



# JEEVIKA NEW

# S L E T T E R

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## A bell of Silent Revolution in Rural Banking: JEEVIKA Nidhi and the Rise of Women-Led Credit System in Bihar

Bihar, one of among the India's most populous states, has a predominantly agrarian economy. As per Census 2011 at least 88 per cent of the State's population reside in rural areas. Even today, as Per Periodic Labour Force survey, Data close to 50 per cent of the workers are still employed in agriculture sector. Despite recent strides in infrastructure and economic development, Bihar continues to face challenges in accessing formal credit, particularly in rural areas. As per NABARD's State Focus Paper 2024-25, over the last five years (2018-19 to 2022-23), Bihar has seen a notable 101% increase in Ground Level Credit (GLC), rising from INR 1,09,582 crore to INR 2,20,520 crore. As of March 2023, Bihar's Credit Deposit (CD) Ratio stands at 53.01%, significantly lower than the national average of 75.80%, according to data from the State Level Bankers' Committee (SLBC), a reflection of how a significant portion of Bihar's population remains under served by formal financial systems. Access to basic financial services is a vital ingredient to reducing poverty and boosting prosperity. However, in states like Bihar in India, this is an extremely challenging proposition. With 104 million people, Bihar accounts for 8.6 percent of India's population. However, only 4.8% of the nation's commercial bank branches are operating in the state the number of bank branches per 100,000 people stood at 6.20 as compared to the national average of 13.5.

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The Bihar Rural Livelihoods Promotion Society, also known as JEEVIKA, was established to implement the Bihar Rural Livelihoods Project, which aimed to increase the socio-economic empowerment of poor rural households in the state. The project planned to do so by promoting the establishment of community groups with sufficient capacity to productively engage with formal financial institutions, existing market systems and public programmes to improve their livelihoods, health, education and asset creation. JEEVIKA has mobilised nearly 135 million rural women into more than 11 lakh self-help groups -each consisting of 12 to 15 rural women, SHG further organised into approx. More than 73000 village organisations and 1684 cluster level federations. Through the nurturing and strengthening of these community institutions to become credible and bankable clients, the SHGs have emerged as the most effective platforms for linking the women from the poorest members of Bihar's rural society to the formal banking system.

State has undergone an inspiring transformation over the last two decade. Under the programme, the community-based institutions have leveraged credit to the tune of 55576 crore from banks while generating another 2218 crore by community savings. Starting from an extremely low base of less than 6 crore in 2009, the community-based organisations have emerged as vital stakeholders for banks, leveraging 13833 crores in FY-2024-2025 in alone, JEEVIKA institutions have been successful in going against the trend by leveraging high amounts of credit against lower investments. Against project investment of 11644 crore in the form of Community Investment Fund (CIF), the community-based organisations have leveraged 57794 crore in bank credit and community savings.

This puts the leveraging ratio of the project at 4.96 implying that for every Rs.1 invested in the project, the community institutions have been able to generate an additional investment of Rs. 4.96. This is a complete reversal from the state's overall credit-deposit ratio where for every Rs.1 invested by rural communities, only 0.53 is being leveraged as credit. Furthermore, the project investment along with community savings form a significant corpus fund for community institutions that will allow them to leverage more formal credit on an ongoing basis.

Despite these strides, SHGs and their members often struggle to access customised financial products such as housing and education loans tailored to their unique needs. Additionally, credit flow to SHGs is still constrained by factors like risk perception, collateral requirements, and inadequate financial literacy. Insurance claim settlements under schemes like Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana) are often delayed or denied, further corroding trust in formal institutions.

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Addressing these issues is essential not only to improve Bihar's financial inclusion landscape but also to realise the full potential of community-based institutions in reducing poverty and promoting inclusive growth. With sustained support, policy attention, and targeted financial products, government has come up with cooperative bank fintech solution “Bihar Rajya JEEVIKA Nidhi Credit Cooperative Union Ltd” also known as **JEEVIKA NIDHI**. **It has been incorporated under The Bihar Co-operative Societies Act, 1935** on dated 30 may 2025. It has potential to play a transformative role in reshaping Bihar's rural economy.

**Objective of JEEVIKA Nidhi**

- I. To provide timely and affordable credit to Self-Help Groups and their members through Cluster Level Federations and Village Organizations supported by the Bihar Rural Livelihoods Promotion Society.
- II. To work for the social and economic upliftment of SHG members in rural areas.
- III. To collaborate with the Bihar Rural Livelihoods Promotion Society in efforts to eradicate rural poverty and implement training and capacity-building programs.
- IV. To establish self-managed, self-reliant, and sustainable community institutions for poverty alleviation.
- V. To provide credit to SHG members through Primary Cooperative Societies.
- VI. To mobilize funds from the government, public agencies, banks, other institutions, and members, and to provide cash credit, term loans, or other types of loans to its members or associate members.
- VII. To facilitate and operate online transactions with Cluster Level Federations, Village Organizations, SHGs, their members, and other associate members, ensuring high transparency, efficiency and effectiveness in delivering credit and other financial services.
- VIII. To act as a Corporate Business Correspondent of banks and assist in expanding banking services in rural areas.
- IX. Where necessary, to provide micro-insurance services to members in accordance with guidelines issued by the Insurance Regulatory and Development Authority (IRDA).
- X. To undertake any other activities that promote the economic interests of the members and are relevant to achieving the above objectives.

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### Institution architect for capitalization of JEEVIKA NIDHI

To ensure adequate capitalization and financial stability of the newly formed Bihar State JEEVIKA Nidhi Credit Cooperative Federation Limited, the following capital infusion and funding mechanisms have been planned

- Each registered Cluster-Level Primary Cooperative Society (under Bihar Self-reliant Cooperative Society Act, 1996) will contribute Rs.25 lakhs as Share Capital. With projected participation from multiple cluster-level committees, the Share Capital contribution is estimated to be approximately Rs.400 crores. This figure may scale proportionally with the increase in the number of participating cluster-level cooperatives
- Each cluster-level committee will also provide Rs.10 lakhs as a term deposit, serving as part of the working capital base. These deposits will earn annual interest at predetermined rates, paid by the Federation. Additional term deposits will be mobilized from community-based organizations (Self-Help Groups and Village Organizations) to augment working capital needs.
- The State Government will match the share capital contributed by the cluster committees with 400 crores as share capital assistance. An additional Rs.500 crores will be provided as a capital grant to strengthen the institution's financial base. A further 100 crores will be infused for technology infrastructure and operational capacity building. In total, the State Government's capital support will amount to Rs.1,000 crores.
- The bank will receive Rs.110 crores from the Community Investment Fund (CIF) under the National Rural Livelihoods Mission as part of initial capitalization and lending support.
- Under the National Rural Livelihoods Mission (NRLM), an amount of Rs.110 crores will be made available from the CIF (Community Investment Fund) component.
- As needed, the Bihar State JEEVIKA Nidhi Credit Cooperative Federation Limited may also take loans from banks for additional capital.
- The Government of Bihar will provide a state guarantee for loans taken by JEEVIKA Nidhi from any financial institution (such as banks, NABARD, LIC, National Cooperative Development Corporation, SIDBI, or any other financial institution).

**For the Women by Women-** The management of JEEVIKA Nidhi will be governed by a 15-member Managing Committee, which includes both ex-officio and elected members. Out of these, a significant role will be played by the 12 elected members, who are chosen by the members of the Representative General Body of primary level registered CLF office bearer. These elected members represent various regional constituencies across Bihar, ensuring proportional representation from all parts of the state. Their election will be conducted in accordance with the provisions of the Bihar Cooperative Societies Act, 1935 (as amended), which shall also ensure appropriate reservation for marginalized sections. These 12 members will play a crucial role in decision-making, policy formulation, and overall governance of the JEEVIKA Nidhi. They will bring grassroots perspectives into the management structure, making the fund more inclusive and responsive to the needs of rural communities. Alongside the ex-officio members such as the Secretary of the Rural Development Department (Chairperson), the CEO of JEEVIKA (Managing Director), and a nominee from the Finance Department, the elected members help maintain a balanced and participatory approach to managing the fund. Additionally, senior officials from NABARD and the State-Level Bankers' Committee will serve as special invitees to provide expert guidance.

**Fund management:** Capitalized Fund will be established in a structured borrowing and disbursement mechanism to ensure effective financial operations aligned with its objectives. The Fund will be empowered to receive grants and raise loans from external sources, including individuals, financial institutions, and government bodies, under mutually agreed terms and conditions. Government assistance and aid from financial institutions will be sought to further the Fund's objectives, and such support may come with certain conditions. Additionally, the state government may offer guarantees

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for loans availed by the Livelihood Fund from recognized financial institutions.

The disbursement of loans will be governed by a comprehensive loan policy formulated by the management committee in accordance with applicable laws. Loan applications submitted by self-help groups or their members will be thoroughly evaluated by the respective primary cooperative societies, based on set criteria. These societies will also execute the required loan documentation and ensure that loan requests clearly specify the intended use. Loan approval will rest with the management committee, an authorized officer, or a designated loan sub-committee, and disbursement will follow an efficient, technology-enabled process, with an e-banking system facilitating disbursement within a week of application.

All loans will be sanctioned solely to members and associate members for essential purposes, and repayments will follow a schedule determined by the Fund. The repayment amounts will be credited directly to the Livelihood Fund's account by the primary cooperative societies, which will also be responsible for monitoring and ensuring timely repayment. The repayment received will be allocated first to any fees or penalties, followed by interest and finally to the principal amount. In the event of defaults, the Fund will initiate recovery proceedings under the Bihar and Orissa Public Demands Recovery Act, 1914. The management committee will continuously review and update the loan policy, products, and operational guidelines to ensure compliance with Reserve Bank of India regulations and to meet the evolving needs of its members

**Overall prospective**

JEEVIKA NIDHI will represents a significant step towards Bihar's rural financial inclusion. By connecting women-led self-help groups with formal credit systems, it will tackle key challenges like limited bank access and low credit availability in the state. Supported by strong government funding and a community-driven governance model, JEEVIKA NIDHI will empower rural women to access timely, affordable loans and financial services tailored to their needs. Building on the vast network of self-help groups, this cooperative credit institution leverages technology and local leadership will create a sustainable, transparent, and efficient financial system. It will mark as quiet but powerful revolution in rural banking, driving economic upliftment and poverty reduction across Bihar.

## JEEVIKA Didis will enhance the green cover across Bihar by Planting 81 Lakhs Saplings this Year

As we grapple with the inevitable threats of climate change, Bihar has taken a firm stand against the looming dangers of global warming. As part of the state's ongoing, prestigious and environmental friendly **Jal-Jeevan-Hariyali Abhiyan**, a large number of trees are being planted every year to enhance green cover and strengthen environmental resilience. In this endeavour, JEEVIKA Didis are contributing significantly by planting an increasing number of saplings annually. This year too, a target has been set to plant over 81 lakhs saplings through the collective efforts of JEEVIKA Didis.



More than 10 lakh Self-Help Groups under JEEVIKA are actively involved in this campaign, with over one crore Didis pledging to plant at least one sapling each. This commitment by the JEEVIKA Didis is expected to significantly support Bihar in addressing both the employment challenges faced by rural women and the threats posed by climate change. The 'Didi Ki Nursery' initiative will not only provide saplings for the plantation drive but also serve as a stable source of income for the Didis running these nursery businesses.

A key aspect of such a large-scale plantation drive is the need for a vast number of healthy young saplings. This demand is being met by the 'Didi Ki Nursery' initiative—nurseries operated by JEEVIKA Didis. Currently, there are 987 such nurseries functioning across the state. Among these, 677 nurseries are supported under Mahatma Gandhi National Rural Employment Guarantee Act, while the remaining 310 are being run with the assistance of the Department of Environment, Forest and Climate Change, Government of Bihar. The JEEVIKA Didis, managing these nurseries, have been specially trained to grow and maintain high-quality saplings.

These nurseries are significantly contributing to the success of the plantation campaign. Presently, the Didi Ki Nurseries house over 68.8 lakh saplings taller than 3 feet, and an additional 1.19 crore saplings shorter than 3 feet. With this stock, the plantation targets can be effectively met.

## Programs & Initiatives

More than 80 lakh saplings were planted last year through the efforts of the JEEVIKA Didis. In keeping with the principle of promoting biodiversity, a variety of plant species are being prepared at the nursery and planted during the plantation drive every year. These include medicinal and air-purifying trees like Peepal and Neem, fruit-bearing trees such as Mango, Guava, Coconut, Lemon, and Bel, vegetable-producing plants like Jackfruit and Drumstick (Sahjan), and timber trees like Teak and Mahogany.



The Jal-Jeevan-Hariyali Abhiyan was launched on 9th August 2019 by the Hon'ble Chief Minister of Bihar, Shri Nitish Kumar, as a dedicated effort towards environmental conservation. Under this mission, tree plantation goals are set each year. JEEVIKA Didis have joined hands with the state government to meet these targets, working shoulder-to-shoulder with other departments.





**Once rejected by her own family, today she is leading a thriving business through her nursery worth lakhs**

There was a time when Nutan felt demotivated and dejected after being rejected by her own family. She was told to stay confined to household chores, as “business is not everyone’s cup of tea.” Her family insisted she limit herself to kitchen-centric work and focus solely on raising her children. However, this subtle dishonour and rejection did not break Nutan’s confidence or determination. Instead, it fuelled a fire within her—to prove herself not just to her family, but to society at large. Her courage to rise as a woman and her unwavering struggle in a positive direction are now bearing fruit. Today, through her Didi Ki Nursery, she is earning nearly a lakh of rupees every month and has emerged as an inspiring example of women’s empowerment for her society.

Nutan Chaurasiya hails from Makdampur village in Kodha Block of Katihar District and is an active member of the Perna JEEVIKA Mahila Swayam Sahayata Samuh. Her journey from being a housewife to becoming a successful entrepreneur has been filled with struggles and challenges. However, through her unwavering confidence and determination to succeed in life, she has carved out her own identity in a society that once pushed her to the margins. Ms. Shanti adds that after joining JEEVIKA in 2014, Nutan began working as a JEEVIKA Mitra- a community mobilizer responsible for organizing periodic meetings of Self-Help Groups and other project related works at the ground zero. Her association with JEEVIKA not only made her life easier but also paved the way toward realizing and fulfilling her dreams. With the experience and exposure, she gained as a JEEVIKA Mitra, Nutan has gone on to script her own success story as a businesswoman.



To promote green coverage across the state and provide a sustainable source of income in rural areas, the Government of Bihar has launched the “Mukhyamantri Niji Paudhshala Yojana.” This program, run by the Department of Environment, Forest, and Climate Change, Government of Bihar, has completely transformed the life of Nutan Chaurasiya of Kodha Block. While independently managing the JEEVIKA Didi ki Nursery, she has not only created a livelihood for herself but is also inspiring the broader community to plant more trees for the well-being of our mother nature. Nutan established her nursery by taking a loan of 50,000 from Self-Help Group and began growing saplings for sale. With the support of JEEVIKA, she has also received assistance through the convergence initiatives under MGNREGA. In her nursery, Nutan grows around 100 varieties of plants, including fruit-bearing trees, timber, and flowering plants. Over the past three years, she has sold 10,000 to 15,000 saplings from a diverse range of species and earns a respectable monthly income. She has also supplied over 3 lakh worth of saplings to MGNREGA for plantation drives.

She proudly shares that, with JEEVIKA’s support, she now earns more than 15,000 per month. Nutan says JEEVIKA has not only boosted her confidence but also brought financial prosperity to her family. Her family members are now proud of her achievements and actively support her in day-to-day tasks. Nutan has become an inspiration for many women in her area. She is steadily progressing on the path of self-reliance and is gradually becoming financially independent along with her family.