

Background

India has one of the largest networks of bank branches in the world, but if you are poor, you're also probably out of luck with the banks; it is tough persuading them to even let you open a bank account. The consequences of this have been devastating: 75 million households in India depend on moneylenders to meet financial needs; almost 90 per cent of people in rural India have no access to insurance; 50 million households are landless and need small credit to start some economic activity. Even families earning Rs.4000-5000 a month in urban areas spend huge portions of their earnings to service debt.

In rural areas women need access to both savings and credit. Poor rural women are often desperate to save. They, too, hope to propel their families into the middle class. Without adequate banking facilities, however, these dreams remain just that. These women require a micro-finance bank with innovative services that takes into account their unique circumstances and reaches them at their doorstep. Otherwise, they are forced into the ready hands of moneylenders. It becomes easier for a bank to provide credit when there is access to savings, as women develop the discipline of saving, which helps them repay their loans.

Seeking to fill the gap in the banking needs of rural women, we established the Mann Deshi Mahila Sahakari Bank (Mann Deshi). Mann Deshi is a regulated cooperative bank run by and for women. Founded in 1997, it is India's first rural financial institution to receive a cooperative license from the Reserve Bank of India.

Location

Mann Deshi is headquartered in Mhaswad, a village in the district of Satara, south of Pune. Its operations cover parts of Satara, Solapur, Sangli, Raigarh, and Ratnagiri districts. The Bank has three branches in Mhaswad, Vaduj, Gondavale, and an extension counter in Dahivadi. Mann Deshi's affiliate Self-Help Group Federation has five additional outreach offices.

Our Clients and Banking Methods

100% of Mann Deshi clients are poor women with annual incomes averaging 22,000 rupees (\$490). An astounding 70% of our clients come from backward castes. Mann Deshi Bank is proud to have become the first bank in the country to have more than 2,000 members from backward castes. Roughly one-half of all Mann Deshi clients are street vendors or day laborers. The other half owns small enterprises, including tailoring, rope making, and dairies. The average age of our clients is 36 and most of them live in large households consisting of at least two children and both in-laws.

Our experience has shown that when women control the household finances, more money is spent on children, education, healthcare, and other important domestic items. We believe that the financial empowerment of women will hasten the growth and development of rural India, thereby creating a better life for future generations.

Therefore, the bank offers numerous savings and loan products to match our customers' atypical cash flows and distinctive needs. The bank ensures that the issue of gender and the societal

ramifications of gender are addressed in each new product or project assessment. It was a great struggle for the bank to find innovative ways to aid women in their desire to save.

To address that desire, Mann Deshi, in addition to providing static bank locations, has developed a network of agents who literally go door to door to our clients to provide them with saving facilities and make them eligible for lending. Because the rural poor often live hand to mouth, they cannot plan their savings or count on a regular salary. Savings products need to be tailored accordingly, rather than attempting to follow the practices of nationalized banks. For example, our street vendors require a daily facility for saving what they earn in the various weekly markets where they sell their goods. Women who are wage laborers often receive a weekly salary and thus need a savings product where they can deposit their money immediately rather than being forced to take time off from work to go to a bank.

Volunteers

Volunteer interns are an integral part of Mann Deshi. They allow us to complete projects we would otherwise be unable to undertake. In the past several years, we have hosted more than 50 volunteers. Below are descriptions of specific topic areas where Mann Deshi needs volunteers.

1. Addressing the Profitability of the Bank:

Mann Deshi Mahila Bank continues to prove that microfinance can be a viable and effective financial tool for reaching the poorest of the poor. We pride ourselves on being a financially sustainable enterprise. However, one of the biggest challenges to the growth plan of Mann Deshi Bank is the high cost of administration. Mann Deshi completes 1,500 transactions daily, but each transaction is relatively small and takes a lot of time.

Mann Deshi manages to cut administration costs through technological support and providing banking services to the client's doorstep. Using field agents helps us reach out to more clients (scaling up capacity) and further reduce administration costs, but it is not enough for the long term

Mann Deshi is looking for a volunteer interested in exploring options to address the ever-present challenge of keeping our unique bank profitable.

2. Strengthening the Bank's Growth Plan:

Mann Deshi is in the process of moving beyond rural areas to urban centers. Work has already begun in Mumbai, and there are plans to extend to Pune. Financial services will be offered to the many migrant workers and street vendors in these areas.

As we grow, we seek help from a volunteer to monitor our growth and make sure we are staying committed to our goals. A volunteer would also help us petition the Reserve Bank of India to change current regulations restricting growth of banks like ours.

3. Implementing Smart Card Technology:

Mann Deshi is undertaking an initiative to become one of the first rural banks in India to utilize cutting-edge SMART card technology for its banking operations. These plastic 'credit cards' will display women's names and photographs, utilizing micro-chip technology to store financial information. The cards instantly allow the bank's field agents and clients to view savings account balance, loan account status, and repayment history. The use of SMART cards will increase the efficiency and business capacity of the bank and provide clients with enhanced security and service. The card benefits the client by discreetly keeping her account information free from unwanted inquiries and alterations. However, it has been challenging to find an appropriate vendor to supply the technology and the hardware for this innovative new idea.

Mann Deshi needs a volunteer committed to working with the traditional banking sector to pursue opportunities for this non-traditional banking need. Their duties involve working with Bank staff to review and analyze a pilot program, using the pilot program as a starting point to implement the cards into the bank's general customer base, problem-solving between the bank, the card vendor, and the clients, occasional travel to bank branches, day to day administrative responsibilities.

4. Conducting Impact Assessments

With help from a graduate student at Johns Hopkins School of Advanced International Studies (US), we conducted our first impact assessment in the summer of 2006. This assessment examined our economic and social impact on clients through interviews with 60 clients in all four of our branches.

Mann Deshi is committed to undertaking further impact assessments. Impact assessments not only help us measure our success, they also help us know exactly what our target group needs and whether or not we are fulfilling those needs. Furthermore, they allow us to listen to our target group's suggestions, thereby improving our quality and services, as well as identifying new needs and new methods of meeting them.

Mann Deshi seeks a volunteer to conduct further impact assessments. We are now ready to pursue a larger impact assessment that follows international standards and includes control groups. We do not have the skilled staff needed to do this, nor the capacity to hire such staff. Thus, we would like to have a volunteer intern or a team of volunteers with necessary skills who can undertake the project.

This will be a unique experience for the intern to work with a grassroots organization. As our bank has a unique and comprehensive approach to micro-finance, which includes providing financial services in conjunction with a partner NGO that provides the non financial services, the intern will have an opportunity to understand the challenges and benefits of micro-finance program in whole. Our program is not donor driven. Thus, the intern will have the opportunity to understand how the program can be made sustainable. Furthermore, the intern will have the opportunity to understand the realities of working in rural India. As Mann Deshi does not have a large bureaucracy, the intern will have a lot of independence to work on and steer the direction of the project, as well as to offer his/her own ideas and initiatives with the full support of the staff.

From the impact assessment, final reports will be published. These reports will be shared with policy makers in the interest of creating a model approach to micro-finance, as well as to work toward changing current unfavorable policies. We will also send these reports to international and national institutions, including academic institutions.

4. Developing Commercial Partnerships

The bank works with the government (public sector), corporate (private) sector, and social sector. Right now, the bank is in the process of expanding its commercial partnerships. These partnerships are necessary to our ability to offer innovative products to our clients at the scale necessary. Some current partnerships that will be undergoing further development are those with HSBC, Tata AIG, UTI Mutual Fund, Deutsche Bank and LGTVP.

Mann Deshi and HSBC have a unique partnership. HSBC provides a multi-year grant to fund the Mann Deshi Udyogini Business School for Rural Women while at the same time offering us low-interest refinancing loans. By offering refinancing loans to Mann Deshi clients, HSBC meets the government-required quota for priority sector lending.

Mann Deshi has partnered with Tata AIG to be able to offer Mann Deshi clients life insurance and with UTI Mutual Fund to offer pension plans. Both of these partnerships are new and innovative and seek to improve the lives of Mann Deshi clients.

A volunteer interested in working with us to develop these and other partnerships would review partner proposals, scrutinize memoranda of understanding (MOUs), and research and seek new partnerships that would benefit the women of Mann Deshi.

5. Mann Deshi Micro Business School for Rural Women:

On December 2, 2006, Mann Deshi launched a Business School through a partnership with HSBC Bank. This school provides more than just vocational training for women; it teaches rural women the financial literacy and confidence building they need to successfully open or expand their micro-businesses. Designed for women without formal education and girls who drop out of high school, this Business School aims to fill the capacity gap in the microfinance community by offering the vocational and financial training to rural women. Offering diverse courses from tailoring to computer kiosk operator to driving, these courses will be the first time for many rural women to be in an academic setting and receive a comprehensive professional training.

Since opening, the Mann Deshi Micro Business School has experienced high demand for the courses. Business school is currently in operation in three of the Mann Deshi's Branches in Mhaswad, Vaduj and Dahiwadi. We are also planning to start a business school in Satara and Loland very soon. Also, a "Business School on Wheels" will become operational, bringing a mobile classroom to the remote areas of Maharashtra.

We need volunteers for our business school who can help us standardize the school curriculum, process mapping and write business plans and funding proposals for the school.

6. Non-Banking Financial Company:

Mann Deshi Mahila Sah. Bank is the largest microfinance bank in Maharashtra having lent microloans worth Rs. 41 crore (\$10 million) since 1997 to poor village women across the state for rural advancement and development. After considerable experience in microfinance, the team at Mann Deshi would like to start a Non-Banking Financial Company to expand our operations for marginalized individuals across the country. Mann Deshi will be the first NBFC run solely by women in rural India FOR PROFIT.

We have been able to attract equity worth \$300,000 for the NBFC from friends and individual supporters. We strongly believe that with your investment as equity within our NBFC, we can together help the millions of people, in need of credit, rise out of poverty. This NBFC serves as a socially good cause with excellent returns to equity at 10% after the first year, with the potential of becoming 12% after the first year. We are looking for an investment worth \$950,000 into our NBFC. With this investment, we see ourselves growing to a 12.5 million dollar company in the next 3 years. As a bank, because of the stringent regulation by the Reserve Bank of India, we are unable to open other bank branches in different cities without a lengthy and expensive struggle with authorities. Since the NBFC is a company, it is much easier to expand and add more branches that facilitate our activities. Hence by starting an NBFC, Mann Deshi will be able to scale-up faster, affect more people, and expand in scale and scope.

If this new expansion into non-financial services interests you, Mann Deshi would like your help in construction and installation of NBFC along with standardization of the products.

7. Girls' Education Competition – Scaling Up and Reporting Results:

In the summer of 2004, Mann Vikas launched a girls' education competition, designed to encourage 100% enrollment of girls at school in local villages. In 2006, we received a generous grant from ASHA New Haven to scale up this competition to the entire Satara district.

An intern will design and organize the scaling up of the competition. This would involve meetings with local families, government leaders, and school officials, as well as regular progress updates for the ASHA website.

8. Creating an Electronic Newsletter:

Mann Deshi is eager to keep its many international and Indian friends and supporters up to date on our various projects and programs. To that end, we are establishing a bi-yearly electronic newsletter and we would like to publish the first issue this summer.

One intern would be in charge of collecting information, conducting interviews, and designing and writing the newsletter for publication this summer.

9. Community Radio:

In addition to above all Mann Vikas recently launched one of the first licensed community radio stations in India to serve Mhaswad and its surrounding community. The Station is operated under the guidance of the Mann Vikas Samajik Sanstha NGO, but is owned by the Mhaswad Village community and surrounding coverage areas. The station's ultimate objective is to improve the

wellbeing of the community in and around Mhaswad through useful and relevant programs which will enrich their civic and cultural life.

It is a wonderful opportunity for those interested in community radio to involve themselves in a new station with a social vision. We need volunteers for community radio who can help us design the outline of radio programs and work on the concepts of different programs that will help the wellbeing of the rural people. Volunteers will also help us explore different options of new generation radio like advertisement and marketing along with conducting market and demographic research for the radio. We also need volunteers who can work on the technical aspects of the studio.

10.1,000 Women Entrepreneurs:

Mann Deshi has a history of empowering rural businesswomen by providing them with a unique and innovative combination of financial and non-financial services that help them to achieve economic independence and self-sufficiency. Inspired by the Goldman Sachs *10,000 Women* program and in an effort to build upon Mann Deshi's objective of supporting rural entrepreneurs, Mann Deshi is proposing to launch an initiative for 1,000 Deshi Women Entrepreneurs.

The strength of the Mann Deshi 1,000 women initiative is in its unique vision and reach. Modeled on the Goldman Sachs initiative, this program will aim specifically to support an underserved sector within India— rural indigenous women. Through Mann Deshi's 10 years of experience in the villages of Maharashtra, they have observed that their female clients possess the capacity and desire to expand their businesses. However, due to their remote location, they lack access to the infrastructure and networking opportunities necessary to take their businesses to the next level. By supporting these rural business women, the 1,000 Deshi Entrepreneurs initiative will help to serve the greater society by reducing inequality and allowing these women to build financially secure futures for themselves, their families and their communities.

Volunteers interested to work with us in this project will work with business schools and bank to help bridge the gap between the two sectors. They will also help us find the perfect business women for training. The volunteers will also monitor the challenges of the program, help us advertise the programs, write funding proposal and help women in the creation of formal business entity (company).