

I-CONNECT NEWS

Report from our partners Pragati Marg Foundation

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Communications Experiment

We would like to apologise to all our supporters for the dearth of communications in the last couple of years , we are experimenting with a new newsletter format to inform our supporters on an ad-hoc basis. Currently I am in Udaipur with my wife Elena , working with our partners Pragati Marg Foundation (PMF) and would like to share some stories from the field.

Pragati Marg Foundation (PMF)

Founded in 2011 as a charitable company , under the management of Debidutta Pattnaik MBA , PMF aims to improve the life of poor communities in North India by the provision of microfinance and other social improvement schemes:

Q: What is microfinance ?

A: The provision of small loans for people who do not normally have access to banks

Q: Is PMF a charity or business?

A: The microfinance arm aims to cover its costs through the charging of reasonable interest ,but any profits must be ploughed back into charitable schemes.

Q: How does I-connect support PMF

A: I-connect supporters have given some finances and technical help to PMF , but PMF is not financially dependent on I-connect

Q: What about our partners NMM

A: I-connect continues to support community projects such as the Ashadeep Health Clinic and Panarwar Children;s Home run by NMM . PMF is a sister organisation to NMM with Dr Finny Philip of NMM as chairman

“Enabling villagers to make wise investments in farms and small businesses , by borrowing small amounts at reasonable interest rates, enables a transformation of their economic prospects and a route out of poverty”



Debidutta with PMF Field Officer



Shop Financed with PMF loan



STOP PRESS :

Following the success of last year’s Bollywood Night , we will repeat the event this year. Last year it was a sell-out so if you want tickets please contact Jane Westerman :-

janevesterman@dunelm.org.uk

Saradit Microfinance Cluster Group

The village of Saradit is located about 2 hours South of Udaipur in the Aravalli hills. In the monsoon season in which we visited the countryside is lush and green, after monsoon there will be little if any rain for 9 months and the countryside will become dusty and arid. The population are from the Bhil tribal group, not part of the Hindu caste structure and traditionally regarded as feckless and lazy. To make a living the villagers must grow crops on a tiny farm (average farm size look it up...) for subsistence and supplement their income by labouring work, when it can be found.

Pragati Marg Foundation (PMF) established a microfinance cluster group in the village in July 2012. The cluster group meets monthly under the supervision of a PMF field officer. The officer introduces the concept of PMF which is to make small loans available at a reasonable rate of interest. (16% pa just enough to cover costs). Potential clients must join with 3 or 4 others as a "Joint Liability Group" (JLG) to underwrite each other's loans. This acts as a safeguard for the scheme as the locals can exclude untrustworthy characters. Applications are made detailing how the loan will be repaid, forcing the potential client to plan his or her finances carefully. Only those applications judged to benefit the client rather than force him/her in debt problems are approved. Disbursements and collections are handled openly in the meetings.

Cluster Group meetings enable PMF field officers to deliver advice to clients and crucially for clients to share their experiences. Enabling villagers to make wise investments, by borrowing at reasonable interest rates can transform their economic



Saradit Villagers in the Cluster Meeting

Heeralal's Story A Dream realised

Heeralal pictured left needed a water supply to ensure a good crop. Rain only comes at monsoon time. In a dream it came to Heeralal that there was water underneath his land. So he embarked on the digging of a huge open well. But the dream turned into a nightmare, the cost of excavation forced him to sell family land and borrow from moneylenders at an extortionate 20% per month (716% APR!). 4 lakhs of expenditure and loan interest later (£4,000) and the project failed.

With the coming of PMF to Saradit, new possibilities arose. Being able to borrow at 16% pa, meant that the investment could be made without a ruinous debt

The bore well and its users



spiral. Joining together with 4 neighbours pictured left to borrow 50,000 Rs (£600) for a bore well, enabled them to reach the precious water. Now Heeralal can not only grow more than enough wheat to subsist on, but can grow aubergines and ladyfingers and sell them on the market, earning as much as £250-300. Now the dream is realised and his family on the road from ruin to prosperity,

Want to Know More or become involved

Older news stories can be found on our blog : www.connectindia.wordpress.com

More details about Pragati Marg Foundation are on website www.pragatimarg.org

If you would like to donate to PMF or any of the projects supported by I-connect

Please go to www.justgiving.com/i-connect you can put details of where you would like the money to be spent in the text box

Or if you want more information about projects generally please email

markspeller@hotmail.co.uk

Thank you for your interest