**Women’s Microfinance Initiative**

**Business Plan 2019**

Launched in 2008, WMI is a uniquely successful, comprehensive village-level microfinance program for rural women in East Africa that is managed by local women leaders through village programs (loan hubs) in Uganda, Kenya and Tanzania. After 24 months, successful WMI borrowers self finance or graduate to bank loans with favorable terms that are issued by WMI’s partner banks; the funds repaid to WMI by graduating borrowers are recycled to provide loans to first-time borrowers, thus allowing each hub loan program to become self-sustaining after two years. By providing training/financial education, peer support and credit in areas with limited-to-no banking services, WMI promotes women's economic participation in poor, rural areas of East Africa. In addition to income generation, borrowers accumulate assets, improve household living standards/family wellbeing, and spur local economic development. Because building a path for rural women to achieve economic independence requires a holistic approach that addresses social/health issues impeding change, WMI also partners with local activists to provide supporting social/health programs such as: cervical cancer screening, domestic violence awareness, teen-age girl empowerment to break the cycle of oppression, and clean water.

Borrowers are organized in solidarity groups of 20 and cross-guarantee each other's loans. They receive skills and business training, peer mentoring, technical support, on-site follow up and on-going access to resources. By organizing the women in groups, WMI harnesses the powers of peer persuasion and group solidarity; WMI ties into the vibrant social network women have created in rural East African communities and amplifies the resources of that network to achieve new outcomes including business formation and financial autonomy. After 24 months the women move to regulated commercial banking and their repaid funds are available for new borrowers. Interest income from the loans covers loan hub operating expenses and community service projects. Loan groups are organized under a loan hub serving a geographical area. There are currently 13 loan hubs supporting 121 borrower groups operating in Uganda, Kenya and Tanzania.

WMI’s annual program budget is around $150,000. 94% of the budget supports direct program operations in Africa, and 5% (about $9,000) supports indirect operations – primarily our website and operating expense. Grants are made to our loan hubs on a quarterly basis to seed the loan funds and provide a small amount of operational support to new hubs. Grants are made after an evaluation of each loan hub to ensure that all payments are current and borrowers have met all requirements. New loan hubs are added as resources are made available.

A full loan hub consists of 16 twenty-member borrower groups, run by a local CBO, with a head administrator who reports to WMI, and loan coordinators who collect payments and report on the women’s progress. At sixteen groups a loan hub becomes self-sustaining as loan income is sufficient to support all program operations. After four loan cycles a borrower graduates to independent banking and her loan funds are recycled to a new borrower.

The cost to set up and fully fund a loan hub is $75,000 USD, 85% of which funds a permanent loan facility supporting the 320 borrowers. The $64,000 for the loan fund is deposited over the first three years as the borrower groups come on-line. Start-up office supplies and equipment are budgeted at $4,000, and a $250 per quarter operating subsidy is provided for the first two years until the full contingent of borrowers supports all operations. A total of $5,000 is required for quarterly training sessions over the first two years. This supports the daily stipends and travel expense for two experienced WMI trainers to come from Buyobo, Uganda train new borrower groups. (Travel expense varies based on location.)

In summary, each loan hub of 320 borrowers costs:

Loan Facility $64,000

Supplies/Equipment $ 4,000

2-year Operating Subsidy $ 2,000

2-year Training Cost $ 5,000

**Total Loan Hub Cost** **$75,000**

To date, WMI has fully funded 14 hubs. The various loan facilities total $1.5million. (Donations through Global Giving have totaled approximately $240,000, or 16% of total loan funds raised.) Loan hubs have recently been added or expanded in: in Buyobo, Buseesa, and Arua, Uganda; Karatu and Nainokanok, Tanzania, and Lewa, Kenya. We anticipate funding these programs over a three year period. Raising our Global Giving project budget from $300,000 to $350,000 should provide sufficient funding for that period.

**Impacts**

In 2018, WMI provided 7,800 loans totaling almost $1,000,000, bringing the total value of loans issued since 2008 to over $6.2 million. This year WMI added 3,500 new borrowers, bringing our total number of borrowers since 2008 to over 17,000.

The benefits and impacts of the project include:

Number of People Impacted: Conservatively, each loan positively impacts at least 20 people including immediate and extended family members, business suppliers, employees and customers. The loan program has impacted well over 340,000 people.

Sustained Improvement in Household Living Standards – WMI conducts borrower progress reports, site visits and Initial Borrower Baseline and Annual Progress Surveys. Before entering the WMI Program, our Borrower Surveys show that 90% of the households are living on less than $2/day, with little to no savings for emergencies. 76% have semi-permanent houses; nearly 100% drink untreated water; nearly 66% use an open flame lighting source; 100% cook with wood or charcoal and 79% of the households use a pit latrine. We reported this data in our 2018 Fact Book at <https://wmionline.org/dataanalysis/profile/WMI-2018-Factbook.pdf>.

Highlights of loan program impact:

* 99% of borrowers doubled their income within first six months of participation.
* 100% of borrowers report increased savings, including for family health and emergencies.
* 99% of borrowers have improved their household meals.
* 85% of borrowers have improved their business skills.
* 20% of borrowers hired employees for their business; loan impact is not limited to borrowers and families.
* 50% of graduating borrowers generate annual incomes of $3,333 - $6,666.
* 10% generate income in excess of $10,000.

Empowering Village Women Through the Delivery of Training in Life-Time Skills- Women receive extensive business training and support. They learn to keep business records, develop entrepreneurial skills, and increase their self-confidence so they become confident decision-makers.

Develop Human Capacity and Physical Infrastructure **–** This is a grass-roots managed program, responsive to the needs of local communities. By training village women to operate the loan program at the local level we have vested entire communities in the Program’s success and have developed local leaders who become advocates for themselves and their villages.

Provide Sustainable Program Service- Loan interest covers all local program operating expenses; income after expenses is used for community-wide projects the women select themselves, such as reconstruction of village water systems. Loans funds are recycled to new borrowers at the end of each two-year cycle, thus ensuring that the benefits of the loan program continue to serve successive cohorts of village women and their families.