Women's Microfinance Initiative

Building Assets to Better Lives

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With its patient approach to development, WMI has created a village-lending model that provides reliable financial services to rural women in East Africa in a structured format that is 100% self-sustaining. In a fresh take on poverty alleviation, WMI and its local partners are building a grassroots network fostering economic development for rural women and their families that makes economic sense. Our flexibility to address rural women's business needs is unparalleled, resulting in significant improvements in financial inclusion.

- **In its first decade (2008 – 2017), WMI issued approximately 40,000 loans totaling $5,000,000.**
- **WMI is now on track to issue 10,000 loans each year to rural women in Uganda, Kenya and Tanzania.**
- **Loan recovery rate is approximately 98%.**

Innovative Loan Program Structure

- WMI trains rural women to manage local loan hubs through registered women-run organizations.
- Women are organized into 20-member solidarity groups; members cross-guarantee each other's loans.
- WMI provides loan amounts of $100 - $250 at a 10% interest rate over six-month terms.
- Interest is paid to the local loan hub organization and covers all local program operating expenses.
- After four loan cycles, women graduate to financial independence and they open bank accounts.
- Their businesses become self-financing; they can also apply for a WMI Jumbo Loan to expand their operations.
- Repaid loan amounts are recycled by the local loan hub to fund first-time loans for new borrowers
- Loan hubs become self-sustaining after 36 months and continue to issue thousands of loans each year.

Competitive Advantages and Success Factors

- Loan hubs located in rural areas provide easy access for village women.
- The loan interest rate is very favorable in comparison to typical microfinance loan products.
- A woman-friendly environment features solidarity groups, regular follow-up visits, and simple paperwork.
- There is a strong emphasis on savings with savings incentives provided.
- Jumbo Loans are available to successful program graduates who need additional funding to expand businesses.
- The Loan Program is highly structured but decentralized, making it flexible and easily replicable.
- Committed local women's organizations and bank partners strengthen WMI's field operations.
- On-going business, marketing, and financial literacy training conducted by peers is highly effective.

Program Evaluation/Monitoring

- Semi-annual borrower surveys collect first-hand data; they are compiled and analyzed annually in impact reports.
- There are bi-weekly mandatory meetings and on site business visits by Coordinators who provide follow-up reports.
- WMI conducts annual on-site visits to hub locations and a quarterly review of local hub bank statements/expenses.

Loan Program Impact

- 99% of borrowers doubled their income within first six months of participation.
- 100% of borrowers report increased savings, including for family health and emergencies.
- 99% of borrowers have improved their household meals.
- 85% of borrowers have improved their business skills.
- 20% of borrowers hired employees for their business; loan impact is not limited to borrowers and families.
- 50% of graduating borrowers generate annual income of $3,333 - $6,666; 10% generate in excess of $10,000.

WMI delivers a triple bottom line: capital and training are made available to rural women to start businesses and generate income used to improve household living standards; infrastructure and human capacity are built in the village-level management organizations, which then become advocates for the community and, fundamental structural change is achieved in the way banks deal with rural women, resulting in greater access to financial services for the poor.

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