Title: Joint Awareness Program: IEC, Kanbargi slum (Belgavi)
Case Study no: 24
Initiated in: 2014
Key terms: IEC, Mahesh Foundation, Bank account opening drive, skill development, RUDSETI, Zero balance accounts, PradhanMantri Jan DhanYojana ('PMJDY')

This case story captures how a community based energy centre was an entry point in improving living conditions in a slum and opening opportunities for the community to access other basic services. The joint partnership of SELCO, Mahesh Foundation brought provision of basic lighting services, a weekly health centre and a space to hold literacy programs to the slum. Subsequently, a local financial institution, Syndicate Bank was brought into the partnership to introduce an account opening drive under the PMJDY and a sensitization program was conducted for livelihood and self-employment training for unemployed youth and women.

Identification
Kanbargi slum was identified as an intervention point by Mr. Mahesh (Founder, Mahesh Foundation) due to its backwardness in terms of key indicators like income, occupation, health and education.

Problem Statement
The un-banked customers of the slum have always remained outside the mainstream banking activity mainly due to the temporary nature of their residence coupled with a lack of required documentation, and financial literacy. Also, the community required potential livelihood avenues to potentially expand their local financial economy to successfully use & maintain these accounts.

Project nuances
The key idea was to organize a day long program that includes the account opening drive along with a short sensitization program on potential employment training opportunities at the local RUDSETI. It was important that the program be held in a single day due to the potential loss of wages borne by the community. Crucially, complete documentation support was extended to aid the process.

SELCO in coordination with its partner Mahesh Foundation* helped establish an Integrated Energy Centre, IEC** in June, 2013 to cater to the basic energy needs of the community at Kanbargi slum in Belgavi, Karnataka. Mahesh Foundation is responsible for mobilizing the community and SELCO provided the technical support for establishment of the IEC. The community of more than 200 households is extremely vulnerable due to the volatile nature of their jobs, semi-permanent residential location as a slum leading to poor accessibility to basic services like health, sanitation and education. They primarily constitute laborers, plant/street vendors, waste collectors, and carry out other informal occupations. A primary concern at the time of interaction was their primary source of energy for lighting and cooking- kerosene and firewood. Absence of grid connection in the area and suitable alternatives lead to the use of these rudimentary sources. This has proven to be an expensive proposition in terms of added health costs in injuries due to fire accidents (primarily affecting women and children), for this community. In addition choices were limited due to in access to bank accounts thus leaving the community out of mainstream financial frameworks.

At the time of its establishment, i.e., during phase I of providing solar lights through an operator lead rental model, more than 80 households were nominated by the community and the partner (Mahesh Foundation) jointly for initial roll out. The operator of the IEC was again nominated by the community and the partner, and is responsible for distributing the lights to the customers and collections. An added conditionality to renting the lights from the IEC is enrollment and continued attendance of the customer’s children in the local school.

Some basic services extended by the IEC includes- Battery/mobile charging, a weekly health clinic and an aanganwadi center that offers basic literacy program. Following the evidence exhibited by the community in increased participation, commitment and buy-in from the people, SELCO and Mahesh Foundation planned to increase the coverage of lighting systems to include an additional 40 households.
**Key aspects:**

- **Community Mobilization:** To ensure the success of the joint awareness program, Mahesh Foundation ensured the community mobilization efforts. This included employing the IEC operator and using the IEC as an information dissemination point and platform regarding the program. This was crucial as the individuals had to keep their minimal documentation ready on the program day.

- **Banking & Livelihood Link-up:** The most important aspect of the program was to link banking with potential avenues and opportunities for livelihood generation through the employment training sensitization. From the standpoint of eliminating dormant bank accounts this is crucial. Furthermore, Mahesh foundation is also working with local government training institutes to train potential youth and women to produce quality school bags as the next step to improve the financial situation of the community.

- **KYC Norms:** As mentioned before, KYC norms of regular accounts have been a restrictive factor, so far. The accounts opened under the PMJDY scheme mandates minimal documents in personal and residential identification proof.

- **Documentation Support:** The support extended by Mahesh Foundation, SELCO and Syndicate Bank in completing the account opening applications that entailed complete support in filling up application, help with preparing the necessary supporting identification documents, etc., has been successful.

- **Financial Literacy:** In addition to account opening, the these customers require financial literacy trainings that will help them save and deposit in their respective accounts. Idea is to further provide such financial trainings by banks in coordination with Mahesh Foundation by leveraging visual aid.

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**System Specification**

Solar light users at the Kanbargi Slum IEC use Sun King Pro 2 lights. The accounts opened under the joint awareness program are zero balance accounts with a risk coverage of 1 lakh and an overdraft limit of INR 5000. In order to release the OD amount and risk premium a minimum of 6-12 months of transaction is a must.

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**Impact**

The IEC is already fast becoming an entrenched part of the community with daily battery charging and distribution. A little more than 100 households have access to better and clean lighting. Almost all of the nearly 300 households have been covered through the account opening drive. The weekly health camp has benefited the people through the provision of free check-ups medicines.

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*Mahesh Foundation* is an NGO that works with children and youth affected by the deadly HIV/AIDS disease.

**Integrated Energy Centres (IEC) is a solar powered community centre that can host a range basic services and activities (such as lighting, mobile charging and charged batteries) lacking in an under-served community.

**Pradhan Mantri Jan Dhan Yojana** is a recently launched scheme to open special zero balance bank accounts for the un-banked population in India, under the larger ambit of financial inclusion.

*Know Your Customer (KYC)* documents is a set of essential documents to open a bank account mandated by the Reserve Bank of India. Ranges from photo identification, age-related proof, residential proof, etc.,

*RUDSETI’s are vocational/self employment training institutes with pan-India presence. Supported by a consortium of three banks including Syndicate bank.*
Using an entry point project like IEC to open up opportunities and enhance standard of living for the slum community

Leveraging the support of banks and the partners to provide complete end-end support (incl. documentation) for opening the accounts

Top to Bottom (Clockwise): Community meeting in progress at the IEC; Mr. Mahesh Jadhav sharing the agenda; Account holder with the passbook; SELCO & Syndicate bank working on the applications
Our funding partners