‘Arthadharma Kendraya’, 45 Rawatawatte Road, Moratuwa, Sri Lanka
Tel: 011-5 558081 / 011-2 655121 / Fax: 011-2 655122
E-mail: ceoseeds@seeds.lk
Website: www.seeds.lk
Evolution of SEEDS

From 1958 to 1975
Fulfillment of basic welfare needs and primary education of the poor rural communities. Legally established by Act of parliament.

From 1986 to 1998
In order to promote social development process and alleviation of poverty with the rural community through economic empowerment of people, introduction of the economic program to Sarvodaya Shramadana Societies at village level was initiated. Microfinance operations commenced within Sarvodaya Movement.

From 1998 onwards
Under company's act, SEEDS was incorporated as a separate legal entity.
Fulfillment of 10 Basic Human Needs

- A clean and beautiful environment
- A clean and adequate supply of water
- Basic clothing
- Simple & nourishing food
- Primary health care
- Simple communication facilities
- Basic energy requirements
- Cultural and spiritual harmony
- A simple house to live in
- Well-rounded education

Eradicating poverty
VISION

A Sustainable Livelihood with no poverty, no affluence.
MISSION

To alleviate poverty by promoting economic empowerment for a sustainable livelihood.
GOAL

FOR THE NEXT 05 YEARS

To be the most preferred, trusted & well rooted Development Institution in Microfinance, Business Development & Capacity Building for the greater satisfaction of all its stake holders driven by strong belief in principles of: empowerment of disadvantaged people, continuous increase of outreach, embracing modernized systems, professionalism, sustainability and accountability with skilled and motivated staff.
SEEDS practices credit plus methodology …

<table>
<thead>
<tr>
<th>Enterprise Services Division</th>
<th>Project Consultancy Unit</th>
<th>Credit &amp; Project Finance Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology transfer &amp; creation of opportunities</td>
<td>Capacity Building</td>
<td>Savings &amp; Credit</td>
</tr>
</tbody>
</table>
CREDIT & PROJECT FINANCE DIVISION

“DEVELOPMENT OF A PEOPLE-CENTERED RURAL BANKING SYSTEM”

Mobilizing savings as a base for Family security & stability

A range of loan products for poor But economically active clients
SERVICES OF CREDIT & PROJECT FINANCE DIVISION

- Provide value added financial services to economically active clients.

Financial Services

Direct Lending

Sarvodaya Shramadana Societies
“SEEDS” has three different types of micro credit facilities………..

A. Income generation

B. Consumption loans to improve quality of livelihoods

C. Creation of employment by expansion of existing small businesses
Loan Types in Product Wise

❖ A Type :  1. Society Loans( Bulk)

❖ B Type :  2. Solar( Electricity Loans)
            3. Non- Solar(Housing Loans)
            4. Pawnning
            5. Repeat Loans
            6. JFPR Grid Loan

❖ C Type :  7. Individual Loans(Employment Creation)
ENTERPRISE SERVICES DIVISION

“TO PROVIDE & PROMOTE INNOVATIVE COST-EFFECTIVE BUSINESS DEVELOPMENT SERVICES (BDS) TO MICRO & SMALL ENTERPRISES IN SRI LANKA, THEREBY INCREASING OPPORTUNITIES FOR INCOME AND EMPLOYMENT FOR THE POOR”

- TECHNICAL SKILLS DEVELOPMENT
- INFORMATION DISSEMINATION
- SALES & MARKETING LINKAGES
- BUSINESS COUNSELING SERVICES
- TECHNOLOGY PRODUCT DEVELOPMENT
- PREPARATION OF BUSINESS PLANS

EPOs
PCU aims to deliver Sustainable & affordable consultancy for Projects on Microfinance And Social development in Sri Lanka and Overseas.

• Manage Projects on
  – Livelihood development
  – Community development
  – CSR Initiative
  – Microfinance

• Conduct Trainings on
  – Microfinance
  – Entrepreneurship
  – Business management

• Knowledge Transfer program

• External Expert Panel program
<table>
<thead>
<tr>
<th>From the Inception</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Branches</td>
<td>62</td>
</tr>
<tr>
<td>Sarvodaya Societies with SEEDS Program</td>
<td>3,987</td>
</tr>
<tr>
<td>Members</td>
<td>533,098</td>
</tr>
<tr>
<td>Small Groups</td>
<td>54,957</td>
</tr>
<tr>
<td>Group Members</td>
<td>305,379</td>
</tr>
<tr>
<td>No. of Sarvodaya Development Finance Centers</td>
<td>1,263</td>
</tr>
<tr>
<td>Volume of Savings with Societies</td>
<td>Rs. 3,802.0 M</td>
</tr>
<tr>
<td>Volume of Savings with SEEDS</td>
<td>Rs. 2,527.3 M</td>
</tr>
<tr>
<td>Cumulative loan disbursements-SEEDS</td>
<td>Rs. 17,455 M</td>
</tr>
<tr>
<td>Present Loans Outstanding</td>
<td>Rs. 3,645.41 M</td>
</tr>
</tbody>
</table>
SUSTAINABLE LIVELIHOOD DEVELOPMENT IN NORTH EAST
Back Ground Information

❖ SEEDS have 62 Branches Island wide. Branches belongs to North East Region.
   - Ampara
   - Baticaloa
   - Jaffna
   - Kalmune
   - Mannar
   - Trincomalee
   - Vauniya
Product wise Loan Disbursement in North East

- A Type (Society): 52%
- B Type (Housing): 0.64%
- C Type (Individual): 43%
- JFPR: 1.10%
- Pawning: 1.80%
STATEMENT OF THE POTENTIAL

- Potential sectors to diversify

*Aquaculture and fisheries*: credit facilities to prawn farming, purchase of fisheries equipments.
Agriculture

To provide credit assistant to cultivate Paddy, Onions (B Onions, Red onions), Potato, Chilli, Papaya
Tourism

Possibility to grant financial assistance to tourism related activities. I.e., Expansion of a restaurant, Hotel
Poverty Focused Microfinance
Via Economic Empowerment Group (EEGs)
How will the Project address the issue of community access to financial services?

EEGs: Economic Empowerment Groups

- village-based services through small groups of women of 10 to 15
- savings within the group
- group approval of loans
Alternative Energy Unit
• Renewable energy such as solar not only offset green house emissions but also reduce dependence on fast depleting fossil fuels. Currently Sri Lanka’s renewable energy level is 4% with the prospect of increasing it to 10 % in 2017.

• Solar energy with wind power and Bio Mass is pushing Sri Lanka towards meeting the target of a sustainable green energy program for the country.
• Government initiatives for energy security have been augment by solar power plant and wind turbines located in the arid dry zone.

• There is also a move to introduce net metering to household. Factories and companies, so that they could “sell” the surplus energy generated by means of solar, wind, mini hydro or others.
• The system allows exes to be stored in a utility grid for future use. Which the consumer can draw, there by reducing electricity consumption, which mean lower bills
Solar Home System (SHS)
• Seeds involvement with green energy technology comments under the world bank’s renewable energy for rural economics development (RERED) project. As a participating credit institution (PCI)

• SEEDS has provided loan to more than 75 000 rural households to purchase and install solar home system (SHS)

• However as more and more people have begun to benefits from the government’s rural electrification program.
• There is a substantial decline in the demand for solar home lighting system, as evidenced by the number of solar panels returned by clients. Due to such ground realities, seeds scaled down its solar loan portfolio with disbursement amount in to 64.7 Millions.
Past experience on solar home system

1) Solar HSH selling companies have not given adequate technical support (follow up, Knowledge) at the community level

2) Additional components are not available in the (Rural area)

3) Companies have not been replaced components on time where there is a damage which in warranty period
1) Economically not worth housing light system

Eg: - 5 lights SHS price is Rs. 49,500

Components prices (Selling price by SHS providing companies)

Panel: - 1 Watt is Rs. 400 (5 light system needed 40 watts) = 16,000

Battery: - 9,000

Wires/Switches/Others: - 5,500

Bulbs: - unit price Rs. 900 x 5 = 4,500

Total = 35,000

Additional payment by client: - 14,500

Total = 49,500
## Monthly Family cost calculation for SHS

<table>
<thead>
<tr>
<th>Component</th>
<th>Warranty period (Life time)</th>
<th>Yearly Expenses Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panel</td>
<td>10 Years</td>
<td>1 600</td>
</tr>
<tr>
<td>Battery</td>
<td>1 Years</td>
<td>9 000</td>
</tr>
<tr>
<td>Controller</td>
<td>1 Years</td>
<td>4 500</td>
</tr>
<tr>
<td>Switches, Wires</td>
<td>5 years</td>
<td>1 100</td>
</tr>
<tr>
<td>Bulbs</td>
<td>6 months</td>
<td>9 000</td>
</tr>
<tr>
<td>Other maintenance expenses</td>
<td></td>
<td>1 200</td>
</tr>
<tr>
<td>Total Expenses</td>
<td></td>
<td>26 400</td>
</tr>
<tr>
<td>Expenses per month</td>
<td></td>
<td>2 200</td>
</tr>
</tbody>
</table>
• Most of SHS customers compare expenses with kerosene oil (For lighting)

1 Family \( \frac{3}{4} \) bottle of kerosene oil per day
Expenses per month \( \frac{3}{4} \times 30 \times 50 = 1125 \)
Position in 2010 SHS Usage in Sri Lanka

- Total SHS usage in Sri Lanka 127 000
- SEEDS engaged finance over 75 000
- 250 000 householders are in dark
Electricity SOLAR Loan Facility
People smile when they are satisfied with the service. That is the secret of our success.

SEEDS Alternative Energy project
OUR PARTNERS IN MICRO FINANCE......

• NOVIB  OXFAM – Netherlands
• German Savings Bank Foundation for international Cooperation
• Consorzio Etimos
• Plan International
• Stromme Foundation
• CENTRAL BANK OF SRILANKA
• REGIONAL DEVELOPMENT BANKS
• WORLD BANK
• DEVELOPMENT FINANCE CORPORATION OF CEYLON
• ASIAN DEVELOPMENT BANK
• NATIONAL DEVELOPMENT BANK
• NATIONAL DEVELOPMENT TRUST FUND
• COMMERCIAL BANKS
Challenges..

- Sustainability of SEEDS and Sustainability of village societies
- Inability to mobilize non member savings
- Improve management information systems
- Human resources
- Govt. policies on the Microfinance sector
Future Direction

- Enhance quality of operating systems & services
- Achieve financial self sufficiency & higher portfolio quality
- Formalization / Regulation
  (Finance Company or Regulated MFI under the MFI act)
- Increase the outreach by attracting the non members
THANK YOU

K. Karunaratne
Regional Manager – North
SEEDS