

WAFD'S MICRO FINANCE (MF) PROGRAM FOR POOR WOMEN

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WOMEN'S ACTION FOR DEVELOPMENT (WAFD)

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WAFD IS A DEVELOPMENT ORGANIZATION

- Registered under Society's Registration Act of 1860
- Date of registration: September 12, 1978
- Registered under FCRA with the 'Ministry of Home Affairs', Government of India, since 1979

WAFD's OVERALL OBJECTIVES

- Women's empowerment
- Child development
- Eco Village Development
- Education
- Thrift and credit
- Capacity building

WAFD's PROGRAM AREAS

➤ URBAN AREAS:

- Delhi urban resettlement colonies/socio economically weak communities

➤ RURAL AREAS:

- Bharatpur 55 villages in 3 Blocks

WAFD's ACHIEVEMENTS

- Handed over programs to communities in urban areas of Delhi in 2000
- Handed over children's programs in 10 villages in December 2006
- Prepared a handbook for preschool educators
- Handed over to the communities 2 registered Urban thrift & credit Societies in 1989

WAFD MAHILA SWAVALAMBINI TRUST

- Registered in September 2004
- A mutual benefit Trust for working exclusively in ‘**Micro Finance**’ with urban and rural ‘**poor women**’

OBJECTIVES OF MICRO FINANCING PROGRAM OF WAFD

- Poverty alleviation through access to credit
- Improving the status of women within the family, and society at large

WAFD WORKING AREAS FOR THE MICRO FINANCE (MF) PROGRAM

➤ **URBAN:**

- Sagarpur /Dakshinpuri /
Palam in Delhi

➤ **RURAL:**

- 25 villages in Weir Block,
Bharatpur

METHODOLOGY FOLLOWED UNDER MICRO FINANCING

➤ **URBAN:**

- Originally SHG now some Grameen systems.
- Rotating member's own savings no external funds.
- Monthly meetings.
- Initial Rs. 5 Lakhs to start given by WAFD as interest free loan

➤ **RURAL:**

- Grameen Replication
- Start up funds from Grameen Trust Bangladesh, January 2005.
- Weekly meetings
- Interest free loan for Rs. 6 Lakhs from WAFD for on lending

REQUIREMENTS FOR STARTING A MICRO FINANCE (MF) PROGRAM

- Funds for on lending
- Operational costs for 6 months which would include:
 - Software support/development
 - Product design
 - Staff training
 - Salaries of staff /auditing / setting up offices

PRESENT STATUS OF MF

➤ **URBAN PROGRAMS:**

- Number of members
- Number of loans given
- Loans outstanding
- Total due loans repaid

➤ **RURAL PROGRAMS:**

- Number of members 1178
- Number of loans given 1745
- Loans Outstanding Rs.2,098,819
- Total due loans repaid Rs.7,085,681

STEPS FOLLOWED IN THE GRAMEEN MODEL OF MICRO FINANCE PROGRAM

STEP 1

- Village meetings to introduce program
- Identify poorest of poor women
- Train in how to access and repay small loans, and group responsibilities
- Take small test to see if members have understood
- Form members into groups of five

STEP 2

- Decide on date and time of weekly/monthly meetings
- Decide on weekly/monthly savings to be made by members
- Loans can be given after regular saving of 3 months. This helps you to study and see how the members perform.
- Loan repayment is made in weekly/monthly equal installments

DIFFERENCE

GRAMEEN MODEL:

- Staff intensive
- Weekly meetings
- Weekly saving and repayment
- Savings with organization
- Groups of five

SHG MODEL:

- Less staff
- Monthly meetings
- Monthly saving and repayment
- Savings with members
- Groups of 10 - 25

WAFD'S LEARNING

- Poor women always repay-are credit worthy
- Targeting of poor has to be done carefully
- Systems & procedures need to be followed
- Monitoring of staff essential

Thank you!!