



Women's Community Banking (WCB) Project

This program empowers rural poor women by providing them access to capital to develop their small businesses, both agricultural and non-agriculture endeavors, as a way to help generate income to meet their families' basic needs, and move toward a brighter future.



Women in Trapichitos sharing a meal during their Community Bank meeting

How Women's Community Banking (WCB) Works

Agros promoters work with the women in the Agros villages to form community banks. Each bank typically includes 12-20 women. The women elect five association members to govern their bank: a president, vice-president, treasurer, secretary and representative. Each woman receives a six-month loan to provide capital for her business (generally averaging the equivalent of \$US120). Typical businesses are textiles or clothing, baking, and small animal husbandry with pigs, rabbits, goats and chickens.

The women are mutually responsible for repaying the total sum of their loans to the banking committee. This provides a strong incentive for loan repayment. If one woman's business fails, the others will help her. In this way, the group functions as collateral for the loan. When the first loans are repaid to Agros, the second cycle begins. The program becomes sustainable as the banks grow stronger with each loan cycle. The size of the subsequent loans increase with each cycle.

As a woman's business grows, her participation in community development, leadership, and household and community decision-making grows as well. In addition, when women make their interest payments, they deposit the same amount into the group's savings account. These savings are then used to build capital as a group, which they can use to make loans among themselves or to others in the community. After ten or twelve loan cycles, the bank is able to be self-sustaining and provide a source of capital for the community.

Project Plan

Goals and Objectives

"No tool for development is more effective than the empowerment of women."

Former UN Secretary-General Kofi Annan

The primary objective of the Women's Community Banking (WCB) program is to promote economic development in Agros communities. By facilitating equitable access to credit and production and technology and technical assistance for women, this increases their income, improves their quality of life and helps them break out of the cycle of poverty. Participation in the program allows women the opportunity to:

- develop a agricultural or non-agricultural business to help support their families by generating income to help with basic needs or land loan repayment
- access credit
- learn financial skills including learning how to prepare a business operation plan and loan management skills
- acquire technical assistance in animal husbandry, textiles and other income-generating activities
- participate in workshops on topics such as self-esteem, women in leadership, health and education, and gender

Women are ultimately the ones responsible for the health and well-being of their families. With access to credit, women are able to increase household income through income generating projects that can be year-round and located near their home and their children. This is in contrast to working in the fields away from their children, and depending on seasonal income driven by crop productivity. The income also provides women the opportunity to provide things such as basic household items, medicine and fees for their children's education. Income generated from community banking enterprises can also contribute to the family's land purchase payments. Owning land helps families realize a longer-term source of income, security and stability.

Studies and experience show that women are a good credit risk and are more likely to reinvest their earnings in their business and toward the wellbeing of their families. Community banks are powerful tool to grow women's business and entrepreneurial skills, as well as their self-confidence, as they discover new identities as a community bank member, businesswoman, and borrower.

The community banking project consists of three primary stages:

- Staff Planning & Training – Agros staff work with the Credit Fund Coordinator to design appropriate and effective methodologies, as well as plan and prepare for the necessary promotion, organization and training for the project.
- Promotion & Organization – Agros staff visit communities to meet with women and promote the use of credit and productive activities. Women interested in participating in the project begin the organization process, including the creation of bylaws and election of leadership.
- Community Bank Training – Once the groups are organized, Agros staff provide training on the following: their rights and responsibilities, the organizational structure of the bank and the rights and responsibilities of the leadership; use of checkbooks, balance sheets, bank statements and other tools to manage their savings account and loaned funds; different topics of interest, especially those related to health and small businesses.

After these initial stages, the participants are prepared to begin their first loan cycle with specific terms (related to average loan amount, average loan term, payment frequency for principal, interest and savings/savings rate per member). When the first loan cycle is completed and all participants have made their payments, the group is then able to begin their second loan cycle.