



Program Fact Sheet - Project Muso, Mali December 2011

Organization: Project Muso

Website: www.projectmuso.org

Program Title: Springboard Microfinance Program and Solidarity Fund Test Pilot Program

DFW's Mission: Opening Economic Doors for Women:

In Mali, the fifth poorest country in the world, women have little access to business loans and entrepreneurial opportunities. Dining for Women will help about 100 Malian women in Project Muso maintain and launch new businesses to support themselves and about 900 family members. Project Muso works with communities in Yirimadjo, Mali, an impoverished, overcrowded network of communities on the edge of Mali's capital city. The region lacks adequate healthcare, paved roads, electricity, and sanitation systems. About 83 percent of Project Muso participants still live on roughly \$2 a day or less.

Specifically, Dining for Women's donations will provide business loans to 72 women in Project Muso's Springboard Microfinance Program. We will also provide food, business and savings training, and a fixed asset, such as a goat, sewing machine, or peanut-butter-making machine to 25 women through the Solidarity Fund Test Pilot program.

Our goal: Help the Malian women and their families break the cycle of poverty and disease and experience economic prosperity and well-being.

A snapshot of Mali's challenges: A culturally rich country, Mali struggles with extreme poverty—70 percent of the population makes less than \$2 a day. Mali's people have grossly insufficient healthcare. About one out of five children does not survive to their fifth birthday. The average life expectancy is 49.

History of the organization: Project Muso is a grassroots development project, which integrates microfinance, health services, education, and a community mobilization program. Project Muso began in 2005 in Yirimadjo, Mali when four Brown University alumni and students began collaborating with four Malian graduate students, educators, and health professionals to address the dire conditions in Yirimadjo. This group recognized that poverty and disease are

inextricably bound together, and that effective health programs must also change poverty. They launched Project Muso to address this connection between poverty and health.

More about where Project Muso works: the country/region

Extreme poverty limits opportunities for women and girls and makes their lives especially difficult as they struggle to overcome not only the conditions of poverty, but also constrained choices. The Gender Development Index, which adjusts the Human Development Index to reflect women's agency, ranks Mali at 135 out of 138.

Yirimadjo is a destitute slum area of roughly 60,000 people, who face significant economic challenges compounded by a shortage of government services, including health services and education. Women suffer even more from a lack of access to financial services. Most banking and microfinance institutions in Mali systematically exclude the poorest of the poor through stringent entry requirements, fees, and high interest rates. Project Muso found that, before its program, 18 percent interest was the lowest rate available to a poor woman with no fiscal collateral, which is difficult for any beginning entrepreneur to manage. That is more than twice the interest rate that wealthy entrepreneurs can negotiate at a large Malian bank.

Less than 14 percent of Project Muso's Microfinance Program participants report having previously received a loan from another source, and many of them cited fear and low self-confidence as reasons for historically avoiding credit.

Against these odds, women of Yirimadjo are responsible for feeding, educating, and caring for their nuclear and extended families.



History of the region:

Mali achieved its independence from France in 1960. For several decades after, the country suffered droughts, rebellions, a coup and 23 years of military dictatorship. Mali's first democratically-elected president took power in 1992, ushering in a civilian government and relative political stability.

The core of ancient empires going back to the fourth century, Mali was conquered by the French in the middle of the 19th century. In 1958 it was proclaimed the Sudanese Republic and the following year it became the Mali Federation, after uniting with Senegal. However, Senegal seceded and Mali became independent in 1960.

Economy:

Mali's economic performance is fragile, characterised by a vulnerability to climatic conditions, fluctuating terms of trade, and dependence on ports in neighboring countries. Mali produces cotton, cereals, and rice. Although locally produced rice now provides competition to imported Asian rice, Mali's primary export is cotton. Livestock exports and industry (producing vegetable and cottonseed oils, and textiles) have experienced growth.

The Project: How DFW's donations will be spent:

Under Project Muso's Springboard Microfinance Program: 72 women will receive \$217 microloans to support new businesses. Each of these 72 women supports about nine family members. Some examples of how the Malian women will invest their loans: One woman has a street food business in Yirimadjo's market. She wants to increase her business capacity by purchasing more raw materials, hiring a second employee, and investing in a larger space to conduct her business. Another woman buys fabric in bulk and re-sells it in smaller quantities so she will use her microloan to travel to a neighboring country to import their fabric to Mali for re-sale. Another woman sells a variety of juices throughout various spots in Yirimadjo and she wants use her loan to purchase a freezer to increase her stock and meet local demand, particularly during the hot season.

Under the Test Pilot of the Solidarity Fund: 25 women in extreme circumstances will receive a fixed asset, such as a goat, sewing machine, or peanut-butter-making machine. These women typically live on less than \$1 a day and are the head of their households working to support their children. They may be illiterate and in poor health, which perpetuates their extreme poverty. These 25 women, each of whom supports about nine family members, will receive skills training aimed at managing and developing their asset to increase their revenues. They also will receive financial management and savings trainings, free healthcare, and education. The overall goal: boost Solidarity Fund participants' productivity so they can graduate to the Springboard Microfinance Program.

Why we love this program: Local women are the heroes and re-invest in their communities:

The Malian-led microfinance program was launched through the initiative, vision, and leadership of some Malian women. Graduates of an education program, these women had mastered essential skills in health, literacy and nutrition. They understood the importance of soap, nutritious foods, clean water –but had little means to afford them. Denied these basic services, the women asked Project Muso to partner with them and collaboratively design a microfinance program to meet their needs. Since its launch in 2007, the Springboard Microfinance Program has provided 912 cumulative loans to 247 women.

In the history of the program only one loan was partially unpaid. Profits from the women’s microenterprises allow them to buy essential items for their families: medicine, nutritious food, potable water, clothes and soap. Eighty-eight percent of participants report spending their profits on nutritious foods, and 54 percent on clean water

Both programs fill the critical gap of reaching and empowering the poorest of the poor. They are managed by a Malian team, with Malian women on the front lines of program leadership and implementation. We also love that no-interest loan model and that 5 percent of the women’s profits are re-invested in their communities, fostering an empowered sense of ownership and choice in their communities’ development.

The Program Budget: \$ 36,093

	Dollar Amount
Loan Capital - \$217 Microloans for 72 Participants	\$15,652
Personnel <ol style="list-style-type: none"> 1. Director, Springboard Microfinance Program 2. Director of Training and Technical Assistance or Technical Support Coordinator 3. Pilot Technical Assistance Officer (\$87/mo for 1 year) 	\$9,271
Test Pilot with Solidarity Fund (25 women) <ul style="list-style-type: none"> • Monitoring and Evaluation (livelihood assessment, baseline, and follow-up; \$100/survey) • Professional Trainings • Material Grants Asset transfers (\$65pp; sewing machines, goats, etc) • Food aid package (\$4.35pp/week for 6 months) 	\$7,457
Training and Materials	\$650
Annual Survey <ul style="list-style-type: none"> • Interviewers - survey x 220 surveys • Supervisors - \$20/day, 2 supervisors x 4 days • Printing - \$0.75/survey, 220 surveys • Interviewer training 	\$2,333

<ul style="list-style-type: none"> • Communication • Materials (pens, paper, folders) • Data Entry, \$300/month for 1 months • Research Assistant, \$350/month for 2 months • Exit surveys, focus group discussions, participant interviews, etc. 	
DVD Production and Mailing	\$730
Total Program Budget	\$36,093

Project Muso also plans to hire three new Technical Assistance Officers. If an additional \$5,000 is received.

How the organization measures success:

Project Muso has a rigorous program evaluation of business and income growth and a variety of poverty indicators, including baseline and end-of-cycle surveys. About 83 percent of Project Muso participants still live on roughly \$2 a day or less – a measure of dire poverty. With funding from Dining for Women, Project Muso will aim to and monitor whether it can reduce that number to 50 percent. Project Muso participants experience a 98.3 percent increase in profit since joining the microfinance program. Project Muso anticipates and will measure subsequent increases with more technical support and training.

Organization’s financial profile:

Program Expenses 95% (Blue)
 Administrative Expenses 4% (Red)
 Fundraising Expenses 1 % (Green)

