

Microfinance Committee

The Wil Microfinance committee will provide a \$5000 grant for a 5-year revolving set of micro-loans to DCBS, a micro clean energy asset organization in West Bengal. ARC Finance will be Wil's intermediary and pass through the money with no charge. Arc will help monitor and get reports from DCBS. Here is the story of our first MFI grant in India.

DHOSA CHANDANESWAR BRATYAJANA SAMITY (DCBS) is a small community-based MFI that operates in more than 200 village communities in the Uttar District in West Bengal, about 3 hours west of Calcutta. The MFI was founded in 2003 and began offering micro credit loans in 2006. Currently, DCBS has an active client base of about 12,000 women borrowers. Its mission is to reach the poor urban and peri-urban women to foster social development through their services. Their programs include Financial Assistance, Technical and Educational Assistance, and Renewable Energy. Their target client segments are women with very low income and those previously known as 'untouchables'.

While India had the world's fastest growing economy in 2014 and was declared a newly industrialized economy, and one of the G-20 major economies, India still has 20.6% of the world's poorest people while representing only 17.5% of the world's population. Moreover, India's economic development has taken a very uneven course in the different states, with West Bengal among the poorer states. Its GDP per capita of \$3,000-\$4,000 was half of the wealthiest states in India with \$8-9,500 per capita income.

Arc Finance, established in 2008, is a global non-profit that brings together practitioners, funders, pro-poor enterprises, and end-users to develop solutions for access to finance for clean energy and water. Their expertise is in providing the tools, technical services, catalytic investment and linkages that allow these diverse groups to find common opportunities.

With Arc's assistance, DCBS began promoting its new solar lantern loan product to existing clients in December of 2012. The women receive specific training on the clean energy products and financial education. DCBS is continuing the sales of solar lanterns by financing end-user clients as well as agents, generating local employment and investing in the future of the women and girls. With small loans (from under \$20 to around \$240) the women can change their quality of life and that of their families. Once they see the benefit of solar lamps, many market them to others in the community and develop an energy small business. This program has been so successful that DCBS is also experimenting a Village Level Entrepreneurs (VLE) to cater to energy loan non-members. Under this program larger loans will be given (around \$1,200).

An in-depth impact study was conducted covering the predevelopment and post-development status of the DCBS borrowers. Apart from economic development, the study also considered improvement of lifestyle, the level of knowledge and awareness of healthcare, children's education, sanitation, housing conditions, and the level of empowerment and social status of clients. Numerical scores were given for these separate categories. The results were impressive, including an increase in net income of around 80%, an increase in investment for children's education of 142%, and improvement in level of empowerment and social status of 60%.

Nicola Armacost, the Managing Director of **Arc Finance** spoke at the Penn 2017 Microfinance conference, which various members of the MFI Committee attended. She offered to assist WIL

in finding suitable Indian MFIs in which to invest. She identified various MFIs and highlighted DSBS as possibly the one well suited to WIL given its focus on women, strong educational component, and emphasis on energy solutions. Niki Armacost and ArcFinance's MFI India Director, Saiful Islam, worked with Ana Reyes, Madeleine Champion and Carolyn Schlecker, Wil MFI Committee, to craft the 3-way agreement, signed on October 16, 2017.