



Building  
Assets to Better Lives

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## Dining for Women Progress Report – August 2015

### 1. Please Provide the following information:

- a) Organization Name – Women’s Microfinance Initiative
- b) Program Title – Transition to Independence
- c) Grant Amount - \$45,000
- d) Contact Person – Robyn Nietert, President
- e) Address – P.O. Box 485, Cabin John, MD 20818

### 2. Recap briefly what outcomes the program was designed to achieve.

WMI provides comprehensive village-level microfinance and training to women in rural East Africa with a sustainable program that the women run themselves. WMI loans provide capital for women to launch businesses and the training and support helps ensure that the women stay in business. By providing capital, skills training and support, WMI launches successful entrepreneurs who, after 24-months, graduate to financial autonomy. They can transition to regulated financial institutions or become self-financing. Our partner banks offer WMI borrowers the same terms provided to their best customers - an unprecedented benefit for rural women, many of whom are illiterate.

In addition to the organization goals discussed above, WMI planned to target these grant funds for expansion of the traditional loan hub model to even more remote locations, creating and testing a hierarchical sub-hub model. Success of this grant project will help us to focus our future plans to expand in a cost-efficient manner. Rather than starting each hub from scratch, finding local leadership and building an organization, we can connect new groups to existing hubs and take advantage of existing infrastructure, technology and economies of scale. We should be able to ramp up operations much more quickly and introduce more women to business entrepreneurship opportunities in a shorter period of time.

Specifically, the DFW grant is being used to provide loans and training for 320 new women borrowers (16 groups of 20 women each) who will participate in WMI’s rural loan

program. Following graduation from the two-year loan program, borrowers may either self-finance or are pre-approved to take market-rate loans from our partner bank. The WMI loan funds are then recycled to 320 new borrowers in perpetuity.

Each loan impacts at least 10 people (including an average of 6 immediate family members, 2 extended family members, and 2 main suppliers to the new business) plus eventual employees, additional suppliers and local customers, meaning at least 3,200 villagers will benefit in just the first year. Plus the self-sustaining loan hub can continue indefinitely, employing anywhere from 5 – 25 women, depending on the size of the loan hub, and each loan hub creates a new banking relationship for the local bank it utilizes.

**3. Has funding changed for this program? For example, have you received unexpected funding from another source?**

No changes. We requested \$45,000 in funding for 16 new groups to be started in January, April, July and October 2015. The funds will cover the initial 300,000 UGX loan for 320 women, follow-up loan increases of 100,000 UGX and associated training and supervision costs.

**4. Is your organization or program situation different than presented in the approved proposal? For example, new executive director, significant program staffing changes or NGO affiliation, loss of large funding, or other signification changes?**

No significant changes. The only difference between the original project proposal and actual events are the villages selected, as we discussed prior to the funding being issued. This was due to the time that elapsed between the original proposal in December 2013 and funding in March 2015. At the time, we wrote:

As we discussed in our telephone conversation, the DFW grant will be used to provide loans and training for 320 new women borrowers (16 groups of 20 women each) who will participate in WMI's rural loan program. Because the grant funds will not be disbursed for nearly a year, these new borrowers may not be located in Namagumba and Malare, Uganda as anticipated in our grant application, but will indeed be located within WMI's rural service area. We will apprise DFW of the location of the new borrowers when the grant is disbursed.

Instead of creating two new sub-hubs as originally proposed (Namagumba and Malare), we determined it made economic sense to continue to fill out geographically from our hub headquarters in Buyobo, Uganda into the surrounding villages. Often we had one or two groups located slightly further than our original Buyobo project boundaries. Rather than start additional sub-hubs, we felt it would be more effective at this time to grow each of these locations into a four-to-five group sub-hub. This could be done without adding significant staffing and would strengthen the existing groups and give them a more coherent "voice." See question 6 for actual village groups initiated to date.

**5. What challenges are you facing as you move forward with this project? How are you approaching these challenges?**

Luckily, we have not faced major challenges. WMI has not faced any significant barriers in the past eight years of operating loan programs in Eastern Africa. (While there are significant local challenges – poor transportation, lack of electricity, unreliable communications – these are challenges that the customer base faces every day and they are dealt with accordingly). We believe the key to WMI’s success is both high demand for microfinance and the strength of our partners as follows:

- WMI’s banking partners provide in-country expertise on local regulations and an opportunity for borrowers to graduate to dealing with conventional financial institutions.
- WMI’s local CBO partners provide local expertise and networks - rural women borrowers seek out WMI loans because the program is operated by local, women-focused CBOs; local communities benefit from the CBOs’ investment of a portion of interest income in community projects (e.g., new school classrooms, computer lab, children’s libraries). This solidifies WMI’s reputation and stature in the community.
- WMI borrowers are also partners – they take pride in the success of the loan program run by their local CBO.

WMI’s financial, marketing, and operating risks are minimal, largely due to the decentralized structure of the program. Staffing costs are low since WMI employs local women paid at fair rate in the local economy. Financially, WMI carries no debt and maintains a high degree of flexibility to minimize risk. WMI can respond to any unforeseen negative changes in its ability to fund the program by funding fewer loan hubs than planned, or fewer loans per hub than planned - with no damage to the core structure of the program.

WMI protects itself from the most obvious risk – borrowers defaulting on loans issued by WMI – by having local partners set aside funds from interest paid on loans for a reserve to cover defaults. WMI also maintains the interest paid on guarantee deposits with banks as a reserve to cover defaults on bank-issued Transition Fund Loans. Operationally, the decentralized structure minimizes risk to the program as a whole. Should there be any change in the management of partner CBOs (incapacitation of management, etc.) there are always at least two other CBO members who are trained to administer the loan program. Temporary back-up staffing is also available from the resource hubs.

**6. Have you revised your original objectives since the project began? If so, why? What are your new objectives?**

As discussed above, instead of creating 2 new sub-hubs of eight groups each, due to the change in timing of the grant we agreed to add sixteen new groups to our current structure in 2015. This minor change has resulted in some cost savings in salaries and stipends for the part-time work (only three new local coordinators and a part-time staff assistant were needed to cover the expansion across the nine villages), enabling us to redirect those savings to follow-up loans discussed below.

Further, we have been able to take “advantage” of Uganda’s high inflation rate – the Uganda Shilling (UGX) has risen from 2,500 to 3,000 UGX to \$1 USD over the past year. In addition to the salary savings discussed above, the change in the currency conversion rate

will fund loan increases to an additional number of successful borrowers. Each borrower starts with an initial 300,000 UGX six-month loan; successful borrowers are allowed to take an additional 100,000 in their second and third rounds, and another 100,000 in their fourth and final loan. Our original budget provided funding for 60 women to get increased loans, but the change in the exchange rate will enable us to fund all 320 loans with an additional 100,000 UGX per borrower. The revised budget is attached.

**7. What progress have you made toward achieving your objectives? Please address each stated objective.**

Objective 1 – Program Expansion. Initiate 16 new groups of 20 borrowers (320) in 2015. To date, we have started 12 new groups – 6 in January, 3 in the April loan cycle, and 3 in the July loan cycle. The remaining four are planned for the October loan cycle.

The groups (groups are designated by color) and their locations are:

January	Hot Pink - Budeda
January	Forest Green - Busita
January	Dark Orange - Buteza
January	Cherry Red - Bumarisa
January	Dark Green - Kalawa
January	Dark Grey - Mutufu
April	Dark Cherry - Kapchorwa
April	Charcoal Grey - Busia
April	Harvest Gold - Nakaloke
July	Bright Pink - Buyobo
July	Bright Blue - Muyembe
July	Bright Purple - Busiu
October	Bugusese (Planned)
October	Budeda (Planned)
October	Kalawa (Planned)
October	Buyobo (Planned)

Objective 2 – Community impact. Each loan impacts at least 10 people (including an average of 6 immediate family members, 2 extended family members, and 2 main suppliers to the new business) plus eventual employees, additional suppliers and local customers, meaning at least 2,400 villagers have benefited so far this year.

One example, from an earlier borrower, is shown in this new video:

[https://www.youtube.com/watch?v=H8yKN\\_oJWoE&feature=player\\_embedded](https://www.youtube.com/watch?v=H8yKN_oJWoE&feature=player_embedded)

One of our borrowers from Budadiri village, Penina, started a primary school several years ago with her loans. Before starting the school, Penina had been working at a school that honored her for her teaching but did not pay her for a year. Penina was determined to start a school where the teachers were paid fairly and the students were provided with the proper learning space and desks they needed thrive. She started with four children in her house. In

order to expand, Penina used her four loans from WMI to rent a few contiguous shops, construct a wall to close them in from the road, build an additional classroom, and buy desks. Four years later she has 130 students up to P3. She plans to expand further. In the video she talks about the effect her business has had on the local economy. She employs teachers who are paid fairly and on time, local tailors have new business providing school uniforms, and she hires cooks and suppliers who provide meals to her students. Best of all she has happy parents who are happy to pay tuition for their children who are learning so well.

Also, although the loans are given to women, WMI encourages family involvement in the business, including the husbands, resulting in reduced instances of domestic violence. The loan hub surveys reflect that the vast majority of women receive support from their husbands in operating their businesses. For example, in Northeastern Uganda where our Buyobo hub is located, 96% of the 222 women surveyed 6 months after receiving their first loans reported that their husbands were helping them with their businesses. Even in cases where the husband is not involved in the business, the borrower now has her own income to support her family and isn't pressuring her husband for more money (which is the most common instigator of domestic violence). The children, including girls, help in the business after school and see their mothers as positive role models who are proactively pursuing opportunities to earn income; they have a chance to work in the business, inherit it, and use it as a cornerstone to build their futures.

Objective 3 – WMI Organizational Structure. WMI's decision to concentrate expansion around its base has already had a positive impact. Without expending time and energy to create new hubs, local word of mouth has paved the way for expanding without the sometimes painful learning curve. New groups are absorbed more easily as potential borrowers seek us out rather than us seeking them. This time-saving has enabled us to push out into even poorer areas since we have the time to focus on the individual borrower and give her the coaching she needs to develop and follow a successful business plan.

**8. Do you anticipate any difficulties in completing your project in the timeframe outline in your proposal?**

No, we were unable to meet current demand in our July loan issuance. The October loan villages have been identified and although a woman or two in the twenty may change we don't foresee any difficulty in finding replacements. All budgeted spending has been done as planned and we anticipate all grant funds will be expended by year-end.

### WMI - Project Grant Budget - Revised July 2015

	REVISED BUDGET		ACTUAL TO DATE (7/31/15)	
	UGX	USD*	UGX	USD*
<b>LOAN PROGRAM EXPENSE</b>				
<b>Salaries and Stipends/Payroll Expenses:</b>				
3 Local Coordinators	1,500,000	\$ 500	700,000	\$ 233
1 Office Assistant (beginning June)	300,000	\$ 100	100,000	\$ 33
<b>Salaries Subtotal</b>	<b>1,800,000</b>	<b>\$ 600</b>	<b>800,000</b>	<b>\$ 267</b>
<b>Office Operational Supplies:</b>				
Airtime (two mobile telephones)	240,000	\$ 80	140,000	\$ 47
Transport (loan collection to Buyobo)	480,000	\$ 160	280,000	\$ 93
Coordinator Books (4 books per year, 3 Coordinators)	400,000	\$ 133	300,000	\$ 100
Loan/Savings Registers (2 books per group, 16 new grps)	200,000	\$ 67	150,000	\$ 50
Misc. Office	250,000	\$ 83	130,000	\$ 43
<b>Office Operations Subtotal</b>	<b>1,570,000</b>	<b>\$ 523</b>	<b>1,000,000</b>	<b>\$ 333</b>
<b>Loan Issuance/Training Costs (4 loan rounds):</b>				
Training Materials (newsprint,makers,tape)	120,000	\$ 40	90,000	\$ 30
Meals for Training Days	80,000	\$ 27	36,000	\$ 12
Borrower Supplies (pens, pencils, record books)	300,000	\$ 100	300,000	\$ 100
Borrower Calculators	1,800,000	\$ 600	1,800,000	\$ 600
Transport for Trainers	80,000	\$ 27	60,000	\$ 20
Trainer Allowance	480,000	\$ 160	360,000	\$ 120
Form Filler Allowance	480,000	\$ 160	360,000	\$ 120
Survey Filler Allowance	480,000	\$ 160	360,000	\$ 120
<b>Loan Issuance Costs Subtotal</b>	<b>3,820,000</b>	<b>\$ 1,273</b>	<b>3,366,000</b>	<b>\$ 1,122</b>
<b>LOAN FUND CAPITAL</b>				
<b>Jan</b> Hot Pink - Budeda	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>Jan</b> Forest Green - Busita	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>Jan</b> Dark Orange - Buteza	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>Jan</b> Cherry Red - Bumarisa	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>Jan</b> Dark Green - Kalawa	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>Jan</b> Dark Grey - Mutufu	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>April</b> Dark Cherry - Kapchorwa	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>April</b> Charcoal Grey - Busia	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>April</b> Harvest Gold - Nakaloke	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>July</b> Bright Pink - Buyobo	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>July</b> Bright Blue - Muyembe	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>July</b> Bright Purple - Busiu	6,000,000	\$ 2,000	6,000,000	\$ 2,000
<b>Oct</b> Bugusese (Planned)	6,000,000	\$ 2,000	-	\$ -
<b>Oct</b> Budeda (Planned)	6,000,000	\$ 2,000	-	\$ -
<b>Oct</b> Kalawa (Planned)	6,000,000	\$ 2,000	-	\$ -
<b>Oct</b> Buyobo (Planned)	6,000,000	\$ 2,000	-	\$ -
Loan Increases for Successful Borrowers	32,000,000	\$ 10,667	14,000,000	\$ 4,667
	<b>128,000,000</b>	<b>\$ 42,667</b>	<b>86,000,000</b>	<b>\$ 28,667</b>
<b>PROJECT TOTAL</b>	<b>135,190,000</b>	<b>\$ 45,063</b>	<b>91,166,000</b>	<b>\$ 30,389</b>

\* 3,000 UGX to \$1 USD