



Monthly Letter: September - October 2011

Many of the best livelihoods are on ultra net worth

Who Drives India?

Meet this bi-cycle hotelier who prepares and sells hot break - fast on his by-cycle hotel. Fully equipped to boil eggs and roast Indian spicy breakfast; the by-cycle driven hotel enterprise out sizes benefits to costs many dozen folds – **ultra low net worth enterprises, a blend of entrepreneurial brain and hard work** are mainstay for many a family and is bed rock of our Economy



Enterprise is in the Brains of Beholder!!



How much you earn should not decide how much you smile – the tribal ultra poor lady, Dalima is ever smiling; runs family of 9 children by selling bamboo utilities in weekly tribal haats (markets)

Striking chords: Bhanu, tribal male ultra poor member in Koraput lives by making ropes out of waste plastic gunnies



Unitus Labs CEO meets Ultra Poor Graduates



Holding with a reverential awe

Dave Richards, CEO, Unitus Labs and its Board Treasurer visited **Unitus- Sorenson - SKS Ultra Poor Graduation Scale up Pilot** in Koraput DT., on 17th September along with Sriram Gutta, Manager, Unitus. They participated in Graduation Pass Out ceremony wherein 29 ultra poor in tribal village, **Tentulipodor** have graduated, receiving Graduation certificate and souvenir from Richards. Unitus - Sorenson Ultra Poor initiative, US have helped the **scale up pilot** with seed money grant. Risking heavy down pour, Richards visited the unconnected remote tribal habitation and appreciated the self confidence and sustainable transition demonstrated by members. Interface with Richard's was thought provoking with his practical advice on sustainable Ultra Poor Graduation scale up models. Sriram travelled all the way from Bangalore to be with us for the event.



Unitus – Sorenson Ultra Poor Initiative, US chronicles the voice of the voice less globally and is a valid partner of SKS. [Unitus LABS](#), their new initiative has plans to invest in equity in transformative livelihoods projects across the world that create multitude of jobs for the poor to move in large numbers out of poverty. SKS is honored with the visit of CEO of Unitus Labs, an Institution that have liberally infused hopes and aspirations in the poor across globe

Richards Dave; CEO, Unitus Labs: Dave is an experienced entrepreneur and social business investor. In the technology sector, he has led multiple high-growth businesses at Real Networks, Sybase, and Symantec from startup to multiple hundred million dollar global enterprises. Dave has also co-founded a number of Internet businesses including Dig Works and Help Hive. He has been actively involved in global social business investing in microfinance and other economic base of pyramid (BoP) social businesses with the Unitus group of ventures. Currently, Dave serves as CEO of Unitus Labs, Treasurer of Unitus Investment Management (manager of Unitus Equity Fund), and director of Unitus Capital, a leading boutique investment bank serving BoP-focused businesses in Asia. Dave has a Bachelor of Commerce degree from the University of British Columbia with a major in finance and minor in computer science. Dave currently lives the Seattle area.



Reflections of a Graduate; self confident Mangali Mathapadia discusses with Richards, narrating her transition story. Richards is of the view that while income is the process result, self confidence is the substantive result



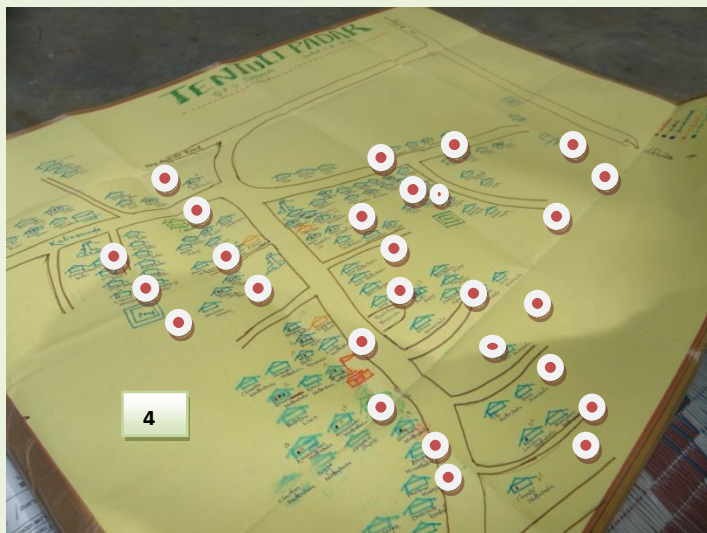
Voice of the Voiceless - Thanks for being with us in this transition



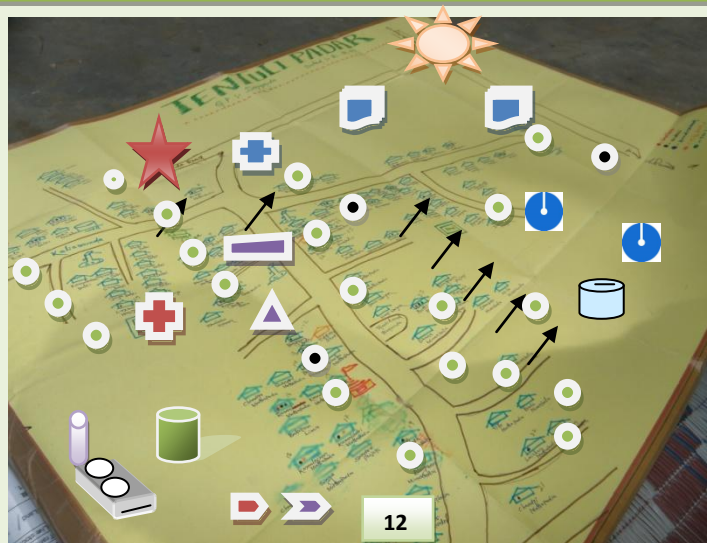
Self confidence is the key outcome of graduation; an ultra poor member shares her story of transition from extreme poverty

Graduation from extreme poverty. How it works

Transition map of Tentulipodor, an ultra poor tribal village - Process Results "July 2009 - Sept 2011"



Targeting PRA, July 2009



Graduation PRA, September 2011

Targeting (baseline) and Graduation (end line) Participatory Poverty Appraisal: Village: Tentulipodor, Block: Boipariguda, Koraput DT; how 29 Ultra poor households fought poverty and graduated to sustainable livelihoods?



Identified Ultra Poor in July 2009
through whole village ultra poor Targeting PRA



Electricity (government)



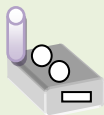
SBI linked groups facilitated by SKS



Community Rice Line



Community Meeting Platform (Panchayat)



Smokeless ovens



New livelihoods groups

Poultry; Detergents; Mushrooms
Smokeless Oven molders



Training Loans



Graduates in September 2011
as per objective criterion for graduation



Health Bare foot doctor
Out of Ultra Poor center trained by
SKS



Veterinary Para Professional



Newly Hungry Ultra Poor identified
during Graduation PRA Sept 11



Trained Book Keeper



Community Health Fund



Ultra poor Center with regular
Weekly meetings and savings; rice
line; training loans and bank loans

4-12

BPL Card Holder Households


Working on Determinants rather than Outcomes

Comparative analysis of Two year transition process – Tentulipodor Village

Appraisal for


- I. Physical mapping
- II. Demographic mapping
- III. Ultra poverty mapping

Participatory Poverty Appraisal

- a. **No., of households in the village:** 120 (July 2009) 126 (September 2011)
- b. **No., of Ultra Poor targeted through PPRA in July 2009:** 29 
- c. **Targeting Criterion:**
- Inclusion criterion:**
- a. Landless – no cultivable land
 - b. Asset less (no productive asset)
 - c. Hand to mouth (<3 days of cereal buffer in the household)
 - d. Daily Labor/wage earner/petty trader
 - e. Widow/destitute/single women/divorcee
 - f. Stress migration during summer
 - g. Family bread winner fallen sick for more than 3 months
- Exclusion Criterion**
- a. No male wage earner in the family
 - b. No government job/full or part time/quasi
 - c. Having >3 acre cultivable land
 - d. Adult children working in towns and supporting family

Profile of members targeted as Ultra Poor




| | | |
|---|----------|--------|
| Gender | Women 28 | Men -1 |
| Scheduled Tribe | 20 | |
| Scheduled Caste | 9 | |
| WIDOW | 8 | |
| DIVORCEE | 2 | |
| Physically Challenged - | 1 | |
| Hand to Mouth Cases (solely dependent on wage labor with Cereal Food buffer for <3 days in the household) | 18 | |

- d. **No., of members reported During “graduation appraisal”**
- i. **Downward transition (compared to target criterion)** nil
 - ii. **No change from base line:** nil
 - iii. **No., of members graduated* as per criterion: 29 (100%):**  29

Graduation Criterion

- a. Food security (cereal buffer) Minimum for next 30 days
- b. Cumulative individual savings >Rs. 600 (12US\$)
- c. Bank Linkage: (Savings Bank account opened and loan applied for) in the group name
- d. More than one source of household livelihoods activity other than wage labor
- e. Basic awareness about health and nutrition (quality check)
- f. Basic awareness about government sponsored programs beneficial to ultra poor (quality check)
 - i. Family pension
 - ii. Food subsidy card
 - iii. Land rights awareness
- g. Basic financial literacy (quality check)

*Member should pass through the entire above mentioned objective criterion

- e. **Newly Hungry (as per criterion in ultra poor targeting) ultra poor identified in the village in graduation PRA:** 3 
- f. **Reasons for incidence of new hungry households:**
- i. Missing the target in the initial Base Line Targeting PRA
 - ii. widow family returned to mother's place
 - iii. chronic malaria to wage earner family
- g. **Village new physical infrastructure:** Electricity  Village Meeting Platform 
- (provided by State)

h. New Livelihoods Groups

1. Dtergent Powder making;
2. Mushroom cultivation group
3. Molding smoke less stoves



- i. **Institution Building:** 2 newly formed Mahila Shakhty Mission Groups (Government of Odisha sponsored SHG program) out of Ultra Poor Members with **Shakhty Mission Books**
Trained Book Keeper



- j. **Hemoglobin Test reports of members:**



| | Before Graduation | on Graduation | |
|---|-------------------|---------------------------------|------|
| Total: 29 | | | |
| Normal anemic (<12) | 8 | Nil | |
| Critical anemic: (<6) | 4 | Nil | |
| Average & above (>12) | 17 | 29 | |
| k. BPL Card Holders (state food subsidy card) | 4 | 12 | 4-12 |
| l. Food Security: | | | |
| | Before | Graduation | |
| m. Hand to Mouth cases identified (Solely dependent on wage labor With household cereal food buffer for <3 days) | 18 | All 18 have >30days food buffer | |

- n. **Group Based Bank Linkages:**



| | | | | |
|--|-----------|------------|--|----------|
| | Nil | | | 2 Groups |
| i. Maa Santoshi Group | Rs. 25000 | 15 members | | |
| ii. Maa Thakurani Group | Rs. 25000 | 14 members | | |
| o. Health Para Professional (barefoot doctor) | nil | | | |
| Trained by SKS and provided with Health Kit | | | | |
| o. Veterinary Para Professional | nil | | | |
| | | | | |
| p. Livelihoods Basket as per Livelihoods Action Plans | | | | |
| I. Petty Traders in weekly tribal markets | | | | |
| II. Dry fish sellers | | | | |
| III. Bamboo basket weavers | | | | |
| IV. Sheep and goats | | | | |
| V. Detergent making | | | | |
| VI. Mushroom rearing; smoke less stove molders | | | | |
| q. Training Loans (probation loans) Rs. 15,500 to 4 members | | | | |



Raila Dalai 1

Dasrath Korlia 1

Quality life change

| | Pre- Graduation | Graduation | | Pre-Graduation | Graduation |
|--------------------------|-----------------|------------|----------------------|--------------------|---------------------|
| Signatures | 02/29 | 24 /29 | Savings (cum) | 0/29 | Rs. 46171/29 |
| Wearing foot wear | 4/29 | 27/29 | Assets worth | Rs. 1,03,101 | Rs.2,01,581 |
| | | | | Provided by SKS in | (present net worth) |
| | | | | July 09 | |

- **Rice Bank:** Buffer stock: - : 15 kg; Rice Borrowed from Rice Bank : 4 kg
- **Amount of Emergency Health fund**
- **Available with group at present: -** Rs. 562
- **Members weekly savings:**
- **Total Savings:-** Rs. 46, 171
- **Highest individual saving: -** Rs. 1,420
- **Lowest individual savings: -** Rs. 900



Key Challenges

- Remote and unconnected tribal habitations
- Insurgency
- Lack of commensurately matching State Programs
- Cost optimization bringing down investment to <150 US\$ per Graduate
- Trained Manpower and book keepers
- Poor health infrastructure and services

Key Lessons: (how we would have done it differently)

More than charity, Ultra Poor need financial tools and handholding to make best use of the existing opportunities

- 50% of asset cost can be in the form of repayable interest free “training loan” to sustain investment to optimum
- Livelihoods Corpus to be created to make a versatile ultra poor friendly Livelihoods Bank
- Community based Trainers who train community (ToT)
- Flexible Graduation schedule to pass out fast climbers early
- Focus on determinants of ultra poverty than outcomes

“Our Ultra Poor Initiatives are rooted in Opportunity – Not Charity”

With 100 US\$ you can partner with an ultra poor family matching our investment, helping it graduate from extreme poverty. In the process you will learn invaluable lessons on ultra poor practices and graduation model

