

Aamara Biswas

Women Helping Women through Nano Finance

Report and Areas of Operation (April 1, 2013 – March 31, 2014)

(Reported by Joyasree Mahanti)

A. Introduction	Page No. 2
B. Financial Statement	3
C. Details of Nano Finance Project	4-6
D. Training Centers	6
E. Water Filter Project	7
F. Future Plan	7
G. Conclusion	7

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 7000 women in six 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.

The Nano Finance concept is extremely helpful to the women who don't have any other means of financial support than going to the money lenders for emergency needs. These women share their heartwarming success stories, and claim that most of them have savings in the bank after taking interest free loans multiple times from AB for expanding or starting their small business.

When you meet Sumitra from Sambalpur town; she tells with tears in her eyes how Aamara Biswas has helped her and given her strength to survive with an alcoholic husband and three children. Now she is doing well and feels secure that in the time of emergency she can come to AB instead of going to a money lender.

When you meet Gita from Khamara village of Anugul district, she claims that the small interest free loans of ten dollars through Aamara Biswas have made women financially secure and they have some savings in the bank.

When you meet Sabita from Balikuda village of Jagatsingpur district; she tells how Aamara Biswas has taught her and her friends to be financially independent and mentally strong. When she talks, she smiles with pride and joy at her progress.

When you talk to Sushmita from Mahanga village of Cuttack district, she tells that the Nano Finance has fulfilled her vision of helping the women of her village with minimal funds.

There are many such stories you hear from the women of Odisha when you meet them. Their affection and warm welcome will take you back to their villages to hear their stories again and again with occasional complaint. During my last visit in December 2013, most of the women expressed that 500 rupees is not enough to start any small businesses due to inflation. AB decided to give Rs 1000 instead of Rs 500 at the beginning but does not give more than Rs 1000 rupees.

B.Financial Statement

Donation (For the year 2013-2014) and Expenses

The dollar value in rupees has changed from 42 to 62 (from 2007 – 2014). The average conversion rate is taken to be \$1 = Rs 52.

Our Biswas	Rs 7,50,000	\$ 14,420
Personal	1,00,000	1,925
Total	Rs 8,50,000	\$ 16,345

A. Nano Finance Project

Sambalpur:	60000	1154
Kiakata	30000	577
Sonepur	50000	962
Khamara	50000	962
Balikuda	180000	3462
Noliasahi	62000	1190
Lalitgiri	106000	2040
Total	Rs 5,38,000	\$ 10,347

B. Salaries for six months	Rs 93,000	\$ 1,790 (8 coordinators)
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C. Balikuda Training Center

Buying fabrics	100000	1924
Teacher's salaries for six months	9000	173
Rent for six months	9000	173
Total	Rs 1,18,000	\$2,270

Grand Total	Rs 7,49,000	\$14,407
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C. Details of Nano Finance Project

Year From To	Village District	Amount Invested In rupees	Amount Invested In dollars	Loan Disbursed In rupees	Loan Disbursed In dollars	Ratio Disbursed /Invested	Amount Collected In rupees	Amount Collected In dollars	No. of Clients/ Transactions
2007 2014	Sambalpur urban area	5,00,000	9,615	26,45,000	50,865	5.29	22,33,000	42,940	4343 7777
2008 2014	Noliasahi Jagatsingpur	2,12,000	4,080	4,25,600	8,180	2.00	3,85,800	7,420	778 1850
2009 2014	Khamara Anugul	2,10,000	4,040	4,26,600	8,200	2.03	2,90,790	5,590	311 880
2010 2014	Balikuda Jagatsingpur	6,21,800	11,960	17,20,500	33,086	2.77	10,12,300	19,470	826 2426
2008 2014	Kiakata Anugul	1,75,000	3,365	3,46,045	6,655	2.00	1,70,190	3,270	603 2140
2012 2014	Purusottampur Cuttack	1,24,000	2,385	1,56,800	3,015	1.26	42,800	1,400	108 197
2013 2014	Slum areas Sonepur	1,35,000	2,600	2,42,000	4,650	1.79	1,52,000	2,925	155 365

As you see in the above table, the ratio varies from area to area. It depends on the initial invested amount, time period, type of loan, and the return pattern. Most of the centers (except Sambalpur) were started with a small amount for the Nano Finance project and AB added more funds later depending on the need and the return habits (see one of the examples below – Purusottampur). Nano Finance concept can be successful if the women understand the importance of returning the loan in time. Also, we have noticed that a woman needs to take 4-5 times interest free loan consecutively for a sustainable livelihood trade.

Sambalpur Town: Pratima Sahu is the coordinator of the center which covers the Sambalpur town and nearby villages. Due to her sincere effort, the center runs smoothly without much problem. The women trust Pratima and appreciate her fairness and comforting words. The initial amount has been re circulated multiple times and has helped many women for different purposes.

Noliasahi, Jagatsingpur district: Itishree Behera is the coordinator of the area which includes seven villages. In spite of multiple problems in the beginning, due to her strong determination and guidance the Nano Finance project is running smoothly for last two years. All the women love Itishree. Her straightforwardness is her strength.

Kiakata, Anugul district: For last three years, AB has been facing problems with this center. Mostly, it is due to the coordinator's mismanagement of the funds. Most of the women are uneducated and don't challenge the system or the coordinator when there is something wrong. They are always scared that if they complain, AB may stop giving them interest free loans for their emergency needs. Though many times, AB thought of

discontinuing the project in this village, the living conditions of the women compel us to continue in spite of all the problems. The Nano Finance project is necessary and extremely helpful to these women. Currently, **Kamalini Badi** is the coordinator of this area. The data given above reflects the current status of the project. AB has to start from a clean slate. AB hopes to solve the problem in the coming year. The center needs frequent visits by someone who can check the books and talk to the women to make sure they are getting/returning loans regularly and record things properly.

Khamara, Anugul district: **Geeta Pradhan** is the coordinator of the area which covers 5 villages. She reports that some women have made almost Rs 10,000-15,000 (\$ 200 – 300) profit using their starting loan amount of Rs 500 (less than 10 dollar) and have savings in bank. Geeta's sincerity and hard work have helped her and many women in her areas through Nano Finance. Her only complaint is not to be on television to talk about Aamara Biswas to others.

Balikuda, Jagatsingpur District: **Nirupama Barik** is the coordinator is responsible for the success and expansion of Nano Finance project in this area. She covers 23 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".

Purusottampur, Cuttack district: **Jyoshna Rani Tripathy** is the coordinator of this area and covers 5 villages. AB started the Nano Finance project with Rs 10000 (\$192) in 2012. Due to small investment, the total collection, disbursement, and number of clients were not much for one year. AB added another Rs 30000 (\$575) to the initial amount in January 2013. Due to great demand from the women, AB expanded the project by adding another Rs 84000 (\$1615) in Feb 2014.

Sonepur, Sonepur district: **Aliva Sarvanga** is the coordinator of this area. This covers the slum areas of Sonepur district and some villages surrounding the town. AB does the collection on last Sunday of the month. It is encouraging to see how the girls and women follow the rules and come from a distance to payback their dues on the given time and date without any problem. Aliva is from a tribal area and currently attending the local college. She is the key person for taking the Nano Finance project to her area. Someday, she will be a bigger part of Aamara Biswas.

In spite of the success stories and expansion of Nano Finance project, Aamara Biswas faces problems which are not uncommon. The success of Aamara Biswas and Nano Finance projects depend on the coordinators and the women who take loans from Aamara Biswas. Returning the loans is not a problem. Most of the women understand the importance of the interest free small loans and paying them back in time. Sometimes there are problems when a coordinator lacks integrity and does not perform duties properly. Aamara Biswas thrives on trust. The Nano Finance system can collapse easily if the coordinator does not work ethically. It is heart breaking to find that a coordinator has broken trust and taken advantage of the simple system for her personal gains.

It is not pleasant but for the benefit of the organization and for the benefit of the indigent women the coordinator has to leave the organization. As a result, it takes time to recover from the breach. These experiences teach us to be careful and have more checks and balances for protecting not only the system but also the women who take/return loans.

We also advise the women to be careful, and make sure their returned money has been registered in the books with their and coordinator's signatures for the future proof. Action taken: A part time person has been employed to visit the areas and check the books and also have meeting with the coordinators every three months. Also, it is important to talk to the women to know about the coordinators and the impact of Aamara Biswas.

D. Training Centers

Purusottampur Training/Production Center: In Dec. 2010, Aamara Biswas took over the training/production center which was not functioning due to lack of funding by giving Rs. 1,24,000 (\$2385) in 2010 and another Rs 2,00,000 (\$3850) in January 2012 for buying raw materials. This center already had an established infrastructure with several sewing machines and other materials to start the production unit with enough trained girls/women in the village. Currently, the center is running smoothly by giving training and providing livelihood to many women/girls from the surrounding villages.

Kiakata Training/Production Center was established in January 2012 in an interior village of Western Odisha. The main purpose of the center was to help young girls to learn sewing for future livelihood. About 59 girls had finished taking their training. Some of them had already started generating income from the sale of the garments. The sewing teacher left the center. During my last visit in December, I found that none of the girls are eager to take over the center or interested in making more money by teaching others. Most of them are waiting to get married. The young women from the village are not interested in learning. They prefer to do daily work which gives them more money. It is difficult to bring students from the nearby villages. They demand that we should go to their villages and start teaching. This is not possible. Until AB finds students and a teacher with reasonable salary, the training center is closed temporarily. **This project needs to be reevaluated.**

Balikuda 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. 83 girls have finished taking their training, and have started generating income from the sale of the garments. 10 girls have already bought sewing machines for their own business. It is a very rewarding experience to visit the center. The girls have their dreams and plan to help their families by earning more money by getting help from AB. The center has started getting contract from schools to make the school uniforms. This provides extra income to many girls and women from the villages. AB also has the dream to have its own center in this area with multiple training facilities.

E. Water Filter Project

Aamara Biswas started this project in November, 2010 with 555 drinking water filters. There has been a significant reduction in waterborne diseases by using the water filters. AB has bought additional 1359 water filters by recycling the returned money. **Kedar Sahani** is the coordinator of this project. Due to his hard work and tireless effort, the project is quite successful.

F. Future Plans

Plan#1: Last year (2013), Aamara Biswas was planning to start a small unit in Balikuda village to make low cost sanitary pads. Due to lack of place and fund, AB postponed the idea. During my last visit, I discussed this project with girls and women from different villages. There is a great interest in and need for this project. It needs more work and careful planning before starting. Hopefully, this project will be started in the coming year, 2015.

Plan#2: Last year, Aamara Biswas was planning to start a small educational fund to support the girls for attending college after 10th grade. Unless we have a different fund, AB can't give loans for education which will take away a chunk of money from the Nano Finance project. The other option is to support some girls by sponsoring personally without going through AB.

Plan#3: AB is planning to have a workshop in 2015 inviting the coordinators and the women who are part of, or are interested in Aamara Biswas. The purpose of this workshop is to give the forum to the women to share their experiences, and encourage other women to progress economically with the help of AB.

G. Conclusion

In spite of the problems, the impact of Aamara Biswas is visible and helpful to the most underprivileged women of the state of Odisha. The women are extremely thankful for getting interest free loans for their livelihood and emergency needs from AB. They are now confident enough to progress financially with their own ideas and a little help from AB. The sustainability of Aamara Biswas relies largely on these women. It is their organization and they are responsible for its success.