

SECURE Himalaya: Baseline study on state of Financial Inclusion

Ladakh

Draft report

December 2019

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Abbreviations

%	Percentage
ATM	Automated Teller Machine
BC	Business Correspondent
BM	Bank Mitra
CAGR	Compound Annual Growth Rate
CDR	Credit-Deposit Ratio
DBT	Direct Benefit Transfer
DTH	Direct-to-Home
e.g.	Example
FLC	Financial Literacy Camp
FPO	Farmer Producer Organisation
GDDP	Gross District Domestic Product
Ha	Hectare
HH	Household
ID	Identity
IEEE	Institute of Electrical and Electronics Engineers
IMF	International Monetary Fund
INR	Indian Rupees
IUCN	International Union for Conservation of Nature
JLG	Joint Liability Group
KCC	Kisan Credit Card
KII	Key Informant Interviews
Km	Kilometre
MAP	Medicinal and Aromatic Plants
MFI	Micro-finance Institution
MFIN	Microfinance Institutions Network
MoEFCC	Ministry of Environment, Forest and Climate Change
MoRD	Ministry of Rural Development
MSME	Micro, Small and Medium Enterprises
MT	Metric Tonne
MUDRA	Micro Units Development Refinance Agency
NABARD	National Bank for Agriculture and Rural Development
NEFT	National Electronic Funds Transfer
NGO	Non-Government Organisation
NREGA	National Rural Employment Generation Act
NRLM	National Rural Livelihood Mission
NSSO	National Sample Survey Office
NULM	National Urban Livelihoods Mission
OECD	Organisation for Economic Cooperation and Development
PAN	Permanent Account Number
PG	Production Group
PLC	Power Line Communication
PLP	Potential Linked Credit Plan
PMEGP	Prime Ministers' Employment Generation Programme

PMJDY	Pradhan Mantri Jan-Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PNB	Punjab National Bank
PSB	Public Sector Bank
QR	Quick Response
RBI	Reserve Bank of India
RFID	Radio Frequency Identification
RRB	Regional Rural Bank
Rs.	Rupees
RSETI	Rural Self Employment Training Institute
RTGS	Real Time Gross Settlement
RWBCIS	Restructured Weather based Crop Insurance
SBI	State Bank of India
SC	Scheduled Caste
SECURE	Securing Livelihoods, Conservation, Sustainable Use and Restoration of High Range Himalayan Ecosystems
SHG	Self-help Group
SIDBI	Small Industries and Development Bank of India
SLBC	State Level Bankers' Committee
SLTC	State Level Technical Committee
ST	Scheduled Tribe
TRAI	Telecom Regulatory Authority of India
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNV	United Nations Volunteer
UT	Union Territory
VoIP	Voice Over Internet Protocol
VSAT	Very Small Aperture Terminal
WB	World Bank

Executive summary

Implemented by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India and UNDP, SECURE Himalaya (Securing livelihoods, conservation, sustainable use and restoration of high range Himalayan ecosystems) is an initiative which combines livelihoods with sustainable use of resources and conservation, in the ecologically sensitive Himalayan regions spanning in Uttarakhand, Himachal Pradesh, Ladakh and Sikkim. Along with the various interventions, SECURE aims to conduct a baseline study on financial inclusion in the high-altitude areas of Leh district, Ladakh. The Changthang cold desert Wildlife Sanctuary constitutes the assignment landscape.

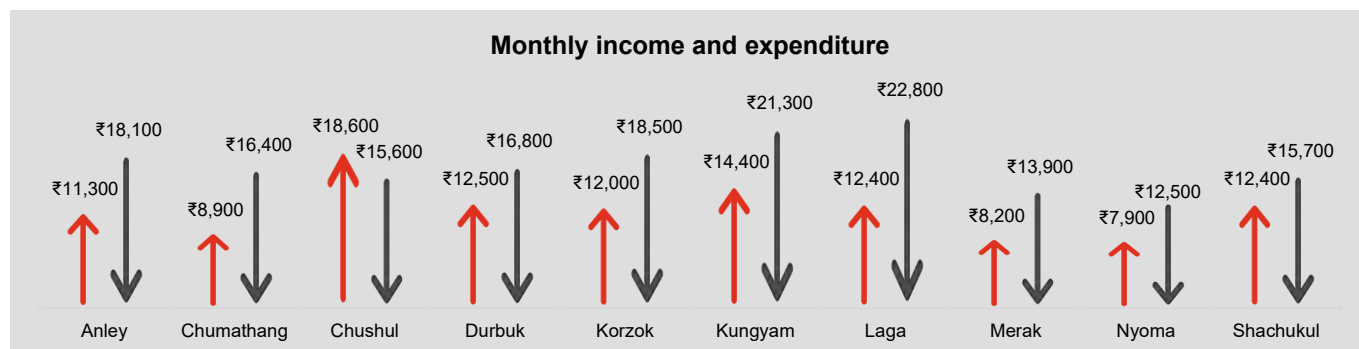
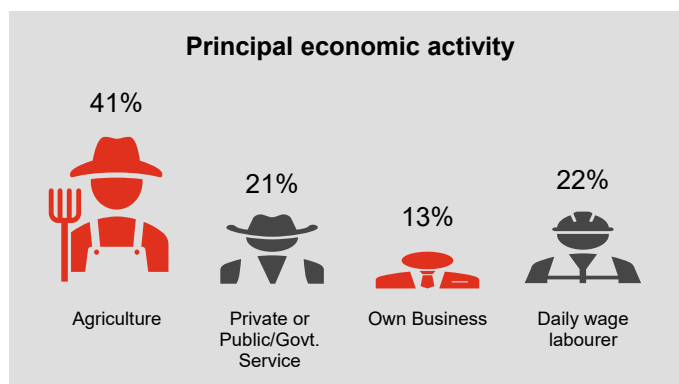
The baseline assessment intends to capture the state of Financial Inclusion in the study landscapes and posit recommendations to improve the baseline scenario. We conducted a primary survey which included various stakeholders belonging to the project landscape, and key officers from financial institutions and government departments. A survey of literature drawing linkages amongst Financial Inclusion, alternate livelihoods and conservation was carried out concurrently. We collated good practices from around the world, to contextualise the relevant interventions that would work in the landscape.

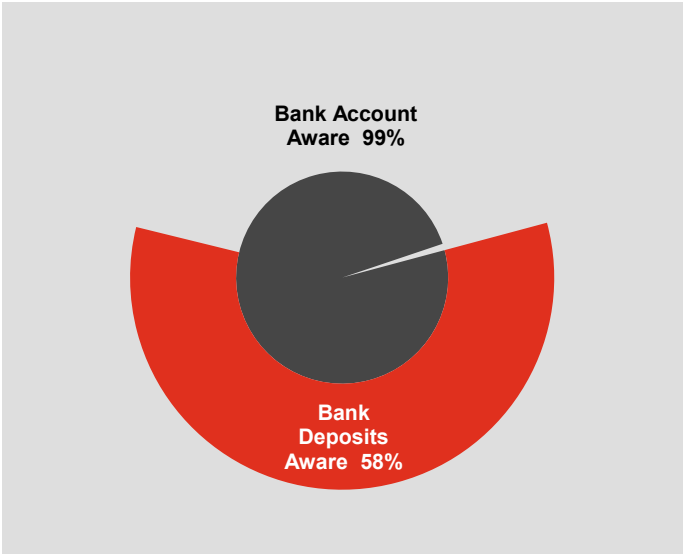
To effectively capture insights on Financial Inclusion and livelihoods perspectives of the demand-side, we developed a household questionnaire. Besides this, we interviewed financial institutions and stakeholders from the government to capture the supply side and other issues related to financial inclusion. Consequently, our survey team was mobilised to carry out a primary survey in ten sampled villages comprising of 100 households.

Lastly, we conducted a workshop to sensitise the community on financial inclusion issues contextual to the landscape. The workshop comprised of key demand and supply side stakeholders, to address the importance of financial inclusion and conservation to the residents of the landscape.

Evident from the primary survey, agriculture is the economic mainstay for landscape residents. However, entrepreneurship has emerged as a lucrative option. 21% of the respondents also worked either with the government or in the private sector.

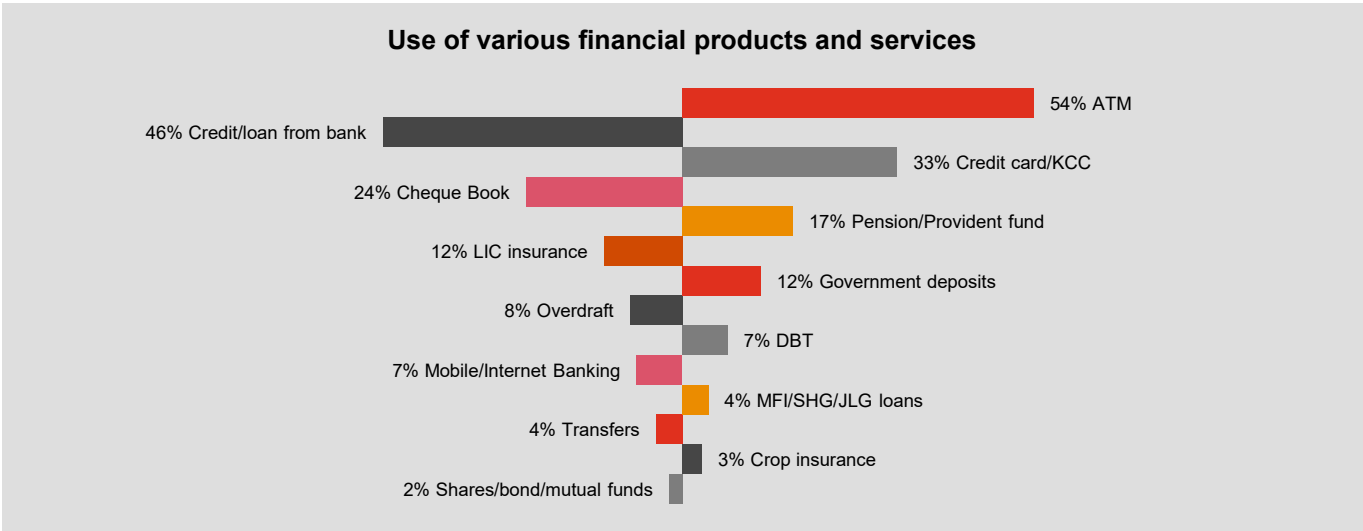
Average monthly incomes and expenditures varied across villages, but in general incomes were higher than expenditure for all villages, except in Chushul, where expenditures are higher by INR 3,000 a month (on an average).





While 99% of the residents were aware of bank accounts, 58% of residents were aware of bank deposits. 80% of the respondents were aware of credit or loans from the bank, but only 17% were aware of transfer mechanisms such as NEFT or RTGS. 73% of the respondents were aware of ATMs and 57% knew of pension and provident funds.

It is also found that 94% of the respondents used bank accounts, 24% of the respondents availed loans. The usage of various other financial products and services such as Automatic Teller Machines (ATMs) was at 54%. The usage of transfer mechanisms like NEFT, RTGS came in at only 4%, and 33% of the respondents used KCC or credit cards. 7% of the respondents used mobile banking services, and this was attributed to poor network connectivity in most of the landscape villages.

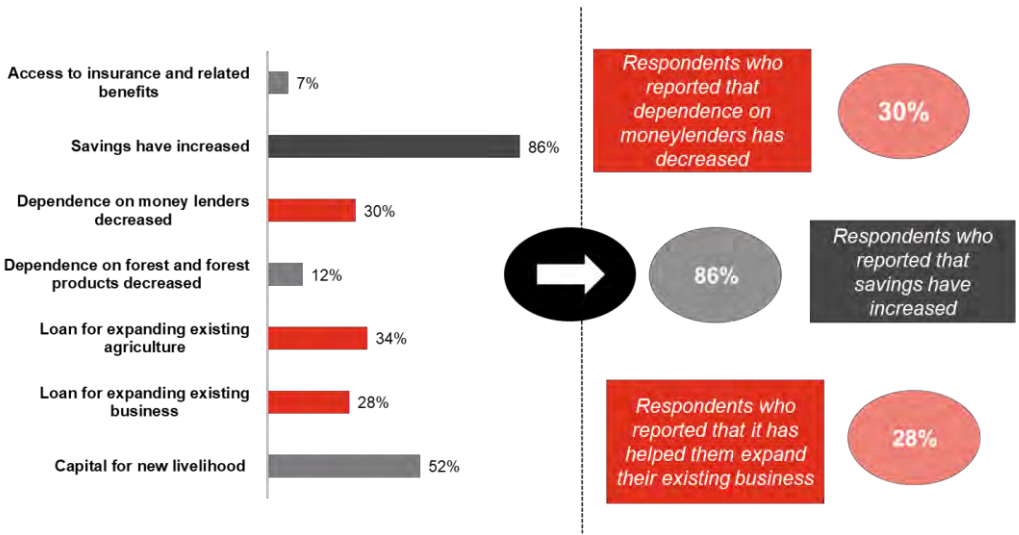


98% respondents perceived owning bank accounts was beneficial to them in the past.

The most recurrent benefit was that their savings had increased.

Besides an increase in savings, 28% also acknowledged that availing banking benefits had boosted their progress in their own businesses.

34% also believe it has had a positive impact on their agriculture as they were able to source credit from formal means a lot easily.



From KIs, it was revealed that geographical challenges posed a bottleneck for adoption of technology in the banking sector. The disaster proneness of the region also increases unpredictability of mobile connectivity which hampered digital banking operations in the region.

Based on the gaps identified following suggestions are proposed that are drawn on the best practices:

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
Access			
1.	23% of respondents have purported lack of mobile infrastructure as reason behind not using DFS.	<p>A Power Line Communication at West Bengal accomplished extensive interference measurements on site with the goal to find out whether the PLC technology is able to detect faults in frequency data even in the remote areas and it was found that to be effectively implemented¹.</p> <p>In Cameroon, Express Union has established 220 outlets across the country connected by satcoms to offer money transfers from companies like MoneyGram and Western Union. By doing so, they avoid costly in-country transfer fees and allow families to receive funds from family members based overseas conveniently and at minimal cost. Telecom Telégrafos connected more than 2,173 people with their "Pagos Móviles" project. They could do P2P mobile payments, transfers via SMS, local calls, local SMSs and balance inquiries. The project proved the technical viability of mobile transactions via satellite.²</p>	<ul style="list-style-type: none"> Internet connectivity can be ensured in the landscape through Power Line Communication (PLC). PLC is a method in which internet signals can be carried along the connection which is used to transmit electricity to the landscape. Additional installation of power electronic devices (filters) are used at both ends where internet signals need to be convoluted along with power line. The internet can be transmitted in following ways: <ul style="list-style-type: none"> Long haul, low frequency Medium frequency and High frequency Home networking Broadband power line The necessary infrastructure can be availed from Universal Service Obligation Fund (USOF) of TRAI, which has been providing funds to establish towers in the remote landscape regions. Institute of Electrical and Electronics Engineers (IEEE) 1901 and IEEE 1905 standards are the most common device specifications used for accomplishing such solutions. Very Small Aperture Terminal (VSAT) is a small communication earth system that uses satellite as a means for transmitting and receiving real-time data. VSAT finds its application in many areas, such as Direct-To-Home (DTH) TV, military and naval operations, ATMs, banking operations, etc. VSAT could be leveraged in the following ways: <ul style="list-style-type: none"> Increasing the number of VSAT points Reducing set-up cost Add more services under the VSAT umbrella (Government schemes/IDs application forms, DTH/mobile recharge, utility bills, etc.)
2.	Crop insurance.	The insurance companies induce farmer to cultivate high-yield variety seeds besides increasing dependability on agricultural production. However, due to adverse changes in climatic conditions, the insurance companies face resource constraint and many a times result in insolvency. The Government of India has introduced a Modified National	<ul style="list-style-type: none"> To account for heterogeneous risk factors specific to landscape level for crop insurance, customized insurance products need to be launched, one such solution is hybrid parametric insurance, that incorporates both weather and crop yield as important parameters; To involve communities into such a scheme, it can start as micro-insurance scheme of NABARD or Rural Livelihood Mission or any such

¹ http://www.cea.nic.in/reports/others/thermal/tetd/765_powerplants.pdf

² <https://www.esoa.net/Resources/Enabling-Digital-Financial-Inclusion-through-Satellite-Communication.pdf>

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
		Agricultural Insurance Scheme that provides an indemnity for prevented sowing risk and post loss harvest due to adverse climatic conditions. The premium subsidy is shared by the state and central governments on a 50:50 basis. The same is implemented as per the UNFCCC guidelines ³ .	agency/department which works with Self Help Groups (SHGs), as it has reach to grass root level at the landscape level
3.	BC model has not seen an uptake and banks have discontinued offering this service. However, a few respondents in our primary survey suggested they would engage in transactions if BC model sees a revival	Grameen Foundation India is supporting an Indian MFI, Margdarshak Financial Services Ltd (MFSL) to support business correspondent (BC) model. MFSL along with the Grameen Foundation India has worked to develop successful BC strategy that would help the commercial banks in diversifying banking partnerships. The efforts of Grameen Foundation has led to build BC capabilities, implement the BC channel successfully that has helped to revive the existing BCs as also facilitated in adding new relationships, for example in case of IDBI bank ⁴ .	<ul style="list-style-type: none"> While rethinking the BC model and contextualising in ways better applicable to the landscape, it also needs to be popularised effectively amongst residents. To strengthen the BC model in the landscape, individuals should be sufficiently incentivised by the banks. Besides that, women participation as BCs may be encouraged and appropriate training should be imparted that would address the gender divergence of financial inclusion Young school teachers as BCs can be considered since they represent a socially respected position in the society and can also provide a platform for awareness of financial products and services BCs may provide promotion of diverse basket of offerings of banking and insurance products and services that can increase business opportunities for financial institutions in the landscape The transactional limit through BCs should not pose a challenge for the villagers who may like to transact higher amount since many pashmina traders deal in large volumes of cash.
Awareness and usage			
4.	97% of the population is unaware of BHIM application or Unified Payments Interface (UPI)	Bharat Interface for Money (BHIM) is a payment app that lets users make simple, easy and quick transactions using Unified Payments Interface (UPI). One can make direct bank payments to anyone on UPI using their UPI ID or scanning their QR with the BHIM app. Also, one can also request money through the app from a UPI ID.	<ul style="list-style-type: none"> Awareness camps on the applications ease and capabilities must be conducted The app has the ability to enable transactions without the use of internet facilities, which is lacking in other digital payment solutions.
5.	Insurance uptake for sheep husbandry	In Kenya index-based insurance for livestock was introduced. Because index insurance doesn't necessarily require the traditional services of insurance claims assessors, it allows for the claims settlement processes to be quicker and more objective ⁵ .	<ul style="list-style-type: none"> Identification of landscapes with higher livestock-wildlife conflict; Involvement of veterinary practitioners in the landscape for valuation, causality of death verification, tagging the insured animal etc.; Shortlisting of type of livestock to be brought under insurance cover;

³ <http://agricoop.nic.in/sites/default/files/Modified%20National%20Agricultural%20Insurance%20Scheme.pdf>

⁴ <https://www.grameenfoundation.in/mfi-bc-model-transformation/>

⁵ <https://www.indexinsuranceforum.org/faq/what-index-insurance>

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
			<ul style="list-style-type: none"> • Commencement of insurance policy and decision on optimal subsidy on insurance premium; • Mechanism to accommodate for the change of owner of livestock; • Settlement of claims through bank transfer. • Provision of credit for breeding units of large commercial sheep/goat rearing units on selective basis • Financing modern meat processing units • For organized growth of dairy sector, subsidy has been extended for diversified activities under Dairy Entrepreneurship Development Scheme (DEDS) of GOI. Banks may encourage entrepreneurs to take up dairy farming as well as other diversified activities under the scheme.
6.	Insurance uptake for tourism-based activities	In Austria, tourism SME finance activities are co-ordinated through a one-stop window organised as a public-private partnership (PPP), the Austrian Bank for Tourism Development (OEHT). Through the three largest banks, the private sector provides the infrastructure and expertise in tourism finance activities and channels the resources provided by the public sector towards viable projects. This public-private partnership model results in no administration costs involved for the Austrian Government beyond the fees charged for each case. The rise in number of applications, especially for start-ups and guarantees, shows that the financial instruments offered are positively received by the tourism industry in Austria. ⁶	<ul style="list-style-type: none"> • Banks may actively support MSME tourism sector, leveraging the CGTMSE coverage. • Swarozgar Credit Card (SCC) may be issued to small entrepreneurs • SHGs and JLGs may be mobilised • Youth may be attracted to the industry by providing entrepreneurship/skill training and suitable incentives • Special concessions in the form of tax incentives and provision of land and other infrastructure such as power, connectivity etc., at concessional rates may be given.
Gender aspects			
7.	5% of women in all households have availed credit	A study by IFMR highlights that the self-help groups have availed more formal loans and less informal loans. Besides, women in self-help groups are more empowered (based on average score on the empowerment index). The study also reveals that the role of self-help group promoting institutions (SHPIs) are crucial in providing handholding and structural support. ⁷	<ul style="list-style-type: none"> • Target driven group formation i.e. for example for every regular 5 SHGs/JLGs formed by NRLM/UPASAK/NABARD, 1 SHG/JLG of women to be formed; • Target driven loans to women i.e. disbursement of a significant proportion of MUDRA loans into accounts held by women (as the scheme gives collateral free loans); • Introduction of higher levels of revolving funds for all women SHGs in schemes like of NABARD and faster promotion of all women SHGs to higher levels of

⁶https://www.sgh.ch/fileadmin/documents/Downloads/Publikationen_Allgemein/2017/OECD_Tourism_Paper_2017_3_Financing_Approaches_for_Tourism_SM_Es_and_E....pdf

⁷http://www.ifmrlead.org/wp-content/uploads/2018/12/Policy%20Brief_HIH_Final.pdf

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
			<p>revolving funds in multi-level revolving fund kind of schemes like of NRLM;</p> <ul style="list-style-type: none"> • Fast track promotion of male SHGs to higher levels of revolving funds in schemes like NRLM if proof is shown against consistent deposit of income from business started by NRLM support into wife's account; • Introduction of differential interest rates to women on other credit subsidy scheme at the cost of equal and opposite increment interest rates charged to male applicants and continuation of this intervention till half of the credit subsidy applicants are females.

Based on the interactions with the households and the focus group discussions, some prominent livelihood options were identified. The linkage between the livelihoods and the financial inclusion is established below with the degree of risk (from a conservation perspective). The livelihoods marked as green means they are pro-conservation, yellow means they are bearing threats to conservation and finally the red means that they are high threat to conservation. The threats are mapped with possible linkages to financial inclusion and the relevant schemes existing at the national and state level that can be leveraged to reduce the threats and facilitate livelihood options in the landscape.

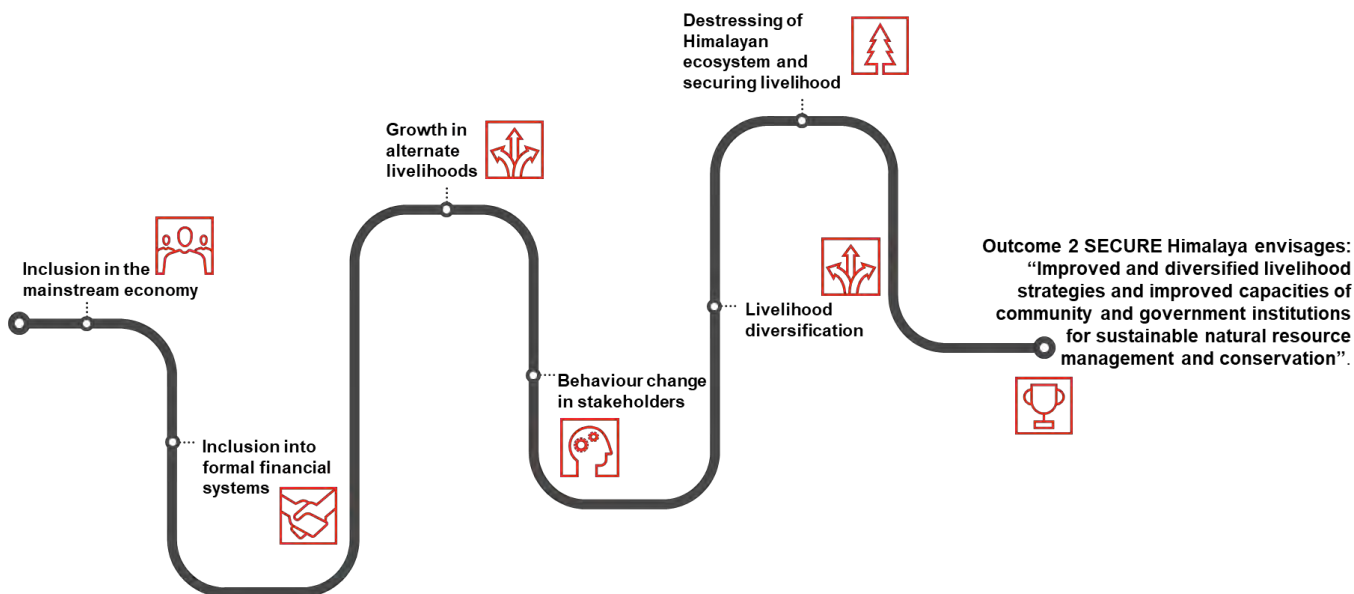
S.No.	Livelihood	Risk	Livelihoods and Financial Inclusion	Available credit schemes
1.	Agriculture Cash crop(s) – Apple, Apricot Horticultural crop – Sea-buckthorn	Green	<ul style="list-style-type: none"> • Access to crop insurance to enhance resilience; • Access to digital modes of payment to empower cultivators for better market linkages; • Access to credit for availing storage facilities, grading machines, etc. • Formation of SHG for availing credit facilities for cultivation and scale-up sale 	<ul style="list-style-type: none"> • Pradhan Mantri Fasal Bima Yojana (PMFBY) • National Rural Livelihood Mission (NRLM) and National Urban Livelihood Mission • Central Sector scheme for setting up of Agri Clinics and Agri Business Centers (ACABCs) by Agricultural Graduates Mission (NULM)
2.	Medicinal and Aromatic Plants (MAPs)	Yellow	<ul style="list-style-type: none"> • Credit facilities for cultivable MAPs; • Capacity building through credits to position MAPs in value chain; • Access to digital modes of payment for market linkages. 	
3.	Livestock rearing	Red	<ul style="list-style-type: none"> • Credit facilities for improvised combs and machine shearing, etc.; • Credit linkages for selling finished products in designated stores, cooperatives, etc.; • Imposing a grazing fee on sheep-goat population by imposing a nominal fee that can be compensated by selling wool (including woollen products).⁸ 	<ul style="list-style-type: none"> • National Livestock Mission- Entrepreneurship Development & Employment Generation • Dairy Entrepreneurship Development Scheme • Interest Subsidy & Margin Money Scheme of KVIB
4.	Tourism and tourism related ancillary activities	Yellow	<ul style="list-style-type: none"> • Credit facilities to promote eco-tourism and medical tourism; • Loans for capacity building to cater the hospitality sector 	<ul style="list-style-type: none"> • Prime Minister's Employment Generation Programme (PMEGP) Administered by the Ministry of MSME • Swarozgar Credit Card

⁸ Ministry of Environment and Forests (Department of Environment, Forests & Wildlife) National Forest Policy, 1988

S.No.	Livelihood	Risk	Livelihoods and Financial Inclusion	Available credit schemes
			<ul style="list-style-type: none"> Extending credit to open restaurants and snack points; Access to credit, specific to purchase of trekking and camping equipment; Educational loans for vocational training in taxonomy or wild life conservation work; Loans for two-wheelers and four wheelers for tourists, etc. 	<ul style="list-style-type: none"> Prime Minister's Employment Generation Programme (PMEGP) Administered by the Ministry of MSME
5.	Handicraft		<ul style="list-style-type: none"> Extending credit to meet working capital requirements for local handicraft artisans; Extending credit services to showcase the handicrafts on various platforms, like of but not limited to fairs in capital cities, online platforms etc. 	<ul style="list-style-type: none"> Artisan credit card Scheme Weaver credit card scheme

Note: This is an indicative list of livelihood activities as the purpose of table is to demonstrate how credit instruments are pivotal for livelihood options in the landscape region

Thus, financial inclusion and livelihood are intertwined. Lending based on priority sector corresponding to livelihood options would also allow the financial institution to reflect on the true risk return profile of the landscape residents. The causal pathway for a sustainable ecosystem creation starts with creation of enablers for alternative livelihood through various interventions, financial inclusion being the most important of them. Additional interventions in the form of provision of skills, business services, market and market access, federating and forming self-help groups may be combined with financial inclusion. This enabling environment fosters alternative eco-friendly and ecologically less exploitative livelihood options, which gradually lead to sustainable ecosystem conservation.



Our study is linked to outcome two of the project, which envisages "improved and diversified livelihood strategies and improved capacities of community and government institutions for sustainable natural resource management and conservation". The livelihood options along with access, usage of financial services would enable the residents of the landscape to be financially inclusive and be a part of the formal economy that would enable economic security in long run. This would lead to collective engagement of all the relevant stakeholders to improve the Himalayan ecosystem.

Introduction

About the project

Project context

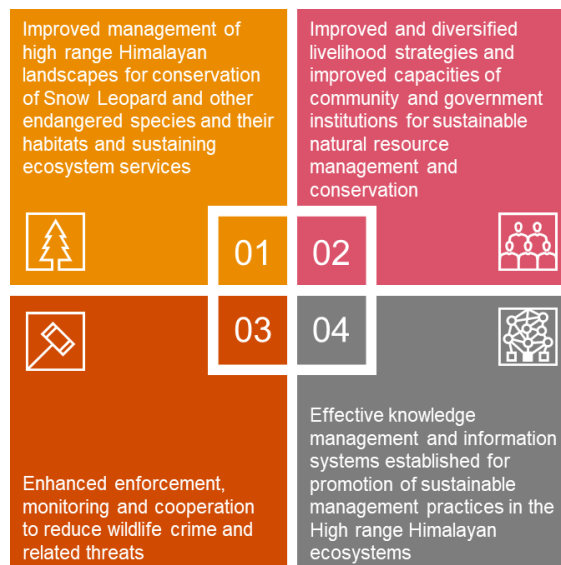
The **Ministry of Environment, Forests and Climate Change (MoEFCC)** and the **United Nations Development Programme (UNDP)** are collaboratively implementing **SECURE Himalaya** (Securing livelihoods, conservation, sustainable use and restoration of high range Himalayan ecosystems) in Himachal Pradesh, Uttarakhand and **Ladakh**. This report pertains to part of the assignment of “Conducting a Baseline assessment of state of Financial Inclusion” and provide detailed recommendations towards improving the same in SECURE Himalaya landscape.

Significant in **biological, socio-cultural and hydrological value** the high range Himalayan ecosystem in India harbours, it is the **backbone** for the populous of **remote and agro-pastoral communities** dependent on it. The region is **threatened** by the increased and overbearing reliance by local communities on natural resources, heavy economic development, selective removal of medicinal and aromatic plants, and the emerging threat of illegal wildlife trade and wildlife crime, **despite their known importance**.

To **address these threats**, **SECURE Himalaya** aims to demonstrate a matrix of **best practices** of high range **Himalayan ecosystem and snow leopard conservation** for scaling up and replicating in other landscapes nationally and globally. The project would be implemented over a period of six years in the high altitude trans-Himalayan region and has the following major outcomes:

1. Improved **management of high range Himalayan landscapes** for conservation of Snow Leopard and other endangered species and their habitats and sustaining ecosystem services
2. Improved and diversified **livelihood strategies** and improved capacities of community and government institutions for **sustainable natural resource management and conservation**

Figure 1: Intended Outcomes – SECURE Himalaya



3. **Enhanced enforcement, monitoring and cooperation** to reduce wildlife crime and related threats
4. **Effective knowledge management and information systems** established for promotion of sustainable management practices in the High range Himalayan ecosystems

Assignment objectives

Outcome 2 of the project envisages “Improved and diversified livelihood strategies and improved capacities of community and government institutions for sustainable natural resource management and conservation”.

While creating sources of income is one aspect, it is equally important for all citizens to be included in the mainstream economy, the primary step towards which involves inclusion in the formal banking and financial systems.

This not only includes access to financial services, but also their acceptance by the local communities, and their ability to offer economic security to the in the long run. With this background, it is important to gauge the current extent of financial inclusion in the SECURE Himalaya project landscapes and suggest mechanisms to boost the same.

The purpose of this engagement is to conduct a **Baseline Study on the State of Financial Inclusion** and **provide detailed recommendations** towards improving the same in SECURE Himalaya project landscapes in selected districts of Ladakh.

Financial Inclusion and SECURE Himalaya

As per the objectives of the assignment, creation of economically enabling environment is a crucial precondition for alternative livelihoods generation, which are in resonance with conservation goals.

One of the enablers is ‘financial inclusion’ which help stakeholders with access to formal credit, formal saving options, multiple types of insurance products and help with federating individual efforts by creation of SHGs, cooperatives and producer groups and provision of market access.

Figure 2: Financial inclusion leading to Objective 2 of SECURE Himalaya



Financial inclusion is a match making conceptual bridge between economic opportunity and the outcome. Access, usage and quality of financial products and services designed to improve welfare of the vulnerable sections of the society have been the primary focus of financial inclusion.

The causal pathway for a sustainable ecosystem creation starts with creation of enablers for alternative livelihood through financial inclusion as shown Figure 2.

Scope of work

Our scope of work broadly required us to:

- Assess the **current status of Financial Inclusion** in the project landscapes through primary and secondary data collection including its impacts upon overall rural economy and livelihoods
- Diagnose key issues and identify **population segments particularly vulnerable to financial exclusion** with **special focus on women**
- Interact with local community, industry and government stakeholders to **identify key challenges and solutions, and raise awareness**
- Prepare a **convergence Strategy to enhance financial inclusion** in the project landscapes

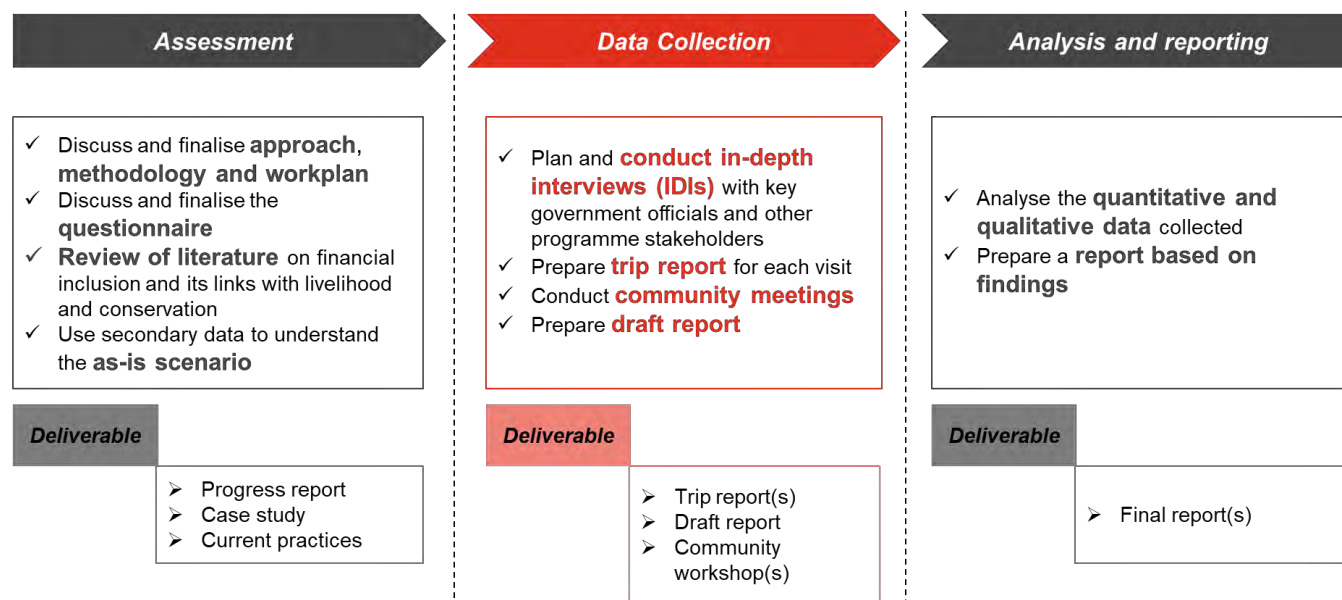
Figure 3: Scope of work



Approach and methodology

This section describes the approach and methodology we designed to carry out project objectives. The framework combines a thorough understanding of financial inclusion linked to livelihoods in the landscape. A pictorial representation of our approach is presented in Figure 4.

Figure 4: Approach design



As depicted in our Approach design, we delivered the project by engaging in the following 4 tasks.

Task I: Secondary research

Key activities:

- Research on best practices used around the globe in areas of community-based finance, microfinance, micro-insurance and digital banking that can provide insights on emerging models and best practices to improve financial inclusion;
- Research on various financial exclusion parameters used by agencies around the world like World Bank, G 20, OECD and IMF with a focus on financial exclusion of women;
- Assess the current status of financial inclusion in project landscape areas using various secondary data sources such as Census of India (2011), 6th Economic Census of Jammu and Kashmir (2016-17), Potential Credit Link Plan (2019-20, 2020-21) documents of National Bank of Agriculture and Development (NABARD), documents published by the Ladakh Autonomous Hill Development Council (LAHDC) and some vital indicators by Reserve Bank of India and various other microfinance and financial inclusion related surveys.
- Analysis of various credit advancement schemes of the government to the weaker sections of the community residing in project landscape areas

Methodology

- Desk review of secondary data from RBI (No. of bank branches, credit penetration, deposit penetration), NABARD (All India Rural Financial Inclusion Survey), Census 2011, MFIN Micrometer, Finclusion, , etc.
- Review of financial inclusion indicators from globally available databases like IMF Financial Access Survey, WB Global Findex, WB Enterprise Survey, WB Financial Capability Survey, WB Global Consumer Protection Survey and OECD National Financial Inclusion and Literacy Survey.

Sampling methodology

- ‘Purposive sampling design’ is proposed for the study, purposive sampling technique is a non-probability sampling technique, where each survey sample is selected depending on study specific characteristics of a population, and the objective of the study. Purposive sampling allows for capturing knowledge that is rooted in specific livelihood/value chain, to focus on value chains while conducting the survey;
- In-depth interviews of 100 households from different communities/villages, proposing a sample size which is enough to provide an estimate at 5% level of significance with 10% error margin;
- Key Informant interviews (KIIs) were conducted with government officials, NGOs, financial institutions, and insurance companies;
 - Among financial institutions interviews were conducted with scheduled commercial banks (SCBs), cooperative banks (CBs), regional rural banks (RRBs).
 - Among government interviews were conducted with District Magistrates (DM), Divisional Forest Officer (DFO), Deputy Directors (DD) of Forest department and NRLM project officials;
- The sample size for supply-side stakeholders varies depending on availability in landscape region(s). Further, we select 10 villages for the HH survey (10 HHs from each village).

Task II: Primary data collection

Project kick-off

- We organised a call with SECURE Himalaya implementation team and other relevant stakeholders to develop an understanding of the project landscape areas and the various interventions being carried out under the project

Finalise study design

- We got a list of the villages in each landscape, cross-verified by Forest Department and respective United Nations Volunteers (UNVs);
- Accordingly, we developed a detailed sample distribution plan in consultation with Forest Department and respective UNVs

Finalise questionnaire and data collection

- Conducting Pilot of the questionnaire;
- Fine tuning of questionnaires post feedback from pilot
- Mobilisation and training of enumerators;

Data cleaning and analysis

- Clean the data collected by checking for missing values and running other consistency checks;
- Analyse the data collected and report the findings

Box item 2: Calculating sample size for primary household surveys

Sample Size Calculation:

We have proposed a sample size which is enough to provide an estimate at 5% level of significance with 10% margin of error

Calculations:

Formula: $sample\ size = [z_{1-\alpha}^2 p(1-p)]/e^2$

In this formula, we plug in

- z value at 5% significance = 1.96 ~2
- the maximum value of $p*(1-p) = 0.5*0.5 = 0.25$
- Margin of error = $e = 10\% = .1$

This gives a sample size = $\frac{4*0.25}{0.1^2} = \frac{1}{0.1^2} = 100$

Thus, we proposed a sample size of **100 HHs**

- Administer the survey questionnaire;
- Collect and collate the data

Task III: Community sensitisation workshop

- The workshop was attended by approximately 55 participants
- Activities undertaken in the workshop:

- Assessing the impact of financial inclusion in livelihood promotion and conservation
- Sensitize and create awareness in the workshop on the importance of financial inclusion
- Engage participants in a moderated discussion on various financial and livelihood constraints
- Incorporate inputs from the workshop into overall financial inclusion strategy for the region
- Key topics covered in the workshop:
 - Conservation and Financial Inclusion
 - Livelihood Options and Financial Inclusion
 - Role of banks in Financial Inclusion
 - Availing basic digital financial services

Task IV: Diagnosis and report writing

- Diagnosis involves the following
 - An assessment of the current status of financial inclusion the project landscape areas;
 - A suitable definition of financial inclusion taking into the account the project landscape districts;
 - Documenting and overview of best practices for financial inclusion;
 - Identification of key reasons for the financial exclusion of project landscape communities;
 - Assessment of:
 - the status of financial services (banking);
 - insurance services in project landscape areas
 - potential to improve living standards of families residing in project landscape areas
- The final report will incorporate the above diagnostics and will suggest a comprehensive strategy to enhance financial inclusion in the project landscape region.

Structure of the report

The objective of this final report is to provide baseline assessment of financial inclusion in project landscape and recommend strategies to improve the state of financial inclusion in the project landscape. The following chapters successively dwell into the understandings developed regarding the baseline scenario of financial inclusion.

In the first chapter, **Introduction**, we provide an overview of the project including its objectives, and discuss our approach to delivering the scope of work assigned.

In the next chapter, **Overview of Financial Inclusion**, provides a conceptual understanding of financial inclusion. Subsequent sub-sections present literature review from various sources followed by a brief overview of different definitions. This includes definitions to be followed in landscape context, and the frameworks involved for measuring baseline of financial inclusion brought together post-literature review.

Chapter 3, gives a brief profile of the landscape. A brief on macroeconomic overview of the landscape districts and some key indicators to set the background for study of state of financial inclusion is touched upon in this chapter.

Chapter 4 of the report seeks to **identify key findings and challenges** in the project landscape related to the state of financial inclusion. Descriptive statistics from household survey and insights from key informant interviews are analysed from findings and presented in this chapter.

Chapter 5 highlights to establish linkages between **financial inclusion and conservation** aspects. It discusses about financial inclusion as an enabler of alternate livelihoods and how alternate livelihoods can in turn helps in conservation objectives.

Chapter 6 concludes with a **recommendations and strategic insights** that may help to improve the state of financial inclusion in the landscape. The chapter tries to bridge the gap on strategic dimensions, then addresses issues over access, awareness and usage, gender aspects, financial inclusion, livelihoods and conservation, strategies for financial institutions and way forward.

Overview of Financial Inclusion

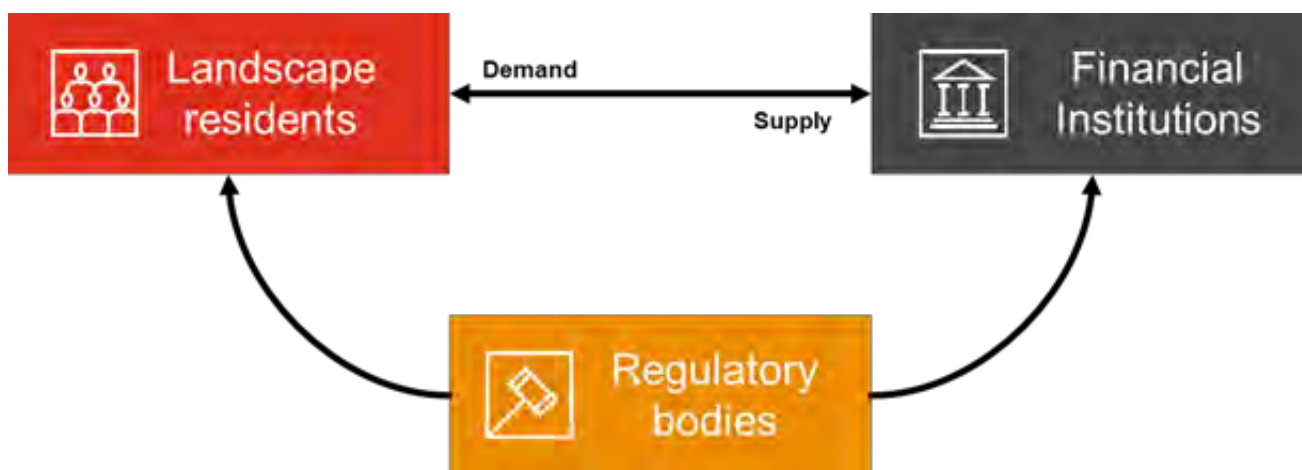
This chapter provides understanding of concept of financial inclusion. Subsequent sub-sections present literature review of financial inclusion and the Indian context of financial inclusion. This is followed by different definitions of financial inclusion highlighted by multilateral agencies concluding to one functional definition of financial inclusion.

Understanding Financial Inclusion

Through secondary research we understand that prima-facie, landscape residents and financial institutions form an interactive element in the framework. Simply put, a demand side and supply side respectively. There is also a third facet that looks after the regulatory aspect of this system, i.e., government stakeholders.

An enabler of economic empowerment, Financial inclusion facilitates and supports demand and supply sides as depicted earlier in Figure 5. On the demand side it is an inclusive economic agent and entails provision of access to credit at reasonable terms of credit in order to start/expand livelihood, providing instruments to mitigate multi-dimensional vulnerabilities and opening up options to save/invest their economic surplus.

Figure 5: Financial Inclusion ecosystem



On the supply side, it opens up new business opportunities for providers of financial products and services, who by serving greater masses are able to exploit economies of scales necessary for their sustenance simultaneously delivering value to the society.

In such a scenario, government evolves as an important stakeholder. Creation of conducive policy and regulatory environment helps government achieve its objectives of welfare state by a two-prong mechanism. The first and direct mechanism is given a financially inclusive economy government is able to run other welfare interventions in a more effective and efficient manner by minimizing leakages and time lags during implementation.

The second mechanism is by providing conducive environment for financial inclusion to thrive, government indirectly empowers the agents of the economy (specially weaker and vulnerable groups) to reposition themselves in the competing free markets, opening up opportunities of well-being for them beyond the restrictive impact that regular welfare interventions may provide, which can in other ways be seen as an actual economic capacity building exercise.

Thus financial inclusion as a means can address just, equity and efficiency dimensions of well-being especially for economically vulnerable or weaker sections of the society.

Financial inclusion can have basic elements such as storing funds for safekeeping (bank account), or more sophisticated functions like accessing loans to diversify livelihood or scale up production (credit), reduce exposure to risk of disasters on crop/produce/livestock (insurance) and providing agents alternatives of transacting (payments). Access to financial products/services, not only improves livelihoods, but also, empowers the weaker section of society, specifically women, to make independent decisions, and harness their fullest economic potential.

Financial inclusion, in itself, is a vast subject and is composed a gradation of components. Without addressing this gradation, financial inclusion misses its objectives and seems incomplete.

As depicted in Table 1, UNDP provided a model of financial inclusion which finds its resonance in the current context. Essentially, it has identified five blocks such as product, price, awareness, delivery and people and attitudes as the dynamic elements of financial inclusion. While grasping on various definitions, what becomes clear is that amongst undertones to the subject, barriers to inclusion are quite complementary.

Table 1: Paradigm of financial inclusion

Aspect	Comprehending Financial Inclusion	Chances of Financial Exclusion
Product	<ul style="list-style-type: none"> • Range of products and services <ul style="list-style-type: none"> – Access to sound, pragmatic and transparent advice on financial services; – Access to bank accounts and savings mechanisms Access to affordable and flexible credit for consumption purposes; – Access to affordable and flexible livelihood financing; – Access to risk mitigation services like health, weather, asset and life insurance etc.; – Access to vulnerability reducing and economic capacity enhancing financial services like Warehouse Receipt financing, Value Chain financing etc.; – Access to other financial services like micro-pensions • Flexible and customized products with high quality services; • Access to products helps develop secured livelihoods 	Exclusion could occur when products are not convenient, inflexible, not customized and of low quality
Price	<ul style="list-style-type: none"> • Affordable and competitive products and mechanisms; • Effective cost of product is neither usurious nor perceived as very high; • Inefficiencies are not passed on 	Exclusion could occur when products are unaffordable
Awareness	<ul style="list-style-type: none"> • The product needs to be proactively promoted; • All terms and conditions must be explained in detail and transparently; • Focus on customer service, education and protection 	Exclusion could occur when clients are not aware
Delivery	<ul style="list-style-type: none"> • Simple and convenient process of delivery; • Accessible in remote areas; • Lower transaction cost for clients; • Minimal documentation and other requirement 	Exclusion could occur when clients cannot be reached easily and at low transaction cost
People and attitudes	<ul style="list-style-type: none"> • Staff care for the client's welfare always; • Staff deal with clients in a timely, patient and concerned manner • Staff are specially trained to deal with the poor 	Exclusion could occur when staff delivering services are not well-suited to their role

Source: Scoping paper on Financial Inclusion, UNDP (2008)

Contextualising Financial Inclusion

Financial inclusion has proved to achieve its desirable outcomes from time to time. It has been demonstrated that in an appropriate socio-economic environment, under certain prerequisites like awareness, appropriate pricing of financial products and services, that meet the fundamental requirements of the agents of the economy and convenient delivery mechanism of the same; financial inclusion has been successful enabler in enhancing well-being of the people.

A secondary desk research has been compiled as the list of best practices around the world. The strategy for compilation was to search for stories which share the similar demographic, socio-economic and business environment details, with respect to the engagement landscape, with each of the dimensions prioritized in the order mentioned above.

These best practices are supposed to provide us with necessary insights into moulding the implementation of financial inclusion under a given set of prerequisites with an objective of maximizing the well-being of the economic agents while minimizing the risk of inevitable frictions created by the barriers ingrained in the prerequisites themselves.

This objective has been materialized by careful study and collation of best practices across the case studies, shortlisted as per the criteria mentioned above, to keep it relevant in engagement context.

Compilation of good practices

Several case studies were taken up for desk review. Some of the typical success stories have been observed across Bangladesh, Chile, Kenya, India and Mexico. Within microfinance to improve the reach of services and to build trust among communities, the advent and usage of latest digital platform, has been observed by innovations like M-Pesa app in Kenya. Institutional improvisations were observed in India, Chile and Philippines, where community based lending and creation of Self-help groups have been successful in creating sustainable financial markets integrated with day to day livelihoods.

In India the technological innovation complimented with institutional innovation has led to digitalization of Self-help groups in rural areas under a new program call E-shakti launched by NABARD. Negros Women for Tomorrow Foundation (NWTF) in Philippines, has been successful in adding women to the formal credit market. Apart from credit and microfinance, micro-insurance has been found to be successful in Bangladesh and Mexico.

Insurance for livestock at large scale has been carried out in Kenya by successfully partnering various stakeholders. Banking correspondent model in Brazil and Crowd funding for entrepreneurs by Kiva, were found to be operational in many countries across five continents. The summary of each of these studies and relevant sources are tabulated in Table 17 of the Annexure.

The Indian Financial Inclusion journey

Providing universal access to banking services and improving the forms of credit delivery, especially for the weaker sections of the population is the basic agenda of RBI's Financial Inclusion plan. Since last decade many initiatives have been taken by Government of India and RBI to improve the access of banking services for the people. Since India has a wide geographical spread, hence providing access to the banking service is not an easy task.

To supplement this aim Business Correspondents have been appointed by the banks in the areas where brick and mortar branches are not opened yet. Business correspondents provide cash in cash out services to the people in the absence of a branch and an ATM.

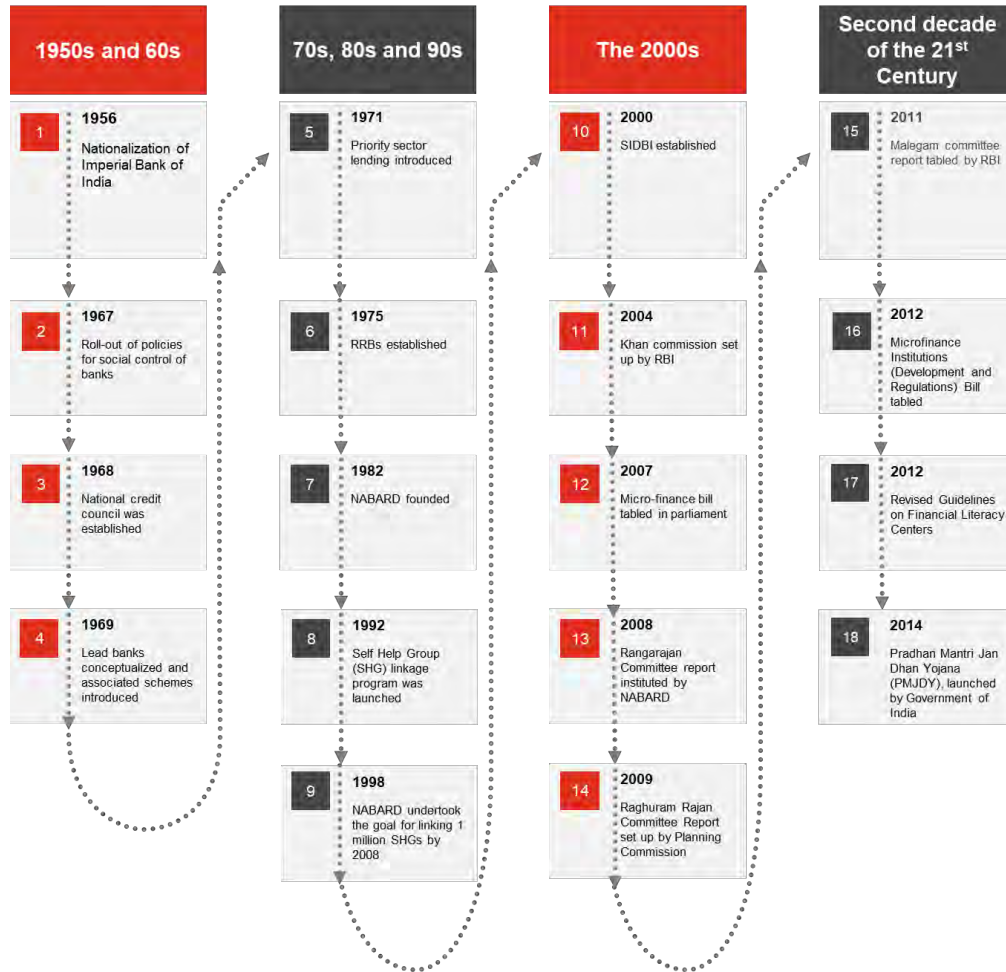
The RBI has also formed State Level Banking Committee (SLBC) in every state to keep a check on the financial inclusion progress in the state. The lead bank of the state is responsible for formulating and achieving annual plans. KYC requirements for opening a bank account have been relaxed and PMJDY have been introduced to boost the aim to

complete Financial Inclusiveness in the country. Many other initiatives have been undertaken by RBI to support the cause.⁹

In India, the present state of supply side of financial inclusion (Financial Institutions) and sophisticated interventions with financial inclusion as synergic component of livelihood diversification, capacity building, and risk mitigation exercises has an evolutionary history mapped in Figure 6.

It provides us with important historical developments as well as first hand rational for existence of various institutions that coexist in India in the field of financial inclusion. The interventions that they carry out in the project landscape has been discussed in following section. We use this backdrop to depict baseline scenario of financial inclusion.

Figure 6: India's Financial Inclusion journey



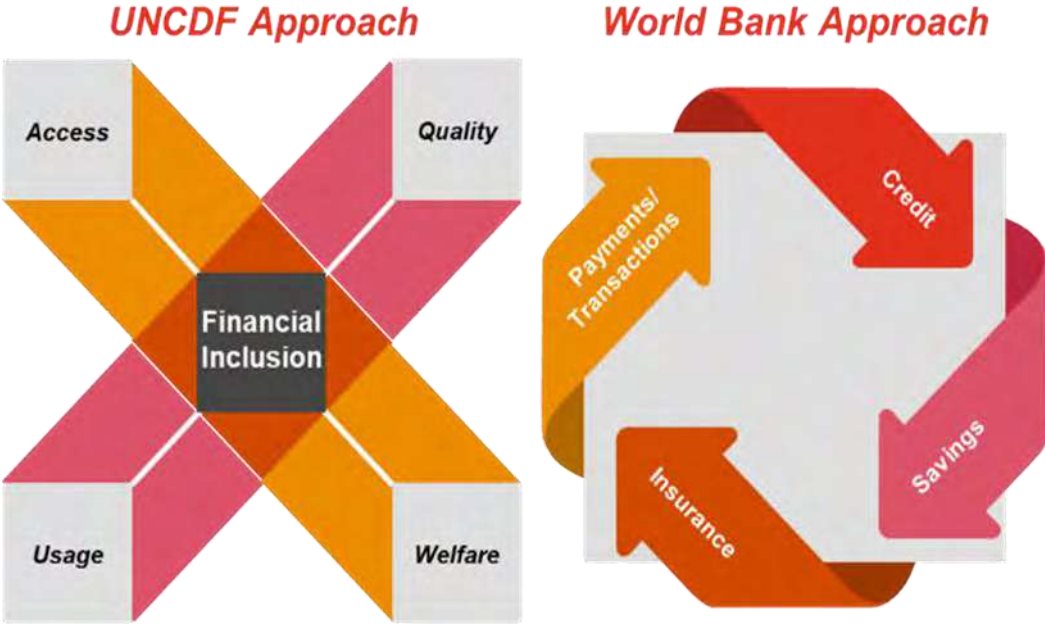
Frameworks for measuring Financial Inclusion

According to the United Nations Capital Development Fund (UNCDF), financial inclusion means that individuals and enterprises can access and use a range of appropriate and responsibly provided financial services offered in a well-regulated environment, with an aim of enhancement of overall well-being of the economic agents.

⁹ Kaur, D. P., & Abrol, V. (2018). Measuring Financial Inclusion in Jammu & Kashmir State: An Empirical Study. IOSR Journal of Business and Management (IOSR-JBM), 37-44.

This gives rise to the access, quality, usage and welfare framework of UNDP for visualizing financial inclusion. World Bank, on the other hand, focuses on transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable manner. World Bank’s and UNCDF’s frameworks for financial inclusion is summarised in Figure 7.

Figure 7: UNCDF and World Bank approaches to financial inclusion



We summarise definitions of UNCDF, the World Bank and RBI in Box item 3.

Box item 3: Definitions of Financial Inclusion

<p>UNCDF Definition</p> <p>According to the United Nations Capital Development Fund (UNCDF), financial inclusion means that individuals and enterprises can access and use a range of appropriate and responsibly provided financial services offered in a well-regulated environment, with an aim of enhancement of overall well-being of the economic agents.</p>
<p>The World Bank Definition</p> <p>According to the World Bank, financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.</p>
<p>RBI Definition</p> <p>The Reserve Bank of India (RBI) defines financial inclusion as the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost in a fair and transparent manner by mainstream institutional players.</p>

Our functional definition for Financial Inclusion

Insights gathered from the definition above, helped us in defining Financial Inclusion as the inclusion of weaker and vulnerable sections of the society by providing them with financial products and services tailored as per requirements while making these financial products and services accessible, enhancing user’s awareness, promoting usage maintaining a back drop of welfare objectives. In order to purposefully achieve study objectives we employed a multi-framework method, depicted in Table 14 of the Annexures.

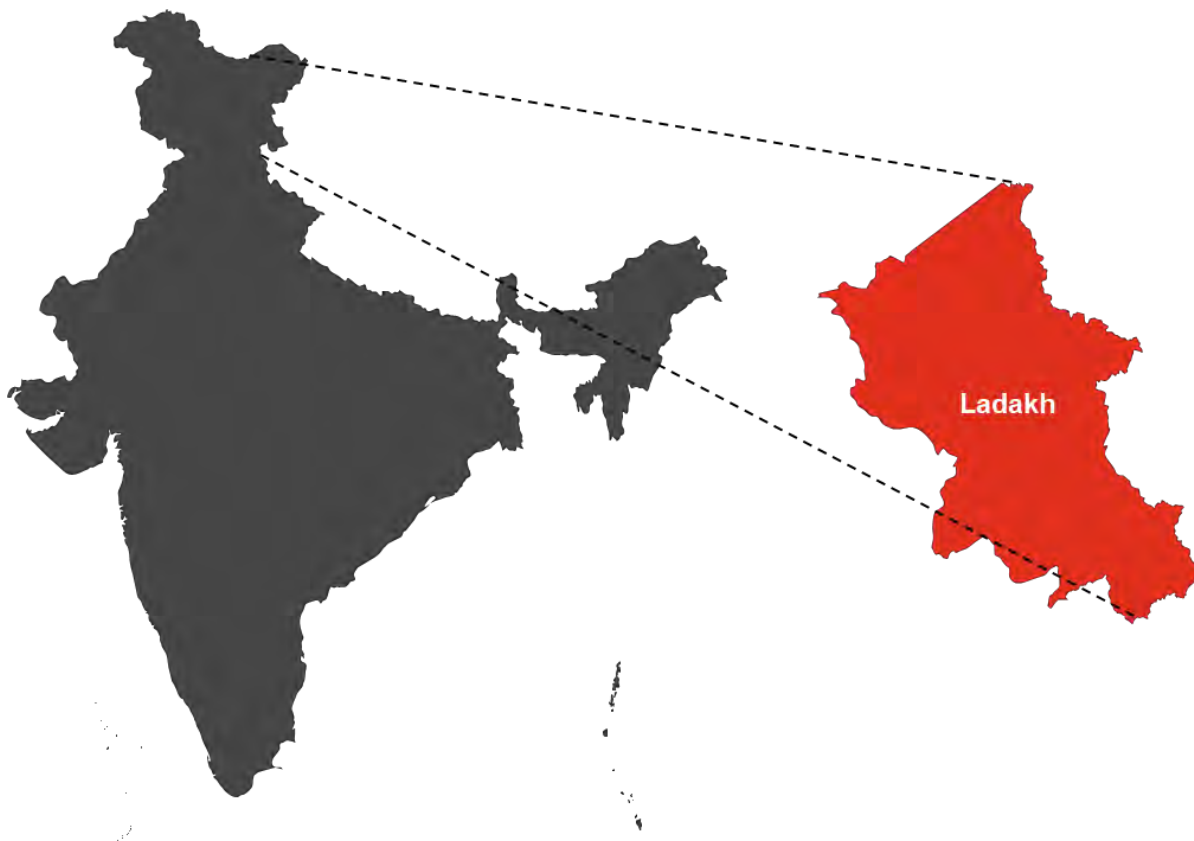
Landscape profile

This section briefly describes the topography of the landscape, and consequently summarises a macroeconomy of Leh district, along with key livelihoods that are prevalent.

Landscape at a glance

The Changthang wildlife sanctuary in Leh district is a westward extension of the Tibetan plateau. A part of the Indo-Himalayan range, it stretches between the co-ordinates of 33°10' to 33°30'N and 77°55' to 78°20'E. The region is termed as a 'cold desert', and is sparsely vegetated. Although Leh is amongst the largest districts in India (~45,110 km²), it has a population density of 3 persons per square kilometre¹⁰. The Changthang region covers 21,000 km².

Figure 8: Assignment landscape



Note: Locations shown in the map are indicative and not drawn to scale.

Changthang loosely translates to mean an open valley in the local tongue, and topographically does, in fact, have large dry steppes in open valleys, and gorges and vast plateaus (sometimes 50-60 kilometres long and 20-30 kilometres wide grounds) which range from undulating to sloping lands¹¹. The landscape, characteristic of a cold desert, experiences low precipitation.

¹⁰ NABARD PLP (2020-21), Leh District

¹¹ Source: Bhasin, Veena. *Life on an Edge among the Changpas of Changthang, Ladakh*. 2012, [www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-\[Tx\].pmd.pdf](http://www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-[Tx].pmd.pdf).

Topological overview

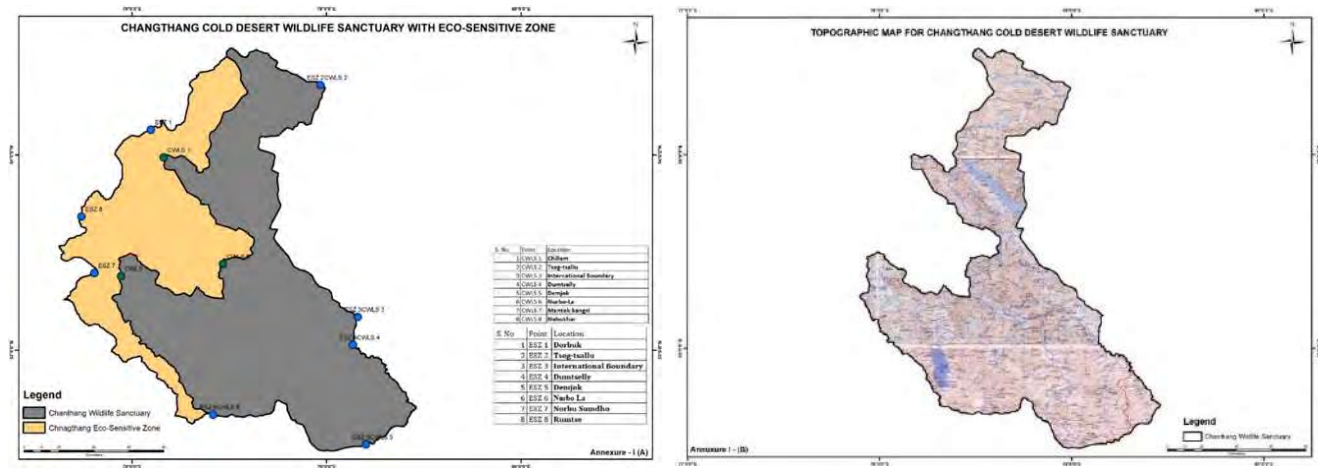
The Changthang region is limited by non-availability of conventional sources of energy and lack of major industrially exploitable resources. Limitations presented by nature dictate aspects of traditional life such as their settlement patterns and economic systems.

The overall ecological situation is tough and unfavourable for growing crops, the residents domesticate herds of various animals such as sheep and goat, and certain transport animals such as yaks and horses.

Climatically, the region experiences a short cropping season, a short tourism period and is snow-ridden for a majority of the year.

The Indus and its tributaries border the region, and besides the Tibetan plateau, it also hosts mountains which draw apart the flow of rivers. Karzko Tso ridge divides the two valleys of Rupsu and Tsomari and Pangolumba.

Figure 9: Topographic maps of the study region



Source: Office of Regional Wildlife Warden Ladakh Region

The climate is severe and extremely dry. One gets sunburnt and frost bite on the same day. Its main habitats are rangelands (especially high-altitude pastures) and wet lands (lakes and marshes). Changthang is a relatively low productive area with a low density of human population but there is stiff competition for the forage resources between wildlife and the herds of the nomads as livestock raising is the mainstay of sustenance and livelihood.¹²

As tabulated in below, the following 41 villages inhabit the Changthang region:

- | | | |
|-------------------|------------------|----------------|
| 1. Lek | 15. Debring | 29. Chumathang |
| 2. Likkse | 16. Pang | 30. Chuchul |
| 3. Tarchit | 17. Relay Iching | 31. Durbuk |
| 4. Tukla | 18. Shayok | 32. Anlay |
| 5. Kungyam | 19. Laga | 33. Hemya |
| 6. Tiri | 20. Pun Pun | 34. Kharnak |
| 7. Gayik | 21. Shachukul | 35. Korzok |
| 8. Kumdok | 22. Tharuk | 36. Kungiam |
| 9. Kiari | 23. Mogleb | 37. Nyoma |
| 10. Nornyis | 24. Lukung | 38. Phobrang |
| 11. Kesar | 25. Spangmik | 39. Tangtsi |
| 12. Skidmang | 26. Maan | 40. Thukje |
| 13. Angkung | 27. Merak | 41. Sum |
| 14. Samad Rokchen | 28. Khatkat | |

¹² Source: Bhasin, Veena. *Life on an Edge among the Changpas of Changthang, Ladakh*. 2012. [www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-\[Tx\].pmd.pdf](http://www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-[Tx].pmd.pdf).

Macroeconomic profile of Leh district

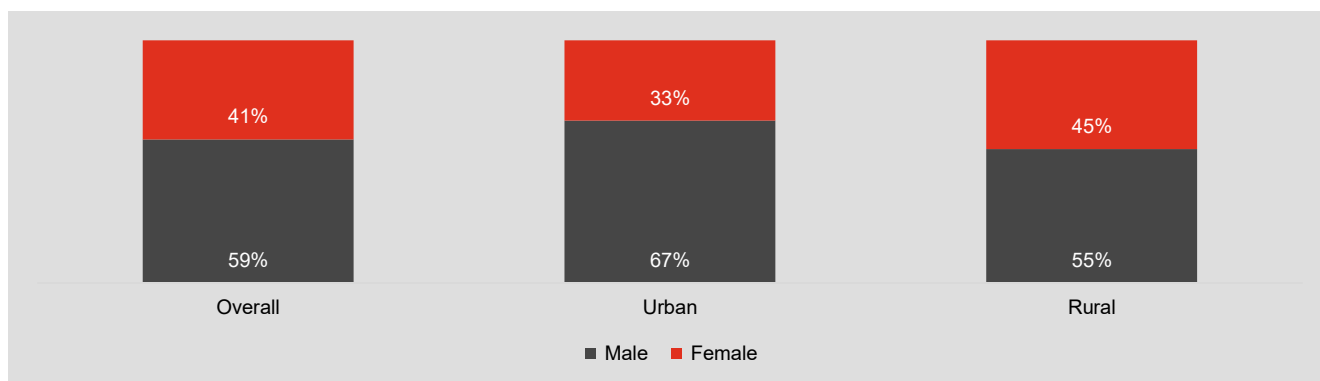
It is important contextualize the overall study of financial inclusion with the backdrop of macroeconomic indicators and other secondary data sources which are readily available. In subsequent sections, the attempt is to draw the context using the same before moving on to description of key findings in the next chapter.

Macroeconomic Snapshot

Leh has a total population of 133,487 persons as per Census 2011. Roughly, 41% of the population is female. Leh has seen an almost 14% rise in population since 2001, which translates into a 23% rise in male populations and a mere 3% rise in female population.

The sex ratio in rural areas is far better than that of urban areas, as seen in Figure 10. Approximately 22% of the population live below the poverty line¹³.

Figure 10: Population distribution

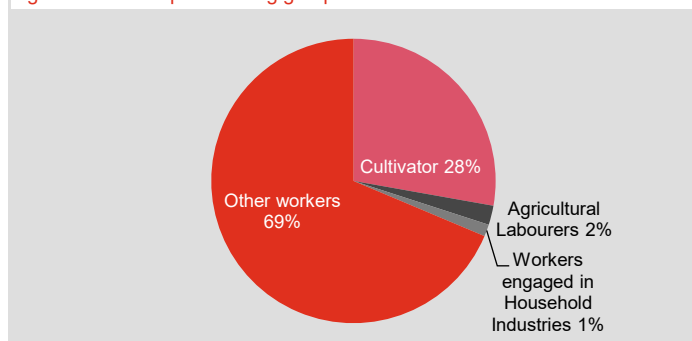


Source: District Census Handbook – Leh, Census of India 2011

As per Jammu and Kashmir Economic Survey of 2013-14, Leh had a per capita GDDP¹⁴ of Rs. 46,502. Leh is primarily an agro-based and rural oriented economy and a majority of the working population is engaged in in agriculture and livestock activities.

From an available workforce population of 133 million, 56% form the working population, while rest 44% are non-workers.

Figure 11: Breakup of working group



Source: Economic review of Leh District 2014-15

As seen Figure 11, of the 56% that comprise of the working force, 28% are cultivators, 2% are agricultural labourers and 1% form household industry workers.

69% of the population engage in other economic activities. As per the Census 2011 document, an ‘other worker’ is a person who has been engaged in some economic activity during the last year of reference period but not as a cultivator or agricultural labourer or worker in Household Industry. The type of workers that come under this category include all government

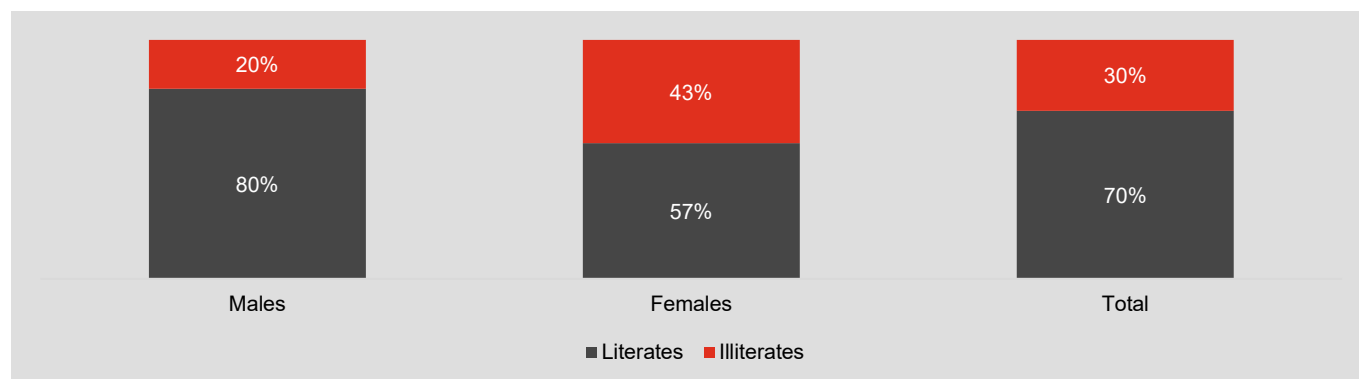
¹³ Source: Economic Survey 2014-15, Directorate of Economics & Statistics, J&K

¹⁴ Gross Domestic District Product

servants, municipal employees, teachers, factory workers, plantation workers, those engaged in trade, commerce, business, transport, banking, mining, construction, political or social work, priests, entertainment artists, etc. In fact, all those workers other than cultivators or agricultural labourers or household industry workers are 'Other Workers'.

70% of the population in Leh, or 93,770 persons are literate. The literacy rate for males and females in the district is 80% and 57% respectively. Gap in male-female literacy rate of the district is approximately 23%, as depicted in Figure 12.

Figure 12: Literacy rates



Source: District Census Handbook – Leh, Census of India 2011

Dominant livelihoods

Primarily an agrarian economy, the landscape residents engage in agriculture, horticulture and rear domesticated animals.

Agricultural activities

In terms of agricultural produce, Grim was the most sown crop in 2014-15, followed by wheat. Apricot and apple are the most sown variety of fruit.

Table 2: Sown crop area

S.No.	Crop	% of area sown	S.No.	Crop	% of area sown
Food Crops			Non-food Crops		
1.	Wheat	26.12%	7.	Fodder	20.33%
2.	Grim	40.35%	8.	Oil-seeds	0.84%
3.	Pulses	2.43%			
4.	Vegetables	3.65%			
5.	Fruits	0.98%			
6.	Other millets	5.31%			

Source: Economic review of Leh District 2014-15

Horticulture activities

Horticultural activities have, however, been picking up and provide supplementary incomes to farmers. While apricot and apple are the most sown fruit, other varieties such as almonds and grape are also popular.

The fruit produced are marketed in Leh town, other places and supplied to the defence forces stationed in the region through cooperative marketing societies¹⁵.

¹⁵ District Census Handbook – Leh, Census of India 2011

Table 3: Size of horticultural farming

S.No.	Variety of fruit	Tree count (in thousands)	Area covered (in Ha)
1.	Apricot	197	790.56
2.	Apple	199	796.24
3.	Others	18	60.84
Total		415	1647.64

Source: Economic review of Leh District 2014-15

Animal and sheep husbandry – Dairy, meat and (Pashmina) textiles

Sheep and animal husbandry are also favoured livelihood activities in Leh. As per the Animal Husbandry department, Dzo and Dzomo are the most reared animals in Leh.

Breeding a Yak with domestic cattle yields a male Dzo, or a female Dzomo. Goats are reared, in most cases, due to the high price of pashmina wool.

As seen in Table 4, over two hundred thousand pashmina goats were reared in 2016-17. In Changthang region, keeping in view the sturdiness of the sheep with high percentage of meat and wool produce, breeding policy of these animals has been adopted within the breed and in rest of the area cross breeding with Marino sheep are being undertaken so as to increase the production of wool¹⁶.

Table 4: Sheep and goat population in 2016-17

S.No.	Category	Pop. in 2016-17
1.	Sheep	235,687
2.	Non-pashmina goat	2,685
3.	Pashmina goat	108,937

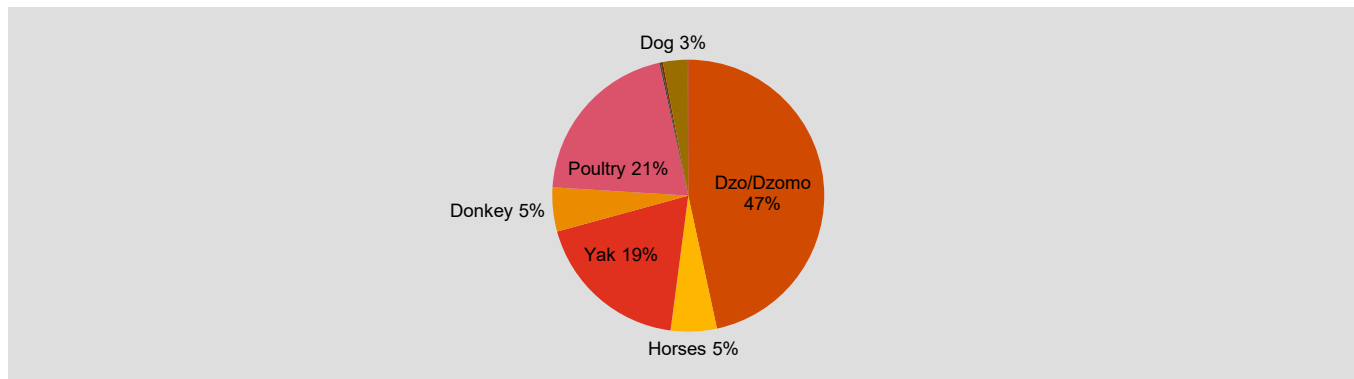
Source: District statistical handbook 2016-17, Leh

In 1990s, an average household had about 300 sheep and goats, five-six yaks and a few horses. Over time, an increase in the number of goats was observed as *pashmina* silk brought about a valuable livelihood option. Soft, silky undergrowth at the root of the pashmina goats' long hair is used to produce pashmina products.

While sheep do produce more wool, they are relatively less capable of enduring difficult conditions when compared to goats. Goats also provide more milk and meat when compared to sheep, and have a higher mortality rate, thus reducing the risk a household has to endure. Goats are also able to live on poorer pastures than sheep.

However, goats tend to destroy the pasture after they have grazed for a certain length of time, as their sharp hooves cut the turfs, exposing the top soil, which is blown away by the wind. It is feared that this shift can lead to degradation of rangeland decline of pasture quality.¹⁷

Figure 13: Livestock population



Source: Economic review of Leh District 2014-15

¹⁶ Economic review of Leh District 2014-15

¹⁷ Source: Bhasin, Veena. *Life on an Edge among the Changpas of Changthang, Ladakh*. 2012. [www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-\[Tx\].pmd.pdf](http://www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-[Tx].pmd.pdf).

Landscape residents raise Yak for their transportation value, milk and butter, meat, hide, wool and hair. During the year 2014-15, 0.264 lac litres of milk produced at departmental farms and in private sectors 72.723 lac litres of milk produced.¹⁸ Their coarse belly hair (*stipa*) is woven into tent material, and their wool (*khullu*) is used for making ropes and blankets. They also provide a feasible solution to transport heavy goods.

Box item 4: Looms of Ladakh¹⁹

Looms of Ladakh – A women-led textile cooperative

Looms of Ladakh women cooperative is the fruit of a skill development initiative, Project Laksal which aims to bring together unemployed women artisans from remote villages of Ladakh. The women are trained by designers to produce trend setting knitted and woven products. The best raw materials are sourced locally from nomads and frontier livestock rearing communities of Ladakh who are the exclusive source of the world famous Changthangi Pashmina, Bactrian Camel wool, Yak wool and Sheep wool. This association encourages women empowerment by allowing unemployed women from remote villages to develop their skills in making organic and designer products to sustain themselves financially in the near future.

Looms of Ladakh is a great example of how the residents are converting knowledge of extracting wool from animals and turning it into an effective means of livelihood

Based on the secondary research, it is found that Grim and Wheat are predominantly cultivated crops in the landscape. Apart from other agricultural activities, Apricot and Apple are major horticulture produce. Gathering pashmina wool is principal livelihood option. Large number of sheep and goats are reared for this purpose. Besides, Yak are reared for their capabilities as a transport animal and for producing key dairy products – milk, butter, cheese, etc.

¹⁸ Economic review of Leh District 2014-15

¹⁹ Source: <http://loomsofladakh.org/index.html>

Key findings

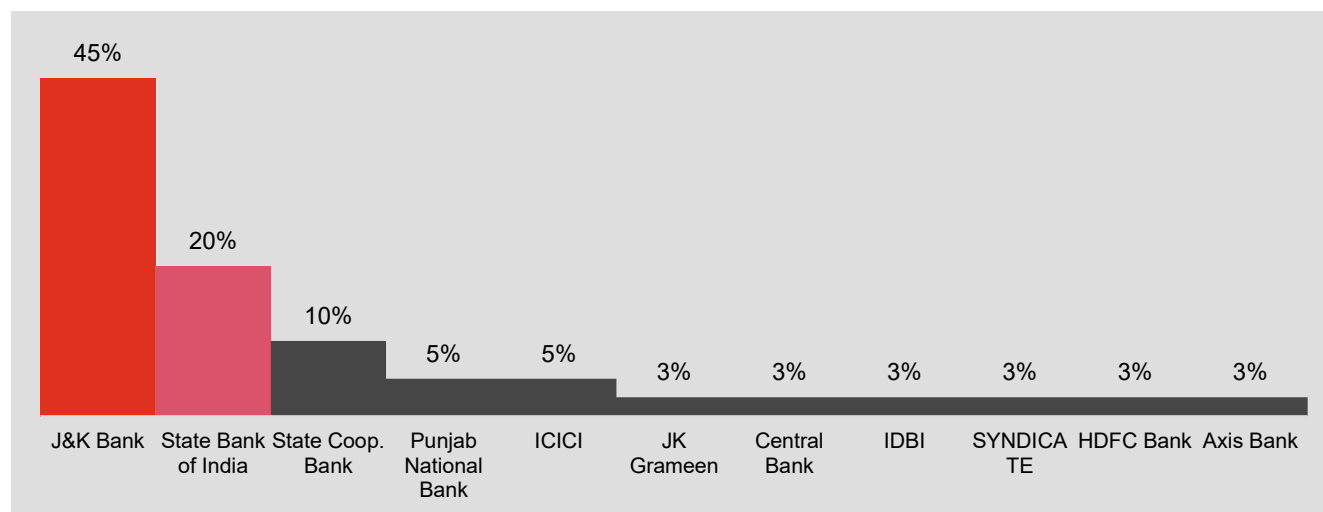
This chapter of report seeks to identify key findings and challenges in the project landscape related to the state of financial inclusion. Descriptive statistics from household survey and insights from key informant interviews are used to compile the key findings presented in this chapter.

Financial Inclusion in the landscape

Insights from secondary sources

Out a total of 44 bank branches in Leh, 39 are commercial bank branches, 4 J&K State co-operative banks and 1 J&K Gramin Bank²⁰. SBI is the lead bank in Leh and J&K bank has the highest number of branches spread across, with a total of 18 banks followed by the State Bank of India. Given these numbers, J&K bank and State Bank of India are banks with the maximum coverage across Leh. 75% of the blocks have at least one bank serving the respective block (Figure 14).

Figure 14: Bank coverage in Leh



Source: District statistical handbook 2016-17, Leh

Box item 5: J&K bank penetration in the Changthang Landscape

J&K bank in the Changthang Landscape

J&K Bank operates a total of 12 branches in the Changthang landscape – the highest penetration by any bank. They operate 3 regular branches in Nyoma, Durbok and Himya.

They also operate 9 Ultra-small bank (USBs) branches. While their Banking correspondent (BC) model was not as successful owing to lack of mobile/ internet connectivity, their USBs model was successful as they are reliant on VSAT technology.

To better financially assist Leh's developing economy, it is important that the financial sector manages provision of funds to productive and demanding sectors and mobilise the funds it receives as deposits from the residents.

²⁰ NABARD PLP (2020-21), Leh District

The credit-to-deposit (CD) ratio is the fraction of loan assets generated by banks from the deposits received. Higher the ratio, the higher the loan assets are created from the deposits, hence leading to more income generation options for the banks²¹. CD ratio therefore describes how well banks can mobilise funds for lending.

The CD ratio at the end of March 2019 is relatively lower as compared to March 2018, as tabulated in Table 5. It is also seen that RRBs' and Co-operative banks have a higher CD ratio as compared to commercial banks.

Table 5: Credit-Deposit Ratio, Leh

S.No.	Agency	March 2018	March 2019
1.	Commercial banks	33.71	33.13
2.	Regional rural banks	121.51	102.41
3.	Cooperative banks	44.43	37.27

Source: NABARD PLP (2020-21), Leh District

At the end of March 2019, priority sector loans stood at 11.37 crores, while loans extended to weaker sections totalled 2 crores. However, due to unavailability of data, these figures cannot be compared to the total volumes of loans to fathom performance towards fulfilment of national goals (Table 6).

Table 6: Performance to fulfil national goals (in INR thousand)

Priority sector loans		Loans to Agricultural sector		Loans to weaker sections		Loans under DRI scheme		Loans to women	
Amount	% of total loans	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans
11,32,726	NA	1,07,598	NA	2,06,272	NA	2,340	NA	1,56,071	NA

Source: NABARD PLP (2020-21), Leh District

Current interventions in the landscape

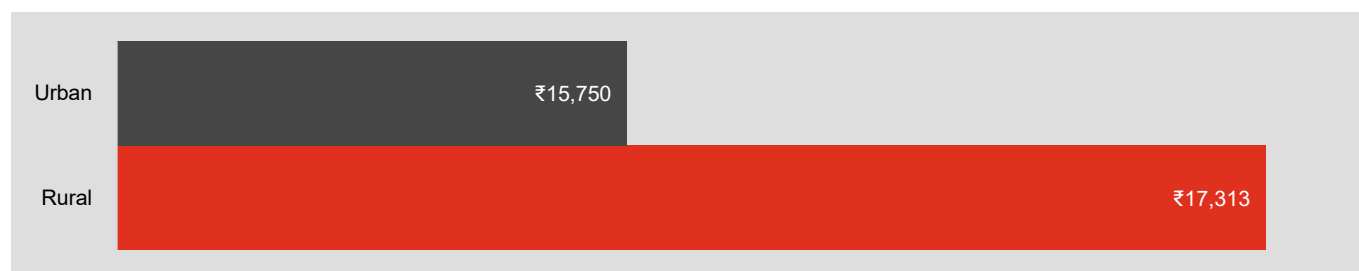
Intervention sponsored either by the government are tabulated in Table 15 of the Annexures. These interventions are designed as welfare schemes keeping in mind objectives of financial inclusion. The objective of the presentation of the table is to understand the different types of instruments and intervention delivery mechanisms that are available in the landscape.

Insights from NSSO, 70th round²²

Monthly expenditure

Rural consumer expenditure in Leh district outweighs expenditure in urban areas, as depicted in Figure 15.

Figure 15: Monthly Household consumer expenditure



Source: NSSO 71st Round, Health Survey (2014-15)

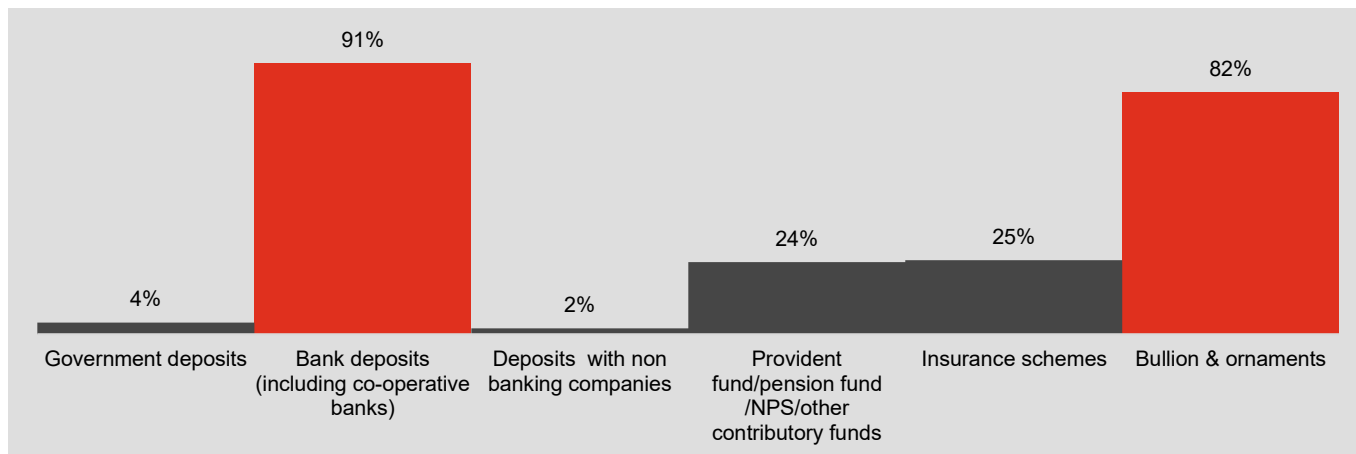
²¹ NABARD PLP (2020-21), Leh District

²² Income, Expenditure, Productive Assets and Indebtedness of Agricultural Households in India, Household Schedule 18.2: Debt And Investment, NSS 70th Round

Usage of select financial services

91% of households make use of banks to deposit their finances, while 82% bullion or ornaments of high value. Government deposits, which include NSC, KVP, saving bonds, post office deposits, other small savings schemes, etc., are not as popular in the district. NBFCs are not popular either (Figure 16).

Figure 16: Usage of select financial services

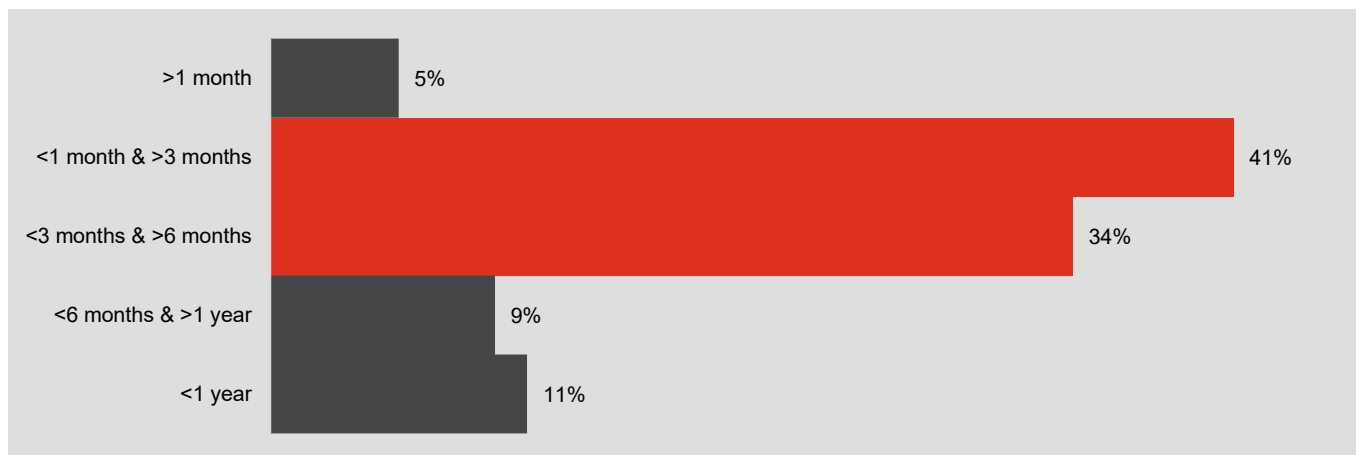


Source: NSSO 70th Round, Debt & Investment Visit 1 (2013-14)

Loan cycles in the district

The period of loans payable by the households as on the date of the NSSO survey peaked at a 1-3 month duration (41%) which reveals people's preference to short-term loans, as seen in Figure 17. However, long-term loans are somewhat popular too, in the district.

Figure 17: Period of loans payable by the household (as on the date of the NSSO survey)



Findings from household survey (demand analysis)

The household survey was conducted in villages listed in Table 7. The villages were sampled in consultation with the landscape Project Management Unit. The household survey was complimented with a livelihood interview to establish the linkages between financial inclusion and livelihood aspects.

The survey team engaged in interviews with respondents, to understand linkages between financial inclusion and livelihoods. The team also engaged in various discussions with village headmen, other village residents on various issues that they face regarding access to financial products and services to understand the situation on the ground.

Table 7: Sampled list of villages

S.No.	Village	S.No.	Village
1.	Kungyam	2.	Laga
3.	Shachukul	4.	Durbuk
5.	Merak	6.	Chumathang
7.	Chushul	8.	Anlay
9.	Nyoma	10.	Korzok

Household characteristics

Almost 100% of the households surveyed belonged to ST Category. This corroborates our findings from desk reviews which mentioned that the Changthang region is majorly populated by the Changpa tribes.

The average family size of households surveyed was 6 members. In Chushul and Laga there are 7 member households on average, the rest have 5 to 6 member households.

47% of our respondents were female, as seen in Figure 19. The rest of the respondents were male. As seen in Figure 19, 53% were household heads. It is pertinent to note that, 21% of household heads interviewed were female.

Figure 18: Sex distribution of respondents

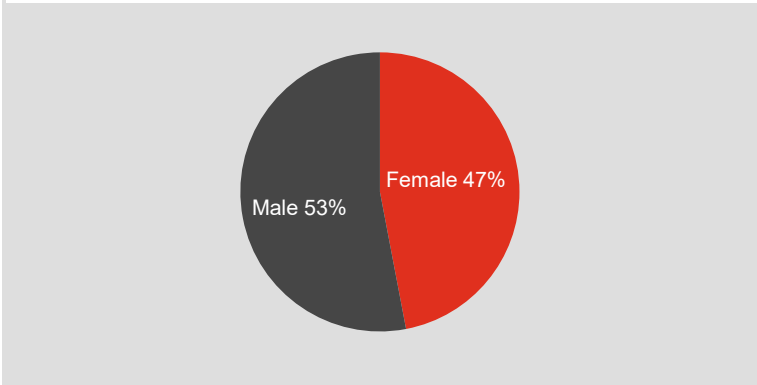
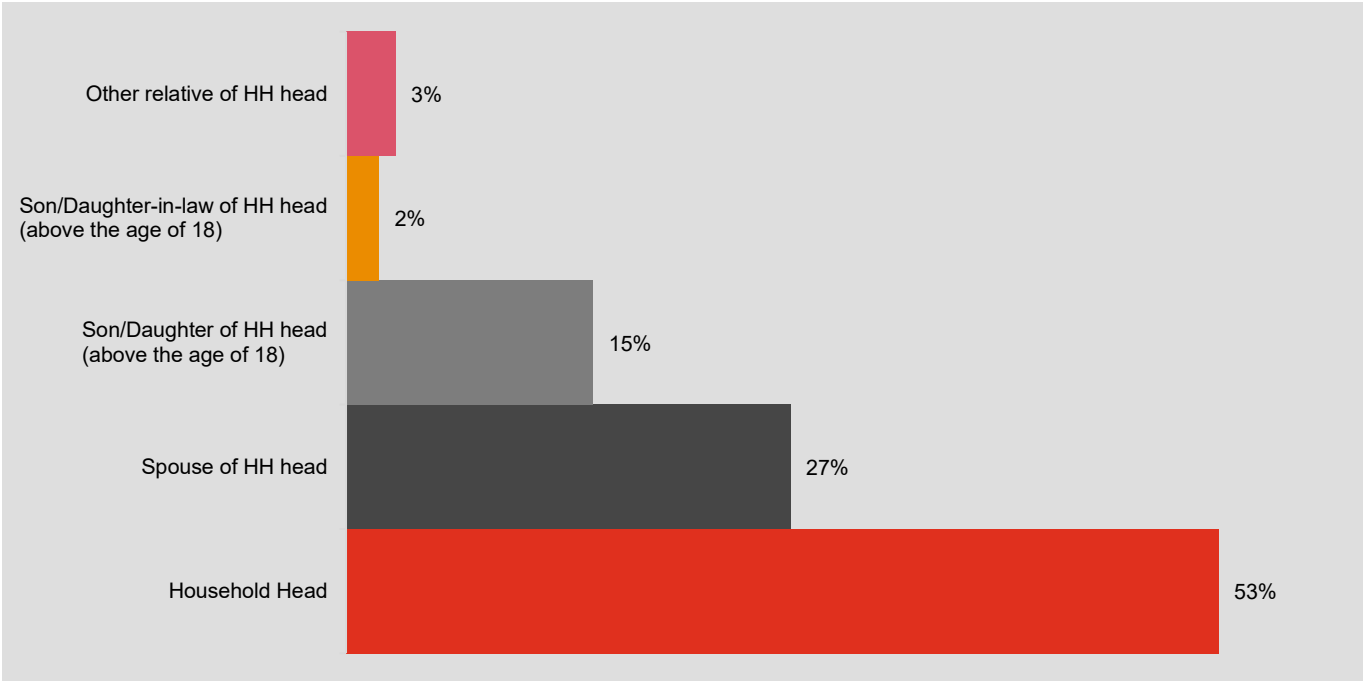
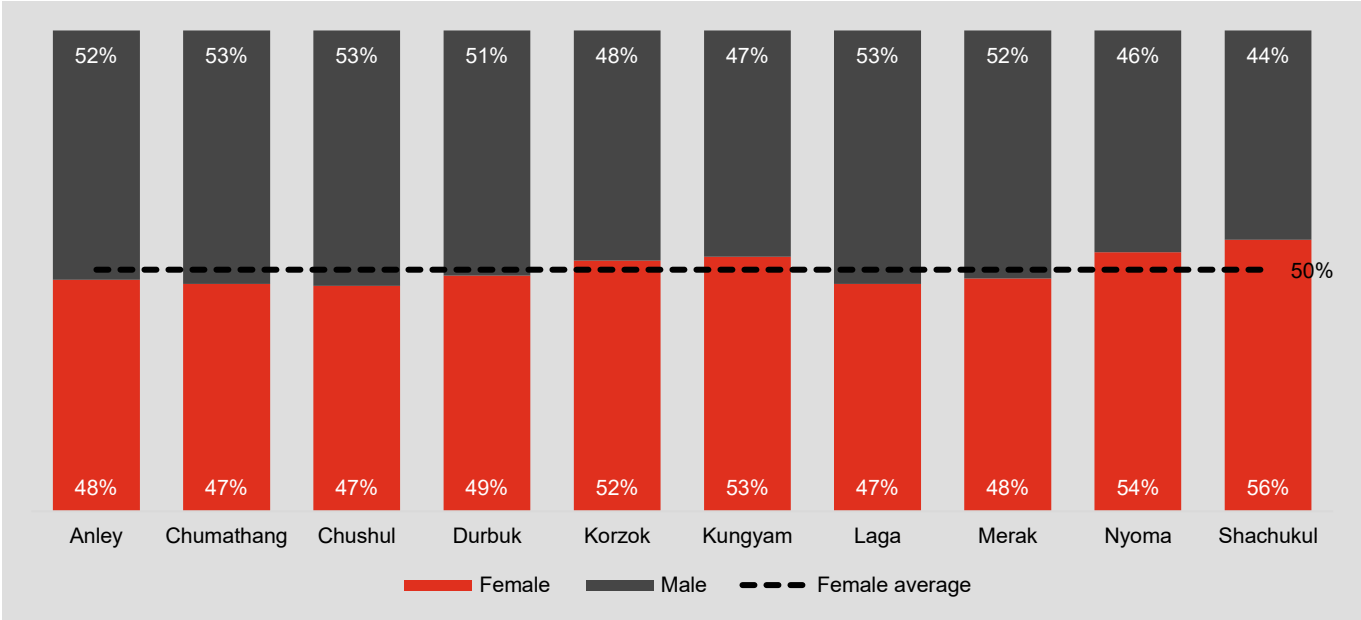


Figure 19: Respondent's relationship to the household head



As observed in Figure 20, when we interviewed complete households, Shachukul, Nyoma, Korzok and Kungyam have a higher female population. Household heads from these villages are predominantly female as well.

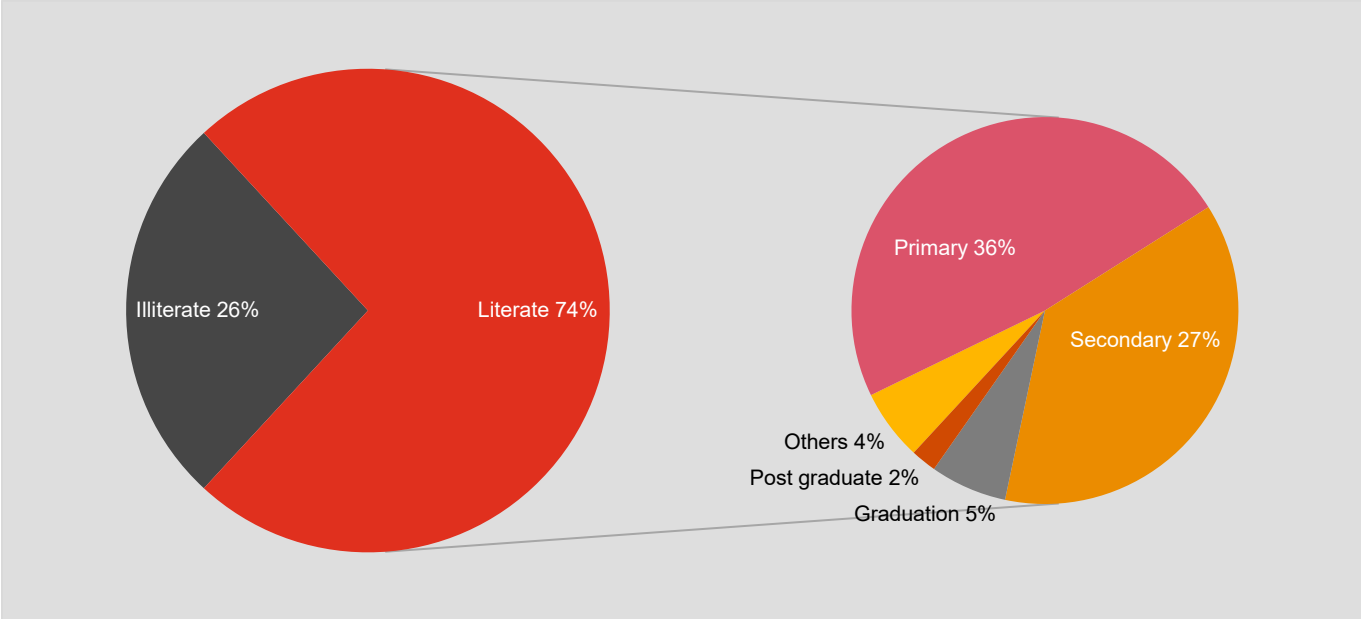
Figure 20: Sex distribution at the household level



Literacy rates

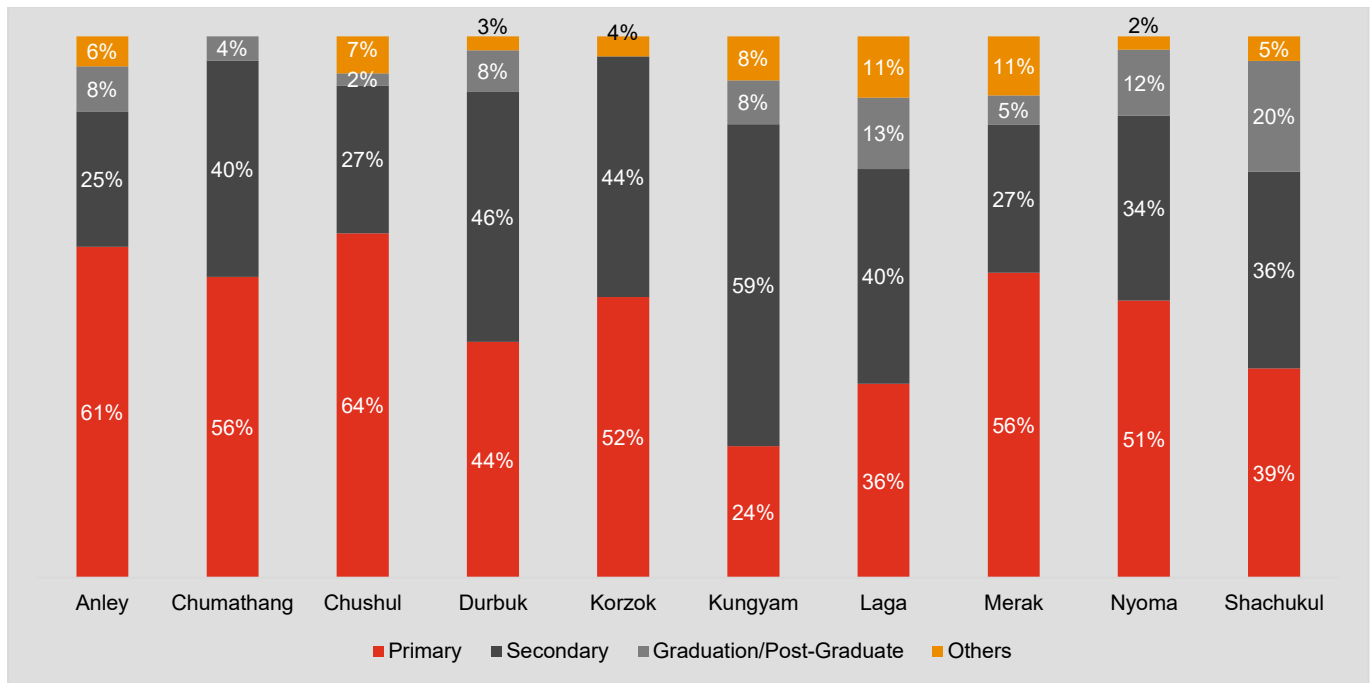
As seen in Figure 21, while 26% of the surveyed households are illiterate, 36% have attained education upto primary school which drops to 27% when considering schooling upto secondary levels. Korzok has a large portion of illiterate population while Merak has the least. Anley, Chumathang, Durbuk, Laga and Shachukul have respondents who have completed higher education as well. A few members received their education at monasteries, or were home-schooled and have been captured under 'others' category.

Figure 21: Education levels of household members surveyed



Individual education level distribution of the villages surveyed are depicted in Figure 22.

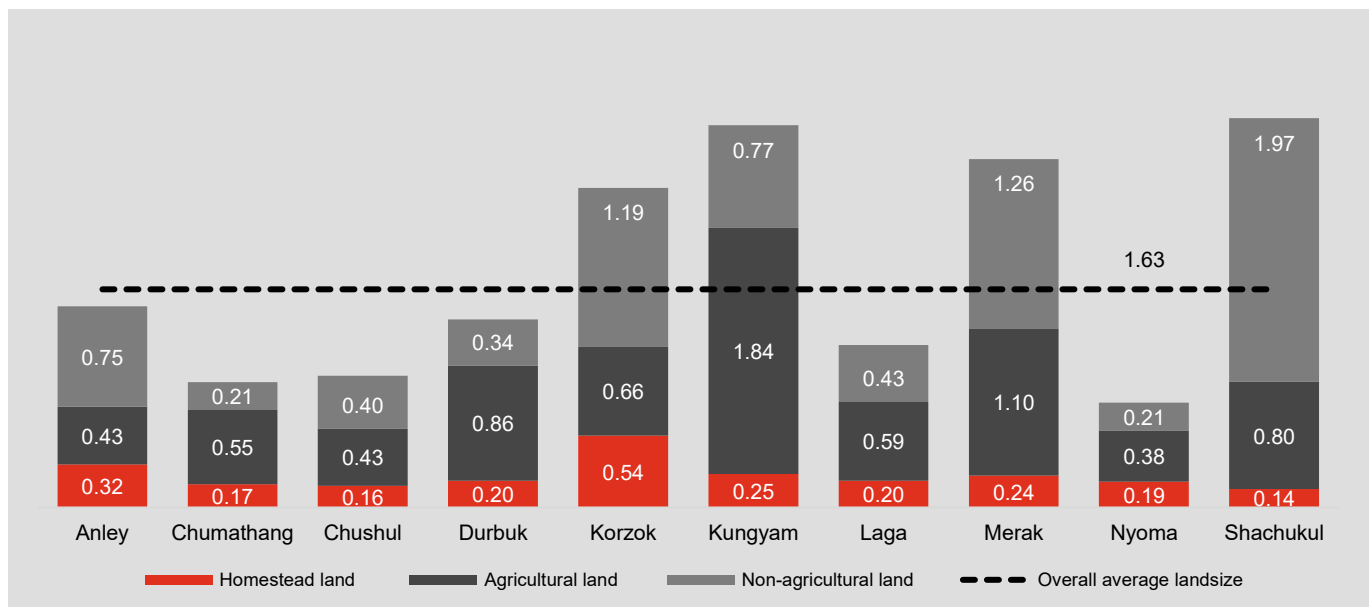
Figure 22: Education levels of household members surveyed for individual villages



Land holding

All of the households surveyed owned their dwelling. In terms of land holding, the average of all households surveyed was 1.63 acres as seen in Figure 23. On average, the overall land holding in Shachukul was the highest, with an average of 2.91 acres (0.14 acres of Homestead land, 0.8 acres of agricultural land and 1.97 acres of non-agricultural land). Kungyam holds 1.84 acres of land on average.

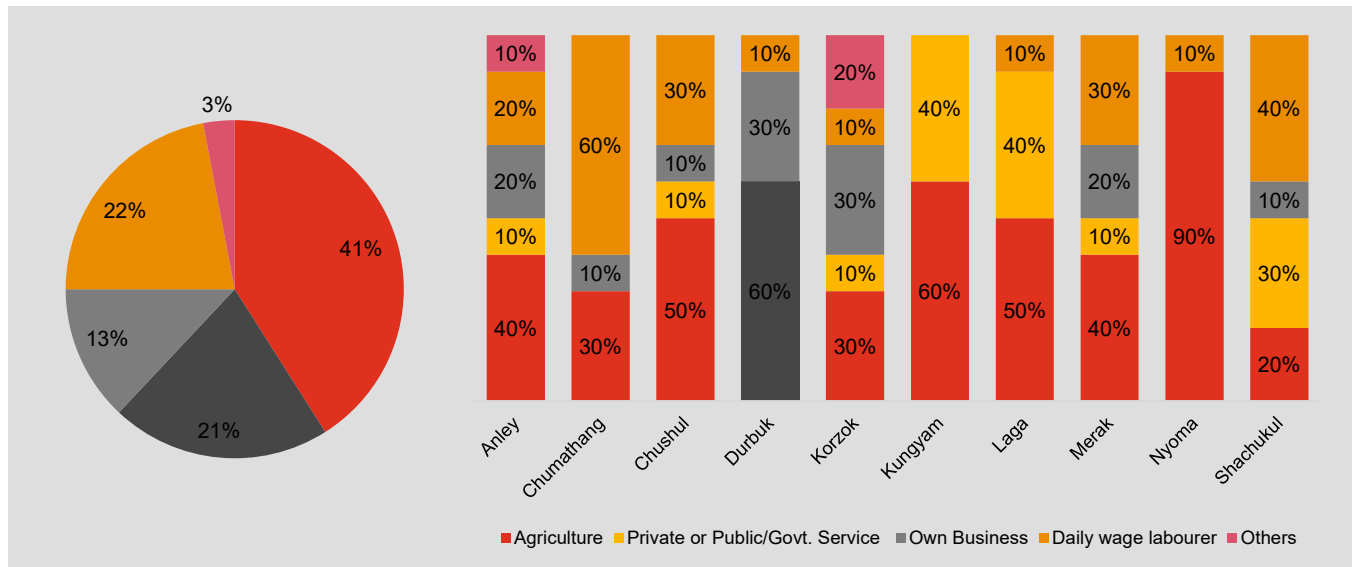
Figure 23: Land holding



Major source of incomes

As depicted in Figure 24, in all households surveyed 41% of the population depends on agriculture as their major source of income, followed by 22% of households employed as daily wage labourers. No respondent was employed as an agricultural labourer. Chushul and Kungyam engage the most in agriculture and households in Durbuk also run their own businesses. Private servicemen are found in Durbuk alone, for households surveyed. Workers other than cultivators or agricultural labourers or household industry workers comprise of the 'others' category.

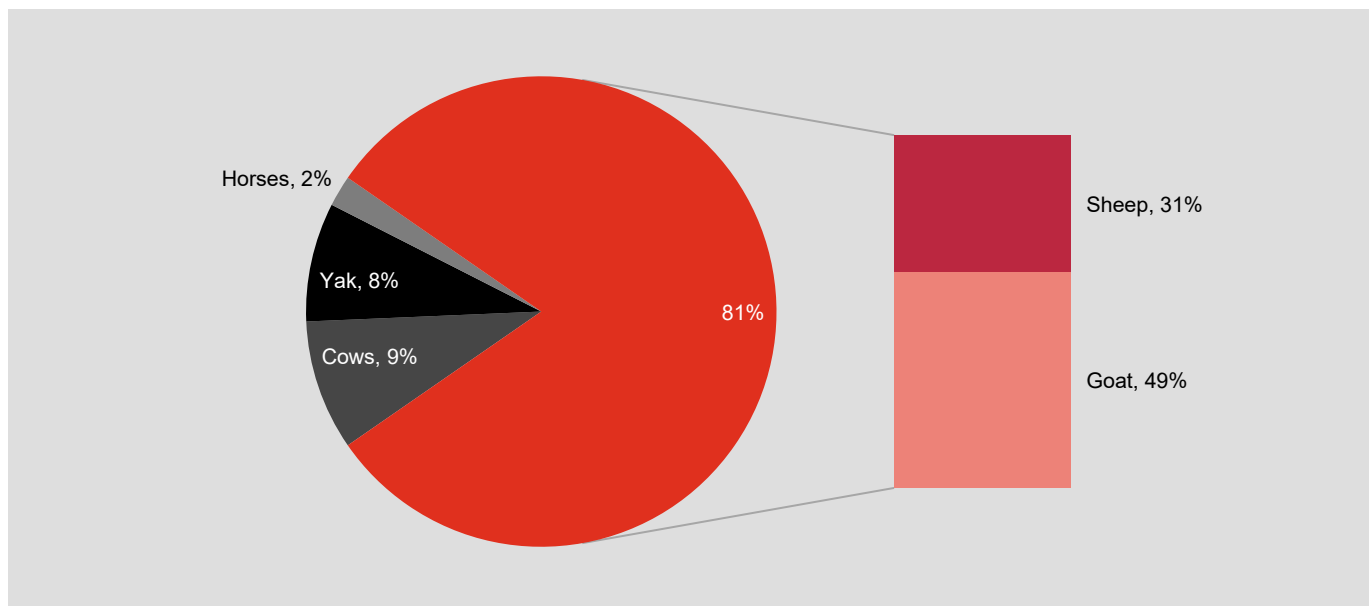
Figure 24: Income sources



Livestock

Amongst livestock, the households owned fairly large numbers of goat and sheep (Figure 25). It is noteworthy that goat and sheep contribute 81% of the total livestock numbers. Goat and sheep form an integral part of the important textiles value chain, especially with reference to industry built around pashmina wool.

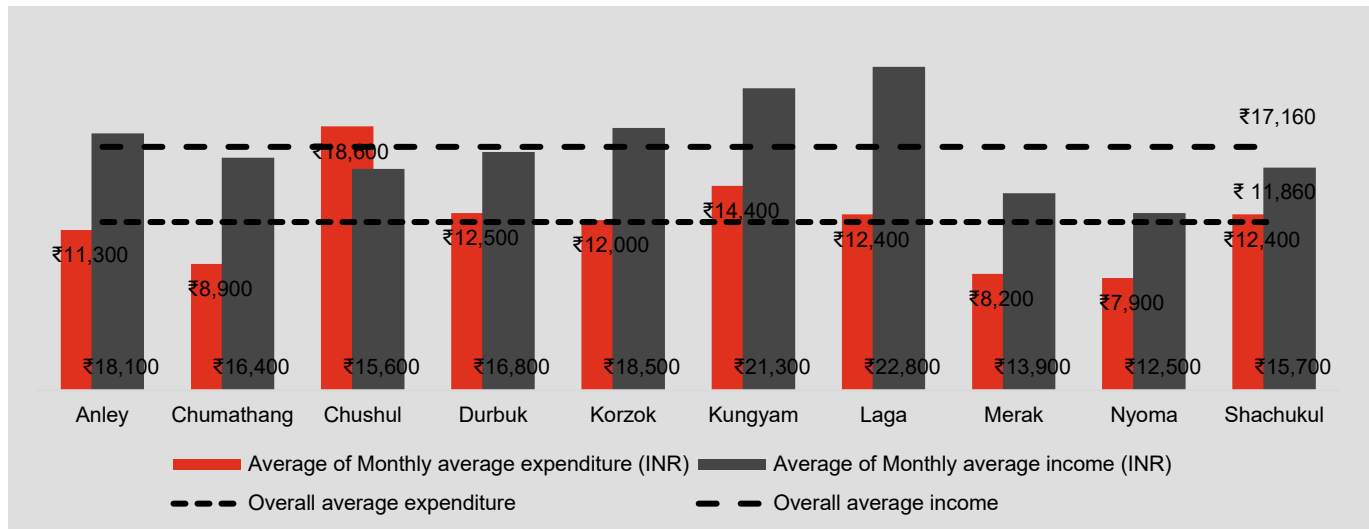
Figure 25: Reported livestock numbers



Monthly incomes and expenditure

While the average income was observed to be around Rs. 17,000, expenditures were seen to be lower – at Rs. 11,860. Laga and Kungyam earn considerably higher than the others. The monthly expenditure in Kungyam and Chushul were considerably high. (Figure 26)

Figure 26: Monthly average expenditures and income

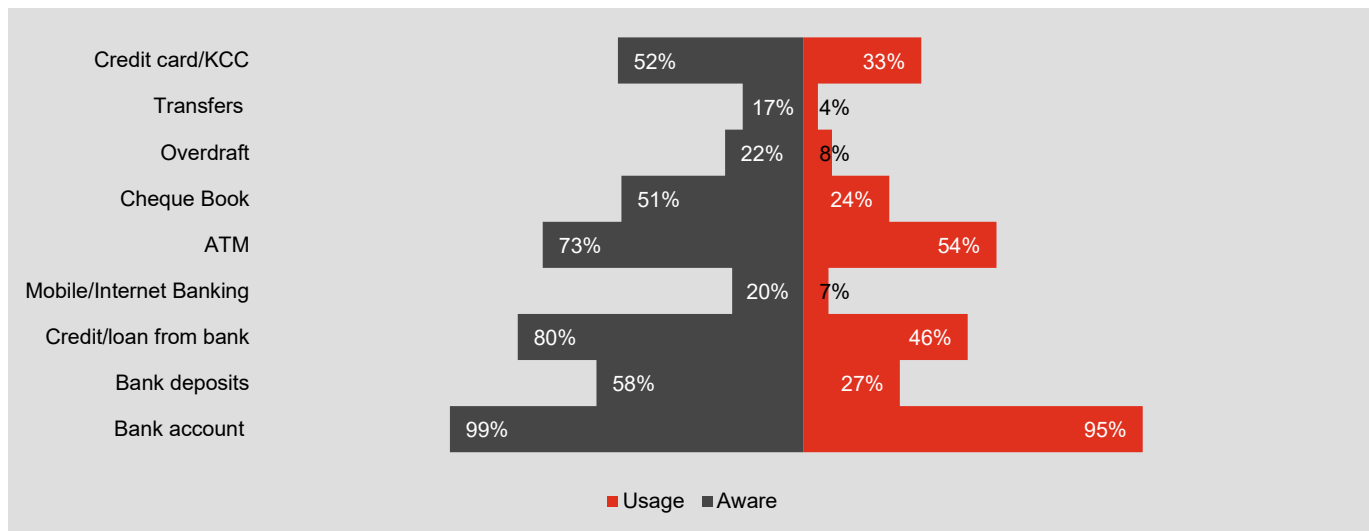


Awareness and usage of various financial products and services

Banking products and services

As seen in Figure 27, 99% of the respondents are aware of bank accounts and 95% make use of them. Most of the population are aware of credit and loan facilities at banks, and 46% avail these facilities. ATMs are also used fairly often. KCC usage is also low, primarily as many respondents were not aware that KCC extends to livestock and cattle as well. Awareness of mobile internet, and transfer facilities is low as well, primarily because banks themselves are not able to provide robust infrastructure to enable use of such facilities.

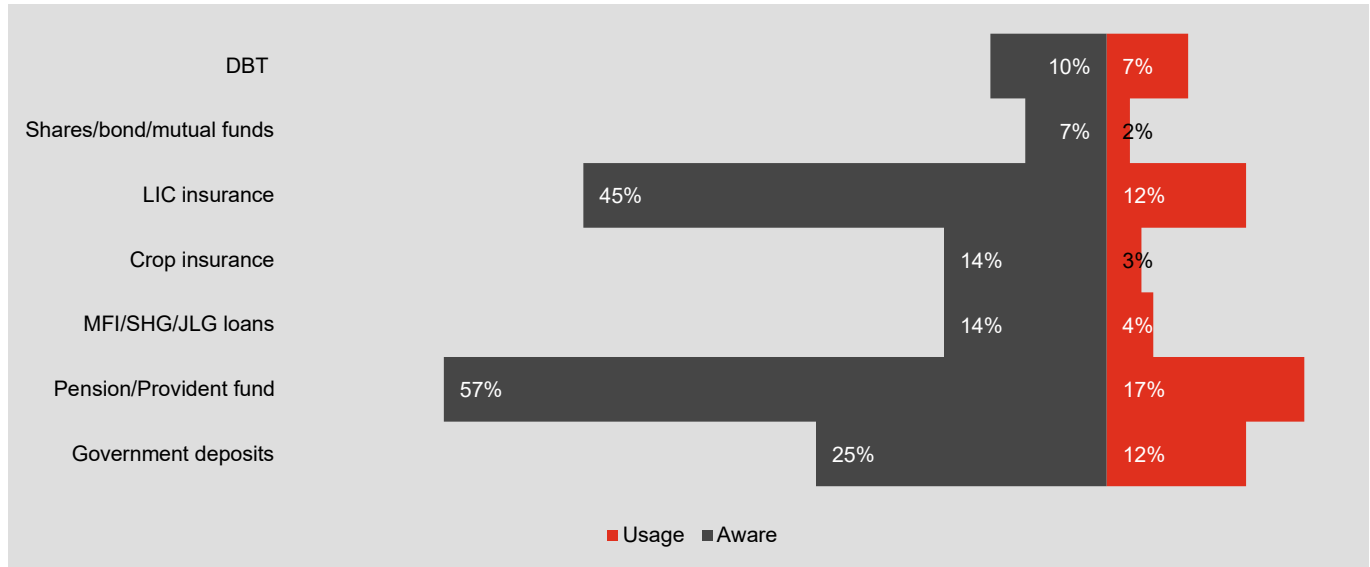
Figure 27: Awareness and usage levels of bank products



Schemes, funds and insurance

The respondents were primarily aware of pensions and provident funds, and LIC insurance facilities. Uptake for them are fairly low. This is owed to the fact that LIC is not lucrative as many residents simply do not find useful in the landscape. Very few respondents avail DBT benefits as well. Crop insurance uptake too, is quite low.

Figure 28: Usage and awareness of various schemes, funds and insurance

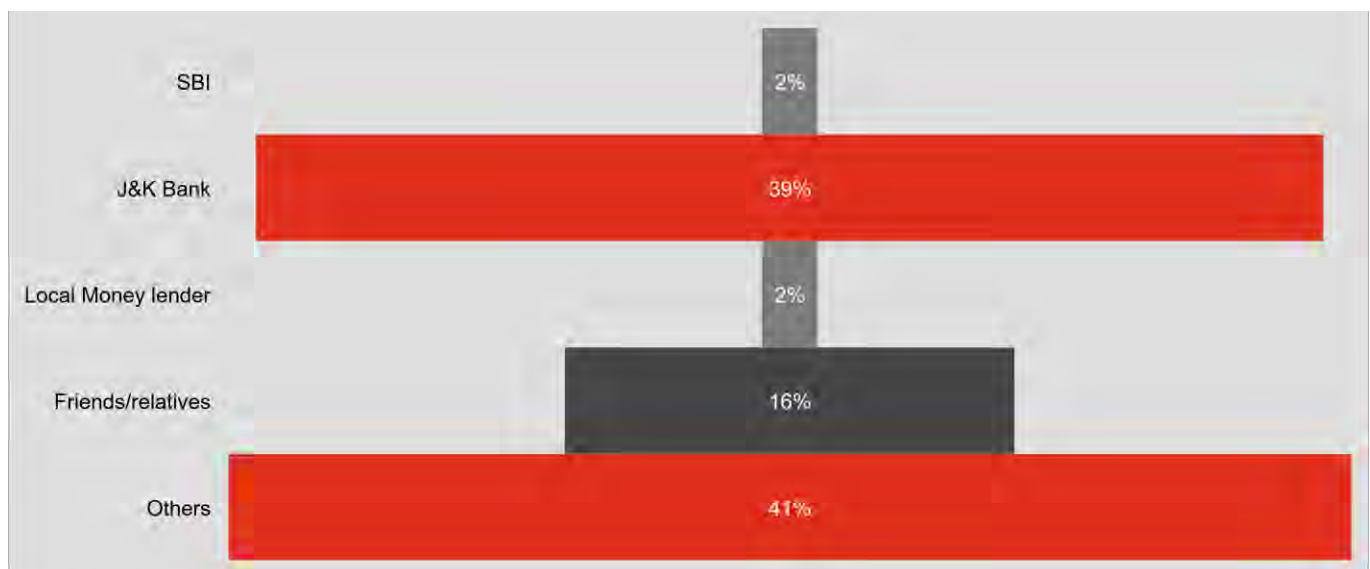


Sources of credit facilities

Respondents that avail credit, do so from J&K Bank, while 2% of the respondents have responded positively to borrowing from moneylenders. Borrowing from friends and relatives is another popular means, as seen in Figure 29.

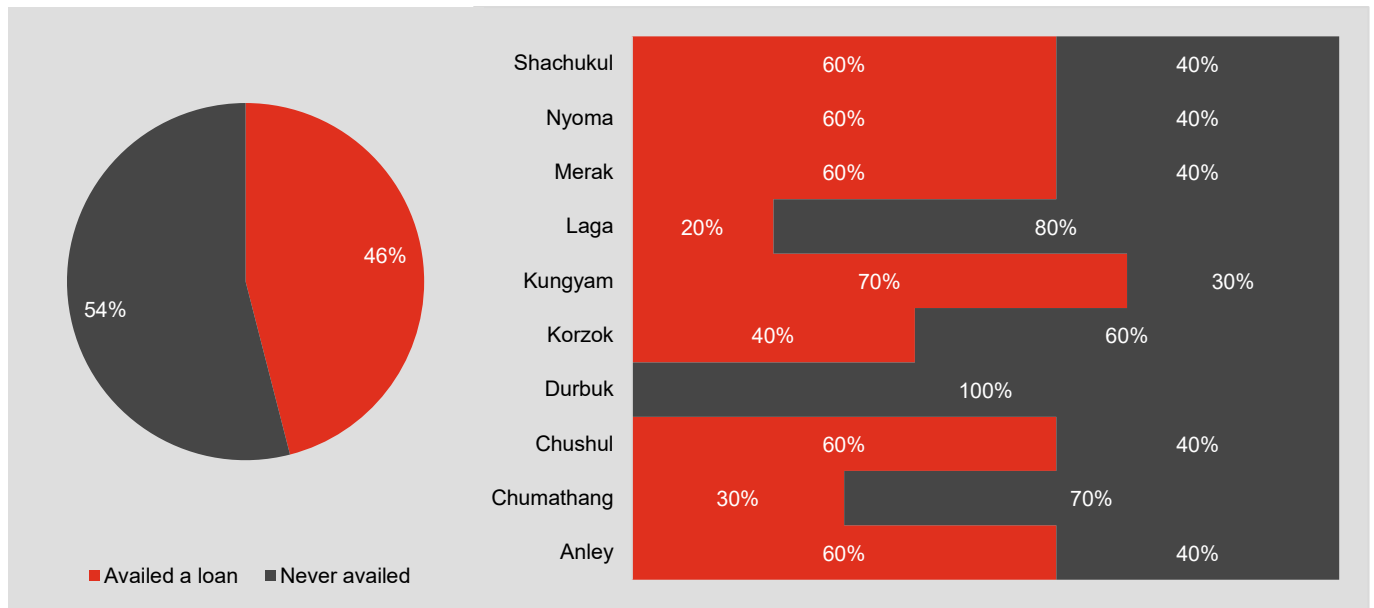
A majority of respondents said the purpose of availing loans was agriculture, purchasing vehicles, marriage and other important household activities. Other sources include finance made available by small co-operatives and lending organisations.

Figure 29: Credit sources



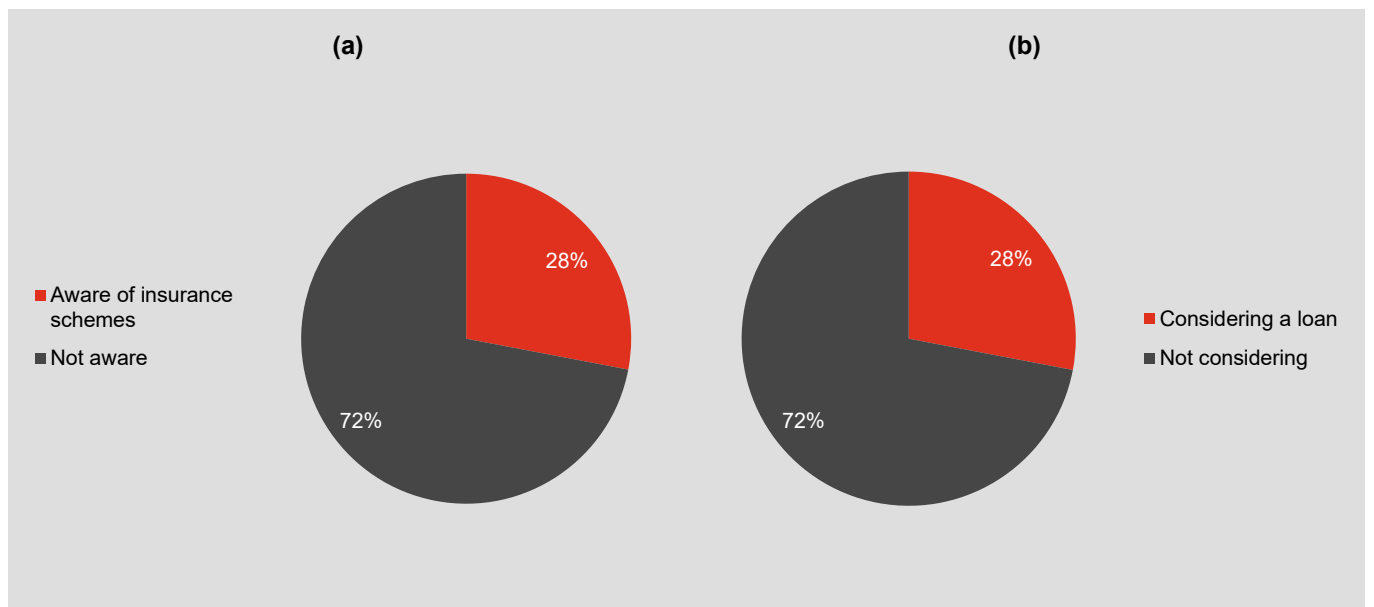
55% the respondents in all surveyed villages said that they have never availed loans, as depicted in Figure 30. Durbuk, which has the highest number of members responding with running their own businesses is the only village which is credit free.

Figure 30: Credit usage by village



The reason for low credit offtake may perhaps be attributed to financial illiteracy and ignorance of financial services/ products being offered by financial institutions in the area. However, we see this isn't the case as seen in Figure 31(a), as 78% of the respondents are infact aware of loans. The household questionnaire also assessed if respondents aspire to take credit in the upcoming months and why they have not done so yet. Those who who have never taken a loan and do not want to in the upcoming months also stands at 78%.

Figure 31: Loan awareness vis-à-vis plans for availing loans



Awareness levels of insurance products in the sampled villages are low – only 33% are aware. However, usage levels are lower at 11%. The popular insurance schemes are LIC and AGI (Army insurance).

Safety of their cash is amongst the significant benefits of owning a bank account for the respondents, as seen in Figure 32. Other benefits include the interest depositors can earn, and the fact that owning a bank account is now a fairly easy process.

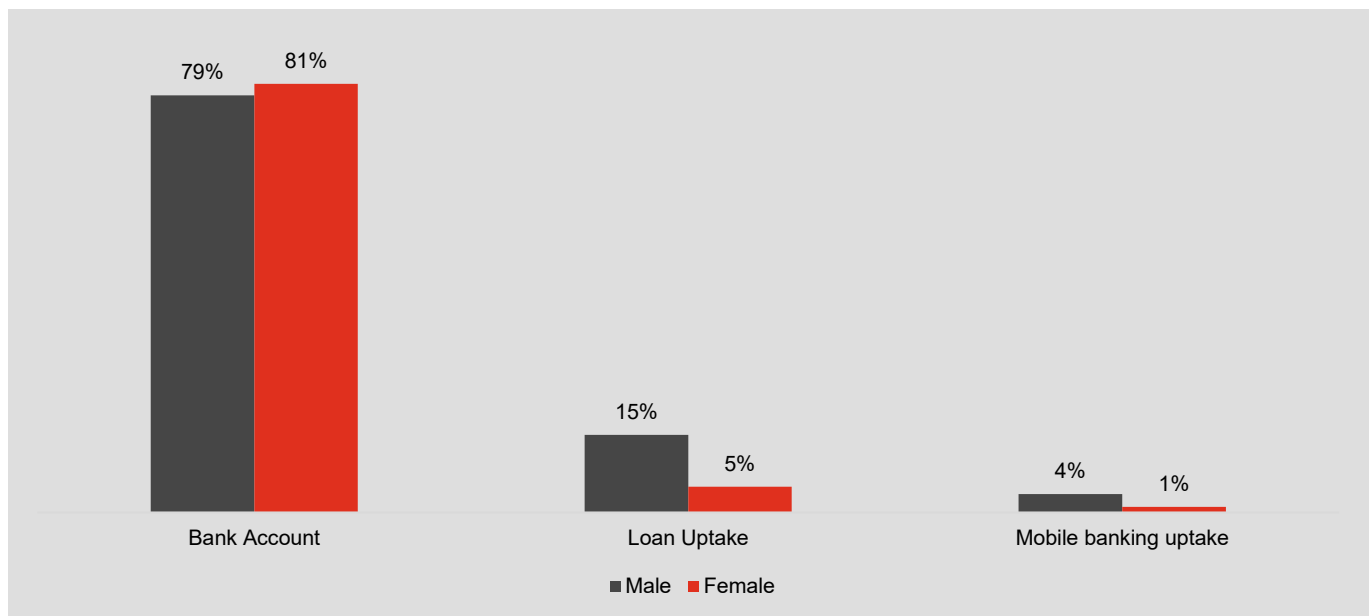
Figure 32: Benefits of having a bank account



Gender-based usage of key financial products and services

We interviewed household members to understand their degree of inclusion into formal financial systems. It was observed that females held more bank accounts than males, but loans were still being availed by males. Mobile banking uptake is low.

Figure 33: Status of members of households on certain financial services



Issues in availing financial products and services

As observed in Figure 34, 79% of respondents do not make use of crop insurance despite being aware. Similarly, 73% do not avail life insurance, 71% do not opt for loans from MFIs/SHGs or JLGs. This is interesting to note, that major economic activity is agriculture & loans for agriculture are availed through KCC, resulting in low intake of separate insurance products.

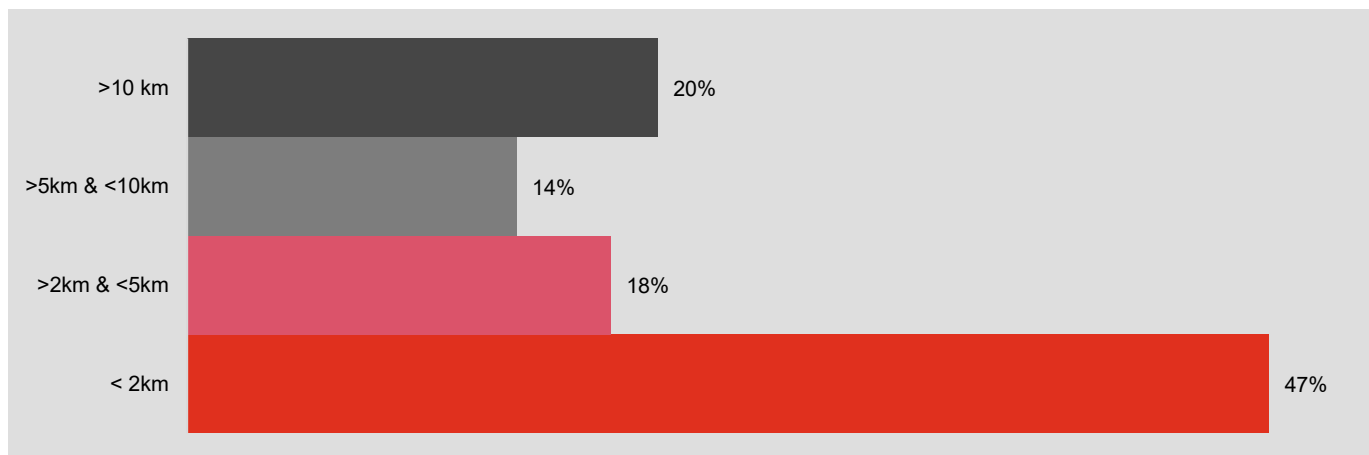
Figure 34: Non-usage of financial products and services despite being aware



Also, in the sampled villages it is observed that since the Self Help Group (SHG) loan usage is low, the landscape residents many a times miss out on other important schemes run by NABARD, NRLM for carrying out different activities under SHGs. Digital financial products and services are not in use despite existing awareness (mobile connectivity in some villages might be a major barrier).

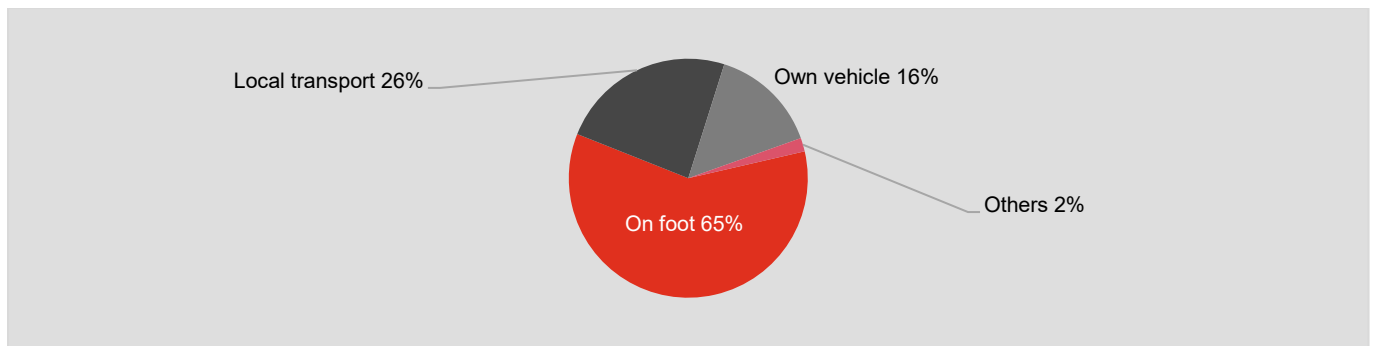
Proximity to banks is shown in Figure 35. The average distance of banks in Chushul is observed to be under two kilometres. On the other hand, villagers in Merak travel for over 10 kilometres to visit a bank.

Figure 35: Bank proximity to surveyed villages



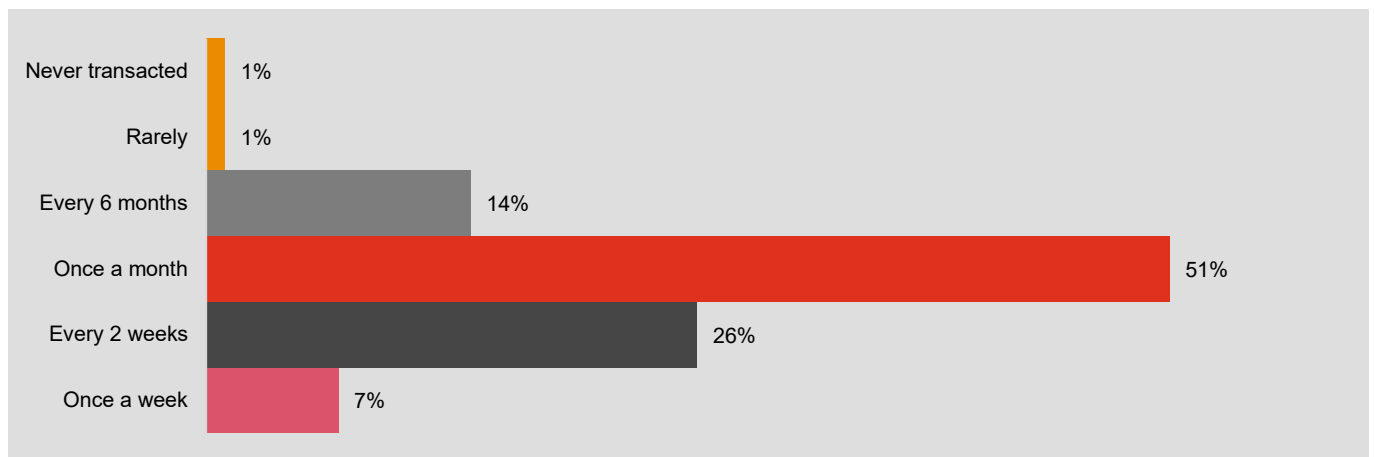
Although banks are not ubiquitously available in surveyed villages, they are at a reasonable proximity (Figure 35), enhancing accessibility of banking services. Figure 36 shows that the primary means of travel is on foot.

Figure 36: Primary method of travelling to nearest bank branch



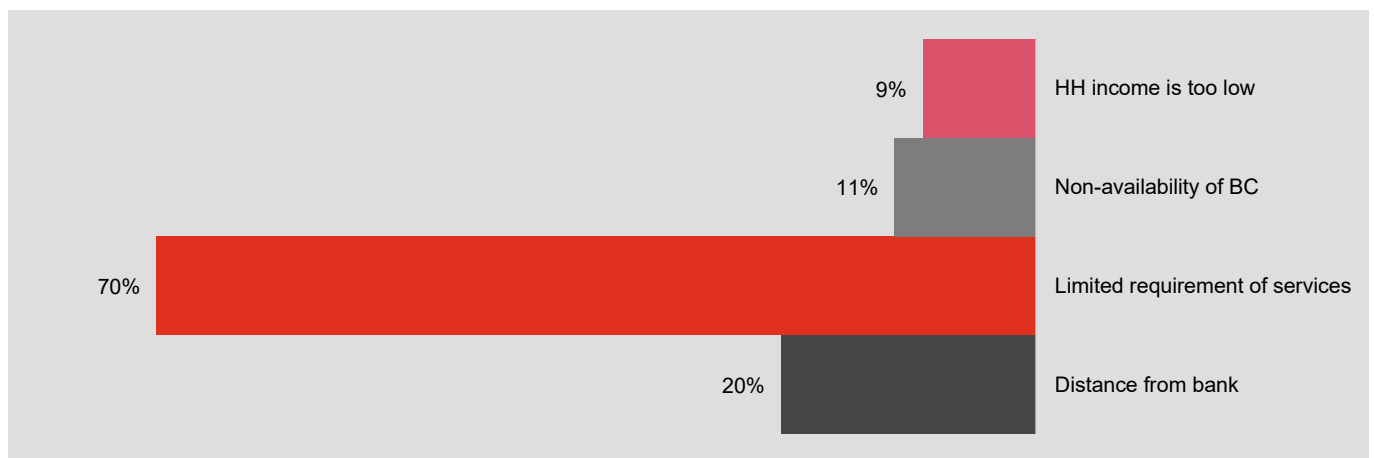
51% of respondents in the landscape transact at least once a month, and 26% transact every two weeks (Figure 37).

Figure 37: Transaction frequencies



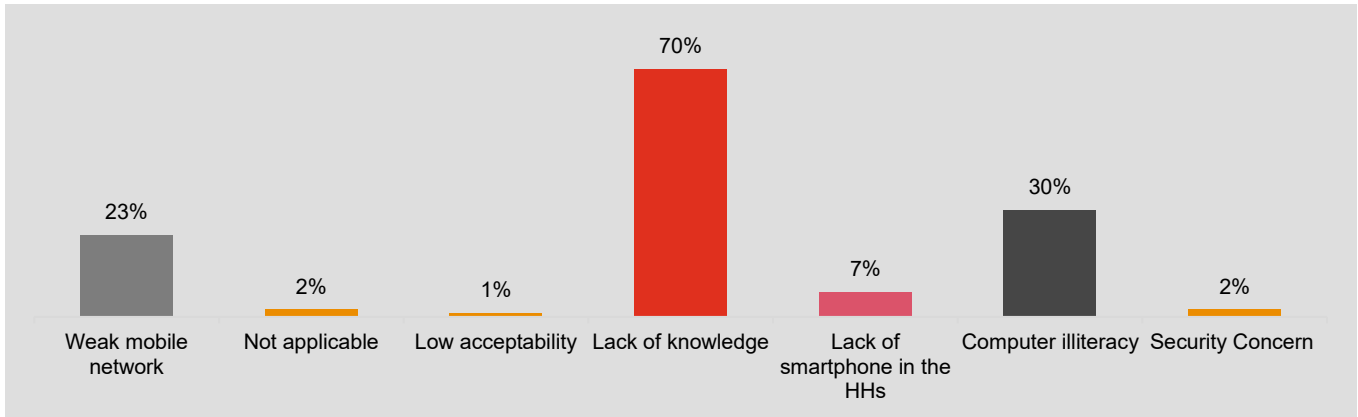
It was also observed that 70% of the respondents do not transact as much due to a lack of need of services. While 20% suggest large distances as hurdle, 9% state their incomes are low. 11% have responded with the lack of banking correspondents as another reason for low frequency.

Figure 38: Reason for low transaction frequency



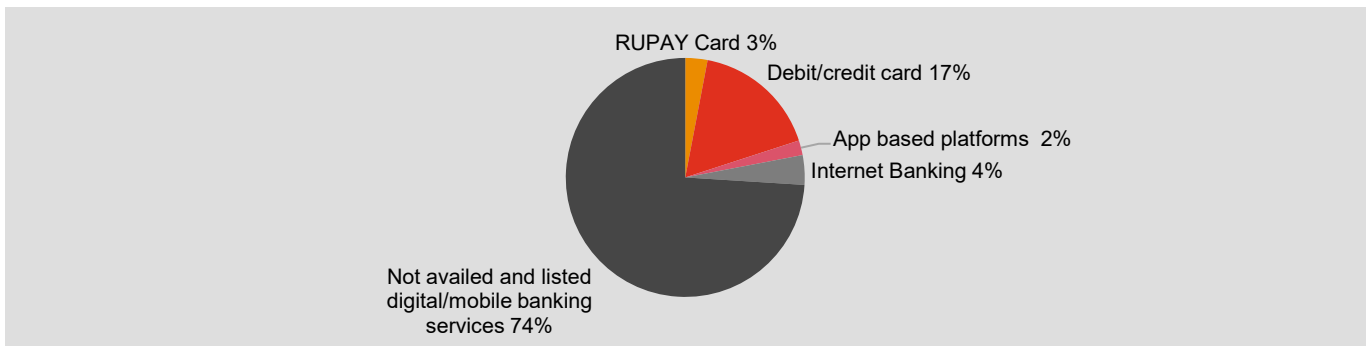
97% of respondents have done cash deposits in the bank and 96% have done cash withdrawals. As revealed from Figure 39, lack of knowledge, weak connectivity and computer illiteracy are the major contributors for low usage of digital banking services.

Figure 39: Reason for low usage of DFS/mobile banking services



A distribution of how digital transactions are availed is depicted in Figure 40. Evidently, 74% of the respondents have never availed these services.

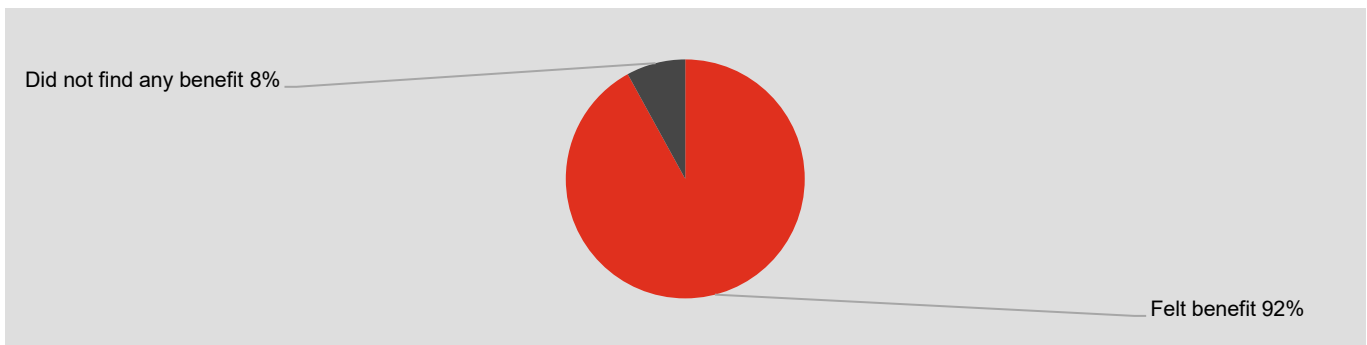
Figure 40: Digital transactions usage



Perceived benefits

A section in the household questionnaire was devoted to capture the perceived benefits that respondents felt they received, from being financially included. 93% of the respondents felt bank accounts have helped them in the past, as see in Figure 41.

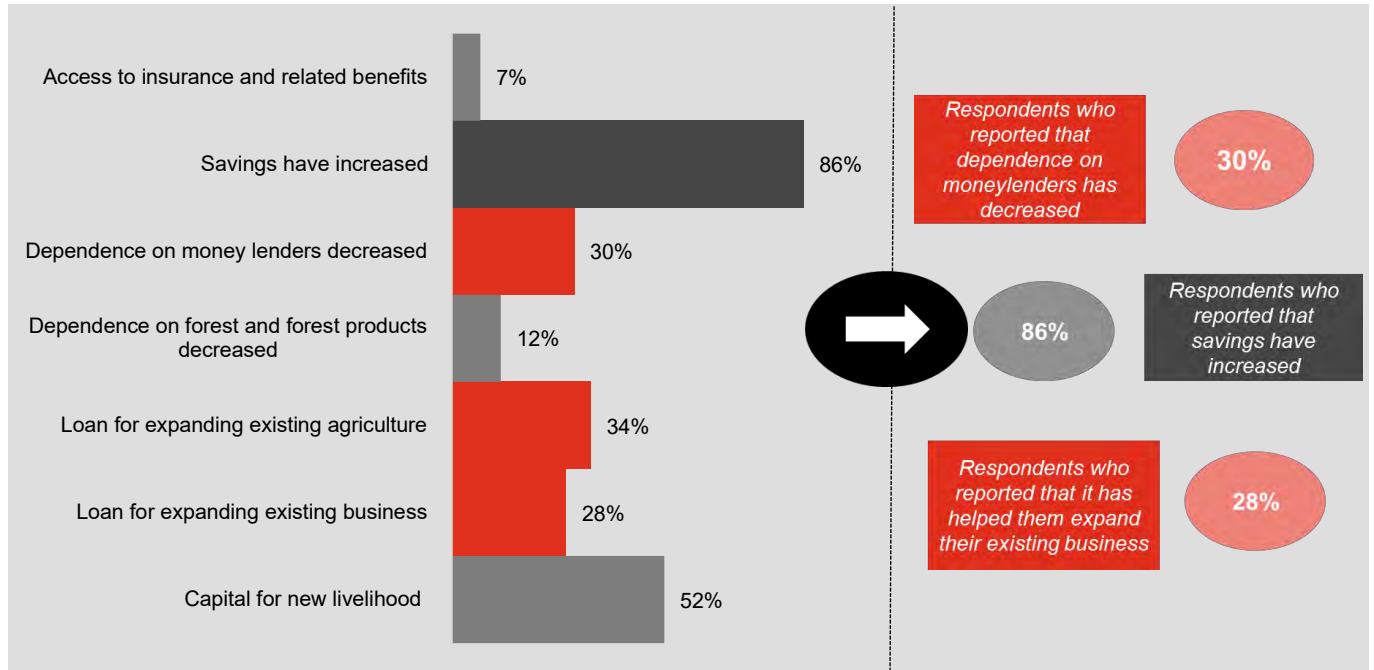
Figure 41: Past benefit of having a bank account



Of the beneficial outcomes of being financially included, as per respondents, an increase in savings is the most beneficial outcome at 92%.

Other benefits include capital for new livelihood and availability of loans for expanding existing businesses.

Figure 42: Perceived benefits



The primary insight that moneylenders are not present in the landscape is further strengthened by the fact that none of the respondents believe that their dependence on moneylenders has decreased due to possessing a bank account.

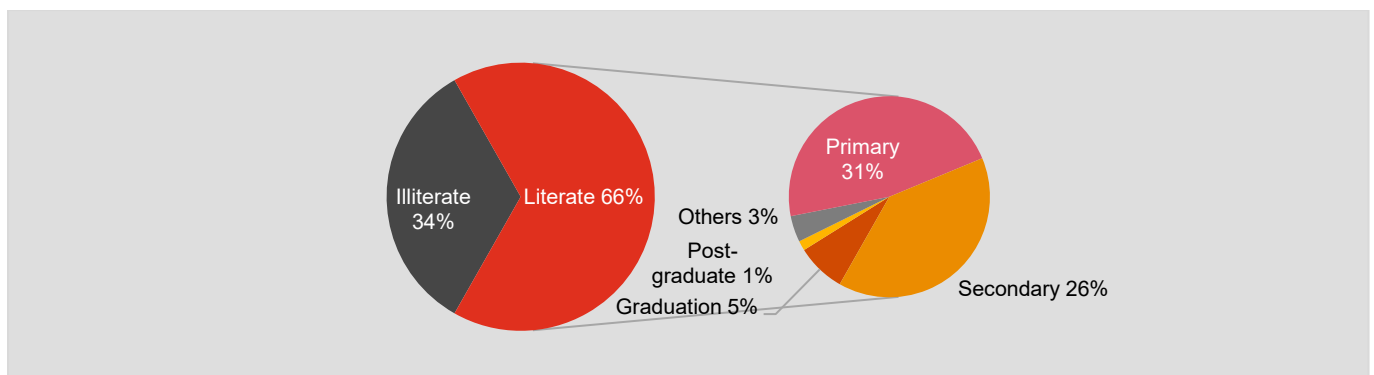
Status of Financial Inclusion of Women in sampled villages

The survey format captured a dataset of various indicators to get a sense of the status of women in terms of financial inclusion in the landscape.

Literacy

As seen in Figure 43, 34% of the women are illiterate. 31% have attended primary school and 26% have attended secondary school. 5% are graduates.

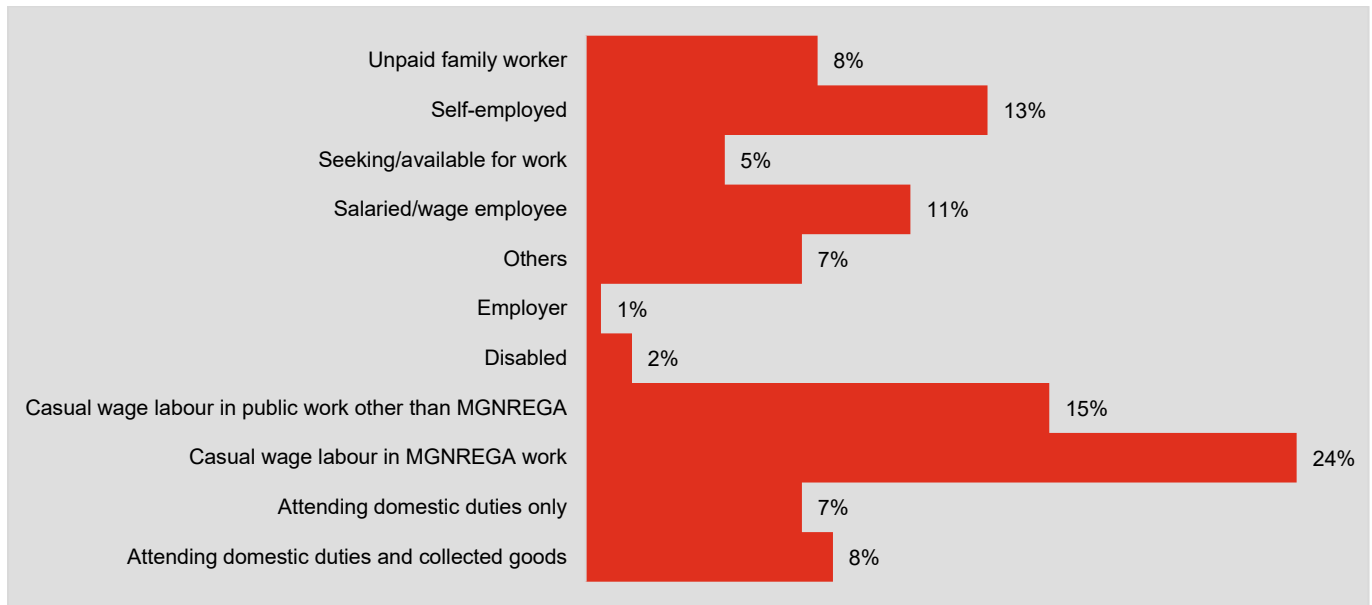
Figure 43: Women literacy level in the landscape



Occupation

A majority of the female population engage as wage labour in either MGNREGA or non-MGNREGA activities as depicted in Figure 44. Other prominent occupations include being involved in casual wage labour activities. A small but significant number of the female populous said they are self-employed as well.

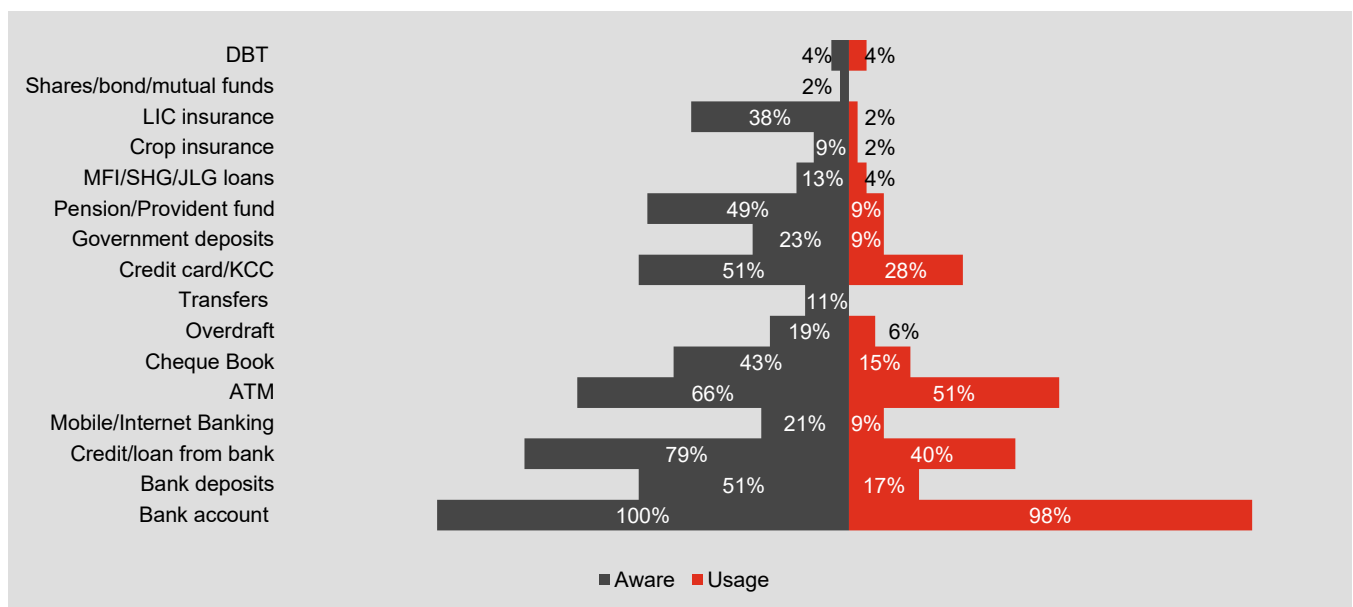
Figure 44: Female occupation



Awareness and usage of various financial products and services by women respondents

The awareness to usage conversion rate for women respondents across various financial products and services is given in Figure 45. A large number of females make use of ATM services and avail credit from banks. As depicted, uptake of financial services amongst female respondents has been low.

Figure 45: Awareness and usage of various financial products and services by women respondents



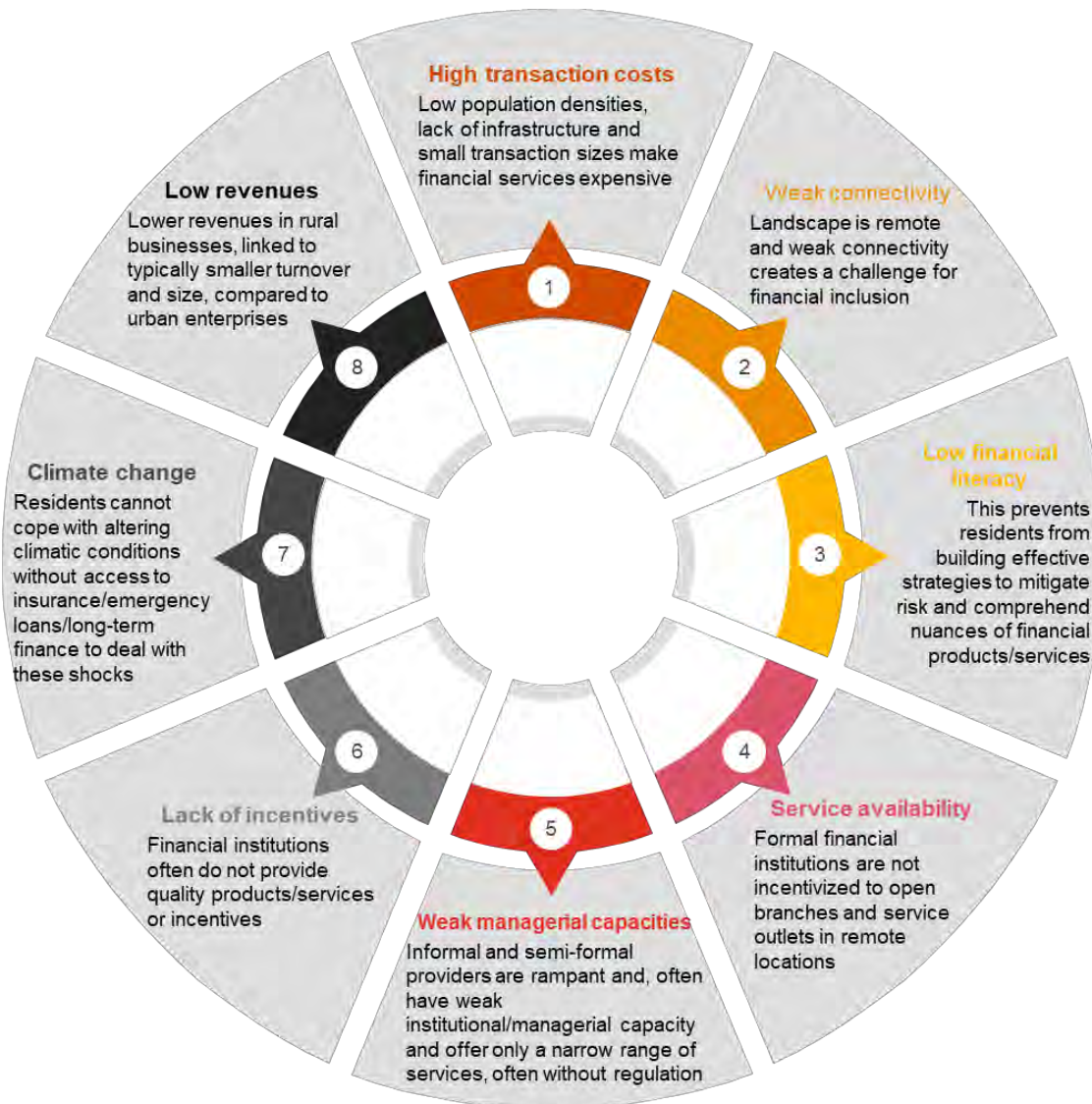
Supply-side issues to Financial Inclusion

In Figure 46, we summarise from our discussions with supply-side stakeholders and highlight constraints and issues to Financial Inclusion from their point of view. We had detailed discussions with officers at the Sheep Husbandry department, and the management at J&K bank who provided us with a succinct understanding of Financial Inclusion and livelihoods in the landscape.

The challenges that emerge from our findings are related to:

- High transaction costs
- Weak connectivity
- Low financial literacy
- Service unavailability
- Weak managerial capabilities
- Lack of incentives
- Climate change
- Low revenues

Figure 46: Mapping challenges to Financial Inclusion



Financial Inclusion and conservation efforts

Outcome 2 of the project envisages “improved and diversified livelihood strategies and improved capacities of community and government institutions for sustainable natural resource management and conservation”. This outcome is the essentially the ‘inclusion’ part of financial inclusion. Discussions in the following subsections tries to contextualize this within the project framework.

Drawing linkages

Linking Financial Inclusion and livelihoods

In an economic construct, Financial Inclusion is a means of achieving sustainable financial security and that it enables livelihood. Inherently, the present financial security includes the ability of individuals, families, and communities to consistently meet their basic needs (including food, housing, utilities, health care, transportation, education, child care, clothing, and paid taxes), and have control over their day-to-day finances. It also includes capacity to make such economic decisions that enable better security, personal fulfilment with regard to financial affairs and occupation.

Supplementary to this, future financial security includes capabilities to cushion jolts effecting personal finances. It also includes the ability to nurture and grow assets, meet financial goals and gather enough wealth to ensure sustainability. When landscape residents are inclusively absorbed in formal financial systems, a healthier platform that enables response to opportunities for economic well-being is created by markets.

In any economic system, external interventions are desirable only when joint utilities of economic agents is greater than the utility of agents in the pre-intervention state of the system. The joint utilities are derived by outcomes of interaction between economic system and provided intervention. This is better explained in the equation in Box item 6:

Box item 6: Utilitarian formulation to demonstrate sustainability and financial inclusion

A system is a set of things working together as parts of a mechanism or an interconnecting network, a complex whole.

$$U(f, l) > U(f) + U(l)$$

U(f): utility of being financially included in the formal financial system
U(l): utility of pursuing livelihood option
U(f, l): utility of being financially included in the formal financial system and pursuing a livelihood option

While Financial Inclusion is an enabler of livelihoods, but it sustaining a system in the long-run and ensuring a continuous state of financial inclusivity is equally contingent on health of the financial institutions that provide supply of various financial products and services to enable livelihoods. Hence relation between livelihoods and financial inclusion is a two a relation from financial inclusion to livelihoods and vice versa.

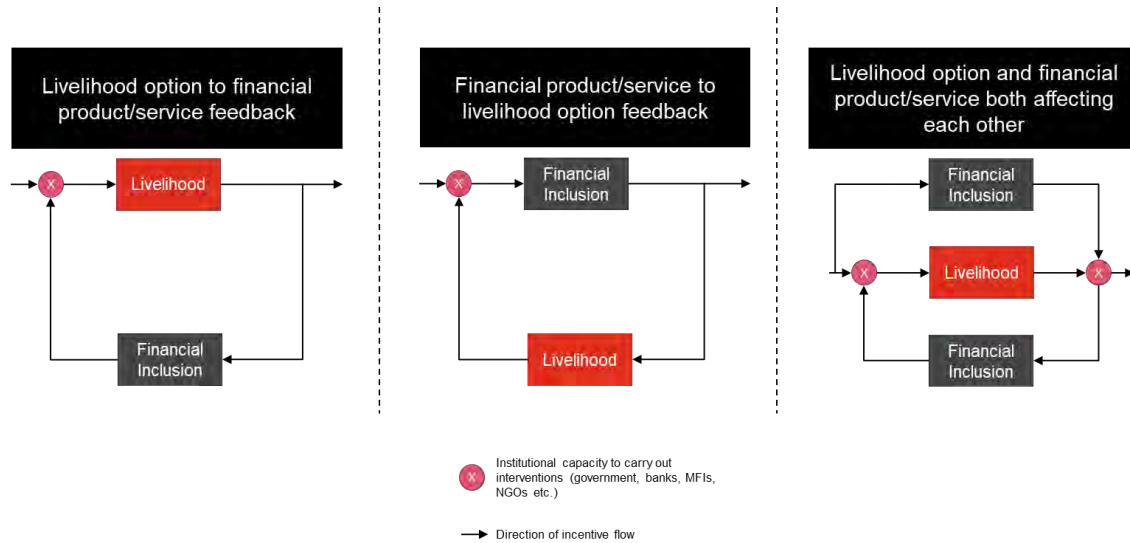
In competitive markets, capital is one of the means of production and owners and suppliers of capital are fixed. Secondly, returns on capital is also inevitable. But, capital, by itself, while catalysing labour towards producing goods and services, cannot provide goods and services by itself. Hence the sustenance of financial institutions (owners of capital) requires that rents of capital need to be realized on timely basis, from the output produced by economic activities. Conclusively, capital is a catalyst, or an enabler of livelihoods.

Economic agents assess markets, construe and make use of an appropriate mix of labour, capital and means of production to earn surplus (profits). A portion of this surplus, when paid back as rents to owners of capital (financial institutions) ensures their sustenance and future availability of capital at rent for future economic activity.

Thus, the relationship between livelihoods and Financial Inclusion is two-way and can be summarised (Figure 47) as:

- When livelihood option to financial products/services feedback effect exists
- When financial products/services to livelihood option feedback effect exists
- When livelihood option and financial products/services both affect each other

Figure 47: Feedback and feedforward loops between livelihoods and financial inclusion

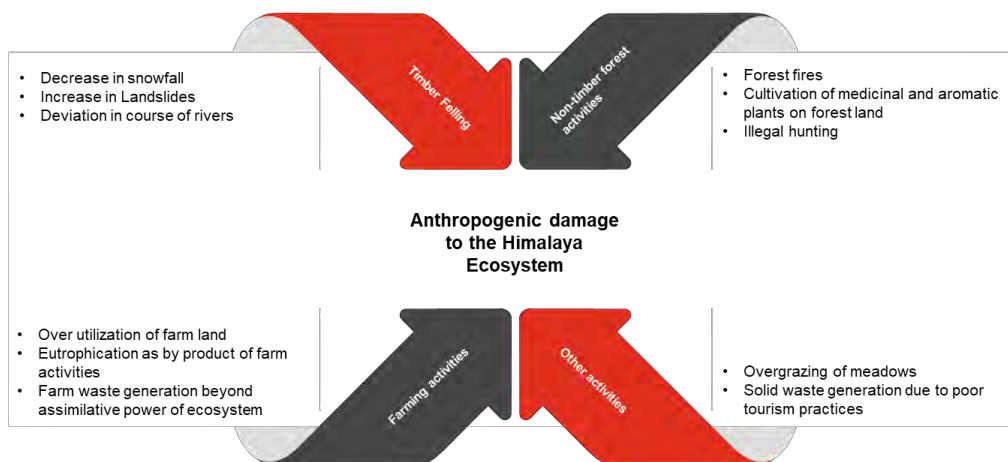


Examples exhibiting this two-way relationship can be found in Table 16 of the annexure.

Linking livelihoods to conservation

Landscape residents rely on products, services and land as natural resources to fulfil their livelihood activities. As per IUCN framework in their India Country Strategy²³, when accounting for conservation of fragile ecosystems it is vital to recognise interactions between communities and their surroundings as the former engages in activities. As seen in Figure 48, extractive livelihood activities and demand for natural resources from Himalayan and trans-Himalayan ecosystem beyond the assimilative capacity such as timber felling or farming are seen as damaging to fragile ecosystems. This is indicative of contemporaneous complementarity and conflict between livelihoods and conservation.

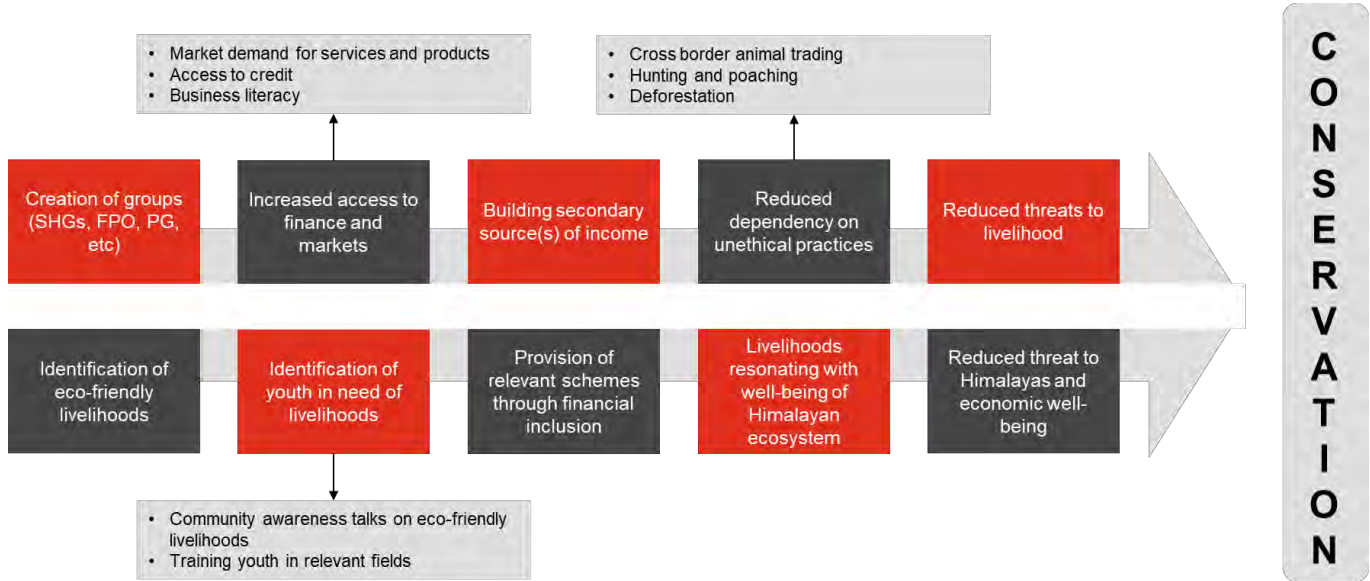
Figure 48: IUCN framework mapping livelihoods and conservation



²³ https://cmsdata.iucn.org/downloads/iucn_india_strategy_final_1.pdf

As depicted in Figure 49, it is via the creation of an enabling environment can alternate livelihoods be set up. One of the most important enablers is Financial Inclusion, which help stakeholders with access to formal credit, formal saving options, multiple types of insurance products and help with federating individual efforts by creation of SHGs, cooperatives and producer groups.

Figure 49: Capturing the trail from livelihoods to conservation



The whole causal pathway for a sustainable ecosystem creation starts with creation of enablers for alternative livelihood through various interventions, Financial Inclusion being the most important of them. Additional interventions in the form of provision of skills, business services, market and market access, federating and forming self-help groups may be combined with financial inclusion. This enabling environment fosters alternative eco-friendly and ecologically less exploitative livelihood options, which gradually lead to sustainable ecosystem conservation.

Financial inclusion as enabler to pro-conservation efforts: Landscape specific case studies

Financial Inclusion is intertwined with livelihood options, as evidenced above, and this portion of the report dwells briefly into existent value chains in the landscape. It also provides glimpses into their possible success in promoting conservation with financial inclusion.

Pashmina wool and other animal hides and textiles

Livestock fibres and hides hold high economic value. Landscape residents produce sheep wool and pashmina fibre. Sheep give large quantities of rather coarse wool, used for making clothes for self-consumption and its long staple serves as a raw material for carpet industry.

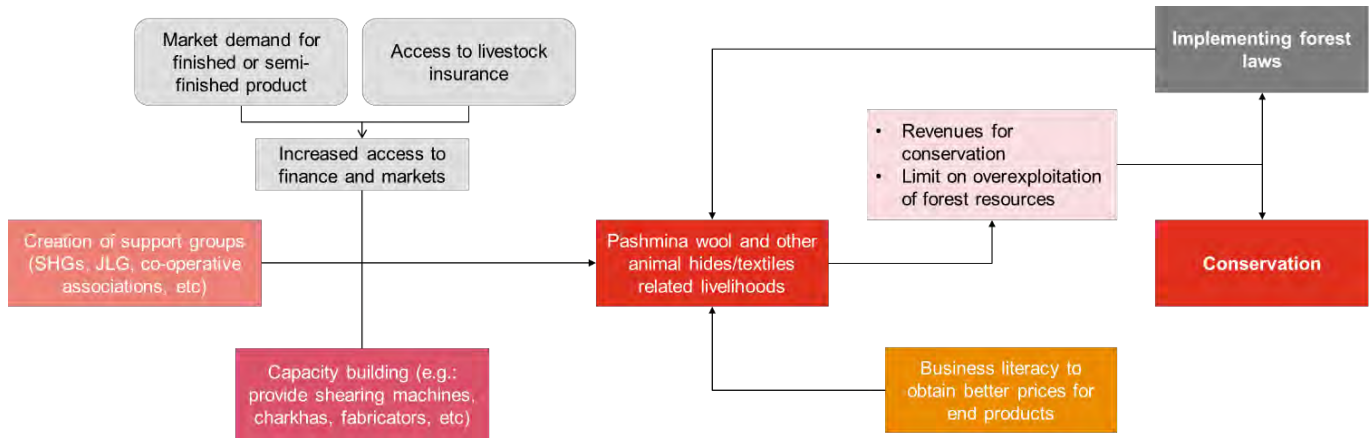
Pashmina fibre has promoted the famous shawl industry run by Kashmiris, who have traditionally dominated the acquisition of pashmina. Sheep wool and pashmina fibre from *changra* goats are high-value products that do not face significant competition from any equivalent external products.²⁴

²⁴ Source: Bhasin, Veena. *Life on an Edge among the Changpas of Changthang, Ladakh*. 2012. [www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-\[Tx\].pmd.pdf](http://www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-[Tx].pmd.pdf).

Pashmina goat farming, the sole source of sustenance of the economically and socially deprived nomadic tribes, confronted with the low productivity and production of pashmina, yielding low remuneration has been the main reason for poor and static socio-economic status of these tribes. The reasons for low productivity and production of pashmina include high degree of inbreeding, poor husbandry practices, poor/inadequate nutrition, scanty surface grazing, inadequate animal health facilities and improper shelter besides its restriction to traditional areas.²⁵

Furthermore, the economically weaker sections of society (spinners, weavers and *shawl bafs*) including women are involved in processing of pashmina at cottage industry level. Also, the processing tools used and techniques followed are very old, labour intensive, full of drudgery, less efficient, yielding low output per unit of time spent, there by rendering the job less remunerative (Rs 50-60/man/day).²⁶

Figure 50: Pashmina wool and other animal hides/textiles related livelihoods



Two important ways for people to be associated with this value chain are to either rear livestock or produce finished products from raw wool or both. With exposure to economic opportunities in market, this came up as an important livelihood option.

However, both the ways are subject to severe risk that can be overcome through financial inclusion instruments. For example, for the preparation of processed pashmina, they require improvised combs and machine shearing for efficient harvesting and sophisticated washing and dyeing techniques. Access to these being expensive, they need easy access to finance so that they are able to produce quality products. Besides since the flock of cattle needs to be maintained, people would opt for cattle insurance. Also, since the herd of cattle require huge area of alpine meadows, people also become conscious of grazing habits. Development of quality standards of pashmina and pashmina products for value based pricing and control fraudulent trade is another aspect that needs consideration.

These provide sustainable livelihood options that also helps to protect the forest. Capacity building and infrastructural investment in the process of finished products can lead to better conservational scope in parallel with wellbeing of the landscape residents as shown in Figure 50.

Medicinal and Aromatic Plants/Horticulture – The Sea-buckthorn

The Sea-buckthorn is an ecologically and economically important plant of trans-Himalayan Ladakh. The plant is hardy and it can withstand extreme temperatures from -43°C to 40°C and it is considered to be drought tolerant. Sea-buckthorn grows naturally in Ladakh without much of human interference. Popularity of Sea-buckthorn as a source of income can be judged from the appreciation in price of the fresh berry from Rs 8 per kg in year 2001 to Rs 45 per kg in

²⁵ A Value Chain on Enhanced Productivity and Profitability of Pashmina Fibre, Final Report, National Agricultural Innovation Project (2014)

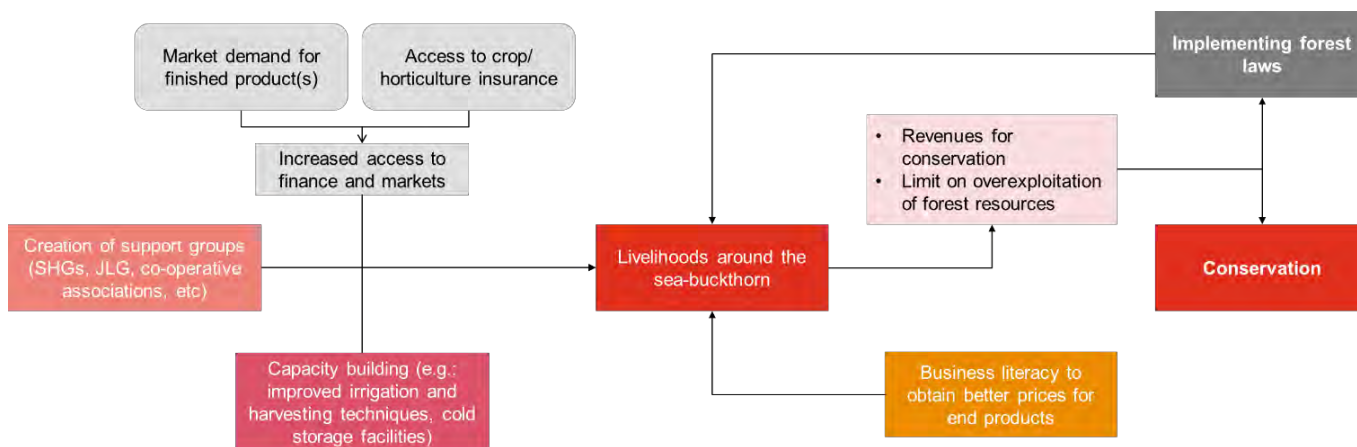
²⁶ A Value Chain on Enhanced Productivity and Profitability of Pashmina Fibre, Final Report, National Agricultural Innovation Project (2014)

2017. Currently, the demand for Sea-buckthorn far exceeds the supply capacity of the region. Large scale cultivation of Sea-buckthorn has the potential to be a key means of sustainable development for trans-Himalayan Ladakh.²⁷

The berry has multiple uses, most important of which is developing several antioxidant rich products from fruit and leaf of Sea-buckthorn to combat high altitude related oxidative damage. Doctors often preparations from Sea-buckthorn for treatment of common problems like indigestion, throat infection, gynaecological problem, ulcer, gastritis, bronchitis, acidity, diarrhoea, hypertension, blood disorder, fever, tumour, gallstone, cough, cold, food poisoning etc. Berries are used to prepare a fruit juice, which is extremely nutritious.

From 2001, collection of sea-buckthorn berries has turned into an important economic activity in Leh. Majority of the berry collectors are landscape residents in need of livelihood and income. The harvesting period is short, lasting less than a month. Approximately 0.8% of the total population of Leh district benefit from berry collection. Average collection per individual collector was 254.8 kg resulting in a net income generation of Rs 11,466 per head in 5-10 days. The average income generation for an individual who devoted an average of 12.6 days in the season was Rs 25,840.²⁸

Figure 51: Livelihoods around the sea-buckthorn



The value chain involves berry collectors, individual farmers, community, processors, Government stakeholders, commission agents, manufacturers, exporters and research institutes. Most of the processors and manufacturers reported non-availability of raw material for large scale commercial activities. Government support is required for scientific cultivation of Sea-buckthorn. Involvement of private players for large scale cultivation may also be considered.

The local processors are key players in the value chain. They are in need of financial assistance to create infrastructure facility to augment their business prospects. Hence, the banks and government should come forward to provide financial support in addition to technical support.

For successful market linkages, the residents should get appropriate access to finance. This may be loan facilities for arranging logistics to get connected to the downstream market. Besides, financial support may be required for setting up of processing units that would facilitate the people to get appropriate market price. The landscape residents may get into the cultivation of the crops provided they get the knowhow and financial support. This will open up a new livelihood opportunity for landscape residents as sea-buckthorn is quite nascent.

Dairy and meat processing

Besides wool and silk, sheep, goats and yaks are also a source of milk, milk products and meat. The supply of milk year round is not uniform as sheep, goats and yak give different amounts of milk and for different duration of time. Sheep and goats do so for only part of the year, sheep for only three months and goats for four-and-a half months in summer.

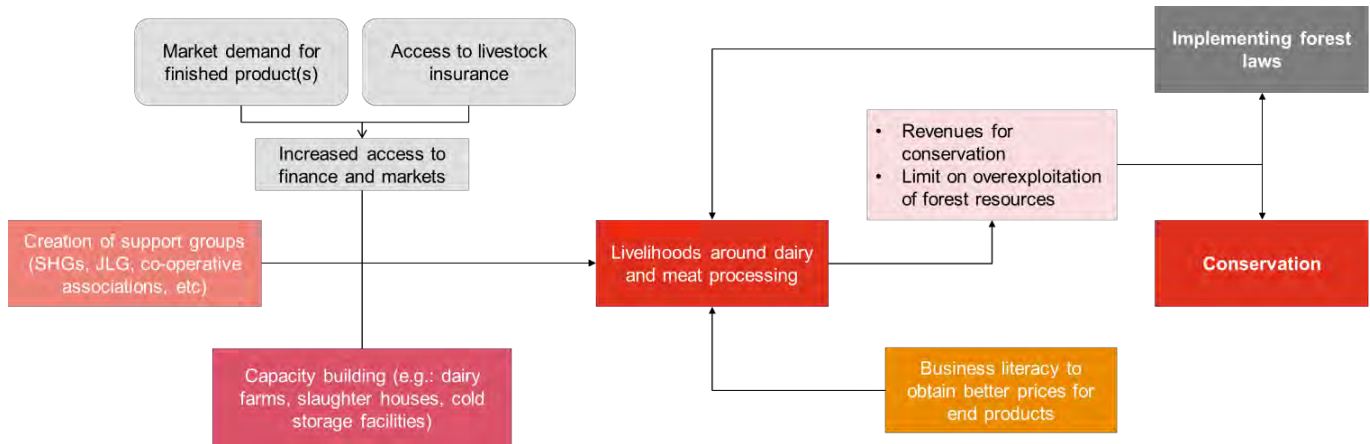
²⁷ T. Stobdan and T. Phunchok (2017), Value Chain Analysis of Seabuckthorn (*Hippophae rhamnoides* L.) in Leh Ladakh

²⁸ T. Stobdan and T. Phunchok (2017), Value Chain Analysis of Seabuckthorn (*Hippophae rhamnoides* L.) in Leh Ladakh

Only the female yaks give milk year-round. The residents, consequently transform a large portion of summer milk into butter, clarified butter, fermented butter, solidified dried curds, and cheese, which can be stored for self-consumption or for barter when the need arises.²⁹

Being a tourist district, there is a huge demand for consumption of fresh goat meat. However, no slaughter houses and dressing units are operating in the district with required level of standard and hygiene. A large number of small mutton shops, marketing outlets are operating in a unhygienic, unhealthy conditions. Hence there is a scope and need for establishing modern slaughter houses, dressing units, marketing outlets with approved standard design, equipped with modern tools, machines and other necessary infrastructure to ensure supply of hygienic, quality animal products to protect consumers from facing health hazards.³⁰

Figure 52: Livelihoods around dairy and meat processing



There is also a need to support funding for modern dairy farm establishment, insurance coverage, proper housing, value addition to the produce. This will help in dairy product development and remunerative prices for their produce so that dairy husbandry becomes a profitable venture in the landscape.³¹

Tourism

New business and employment opportunities can develop simultaneously with preservation of natural resources, if tourism is developed sustainably. Livelihood opportunities for people in mountain areas are generally limited. Even when a country finds the opportunity to develop, such challenges may increase the development gap between mountainous and other communities.

In many cases, the absence of sustained income for the mountainous communities may lead them to exploit local resources beyond the limits of natural regeneration. As a result, tourism is increasingly being regarded as one of the few alternative options that can create new jobs and reduce poverty for communities in remote, resource-scarce regions.³²

Tourism in the landscape is harboured around four major forms – Nature, Wildlife, Adventure and Religious based tourism. Other allied activities such as opening up of restaurants, homestays, tourist guides with knowledge of taxonomy hold huge potential in the landscape.

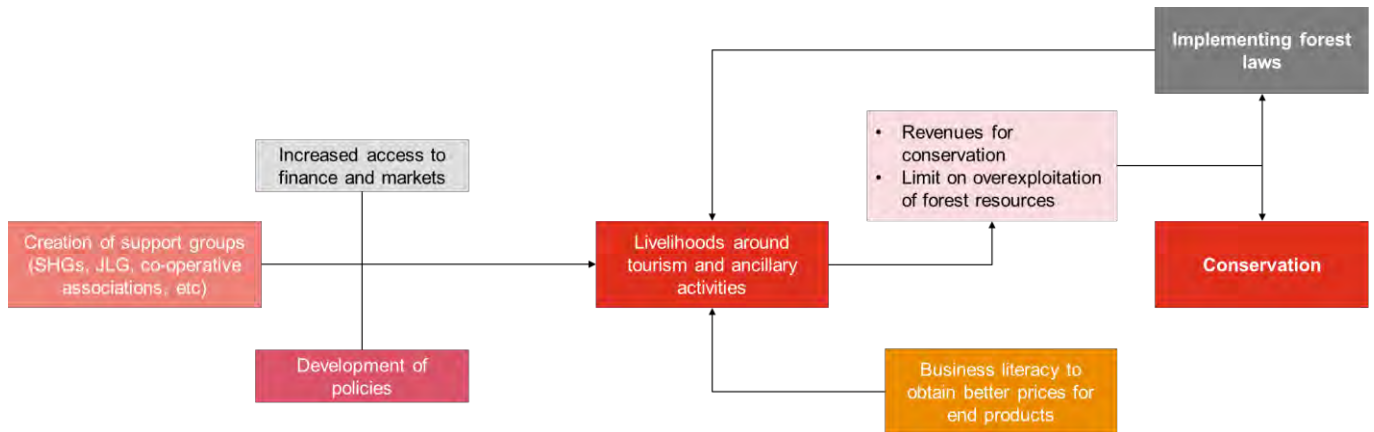
²⁹ Bhasin, Veena. *Life on an Edge among the Changpas of Changthang, Ladakh*. 2012, [www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-\[Tx\].pmd.pdf](http://www.krepublishers.com/02-Journals/JBD/JBD-03-0-000-12-Web/JBD-03-2-000-12-Abst-PDF/JBD-03-2-085-12-029-Bhasin-V/JBD-03-2-085-12-029-Bhasin-V-[Tx].pmd.pdf).

³⁰ NABARD PLP (2020-21), Leh District

³¹ V. K. Bharti, A. Giri, P. Vivek and S. Kalia, "Health and productivity of dairy cattle in high altitude cold desert environment of Leh-Ladakh: A review," *Indian Journal of Animal Sciences*, vol. 87, no. 1, 2017.

³² Rangelands Resource Management, The International Centre for Integrated Mountain Development

Figure 53: Tourism as a means of livelihood and conservation



The full potential of tourism as value chain remains unrealized due to problem of information asymmetry of opportunities. There is a lack of appropriate regulatory policies and limited investment in sector labour force. The landscape residents also lack access to finance. They are also unaware of the procedures involved in issuance of loan and approvals from Tourism Department and related stakeholders.

The scope of the opportunities through public dissemination of detail project reports of tourism department can lead to realization of full potential of tourism as a livelihood. Given that tourism has a high potential as a livelihood option in the landscape with appropriate access to finance, the same would help in pro-conservation efforts by the landscape residents for sustainability.

Recommendations

Financial inclusiveness is one of the most important enablers for achieving conservational objectives of SECURE Himalayas. This chapter provides recommendations to the baseline assessment that can help in improving the state of financial inclusion and develop a comprehensive strategy for its sustenance.

Bridging the gap: strategic dimensions

This subsection conveys possible suggestions to overcome gaps, on various dimensions of financial inclusion such as access, awareness, usage and gender dynamics. It highlights the gaps as founded in the primary survey and proposed the suggestions as it is evidenced in some of the good practices.

Access

Access is a key barrier to financial inclusion, evidenced in our study. In our primary survey, more than half the respondents report having no banks in their villages. In fact, all respondents from Durbuk, Laga and Merak having no banks in their vicinity.

Owing to sparse population densities, and scale of economic activities pursued in the landscape, there is high operation cost attached to banks. Lack of cellular network connectivity and other digital connectivity issues for banks are major setbacks as identified in the landscape. Recommendation to improve access related issues are tabulated in Table 8.

Table 8: Recommendations for improving access

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
1.	23% of respondents have purported lack of mobile infrastructure as reason behind not using DFS.	A Power Line Communication at West Bengal accomplished extensive interference measurements on site with the goal to find out whether the PLC technology is able to detect faults in frequency data even in the remote areas and it was found that to be effectively implemented ³³ . In Cameroon, Express Union has established 220 outlets across the country connected by satcoms to offer money transfers from companies like MoneyGram and Western Union. By doing so, they avoid costly in-country transfer fees and allow families to receive funds from family members based overseas conveniently and at minimal cost. Telecomm Telégrafos connected more than 2,173 people with their “Pagos Móviles” project. They could do P2P mobile payments, transfers via SMS, local calls, local	<ul style="list-style-type: none"> Internet connectivity can be ensured in the landscape through Power Line Communication (PLC). PLC is a method in which internet signals can be carried along the connection which is used to transmit electricity to the landscape. Additional installation of power electronic devices (filters) are used at both ends where internet signals need to be convoluted along with power line. The internet can be transmitted in following ways: <ul style="list-style-type: none"> Long haul, low frequency Medium frequency and High frequency Home networking Broadband power line The necessary infrastructure can be availed from Universal Service Obligation Fund (USOF) of TRAI, which has been providing funds to establish towers in the remote landscape regions. Institute of Electrical and Electronics Engineers (IEEE) 1901 and IEEE 1905 standards are the most common device specifications used for accomplishing such solutions. Very Small Aperture Terminal (VSAT) is a small communication earth system that uses satellite as a means for transmitting and receiving real-time data. VSAT finds its

³³ http://www.cea.nic.in/reports/others/thermal/tetd/765_powerplants.pdf

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
		SMSs and balance inquiries. The project proved the technical viability of mobile transactions via satellite. ³⁴	<p>application in many areas, such as Direct-To-Home (DTH) TV, military and naval operations, ATMs, banking operations, etc.</p> <ul style="list-style-type: none"> VSAT could be leveraged in the following ways: <ul style="list-style-type: none"> Increasing the number of VSAT points Reducing set-up cost Add more services under the VSAT umbrella (Government schemes/IDs application forms, DTH/mobile recharge, utility bills, etc.)
2.	Crop insurance	The insurance companies induce farmer to cultivate high-yield variety seeds besides increasing dependability on agricultural production. However, due to adverse changes in climatic conditions, the insurance companies face resource constraint and many a times result in insolvency. The Government of India has introduced a Modified National Agricultural Insurance Scheme that provides an indemnity for prevented sowing risk and post loss harvest due to adverse climatic conditions. The premium subsidy is shared by the state and central governments on a 50:50 basis. The same is implemented as per the UNFCCC guidelines ³⁵ .	<ul style="list-style-type: none"> To account for heterogeneous risk factors specific to landscape level for crop insurance, customized insurance products need to be launched, one such solution is hybrid parametric insurance, that incorporates both weather and crop yield as important parameters; To involve communities into such a scheme, it can start as micro-insurance scheme of NABARD or Rural Livelihood Mission or any such agency/department which works with Self Help Groups (SHGs), as it has reach to grass root level at the landscape level
3.	BC model has not seen an uptake and banks have discontinued offering this service. However, a few respondents in our primary survey reported they would engage in transactions if BC model sees a revival	Grameen Foundation India is supporting an Indian MFI, Margdarshak Financial Services Ltd (MFSL) to support business correspondent (BC) model. MFSL along with the Grameen Foundation India has worked to develop successful BC strategy that would help the commercial banks in diversifying banking partnerships. The efforts of Grameen Foundation has led to build BC capabilities, implement the BC channel successfully that has helped to revive the existing BCs as also facilitated in adding new relationships, for example in case of IDBI bank ³⁶ .	<ul style="list-style-type: none"> While rethinking the BC model and contextualising in ways better applicable to the landscape, it also needs to be popularised effectively amongst residents. To strengthen the BC model in the landscape, individuals should be sufficiently incentivised by the banks. Besides that, women participation as BCs may be encouraged and appropriate training should be imparted that would address the gender divergence of financial inclusion Young school teachers as BCs can be considered since they represent a socially respected position in the society and can also provide a platform for awareness of financial products and services BCs may provide promotion of diverse basket of offerings of banking and insurance products and services that can increase business opportunities for financial institutions in the landscape The transactional limit through BCs should not pose a challenge for the villagers who may like to transact higher amount since many pashmina traders deal in large volumes of cash.

³⁴ <https://www.esoa.net/Resources/Enabling-Digital-Financial-Inclusion-through-Satellite-Communication.pdf>

³⁵ <http://agricoop.nic.in/sites/default/files/Modified%20National%20Agricultural%20Insurance%20Scheme.pdf>

³⁶ <https://www.grameenfoundation.in/mfi-bc-model-transformation/>

Awareness and usage

Gaps in awareness and usage of financial products and services emerge in our primary survey. Also observed was an averseness towards using financial services and products despite being aware. For example, in Table 9 we list reported reasons behind a low uptake of credit alongside underlying rationale behind it.

Table 9: Reasons and issues for not opting for credit

S.No.	Reasons for not opting for credit	Underlying issues (on basis of discussion)
1.	High interest rates	<ul style="list-style-type: none"> Although the interest rate charged for most forms of credit (retail and agricultural loans) is 7%, many residents are unaware that this can be reduced to 4% using subsidies
2.	Lack of knowledge of process involved	<ul style="list-style-type: none"> Many landscape residents are simply unaware of the processes involved in availing credit from formal institutions. Increasing frequency and incursion of awareness camps of the supply side may help close this gap.
3.	Fear of repayment and subsequent confiscation of collateral by bank	<ul style="list-style-type: none"> Banks have targets to recover loans and hence, resulting in a stalemate for both demand and supply sides.
4.	Rejection of proposal	<ul style="list-style-type: none"> Individual departments in government have detailed project report and hence they know maximum possible benefit that can be drawn from a scheme in a given area
5.	Don't feel the need	<ul style="list-style-type: none"> Respondents have asymmetric information regarding opportunities presented to them by markets and hence are unable to start alternate livelihoods and hence don't feel the need for capital

Specific cases have been examined below and accordingly appropriate suggestions have been provided. People spend the cash in hand as per their judgement for capital and consumption needs. In addition, it was observed that apart from Kisan Credit Card (KCC) the offtake of other credit subsidy schemes or other forms of regular credits is weak.

Table 10: Recommendations for improving awareness and usage

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
1.	97% of the population is unaware of BHIM application or Unified Payments Interface (UPI)	Bharat Interface for Money (BHIM) is a payment app that lets users make simple, easy and quick transactions using Unified Payments Interface (UPI). One can make direct bank payments to anyone on UPI using their UPI ID or scanning their QR with the BHIM app. Also, one can also request money through the app from a UPI ID.	<ul style="list-style-type: none"> Awareness camps on the applications ease and capabilities must be conducted The app has the ability to enable transactions without the use of internet facilities, which is lacking in other digital payment solutions.
2.	Insurance uptake for sheep husbandry	In Kenya index-based insurance for livestock was introduced. Because index insurance doesn't necessarily require the traditional services of insurance claims assessors, it allows for the claims settlement processes to be quicker and more objective ³⁷ .	<ul style="list-style-type: none"> Identification of landscapes with higher livestock-wildlife conflict; Involvement of veterinary practitioners in the landscape for valuation, causality of death verification, tagging the insured animal etc.; Shortlisting of type of livestock to be brought under insurance cover; Commencement of insurance policy and decision on optimal subsidy on insurance premium;

³⁷ <https://www.indexinsuranceforum.org/faq/what-index-insurance>

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
			<ul style="list-style-type: none"> • Mechanism to accommodate for the change of owner of livestock; • Settlement of claims through bank transfer. • Provision of credit for breeding units of large commercial sheep/goat rearing units on selective basis • Financing modern meat processing units • For organized growth of dairy sector, subsidy has been extended for diversified activities under Dairy Entrepreneurship Development Scheme (DEDS) of GOI. Banks may encourage entrepreneurs to take up dairy farming as well as other diversified activities under the scheme.
3.	Insurance uptake for tourism-based activities	In Austria, tourism SME finance activities are co-ordinated through a one-stop window organised as a public-private partnership (PPP), the Austrian Bank for Tourism Development (OEHT). Through the three largest banks, the private sector provides the infrastructure and expertise in tourism finance activities and channels the resources provided by the public sector towards viable projects. This public-private partnership model results in no administration costs involved for the Austrian Government beyond the fees charged for each case. The rise in number of applications, especially for start-ups and guarantees, shows that the financial instruments offered are positively received by the tourism industry in Austria. ³⁸	<ul style="list-style-type: none"> • Banks may actively support MSME tourism sector, leveraging the CGTMSE coverage. • Swarozgar Credit Card (SCC) may be issued to small entrepreneurs • SHGs and JLGs may be mobilised • Youth may be attracted to the industry by providing entrepreneurship/skill training and suitable incentives • Special concessions in the form of tax incentives and provision of land and other infrastructure such as power, connectivity etc., at concessional rates may be given.

Gender aspects

The credit offtake of women shows a significant lag with respect to the men in the household survey. Also, the access to credit is restricted by the ownership of collateral assets by men in the society.

Table 11: Recommendations for improving women's financial inclusivity

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
1.	5% of women in all households have availed credit	A study by IFMR highlights that the self-help groups have availed more formal loans and less informal loans. Besides, women in self-help groups are more empowered (based on average score on the	<ul style="list-style-type: none"> • Target driven group formation i.e. for example for every regular 5 SHGs/JLGs formed by NRLM/UPASAK/NABARD, 1 SHG/JLG of women to be formed; • Target driven loans to women i.e. disbursement of a significant proportion of MUDRA loans into accounts held by women (as the scheme gives collateral free loans);

³⁸https://www.sgh.ch/fileadmin/documents/Downloads/Publikationen_Allgemein/2017/OECD_Tourism_Paper_2017_3_Financing_Approaches_for_Tourism_SMEs_and_E....pdf

S.No.	Gap identified in primary survey	Evidence from good practice(s)	Proposed suggestion(s)
		empowerment index). The study also reveals that the role of self-help group promoting institutions (SHPIs) are crucial in providing handholding and structural support. ³⁹	<ul style="list-style-type: none"> • Introduction of higher levels of revolving funds for all women SHGs in schemes like of NABARD and faster promotion of all women SHGs to higher levels of revolving funds in multi-level revolving fund kind of schemes like of NRLM; • Fast track promotion of male SHGs to higher levels of revolving funds in schemes like NRLM if proof is shown against consistent deposit of income from business started by NRLM support into wife's account; • Introduction of differential interest rates to women on other credit subsidy scheme at the cost of equal and opposite increment interest rates charged to male applicants and continuation of this intervention till half of the credit subsidy applicants are females.

Strategies for Financial Inclusion

Through our interactions with households and FGDs, a few prominent livelihood activities emerged. Rearing of sheep for pashmina wool, for example, is prominent in the livelihood. Another key livelihood that emerged is tourism as Ladakh is an attractive destination for tourists. Another emerging and possibly important livelihood is that of the Sea-buckthorn.

The linkage between the livelihoods and the financial inclusion is established below (Table 12) with the degree of risk (from a conservation perspective) mentioned as green that means completely risk free (pro-conservation), yellow (bearing threats to conservation) indicating there exists some element of risk and finally the red (bearing high threat to conservation) that denotes that has substantial risk element from a conservation perspective that needs to be eliminated prior implementation.

Table 12: Risk-return profile of landscape residents

S.No.	Livelihood	Risk	Livelihoods and Financial Inclusion
1.	Agriculture Cash crop(s) – Apple, Apricot Horticultural crop – Sea-buckthorn		<ul style="list-style-type: none"> • Access to crop insurance to enhance resilience; • Access to digital modes of payment to empower cultivators for better market linkages; • Access to credit for availing storage facilities, grading machines, etc. • Formation of SHG for availing credit facilities for cultivation and scale-up sale
2.	Medicinal and Aromatic Plants (MAPs)		<ul style="list-style-type: none"> • Credit facilities for cultivable MAPs; • Capacity building through credits to position MAPs in value chain; • Access to digital modes of payment for market linkages.
3.	Livestock rearing		<ul style="list-style-type: none"> • Credit facilities for improvised combs and machine shearing, etc.; • Credit linkages for selling finished products in designated stores, cooperatives, etc.; • Imposing a grazing fee on sheep-goat population by imposing a nominal fee that can be compensated by selling wool (including woollen products).⁴⁰
4.	Tourism and tourism related ancillary activities		<ul style="list-style-type: none"> • Credit facilities to promote eco-tourism and medical tourism; • Loans for capacity building to cater the hospitality sector • Extending credit to open restaurants and snack points;

³⁹ http://www.ifmlead.org/wp-content/uploads/2018/12/Policy%20Brief_HIH_Final.pdf

⁴⁰ Ministry of Environment and Forests (Department of Environment, Forests & Wildlife) National Forest Policy, 1988

S.No.	Livelihood	Risk	Livelihoods and Financial Inclusion
			<ul style="list-style-type: none"> • Access to credit, specific to purchase of trekking and camping equipment; • Educational loans for vocational training in taxonomy or wild life conservation work; • Loans for two-wheelers and four wheelers for tourists, etc.
5.	Handicraft		<ul style="list-style-type: none"> • Extending credit to meet working capital requirements for local handicraft artisans; • Extending credit services to showcase the handicrafts on various platforms, like of but not limited to fairs in capital cities, online platforms etc.
6.	Daily need shops		<ul style="list-style-type: none"> • Availability of easy credit facilities for setting up of shop; • Introduction of insurance products to overcome losses from accidents owing to terrain;

Under the wider umbrella of financial inclusion, alternate livelihood options are extremely vital and classifying them from a risk perspective entails whether they are pro-conservation and thereby sustainable. In case, they are not sustainable (for example in case of livestock) as mentioned above, what can be a financially inclusive measure to make it sustainable.

Thus, financial inclusion and livelihood are intertwined. Lending based on priority sector corresponding to livelihood options would also allow the financial institution to reflect on the true risk return profile of the landscape residents. Table 13 maps the different credit instruments corresponding to the important livelihood options that would enable the landscape residents to be more financially inclusive.

Table 13: Credit instruments mapped to livelihood activities

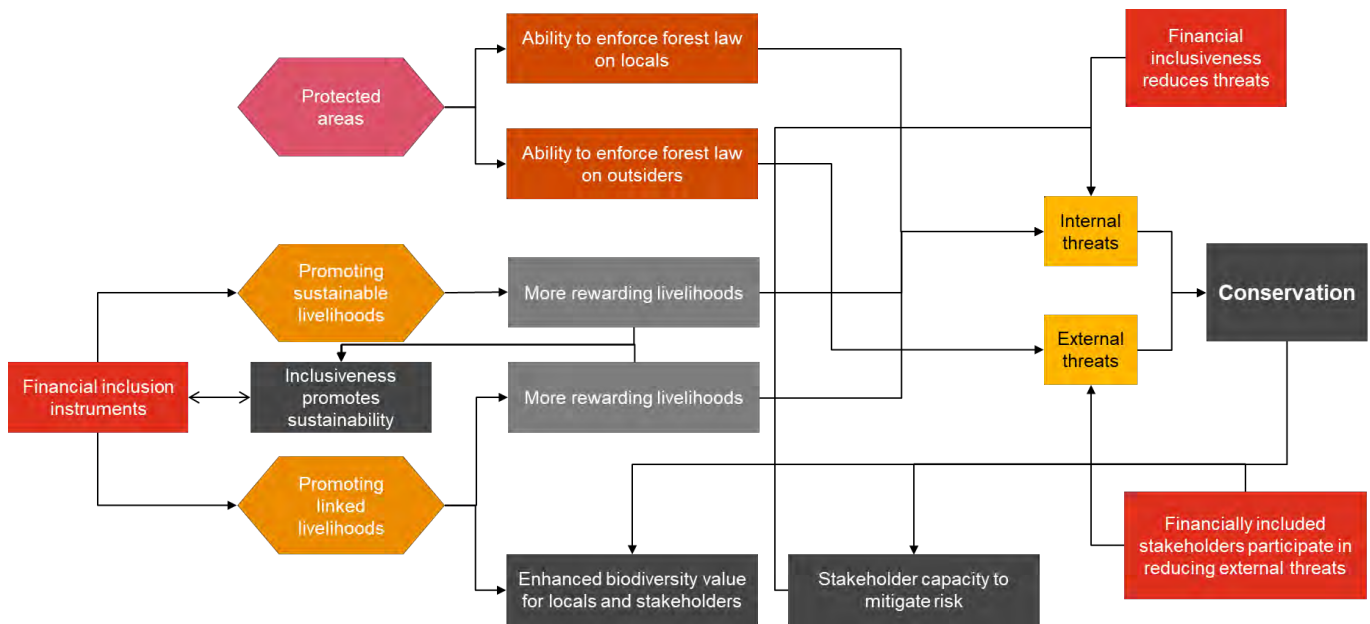
Relevant economic activity	Corresponding livelihood activity	Available credit instruments
Agriculture, MAPs, Horticulture and livestock	Apple, apricot cultivation	<ul style="list-style-type: none"> • Pradhan Mantri Fasal Bima Yojana(PMFBY) • National Rural Livelihood Mission (NRLM) and National Urban Livelihood Mission
	Sea-buckthorn cultivation	<ul style="list-style-type: none"> • Central Sector scheme for setting up of Agri Clinics and Agri Business Centers (ACABCs) by Agricultural Graduates Mission (NULM)
	Rearing of sheep and goat	<ul style="list-style-type: none"> • National Livestock Mission- Entrepreneurship Development & Employment Generation • Dairy Entrepreneurship Development Scheme • Interest Subsidy & Margin Money Scheme of KVIB
Textiles	Shearing machines, charkhas, fabricators	<ul style="list-style-type: none"> • Prime Minister's Employment Generation Programme (PMEGP) Administered by the Ministry of MSME
Tourism	Construction and maintenance of hotels and home stays	<ul style="list-style-type: none"> • Credit Guarantee Fund Trust for Micro and Small Enterprises administered by SIDBI, MoSME

Note: This is an indicative list of livelihood activities and by no means exhaustive, the purpose of table is to demonstrate how credit instruments are pivotal for rise in income of economic agents in the landscape region

The long-term journey towards financial inclusion in the landscape should include some important strategic nodes. This helps to provide a sense of prioritization among set of recommendations that cover multidimensional aspects of the problem. Thus, we explain a long run roadmap for possible improvement in the state of financial inclusion. This framework is a modified version of the Salafsky & Wollenburg⁴¹ framework for linking livelihoods and conservation.

The choice of a conservation strategy is not an either-or question, but rather, as shown in Figure 54, a matter of fitting the right combination of strategies to the conditions at hand. For example, it may be possible to develop a linked tourism enterprise in only one part of a protected area, and use other approaches in parts of the park where this linkage strategy is less appropriate. In particular, it is important to have a conceptual understanding of each strategy and to have tools to measure it. To this end, the framework presented in this report should provide a better understanding of the linked incentive strategy and its strengths and weaknesses relative to other options.⁴²

Figure 54: Way forward



Our study is linked to outcome two of the project, which envisages “improved and diversified livelihood strategies and improved capacities of community and government institutions for sustainable natural resource management and conservation”. While creating livelihood options, it is equally important for all landscape residents to be included in the mainstream economy, the primary step towards which involves inclusion in the formal banking and financial systems. This not only includes access to financial services, but also their acceptance by the local communities, and their ability to offer economic security to the in the long run. This would facilitate sustainable livelihood options destressing the Himalayan ecosystem towards successful achievement of Outcome two of this project.

⁴¹ Salafsky, N., & Wollenburg, E. (2000). Linking Livelihoods and Conservation: A Conceptual. World Development, 1421-1438.

⁴² Salafsky, N., & Wollenburg, E. (2000). Linking Livelihoods and Conservation: A Conceptual. World Development, 1421-1438.

Annexures

Multi-indicator framework

Table 14: Multi-indicator framework

S.No.	Indicators	Data source	Multi-framework assessment of financial inclusion							Supply-demand		
			UNDP framework				WBG framework					
			Access	Welfare	Usage	Quality	Credit	Savings	Insurance		Payments	
1.	Bank penetration	NABARD and SLBC	✓			✓					Supply	
2.	Credit deposit ratio	NABARD	✓		✓	✓		✓	✓		Supply	
3.	Institution wise credit extended	NABARD	✓		✓			✓			Supply	
4.	Sector wise credit extended	NABARD	✓	✓	✓	✓		✓			Supply	
5.	Credit recovery institution wise	NABARD and SLBC	✓					✓			Supply	
6.	Livelihood wise credit extension plan	NABARD and SLBC	✓	✓	✓			✓			Supply	
7.	Member wise principal economic status and access to finance details	Household survey	✓		✓			✓			Demand	
8.	Awareness and usage of various financial instruments	Household survey	✓		✓			✓	✓	✓	✓	Demand
9.	Access to bank and banking habits indicators	Household survey	✓	✓	✓	✓		✓	✓	✓	✓	Demand
10.	Perceived benefits of financial inclusion indicators	Household survey	✓	✓	✓	✓		✓	✓	✓	✓	Demand

Current interventions in the landscape

Table 15: Some relevant interventions in engagement landscape

S.No.	Scheme and implementing agency	Intervention objective	Coverage	Assistance details
1.	National Rural Livelihood Mission (NRLM) – Extended hierarchy from national to local level	<ul style="list-style-type: none"> Alleviate rural poverty Create sustainable livelihood opportunities NRLM seeks to promote sustainable community based institutions Facilitate provision of financial services, economic services and other entitlements to the rural poor 	<ul style="list-style-type: none"> 50% of the beneficiaries are SC/STs, 15% are minorities, 3% are persons with disability, Ultimate target of 100% coverage of all households Households with at least one deprivation criteria as per Socio-Economic and Caste Census (SECC) 	<ul style="list-style-type: none"> Initial provisioning Revolving Fund (RF) to SHGs of Rs.10, 000-15, 000 as corpus to meet the members' credit needs directly Start-up funds of INR 50, 000 are given to Village Organization (VOs, 1 VO at least 5 SHGs) Five village organizations (VOs) can form a cluster level federation (CLF); Interest subsidy – 7% for all SHGs for NRLM
2.	Prime Minister's Employment Generation Programme (PMEGP) – Khadi and Village Industries Commission	<ul style="list-style-type: none"> Launched by merging PMRY and REGP Aims to generate employment in rural and urban areas by MSME creation 	<ul style="list-style-type: none"> Individual beneficiaries who have passed 8th grade of schooling education 	<ul style="list-style-type: none"> For business/Service Sector, the loan amount is up to Rs.10.00 lacs For industries up to Rs.25.00 lacs Subsidy level range from 15% to 25% (of cost of project) for General Entrepreneurs 25% to 35% for SC/ST/OBC/Minority/ Women, Ex-Servicemen & Physically handicapped, in Urban and Rural areas, respectively
3.	Pradhan Mantri Kaushal Vikas Yojana – National Skill Development Corporation	<ul style="list-style-type: none"> Scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) Aims to enable a youth to take up industry-relevant skill training that will help them in securing a better livelihood 	<ul style="list-style-type: none"> Youth who are eligible as per qualification pack requirements and meet the minimum age criteria 	<ul style="list-style-type: none"> Short term training <ul style="list-style-type: none"> The Short Term Training benefit candidates of who are either school/college dropouts or unemployed. Recognition of Prior Learning <ul style="list-style-type: none"> RPL aims to align the competencies of the unregulated workforce of the country to the NSQF. Special Projects <ul style="list-style-type: none"> platform that will facilitate trainings in special areas and/or premises of Government bodies, Kaushal and Rozgar Mela <ul style="list-style-type: none"> involvement of the target beneficiaries through a defined mobilisation process.
4.	Dairy Entrepreneurship Development Scheme – Department of Animal Husbandry	<ul style="list-style-type: none"> To generate self-employment and value addition in dairy sector 	<ul style="list-style-type: none"> Farmers, Individuals, Groups of unorganized and organized sector, SHG, Dairy co-operative 	<ul style="list-style-type: none"> 25% of capital subsidy 33.33% for SC/ST Entrepreneurs

S.No.	Scheme and implementing agency	Intervention objective	Coverage	Assistance details
	&Dairy, and NABARD		societies, Panchayati Raj Institutions (PRI) etc.	
5.	Scheme of Fund for Upgradation and Regeneration of Traditional Industries (SFURTI) – Ministry of Micro, Small and Medium enterprises	<ul style="list-style-type: none"> Organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability, 	<ul style="list-style-type: none"> Non-Government organizations (NGOs), institutions of the Central and State Governments and semi-Government institutions, field functionaries of State and Central Govt., Panchayati Raj institutions (PRIs), Private sector by forming cluster specific SPVs, Corporates and corporate Responsibility (CSR) foundations with expertise to undertake cluster development Can enable 50,000 artisans to join the economic value chain 	<ul style="list-style-type: none"> The financial assistance provided for any specific project shall be subject to a maximum of Rs 8 (eight) crore to support Soft, Hard and Thematic interventions.
6.	Central Sector scheme for setting up of ACABCs by Agricultural Graduates – NABARD, National Institute of Agricultural Extension Management(MANAGE)	<ul style="list-style-type: none"> Supplement the government extension support system as also provide gainful employment opportunities to the agricultural graduates. 	<ul style="list-style-type: none"> Agricultural Graduates (including allied activities) trained by MANAGE on or after 1 April 2004. 	<ul style="list-style-type: none"> Minimum loan of Rs. 25,000/- in the form of term loan/cash credit facility/combination of both, Banks are free to advance higher amount depending upon the merit of the case.
7.	Tribal Development Fund – NABARD	<ul style="list-style-type: none"> Tribal development and sustainable livelihoods through orchard based farming systems. 	<ul style="list-style-type: none"> SC / ST communities and other weaker sections of the community 	<ul style="list-style-type: none"> Per family grant assistance has been increased from Rs.6000 to Rs.11000, for laying barbed wire fencing, in place of live fencing for wadis. Grant assistance has been introduced for setting up of rural haats/marts under TDF. Grant support for 'Business Development Assistance' for FPOs has been introduced. Rewards for best wadi/project and best PIA have been introduced.
8.	Pradhan Mantri Awas Yojana urban – Credit linked subsidy scheme (CLSS) – State Urban Development Authority	<ul style="list-style-type: none"> To provide interest subsidy linked housing scheme to lower and middle income group 	<ul style="list-style-type: none"> Beneficiaries of Economically Weaker section (EWS) and Low Income Group (LIG) seeking housing loans from Banks, Housing Finance Companies and other such institutions would be eligible. Interest subsidy at the rate of 6.5 % for a tenure of 15 years or during tenure of loan whichever is lower. 	<ul style="list-style-type: none"> Interest subsidy at the rate of 6.5 % for a tenure of 15 years or during tenure of loan whichever is lower. Loans below 6 lakhs only eligible
9.	Integrated Social Security Scheme	<ul style="list-style-type: none"> Provide pension to those unable to seek regular work or livelihood 	<ul style="list-style-type: none"> All aged women and men, widowed 	<ul style="list-style-type: none"> Women over the age of 55 receive Rs. 1,000/month

S.No.	Scheme and implementing agency	Intervention objective	Coverage	Assistance details
	– Social welfare department	<ul style="list-style-type: none"> • Provide social security and financial assistance to the elderly 		<ul style="list-style-type: none"> • Men over the age of 60 receive Rs. 1,000/month • Widowed/divorcee above the age of 40 with no/meagre source of income receive Rs. 1,000/month • Handicapped persons with over 40% disability receive Rs. 1,000/month
10.	Indira Gandhi National Old Age Pension Scheme – Social welfare department	<ul style="list-style-type: none"> • Launched by Ministry of Rural Development under the “National Social Assistance Programme(NSAP)” 	BPL ⁴³ persons over the age of 60	<ul style="list-style-type: none"> • BPL persons between ages of 60-79⁴⁴ receive Rs. 1,000/month • BPL persons over the age of 80 receive Rs. 1,000/month
11.	National Family Benefit Scheme – Social welfare department	<ul style="list-style-type: none"> • Provide support to those who have little or no regular means of subsistence from their sources of income/ families 	Families bereaved of primary breadwinner who was between the age of 18-59	Families receive a one-time assistance of Rs 20,000
12.	Indira Gandhi National Disability Pension Scheme – Social welfare department		BPL persons with severe/multiple disabilities between ages 18 -79	Pension of Rs. 1,000/ month
13.	Indira Gandhi National Widow Pension Scheme – Social welfare department		BPL widows over the age of 40	BPL widows receive a pension of Rs. 1,000/ month
14.	Artisan Credit Card Scheme	<ul style="list-style-type: none"> • Provide adequate and timely assistance from the banking institutions to the artisans to meet their credit requirements both investments needs such as working capital in a flexible and cost effective manner 	<ul style="list-style-type: none"> • All artisans involving production/manufacturing process, artisans registered with Development Commissioner (Handicrafts) etc. 	<ul style="list-style-type: none"> • Maximum limit upto INR 2 Lakh • Insurance cover of upto INR 25,000
15.	Micro Credit Plan Scheme	<ul style="list-style-type: none"> • The scheme is aimed to provide employment opportunities in the state. 	<ul style="list-style-type: none"> • Handloom weavers 	<ul style="list-style-type: none"> • The beneficiaries are identified and soft loan facilities are extended through various financial institutions at the prevailing rate of interest per annum, out of which 5% interest subsidy is paid by the Department.
16.	Weaver Credit Card Scheme – Union Ministry of Textile- Office of Development Commissioner	<ul style="list-style-type: none"> • The Artisan Credit Card is meant to make the process of financial assistance to artisans to meet their credit requirements for working capital requirement as well as purchase of tools and equipment required for carrying out weaving activity. 	<ul style="list-style-type: none"> • All weavers and ancillary workers involved in weaving activities 	<ul style="list-style-type: none"> • Margin money support up to Rs 42,000/- per weaver and/or • Interest subsidy up to 3% on Bank loan And/or • Reimbursement of one time guarantee fee as applicable (1% at present) and annual service charges as applicable (0.50% at present) for

⁴³ BPL: Below poverty line

⁴⁴ Excluding BPL Widows and BPL persons with severe or multiple disabilities

S.No.	Scheme and implementing agency	Intervention objective	Coverage	Assistance details
				a period upto 3 years payable for guarantee cover under CGTMSE.
17.	Youth Startup Loan Scheme – Jammu & Kashmir Entrepreneurship Development Institute	<ul style="list-style-type: none"> Youth Start-up Loan Scheme is launched by JKEDI as a financial support mechanism to young startup entrepreneurs. YSL scheme aims to address the problem of unemployment and to encourage entrepreneurship among the youth 	<ul style="list-style-type: none"> Applicant should be unemployed State Subject in the age group of 18-40 years having a minimum qualification of 10+2. 	<ul style="list-style-type: none"> Loans between INR 12 and 20 lakh depending on education qualification
18.	J&K Rural Employment Generation Programme (JKREGP) – J&K Khadi & Village Industries Board	<ul style="list-style-type: none"> To harness and develop the entrepreneurial skills among the rural unemployed youth of the state. To mobilize the bank finance for establishment of Village Industries sector of the state on modern lines. 	<ul style="list-style-type: none"> Any individual, between 18 to 40 years of age residing in the village/rural area of the State. 	<ul style="list-style-type: none"> The maximum cost of the project/unit admissible under manufacturing/agriculture/horticulture & allied sectors shall be Rs. 25 lakh. The maximum cost of the project/unit admissible under service sector/trading activity shall be Rs. 10 lakh

Livelihoods and financial inclusion

Table 16: Linking livelihoods options with financial inclusion products and services

S.No.	Livelihood options	Independent factor(s)	Livelihood option to financial product/service feedback effect	Financial product/service to livelihood option feedback effect	Livelihood option and financial product/service both affecting each other
1.	Apple	Access to information regarding target export locations and technical knowhow of producing export quality fruits	Agriculture insurance, disaster/calamity insurance, direct benefit transfers, Bank deposits (livelihood seasonal in nature)	Term loans, supply chain financing	Kisan credit card (KCC), bank accounts, attractive loan packages
2.	Apricot	Introduction to ideal irrigation technology			
3.	Floriculture, medicinal and aromatic plants	Identification of appropriate market opportunities, realization of business cycles driven by excess or shortage in supply of plants.	Loans for construction of infrastructure and capacity building for improved inventory management to mitigate cyclical market fluctuations		
4.	Saffron production	Formation of management groups and growing plants in common land rather than regular agricultural land Introduction to ideal irrigation technology			
5.	Livestock rearing (Pashmina Goats and Yak)	Access to information regarding appropriate markets for export Technical knowhow of extracting valuable material from livestock	Livestock insurance, direct benefit transfers, bank deposits	Livestock loans, supply chain financing	Bank accounts, attractive loans and subsidies
6.	Tourism and tourist guides	Credit cards and e-payment methods may not be that directly benefitting the livelihood option	Bank deposits (livelihood seasonal in nature), Short term loans to purchase necessary trek equipment's	Credit cards and e-payment methods may not be that directly benefitting the livelihood option	
7.	Handicraft artisans	Creation of platform to showcase the unique art and art forms of high altitude society which in turn can generate revenue and ensure sustainability of cultural heritage, Basic knowledge transfer of branding and showcasing the cultural skillsets		Basic credit products to facilitate operational scaling up, branding and to target wider target audience/buyers of goods and services unique to cultural heritage of high altitude societies	
8.	Hospitality and restaurant business	Basic knowledge transfer of branding and hospitality management	Demand for shorter term investment plans parallel to tourist off season with fixed		

S.No.	Livelihood options	Independent factor(s)	Livelihood option to financial product/service feedback effect	Financial product/service to livelihood option feedback effect	Livelihood option and financial product/service both affecting each other
			returns will have a good offtake		
9.	Transportation business	Emission regulations are required to conserve the delicate ecosystem	Credit products promoting and involving exchange of old vehicles		Attractive low premium insurance with timely repayment to mitigate landscape specific driving risks
10.	Daily need shopkeepers	Improvement of mobile connectivity as prerequisite of financial inclusions	Catering to demands of digital payments to reduce dependency on cash, basic saving and credit facilities to facilitate the business operations		Digital payments can prove to be complimentary to business operations to such agents of economy owing to demand of easy transactions in high altitude terrain which can simultaneously be fulfilled by competing players offering online methods of transaction
11.	Wild animal poaching	Planning of a full proof regulatory and legal framework, Adoption of necessary steps to implement the legal framework, Awareness programs emphasizing importance of wildlife and potential earning from tourism attracted by conserved wildlife	Cash is an important mode of transaction to settle poaching payments, regulatory framework should include methods to track and curb the usage of cash transactions under such activities	Provision of credit to members of society to attain basic training in trekking and wild life tourism to assist tourists, photographers and researchers to relevant landscapes, to buy basic safety gear to carry out such expeditions in high altitude terrain	

Global good practices of Financial Inclusion

Table 17: Literature review of global good practices

S.No.	Practise	Country	Category	Summary
1.	SHG -Bank linkage programme (SBLP)	India	Community based finance Micro-finance	<p>Under SBLP, 10-20 individuals are organized in SHGs by NGOs, commonly known as Self Help Promoting Institutions (SHPI). The SHGs are also encouraged to take up livelihood activities, for which skill trainings provided by certain NGOs. The members of the SHG are encouraged to save and internally lend the savings to members during times of need. SHPIs also provide knowledge on managing books of accounts</p> <p>This is a mechanism through which financial products/services are provided to vulnerable/low-income groups who lack access to basic formal banking.</p>
2.	Kisan Credit Card (KCC), low-interest credit for farmers	India	Micro-finance	<p>The Kisan Credit Card (KCC) scheme, introduced in 1998-99, to enable farmers to purchase agricultural inputs and draw cash for their production needs. The scheme aims at providing adequate and timely credit for the comprehensive credit requirements of farmers under single window for their cultivation and other needs, at a subsidized rate (by the government) of 2%.</p> <p>The scheme allows farmers to have access to a buffer of funds throughout the year, making it easier to pay for basic utilities till the agricultural activities carried out by them, bears fruit</p>
3.	Aadhar, a unique identity proof	India	Unique identification	<p>The Aadhaar platform was not only being used in the Aadhaar-enabled payment systems to ensure regular transactions and direct benefit transfers from the government to residents of the country.</p> <p>Assuring the unique identification of citizens and residents was an important symbol of re-integration and reconciliation, especially for those with no identity documents</p>
4.	E-Shakti, digitization of SHGs	India	Mobile and digital banking	<p>Digitization of Self-help groups (SHGs) using E-Shakti (A project of NABARD on digitization of SHGs) app, to take advantage of available technology to address problems regarding book keeping, capturing credit history of SHG members, generating SHG grading reports based on financial and non-financial records and making them available to all important stakeholders.</p> <p>The USP of E-Shakti software is 'one-click' availability of social and financial information of all the members of the self-help groups</p>
5.	Grameen Bank	Bangladesh	Community based finance, Micro-finance	<p>The Grameen bank model is based on groups of five potential borrowers who meet frequently with Grameen Bank field managers. Two out of the five members are granted loans for a probation period. If repaid, the other three members are granted loans.</p> <p>The unique aspect of this programme lies in the fact that two individuals take the responsibility of paying off the credit for a given period, and in turn sponsor other individuals to do.</p>

S.No.	Practise	Country	Category	Summary
6.	Shasthyo Shuroksha Karmasuchi (SSK) , a health insurance scheme	Bangladesh	Micro-insurance	Under SSK, the government provides 'health cards' to one lakh poor households. The cardholders and their family members can access free healthcare for fifty common diseases, including common cold, flu etc. The government provided Tk 1,000 as the annual premium for each household that can utilize healthcare services costing up to Tk 50,000 per year. The uniqueness of the program is the provisioning of no-cost healthcare for the masses/
7.	Emergency loans	Bangladesh	Micro-finance Mobile and digital banking	Swosti, a mobile-application provides emergency funds across the country. The application aims to alleviate poverty by leveraging NGOs and the world wide web. Provisioning of emergency bank loans can lower farm distress, particularly on occasions when climatic conditions are unpredictable
8.	M-Pesa , a mobile phone based microfinancing service	Prominent in Kenya, but further implemented in Tanzania, Afghanistan, South Africa, India, Eastern Europe	Micro-finance Mobile and digital banking	Popular mobile payment service, M-PESA, is operated by a private telecommunications provider and has reached nationwide appeal independently of the traditional banking sector. M-Pesa is a mobile phone-based money transfer, financing and microfinancing service, launched in 2007 by Vodacom and Safaricom. Combining sim card and phone account into a bank account, it allows paying for utilities rent etc. Rather than downloading an app, the platform allows to send money to the receiver like a text message
9.	Deprived Sector Lending	Nepal	Micro-finance	Under this policy enforced by the Government of Nepal, commercial banks are liable to lend up to 3% of their total loan outstanding to the low income strata, with special attention to socially deprived, women, the population belonging to the lower castes, blind and deaf, small farmers, landless laborers etc. Deprived sector lending promotes equality by provisioning credit to vulnerable groups, and weaker sections of society
10.	Red Solidaria Microseguros Rural (RedSol) , group insurance scheme	Mexico	Community based finance Micro-insurance	The Mexican Association of Credit Unions of the Social Sector (AMUCSS) has launched an intermediary insurance: RedSol, which manages the program of provisioning of micro-insurance to small farmers, who form groups to avail an insurance scheme. The farmers are not excluded from the formal banking system, but rather, have small land holdings, which are not eligible for formal banking insurance schemes in individuality. Mexican agriculture provides most of the food consumed in the country. However, due to the arid climatic conditions that prevail in the country, low rainfall and occurrence of droughts are common, the insurance scheme assures farmers payoffs amid extreme uncertainty.
11.	Sight deposit accounts	Chile	Micro-finance	Banco del Estado de Chile (the only public bank in Chile) implements CuentaRUT, a sight deposit account, which has facilitated financial access for low-income households in Chile. Accounts are opened with minimum fuss, free of charge and all major types of payments can be processed using this account as the medium. A sight deposit account doesn't require a minimum income or banking history, neither does it have opening or maintenance costs

S.No.	Practise	Country	Category	Summary
12.	Negros Women for Tomorrow Foundation (NWTF) , a micro-finance institution	Philippines	Micro-finance	NWTF is a MFI that provides savings products, loans and other services to low-income women micro-entrepreneurs, farmers, fishers, and small to medium enterprises in the Philippines. The uniqueness aspect of the programme lies in the specific targeting of women, to promote entrepreneurial ascendancy
13.	Bangko Sentral ng Pilipinas – Economic and Financial Learning Program (BSP-EFLP)	Philippines	Financial literacy	The Economic and Financial Learning Program (EFLP) is a flagship program of the BSP (central bank of Philippines), which is targeted to the general public (mainly the unbanked) to inform them about key leanings, particularly concerning economic information and financial education. Targeting of the unbanked enhances the level of financial inclusion and therefore leads to more participation in the formal banking system.
14.	Index-based livestock insurance	Kenya	Micro-insurance	A pilot project that was started in 2010, The International Livestock Research Institute (ILRI) with the support of International Labour Office (ILO) has carried out a project on index-based livestock insurance. The project covers activities under communication, training and extension, and insurance operations and delivery channels. It also piloted an insurance product that provides compensation in the event of drought-related livestock losses in the Marsabit District of Northern Kenya. Index insurance is a relatively new but innovative approach to insurance provision that pays out benefits on the basis of a predetermined index (e.g. rainfall level) for loss of assets and investments, primarily working capital, resulting from weather and catastrophic events. Because index insurance doesn't necessarily require the traditional services of insurance claims assessors, it allows for the claims settlement processes to be quicker and more objective
15.	Kiva , crowdfunding for entrepreneurs in need	77 countries	Micro-finance	Kiva allows lenders to crowdfund micro-loans requested by lenders (usually entrepreneurs in developing countries), giving entrepreneurs a global platform to request for funds. Kiva does not take a cut of loans and covers operational costs through optional donations
16.	Savings goals for savings accounts	Ghana	Micro-finance	Saving is hard, especially for the poorer section of society. Mumuadu Rural Bank (MRB) invented a new type of savings account that helps clients save by focusing attention on their savings goals. The evaluation seeks to understand if a purely psychological savings product, which lets customers label funds within an account to direct them towards a specific goal, increases customer savings rate.
17.	Post Office Savings Banks	Kenya, South Africa and Tanzania	Micro-finance	Banking via the post office. In Kenya, the Kenya Post Office Savings Bank is regulated by Kenya Post Office Savings Bank Act Cap 493B, and therefore the interest income earned by depositors is exempt from tax. Post office bank account help economic agents access bank accounts in remote places where bank branches are not available.

S.No.	Practise	Country	Category	Summary
18.	Familias en Acción , a conditional cash transfer programme.	Columbia	Micro-finance	<p>It provides grants of between US\$5 and US\$17 per month to poor households with children, on the condition that children aged less than 7 attend regular medical check-ups, and that children aged between 7 and 18 attend no less than 80% of school classes during the school year.</p> <p>The programme incentivizes poor families to provide basic healthcare and education services to their offspring.</p>
19.	Banking Correspondent Model	Brazil	Micro-finance, mobile and digital banking	<p>Brazil's correspondent banking system enables clients to access a range of services from bank agents. Services include opening bank accounts, obtaining credit cards, and buying shares of mutual funds through agents that receive and forward applications</p> <p>The banking correspondent model allows economic agents to access banking services without actually visiting a branch, this is especially helpful in remote, hilly areas.</p>
20.	WING , a mobile payment app	Cambodia	Mobile and digital banking	<p>Launched in January 2009, WING Cambodia is an affordable, accessible, mobile-based money transfer service that targeted the country's unbanked population. It provides cash-in, cash-out, bill payment and person-to-person money transfers. WING users can deposit or withdraw cash at assigned outlets throughout the country and withdraw cash from their accounts at ATM's. Users can also send money to others using a secure PIN number.</p> <p>Wing is committed to providing financial inclusion to the unbanked and under-banked allowing every Cambodian access to services including local money transfers, bill payments and phone top-ups, online shopping and QR payment, as well as instant international money transfer from more than 200 countries.</p>

Household questionnaire

(Household Questionnaire)

Declaration:

[Enumerator should read out the following]

Namaskar. My name is *[Enumerator should mention his/her name].*

We are conducting this survey for SECURE Himalaya project on behalf of UNDP. During this project we will be asking you a few questions regarding the socio-economic status of your household as well as your financial inclusion status. We shall also be taking a few photographs/videos.

Participation in the survey is voluntary and we shall continue with the survey with your permission.

Shall I start?

Yes-1	No-2
-------	------

[Please tick as per respondent's response]

Name and Signature of Enumerator

Name:	Signature
	Date:

[If the respondent is not willing to be a part of the survey, please move on to the next household]

[Enumerators should fill this out before starting the survey.]

Section A: Respondent's location		
#	Items	Response

1.	Name of Landscape	
2.	Name of Village	
3.	Name of Block/Tehsil	
4.	Name of District	
5.	Name of State	

Household is defined as people taking food from the same kitchen as per reference of Census of India 2011. The definition of household is to be considered same throughout the survey, wherever the term **“household”** has been referred here forth.

Section B: Respondent's household details		
#	Items	Response
6.	Name of the Respondent [Enumerator should ask for an adult member of the household who knows about household finances.]	
7.	Mobile contact details	
8.	Respondent's Gender [Please tick as appropriate]	Male = 1 Female = 2 Others = 3

9.	Relationship of the respondent to the household head [Please tick as appropriate]	Respondent is the household head = 1 Respondent is wife/husband of household head = 2 Respondent is son/daughter of household head = 3 Respondent is son in law/daughter in law of household head = 4 Respondent is some other family member of household head = 5
10.	What is the age of the respondent (in completed years)? Example: If age is 52 years and 6 months, we should write it as 52.	
11.	How many members are there in your household? [Household is defined as people taking food from the same kitchen]	
12.	Social category of the household [Please tick as appropriate]	SC = 1 ST = 2 OBC = 3 Others = 4
13.	What is the major source of income in your household? [Please tick as appropriate]	Agriculture = 1 Private Service = 2 Public/Govt. Service = 3 Own Business = 4 Agricultural labourer = 5 Daily wage labourer = 6 (other than agricultural labourer) Others (please specify) = 7

14.	Does your household own the house you currently live in? <i>[Please tick as appropriate]</i>	Yes, we own the house = 1 No, we are rent paying tenants = 2 No, we are non-rent paying residents = 3 Any other, specify = 4
15.	How much land do you own? <i>[Record for only privately-owned land. If the household does not own a specific category of land, please fill out "9999"]</i>	Homestead land (in kanals) = Agricultural land (in kanals) = Non-agricultural land (in kanals) = Does not own land = 9999
16.	If household is involved in shared cropping agricultural practise, please fill.	Agricultural land under shared cropping (in kanals) = Not involved = 9999
17.	How much livestock do you own?	Category of livestock (buffaloes, sheep, goat, pigs, horses, cattle, etc.) Nos. owned by the households
18.	Please tell us your household's income in INR	Monthly average expenditure = _____ Monthly average Income = _____ Annual income = _____
19.	Which of the following identity documents does the head of the household have? <i>[Please tick as many options as appropriate]</i>	Aadhaar Card = 1 Voters ID Card = 2 Ration Card = 3 PAN Card = 4 Driving License = 5 Passport = 6 NREGA Job Card = 7 Others (Specify) = 8 None = 9999

Section-C: Member-wise usual principal activity status and degree of inclusion into formal financial system

Member serial No.	Name of Member	Relation to Household Head	Sex (Male-1, Female-2, Others-3)	Educational status	Current working status	If the member has a bank account? (Yes-1/No-2)	If the member has taken a bank loan?	If the member owns a mobile wallet?
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39.	Pension/Provident fund		
40.	Credit/loan from an MF/SHG/JLG, etc.		
41.	Crop insurance		
42.	LIC services		
43.	Shares/stocks/bonds/Mutual Funds/Systematic investment Plan (SIP)		
44.	Direct Benefit Transfer (DBT)		
45.	Any other, specify (fill 9999 in both columns if not aware of anymore products/ services)		

Section E: Access to Banks and Banking Habits

[Fill only if some member in Q29 has a bank account]

#	Items	Response
46.	Is there any bank in your village?	Yes = 1 No = 2
47.	If No in Q 46, What is the minimum distance you need to travel to get to the nearest bank?	Less than 2 km = 1 Between 2 & 5 km = 2 Between 5 & 10 km = 3 Greater than 10 km = 4 Not Applicable = 9999
48.	How do you travel to the nearest bank (in/outside your village)?	On foot =1 Local transport =2 Own vehicle =3 Animal Carts =4 Others =5
49.	Which type of bank account does the primary member of the household have?	Savings Account = 1 PMJDY = 2 Current Account = 3 Loan = 4 Fixed Deposit = 5 Any other, specify = 6 None of the above = 9999

50.	When was the first account opened in your household? [Example: 2 years ago, 1 year ago, 6 month ago, 3 month ago etc] [If the respondent cannot recall, please write 9999]	Year	Month
51.	In which of the following banks was the account opened?	State Bank of India (SBI) =1 Other Public Bank =2 Cooperative Bank =3 Regional Rural Bank (RRB) =4 Private Bank =5 Post Office =6 Others (please specify) =7 No bank account till now =9999	
52.	[If Yes in Q49 ask, What type of transactions have you done through the account? , else fill 9999	Cash deposit =1 Cash withdrawal =2 ATM =3 Cheque deposited/issue =4	

		NEFT/RTGS =5 Remittance =6 Loan =7 Govt. subsidy transactions =8 Not applicable =9999
53.	[If Yes in Q49 ask, How frequently do you transact from the bank? else fill 9999	At least once a week =1 At least once every 2 weeks =2 At least once every month =3 At least once every 6 months =4 Rarely (last transaction was more than 6 months ago) =5 Not applicable = 9999
54.	[If nature of transaction done is monthly, 6 monthly or rarely in Q.- 53] Why don't you transact with your bank frequently? else fill 9999	Distance from bank =1 Limited requirement of services =2 Non-availability of BC =3 HH income is too low =4 Others =5 Not applicable =9999
55.	How frequently do you transact using an Automatic Teller Machine (ATM)?	At least once a week =1 At least once every 2 weeks =2 At least once every month =3 At least once every 6 months =4 Rarely (last transaction was more than 6 months ago) =5 Not applicable = 9999
56.	Do you/anyone in your household have a RUPAY Card?	Yes = 1 No = 2
57.	Do you/ anyone in family is aware of BHIM application?	Yes = 1 No = 2
58.	Have you availed any of the following digital/mobile banking services?	RUPAY Card =1 Debit/Credit Card =2 App based platforms (e.g.: Paytm, Mobiwik, google pay, airtel money etc) =3 Internet Banking =4 Others =5 None of the above =6
59.	[If None of the above in Q.58] Why don't you use digital/mobile banking services? , else fill 9999	Lack of knowledge =1 Computer illiteracy =2 Security concern =3 Lack of smartphone in the hhs =4 Weak mobile network =5 Low acceptability =6 Others =7 Not applicable =9999
60.	Did you feel any benefit from getting a bank account?	Yes=1 No=2
61.	[If Yes in Q.60, What benefits did you feel after having a bank account?, else fill 9999	Quick and easy process =1 Safety of liquid cash =2 Interest on deposits =3 Digital banking facilities =4 Direct Benefit Transfers =5 Others =6 Not applicable =9999
62.	[If No in Q.60 ask] Why do you think there are no benefits of getting a bank account? else fill 9999	Complex process =1 Don't have any transactions =2 Negligible gains from interest payment on deposits from the bank =3 Cannot visit bank every time =4

		Others =5 Not applicable =9999
63.	Do you transact with the bank through the Banking Correspondent (BC) Model?	Yes=1 No=2
64.	If Yes in Q.63, Are you satisfied with the BC services of the bank? , else fill 9999	Yes= 1 No=2
65.	If No in Q.63, Why are you not satisfied with the BC services? else fill 9999	Irregularity in visit =1 Lack of confidence =2 Non-cooperation of BC =3 Others =4 Not applicable =9999
66.	Are you part of any Self-Help Groups (SHGs)?	Yes=1 No=2
67.	If Yes in Q66 What are the activities taken up by SHGs that you are a part of?	Meetings =1 Account keeping =2 Saving =3 Internal loans =4 Bank loans = =5

68.	Have you taken any loan/borrowings?	Yes=1 No=2															
69.	If Yes in Q.68, From which of the following sources did you borrow money? else fill 9999	State Bank of India (SBI) =1 Other banks (please specify) =2 Local moneylender =3 Friends/Relatives =4 Others =5 Not applicable =9999															
70.	If SBI/ other banks in question 69, did you take loan under any of the following schemes? else fill 9999 <i>##2% loan scheme has no specific name##</i>	MUDRA = 1 2% loan by Uttarakhand government to farmers =2 Others =3 Not applicable = 9999															
71.	What are interest rates offered to you on loans you have applied for? If never taken a loan, fill 9999	<table border="1"> <thead> <tr> <th>Source</th> <th>Purpose</th> <th>% per annum</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Source	Purpose	% per annum												
Source	Purpose	% per annum															
72.	If local money lender, friends/relatives or others in Q69, what is the reason for you to not opt for SBI/Other banks/ MFIs?	Physical Proximity =1 Trust =2 Illiteracy =3 Ignorance about formal channels =4 Procedural challenges =5															
73.	If No in Q.68, Why have you not borrowed money/taken loan till now? else fill 9999	Don't feel the need =1 Lack of collateral =2 Don't know the process =3 Bank/moneylender rejected my proposal =4 Interest rates are very high =5 Others =6 Not applicable =9999															
74.	Are you considering on taking any loan from your bank in the coming months?	Yes=1 No=2															
75.	Are you aware of any insurance scheme offered in your vicinity by any financial institution?	Yes=1 No=2															
76.	If Yes in Q 75, Have you opted for any insurance service? else fill 9999	Yes=1 No=2															
77.	If Yes in Q 75, Please name all the insurance programs you have subscribed for, else fill 9999.	<table border="1"> <thead> <tr> <th>Service provider</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Service provider	Purpose													
Service provider	Purpose																

<p><i>Integrated Social Security Schemes (ISSS) this is State Sponsored Scheme where under financial assistance is being provided to Old Age, Widow, Divorcee, Women in distress and Physically Handicapped Persons. ⁴⁵ The amounts and terms of each of the sub-schemes is mentioned to help enumerator identify specific scheme received by the beneficiary.</i></p>			
78.	Is any member of household receiving benefits under Integrated Social Security Schemes (Women in Distress)? Details: Pension is provided to destitute widows/ divorced/deserted women with no source of income and is provided financial assistance in form of pension. The amount of pension is Rs. 200/=p.m. per beneficiary.	Yes =1	No =2
79.	Is any member of household receiving benefits under Integrated Social Security Schemes (Old Age Pension)? Details: Under this scheme pension is provided to old aged persons males (60 years & above) and females (55 and above) and who are destitute in the sense of having no means of subsistence from their own source of income or through financial support from family members or other sources. Also, they should not have son/sons above 20 years of age. The amount of pension is Rs. 200/-p.m. per beneficiary.	Yes =1	No =2
80.	Is any member of household receiving benefits under Integrated Social Security Schemes (Physically Challenged Person)? Details: Pension is provided to poor physically handicapped persons (including Blind, Deaf, Dumb) having no source of income and degree of handicap above 40%. The amount of pension is Rs. 400/= p.m. per beneficiary.	Yes =1	No =2
81.	Is any member of household receiving benefits under Indira Gandhi National Old Age Pension (IGNOAPS)? Details: pension is provided to a household below the poverty line in the age group of 60 to 79 Yrs @ Rs. 400/- P.M (Rs. 200/- as Central share and Rs. 200/- as State share) Per beneficiary.	Yes =1	No =2
82.	Is any member of household receiving benefits under Indira Gandhi National Widow Pension Scheme (IGNWPS)? Details: Under this scheme Widows who are between the age group of 40-79 yrs and belong to BPL category are eligible for pension @ Rs. 500/-P.M	Yes =1	No =2
83.	Is any member of household receiving benefits under Indira Gandhi National Disability Pension Scheme (IGNDPS)? Details: Under this scheme BPL Persons with severe or multiple disability in the age group of 18 to 79 Yrs are eligible for pension @ Rs. 500/-P.M	Yes =1	No =2
84.	Is any member of household receiving benefits under National Family Benefit Schemes (NFBS)? Details: The National Family Benefit Scheme is a Centrally sponsored Scheme for which 100% Central Assistance is provided to the bereaved household in case of natural/ accidental death of the primary bread winner of the family living below the poverty line. One time Financial Assistance @ Rs. 10000/- is being provided to the	Yes =1	No =2

⁴⁵ Definitions of each of the criteria are mentioned with the relevant question in survey and have been taken from: <http://jkdswdj.jk.gov.in/welfareSchemes/PensionSchemes.pdf>

	family. Now the Govt. of India has revised the one time rate of financial assistance from Rs. 10000/= to Rs. 20,000/=. The death of a primary bread winner (Male or Female) should have occurred while he or she is in the age group of 18 to 59 yrs i.e. more than 18 Yrs of age and less than 62 Yrs of age.		
85.	Is any member of household receiving benefits under State Marriage Assistance?	Yes =1	No =2

Section F: Perceived benefits of financial inclusion

86.	Please let us know whether having a bank account has helped you in the past	Yes=1	No=2
<i>If Yes in question 86 please answer question 87 to question 93 on how bank account and access to bank loans helped you in the following way, if No in question in 81 end of questionnaire.</i>			
87.	It provided us access to capital to start new livelihood options	Yes=1	No=2
88.	Loans for expanding existing business	Yes=1	No=2
89.	Loans for expanding agriculture	Yes=1	No=2
90.	Dependence on jungles and jungle products decreased	Yes=1	No=2
91.	Dependence on informal money lenders decreased	Yes=1	No=2
92.	Savings have increased	Yes=1	No=2
93.	Access to insurance and related benefits	Yes=1	No=2

Section G: Financial Inclusion, Livelihoods and conservation

[Fill the numbers given in the columns if option is relevant]

	Livelihood options	Credit						Insurance			Transactions				
		Self-finance (1)	Financial assistance from Government institutions (2)	Borrowing from financial institutions (3)	Borrowing from non-financial institutions/ money lenders (4)	Loans from self-help groups (5)	Donations/transfers from other agencies (6)	Opted for insurance (Yes=7 No=8)	If Yes, name of insurance plan opted for	Annual premium of insurance in INR (convert quarterly, half yearly etc to annual by suitable multiplication)	Barter (9)	Cash (10)	Other formal (11) (example: cheque, draft, online etc)	Other informal (12) (example: promise note, word of mouth etc)	
94.	Cropping of food grains (Wheat, Millets,														

	Grams, Pulses)													
95.	Horticulture (apples, apricots etc)													
96.	Animal husbandry and dairy (except sheep)													
97.	Sheep husbandry													
98.	Handicraft and handloom													
99.	Transportation													
100.	Tourism													
101.	Medicinal and aromatic plants													

102.	Which of the following events have affected your household in the last five years preceding this survey?	Crop failure due to excessive/low or unexpected rainfall	=1
		Decline in productivity of crops due to reasons other than rainfall	=2
		Sudden decline in the crop prices	=3
		Livestock loss due to flood/diseases	=4
		Livestock loss due to wild animals	=5
		Death of earning member(s) of the family	=6
		Sudden job loss of family member(s)	=7
		Miscellaneous events (fire/theft/robbery)	=8

For Question 103 onwards please ask for source of procurement of the household requirements.
Enumerator shall ask source of the following household requirements and use personal discretion to classify source of collection into forest or non-forest. Enumerator shall not reveal these two options to the respondent personally.

	Item	Forest =1	Non-Forest =2
103.	Fodder for livestock		
104.	Food items for family		
105.	Medicinal and aromatic plants		
106.	Veterinary medicines		
107.	Building materials		
108.	Fuel wood		
109.	Others (please specify)		

Financial Institutions Assessment

Section A: Identification of Survey Responses		
#	Items	Response
1.	Date of Survey	
2.	Name and designation	
3.	Phone no./ Mobile	
4.	Email details	
5.	Name Bank/Financial institution	
6.	Name of State	
7.	Name of district	
8.	Address and contact details	8.1 Address: 8.2 Phone No.:

Section B: Outreach					
#	Items	Response			
9.	<p>Please mention in ascending order the major sectoral classification under which you disburse loans?</p> <p>An indicative list is:</p> <ul style="list-style-type: none"> • Agricultural households • MSMEs • Joint Liability Groups • Self Help groups etc <p><i>[We need to ask the financial institution officials: what are the broad categories in terms of customer segments/market segments that we should include in the study?]</i></p>				
10.	What type of products/services do you provide for the following types of clients?				
	Type of customers	Savings	Credit	Insurance	Payment/Wallets
	Rural agricultural households				
	MSMEs				
	Self-help groups				
	Joint liability groups				
	Others, specify				

	[]				
11.	Do you have specific products/schemes for the people in high altitude Himalayan regions? <i>(including central, state government schemes as well as schemes developed by banks to attract customer base)</i>	Yes=1	No=0		
11.	If yes, can you provide us with information on the above? <i>Where to get data on this? What is the district level analogous body for SLBC?</i>				
12.	If yes, what type of schemes do you have in the following categories?				
	Schemes	Savings	Insurance	Credit	Payments
13.	If yes, what type of products do you have in the following categories?				
	Products	Savings	Insurance	Credit	Payments
14.	List of branches in a) Govind b) Gangotri and c) Pithoragarh				
15.	If yes, where is it located and what motivated you to open a branch in such a place?	Regulatory framework =1 Market potential driven =2 Others(Please specify details) =3			
18.	Have you employed any of the following to reach out to the rural areas?	BC =1 Facilitators =2 Mobile Vans =3 Direct Selling Agents (DSAs) =4 Others (please specify details) =5 None of these = 6			

Section C: Financial Literacy/Awareness about Products and Services		
#	Items	Response
29.	[Definition: The Organization for Economic Cooperation and Development defined financial literacy as ability to grow, monitor and effectively use financial resources to enhance wellbeing and economic security of one self, one's family and one's business] How would you rate the level of financial literacy in the region? Scale [1-5] Reasons:	[Best being 5]
30.	In your view, how does this impact your institution's ability to expand the supply of financial services?	
31.	Do you run any financial awareness programs on products & services for farmers/rural enterprises/SHGs?	Yes=1 No=0
A	If yes, how to open a bank account?	
B	If yes, how to avail loans?	
C	If yes, how to apply?	
D	If yes, What has been the success/lessons learned from these programs?	
E	If no, Are then any plans for such programs in the near future to increase your reach?	
F	If no, what kind of trainings?	
G	If no, how and when?	
H	If no, do you have capacity to impart the trainings?	

Section D: Constraints/Challenges		
#	Items	Response
32.	What are the key challenges in expanding bank penetration in the landscape areas?	Profitability =1 Physical infrastructure =2 Connectivity with customers =3 Financial literacy of locals = 4 Security concerns = 5 Unwillingness of employees to relocate = 6 Connectivity with chest branch = 7 Others = 8
33.	What steps have you taken to address these challenges?	Use of BCs/DSA (Direct Selling Agents) =1 Mobile vans =2

		Setting up new branches =3 Others [please specify] = 4
34.	What are your major challenges in scaling up of priority sector advances?	Collateral =1 Unwillingness to borrow =2 No growth in credit demand =3 Information asymmetry =4 Policy level constraints =5 Others [please specify] = 6
35.	What are/shall be your plans to address the above issues?	
36.	Are there any constraints related to availability of staff/human resources in the region?	Yes=1 No=0

Section E: Efficiency of the institution		
#	Items	Response
37.	What is amount of time taken to approve and sanction the loan?	15-30 days =1 30-60 days =2 60-90 days =3 90-120 days =4 <120 days =5
38.	What would you need to speed up the process of credit appraisal/sanction?	More labour =1 Better information quality/infrastructure =2 More branches =3 Others (please specify) =4

Section F: Way Forward		
#	Items	Response
39.	Do you have any future plans to expand financial inclusion in the landscape areas?	Yes=1 No=0
	If yes, please mention broad outlines	
40.	Do you need operational level support or approvals from any state government or forest government for expanding financial inclusion in the landscape areas?	Yes=1 No=0
	If yes, please name a few	

Section G: Government schemes

#	Items	Response				
41.	Have you implemented any of the following schemes?	Jan Dhan Yojana =1 MUDRA =2 Gram Swaraj Abhiyan (GSA) Pradhan Mantri Suraksha Bima Yojana =3 Pradhan Mantri Jivan Jyoti Yojan =4 Atal Pension Yojana =5 Sukanya Smaridhi Yojana =6 Pradhan Mantri Fasal Bima Yojana =7 None of the above =8	=9			
42.	Are you facing any problems in implementing these schemes in the landscape areas?	Yes-1 No-2				
	If Yes, please state the most important problems you are facing					
43.	Please mention details about how these policies are implemented:					
	Policy name	Target driven (Tick if true)	Demand driven (Tick if true)	Total number of people covered		
				Male	Female	Total
	Jan Dhan Yojana					
	MUDRA					
	Gram Swaraj Abhiyan					
	Pradhan Mantri Suraksha Bima Yojana					
	Pradhan Mantri Jivan Jyoti Yojana					
	Atal Pension Yojana					
	Sukanya Smaridhi Yojana					
	Pradhan Mantri Fasal Bima Yojana					

Government stakeholders questionnaire

Section A: Identification of Survey Responses		
#	Items	Response
1.	Date of Survey	
2.	Name and designation	
3.	Contact/Email details	
4.	Name and address of the institution	
5.	Name of State	
6.	Name of district	
7.	Name of Govt. Stake holder	

Section B: Outreach		
#	Items	Response
8.	What type of initiatives do you provide essentially for: rural HHs, farmers, MSEs/rural enterprises, JLGs/SHGs, etc.?	
9.	Do you have policies/initiatives for the high-terrain population in the region?	Yes=1, No=0
10.	If yes, please give details (data, reach, accessibility)	
11.	What are the other delivery channels the target group would consider accessible and trustworthy and why (e.g. agricultural supply dealers, cell phone operators, shops with point-of sale devices, Citizen facilitator centers etc.)?	Agricultural supply dealers =1 Cell phone operators =2 Shops with point-of sale devices =3 Citizen facilitator centers =4 Others =5

Section C: Financial Literacy/Awareness about Products and Services		
#	Items	Response
12.	How would you rate the level of financial literacy in the region?	
13.	In your view, how does this impact your institution's ability to expand the supply of financial services?	
14.	Do you run any financial awareness programs on products & services for farmers/rural enterprises/SHGs? How to open a bank account? How to avail loans? How to apply?	
15.	If yes, what has been the success/lessons learned from these programs?	
16.	If no, are there any plans for such programs in the near future to increase your reach? What kind of trainings? How and when? Do you have capacity to impart such trainings?	

Section D: Constraints/Challenges		
#	Items	Response
17.	What are the key challenges in working in this region/landscape?	
18.	How did you overcome these challenges?	
19.	What are/shall be your plans to address the above issues?	
20.	Are there any constraints related to availability of staff/human resources in the region?	Yes=1 No=0

Section E: Way Forward		
#	Items	Response
21.	What are your future plans to expand financial inclusion in the state?	
22.	Is there something where state/central government /cross departmental/ public private partnerships/ self-initiated activities can intervene or provide any operational level support or any sort of approval?	Yes=1 No=0

Section F: Government schemes		
#	Items	Response
23.	Have you heard about the following schemes?	Gram Swaraj Abhiyan (GSA) =1 Pradhan Mantri Suraksha Bima Yojana =2 Pradhan Mantri Jivan Jyoti Yojana=3 Atal Pension Yojana =4 Sukanya Smaridhi Yojana =5 Fasal Bima Yojana =6 None of the above =7
24.	What are your observations on these schemes in context with the project landscape?	

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