



"No one has ever become poor by giving."
-Anne Frank

FOOD FOR THOUGHT

Hungry India - Nobody's food for thought

Hunger is a reality in modern India. It cannot be wished away. No food is available, as some leaders say, for Rs 5 in Delhi or Rs 12 in Mumbai or as the Planning Commission fixes the level of urban poverty at Rs 33. These are mere important figures for the "enlightened" bureaucracy, "expert" economists and nitpicking politicians of the ruling party.

The number of hungry today exceeds the population of the Indian sub-continent at the time of its partition, which was 34 crore. Even if we accept the revised Planning Commission's controversial figures at 21.9 per cent of the population, in absolute terms it would be 28 crore poor. There are other figures of the Plan panel itself that put number of poor at 37.5 per cent - 45 crore poor. If we accept the World Bank figures, above 80 crore people live on less than \$1 a day or to quote late Arjun Sengupta about 77 per cent live on less than Rs 20 a day. The World Bank estimates put the poverty percentage at 29.8 per cent - 37 crore - against the Government's 21.9 per cent.

The World Food Programme (WFP) is more candid. It says India is home to about 25 per cent of the world's hungry poor. Although the country grows enough food for its people, WFP says pockets of hunger remain. It quotes Government figures to stress that around 43 per cent of children under the age of five years are malnourished and more than half of all pregnant women aged between 15 and 49 suffer from anaemia. In absolute terms the figures are staggering. Then again, the country has a mid-day meal programme. The scheme was introduced to allure hungry children to the portals of schools. It has increased attendance in schools, at least during meal time. But it's a different issue whether it has improved educational standards or nutritional conditions or not.

Rising inflation - almost 36 per cent in a little over three years - keeps the hands and mouths of the poorer consumers away from food. More the country has indulged in the politics of food, more go hungry. Malnutrition increases. Officially, Government subsidy increases and so does the pilferage and wastage at Government. The country has officially avoided famine. But kitchens at school feed over 11 crore children, according to Ministry of Human Resource Development, on a permanent basis.

It reveals that this nation has at least 11 crore families, in reality many more, who cannot afford even one meal a day. No wonder hunger remains the number one problem as the nation celebrates 67th Independence Day in two weeks. Worse, the country does not have a programme either to bring down the food prices or free its people of hunger warehouses of Food Corporation of India (FCI). It hoards more than the norms set at 18 million tonnes.

FROM THE WORLD OF MICROFINANCE

European green microfinance

A study on the development and trends of green microfinance in Europe contains, but it is not limited to, information about environmentally friendly initiatives developed by institutions that provide microfinance services in Europe and elaborates on their motivations, constraints and strategies. Their environmental engagement is analysed along five dimensions: environmental policy, ecological footprint reduction, environmental risk assessment, green microcredit provision and environmental, non-financial services.

The web-research shows that approximately one quarter of institutions providing microfinance services in Europe have an initiative associated with environmental protection. The on-line survey illustrates that the environmental performance of the respondent institutions depends on a few institutional characteristics and that, on average, European institutions are comparable with those operating in developing countries.

Social responsibility, competitiveness, and legitimacy are the central motivations for institutions to go green. Lack of funding, inadequate human capital and low client interest are among the major constraints. Partnerships with specialized institutions and trainings for employees are the principal strategies stated to mitigate these challenges.

The results of the study suggest that European green microfinance is a young but promising sector. Some interesting initiatives have already been initiated. The sector holds particular promise if policies and incentives are carefully implemented and can be integrated in the European environmental strategies. The main policies advocated by European microfinance practitioners are: the creation of a discussion forum, sharing of examples and best practices, the provision of adequate funds and trainings, and the support of partnerships creation among different actors. However, the process could be quite lengthy and more studies and pilot programmes are needed to assess the feasibility, efficiency and outcomes of the European green microfinance sector.

Courtesy • www.indiamicrofinance.com/european-green-microfinance-report-2014.html

HUMBLE HEROES

Fanciful life, fierce determination



Rajamani from Sengalipalayam has been with ESAF for more than five years. She decided to join ESAF, when she realized that relying on the inconsistent income of her husband would not help her aim of leading a quality life. Being a daily wage earner, her husband had his limitations in finding a regular job. Rajamani could understand it better as she too was depending on small works that could earn her Rs 25 - Rs 50 / day. Soon after joining ESAF, she took a loan of Rs 8,000 to set up a fancy store of her own at her native place. The decision proved to be a hit as hers was the only fancy store in the area. Started with bangles and fancy chains she later added one more Stock keeping Unit (SKU) in the form of fancy kids wear.

No wonder, she managed to escalate her revenues from sales to Rs 15,000/ month. She now foresees her future with a positive frame of mind, thanks to the value added services of ESAF like pension and insurance. Her close relatives give her adequate support in her initiative. She thanked ESAF Microfinance, as the loans helped her to run her business successfully and made it possible for her to construct a house of her own. Also she could send her daughter to get quality education from a premium English medium school. She also thanked the branch staff and added that never once she experienced a delay in getting loans from them. Rajamani now dreams big of building a small shopping complex in her village and looks for the support of ESAF to give her daughter the best education possible. She now wants to see more people from her community to join the success bandwagon and has already recommended ESAF to her neighborhood.

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

BEST BRANCHES IN THE REGION

JANUARY-MARCH

Region Name	Branch Name	Region Name	Branch Name
Eranakulam	Kodungallur	Chatthisgarh	Durg
Kottayam	Ambalappuzha	Madhyapradesh	Betul
Kozhikode	Edakkara	Maharashtra	Sadar
Thrissur	Alathur	Chennai	Mint
Trivandrum	Kulashekaram	Coimbatore	Thudiyalur

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

CALLING THE SHOTS



Compared to the previous census in 2001, the 2011 census revealed that 58.7% households in the country avail banking services. Since 2005, the number of branches of Scheduled Commercial Banks increased manifold from 68,681 in March 2006 to 1,02,343 in March 2013. Total number of banking outlets in villages increased from 67,694 in March 2010 to 2,68,454 in March 2013. During the same period, banking outlets through BCs increased from 34,174 to 2,21,341. Thanks to the focus on financial inclusion, by emphasizing on rural growth. But even these efforts could not help in attaining the vision of financial inclusion in its true sense.

Ultra Poor Programs (UPP) is an innovation by MFIs

Ultra Poor Programs for financial inclusion

focusing on financial inclusion. It relies on rehabilitation of the ultra poor through a gradual process based on integrated services. The skills of the poor are sharpened through skill trainings and financial literacy programs. The significance of the

The Jharkhand state in which ESAF is implementing the UPP model has 26.2% of tribal population covering Santhal, Malto and Mahali tribes.

programs also lies in the fact that many social welfare programs are not much effective in reaching the intended audiences. Of late, many successful MFIs have taken initiatives to launch UPP programs themselves without any outside support.

ESAF believes in integrated development of the Bottom of the Pyramid segment. The Jharkhand

state in which we are implementing the UPP model has 26.2% of tribal population covering Santhal, Malto and Mahali tribes. Since 2007, ESAF is partnering with Govt and Non-Govt agencies to implement various programs like tribal SHG formation, financial literacy, skill development, market access, health awareness and educational programs. Six years of intervention has equipped them to avail loans from microfinance. The program is arranged on a monthly repayment basis and will be reviewed every four months. Although implementation of the program comes at a price, the vision of the Organization drives us forward and gives us the strength to launch such highly responsible initiatives.

K. Paul Thomas
Founder, Chairman & Managing Director

Read previous issues of 'Calling the shots'
www.esafmicrofin.com/newsaevents/message.html

FROM THE WORLD OF ESAF

ESAF observes 22nd Foundation Day



K. Paul Thomas honoring an employee who has completed 10 years in ESAF

The 22nd Foundation Day of ESAF was observed on 15th March 2014 at ESCCO Conference Hall, Kalathodu, Thrissur. Prof. Elizabeth John, President, ESAF Society, presided over the function. K. Paul Thomas, Founder, Chairman & Managing Director, ESAF Microfinance delivered the Foundation Day message. Prof. P. C. Thomas, founder of the famous Prof. P. C. Thomas coaching classes for entrance exams gave the thanks giving message. Mereena Paul, Chief HR, ESAF Microfinance cut the cake along with K. Paul Thomas. Jobin C. Varghese, Program Coordinator, ESAF made a presentation on the activities of ESAF Society during the year 2013-2014. Jacob Samuel, Advisor, Social Transformation, ESAF Microfinance led the thanksgiving prayer. George Thomas, Executive Director, Christudas K.V. General Manager, Diary & Energy and A. Akbar Strategic Advisor, ESAF Microfinance also spoke on the occasion. ESAF honored the staff members who have completed 10 years of service with ESAF and presented them with gold coins. The meeting was concluded with prayer and benediction led by Rev. A. J. Johnson, Vicar, St. Thomas Evangelical Church of India, Thrissur.

ESAF launches Ultra Poor Program in Jharkhand

The ultra poor loan program of ESAF started at Dumka branch in Jharkhand in March 2014, is now supporting almost 1000 families with loan amounts ranging from Rs 1,000 - Rs 7,000. "ESAF has been doing finance plus services in the region for more than seven years so the foundation has been laid strong and migrating the customers to be eligible for microfinance is



Women artisans at Dumka, Jharkhand

relatively easy" said K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance. The loan amount is disbursed in the monthly repayment mode and the members are mostly engaged in livelihood activities related to handicrafts and hand looms.

ESAF Microfinance receives NBFC-MFI status

ESAF Microfinance has been conferred the status of NBFC- MFI by the RBI, with effect from Jan 07, 2014. At present, ESAF Microfinance has net owned funds



of Rs 70 crore and cumulative loan disbursement of the Company has stood at Rs 2,591 crore. In an effort to regulate the sector and hold it more accountable, the RBI had announced a host of measures last year, which included a special

category of NBFC for the microfinance institutions called NBFC-MFI. K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance said that the new category will allow ESAF to be differentiated clearly from the mainstream NBFCs and help in enjoying the privilege of Priority Sector Lending (PSL) from the banks, easier access to funds and better negotiation for cost of borrowing. He added that this was the culmination of a long journey of struggle to get regulatory recognition to the sector.

CRISIL upgrades ESAF's rating



CRISIL a global analytical company and part of the world renowned Standard & Poor group upgraded the rating of ESAF Microfinance to MFR-2 on a scale of 1 - 8. K. Paul Thomas, Chairman & Managing Director, ESAF

Microfinance praised all the staff for this achievement. He thanked the almighty and exhorted all staff to remain committed to the cause of the poor and financially excluded. Apart from the staff he also thanked the social investors Dia Vikas and Manaveeya Holdings for their technical and financial assistance and Board Members for their valuable guidance.

ESAF observes International Women's Day

With over 99% of the client base and 65% of the workforce as women, ESAF has been making conscious strategies to develop women-friendly policies and products. As in the previous years, International Women's Day (IWD) was celebrated meaningfully across several branches of ESAF



Kathreenamma Sebastian inaugurating the women's day program. Also seen are Mereena Paul, Beena George, Sandhya Suresh and Ambika Soman

Microfinance. Altogether 353 clients and 114 women staff attended the programs in different locations across Kerala. As part of the IWD observance an open forum was organized at ESAF Head Office in Thrissur, which was attended by 45 women staff representing various entities of ESAF. The objective of the open forum was to understand the challenges faced by women staff in balancing family and work. Kathreenamma Sebastian, Asst. Director, Micro Small and Medium Entrepreneurs (MSME) was the chief guest. She also delivered the key note address. Mereena Paul, Head-HR and Beena George, AGM-HR also addressed the gathering. The open forum was led by Sandhya Suresh and Ambika Soman. A team of resource persons comprising 16 women staff of ESAF took sessions at various locations, which were attended by the women staff as well as the sangam members. The sessions primarily focused on the wholistic empowerment of women on political, economic and social fronts and also factored in development on mental and physical aspects. Cluster leaders were motivated to play an active role in giving hand holding support to their fellow sangam members. Women's day programs were also held in branches across Tamilnadu, Maharashtra, Madhya Pradesh and Chhattisgarh.

ESAF organizes workshop in association with DCH

With the support of the Development Commissioner of Handicrafts (DCH), ESAF organized a two week Design and Technical Development Workshop on Wooden Crafts at Cherpu, Thrissur. 30 artisans



Design and Technical Development Workshop at Cherpu

including five women artisans participated in the workshop. Sachin Tiwari from Jaipur was the trainer. He was surprised at the versatility displayed by the women in carving out new designs in wood.

K. Paul Thomas, Founder Chairman & Managing Director, ESAF Microfinance presided over the closing ceremony of the workshop on April 05, 2014. C. Sundaram, Circle Inspector, Cherpu, inaugurated the renovated showroom of Cherpu Carpenters' Cooperative Society.

ESAF launches ESCCO

ESAF has launched a multi state co-operative credit society named ESCCO (ESAF Swasraya Multi State Co-operative Credit Society Ltd.) at Kalathode, Thrissur on Feb 17, 2014. C.N. Balakrishnan, Hon'ble Minister for Co-operation, Khadi and Village Industries inaugurated and Adv.



C.N. Balakrishnan inaugurating ESCCO Admin. office at Kalathode

Therambil Ramakrishnan, MLA, Thrissur, presided over the function. The safe locker of ESCCO branch was inaugurated by Rajan J. Pallan Mayor, Thrissur Corporation. K. Paul Thomas, Founder & CMD, ESAF Microfinance and Chief Promoter & Chairman, ESCCO welcomed the gathering.

The minister during his speech praised ESAF for their continuing efforts to serve people who deserve attention. K. Paul Thomas earlier thanked all the well wishers who supported him in bringing ESCCO a reality. George Thomas, Director, Operations, ESAF Microfinance, Dr. M. Usman Sahib, Standing Committee Chairman, Thrissur Corporation, P. U. Hamsa Councillor, Thrissur Corporation, M. K. Varghese, Councillor, Thrissur Corporation, Joseph Chalissery President, Thalappilly Taluk Agricultural Development Bank, Jayasree Bhaskaran, Councillor, Thrissur Corporation, Shyamala Muralidharan Councillor, Thrissur Corporation, K. V. Johny, President, Ollukkara Service Co-operative Bank, Jose Palokkaran, President, Mannuthy Town Co-operative Society, and Ajay Desai, Senior President & Chief Financial Inclusion Officer, YES Bank, also spoke on the occasion.

ESAF loan portfolio crosses 500 cr (2013-14)

The loan portfolio of ESAF for the financial year 2013-14 has crossed 500 crore last month. K. Paul Thomas, Chairman and Managing Director, in his message to the staff dedicated the achievement to all the women staff in the Organization especially field staff, who strove hard on a regular basis braving scorching sun. He added that the achievement was more significant as it came on the eve of World Women's Day. He also thanked all the banks and financial institutions who have provided timely debt funds. He concluded his message by reminding the employees of the distance yet to be covered to fulfill the dream of reaching 25 lakh households with a loan outstanding of 5000 cr by 2020.

ESAF Microfinance profile
www.esafmicrofin.com/home/aboutus/profile.html

ESAF signs pact with Vananchal Gramin Bank

Vananchal Gramin Bank, Dumka is partnering with ESAF to implement financial inclusion programs in nine districts in Jharkhand. K. Paul Thomas, Chairman & Managing Director, ESAF Microfinance, Roy K. Alex, General Manager, Strategic Initiatives and Ajith Sen, Deputy Chief Manager had a detailed



K. Paul Thomas with Basant Kumar Mishra at the meeting discussion with Basant Kumar Mishra, Chairman, Vananchal Gramin Bank and other senior Bank officials in this regard.

ESAF participates in Livelihoods India Conference

ESAF participated in the Livelihoods India Conference held at Hotel Le Meridien, New Delhi on 11th and 12th December 2013. The Conference, an annual two-day event, discussed the issues related to sustainable livelihoods of the poor. Theme for the conference was 'The Quest for Scale'. Onno Ruhl,



Roy K. Alex with Onno Ruhl, Country Director, World Bank, India

Country Director, World Bank inaugurated the conference. In his speech he highlighted the developmental needs of the livelihood sector. Roy K. Alex, General Manager, ESAF Microfinance and Joji Koshy Varghese, Chief Operating Officer, ESAF Swasraya Producers Company (ESPCL) represented ESAF in the conference.

ESAF organizes workshop on non-motorized transportation

ESAF Livable Cities team in association with National Transportation Planning and Research Center (NATPAC) organized a one-day workshop on the theme 'Prioritizing Non-motorized Transportation in the Urban Transport Sector' on 7th January 2014. The program which was held at hotel Pearl Regency, Thrissur was inaugurated by P.V. Sarojini, Deputy Mayor, Thrissur Corporation. M.S. Jaya IAS, District Collector, Thrissur, delivered the key note address. K. Paul Thomas, Founder Chairman and Managing Director, ESAF Microfinance presided over the function. Classes were led by Elangoven, Head, Traffic and Transport Division and Dr. Ravikumar, Head, Traffic safety and Extension services, both from NATPAC. Jacob Samuel, Head-Livable Cities



P.V. Sarojini inaugurates the workshop

Project, Hari Sankar IPS, Assistant Commissioner of Police, Thrissur, M. K. Varghese, Prof. Annama John, Municipal councillors and Mr. K.V. Dasan, Former President, District Panchayat, Thrissur spoke on the occasion. An inter-collegiate collage competition on the theme 'Sustainable Cities' was also conducted in which Govt. Fine Arts College & Govt. Engineering College bagged the first and second prizes respectively.

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

ESAF SHG organizes RGB

Representative General Body meeting of ESAF SHG Federation was held on January 03, 2014 at Town Hall, Thrissur. M.S. Jaya IAS, District collector, Thrissur inaugurated the meeting and Selina George, Chairperson, ESAF SHG Federation, presided over the function. K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance delivered the key note address. Best



M.S. Jaya IAS inaugurating the RGB

entrepreneurs among ESAF SHG members and best Branch Advisory Committees were honoured in the function. As part of the meeting a stall was setup for exhibition and sales of products produced by ESAF sangam members.

ESAF participates in National Business Fest, AIMS

Amrita School of Business, Kochi organized ASTHRA, a two day National Level Business Fest at AIMS campus, Kochi on 24th and 25th January 2014, based on the theme 'Social Innovation'.



K. Paul Thomas sharing his message at the ASTHRA Conclave

K. Paul Thomas, Chairman & Managing Director, ESAF Microfinance presented a paper on 'Social Innovation - Finding Solution for Sustainable Development' in the fest. ESAF had set up a stall

EDITORIAL

UPP taking microfinance to the next level

Food security and livelihood creation are the costliest elements of an Ultra Poor Program (UPP). The Ultra Poor Program caters to a section of people who doesn't have even Rs 25 /day for survival, as perceived by the planning commission. The MFIs who are offering them these services are also fighting for their existence as converting ultra poor to the category of 'poor' who can afford regular microfinance is no mean task, especially when the regulators have tightened their noose around the profitability part of the sector. Relying on Government security schemes to underwrite the costliest elements, as mentioned above, of a typical ultra poor program can do the trick as far as MFIs are concerned. This helps the MFIs to reduce the time spent in the field and thereby the cost per beneficiary. The costs thus saved can be utilized by the MFIs to scale up the model to other areas that deserve interventions.

The poor should be made aware of their rights and MFIs should prepare them to participate in public sector programs.

Still the model suffers from some inherent deficiencies from the perspective of the beneficiaries. If a product or service like healthcare is given for free, the beneficiaries are

not likely to partake, if the time of access is not convenient. Migration tendency of the workers and lack of confidence in Government schemes also act against their own interests. As most of the poor cobble together different jobs for a hand to mouth existence, it is necessary that MFIs in association with governments should try for giving the poor job security that they are yearning for. The poor should be made aware of their rights and MFIs should prepare them to participate in public sector programs. Also the trainings under the Ultra Poor Program should cover aspects like healthcare that sometimes threatens the flow of regular income of the household, financial education that imparts the disciplines of savings and money management and livelihoods training that intend to teach basic skills. Then only the model can yield the desired results envisioned by responsible MFI practitioners in the country.

Sony V. Mathew

Your response can be sent to
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where a variety of handcrafted products made from bamboo and jute were exhibited.

ESAF Livable Cities team participates in seminar on Safe Road Design

ESAF Livable Cities Team was invited to participate in a seminar conducted by Architects and Engineers Association, Thrissur at AEA House, Kakkalai, Thrissur on 25th January 2014. Dr. Sunil Vasudevan, Executive Engineer, PWD Road Safety Cell, Thiruvananthapuram, Arun Kumar, Scientist,



Jacob Samuel handing over a copy of ESAF Pedestrian Study to K. Radhakrishnan

NATPAC and Ram Kamal, Social Scientist made presentations on various aspects of safe road design. Jacob Samuel, Head-Livable Cities Project made a brief presentation on the project and handed over a copy of the 'Pedestrian Study' to K. Radhakrishnan, Chairman, Thrissur Urban Development Authority, who was the chief guest of the seminar.

ESAF participates in South Indian Agri Fest

ESAF participated in Agri Fiesta -2014, the South Indian Agri Fest hosted by Kerala Agricultural University from February 28 to March 06, 2014 at Agricultural University campus, Vellanikkara, Mannuthy. ESAF Swasraya Multi-state Co-



Ticket counter managed by ESCCO at the entrance

operative Credit Society (ESCCO) managed the ticket counters of the event. ESAF Swasraya Producers Company (ESPCL) and ESAF New Products teams had set up stalls at the venue, which attracted thousands of customers.

SIDBI acknowledges gender mainstreaming strategy at ESAF

SIDBI developed a case study on ESAF's efforts to mainstream gender in its strategies and used the same case study to train the MFI representatives from Madhya Pradesh and Orissa, who participated



SMALL INDUSTRIES BANK OF INDIA

in the two day workshop held in Bhuvaneshwar from Jan. 31 - Feb. 01, 2014. Sandhya Suresh, Sr. Manager R & D represented ESAF in the workshop and explained in detail about the gender mainstreaming strategy followed by the organization. The participants discussed in groups about ways in which they could integrate the learnings in their enterprises. As per the case study, 76% field staff, 41% branch managers and 59% assistant branch managers at ESAF belong to the fairer sex.