

DA's udyame Enterprise Fund raises INR 59 lakhs in 40 days

In discourses about development and particularly for micro-enterprises, access to credit is identified as an impediment towards the growth of enterprises and entrepreneurial endeavours. In the recently published 'Insights into Rural Entrepreneurship', it was found that 40% of young entrepreneurs stated access to finance as a major barrier in setting forth their entrepreneurial aspirations.

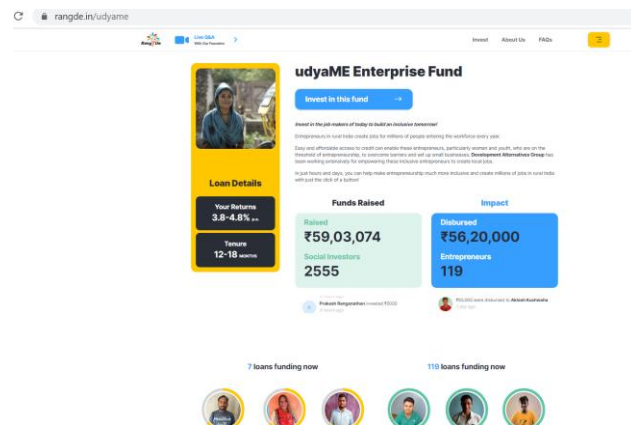
In seeking to address these systemic issues of unlocking access to timely and low-cost credit, DA's collaboration with Rang De in the last year alone has empowered 1015 entrepreneurs with credit worth INR 40 million. What has been the most powerful evidence for the credibility of this peer-to-peer lending model is the responsive repayment rate of 99.38%^{*1} exemplifying the power of collective action in inclusive finance.

Keeping the momentum towards inclusive finance dynamic, the partnership also launched the udyame enterprise fund on Rang De. So far ₹58,45,174² has been invested by 2553 social investors leading to the financing of 119 of our entrepreneurs in the geographies that our programmes are active in. The USP of this model has been the 'choice' that entrepreneurs can decide over what type of loan they prefer and the 'trust' between the social investor and entrepreneur. The partnership has also resulted in initiating customised credit at 7% for women entrepreneurs to encourage them to come forward.

Finance has been crucial not only to include and enable an entrepreneur's aspirations but also to achieve larger social and economic outcomes, one of them being women-led safe mobility. Under the safe mobility initiative led by women entrepreneurs in Mirzapur driving e-rickshaws, "la Caixa" Foundation and ISS have come together to provide them with alternative channels of credit. Renowned Economist and Social Investor Mr. Swaminathan Aiyer and Ms. Neeraj Kaushal, Professor, at Columbia School of Social Work are supporting these entrepreneurs through the Mahila e-Shakti fund for the procurement of e-rickshaws via a pay-as-you-go model. Indian Micro Enterprises Development Foundation (IMEDF), DA's social enterprise, is facilitating these initiatives on the ground through udyame, a phygital platform for enterprise support services. To date, 6 women entrepreneurs have been supported through the E-Shakti initiative.

Innovation in finance can nurture an entrepreneurial ecosystem that is sustainable and inclusive, for those previously burdened with system-induced roadblocks hindering the realisation of their aspirations. We hope that through such innovations, many more can be included in the purviews of entrepreneurship and SAMUDYAM.

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¹ As of December 2022

² As of 30/12/22