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

ZAREEN MYLES,
Executive Director, WAFD
WOMEN’S ACTION FOR DEVELOPMENT (WAFD)

WZ – 34/5 Asalatpur,
A -2 Block Janakpuri,
New Delhi – 110058

E-mail: wafd078@yahoo.co.in
Tel: 011-2561-0344
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 MICROFINANCING 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
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!!