



Dining for Women

Program Fact Sheet

Program: Unitus

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Mission: Unitus, an international nonprofit organization, fights global poverty by accelerating the growth of microfinance—small loans and other financial tools for self-empowerment—where it is needed most. Unitus seeks out and partners with young, high-potential microfinance institutions (MFIs) and helps them build capacity, attract capital, and unite with our network to achieve rapid, sustainable growth.

Where They Work: Unitus currently works in nine countries (India, Kenya, Tanzania, Indonesia, Philippines, Cambodia, Mexico, Brazil and Argentina) and has 24 microfinance partners. These partners are served by local Unitus staff from three base offices in Nairobi, Kenya, Bangalore, India and a headquarters in Seattle, WA. Their partner microfinance institutions (MFIs) serve over 8 million microfinance clients, the majority of whom are women.



The Unitus project DFW will help fund is located in one of India's poorest states, **Madhya Pradesh**, a state in the plains of India. Madhya Pradesh, Hindi for Central Province, is located in the geographic heart of India. It is one of the few states of India that is completely surrounded by other states, having neither a border with another country nor a coastline. Madhya Pradesh is one of the most remote and hardest to serve states in India with over 37% of the population living below the poverty line.

Towns in Madhya Pradesh have a 25% slum population, significantly higher than the all-India average of 14%. Unitus microfinance partner Samhita is headquartered in the rural village of Rewa in eastern Madhya Pradesh. Rewa is characterized by depleting forests, rural populations, feudalistic societies divided along caste lines, poor infrastructure, a history of gender discrimination, and is among the least developed area in India based on education, economic and health indicators.

Facts about Madhya Pradesh

The 2001 India Census reported that per-capita *daily expenditure* on food in Madhya Pradesh was \$0.09 – *the lowest in the country*.

The literacy rate for rural women is 43%.

The gender ratio for the state stands at 920 females per 1000 males, well below the national average.

A Microfinance Client



Name: Bayamma Neerudi

Age: 49, Married

Family: Seven children—five daughters and two sons

Hometown: Medak, India

Current loan: 4th loan, \$150

Business: Buffalo, bullock cart, leasing land

Bayamma used to work as a seasonal agricultural laborer, earning 32 cents per day for only 150 days each year. Her husband was a mechanic a nearby town, earning only 50 cents per day. One of her sons also worked as an agricultural laborer, while her other son was sold into bonded labor, often working 13 hours or more each day. For much of the year, Bayamma's family survived on starch as their only food source.

Bayamma became a microfinance client in 2001. With her first loan of \$150, she bought a buffalo. By selling milk and other dairy products from the buffalo, she was able to save an average of \$2.75 each week after paying her loan installment and buying feed for the buffalo. She used subsequent loans of \$64 and \$128 to pay for another buffalo and to have cart made, which she rented out to transport sugarcane and other produce from the fields to the factories. With this income, Bayamma was finally able to release her son from bonded labor, whose wages are now added to the family's income. She recently received her third loan of \$150, with which she has leased six acres of land for growing rice.

Bayamma is happy now that she and her family have stable sources of income. Her family eats more nutritious food that includes milk, rice, vegetables and, occasionally, meat. With her future loans, Bayamma hopes to begin repairing houses and also plans to purchase irrigation equipment to increase her crop yield.

History of the Area: Madhya Pradesh has an ancient cultural heritage. Rock paintings date back to the Paleolithic age. The Khajuraho Group of Monuments includes medieval Hindu and Jain temples, famous for their erotic sculpture. Between the 12th and 16th centuries, the region experienced struggles between Hindu and Muslim rulers. In 1947, India became completely independent from colonial rule, ending nearly 350 years of British presence. In 1956, several former states were combined to form Madhya Pradesh. In 1984, Bhopal, the capital city of Madhya Pradesh, attracted international attention when the Union Carbide plant, which manufactured pesticides, leaked deadly gas, resulting in the worst industrial disaster in history.

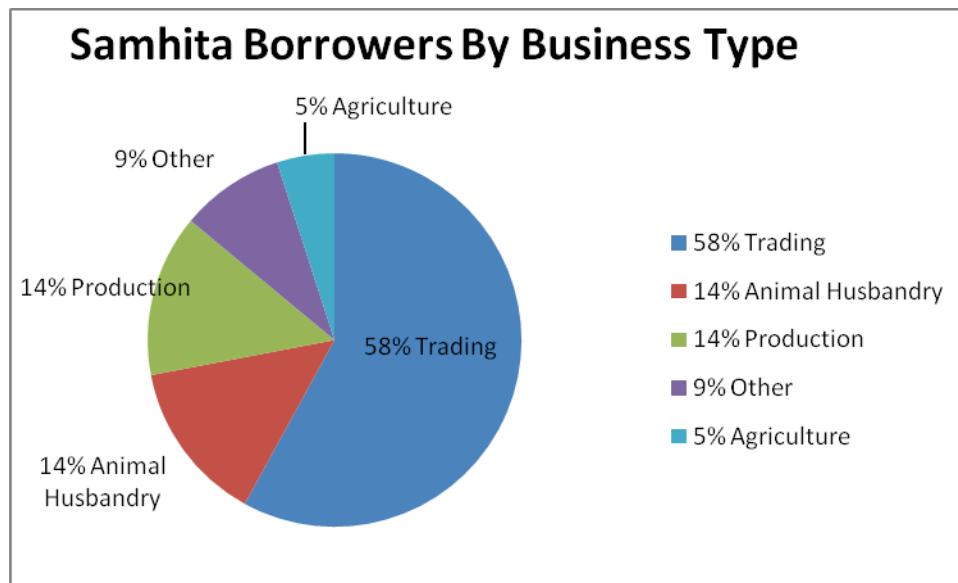
History of Unitus: Established in 2001 as a U.S.-based 501(c)3 nonprofit organization to provide poor people with access to microfinance services. Their goal is to grow small microfinance banks to scale, serving millions of poor clients rather than thousands. Unitus partners with the best microfinance banks, directing donor dollars to organizations that will use it most effectively.

History of Samhita Microfinance: Samhita is the dream of a remarkable woman, Praseeda Kunam. Praseeda was raised in South India, attended college in India, and then came to the United States to study at Washington University in St. Louis, from which she received a Masters in Information Technology and an MBA. After receiving her degrees, when she could have had her pick of lucrative jobs, Praseeda returned to India to follow her passion, using microfinance to alleviate poverty in her home country. She founded Samhita Microfinance to reach rural populations of women who she saw were financially excluded from the economic system. In February 2009, Praseeda was honored with an Indian Women Achievers Award for her role in providing economic and health services to disadvantaged women.

The Project: Based on a venture capital model, Unitus partners with high-potential, small MFIs in the developing world and works with these banks on the two things that stunt their growth: capital and standard business infrastructure, such as technology, human resource training, and strategic and operational planning advice. **Dining for Women will be supporting the working women in one of India's poorest states, Madya Pradesh, through Unitus partner Samhita.** Samhita Microfinance serves over 26,000 poor women with small loans of \$91, on average. Samhita's clients are both rural and urban, and the lives of these two types of clients are different.

- **Rural women who receive Samhita loans live on less than \$1 per day**, on average, and are most often landless agricultural workers who have limited opportunities to earn money in the farming off-seasons. Typically their husbands are migrant workers who spend most of the year in the cities looking for work.
- **Samhita's urban microfinance clients are slightly better off—they live on approximately \$2.50 per day**, and often live in government housing projects in Bhopal, Madhya Pradesh's capital city. They too are migrant workers from rural areas who have temporarily established their families in the city. These women are domestic workers—laboring as cleaning people, babysitters, or laundry workers, and their husbands are normally street vendors or construction workers.

The women use microfinance loans to start and grow life-changing businesses, detailed below.



- Fifty-eight percent of Samhita borrowers start trading businesses, selling vegetables and other goods, such as bangle bracelets, at local markets and door-to-door. With their loan they are able to buy goods in bulk and sell at retail, creating a small profit margin.
- Fourteen percent buy goats, chickens, or a cow, generating income from milk or sale of meat
- Another 14% use loans for production businesses, sewing clothes, rolling incense sticks, weaving baskets or mats.
- Five percent use the loans for agriculture purposes, buying seeds or irrigating land that they have leased.
- The remaining 9% of borrowers use the loans for other types of businesses—food service, hospitality, and laundry services.

Samhita operates on the Grameen group banking model. Women band together groups of 5 and take loans of \$200 - \$500 as a group, dividing it equally among the members. The women pay back their loan as a group. Under this model, if one woman falls behind on payments, members of her group are expected to make up the difference. Members will do all they can to support their fellow group members and their businesses, and worldwide very high rates of repayment result. The Grameen group banking model has the peripheral benefit of bringing women together in close working groups; strong relationships and a sense of community belonging often result.

Unitus choose to partner with Samhita because of its:

- Strong social mission to serve the poorest women
- Willingness to work in a region that is severely impoverished (even compared to other states in India)
- Wish to bring financial services to hundreds of thousands of women through a business-oriented growth plan
- Visionary leadership

Samhita offers four types of loans: a commercial loan (to start a business), a working capital loan (to grow an existing business), an emergency loan (to help during a time of sickness or natural disaster), and an education loan (to help pay for school fees during seasonal economic lulls). Samhita is committed to keeping the interest rates on these products low, between 10 – 15% annually, which is well below the rates that working poor women receive at financial institutions or money lenders without a social mission.

Samhita has set the impressive goal to grow to serve over 600,000 women with financial products in 5 years.

Loan center meetings are a very important component of banking at Samhita. Clients attend loan center meetings once a week to receive and repay loans and participate in short business education sessions. Loan center meetings are a forum for health and environmental education as well. At the loan center meetings, women participate in lessons on the importance of clean drinking water, creating a sanitary toilet and garbage disposal system near the home, how to care for children with a variety of sicknesses, including malaria, and how to care for and protect the land and water resources in their region. These programs are socially beneficial and also smart for business—illness in the family is the biggest reason that women are unable to pay back loans. Thus, **Samhita has made it its business to encourage healthy women with healthy families living in a healthy environment.**

Why is this DFW project vital?

A gift of \$15,000 from Dining for Women would make a significant impact on Samhita's ability to bring loans to even more working poor women in Madya Pradesh.

- Funds from Dining for Women would be passed directly to Samhita to help cover operational and expansion costs, including lending capital, personnel expenses, and technology needs.
 - **One of Samhita's needs is capital for lending, and a \$15,000 DFW grant could be dispersed as loans to 165 women.**
 - Because **99.3% of these women will successfully pay back their loan**, Samhita could continue to use the Dining for Women capital for years to come, loaning and re-loaning it to even more women.
 - **In the next 5 years, \$15,000 could provide loans for 813 women.** When invested in technology, personnel and other business infrastructure, \$5 of capital allows Samhita to add one additional client.
 - **In this way, \$15,000 from DFW could help Samhita serve 3,000 additional women with financial services.**
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How Unitus Measures Program Success:

Unitus measure success by the numbers of loans and financial services provided to women, as well as the repayment rate of loans. The global repayment rate for microcredit loans is higher than 95 percent; 99.3% of women will successfully pay back their loan to Samhita. Samhita's business plan is to have their microfinance operation break-even by the year 2011.

Financial Profile

Unitus Financials are available on their website <http://www.unitus.com/news-and-information/downloads/financials>

Most current fiscal year expense amounts for program, fundraising and administrative expenses: 75% on program services, 15% on Management/General, 10% on fundraising.

Our gift is directed to: Unitus partner Samhita Microfinance

Total DFW Goal: \$15,000

Sources:

Unitus

raisen.nic.in/Maps.htm

<http://www.lonelyplanet.com/india/>

CIA World Factbook