

1017 ESAF members participated in the program. George Thomas, Director Operations, ESAF Microfinance, Jijo Kuriappan, Deputy Chief Manager, Operations, and Siby K.A., Deputy General Manager, Operations participated in the function from the Head Office. As part of the program a wheel chair was also distributed to the kin of a member of ESAF.

ESAF organizes Sweater distribution



Children at ESAF Child Care Centre in Jharkhand (wearing the sweaters gifted to them) along with Idicheria Ninan, Director ESAF and Roy K. Alex, General Manager, Central India.

As part of New Year celebrations, ESAF organized a sweater distribution program for poor children at ESAF Child Care Centre in Jharkhand. 10 coupon books were distributed to each department and the branches across the board. Amount collected from those who were interested in supporting the cause was used to purchase the sweaters. In the program held on Dec 19, 21 and 22, 650 sweaters were distributed to the children from 14 child care centers of ESAF.

FROM THE WORLD OF MICROFINANCE

EU starts microloans

The European Investment Fund (EIF) and Šiaulių bank this week signed a EUR 5 million loan agreement aimed at supporting micro-entrepreneurs (including the self-employed) in Lithuania. The Lithuanian bank will be encouraged to target women micro-borrowers, self-employed women or micro-enterprises being either owned by women or employing a majority of women – thus fostering women's entrepreneurship in a country characterised by a lower access of women to financial service.

(source – www.indiamicrofinance.com)

'WEF 2011' discusses microfinance

A session "Financial Inclusion: Beyond Microfinance" held at the Davos World Economic

Forum 2011, discussed various challenges faced by the microfinance sector, including the recent controversy over microfinance, scaling new models and services and consumer protection and government regulation. According to the discussions of the meet, around three billion people of the world's population lacked access to basic financial services, so extending banking facility to these individuals had the potential to transform economies and improve livelihoods. Also one of the most promising means to do so required expansion of mobile banking services that could become tools for saving money, transferring funds and accessing credit. The meet also suggested that savings and remittances were important for underserved populations and accessing savings accounts increased the ability of the world's poor in building houses, paying for education and engaging in basic commerce. Similarly improving remittance processing could also help in promoting financial inclusion. The meeting also emphasized on self-regulation to avoid stringent rules imposed from the outside. Furthermore, the meet also highlighted the fact that one of the biggest challenges of improving financial inclusion was achieving economies of scale. Focusing on SMEs could greatly increase financial inclusion, but until today microfinance services had not focused on this goal.

(source – www.microfinancefocus.com)

HUMBLE HEROES

Her 'mirror' reflects her dreams...



Severina George at her unit

Like any other teenager, Severina George, too found it difficult to come to terms with the untimely demise of her father. Hailing from Mulayam Road in Thrissur district, her family was incapable of bearing the financial obligations, resulted from the father's death. Her mother's daily income was insufficient to meet the needs of the 3-member family. Realizing her responsibility, Severina

started working in a nearby Mirror Manufacturing unit for Rs 20/day. Being a dedicated employee, her enthusiasm allowed her to understand the trade inside out. Soon she was ready with a plan to start her own unit. Her mother and only brother encouraged her to pursue her plans. But raising capital was a huge challenge for Severina, who was living in a house with roof thatched using palm fronds. Meanwhile, she joined ESAF, in August 2000, and was qualified for a loan of Rs 20,000. She utilized the money to buy the required raw materials from Guruvayur and Thrissur, and opened her own unit. Self confidence, belief in God and willingness to work hard were her forte.

Through sheer ingenuity and hard work she carved a niche for herself in the field. Wholesalers developed interest in her products as it appealed to the senses in different colors and innovative shapes. Slowly but surely she rescued her family from the clutches of poverty. So far she has received at least 15 loans from ESAF. As she was thoroughly disciplined in her dealings, ESAF sanctioned further loans for expanding her poverty.

She relies on her brother for purchasing glasses and putting them into shapes. Her mother helps her in manufacturing and packing. She employs two permanent staff and occasionally, during periods of high demand, provides jobs for a few others. Now she lives in a house with tiled roof and 4 rooms. The growth in her business allowed her to purchase household items and furniture. During periods of low demand, her culinary and tailoring skills allow her to earn some extra bucks. She sells chips to selected bakeries; and for her neighbours she is a talented tailor. She also finds time to make umbrellas.

'St. George Mirrors' owned by her now supplies mirrors and photo frames to retailers in Thrissur and Kunnamkulam. According to her, the biggest challenge she confronts is disposal of glass waste. The young lady is prepared to take on the challenges and expand her business. She dreams of giving jobs to more people...yes, her mirror truly reflects her dreams....

www.emfil.org
www.esafindia.org

www.facebook.com/ESAFMicrofinance

www.twitter.com/esafmicrofin

...means development in Santhali, the language of an underdeveloped tribal group in Eastern India.

CALLING THE SHOTS

Poverty and Microfinance



Government data recently released by the Planning Commission Deputy Chairman, Montek Singh Ahluwalia, clearly shows that the number of poor in the country has come down, whatever be the method of calculation adopted. According to the report, the poverty ratio has come down from 37.2 % (2004-05) to 29.8% (2009-10). As a practitioner of microfinance, I feel that the sector is slowly but steadily attaining its goals. The studies mentioned below underscore my belief.

A study conducted by a group of researchers on behalf of 'RuMe' compared the wealth and assets of households enrolled for microfinance program in 2004 and later in 2009. The study covered 495 households and found that 71% of households, who were earlier Below Poverty Line, had increased their assets. For 7% there was no change in the financial position and the remaining could not come out of poverty due to heavy lifecycle expenses. Another impact study covering 878 households across 63 SHGs in Karnataka and Tamil Nadu concluded that formally run financial services had its limitations in extending services to the poor. The study mentioned that, arrival of microfinance in fact reduced the interest charged by moneylenders and demanded more flexibility in their business dealings. This was another indirect way in which microfinance met the livelihood needs of the poor. Likewise, PPI report of ESAF

shows that 68% of new clients are below \$2/day while only 63% of existing clients are below that level.

Apart from private MFIs, Government oriented initiatives like Kudumbasree (Kerala), Mahalir Thitam (Tamil Nadu) and Velugu (Andhra Pradesh) have also played a crucial part in alleviating poverty in the respective States. Social oriented Government initiatives like MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) and NPS (National Pension Scheme) should not be forgotten.

The stories from the field also reflect the same point. Sujatha Shwere, an ESAF member in Nagpur was literally earning nothing before joining ESAF. Now she makes a profit of Rs.10,000/ month by producing and selling vermicellies.

All said and done, India's microfinance market is still the least served market in the world. The current annual microcredit demand in the country is estimated at about 22 billion from 245 million low income families. But the supply was only about 7 billion (as per 2009 figures). This shows that microfinance has an even bigger role to play in alleviating the biggest malice of a developing nation – poverty.



K. Paul Thomas
Managing Director

FROM THE WORLD OF ESAF

ESAF celebrates 20th Anniversary



ESAF started 6-month long celebrations of its 20 years of social service on March 24, 2012 at Town Hall, Trichur. The program was inaugurated by C.N. Balakrishnan, Co-operative Minister. During his inaugural address the Minister

commended ESAF's focus on social development. I.P Paul, Mayor, Thrissur presided over the function. On the occasion, Livable Cities project jointly promoted by ESAF and Health Bridge, Canada was inaugurated by the Mayor. The Project is aimed to create a safe city for children and pedestrians. Therambil Ramakrishnan, MLA, Thrissur distributed the best ESAF Entrepreneurs Award. The Agricultural Technology Management Project (ATMA) to be implemented by ESAF for the State Government was inaugurated by Mercy Thomas, Deputy Director, District ATMA Project.



C.N. Balakrishnan inaugurating 20th Anniversary Celebrations, flanked by I.P.Paul, K. Paul Thomas and Adv. Therambil Ramakrishnan

K. Paul Thomas, Managing Director, ESAF Microfinance, during his welcome address opined that ESAF's attempt to bring social justice through people's participation proved to be a success. He also appreciated ESAF staff, who has completed 10 years of service within the Organization and presented awards to the state level Essay Contest winners. George Thomas, Director Operations, ESAF Microfinance, K.C. Ranjini & Vikraman Ampalakattu, Board Members and Christie Daniel, Program Manager, Health Bridge also spoke on the occasion.

Fair Trade Exhibition

A fair trade Exhibition was also organized at the venue on the same date. International Resources for Fairer Trade (IRFT) supported ESAF in

organizing the event. The exhibition was inaugurated by C.N. Balakrishnan, Minister for Co-operation. 25 stalls were setup for the exhibition. There were exclusive stalls for ESAF Dumka Products, Prerana and Kudumbashree. Other stalls displayed products like Terracraft, Anikar, Poultry, Dairy etc. On the first day, the exhibition recorded a footfall of 4000.

ESAF launches livable cities project in Thrissur



Shahul Hameed inaugurating a discussion on the topic – Livable Cities

ESAF has launched the 'Livable Cities' project in Thrissur on Mar 23, 2012. The main goal behind the endeavor is to make the city friendly to children, pedestrians and cycle riders. Shahul Hameed, Asst. Commissioner of Police,

Thrissur inaugurated a discussion on the topic. Representatives from various walks of life including politics, schools, clubs, and resident associations participated. K. Paul Thomas during his presidential address said that ESAF is proud to act as a catalyst for change that can usher in social justice. Shahul Hameed also praised ESAF for its efforts. The project also has a separate module titled 'Safe Route to Schools' that emphasizes on safety of school children.

ESAF shares Livable Cities report with KSCPCR

Earlier ESAF has successfully completed similar kind of initiatives in the cities of Bangalore and Nagpur. On January 31, 2012, ESAF has shared the research report of 'Livable Cities Bangalore' project with Nina Nayak, Chairperson, Karnataka State Commission for Protection and Child Rights (KSCPCR). Mamatha M.R. & Dr. Madhu, Commission members, KSCPCR also attended the meeting. The study, which was a multi-sectorial analysis of Bangalore city was conducted in 4 zones of Bruhat Bangalore Mahanagare Palike (BBMP) and was conducted among children, teachers, parents, officials from Government and Non Governmental Organizations, different stakeholders in health, disadvantaged children from institutionalized and non institutionalized backgrounds etc. The commission appreciated the relevance of the study in a city like Bangalore and advised to segregate the results under different departments concerned. The KSCPCR is a statutory body set up by Government of Karnataka under the Commissions for Protection of Child Rights Act 2005, an Act of Parliament. For ESAF, Manju George, Manager, R&D, made the presentation.

ESAF organizes rally in Nagpur

In Nagpur, ESAF Central India, organized a rally at Karnal Bagh as part of the Livable Cities Project to demand more functional parks for the children. ESAF has identified two non functional parks and a park council was formed as part of the project to ensure its functionality.

ESAF participates in India Water Credit Stakeholder's Forum

ESAF participated in the India Water Credit Stakeholder's Program held at Hotel Fortune Select Excalibur, Gurgaon. K. Paul Thomas, Managing Director, ESAF Microfinance and Roy K. Alex, Director Programs represented ESAF for the function. K. Paul Thomas presented a topic on 'ESAF experience in Water and Sanitation Program'.

ESAF Organizes Lenders' Meet 2012



K. Paul Thomas, R. Prabha and George Thomas at the Lenders' Meet

ESAF Microfinance organized Lenders' Meet on Feb 24, 2012. The meeting started at 2 PM at Flora Hotel, Cochin (near Cochin International Airport). R. Prabha, Director ESAF Microfinance, presided over the meeting. During his presidential address he said that ESAF was able to tide over the crisis as the organization was successful in winning the confidence of the banks. K. Paul Thomas, Managing Director, ESAF Microfinance acknowledged the banks for the support and added that ESAF would remain committed to its goals. Bankers also appreciated ESAF for being true to the real mission of microfinance. George Thomas, Director Operations, explained the operations side and Joby C.O., CFO dwelt on the repayment and disbursement part. A. Akbar, Strategic Advisor, ESAF Microfinance, proposed a vote of thanks.

ESAF conducting impact study on WATSAN program

ESAF Research and Development team has started the process of measuring the impact of Water and Sanitation initiatives launched by the Company through Water Loans and also through programs organized in collaboration with Local Self Governments. ESAF was part of the Jalanidhi (water and sanitation) and JeevaDhara (water connection) projects launched by the State Government.

ESAF - ILO Shram Jyothi project comes to an end

The Shram Jyothi project promoted by ESAF and International Labour Organization (ILO) has come to an end in January 2012. The objective of the project, which was started in Jan 2010 was to formalize small and micro enterprises of ESAF's clients. As part of the project almost 600 clients have benefitted out of the program with the end survey being conducted at Nagpur, Kerala and Tamil Nadu.

The project enabled 85% of the beneficiaries in the treatment areas to register their businesses with the Government District Industries Centres, which enabled them to apply for and avail of grants from Khadi and Village Industries Centre, a

Central Govt. Body. Other benefits extended to the clients included membership in associations, PAN card, regular maintenance of books of accounts, wider marketing opportunities through sale of products in fairs and exhibitions, branding and packing of the products etc.

ESAF - IRFT organizes joint Fair Trade Campaign



Gaynor Paes, CEO, IRFT distributing Christmas gifts to the participants

ESAF and International Resources for Fairer Trade (IRFT) jointly organized a Fair Trade Program - Pro-sustain, at Thrissur (Mannuthy) on Dec 21 - 24, 2011. K. Paul Thomas, Managing Director, ESAF Microfinance inaugurated the program. Gaynor Paes, CEO IRFT visited the venue on December 22, 2011. The program was funded by European Union and other social-oriented agencies like Hivos & FTF-India and Shop for Change gave outside support to the program. The theme of the program was 'building environmentally sustainable production and consumption practices'.

Products made by ESAF sangam members using eco-friendly handicrafts (made out of screw pine, jute, bamboo, grass, handmade paper), ethnic food items, hybrid varieties of plant seeds & seedlings etc. were displayed and sold in the program. 78 women SHG members were benefited from the Christmas trade.

ESAF wins ISB Fair Trade event

The team from ESAF Swasraya Producers Company Ltd. (ESPCL), emerged winners in terms of sales volume by registering close to Rs 30,000 sales volume in 3 hours at the "Mercado Redefining Retail" Fair Trade event held at International School of Business, Hyderabad. Six fair trade member organizations participated in the competition and six leading Indian B schools, including IIM A, ISB, XLRI, and Mudra managed the sales promotion, design and merchandising of the stalls. All the B school teams gave presentations on the topic 'Retail Trigger'. The stall of ESAF was named 'Swadeshi Mantra' and was managed by ISB students, who organized innovative promotional efforts through Facebook.

THROUGH THE EYES OF THE EDITOR

Poverty - the good, the bad and the ugly

The poverty figures in paper has come down, says the official estimates. Definitely the ruling machineries have something to cheer about. Political parties are claiming ownership to this achievement and attributing reasons to their respective Social Welfare Schemes. But there was a novel set of social / economic scheme that played a catalyst to this radical change. The program was named 'microfinance' by its founder Muhammed Yunus and was run on the philosophy 'the poorer you are the more likely you are to get a loan'. The philosophy was based on the belief that the poor had a sincere desire to build a life of their own. An inspiring collection of stories related to their upliftment, whose microloans allowed them to start up petty enterprises and enabled them to lift themselves out of poverty, did the trick for the sector.

No wonder, the poverty rate in Bangladesh has decreased by 25% since Grameen began its micro lending practices, and is on target to reach 50% by 2015. Gradually, micro lending institutions have sprung up all around the developing world, from India to Bolivia to Serbia; according to one estimate, over 150 million people worldwide have taken out a microloan.

Most of the countries got out of the evils of poverty through this scheme and India was no exception.

Now let's have a look at the darker side of reality. 40% of India's population is still malnourished and most of them die of hunger. 53 mn more people now go to bed with empty stomachs, ever since the neo-economic liberalization in 1991. To make matters worse, farmer suicides are increasing year after year despite food grain prices soaring to an unprecedented high. Some Government policies led to diminishing agrarian returns and rotting food grains in overflowing granaries, and a few others displaced the poor from their habitats. As a result, only one-third of the farmland is now in good health and India ranks 67th in the worst Food Security status (out of 81 countries). Now one thing is certain, hands-on and co-operative approach between the promoters of Private Social Programs and Govt. Social Schemes can only mitigate the evils of poverty, in the real sense.

Your response may be sent to: sony@esaf.in

Sony V. Mathew

T. Muralidharan, Country Manager, Hivos, Mallikarjuna, Executive Director, FTF -India and P. Sridharan Nair, Vice President, FTF-India were in the panel to select the winners.

ESAF participates in Fair Trade Alliance Building Meet

ESAF participated in the Fair Trade Alliance Building Meet held in Thrissur on April 24, 2012. The invitees participated represented a cross section of the population covering consumer activists, environmentalists, FTF members, academicians, students, leading farmers, planters, FLO executives and NGO leaders. K. Paul Thomas, Managing Director, ESAF Microfinance delivered the keynote address and Sridharan Nair, Vice Chair, FTF India presided over the function.

ESAF launches Fair Trade India brand

Prerana handicrafts under ESAF Swasraya Producers Company, has launched Fair Trade India Brand in the City Centre shop at Thrissur. George Thomas, Director Operations, ESAF Microfinance inaugurated the program. Last year Fair Trade India Forum (FTF - India) launched Fair Trade India brand to popularize the concept of fair trade in India. Fair Trade India products will be sold through 100 shops across India, which have Fair Trade Forum membership.

ESAF participates in Microfinance India Conference

ESAF Microfinance participated in the All India Microfinance Conference held in New Delhi on December 12-13, 2011. The 8th Microfinance conference was organized by Access

Development Services at Hotel Ashok in New Delhi. Y.C. Nanda, Chairman, Microfinance India Advisory Group, welcomed the gathering. The 'State of the sector report 2011' authored by N. Srinivasan was released during the inaugural session. The theme of the conference was 'bridging the hiatus, building trust'. K. Paul Thomas, Managing Director, ESAF Microfinance was a panel member for the session- Health Plus Microfinance held on Dec 13, 2011. During his presentation he dwelt at length on the health initiatives of ESAF. C.S. Ghosh, Managing Director, Bandhan Financial Services and David Gibbons, Founder, Cashpor were some other panelists for the session. H.R. Khan, Deputy Governor, RBI, announced during the valedictory session that MFIs will be allowed to draw ECBs up to \$10 mn. K. Paul Thomas, opined that the move is expected to address the issue of liquidity that the sector has been witnessing in recent times.

ESAF Southern Area launches NPS



G. Karthikeyan inaugurating the NPS scheme of ESAF Southern Area

ESAF Southern Area launches NPS scheme on Nov 24, 2011. G. Karthikeyan Speaker of the Assembly inaugurated the program held at Fatima Mata Fishermen Centre, Shankumugham.

FOOD FOR THOUGHT

An SHG with a difference

When the debate on whether the success of SHGs and Microfinance beneficiaries are true, still continues, a group of illiterate women in Medak district are reaching for greater economy in work and life by relying on Agriculture. They are known as 'Sangam women' to their fellow residents and are numbered around 5000, living in 70 villages around Zaheerabad in Medak district. Quite unlike the SHG members, their lives are centered on farming - beginning with turning their fallow lands into farms, growing crops for their needs, distributing the surplus grain among the poor to conserving traditional seeds. Their work has also found mention as an example of food sovereignty in the latest World Disaster Report prepared by the International Red Cross and Red Crescent Society. Having experienced starvation at some stage of their lives, they say they only grow food crops, especially millets like jowar, ragi and others. The Sangam now grows an average of 10,000 quintals of foodgrain a year, mostly jowar. The produce is different from what is available in the market, as it grows without using synthetic fertilizers but with traditional seeds. It supports the whole villages in what they describe as an 'alternative public distribution system.' The success of the model has led to the erstwhile landlords willingly offering their lands on lease to the Sangam women. The women have also been trained in video production, which they have put to use in making films about themselves. They also run a community radio, known as Sangam Radio, in one of the villages.

Three best branches of the quarter
Kodungalloor, Kulashekaram & Thoothor