNBS, Reserve Bank of India s
4:00pm –5:00pm	<p>Responsible Lending and Way Forward</p> <ul style="list-style-type: none"> • Mr Alex Counts, President & CEO, Grameen Foundation • Ms Sujata Lamba, Director, Finance and Private Sector Development, South Asia Region, World Bank • Shri Yashwant Sinha, Chairman, Parliamentary Standing Committee on Finance* <p>Vote of thanks- Ms Jayshree Vyas, Managing Director, SEWA Bank</p>