

Annual Report 2004-2005



SAMPADA TRUST



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2004-2005



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BOARD OF TRUSTEES

Sampada Trust is governed by a four member Board of Trustees

Asoke Basak

Chairman

Marcella D'Souza

Managing Trustee

Yogesh C. Nanda

Trustee

Crispino Lobo

Executive Director



OUR IDENTITY

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

OUR VISION

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

OUR MISSION

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



EDITORIAL

Dear Friends,

Sampada Trust emerged with a focus to empower individuals and groups by providing financial, entrepreneurial, insurance policies and customized services to meet their specific needs in order to escape the vicious cycle of poverty.

Sampada provides various effective tools, high quality of services along with sustainable, innovative and effective micro finance initiatives to enable women to rise above their situation and become equal partners on the road to development.

This annual report is an overview of Sampada's extensive work done in the promotion, formation and organizing empowerment of women into Self Help Groups (SHGs) during the past year (2004 -2005).

Sampada Trust which grew out of and is the sister organization of the Watershed Organization Trust (WOTR), is now an independent organization since November 2001.

Micro finance or Micro credit is not the answer to all the problems of poverty in developing countries but it is indeed an 'inducer' to a great many actions that can lead to a better quality of life for low income groups. Thus, keeping this in mind, Sampada Trust offers micro finance, micro enterprise and micro insurance services in a combined manner as it believes that they play a vital and synergistic role in promoting women's development.

Micro enterprise development aims at helping women gain economic independence, allowing them to play a more active and assertive role in society. Business skills such as accounting, management techniques and marketing of goods are taught. Small loans, if required, are provided to assist these women entrepreneurs is taught through various programmes.

Sampada Trust has linked up with reputed insurance companies to provide comprehensive policies to cover death, disability, illness, livestock and property of the rural poor. Thus Sampada provides not only financial instruments but also essential quality of life enhancing customized services for the disadvantaged, right at their doorsteps.

None of the above would have been achievable without the munificent support of our donors, partners, associated villagers, the Government of Maharashtra and WOTR. The next few pages are a testimony to the dedicated and committed personnel of Sampada Trust who professionally and skillfully have managed this entire effort.

A big THANK YOU, to all of you.

Crispino Lobo
Executive Director



INTRODUCTION

" If we are looking for one single action which will enable the poor to overcome their poverty, I would focus on credit"

- Grameen Bank's founder, Dr. Muhammad Yunus

Despite recent advances, Micro finance in India is just beginning to scratch the surface of its potential to reduce poverty. India is amongst the largest market for micro finance in the world. The MFIs in India plan to make micro finance reach a historic "tipping point" that could lead to massive poverty reduction in the next five to ten years.

The field of Micro finance sector is both old and new - people have always been borrowing, lending and saving for as long as there has been money (and in kind before- the barter system). This has been done across all communities, using their own system and methods, without any external 'assistance' or resources. This sector has emerged in response to the inability of the formal financial systems to serve the needs of the rural poor.

The rural poor could not easily avail of credit from the formal banking systems due to inability to provide collateral, and the complexities and high costs involved in obtaining the required documentation. Moreover the banks did not fancy dealing with poor, often illiterate, borrowers whom they considered "unbankable". The poor thus had to rely on loans either from the moneylenders, at a high rate of interest, or friends and family, whose supply of funds would often be limited. Micro finance institutions attempt to overcome these barriers through innovative measures such as group lending, regular savings, support and guidance.

Micro finance along with related customized services allow the poor to initiate productive activities that enhance incomes. Thus micro finance is often considered one of the most effective and flexible strategies in the fight against global poverty. It is sustainable and can be implemented on the massive scale necessary to respond to the urgent needs of the rural poor.

Based on this understanding Sampada Trust began its journey a few years ago by motivating, organizing and empowering women's Self Help Groups (SHG) to work towards securing sustainable livelihood alternatives, to promote self respect, effective representation in decision making processes and enhance the quality of life. The objective has been to empower women.

This report is a chronicle of our journey towards this goal.



HISTORICAL BACKGROUND

SAMPADA TRUST began as an informal outreach program of WOTR in 1998, to assist women and SHGs in the area of skills and capacity enhancement, access to and acquisition of assets and resources. As the demand for its services grew, it was felt that a specialized and autonomous institution would better serve this need and also enable rapid upscaling and expansion. It was then decided to set up a separate Trust called SAMPADA TRUST. SAMPADA TRUST was registered on 21st November 2002.

As the impacts of the development work of WOTR, especially in the area of watershed development, began to be felt, people began to demand resources, both technical as well as financial to make use of the physical benefits that resulted from the interventions. However, banks and other lending sources were not forthcoming. WOTR then decided to set up a financial initiative to meet these demands. The focus is on women as borrowers, for a two fold reason: firstly, women are more reliable as borrowers and secondly, it was felt that only if they had access to finance and assets would they be able to create space for themselves in the family and public spheres. Thus, besides providing financial needs, this micro-finance initiative also has, as its objective, the empowerment of women. As this initiative got known, people, especially women from non-watershed villages began to approach WOTR for similar assistance. Since their needs were acute and their interests genuine (and since they did not have the benefit of a watershed project), WOTR decided to extend managerial and credit support to these groups also.

As this activity expanded and grew more complex, the need of a specialized agency to handle only micro-finance, SHG promotion and related support activities became increasingly felt. This was especially necessary from the point of view of growth and sustainability of this activity. Hence the SAMPADA TRUST was set up to take over this activity of WOTR and to expand it.

Since SAMPADA is a sister concern of WOTR, it draws fully upon WOTR's existing infrastructure, resources and network and has the full support of its management and personnel.

Sampada Trust provides small-scale financial assistance to women through their SHGs and village level Apex Bodies (SMS) to take up individual or group-based quality of life enhancing measures and income generating activities.

GEOGRAPHICAL CONDITIONS AND WOMEN'S SITUATIONS IN THE AREA OF OPERATION

Sampada Trust operates in the rural villages of Maharashtra state, many of which are located in drought-prone areas with an annual rainfall ranging from 150-800 mm, or having 23-40 days of rain per year. Most villagers are farmers with small non-irrigated land or are landless labourers, yet, farming in the area has been quite challenging. The lack of vegetative cover, especially along with occasional cloudbursts in the monsoon season, causes serious soil erosion, leaving the land unproductive. This, along with general lack of rainfall, allows only one crop, often of course cereals, to be harvested in a year. A second crop is virtually impossible except on irrigated lands. Thus, 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 big problem after the monsoon for a period of at least 6-8 months.

The life of villagers in rural India can be quite difficult. Their situation, particularly that of the women, is characterized by heavy workload both at home and on the farm; primitive hygiene conditions; poor nutritional status; poor access to health facilities; and illiteracy and superstition. Since all the household chores, including water and firewood fetching, are the responsibility of women, many girl children drop out of school and work long hours around the household. Women are entrusted with the responsibility of attending to the well being of the family, yet 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 little control over their income and savings if they have any. In this society, a woman has a secondary status to that of a man.

Savings access to credit offers women, especially the poor, a means to mitigate their vulnerability due to their disadvantaged social status adverse natural environmental conditions. While credit is a necessary support for the economic advancement of women especially those engaged in self-employment. Credit alone is not a sufficient condition. To be successfully self-employed, the individual should also have the technical skills, entrepreneurial ability, and access to raw materials, infrastructure, market and most importantly, the self-confidence.

ACTIVITIES AT A GLANCE

I) PROMOTION OF WOMEN'S SELF-HELP GROUP

"Self-Help - The Key to Women's Empowerment and Self Development".

Sampada Trust is assisting women to organize themselves into SHGs of 12-20 members each, practicing savings with internal lending as an essential component. These SHGs are federated at the village level, referred to as Sanyukta Mahila Samitee (SMS) comprising of two representatives from each SHG.



As on March 2005, 3,013 SHGs, having 40,475 women members across 437 villages have been promoted by WOTR/ Sampada Trust. Sampada works with a network of seven NGOs in this activity.

II) CAPACITY BUILDING

" Capacity building - A Step Towards Empowerment."

i) Personality Development

Sampada Trust regularly organizes in-depth trainings for capacity building, exchanges and exposures on relevant themes for SHGs, SMS, Mahila Parivartaks (Women Promoters), for NGOs and individual promoters and for its own staff so as to increase knowledge, information and enrich the people.



ii) Skill Based Training

Sampada Trust organizes trainings to enhance the entrepreneurial competencies and managerial capacities of women, unemployed youth, CBOs, NGOs, etc. The trainings are need based viz, capacity building, specialized / development training and skill based training.



III) MICRO CREDIT: CAPITALIZATION

Micro finance - a Major Tool for Development

Sampada Trust provides timely credit support to SHGs through SMS by delivering financial services on a large scale through borrower - friendly mechanisms. Micro-credit is reached to poor people who are currently outside the formal credit system.



IV. ADDING VALUE THROUGH MICRO ENTERPRISE

"Micro Enterprise - Enhancing Quality of Life"

Sampada Trust provides motivational, information and managerial inputs for the start up of micro enterprises.

The process commences with identification of the potentials, resources and women who are ready to take up entrepreneurship as a career option. Our focus is on providing non-credit inputs along with credit to the entrepreneurs for the start up and survival of the enterprises, which help make their activities economically viable and sustainable. In order to promote such enterprises, we are in the process of developing appropriate financial products for entrepreneurial women and youth.



Sampada Trust has conducted so far 8 Entrepreneurship Awareness Programme (EAP) with the participation of 584 women and 1 skill based program with the involvement of 16 women. 234 women have initiated 26 types of activities (off farm and on farm) as an outcome of the trainings.

V. MICRO INSURANCE: SOCIAL SECURITY

"Securing Women's Lives and Livelihoods"

Women in the villages felt the need to secure their lives and livelihoods. However, insurance services were not accessible to the rural poor. Considering the demand from the rural areas and the need for security of women, Sampada Trust thus functions as a corporate agent to link rural individuals to reputed companies and has initiated provision of insurance policies at their doorsteps. To date, 1830 women have been insured under Raj Rajeshwary policy.

The policies undertaken are as follows:

1. Raj Rajeshwary: It is a general insurance policy for the age group of 18 to 65 years. The Premium amount is Rs 15 for sum assured of Rs 25,000 for a year.
2. Suraksha: It is a life insurance policy. It is offered for the age group of 18 to 45 years. Premium is Rs 50 for the sum assured of Rs 5000.
3. Live stock Insurance: Premium is 4% to 5% of sum insured.

Apart from these policies, we provide insurance policies as per the requirement of SHGs and individuals, and the premium is as per guideline of the insurance company.



VI. OTHER DEVELOPMENT ACTIVITIES

"Making Women Equal partners in Development"

The representative body of women's groups: - the SMS-consolidates the concerns of women and finds solutions to the expressed socio economic demands.

Implementation of activities such as drinking water, latrines and sanitation, health and hygiene promotions, exchanges and melawas, etc. have made Sampada's women self-confident and accepted as contributors to the development process in their villages.

As on 31st March 2005, 555 drudgery reduction activities have also been completed with the involvement of 52,515 women.



PRODUCTS AND CHANNELS

Predominantly SAMPADA reaches out to the poor through the SMS to fund credit needs. SMS further on- lends to their constituent SHGs. Whenever it is not possible through SMS, it reaches out to the poor through the SHG and Joint Liability Groups (JLGs).

1. Channels

1. SMS / SHG started and supported by SAMPADA projects -

Under various SHG promotions projects, we organize, promote and motivate women to form SHGs. Various trainings are conducted for capacity building of these SHGs. For availing of loans, SHGs need to meet the eligibility criteria as follows:-

- Practice regularity in savings
- The SHGs should have a minimum of 8 months internal lending
- Monthly meetings and attendance
- Maintaining of records, book keeping and proceeding books
- Assessment and Appraisal by the field and Head office personnel

SHGs/SMS not supported by SAMPADA projects - There are other NGOs and individuals who are also promoting SHGs/SMS under different schemes and projects. Such SHGs also approach Sampada for financial assistance. They are also provided support if they meet the norms mentioned above

Individuals through JLG (Joint Liability Group): Individuals can access SAMPADA through JLG. JLG is a group of 4 to 6 individuals coming together to access credit and stand guarantee to each other. Usually such groups undertake income-generating activities individually.

2. Products

SAMPADA offers seasonal, short term and medium term loans through all the above channels for the purpose of availing credit.

Seasonal Loan: Caters to on- farm and consumption needs. Repayment period is less than 12 months.

Short term Loan: Caters to the off farm activities. Repayment period is less than 12 months.

Medium Term: Caters to the off farm and group activities. The repayment period is between 12 to 36 months.



MICRO CREDIT INITIATIVE

Due to the support of WOTR through its watershed development projects, the environmental situation has been gradually improving in many villages, consequently increasing the income generation opportunities. Yet, in order to start an income generation activity, as well as to meet their domestic expenses such as health, education, and marriages, the villagers need credit with reasonable conditions. The rural villagers,



however, are hardly considered bankable by the formal sector, especially because many of them are already defaulters to the banking system. Though Government and Bank schemes do exist to provide capital, it has been found that these schemes do not reach the poor and the needy for various reasons, the primary one being lack of confidence in the poor people's ability to repay the loans. Local moneylenders exist, but they charge exorbitant rates of interest at 60 - 120% p.a. and the borrowers have to pledge some assets as mortgage in exchange for these loans, which is usually their land, as they have no other assets. Such conditions trap the helpless villagers into a vicious cycle of debt.

Realizing the acute need of the poor for access to credit as well as the need to break the shackles of the moneylender, Sampada started with the micro finance initiative (handling of WOTR's Micro finance portfolio). Sampada's main focus is on sustainable improvement of the socio-economic situation of poor women and families in rural Maharashtra, with the specific objectives of promoting better access to credit and improved control over financial matters for the women.

CHANGES AFTER MICRO CREDIT INNOVATION

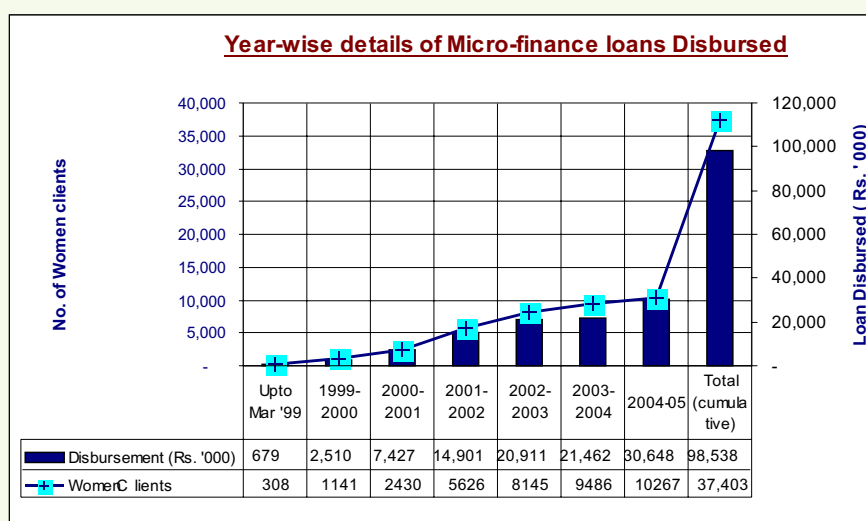
Women have been experiencing some positive changes in their lives through the SHGs and micro finance activities. They have acquired practical skills such as working as a group, managing financial accounts and handling repayment of loans. A number of women have started micro enterprise activities both at the individual as well as group levels, contributing to the improvement of their family's economic situations. Many of them have learned to speak up in the public spheres as well as at the household level. Some have started to exercise impressive leadership skills in mobilizing villagers to address social problems in their village. Although these changes do not come overnight, and require continuous efforts and hard work from women, they have made a start and are committed to their path of development for a brighter future, which is commendable.

SUMMARY OF OPERATIONS OF THE MICRO - FINANCE

As on 31st March 2005, Sampada has disbursed more than Rs. 90,000,000/- (Rupees Nine Crores) (cumulative) through 598 SMSs and has reached out to more than Thirty five thousand women. During the current financial year, we have disbursed a total of Rs. 306,48,420/- through 192 SMSs, wherein 10,267 women members of 879 SHGs received financial assistance.

SAMPADA caters to women's consumptive and productive needs through three types of loan products: Seasonal Loans, Short Term Loans, and Medium Term Loans. Seasonal Loans mostly cater to agriculture inputs and small consumptive needs of individuals in the villages, while Short Term and Medium Term loans address the income generating activities in villages. Loan utilized for agriculture inputs include purchase of seeds, pesticides, fertilizers, etc. Loan utilized for the start up of income generation activities include setting up of grocery shops, flour mills, dry fish business, tailoring, pottery, bangle business, dairy (goats and cows), etc.

Sr. No.	Particulars	From 1998 to Mar '02	Apr '02 - Mar '03	Apr '03 - Mar '04	Apr04-Mar05	Cumulative Total
1	No. Of Villages	145	132	172	192	641
2	No. Of Loans	178	131	172	211	692
3	No. Of SHGs involved in credit	880	648	773	879	3,180
4	No. Of Clients in credit	9,505	8,145	9486	10,267	37,403
5	Disbursement during period (in Rupees)	25,516,826	20,910,970	21,461,720	30,648,420	98,537,936
6	Principal Outstanding (Year end) in Rupees	1,485,635	4,684,547	9,172,915	9,594,806	9,594,806
7	Average Loan size per SHG (in Rupees)	28,996	32,270	27,764	34,867	
8	Average Loan size per Individual (in Rupees)	2,685	2,567	2,262	2,985	
9	No of SMS Involved	106	128	172	192	598



PUBLICATIONS

BOOKS

● SHG PROCEEDING BOOK

This book provides a simple and easy to fill in Performa for the women groups to systematically maintain records and minutes of the monthly meetings of the Self Help Groups.

● SMS REGISTER

This book assists the SMS to maintain accounts and records of the SHGs in a simple, systematic and easy to understand accounts maintenance register.

● UDYOJAKATA PARICHAYA (Marathi)

This is a small booklet on entrepreneurship awareness, which explains the basic of what entrepreneurship is about. It focuses upon business opportunities, entrepreneurial traits, ethics, etc.

● JANAVARANCHI SANGOPAN SHASTRA

A small booklet with valuable information on care and management of livestock. It focuses on selection of breeds, dairy business, poultry management, etc.
(These are presently available only in Marathi).

NEWSLETTER

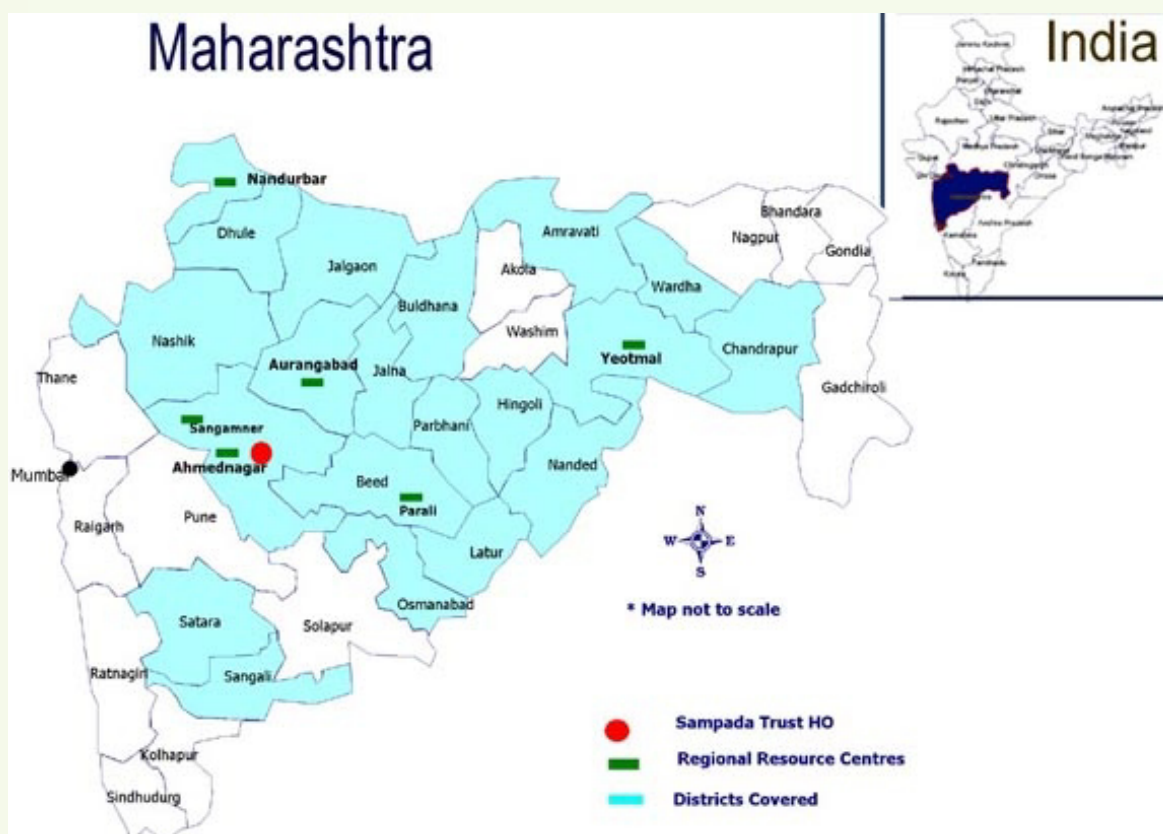
SAMPADA FORUM

The Sampada Forum is a six monthly publication of Sampada Trust seeking to voice the experiences of the rural women who are part of Sampada's SHG Promotion and Micro finance initiatives.

AREA OF OPERATION

Sampada Trust currently operates in district of Maharashtra as follows:

Chandrapur, Wardha, Amravati, Yeotmal, Beed, Parbhani, Nanded, Latur, Nandurbar, Dhule, Jalgaon, Aurangabad, Jalna, Ahmednagar, Buldhana, Sangli, Satara and Osmanabad.



Address

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SAMPADA TRUST

REGIONAL OFFICES

1	District Office - Ahmednagar 'Sampada', Behind Market Yard Ahmednagar - 414 001. Ph: +91 241 2450 221 email: nagar_rrc@wotr.org	2	District Office - Aurangabad, Jalna & Buldhana C-3, Plot No. 82, "Masakhi" Town Centre, CIDCO Aurangabad 431 003, MS India Ph/fax: +91 240 2486 576 email: aurangabad@wotr.org
3	District Office - Nandurbar & Dhule C/o S. D. Agarwal Plot No.9, Laxmi Niwas, 1st Floor, Near Happy Home, Nandurbar - 425 412, MS India Ph: +91 2564 227895 email: nandurbar@wotr.org Mobile : 9850690405,	4	Sangamner Regional Office 'Gitai', 1st Floort, New Nagar Road Sangamner 422 605, MS Dist : Ahmednagr, India Ph/fax: +91 2425 225 805 email: sangamner@wotr.org
5	District Office - Wardha Mobile : 9881369191	6	District Office - Yeotmal Mobile : 9326089115
7	District Office - Jalgaon Mobile : 9860594090	8	District Office - Amravati Mobile : 9422156817
9	District Office - Beed Mobile : 9423352614	10	District Office - Nanded Mobile : 9822725907
11	District Office - Osmanabad & Latur Mobile : 9822225164	12	District Office - Sangali Mobile : 9860060082



ACHIEVEMENTS

The concept and practice of the SMS (Joint Women's Committee), which was developed and pioneered by WOTR/ Sampada Trust is now widespread in Maharashtra and is spreading to other states in the country. The SMS is a joint committee of SHGs in a village. At least 4 SHGs are required and one or two members represent it from each SHG. It is a decision making body for women's developmental activities in the village. With this concept we have reached out to a large number of SHGs and end clients, not only for the purpose of credit but also for providing many other services. With this innovation, we have not only consolidated peer accountability but also greatly reduced transaction cost.

SAMPADA has developed a capacity building protocol and pedagogy for promotion of SHGs, which includes hand holding, on-site training and accompaniment, monitoring, sharing and learning events, peer review, etc supported by training material and appropriate didactic materials.

HIGHLIGHT OF THE YEAR

ANNUAL RETREAT

Sampada Trust Annual Retreat was held on 6- 7 February 2005 at Darewadi Training Centre. This was the first Retreat wherein all Sampada staff from their centers within Maharashtra came together to review the activities of the past year and plan for projects and activities to be taken up in the following year. It also creates an informal setting of a family get together and an opportunity to learn and imbibe core values of the organization, which help build the spirit of the organization.

APPRECIATION

Our sincere thanks to all those who have extensively contributed to the growth of Sampada Trust...

- Watershed Organisation Trust (WOTR)
- Govt. of Maharashtra
- Andheri Hilfe, Bonn
- Perls Foundation
- Becker Cordes Foundation

