



Sampada Annual Report

2007-2008







Contents

| | |
|------------------------------|-----|
| Foreword | iii |
| Introduction | v |
| Vision, Mission and Identity | vi |
| Board of Trustees | vi |
| Area of Operations | 1 |
| Women's Empowerment | 2 |
| Micro-Enterprise | 5 |
| Micro-Finance | 7 |
| Micro-Insurance | 9 |
| Financial Statements | 10 |
| Future Projects | 11 |
| Publications | 11 |
| Visitors | 11 |
| Enablers and Donors | 11 |
| Contact Details | 12 |

Foreword

It gives me great pleasure to present the Annual Report of Sampada Trust for the year 2007-08. It has been yet another year of activities with multiple effects. Our objective of empowering women in rural areas continues to draw strength from the increasing number of participants in micro-enterprise, micro-finance and micro-insurance activities. A huge number of women are today independent and true entrepreneurs after having availed of loan and credit facilities offered by the Sampada Trust. This has not only helped contribute to their family income but has also led to savings for the future.

Alongside, there have been associated benefits such as girls continuing with their education instead of dropping out of school at the primary stage itself, better healthcare facilities, participation of women in local governance, improvement in the standards of hygiene and cleanliness and an overall betterment in their lives. As we put on record the achievements of the past one year, it is also the time to make a list of things to be done in the coming year. Through experience and interaction we have realised that marketing of products made by women entrepreneurs needs to be focused on to keep pace with the changing trends in today's society. Also, we need to shift to semi-urban communities too to be able to reach out with the long-term benefits of micro-finance.

The year 2007-08 has been exciting also because of the visits by several dignitaries who have studied the efforts of our team and found them noteworthy. The past 12 months have also seen the publication of books, newsletters as also the production of films highlighting the impacts of micro-finance and micro-enterprise. We now look forward to an equally interesting 2008-09.

Warm Regards,
Crispino Lobo
Executive Director
Sampada Trust

Introduction

Sampada Trust, with its head office at Ahmednagar, Maharashtra, is a professionally managed non-governmental organisation registered on November 21, 2002. The organisation began as an informal outreach program of Watershed Organisation Trust (WOTR). As the watershed movement expanded across Maharashtra and other states in India, women came to be organised as a part of the self help groups (SHGs) and this further led to a need for credit support.

WOTR initiated credit operations on a small scale in 1998. As these operations reached out in a wider circle there was felt a need for a separate institution to deal with micro-finance. Keeping this in mind, the Sampada Trust was formed under the Bombay Public Trust Act 1950 and such activities as women empowerment, micro-enterprise development, micro-insurance, and the micro-finance portfolio became the responsibility of this organisation.

The Sampada Trust provides services related to formation of self help groups (SHGs), capacity building, training, micro-finance and insurance to the rural poor women across 17 districts in Maharashtra.

Vision, Mission And Identity

Vision

The poor are empowered to secure sustainable livelihood opportunities and live a life of dignity.

Mission

To mobilize the creative potential of groups and individuals by empowering them and providing financial, entrepreneurial and customised services in order to secure and enhance the quality of life.

Identity

We are a team of professionals sensitive and committed to excellence and to meeting the highest expectations of our partners.

Board Of Trustees

Sampada Trust is governed by a four-member Board of Trustees. They are:

Asoke Basak

Chairman

Former Additional Chief Secretary, Government of Maharashtra

Crispino Lobo

Executive Director

MA, MPA (Harvard University)

Dr Marcella D'Souza

Managing Trustee

MBBS, Takemi Fellow (Harvard University)

Yogesh C Nanda

Trustee

Former Chairman, NABARD

Areas Of Operation

The life of village women in rural India is at times extremely difficult. The women and girl children in particular, are characterised by heavy workloads both at home and on the farm. They also have to endure primitive hygiene conditions, poor nutritional status, less access to health facilities, illiteracy and superstition. The major reason for girls dropping out of school can be attributed to the long hours devoted to completing household chores and fetching firewood and water from across long distances.

Ironically, despite being entrusted with the responsibility of attending to the well-being of the family, they are marginalized in matters pertaining to the upbringing of children and village affairs. They possess no assets, do not have their own funds and have little access to other resources. Moreover, women often have no control over their income and savings, if at all they have any. In rural society, a woman holds a secondary status to that of a man.

The rural areas and villages of Maharashtra in which Sampada Trust operates are located in drought-prone, tribal and underdeveloped areas. Most villagers are farmers or landless labourers, more often than not farmers with small non-irrigated land facing genuine difficulties like the lack of vegetative cover. During heavy bouts of rainfall, the fertile soil of their land is often eroded, making the land unproductive. At other times, a shortage of adequate rainfall makes the land dry. These areas tend to suffer from food shortages as well as nutritional deficiency. Furthermore, due to lack of adequate aquifer recharge, water for domestic, drinking as well as irrigation purposes becomes a primary problem for long periods of six to eight months in a year.



Women's Empowerment

Since ages, child rearing and upbringing has exclusively been the domain of women. As such, decision-making, leadership, implementing infrastructural projects, and such other qualities and activities have been considered to be out of reach of women. Also, women were thought most unfit to enter the political realm and undertake the task of governance. Our women empowerment programme has therefore been aimed at giving women an opportunity to prove their self to be equal to the task that men pride themselves to be capable of. The women have not only come together and proved themselves but have discovered new horizons.

The path to true empowerment involves establishment of village women self help groups (SHGs), federating them at the village level apex-bodies (locally known as Samyukta Mahila Samitis or SMSs), creation of awareness among the members of SHGs regarding women's status, child health, nutrition, sanitation and hygiene, legal rights, economic upgrading, strengthening saving habits, improving access of women to micro-credit, involvement of women in local level planning, etc.

A group comprising 13-20 members of common interests and economic background with confidence in each other and showing an interest to work together is formed. Internal savings and credit systems as well as implementation of developmental activities are then practiced within the group.

The overall impact is that the formation of SHGs has enabled the women to gain their dignity and self esteem. They are now able to take their own decisions and face challenges as also act independently. This has helped them create their own future and gain the required skills and



knowledge to resolve further problems on their own. This ability has developed the women to gain their independence and happiness while working in a group.

During year 2007-2008, 1,141 SHGs were established in 253 villages across 13 districts of Maharashtra. A total of 16,544 women became active members of these SHGs.

Training

Training plays an important role as it helps the SHGs in expanding their knowledge base, brings about changes in the attitudes of the women/groups. Also, imparting new skills builds upon their existing skills and develops their capacities to further take up new ventures and social developmental activities. This further strengthens SHGs and helps in the development of shared/collective leadership in the SHGs, as well as among the federations (SMSs) formed.

In 2007-2008, 127 village-level SHG trainings were accomplished wherein 4,350 members participated actively. A total of 114 SMS training sessions were conducted involving 2,015 members.

In the cluster-based training programmes dealing with Panchayat Raj Institution (PRI), the topics covered included introduction of the Panchayat Raj Institution, role of women in Panchayat Raj, importance of women's active participation in Gram Sabhas, features and functions of a Gram Panchayat and details



about employment guarantee schemes and other government policies for women and children.

Social Development Activities

Melawas or gatherings of women have become the means to build the capacities of the women to come to the forefront and share their practical experiences of implementation of their own thoughts and dreams. A melawa provides a platform to the rural women to build networks of relationships, bonds of solidarity and exchange experiences from different villages and empower women with the required knowledge. It not only provides opportunity to women to get together but also to communicate with other SHG groups present during such an event.

During the year 2007-08, 30 cluster level melawas were organised with the involvement of 10,550 women. Resource persons such as doctors, advocates, micro-entrepreneurs and women members of successful SHGs were invited

for these melawas to provide the participants with information inputs about health, social issues, legislation, various enterprises and approaches towards empowerment.

Drinking Water And Toilet Construction

In the year 2007-2008, the drinking water project was implemented in four villages. The need of the village is identified through PRA and accordingly priority is given for drinking water. In these chosen villages, the villagers shared 15 per cent of the cost as local contribution before the implementation of the project. During the same year, toilets were constructed with the help of local contribution from women members while the main expenses were borne by the institution's project fund. Minor support of the government agencies was also undertaken for the construction of toilets. A total of 378 toilets were constructed in 10 villages. The activity was monitored by the Samyukta Mahila Samitis (SMSs).

Child Care And Growth Monitoring

With the objectives of reducing malnutrition and anemia among village children, the SMS and anganwadi workers have undertaken growth monitoring of children in the age group of 0-5 years. Mothers were assisted to read and understand the growth charts and the nutrition status of their children. In 98 villages, a total of 4,539 children participated in the program from 1,627 families. A competition titled 'Healthy Baby Of The Village' was organised wherein 577 children won prizes after the monitoring exercise carried out by committee members like anganwadi workers, health promoters, local doctors and others.

Renewable Energy

In the rural areas where daily life is a struggle, people are actually powerless with very little or no electricity. Traditional fuel sources like

firewood, kerosene and agro-waste are used to meet their energy demands. Sampada Trust's objective was to make renewable sources of energy available to this deprived section and meet their domestic energy requirements for cooking and lighting.

Therefore, solar home lighting systems have been installed in 128 villages. The target groups (SHG members) had been selected on the basis of wealth ranking criteria. In six districts, a total of 1,489 solar light units were installed. The total beneficiaries of this project are 7,445 inhabitants. Since cooking fuel is a basic necessity in every home, smokeless biomass stoves called Agni were introduced in 705 poor homes while 629 stoves were distributed among average households. Hence, a total of 1,334 stoves were distributed among 116 villages benefiting a population of 6,670 people.

Women's Empowerment Programme (WEP)

| Activities | 01.04.07 – 31.03.08 WEP I & II | Cumulative Total |
|---|-----------------------------------|------------------|
| Number Of Villages Covered | 253 | 713 |
| Number Of SHGs Formed | 1,141 | 2,297 |
| Number Of SMS | 114 | 259 |
| Number Of SDA Activities Undertaken | 78 | 154 |
| SHG Trainings | 127 | 312 |
| SHG Awareness Trainings | 32 | 490 |
| Audit Of SHGs | 1,767 | 3,012 |
| Growth Monitoring Health Project | 98 | 130 |
| Promoter Orientation Training Programme | 1 | 3 |



Micro-Enterprise

Income generating activities are important in the process of leading women towards financial security and eventually mainstreaming them. Entrepreneurship development is very essential if these income generating activities are to be made sustainable. The process of entrepreneurship development starts with the development of an entrepreneurial culture among the SHGs. Motivation plays a crucial role in the creation of any business activity. It has been observed that 'entrepreneurs are achievement-motivated' and developing this drive in a person is possible through imparting training inputs.

The survival and growth of the activity depends upon the inputs received during the actual implementation of the activity. Finance is a major constraint for starting any enterprise, as the rural entrepreneurs are often not considered bankable by the formal sector, more so because many of them are already defaulters. Though government and bank schemes do exist to

provide capital to rural entrepreneurs, it has been found that due to various reasons these schemes do not reach the poor and the needy. There is a basic lack of confidence in the ability of the poor people to repay loans. Keeping this in mind, Sampada Trust makes available credit support in the form of micro-finance to rural entrepreneurs through their SHGs.

Sampada Trust provides training in the field of entrepreneurship which includes the inputs related to motivation, behavioural science, financial support and managerial aspects that can create an enabling environment for the successful start of micro-enterprises. The process commences with identification of the women who are ready to take up entrepreneurship as a career option and business opportunities on the basis of resources and needs in a given area. These training programmes are organised on a cluster level and thereafter the women are provided with loan syndication through micro-credit intervention and hand-holding support. These activities are monitored till they become economically viable.

Status Of Micro-Enterprise Development

| S No | Particulars | 01.04.07 – 31.03.08 | Cumulative Total (From April 2004 - March 2008) |
|------|--|---------------------|---|
| 1 | Number Of EAP**s Conducted During The Year | 12 | 42 |
| 2 | Number Of Participants | 680 | 1,984 |
| 3 | Number Of Off-Farm Activities Commenced | 1,233 | 3,048 |
| 4 | Number Of On-Farm Activities Commenced | 1,903 | 4,137 |

* Entrepreneur Awareness Programme

Skill-Based Training

Six skill-based training programmes were conducted related to milk and milk products. The making of various products like curd, paneer, shrikhand, butter, ghee, khoa, channa etc was demonstrated by resource persons and the participating women made these products on their own. Inputs were given about viability, project proposal, entrepreneurship, marketing and packaging. This has helped the women to manufacture these products from the locally available resources (milk) and start independent business ventures. A total of 387 women participated in this training programme.

Success Story

Mrs Kanta Pralhad Warti, 48, is a member of the Jai Bhavani SHG and belongs to a tribal community from Vadner Bhujang village of Amravati district. She lives with her eight family members including her husband, two married sons and their wives and one grandson. An ambitious woman, Kantabai owns three acres of land along with a small grocery shop run by her troublesome husband who has always been opposed to Kantabai indulging in any entrepreneurial activity.

However, a determined Kantabai joined the SHG and also enrolled her two daughters-in-law in spite of her husband's repeated abuses and beatings. It was only later that he realised how useful an SHG can be and repented having earlier been so intolerant. Kantabai availed a loan from Sampada Trust which she partly utilised for farming and partly for purchasing a pay phone that was installed in her shop. This pay phone generated an additional income of Rs 40 per day and made a substantial contribution of Rs 1,200 per month to the family's monthly income. This encouraged other SHG women members to think of entrepreneurial activity as a career option.



Micro-Finance

Micro-Finance (MF) and Micro-Enterprises (ME) play a vital role in helping the poor to realise their dreams and aspirations. Self-employment is a basic need of every person in society in order to live a life of dignity. Individuals and institutions in society can share this collective responsibility. Institutional support in the areas of micro-finance and micro-enterprise development makes a significant contribution to increasing employment leading to socio-economic enhancement of people in rural areas.

For micro-finance to be a success, we need to have the strong back-up of self help groups and neighbourhood communities. Formation of SHGs is essential in order to facilitate the process of providing credit to the poor. But the SHGs' main purpose is not only to route credit but also to avail of allied services. Group activities undertaken and issues addressed at a micro level help strengthen the ties between group members and generate a sense of belonging. SHGs serve as support groups for the poor enabling them to avail of various services and benefits. The main principle is to 'help people help themselves'.

Sampada Trust constantly motivates and encourages women in SHGs to move beyond credit and to view credit as only one of the means of empowerment and not an end in itself. The credit activity is seen as one element in an integrated approach of empowerment that is viewed as a holistic approach affecting all spheres of a woman's life, including her personal life (her fight against physical, mental torture and violence), the domestic sphere (her decision-making ability and control over resources), the political arena (her involvement in the political processes), and the economic

sphere (her access to resources and control over her own income). Thus, empowerment is achieved when all these aspects of a woman's life are addressed together.

After assessing the credentials of the SHGs and feasibility of the submitted projects, Sampada Trust disbursed loans of up to Rs 20,000 each for activities like cattle rearing, goat farming, retail trade, food processing, tailoring, weaving and candle-making etc. These loans are disbursed as per the requirements and can be categorised into three different loan products viz. seasonal loans, short term loans and mid term loans.

The women have been experiencing many positive changes in their lives through the SHGs and micro-finance activities. They have acquired practical skills such as working as a group and can now manage financial accounts and handle repayment of loans. A number of women have started micro-enterprise activities both at the individual as well as group levels. They have started contributing to the improvement of their family's economic status, learnt to speak up in public spheres as well as at the household level and some have also started to exercise impressive leadership skills in mobilising villagers to address social problems in their village etc.



Status Of Micro-Finance

| S No | Particulars | 01.04.07-31.03.08 | Cumulative Total |
|------|---------------------------------------|-------------------|------------------|
| 1 | Number Of Villages | 454 | 1,727 |
| 2 | Number Of Loans | 1,208 | 3,558 |
| 3 | Number Of SHGs Involved In MF | 2,247 | 8,357 |
| 4 | Number Of Clients In MF | 20,894 | 88,232 |
| 5 | Disbursement During The Period (Rs) | 9,77,08,640 | 29,93,96,226 |
| 6 | Through SHG/SMS (Seasonal) (Rs) | 4,79,32,700 | |
| 7 | Through SHG/SMS (Short-Term) (Rs) | 1,22,05,470 | |
| 8 | Through SHG/SMS (Medium-Term) (Rs) | 3,32,93,570 | |
| 9 | Through JLG (Rs) | 42,76,900 | |
| 10 | Principal Outstanding (Year-End) (Rs) | 6,19,68,286 | |
| 11 | Average Loan Size Per SHG (Rs) | 43,484 | 35,826 |
| 12 | Average Loan Size Per Individual (Rs) | 4,676 | 3,393 |
| 13 | Number Of SMS Involved | 268 | 1,256 |



Micro-Insurance

Women in the villages felt the need to protect their lives and livelihoods. However, insurance services were not accessible to the rural poor and women. Considering the demand from the rural areas and the need for security for women, Sampada Trust started offering insurance plans to those in need. It operates as a corporate agency on behalf of two major insurance companies in order to provide 'at the doorstep' services to women in remote rural areas who otherwise would have no security cover whatsoever. Risk coverage is provided by way of life as well as general insurance. Health insurance is now offered on a pilot basis.

Group insurance for accident benefits for Rs 20,000 is provided through Janta Personal Accident at a premium of Rs 15 per head and life insurance of Rs 5,000 at a premium of Rs 50 per woman. Cattle insurance and insurance for assets are the other areas that are covered. In order to avoid huge amount of investments to cover hospitalisation expenses, it is possible to provide health guard as a social security scheme through Sampada Trust. This enables the women to benefit from the expenses to be made by them for hospitalisation and medical expenses.

During the year 2007-2008, a total of 55,368 women were insured under the Janata Personal Accident (General Insurance) & Suraksha Insurance Policy (Life Insurance). A total of 33 claims were settled, the total amount being Rs 2,90,000. The insurance claim amount was given to the affected families through the Samyukta Mahila Samitis.

Case Study

"Now that I have benefited due to my insurance policy I have understood its importance and realised that it is always a good practice to

invest in insurance. It is wrong to assume that certain incidents can only happen with others and not with us," says Nanda Gulab Hande, a 36-year-old woman insured by Sampada Trust. Tragedy struck the Hande household when Nandabai's 40-year-old husband was brutally murdered in February 2008 by four people of the same village over a minor dispute.

Nandabai being a member of the Mahalakshmi Self Help Group since five years, all the SHG members had contributed for taking out an insurance policy for her because of her impoverished status. Nandabai and her husband had been insured under the Janata Personal Accident policy. After her husband's death, the promoters of the SHG helped Nandabai claim the insurance amount and this helped her to fend for her family as also allow her two children to continue with their studies.

Status Of Micro-Insurance

| S No | Particulars | 01.04.07 - 31.03.08 |
|------|---------------------------------|---------------------|
| 1 | Women Insured | 55,368 |
| 3 | Cattle Insured | 908 |
| 4 | Claims Settled | 33 |
| 5 | Amount Of Claims Settled (Rs) | 2,90,000 |
| 6 | Cattle Insurance Claim Settled | 12 |
| 7 | Amount Of Claim Settlement (Rs) | 1,20,000 |

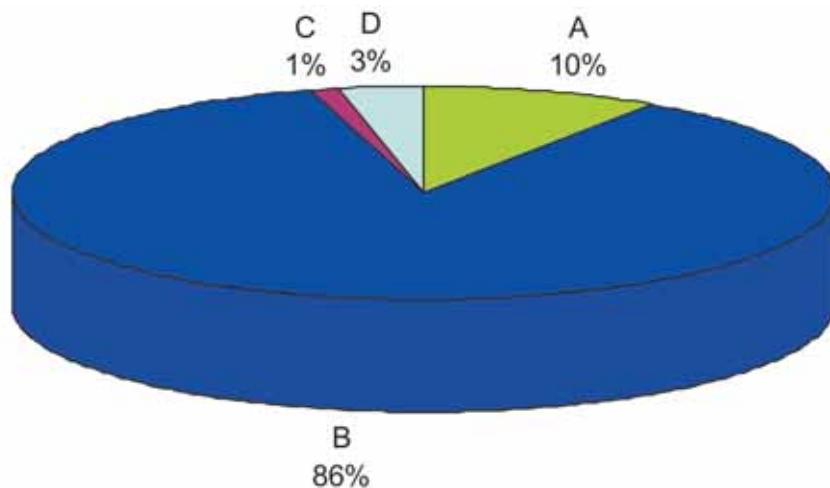


Financial Statement For The Year 2007-2008

Micro-Finance Division

Disbursements:

| S No | Particulars | Amount (Rs) |
|------|---|--------------------|
| A | Project Expenditure -Women's Empowerment | 10,888,265 |
| B | Micro Finance Disbursement | 97,708,640 |
| C | Trainings/Workshops/Extension Support/ Information & Publicity Material/Networking | 1,271,905 |
| D | Management Expenses | 3,766,963 |
| | Total | 113,635,773 |



Future Projects

Some of the activities being planned for 2008-09 include:

- Aggressive selling of products
- Product design as per the need of the market
- Change in delivery methodology
- Emphasis on expanding in semi-urban areas
- Reduced processing time
- Collaboration with agencies like NDDDB and ITC e-Choupal
- Leveraging the good relationship with clients (from inception till now)

Collaborations

Sampada Trust is actively considering collaborating with other financial service providers especially for offering savings services to clients. This includes:

- Banks under banking correspondent mode.
- ITC e-Choupal, Watershed Organisation Trust (WOTR) and National Dairy Development Board (NDDDB) for expanding its outreach in terms of loan products and insurance, with risks minimised as the clients have a sustained economic activity.
- With Community Managed Resource Centre (CMRC) for expanding its business.
- With District Rural Development Authority (DRDA) for offering loans to its beneficiaries.
- With government of Maharashtra for offering to open urban outlets for rural artisans' products.
- Insurance companies for providing insurance services.

Publications

SHG Proceeding Book (Marathi/English) - A simple and easy to fill in pro-forma to maintain records and minutes of SHGs.

- SMS Register (Marathi/English) - Assists the SMS to maintain accounts and records of the SHGs.
- Udyojakata Parichaya (Marathi) - A booklet on entrepreneurship awareness.
- Janavarancha Sangopan Shastra (Marathi) - A booklet with valuable information on care and management of livestock.
- Chimanchara (Marathi) - A booklet on balanced diet and nutrition recipes.

- Sampada Forum (English) - A six monthly publication of Sampada Trust.
- Film: Sowing Seed Of Empowerment (Marathi/English).
- Film: My Place Under The Sun (Marathi/English).
- Film: We Help Ourselves (Marathi/English).
- Film: Rise Of The New Dawn (Marathi/English).

Visitors

- A delegation from the Ministry of Livestock & Fisheries Development of Nairobi (Tanzania) visited village Belwandi and had an interaction with women of SHGs and the entrepreneurs.
- A women's empowerment project monitoring visit by Mr Lennart Braberg and Mrs Katherine of Perls Foundation to Ahmednagar district in October 2007.
- Ms Hiltrud Cordes and Mr Otto from Becker-Cordes Foundation visited Sampada on December 28, 2007 for monitoring a health project.
- Foreign delegates along with a team from ICICI Prudential visited the Sampada Trust office on November 16, 2007. The delegates comprised Mr Mark (USA), Mr Rami (Jordan), Mrs Jastina (Poland) and Mr Dogtrus (USA).
- Mr Emmanuel Monis and Mr Raj Kumar visited Sampada Trust office in August 2007 for monitoring the WEP project.

Enablers And Donors

Sampada Trust is grateful for the support of:

- Andheri Hilfe, Bonn
- Becker-Cordes Foundation
- Perls Foundation
- Government of Maharashtra
- Watershed Organisation Trust (WOTR)
- State Bank of India
- Corporation Bank
- ADCC Bank
- MGGB Bank
- ICICI Prudential
- UII
- Bajaj Allianz
- Royal Sundaram

Contact Details

Maharashtra

Crispino Lobo,
Executive Director,
Sampada Trust,
Behind Market Yard,
Ahmednagar - 414001
Tel: 0241- 2451311
Fax: 0241- 2451134
Email: info@sampada.org
Website: www.sampada.org

District Ahmednagar

C/O Watershed Organisation
Trust, Gitai New Nagar Road,
Sangamner.
Tel: 9423786431

District Amravati

1/102, Prathmesh Apartment,
Parvati Nagar, Amravati.
Tel: 9423786417

District Aurangabad

C/O WOTR, C – 3, Plot No
83, Town Center, CIDCO,
Aurangabad.
Tel: 9423786421

District Beed

C/O Bhimrao Sule, Nathkrupa,
Bhagya Nagar, Beed.
Tel: 9423786419

District Jalgaon

Plot No 35/1, Gat No-150,
Vivekanand Nagar, Jalgaon.
Tel: 9423786425

District Nagpur

Prabudha Doye, Patil Nagar,
Gopuri chowk, Wardha.
Tel: 9423786436

District Nandurbar

C/O Gajanan Nayak, Plot 22, Ambika
Colony, Dhule Road.
Tel: 9372914686

District Osmanabad

Vithal Niwas, Vetal Nagar, Tuljapur,
Osmanabad.
Tel: 9423786433

District Latur

C/O S H Somani, Ram Nagar, Ausa
Road, Latur.
Tel: 9423786424

District Yavatmal

Borband, Near Chirphad Bungalow,
Umerkhed.
Tel: 9423786434

District Sangli

C/O Sunil Rawal, Suyash
Paranjape Colony, Palus.
Tel: 9423786430

District Yeotmal

C/O Subhas Rathod, Joshi
Park, Near Mominabad Nagar,
Pandharkawada.
Tel: 9423786422





Sampada Trust

Behind Market Yard, Ahmednagar - 414001

Tel: 0241- 2451311

Fax: 0241- 2451134

Email: info@sampada.org

Website: www.sampada.org