

## **Micro finance to end poverty and malnutrition in Laos**

### **Background**

The Attapeu and Salavanh Provinces are two of the poorest places in the whole of Laos. Adults that can generate an income live off less than \$1 a day. Many people do not even earn that.

There is a shortage of skills and equipment, and the people do not have enough food to feed their families. 50% of the children are malnourished and the infant and maternal mortality rate is high.

For families struggling to survive, everyday problems can become disasters. If a family member becomes sick, they cannot afford to get medical treatment. If a parent is unable to work, the children must leave school to work on the farm. If there is too much or too little rain, the crops will fail and the people will starve.

The people of Laos do not want hand outs. They want to be able to bring themselves out of poverty. But they lack the knowledge, the skills, the infrastructure or the resources.

### **How you can make a difference**

SEDA plans to use micro-finance to change people's lives. The scheme is simple: with the help of donors, SEDA can provide small loans to farmers so that they can buy the seeds and tools they need to be able to grow enough food to feed their families, with a surplus to sell and make a profit.

The people in Attapeu and Salavanh cannot get loans from anywhere else, so they need micro-finance to kick start their journey out of poverty.

### **Doing more**

At SEDA, we have carefully evaluated micro-finance schemes elsewhere to see what works and what does not. Working closely with the people of Laos, SEDA has designed a program that can really help the people.

We don't simply lend money: we provide them with all the assistance and training they need to make the money work for them.

In Attapeu and Salavanh we will be providing the farmers with training on modern farming techniques and tools; advising them on what foods are most nutritious and easy to grow. We will provide workshops to teach mothers about the basic food groups needed for a healthy child.

But that's not all. We want the villagers to become self sufficient. And to do that, they need to make an income. SEDA ensures that all the recipients of the loans attend training to teach them how to market their products, how to negotiate fair prices, how to budget effectively and how to plan personal finances.

### **The long term benefits**

Having enough food to feed your family has an obvious impact on the quality of life of the villagers of Attapeu and Salavanh. The infant mortality rate will drop and children will be more productive and learn more at school.

Generating an income will mean many things. Families will be able to save money to prepare for emergencies. The village will become wealthier and will be able to pay for water filtration, better roads, and improvements to schools. The children will be able to have a decent education and bring an end to the devastating cycle of poverty.

**Quote**

"We know that money alone is not the answer. The people need our help desperately so that they can learn how to use the money to end poverty. We can provide them with proper training, help with marketing and negotiating, and eventually the people will be able to make better lives for their children."