

BEYOND MICROFINANCE: Berendina serves rural and plantation communities struggling during COVID-19 outbreak

The COVID-19 outbreak disturbed all segments of the Sri Lankan society economically, with its impact on the market system from producer to the customer. Severely affected were the self-employed rural entrepreneurs/producers operating in a highly competitive open business environment, and daily-waged workers. When country's rural economic activities became non-operative, people who acquired loans for business ventures faced the difficulty of repaying their loans.

Berendina, which commenced its operations focusing on poverty alleviation in 1987, has been serving more than 83,000 people organized into clusters in 11 districts at the time of COVID-19 outbreak. The majority of their clients were either self-employed small producers or daily-waged workers, who have lost their income completely due to the situation of lockdown and/or restrictions of movements.

Loan Moratorium: 2.5 billion rupees

In consultation with the clients, Berendina Micro Investment Company [Gte] decided to adjust its operations to suits the situation in favour of their clientele. One such initiative was the introduction of a loan moratorium scheme following the Circulars 4 & 5 issued by the Central Bank of Sri Lanka, even though it was not applicable to the microfinance industry. Under this scheme, a three-month moratorium was provided for requested clients with the option to extend up to six months for severely affected clients. This offer was communicated to the clients through cluster leaders during the lockdown period. A total of 57,413 loan borrowers representing 72% of the total clients acquired this facility and the total outstanding amount of the moratorium was 2.5 billion rupees. By the end of August 2020, BMIC also waived off loan interest of 4,398 clients who continued to repay their loan instalment despite the pandemic situation.

The Berendina field team continued communicating with the clients virtually during the lockdown period providing counselling and advisory support to face this challenging situation.

Dry ration supply and livelihood assistance

Berendina Development Services [Gte] Ltd [BDS] - the social responsibility wing of the Berendina, designed the SAHANA/NIVARANAM project allocating 102 million rupees to support Berendina clients and economically inactive people identified by their client groups. It was one of the largest dry ration distribution and livelihood support initiative in the island that covers more than 84,000 COVID-19 affected families through 30 branches in the districts: Ampara, Anuradhapura, Badulla, Batticaloa, Kandy, Kegalle, Kilinochchi, Mullaitivu, Nuwara Eliya, Trincomalee and Vavuniya Districts.

Under the livelihood assistance, Berendina distributed seeds and plant material such as turmeric, yam, sweet potato, ginger, cassava banana, coconut, Bangkok guava, cashew, papaya, mango, rambutan, cloves, spine gourd, pepper, tea, capsicum chilies and also Bee keeping boxes free of charge among its microfinance clients to rejuvenate their livelihood activities in addition to the financial assistance provided. Clients who were involved in dairy business were provided with CO3 fodder grass for cultivation. This enabled 8041 micro credit clients to be the direct participants in increasing domestic food production.

Field level distribution was carried out by Berendina staff from May to early September 2020. Berendina staff and beneficiaries were already advised and monitored with respect to the proper following of the health guidelines and safety measures including hands sanitizing, wearing masks and keeping the required social distancing among the participants during the official ceremonies and field level distribution programs in order to avoid possible social transmission of the disease.

Guaranteeing No One was Excluded

In rural and plantation areas, there were families of Economically Inactive Poor (EIP) who are not capable to engage in productive economic activities due to aging, severe disabilities and having nobody to take care of them. The close ones who supported them, also being affected economically the cluster members found the need for support them with dry rations scheme of Berendina, who selected the most vulnerable such families. Investing 5.5 million rupees, the HSBC Sri Lanka joined hands with Berendina's effort to provide dry rations for 4304 such families in 72 Divisional Secretariat divisions. This initiative greatly benefitted

EIP families to manage their daily food needs for the last two months in addition to Berendina's annual EIP assistance allowance.

Keeping staff motivated

As an organization that always has a concern of its staffs' wellbeing, Berendina also focused on the psychological and physiological conditions of the staff during the lockdown. The Management of Berendina continued paying staff remunerations without any pay cuts in order to keep them financially strong during the lock down period and also conducted singing and art competitions for staff and their family members to keep them motivated and being active mentally, while rewarding winners with cash prizes and letters of appreciation to all participants.

Serving the community from its inception in 1987, Berendina has been playing a pivotal role in transforming the lives of its microfinance clients as well as various beneficiaries through the services of its 2 companies – Berendina Micro Investments Company Ltd and Berendina Development Services (GTE) Ltd in order to achieve its vision - Create an Empowered, Equitable Society Where Poverty Does Not Exist.



Mrs. R. Sumanawathi

Microfinance Client, MaNuPa Branch

“Berendina is always there for us during difficult times. It has helped our community immensely in many such situations, besides providing loans to us. Just after the lockdown we were under a huge financial struggle, and receiving the dry ration pack was a great help to manage day-to-day essential food needs for a considerable period. I am so thankful to them.”



Ms. Sivarasa Malar

Microfinance Client, Kaluwanchikkudy Branch

"I received 30 spine gourd plants for my home garden, which will hopefully bring a good income to run my family. Like me, 62 clients received the plants from Berendina. I'm so happy see my cultivation is successful, and so excited when I pluck my first harvest. Every week I pluck 4 to 5 Kg of spine gourd from my garden and I sell them for Rs. 500 per kilo."



EIP beneficiary

Mrs. D. G. Nandawathi, 67 years' old (mother)

Mr. Anura Prasanna, 35 years' old (son - mentally challenged)

Debagama in Dehiowita DS Division

“It was very hard for us to survive during the lockdown. All the near-by shops were closed, and I was not capable of travelling long distances on my own, leaving my son alone at home. Thanks to Berendina, my son and I had proper meals at home. They delivered a dry ration packs at our doorstep. Thanks again Berendina who has not forgotten us during difficult times.”