

Five Talents

Fighting Poverty, Creating Jobs, Transforming Lives

Trip Report to Chennai, India, 6-10 March 2009

Team Members: (left to right)

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Anbu – Monitoring Officer

Day 1:

Arrived at Chennai airport at 1am. Met with flowers by Rev. Asok Kumar (Director of Church Board of Socio-Economic Concerns) and Mr Anbu (Project Monitoring Officer) both from the Diocese of Madras and taken to Comfort Inn, Marina Towers. The traffic was amazing!

Breakfast meeting with Rev. Asok, Anbu and Mr Satyam who is the CEO of the All India Association of Microenterprise Development. Five Talents uses Satyam on a consultancy basis to advise and monitor the Five Talents funded microfinance programmes in India. The Chennai programme focuses on women only and uses a savings-led methodology (see below).

We departed for Pulicat Island at 9.45am – two hour journey north of Chennai. Pulicat was badly affected by the Tsunami on 26th December 2004. Mr Satyam explained the stages of disaster recovery as follows:

1. Relief – immediate aid
2. Reconstruction – of houses and infrastructure
3. Rehabilitation – restore functionality
4. Re-integration – recover livelihoods

He explained that Five Talents is the only NGO on Pulicat that is helping with stage 4: re-integration. All other NGOs have left. He commended Five Talents for their support which is really helping the people to rebuild their lives.

We reached the island by boat. There are 13 hamlets on the island and the Five Talents project is concentrating on 11 of them. The project has helped to form 120 self-help groups for women on Pulicat island, each with around 15 people – total 1800 members. After forming the groups, the project staff help to “norm” the groups, i.e. train them in record keeping, roles and responsibilities, savings and on-lending. Over time the groups mature to the point of taking and repaying loans from outside capital. Merlin (pictured centre) is the project Animator on Pulicat, working with the groups on a daily basis. Mark is the Field Coordinator.

We met groups of women from three hamlets at the following locations:

- a. The church on the island – 8 groups
- b. Beside a Hindu temple – 3 groups
- c. The Tsunami community hall and early warning centre – 6 groups (pictured right)

The women in each group are now saving their own money, often up to 50 rupees per person per month (approximately \$1). They bank this money in their group bank account in the local Indian Bank branch, which is 7km away. We inspected their



record books (pictured right). The women can elect to lend their accumulated savings to one or two of their members, as agreed at their monthly meetings.

As the groups mature, Five Talents has provided an additional loan fund (worth around £11,000 in total) to 40 groups on Pulicat so that more women can access credit, larger amounts at different times etc. Our team was asked to present the first loan injection of 20,000 rupees (\$390 or £280) to 5 of the groups that we met, bringing the total number of groups assisted to 45 groups. There remain 75 groups that are awaiting their first injection of external loan capital (needing £21,000). If the groups are successful with handling the first loan cycle, the loan fund is increased subsequently as follows:

- 2nd cycle: Rs30,000 (£425)
- 3rd cycle: Rs 50,000 (£710)
- 4th cycle: Rs 75,000 (£1,065)
- 5th cycle : Rs 100,000 (£1,425)



The groups decide to share the capital usually amongst 2-5 women at first. Repayments are made over 10 months into a separate repayment account at the bank. If a woman borrows £100 she repays £115 over 10 months. The interest helps to cover the costs of the project staff and operations. The effective rate of interest is 15%, charged at 3% per month on a reducing balance. Comparative local interest rates are as follows:

1. Indian Central bank lending rate is 8% pa;
2. housing loan of 10-14% pa from a commercial bank
3. retail personal loan of 18-22% pa.
4. Other microfinance loans effective rates 38-47% pa.
5. Money lender (loan shark) c.300% pa.



We met women in Pulicat who are using the loans to build the following types of businesses:

- Clothing
- Brick making (pictured right)
- Breakfast / snack bar
- Chilli powder
- Tailoring
- Saris
- Milk
- Corner shop (pictured right)



Paturoger & Arimu Mugam

Day 2:

Sunday: Tom preached at the English service of House of Prayer church – picking up the theme of International Womens Day. We then visited St Thomas' Mount and did some souvenir shopping, before joining the Bishop of Madras at the dedication of a new rural church. This was a marathon service and celebration! We went to Spencer Plaza in Chennai city for dinner.

Day 3:

We drove 2 hours south of Chennai to Kalpakkam where we met women's groups in 4 locations:

- Church – 8 groups, all have received loans from the FT fund.
- Community Hall on the beach – 4 groups, all four have got loans from the FT fund
- Community Hall in a village – 8 groups of which 5 have got loans from the FT fund
- Hindu Temple – 7 groups of which 6 have got loans from the FT fund.

The project has worked with 54 self-help groups in Kalpakkam, representing around 810 members (15 members per group) and impacting around 3,240 people (average 5 people per family). The majority of members are Hindus reflecting the religious breakdown. A minority of members are Christians or Muslims and we confirmed that there is no discrimination. 25 groups have now received loans of £140 or £280 from the Five Talents fund and the remaining 29 groups are awaiting support from Five Talents (approx. £8,000 loan capital needed). The local project staff are Paul Sakthivel (Animator) and Dhana Sekar (Field Coordinator).

We met women in Kalpakkam who are doing the following types of businesses:

- Using coconut coir to make rope (pictured right)
- Clothes trade
- Dried Fish
- Rice
- Coconut
- Sewing machine / Tailoring
- Firewood
- Small shop
- Goats
- Flower shop
- Restaurant (breakfast & tea shop)
- Repaired bore-well for water
- Ice machine – for keeping fresh fish
- Weaving Coconut leaves into mats
- Dairy cow / milk
- Brick making (hollow blocks)



Kuppu makes rope



Thangam bought sewing machine

In the evening we had dinner with the Bishop of Madras, the Rt. Rev. Dr V. Devasahayam. He thanked Five Talents for the active partnership with the Diocese of Madras, Church of South India. He will be visiting Bremen in Germany in May 2009 and might be passing through London.



Conclusion

It was an excellent short visit and we learnt a great deal about the savings-led type microfinance programme which is empowering women in a sustainable way. The Chennai programme is also supporting womens groups in a third Tsunami affected area which we didn't have time to visit. Together the programme is supporting 219 self-help groups for women, comprising 3,379 members impacting around 17,000 people.

We were very impressed with the project leaders, the organisation and the impact. I recommend that Five Talents UK should continue to support this programme with funding for the remaining group loans and for operational costs (currently in the ratio approximately 50:50). By 2012 the programme aims to impact 100,000 people and be fully self-sustaining from the interest earned on the external loan capital.

Report compiled by:
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