

Aamara Biswas (India)
Our Biswas (US)
Women Helping Women Through Nano Finance
Annual Report from April 1, 2014 to March 31, 2015
(Reported by Joyasree Mahanti)

Dear Friends,

Namaskar!

I can't thank you enough for your kindness, trust, and support for years in different ways to help me through Aamara Biswas and Our Biswas to work for the women of Odisha who are in extreme needs. As I always mention, the success of each step is due to team effort. I am extremely humbled to be part of this team with you all. The women of Odisha send their gratitude and love for you all.

On November 9, 2007, the Nano Finance (NF) project was started in Sambalpur district of the state of Odisha. Aamara Biswas (AB) was established in 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 \$10 – \$20 with a payback period of 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. This funding means they don't go to the moneylenders for loans that carry an annual interest rate of 120% or more.

The following issues will be discussed in this report.

- A. Why and how is the Nano Finance project successful?**
- B. How does Aamara Biswas empower the women?**
- C. Who is responsible for the existence of Aamara Biswas and the success of Nano Finance?**
- D. Sustainability of Aamara Biswas**
- E. Current and future projects**
- F. Financial statements**
- G. Conclusion**

A. Why and how is the Nano Finance (NF) project successful?

- The nano loan is interest free and only given to women who are in extreme need. They are responsible for taking/paying loans by themselves. No middle person is involved.
- The bookkeeping and loan transactions are very simple, and the women are directly involved.
- The women are capable of returning the small, interest-free loans without much constrain.
- They have one year to return the loans and have the option of returning the loans in installments at their convenience. Aamara Biswas (AB) does not penalize them if they delay in their payments. AB encourages them to pay back the loans for their benefit and also for the sustainability of the organization.
- Under the Nano Finance system, women get access to additional interest-free loans under the condition that the previous loans have been paid back in full.
- 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 if they have additional needs after repayment of the existing loan. In some areas, the amount initially invested has nearly tripled in seven years.
- The women understand the benefits and advantages of small loans. Many times the women express that they prefer to take small loans multiple times which they can pay back easily instead of bigger loans which put burdens on them.
- All the coordinators are selected from the areas where the NF project is implemented with minimum education and get paid by AB. Most of the time, the coordinators are selected by the women from the areas where they work for AB.
- Generally, when women get bigger loans through micro finance institutions or another source, other family members become aware of the loan amount. In the case of nano loans, the women have complete control over the small amount and they solely make decisions for using the loan for improving their livelihood. It is easy to keep the small amount as a secret from other family members. In the end, the entire family is benefitted by this system.

Susmita Mangaraj, one of the coordinators and a social activist tells: She has come across many organizations and involved with many projects in last 18 years. It was always so difficult to collect money after giving loans. Now, she does not have any problem with the Nano Finance project. The women return the money by themselves

without any force. She thinks it is the love and trust the women have for AB. They understand the system and how they benefit from it.

B. How does Aamara Biswas empower the women?

Pratima Sahu, the coordinator of Sambalpur district, now is in charge of the Western part of Odisha. On her own, she has volunteered to take care of one of the most difficult and poor villages of the Anugul district, Kiakata. Every month, she travels in rickshaw, train, bus, and on foot to the village to make the Nano Finance project successful. Her love for the organization and desire to help other women who are in extreme poverty is worth mentioning. Previously, she was in a similar situation. She claims that AB has not only given her livelihood but strength. It is a great pleasure to see the development in her leadership quality and skill after joining Aamara Biswas. She also travels to Sonepur, another area, once a month for NF project.

Pratima tells, AB has given her the opportunity and strength to pursue as a community leader and gives her scope to learn new things every day. She has decided to work for the organization rest of her life.

Itishree Behera, the coordinator of the fishermen's village expresses how she and the women from her village have come out from the four walls of their house and started their own livelihoods by taking loans from AB. She is proud to be part of AB.

Gita Pradhan, the coordinator of Khamara, Anugul district, says AB has brought wealth to her and her friends. By taking small loans multiple times for agriculture, all the women, including Gita, now have savings in the bank. She tells that since she started bringing money to the family, her husband loves her more and there is less fighting and arguing between them. She strongly encourages women to be financially independent with the help of AB and earn respect from their husbands and other family members. She has benefitted from this experience.

Nirupama Barik, the coordinator of Balikuda, Jagatsingpur district, tells she will always work hard to keep AB alive. She believes that AB is her organization. She has a strong feeling of ownership of the organization. Though she was asked to join politics, she decided to stay with AB. She thinks working for AB is more challenging and worthwhile than politics.

C. Who is responsible for the existence of Aamara Biswas and the success of Nano Finance project?

The coordinators and the women who take and return loans are responsible for the existence of the organization and the success of NF project. We can invest money, but if the coordinators do not work ethically or do not have the desire to help women, the project will fail. This has happened in a few places. The NF system is very simple and can be mismanaged very easily. When the majority of the women are uneducated, the coordinator can take advantage of the situation. She can maintain the books by entering wrong numbers. Also, when a coordinator leaves the organization without handing over all the books with complete and accurate information, it is very difficult for a new coordinator to take over the project. Mismanagement can cause the women to lose trust in the system.

The women who take loans from AB are also responsible for the success and expansion of the Nano Finance project and existence of Aamara Biswas. There will be no recirculation of money unless they return their loans. Because the loans are interest-free, AB does not make a profit. So, expanding the funding is difficult without the help of and repayment by the women. We realize that for any small business to be sustainable, one has to take the interest-free loan several times. We encourage the women to take it five or six times only, so that more women can be helped from the returned loans.

AB does not actively advertise its activities. The women from the nearby areas find it through word of mouth and often come from a distance to take loans. It is difficult when AB has to deny a loan request, but sometimes we have to. The coordinators try their best to give loans to the women who are really in need. It is easy to give loans to the same women who have a good credit history. But there are others who are in desperate situations and want to improve their livelihoods with the help of an interest-free loan. AB provides loans with trust, and hopes that the women will return the loans for their own and others' benefit.

The coordinators are strongly encouraged to give out new loans soon after the collection and not to keep money with them. They have limited funds, and many women are waiting for a loan. During such situations, the coordinators ask the women to choose who needs to get the loan immediately, and rest of them wait for the next collection. Loans are also given on first come first served basis. In the beginning, women always complained about how they could not do anything with such small loans. Now they understand the benefit of small loans and have learned how to use their small loans to start businesses and other livelihood trades. One woman said that she started a small beetle shop by taking interest free loans from AB. By taking and repaying loans multiple times, and using the profit from her shop, she now has a successful grocery store, and is able to send her children to school. We have many such success stories.

D. Sustainability of Aamara Biswas

There is a great demand and need for the expansion of the Nano Finance project in different parts of Odisha. Aamara Biswas prefers to expand slowly, allowing women to understand the value of small loans and the importance of returning the loans. This also teaches them to be unselfish and help other women due to limited funds. Currently, we work in more than 60 villages. AB does not make any money from the projects. Though the coordinators don't get big salaries, when the project expands, we need more coordinators. Every year, the total salaries of the coordinators are increasing.

Currently, 50% of the salaries are covered by the accrued interest of the corpus fund (Fixed Deposit). In another year, the Balikuda Training/Production center will not depend on donations. The profit from selling the ladies garments will support the rent and the salaries of the sewing teacher.

The Sanitary Napkin Unit, which started in February, 2015, will take some time to make a profit for the sustainability of the unit. This is not a business venture. Our main purpose is to provide sanitary pads to the women at an affordable cost, for the benefit of their health. We are hoping to make some profit after one to two years. Sustainability of the organization is a major concern to many of us. Of course the organization will continue to sustain until it gets the financial support from additional donors. Expanding the available funding in the lending pool is needed to advance the reach of AB. Even with donations, if the women do not have the feeling of ownership and love for the organization, the organization will sustain only for a few years and it will slowly

close down. During my recent visit, I realized how much the women, including the coordinators, love this organization, think of it as their own, and feel responsible for its existence. Hopefully with their trust and love, AB will exist for 10 or more years and continue to provide livelihood to many women. I strongly feel that the sustainability of AB is in the hands of the women who have benefitted by it.

E. The current projects

- i. **Nano Finance Project:** AB has supported close to 10,000 women through the Nano Finance project in more than 60 villages and with some urban areas. After taking loans from AB for farming and small trades, many women now have saving accounts in banks. Currently, AB is working in Sonepur, Anugul, Jagatsingpur, Cuttack, and Sambalpur districts of the state of Odisha, India. Eighty-percent of loans are taken for improving the livelihood through farming and small businesses. Twenty-percent of loans are for health, education, and emergency needs.
- ii. **Sanitary Napkin Unit:** This program started in the village of Dengapola, Jagatsingpur district, in February 2015. The unit employs five persons. Though we have the infrastructure and the quality of the pads is really good, marketing the product takes time. We will have a better analytical report of distribution after one year.
- iii. **Balikuda Training/Production Center:** The center was started in April 2012 to provide young women with training to make women's garments. AB rents a small room for the training purpose. Ninety-eight girls have finished their training and started generating income from the sale of the garments. Many women come to the Center to use the sewing machines for making garments. AB helps them with the marketing.
- iv. **Purusottampur Training/Production Center:** In Dec. 2010, Aamara Biswas took over the training/production center. It was not functioning due to a lack of funding by giving more than \$6000 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 women in the village. Currently, the center is running smoothly by giving training and providing a livelihood to many women from the surrounding villages.
- v. **Drinking Water Filter Project:** Aamara Biswas started this project in 2010. Though the women understand the benefit of these filters, still they prefer to spend money toward building a livelihood rather than buying the filters. Initially, the filters were bought by taking loans strictly for the filters. But getting them to return this loan has been very difficult. We find that the women are always regular in returning their loans if the loans are contributing to their pursuit of a livelihood. The incentive is to get another loan after paying back their previous loan. We have stopped the practice of giving loans specifically for the filters; Instead, the women have to just buy them. So far 1,360 filters have been sold. We buy new filters by re-circulating the original invested money.

F. Workshop: AB organized a workshop in January 18, 2015, in the eastern part of Odisha (Dengapola, Jagatsinghpur). This workshop gives an opportunity to the women to speak in public about their experience with AB. About 900 women attended the workshop and it was a great success. The coordinators and the women who took loans were the speakers at the

workshop. If the budget permits, we will have the workshop in the western Odisha (Sambalpur town) in January 2016.

G. Financial Statement

The total donation amount is \$26,058 by December 31, 2014. The following amount was directly transferred from Our Biswas account (USA) to Aamara Biswas account (Odisha, India)

| Date | Transfer | Received |
|------------------|-------------|-------------|
| May 5, 2014 | \$500.00 | \$493.00 |
| December 2, 2014 | \$15,000.00 | \$14,990.00 |
| January 7, 2015 | \$8,000.00 | \$7,990.00 |
| Total | \$23,500.00 | \$23,473.00 |

Expense Details

| | |
|--|-------------|
| 1. Nano Finance (NF) | \$6,240.00 |
| 2. Workshop | \$1,660.00 |
| 3. Sanitary Napkin Unit | \$9,280.00 |
| 4. Salaries | \$1,880.00 |
| 5. Training/Production Unit, Balikuda | \$3,280.0 |
| 6. Travel, Office supplies, Logo design, and furniture | \$740.00 |
| Grand Total of all Expenses | \$23,080.00 |

H. Conclusion

I am thrilled with the results and excited to see the progress of each woman, even at the smallest level. Very often, women who have been helped by AB tell their success stories with a smile and excitement while holding my hand. During my recent visit, they told me that Aamara Biswas had given them strength and taught them how to stand on their own feet by coming out of four walls. They smile at me with confidence and tell me they are not scared of anybody because financially they do not depend on their husbands anymore. Since these women started earning and bringing money into the family, they have gained the respect of their husbands and other family members. This is really Women Empowerment! Once they are empowered, changes happen to the family, community, and to the world.

Submitted by Joyasree (Ranu) Mahanti, Founder of Aamara Biswas and Our Biswas