



2010 Africa-Middle East Regional Microcredit Summit

Session transcript

Microfinance for Livelihoods in Urban Slums

Day 2, 3:30 PM - 5:00 pm, Tsavo B

Chair: Ms. Julia Assaad, General Manager, Grameen-Jameel Pan-Arab Microfinance Ltd, United Arab Emirates

Panelists:

- Mr. Issa Ngwegwe, Credit Manager, FINCA Tanzania, Tanzania
- Mr. Robert Ogunde, Master Trainer – National Coach, Street Kids International, Kenya
- Ms. Susan Saiyorri, National Outreach Manager, Jamii Bora Kenya Ltd, Kenya
- Michel Asibu, ASA Ghana

Julia Assaad: [Recording begins]...health condition in the slums. To understand a little bit more about the living conditions in the slums. The second question is, “What are the skills of the individuals and clients of microfinance and how we can help develop them in terms of training and education?” And the last question is, “How sustainable are the projects and how can we ensure that eventually these client members can be self sufficient?” These are the three key questions. I would like to introduce the panel here.

So we have everybody here. I will start with introducing Susan Saiyorri, who works for Jamii Bora in Kenya since 2001. Susan started from a loan officer to becoming a national manager. She has worked for slums for 10 years or more. She has mobilised an average of 60,000 members. We are very happy to have her here today. Second sitting there is Issa Ngwegwe. Who is a credit manager for FINCA Tanzania and he has over 9 years hands on experience in microfinance from a credit officer to senior management within FINCA. Issa played a key role in reaching urban poor by turning around FINCA Tanzania and improved its performance.

Next is Robert Ogunde. Robert is the master trainer at ‘Street Kids International’. Robert has trained youth in Kenya, Ceylon and Nepal on business start ups and street banking. He served as project officer in St John Pumwane (sp). Implementing self help group for over 500 women. He is currently a trainer in microfinance officer with KRAP Development Agency.

And last but not least we have Michel Asibu, who is admin and HR manager for ASHA Ghana. All loan officer loan to him so he is not only HR. ASA is a subsidiary of ASA Bangladesh. And Michel and three colleagues started ASA in Ghana.

The remarkable numbers that I have just seen are quite impressive from 2007 to date, they already have 21,800 clients. So I am looking forward to hearing his story. Enough about me. I will get the panellists to start. So Issa would you to like to please come up here. Thank you.

Issa: Good evening ladies and gentlemen. As Julia has already introduced me, I have been working with FINCA. FINCA Tanzania is part of global network of FINCA International. We are in operation In Tanzania since 1998. Since our inception we have been working with the urban and rural poor. Try to improve their livelihood through our popular model of village banking. From that back ground I would like to share the experience I have acquired through working with urban and rural poor, specifically for this workshop I will talk mostly about urban slums.

I think we all appreciate the situation in urban slums, we all recognize from previous workshops on urban slums. I will like to bring to your notice the situation in Tanzania. In Tanzania 70% of the inhabitant of major city slums live in unplanned settlement. This unplanned settlement lacks in basic infrastructure which includes safe water, enough access to sanitization, poor housing, overcrowded area and insecure residential status. All these together combined and add to lower social economic status of the residents.

When we look at the role played by microfinance and look at this infrastructure whether it supports microfinance in operating in urban slums. Appreciate today the livelihood strategies to cope with the situation. The livelihood strategy for the urban poor or the urban slum residents is determined not merely by income but to the complete range financial, human, physical, natural, & social capital. All these combined together can turn around livelihood of urban slum residents. This capital needed by the urban slums to address their livelihood are entirely connected and depend on each other. When talking whether urban slums have adequate infrastructure to support operation of microfinance service delivery. In most cases this situation of the hardships of poor infrastructure has pressed the urban slums residents into disadvantaged to be accessed by financial services. But people forget that in the urban slums there is great opportunity and also there is vibrant economic activity which is good for microfinance institutions to work with. Moreover microfinance we would like to say infrastructure should be in place however the dependence on infrastructure for microfinance to operate is not that much because of the means of production which entrepreneurs in urban slums infrastructure will use is not limited to economic infrastructure.

For instance when you talk of Technology. Technology is one of economic infrastructure which is needed for financial service to operate or for an entrepreneur to operate. Still it does not seriously affect because when you talk of telecom entrepreneur to operate, they have customers who are close to within to area where the entrepreneur sets up his business.

In addition businesses tend also to be located near to customers and where these people can be reached easily. This is not to undermine the idea that microfinance should address infrastructure hardships. Microfinance also needs a better infrastructure to operate in. As you know because of poor infrastructure both physical & natural infrastructure in urban poor slums, you find that the crime rate is so high and it places the microfinance at a risk. For instance, once one of our loan officers went for service delivery. On the process of service delivery, these young boys planned to attack this officer. Good enough that since we were working close to the community in the urban area, they managed to sense that these people are not good and since major of them are ladies what they did is that they took a tagene [unclear] and covered the loan officer and escorted him to the bus.

It is not so easy for microfinance to operate in urban slum with that kind of infrastructure. But we should understand because of poor sanitary infrastructure these urban poor tend to be more susceptible to diseases. In turn this may affect the operation of services of microfinancing. When we come to address the lively hood of the urban slums, we should not look only at how microfinance can do it alone. We need partner with other institutions which can work on and improve the infrastructure. Like in Tanzania, World Bank has been financing a number of improvements in urban slums, and that has proved good way for microfinance to operate in. So I would like to conclude by quoting a statement which was made by the former UN secretary general 'In spite of these challenges and difficulties, the great challenge before us is to address that constraint that excludes people from full participation in the financial sector, together we can.' Thank you very much.

Thank you Issa for this. I would like to welcome our next panellist who is Susan. Please come on.
[applause]

Susan Saiyorri: Good afternoon. My name is Susan Saiyorri, I work for Jamii Bora for the last 10 years now.

I would really want to share about Microfinance for livelihoods in urban slums because that is the heartbeat of Jamii Bora. I would just dwell on what we have done the practical bit of it.

We have listened a lot to mama Ingrid in the plenary Hall, so I just hope to add, to on to what she has been talking about. I have travelled to almost all slums in Nairobi, and let me say that slums are not areas where anyone would wish to live in. For one, they are too congested, the living conditions are very poor, and there is no form of sanitation. Even toilets are a problem. May be the only toilet in the slum area is at a distance from some of the homes. And there is always a group, a vigilante group, who thinks they own the toilet. So anyone else wanting to use must pay. For those of you who have visited the slums you have seen how little babies play in the open sewer and that poses a big challenge when it comes to health issues. You will find that often they fall sick and as microfinance institution we have a concern that when we give our loans we have them paid back. So we would give our loans and some member would disappear for some time and we would be sent out to go and find why the person is not paying the loan. So we would find that this person actually refused to make the payment because the main reason is that either their children are sick or he is sick. And even as human being when you find a very sick child in bed, you will not start asking the mother for loan repayment. Instead you may want to go back to your pocket to give out some 200 shillings to help buy food for that day. So let me say that, the issue of infrastructure in the slum areas, be it roads, hospitals, housing is a thing you really have to reckon with. However we have not given up as Jamii Bora. We do a lot of training, we train them, and we help them understand that they need to maintain high hygiene for their own sake. And also so that they may remain healthy, and pay back our loans. It's important that they pay. We train them in business training school, it's an internal school. Most of them have understood. Let me give an example of Clarice, for those who are Kenyans must have seen Clarice at one time for advertising on TV. She is a beautiful and elegant woman. When I met Clarice she was a street mother she did not understand, you know the business she chose was fish, because she comes from lakeside and that is what she understands. What she did not understand was why she has to change her clothes when she is selling her fish. And at the end of the day, the dress would be oily and smelly. Why not wear the same dress everyday and only change when I am going home. So one of our trainers helped her to understand that for customers to buy her fish, she must look good. She must presentable, she must look nice. That is a hint that helped Clarice she even learn to clean her house, even learn to clean her compound. And the microloans that we gave her helped her to climb where she is today. She is now servicing a loan of over 650,000 shillings. More to that she lives in one of the houses that we built for her in her country town. So you see how education and awareness can change the way of those living in the slums. I am not saying that it is not a challenge, it is a big challenge. We have another member call Beatrice has been a whole-seller of soft drinks, that you call Coca-Cola or soda in slums. Before she became a wholesaler, she used to sell one crate or two crates or three crates a day. She would carry these on her back. She is a, she would tie a rope, the rope would come across the head, and the crate of Soda would land on the back. So if you look at Beatrice, she has a gully, a valley on her head, because of carrying Soda. And she did not carry because she did not want to use a vehicle, she carried it because at that time there were no access roads in another Slums. But she had to do the business, and she did this through the microloans that we gave her. Beatrice became a wholesaler of the same product in the slum. But by the time she was becoming a wholesaler, the government had already done an access road. So I keep wishing if we had those roads in Kibera and

other slums then i think that these loans that we are giving out would be more meaningful to people. We have understood that the people in slums cannot sit back and say ‘We live in the slums and there is nothing good that can come out of us, because we don’t have this and we don’t have that. So we have helped them to buy houses with us. We have helped to buy health insurance, in case they are sick, they go to hospital and pay very minimal fees. They pay very low fees; they pay only 80 Kenya shillings to cover up to 5 member of the family. We also help them to meet together in groups, lobby the government in case they have an issue that they really have to address. Not in violent way but in a nice polite way, and it works. It has worked in many areas.

We recruit our staff from their membership, so they understand their skills, they know their strengths, and they know their weaknesses. So once they come onboard and they start a business. If a member wants advice on what to do, the staff is able to advise, Because they know these people for quite a number of years. So that’s how we are able to address the issue... [21:03 / no audio]

Michel Asibu: Good afternoon, I am coming from ASA Ghana. ASA Ghana is a subsidiary of ASA Bangladesh, which is also going around and establishing the ASA model around the world. Currently ASA International is operating in 7 countries around the world. Ghana is one of them. Like everyone knows ASA is a microfinance institution, and in Bangladesh, they have 7 million borrowers. Our vision is to empower the poor, so they can overcome poverty.

In Ghana, I was one of the Ghanaians to join the three Bangladeshis to start the program; our main job was to go to the slum areas since most of the residents live in Slums, more than 65% of them. So our main job was to go to the slum areas and operate. Currently this is an achievement, in three years we are doing 25 branches, with over 21,000 borrowers. Our trained officers are 90, and on average we have 235 borrowers per loan officer. We are doing outstanding loan amount of 4 million USD. Most of our clients have an average of 185 USD to start a business. Every loan officer is handling a portfolio of around 43,000 USD. Because slum dwellers do not have any source of savings, we encourage them to do savings. We are not a deposit-taking Institution, so we advise them to save collateral towards their loans. We do collateral free loans, but before you get the loan, you have to save 10% of what you want from us. So that is a total figure of 8,161,000 USD which we have been able to mobilise in 2 years. So this is the pattern of loan disbursement. From Feb 2008 to Jan 2010, we have dispersed loans outstanding of 1.1 million USD. As I was saying 65% of these Ghanaians in the capital are living in slum areas. By 2015, we have to see that this figure can double. So ASA Ghana is taking appropriate measures, so by 2015 we are able to service all these people who will be moving to capital city. There is also the immigration from North to the South. Mostly, the people in southern part of Ghana are OK. They have most of the basic amenities they need, but those of them don’t have the problem that results of tribal wars. Because of war here or war there they try to migrate down to Accra. The result we have is we have slums in Accra. Most of the areas is a typical slum in Ghana. There are no roads, gutters everywhere, Debt everywhere, most of the structures are wooden structures and because of this there are outbreaks of fire every now and then, floods come day in day out. Anytime it rains the whole place is flooded. So we find it very difficult to move within slum areas. With that kind of experience brought from ASA, we have been able to have direct, one on one personal relationship with our clients. Our loan officers are trained in such a way that they meet all the slum dwellers in groups, relate to each individual in groups. So the meeting grounds are always a collection center for loan officers. The loan officers have to do 4 groups in a day, and they will be going to all these areas. From the 25 branches, we are doing 10 slum areas. These are the major Slum areas in Accra. And we operate most of the time, we have to relocate the clients because of the slum and that residences are not permanent. Every now and then there is relocation, so most of the time we have to go at night, talk to community members. Speak to assembly officers, try to find clients and

with a bit of hard work we are able to identify them and collect our money. Because of ASA's work in Bangladesh, where there is so much flood when it rains, so with all this experience we have been trained in how to deal with people. Most of the time, we train them in dress making, sewing. Those who are interested in trading, we guide and educate them on how to trade. For the street hawkers, we try to get them out of streets and put them in institutions where they can get some formal training in these areas. So we encourage almost all the slum dwellers we find or who comes close to us to find actually, what he or she can do to better her life.

So far these branches that we operate in, these are the numbers we have been able to recruit so far. Almost all the branches are 1,000 on average, Sukura is one dangerous slum area, and we were able to recruit over 2,000 people and we have disbursed total loan of 435,000 USD to them. On a weekly basis, we try to collect the amount which we are supposed to collect. Total of 9000 clients we have been able to recruit from the slum areas, train them, and given them loans to do business. So you can see, because we don't do any savings these are the cash collaterals we have been able to mobilize from them. This money go back to them, because we take from A and give to B. At the end of the day, this helps us to reach out to other neighbourhoods. Our plan is that by 2014, we should reach 160 branches, and do 170,000 clients. This is our goal. And we are hoping in next two years we are able to achieve this. Generally it has been difficult operating in slum areas. Some of the stories we have heard are very interesting, because we are also very happy when the people come out and tell their stories. About 2 or 3 people, one I can remember so easily, we have a slum dweller, she was selling oranges on the table, and the first loan cycle was \$100. She used to go around and buy oranges. In 3 months she was able to repay 100 USD. Even when the loan was for 6 months, she wanted to repay quickly. In 6 months we gave her 150 USD, she bought a container, and instead of buying more oranges, she added lemons she added some watermelons, and before we could realize, she got into fruits and she is doing quite well now.

Another trader, she was into sewing had only one machine, we gave her 100 USD, she bought additional machine and added her sister to sew. They had fine clothing, after 6 months she came for the second cycle, and now she has five people working for her, she is paying them and is very successful entrepreneur.

My time is over. Thank you very much.

Julia Asaad: Thank you Michael, I think from what we have heard from the experience of Michael and Susan specifically. For Microfinance in urban slums, the first thing the people say is that we will give them some money and that should help. But actually it is very tough. Your successes, we cannot really explain them, because, when one goes to the slum, one understands al little bit more, they are very tough conditions so it's quite remarkable what's been achieved.

And that takes us to Robert, who will be presenting next, which is Training in these areas and the work that he has done. So I present to you Robert Ogunde.

Robert: Good afternoon. Let me start from a little bit far. In Nairobi, we have a transport system that is called Matatu. Matatus have been known to be No. 1 cause of road accidents. But today the No. 1 cause of road accidents are not Matatu's – they are pickipickis. They are the motorcycles, the motorbikes. The reason why this happens is because people never used a motorbikes, they go to a playing ground. Get on a motorbike for the first time, around 9 o clock in the morning, and in evening at around 4 or 5, they are doing business faring people , passengers. That is a very risky thing, because these people are not trained, they are not exposed to the traffic rules and they mess up people's lives.

One of the first jobs I did working with poor communities, was to give loans to young people, street kids actually. When I joined one organization, within less than one month I was disbursing loans to them, and you know what happened. The next week, all of them had bought new clothes and new shoes. And that's how things worked. And the other thing is when we were giving money to women, women come and tell us that 'I need 5,000 in cash to do business'. And when you give them, the money, they do something for the business. But still the business does not pickup simply because there are still many improvement areas needed, indicating that this ladies had not come up with a very comprehensive business plans, as to how much they require for their business. Sometimes this money we give goes down the drains. This is a very sad state of affairs. Training is quite important, we know that and we cannot do without this. I have been training for too long and over my life as a trainer, I have come to appreciate two products that have been given by 'Street kids International'. One of this is the 'Street Business Toolkit' commonly known as SBTK. And there upon we have SBT, commonly known as 'Street Banking Toolkit'. While SBTK is all about people planning and planning comprehensively for the businesses. You see money is a tool. And if you have a tool, but do not know how to use the tool, that tool can kill you True or False. And that's why when we give some money and we ask ourselves, why we do not see the impact of whatever we are able to give out. That is why I say, it is very important for any individual, you and me included, that even in our lives, as we deal with money, we must have a good plan, how will we earn our money, how we intend to spend our money, how we intend to invest that money. These are the things that lack even in people like us, people who have been working for too long. Simply because, when our income goes up, even our expenditure goes up. So financial discipline is very important to be taught to our clients, to people who are accessing the loans. One day I remember, we gave loan to some men, and in some weeks, some of them had got second wives. It is very sad. When we took Street banking to kids, the SBT, SBT is all about teaching people financial literacy, financial discipline.

It brings groups of people together and focuses so much on three principles. One is for them to be able to envision their businesses. And the businesses of their other colleagues, things that can actually grow and get firm. Secondly, is about an individual commitment, as members of a group. Thirdly, is the group's solidarity, the cohesiveness of the group itself. Whereby when they take money, they are able to bring it back. Whereby they look at each other as a friend and as a colleague, and they should exist for each other, very important for them.

One key component of the Street business toolkit training is that of mentorship programme. Whereby people who are starting business can be attached to people who have been in the business for long. Where the new people can gain the skills so they are able to improve their businesses. One thing I must say that when we go for interaction in the community, slums like Kibera the biggest slums in Africa. The youth we get do not come groomed as such. They have skills already. I do not how true this is, but somebody was telling me another day, that if you go to Kibera, you will see 3,000 + NGO's. I do not know how true that is. It is that there are so many organizations doing something for the life's of the poor people in the slums. Because of that when they come, they come already having some skills with them. The only problem is that sometimes, the skills they possess are not what they need to be able to do their businesses. Sometimes I must also confess, that I've felt sorry when I've have gone through some of the manuals that other organizations use to train the youth. I am reiterating I am very worried, because of that I should say that something has to be done in terms of people getting exposed to what the other people are doing. To be able to borrow a leaf and even see how people have been able to progress in terms of offering what the poor actually need in terms of the content of the training given to them. Let me just briefly say something about Street Kids International. We focus on training the youth and youth workers. The youth workers are people who

have been trained and will eventually when Street Kids International withdraws, or ceases to be in direct involvement with the organizations, these youth workers can go ahead and help in the communities where actually they come from, and keep doing perpetual training in these areas. So to finish because my time is up, 79 youth workers are being trained in the street business toolkit training. We have 29 workers trained in street banking. 156 youth have been trained in Street Business Toolkit, 458 youth have been trained in street banking. As a result of this, 215 youth businesses have been started. And we envisage 101 projected to be funded by the end of the project. Now street kids have been working through get people of interest together. With our 8 master trainers, these are trainers, by virtue of experience have graduated from number 1 through master trainers. There are people who had an opportunity to go and train abroad. The youth workers report increased confidence, enhanced skills, strengthened programming in the organizations. Youth report feeling of hopeful economic improvement to their lives, enhanced skills and improving conditions for their family. Let me quickly just share about one girl living in slums, she happens to be a beneficiary of the funds, we gave. She is doing so well, in fact she is our success story, she got a loan in the month of January for 10,000 shillings. Her business is baking cakes, she sells these cakes. She has paid more than half, and she is looking forward to take a bigger loan. She is able to take care of one daughter, and her ailing father. When you see things like this, you feel this is a good thing we are doing. Lets continue doing this. And to finish, master trainers have been able to report improved facilitation skills, enhanced status within the organizations, increased professional and economic opportunities. Let me conclude by saying, 'if you think training is expensive, try ignorance'. For success of businesses, the skills are very vital, and very indispensable, we need to ensure, the youth, the women and our clients get the necessary skills they need. Even to handle the tool, the money, they get. Otherwise, those who are not trained can run into problems, and that is something we would not like to see.

Thank you very much, my time is us.

Julia Asaad: Thank you, Robert. I think from each presentation, there is no doubt, that Microfinance is essential tool to the livelihood in urban slums, but as Robert said and also the other participants, it's not just the money, it's the health, it's the conditions and a lot more than just giving a dollar or two to an individual. Some of the questions about these, what can we do more. I would like to ask a few questions to the panel, and then we will throw it open to everybody.

Question to Susan: You talked about what Jamii Bora is doing in terms of trying to educate your clients. Can you give a bit of example as how you are addressing issues as infrastructure? Like you gave the example on how the client's needs to dress appropriately or in a certain way to sell the products. But some of these challenges such as someone who is illiterate and cannot even access. Can you just talk about the work Jamii Bora is doing.

Susan: Thank you. We have tried as Jamii Bora, to address certain issues. But there is only enough we can do. In our business education, we start with the basics. We start with what we call Home Economics. We talk about general hygiene, we talk about diet, we talk about sanitation. All the things that all of us in this room assume are normal. We help them understand that they need to keep themselves clean. When it comes to open sewers, there is really nothing much we can do about it. Because this land is not permanent. We cannot decide that we can come out and do the sewer ourselves. The way we have addressed that is to try as much as possible by doing a housing project. So that those members who are climbing can actually get out of slums, and live in a good neighbourhood. I know there are some people who accuse us of relocating people from slums. But it is important to understand that these people are not being relocated. They are buying houses just like some of us do. And then we have addressed the issue of health, because that is the impact we get due

to poor sanitization. We have addressed that by adding health insurance, and we have social workers in place. We have like 45 social workers, and all of them are recruited from former beggars, or children of beggars. People who understand what poverty is all about. People who can give their lives as examples, people who have been in streets and have come out. So we send them out, and we talk to them as members. We don't refer to them as clients of customers, we just have them as members. We talk to them and explain why they need to do certain things. In our business school also, we train our members now on simple book keeping, so they improve upon their businesses.

Thank you so much. I think it is best now we open for public questions.

Question: Hi, my name is Doloris Lyons and I am from America, and I have a Non-Profit organization, that works in South Africa. And I have an area, and surrounding this area is beautiful suburbs, several kilometres down the road is big mall. Within this area there is nothing, no infrastructure, all the things that you talked about Susan. Other issue we have is there are 5000 homeless kids, who have lost their parents to AIDS. We have to deal with the psychological side of just beginning to begin to even work suggestions. Because all of this is around them, but they don't see how it is possible for them. This is a question for Susan and training issue, how to get started with that.

Susan: Maybe to update you, Jamii Bora started with 50 Street Beggars, and you can imagine the mentality, you bring me the money, I will use it. Not I will bring savings. And this was a big deal. Sometimes they will sit on street, and say Miss is taking money from us, so she can get back to her country. Our Managing director is Swedish, but she is now very Kenyan, with 3 Kenyan boys and 3 Grand Children. Now what we do is to deal with the mindset. We help them understand that charity cannot help to get out of poverty. It not that way through handouts, because then they will never have any dignity; they will never get out of their positions. They will always sit and wait. And when this person who gives them does not come, they are done. They are finished. so we don't accept any excuses. So we tell them that you have a mountain ahead of you, you just have to get to the other side. Does not matter if you climb it, you dig through it, you go around it, or simply remove it. But you need to get to the other side, and find your direction. We have people come with excuses, e.g. I don't have one hand, and we tell them you have the other one. I don't have the other eye, you have the other one. I cannot see, you have hands. So we deal with that. It is not easy for someone to come from America, go to Mathare Slums, and tell them 'you can get out of poverty', that can't happen. So we get people who are actually born and bred in Mathare, who have lived through it all and come out. They have made it. So they are able to say, look 'I used to beg with you, I used to beg along with you, I used to borrow salt from you, I do not borrow anymore. Look at me. This is the way I followed, I took a loan and made an effort to repay. And that's why I am where I am today.' So we use these people as mentors, and we pay them for that. They go out to their slums every day and help by encouraging and sharing their stories. And giving their lives as living examples that 'Nothing is impossible if you are willing to work it out'. Thank you

Question: My name is Ruth from Kenya, I work with organization which works with people who are HIV positive, and you find that in the African countries the people who are HIV positive are poorest of the poor. The main challenge is that, when they come to us, they have nothing even a business. They ask you, the money for savings, where will we get it. My question is directed to Robert. What do you tell to such a client, during the training.

Robert: Thank you for the questions, let me see if I can respond to them. We deal with youth and women. Sometimes they look at us, and sometimes they look at us for guidance, inspiration and hope

in life. One of the biggest tragedies is when we ourselves become hopeless, when we ourselves are not motivated. If we are able to see far, if we choose to be optimistic in life. Because it's very expensive to be a pessimist, we can definitely influence the lives of people what we work for. In the midst of any difficulty, lies an opportunity. I know we are looking at people with HIV AIDS, and we are asking ourselves what they have to offer. There is so much these people have to offer. Every human being has some inborn potential, and you have to unleash the potential that resides deep within you. Through sacrificial savings, through odd jobs. In fact we saw yesterday, a lady who offered to wash clothes for people and get money. And from that money, she could decide what to use and what to save. If you could get a group of women, say 10 or 20, even if they are all HIV+ and if they could pool their savings together and within time that savings can be lent out to them at manageable very small interest rates. The common fund would grow. By virtue of being in one group, the power of masses, these women can change so many things in the community, where they come from. They can influence, say in Kenya, a group of 200 women can challenge the committee that sits on the constituency development fund, and say we are 200, and we are suffering because of this kind of thing. We need a change. I think the first thing we need to believe is that humans have potential, and we need to look at them with that kind of perspective. With sacrificial savings and with small jobs that they do, they are able to do that. One thing to the person who asked this question, link up with is, I will link you to organizations in the slums. Very poor women who are able to undertake this self help group approach and reach the potential. Special visits to these women is also very beneficial. We can see it is happening elsewhere so why not us. So that will be very good for them.

Question: My Name is Brian, from Grameen in the United States. Each of you have talked about the fact that you need to provide much more holistic services to people that live in slums, given the particular challenges they face. And if you can talk about the challenges of remaining financially sustainable as you provide these services. How you go about doing that. If the services are provided internally by your institutions or through partnerships with other organizations.

Issa: As referred throughout the presentation about the urban slum poor and maintaining sustainability. It's a long challenge in serving the urban poor, as you have seen in the presentation. There is a high risk of losing the money which we are investing there, if not really done well. So at FINCA we have decided to not shy away from working with urban slums. And to look at ways to serving these people but still maintain our sustainability. This is the approach we are using. We have opted for group methodology, and we have now group members who are actively involved in loans, and they are devising loan decisions. So we should not get into a situation where we are financing a loan which cannot return. The methods we have adopted make sure that the money collected is not subjected to risk. The client have to get into an undertaking. More also we focus on capacity building. In capacity building, not only helps branding, but also builds financial discipline and becoming more responsible about procedures and processes of what the lenders require. At the end of the day we hope the group will become a community power. Which most like in Tanzania, they are required by sharing 10% of the total cost. Which without the presence of microfinance would not have been easy for them. Like I went to one community, and it was really hard for them as they did not have financial means which could generate income.

Question: I am Benedict, and I work with an organization Youth Initiatives Kenya. My question is to Robert. Just wanted to know, the biggest challenge with Youth is they are moving, because you train them for Business, they get skills and next week he is employed and he is gone. How do you overcome these. Some people are not sure if they want to go into business or they want to be employees. And you do not condemn them, because there are employees because not everyone is meant to be entrepreneurs... [51:51 / no audio]

Robert: It was a question about the youth, who sometimes come for trainings and then after 3 days rather go for formal employment. I think there is something very positive in the first step. The worst thing would be you train them in the business and they go back to crime or prostitution or something like that. They could go back to formal employment for so many reasons, once upon a time, I remember. I started a business with carpentry, once I realized I didn't had much money, and I quite carpentry. I was paid money, and I was able to buy tools and was able to go ahead. So let's take it positively, that at least that even if they come for business trainings and if they do not took to business, at least they do not go to prostitution. At least they do not go to crime or other social vices. At least they are doing something. Also the issue of special visits. These people should see real life stories, how much the people are able to make when they are doing business. Sometimes they will not be able to see these or experience these, lets express them. let's make them realise that sometimes employment is a form of slavery, at least in Kenya we know that. The only way we can make it in life and do well is when you contemplate how you will live in future having own business.

Julia Asaad: Just one more comment from Susan at close.

Susan: I want to add to what has been said about sustainability of the social programmes. We have for example health insurance; they pay say 15\$ a year, and we have done 4 open heart surgeries in 7 years, thousands of caesarean sections and hip replacement and that costs money. But then just consider the number of members we have, who are contributing to this pool every week. How many of them fall sick. So you realize that our health insurance kitty is actually self sustainable, we have enough surplus and we have not borrowed a single Kenyan shilling or any American dollar from any one. We don't want to. There many people who and come and said we want to support you, but we have said no. Because we want to do it ourselves, we want to see that we can sustain this for 10 – 20 – 100 years to come. That's how we do it, we pool this money together, and therefore a person who falls sick, does not have to die at all. But we can actually pay their hospital bills from that, its self sustaining. We have a programme we call Levuca a Kiswahili word for alcoholism. This is for alcoholics, who are addicted. This is a bit of a challenge, because once you are addicted, you don't realize you have a problem. You don't accept that you have a problem. So it is so difficult to get money out of your pocket. This is a bit of a challenge, we still have to depend on friends to support it. The dream is to have our rehabilitation centre, that will not only accommodate Jamii Bora members but anyone who has addiction and would like to be rehabilitated. We feel that for rehabilitation we have a farm, and people who are rehabilitated do farming grow crops and sell them so that the programme can be self sustaining. Thank you.

Julia Asaad: I would like to thank the panellists today, it has been a good discussions.