

**PRESS INFORMATION BUREAU**

**GOVERNMENT OF INDIA**

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**MINISTER OF STATE FOR FINANCE RELEASES NABARD-GIZ RFIP SYNTHESIS  
REPORT ON STUDY OF REMITTANCE NEEDS AND OPPORTUNITIES IN INDIA**

**New Delhi, Sharavana 12, 1933  
August 03, 2011**

The Union Minister of State for Finance Shri Namo Narain Meena has emphasised on application of technical capabilities of the commercial banks to be leveraged with the outreach capabilities of the Regional Rural Banks (RRBs), Cooperatives and the Small Help Groups (SHGs) so as to serve every nook and corner of the country with money transfer services and other financial services that are in demand by the rural population.

Shri Meena was speaking at a function here yesterday after formally releasing the NABARD-GIZ RFIP Synthesis Report on Study of “Remittance Needs and Opportunities in India”. On this occasion Dr Prakash Bakshi, Chairman, NABARD, Dr.YSP Thorat, CEO Rajiv Gandhi Charitable Trust & Former Chairman, NABARD, Mr.Bernd Dunnzlaff, Head of Economic Co-operation and Development, Embassy of the Federal Republic of Germany were also present along with senior Government officials and representatives of Industry, Donor Organisations and other key stakeholders

This study was conducted under the guidance of an international team of experts lead by Dr.YSP Thorat and Dr Howard Jones.

This report commissioned by the NABARD-GIZ Rural Financial Institutions Program (RFIP) synthesises a national study on domestic migration and remittance flows, four migration corridor studies, and an analysis of the Indian payment system with respect to small money transfers.

In addition to providing insights on the needs and benefits and pitfalls of the existing transfer methods available, this synthesis report offers conclusions and recommendations for improving and expanding the existing formal remittance channels

and designing innovative financial linkages for developing new delivery models offering remittances services in rural and remote areas to low-income clients. The report states that bringing remittances into the mainstream of the financial system can act as an important gateway for the financial inclusion of domestic migrants. Financial Inclusion is an integral part of India's inclusive growth strategy. A large part of India's population remains without access to formal financial services. The report mentions that this includes up-to 100 million circular domestic migrant workers, from low-income households, who leave their homes in search of income opportunities and are confronted by the problem of sending income back home to their families.

On behalf of the German Government, the Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ) has been partnering with the *National Bank for Agriculture and Rural Development* (NABARD) to support the financial inclusion efforts of the Indian Government. The Indo German development co-operation in the area of financial systems development focuses on the promotion of a stable, efficient inclusive financial system in India.

Starting from the promotion of the SHG- Bank Linkage Program, the "NABARD-GIZ Rural Financial Institutions Program"(RFIP) is currently focussing on three major areas, with the aim of improving the access for sustainable and quality financial services to the rural population:

- the reform of the co-operative credit structure (CCS)
- the promotion, regulation & supervision of microfinance organisations (MFOs), and
- the improvement of domestic remittance services and the payment systems for small value money transfers, in general.

**DSM/SS**