



# ANNUAL REPORT

## 2012-2013





# Annual Report

## 2012 -2013

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### *Message from the Secretary*

*Sampark has completed 22 years of development work this year and it gives me immense satisfaction to present before you Sampark's Annual Report 2012-13. We have kept up our commitment to high quality work along with long term partnerships, and have made a positive and long lasting impact on our beneficiaries. Sampark has directly reached out to over 8,089 women and 5,000 children through its various intervention programmes this year. Sampark has a team of 7 regular and 19 project staff and associates contributing to the welfare of these families.*

*Sampark has federated 560 women's self-help groups into 8 Cooperatives, which have been registered under the Souharda Cooperatives Act (the Self Reliant Cooperatives Act of Karnataka State). All of them have their own offices, with banking operations such as savings and credit. The Cooperatives have links with mainstream organizations, such as banks and government departments. Sampark has made linkages with external agencies such as banks and private microfinance organizations to provide loans directly to these Cooperatives. These linkages have improved their credit worthiness and helped build their capacities to manage revolving loan funds. The leaders are strong and vocal, and members are vibrant entrepreneurs. During this year the Cooperatives have managed a total capital of Rs 6.00 crores (including own capital and loan funds raised from external sources and from Sampark) as revolving loan funds of which 2.08 crores is their savings. In addition to economic empowerment, women leaders have taken the initiative to link members of SHGs and Cooperatives to local government departments so that they can access welfare schemes. This gives Sampark a great sense of achievement as our prime focus is on building people's institutions.*

*Sampark works with government schools and has set up community literacy centres called Prerane to improve the quality of education and reduce the school drop-out rates of children. Sampark reached out to 3,211 children in 10 government schools and along with the education coordinators. Sampark has been instrumental in making school based learning interesting for these children, thus increasing the attendance rate. There was tangible improvement in the Class 10 Board Exam Results as compared to years prior to Sampark interventions. Children who have dropped out of schools were motivated to come to the Prerane Centres after completing their day's work, and learn. Many of these children appeared for the Board Exams directly and some have been motivated to rejoin their schools. Slow learners attend the centres to do their homework and improve their understanding of the subjects in which they are weak. Sampark received "Business Responsibility Award" under category of "Best Civil Society Sustainability Project" for the grassroots level impacts achieved by Sampark. .*

*Sampark builds the capacities of young people and enables the career pathways of young people from marginalized families. This is achieved by identifying and organizing suitable and viable vocational training programmes. Sampark designed two types of skill training programmes. The first was: training in tailoring exclusively for girls from the Devadasi and Scheduled Caste families: , who could not attend Sampark's regular skill training programme earlier as they could not afford to give up their daily earnings. Under this new project, beneficiaries were given a stipend to compensate for the daily earnings lost. The beneficiaries were given functional literacy, health and enterprise trainings along with the technical training in tailoring. The project helped to reduce the chances of the girls becoming Devadasis and increased their age of marriage from 13-14 years to 17-19 years as they spent 2 years in the skill training workshop.*

Today these girls proudly say “We are skilled tailors and are doing good work; we are able to earn more money and even women from upper caste families are visiting our houses to get their clothes stitched.” 2. The second was skill training for youth from families of SHG members, who were provided training in tailoring, driving, and computer operations. Along with skill training, Sampark provided trainings on business aspects and linkages for jobs. These inputs helped 87% of the youth to utilize the acquired skills and earn incomes ranging between Rs. 1,000 and Rs. 6,200 per month.

During this year Sampark initiated interventions to work with migrant construction workers in Bangalore with the objective of educating and empowering them to gain access to their entitlements and improve their livelihoods and working conditions. Sampark set up a Workers Resource Centre (WRC) and constituted a project team to work on issues relating to migrant workers, especially in the construction sector. The overall goal of the WRC is to facilitate the processes whereby 5,000 migrant construction workers are educated and empowered in health, education, financial, social and legal sectors so that they can access their entitlements as Indian citizens/unorganized workers and thereby, improve their livelihoods over a period of 3 years. Along with interventions at the community level, Sampark is involved in research and advocacy on issues of migrant workers which will help in changing state and national level policies in favour of migrants and creates a positive enabling environment for them.

The two crèches that provide a safe place for children of construction workers have continued, and have received support from the earlier donor. The support from the local community has also been increasing and has been streamlined. They have continued to reach over 100 children. The children received a good learning environment, instruction in three languages (Kannada, Hindi and English) and sometimes their home language, and get mid day meals and regular health checkups. Sampark linked 25 children, who are 6 months to 3 years and 3 to 6 years old to the local aganwadi centres who receive monthly supplementary nutrition and immunisation for their children. During the year forty children are mainstreamed to local government schools.

In the field of research, this year Sampark took on two prestigious studies; the first study was on Understanding Water, Sanitation and Public Health. The study indicated the need to put a three tier system in place: At the local level, a village monitoring committee, at the panchayat level clear indicators for implementation, and at the district level, overall management and supervision. The study found that greater coordination and effective communication is called for among the various government departments that are involved in service delivery. Sampark recommended that a tried and tested technical approach be used to address the gaps in design, implementation, co-ordination, management, maintenance and operation of programmes and infrastructure in the three areas of water, sanitation and public health.

The second study was the preparation of a vision document on financial inclusion for Uttar Pradesh (UP). This document was prepared with the support of ‘Access to Finance in Uttar Pradesh’. The main recommendations of the vision document include: increasing the number of SHGs and Joint Liabilities Groups (JLGs) for effective access; and funds for financial awareness, literacy and group formation need to flow from the government and NABARD to Self Help Promoting Institutions (SHPIs), in a bigger way than is currently happening. Remittance services are increasing

*and could be viable using the mobile platform as both cost and time are significantly reduced. Finally, access to banking services is the only long term option for the poor, in order to get financial services at a reasonable cost. Banks have to step forward by extending credit not only through SHGs and JLGs, but also through individual accounts, if the needs of low income households have to be provided for.*

*During this year Sampark has been able to go through the process successfully and submitted all the compliances as per norms and received certification of accreditation from Credibility Alliance, which will be valid till 2017. Another major milestone was shifting to our own office space spread over an area of 2000 sq ft. where the Sampark team has shifted from May 2013 onwards.*

*The field work in Koppal has expanded, with greater outreach and improved quality. The work in Bangalore has expanded too. Sampark's work has featured in the United Nations Solution Exchange, and in the Microfinance State of the Sector report which is published annually and has good readership nationally and internationally. Sampark's donors, individuals, trusts, both private and public have been very happy with the quality of work, and have continued to extend support. Some new contacts have been made this year, too. Sampark has continued to improve both scale and quality, and has gained more recognition this year. The staff team and the board members have engaged and contributed, and our success is indeed jointly achieved, and the people and communities we work with have also participated actively and partnered in the programmes to make these achievements possible.*

***Dr. Smita Premchander, Date: 31<sup>st</sup> August, 2013***

## **1. Introduction**

Sampark, a Voluntary Organisation started in the year 1990, was registered in July 1991 under the Karnataka Societies Registration Act, 1960. It is also registered under the Foreign Contribution Regulation Act, 1974. Sampark works for the holistic development of the most marginalized people in 46 villages of Koppal district, and in Bangalore city in Karnataka by adopting inclusive ways of working in society that would create respect and promote equality.

### **Mission**

Sampark's mission is to help people gain direct control over their own situations by expanding the capacity of the vulnerable and poor people, especially women, to improve their lives, primarily by increasing their income-earning ability.

### **Philosophy**

All women, men and children have the basic right to dignity and self-determination, and all people should have the opportunity and choice of enhancing their own potential and well-being.

To fulfill its mission and vision, Sampark emphasizes on a people - centered, integrated livelihoods approach, by adopting a facilitating role, developing local leadership and supporting several development projects to tackle issues related to poverty and rural livelihoods. Sampark's practical interventions in rural areas include:

- 1) Ensuring financial wellbeing by organizing women's self-help groups for savings and credit support and providing vocational skill training and enterprise development support for youth and women.
- 2) Building people's organizations i.e. clusters and committees, and ensuring sustainability of these development activities by building their capacity to plan and monitor.
- 3) Promoting literacy, especially children's education and women's literacy.
- 4) Promoting healthy living through health awareness programmes and focused mental health interventions.

Sampark has established crèches for the children of construction workers in Bangalore city to reach out to the marginalized section of the urban population. Sampark works with construction workers to educate and empower them to access entitlements in health, education, financial and social sectors.

Sampark also works as a resource agency by using its learning and expertise to influence and inform other NGOs, government and donor agencies. Research in developmental issues and a knowledge building approach helps in influencing practice and policy; organizing capacity building training programmes for the development partners; and in publication and dissemination of information regarding good practices. The achievements and impacts of these activities during the financial year 2012-2013 are detailed in this report.



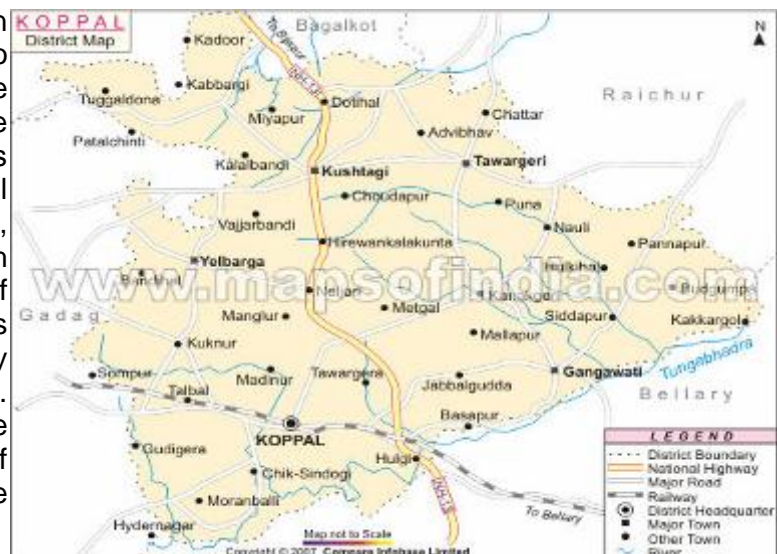
## 2. Sampark's Field Projects

Sampark is implementing a number of projects that cater to various facets of livelihood enhancement and community welfare. Having identified the north Karnataka region as an area that needs strong and focused intervention, Sampark has based most of its projects there, with a few projects also based in Bangalore. The sections below detail the various projects that were undertaken by Sampark in 2012-2013.

### 2.1 Rural Work in Koppal

Sampark implements a number of projects in the district of Koppal in north Karnataka. Koppal is semi-arid, with an average annual rainfall of 572 mm spread over 40-50 days and is situated in the Raichur region which is typically interspersed with plains and mainly barren hills with large rocks. This landscape and the ensuing environmental conditions have left the people of this region with limited and strained sources of livelihood. In 1998, Sampark started its intervention in 8 villages in the region. This number has steadily increased over the years and in 2013, Sampark carried out its intervention activities in over 68 villages in Koppal district. Sampark conducts its activities in 63 villages through the women's self help groups that it has formed, while in the remaining villages the intervention is conducted directly at the beneficiary level.

Sampark's interventions have been across various areas in order to ensure holistic development of the communities. These areas include children's education, women's literacy and empowerment, skill training and enterprise development, general health and mental health support to women, formation of Self Help Groups (SHGs), awareness activities and setting up of community based impact monitoring systems. The sections below detail the activities and achievements of Sampark in these areas during the reporting period.



District map of Koppal

#### 2.1.1 Self Help Groups

In 1998 Sampark initiated small and informal associations of poor women on the principles of self-help and collective responsibility. The formation of SHGs helps these women pool their savings, deposit in banks and access credit facilities from group, and as a group, from banks and other institutions. Through the formation of SHGs, Sampark aims to help the poor come out from the clutches of moneylenders and at the same time empower women socially and economically.

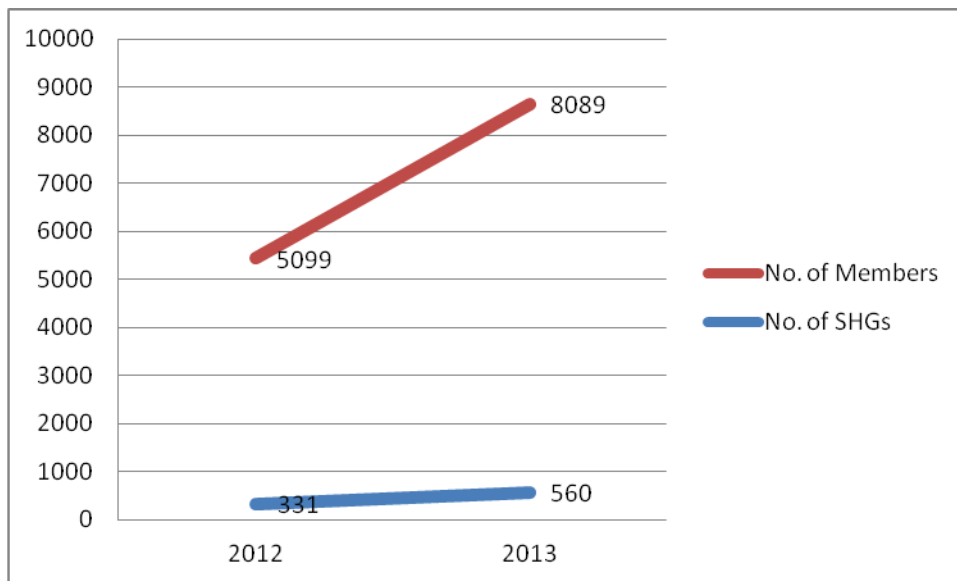
In Koppal Taluk, Sampark has been involved in forming these SHGs over the years. During the process of group formation, Sampark identified poor and disadvantaged households through various participatory exercises involving the community, such as *gramasabhas*, social mapping, resource mapping, wealth ranking etc. The women from these households were then encouraged to participate in the SHGs, and the group members were then trained in the concept of SHG,



leadership, book keeping, financial management etc. They have also been trained on topics such as saving and credit linkages, which help them to get bank loans for initiating income generating activities.

**Number of Groups and Members:** As of March 31, 2013, Sampark has **560** groups across 63 villages, with a membership of **8089** women. These SHGs were federated as Cooperatives in 2008.

**Figure 1: Increase of SHGs and Members**



**Table 1: Total No. of Groups and Members in the Cooperatives as on March 2013**

Sl. No.	Cooperative Name	No. of Villages	No. of Groups	No. of Women
1	Eshwara	6	105	1749
2	Bhumika	20	165	2070
3	Sadhana	12	78	1030
4	Gavisiddeshwara	10	91	1266
5	Sangama	3	37	549
6	Sahana	4	34	606
7	Bettadalinkeshwara	5	19	295
8	Shrigandha	3	31	523
	<b>TOTAL</b>	<b>63</b>	<b>560</b>	<b>8088</b>

About 59% increase in number of groups and 63% increase of members in this year.

**Group Savings Details:** As on 31st March 2013 the group savings amount to **Rs.1,56,47,873** and the cumulative interest earned is **Rs.46,04,038**.

**Table 2: Cumulative Savings Details as on 31st March 2013**

Sl. No.	Cooperative Name	Savings	Interest	SamanyaNidhi	Other income	Total Group Fund
1	Eshwara	3200477	820634	14477	4000	4039588
2	Bhumika	2014770	796166	41694	190333	3042963
3	Sadhana	1468978	423674	23808	38808	1955268
4	Gavisiddeshwara	3510140	802136	4680	68820	4385776
5	Sangama	2016578	419566	21165	8071	2465380
6	Sahana/Padmavati	1657290	720507	70934	109330	2558061
7	Bettadalinkeshwara	584110	168174	2203	9778	764265
8	Shrigandha	1195530	453181	0	23193	1671904
	<b>Total</b>	<b>15647873</b>	<b>4604038</b>	<b>178961</b>	<b>452333</b>	<b>20883205</b>

The SHGs have a total cumulative group fund of Rs.2,08,83,205 which comprises of savings, interest earned, SamanyaNidhi fund (a small fund used for meeting petty expenses by the SHGs) and other income which comprises of earnings from income generating activities and fines.

#### **Capacity Building and Training of SHGs:**

Once groups are formed, group members are trained in the concept of SHG, leadership, book keeping, financial management etc. They are also trained on topics such as saving and credit linkages, which help get bank loans to increase their loanable corpus for initiating income generating activities. In 2012-2013 the following trainings were conducted by Cooperative staff, women leaders.



Over 450 SHGs received training in all the 6 modules: the concept of SHG, leadership, book keeping, financial management etc. They are also trained on topics such as saving and credit linkages which help them get bank loans for initiating income generating activities.

**Bank Linkages:** The SHG members have been trained in creating linkages with banks in order to access funds as well as various government health schemes.

A total of Rs.26,95,000 was accessed by 49 groups from local banks during the year in addition to the credit accessed from their own Cooperatives.

## 2.1.2 Development of Women's Cooperatives

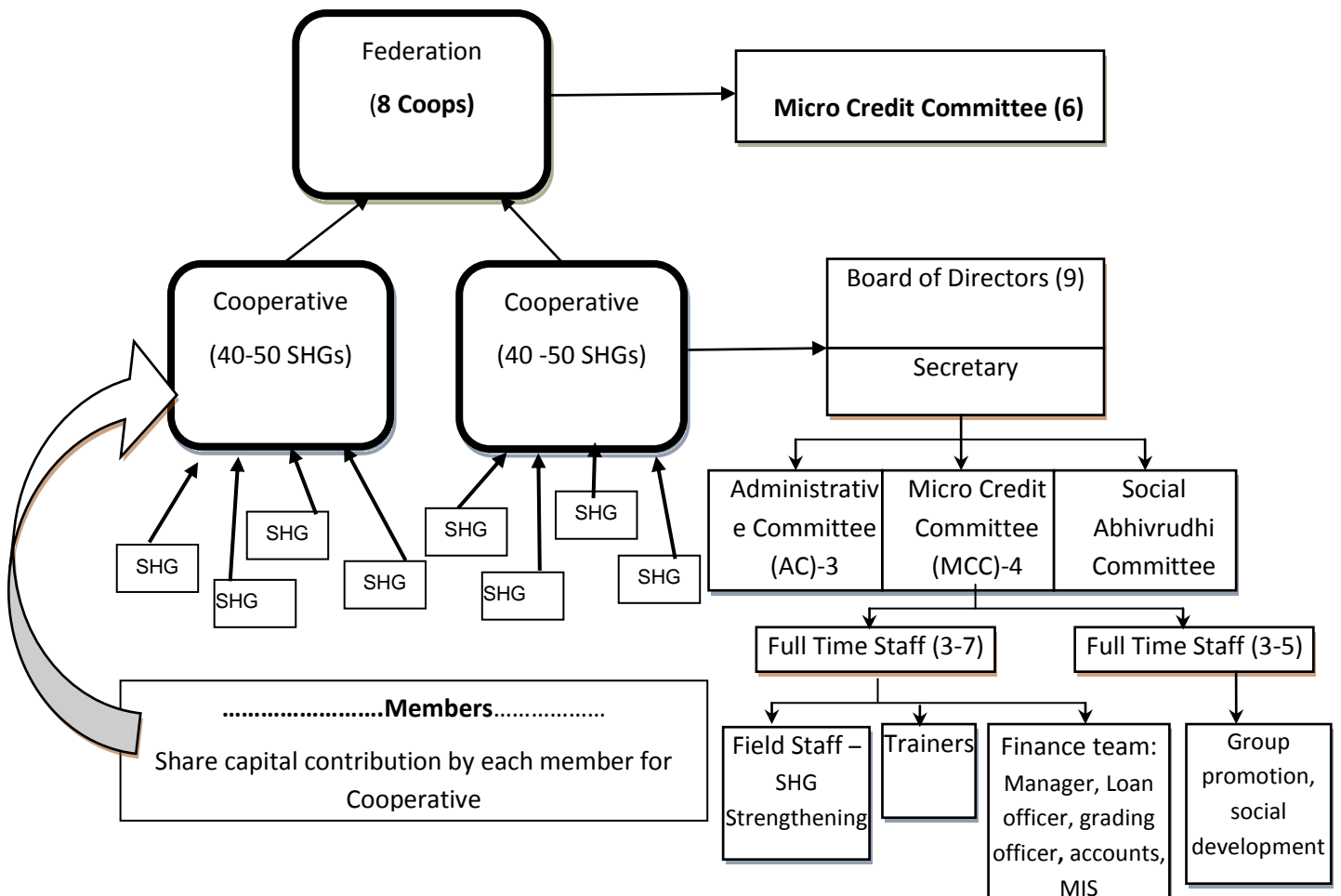
Table 3: Total Funds Operated by Women (In Rs. Crore)

SHG Women have been saving regularly, and borrowing from that corpus to meet their loan requirement. Larger loan amounts are rarely available from this corpus, so the SHGs borrow this amount from the banks. Banks also lend only to a certain limit which is inadequate to meet loan demand of the members, so the next level of organization-Cluster was setup. Clusters comprised of 15 to 20 SHGs in 2002 and these were later registered as Cooperative societies. 8 Cooperatives have been formed from these groups. Women's need for capacity building relates not only to financial management of the savings and credit activities, but also to social issues such as health, education, legal and social awareness. Livelihood support, such as skill training and enterprise development for the families is also addressed through these Cooperatives. Therefore, the main objective of the Cooperatives is:

Groups savings	2.08
Groups Bank loans	0.27
Savings by Cooperatives	0.10
Loans Availed by Cooperatives by Sampark	2.35
External loans by Cooperatives – NABFINs	1.18
<b>Total</b>	<b>6.00</b>

*To build a strong formal or informal, self-owned, self managed and democratic people's organizations that acts as a viable microfinance organization and plays the role of key facilitator in delivering integrated development support services to its SHGs and members' families.*

Figure 2: Structure of Women Co-operatives



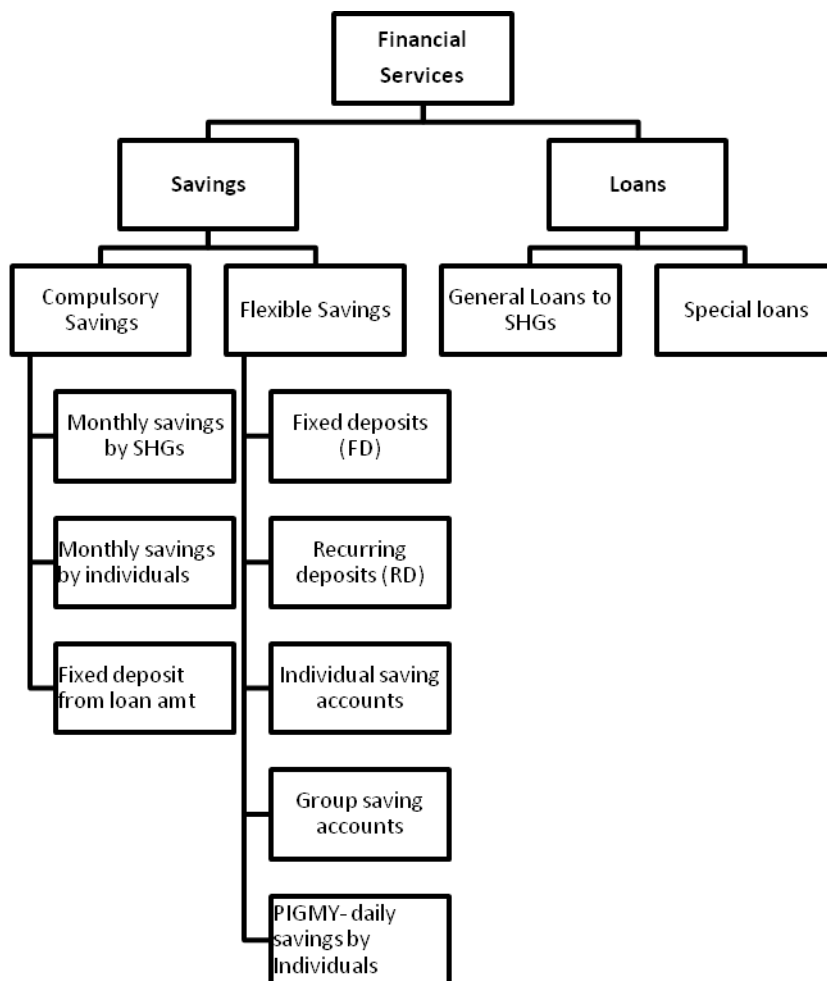
A recent change in the structure of the Cooperatives is that more full-time employees performing specific functions in the Cooperatives.

The Cooperatives offer the following services to their SHGs:

**Capacity Building Services:** They play an active role in promoting and strengthening the SHGs to be self-reliant through a team that provides formal capacity building training. The Cooperatives have recruited full time staff and trained them to work closely with the SHGs in providing handholding support to them on their functioning. In addition to this support, the administrative committees have a close relationship with the groups and address their issues.

**Financial Services:** The financial services include loan and savings products which are shown in Figure 3.

**Figure 3: Financial Products of the Cooperatives**



**Social and Livelihood Services:** By creating awareness among SHGs members about the various social issues; supporting children’s education, solving community issues, motivating them to take up income-generating activities; facilitating access to various government schemes.

## Sampark's Inputs to the Cooperatives

Sampark is helping the Cooperatives with:

- Capacity Building of SHGs, Cooperative Leaders, Cooperative Staff
- Supporting in Management Information System (MIS)
- Credit Linkages with external agencies
- Bridge Loan through its revolving loan fund (RLF)

## Achievements on Cooperative Development

The achievement is economic and social activities in Koppal are summarised in the following section.

**Microfinance Development:** The following indicators show the progress of the microfinance activities for the last two years:

**Table 4: Progress of Microfinance Activity**

Indicators	Total		% increase
	2011-12	2012-13	
<b>Outreach and SHG Quality</b>			
No. of SHGs	331	560	69
No. of members	5,099	8,089	59
No. of Shares by members	6,602	68,044	931
No. of groups trained in 7 SHG training modules	294	494	68
No. of groups graded by the Cooperatives (August 2011 to March 2013)	129	490	280
No. of graded groups have scored Grade A, B	129	490	280
No. of groups linked to bank for loans	81	130	60
No. of groups opened savings accounts in their Cooperatives	80	372	365
No. of individuals opened savings accounts in the Cooperatives	10	70	600
<b>Financial Operations</b>			
SHG members own capital (In Rs.)	1,43,59,921	2,08,83,205	45
Cooperative's own capital (In Rs.)	33,69,118	96,69,139	187
Cumulative loans borrowed from Nabard Financial Services (NABFINS)(In Rs.)	48,13,000	1,18,68,000	147
Cumulative loans borrowed from Sampark (In Rs.)	1,01,25,039	2,33,80,000	131
Cumulative external loans borrowed (In Rs.)	1,49,38,039	3,52,48,000	136
Cumulative Loan disbursed (In Rs.)	3,39,48,276	6,83,89,926	101
Loan outstanding (In Rs.)	77,86,648	2,70,68,851	248
Repayment rate (From group to Cooperative) (%)	95	97	2
Repayment rate (From Cooperative to NABFINS, Sampark (%))	100	100	0
<b>Financial Benefits to SHGs and Members</b>			
Total No. of groups received loans	217	419	93
Total No. of women received loans	3,185	6,213	95
Average loan amount per loanee member (In Rs.)	10,658	11,007	3

The Table 4 shows that significant progress in all the indicators of the microfinance activities. The major achievements in the microfinance activities are the increase of number of members, number of shares by the members, increase of quality groups, higher amount of loan borrowed from external sources by the Cooperatives and the increase of loan outstanding because of increased number of women taken loans compared to the previous year. The improvement in these areas helped the Cooperatives to become financially viable.

**Social Development:** After receiving training, the Social Development Committee (SAC) was active in the second half of the year, and taking more active role. The following were achieved during the year:

**Table 5: Overview of Social Development Activities Achieved**

	Name of the Cooperative	Fund raising	community based social events	children's supported	women's issues	access government schemes	children List
1	Eshwara coop	39329	7	10	1	51	50
2	Sadhana	11865	2	10	3	20	50
3	Bhumika	13585	1	11	0	94	85
4	Gavisiddeshwara	12077	5	10	1	37	45
	<b>Total</b>	<b>76856</b>	<b>15</b>	<b>41</b>	<b>5</b>	<b>202</b>	<b>230</b>

1. **Establishment of social development fund:** A sum of Rs.74256/- was collected from various sources including Pangea loan interest contribution from the RLF by all the 4 Cooperatives for carrying out social development activities for members and villages. In addition, 5% contribution has been made from the Cooperatives' profit to the fund after the AGM in September 2013. With these amounts, the SAC has opened separate account (SDF fund) in their Cooperative, and is maintaining separate books of accounts. The Cooperatives have followed strategies like collecting money from the groups (by Sadhana, Edhwara, Bhumika) towards social services and supporting children education, Eshwara has earned through providing tourism services for their groups (SAC members organised and accompanied the groups for picnics to Hampi, and other close by tourism places), and also collected money from public meetings.
2. **Social Awareness generations:** The SAC members from Eshwara, Bhumika, and Gavidiseshwara) visited groups during their group meetings and provided knowledge about sanitations, cleanliness, limited usage of plastics, and services available for women towards domestic violence incidents.
3. **Community based Social Events:** During the reporting period, the SAC members conducted/facilitated/participated in community events. On an average 2 community-based social events were conducted by each of the Cooperatives at the end of year 2: Eshwara had conducted 6 events, Gavisiddeshwara had conducted 4 events and other Cooperatives conducted 2 each.

Gavisiddeshwara SHG women from 3 villages meet every month in a temple to discuss issues relating to women. The women share about what is happening in their group first and then share the problems in their village or other women's issues. And then discuss probable solutions. So far, about 3 meetings happened, and they discussed general issues only. No major problems or solutions were brought up. The number of participants in these meeting was 450. Each SHG on rotation basis prepared food for all the people attending on that day. All night women stayed in the temple and talked, and disbursed the next morning. It's a spiritual and social gathering that enables women share and discuss about it in common forum. This can play role for solving many issues.

The Eshwara Cooperatives have conducted the following events:

- The Eshwara Cooperative took initiative to solve the street water logging problem at GauriYengal Street in Koppal. In all there were 60 participants from the 4 SHGs Bhavani, Sadhana, Nisarga and Sneha along with the members from the Cooperative. The participants took a procession to the Municipal Corporation Office at



- Koppal and submitted an application to solve this water logging problem.. Their efforts paid off and the problem was solved within a few days of submission of the application.
- In another event, the Eshwara Cooperative successfully solved the power problem faced in the same locality mentioned above with the help of members from 3 SHGs namely Sneha, Nisarga and Sadhana. There was no power at a public toilet in this locality which made it impossible to use at night. The problem is solved now as lights are installed in the toilet with regular power supply. In all 50 women participated in this event.
- The Eshwara Cooperative also conducted two Pulse Polio drives in Koppal town in the year. Four of its staff members received two trainings on two days from the District Health Centre. The members who participated in the drive were Rashida, VijayaPatil, Gavisiddamma and Shehjadi. Each member covered about 200 children and in all over 800 children were given polio drops during the drive.
- Eshwara Cooperative also put forth a demand for a Women's Police Station in Koppal to the District Collector following the heinous attacks on women all over the nation particularly after the one of Nirbhaya gang rape case in Delhi. There were 22 participants that included women from different SHGs, and directors of the Cooperative who took an application to the DC office. The application is under process.
- The Directors and the staff members of the Cooperative attended Woman's Day function organised by a local NGO in Koppal, at Sahitya Bhavan, Koppal. The



function was attended by 120 women from different Cooperatives and SHGs. In the function the Ms. Sudha, the secretary and leader of Microfinance Committee of Eshwara Cooperative was felicitated for its efficient microfinance and social activities for women in the Koppal. This has become a big motivation for the Cooperative directors to do still better for the women through their Cooperatives.



- The Social Development Committee of the Cooperative also organised a group picnic for two SHGs and the amount of Rs.500 per group which was left after all the expenses incurred was donated to the Cooperative's Children Education Fund.

The Directors and Staff from the Bhumika Cooperative were successful in shutting down a liquor shop at village Bairapura near Alawandi. This was the only liquor shop in the village and was a cause of tremendous social apathy for families in the village. A procession of 100 participants was taken to the Alawandi Kampli Police Station to put forth the demand for the immediate closure of liquor shop. The police aptly gave a notice to the shop owner and consequently the shop was closed. The participants included members from SHGs, the Cooperative staff and the villagers.

The Sadhana Cooperative solved the problem of drainage blocking in the village Kinnal. Five women out of the Cooperative staff gave application to the Panchayat for drainage cleaning following which the cleaning of the drainage system was done. The Cooperative conducted a Shramadana wherein cleaning was done at the places of social importance in the village Batsatna by the participants. There were 50 participants from 4 SHGs along with the directors of the Cooperative. An application was also given to the local Panchayat for timely cleaning of these places.

The Gavisiddeshwara Cooperative also conducted a Shramadana in the Kolar village where they cleaned the places of social importance, temples and schools. Over 25 women from SHG and Cooperative carried out Shramadana alongwith students of NSS from the Poly Technique College Koppal. The Gavisiddeshwara Cooperative staff also attended a training organised by the state Agriculture Department at the Agriculture Training Institute in Gangavati. The participants were given knowledge about the new trends and techniques in Agriculture, use of fertilisers and knowledge about improved variety of seeds. There were 70 participants from the villages Kolar, Gunnali, Sindogi and Handrala.

4. **Addressing Women's Issues:** Apart from the microfinance activities, the Cooperative directors and staff also help their clients with their personal issues. They help to get them out of the personal problems which stand as an impediment in their empowerment. Following are some of the major issues which were solved by the Cooperatives:

One case of dowry was taken to the Koppal court by the Eshwara Cooperative directors. A woman belonging to the Muslim community in Koppal was being harassed by her husband for dowry. As she was unable to comply, the husband left her at her mother's house and married another woman. On hearing of the situation, the Cooperative directors contacted the local Muslim community leader, but received no help. The directors then decided to hire a lawyer and take her case to court. The case is still pending, but the women are confident that justice will soon be delivered. The directors of the Sadhana Cooperative were able to solve two cases of dowry in village Kinnal. In both the cases the husbands of the woman had abandoned them and were living separately. One of the cases was solved by taking complain to the Mahila Santawana Centre in Koppal while the other was solved through a police complain at Koppal Police station. Both the husbands are now back and do not harass their wives anymore. A property dispute in village Kolor was solved by the Gavisiddheshwara Cooperative directors for a widow. After the death of her husband, her in-laws refused to give her the share of property she was legally entitled to. So, the directors took the case to the Koppal court, and with the help of local leaders, the widow got her share of the property.

5. **Education support to girl Children:** 40 girl children (studying 8-10 class) and 1 male child supported by Cooperative from their own fund. The support given includes: school bags, notebooks and pencil boxes by Bhumika Cooperative. Though the Cooperative is focused to support girls, Bhumika Cooperative in Alavandi has helped one male child as both parents of the male child are HIV infected and not able to educate the child. In addition to the support provided by the Cooperatives to these 41 children, Sampark has helped about 90 children from the leftover funds from the last year of Pangea Foundation.

The Cooperatives have identified about 230 poor children and plan to support them in the current academic year 2013-14.

6. **Facilitated access to government schemes:** During the reporting period, great efforts were put by Cooperatives is to provide services to their members in accessing government schemes. Four Cooperatives have facilitated such access to 202 families of which about 48 families were supported during the reporting period. The service includes getting ration card for BPL holders, scholarship for children, old age and widow pensions, financial support for physically challenged people and subsidy loan facilities.
7. **Setting up of viable Social Service Centre by the Cooperatives:** The Social Development committee (SAC) plans to set up social service centre and run it as a viable unit by charging its members a fee for facilitating access to social security schemes from the government and other sources. Full time working members have been identified and the Cooperatives have worked out the costs and fee to make it self-sustaining. Also any excesses from this service fee collected will be transferred to the Social Development Fund along with other donations/contributions, and portion of fund will be used for social welfare activities like educational scholarships, addressing women's issues, etc. The committee is planning events for creating awareness above the social welfare schemes in each of the villages, and will establish the centre in the Cooperative initially to facilitate the services for both members and non members. As part of the research on setting up this centre, the Cooperative leaders and Sampark team went for exposure visit to Mysore to learn from the experiences of Myrada and GIZ.

## Sustainability of the Cooperatives

For any organisation to become financially sustainable, it should cover all its expenses including those that are promotional along with provisions for loan loss, from financial services charges and its earnings.

**Financial Sustainability:** The Table 6 provides a clear understanding of the financial sustainability positions of the four Cooperatives.

**Table 6: Financial Sustainability of the Cooperatives**

Sl. No	Performance Indicators	Eshwara	Sadhana	Govi-siddeshwara	Bhumika/Bharathambe
1	Capital Adequacy Ratio (CAR) (%)	29	23	34	86
2	Operational Self Sufficiency (OSS) (%)	108	100	100	82

Of the 4 Cooperatives still associated with Sampark, 3 have efficiently managed their administrative and operational costs, and have become operationally self sufficient.

**Institutional Sustainability:** Sampark has worked intensively with Cooperatives in the following areas and enabled the Cooperative leaders to become almost independent.

- **Improvement in governing system:** Board members carry out day to day activities on their own and take decisions without consulting much with Sampark. Maintenance of accounts has improved greatly, particularly as per the standards prescribed by the Cooperative Act. As a result, the external auditing was completed much faster last year, by with few minor comments compared to the previous years' auditing. President and Secretary took in charge to lead the team and work with the vision in mind. The Board of Directors participate in workshops on new amendment of the Cooperative Act, and expressed their disagreement for clauses that are not conducive for them.
- **Improvement in organisational image:** All the Cooperatives have improved filing system during the reporting period. All of them use Tally software for accounts, internet and email communication with Sampark to send data, reports and loan applications. Eshwara has started communicating with external agencies over email.
- **Improvement in HRM system:** The number of full time staff has increased in all the Cooperatives, now they have regular and stable staff for the banking activities in the office, and also for the formation and training of groups. Eshwara, Sadhana and Bhumika also have specialised staff to



work on the field for increasing the credit operations on grading, loan application collection, and recovery of loans. Bhumika has put a team to carry out mobile banking, using their vehicle (four- wheeler) to provide financial services at the doorstep of the villagers. The Cooperatives had followed staff performance assessment and enhanced the delivery of staff better than before. The outside training and exposure visits helped the women leaders gain confidence and improve their participation in the Cooperatives, and in turn improved outputs of the organisations. Women have improved their presentation skills through usage of PowerPoint presentations.

- **Scaling up of outreach and operations:** Each Cooperative has trained teams engaged in forming new SHGs and training the groups. On their own they have doubled the number of groups and trained over 230 groups.
- **Improvement in financial analysis:** The Cooperatives conduct PAR/aging analysis of their loans regularly, which has helped improve the repayment of loans, particularly for Bhumika. The Cooperatives take out monthly profit and loss accounts and review it in the monthly board meeting, which helped to some extent in cutting down costs of the Cooperative (Eshwara and Sadhana). However, they still have to make other financial ratio analysis and use the analysis more effectively to get better outcomes.
- **Monitoring and reporting:** The Administrative Committee now monitors the field staff to ensure quality of the groups; the MC committee has been conducting PAR analysis for each member's loans and working out repayment rate every month.
- **Improvement in access to external credit capitals:** Sampark team helped the Cooperative leaders prepare and approach the following banks and financial institutions:
  1. Indian Grameen Services (IGS)– Lamp Fund, an establishment of BASIX, Bhopal
  2. ICICI, Koppal
  3. Raichur District Credit Cooperative (RDCC) bank, Koppal
  4. HDFC, Koppal

As an outcome of the long negotiation and appraisal processes between the banks and Cooperatives, the following results were achieved by Sampark and Cooperatives:

- IGS-Lamp Fund has sanctioned Rs.25 lakhs to Eshwara and Bhumika
- RDCCB orally confirmed a Cash Credit Limit of Rs.50 Lakhs to all Cooperatives. This is a new product created for Cooperatives. Normally Cash Credit Limit (CC) is offered to groups, but as the women have put forward their case to the Board of Director of RDCCB, they have sanctioned this CC facility to the Cooperatives. Formal sanction order and release of payment is delayed because of the change in Managing Director of the Bank.
- ICICI, Koppal branch team has put forward a new loan product to lend to Cooperatives in their regional monthly meeting held in Hubli, instead of giving loans through NGOs to SHGs as part of Business Correspondent model (BC). Based on this, the regional team put forward this product demand at the state level meeting in June to create new products. The state level committee however, did not agree for such products.
- HDFC Koppal branch manager also discussed with the Head office and refused to give loan to Cooperatives due to bad experiences they had while lending to Federations in northern Karnataka.



As we discussed in the previous report, Sampark team has put efforts with the Cooperatives to increase their own capital in order to reduce dependence on external loan. The team worked with the Cooperatives to find strategies to educate and convince their members to buy more shares. As a result, the average share per member has increased from 3 to 11 since November 2012. This gives favourable ratio for accessing required capital from NABFINS which has proved to be the most productive partnership for all our Cooperatives. They can easily maintain relationship with NABFINS as they have been negotiating and working with them independently for a while now. However, the new partners will come handy even while negotiating with NABFINS as it would have to be more competitive now that we have other organizations such as IGS-Lamp fund interested in lending to the Cooperatives. NABFINS took the association with LAMP Fund seriously and asked the Cooperatives what more it could do, and if its credit facilities weren't enough for the Cooperatives. NABFINS felt threatened about not only losing business but losing good clients too. It is evident that the Cooperatives meet all the eligibility criterion for financial institutions like NABFINS given the current MFI growth in the Koppal region and in the country as a whole. It's an eye opener for the Cooperative sector to put forward its case strongly about how it stands in the market, and to provide better and more meaningful service to the poor community.

The overall goal of at least four Cooperatives to become financially viable at the end of this year has almost been achieved. However, there is some fine tuning on the institutional aspects of the Cooperatives and also few new areas need to be worked on, to enhance strengths of the Cooperatives, so they are able to function smoothly even if Sampark withdraws

## Impacts

Groups that perform well are able to make sustained links with banks and Cooperative, taking large loans regularly.

**Household monthly income:** The average monthly income has increased from Rs.2932 in 2009 to Rs.5796 in 2012, which indicates a significant improvement in the economic condition of the households. The members of the Cooperative have benefited greatly from its credit disbursement; for instance:

*Mallamma who is a member of Saraswati SHG is with Sadhana Cooperative, and has been with the SHG for the last 10 years.*

*She lives in her Kinnal village home with her husband and 3 sons, 2 daughters-in-law, one of them is pregnant, and 3 grandchildren. They all live in a concrete home with proper rooms with wooden beds, fan and light fittings. In the living room they also have a television. Outside the house is their cow along with its calf.*



*Mallamma used to be a weaver, while her husband was a farmer. Life was very tough as they had 3 little children to provide for, and a small income to sustain them all. Agriculture was very unpredictable due to dependence on rains for irrigation. She joined an Agricultural SHG in her area, but had to drop out within a week as she was supposed to save in a week almost all she had made that week- Rs.40. Later, about 10 years ago she heard of Sampark's SHGs, and decided to join one as she would be able to avail loans without mortgaging any land or jewelry. In the last 10 years she has taken several loans from both her SHG as well as Sadhana Cooperative, for agriculture; home repairs and expansion and recently, for buying a hybrid cow. She says her life has changed from the time she was almost the sole earning member to their current level. Her youngest grandchild is a tiny baby girl who was sleeping in a sari hammock while we spoke with her, Mallamma hopes the child would grow up and get a college degree. Mallamma has stopped weaving the last few years due to old age and knee pains. She is happy she could now as she knew that working was optional now that they have enough.*

*Her sons have all grown up, 2 paint walls, and 1 works in a factory. Presently, her daughters-in-law are busy with their little kids, but Mallamma encourages them to join an SHG once their children grow up a little more. She says, her membership is enough to fetch them all the loans they are looking for, but the daughters-in-law could learn so much by the exposure, and through interactions with others, it's not for the money that she wants them to join an SHG.*

*Mallamma talks about business and understands the workings of the SHG and Cooperative, clearly able to differentiate what she is gaining out of this membership. She spoke candidly about her experiences with MFIs as well, for starters, they asked for weekly repayments, which are difficult for them, and for the collection of this payment the MFIs would expect borrowers to assemble at their peak work time at 7 am. Also, in the present Sampark model, not only does she save, she also gets back the interest she pays on loans, in the form of dividend on Cooperatives shares she owns. Every year she borrows between Rs.5000-10,000 for agriculture from her SHG and close to Rs.25,000 for home repairs and expansion. Last year they bought a hybrid cow that would fetch more milk.*

*It is incredible to meet someone with almost no education talk about not just savings and lending but also about raising share capital and giving out dividends. She has no ambiguity about the benefits of this model.*

Apart from the microfinance activities, the Cooperative directors and their staff also help their clients with their personal issues. They help get them out of the personal problems which stand as an impediment in their empowerment. The Directors and staff members of the women's Cooperatives help the SHG members linked to them avail the benefits of various Government schemes floated by the State and the Central Government. This service is much needed by the members as it has helped greatly, particularly people who are in the disadvantaged position. The following is the case example how getting a social security scheme is helpful to her situation.

*Sumangala (45) wife of late Hanumanthappa lives in Kolur village. She is a mother of three children; one daughter and two sons.*

Her first son, Thiyamma, studied 12<sup>th</sup> class and technical course through Technical Institute (ITI). Her second daughter Devamma studied 10<sup>th</sup> class and married four months back and now lives with her husband in other village. Her third son, Neelappa is studying 12<sup>th</sup> class in Koppal.

Sumangala's husband's family had about 3 acres of land, but it was used for repaying the loan amounts taken by his parents. She and her husband never had the opportunity to use the land for their livelihood needs. She does not possess any other assets including cattle for generating income. She has a small house with a room with a kitchen. She mainly depends on daily contract labour in Koppal. She gets Rs.150 per day, of which she spends Rs.20 for bus fare and gets Rs.130 income for managing household expenses. She works almost all the days in a month as this is the only source of income for bring up her three children since her husband died.



Six years after she got married her husband passed away, and the children were very young at that time. Last 14 years she has been struggling to bring up the three children because she did not have any assets. With these small children, she has to go for coolie work to feed the children. Managing day-to-day living expenses is difficult as the children have grown up and started going to school. She was keen to send them to school as she wanted to educate them though she never studied. She was determined that even though it meant doing daily labour she must educate her children.

She managed to educate her first son till 7<sup>th</sup> class through the wage income and little support from her brother. When the children started growing their education expenditure started increasing, and from the coolie income she could not cover all the school expenses. Her sister decided to help her first son's further studies; she put him in a residential school and made him to study till 10<sup>th</sup> class. After that her brother helped him to study till 12<sup>th</sup> class but he failed in 12<sup>th</sup>. After that her brother supported him take up a technical diploma course. Last year he has completed the study and is now trying for a job in local factories.

After some years of her husband death, she tried to get the widow pension scheme because getting those few hundred would have helped her in the current situation. One of the gram Panchayat members has helped her get the widow pension scheme. Initially she got Rs.100 for about a year and later Rs.200 for about two years, after that she stopped getting the money. When she checked with the local person who helps people to get government schemes, he told her that she will not get further money as her children are grown ups. After that she did not try further.

When the government started SHGs in her village, she joint the programme thinking that she will get some subsidy or some facilities from the government, as her husband was



*dead. She started savings Rs.100 in the group. But she almost regularly paid Rs.20 towards fine for not attending group meetings as she could not afford to miss even one day labour income for managing household expenditure.. That is the reason she could not join the groups promoted by Sampark and Gavisiddeshwara Cooperative in her village as she would have to attend training programmes, weekly group meetings which meant missing many days of work. She is member in an SHG that does not get any government facilities, but she managed to take some small loans to meet her children's educational expenses. She borrowed Rs.2000, Rs. 3000 and twice about Rs.5000. She repaid the small loans from the income she earns from physical labour and for the bigger loan, her brother helped repay. She has savings of Rs. 12,000 in the group.*

*Recently she noticed that Sushikala a member of the Gavisiddeshwara Cooperative is working as part of the Social Development Committee, helping their Cooperative members to get government schemes. Sumangala asked Sushikala to help her to receive the widow pension amount again. Sashikala told her to come to the Government office in Koppal where she can help her to the pension. Sumangala went with her son, to the government officer who refused to provide the pension again as her son now looked grown up. Sashikala explained to the officer that she has been bringing up the children with lot of difficulties because she has only the daily labour income to feed children and educate them. The government officer was convinced with the information provided by Sashikala, and restarted the pension. Sumangala was happy as now the amount is Rs. 400 per month which would be really helpful, and she could even afford to take one day off from the work if she felt tired. She is very thankful to Sashikala for helping restart the pension without any fees as these services entail high expenses, and even with that the concerned officer was being difficult.*

*She organized her daughter's wedding with help from her mother's family. She also got her property share of about Rs. 1 lakh three years back from her mother's family and put this amount in fixed deposit on her daughter's name for her marriage purpose. When her marriage got fixed she used that money to pay for the wedding. Now her elder son is searching for a job, she hopes that with his income and the pension amount she would not be required to go through such tedious physical labour.*

The changes at the household level are more visible due to the services of SHGs and Cooperatives. The transformation is evident that they don't meet daily household living expenses, but are able to create assets and expand their business or income earning options. Children's education level has been improved and women's development was acknowledged by the household members and the community.

During the year, Sampark has conducted impact baseline survey with 300 households on various economic and social indicators. After two years, the same households will be covered to measure the changes in their livelihoods.

### **Issues and Challenges**

The Cooperatives face a lot of difficulties in carrying out their business and social activities. In turn, Sampark faces challenges in enabling the Cooperatives to overcome these hurdles, and also faces its own organisational limitation of creating policy space for such the Cooperatives.

In the beginning of the year Sampark had the following issues to be redressed at the Cooperative level:

- Forming new groups continues to be a challenge for the Cooperative leaders and their staff
- Collecting more share capital has been a difficult task for the Cooperatives
- Getting qualified staff for accounts and MIS is an issue in at least two Cooperatives (Gavisiddeshwara and Bhumika).
- The process of enabling the Cooperatives to become financially viable creates the big challenge of making them institutionally sustainable.
- Facilitating the Cooperatives to access credit from local institutions

Sampark has worked out strategies with the Cooperatives to overcome almost all of the above issues, and resulted in positive growth of the Cooperatives in terms of their financial viability and institutional sustainability.

However, the issues like increase of share capital, making the Cooperatives fully institutionally sustainable and access to main stream credit are issues that persist, and we hope to address them next year. In addition to these issues, getting staff to work at Sampark as well as at the Cooperatives is still a challenge.

### **The Way Forward**

Following is the action plan for the next 4 years:

- Work with the four Cooperatives to fine tune their professional skills in the microfinance activities and create the Social Development Service Centre to be operational, sustainable and viable in the next two years.
- Piloting of Mobile banking technology in Eshwara Cooperative
- Discussions with the four Cooperatives to make strategies for managing the RLF: exploring the option of making joint women's bank
- Create network of self-reliant, SHGs Cooperatives in Karnataka for exchange learning and influence of policies
- Converting the SHG/ Cooperative modules as guide
- Document the whole Cooperative experiences, disseminate and influence for replication
- Sampark plans to scale up this Cooperative model in other districts of Northern Karnataka such as Bagalkote and Gadag. The preliminary work is started, and next year the focus will be on developing women's Cooperatives using the lessons from the Koppal model.



### 2.1.3. Children's Education

Sampark believes that education is a necessary and vital component of a child's development and the economic condition of his/her family should not be allowed to act as a deterrent to a child getting access to education. Hence, Sampark provides support by creating awareness and working with schools and the children in order to improve their academic and co-curricular performance as well as reduce the drop-out and irregular attendance rates. A detailed description of the approaches is given below.

#### Support to Reduce Drop-Out Rate and Improve Performance

This project was designed with the short-term goal of keeping children in school and improving their academic and extra-curricular performance, and the long-term goal of building a stronger base through specific and targeted interventions. The scope of the project was not merely limited to academic interventions, but extracurricular interventions as well so as to impart a holistic development to the students.

More specifically, the project objectives were targeted at reducing the overall drop-out rates and keeping students in school, by influencing not just the students themselves, but their parents as well as the School Development Management Committee (SDMC) members. Moreover, the performance of the students was expected to be improved through infrastructure development, the provision of quality education, and constant support in the form of motivational exercises and career guidance session. This three year project lasted from June 2009 to May 2012.

In conclusion, Sampark was able to successfully deliver the program over 3 years by positively impacting on the drop-out rates and the performance of the students. The Sampark team believed that it was not sufficient to target the students alone and was able to demonstrate that by reaching out to the parents and the SDMC, by offering external support to the school and its staff, and by working with the government throughout the course of the intervention, it was possible to keep students in school. Moreover, the Sampark team was able to demonstrate that by reducing drop-out rates, providing quality education and infrastructure within the schools, and offering dedicated support; it was possible to particularly target and improve the students' performances.

In the three years from 2009 to 2012, Sampark has been able to reach out to **1500** parents and **61** SDMC members across 10 schools. The beneficiaries of this project are students of a Higher Secondary School (Classes 8-10). Totally there were **9951** beneficiaries over the three years period. (In the first year there were **3471** beneficiaries, in the second year there were **3372** beneficiaries and in third year there were **3180** beneficiaries).

**Table 7: Comparison of Results from 2007-2012**

S.No	School	Pass % (2007-08)	Pass % (2008-09)	Pass % (2009-10)	Pass % (2010-11)	Pass % (2011-12)
1	Indaragi	93%	50	39	93%	98%
2	Kanakagiri	28%	35.2	49	82%	85%
3	Muslapur	16%	38	49	84%	74%
4	Talakeri	50%	98.5	86	95%	96%
5	Tarлакatti	64%	93	70	86%	83%
<b>Indirect intervention</b>						
1	Ganadal	68%	92.8	98	90%	90%
2	Gunnal	100%	98.6	77	90%	99%
3	Hirebommanalli	74%	91	92	95%	93%
4	Hirewankalakunta	75%	97.2	93	95%	93%
5	Mangalur	99%	96.2	70	84%	91%

Table 7 shows the overall comparison of Class 10<sup>th</sup> Board exam results over the last three years i.e. 2009-2012, and it is clear that there is a remarkable improvement of pass percentage across all the ten schools where Sampark intervened.



The impact assessment of this project at the end of three years suggested that Sampark's strength is in working directly with the community to reduce dropout rates. Based on the recommendation of the impact assessment, Sampark in collaboration with The NunhemsStitching Foundation India designed a village based project and has set up PreraneCentres (PCs) wherein education facilitators work closely with the community and the dropped out children. The objectives of the project are to:

- Enable irregular students in the age group of 6-16 years to overcome the syllabus gap created due to long absenteeism through the PreraneCentres (PCs), which are village level child resource centers.
- Create awareness among the local communities on various social development services including children's education, and facilitate the families to access Government services through the PreraneCentres.
- Form Self Help Groups for women and conduct functional literacy classes to empower them.

The project is implemented in five villages (Chandinala, Kuduremoti, Dammur, Hirevadderkal and HiresulikeriTanda) of two Taluks: Yelburga and Koppal of Koppal district. On an average, these villages are 30 to 56 KMs from Koppal town, and were selected by Nunhems as they noticed a high rate of drop out due to seed production.

**Table 8: Identification of Target Group**

No	Village	Dropouts			Slow Learners			Illiterate		
		Boy	Girl	Total	Boy	Girl	Total	Boy	Girl	Total
1	Chandinala	23	18	41	20	17	37	0	0	0
2	Kuduremoti	51	53	104	30	24	54	18	40	58
3	HireSulikeriTanda	16	31	47	25	29	64	0	2	58
4	Hirevadderkal	54	56	110	31	17	48	11	20	31
5	Dammur	30	33	63	15	17	32	8	16	24
	<b>Total</b>	<b>174</b>	<b>191</b>	<b>365</b>	<b>121</b>	<b>104</b>	<b>235</b>	<b>37</b>	<b>78</b>	<b>55</b>

Table 8 shows that during the baseline study, 365 dropout students were identified in 5 project villages, of which 191 are girls and 174 are boys. In these 5 villages 235 students are identified as slow learners of which 104 girls and 121 boys.

**Table 9: Attendance in PCs**

Sl.No	Village	Dropout			Slow learners		
		Boy	Girl	Total	Boy	Girl	Total
1	Chandinala	17	4	21	15	16	31
2	Kuduremoti	12	8	20	17	19	36
3	HireSulikeriTanda	8	13	21	30	24	54
4	Hirevadderkal	13	20	33	26	17	43
5	Dammur	16	2	18	27	17	44
		66	47	113	115	93	208

**Dropout Children:** Table 9 shows that totally, from all five project villages, 113 out of 365 i.e. 31% of dropout children attended the PCs. Out of the 113, 66 were boys and 47 were girls. Out of 113, 84 attended the PCs regularly and 29 who were working in the fields attended the PCs during week end. The Center Facilitators were able to counsel and motivate 29 (25%) dropout children (20 boys and 9 girls) to rejoin school in all the 5 villages. The school authorities were helpful and accommodative in the re-admission processes. Out of 113, 27 (23%) children (10 boys and 17 girls) attended the PC regularly to brush up their academic skills. These children appeared for the final examinations and all of them have been promoted to the higher classes. This has been possible because the children were able to attend the PCs in the evening after they completed their house chores. The PCs were able to cater to the needs of the children according to their ages and the class examinations they took.

**Slow Learning Students:** Sampark decided to motivate the slow learners in the village to attend the PCs so that the project would not only encourage dropout children but could also make efforts to improve the academic performance of slow learners. The Centre Facilitators (CFs) visited the schools and collected the list of slow learners. There were 235 students (131 boys and 104 girls). The CFs visited the houses of these children and counseled the parents to send their children to the center either in the morning or in the evening and informed them about the facilities offered in the center. A total of 208 students (89%) attended the centers (115 boys and 93 girls). All these students performed well in the final examinations and have been promoted to higher classes. Some of these children were able to score good grades.

**Progress in the PCs: Class X Board Examinations:** Totally 6 (5 boys and 1 girl) slow learner students attended the PCs in three villages<sup>1</sup>. All of them have passed the board examinations. The PCs have put in lot of effort to teach these 6 students as all of them were poor performers in

<sup>1</sup> Out of five intervention villages three villages have higher secondary school



academics. All these students expressed their gratitude to Sampark and Nunhems for providing the PC facility in these villages, and said that the centers will help many children who will not be able to study on their own and who are not able to pay the tuition fees.

Apart from teaching academic skills in the PC, other activities such as K-Yan trainings were also conducted for 225 children (127 boys and 98 girls). Sampark has been able to conduct Child Rights workshop for 265 children (145 boys and 120 girls) and a Career Guidance Course also for 269 children- (142 boys and 127 girls).

**Monitoring PC's Activities:** Education committees have been formed in all the 5 project villages. The members of the education committees in the villages have taken on the responsibility of monitoring the activities and the day today functioning of the PCs. The members take turns to visit the centers to check on the attendance and also the proceedings in the center.

#### **Nagamma - from Agricultural Fields to 7<sup>th</sup> Class**

Nagamma Yamanappa, (aged 14 years) from Hirevadderkal village of Yelburga Taluk is a proud student of Class 8 in the local Government Higher Secondary School. Sampark's team did a baseline survey before setting up the Prerane Centers (PC) in the village. During the survey Nagamma and her parents said that she has dropped out of school after Class 4. When the PCs set up in the village, the Center Facilitator (CF) counseled Nagamma's parents and they agreed to send her to the center to learn the skills. She is smart and picked up the skills very fast. The CF visited the school with the list and surprised to know from the school authority that Nagamma's name is in class 7. The CF enquired in the school whether Nagamma will be able to write examination. The head master said it is possible. Nagamma and the CF worked together and she wrote class 7 examinations in the month of March and passed with C+ grade. She is very excited and is looking forward to continuing her education. The biggest challenge for the CF was to convince her parents.

**Visitors from Nunhems:** Mr. Ron Amarel, Managing Director Operations, and his wife Mrs. Lynette Amarel visited the Prerane Center in Hiresulikeri Tanda on 3<sup>rd</sup> December 2012, along with other Nunhems officials. The purpose of their visit was to monitor the process and progress of the activities in the Prerane Centers. They interacted with the



Sampark team and the children in the Hiresulikeri Tanda. The Amarels have appreciated the effort



put in by Sampark's team in setting up the PCs and the activities that are being conducted therein.

**Awareness workshop for the pregnant women:** As part of the social responsibility towards the children and their mothers, awareness workshops were conducted for pregnant women across 4 project villages, and 88 pregnant women attended these workshops. The purpose of these workshops was to give the women information regarding the government schemes available, about pre and post natal care, infant care of the infant and other health aspects of the mother and the infant. The local news paper covered the awareness workshop conducted in HiresulikeriTanda.

**Impacts:** The CFs were able to counsel and motivate the dropped out children and their partners, which resulted in 39% of the dropout children attending classes in the PCs regularly and thus performed well in the final examinations which enabled them to be promoted to the higher classes. Eighty nine percent of the slow learners attended the PCs regularly which helped them to improve their academic performance and were promoted with good grades.

The efforts of the Sampark team have been fruitful and encouraging as 26 (23 boys and 3 girls) dropout children have decided to appear directly for the Class 10 Board Examinations in the academic year 2014. These children visit the PCs once a week to collect reference materials for studying. The CFs guide them on how to prepare for the Board Exams and also inform them about the rules and regulations. Coming from poor families, these children are compelled to work so as to contribute to the family's earnings. After hectic field work these children get study at home for about two hours. They are keen to pass the Board Examinations as many feel that education would give them access to better opportunities.

#### 2.1.4. Skill Training and Enterprise Development

Sampark aims to build the capacities of young people and enable the youngsters from marginalized families gain access to various career pathways. This is achieved by identifying and organizing suitable and viable vocational training programmes. Sampark has designed two types of skill training programmes: 1. Skill training for girls from the Devadasi and Scheduled Caste families; 2. Skill training for youth from families of SHG members.

**Skill Training for Girls from Devadasi and Scheduled Caste Families:** In the process of organising skill training programmes to improve their living standards in Koppal villages, Sampark has realised that the ultra poor families, particularly those belonging to the Schedule Caste, did not benefit from the program due to two main reasons: child marriages and the Devadasi system. Since the daughters of these families were negatively affected by these ancient traditions, Sampark decided to take on a new project aiming to provide them with an alternative livelihood and a better economic and social status.



In June 2010, 15 girls from Devadasi/Scheduled caste families were identified for the project. The total project period was two years starting from 1<sup>st</sup> June 2010 and ending in May 2012. The project involved the development of vocational skills in tailoring, along with life skills such as functional literacy and communication skills. Sampark made provision for a stipend of Rs 1000/- per month, as these families cannot afford to send their girls for training and lose out on their daily wages as agricultural labourers. Sampark has worked with the Syndicate Bank where the staff has opened saving accounts and Recurring Deposit (RD) account for each girl. Every month Rs 1000/- will be transferred to this account from which Rs 250 will be transferred automatically to the trainee's Recurring Deposit (RD) account. After the completion of their training in tailoring Sampark provided the girls with sewing machines, as their families cannot afford to buy machines and it is important that they have their own machines to practice and improve their skills.

After the completion of eight months of training in tailoring and embroidery, Sampark conducted follow-up meetings once in 15 days in the tailoring centre in Koppal. These meetings helped the staff to monitor the progress of the girls and address their issues.

**Skill Training for Youth from Families of SHG Members:** The primary objective of this activity was to provide market oriented skills and vocational training to women and youth in the villages of Koppal Taluk and encourage them to start their own enterprises to earn better livelihoods. Any vocational or skill based training at Sampark starts with a little homework. Prior to the commencement of any training, the youth are motivated to

#### **Gangamma, a Busy Tailor in Muddaballi Village**

**Gangamma** is 19 years old and comes from a village called Muddaballi. She lives with her mother Mallamma who is a Devadasi aged about 40 years. After passing the Class 10 exam, Gangamma started working along with her mother as an agricultural coolie and earned about Rs 30 to Rs 40 per day (from 10 am to 4 pm). Her mother works from 8 am to 6 pm and earns about Rs 50 per day. Gangamma has one elder sister who is married and lives with her in-laws house; her brother, Yellappais 14 years old and is studying in Class 8. The family got a house (Janatha Mane) from the government under the Indira Awas Yojane. Gangamma's mother, who is a member of one of the SHGs formed by Sampark, told her about the tailoring training classes at the SHG. Gangamma joined the tailoring classes and used to teach alphabets in local language for those girls who were illiterate and did not know reading and writing. During the training period, Gangamma was diagnosed with a heart related illness and was admitted in the Narayana Hrudalaya hospital in Bangalore. As her family belongs to the Below Poverty Line category and have a BPL card, she got complete free treatment under the Vajpayee Arogyashri<sup>1</sup> Scheme. For about one and half months Gangamma could not attend classes due to this illness and she was worried that she was missing the tailoring classes. After recuperating for a while she rejoined the tailoring classes with the permission of her doctor. Being literate and smart, Gangamma was able to learn fast and caught up with the other girls in her tailoring class. Also, since she had got a sewing machine from Sampark in the last month of her training, she started stitching the clothes at home during the training period itself. Immediately after completing training, she started stitching clothes for others; in the first six months she was able to earn an average monthly income of Rs 1000 to Rs 1500. As she stitches school uniforms for children along with the regular sari blouse and chudidar, she has tailoring work throughout the year, and hence now she is not going for agricultural labour. One year after completion of training, she is earning average monthly income Rs 4500. From this income she is repaying loan that has been taken by her mother for construction of one extra room in her house and paid school fees for her brother and purchased gold for herself and also saving in Bank. She said that "I am able to sit in my house and earn a decent amount by stitching and I am proud to have savings account in Bank which was opened during training period and I am saving money in Bank as I have an account. Due to income from tailoring my family's financial condition has improved greatly."

become entrepreneurs in their own, or in the neighbouring villages. Then the participants are trained in business idea generation and facilitated in the process of identifying a feasible activity or product for their skill training. Once the training is completed, the participants are either linked for employment or supported to develop sample products and collect market opinion on them. They are then asked to start self employment by producing the product, based on the demand estimated. After completion, Sampark conducts follow up activities by conducting refresher training camps and compiles the achievements through case studies on successful entrepreneurs. This helps Sampark to motivate others to become self reliant by starting enterprises. During this project period, Sampark provided travel expense and training fees, and did not provide stipend and machinery.

In the reporting year, 15 youth were trained in tailoring (5), computer operations (6) and driving (4). All 5 girls who received tailoring training bought tailoring machines as shown in Table 10.

**Table 10: Details of Youth who Received Skill Training**

Name /skill	Village	Average Monthly Earnings in Rs.	Place of Business/Work
<b>Tailoring</b>			
1. Ganamma H.B	Gunnalli	1000	Within village
2. Basamma M	Gunnalli	1000	Within village
3. Ganamma H.	Gunnalli	3500	Koppal town
4. Sunita H.	Gunnalli	1500	Within village
5. Manjula	Dadegaluru	1800	Within village
<b>Computer</b>			
6. Pakkappa	Handrala	6200	Private School in Koppal Village
7. Parvati	Madnuru	6000	Ashok International Organization, Bangalore.
8. Anifa	Madnuru	6000	Ashok International Organisation Bangalore.
9. Manjunatha	Gudlanuru	3000	Consultant for data entry on project bases
10. Savitri	Kinnal	Nil	Studying IYear BA
11. Ravikumar	Handral	3000	Karnataka housing board Koppal.
<b>Driving</b>			
12. Siddana Gowda	Yatnatti	4500	Driver for tractor within village
13. Dodda Basvana	Yatnatti	5000	Driver for truck in Koppal town
14. Murtjasab	Madnuru	Nil	Not working due to health problem
15. Kiran sajjan	Kinnal	7000	Running own auto (Kinnal to Koppal )

Table 10 shows that most of youth who received tailoring training involved in self employment, whereas the youth who received driving and computer coaching are working for others. Out of 5, 4 (80%) of the girls are engaged in tailoring work and are also working as agricultural labourers and one girl (20%) is engaged in tailoring as full time work. Girls who are involved in tailoring and agricultural work are earning between Rs 1000 to Rs 1800 in a month and girl who is involved in

tailoring as full time work is earning Rs 3500 per month. Out of the 6 who received computer training, 5 (83%) are working and one is not working as she is continuing her studies. They are all earning monthly incomes ranging from Rs 3000 to Rs 7000. Of the 4 boys who received training in driving, 3 (75%) are using their learned skills. Out of 3 boys, 2 are working as drivers and one is running his own auto and they are all earning monthly incomes ranging from Rs 4500 to Rs 5000; one of them is not employed due to health issues.

**Impacts:** Since the girls from the Devadasi families were engaged in tailoring for two years, they were able to postpone their marriage age. Due to the stigma of being Devadasis' daughters, it was difficult to arrange the marriages of these girls. After the completion of training, 6 out of 15 girls (60%) got married. Out of 15 trained girls, 1 girl is not doing any tailoring work as she is involved in household work; the remaining 14 girls are doing tailoring for their livelihood and are earning monthly incomes ranging Rs.1000 to Rs. 4500. Out of the 14, 4 girls stopped tailoring temporarily as they are either recently got married and moved new place or pregnant.

Youth, who are the children of SHG members were able to acquire skills in tailoring, computer operations and driving. Out of the 15 youth, 13 (87%) are utilizing their acquired skills and are earning monthly incomes ranging between Rs 1000 and Rs 6200.

The income earned through utilizing skills is used for meeting house hold expenses (health, education) savings in SHG and for repaying loans taken for the purchase of machines, auto, repairing or constructing new houses and for marriages.

## **2.2. Urban Work in Bangalore**

Sampark's urban work aims to reach the poorest and most marginalized sections of the population, which led us to work with migrant labourers' children. Sampark has started mobile crèches for the children of these migrant workers.

### **i. From Periphery to Mainstream: Educating Construction Worker's Children**

Sampark has started two crèches in Ibbalur and Bellandur regions in Bangalore for the children of construction workers to create a safe and happy environment for them; we reached out to 903 children, out of which 156 children enrolled during reporting period. In the crèches, these children get an informal education and are taken care of while their parents work uninterrupted.

The primary objective of the crèche is to provide care, safety, health and education for younger children and facilitate the learning process of the older children, so as to enable these children of marginalized and migrant people to develop into competent and confident individuals. The activities at these centers include:

- **Day Care cum Non-formal Education Centres:** Provide care for the children in the age group of 1.5 to 3 years and facilitates the learning process of children in the age group of 3 to 12 years.
- **Nutrition** – Provide midday meals and milk to the children in the crèches.
- **Health Care and Hygiene** – Provide regular awareness about hygiene and cleanliness.
- **Educating the Host Contractors/Builders-** Educate contractors on the importance of crèches and non-formal education centers for the children of their workers.

Daily attendance varies according to season and parental movement. The average attendance of the children hovers between 75 and 80. These children are between 8 months and twelve years old. Their parents have migrated from North Karnataka, Andhra Pradesh, Orissa and Nepal. The school runs for 6 days a week i.e. Monday to Saturday.

This year Sampark, along with the donors, organized a few activities for these children. These activities were aimed at exposure and learning while also giving the children an opportunity to enjoy themselves and be creative.

**Health Check Ups:** Sampark conducted general checkups with the support of two doctors in the months of June and July when several children were having cold and cough due to weather change and monsoon rains.

Along with the special health checkups, Sampark was able to link the crèches to the local PHCs and aganwadi centres for regular health checkups. Once in two months the nurse from the PHC centres visits the crèches and monitors the height and weight of the children. One such example of is given in the accompanied Box.

#### **Linkages with Local PHC and Aganwadi Centres**

During the regular visits, the nurse from Agara PHC found that two children who were one year old were malnourished and weighed only 5.5 Kgs. The nurse referred these two children to the Indira Gandhi Hospital for a general check up. The Creche teacher took the two children with their parents to the hospital where the doctor prescribed vitamin tablets and syrups and gave a request letter to aganwadi centre to provide food for these two children. After seeing the letter, PHC doctor gave vitamin syrups and food (1 kg of rice, pulses, oil, sugar and jaggery). After six months the children weight increased from 5.5 KGs to 8 Kgs.

**Linkage with ICDS programme:** During the project period Sampark linked 25 children, who are 6 months to 3 years and 3 to 6 years old to the local aganwadi centres. From these centres the parents received monthly supplementary nutrition and immunisation for their children.

**An Event on Children's Day:** On November 14<sup>th</sup> Children's Day function was organized in both the Ibbalur and Bellandur crèches for the children. An invitation was sent to the donors and the builders who are contributing to the cause of supporting the children of migrant workers. Ms. Meenakshi Rati from the Suncity Association and Ms. Devayani attended the event as chief guests in Ibbalur and Bellandur crèche respectively. After the inauguration, there were various dance and singing performances by the children of the two crèches. Later, the chief guests distributed prizes to the children who participated in dancing, singing, drawing and several indoor and outdoor games.

**Volunteers' Visits:** Several volunteers from the Suncity Association visited our crèches during the reporting period. During these visits, they worked, played with children and also prepared learning materials. These materials created an interest among children to learn more and they learnt how to solve mathematical problems easily.

**Local Contributions:** The family of Mr. M. M. Vigand Mr. G. M. Shah and Ms. Devayani of Suncity apartments contributed milk every day to all the children in the Ibbalur and Bellandur crèches; while Ms. Savitha contributed in cash towards midday meals from Akshaya Patra in the

Ibblur crèche. 'Food for Thought', contributed milk bread (bun) for six days a week. Sampark would like to extend heartfelt thanks for these contributions.

**Impacts:**The crèche has helped to bridge the learning gap for the children, who are migrating from place to place. This helps them to continue their learning, and they are able to get back to school when the families go back to their native place. In the crèche, the following skills are learnt by the children:

- Forty children who have acquired the skills required for their age were admitted in different types of schools, of which 25 children joined the local government schools of Ibblur and Bellandur in Bangalore, 1 child joined in a private English medium school and 14 other joined government schools in their native places. Every year in the month of June the children

used to be enrolled in the local government school; this year due to the Right to Education Act teachers from government schools visited the crèches and enrolled 8 children (who are above 6 years old) in the middle of the year i.e. December, 2012.

- Children maintain their personal cleanliness by wearing clean clothes, combing their hair and cutting their nails when they come to the crèche.
- Children are able to recite rhymes in three languages i.e. Kannada, Telugu and English. They learnt English only after they started attending the crèche regularly.
- Children in the age group of 6-8 years have acquired skills in writing alphabets in Kannada/Hindi and Telugu and numbers till 100.

### **Jyoti and Mamata are mainstreamed into local government schools**

It is a family of 7 as Dhanraj and Sunita have 3 daughters, and 2 sons. They have a family home in Yadgiri village along with some agricultural land. However, they have to depend on unpredictable rains for irrigation of their farms and there is no other work opportunity in the village. So, Dhanraj's brother who lives in the village home is a farmer, and he grows Jowar on that land. Dhanraj and family moved from the village to Mumbai and Hyderabad in search of work prior to settling in Bangalore about a decade ago. They live in a tiny hut in Bellandur area, Bangalore, they pay a monthly rent of Rs.200 for this accommodation which has neither electricity nor toilet or even water. So in addition to the rent they spend Rs.300 on water every month.

Dhanraj is a construction worker while Sunita is a helper at the construction site. Life is tough as they both earn to support the rest of their family of 7. Sunita is happy to leave five children in crèche in Bellandur. Out of these five children Jyoti and her elder sister Mamata are quick learners; they grasped the alphabets in English, Telugu and Kannada along with numbers, tables and poems in different languages. In 2010 Sampark staff spoke with Dhanraj and Sunita, and got Jyoti and Mamata enrolled in the first and third standard in Government School, Bellandur. By June, 2013, Jyoti is in third standard while Mamata is in fifth standard. In government Mamata got awarded 1<sup>st</sup> rank in class for good performance in exams and teacher made her as class leader. Sunita says that "her children are going to government school regularly since three years without her monitoring because she leaves for work at 8 am and the children leave to school after 8.30 am and without her crèche her children may not have joined government school". As the children learned going to crèche everyday, the same has been followed by children even after joining government school.

The base provided by Sampark's creche came in handy, and the crèche teacher played a role in convincing the parents to send their kids not only to the creche but also to the government school so they would have a chance to better lives.

- Children who are 8-12 years old are now able to read and write alphabets/texts in Kannada/Telugu/Hindi and also two or three lettered words. They are also able to solve simple mathematical problems like addition, subtraction and multiplication.

### ii. Educate and Empower Migrant Workers at Destination

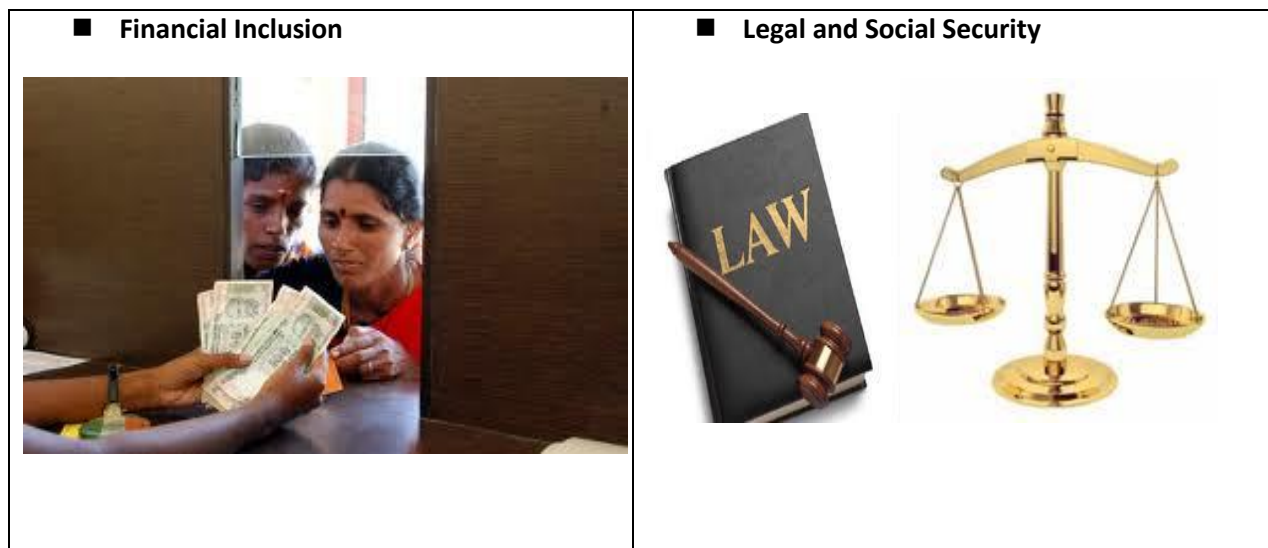
Based on five years of learnings on working with children and six months research on issues of migrant workers in the construction sector, Sampark designed a project titled "Empowerment of Migrant Workers for their Sustainable Livelihoods in Bangalore" which was implemented from 1<sup>st</sup> January 2013. In the next three years Sampark is going to work with 5500 migrant workers (women, children and men) in the construction sector in Bangalore. The overall goal of the project is to create awareness among the migrant workers about their entitlements in sectors of health, education, finance, social security and legal aid, and thereby improve their livelihoods. The project will work with the migrant workers in the construction sector, with focus on the destination. Sampark is going to implement the project through Workers Resource Centre (WRC) in Koikondarahalli, 28/29 First Floor, Sarjapura Road, Bangalore, 560 034.

The main activities of WRC are shown in Figure 4 and are detailed below:

**Figure 4: Activities of Workers Resource Centre**







#### **a. Health**

The interventions in the health domain will span awareness programmes on general health, hygiene, birth control, reproductive health, occupational health hazards and safety measures. Service related programmes will have health camps wherein specific referrals will be made for patients suffering from a particular disease; and most importantly, rights based linkages will be made with the local Public Health Centres (PHCs) and Aganwadis that can assist the migrant workers to access the health facilities.

#### **b. Education**

The interventions in the education domain will span awareness programmes that will seek to educate the parents; service related programmes where a day care cum educational centre will be maintained, and efforts will be expended in providing mid-day meals, health care, immunization, capacity building of the teachers; and rights based linkages that will help mainstream the children into the local schools

#### **c. Social Security and Legal**

The interventions in the social security and legal domain will include awareness programmes on the relevant Acts, schemes and labour laws; service related programmes where a provision for ID cards and registration will be furnished, and placement services will also be provided along with rights based linkages that will facilitate linkages with welfare organizations and schemes. Migrant workers will be collectivized and formed as trade unions which would be strengthened for the sustainability of the project activities. The interventions will also provide a legal service where a worker can get support to find out and file a suit in case of violation of law by his or her contractor, by linking with the NALSA centre.

#### **d. Financial Inclusion**

The interventions in the financial inclusion domain will span awareness programmes that will seek to impart financial literacy and train local leaders who can be trusted by the migrants for aiding sensitive financial transactions; service based programmes where efforts will be expended in linking the migrants to bank accounts; and rights based linkages that will assist the migrant workers in getting loans, insurance, pensions and remittances.

#### **e. Research and Advocacy**

The Workers Resource Centre will aim at making significant contributions at the local, state, national and international levels to share their experiences about possible solutions and strategies for migrants' issues, ways to collaborate with other stakeholders, and research sharing and policy recommendations.

The project progress report for the period commencing 1<sup>st</sup> January to 10th March 2013 is given in the following sections.

**Appointment of the Team:** Sampark prepared a note about the project, the designations and the roles of the post. These details can be found in Sampark's website and are also uploaded in Devnetjobs India at [http://www.devnetjobsindia.org/job\\_posting.asp](http://www.devnetjobsindia.org/job_posting.asp); notice was also sent to several implementing NGOs in Bangalore. Due to this advertisement about 50 applications were received for the post of project coordinator and 25 applications for the post of field officers. From these applicants about 10 for post of project coordinator and 10 for post of field officer were selected for interview. Sampark formed interview team consisting of the President of Sampark and two senior staff members. Through the interviews one project coordinator and three field officers were selected and appointed.

**Setting up of WRC:** A place has been identified for the Workers Facilitation Centre at 28,29KaikondaraHalli, Sarjapur Road, Bangalore – 560 034 based on the following criteria;

- A lot of construction work is going on in this area
- Accessible to workers – near the bus stop
- The owner has allowed us to display the office sign board

The required furniture was purchased and set up at the Workers Resource Centre. The Centre was inaugurated on 8<sup>th</sup> March and the event was attended by construction workers, board members, WRC team and Sampark.

**Orientation about Project:**

A half day orientation about project goals and its activities, outputs and outcome was given to the board members of Sampark on 22nd January, 2013. During this meeting board members



provided several suggestions relating to the monitoring and implementation of the project such as formation of an advisory committee which would meet once in four months and discuss about the progress and the grassroots level issues in implementation of the project.

Three days orientation programme was held for the staff of Sampark and the WRC team from 1<sup>st</sup> to 3<sup>rd</sup> March. The details about project goals, its activities, outputs and outcome, roles of WRC and of each individual staff were discussed in the programme. The methodology of the programme includes field visits, power point presentations, role play, etc.





**Identification of Target groups:** In order to identify migrant workers in the construction sector, Sampark decided to reach out to the construction workers available within a 10 Kms radius from the WRC. Based on this criterion, 15 construction sites were identified covering about 4500 workers, contractors and sub - contractors. Sampark provided orientation about the WRC and its activities to about 400 construction workers and collected the profiles of 190 workers. More importantly, Sampark has developed a network with 8 builders (Simplex, Ascent Infrastructure, Mantri, DSR, Suncity, Mahaveer, SP constructions and Mana Builders) who are working in these construction sites.

**Networking with Departments and Institutions:** Sampark contacted the Department of Labour which is primary relevant for the construction workers. Through this contract Sampark was able to get 100 application forms for the registration of construction workers with the Karnataka Building and other Construction workers Welfare Board (KBCWWB). Sampark contacted and developed a network with Departments of Health and Education to supply doctors from the public health centres (PHCs) and to enroll the children in local government schools and aganwadicentres. Sampark also contacted private hospitals such as St. Johns and Carmelaram hospitals, which have a separate community wing for poor families, to link migrant construction workers. Sampark contacted the managers of the State Bank of Mysore, Karnataka Bank Ltd and Canara bank on the Sarjapur road and the explained to them about the activities of the WRC and requirement of the migrant workers to open bank accounts.

**Collection of Training Materials:** Sampark collected training materials on general health awareness, HIV AIDS and information about the process of registering the construction workers with the KBCWWB and schemes available for construction workers.

**Learnings and Challenges:** During the three months of visiting the labour colonies of construction workers, Sampark learned several lessons and some of these are:



- They have migrated from North Karnataka, Andhra Pradesh, Bihar, Orrisa, Jharkhand, West Bengal, and Maharashtra.

- Main languages, known are Kannada, Telugu and Hindi
- They are aged between 18 and 50 years
- Migrants from southern states such as Karnataka and AP come with their families, while workers from North Indian states rarely migrate with their families.
- There is a demand skilled and unskilled labourers as lot of construction is going on in Bangalore
- Most of them do not have bank accounts and are interested in opening accounts only in the State Bank of India, as it has branches thorough out India
- Pregnant women are not going for regular check ups because they do not know where the government hospitals are and the fees in private hospitals is very high
- Types of workers:
  - Workers who work for builders directly or through a contractor,
  - Those whodigging and molding work on a contract basis
  - Those who work with a mastery and are involved in constructing small individual houses
  - Daily wage ranges from Rs. 150 to Rs. 280 for unskilled workers and Rs. 400 to Rs. 500 for skilled workers

Sampark faced several challenges while working with migrant workers in the construction sector. Some of these are:

- Availability of workers' time is limited. On Sundays the workers are available only for a half a day in the evening after 7 pm. In the evenings Sampark staff could not work with the workers as there is no electricity in most of the labour colonies.
- Organising group of 30-40 people in one place for conducting training is difficult as there is no proper place in some of labour colonies
- Workers working for contractors and sub-contractors do not know who the principal employer is, so getting them to register with the KBCWWB is difficult. Sampark has found out an alternative solution such as first registering them with the Union and then with the KBCWWB as the Unions area authorized to sign in the 90 days work certificate
- Due to lack of a proper place, organizing trainings for 30 – 40 people is a problem
- Builders do not allow us to directly enter the labour colonies
- In few places, the Aganwadicentres are not willing to enroll children of migrant workers who are below 6 years because the children drop out when their parents move on to another job or go back home; and when this happens there is a mismatch in the list given to the ICDS

programme in the number of children who would avail food and the number of children present. Due to this mismatch Aganwadi worker's job is under risk and therefore she is not willing to enroll the children of migrant workers.

- Challenges in filing the KBCWWB registration form are:
  - Getting details of a contact person in the workers' native place is problem as these workers have left their village a long time ago. Sometimes the workers able to give the name but no contact number is available
  - Workers are not able to give the complete postal address of their home in their native place
  - In a few cases, the workers do not disclose their income

## **8. Research and Advisory Projects**

As a resource organization Sampark is involved in conducting research, impact and evaluation studies. The studies that were taken up during the reporting period are given in the following sections.

### **3.1 Study on Understanding Water, Sanitation and Public Health Issues in the Semi-Arid Areas of Koppal District Karnataka**

The aim of the study was to understand the water, sanitation and public health issues in the semi-arid areas of Koppal District in Karnataka and to establish a sustainable, participatory and holistic approach to address them. The specific objectives were to:

- Highlight the problems of the existing water system of the area and its link with public health issues.
- Understand the gap between the water supply and sanitation situation and to study the causal relationship between them.
- Understand the contribution of the state and community in reducing the gap in the water and sanitation related infrastructure.
- Establish a sustainable, participatory based holistic approach to water and sanitation management in the semi-arid areas.



The study was cross-sectional in design and was executed in 10 villages of the Koppal district using mixed-method assessment.

Quantitative data was collected through structured questionnaires and qualitative data was collected through Focus Group Discussions with village members and semi-structured interviews with other



stakeholders including government officials, panchayat officers, medical doctors and para-medical staff etc.

The sample comprised of 768 households covering a population of 4742 members of whom 56% were men. The study results showed that 91% of the households surveyed had direct access to drinking water, either on their premises (59%) or within one km distance. Bore-well or Tungabhadra canal water is supplied through pipe connections by the respective Panchayats. This is a significant improvement from the 61% figure reported in the 2001 census data. 50% of the persons surveyed were not paying any money for the water, while 46% reported spending less than Rs. 100 per month. Koppal is a semi-arid district with no perennial source of water. Most of the water supplied is either from bore-wells or canals. A majority of the respondents (96%) were not aware of rain water harvesting and its benefits. Hence, it is imperative that rain-water harvesting and ground water recharging systems be put into place to avoid shortage of water in the future.

While almost all (94%) people were aware of the importance of clean drinking water to avoid frequent illness, most of the households (71%) were only using a piece of cloth to filter the water before consumption. There are no plans for constructing a public drainage system. A few Panchayats have constructed open drains along the main road, but individual households are not connected. The village environs are characterized by clogged drains, stagnant water, human and animal excreta. A majority of the persons (70% of the women and 82% of the men) are still defecating in the open fields. Where there is demand for community toilets, there is often no public land available to construct one. The few community toilets that have been built are

inadequately utilized due to a variety of reasons such as poor construction or location, inadequate water supply or lack of personnel to clean the toilets resulting in maintenance issues.

Although access to water has improved, the quality of the water in terms of potability due to fecal contamination as well as high fluoride content remains a major concern. Irregular supply of water has also led to unhygienic ways of storing the water, thus increasing the people's vulnerability to vector borne illnesses. Lack of awareness regarding the health implications of open defecation as well as poor hand washing practices (42% wash hands with soap) was evident. The commonly reported health problems were fever, cold and joint pains. A majority (86%) of these people go to the PHC only when they fall ill. The PHC doctors stated emphatically that about 50 to 80% of the health consultations could be reduced if better water and sanitation systems were in place. 15% of the total funds under the Total Sanitation campaign which was allocated for IEC activities is largely unutilized at present. Hence, the study indicates that there is an urgent need to conduct educational programs at the village level to increase the awareness of the people regarding safe drinking water and proper personal hygiene.

While the government has some good schemes to ensure adequate drinking water supply and total sanitation for the people there are several gaps in the communication and feedback loops as well as in the implementing and monitoring mechanisms. The study indicated the need to put a three tier system in place: At the local level, a village monitoring committee; at the panchayat level clear indicators for implementation; and at the district level, overall management and supervision. Greater coordination and effective communication is called for among the various government departments that are involved in service delivery.

The study proposes a "No white spaces for water, sanitation and public health" model to address the gaps in design, implementation, co-ordination, management, maintenance and operation of programs and infrastructure in the three areas of water, sanitation and public health.

### **3.2 The End Term Evaluation of Freed Kamaiya Livelihoods Development Project (FKLDP)**

Sampark conducted the end term evaluation of the project on Freed Kamaiya Livelihoods Development, which was implemented by Plan Nepal in partnership with the Nirdhan Bank and the Nirdhan NGO. The objective of the study was to assess project achievements against targets, relevance, effectiveness, efficiency and sustainability of the project design. The evaluation also has learning objectives, whereby lessons derived from the experiences on the FKLDP can inform and support other projects to effectively address the issue of rehabilitation of freed bonded labour. The methodology included desk review, direct observation; semi - structured interviews and focussed group discussions, covering all categories of project stakeholders and partners. Discussions were held with women, children, adolescents and parents who are the direct beneficiaries of the project in Nepal's Bardya District.

The results showed that the project created strong community based organizations with sustainable financial linkages through link ups with 4 branches of the Nirdhan Utthan Bank Limited (NUBL). The project kept the systems in place for technical sustainability by developing

local technical resource persons for agriculture and animal husbandry and setting up agrovets and Veterinary Animal Health Workers (VAHWs), and making linkages with the district officers of the agriculture and animal husbandry departments. The study recommended that the capacities of Cooperatives can be improved by including the training aspects on the concept of 2<sup>nd</sup> level institutions, management, dynamics in running group businesses and collective marketing. PLAN, Nepal can build the business strategy into the activities of Self Reliance Groups (SRGs) and the same could be transferred to second level institutions such as savings and credit Cooperatives which could replace the of NUBL over a period of time.

### **3.3. A Study in Tracking the Shift from Savings to Remittance on the Mobile Backbone: Findings from Eko, India**

Sampark conducted a study to track the shift from Savings to Remittance on the mobile backbone based on the findings from Eko India. The data was collected from four cities: Delhi, Patna, Varanasi and Lucknow. The methodologies used included in-depth interviews, focused group discussions with customers of various points of providers and Customer Service Points (CSPs) agents of Eko.

Eko is a prominent Business Correspondent (BC) that acts as an interface between the bank and the unbanked customers in order to fulfill the national financial inclusion goal. It's also one of the few mediums that uses mobile technology for conducting financial transactions. This service not only helps to reach customers in remote areas with no branches, but also provides support to branches with high volumes of transactions, particularly for migrant workers remitting money back home to their families. Eko supplies both the technology backbone that may initiate and complete a transaction, along with an agent network to facilitate the transactions for customers. Eko's agents- CSPs are small businesses with dedicated space available, these are healthy businesses that act as transaction points for customers. A more successful CSP- Super CSP, monitors the CSPs in its vicinity and ensures that its CSPs always have electronic balance, and collects cash from its CSPs and deposits the cash in the SBI bank accounts at the end of each day.

The interesting finding was that, while these BCs were setup to facilitate the opening of bank accounts, most accounts that were opened, remain dormant due to a wide variety of reasons, including lack of sustained financial literacy initiatives to drive home the significance of making savings. Also, this medium doesn't command the long-term trust of customers due to its branchless status. So, while this model has helped reach the unbanked customers, it is unsuccessful in facilitating savings, and has proven itself as a medium for remittances.

Eko started out as a BC, but has turned into a remittance service provider. It may not be feasible for Eko to provide a platform for savings due to a multitude of factors with lack of long-term trust being the primary consideration when customers are looking at parking savings. So, Eko only solves part of the problem, but the greater challenge of facilitating savings remains. The more feasible solution is to spread out the network of bank branches in rural areas, and run financial literacy projects to ensure that this group understands the significance of saving, and how a bank account is useful for this purpose.

### 3.4 Financial Inclusion: Vision Document for Uttar Pradesh

Sampark prepared a vision document on financial inclusion for Uttar Pradesh (UP). This document was prepared with the support of Access to Finance in Uttar Pradesh. Uttar Pradesh is a poor state, ranking 16th in India despite having a large population of 200 million. During the



process of preparing the vision document it was found that about 50% of households in UP earn less than \$1/day. With aggressive projections about 61% of low income households in UP are likely to be reached through different channels by 2017.

The main recommendations of the vision document include increase in the number of SHGs and Joint Liabilities Groups for effective access, and funds for financial awareness, literacy, and group formation must flow from the government and NABARD to Self Help Promoting Institutions (SHPIs), in a bigger way than it currently is. Further, the role of banks in extending credit remains paramount. Micro Finance Institutions may enable the poor access bank credit, but this is at a significantly higher cost.

So far, pensions are organized for those who can put aside a part of their earnings to earn pension at later dates, thus leaving the poor out of it. Recently, some pension products such as the Swavalamban product target low and middle income households, and these have been receiving a good response. Remittance services are increasing and could be made more viable using the mobile platform as the cost and time are significantly reduced. Finally, access to banking services is the only long term option for the poor getting financial services at a reasonable cost. Banks have to step forward by extending credit not only through SHGs and JLGs, but also through individual accounts, if the needs of low income households have to be provided for.

## 4. Dissemination and Learning

Sampark has a strong belief in sharing its experiences so that every time the wheel doesn't need to be re-invented. There is a huge benefit in sharing experiences and ideas with organizations and individuals of similar interest so that there is a greater learning and also so that mistakes can be avoided. Sampark has been disseminating its learnings through various methods like engaging with partners in networks, documentation and publications, contributions at conferences and at



online discussion forums. The sections below summarize the work Sampark has done to disseminate its learning.

#### 4.1 Documentation and Publications

Sampark has been involved in a number of documentations and publications catering to a wide reader base. Some of these are

- Dr. Smita Premchander, 2012. "Livelihood Protection and Promotion: The changing Role of Civil Society". Chapter in Book: "State of India's Livelihood Report 2012. Sage Impact: Jointly published in 2013, by Sage Publication India Pvt Ltd and An Access Publication New Delhi.
- Dr. Smita Premchander, M. Chidambaranathan and V. Prameela contributed Feedback on the Financial Capability Study Conducted as part of the Rural Financial Institutions Programme of GIZ/NABARD in December 2012
- M. Chidambaranathan, Smita Premchander and Raj M submitted an article on Community Based Microfinance: Examining the Potential and Challenges of Self-Reliant SHG Cooperatives to the Enterprise Development and Microfinance (EDM) Journal, Practical Action Publishing in November 2012. The article was asked for re-submission in March 2013, and now got accepted to be published in June, 2013 Volume.
- M. Chidambaranathan and Smita Premchander contributed analysis and an annexure (2.1) on "Women's Cooperatives promoted by Sampark", in the Microfinance India State of the Sector Report 2012. New Delhi: Sage Publications & Access Development Services, Pp.37-39.

#### 4.2 Contribution at Conferences

Sampark disseminates its research and field experience to donors, development workers and policy makers by sharing in national and international conference and in network forums. Some of the conferences and forums that Sampark participated in during this year are given below:

- Mr. Chidambaranathan and Mr. Guru Raj participated in ENABLE partners networking meeting on 19<sup>th</sup> and 20<sup>th</sup> June, 2012 at Delhi.



- Dr. Smita Premchander co-facilitated a conference on Theory of Change, on 19<sup>th</sup> September in Wageningen University, Netherlands.
- Dr. Smita Premchander shared her experience on self help groups and their savings in a national workshop on voluntary savings on 9<sup>th</sup> November, 2012 at Delhi. The workshop was organized by Solution Exchange Microfinance Community.
- Dr. Smita Premchander shared Sampark's experiences on community based microfinance institutions in the Microfinance India Conference held on 27<sup>th</sup> and 28<sup>th</sup>, November, 2012 at New Delhi.
- Dr. Smita Premchander moderated a session on Role of Civil Society Organizations in Flagship Poverty Reduction Programmes at the Livelihoods India Conference on 29<sup>th</sup> and 30<sup>th</sup>, November 2012.
- Dr. Smita Premchander, Mr. Chidambaranathan, Mr. Guru Raj, Ms. Uma B. Shirol and leaders of Cooperatives participated in the state level women self help groups leaders meet held from 13<sup>th</sup> to 15<sup>th</sup> December at Hyderabad. They shared Sampark's strategy on developing Cooperatives as community based institutions in Koppal and the results of the SHGs study in Karnataka conducted by Sampark.
- Ms. V. Prameela and Ms. Shameem Banu participated in a workshop on "Accountability and compliances in voluntary sector" in organized by Credibility Alliance on 23<sup>rd</sup> and 24<sup>th</sup> January, 2013. After the workshop Sampark was able to submit all the compliance as per request and received certification of accreditation from Credibility Alliance.
- Dr. Smita Premchander represented Sampark/National Network Enabling Self Help Movement in India (ENABLE) in a conference on financial inclusion through SHGs conducted on 8<sup>th</sup> and 9<sup>th</sup> of February 2013 at Guwahati. She shared a summary of the findings of the SHG study in Karnataka conducted by Sampark in collaboration with ENABLE.
- Dr. Smita Premchander participated in National Consultation on "Creating an Enabling Environment for Women's Entrepreneurship in Indian on 19<sup>th</sup> February at Delhi. She has shared experience of research on underrating women entrepreneurs involved in small and medium enterprises in India.
- Mr. Guru Raj participated in a workshop on Souharda Act on 25<sup>th</sup> February, 2013 at Koppal and on 11<sup>th</sup> March, 2013 at Gangavathi.

#### **4.3. Contributions to Discussion Forums**



Sampark, with its rich experience has been actively contributing to discussion forums in an endeavour to share its experience with other similar organizations for their benefit. One of the forums that Sampark has most widely contributed to is the United Nation's Solution Exchange. From sharing its experiences to giving advice on queries and participating in online discussions, Sampark has been very active at this forum. Some of the areas that Sampark made valuable contributions in are mentioned below:



- Financial Services for Producer Companies, their Promoters and Members
- Enhancing Access to Skills in Rural Areas
- Economic Empowerment Strategic Plan for India–Experiences
- Financing the Micro-enterprise through MFIs Experiences
- Introducing Voluntary Savings in SHGs

Details of these contributions are given in Annexure 1.

## 5. Future Action Plan

Sampark will continue its focus on the rural programmes by scaling up the formation and strengthening of women SHGs and Cooperatives and expand its urban programme as well. Given below are some of the focus areas for next three years:

### 5.1 Scale up of Women SHGs and Cooperatives

Sampark is looking to create some model villages where a total transformational change takes place in all aspects of the villagers. It will also explore the possibilities to replicate or contribute lessons from the Koppal model in other regions through the national mission programme such as National Rural Livelihood Mission (NRLM).

### 5.2 Expansion of Work with Migrant Construction Workers in Bangalore

Sampark has been working with children of migrant construction workers for the last four years. In the next three years Sampark would like to work with migrant construction workers in Bangalore with an objective of improving their livelihoods and working conditions. Sampark developed long term interventions to work with 5500 migrant construction workers over a period of 3 years, and its implementation is initiated through setting up of workers resource centre in Bangalore, details of which are given in Section 2.2.

## 6. Board Member Details

The list of Board Members and their role in project planning and reviewing during this year is given in the following sections.

### 6.1 List of Members

The names of the Board Members and their position in the Board are given in Table 11.

**Table 11: Board Member Details**

S.No	Names	Position on Board
1	Dr. Kiran Rao	President
2	Ms. Neena Paul	Vice President
3	Dr. Smita Premchander	Secretary
4	Ms. Chinnamma B.K	Member
5	Ms. Priyashree Anil Kumar	Member
6	Mr. Chiranjiv Singh	Member
7	Mr. K. Vishwanathan	Member
8	Ms. T. Sujatha	Member
9	Mr. R. Suresh	Member
10	Mr. SuryamaniRoul	Member
11	Mr. Sushant Gupta	Member
12	Ms. MadhuSinghal	Member
	Dr. SatishInamdar	Member
14	Dr. Alka Barua	Member
15	Mr. AshokeChatterjee	Member

### 6.2 Participation in Project Planning and Review

The Board Members have actively participated in the planning and review of the various projects undertaken by Sampark in 2012-2013, the details of which are given in Table 12.

**Table 12: Board Participation in Meetings**

Name	Date	Purpose of visit
Dr. Smita Premchander Dr. Kiran Rao Ms. Neenal Paul Ms. B.K.Chinnamma Mr. Chiranjiv Singh Ms. Priyashree Anil Kumar Dr. SatishInamdar Ms. MadhuSinghal	April 28 <sup>th</sup> , 2012	To discuss the progress of the projects on hand, expansion of the governing body, progress of the construction of the building in Teachers colony and fixing a date for AGM.
Dr. Kiran Rao Dr. Smita Premchander Ms. Neenal Paul	August 11 <sup>th</sup> , 2012	Identification of Statutory Auditor for the year 2012- 2013
Dr. Kiran Rao, President Ms. Neena Paul Ms. B. K. Chinnamma, Vice President Mr. Suresh Ms. MadhuSinghal	September 8 <sup>th</sup> 2012	Auditor's appointment and his/her remuneration for the year 2012-2013

Mr. Chiranjiv Singh Ms. Priya Anil Kumar Ms. Sujatha		
Dr. Smita Premchander Dr. Kiran Rao Ms. Neenal Paul Ms. B.K.Chinnamma	14th November 2012	Discussing accounts and current project's progress for 2012-13 with the Statutory Auditor
Dr. Smita Premchander Dr. Kiran Rao Ms. Neenal Paul Mr. Chiranjiv Singh Ms. MadhuSinghal	22nd January 2013	Orientation about the Migrant Support Programme

Sampark would like to express heartfelt thanks to the board members for their valuable time and suggestions with regard to the management of Sampark's activities.

## 7 Staff Details

Sampark has 26 project staff, and 15 associates; their names are given in Table 13.

**Table 13: Sampark Staff Details**

<b>Staff at Bangalore office</b>	<b>Staff at Koppal office</b>	<b>Associates</b>
1. V. Prameela 2. M. Chidambaranathan 3. M. Shameem Banu 4. K.G. Meenakshi 5. M. Latha 6. S.T. Prema 7. Ishita Ghosh 8. Balakrushna Panda 9. Manjula 10. John P Moses 11. T.O. Anjeneyappa	1. B.S. Uma 2. Gururaj 3. Manjunath Hossalli 4. Siddamma 5. Siddappa 6. Mahesha 7. Pampanagowda 8. Dashratha 9. M. Prashanth Daddur 10. G. Venkoba 11. Raja Hussian 12. Malthesha 13. Ravi Kumar 14. Pradeep 15. Shilpa	1. Veena Reddy 2. Karuna Sivasailam 3. Rekha Srinivasan 4. Rajyashree Dutt 5. Prashanth Hegda 6. Nagachethan 9. Kartikeya Bajpai 10. Y. Srinivasa Prasad 11. Surabhi Jyotirmayee 12. Bharath. M.C. 13. Advyth Orion Herur 14. Hemadevi. B.N 15. Raj .M

Sampark provides opportunities to the staff to build their capacities by encouraging them to increase their academic qualifications and participating in trainings and workshops.

## 8 Volunteers and Guests

Sampark encourages volunteers to come and work with the team so as to get a fresh perspective on our work as well as for them to get sensitized to the issues in the development sector. This year Sampark had 18volunteers - details are given in Table 14.

**Table 14: Interns in Sampark**

Name of Volunteer	Name of Institution	Project involved
1. Ms. Mutnamma 2. Ms. Poojitna 3. Ms. Sahnaya	Dayananda Sagar Collage	Spent time in crèches and worked with children of migrant construction workers.
4. Ms. Komal Didwania 5. Ms. Aditi Vijay	IRMA – Institute of Rural Management Anand	Understanding of Sampark and Assessment of women’s co-operatives, the community based microfinance institutions in Koppal
6. Mr. Manjunatha 7. Mr. Mallikarjuna	Bangalore – University	Designed a questionnaire and collected data on the baseline of members of SHGs
8. Ms. Gangamma 9. Ms. Nona Kaveranma 10. Ms. Leena David	Christ University – Bangalore	Document case study of Sampark and analyse data on SHGs
11. Mr. Angshuman Gogoi 12. Ms. Parul Priya 13. Mr. Prateek Singh Tuteja	ITM – Institute for Technology & Management	Conducted a study on Sampark’s field activities in Koppal and Bangalore
14. Ms. Elsa 15. Ms. Kristel	France	Understanding activities of Sampark
16. Ms. Petra Gall 17. Ms. Stephanie Villiger	University of St. Gallen, Switzerland)	Studied the Self help groups in Koppal district on how living standards have developed and did a comparison between the Years 2009 and 2012
18. Ms. Natalie Zeidler	University of St. Gallen, Switzerland)	Studied the process of documenting the development of community based women Cooperatives in Koppal, and also looked at the development of Sampark’s field projects from 1998 till 2012

Sampark would like to express its gratitude to all the interns for their time and support. Sampark also has a stream of guests every year who want to acquaint themselves with what the organization does. These guests also visit all the projects and give their valuable feedback. Sampark encourages these visits as they always bring a fresh perspective and help enhance the quality of our work. Annexure 2 gives a list of all guests Sampark had in 2012-2013.

## 9. Support and Sponsor Agencies

In 2012 – 2013 various support and sponsor agencies and individuals have been associated with Sampark and contributed immensely to the cause through their generous and valuable contributions, the list of same is given in Table 15.

**Table 15: List of Donors**

Sl. No	Name of the Donor Agencies/ Individuals	Supported Activities
<b>Agencies</b>		
1	Pangea Foundation, Italy	Education and enterprise activities. Building the capacities of clusters and women's empowerment.
2	Jamsetji Tata Trust	Empowerment of Migrant Workers for their Sustainable Livelihoods in Bangalore, Karnataka Under the Tata Trust Migrant Support Program.
5	Stitching Nunhems Foundation	Improving the enrollment rate of children in identified schools of Koppal district of Karnataka.
6	Dalyan Foundation	Expanding the number of SHGs in Koppal and building capacities of Cooperatives to become financially sustainable.
3	Manipal Foundation and Suncity Corporate Leisures and Property Developers Pvt. Ltd.	Crèches for construction worker's children in Bangalore
9	Karnataka Jnana Aayoga	Understanding water sanitation and public health in semi-arid areas of Koppal District in Karnataka and establish a sustainable, participatory and holistic approach to address public health concerns.
11	The Regents of The University of California	Tracking the shift from savings to remittance on the Mobile backbone.
10	AkshayaPatra Foundation, Bangalore	Mid-day meals for the crèche children.
13	Food for Thought Foundation	Supply of the Bread for the children of two crèches.
<b>Individual donors</b>		
	Mr. Stephan Rist, Switzerland	Sponsorship of two Devadasi children in Koppal

	<p>Ms. MeenakshiRati  Mr. Deepa  Mr. G.M.Sha  Mr. Jain  Mr. Mohan Lal  Ms. Savitha  Dr. SeemaAgarwal  Mr. Vihan  Mrs. Kirthi  Ms. Anne  Mrs. Devyani  Mr. Harish  Ms. Nayana  Mr. Raj. M  Mr. Gangadhar  Mr. V. Sathish Deepak  Ms. M. Ayesha</p>	<p><b>Crèche support in kind</b>  Milk, sugar, kerosene fruits and snacks Bread  Stationery items , School bag  Pulse polio  Old cloths  Children health checkup and treatment  Vitamin tablet  Vitamin tonic  Old computer</p>
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Sampark would like to thank the funding agencies and individual donors for their contributions toward Sampark’s objectives and look forward for their support in the future also.



## **Annexure 1: Some Contributions to Solution Exchange**

Sampark has widely contributed to the United Nation's Solution Exchange. From sharing its experiences to giving advice on queries and participating in online discussions, Sampark has been very active at this forum. Dr. Smita Premchanderand V. Prameela responded to several queries on various aspects. These are detailed below:

### **Query 1: Financial Services for Producer Companies, their Promoters and Members**

This is a very important query, as the question of promoting people's collectives continues to remain an enigma for us in the development world. In the early days of development banking, agricultural credit was prioritized, as was credit to small and marginal farmers. As the neo-liberal paradigm took root in India, not only have subsidies to priority sectors gone, but the concept of development banking is also nearing extinction. In the developed world, agriculture continues to be highly subsidized, but we in the developing countries have bought into the "subsidies are harmful" paradigm and have not challenged the double speak, except occasionally, in international forums.

What we see on the ground is lack of attention to, and finance for building voice and power of farmers and rural entrepreneurs. This is no more a priority agenda. If there is some attention to producers' collectives today, it is because they are seen as more efficient connectors of value chains; their agency and empowerment agenda is not the prime concern.

In my discussions with producer companies that were created through the DFID/ World Bank funded Rural Livelihoods Programmes and District Poverty Initiative Projects in different States, the companies have not been producer-managed, but highly dependent on the staff appointed to promote and manage them.

Therefore, to me, the question about *institutional form* is overstated. Whatever be the form: NGO, Cooperative, Producers Company, or even just an SHG, sustainability of the organization has the same formula: an objective agreed to by members, good leadership and governance, transparent and accountable systems, and organization building and financial support. Whenever anything is lacking in this set of pre-requisites, organization building suffers.

Who will extend them loans? In today's scenario, even as the much maligned subsidized SGSY scheme has been largely folded up, the alternative, National and State Rural Livelihoods Missions, have not yet unrolled fully. Banks continue to move from SHG-BL to JLG financing through NBFCs. There are a few who believe in and want to fund Cooperatives in the microfinance sector, in such a context, donor funded projects are the only option for funding producer companies, which banks are likely to find too risky. Sadly, Rural Livelihoods Projects (RLP) and District Poverty Initiatives Projects (DPIP) have also run through their time, the last of the livelihoods projects and programmes of the RLP/ DPIP type are over.

So the future for financing of producer companies does not look bright. NABARD, NABFINS, and some apex institutions may need to play a catalytic role. A UNDP project will, therefore, need to place heavy emphasis on the policy advocacy role, and generate both policy commitment and funding to invest in the formation and sustainability of these collectives, farm and non-farm producers' companies.

**Dr. Smita Premchander**

### **Query 2: Enhancing Access to Skills in Rural Areas**

How can we extend training opportunities to reach out to rural areas? (Should more public training institutions be built in rural areas? Would working with non-formal providers [e.g. rural area based community organizations, or NGOs] be a solution? Are mobile or technology solutions viable alternatives?)

It is true that rural remote areas don't have training institutions. It is a fallacy to believe that we can take all specialised institutions to all remote areas. This is impractical. It is important to link with the best institutions imparting the skills that are needed and relevant for people in a certain region, and then get these institutions to come and offer trainings, or send selected youth to these institutions. It would be worthwhile to pay for the additional costs of sending and providing for stay of the students or the faculty, in case the trainings are held locally. Over time, if a market develops, these institutions will come on their own, and when the people are able to pay and are mobile, the trainees will go where the institutes are. In the meanwhile, the link has to be supported and incentivized.

Involving NGOs is a good idea, and this should be done for at least three jobs: identification and linking of the students with the training organisation, monitoring the quality of training and attendance of trainees, and follow up of the children and youth even after training, till they are either placed, or self employed, or take up further training.

#### **What kinds of skills are needed to support the development of rural communities and economy?**

Hundreds of types of skills. The Directorate General of Employment and Training in Delhi authorises public and private Industrial Training Institutes all over the country to provide training in different skills. A list of the certified trades will give you an initial idea. I understand there are more than five hundred skills sanctioned just for the Modular Employable Skills training. There are other regular trades that ITIs teach as well. And then of course a subset will need to be selected for every location. Some completely new trades may be needed in specific locations as well.

#### **What are measures to encourage women, young people and disadvantaged groups in rural areas to take up training?**

The constraints that disadvantaged groups face are:

- Lack of time, they are already working and need to give up the work to come and retrain;
- Lack of money, in case they need to pay for the trainings, even if it is only part payment. Even if a programme (e.g. MES) has the provision to refund the money paid as fees, the aspiring student may not be able to pay up Rs. 750, for example, upfront. Secondly, such refunds are conditional on passing an assessment test; the test itself takes a month to conduct, and another month for the results to be announced. Add 3 to 6 months of training. The person has to invest Rs.750 for the fees for 9 months, and Rs. 600 for the assessment for about 3 months. From where are poor people, especially from extremely disadvantaged households, to get this money? They need stipends in fact. Not large upfront payments.

### **What are the key success factors for improving access to skills training in rural areas?**

Good rapport and relationship with the villagers is key. Also, there must be good understanding of their livelihoods, and a livelihoods approach integrated with skill training planning, so that the planning is in line with the vision and opportunities likely to be available in the local area.

### **How can skills training in rural areas lead to better and advanced skills for the beneficiaries?**

Identify and train people in relevant skills, which have a local demand. For those who are willing to migrate out of villages, teach them skills which have a good market potential in urban areas and other regions, even other countries. Rights awareness is extremely important. Setting up systems by which labour migration is accountable, and trafficking cannot be done, is key. Contractors need to be monitored carefully. Attention to these issues is as important as getting high quality technical training organised in appropriate trades.

**Dr. Smita Premchander**

#### **Query 3: Financing the Micro-enterprise through MFIs Experiences**

It is good that you ask this question, because enterprise support vanished for a couple of decades as microfinance industry took precedence, and now as MFIs move from microfinance and poverty lending to enterprise lending, these questions become relevant. With regard to your specific questions:

##### **1. Key constraints faced by the MFIs in financing the Microenterprises in India**

MFIs started with a focus on the micro sector, with group lending models. The first finances in this sector go for a variety for consumption and livelihoods protection purposes, and then in subsequent rounds for income generating activities. The IGAs are relatively small and not yet full fledged enterprises. The group methodology is good for this level.

As MFIs grow, they also move from serving a predominantly poorer group, to a relatively better off group, which can take loans for small enterprises. The models begin to shift too, and we are seeing mature MFIs moving back to individual financing models, with some collateral over and above the social collateral offered by groups.

Many MFIs that have started with the group based model do not find this an easy transition, are in the pilot stage, and are not yet learning from earlier existing experience in India. They need to study the shifts needed, and change the organizational mandate, systems, products and processes; which are different for enterprise lending as compared to poverty lending.

- 2. National/international best practices in servicing Microenterprise finance**
- 3. Share examples of successful business models of Microenterprise financing**

One approach that is gaining popularity is the **market development approach**. This approach is particularly suited to rural, remote regions, where the market is not developed to provide enterprise opportunities. Here, instead of a household based approach, the intervening agency identifies a sector wherein to intervene, does sub-sector planning, and develops enterprises across the whole value chain. Not all the stakeholders are supported by the donor agency, some may be private enterprises quite capable of growing on their own. It is popularly called the Making Markets Work for the Poor (M4P) approach.

The M4P approach relies on facilitating market actors to adjust their services and products in a way that deliver benefits to the poor and as well as other actors in the system, and promotes a competitive environment that “crowds in” other actors, such that once the project or intervention is finished the services/products will continue to be delivered to beneficiaries including bearing the costs associated with that (by the system). It does not include directly dealing with beneficiaries or providing them with services or subsidies. This contrasts with the approach many povertyfocussed projects take, of directly delivering products and services, often at subsidised rates, to beneficiaries, or supporting other agents to do so. Asking the question “who will continue to deliver those services, and who will pay for them?” is a good way to assess the sustainability of a project’s interventions. More information can be found on <http://www.mmw4p.org/dyn/bds/docs/detail/474/6>

I do believe, however, that though these new approaches have a value in poor and remote regions, the best practices for SME financing are still to be gleaned from the Indian commercial banking sector, especially organizations such as the State Bank of India. A lot of information on products and government subsidies for SMEs can be found online, for eg. [http://business.gov.in/business\\_financing/government\\_fund.php](http://business.gov.in/business_financing/government_fund.php)

- 4. Key risks to be addressed for Microenterprise lending in the Indian context.**

The key risks in microfinance sector have been two: from the suppliers, the costs are high, along with coercive recovery practices, which puts undue pressure on clients, given the short repayment periods. New product design for micro enterprise financing will be essential. The other risk is political, which creates a larger environment in which borrowers are encouraged to not repay.

Again, micro enterprise funding beyond a certain level will need to have a different product design, perhaps with physical or financial collateral.

Finally, financing women entrepreneurs needs to be an emphasis, as they face special constraints. They lack collateral and relaxations will be needed for those. Secondly, social norms, especially relating to family care and mobility outside the house, both of which restrict women's ability to advance as entrepreneurs. Affirmative action and capacity building of women entrepreneurs will go a long way in promoting women's economic, and consequently, social empowerment.

**Dr. Smita Premchander**

#### **Query 4: Introducing Voluntary Savings in the SHGs**

It is indeed welcome that you raise this query, which has very important implications for women's empowerment. To begin with, this is an idea whose time has come, it is about time that voluntary savings are introduced.

First, because mandatory savings have completed their mandate: women have proven that they are disciplined in pooling and managing money, and they can be trusted with financial transactions, by formal financial institutions, whether banks or NBFCs.

Secondly, SHG savings have been the most benignly treated in India. The SHGs are allowed to save and rotate the savings among women members, and this rotation is taken into account for grading, and banks can extend them loans *without* appropriating their savings. The benefit is that group savings, 'hot' money, can be used by them for whatever purpose they choose to apply it, and they can set the interest rates and repayment terms as they like. However, the offside is that banks do not see women as full customers, who will both save and take loans. The NBFCs are not interested in promoting savings in groups, as they cannot take these savings as deposits, under banking regulations, which is as it should be. In fact, as groups' own savings increase, the demand for loans will eventually reduce, another reason why external agencies do not take a keen interest in promoting women's SHG savings.

So, promoting higher levels of savings in groups are of benefit only to women themselves, and deserve to be backed by banks, with whom they should be encouraged to save. And women's capacities to manage the money, and to keep up an active banking relationship, will need to be increased as well, so massive investments in women's financial literacy is called for.

Will it create inequality among group members? I think we should not worry about this. As long as women are encouraged to increase savings levels, which are strangely set at Rs. 10 or 20 per week, many groups will decide to do so, and many will decide not to. Some groups may just increase the amount of equal installments they save, and some may introduce flexible amounts. Most mature groups will take this decision based on their homogeneity, cohesion, and levels of income. What is important is that we design programmes to educate women about the potentials

and risks of increased levels of savings, both fixed and flexible amounts, and how to manage these in a transparent and responsible manner. The group grading standards will need to be changed, too.

I think for the moment we should not worry about what women will do with this money. They may choose to lend to themselves, they may want to lend to NBFCs and they may want to invest in equity, or in gold, or just keep Recurring or Fixed Deposits in post offices or banks. They may want to buy insurances and pensions. They may want to invest in businesses. The important thing is to help them develop options, and to evaluate pros and cons of each alternative use of their money.

What is important is that we support groups to realize their full savings potential, which will then make them interesting for banks, and will allow them to leverage more loans, or to use these funds for other financial products or investments. It will also provide the base for strengthening women's federations and Cooperatives.

#### **Query 5: Economic Empowerment Strategic Plan for India–Experiences**

In Sampark, instead of taking skills and adult literacy in two steps we have integrated both of them (skills and literacy) in Vocational training. To know more about Sampark's activities, please visit the site <http://www.sampark.org/>

We have designed an 8 months tailoring and embroidery course for girls who cannot read and write, and who are in the age group of 14 – 18 years old. Of the 8 months, the first two months will be for training girls on basic literacy and how to use the measuring tape in stitching etc. In these two months, in-order to encourage the girls to attend the Classes for 4 hours, the first 1 hour will be spent by them on practicing on the tailoring machines which will be given to the girls, and then the teacher will take classes on basic literacy. This helps them to learn tailoring and also acquire literacy.

Women like to learn things that would help them to earn and contribute to the family. Due to this reason, if we integrate literacy classes in the vocational training course so that the girls get the double benefit of learning skills as well as basic literacy.

#### **V. Prameela**

##### **Query 6: Enhancing Access to Skills in Rural Areas**

Sampark is an NGO based in Bangalore that works with women, children and youth in Koppal District of Karnataka. It has implemented the following strategies and steps in organizing the skill training for youth.

**Step 1:** Conducting motivational training sessions for the youth; both boys and girls at the village level. Another way is to get the application forms filled by the youth through members of Income Generating Programme (IGP) committees of cluster associations.



**Step 2:** Training the youth on business idea generation and facilitate the process of identifying feasible ideas for skill training. The emphasis would be on the idea selected for the vocational training.

**Step 3:** Conducting local market surveys for the viable ideas involving youth.

**Step 4:** Once the market oriented idea is identified, and if there are about 10-15 youth interested in the same idea, for example, tailoring, then the teacher would be identified and the tailoring classes would be organized in a common place. If there are only three to four youth interested in an identified idea, then they would be linked with the local training institutions or service centre—for example: driving schools and mobile servicingcentres.

**Step 5:** During the skill training period, Sampark conducts training on business concepts, covering aspects such as what is an enterprise, market survey, costing and pricing, packing and negotiation strategies, which would help them to start their own enterprise after the completion of training.

**Step 6:** Sampark organizes trainings on soft skills such as communication and how to deal with customers or clients which helps the holistic development ofthe youth to have improved livelihoods.

**Step 7:** Once the samples are ready, the youth conduct market surveys and based on the market demand, decide on the product and start production. Some of them find jobs in institutions, factories and organizations that are linked by Sampark.

**Step 8:** After completion of the skill training, Sampark and members of the IGP committees conduct follow ups and develop case studies and document the lessons learnt which would be discussed in future.

**Step 9:** Sampark conducts surveys and identifies the institutions, factories and organizations - both for organizing skill trainings and job placements for the youth.

This strategy of packaging motivational trainings, identifying market oriented skill training area, technical inputs, soft skills and enterprise concepts and institutional linkages for job opportunities and credit linkages helped the youth in either going for a job or to start self employment. This entire process takes about 3 to 8 months depending upon the skill training area. Sampark's experience showed that about 80% of youth have utilized skill training after completing the training. Usually, as soon as they complete the training, especially driving, they take up a job for about 6- 10 months and later on they take credit and buytheir own vehicles - auto or car, and run their own enterprise. The participants in these trainings are usually the daughters or sons of women members of self help groups which are promoted by Sampark. Thus, getting credit is not a problem for these youth and they are able to start their enterprises after completion of skill training.

**V. Prameela**

## Annexure 2: List of Guests

Sampark encourages these visits as they always bring a fresh perspective and help enhance the quality of our work. A list of all guests Sampark (Bangalore and Koppal) had in 2012-2013 is given in Table 16 and 17.

**Table 16: List of Guests in Sampark, Bangalore**

Name	Date	Institution/Place	Purpose of Visit
Mr. Wilson Mr. Manoj Mr. Rohit&Mr. Eshwari	28- May, 12	Capgemini Consulting India Pvt Ltd - Bangalore	To understand Sampark's work at the grassroots level
Ms. Simona Lanzoni Ms.Mariapia	29t- May-12	Pangea Foundation, Italy	To review SHGs and Cooperative development project
Ms. Susanne Grossman	26- June-12	Dalyan Foundation Switzerland	To review progress of project on Cooperative development
Mr. BhushanMaskay Mr. Rachita Mr. Chaitanya	27- June-12	IIM - Bangalore	To understand Sampark's work at grassroots level – Project – cast writing
Dr. VenugopalanPuhazhendhi	28- June-12	Consultant – Development Economics	To discuss Microfinance State sector report
Mr. Antokemper	8- Aug - 12	Manipal Foundation Bangalore	To understand Sampark's ideologies and its work in Bangalore for the children of construction workers
Ms.Sally Baik	8- Aug - 12	Manipal Foundation Bangalore - USA	To understand the strategy of running crèches in Bangalore
Mr. Arjun .S. Bhat	10- Aug - 12	Inventure	To understand Cooperatives and their management in Koppal
Mr. Ashmit Mr. Spraha Mr. Avnav	21- Aug - 12	Christ University - Bangalore	UnderstandingSampark's&the concept of Volunteer work
Mr. Madhu	29 – Sep- 12	i volunteer - Bangalore	UnderstandingSampark's need for volunteers' services
Mr. Syed Burhan	8- Oct- 12	ITM – Institute for Technology & Management	Discussions about Internship
Mr. .K. Radhakrshna Mr. Pradeep	4- Jan- 13	Smile Foundation- Bangalore	Understanding Sampark's activities
Ms. Nilima	31- Jan- 13	Oxford College - Bangalore	UnderstandingSampark's ethos&its requirement of volunteers
Ms. TuhinaChatteyec	16- Mar- 13	India Development Foundation of Overseas Indians – New Delhi	Understanding Sampark's activities

**Table 17: List of Guests in Sampark, Koppal**

<b>Name</b>	<b>Date</b>	<b>Institution/Place</b>	<b>Purpose of Visit</b>
1Ms. KomalDidwania 2.Ms. Aditi Vijay	23- May- 12	IRMA – Institute of Rural Management Anand	Internship with Sampark
Ms. Simona Lanzoni Ms. Mariapia	26- May- 12	Pangea Foundation, Italy	To review SHGs and Cooperative development project
Ms. Susanne Grossman	28-May-12	Dalyan Foundation Switzerland	To review SHGs and Cooperative development project
Ms. Rachita Mr. Chaitanya	1- Aug -13	Bangalore	Project work
Mr. Nagachethan Mr. PrashantHegda	15- Sep- 13	Bangalore	Work & Sanitation Project work
Mr. Raju	3- Oct - 13	Jayamsaluton Hyderabad	To set up MIS for SHG data
Mr. Nagaraj Mr. Manukrishna	7- Nov - 13	Bangalore	Auditing
Mr. Manukrishna Mr. Manjunatha	7- Nov - 13	Bangalore	Collection of baseline data of SHGs
Mr. C. Sundareshwara	18- Nov- 13	Bangalore	Training Nunhemsproject staff
Ms. SarajaKavalapur Ms. Vidya Ms. Indumathi Ms. Puja Mr. Dayananda Mr. S.S. Kanthi Mr. Siddu Mr. Ramesha Kumar Mr. M.B. Patila Mr. P.S. Gavimath	2 - March	Vishala NGO, Bijpur	They came to see the Bank – Eshwara- Cooperative