# ODISHA STATE ASSOCIATION OF FINANCIAL INCLUSION INSTITUTIONS

## 4th Financial Inclusion Conclave-2023

*{A State Level Stakeholders' Meeting on Expanding Financial Inclusion&Women Entrepreneurships in Odisha}*

***Organized By*: OSAFII & Member Organizations in Odisha**

**Date: 15th February, 2023 (Wednesday)** | **Venue: Hotel Mayfair( Convention Hall) Bhubaneswar, Odisha**

## Odisha State Associations of Financial Inclusion Institutions (OSAFII)

### Vision

**Establish an Inclusive & Sustainable Financial Society**

### Mission

**To Create Enabling Environment for Financial Inclusion through Stakeholders Engagement.**

***OSAFII operates as a member-based organization of various institutions that promote financial inclusion in Odisha by offering inclusive financial services to poor. It was established as a Trust in the year 2016. Started initially by seven homegrown institutions with the financial support of SIDBI-PSIG and technical assistance of ACCESS-ASSIST, it has now got 26 members in Odisha. The core intents of the association is to facilitate better coordination and synergy among various stakeholders It works for strengthening the inclusive finance sector by addressing the state specific issues and challenges. OSAFII also helps strengthen the capacity of its members & stakeholders on various thematic areas including on responsible finance, client protection principles, SPM etc. Most of its members are registered with RBI as NBFC-MFIs. They are also signatories of Common Code of Conduct of SROs-MFIN & Sa-Dhan & adhere to Fair Practice Code as stipulated by Regulatory Bodies. It has also started taking up field projects especially on Financial Inclusion, Financial Literacy, Enterpriseand Livelihood Promotion etc. Supported by SIDBI, currently OSAFII together with its Member MFIs isimplementinga livelihood focused program "WE-LEAD: Women Entrepreneurship-Livelihood Enhancement And Development, mainly to promote and strengthen women entrepreneurs in 12 Districts including 10 Aspirational Districts of Odisha.***

**Background:**The Financial inclusion landscape in the country has changed dramatically over the last few years. In India, the Govt, Reserve Bank of India (RBI), NABARD, SIDBI, Banks, and host of other stakeholders have been making their concerted efforts to expand financial inclusion especially among the poor and vulnerable groups of people. Financial inclusion (FI) is very relevant to the state like Odisha. With a view to cover large number of poor households into the fold of financial inclusion, the Govt of Odisha has taken a number of initiatives like creation of Mission Shakti, promotion of SHGs & their federations, providing financial and CB support to them, implementation of large scale projects with FI components etc. The SHG-Bank Linkage programhas been one of the most significant channels to deliver financial services to poor women in the state. As reported, nearly 70 lakh women are being involved with over six lakhs SHGs in the state through Mission Shakti, which is very well appreciated at the state and national levels.

### Financial Inclusion& Microfinance:

With Financial Inclusion emerging as a major policy component in the country, microfinance through its inclusive financial services is seen as one of the potential tools to reach out to the unbanked populations. Delivered mainly by Banks, SFBs, NBFC-MFIsetc, through SHG and JLG models, microfinance has been able to reach out to a large section of people in the country/state and help substantially in expanding financial inclusion .As per the MFIN Micrometer (Issue-43 dated 30/09/2022), the microfinance industry at pan-India level has got total loan portfolio of Rs.3, 00,974 Crwith active loan accounts of 12.0Cr and 6.2Crunique Borrowers as on Sept'2022. While the Banks collectively have got the largest share of the portfolio: 37.7% the NBFC-MFIs contribute 36.7% and Small Finance Banks (SFB) 16.6% to that.

Over the years, Odisha has witnessed potential growth in the microfinance program. It has projected a rich diversity of models, practices, tools and products etc. The role of MFIs in providing the financial services for poor has been quite encouraging, especially in terms of their outreach and service delivery at the door steps of members. As reported, about 79 institutions including NBFC-MFIs, SFBs, Banks work in Odisha and offer diversified financial services, mainly micro creditto Women SHG & JLG Members. Collectively they have coveredall districts in Odisha and reached out to about 42.36 lakhs members with gross loan portfolio of around Rs.17, 907 Cr as on Sept'2022. The loan funds provided by Banks including the subsidiaries of NABARD, SIDBI, and Investors etc have been quite helpful for MFIs to reach out to members and meet their credit needs in the state.Having availed the loans from MFIs, most members utilize that for various income generating activities to enhance their household incomes.In addition to loans, MFIs also undertake credit plus activities related to Water & Sanitation, Health, Education, Rural Housing, solar energyetc and also take up Emergency Relief measures for affected people during natural calamities.

### Key Issues &Challenges:

Reaching out to all households with inclusive financial services has, however, been a challenging task in Odisha mainly because of its geographical spread and inadequate infrastructures, especially in the rural, remote and hard to reach areas. The sector has yet to fully address the issues of scale and depth in the state. Regional skew in terms of coverage is experienced. Growing NPA in SHG portfolio has been a concern. Promoting and

## 1st FI Conclave:July'2017

**Chief Guest: Shri. H.R. Khan,
Former Deputy Governor, RBI**

## 2nd FI Conclave: March' 2019

**Chief Guest: Shri. PrafulSamal, Hon'ble Minister-WCD and MSME, Govt of Odisha**

## SHG Convention-Nov'2019

**Chief Guest: Dr. Saurav Garg, IAS, Principal Secretary, Agri Dept, Govt of Odisha**

## 3rd FI Conclave' March'2020


**Chief Guest: Shri P. K. Biswal IAS,
DIF & Special Secretary, Finance Dept,
Govt of Odisha**

strengthening microenterprises among SHG/JLG Members have also not been taking place adequately as expected. Coverage of micro-insurance and pension services for poor is also not very encouraging.Odisha has huge pockets of unbanked villages/centres. Inadequate infrastructure including rural connectivity and power supply has been considered as one of the major issues in opening bank branches.The BCs too feel constrained to operate effectively due to that.Availability of loan funds/term loans for smaller MFIs is still an issue.

## Financial Inclusion Conclaves and OSAFII:

With a view to strengthen coordination among all stakeholders, the MFIs in the state formed an association called 'OSAFII'. Since its inception, OSAFII has been undertaking various sector building initiatives. Organizing state level financial inclusion conclaves is one of such initiatives. OSAFII has already organized 03Conclaves and 01 SHG Convention in which delegates from different parts of the state took part and deliberated on various thematic areas. Due to COVID-19, no such event was held in last two years. Based on sectoral need, OSAFII has planned to organize its 4thState Level Financial Inclusion Conclave this year on 15th February’2023 at Hotel Mayfair,Bhubaneswar, Odisha.

## Key Objectives& Format of the Conclave: Its key objectives include;

- facilitate and provide a common platform for all stakeholders to deliberate on financial inclusion and expanding that further in the state of Odisha.
- identify and prioritize issues faced while extending inclusive financial and business development services to poor and low income group and suggest measures to improve that
- explore and build collaborative efforts among key stakeholders including Govt, Apex Bodies, Banks, MFIs, BCs, NGOs, CBOs, Industry Associations etc for creating enhanced Micro Enterprise (ME) andLivelihoods Opportunities for poor and sustain that in the process.

The Conclave is expected to attract around 500 Delegates from across the state and outside. Representatives from Govt line Depts, RO-RBI, NABARD, SIDBI, SLBC, Banks, RRBs, SFBs, NBFC-MFIs, BCs, NGOs, CBOs, Cooperatives, SROs-MFIN & Sa-Dhan, Academic, Training & Research institutions are being invited to participate in the event. The conclave will look at full diversity of issues and challenges that impede and advance the financial inclusion and entrepreneurship initiatives in the state. Besides inaugural and valedictory sessions, the conclave willalso have technical sessions and deliberations would focus mainly on subjects related to financial inclusion, financial literacy, women empowerment, entrepreneurship development and sustainable livelihoods etc.A state specific Inclusive Finance Status Report will be also prepared and shared in the conclave.OSAFII together with its Member Organizations cordially invites all stakeholders to kindly attend the conclave and share their valuable insights for expanding further FI and ME in Odisha.

## Tentative Agenda of Conclave-2023

| Time | Key Activity |
|---|---|
| 9.00am-10.00am | Registration |
| 10.00am-11.00am | Inauguration Session |
| 11.0am- 11.15am | Tea/Coffee Break |
| 11.15.am-12.15pm | Technical Session-I |
| 12.15.pm-01.15pm | Technical Session-II |
| 1.15pm-2.15pm | Lunch Break |
| 2.15pm-3.15pm | Technical Session-III |
| 3.15pm-3.30pm | Tea/Coffee Break |
| 3.30pm-4.30pm | Valediction & Closure |

**Conclave Secretariat : OSAFII**

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