



Building
Assets to Better Lives

wmionline.org

2008 ANNUAL REPORT



January 2009

Message from the President

Dear Friends:

I'm writing this with great excitement on the eve of a second trip to Uganda to help issue WMI's fifth loan initiative to 40 new borrowers and 60 follow-up borrowers. It was just over one short year ago that a group of Washington area women had the idea to put their shared talents and expertise to work on behalf of impoverished women across the globe. Sharing a vision with a group of women from a small village in Eastern Uganda, WMI's small loans of \$50 - \$150 are helping women build assets so that they can stabilize their income, raise their standard of living and reorient themselves and their families.

By providing small loans to these women, they are able to start or expand small businesses. By providing training in business plan development, marketing and rudimentary accounting, they are able to sustain businesses that earn a profit – enabling them to raise their standards of living and save money for future plans and emergencies. And, by providing group support opportunities, the women are able to learn from each other and find support for their ideas.



Loan Program Operations

Buyobo, Uganda was selected as the first community for WMI microloans in order to build on existing relationships WMI board members had built in the community through other non-profit activities. Many of the residents of the villages in the area are AIDS widows, who in turn care for dozens of young children orphaned by the disease. To help each other, the women formed the Bulambuli Widow's Association and they manage to survive through entrepreneurial ingenuity and mutual support. WMI works through the Widows Association to offer credit assistance.

The villages in the Buyobo area where WMI serves borrowers include: Bukimenya, Bulambuli, Bulumolo, Bumayamba, Bumonie, Buweri, Buyda, Kimome, and Nakidega. The area lies in the

shadow of Mt. Elgon, about 150 miles east of Kampala and 10 miles from the frontier town of Mbale, near the Kenyan border. The primary economic activity is farming.

This is a very densely populated rural area. The large population allows for numerous business opportunities, which include: running small general shops, growing and selling vegetables, buying, bundling and reselling bogoyas, raising chickens, tailoring, making and selling meals, buying and selling second-hand clothes, growing coffee and grinding maize. The community is very collaborative and this cohesiveness helps ensure that loan repayments are made on time.

Program Support

In WMI's first year, nearly 300 supporters and six foundations contributed more than \$58,000, far exceeding our original goal of \$24,000. Individual donations and a grant from a local Washington D.C. foundation were used to seed WMI's initial loan fund at \$25,000.

Two important foundation grants - \$7,500 from the **Cordes Foundation** and \$8,342 from the **Towards Sustainability Foundation** – provided critical structural components to our program – funds to support a full-time local program director, **Olive Wolimbwa**, and funds to construct a small building to house a permanent WMI office and provide meeting space for borrowers and community events.

WMI has received notification that Genworth Foundation will match the \$7,500 contribution of Ron Cordes, and WMI can expect the matching funds in February 2009. WMI has also been notified that one of its local foundation supporters is recommending WMI for a follow-up grant of \$20,000 in the summer of 2009.



We are proud that 100% of all donor contributions support the WMI credit program. All U.S. based officers, board members, advisors, interns and support staff provide their services on a volunteer basis. The law firm of Baker and McKenzie generously donated its expertise setting up the 501(c)(3) corporation and provides on-going pro bono legal representation to WMI, under the supervision of partner Robert P. Lewis.

Finally, an Advisory Board has enthusiastically supported us with their ideas, organizational contacts, and advice.

Goals for 2009

An important step in 2009 will be to develop options to transition women to more conventional banking services after they fully graduate from the WMI loan program. We are exploring the feasibility of several options – from setting up our own co-op bank, to partnering with another micro-finance organization, to providing loan guarantees/credit enhancement for commercial bank loans. While in Uganda in January, Board Member Trix van der Vossen and I will meet with government officials and bankers to talk about the WMI program and explore opportunities to develop local support for WMI's operations and expansion.

With your help, WMI plans to provide loan assistance to 160 new borrowers and disburse follow-up loans to 240 borrowers in 2009. Olive has identified an organized group of widows, led by Topi Namisi, in Butandiga sub-county, about 15 kilometers from Buyobo, as the next group of borrowers.

By mid-2009 we should have enough data to begin to measure the strides borrowers are making in their businesses and to analyze our progress in improving living standards. We are continuing to administer baseline surveys to all new borrowers and follow-up surveys to all repeat borrowers. The information from the first surveys will help paint a picture of the typical WMI borrower. Equally important, though more difficult to measure empirically, is the increased business acumen and self-confidence of our borrowers. By developing these skills, WMI borrowers can become informed advocates for themselves and their families.

Thank you

It has been a whirlwind 12 months and WMI has met its goal of issuing 120 new loans and 40 follow up loans for 2008. Through careful fiscal management, WMI became cash flow positive on its loan operations this past December. Now serving 10 villages, WMI's footprint continues to expand as news of the program travels by word of mouth. The borrowers' businesses are growing and thriving as many of them add employees so that they can operate longer hours and diversify their products.

You have made WMI's mission of working to alleviate global poverty a reality. Together we have crafted a hands-on, home-grown international outreach effort that is making a very visible difference in the lives of impoverished women and their families. Thank you so much for your on-going support. We look forward to continuing to collaborate with all of you as WMI continues to change the face of poverty one loan at a time.

Very best wishes to everyone for a peaceful 2009.

Robyn Nietert
President

2008 Program Accomplishments

Raised over **\$58,000** from individuals, foundation grants and loan operations.

Obtained permanent listing on the Global Giving web site, devoted to poverty relief and social justice: www.globalgiving.org, by raising over \$7,000.

Capitalized WMI's revolving loan fund at **\$25,000**, enabling WMI to make loans of **\$50-\$150** to up to 120 women at a time.

120 initial and 40 follow-on loans were disbursed totaling \$25,000. Forty initial loans repaid in full with **no late payments**.

Obtained grant funds for an **in-country local director** for 5 years.

Obtained grant for a **shared community building** to provide offices for WMI and meeting space for borrower support groups. Under construction.

Obtained **501(c)(3)** tax-exempt status, allowing all gifts from U.S. citizens to be fully tax deductible.

100% of donor contributions directly support the loan program. The WMI Board of Directors, Advisory Board, interns, and legal counsel provide their expertise on a pro bono basis. All U.S.-based staffing, office space and expenses are provided by volunteers or donated.

In two separate trips in 2008, Board Members, Advisory Board Members, and three interns traveled at their own expense to Uganda to **oversee WMI operations**.

Organized drive to collect used musical instruments for the Mbale Youth Band. Over 50 donated instruments were shipped to Uganda by **DHL** free of charge. The band's sponsor is the Foundation for the Development of Needy Communities, a WMI sister organization located in Mbale, Uganda.

In addition to providing pro bono legal counsel, the law firm of **Baker and McKenzie** plays an active role in supporting WMI's growing outreach efforts.



“Life was miserable before I got this loan, then, I only managed to buy 2 or 3 bunches of bananas for sale, I hardly saved any money. After getting assistance from this group I managed to expand my business and today I buy about 15 bunches of banana. In a week I get a profit of about 20,000= which is really good for a rural woman like me. My family’s livelihood is secured because of this loan, I can sustain my children and 2 grandchildren in school, I also buy them meat once in a while, my life has changed the loan was small but if one is really committed to change like me, then it’s big.” Margret Namisi, 42 years old.

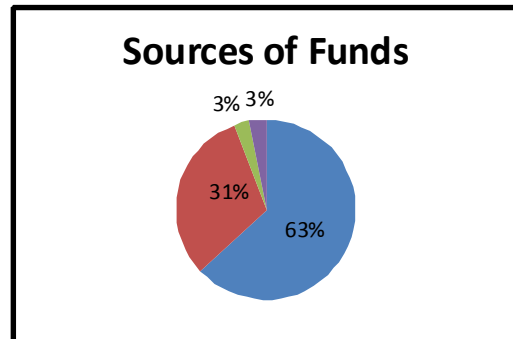


“Am a tailor, I work in the women’s workshop and they in return give me a small stipend to sustain myself but this was really small to make considerable change in my life and my family’s life. When the loan program was introduced I decided to apply for a loan of shs.100.000= I bough materials and stocked, with this I had basically started my own business to supplement the stipend from the widow’s tailoring workshop. Today am doing better than before I got the loan, I get a weekly profit of 4000-5000 and am saving part of this money to buy my own sewing machine because I plan to open shop soon, thanks to the loan because without it I would be still dependant on the little from the workshop.” Phebe Nabafu, 58 years old and mother of 8 children.

2008 Financial Summary January 1 - December 31, 2008

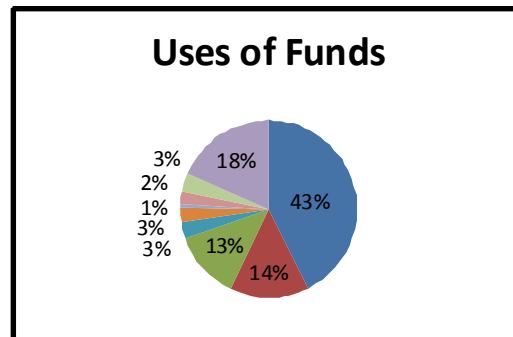
Sources of Funds

Individual Donations	\$ 36,885	63%
Foundation Grants	\$ 18,342	31%
Loan Program Income	\$ 1,576	3%
Contributions In kind	<u>\$ 1,740</u>	3%
Total Revenue	<u>\$ 58,543</u>	



Major Uses of Funds

Revolving Loan Fund	\$ 25,000	43%
Building Fund	\$ 8,342	14%
Human Capacity Building (training women in Buyobo)	\$ 7,500	13%
Loan Program Operations	\$ 1,691	3%
Loan Training Programs	\$ 1,446	2%
Donated Equipment	\$ 500	1%
Fund Raising Expense*	\$ 1,353	2%
Other Program Expense	\$ 1,970	3%
Reserve for Future Operations	<u>\$ 10,741</u>	18%
Total Uses	<u>\$ 58,543</u>	



* includes Global Giving fees

Special Thanks

Our **Board of Directors** has devoted hundreds of hours to program planning and development, fundraising, accounting, and outreach. We owe special thanks to **June Kyakoby** who has provided continuous communication with the Buyobo community and eagle-eyed oversight of WMI program operations. Also, special thanks to **Deborah Smith** who developed financial reports and budgets for WMI, and **Elizabeth Gordon** who has maintained donor contributions and correspondence.

Our **Advisory Board** has provided expert advice and counsel. Credit Specialist **Robert Israelite** assisted with training materials and traveled to Uganda to assist WMI with the third loan initiative and a graduation ceremony for the first round borrowers. University of Virginia finance professor **Bill Wilhelm** has been instrumental in helping us plan the transition to sustainable credit. And, real estate development consultant **Al Tetrault** prepared the preliminary building specifications and is helping to guide the building development process.

Our Ugandan partner, the **Foundation for the Development of Needy Communities (FDNC)** provides wise counsel and hands-on assistance with the credit program. FDNC founder **Sam Watalatsu** was instrumental in helping launch the program and is providing in-country loan program oversight. **Ruth Naduli**, FDNC's Accounts Assistant/Bursar, has been providing excellent training in record keeping and business skills to WMI borrowers.

Summer interns **Daniel Van Oudenaren, Hart Wood, Montana Stevenson, Jennifer Holland,** and **Victoria Stevenson** created web content, prepared the third loan initiative, and developed the data survey and analysis. Special thanks to the **Wood family** for supporting Hart's trip to Uganda to assist with the third loan initiative. Interns Montana and Victoria Stevenson also accompanied their mother, Robyn Nietert, to Uganda and assisted with the initial loan round in January 2008.

Kathy Stauda has provided invaluable office assistance and **Barbara Feuer** and **Sue Baglien** have provided fund raising support.

Special thanks to our expert web site consultant, **Nick Hill**, for turning our vision into a reality. Finally, Advisory Board member **Christine Uzzell** is keeping the web site updated and her expertise is greatly appreciated.

Board of Directors and Officers

Robyn G. Nietert – President. For over 25 years, she was a member of the Washington, D.C. law firm of Brown, Nietert and Kaufman, which specialized in telecommunications law, with a focus on innovative wireless technologies.

Jane E. Erickson – First Vice President. She is an executive with a Washington, D.C. area global health care consulting firm.

Teresa Ciccotelli - Second Vice President. She is a corporate attorney with over 20 years experience in Fortune 100 companies, currently with Saint-Gobain's US offices in PA.

Elizabeth Gordon – Treasurer. She is a consultant to Fannie Mae in Washington, D.C.

Deborah W. Smith – Secretary. She has over 30 years of experience in corporate and personal finance and is currently associated with an independent investment advisory firm in northern Virginia.

Beatrix van der Vossen – Recording Secretary. A native of the Netherlands, she is Assistant to the Office of the Executive Director of the Netherlands Constituency to the IMF.

June Kyakobye – Special Advisor for Buyobo Project. She has been at the Pan American Health Organization/World Health Organization (PAHO/WHO) in Washington, D.C since 2001.

Advisory Board

Carol Booker, retired general counsel, US Int'l Broadcasting, Washington, D. C.

Barbara Feuer, psychologist, Bethesda, MD

Bonnie Holcomb, anthropologist, Bethesda, MD

Robert Israelite, credit specialist, Chicago, IL

Harris Recht, attorney, Ridgewood, NJ

Katherine Staudaher, occupational therapist, Bethesda, MD

Al Tetrault, housing specialist, Vienna, VA

Christine Uzzell, information technology specialist, Bethesda, MD

Carol Van Oudenaren, librarian, Bethesda, MD

William Wilhelm, finance professor, University of Virginia, Charlottesville, VA

Mona Yacoubian, foreign affairs consultant, Bethesda, MD

For further information about the Women's Microfinance Initiative contact:

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