



MICRO LOAN PROGRAM

THE PROBLEM

Nicaragua has an unemployment rate of 21.9% and most of those who have jobs **MAKE LESS THAN \$2.00 A DAY**. The poor have no access to financial services and local lenders can charge up to 20% a day in interest on loans. The United Nations Organization declared 2005 as the International Year of Micro Credit with an objective of reducing world poverty levels over the next ten years. We support this effort as a way of enabling Nicaraguans to earn a living and for seeding local economic growth.



OUR APPROACH

Amigos for Christ has adopted the system of the Grameen Bank (founder Muhammed Yunus won the 2006 Nobel Peace Prize for his work in Bangladesh) which promotes small amount / low interest loans to the poor that will allow them to **UTILIZE THEIR EXISTING SKILL SET** to earn a living. Both small group and family businesses are encouraged. The majority of loans will be for agriculture projects with technical assistance provided by Amigos for Christ.

WHY

As an emerging third world country, Nicaragua is ripe for the creation of small business enterprises that depend on the cooperation, labor and accountability of work groups. Micro-lending programs, such as those developed by The Grameen Bank, are the most effective way to cultivate a skilled work force and **ERADICATE POVERTY AMONG THE POOR POPULATIONS** we serve. These programs utilize Nicaragua's most valuable resources: people and rich, fertile soil.

THE PLAN

We have started providing low cost, short-term micro financing to residents in communities where we have a presence and who have a family income of less than \$2 a day. With \$6,000 in initial seed money to execute the program, we have already extended loans to 20 members in 5 groups. We **WANT TO EXPAND THIS PROGRAM IN 2008** to help even more families.



EXPERIENCE

Once loans are extended, recipients find resourceful ways to earn money. Because each member is accountable to the others in the group they are more likely to be successful. So far, **100% OF THE ORIGINAL LOANS HAVE BEEN REPAYED** and some members have taken out second loans.

BUDGET

The budget for the Micro Loan Program depends on the amount of funds available to loan. We initially started with \$6000, but we want to provide this opportunity to many more families. An average loan is \$75-100.