

"Almost half of the population of the world lives in rural regions and mostly in a state of poverty. Such inequalities in human development have been one of the primary reasons for unrest and, in some parts of the world, even violence" -Abdul Kalam

Block Panchayath Standing Committee Chairman, Thalikulam, inaugurated the function at Vadanappilly. P.J. Mathew, Manager, NRM, ESAF led a session on Environment cleanliness through households.

ESAF organizes signature campaign



As part of Livable Cities Project, ESAF organized signature campaign at Thrissur Town Hall from Jan 23 -30 2013. The stall was set up as part of the Thrissur Flower Show. The signature campaign was inaugurated by Dr. M. Usman, Standing Committee Chairman, Thrissur Corporation and was organized to make people aware of the importance of safe driving. More than 5000 civilians endorsed their support for safe driving and pedestrian rights by signing the flex board.

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www.livablecitythrissur.wordpress.com

K. Paul Thomas participates in TiE Kerala



K. Paul Thomas at the TiE meeting held in Kochi

K. Paul Thomas, Managing Director, ESAF Microfinance, was invited to participate in the Indus Entrepreneurs (TiE) Kerala Meeting held at IMA House, Kaloor, Kochi on February 27, 2013. TiE is a global not-for-profit organization focused on promoting entrepreneurship. K. Paul Thomas delivered a lecture on 'Creating Opportunities through Microfinance' which was well received by the participants.

FROM THE WORLD OF MICROFINANCE

Microinsurance in Europe

Financial support for healthcare is most needed in regions, which are less developed and offer limited access to the national medical system. In Europe

too the situation is not different as MFIs are well suited for distributing health insurance to the poor. Providing healthcare and health education through microinsurance offers a unique opportunity to empower women to better support their family's healthcare, much in the same way women support their communities through microcredit. Specific health strategies microfinance institutions can adopt include creating links to preexisting services in the market, delivering targeted health education and services in the communal bank setting, and most importantly, creating microinsurance products that encourage preventive as well as primary healthcare for people who cannot afford it.

It should be noted that in Europe, where much of daily healthcare, doctor visits and prescription medicines are subsidized by Governments, microinsurance would only be appropriate for certain demographic groups and geographical regions. However, microinsurance could also be designed to meet needs for health care not covered by national insurance plans, such as the preventive healthcare and health education offered by Complementary and Alternative Medicine (CAM). In Europe, CAM is generally considered a safe, non-invasive option for chronic disease and preventive care, which can improve wellbeing and support quality of life. CAM is used across Europe by an increasing percentage of the public, ranging from 33% to 77%, depending on the region. One of the appealing features of CAM, and what sets it apart from conventional medicine, is its focus on preventive care, and its dedication to educating the patient in self-care. For Governments who offer national insurance, private insurers and micro insurance providers, this translates into lower costs for long-term medical care, prescription drugs and hospitalization.

Financial inclusion map of India

In late January 2013, MIX released the India Map of Financial Inclusion with the aim of helping funders, public policy makers, and financial practitioners obtain an integrated view of the state of financial inclusion in India and draw insights to influence investment in the sector, inform policy decisions and ultimately produce better outcomes for the poor living in India.

The financial inclusion map has been built using data taken from the Small Industries Development Bank of India (SIDBI), the public data available from the Indian Census and the State-Level Banker's (SLBCs), and various other sources.

The India Map of Financial Inclusion aggregates disparate datasets on regulated, unregulated, and informal financial services providers to the poor in India and overlays them with demographic and socio-economic information. For the first time,

these data layers have been geo-located and displayed on an interactive map to provide context and comparability for deeper analysis.

View the Financial Inclusion Map of India
www.maps.mixmarket.org/india/

Source:
www.microfinancefocus.com

HUMBLE HEROES

Vimala a winner in a man's world



Vimala Ramdas

Manufacturing and dealing with nuts and bolts is no more the fiefdom of men. That's what Vimala Ramdas from Perinjalam, Thrissur, exemplifies. The 45 year old lady is silently putting efforts to expand her business of manufacturing plastic nuts and bolts and other plastic products like droppers used for eyes and ears. The task is not that easy as what her success reflects; one has to be on the toes always to keep changing the mould, every time a piece is ready to be taken out.

Before starting her own enterprise, Vimala was languishing in a similar workshop as a daily wage earner. The unit was on the verge of winding up and Vimala was prudent enough to convert the crisis into an opportunity. Using the financial assistance from ESAF Microfinance, she bought the machines of the dyeing company. Through the Shram Jyothi project, ESAF also supported her in registering her business and getting an ID card, which brought her recognition as an entrepreneur.

Her experience speaks for the quality of the products, as she is involved in this business for more than 10 years. She produces 1000 pieces everyday and sell it for Rs 350. She also gives employment to 2-3 women members from her sangam. She along with her women staff is able to run the business successfully without the support of their family. She now has plans to buy an upgraded machine, which will help her increase the volume.

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

CALLING THE SHOTS



'Availability' was one important constraint that corporates were facing, as far as rural India was concerned. This prompted them to think about strengthening their distribution channels in rural India and soon players like HUL were found creating unique business associations with successful Microfinance networks in rural India. FMCG / other

Reaching rural India through MFIs

retail players often vie for market share in a highly competitive environment, where the urban market is almost saturated. When 69% of Indian population dwells in rural India, corporates don't have any other option than strengthening their distribution network through cost effective methods.

These types of associations / innovations complement the MFIs, corporates and the communities at large. At a time when strict regulations tighten the screws on the sector in the form of interest cap, most MFIs are looking for newer avenues to increase their revenues. Moreover, those customers of MFIs can hope for a reduction in interest rates, if the ancillary services prove to be a hit. At the same time, corporates can try novel ways to explore rural markets. For the society, this provides an employment opportunity that gives reasonable returns. Project Sakthi of HUL was a classic example in this regard. E- choupal initiated by ITC was another innovative rural offering, intended to expand the market for rural farmers. Godrej & Boyce, Nokia, Bharti Airtel, ICICI, Coca-Cola, Bajaj Allianz, Housing Development Finance Corporation Limited (HDFC) and D.light were few other corporates that came up with innovative rural marketing initiatives. Banking

correspondent is another potential area that MFIs can capitalize on to increase their revenues. Lack of enthusiasm among banks in opening rural branches also helped in popularizing the concept of banking correspondents. With the support of Government machineries, MFIs are also open for educating the rural public on the advantages of direct cash transfer.

Recently, ESAF Microfinance has entered into an association with HUL for promoting 'Pureit' brand of water purifiers, as we always give emphasis on holistic development of the community through healthy living. To facilitate the poor in getting easy access of money from distant places, we have developed associations with corporates like western union, express money and money gram etc. To supply energy efficient solar lights to our members we have established an association with Duron Energy. Yes, ESAF proves that MFIs can strive to increase revenues by not compromising on social commitment. For those value-centric corporates MFIs always provide a meaningful opportunity to set their foot in rural India.

K. Paul Thomas
 Founder and Managing Director
 ESAF Microfinance

FROM THE WORLD OF ESAF

ESAF Founder receives Karma Ratna

K. Paul Thomas, Founder and Executive Director, ESAF, received the Karma Ratna Award instituted by Mythri Event Cultural Association, based in Thiruvananthapuram, for his contributions in the field of livelihood promotion and social change. On Feb 25, 2013, Anoop Jacob, Hon'ble Minister for Food & Civil Supplies, presented the award in a

function held at the State capital. During his inaugural address, Anoop Jacob congratulated the award winners and explained the role social entrepreneurs could play for the holistic development of the society. K. Paul Thomas later opined that the award belonged to his dedicated employees who strove along with him for the betterment of the society.

Reaping what you sow - K. Paul Thomas receiving the Karma Ratna Award from Anoop Jacob



Kerala Chief Justice Manjula Chellur and Writer Sarah Joseph visit ESAF stall



A different verdict - Manjula Chellur, Hon'ble Chief Justice Kerala High Court, carefully observing ESAF products on display.



When creativity comes in bamboo- for a change, writer Sarah Joseph appreciating creative hand crafted bamboo products made by ESAF members.

Manjula Chellur, Hon'ble Chief Justice of Kerala High Court, visited ESAF stall organized at Kerala Bamboo Fest 2012. The Bamboo Fest held at Jawaharlal Nehru International Stadium, Kochi was jointly organized by Kerala Bamboo Mission and Kerala Bureau of Industrial Promotion (K-bip). Sarah Joseph, eminent novelist and short story writer also visited ESAF stall set up at Kerala Sangeetha Nataka

Academy Campus, Thrissur, as part of the 8th VIBGYOR International Film Festival held in Feb, 2013. Both the exhibitions showcased an array of bamboo products from different states in India and the sheer quality of the products left the guests spellbound. They waxed eloquent on skill development initiatives of ESAF, especially among the lesser privileged, in the rural regions of Jharkhand.

ESAF Swasraya Producers Company wins some powerful customers



ESPCL

ESAF Swasraya Producers Company Ltd. (ESPCL), now has some powerful men in their clientele in the form of State MLAs. ESAF sangam members can also feel proud of the fact that eco-friendly laptop bags produced by them are used by customers

who really matter to them. All Legislative Assembly members were given laptop bags, with 5 bags each to the ministers. The project was sponsored by National Coir Research & Management Institute, Thiruvananthapuram under the guidance of Adoor Prakash, Hon'ble Minister for Revenue & Coir.

63% roads don't have foot paths, says an ESAF study

In a first of its kind initiative in the State, ESAF in association with HealthBridge Canada, has published a study report on 'Pedestrian friendly Thrissur city' as part of Livable Cities program. I.P. Paul, Hon'ble Mayor, Thrissur city released the report, which threw light on the challenges faced by the pedestrians and current conveniences available to them. During his presidential address K. Paul Thomas, Managing Director, ESAF Microfinance opined that in the city development programs, lack of vision in protecting pedestrian rights was clearly evident. He added that in the areas considered for study in Thrissur city, pathways were not included for 63% roads. K. Paul Thomas also spoke at length on similar initiatives of ESAF in Nagpur for inclusive park and Bangalore for Car Free Commercial Street. In his inaugural address I.P. Paul applauded the efforts of ESAF for taking up the cause of the common man. He added that Corporation was planning to organize a workshop on town planning, in order to garner opinions from the public.

According to a survey mentioned in the report, 45% respondents considered autos as the most dangerous vehicles in Thrissur city followed by cars, bikes, buses and trucks. About 73% drivers don't abide by the laws while parking and only 12% footpath vendors are doing businesses without disturbing pedestrian rights. The study recommended building wide footpaths, demolishing footpath encroachments, making footpaths user-friendly for physically disabled and preventing entry of private vehicles to market places and other main roads and



I. P. Paul, Hon'ble Mayor, Thrissur, inaugurating the function to release the 'Livable Cities' report

thereby encouraging the use of public transport systems. In the open forum that followed, the audience raised concerns on wastage being dumped on to footpaths and use of mobile phones while driving and gave suggestions for modifying sub ways / zebra crossing.

K.S. Santosh, Standing Committee Chairman for Town Planning, Dr. M. Usman, Standing Committee Chairman for Education and Sports, Prof. Annam John, Counselor, T. Nirmala, District Panchayath Vice-president, Thrissur, R. Unnikrishnan, Traffic Sub-Inspector, Thrissur, Debra Efrogmson, Regional Director, HealthBridge, Canada, Jacob Samuel, Director Projects, ESAF, Sreedharan Nair, Head, Livable Cities Project, ESAF and Shino Davis, Project Officer, ESAF also spoke on the occasion.

Download the report
esafmicrofin.com/lctcr.pdf

ESAF organizes blood donation camp as part of 21st anniversary celebrations



M.P. Vincent, inaugurating the blood donation camp

As part of the 21st anniversary celebrations, ESAF organized a blood donation camp at ESAF Medical Centre Mannuthy, on March 11, 2013, in association with Blood Bank Thrissur Medical College. The camp was inaugurated by M.P. Vincent, MLA, Ollur Constituency. Prof. Elizabeth John, President, ESAF Society presided over the thanksgiving function held at the Corporate office on the previous day. George Thomas, Director Operations, ESAF Microfinance, welcomed the gathering. Rev. Dr. Idicheria Ninan, Vice President, ESAF rendered the keynote message. K. Paul Thomas, Founder and Director ESAF cut the cake along with Mereena Paul and Jacob Samuel.

George K. John, GM, Central Zone gave a presentation on the activities of ESAF Society during the year 2012-2013, which was followed by a thanksgiving ceremony led by Jacob Samuel. Paul Thomas delivered the 21st Foundation day message and Christudas K.V, Director, ESAF proposed a vote of thanks. The meeting was concluded with prayer and benediction led by Rev. Saji George, Vicar, St. Thomas Evangelical Church, Mannuthy.

ESAF Organizes Walkathon

ESAF Livable Cities Project team organized a walkathon on February 25, 2013 to draw the attention of the Corporation authorities to the issues faced by pedestrians. George Thomas, Director Operations, ESAF Microfinance flagged off the rally. In his inaugural address George Thomas said that the rally was held to keep the authorities aware of the pedestrian rights, which were more often met with utter disregard. Nearly 200 people from various schools, colleges and organizations participated in the rally.



A still from the Walkathon organized by ESAF

ESAF among the best contributors in the Microfinance India Summit Report, 2012



Dr. Venugopalan Puhazhendhi, the lead author of the Microfinance Sector Report, released during the Microfinance India Summit 2012, picked Sandhya Suresh, Manager R&D and Ajimon L., Area Manager, ESAF Microfinance, among the

15 best contributors in developing the document. Members in the microfinance community contributed in making the document user friendly with extensive coverage on relevant areas and current issues faced by the sector. ACCESS Development Services in partnership with CII organized the Microfinance India Summit in Delhi on Nov 27-28, 2012.

ESAF participates in regional convention on Microfinance

ESAF Microfinance participated in the regional convention on Microfinance, titled 'Changing Millions' Lives' organized by Associated Chambers of Commerce and Industry of India (ASSOCHAM), Kerala Association of Microfinance Institutions (KAMFI) and Microfinance Institutions Network (MFIN), held at Hotel Windsor Rajadhani, Trivandrum, on February 14, 2013. K. Paul Thomas, Chairman- KAMFI and Founder and Managing Director, ESAF Microfinance welcomed the gathering. During his welcome note K. Paul Thomas said that the direct impact of microfinance activities was crucial in uplifting the poor who continue to be financially excluded and hence were not able to break out of the circle of poverty. He also highlighted the role played by ESAF in promoting National Pension Scheme of the Central Government and added that the MFIs were now planning to educate the public on the direct cash transfer scheme of the Central Government, if proved beneficial. Jagatham and



K. Paul Thomas delivering his lecture in the microfinance regional convention

Rajeena Beevi, sangam members of ESAF Microfinance, shared their experience on how ESAF Microfinance could make a remarkable difference in their lives.

ESAF to implement Jananidhi Project



ESAF is selected as the supporting Organization to implement Jananidhi Project, for the second time. Government of Kerala will implement the Project, with the support of World Bank, through Kerala Rural Water Supply and Sanitation Agency (KRWSA). In the IInd phase, the Project would lay thrust on various sanitation facilities and rainwater harvesting, along with drinking water supply to Village Panchayats. The first phase of the project, introduced in 1999, catered to as many as 12 lakh people in 112 village Panchayats in the State.

ESAF distributes prizes to the winners of SBI Life Insurance contest

ESAF Microfinance distributed prizes to the winners of the sales contest for promoting SBI Life Insurance. Rani Stephen, Pozhiyoor branch, won the Gold coins for the best individual performer and individual performer award. Don Bosco, Vizhinjm area won the best Area Manager award. Parasala branch was chosen as the top performing branch in the contest. 72 employees won consolation prizes.



Rani Stephen (Pozhiyoor branch), Don Bosco (Vizhinjm area) and Suja M.N (Parasala Branch Manager) receiving awards for promoting SBI Life insurance

EDITORIAL

MFIs and corporates, a winning combination

As far as corporates are concerned, 'rural reach' is the factor that differentiates successful brands from among a cluster of mediocre brands with more or less similar USPs. Earlier, lack of infrastructure and scattered population prevented corporates from reaching to the rural poor. But huge demand from rural India led to innovation and expansion. Thanks to MFIs who helped in gathering better insights into what the rural customer really wanted. FINO incubated by ICICI, as a technology support to MFIs, was a typical example of innovation and successful scale up of operations of FMCG players and banks in rural areas, showed the expansion possibilities. Adequate thrust given by corporates and banks in rural areas means more job opportunities that result in an increase in per capita income of the rural poor, which in turn contributes to the growth of the economy as a whole. The success of rural India also helps in gradual transformation of rural to urban India.

The presence of corporates not only empowers the poor financially but also enables them to climb up the social and professional ladder. The pride of

profession that eludes the poor can also be rectified as they can earn their yields monthly or in the form of commission. Moreover, let's don't forget the satisfaction the relatively less educated poor can derive from being part of a huge corporate. MFIs here have a definite role to play considering their expertise in imparting skill development and leadership training programs. Corporates can think about sponsoring such skill development and leadership training programs as most programs are now being run by MFIs, bearing a lion's share of the cost. Corporates can contribute by ensuring the quality of training through technology and other resources apart from financial support. History shows that leadership training provided by MFIs has helped in creating successful political and social leaders. Yes, corporates joining hands with MFIs can truly be a winning combination for the poor.

Sony V. Mathew

Your response can be sent to
sony@esaf.in

ESAF distributes leaflets on road safety



Jacob Samuel, Director ESAF Livable Cities distributing leaflets to drivers

As part of road safety week, ESAF in association with Traffic Police Department, Thrissur distributed leaflets to vehicle drivers in Thrissur city. The program was part of 'Livable cities project' initiated by ESAF in association with Healthbridge, Canada. The project was launched in Thrissur in the month of March 2012. R. Unnikrishnan, Traffic SI,

inaugurated the leaflet distribution. The initiative was given special appreciation by the Govt. authorities, considering the fact that road accidents were consistently on the rise. Giving adequate importance to pedestrian rights while framing policies for city expansion, educating drivers / vehicle owners on the importance of road safety, to work hand in glove with various Govt. departments to ensure road safety rules are well observed etc. are the prime aims of the livable cities Project.

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www.facebook.com/livablecitytcr

ESAF Organizes Environment Awareness

ESAF in association with Kerala State Department of Environment and Climate Change organized environment awareness program in Thrissur district. The programs were organized at Valapad and Vadanapally on Jan 28, 2013. E.B. Unnikrishnan,

FOOD FOR THOUGHT

Need for afforestation, a Nigerian testimony

Despite years of campaigns against deforestation, Nigerians were finding it difficult to come to terms with the dangers inherent in felling of trees. The recent devastating flood proved an eye opener. Reptiles and other aquatic animals set loose by the deluge rendered many homes inhabitable. Experts warned that these were mere signs of greater catastrophes looming as a result of the wanton destruction of forest. But still, people in the rural areas of Nigeria depend on firewood and charcoal for their domestic cooking. Statistics show that in Nigeria, 112 million people still cook with fire wood, kerosene, and traditional bio fuel with more than 90% of this number made up of rural dwellers. Data also showed that 90% more wood than necessary is burnt which has contributed to the build-up of green house gases and deforestation. Even more worrying, according to The World Health Organization (WHO), is the fact that 95,300 annual deaths occur in Nigeria as a result of diseases and complications that arise from smoke inhalation and tens of thousands of young people and women are at risk of suffering serious health consequences as a result of their direct contact with traditional biofuel and wood smoke, sometime inhaling smoke particles 20 times higher than the maximum recommended amounts advised by the WHO.

With less than one kilogram per capita consumption, Nigeria ranks among the lowest liquefied petroleum gas consuming states in Africa despite its huge gas resources. Over 11,10,000 of annual deaths that occur in Nigeria can be attributed directly to the inhalation of smoke from kerosene and coal cooking stoves while 148 dead and over 64,000 displaced due to flooding, primarily in eastern and southern Nigeria. As they cannot afford cleaner cooking fuels, they therefore turn to traditional bio-fuel, kerosene and firewood.



Nigeria is said to possess Liquefied Petroleum Gas (LPG) with gas reserves estimated at 185 trillion cubic feet as experts explained that LPG cooking fuel is superior to almost all available fuels with 85% energy efficiency rate. But still the usage of LPG is abysmally low due to poor accessibility. Now the authorities are initiating dialogues with microfinance banks to popularize the product in certain rural pockets through the popular MFI network.

THREE BEST BRANCHES OF THE QUARTER

KODUNGALLUR
 KULASEKHARAM & KOLACHAL