

Project Proposal

On

“Empower 200 women to become entrepreneurs in India

1. Location and Population Served (No of Villages/No of People, etc.):

SAMRUDHI has already initiated its operation in Gulbarga town of Karnataka. And will expand its operation to other neighboring district in the future. Women have been designated as the target group both because they are the most marginalized and because women tend to use resources more productively than men do. That is, they tend to invest the majority of their income in the household and for their children, and they tend to undertake small, manageable activities rather than risky ventures that could bankrupt families. By providing loans to women, SAMRUDHI expect to see a rise in household income that will benefit the entire family. An additional benefit is that SAMRUDHI will be empowering a marginalized group by enabling women to have ownership of assets.

2. Project Scope, Goals and Desired Outcomes:

Scope:

About 87 percent of the poorest households do not have access to credit. If poor people can access low interest credit during times of crisis, they can avoid falling into debt trap. But bureaucracy and corruption prevents the poor from accessing credit from banks and the government. That is why SAMRUDHI attempts to alleviate poverty through the provision of Microfinance-a powerful poverty fighting tool that helps poor to come out of poverty by accessing collateral free financial services. SAMRUDHI provides Credit for income generating activities in an attempt to reverse the age-old vicious cycle of **“low income, low savings, low investment,”** into an expanding system of **“low income, injection of credit for investment, more income, more investment, more income.”** Our guiding principle is to provide opportunity, not charity. It is better to provide a continual stream of credit that will enable the poor to lift themselves out of poverty rather a one-time charitable grant that may help in the short-term, but will not make a long-term impact in the lives of poor people. We expect that in addition to increasing the income of our members, SAMRUDHI Credit will also stimulate the village economy. Access to credit helps them to overcome vulnerability. Women have been designated as the target group both because they are the most marginalized and because women tend to use resources more productively than men do. That is, they tend to invest the majority of their income in the household and for their children, and they tend to undertake small, manageable activities rather than risky ventures that could bankrupt families. By providing loans to women, SAMRUDHI expect to see a rise in household income that will benefit the entire family. An

additional benefit is that SAMRUDHI will be empowering a marginalized group by enabling women to have ownership of assets. Hence SAMRUDHI will work with landless, agriculture labors, marginal and small farmers, micro-entrepreneurs women folks who fall under Bellow Poverty Line. We consider people who lack access to formal finance and support them through our livelihood microcredit.

Promoting micro-enterprise: The poor cannot access loans from conventional banks because they have no collateral. SAMRUDHI meets the needs of the poor by providing collateral-free micro-credit at their doorstep.

Women Empowerment: SAMRUDHI works through women's groups (Centers) because women are the most marginalized and because women tend to use resources more productively than men. That is, women tend to invest their income in the household and for their children.

Building Asset: The poor live on the brink of subsistence, and often have to sell their limited assets or get into bonded labor (a form of indentured servitude) to survive. Through the working capital provided by SAMRUDHI, poor people generate income, build assets, and move toward self-reliance

Supporting Livelihood: By providing loans to the poorest, we expect to help raise their incomes and thus also spur the village economy.

SAMRUDHI provides micro loans to the poor through a community-owned, Grameen (village) banking program that utilizes the peer-lending model developed by the Grameen Bank of Bangladesh SAMRUDHI's methodology involves several phases-a village survey, projection meeting, the formation of groups and centers , and administration of the savings and loan program.

Outcome:

- **After 1 year**

After access micro loans from SAMRUDHI, the following outcomes can be measured.

- ☞ **Access to livelihood based Financial Services**
- ☞ **Increase & diversify incomes Build assets**
- ☞ **Mitigate risk , Plan for the future, Make choices**
- ☞ **Increase food consumption**
- ☞ **Invest in education & health**
- ☞ **Invest in housing, water, sanitation**

- **After 2 & subsequent year**

- Over 1 million urban & rural households empowered through delivery of sustainable, livelihood based financial services.
- Improvement in the incomes of urban & rural households.
- A credit discipline culture Inculcated amongst beneficiaries.
- Investment and income generating opportunities increased through diversification.
- Strengthened financial intermediation system.
- Diversified ownership structure and good governance in the local government.
- Overall credit outreach in rural & rural areas enhanced.
- Increased monetization of rural areas resulting in a vibrant rural financial sub-sector created.
- Volume of credit delivered and savings mobilized increased.

3. Milestones, Measures of Success and Long-Term Funding Plan, if any:

Progress can be measured based on target community's achievement of better economic status & dignified life. The target population will have a positive growth oriented economic status. While giving micro loans to our borrowers, we capture basic information like their income status, poverty status, number of school going children, assets available with them.

4. Describe Intended Beneficiaries (including their Composition, Current Economic/Social Conditions, etc.):

Present Activity of the Beneficiaries:

- ⇒ **Agriculture:** The vast majority of rural poor are landless laborers or marginal farmers who survive through subsistence agriculture. Since people manage to survive on rain-fed agriculture, they usually have only about 200 days of work per year, depending on the rainfall.
- ⇒ **Livestock rearing:** This is an additional activity with most of the farming households. People are engaged in milk production (cows & buffaloes), goat & sheep rearing and poultry activities.
- ⇒ **Purchase/collection & selling:** Non-Timber Forest Produce (NTFP) such as minor fruits, leaves, dry-wood, etc. from the forest area, waste collection (plastic, paper, metal, glass, etc.) and recycling, dung and farm-waste collection and preparation of compost & vermicompost, collection of grass & green manure, dry fodder, oil-cakes and selling to dairy farms, milk collection from small producers and selling in towns
- ⇒ **Production activities:** The majority of urban poor are engaged in metal works (preparation of household items such as cots, *Almarah*, tables, chairs, safes, etc.), pottery, *Bidri* craft work, brick making, candle/*agarbatti* making, *roti/senga chatni/pickles/shavige* preparation, *beedi* rolling, ice-cream, slate/chalk piece, rexin & leather works, shoe making, mattress & blanket making, baskets, cloth weaving, coloring, etc.
- ⇒ **Services:** People are engaged in road-side painting, house coloring, tailoring, shops such as fruit juice, tea/snacks/meals hotel, photocopy shops, laundry, cycle *rikshaw* pulling, horse *tanga* ride, auto-*rikshaw* driving, tent house, sound and music shop, electricity shop, motor rewinding shop, TV/Radio repairing shop, centring/*goundy* work, carpentry, black smithy, flour grinder, watch repair shop, etc.
- ⇒ **Trading:** Vegetables, fruits, grains, oil, *murmura* (puffed rice), utensils & cutlery, decorative items, clothes, colors, dry fruits, pickles, chutneys, powders, baskets, etc.

5. Expected Duration of Project:

Initially the project is for one year

6. What is the Local Community's role in the Conception and/or Execution of this Project? (Please include plans for training, education, etc.)

Family members of our beneficiary will be involved in the project. Various training & workshops will be conducted to provide market information, trainings, backward linkage support, technical support services, forward linkage support, and risk mitigation – through education, linkage and insurance on various enterprises, trade taken up by our beneficiary members.

What are some of the Pluses and Minuses that might influence the Desired Outcome of this Project?

As such this project has no negative impacts. However, SAMRUDHI has identified following threats that could create problems in the impact of the microfinance program:

1. Political motivation – Hype by media and officials
 2. Potential risk of frauds and misappropriation due to political motivation by the staff.
- To overcome these threats, SAMRUDHI has developed internal audit system where every 5 days there will be internal audit both at the field level & office level.

Budget-2012-13

Program	Use of Fund	Amount (Rs)	Source of Funds	Amount (Rs)
Women Empowerment through Micro Credit Program	Micro Credit program	80,0000	Grant from ICA	500000
			Grant from Asha	300000
			Individual Contribution	100000
			Borrowings	62,00000
	Sub Total	80,00000	Sub Total	80,00000
Financial Literacy	Financial Literacy	340000	Grant from SIDBI	200000
			Grant from ICA	50000
			Individual Contribution	140000
	Sub Total	340000	Sub Total	340000
	Grand Total	83,40000	Grand Total	83,40000
