

Fonkoze's Borrowers

CLIMBING THE LADDER OUT OF POVERTY

Poverty is an expensive proposition. If you are poor, you have very few protections against the risks you face. And, it is predictable that uncontrollable events will set you back in your efforts to escape poverty — events like hurricanes or droughts, sickness or death in the family, thefts or fires. There is a ladder that will take you out of poverty, but it is not easy to climb. Microfinance tries to keep you from falling off the ladder while helping you to make small steps up and eventually out of poverty. The best MFIs understand that for every step or two forward, there will be some steps backwards. Fonkoze attempts to meet its clients wherever they happen to be on the ladder. Some clients are on the very first step or have not even found the confidence to step onto the ladder. Others are much further along. Some even come directly into Fonkoze's business development program, which is very high up the ladder. But regardless of where our clients start, Fonkoze offers them a range of services to keep them on the ladder. Fonkoze cannot make the climb for them, but it can accompany clients to keep them from falling off.

CHEMEN LAVI MIYÒ, or the Road to a Better Life, reaches out to the poorest of the poor. It accompanies them with training, one-on-one supervision and encouragement, confidence building and other services like health care and home repair. It protects clients as they move forward along a two-year road from abject misery until they have their own functioning microenterprise and are ready to enter a microfinance program.

TI KREDI, or Little Credit, reaches out to families that are not ready to manage a loan as large as \$75, the first loan in Fonkoze's core solidarity-group credit program. Ti Kredi offers them a smaller initial loan of just \$25, shorter repayment periods, additional support from their loan officer, and literacy classes.

SOLIDARITY GROUP credit is Fonkoze's core program. Groups of five close friends organize themselves into solidarity groups that take out their loans together. These groups are organized in turn into Credit Centers of 30-40 women that become long-term associations of women devoted to individual and community economic and social development. Starting with three-month loans of \$75, women can grow within this program until they are borrowing sums as large as

\$1300 for six months. The groups meet together regularly for Literacy, Business Training, and other educational programs.

BUSINESS DEVELOPMENT provides year-long loans that start at \$1300 and can increase without limit. It currently has clients borrowing \$25,000 and more. This program helps clients become part of the formal economy and create jobs in rural areas where there is very little employment.

