

What are the plans for 2011?

In 2011 we plan to:

- Develop financial literacy training programmes for potential clients
- Develop guidelines and procedures in the light of experience
- Open the first branch office covering the Pai/Makradev area
- Trial group-lending using local village clusters
- Expand the loan trials

Potential developments over the longer-term include:

- Small business loans
- Co-operative enterprise development
- Irrigation and water harvesting
- Educational programmes
- Local health provision

For more information:

Contact Mark Speller
markspeller@dunelm.org.uk

A more detailed document can be downloaded from www.connectindia.wordpress.com

Financial needs for 2011

PMF is looking to raise £15,000 in loans and donations for the first year of operation to cover:

- £6,000 salaries and running costs (manager, 2 field officers and transport costs)
- £3,000 set-up costs (computers, company set-up fees, training materials)
- £6,000 to provide loan capital for microfinance pilots

As the project expands, more of the running costs can be met from the interest received on loans. In order for the microfinance scheme to become self-sustaining, a loan portfolio of at least £100,000 is necessary.

Operation on a limited scale, subsidised by donations and low-cost loans, will enable PMF to research community needs more thoroughly, and develop models of working. By developing its focus and credibility in the first year, PMF will position itself to attract NGO partners or funders with whom it can grow to a sustainable size.

How can I help?

- Advice and technical support (financial literacy, financial services, fundraising, community development can be provided without travelling to India)
- Prayer and encouragement
- Donations: funding from donations releases staff time to research community needs and develop the charitable aspects of the company.
- “Social” Loans: providing a loan (ideally for 5 years or more) will help PMF in the initial years when cashflow will be tight.

We are seeking individuals who might be prepared to loan money on a low-interest basis. If you are prepared to do this please contact Mark Speller (details below) with whom terms can be discussed (see left).

Pragati Marg Foundation Microfinance project

Promoting community development among the poor in India.

What is microfinance?

The microfinance movement aims to provide financial services for the poor. This can include services such as bank accounts, small loans, insurance cover and financial education.

Access to these services is limited in many parts of the world but is crucial in lifting people out of poverty.

Established financial service providers rarely engage with the poor because of high risk and administration costs.

What is Pragati Marg Foundation?

Pragati Marg ('Route to Progress') Foundation (PMF) is being established as a charitable company under section 25 of the 1956 Indian Companies Act.

It aims to promote community development to the poor in India. The project will commence in the Udaipur district of Rajasthan, and the aim is to extend into other parts of India using the Native Mission Movement (NMM) network of churches as its bases. Any profits are reinvested into charitable projects.

Pragati Marg Foundation has a Board of Directors chaired by Dr Finny Philip, Principal of NMM's Filadelfia Bible College, Udaipur, who has pioneered a number of community projects.



Dr Finny Philip



Debidutta Pattnaik



Mark Speller

The project is managed by Debidutta Pattnaik MBA, formerly of ICICI Bank Hyderabad who has sacrificed a lucrative career to pursue the vision and a UK-based support group led by Mark Speller CPFA, financial consultant and treasurer of the i-connect charity, who has worked with Debidutta on the financial planning of the project.

Currently PMF employs two field officers who interact with clients and potential clients, and research into local community needs. They also arrange loan agreements and collect repayments.

Needs of the local area

The area into which PMF is working is located in a hilly semi-arid region of Southern Rajasthan with significant social problems including:

- Low average income (less than £1 per day, half the India average)
- Low levels of literacy (72% male , 32% female)
- Lack of access to finance
- Poor access to healthcare

Pilot project highlights:

"In one example a loan for 10kg of Musli seed (total £75 including interest) has generated a yield of £300."

'Pragati Marg' meaning
'Route to Progress'

Results from 2010 pilot project

A pilot scheme was run in 2010 to provide seeds for the growing of ginger and Musli cash crops to farmers in the Makradev area. In each case the farmers returned a yield exceeding the cost of the loan.

In one example a loan for 10kg of Musli seed (total £ 75 including interest) has generated a yield of £300.

All the results indicate a significant potential for the improvement of farming yields, for loans of less than £100. More research and further pilots are necessary to develop the best way of running the scheme. There are over 150 people who have already expressed an interest in loans for the coming crop season.



Sardara Bhai
with his Musli crop