

Welcome to the Presentation  
On  
Financial Services for the Targeted Youth/Street Children

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Presented by:

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# **A Brief Overview of the Organization PADAKHEP, Bangladesh**

**Year of Establishment:** 1986

**Type of Institution:** Not for profit and non-government organization (NGO).

**Goal:** To improve quality of life of the poor and the community people as a whole.

## **Target Group:**

- Disadvantaged and underprivileged men, women and children
- Landless, marginal and small farmers
- Street children
- Adolescents
- Youths

## **Major Products & Services Offered:**

- Micro Finance
- Agriculture
- Education
- Health/HIV/AIDS
- Environment Promotion

## **Working Area & Beneficiary Coverage:**

- All over Bangladesh
- About 10 million Beneficiaries

# Brief Overview of Micro Finance Program of Padakhep:

Microfinance, the basic program of Padakhep follows Holistic Approach and operated both in rural and urban areas.

Total Member	360000
Total Borrower	324000
% of Women Borrower	95
Loan outstanding US\$ million	50.50
Total Savings US\$ million	3.50
PAR>30 days	1.8%
Average Loan Size US\$	200
Financial Self Sufficiency	110%
Operational Self Sufficiency	115%

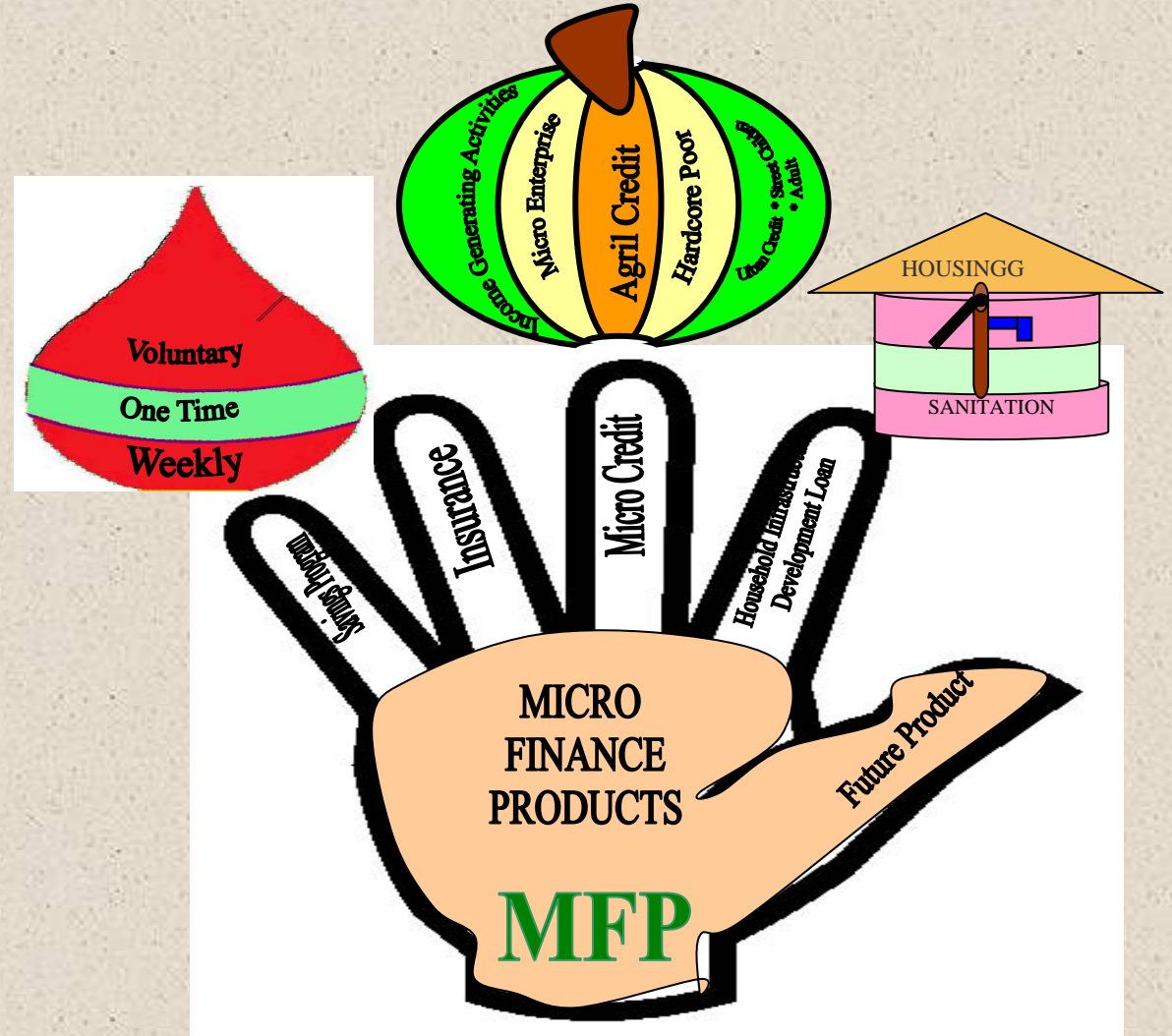


Figure-1: Savings and Credit Products of Padakhep

**Targeted Youth/Street Children :** “*Street children are those who are of the street and on the street*”. There are about 5,00,000 street children in Bangladesh .

## **Characteristics:**

- **Age between 08-18**
- **Home/Shelterless**
- **Dreamless**
- **Visionless**
- **Careless**
- **Guardianless**
- **Poor personal hygiene**
- **Psychological Trauma**

**Photographs of the Street Children will be added here later on.**

## **Reaching the Street Children:**

Realizing vulnerability of the Street Children that they have no access to financial services, health, education, no awareness on STI/HIV/AIDS through a study, Padakhep developed & started both financial & non-financial interventions in 1999.

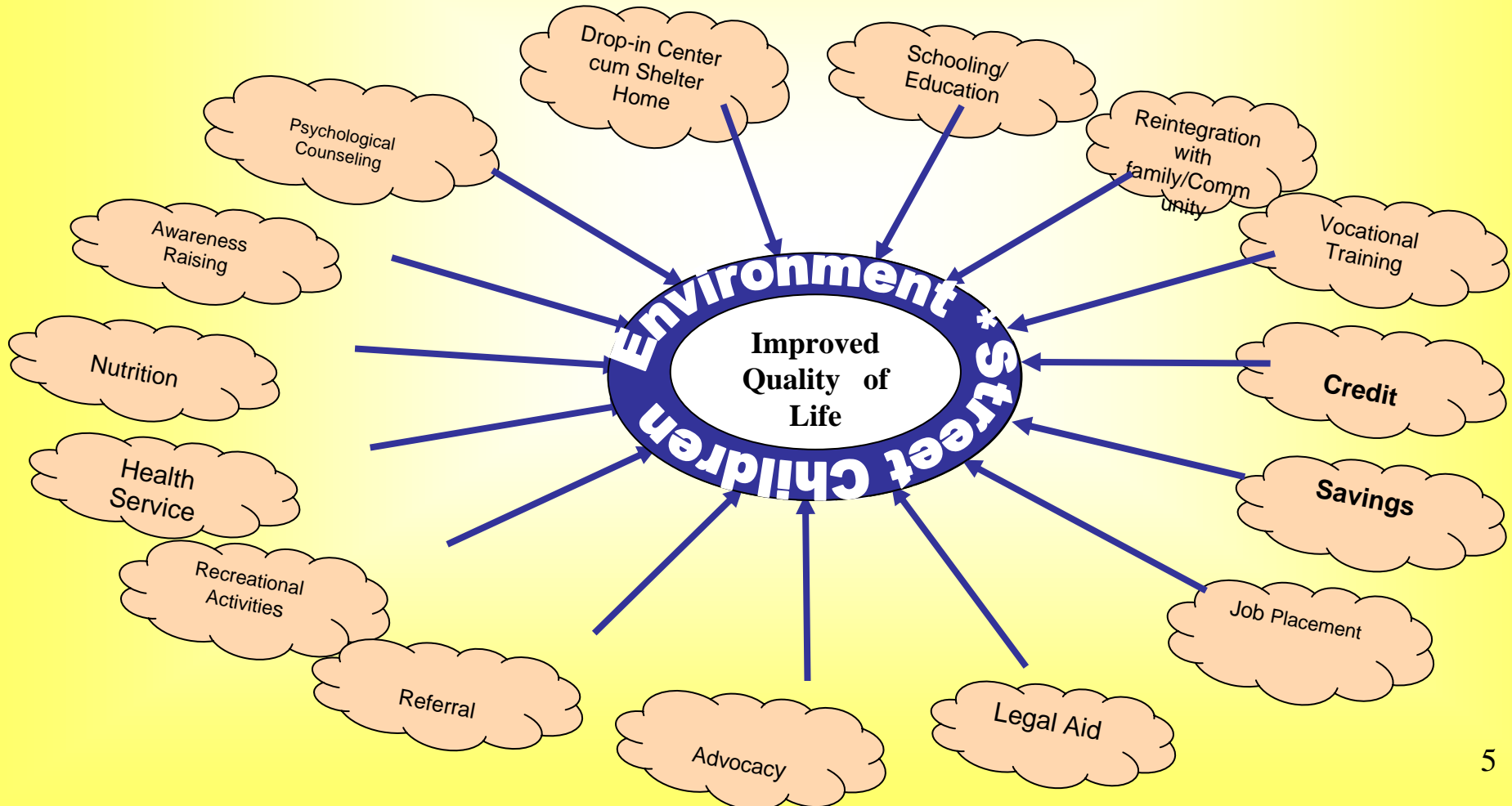
**•Microfinance Interventions formally started in 2000**

**•CGAP/World Bank ProPoor Innovation Award US\$ 50,000 received in 2001**

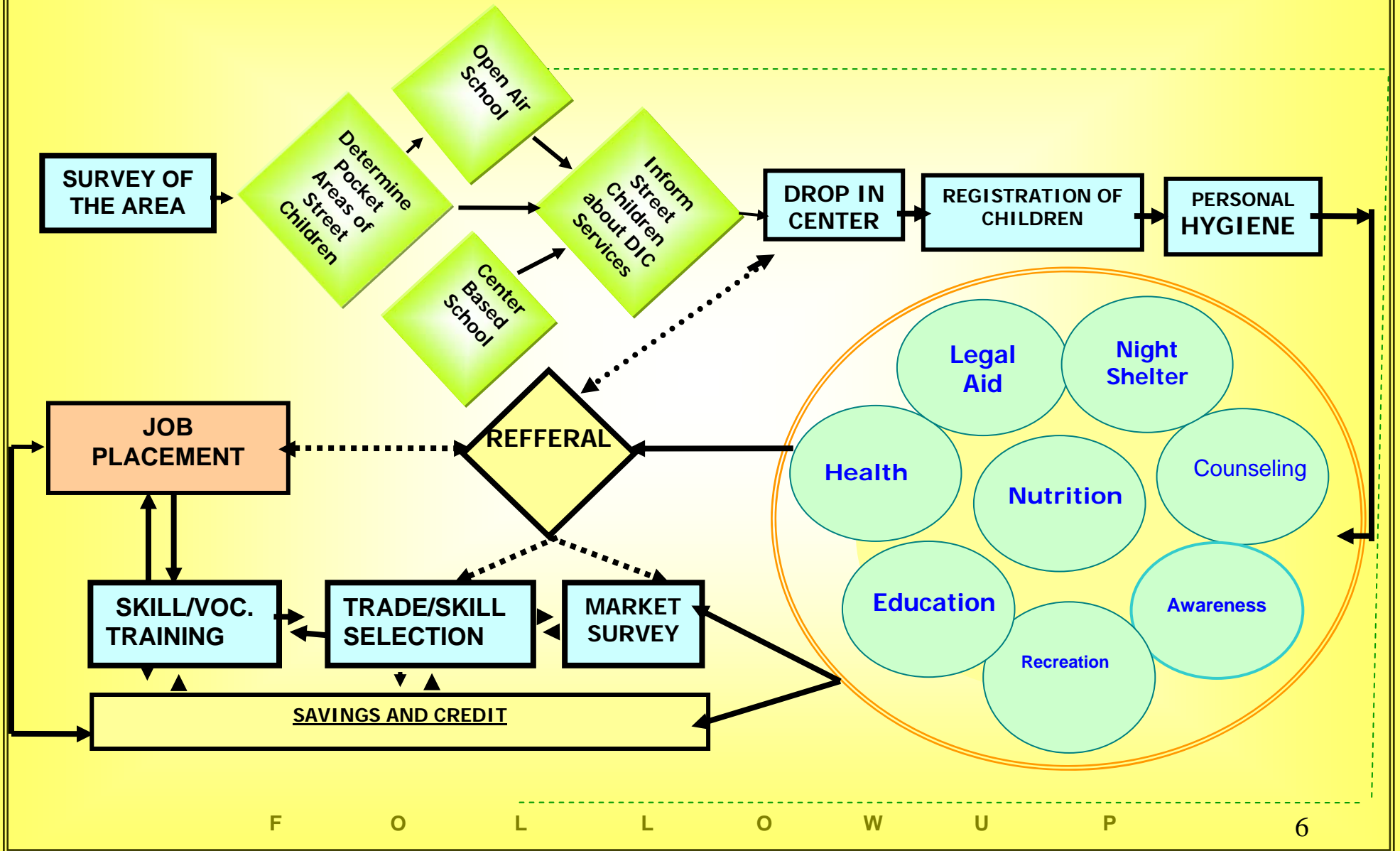
**Market Research/Survey:** Considering the diversified need of the target Youth it is done continuously in the field situation and in the center places:

- For Products & Services designing

**Figure-2: Holistic Products & Services for Street Children**



**Figure-3: STREET CHILDREN PROGRAM: WORKING APPROACH**



# Credit Delivery & Recovery Mechanism:

## Delivery Mechanism:

- Both group & individual children & their family are given loan:
  - \* Those who completed 40 weeks of non financial services, education sessions & phased out through evaluation.
  - \* Those who saved for at least 40 weeks
- Risks assessment is made through different interviews & interactions.
- Using Capacity is assessed to operate income generating activities.
- Initial loan size is on an average US\$ 70.00

## Recovery Mechanism:

Loans are collected/recovered with service charges daily, weekly, monthly and one-time by the loan officers.

- Recovery is made at the centers and in some cases at the working places.

## Major Income Generating Activities Operated:

- Small Business/Trading
- Manufacturing
- Tailoring/Embroidery/Hair cutting/Beauty Parlor
- Mechanical Works like, repairing, wiring, welding, etc.

Financial Service Performance Indicators	As of June 2009
Total Children in the Program	9000
Number of active borrowers	3200
Portfolio outstanding (US\$)	295,000
Average loan size US\$	70
PAR >30 day	3%
Total Savings Balance US\$	50,000
Average Savings US\$	20.50
Number of depositors	8500
Financial self-sufficiency	70%
Operational self-sufficiency	85%
% of female Children	55%
Number of employees	55
Service Charge (Flat rate)	12.5%
Savings Interest Rate	7%

Exchange rate 1US\$: 70 BDT

## **Impacts of the Financial Services :**

- Created Savings scope
- Reduced Income misuse
- Created Self-employment scope through micro credit intervention.
- Increased Income of the Children.
- Enhanced family attachment
- Improved quality of life and livelihood of street children remarkably.

## **Impacts of the Non Financial Services:**

- Substantially reduced involvement with crime acts and violence.
- Reduced Vulnerability to STI/HIV/AIDS.
- Greatly improved personal hygiene status.
- Changed negative attitude towards their life.
- Enhanced capability of identification and solution of their problems with their own efforts.
- Increased skill development through vocational training.
- Enhanced access to education

## **Sustainability of the Program:**

- Program recovers 70% of its operational cost from service charges earned and the rest 30% cross-subsidized by organization, sponsorships and donations.
- Padakhep expects program will recover 100% of its operating cost by 2011.

## **Lessons learnt:**

- Need to have flexible terms and conditions for operating savings and credit.
- Program staff should be self-motivated and specifically trained
- More orientation/trainings on financial management is required.
- Vocational trainings are very essential.
- Community interactions for sustainable program operation is essential.
- Brain storming session with the staffs and other resource persons has to be organized to enhanced knowledge skill.
- Collaboration with government, national and international agencies are to be strengthened.

## **Challenges:**

- Financial self sufficiency for sustainable operations of the program.
- Expansion/Outreach coverage of more children.
- Linking guardians and also different stakeholders of the community.
- High staff turnover rate.
- To have technical support for further improvement of the program

## **Conclusion:**

- For successful conduction of financial services, ensuring non financial services are must.
- Collaboration & participation of other stakeholders is needed for operational success.

Street children program is a priority program of Padakhep.

We, Padakhep as a whole, hope to strike for the further success in this particular program.

Thank You All