

Providing Sustainable Micro Finance services to the Underprivileged

Financial partnership with Cashpor Micro Credit

Cashpor Micro Credit is a micro finance institution providing financial services to the Below Poverty Line (BPL) households of UP and Bihar.

Cashpor entered into partnership with FINISH with the objective of increasing sanitation density by providing financial services to the BPL families. Under the agreement, Cashpor constructs 10,000 sanitation systems in a year in rural areas of Ballia District of Uttar Pradesh and Buxar district of Bihar. The FINISH-Cashpor partnership has brought in new learnings as Cashpor has established best practices to ensure gender equity and designed products which support action towards betterment of socio-economic conditions.



Introduction

Cashpor Micro Credit is a poverty focused, not for profit Section 25 company providing micro finance to BPL women of Eastern Uttar Pradesh (UP) and Bihar. It was founded by Prof. Gibbons in 1996 and is now providing technical and financial services to more than 500,000 women. Its central office is at Varanasi, U.P.

Cashpor's mission is to identify BPL¹ women in the rural areas and deliver financial services to them so that they can lift themselves and their families out of poverty. Cashpor has grown into a self sustained Micro Finance Institution which offers innovative products and services to underprivileged women to help them improve their financial situation and provide social security.

Socio-economic background of operational area - Bihar and UP

Bihar is located in the north-eastern part of India. It is surrounded by West Bengal in the east, UP in the west, Nepal in the north and the Jharkhand in the south.

UP is located in the northern part of India. The state is surrounded by Nepal and Uttarakhand to the north, Delhi and Haryana to the northwest, Rajasthan to the west, Madhya Pradesh to the southwest, Bihar to the east and Jharkhand to the southeast.

According to the Human Development Report 2011, UP and Bihar have a Human Development Index below the national average. Further, asset ownership both in urban and rural areas continues to be highly unequal and concentrated among top 5 percent of households. Stating that open defecation was posing a serious threat to health and nutritional status, the report said that even though half the population had access to sanitation in 2008-09, there was still wide inter-state variation. 75 percent of households in Bihar and UP do not have toilet facilities. Even

¹ Below Poverty Line is an economic benchmark and poverty threshold used by the government of India to indicate economic disadvantage and to identify individuals and households in need of government assistance and aid.

in Nirmal Gram Puraskar winning villages, toilets are often being used for storing, bathing and washing purposes

Salient features of Cashpor micro credit programme

- a. Cashpor micro credit is extended exclusively to women and only to BPL women.
- b. Products are designed keeping in mind the requirement of BPL families.
- c. The first loan can range from Rs. 2,000 to Rs.10,000 for income generation.
- d. Most of Cashpor clients are agricultural labourers.
- e. Cashpor believes that financial services are not the only route to bring BPL families out of the poverty cycle.

Partnership with FINISH- to facilitate access to water and sanitation

The formal FINISH-Cashpor partnership began in July 2012 when the need to upgrade the sanitation facilities in the operational areas was acknowledged by Cashpor. FINISH envisaged that the partnership would be of great importance to gain from Cashpor's long standing experience in micro finance.

Cashpor has set a target of constructing 10,000 sanitation systems in Ballia (U.P.) and Buxar (Bihar) districts. After the formal partnership with FINISH, Cashpor has taken some strategic moves in its staff capacity building policy and also in its loan policy:

- Due to lack of adequate resources, access to safe sanitation becomes a challenge. This gap can be filled with an easy access to credit and other related services. With this view, Cashpor included Water and Sanitation (WATSAN) loan in its portfolio. The main features of WATSAN loan are as follows:
 - The loan amount can vary from INR 1,000 to INR 5000.
 - The loan is made available only to its existing clients. Sanitation loan is available only to the matured clients who after taking income generation loans from Cashpor have repaid the due instalments in time.
- WATSAN loans help in increasing sanitation density. Many BPL families constructed toilets with the help of *Nirmal Bharat Abhiyan (NBA)*² subsidy and Cashpor loans.
- Cashpor uses effective communication tools to spread awareness among rural masses. It is in the process of developing audio-visual tools for behavioural change.
- Cashpor has deputed 40 women animators to look after the FINISH programme.
- The animators have undergone health facilitator training programmes conducted by Healing Fields Foundation, an organisation working on health. They are equipped to conduct health based and sanitation activities simultaneously.

FINISH assistance to Cashpor

² Nirmal Bharat Abhiyan: Total Sanitation Campaign now renamed as Nirmal Bharat Abhiyan is a flagship programme of Government of India. Its objective is to accelerate the sanitation coverage in the rural areas so as to comprehensively cover the rural community through renewed strategies and saturation approach.

- FINISH organised training and capacity building programmes for project staff and animators. The capacity building programmes helped in understanding various social and behavioural dimensions around sanitation issues, in addition to technical dimensions around construction of toilets. The capacity building programmes have essentially resulted in animators taking various initiatives to increase sanitation density. Now, animators are well acquainted with the technical knowhow of toilet construction. Many animators can locate technical faults in construction and can also provide advisory services to community members when issues like, lack of space, lack of resources, emerge.
- FINISH organised a training programme for masons. The on-site training programme held at Buxar, Bihar, provided technical input to participants. The masons got an opportunity to receive practical inputs as sub-structures were constructed and technicalities associated were explained to them.
- The FINISH representative visits the Cashpor Office and project areas regularly. These visits are undertaken to assess the progress and also to provide hand holding support to the partners. During the visits, concerns, if any, are shared and strategic planning is put into place. These visits have always proved fruitful as both organisations can evaluate and take stock of the progress.

Conclusion

Cashpor Micro Credit is an institution which aims at lifting marginal families out of poverty through financial services and also by making appropriate interventions to improve their health and education status. It has a dedicated vision of bringing positive changes in the living conditions of poor. The Cashpor-FINISH partnership intends to fulfil its target of constructing 10,000 sanitation systems in Ballia and Buxar to realize this vision.

Incentive for Innovative Action

Cashpor has engaged 40 women animators in different parts of Buxar District, Bihar to look after its Water and Sanitation Programme. During the initial stage, the animators found it difficult to achieve the desired result as it was not easy to convince the community to construct toilets. So Cashpor concentrated on improving knowledge and capabilities of animators and at the same time, it adopted a result based payout approach. Under this arrangement, Cashpor fixed annual and monthly physical targets for the animators and also fixed a per toilet incentive of Rs.25.

The response was encouraging. The animators tried a different triggering approach to motivate behaviour change in the community. Ms. Gangotri Devi of Simri Village, conducted a survey and met the heads of the families. The major reasons for not constructing toilets were lack of finances and space. Ms. Gangotri Devi explored different technical options by visiting the households which had built toilets in small spaces. She then rigorously began to motivate the community. She took the help of those people who had built toilets in small spaces.

Her efforts bore results. 400 households constructed toilets. Some of them have built toilets

even on the first floor. She earned Rs.10,000 as an incentive!

One woman can make a Difference

Daulat Devi has been a client of Cashpor for the last six years. Her active involvement resulted in her being selected as a Community Health Facilitator in the Health Education Programme of Cashpor and Healing Fields Foundation. After getting the 6 month training, she started health awareness among her community women. That awareness campaign was so effective that she was selected as an animator under the FINISH project. After getting training under FINISH she started awareness campaigns on toilet construction through the Cashpor sanitation loan and Government subsidy scheme. She went to different loan groups under Cashpor and also made door to door visits to make the community aware of schemes for toilet construction. Her persistent efforts resulted in the construction of 144 toilets in just one year. She is continuing her efforts for the construction of more toilets. She is also visiting the households which have constructed toilets to make them aware of the maintenance and upkeep of the constructed toilets.