

**Gramalaya Urban And Rural Development Initiatives And Network
(GUARDIAN), TIRUCHIRAPALLI**

Annual Report for 2007 – 08



Introduction :

The year 2008 is the International year of sanitation announced by United Nations to raise awareness and to accelerate progress towards the Millennium Development Goal (MDG) target to reduce by half the proportion of the 2,6 billion people without access to basic sanitation by 2015.

Sanitation is vital for Human health

Sanitation generates economic benefits

Sanitation contributes to dignity and social development

Sanitation helps the environment

Improving sanitation is achievable

As a part of reaching United Nation's objectives, Gramalaya Urban And Rural Development Initiatives And Network (GUARDIAN), a not for profit Micro Finance Institution under sec.25 of the Companies Act 1956 was established on 6.11.2007 exclusively for water and sanitation with institutional development support of Gramalaya NGO and BASIX, Hyderabad. It was registered with Registrar of Companies, Ministry of Corporate Affairs, Government of India. Guardian got its legal entity vide Corporate Identity Number U65929 TN 2007 NPL 65299. Guardian would promote water credit to urban and rural poor for an easy access to individual latrines and drinking water connections to the members of women self help groups and other form of groups through financial support and services.



Guardian has entered the domain of water credit at a time when the bankers and Micro Finance Institutions are reluctant to extend loan support for the creation of individual water and toilet facilities to the poor community in

urban and rural. The water credit concept was introduced by WaterPartners International USA which was pilot tested by Gramalaya NGO and it got recognition among the urban slum dwellers and rural poor. This has enthused Gramalaya to promote Guardian MFI for exclusive water and sanitation purposes through financial interventions.

Project at a glance:

WaterPartners International, USA, an international donor agency has come forward to support Guardian in terms of recurring admin cost, basic infrastructures and IDS services. Guardian staffs have been offered with trainings on micro credit with renowned resource persons. Exposure



visits have been arranged to various micro finance institutions like Bandhan, Kolkatta, ASA, Bangladesh, CASHPOR, Varanasi, Madhya Pradesh, Hand in Hand, Kanchipuram, Tamilnadu, BASIX, Hyderabad and ESAF, Kerala. With the experiences gained on MFI sector and through IDS services, Guardian could design loan products, develop lending principles, prepare operation manual and business plan. This has resulted in mobilizing Rs. 1.75 crores from Indian Overseas Bank, Thottiam branch of Tiruchirapalli district for starting its lending activities.

Guardian has constituted three committees namely Project Management Committee



and Loan Committees for urban and rural for the better management of lending activities and for arriving decisions right from the field level to execution level. Apart from these committees, Board meeting of Guardian is taking place by every quarter to take policy decision and

strategies for effective governance both physical and financial and these would pave the way to transact the business in right way. To transact the business and effective

Governance, Guardian has designed and developed Governance policies and operation manual.

During the period under report, Guardian has provided water and sanitation loan in three blocks namely Thottiam, T.Pet and Thuraiyur Block of Tirichirapalli District and Trichirapalli City Corporation, to 420 members from 58 women self help groups to the tune of Rs.22, 01,000 directly and through bank linkage under



HDFC, 1060 members from 57 women SHGs have been supported with loan to the tune of Rs. 79,85,000 towards water and sanitation promotion by creating individual infrastructures.

Sl.No.	Name of the bank	No. of SHGs	No. of members	Amount of loan released
1.	Indian Overseas Bank	58	420	22,01,000
2.	HDFC	57	1060	79,85,000
	Total	115	1480	1,01,86,000

Visitors:

During the period under report visitors from WaterPartners International, USA that include Mr. Gary White, Executive Director, Mr. Rich Thorsten, Senior Manager (Programs) and Ms. Claire of PepsiCo project have made visit to the project areas in urban slums of Tiruchirapalli City Corporation where water credit was extended among the members of SHGs and interacted with the community on the benefits they received through water credit.

Future strategies:

Guardian would like to reach 6000 borrowers on water and sanitation in the existing project areas and adjacent blocks namely Mannachanalloor, Manikandam, Tiruverumbur, Lalgudi, Pullambadi and Uppiliapuram of Tiruchirapalli District during the next financial year 2008-09 with different strategies by involving the likeminded NGOs, its SHGs and forming Joint Liability Groups for its business

transaction. In a way to improve the economic status of the poor, Guardian has strategized to support the members who availed watsan loan with income generation programs loan in later years. Guardian would not seek funding support from donor agencies for its lending business and could mobilize internally through nationalized banks and commercial banks.

Conclusion:

By the next 5 years, Guardian would reach 75,000 borrowers towards water and sanitation promotion by addressing the individual needs.

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**D. Paul Sathianathan
Executive Director, Guardian**