

## Sponsor Microfinance: Empower Small Businesses



### Summary

Most African countries, including Sierra Leone, can be characterized by their grinding poverty (World Bank, 2008). Past reliance on government aid alone to lift nations out of poverty has been a failure (Collier, 2007). A key hope for the future is that entrepreneurship can end that cycle of poverty. Indeed, the idea that private initiative has the potential to bring a large number of individuals out of poverty (Collier) has spurred an industry of private and public microfinance assistance agencies.

This project empowers individuals in Africa who are interested in developing their small businesses. It helps them break the cycle of poverty and boost economic development through 2 key areas: business management training and financial assistance. This support helps them effectively start and grow their small businesses. Priority is given to youths and women. Small businesses are the life-blood of African economies and this is a great way to bring change and boost economies.

### Challenge

Sierra Leone's population of 6.5 million is composed of 45% youth. This substantial youthful population suffers from widespread unemployment with estimates as high as 70% unemployed and or underemployed, and 50% are illiterate and unskilled. Tens of thousands of youths and adults struggle to find a meaningful existence and are living below the poverty line. They are exposed to the temptations of resorting to a lifestyle of vices and destructive occupations. They desperately need help and a viable path to self-sufficiency. These visibly unemployed youths can be found in the streets of Sierra Leone's capital Freetown and other urban centers. Many of the pre-conflict conditions that helped fuel the youth's participation in what was a brutal conflict 1991-2001 (exclusion from family life, society, jobs and the decision making processes as well as living under oppressive traditional and cultural systems in the rural areas) still exist today. Large numbers of unemployed youths are a potential source of insecurity given their vulnerability to recruitment into criminal and violent activities.

### Solution

This project provides foundational training in business management and entrepreneurship, and business capital to participants. This helps them to start or expand their businesses, become self-reliant and also employ others. Young people can venture into several initiatives in IT, tailoring, commerce, skills training etc. Technology is the new impetus for economic growth. Young people can set up IT Cafés and help expand the knowledge of their peers. "Technology in all its forms has tremendous potential to connect communities and facilitate healthy, sustainable economic growth," said Dr. Cheick Diarra, Africa chairman for Microsoft (2007). The partnerships and progress made in ICT are helping the expansion of the African IT sectors and ultimately increasing technological competitiveness for Africa. Others can use the funding to set up local industries like garment, soap and cosmetics production-items produced locally for the market. Young people will receive both finances and training to set up these small businesses.

### **Long-Term Impact**

The project will enable individuals and small businesses to move from barely making enough to meet their basic needs (living from hand to mouth) to a point where they will expand, provide employment, and contribute to national development. There will be a drop in the crime rate of young people as more and more of them are able to create employment for themselves and their family. This will strengthen the society. Every modern economy needs an inclusive financial system that enables people and organizations to perform transactions, save, borrow and invest across distance and time. These microfinance activities will allow people to insure against unexpected events, plan for the future, and, ultimately, improve household conditions through more consistent access to financial resources. This is particularly important for Sierra Leone with high rates of financial exclusion, where a large percentage of the population is made up of young people.



### **Resources**

[http://www.developafrica.org/sponsor\\_microfinance\\_freetown](http://www.developafrica.org/sponsor_microfinance_freetown)

[\*\*SIERRA LEONE: "An idle mind is a devil's workshop"\*\*](#)

[\*\*UN Human Development Report - Sierra Leone\*\*](#)

[\*\*UN Country Information - Sierra Leone\*\*](#)

[\*\*Wikipedia - Microfinance\*\*](#)

Collier, P. 2007. Poverty reduction in Africa. Proceedings of the National Academy of Sciences 104(43):16763-16768.

<http://www.pnas.org/content/104/43/16763.full>

<http://www.careers.sl/article/youth-factor-sierra-leone>

<http://politicosl.com/2013/09/the-youth-factor-in-sierra-leone/>



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*Empowering lives in Africa so that they can better themselves, their communities and their nations*

Develop Africa was established in 2006 and is a 501c3 non-profit organization is working to establish meaningful and sustainable development in Africa. Develop Africa was birthed out of the vision that human resource development is the key to improving nation building capacity in Africa. Develop Africa is involved in a range of programs in Africa supporting education, microfinance and small businesses, job skills / leadership development training etc.

Through training, scholarship, investment and partnerships Develop Africa is helping to develop Africa's people through the promotion of transformational education, resource development, investment training and strategic empowerment. Our premise is based on the notion that in order to change one's personal, national or organizational status there must necessarily be a "change in the thinking and processing pattern of the mind."

We envision an African continent fully developed in terms of its human and resource capacity, free from poverty; ignorance, and civil conflict and where the poorest and most vulnerable people become "leaders" and effectively manage their national resources.

We are involved in the following targeted activities:

- care for orphans
- job skills training
- microfinance / micro-lending and small business training
- scholarships
- books, school and teaching supplies
- basic computer training and computers
- mosquito nets, vitamin supplements, start up tool kits (such as sewing machines), school uniforms, Personal Protective Equipment for health workers etc.

Examples of specific activity: We provide -

- job skills training
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**Sierra Leone- Full Country Profile available at [https://en.wikipedia.org/wiki/Sierra\\_Leone](https://en.wikipedia.org/wiki/Sierra_Leone)**

**Sierra Leone** (<sup>i</sup>ˈsiːrəˈliːoʊni, ˌ-liːoʊn),<sup>[5]</sup> officially the **Republic of Sierra Leone**, is a country in [West Africa](#). It is bordered by [Guinea](#) on the north, [Liberia](#) in the south-east, and the [Atlantic Ocean](#) in the south-west. Sierra Leone has a [tropical climate](#), with a diverse environment ranging from [savannah](#) to [rainforests](#). Sierra Leone has a total area of 71,740 km<sup>2</sup> (27,699 sq mi)<sup>[6]</sup> and a population of 7,075,641 (based on 2015 national census).<sup>[1]</sup> Sierra Leone is divided into four geographical regions: the [Northern Province](#), [Eastern Province](#), [Southern Province](#) and the [Western Area](#), which are subdivided into [fourteen districts](#). [Freetown](#) is the capital, largest city and its economic and political centre. [Bo](#) is the second largest city. The other major cities are [Kenema](#), [Makeni](#), and [Koidu Town](#).

About sixteen [ethnic groups](#) inhabit Sierra Leone, each with its own language and customs. The two largest and most influential are the [Temne](#) and the [Mende people](#). The Temne are predominantly found in the north of the country, while the Mende are predominant in the south-east. Although English is the [official language](#) spoken at schools and government administration, the [Krio language](#) is the most widely spoken language across Sierra Leone and is spoken by 97% of the country's population. The Krio language unites all the different ethnic groups in the country, especially in their trade and social interaction with each other.

Sierra Leone is a predominantly [Muslim](#) country,<sup>[7][8][9]</sup> though with an influential [Christian](#) minority.<sup>[10]</sup> Sierra Leone is regarded as one of the most religiously tolerant nations in the world. Muslims and Christians collaborate and interact with each other peacefully. Religious violence is very rare in the country.

Sierra Leone has relied on mining, especially [diamonds](#), for its economic base. It is also among the largest producers of [titanium](#) and [bauxite](#), a major producer of [gold](#), and has one of the world's largest deposits of [rutile](#). Sierra Leone is home to the third-largest natural harbour in the world. Despite exploitation of this natural wealth, 70% of its people live in [poverty](#).<sup>[11]</sup>

Sierra Leone became independent in 1961. [Government corruption](#) and mismanagement of the country's natural resources contributed to the [Sierra Leone Civil War](#) (1991 to 2002), which for more than a decade devastated the country. This proxy war left more than 50,000 people dead, much of the country's infrastructure destroyed, and over two million people displaced as [refugees](#) in neighbouring countries.

More recently, the [2014 Ebola outbreak](#) overburdened the weak healthcare infrastructure, leading to more deaths from medical neglect than Ebola itself. It created a [humanitarian crisis](#) situation and a negative spiral of weaker economic growth. The country has an extremely low [life expectancy](#) at 57.8 years.<sup>[10]</sup>

Sierra Leone is a member of many international organisations, including the [United Nations](#), the [African Union](#), the [Economic Community of West African States](#) (ECOWAS), the [Mano River Union](#), the [Commonwealth of Nations](#), the [African Development Bank](#), and the [Organisation of Islamic Cooperation](#).