ChildVoice
INTERNATIONAL

Proposal for Microenterprise Development and Loans

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Statement of Purpose

This business and loan proposal is intended to inform both existing and potential ChildVoice International (CVI) supporters of the business development training that is now available to the girl beneficiaries and to present the opportunity to invest in changing their lives through small business and economic development.

Introduction

To better prepare the young women of CVI's residential rehabilitation program for their re-entrance into society, this proposal outlines a set of actions to practice immediately.

A unique feature of this plan can be found in the Incentive Plan. In order to encourage the proper repayment of loans, methods of positive reinforcement will be introduced. While many people experience material poverty, ChildVoice girl beneficiaries also experience a different kind of poverty—poverty of being. This means that despite having bright ideas, they often lack the self-confidence to pursue those opportunities. They are fearful of change because change could potentially make their situation worse, so instead, they remain in their current situation of material poverty, too paralyzed to do anything about it. Someone may not be materially impoverished, but if they have poverty of being, they are unlikely to maintain their comfortable economic situation for very long. Similarly, if someone has ideas, confidence and initiative (in other words, does not have poverty of being) but they are lacking economic resources, they too will have a difficult time succeeding. Therefore, it is both poverty of being and material poverty that ChildVoice seeks to address in the business development courses and to reinforce in the post-residential phase loan program.

It is our belief that in order to fully succeed, the young women must not become dependent on outside forms of aid, but rather must use existing resources to become more self-reliant and self-sufficient, ultimately creating a better way of life for themselves and their children.

We believe these things can be made possible through:

1. Business Development and Loan Training
2. Loan Opportunity
3. Monitoring, Evaluation and Support

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1. Business Development and Loan Training

The Business Development course will provide CVI's young women with the knowledge and experience necessary to run a small business and manage their personal finances. The young women will gain increased confidence in their abilities as they proceed through the course and pursue practical application of the lessons. The course will take the women's cultural background into account by using parables, biblical references, skits and other examples to explain some of the more complex business concepts.

Each business lesson will end with a simple and practical application of the material. For example, for the financial statements discussions, the girls will practice their bookkeeping skills by recording expenses, sales and inventory. For the savings portions, the girls will be given the option to create a savings group of their own and given instruction by other women from the community who have successfully saved. Finally, the course will culminate by combining all of the lessons in the form of participation in an income-generating activity and the creation of a personal business plan for later implementation.

The participants' individual interests and needs will drive this final application. Innovative approaches will be encouraged and the staff will work with each girl to decide the best course of action. This planning and application will all take place within the residential phase, prior to their matriculation in the post-residential phase.

Professional relationships will be established at Gulu beauty salons, tailoring shops, bakeries and other establishments to provide CVI students with valuable "work-shadow" experiences. After each work session, the girls will participate in a classroom discussion to further enhance the learning experience.

Course Curriculum—Residential Phase

The business development course will take place over a 16-week period and will include the following topics which have been recognized by CVI staff as information that would benefit the participants in the post-residential phase:

Creating and Pursuing Goals

- Setting goals (short-term, long-term); achieving your dreams; introduction to business; why is business knowledge important for you

Money Matters

- What is income, capital, profit, and sales; personal and unexpected expenses; spending habits; managing your money; managing your family's expectations (both realistic and unrealistic); recognizing "needs" vs. "wants"

Business and Market Research

- Identifying the business idea; how to conduct various market surveys; gathering information for the business plan

The Business Plan

- Why a business plan is important; what to include in plan: location, product, competition, word of mouth marketing, etc.

Simple Financial Statements/ Record Keeping

- Importance of written organization; simple income statements (profits and losses); simple balance sheets; keeping track of inventory

Raising Capital—Savings Groups

- What is a savings group; how to work as a team; benefits of forming group; how to form group (rules, leaders, decisions to make [interest/no interest], money distribution, etc.)

Raising Capital—Investing

- What is investing; why it is important to invest; ways to invest your money (livestock, purchase and resale of food and other seasonal products, etc.); procurement of supplies (inventory and cost analysis)

Raising Capital—Loans

- What is a loan; interest rates; how to apply for a loan; record keeping for loans; keeping your money safe; how to be accountable to lenders; loan repayment and consequences

Customer Service Training

- Attracting new customers and keeping old ones; how to handle a difficult customer; importance of appearance/good hygiene/clean and attractive display; finding and maintaining competitive advantage

Seeking and Obtaining Employment

- How to find a job; how to create a letter of employment; interview techniques and preparation; adapting to workplace environment; earning a promotion

Leadership Training

- What makes a good leader; focus on different ways to lead; creative thinking exercises; problem solving exercises

Stewardship

- Being a leader in the community; importance of giving back; philanthropy in the workplace; ways to contribute; successful business examples

Field Work

- Application of course outside of classroom; visiting and "shadowing" local businesses of interest; day of service in the community (stewardship); "open house" at ChildVoice center for girls to demonstrate business and vocational skills to the community; assistance with creation of letter of employment and written business plan

Course of Action

The following course of action is proposed for the instruction of the business training:

- Classes will be held once a week (Thursdays) for two hours. Role models from within CVI and the local community will speak to the young women on the topics most relevant to their field of interest and knowledge. For example, staff who have successfully run businesses will speak about how to run a business; the financial officer may speak about managing money, etc.
- A microfinance specialist will do all of the preparatory work that is necessary for each session such as the course agenda, materials needed, topics to be covered, etc. She will then either teacher the course or prepare the chosen speaker for that class.
- The microfinance specialist will open each session with a Bible verse that is relevant to that day's course. She will then introduce the speaker who will cover the necessary topic in the native language. She will be in the class at all times to answer any questions and to close the session with after-class "challenges" and prayer.

Loan Seminar—Post Residential Phase

In addition to the business training that the girls will receive while in the residential phase, there will also be a loan seminar prior to loan disbursement in the post-residential phase.

Girls that are found to be the most eligible for the loans will be invited to the seminar to review loan concepts that were previously taught in the business development course as well as new concepts that are specific to the loan agreement including, but not limited to:

- Creating and operating a savings group in their village
- Loan procurement and disbursement
- Loan requirements and expectations such as repayment amount, schedule, accountability, etc.
- Incentive plan eligibility
- Consequences of failure to repay the loan

At the end of the seminar, when it is clear that they all understand the savings and loan concepts and specific terms of the ChildVoice loan agreement, the girls will be asked to sign a formal loan agreement. At that time they will be given supporting materials. These materials will include the contact information of several CVI staff members responsible for the loan program, printed copies of all the loan information, and start-up items necessary for their savings groups such as:

- Savings box
- Locks
- Savings book
- Counter book
- Calculator

- Pens
- Ruler

Finally, CVI staff will meet with each girl individually to arrange a convenient time for purchasing the necessary equipment and materials to start the business.

Staff and Family Training

Along with opportunity comes responsibility. In order to provide the most effective wrap around services, the families of the girls as well as the teaching staff at the Lukome Centre will be trained on all aspects of the loan program. This will allow staff and families alike the opportunity to understand all aspects of the program, promote compliance, as well as resolve conflicts or clarify misunderstandings.

This will help family members to better support and encourage their loved ones while also creating a bond of genuine understanding and harmony between CVI and the local community.

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2. "Patient Capital"—Loans

In addition to the Business Development course, CVI's young women will receive start-up capital for their businesses in the form of loans known as "patient capital."

Patient Capital

According to Acumen Fund, who coined the term, "patient capital" is defined as having the following characteristics:

- Long-time horizons for the investment
- Risk-tolerance
- A goal of maximizing social, rather than financial, returns
- Providing management support to help new business models thrive

Source: http://www.acumenfund.org/about-us/what-is-patient-capital.html

Loans

Much like **Kiva**, where the potential investor receives a photo, background information, and a short business plan from the applicant, CVI will provide similar information on each participant to the potential lender.

The opportunity to support these young women's businesses will be presented to potential investors in the U.S. and abroad through the CVI website, CVI listserv, and the arrangement of personal and business contacts. The loan providers will be given the option to allow loan repayments to go toward ChildVoice for reinvestment into the loan program. Those who choose to do this can still receive updates on the girls they sponsored and know that they played a vital role in their success.

About 80 girls will be eligible for loans over the next three years including the 17 girls who matriculated into the post-residential phase in December 2010.

Loan Funding

If lenders prefer to receive their money back rather than donating the repayments to ChildVoice, the following protocol can be followed:

- The loans given from donors can be as low as $25, covering all or part of the needed capital.
- Investors are welcomed to invest in as many participants as they want, investing in one individual or several individuals at the same time.
- An investor may decide to re-loan the money to the same participant upon repayment of the initial loan if he/she wishes and if the participant meets all of the accountability requirements. Each case will be viewed independently based on the success or failure of the initial loan.

Loan Disbursement

ChildVoice wishes to give every applicant the best chance at success, however, that will not be possible if their loan offer does not provide them with the capital necessary for even the most basic equipment and materials for their business. In order to avoid this unfortunate situation, loans will be reviewed on a case by case basis. The amount given to each chosen applicant will differ according to her chosen enterprise. While it may only cost about $30 to start a hair salon, it would cost significantly more for a tailoring shop due to the necessary equipment (about $140). ChildVoice does not wish to discourage any applicant from going into the profession that she is passionate about; therefore, loan disbursement amounts will match the enterprise as follows:

- Bakery: $250 total
- Hair Salon: $150 total
- Tailoring Shop: $250 total

It should be noted that a slightly higher amount than what is listed in the balances below may be given to account for small items that ChildVoice has failed to factor in and/or for seeds in order to grow crops on the side.

If one of the applicants has an entirely different business idea in mind, then that too will have to be considered by the lender and a fair amount will be determined based off of the cost of the required start-up materials.

Loan Repayment Schedule

Rather than giving the girl beneficiaries a large initial loan that will be difficult for them to repay, ChildVoice will distribute smaller initial amounts. Every girl beneficiary will be given the opportunity to apply for a loan. If the beneficiaries can repay these start-up loans in the given amount of time, then they will be eligible to reapply for two additional loans for business maintenance and growth. Each repayment period will last six months, and each participant will be eligible for up to $150/$250/$250 (depending on the chosen enterprise) plus incentive rewards based on her level of success. Applicants will be judged based on their demonstrated level of responsibility, work ethic and trustworthiness as well as the presentation of a feasible business plan. Approval must be granted through the CVI Program Director, Centre Director, Counselor and Accountant. The loans will be available in the following schedule:

- *Phase One*: Bakery ($50); Salon ($50); Tailoring ($175)
- *Phase Two*: Bakery ($125); Salon ($50); Tailoring ($50)
- *Phase Three*: Bakery ($75); Salon ($50); Tailoring ($25)

<u>Total amount lent and repaid over 18 months</u>**:**

- Bakery: $275 ($250—loan; $25—interest)
- Salon: $165 ($150—loan; $15—interest)
- Tailoring: $275 ($250—loan; $25—interest)

Explanation of Disbursement Amounts

Each of the Phase One amounts have been determined based off of the materials and equipment that are necessary for a successful start-up (as calculated in the Appendix). Phase Two differs due to the nature of the businesses themselves. For a bakery, it would be wise to do the major growth in the second phase with the addition of the mud oven, so the higher loan amount would be more beneficial at that point than in the third phase. For the tailoring shop, however, the majority of the spending required must take place in the initial phase (one) due to the necessity of the sewing machine. After that, less capital will be required for maintenance (restocking the fabric each month), which is why the loan amount decreases as the business grows.

Accountability Methods

Research has been done to discover the methods used by successful micro-lenders in the local community. While the methods vary from group to group, all lenders have voiced the need for incentives to repay through interest and support groups. Several other methods of accountability will be enforced prior to the disbursement and throughout the loan process. They are as follows:

- **Market Assessments:** Trips will be conducted by CVI staff to confirm the girls' places of residency before they officially matriculate to the post-residential phase. At this time, a market assessment will be conducted to determine the feasibility of the proposed plan.
- **Purchase Monitoring:** CVI staff will work closely with the student when the money is received to ensure that it is spent in the way in which it was proposed. A list of all items purchased with the loan money will be maintained for each girl so that in the unfortunate case of repossession, only the items directly purchased with the loan money will be taken.
- **Recommendation:** A letter of recommendation will be signed by the local council leader or chief of the girls' villages to confirm their residency, location of business and provide an additional level of accountability.
- **Peer Pressure:** Three to five girls will form self-selected groups. The members of these groups will be required to sign an agreement to be responsible for the others in their group. Although the loans will be given on an individual basis, the group structure will provide support and accountability.
- **Savings Groups:** Those who participate in the groups must agree to take part in a savings program among themselves with a minimum contribution of $0.50 per person per week. If someone in the group fails to repay her loan on time, the girls would be required to take from their savings to repay the loan. Peer pressure and support has proven to be an extremely powerful method of accountability in most well-known models of micro-lending.
- **Interest:** An interest rate of 10 percent will be applied to all loans. This will act as an incentive to borrowers to pay back the loan in a timely fashion and a way to teach the girls to function in a formal system. All the money earned from interest will go toward the CVI microenterprise program costs and help toward the program's sustainability. (**Note: Interest rates of lending institutions in Uganda range from 10 to 24 percent*)
- **Repossession of Capital Equipment:** If a recipient defaults completely for three months (nonconsecutive) then the materials and equipment that were purchased for their businesses will be repossessed and given to another beneficiary who has proven herself more worthy of the opportunity. The beneficiary will be given extra-needed support and counseling in the hopes of avoiding this repossession.
- **Inability to Re-apply:** If the loan is not repaid, there will be no further loans issued for that individual in the future.

The aforementioned methods of loan repayment and accountability have been created in order to ensure: 1) the women receive a much needed capital boost while still learning to be self-sufficient and accountable, 2) sustainability of investment opportunities for participants, 3) minimal pressure and maximal chance for participant success.

Incentive Plan

A series of milestones will mark opportunities for rewards intending to meet both needs of material poverty and poverty of being. These rewards will only be given assuming successful and timely loan repayments.

- *Month Six:* One chicken and a personal Letter of Commendation from the lender
- *Month Twelve:* Three chickens and Certificate of Progress to be presented by a local official or person of prominence in the community
- *Month Eighteen (final month):* One female goat + Post-Residential Graduation Ceremony and celebration at the ChildVoice Lukome Center

Program Marketing

In order for the CVI microenterprise and loan program to be sustainable, there must be a sufficient amount of marketing and fund raising. The following steps will be taken to notify people of the program and secure lenders:

- Website—The ChildVoice website will serve as the information center for all things loan related. A picture of each girl and a brief paragraph about her business will be included, along with a link to PayPal making it simple for potential investors. All of the "rules" of investing will also be included.
- Email—All those subscribing to the CVI listserv will be contacted about this new program and given the opportunity to contribute. A different girl and her story will be highlighted in each email.
- Social Marketing—Posts will be created on social media sites such as Facebook and Twitter to connect potential investors to the information about the loans on our site.
- Business Networks and Organizations—There will be outreach to women-focused and other organizations and business networking functions that CVI staff and stakeholders are connected to in order to generate interest in contributing to the new program.
- Grant Proposals—Funding through grants will be sought to support the micro enterprise development and loan program longer term.

More references on 'patient capital':
Thomas Friedman, "Patient Capital for an Africa that Can't Wait," The New York Times. 20 April 2007.
Jacqueline Novogratz, "Meeting Urgent Needs with Patient Capital," Innovations, Winter/Spring 2007, Vol. 2, No. 1-2, pp.19-30. An article written byJacqueline Novogratz describing Acumen Fund's use of patient capital and four examples of our work.
Jacqueline Novogratz, "A Third Way to Think about Aid," TED @ State, June 2009. Speech at the U.S. State Department in June 2009 highlighting the importance of patient capital in Pakistan.

3. Monitoring, Evaluation and Support

While there has been amazing transformation and success in the past two years, CVI needs to do more to break the cycle of dependency that is endemic in conflict zones and improve post-residential outcomes based on the following reintegration indicators—sustained jobs, mental wellbeing, physical health, value as a community member and improved quality of life.

A vital part of making these goals into realities is the successful implementation of the microenterprise development and loan program. In order to effectively run the proposed program, a list of personnel, equipment and materials needed in the post-residential phase along with their estimated costs has been provided in the Appendix below.

Methods

In order to determine the program's level of success, frequent monitoring and evaluation will be performed and support will be offered throughout the post-residential phase. According to research conducted with existing microfinance institutions in the Gulu area, those organizations with the highest repayment rates were those which also kept close relations between lenders and recipients. This helps to avoid the "out of sight, out of mind" mentality. If a recipient is starting to fall behind, the follow-up person will be able to recognize that earlier on and help the recipient to avoid failure. Therefore, frequent and consistent presence through follow-ups will be a major driver of the loan process to ensure successful loan repayment.

- **Bi-Monthly Monitoring:** The beneficiaries in the post-residential phase will be monitored at once a week in the first few months and at least twice a month in the months to follow. The staff member who teaches the business course and conducts the market analysis trip to the girls' villages will also be involved in the business preparation and monitoring. The staff member will collect the loan money to return to the investor through an online account.

- **Bi-Monthly Counseling and Support:** The young women will receive ongoing support from the identified staff as well as vocational training staff in the form of counseling and business advice during these follow-up trips. This is particularly crucial in the first few months. Through the identification of strengths and challenges staff will use student feedback to influence program design.

- **Group Support:** Support systems may be arranged among the girls if the proximity to other participants allows for it. They can determine when and where to meet and share ideas and advice.

- **Investor Reports:** Bimonthly reports will be taken and shared with the investors. This way, the investor will be made aware of the participants' progress and the participant will be held accountable throughout the repayment period.

- **Program Evaluation:** Evaluation will take place both formally and informally. Through this CVI will continually enhance this program and curriculum.

- **Student Evaluations:** During the post-residential phase student evaluation will occur at months five, eleven and seventeen. Teachers and counseling staff will evaluate student learning through regular oral, written, and practical examinations; informal observation in the classroom setting; and through the Individualized Reintegration Plan.[1] In particular students will be assessed on their ability to repay the lenders in the proper timeframe. If the women are found to be successful in these months, they will receive the incentive rewards in months six, twelve and eighteen.

Ideally, a post-residency staff position would be created in order to better meet all of these needs and offer continuous monitoring and evaluation throughout the program. ChildVoice is committed to improving its existing programs and meeting the changing needs of the girls and the community. The girls participating at ChildVoice do not typically have access to loans using traditional methods. This pilot program will empower young, vulnerable girls by providing them with business opportunity and economic freedom.

Program Sustainability

There are multiple aspects of sustainability to take into account when evaluating this program: social sustainability and financial sustainability. Social sustainability is the idea that future generations should have the same or greater access to social resources as the current generation. Even though the girl beneficiaries may have been robbed of their childhoods, this program gives them the opportunity to create better lives for their children. By empowering these young mothers and providing them with the opportunity to gain economic freedom, this program is also improving their children's access to health care and education, serving and sustaining future generations.

In order to be economically sustainable, however, this micro-lending program would have to require very high interest rates in addition to collateral which the girl beneficiaries do not currently have. If they met the requirements of a bank or other for-profit microfinance institution then they could receive start-up loans for their businesses from those institutions instead; however, that is not the case. So without this program,

[1] Students develop Individualized Reintegration Plans (IRPs) in concert with teachers and counselors to direct their learning at the center as well as monitor progress towards educational and social goals. The IRPs span the duration of the program including the residential and post-residential phase.

their options are: 1) go to a local loan shark who can take advantage of them and charge them as much as 300% interest, 2) apply for a bank loan and be either denied or have their homes seized, or 3) to not get a loan, continue to sell their crops for a meager amount and just barely get by, unable to pay for their children's school fees or doctor visits. These options are simply unacceptable to ChildVoice.

So while this program may not be financially sustainable in the near future, it does significantly contribute to the economic solvency of the individual girls and their families, and that not only falls in line with the ChildVoice mission, but also with universally held beliefs of human dignity and the right to freedom in all respects, economic freedom included.[2]

Further, while ChildVoice does not intend to make any profit through this program, it is important that this program is able to continue beyond just one set of girl beneficiaries. For this purpose and the purpose of teaching the students to function in a more formal borrowing system, interest rates of 10 percent will be charged for each loan. Also, lenders will be given the option that the loan repayments from the girls go to ChildVoice for reinvestment in the microenterprise development and loan program. It is expected that approximately $1,000 per phase and $4,000 over the two years will be returned to ChildVoice in this way. While this obviously does not cover all of the expenses needed for the program, it is believed that ChildVoice may be able to obtain the remaining funds through interested investors and potential grants.

Conclusion

ChildVoice International helps to rehabilitate young war-affected women by providing them with counseling, education, vocational skills training and life skills training. The girls who begin the program as "the most vulnerable in society" will leave ChildVoice equipped with the requisite skills and resources to become leaders in their communities. ChildVoice must empower these young women by recognizing the importance of business and financial knowledge and access to loans. Just as resources without knowledge prove to be useless, so too does knowledge without resources. By providing them the opportunity to start a small business with the vocational skills they have been taught at CVI, they will have a significantly greater chance for post-residential success. When they can create and grow small businesses, they can educate their children, they can eat healthy meals each day and they can gain confidence, independence and respect, raising the role of women in their communities. For these young women, this is not just a loan, it's a chance at a future

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[2] The annual *Index of Economic Freedom* (published by The Heritage Foundation and *The Wall Street Journal*) define economic freedom as "the fundamental right of every human to control his or her own labor and property. In an economically free society, individuals are free to work, produce, consume, and invest in any way they please." The *Index* consistently finds that free markets and entrepreneurship are the keys to prosperity. The results of the 2010 *Index* demonstrate a significant positive correlation between higher economic freedom scores and reduced poverty.

Appendix

Post Residential Phase—Two Year Costs

Post-Residential Phase					30-Nov	30-May-11	30-Nov-11	30-May-12
	Unit Cost	**Qty.**	**Units**	**Two-Year Cost**				
Post Residential Supervisor	$250	24	months	$6,000	0%	0%	50%	50%
Microfinance Specialist	$250	24	months	$6,000	0%	33%	33%	33%
Transition Specialist	$175	24	months	$4,200	25%	25%	25%	25%
*Microloan corpus	$200	30	students	$6,000	36%	32%	0%	32%
Fuel	$150	24	months	$3,600	25%	25%	25%	25%
Travel expenses	$100	24	months	$2,400	25%	25%	25%	25%
Motorcycles (2)	$5,000	2	bikes	$10,000	25%	25%	25%	25%
Helmets, etc (2)	$175	2	helmets	$350	25%	25%	25%	25%
Motorcycle Maintenance	$100	24	months	$2,400	25%	25%	25%	25%
Motorcycle Insurance	$100	2	fee	$200	25%	25%	25%	25%
Motorcycle Licensing	$200	1	fee	$200	25%	25%	25%	25%
Airtime	$100	24	months	$2,400	25%	25%	25%	25%
Laptops	$1,000	1	piece	$1,000	50%	50%	0%	0%
Office supplies	$50	24	months	$1,200	25%	25%	25%	25%
Administration	$100	24	months	$2,400	25%	25%	25%	25%
**Incentive Plan	$43	30	students	$1,290	8%	33%	52%	7%
Graduation Ceremony	$300	1	day	$300	0%	0%	53%	47%
Savings Materials	$14	30	packages	$420	25%	25%	25%	25%
Total				**$50,360**	**10,206**	**12,328**	**13,252**	**$14,574**

*The number of students has been set at 30 rather than 47 due to a series of calculations based off of the optimistic assumption that 90% of the students will be eligible for a loan and will successful repay every loan in full. (90% of the 47 girls will be eligible for an initial loan—42; 90% of those girls will fully repay within 6 months—38; 90% of those girls will repay the second loan within 6 months—34; 90% of those girls will repay the third loan in 6 months—30 at $200 per girl for a total of $6,000)
** The incentive plan costs $75 per successful student, but because the budget only covers a two-year span, which cuts the third round of students off after the first phase, the amount shown on the budget averages out to $43 per student.

Post-Residential Phase—Table Explanation

The table has been created to demonstrate the required costs for the next two years. This budget is based off of the assumption that there are 17 students in the first group, 15 students in the second group and 15 students in the third group for a total of 47 students entering the post-residential phase over the next two years.

The post-residential program is divided into three phases that include six months each and are marked in the table by the estimated beginning date of each phase. The first phase is expected to begin as early as the end of November 2010. The second round of girls who enter the post-residential phase will begin in the second phase (May 2011), and the third round of girls will enter the phase in May 2012. While the third and fourth phases do not include the initial start-up costs, they do include not one, but two groups of students in the post-residential phase. This is reflected mostly in the microloan and incentive plan costs.

The incentive plan reflects a 90% success rate as in the microloan corpus where 30 of the girls receive a loan and every one of them successfully repays her loan at months six, twelve and eighteen. While a 100% success rate is obviously a desired outcome, it is not likely in the initial phase of this program.

It should also be noted when looking at the estimated amount of microloans issued over two years ($6,000) that potentially 30 small businesses will be started from this relatively small investment. Research has shown that when a woman is given a loan, an average of five other people benefit (namely, their children), meaning that about 150 people will be better off as a result of this loan program over only two years. That means more children educated and healthy and more money reinvested in the family business.

This comprehensive program strategically empowers those most vulnerable from their communities to research, develop and successfully implement small businesses. This strategy serves as a powerful tool for sustainable transformation, revitalizing the economy while promoting peace and reconciliation.

Program Start-Up Costs (Phase 1)

If the total amount needed to run the post-residential phase (including the microenterprise development and loan program) is spread over two years, the total amount is about $50,000 with an average of about $10,000 shown as being required for the first six months. When looking more closely at the expenses in the first phase, however, it can be seen that the major expenses include a motorcycle and laptop for the Transition Specialist. If it were possible to function without these items in the first six months, then the total amount required for the first six months would only be $3,417 since the motorcycle and items associated with the motorcycle account for $7,475 and the laptop is an additional $1000. If, however, the motorcycle and laptop are in fact needed in the first six months of the post-residential program, than the actual amount needed in the first six months is $11,892.

Sample Start-Up Business Costs

These sample expense sheets have been created to show the items that would be needed for a fully functioning and expanding business. Each of these businesses have been chosen because they are part of the vocational training the girl beneficiaries learn while in the residential phase at ChildVoice. All of calculations are performed in Ugandan Shillings. The areas marked in RED are the minimum items that are required to start functioning as a small business. Therefore, it is expected that the students should be able to start making and saving money immediately within the first phase as the costs to start at a basic level will be covered by the initial loans.

If one of the girls has an idea for a business other than these listed below, she can still be eligible for a loan; however, she will be required to perform a market survey, demonstrate her knowledge of the skill and present a business plan that includes the necessary expenses.

Salon

Item	**Cost**
Rent	$15.00/month
Chairs	$7.50
Mats	$5.00
Benches	$12.50
Water stand	$10.00
Basin	$1.50
Jericans	$2.00
Scissors	$3.50
Needles	$1.00
Threads	$5.00
Cashbox	$2.50
Writing materials	$2.50
Padlock	$5.00
Big mirror	$4.00
Shampoo	$5.00/month
Chemical Treatments	$20.00/month
Steel comb	$2.50
Hair chart	$2.00
Rollers	$7.50
Short pony (5)	$5.00/month
Tip top (5)	$2.00/month
TOTAL	**$118.50**
TOTAL	**$31.00**

Bakery

Item	Cost
Rent	$15.00/month
Chairs	$12.50
Mats	$5.00
Benches	$12.50
Trays	$5.00
Basins (3)	$4.50
Jericans (2)	$4.00
Rollers	$2.50
Sauce pans	$5.00
Knives, spoons	$6.00
Cashbox	$2.50
Writing materials	$2.50
Padlock	$5.00
Plates	$7.50
Charcoal Stove	$10.00
Table	$12.50
Tablecloth	$2.50
Flour	$3.00
Sugar	$5.00/month
Oil	$5.00/month
Eggs	$6.00/month
Other Ingredients	$5.00/month
Packaging Materials	$10.00/month
Small Mud Oven	$100.00
TOTAL	**$232.50**

TOTAL	**$48.00**

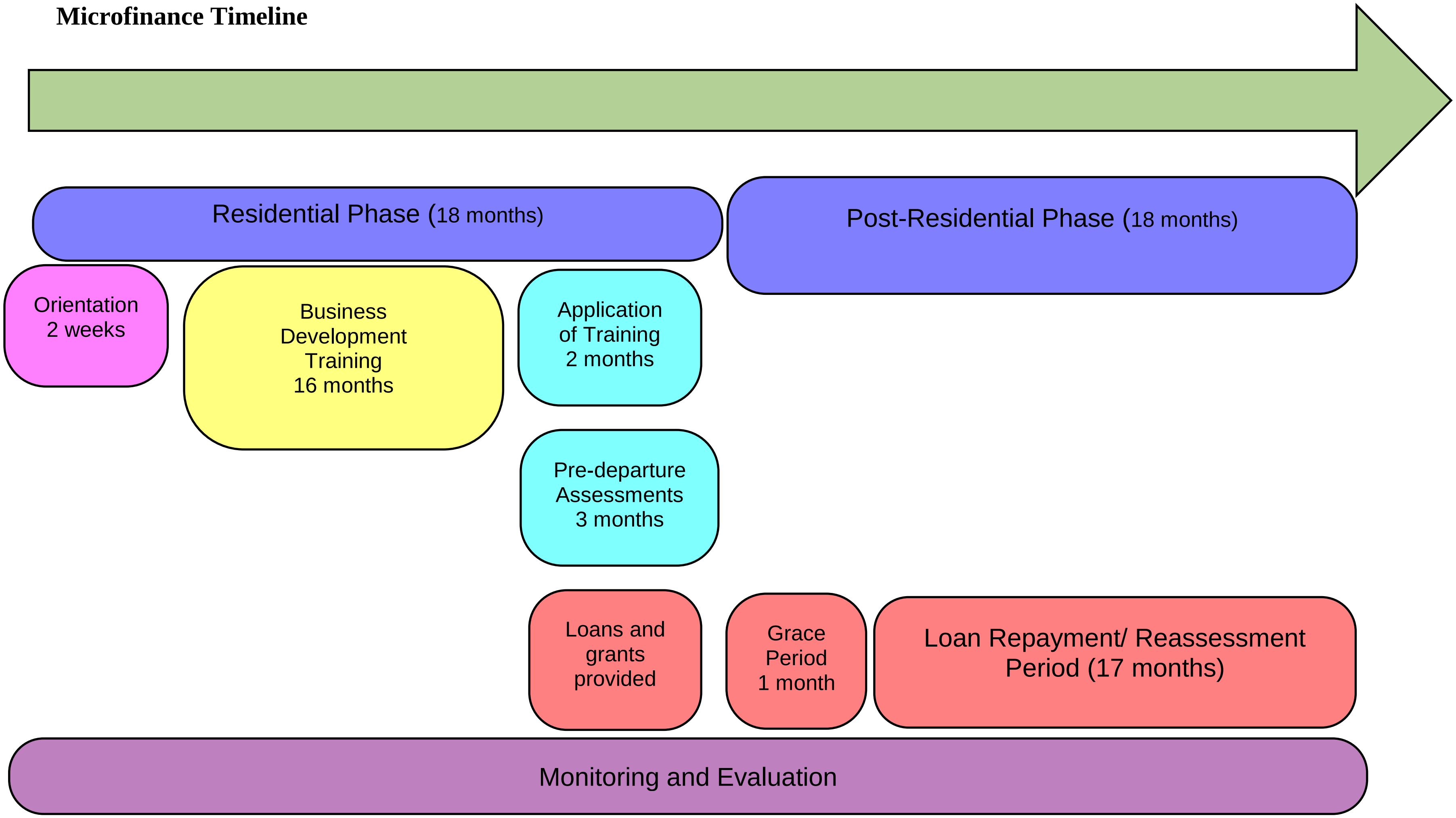
Tailoring Shop

Item	**Cost**
Rent	$10.00/month
Sewing Machine	$100.00
Scissors	$5.00
Bench	$12.50
Chairs	$12.50
Tool box	$10.00
Cash box	$2.50
Buttons, threads, tape measure, other materials	$7.50
Padlock	$2.50
Writing materials	$1.50
Fabric (20 types, 4 yards each,1000/yard)*	$40.00
TOTAL	**$166.50**
TOTAL	***$204.00**

*restocking of fabric and other materials = $10.00-$30.00 per month; new total equals around $250.00.

In addition to the costs of the small businesses, any remaining portion of the loan will go toward paying for the cost of materials needed as well as for the cost of seeds. The girls are expected to maintain crops and/or raise livestock in addition to their small businesses and savings groups in order to have several sources of income and also feed their families. The small business, farming and savings groups should give them enough opportunities to not only repay the loans in a timely manner but to also be able to survive any emergencies and unexpected expenses, grow their businesses and thrive.

Microfinance Timeline



Explanation of Timeline:

The business development training will be incorporated into the existing programs and conducted throughout the residential program, beginning after orientation. At the culmination of the course, the business plans will be prepared and a comprehensive application of the course material will begin. During this time, and in the last three months of the residential phase, pre-departure trips will be also conducted by CVI staff.

The loans will be disbursed in the final month of the program, and CVI staff will accompany the girls in arranging the necessary materials for their businesses. They will be able to leave CVI with their businesses set up. A grace period of one month will be given for the girls to readjust into their homes and get their businesses started. In the second week of the second month, they will be expected to make their first loan repayment of $3.50 and for every two weeks thereafter until their loan is fully repaid at the end of six months. Reassessments of the applicant and her business will be conducted and it will be determined whether she is eligible for the second loan installment of $75. Again, she will be expected to repay every two weeks with the final payment being made at the end of the six months. This marks month 12 and an additional reassessment. If successful, the girls will be eligible to receive a third loan of $75 with the expected repayment at the end of those six months, marking month 18, the end of the post-residential phase.

Monitoring and evaluation of the program and participants will be conducted at all times throughout the program with special emphasis on the post-residential phase. In the months following the girls' departure, the business progress and loan repayment will be strictly monitored and the results will be reported to the investors.