

Financial Inclusion Advisory Committee

March 30, 2020

Source: *Kurukshetra & RBI*

Background

Seven of the United Nations Sustainable Development Goals (SDG) of 2030 view financial inclusion as a key enabler for achieving sustainable development worldwide. Hence **Reserve Bank of India** under the aegis of Financial Inclusion Advisory Committee initiated the process of formulation of National Strategy for Financial Inclusion (NSFI) for the period of 2019-2024.

Reserve Bank of India (RBI) has reconstituted the Financial Inclusion Advisory Committee (FIAC) with the following terms of reference:

- Monitoring of the Financial Inclusion Plan progress submitted by banks and evaluation of its impact through the conduct of study/surveys;
- Monitoring of the Financial Literacy progress reported by banks and evaluation of its impact through the conduct of study/surveys;
- Preparation of National Strategy for Financial Inclusion which will be the convergence of the Financial Inclusion efforts of various stakeholders including the PMJDY and monitoring of the progress made under the same.

A brief note on National Strategy for Financial Inclusion (NSFI)

The NSFI sets forth the vision and key objectives of the Financial Inclusion policies in India to expand the reach and sustain the efforts through a broad convergence of action

involving all the stakeholders in the financial sector.

- The NSFI for India 2019-2024 has been prepared by RBI under the aegis of the **Financial Inclusion Advisory Committee**.
- It is based on the inputs and suggestions from Government of India and Financial Sector Regulators like SEBI, IRDA and PFRDA.
- It **aims to** strengthen the ecosystem for various modes of digital financial services in all Tier-II to Tier VI centres to create the necessary infrastructure to **move towards a less-cash society by March 2022**.



Strategic Pillars of NSFI:

1. Universal Access to Financial Services
2. Providing Basic Bouquet of Financial Services
3. Access to Livelihood and Skill Development
4. Customer Protection and Grievance Redressal
5. Effective Coordination