

Aamara Biswas

Women Helping Women through Nano Finance

Report and Areas of Operation (April 1, 2012 – March 31, 2013)

(Reported by Joyasree Mahanti)

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A. Introduction

Aamara Biswas (AB) was established on December, 2007 to implement the Nano Finance concept. The main goal of this program is to empower extremely poor women and girls in rural villages and poor urban neighborhoods in the state of Odisha by providing them with access to very small interest free loans of Rs 500-1000 (\$10 – 20) with a payback period of a one-full year. The loan is for their emergency needs, children's education, health care, clean drinking water, and to help them start or expand their own small business. By giving interest free loans through its signature nano-finance scheme, it has helped more than 6000 women in five years in different parts of Odisha.

Under the Nano Finance system, women get access to additional interest free loans under the condition that the previous loan is paid back in full. Borrowers are also advised not to exceed Rs 1000 (\$20) per loan at a time. AB gives individual loans and re-circulates the returned money to provide loans to other women who are in similar situations or to the same women when they have additional needs after repayment of the existing loan.

Generally, when women get bigger loans through micro finance institutions or other sources, other family members become aware of the loan amount. In case of nano finance loans, the women have complete control over the small amount and they solely take decision for using the loan for improving their livelihood. It is easy to keep the small amount as a secret from other family members and start small trades and pay back the loan by themselves without much constrain or help. Of course, at the end, the entire family is benefitted by this system.

Trust (BISWAS) is the key factor for the success of Nano-Finance. In fact, the women themselves are responsible for the success and for the existence of Aamara Biswas organization. The coordinators and the women who are part of the Nano Finance system are responsible for the vitality of the organizations. All the coordinators are selected from the areas the Nano Finance project is implemented with minimum education and get paid by AB.

At the beginning, the default of loan payment was about 15%. Once the women realized the benefit of interest free small loans, the default rate reduced dramatically. Currently, in some areas the loan payment is nearly 100%. It is encouraging to hear that women prefer to take small loans which they can pay back comfortably than taking bigger loans through micro finance institution and other sources.

B. Details of the Projects:

Sambalpur Town: A total amount of Rs. 4, 73,000 (\$9460) is used for giving loans from Nov. 9, 2007 to Dec., 2012. By re-circulating the returned money, AB has given a total amount of about 21 lacs loans to more than 4500 women and has collected more than 18 lacs. About 600 women have taken interest free loans from AB from Jan. 1, 2012 to Dec. 31, 2012 for their basic needs requirements. **Protima Sahu** is the coordinator of the center which covers the Sambalpur town and nearby villages. The center runs smoothly without much problem. The women are aware of the rules of Nano Finance system and Aamara Biswas. The women take loans mostly for small trades, emergency needs, healthcare, and children's education.

Kiakata, Anugul District: This is one of the poorest villages where AB has made an impact. The women constantly take small loans for their emergency needs for health care and small trades. Last year, 30 women were given loans for brick making, which has turned out to be a quite lucrative enterprise. The same women borrowed again this year, after returning the earlier loans. 30 more women have taken loans for the same venture. Rs 60,000 (\$1200) were added this year to expand the Nano Finance project. About 250 women have taken interest free loans from AB from Jan. 1, 2012 to Dec. 31, 2012. **Kamalini Badi** and **Sushama Pattnaik** are the coordinator of this area (7 villages).

A small training/production center has been established in January 2012 to give training to young girls/women for making women's garments. A total amount of Rs 1, 25,400 was (\$2500) spent for establishing the training center (including the construction of a small room, teacher's salaries, and materials). About 18 girls have finished taking their training and start generating income from the sale of the garments. AB helps them with the marketing. Currently, 21 girls are taking training. Once trained, the interest-free loans will help them to start their own small businesses. **Sushama Pattnaik** manages the training center.

Khamara, Anugul district: Most women here use the loans for small businesses and farming. They prefer to return the loans in four to six months. The return rate in Khamara is a perfect 100%. AB has expanded the project by adding Rs 50,000 (\$1000). About 200 women have taken interest free loans from AB from Jan. 1, 2012 to Dec. 31, 2012. **Geeta Pradhan**, the coordinator (5 villages), reports that some women have made almost Rs 10,000 (\$200) profit using their starting loan amount, Rs 500.

Bramahagiri, Puri district: AB has supported a group of women for making ropes for their livelihood by providing them with rope making machines and coconut fibers. AB has expanded the project by adding Rs 85,000 (\$1700). About 300 women have taken interest free loans from AB from Jan. 1, 2012 to Dec. 31, 2012. **Sworna Jena**, the

coordinator of the area (9 villages) reports, the loan payment is more than 95% although the women take more than one year to pay off the loans and some women need constant reminder. Nearly 70% of the loan is used for agriculture and the rest is used for small trades, education, and health purposes.

Balikuda, Jagatsingpur District: The return rate in this area is nearly 100%. The progress of the women and their stories are extremely encouraging. The women took loans in a group to buy a rice husking machine for their use and also for rental purpose. They have started a sewing business with their profits. AB gave 30 more women loans to buy sewing machines to expand their business. Another group of women have taken loans to start a chicken farm. The loans have improved the livelihood of these women and once again, made an impact. AB has expanded the Nano Finance project in this area by adding Rs 1, 40,000 (\$2800) from Jan. 1, 2012 to Dec. 31, 2012. 1100 women are benefitted by AB through Nano Finance project.

A small training/production center has been established in April 2012 to give training to young girls/women for making women's garments. AB rents a small room for the training purpose. A total amount of Rs 1, 52,000.00 (\$3040) was spent for establishing the training center (including the rent, teacher's salaries and materials). About 52 girls have finished taking their training and start generating income from the sale of the garments. Many women come to the center for using the sewing machines for making garments. Aamara Biswas helps them with the marketing.

Nirupama Barik, the coordinator is responsible for the success of Nano Finance project in this area (17 villages). She was invited to join politics at the village level. She refused and her comment was "I prefer to work for Aamara Biswas than joining politics".

Nolia Sahi, Jagatsingpur district: Itishree Behera is the coordinator from the fisherman's village (5 villages). In spite of multiple problems in this area, due to her strong determination many women are getting help through Nano Finance project. This year, AB has added RS 30,000 to expand the project. The loan is used mostly for agriculture.

Purusottampur, Cuttack district: In Dec. 2010, Aamara Biswas took over a women's garment production center which was not functioning due to lack of funding by giving Rs. 1,24,000 (\$2480) as a loan to buy raw materials. In this center, there was already an established infrastructure with several sewing machines and other materials to start the production unit with enough trained girls/women in the village. The center is now running but with a very small profit. AB has added another Rs 2, 00,000 (\$4000) in January 2012 for buying raw materials. This center provides livelihood to nearly 15-20 girls/women.

Nano Finance project was started in Purusottampur village in March 2012 with Rs 10,000 (\$200). **Jyoshna Rani Tripathy**, the coordinator continues her effort to manage the center with limited funding and with the hope for the future expansion.

C. Water Filter Project

Aamara Biswas has started this project in November, 2010 with 555 water filters. The women are buying the filters through the Nano Finance scheme. There is a significant reduction in waterborne diseases by using the water filters. (Please visit the website, www.immt.res.in/announcement/terafil.pdf to get more information about the water filter.) Currently, most of the filters are given to the women of the villages of Jagatsingpur district. In 2012, AB has bought additional 361 water filters by recycling the returned money. The women already bought 261 filters. AB does not make any profit through this project. An extra nominal amount is charged to cover the transportation cost,

Kedar Sahani is the coordinator of this project. Due to his hard work and tireless effort, the project is quite successful and he hopes to expand the project to different parts of Odisha in the near future.

D. Project Evaluation by Joyasree Mahanti

It is overwhelming and exciting to see the impact of Nano Finance on thousands of women in last five years. The women now understand the benefit of working together by taking small interest free individual loans. AB encourages the women to start small trades within their reach and comfort level and expand their trades with time and experience. When they are asked to take bigger loans from micro finance institutions for expanding their businesses, their answer is No; they would rather take a small interest free loan from AB which they can return comfortably at their own convenience within a reasonable time period without going through any other lending agencies.

The **coordinators** are the backbones of Aamara Biswas. Due to their hard work, diligence and sincere interest in working for the under privileged women of the society, the projects are successful and progressing well. They work with very little salaries, without much demand or complain. This is called true “Social Work”. Also, the women who take loans from AB are responsible for the success of the project. Most of the women come to the coordinators to return their loan. In a few cases, coordinators have to go to their homes for collection. The reason can be the distance or postponing the interest free loan payment as their lower priority or lack of discipline. The coordinators don’t force or penalize the women for not paying back the loan but remind them their responsibilities and how their payments help them and others when they are in need.

AB still does not advertise its activities. The women from the nearby areas find it through word of mouth and often come from a distance to take loans. It is difficult to deny but we don’t have a choice. The coordinators try their best to give loans to the women who are really in need. It is easy to give loans to the same women who have a good credit history. But there are others who are in desperate situations and want to improve their

livelihoods with the help of AB. AB provides loans with trust and hopes that the women will return the loans for their own and others' benefit.

Now AB has reached a stage where it is necessary to train the women for different livelihoods by starting small training centers. This opens the doors for different opportunities for new livelihoods.

The other goal of AB is to find a way to have some small business where part of the profit can be used for the sustainability of the organization. For example; the coordinator of the Sambalpur center is making ladies garments in the office space when she is not busy. The future plan is to have small training/production centers where a small percentage of the profit will go towards the salaries and maintenance of the centers.

Though the administrative cost is small, as the project expands, it needs more funds to cover the administrative costs. The administrative cost includes the salaries of the coordinators, teacher's salaries, and rent for one office/training center, travel expenses of the coordinators, and other small expenses for maintaining the organization. Currently, AB has a corpus fund and the interest accrued covers part of the administrative cost. The plan is to increase the amount of the corpus fund in the coming years. One day, AB hopes not to depend on outside funding for its sustainability.

The best part of Nano finance project is, all the areas are completely disconnected from each other. If one area discontinues, it does not affect the other areas. Occasionally, Aamara Biswas does face problems. At the same time, the impact of the Nano Finance project on the lives of women is so much that it is really worthwhile to continue this project.

E. Conclusion

I am thrilled with the results and excited to see the progress of each woman even at the smallest level. I see the future of Aamara Biswas through their success stories. The sustainability of Aamara Biswas relies greatly on these women. It is their organization and they are responsible for its existence.

Very often, the women tell their success stories with a smile and excitement by holding my hand. During my recent visit, the women tell me that Aamara Biswas has given them strength and taught them how to stand on their own feet. They smile at me with confidence and tell they are not scared of anybody because financially they don't depend on their husbands any more. They get respect from their husbands and other family members after starting making money. I assure myself that the empowerment of women will change the world.

