

Update on IVFA / Epiphany Micro credit Programme – Galle
by Furrukh Riaz

1. 26 Pettigulawatta Crossroads, Galle



Mohideen (standing) and Anura – Field Officers



Me handing out application forms with the Field Officers

Our first stop was at 26 Pettigulawatta Crossroads, Galle. We went into a house which was full of middle-aged women. Harshan explained that this was a new area and that the two field officers were there to explain the Micro-credit programme and to hand out application forms. Anura stood up and addressed the women and informed them how the scheme works and also that if they lived in nearby areas which already had the programme running then they must return there and apply via their local association. They asked for a show of hands as to how many women were already running a business and about 50% of women raised their hands.

The Filed Officers (FOs) gave each woman 2 forms. 1 goes to IVFA HQ and the other stays at the Women's Association. If there are 2 sisters from the same family then they get one form between them. The women must show their ID cards to verify their address and get the forms. They select 20 women to get the forms and it seemed as though they were selected on a first come first served basis. I was also asked to hand out a form to the ladies.

From there we went on to visit women who had already benefited from the scheme and had started a business.

2. Mrs. Indira Liyangage
4 Megalle Lane, Megalle, Galle



Mrs. Liyangage with a lace table covers



Lace making machine with sewing machine in background

My first stop was in Megalle, Galle at the home of Mrs. Liyangage. She started her clothes and lace making business 9 years ago and sold mainly to tourists. During the Tsunami she lost 3 Singer sewing machines valued at 26,500 Rs each (132.50 pounds sterling) and she also lost around 5 – 600,000 Rs (2500-3000 pounds sterling) of stock and material.

She received her loan of 5,000 Rs (25 pounds sterling) from IVFA on the 19th March 2006. She used the money to buy lace to make garments to sell in order to kick start her business again. She also received a loan of 25,000 Rs from an NGO called Brek Sri Lanka which also helped her to get back on her feet. She now has a new Singer sewing machine which she bought on a credit scheme and has 6,000 Rs (30 pounds sterling) still to pay. Using the Singer machine and a lace making machine, she makes various types of garments to sell to tourists. She has one lady who works with her. She was making a profit of 35,000 Rs (175 pounds sterling) per month prior to the Tsunami. Now she is making around 7,000 – 10,000 Rs per month (35-50 pounds sterling). This is mainly due to the high interest payment on her machine loan and the interest on the NGO loan. There are also less tourists around and her old customers saw that her house was broken up so stopped coming because she was out of business. She is slowly building her business and her life back and has only 500 Rs (2.50 pounds sterling) still to pay off from her IVFA loan which is given on a minimal interest rate of around 4%.

There is a lace makers exhibition soon in Colombo in an exhibition hall and she is hoping to get enough stock to go and sell there. She says that she still needs 75,000 Rs (375 pounds sterling) in order to buy more stock and she'd also like to employ 2 more staff to help her build her business. In the meantime though if she can make the Colombo exhibition and find new customers then that will really help her business to get back to where it once was.

3. Ms. Chandima Punchiheyra
233/1 Matara Road, Megalle, Galle.



Chandima showing her certificates with field officers Anura (left) and Mohideen



Chandima with some equipment she bought using the IVFA / Epiphany Loan

Next door to Mrs. Liyangage is Chandima Punchiheyra. Chandima used to run a beauty salon for brides to be and would do their hair, make up and help them dress for their wedding day. She also buys saree material and prints her own design of saris to sell. During the Tsunami she lost hairdryers, chairs, make up and sarees amongst other things. She estimates that the damage cost her about 150,000 Rs (750 pounds sterling) and as is unfortunately common in Sri Lanka, she had no insurance. An NGO called SAPSRI helped her with a loan of 150,000 Rs (750 pounds sterling) at 10% interest. She received her IVFA loan of 5,000 Rs (25 pounds sterling) on the 19/9/2006. With her loans she bought equipment for the salon and the IVFA money helped her buy a make up box and a hair dryer. Her balance on the NGO loan is 80,000 Rs (400 pounds sterling), her IVFA loan has only 500 Rs (2.50 pounds sterling) to pay.

She says she has enough stock but would apply for a further loan from IVFA of 100,000 Rs (500 pounds sterling) to spend 45,000 Rs (225 pounds sterling) on an air conditioning unit and the other 35,000 Rs (175 pounds sterling) she would use to repay some of her high interest loan. Due to the heat and having to apply make up she says the air conditioning is vital so that the brides can leave the salon looking fresh and beautiful. Having a loan from Epiphany / IVFA really helped her to get her business back on it's feet.

4. Mrs. Daya Gamage
50/20 Udugamma Road, Makuluwe, Galle



Mrs. Gamage centre right



Some flowers she sells at the temple

Mrs. Gamage showed us round her garden where she grows vegetables and flowers which she sells for a living. The vegetables are sold in the market by her husband and the flowers both in the market and at temples. It is a Buddhist tradition to take offerings of flowers to the temple. Fortunately, neither her house nor her livelihood was damaged by the tsunami. She started her business with just 8,000 Rs (40 pounds sterling) which included the initial IVFA loan. She became an IVFA member in May 2006 and received her loan in December 2006. She used the 5,000 Rs (25 pounds sterling) to buy seeds, fertilizer and chemicals. Her husband helps her by taking the produce to market where they can get the best prices for the goods they grow. Her most profitable fruit is a "Loofa" which she can harvest every 3 months. She is seeking a further loan of 15,000 Rs (75 pounds sterling) as she has more land and would like to expand her business. She also showed me her pass book which shows that she has paid back 425 Rs (2.12 pounds sterling) of her loan so far.

5. Nilka Niranjarah
9C Udugamma Road, Megalle, Galle



Nilka with her sweet mixture ready to make another batch of sweets



The cooking area at the back of the house where the sweets are fried in oil

Nilka runs a business where she makes her own sweets and her husband sells these through a stall in the main bus stand market in Galle. The business has been an ongoing family business since the 1960s which her

mother first began. Nilka used to live in a rented house which was washed away by the tsunami and so now she lives in Megalle with her mother and father. Her 2 children, husband and sister also live in the same house.

She became a member of IVFA in Feb 2006 and received her 5,000 Rs (25 pounds sterling) loan in September 2006. She used the money as part of an all out payment of 8,000 Rs (40 pounds sterling) to buy flower, sugar, sweet ingredients and firewood. Her mother gave her the wok she uses for cooking to keep on the family tradition. They took me out to the back of the house where there is a makeshift shed which has the wok and cooking area. The ingredients she showed me looked like luminous pink sticky syrup which she fries to make the sweets. These are not the type of sweets we are used in Britain but are more of a fried, sweet, sticky batter type of consistency.

She has been able to fully repay the initial loan and is now looking for a secondary loan. She says she needs a loan of 200,000 Rs. This is broken down into 50,000 Rs (250 pounds sterling) so that she can buy a Trishaw for her husband who can then travel further a field to sell the sweets. Then, a further 150,000 so that she can build a new kitchen.

Epiphany Trust Micro Credit Feedback Sheet

Name: Pushpa Malkanthe

IVFA No: GG/7/7

Address: 88/8 Pattigalawatta, Galle

Business Name: Seahorse Restaurant

Business Type: Chinese Restaurant



Feedback:

Pushpa was in the small kitchen of this restaurant, which to most Europeans would be seen as not much more than a room with four tables seating four each and a sparse brick built kitchen next door. She was busy taking a payment through a serving hatch from a man who had just finished his meal and was settling his bill. Through an interpreter I ascertained the details of Pushpa's story and how she came to be at this place.

She has been in this current business for 6 months now. She told me that before the tsunami she had lived on this plot of land in a house with her husband Krishantha, who was a fisherman and her son Ashen Usanka. As her house is only separated from the sea by the main Galle to Matara road, everything was swept away. Her home, her sewing machine, her clothes... all her worldly possessions. The house had been raised to its foundations and they were in a desperate situation along with thousands of others. She explained that a German NGO which was in the area had re-built her home and alongside it a small space which she and her husband turned into a restaurant. Her husband managed to get some help to get back into fishing but she decided to change from being a seamstress to cooking meals for locals and tourists alike. In December 2006 she received a 5,000 Rupees loan from IVFA and used this to buy pots and pans and small items to stock her kitchen. She told me that she has managed to pay back all the money she owed IVFA (2,500 Rupees as half the money is a gift).

I enquired as to the sustainability of the business and she seemed positive that it was a good business as it served both locals and tourists. So even though at the present time there are very few tourists in Galle, this makes no difference to her as the majority of her customers are locals anyway. The fact that it is on the main road with space outside to park is very good for business.

She has two employees including her own brother and she manages to make enough to put a little bit back into the business every now and again. With her type of business there is no real opportunity for external investment, however she does contribute to the local economy as she purchases all her daily essentials locally in Galle Centre.

When I asked her how she thinks her business can grow or improve she mentioned that her grinder and microwave are broken so if they were renewed then she could increase her output of meals. And she also showed me that there was space above the restaurant to build a terrace and add more seats if the need arose and if she had the finances to fund such a move.

Epiphany Trust Micro Credit Feedback Sheet

Name: B W M Ariothi

IVFA No: N/A

Address: 23 Templers Road, Kaduwela, Galle

Business Name: None

Business Type: Sewing of clothes, carpets, toys etc



Feedback:

Accompanied by Mr Guneratne, the president of the Galle Women's Association and the two field officers, I entered a tiny room packed with cloth and recently sewn items. This was the living room and workshop of Mrs Ariothi, a widow who was on the IVFA scheme albeit in a bizarre way. As a widow she had no husband and been a seamstress prior to the Tsunami. She has one son who is 35 years old but he does not live with her. At the time of the Tsunami the water entered her house and rose to over a metre high. She said that at that time all her stock of cloth, clothes sewn and sewing machine were destroyed.

The business that she had built up over 5 years was almost instantly destroyed. In December 2006 she heard about IVFA and approached the President of the Women's Association, Mrs S M Sakuntola, and inquired about a loan. Mrs Sakuntola was so moved by this woman's plight that she handed over her own loan to help Mrs Ariothi. That explained why she laughed and looked at Mrs Sakuntola when I asked her what her IVFA number was, technically she has never received a loan from IVFA. Having said that, she has already paid back the 2,500 rupees owed from the 5,000 loan/gift which she never technically received.

Mrs Ariothi makes clothes, small carpets and soft toys and sells them in a variety of local shops. Her daughter in law's brother sells her the items she needs and he is in the next town. Her business is very much one that is currently sustainable, however she doesn't make much over what she needs for daily

living. There is an element of enterprise in this lady as she has already saved 1,500 Rupees towards and 6,000 Rupee "O Lock Machine". This machine she told me would help improve the quality of garments she makes and therefore make them more attractive to her customers as well as increasing the price she could charge for them due to their superior quality.

Epiphany Trust Micro Credit Feedback Sheet

Name: Kusuma Gunasekera

IVFA No: GG/4/13

Address: 54/6 Kowila Watta, Heenpendila, Galle

Business Name: None

Business Type: Stall / Cart Shop



Feedback:

Mrs Gunasekara runs a very small mobile shop, which is no bigger than a hot dog cart. She is aided by her brother and they have chosen a good spot on the road next to some wood carvers who make elephants for tourist shops. I asked her how she came to be the owner of a cart and what effect the Tsunami had on her life. It turned out that she had not directly been affected by the Tsunami, however she is the secretary of the local Women's Association and when the Field Officers visited her 6 months ago she applied for a loan and was successful. She received the loan in December 2006 and has made 5 payments totaling 2,500 rupees. As she was not affected by the Tsunami she is obliged to pay the whole loan back.

Mrs Gunasekara is a widow with 3 children, Sanath (25), Asanka (24) and Niluka (25). She used her IVFA loan to buy stock for her cart which she got from the local Municipal Council. She informed me that the business is sustainable but she only makes enough for day to day living. She has no employees so is saving money by running the cart herself with her brother.

She buys all her stock from the main Galle Town centre so contributes to the local economy in that way. There is no room for her to make any improvements in this type of business, the only thing she can do is increase her stock items to improve her profits.

Epiphany Trust Micro Credit Feedback Sheet

Name: K.A Kosum Diyani

IVFA No:

Address: 54/7 Kowila Watta, Heenpendila, Galle

Business Name: None

Business Type: Wooden Elephant Maker



Feedback:

This was the first house we visited in this area and I was excited to see what lay in store. But as I stepped in the door I instantly recognized the lady and her home and was upset that the Field Officers had taken me to a place I'd seen on my last visit. However they were quick to reassure me that this was no mistake but that they were keen to update on this woman's progress.

I had visited Mrs Diyani way back in March 2007 and had made a report about her using the IFVA loan to buy tools and wood with which to make wooden elephants. Her husband would then take the finished elephants and distribute them to shops and tourist outlets.

The thing that had changed and that had brought a huge smile to my face was the fact that Mrs Diyani was now outsourcing the cutting and shaping of wood to other local craftsmen. She in turn will then take the half finished elephants and smooth them over, polish them and add the finishing touches. Over the past few months she has really built up her business in this way and has also helped bring other people into employment. She buys the wood using her own capital, places orders with other craftsmen based on what orders she has received and then pays them for their work. She in turn is able to increase her output up to **FIVE** times what she could do previously. I was astounded by her entrepreneurial spirit. I did ask her if she had any concerns that her sub contractors would try and set up their own business and take her share away but she did not seem concerned by that. I got the impression that she paid a very fair wage therefore

taking away the need for her contractors to set up on their own. The number of people she uses depends on the size of orders she receives.

Considering this up turn in output I asked her if her business was providing an opportunity to earn more than just enough for daily living, but she said that was all she was earning due to the dips and rises in demand. It may have been the fact that this question was asked through an interpreter within earshot of many local villagers. She did say however, that she has plans to open up a large workshop in her house so that she can have the sub contractors work on her premises rather than have to send the wood out and then collect the shaped elephants.