



Building
Assets to Better Lives

wmionline.org

2009 ANNUAL REPORT



January 2010

Message from the President

Dear Friends:

Wow! WMI set some ambitious goals for 2009 and we have met every one of them....and then some. In fact, there is so much to see and say that I urge you to take a fresh look at our website at www.wmionline.org for a complete picture of our current operations!

Our primary goal for 2009 was to develop options to transition our borrowers to more conventional banking services when they are ready to graduate from the WMI loan program. Microfinance programs generally fail to introduce experienced clients to more favorable banking opportunities because experienced clients are their profit-center. Yet, these microfinance programs do not provide the important financial products, larger loans or the ongoing training and support that are critical to sustained poverty reduction. WMI has developed a partnership with PostBank Uganda to implement a transition program that allows rural women to graduate from village-level lending and claim their rightful place in their country's formal economy. We are calling the program Transition to Independence (TIP) and the first 20 WMI borrowers have just received their initial bank loans from PBU.

We planned to raise \$60,000 for program operations to expand loan assistance to 160 new borrowers and disburse 240 follow-on loans. I am pleased to report donations of well over \$100,000 and we issued 200 new loans and 320 follow-on loans. WMI also completed construction of a new community building in Buyobo. In addition to serving as WMI's headquarters, the women are busy using it as a training facility, library, and tutoring site, while the community uses the meeting hall for village events.

Our third major goal for 2009 was to measure the strides borrowers are making in their businesses and to analyze WMI's progress in improving living standards. I am pleased to report that our Washington-based college interns analyzed the data collected in our semi-annual surveys, and authored a [Fact Book](#) that provides a comprehensive picture of the women the program serves and the impact the loans have had on their lives (available on our website).



Early in the year, we understood that we also needed to help the women address some of the issues that might keep them from attaining their personal and business goals – malaria and lack of education were primary. Our volunteers got busy looking for sources to assist the women. Partnering with International Lifeline Fund, we introduced the women to fuel-efficient stoves – and several have become licensed dealers in the stoves. Partnering with a Danish company, we have been able to make malaria nets available at cost to the women.

To improve educational opportunities, Bethesda, Maryland children collected over 1,000 school and general reading books which were shipped to Buyobo to establish a lending library, housed in the WMI building. In May, two WMI summer interns traveled to Buyobo to launch the Buyobo Children’s Learning Center, which provides tutoring in English, reading and arithmetic. The program is structured to supplement the children’s education while they are on vacation from regular school. In November, two graduate student interns expanded the program and enlisted parent volunteers to assist and to organize a PTA. Like all WMI programs, the tutoring program was designed to be offered on a sustainable basis, with parents contributing 50 cents per week to have their children attend the sessions.



Loan Program Operations

In 2009, we were able to grant an additional \$36,200 to the loan pool, raising it to \$52,250 and enabling WMI to issue 320 loans at a time. In 2009, WMI issued a total of 520 loans: 200 were



to new borrowers. In dollar amounts, \$27,800 went to first time loans, \$43, 750 to follow-up loans, and \$8,500 to increased loan amounts. There are now 16 active loan groups, each with 20 borrowers, scattered over 50 villages within the Sironko District. The borrowers’ businesses are growing and thriving, as many of them add employees so that they can operate longer hours and diversify their products. The average loan size is \$154. The average initial loan is \$139, while the average follow-up loan is \$163. WMI continues to have a 100% repayment record,

and only once (in 2008) has a borrower defaulted on a loan obligation. In that one incident, the other 19 members of her support group met their obligation to repay the outstanding balance on the loan. To date, WMI has loaned over \$100,000.

WMI operates through grants to the Bulambuli Widow's Association, which administers the loan program in the villages. Under the leadership of Olive Wolimbwa, the loan program's local director, program operations are now cash flow positive, covering all expenses, as well as the ancillary education services and outreach to impoverished, rural women in other villages. She is ably assisted by 6 part-time local coordinators and 4 other staff. Also in 2009, WMI sponsored an intensive 3-day World Bank developed Training-to-Train program in Buyobo. Ten WMI borrowers are now trained and armed with step-by-step training material, developed exclusively for the WMI Loan Program, and are qualified to teach business development, marketing and bookkeeping to program participants on an on-going basis.



Program Support

In 2009, WMI's second year of operation, over 300 supporters and 4 foundations contributed over \$100,000, far exceeding our goal of \$60,000.

Three important foundation grants - \$20,000 from the **Sherman Fairchild Foundation**, \$12,000 from **Towards Sustainability Foundation**, and \$7,500 from **Genworth Foundation** – provided critical structural components to our program – funds to support the TIP Guarantee Fund and additional funding to complete the community building that houses a permanent WMI office and provides meeting space for borrowers and community events.

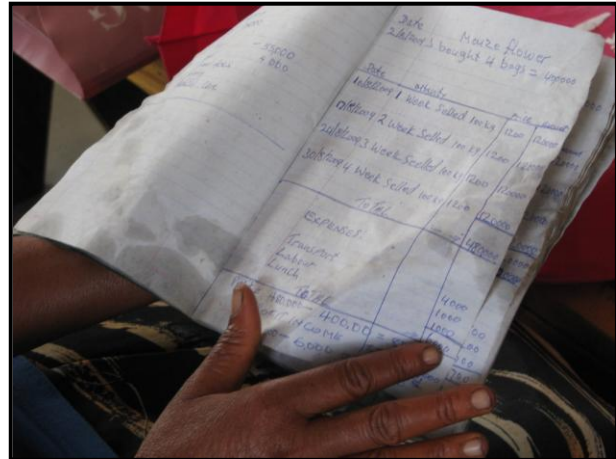
We are proud that 100% of all donor contributions support the WMI credit program. All U.S. based officers, board members, advisors, interns and support staff provide their services on a volunteer basis.

Partners and associates at the law firms of Baker and McKenzie have continued to donate their time and expertise generously to assist WMI. Their input was critical to the development of transition banking program with PostBank Uganda.

Finally, an Advisory Board has enthusiastically supported us with their ideas, organizational contacts, and advice.

Goals for 2010

An important step in 2010 will be to implement the Transition to Independence Program in an orderly fashion, so that experienced borrowers graduate from the WMI Loan Program on a regular schedule, allowing their loan funds to be recycled to provide new loans to first time borrowers. We anticipate 120 women will graduate from the two-year program in 2010 and begin to use mainstream commercial bank lending through PostBank Uganda. This program will utilize the resources of the existing banking community, instead of needlessly duplicating them. It will also provide a pipeline for banks to penetrate the vastly underserved rural customer market through WMI's existing client network and other village-level resources. WMI will



provide a loan repayment guarantee for each of the initial loans through this program. With this approach, WMI can focus on issuing first loans, providing support and training, and educating women at the bottom of the financial pyramid. The Transition Fund will put into play an innovative partnership that will provide a comprehensive approach to providing the poorest women access to financial services.

Our second major initiative will be to begin to replicate the WMI program. In December, the Board approved pilot loan programs in conjunction with two existing non-profit organizations in Kenya. In Siaya District, WMI will launch a microfinance loan program in conjunction with the Eastern Africa Center for Progressive Development. The main focus of that program is on food insecurity issues and we see potential trade opportunities with the Buyobo, Uganda women. A \$3,000 grant from WMI will fund loans to the first 20 borrowers in Siaya. WMI is also working with Philip Mbeke, founder and a trustee of the non-profit Laikipia Community Empowerment Centre (LCEC), to launch a group of 20 borrowers in Ol Moran in the northeastern area of Kenya. This is an area ravaged by drought that also faces food insecurity. A grant of \$3,000 will initially fund that program. WMI also plans to launch pilot loan programs in 2 additional locations in Uganda: First, in Bumnalukani village in the Bududa District, where the Arlington Academy of Hope, a private school supported by groups in Arlington, VA, will facilitate the launch of a WMI pilot loan program with a local women's self-help group; and second, in a small village outside of Jinja, where a local women's self-help group has organized and contacted WMI for assistance.

On the educational front, in the summer of 2010, we will provide computer training to the women of Buyobo and launch an internet café in the WMI building. A group of 12 summer interns from Walt Whitman High School in Bethesda will travel to Buyobo, led by History Department Chair, Robert Mathis, and two Walt Whitman High School alumni, Laura Van

Oudenaren and Montana Stevenson. Discovery Communications in Silver Spring has generously donated 15 lap top computers to WMI, which the students will take to Uganda. The Widow's Association will set up a training schedule for women in the loan program, children and villagers. Students will conduct computer training sessions with all of these different community members, teaching them basic skills.

Thank you

It has been another whirlwind 12 months and WMI has successfully met its 2009 goals and laid the framework for sustained operations. Through careful fiscal management, WMI's Uganda



program is self-sustaining, allowing us to begin to focus on new locations within East Africa. WMI's footprint continues to expand as news of the program travels by word of mouth. WMI has received requests for loan program assistance from women's poverty relief groups in Kenya, Malawi, Ghana and Tanzania.

We appreciate the trust that you have placed in the WMI Board of Directors, and in the plans we are implementing as WMI expands to reach more women who are living in dire poverty. We are tremendously optimistic about the

Transition to Independence Program and the flexibility it will give WMI to recycle funds to increase the number of loans we can offer to first-time borrowers.

You have made WMI's mission of working to alleviate global poverty a reality. Together we have crafted a hands-on, home-grown international outreach effort that is making a very visible difference in the lives of impoverished women and their families. Thank you so much for your on-going support. The demand is great, but our combined determination is even greater.

With sincere gratitude,

Robyn Nietert
President

2009 Program Accomplishments

Developed the **Transition to Independence Program (TIP)** to transition WMI's experienced borrowers to independent banking, enabling them to take their place in Uganda's formal economy, and allowing WMI to focus on first-time loans to the most needy.

Raised over **\$113,000** from individuals, foundation grants, loan operations and other program income.

Capitalized WMI's revolving loan fund at **\$52,250**, enabling WMI to make loans of **\$50-\$150** to up to 320 women at a time.

Disbursed **200** initial and **320** follow-on loans in 2009, totaling **\$80,050**. To date, over **\$100,000** in loans have been repaid in full with **no late payments**.

Basic loan operations are now fully supported by loan program income, including one full time and 10 part-time staff.

Completed construction of a **shared community building** to provide offices for WMI and meeting space for borrower support groups. A separate bathroom facility is now under construction.

Started the **Buyobo Children's Learning Center (BCLC)** and facilitated the donation of over 1,100 books to its library. Several hundred children are in the tutoring program. WMI interns developed the program, which is now run with support of the parents.

Partnered with **International Lifeline Fund** to sell fuel-efficient stoves to program members, and with **Vestergaard Frandsen** to sell malaria nets at cost to the community.

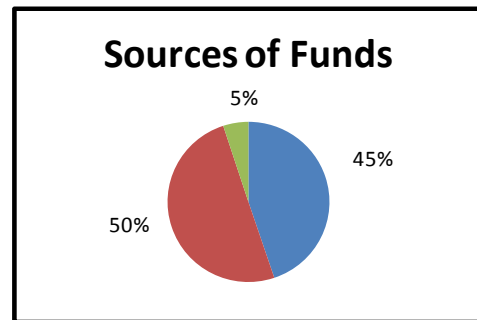
100% of donor contributions directly support the loan program. The WMI Board of Directors, Advisory Board, interns, and legal counsel provide their expertise on a pro bono basis. All U.S.-based staffing, office space and expenses are provided by volunteers or donated.

In addition to providing pro bono legal counsel, the law firm of **Baker and McKenzie** plays an active role in supporting WMI's growing outreach efforts.

Women's Microfinance Initiative Income and Program Expenses January - December 2009

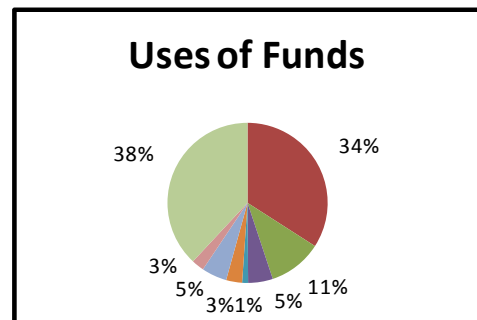
Sources of Funds

Donations - Individuals	\$ 47,725	45%
Donations - Foundations	\$ 53,397	50%
Contributions In kind*	\$ 5,443	5%
Total Revenue	<u>\$106,565</u>	



Major Uses of Funds

Buyobo Uganda Loan Initiative		
Loan Fund	\$ 36,300	34%
Community Building	\$ 11,550	11%
Loan Program Training	\$ 5,327	5%
Ancillary Programs**	\$ 1,280	1%
WMI Program Expense	\$ 3,426	3%
In-kind Travel	\$ 5,443	5%
Fund Raising Expense***	\$ 2,704	3%
Reserve for Future Operations	\$ 40,534	38%
Total Uses	<u>\$106,565</u>	



* Partial listing (does not include books donated, intern support, etc.)

** Buyobo Childrens' Learning Center/Library

*** Includes fees retained by Global Giving for donations made through their web site

figures updated through December 31, 2009

Special Thanks

Our **Board of Directors** has devoted hundreds of hours to program planning and development, fundraising, accounting, and outreach. Our **Advisory Board** has again provided expert advice and counsel. A special thanks to **Denise Kalule**, Business Manager and Personal Assistant to the Head of Audley Limited in Uganda, who was instrumental in coordinating our development initiatives within Uganda.

For the TIP Program, **Advisory Board** members **Bill Wilhelm**, a professor at **UVA's McIntire School of Commerce**, and **Robert Israelite**, a credit specialist with **CUNA Mutual Group**, were absolutely essential in developing the concept, as was **Rick Ciccotelli**. **Barry Metzger**, a partner at the law firm of **Baker and McKenzie** crafted a Memorandum of Understanding with PostBank Uganda on a pro bono basis and then prepared the final agreement. An additional word is warranted here: Barry's documents were so keenly crafted that PBU did not modify any of the basic provisions. **Jeanne Rwakakooko Owiny**, a partner in the Kampala law firm of **Rwakakooko, Owiny, Kakonge & Company Advocates**, generously reviewed the documents on a pro bono basis for compliance with Uganda law and rendered a legal opinion on behalf of WMI.

On the building construction support front, **Advisory Board** member **Al Tetrault** helped develop the project design, and Washington D.C. architect **Andrew Stevenson** provide detailed drawings and project management on a pro bono basis.

Discovery Communications, LLC, raised funds to add electricity to the WMI building in Buyobo. Discovery has also donated 15 lap tops to start an Internet Café, providing WMI's borrowers and all of the local villagers with a much needed connection to the world community.

College interns **Danica Straith, Tobin Jones, Margot Van der Vossen and Brian Miller**, pioneered the children's tutoring program in Buyobo. Students at **Walt Whitman High School** and **Pyle Middle School** cataloged and labeled thousands of books for Buyobo children, supported by the **Carderock Springs Swim and Tennis Club**.

Walt Whitman History Department Chair, Robert Mathis has organized a summer internship in Buyobo for a dozen high school juniors. The law firm of **Hunton & Williams** has provided pro bono legal counsel on the summer high school internship program to be launched in 2010.

WMI summer interns in Bethesda, Maryland completed a comprehensive statistical analysis project to profile the borrowers in the WMI program and investigate the progress of the loan initiative. Thanks to: **Bryan Norris** - Davidson College; **David Jaffe** - Wheaton College; **Laura Van Oudenaren** - Davidson College; **Alex Richardson** - Oberlin College; **Elizabeth Scroggs** - Tulane University; **Montana Stevenson** - University of Virginia; and, **Victoria Stevenson** - Tufts University. **Statistician Mira Shapiro** and **WMI Board Member Jane Erickson** supervised the project.

Thanks to **Kathy Staudaher** who has provided invaluable office assistance and a watchful eye on the book drive; to **Beth Tomasello** who organized the pot luck fundraiser, coordinated WMI's presence at local gift fairs and has taken over grant-writing for WMI; and to **Deborah Smith** for preparing financial statements and projections. Special thanks to our expert web site consultant, **Ally Hazen**, for maintaining our website so expertly.

Board of Directors and Officers

Robyn G. Nietert – President. For over 25 years, she was a member of the Washington, D.C. law firm of Brown, Nietert and Kaufman, which specialized in telecommunications law, with a focus on innovative wireless technologies.

Jane E. Erickson – First Vice President. She is an executive with a Washington, D.C. area global health care consulting firm.

Teresa Ciccotelli - Second Vice President. She is a corporate attorney with over 20 years experience in Fortune 100 companies, currently with Saint-Gobain's US offices in PA.

Elizabeth Gordon – Treasurer. She is a consultant to Fannie Mae in Washington, D.C.

Deborah W. Smith – Secretary. She has over 30 years of experience in corporate and personal finance and is currently associated with an independent investment advisory firm in northern Virginia.

Beatrix Van der Vossen – Recording Secretary. A native of the Netherlands, she is Assistant to the Office of the Executive Director of the Netherlands Constituency to the IMF.

June Kyakobye – Special Advisor for Buyobo Project. She has been at the Pan American Health Organization/World Health Organization (PAHO/WHO) in Washington, D.C since 2001.

Advisory Board

Carol Booker, attorney, Washington, DC

Barbara Feuer, psychologist, Bethesda, MD

Lillian Hagen, attorney, Bethesda, MD

Bonnie Holcomb, anthropologist, Bethesda, MD

Robert Israelite, credit specialist, Chicago, IL

Denise Kalule, business manager, Kampala UG

Harris Recht, attorney, Ridgewood, NJ

Katherine Staudaer, occupational therapist, Bethesda, MD

Al Tetrault, housing specialist, Vienna, VA

Beth Tomasello, attorney, Bethesda, MD

Christine Uzzell, information technology specialist, Bethesda, MD

Carol Van Oudenaren, librarian, Bethesda, MD

William Wilhelm, finance professor, University of Virginia, Charlottesville, VA

Mona Yacoubian, foreign affairs consultant, Bethesda, MD

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