

F. No. L-14011/17/2016-HRD
Government of India
Ministry of Electronics and Information Technology (MeitY)
(HRD Division)

OFFICE MEMORANDUM

Dt. 01.12.2016

Subject: 'Digital Finance for Rural India: Creating Awareness and Access through CSCs' – Constitution of a team of officers for visiting States/UTs and reporting about the status of implementation – reg.

As a follow-up of demonetization, it has been decided to promote digital payment options as an integral part of Government's strategy to transform India into a cashless economy. In pursuance to this objective, CSC e-Governance Services India Ltd.(CSC-SPV) has been entrusted with carrying out a campaign for Digital Financial Literacy to cover around 1 Crore rural citizens and 25 lakh traders/merchants (on an average 10 Merchants per Gram Panchayat) through CSCs. Brief details of the activities to be carried by CSC-SPV are given in **Annexure**.

2. To oversee the implementation of the above campaign, the undersigned is directed to say that the following officers are hereby deputed to undertake field visits in various States/UTs (as listed below):

S. No.	Name of the Officer	Designation	Name of the States/UTs
1	Shri Sanjiv Mittal	Joint Secretary	Maharashtra
2	Shri Rajiv Bansal	Joint Secretary	Andhra Pradesh, Telangana
3	Shri Rajiv Kumar	Joint Secretary	Haryana, Chandigarh, Himanchal Pradesh,
4	Shri R.K.Sudhanshu	Joint Secretary	Uttar Pradesh
5	Smt. S. Radha Chauhan	President & CEO, NeGD	Madhya Pradesh
6	Dr. Debashis Dutta	Scientist 'G'	West Bengal, Tripura, Sikkim
7	Shri Arvind Kumar	Scientist 'G'	Arunachal Pradesh
8	Shri Rakesh Maheshwari	Scientist 'G'	Gujarat
9	Shri A. K. Balani	Scientist 'G'	Karnataka, Kerala
10	Dr. Ashwini Kumar Sharma	DG, NIELIT	Manipur ,Nagaland, Mizoram
11	Shri Dipak Singh	Scientist 'F'	Chhattisgarh, Odisha
12	Shri Pravin Ramdas Chandekar	Scientist 'F'	Tamil Nadu, Puducherry
13	Shri Anil Kumar Pipal	Scientist 'F'	Assam, Meghalaya
14	Dr. A.K. Garg	Scientist 'F'	Rajasthan, Uttarakhand
15	Shri Vinay Thakur	Director, NeGD	Bihar, Jharkhand
16	Shri Trilok Chandra	Director	Punjab, Jammu and Kashmir

3. This is issues with the approval of Secretary.


(Sanjiv Mittal)
Joint Secretary

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To

All the officers concerned

Copy to:

1. OSD to Secretary
- 2/ CEO, CSC e-Governance Services India Ltd.

Digital Finance for Rural India: Creating Awareness and Access through CSCs

Background: With a view to curbing financing of terrorism through the proceeds of Fake Indian Currency Notes and use of such funds for subversive activities such as espionage, smuggling of arms, drugs and other contrabands into India, and for eliminating Black Money which casts a long shadow of parallel economy on our real economy, Government has decided to cancel the legal tender character of the High Denomination bank notes of Rs.500 and Rs.1000 denominations. Keeping this in view and for promoting digital payment options as an integral part of Government's strategy to transform India into a cashless economy to root out black money and corruption in public life, a committee under the Chairmanship of CEO, NITI Aayog was constituted by the Government, wherein Secretary, MeitY is one of the members. The first meeting of the above Committee was held on 25.11.2016 which *inter alia* has decided the following:

- 1.75 lakh CSEs would be mobilised to enrol 2.5 million merchants and 1 crore citizens into the digital payments by giving targets to each CSE/ banking system and adopting a camp-mode approach over a 10 day period.
- The enrolled persons would also be imparted digital financial literacy on the lines of the digital literacy campaign.
- The campaign would commence after the advocacy material is finalised.

India has a population of over 1.2 billion; 60 percent of whom are under-banked or un-banked. 90 percent of small businesses in the country have no links with formal financial institutions, while around 67 percent of payments are still made in cash. Card penetration (debit and credit) is less than 10 percent and 20 percent avail credit through informal channels like money lenders, etc.

Lack of awareness of digital financial literacy, especially among the rural population is a major challenge in the country, more so in light of the Government's recent demonetization and plans to make India a cashless economy. There is an urgent need to create awareness among the citizens, especially in rural and semi-urban areas regarding basics of digital finance services and also enable access to digital finance for them.

Technology is one of the key aspects through which large number of people especially from rural India can be reached. Common Services Centres (CSC) function as last mile delivery points of government and public services for citizens in rural and remote areas of the country. Due to their spread and availability of ICT infrastructure, the CSCs have been given the mandate of spreading financial inclusion in rural and remote areas through services ranging from opening of bank accounts, banking facilitation, disbursing MGNREGS and various social security schemes entitlements, insurance and pension, etc. As such, CSCs can be leveraged to provide the rural population with awareness and access of Digital Financial Services to bring them under formal financial system.

2 Objective: The project titled '*Digital Finance for Rural India: Creating Awareness and Access through CSCs*' aims to enable the CSCs to become Digital Financial Hubs, by hosting awareness sessions on government policies and digital finance options available for rural citizens as well as enabling various mechanisms of digital financial services such as IMPS, UPI, Bank PoS machines, etc.

3 Coverage: The project would reach out to all (2,50,000) Panchayats across the country through 2,00,000 CSCs which are operational across rural and semi-urban locations.

4 Target Population: The project intends to reach out to around 1 Crore (10 Million) rural citizens pan India. Each CSC would reach out to 40 households in the catchment area, covering one

2	Project Kickoff Project Monitoring application Tool - design , development, customization and hosting Directions to State CS, IT Dept and DMs regarding the awareness drive Directions and instructions to banks for pamphlets and their support Message from Minister/MoS, Letters to Chief Ministers/UT Administration Communications Plan, Social Media drive and incentive and motivation scheme Training of EDMS, State Anchors and Master VLEs Content Dissemination to all CSCs Engaging Third Party Assessment agency
3	Sensitization Drive at Blocks State heads to coordinate training Uploading report on OMA Validation of reports Third Party Assessment
4	Sensitization Drive in districts State heads to coordinate training with District Managers Uploading report on OMA Field Visit by Central & State team
5	Session at CSCs for 40 citizens
6	Account activation for average 40 citizens Uploading report on OMA Validation of reports Transfer of VLE incentive
7	Enabling Merchants (10 per Panchayat) Uploading report on OMA Validation of reports Transfer of VLE incentive Third Party Assessment
8	Micro ATMs at Rural CSCS Identification and selection criteria for setting up of 10,000 ATMs at Rural CSCs, Installation & Training on Micro ATM

7. State Wise Tentative Targets:

Tentative State Wise Targets		
State/UT	No. of GP	Targets
Andhra Pradesh	12833	513320
Arunachal Pradesh	1779	71160
Assam	2196	87840
Bihar	8892	355680
Chhattisgarh	9734	389360
Goa	189	7560
Gujarat	13735	549400
Haryana	6155	246200
Himachal Pradesh	3243	129720
Jammu & Kashmir	4128	165120
Jharkhand	4423	176920
Karnataka	6128	245120
Kerala	979	39160
Madhya Pradesh	24012	960480
Maharashtra	28920	1156800

Manipur	165	6600
Meghalaya	1463	58520
Mizoram	776	31040
Nagaland	1123	44920
Orissa	6234	249360
Punjab	12800	512000
Rajasthan	10946	437840
Sikkim	165	6600
Tamil Nadu	13118	524720
Telangana	8787	351480
Tripura	1038	41520
Uttarakhand	7555	302200
Uttar Pradesh	54914	2196560
West Bengal	3351	134040
State Total	249781	9991240
Union Territories		
Andaman & Nicobar	69	2760
Chandigarh	17	680
Dadra & Nagar Haveli	11	440
Daman and Diu	14	560
Delhi	0	0
Lakshadweep	10	400
Puducherry	98	3920
UT Total	219	8760
GRAND TOTAL	250000	10000000