

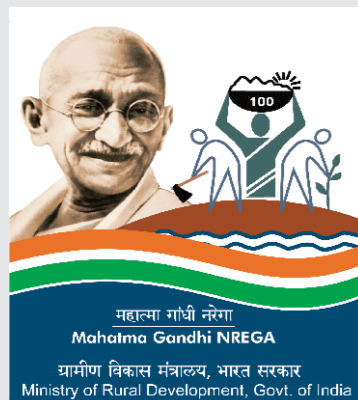
ESAF observes International Day of the Girl Child

ESAF observed international day of the girl child on Oct 12, 2013. The theme of the day was "Innovating for girls' education". K. Paul Thomas, Managing Director, ESAF Microfinance said that ESAF was keen on observing international girl child day right from Oct 11, 2012, the date announced by the UN to observe such a day. He added that under the present social circumstances prevailed in the country observing the day was more meaningful and firmly in line with the vision of the Organization.

A special awareness class for the staff was organized at the HO. Jacob Samuel, Head Livable Cities made a presentation on the theme and led a prayer session focusing on the theme. Posters were displayed in all the office buildings and prayer cards were distributed to all the staff.

FOOD FOR THOUGHT

Social security schemes & microfinance



The Union Rural Development Minister has announced some additional tangible benefits over and above the wages guaranteed to job card holders under the MGNREGA. These benefits include compensation for scheme workers in case of delays in payment, assistance to build women self help federations, an unemployment allowance to those who sought work under MGNREGA but were not given any and Rs 10,000 to build a toilet in the house. The Minister explained that MGNREGA is not a 'dole programme' and should not be just looked as a means of employment but an opportunity for development in villages. As of now only 8% of households get the 100 days of employment guaranteed by the law. The national average is about 45 days of employment. While MGNREGA provides for an unemployment allowance for those who demand and do not get work under the programme, in the last seven years not a single person has received this. The centre says that it is the State Government's responsibility to provide the unemployment allowance. Unfortunately none

of the states are willing to accept that their states have denied employment to any person. The rural ministry will calculate the unemployment allowance and put up the information on the website. The monitoring of the demand for work and employment will be henceforth done through a management information system. Every ward will be required to conduct an employment day at least once a month to ascertain demand for work. The new guidelines also require that at least one public works project be kept open at all times to absorb demand for work. The programme now focuses on creating durable community assets. To link MGNREGA with food security scheme, the ministry has proposed to allow the building of community storage facilities for agriculture produce in gram panchayats under the scheme. The social welfare schemes of the Government prove that whether it operates in full potential or not MFIs have a major role to play in the community development of rural areas.

(Information taken from Business India article titled 'eyeing rural votes')

FROM THE WORLD OF MICROFINANCE

10,000 toilets to be built annually with Microfinance

Open defecation is a shameful practice both for individuals and society at large. Lack of toilets forces people to resort to this unsanitary practice. Trichy district too is no stranger to the problem, though efforts are on to eliminate open defecation with 49,000 toilets having been built in rural parts of Trichy with microfinance. A regional level workshop on "microfinance for sanitation", discussed the project and set a target of 10,000 toilets to be built annually as there are many takers for small sanitation loans.

The microfinance-based sanitation project was in fact launched in Trichy district in 2007. Under it a loan of Rs 10,000 is provided to villagers to build sanitation infrastructure. Already, several toilets have been built in Trichy making use of microfinance. In 2013 alone, as many as 9,200 toilets were built in Lalgudi, Manapparai and Devadanam in Trichy. Data with Guardian indicates that at least 10,000 toilet seats could be installed every year.

Under the microfinancing mode, both public and private toilets are constructed. The project team selects five people in a locality to maintain public toilets at a nominal fee. The fee goes towards maintaining the toilet and to pay the salary of team members. Rachel Brumbaugh, senior manager of Water.org, said villagers enthusiastically support the concept of microfinance for building toilets and repay the petty loans promptly. Water.org is an American nonprofit developmental aid organization.

(http://timesofindia.indiatimes.com)

HUMBLE HEROES

Steely resolve...



Archana is a business woman running a utensils shop in Nagpur. Few years back she decided to join ESAF as she was finding it difficult to bring up her two children, with the limited income of her husband. The success stories of ESAF members also prompted her to start a venture of her own.

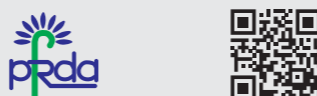
From the beginning, she was clear in her mind that she would take a different route than the popular business of edible oils (in Nagpur), which needed more space and preparations. Like a smart B school graduate she conducted a market study and found that steel utensils were in great demand in the area, which was yet to have a steel retail outlet. She started sourcing steel utensils from wholesale market and selling it from her house.

In 2011, she started the business with a loan of Rs 10,000 from ESAF. Now she owns an inventory worth Rs 80,000. Her business has helped her to give her children, studying in 8th and 5th standards, quality education and also has given her enough disposable income to meet their needs. Now Archana wants a space of her own to run the business and free her room at home.

Read more success stories at www.esafmicrofin.com/home/successstories.html

ESAF Microfinance is an approved aggregator for Swavalamban Yojana National Pension Scheme by the Govt. of India

For more details:
0487 3262113, 9349111101
E-mail: nps@esafmicrofin.com



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

CALLING THE SHOTS



India, the second most populated country in the world has more than half of its population living in rural areas. About 60% of the population still relies on agriculture for their livelihoods. Unfortunately, agriculture has not been getting the priority that it deserves from successive governments and as a result there is chronic unemployment; and per capita income of the dependents is at the lowest ebb. The final result is abject poverty, low rate of education, low sex ratio and exploitation. Another saddening fact is rural people has very low access to institutionalized credit. Hence the idea of linking agricultural loans to microfinance really holds water.

Linking agricultural loans to microfinance

As RRBs couldn't achieve its original objectives and community owned village banks and co-operatives were starved of funds, a possible way out to rescue the agriculture sector is by linking agricultural loans to microfinance under the strict monitoring of the RBI. Microcredit in the current format may come as a costlier option for the farmers than institutional credit but it is definitely a much better alternative than the usurious money lenders. Moreover, accessibility to credit and value added services are more important to the farmers than rate of interest. Also adequate mechanism should be deployed to ensure that rates of return would cover interest costs. If banks with necessary regulatory support can provide low cost funds to the MFIs, specifically for agricultural lending, then it will be a viable option for all the stakeholders.

Dairy loans and cattle loans are popular among many MFIs in India including ESAF microfinance. But, for the nation to be considered as a strong agricultural oriented economy, the farmers need more than liquid credit. For such a comprehensive overhauling of the rural villages, only MFIs can deliver the goods primarily in the form of improving the literacy levels, contributing to financial literacy and sanitation aspects. Providing loans for buying farm equipments, tractors, building godowns, supporting contract farming and horticulture are options that MFIs shall ponder over. As the penetration of the MFI sector is just over 10% the scope is huge for them to trigger a radical turnaround in the fortunes of farmers in India.

K. Paul Thomas
Founder, Chairman & Managing Director

FROM THE WORLD OF ESAF

ESAF celebrates Gloria 2013



K. Paul Thomas honoring Mar Bosco Puthur by handing over a memento

ESAF Microfinance celebrated 'Gloria 2013', in grand style on Dec 21, 2013 at St. Antony's Parish Hall, Mannuthy. More than 400 ESAF employees along with their family members participated in the function. K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance welcomed the gathering. Mar Bosco Puthur, Curia Bishop of the Syro Malabar Church delivered the Christmas message. ESAF Choir rendered traditional and contemporary carols followed by cultural programs performed by the HO staff and employees from other sister concerns of the Organization. Jacob Samuel, Advisor, Social Transformation proposed a vote of thanks. The Christmas program of the Organization has been branded in the name 'Gloria' for the last 7 years. The function concluded with a sumptuous Christmas feast.

ESAF to implement MGPSY scheme

ESAF was one among the Organizations selected by the Overseas Indian Affairs Ministry for implementing MGPSY scheme in 5 GCC Countries. ESAF would launch its operation with the support of



facilitating agencies. Mahatma Gandhi Pravasi Suraksha Yojana(MGPSY), a pension and life insurance fund scheme for blue-collar Indian workers in the UAE was formally launched by the



Roy K. Alex with Vayalar Ravi during the conference

Union Minister of Overseas Indian Affairs, Vayalar Ravi in Dubai.

The scheme encourages expat employees to accumulate savings that can be used for their resettlement on their return to India. It will also contribute to their pension and provide a life insurance cover against natural death during the period of coverage. The scheme will cover 5 million overseas blue collar Indian workers who have the Emigration Clearance Required (ECR) category passports in 17 countries. ECR passports are issued to those workers who have not passed Grade 10. Around 65 per cent of more than two million Indians in the UAE are blue collar workers and most of them are in the ECR category.

ESAF participates in Partnerships Against Poverty Summit



K. Paul Thomas and Mereena Paul with Prof. Muhammad Yunus

K. Paul Thomas, Chairman & Managing Director and Mereena Paul, Chief HR, ESAF Microfinance participated in the Microcredit Summit 2013, held at Philippine International Convention Centre Manila. The theme of the summit was Partnerships against Poverty: Finance, Government, Business and Civil Society. Government officials, private sector representatives, microfinance stakeholders and other development practitioners shared their knowledge and experiences on Public-Private Partnerships (PPPs) and expressed their concerns on the challenges of working to eradicate extreme poverty.

ESAF participates in 'Microfinance India Summit 2013'

ESAF Microfinance participated in the 10th Edition of Microfinance India Summit, co-organized by Access – Assist & Access Development Services in New Delhi on 9th and 10th December 2013. The



George Thomas interacting with dignitaries at the Summit. Also seen is Union Minister Minister of Rural Development Jairam Ramesh

summit was inaugurated by Arvind Kumar, Joint Secretary, Department of Financial Services, Govt. of India. Over 600 delegates from across the country and abroad participated in the summit including sector experts, policy makers, practitioners, researchers and journalists. They discussed the key constraints and strategies for the sector's growth and expansion.

At the summit venue, ESAF set up a stall for exhibiting a variety of handcrafted products made from bamboo. Many dignitaries visited the stall and appreciated the venture that ESAF has been engaged in for improving the livelihood of its clients. K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance, Mareena Paul, Chief- HR, George Thomas, Director Operations, Roy K. Alex, GM- Strategic Initiatives, Joseph Varghese, Deputy Chief Manager and Joyy Koshy Varghese, Chief Operating officer, ESPCL also participated in the meeting.

ESAF observes World AIDS Day

ESAF observed World Aids Day by organizing a special awareness program at 4 PM on December 02, 2013 at the Head Office. Dr. Ajith Kumar, Additional Professor, Dept. of Dermatology, Medical College, Thrissur made a presentation on Prevention and Treatment of HIV/AIDS: Progress and Challenges. Jacob Samuel, Advisor, Social Transformation, ESAF, briefed about the Organization's involvement in HIV/AIDS care. Beena George, AGM-HR, ESAF Microfinance welcomed the gathering. The Theme for World Aids Day 2013 was Shared Responsibility: Strengthening Results for an AIDS-Free Generation

During the program, George Thomas, Director Operations inaugurated a special scheme of SBI Life called 'Sell a Policy, Support a Cause'. Hariharan G., Team Leader, Processing, briefed about the scheme. For every SBI Life Insurance Policy taken or sold through ESAF between 2nd and 31st December, 2013, 8% of the premium paid will be contributed to support the HIV affected. All the staff members were encouraged to participate and make the scheme a success.

ESAF organizes street play on Pedestrians Rights

ESAF Livable Cities team organized street plays in Thrissur on December 10, 2013, in association with the Social Work Department, St. Thomas College, Thrissur focusing on the rights of pedestrians at Sakthan Thamburan and Vadakkechira bus stations. Street plays were performed by a team of seventeen students who were given street theatre training under the guidance of the Livable cities team. The street plays attracted large crowds at



both the locations. The program received good media coverage also. Jacob Samuel, Head Livable Cities Program said that the initiative was also aimed to draw awareness on World Human Rights Day (Dec 10) and to bring to notice that the rights of pedestrians should not be taken for granted.

Visit ESAF Livable Cities on Wordpress
www.livablecitiesindia.wordpress.com

ESAF opens ESAF NIDHI Kerala



K. Paul Thomas inaugurating ESAF Nidhi Branch at Mannuthy

The first branch of ESAF Nidhi Kerala was inaugurated on Dec 21, 2013 by K. Paul Thomas, Founder of ESAF Group at Mannuthy. Mereena Paul, Head- HR lighted the lamp and Jacob Samuel, Advisor- Social Transformation offered the dedication prayer. More than 150 people including the staff attended the function. Apart from giving loans against the security of gold ornaments, ESAF Nidhi accepts all kinds of deposits such as Savings, Recurring and Fixed Deposits.

ESAF participates in International Workshop on Risk Management



George Thomas receiving a certificate at the workshop

ESAF participated in the International Workshop on 'Risk Management Excellence in Micro Finance' organized by Ministry of Finance, Govt. of Luxembourg. CEOs and Directors of Leading MFIs from 20 countries participated in the function held at Luxembourg. George Thomas, Director Operations, ESAF Microfinance represented the Organization in the workshop.

The platform gave an opportunity to all leading executives to interact with banking professionals handling the risk management domain and other

professionals who were earlier selected to give further assistance in the risk management area. The topics covered broadly were risk based supervision approach, link between corporate governance and risk management, risk management framework, tactics and strategies. Participants also got the opportunity to attend the Plenary and Round Table sessions of European Micro Finance Conference-2013.

ESAF signs MoU with Vananchal Gramin Bank



George Thomas with Vananchal Gramin Bank officials after signing the MOU

ESAF has signed a memorandum of understanding with Vananchal Gramin Bank to strengthen the reach of banking and financial services to the grass root level. Currently ESAF is implementing a financial literacy program in nine districts in partnership with the bank. Vananchal Gramin Bank is now operating in nine districts in Jharkhand with its Head Office in Dumka.

ESAF supports Cycle Day Campaign

ESAF Livable Cities team, Bangalore played a significant role in organizing 'Feel Bengaluru Cycle Day Campaign' along with various cycling communities and Government bodies in Bangalore. The event in which around 1200 cyclists participated was aimed to encourage cycling as a habitual mode of transportation. The campaign was inaugurated by honorable Mayor B. K. Sathya Narayana. The event was supported by the Directorate of Urban Land Transport, Bangalore Metro Transport Corporation (BMTCL), Bangalore Metro Railway Corporation Limited (BMRCL) and Bangalore Traffic Police (BTP). Media advocacy promoted by ESAF along with other agencies also played a key role in popularizing the concept.

ESAF participates in seminar on Financial Literacy

ESAF participated in a national seminar titled 'Financial Literacy towards Financial Inclusion' organized by Sri Vyasa NSS College, Wadakkanchery, Thrissur, in association with the Institute of Company Secretaries of India, Thrissur Chapter. The seminar was attended by research scholars, academicians, faculty members and post graduate students. George Thomas, Director Operations, ESAF Microfinance delivered a lecture on Microfinance and Financial Inclusion.

ESAF participates in Expert Panel Meeting, Paris

Sandhya Suresh, Sr. Manager, R & D, ESAF Microfinance, represented the Organization in the



Sandhya Suresh with the Expert Panel members

Expert Panel Discussion held in Paris. A fifteen member expert panel comprising of network representatives from Pakistan and Latin America participated in the function. Members from SPTF Steering Committee, Director Smart Campaign, Director-Truelift, Project Officer - Grameen Credit Agricole and Project Officer, CEO Working Group also participated in the meeting. The primary objective of the meeting was to develop a core Social Performance Audit Tool that could measure social performance vis-a-vis Universal Standards.

ESAF participates in Overseas Employers Conference in Dubai

ESAF participated in the second Employers Conference organized by Indian Overseas Affairs Ministry at Dubai International Financial Centre. The conference provided an opportunity for the employers from overseas, especially the GCC countries, to debate and understand the concerns related to employment of Indian workers. The Conference was also a platform for the Government of India to bring officials from both the Central and State Governments to express their views and interact with the overseas employers. Roy K. Alex, GM- Strategic Initiatives, ESAF Microfinance participated in the conference.

ESAF participates in Kerala Finance Conclave 2013



K.Paul Thomas delivering his message

ESAF Microfinance participated in the Kerala Finance Conclave 2013 organized by Confederation of Indian Industry (CII), at Hotel Taj Gateway, Kochi. The theme of the conclave was 'Changing Markets & Regulatory Landscapes - Emerging Industry Models', and provided a platform for companies across the spectrum of financial services to present and discuss their concerns, challenges and growth stories. Comprehensive discussions were held on topics ranging from business models to regulatory landscape. Senior officials from RBI, SEBI, AMFI, IRDA and also from other departments of State and Central Governments joined the deliberations. K. Paul Thomas, Chairman & Managing Director, ESAF

EDITORIAL

Microfinance to bridge the gap between the rich and the poor

Indian population contributes to approximately one sixth of the world's total population. Among this, ten percent of the population possesses a large proportion of the total wealth of India. Moreover, the number of Indians in the world billionaires list is increasing year after year. On the other side, about 30% of the Indian population is still considered as poor. This shows that it is high time for the Government to give emphasize on balanced development that addresses the wide gap that exists between the rich and the poor. Continuous flow of funds is a major requisite that needs to address this gap in the rural areas where agriculture is the main source of income for the poor. Financial institutions like banks face numerous constraints in rural areas in the form of poor infrastructure, dispersed demand, price & yield risks and collateral limitations. The Scheme of Micro-finance has been found as an effective instrument for lifting the poor above the level of poverty by providing them increased self-employment opportunities and making them credit worthy. Hence, MFIs should be given adequate encouragement to deal with agricultural loans that ensures regular flow of funds.

Many international agricultural programs linked with MFIs have gathered attention, as mentioned

in a 2006 study by the Consultative Group to Assist the Poor (hereafter referred to as CGAP) and the International Fund for Agricultural Development, like Confianza in Peru, Bai Tushum Financial Foundation in Kyrgyzstan, Caja Los Andes in Bolivia, Equity Bank in Kenya, and Cooperative League of the USA in Mozambique.

These successful financial programs show that while designing the loans MFIs should consider factors like seasonalities and customized repayment, protecting against covariant risks including natural disasters, universal decline in market prices, low yields, and unexpected weather etc, avoiding risk of nonperforming loans in areas that rely on one or two crops, adapting existing MF models to be more flexible to meet the specialized needs, reaching small-scale farmers who may lack the collateral required for securing a loan in agriculture etc.

Over and above, the field staff of the MFIs should be trained to know more about the agriculture activities of the area they function along with lending methodology.

Sony V. Mathew

Your response can be sent to
sony@esaf.in

Microfinance was invited to deliver a lecture on 'Microfinance: Regulatory Challenges and Gaps', which was well received by the participants. George Thomas, Director Operations and Padmakumar K., Company Secretary, ESAF Microfinance also participated in the function.

ESAF observes International Walk to School Day



A rally organized by ESAF Livable Cities Team

Under the leadership of ESAF Livable Cities Team, ESAF observed International Walk to School Day by organizing a walk to school programme at Bethlehem High School, Thrissur, on October 09, 2013. Najeeb, ASI, Mannuthy, flagged off the rally started from Ollukkara, Thrissur. A seminar was also organized on the topic 'The Importance of Walking and Road Safety'. M. C. Biju, Police Representative was the resource person for the seminar. Jacob Samuel, Head Livable Cities Project, Beena George, Project Manager, Jinu Varghese, Project Officer and Bibin Jose, Project Co-ordinator also spoke on the occasion. Walk to school day is observed internationally to encourage school students to develop healthy habits like walking to school instead of relying on vehicles.

ESAF Livable Cities organize network meeting



Jacob Samuel speaks at the seminar organized by ESAF Livable Cities team

A meeting of ESAF Livable Cities Network was organized at YMCA Hall, Thrissur. Discussions were centered on the problems faced by pedestrians and the ill state of parks in Thrissur. Jacob Samuel, Head-Livable Cities program presided over the function. Sandhya Suresh, Senior Manager, R&D, Jinu Varghese, Programme Officer and Bibin Jose, Project Coordinator also spoke on the occasion. People representing Schools, Colleges, Police, Resident Associations and Thrissur Municipal Corporation participated in the meeting and shared their views.

THREE BEST BRANCHES OF THE QUARTER

**KODUNGALLUR
ALATHUR
& KULASEKHARAM**