

## Uganda women build a future with micro-financing boost



*Inida Sidud, 40, mother of five children, owns a small shop on the main road to Bulambuli, Uganda, where she sells flour and other staples. Photo by Tobin Jones, WMI 2009 intern, used by permission.*

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This is a story about how one thing leads to the next, especially when smart, motivated women get involved. And about how a little money and time given by ordinary people can add up to more than they ever imagined.

At the beginning, there's Robyn Nietert, a lawyer from the Washington, D.C., area who's a member of Bradley Hills Church in Bethesda, Md. Some years ago, through a mission partnership in Uganda, the Bradley Hills congregation helped to construct a maize mill in the village of Buyobo, tucked into the northeastern corner of Uganda near Lake Victoria.

Niertert knew of the maize mill — she did some legal work on the project — and she had heard from a Ugandan woman who worships at Bradley Hills that “the women in the village would really like to have small amounts of loans to start their own businesses.”

Many of the women in Buyobo have lost their husbands to AIDS, and now

are raising their children alone, and also helping to care for other children who've been orphaned by the HIV epidemic. Although the people live in poverty, Buyobo is about 10 miles from the town of Mbale, with a population of 50,000, and there are other villages nearby, which means traffic and economic opportunity.

So Nietert invited some of her friends to pool their resources and their expertise to make it happen. They wanted to improve the quality of lives of women in a developing country — women much like them, except for geography and economics.

In late 2007, they created a nonprofit organization, the Women's Microfinance Initiative, known as WMI. It builds on an international trend towards financing projects through micro-lending, which bypasses the traditional financial institutions and puts money from donors directly into the hands of local cooperatives and entrepreneurs. One of the advantages: because the loans are paid back fairly quickly — and typically the rate of repayment is very strong — the initial base of capital is preserved. So, as the loans are repaid, the project can be expanded and more loans made, making the project sustainable.

Niertert and a friend from the neighborhood, Betsy Gordon, contacted professional women they knew to gather the expertise needed to get WMI off the ground, pulling in women with experience in business, law, health, and international affairs. They kicked in some money, with the idea that making small loans directly to women in the village would help the women to help themselves.

They also began working with June Kyakobwe, who is a member of the Bradley Hills church, and a native of Uganda with connections to the Bulambuli Widows Association in Buy-

obo. Kyakobwe joined the WMI board.

In January 2008, Nietert; her husband, Malcolm Stevenson, who's also a lawyer; and their two teenage daughters traveled to Uganda. There, they met with women from the village, passing out photographs of the women from Washington involved with WMI, starting to build a connection. The women from Buyobo studied the pictures, repeating the names of the American women, clapping and cheering at the idea that these strangers were willing to help them get started in business.

Over the course of several days, Kyakobwe, Nietert, Olive Wolimbwa, who's the head of the widow's association, and Nietert's elder daughter, Montana Stevenson, a student at the University of Virginia, interviewed women who wanted loans. A long line of women waited patiently for their turns to talk about their ideas for selling chickens or produce at the markets, or opening small shops.

“When we saw how enthusiastic and committed the women were, we were pretty well convinced this was going to work,” Nietert said. The visitors also provided training in basic accounting methods, giving the women notebooks and calculators to keep track of their income and expenses. At the end of all this, 20 initial loans were made, for from \$50 to \$150 apiece, with each borrower carefully signing her name.

The visitors left with gifts — local coffee, beans, dresses made by hand. They left behind a cell phone that WMI had purchased and volunteers used to call the village for updates.

In March 2008, WMI made 20 more loans. By July 2008, all the first round of loans had been repaid. And now the cycle keeps repeating and expanding, with more loans being made to new borrowers, and repeat loans being made so some women can grow their businesses. By the end of 2009, WMI



*Phoebe Nabafu, 58, a widowed mother of eight children, sews a made-to-order dress for a client in Bulambuli, Uganda. Photo by Tobin Jones, WMI 2009 intern, used by permission.*

expects to have made about 600 loans.

Under the terms of these loans, no collateral or down payment is required. The loan is to be paid back in six months, with an interest rate of 10 percent. So far, the repayment rate has been 100 percent.

"It just goes to show how the Western notion of thinking that the only way to secure loans and obligations is either through physical or monetary collateral isn't exactly true," Nietert said. "It takes such a small amount of money to make a difference. You don't have to be a Nobel laureate to be a catalyst for change. Individuals can make a difference."

And the result of the loans? Women from Buyobo now grow and sell their produce, raise turkeys, chickens, and cows for market. They've opened small roadside stands and shops to sell a wide variety of goods, including food they cook over open fires, salted fish, used clothing and shoes, paraffin, salt, matches, coffee, and firewood. There is a hair salon and a bicycle-repair shop. Some women pick bananas and ship them to Kenya and Sudan, where the prices are better.

"The impact of the loan program is immediate and extensive," Nietert said. Some women generate as much as \$150 a month in revenue they use directly to improve their standard of living.

Typically, with the first extra money, they cement their mud floors, Nietert said. "It's because the mud is very dry and dusty. It creates health problems. When you see every specific improvement they make, you begin to understand their lives. They use their money for school fees and to buy medical supplies," as many of the children suffer from malaria. "Someone in their house day or night at any time has malaria,"

she said. "They are constantly buying malaria drugs."

Throughout the process, "relationships are huge," Nietert said. "What we are really is an empowerment project. ... When you give someone the ability to earn a living so they can support themselves and their family, they get a huge amount of self-confidence. They realize, 'I'm important, I work hard, I'm entitled to ask for things' " to make for a better life.

Relationships also are vital because often the women, working cooperatively in groups, will guarantee one another's loans. "We have not had a single default," Nietert said. "They understand their obligations, they use their money wisely."

As WMI tries to help the women transition into the local economy, "we're not trying to be anything and everything forever to them," Nietert said. "We're a ladder. We're a stepping stone for them to get to where they want to go."

As the women of Buyobo have grown more entrepreneurial, so have the women of WMI.

What started as a microloan program has gradually expanded.

WMI began holding annual potluck fundraising dinners in the U.S., raising \$60,000 in 2009, and encouraging women to donate to the Buyobo widows on Mother's Day in honor of the mothers in their own lives.

Last summer, with the help of a grant from a foundation, WMI and a local community development association in Uganda finished construction of a building — a joint project — that will include room for a meeting and celebration space and will allow WMI to expand services to include such things as a preschool and a tutoring center. Volunteers from the U.S., including a Girl Scout troop, have helped collect and prepare books through a book drive to establish a children's lending library. Already, WMI has shipped 1,100 books to Uganda along with pencils, paper, and supplies for the local school.

WMI has begun to partner with other nonprofit groups, for example, to acquire mosquito nets to protect the women's families against malaria, and to provide fuel-efficient stoves to replace the smoky wood fires on which the women cook. The first shipment of 81 stoves arrived in May 2009, with WMI offering no-interest installment payments to make the stoves affordable. All the women made their payments on

time; not surprisingly, some have now gone into the stove-selling business.

WMI began expanding its loans to a number of nearby villages. Its members have gone to Capital Hill to talk to Congressional representatives about initiatives to end international poverty.

Last summer, seven college students worked as interns with WMI in Bethesda — analyzing data from the loan program to create profiles of the borrowers and to measure the program's impact. Other interns traveled to Uganda, helping to automate records there, setting up a wireless system, and training Wolimbwa, the head of the widows' association, in using Excel spreadsheets.

A WMI volunteer who formerly worked as an editor at the Discovery Channel helped narrate and write the script for a video (<http://www.youtube.com/watch?v=5oMjsAuz2lk>) about WMI that's now on YouTube and is being used as a promotional vehicle to tell about the needs in Uganda.

"I am happy to report that the WMI loans are creating a great impact in the community," Wolimbwa says on the video. "One, the women are slowly being empowered financially. Two, they are gaining self-confidence. Just when you have some money, at least you have the power to speak."

WMI is working on a transition program that will enable women who've built a track record with WMI loans to switch over and begin getting assistance from a local bank in Uganda. Initially, WMI will guarantee the loans from the bank, and in time "they will be eligible for independent loans directly" and will be able to transition completely to financing from the local economy, Nietert said.

For WMI, this truly is an interfaith effort, with board members who are Presbyterian, Catholic and Jewish, among other faiths.

And the project has empowered these American women too — not only the women in Uganda.

"We'll e-mail anyone" to ask for help with the project, Nietert said. "We're not intimidated by anything. ... It's really just taught me that you can go out there. If you believe in yourself, you can do anything. You honestly can do anything. I'm shocked at the amount of money we have raised. We will probably raise over \$100,000 this year. We are women who believe in this. We believe we have a responsibility to do something. We just go out and do it." ★