

INDIA TRIP REPORT: 26 – 30th September 2009

UK Team: Rachel Millward (FT UK)
Annette Brooke MP
Sara Redford
Amy le Coz
Bob Thomson



Purpose of visit to Chennai, India

The objective of the trip was to visit our partner organisation, The Board for Socio Economic Concerns – based in Chennai, India. Five Talents has provided funding for loan capital to BSEC to increase the loans being generated to clients. Our primary role was to; learn more about microfinance in India, encourage staff, strengthen our link with the Diocese of Chennai and provide opportunities for our team to witness firsthand a successful, well-run program in India.

The Board for Socio Economic Concerns, Chennai, India

The Church of South India's, Board for Socio Economic Concerns was founded in 1947 by committed church leaders who were dedicated to the task of sustainable development for the poor. CSI affirms that the church is the servant of God to carry on the mission rooted in Jesus Christ; helping broken communities by giving them hope to face the challenges of life. The Church's mandate is to work within the immediate neighbourhood. The Board for Socio Economic Concerns is responsible for the planning and implementation of social and economic development services amongst those who are in need and strong emphasis is placed upon liaising with different organisations and projects active in the field and ensuring proper coordination of services. The Board also focuses on the following programs; leprosy, capacity building, HIV/AIDS, tsunami rehabilitation and microfinance with Five Talents.

Outline of our week in Chennai, India

Day 1 – Sunday 27th October



We left London Heathrow on Saturday 26th September and arrived in Chennai at 0400 hours the following morning. We were given a very warm welcome at the airport by Rev. Asok Kumar (Director of Church Board of Socio-Economic Concerns) and Mr Satyam (CEO of All India Association of Microenterprise Development). Five Talents hires Satyam on a consultancy basis to advise and monitor the Five Talents funded microfinance programmes in India. The Chennai program focuses on women only and uses a savings-led methodology.

“Master,” he said, “you entrusted me with five talents. See, I have gained five more.” (Matt. 25:20)

We then rested at the hotel and spent the remaining part of the day visiting the National Shrine of St Thomas Basilica. St Thomas, one of the twelve apostles came to India in AD52 and died as a martyr in AD72 and was buried at Mylapore, Chennai India. We visited the tomb which is built over the tomb of St Thomas.

We then attended an Ecumenical church service at Church of Jesus the Saviour in Saidapet, Chennai. We enjoyed watching more than 15 groups of representatives sing and dance from round the Diocese. We also ‘entertained’ them by singing Amazing Grace and telling them about the work of Five Talents. This was a marathon service and celebration!



Day 2 – Monday 28th October

We drove 2 hours south of Chennai to Kalpakkam where we met women’s groups in 4 locations ranging from community halls and churches to a village clearing in the middle of some trees. One of our most inspiring visits was meeting a group of Dalits who were all employed by making roof panels out of weaving the leaves of palm trees (*see right*). The children in particular of this group, left a long-lasting impression as many spoke excellent English and were keen to engage with us.



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).



We met women in Kalpakkam who are doing the following types of businesses; using coconut coir to make rope, making roof panels, dried fish, rice, coconut, tailoring, firewood, small shop, goats, restaurant (breakfast and tea shop), dairy cow milk and brick making.



Client name – Saroja, member of Dalit community (see right) 21 years old, newly married and expecting first child. She is a member of a savings group and is repaying her second loan (Rs5,000). She uses the loan to buy the raw materials to make roof panels. The loan has helped her to be economically stable and to provide a future for her family.

Day 3 – Tuesday 29th September

It took approximately 2 hours to reach our destination of Pulicat Island, which lies north of Chennai. Once we arrived at the sea-shore we then had to take a short boat ride to the Island and we were met once again by groups of women, showering us with rose petals, camphor oil and marking welcome patterns in the sand. Pulicat was badly affected by the tsunami on 26th December 2004.

Satyam explained the stages of disaster recovery as follows;

- 1) Relief – immediate aid
- 2) Reconstruction – of houses and infrastructure
- 3) Rehabilitation – restore functionality
- 4) Reintegration – 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 and he commended Five Talents for their support which is really helping the people rebuild their lives.

There are 13 hamlets on the island and 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 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.

The women in each group are now saving their own money, often up to 50 rupees per person per month (approximately US\$1). They bank this money in their group bank account in the local Indian Bank branch, which is 7km away. We reviewed their record books and the women can elect to lend their accumulated savings to one or two of their members, as agreed at monthly meetings.



This group of ladies (see left) make jars of pickles to sell on Pulicat Island. They are part of a savings group and took a loan to develop their business and buy equipment to make the pickles. The group has 10 members.

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 (£280) to 5 of the groups that we met, bringing the total number of groups assisted to, to 45. If the groups are successful with handling the first loan cycle, the loan fund is increased subsequently as follows;

- 2nd cycle: Rs 30,000 (£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.

The women we met in Pulicat who are using the loans to build the following types of businesses: wood, pickles, saris, mending fishing nets (*see right*), selling ice.



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. As of September 2009, the programme is supporting 224 self-help groups for women (3,432 clients) and therefore impacting around 17,000 people. If growth continues to be at a rate of an additional 200 self-helps per year then by 2012 the programme could have 13,000 members – leading to over 65,000 people being positively impacted by the work of Five Talents. Taking this into account as well as the performance and leadership of the project staff themselves, we feel confident about the future and the projected growth of this programme which aims to be fully self-sustaining from the interest earned on the external loan capital by 2012.

*Report compiled by: Rachel Millward
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