

IMPACT

 A publication of Opportunity International

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Hard work rewarded: Award-winning clients

Every year, thanks to Richard Driehaus of Driehaus Capital Management and member of the Opportunity International Board of Governors, we recognize a client and loan officer from each of our four regions for their outstanding achievements. In this issue, we introduce you to our award-winning clients.

AFRICA

Our 2005 Africa client of the year is **Jennifer Mwesigye** from Uganda. With a small ladies' clothing business and only one sewing machine,



PHOTO BY RON LONDEN

Jennifer Mwesigye

Jennifer Mwesigye agonized each month over how to provide for her seven children. But life changed after her first Opportunity loan and her ability to diversify her business. Her first decision was to purchase a second sewing machine. She then started making men's clothing as well as women's.

Now on her seventh loan, Jennifer has a sewing business, 50 cows, three rental apartments and five motorcycles in a taxi business. She has adopted five AIDS orphans, including 4-year-old Moses, whom she found abandoned in the bush as a newborn. Her businesses support 57 people, including her employees and their families. As the only woman on her local community council, Jennifer has helped remove barriers to women owning businesses and property. She also routinely mentors other local entrepreneurs.

ASIA

From Asia, our client of the year is **Maternidad Daliva**, from the Philippines. Prior to her

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PHOTO BY RON LONDEN

Maternidad Daliva

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Did you know?

Hyperion Solutions Corporation recently donated \$250,000 in information-technology software and services to Opportunity International — critical tools for helping measure how the lives of clients and their families are improving through the loan program.

The financial-management portion of the software will also help Opportunity meet regulatory reporting requirements. For further information about Hyperion's donations to Opportunity International, please visit our Web site,

 www.opportunity.org

In 2004, two Opportunity International programs surpassed the 100,000-client mark.

From the CEO's desk



CHRIS CRANE
President &
Chief Executive Officer

Oppportunity International is all about partnerships. At our very core is the Trust Bank — a partnership among poor entrepreneurs committed to building their futures together. At an organizational level as well, we strive to serve the world's poor through partnership.

Recent months have seen us forge some truly exciting collaborations. In addition to our ongoing partnership with Habitat for Humanity, we recently announced two new efforts: with Compassion International and with Hyperion Solutions Corp., the global leader in business performance management software.

We are united with others by a common vision and an uncommon plan: to serve the world's poorest people by helping them shape a new and better future.

Chris

Opportunity's clients of the year (continued from page 1)

involvement with Opportunity, Maternidad ran a mini grocery shop. She and her husband, Frank, struggled to raise five children on the proceeds of that business. Now, six years and nine small business loans later, Maternidad not only owns her little store; she also runs a piggery and sells bamboo and driftwood.

With her income, Maternidad has provided work for her husband, sent all of their children and a niece to school (with four already graduating from college), and also has cared for her ill sister. And she has furthered her own skills as well: returning to school and finishing her degree in education. The pursuit of business and personal betterment has only increased an innate passion to help others: For four years, Maternidad has served as leader of her Opportunity Trust Bank group — rejoicing in its 100-percent attendance and repayment rate.

EASTERN EUROPE

Our 2005 Eastern Europe client of the year is **Aida Pogosyan** from Rostov-on-Don, Russia. Aida received her first Opportunity International loan in 2002. At that time she and her husband



PHOTO BY RON LONDEN

Aida Pogosyan

sold clothing from a simple market stall. Her first loan increased her number of stalls and her second loan expanded her business to include selling shoes and boots. Now a savvy entrepreneur, Aida expects to open a small shop instead of selling from unheated stalls. She generously shares her business knowledge with friends in the outdoor markets where she and her husband work.

Aida's loan officer, Eugene Fursa, has become a trusted advisor — eager to see Aida succeed, willing to challenge her to further heights in her retail business.

"Eugene helps clients work out their problems," Aida says of their collaboration.

"Every week, Eugene goes to the market and asks me, 'What can you sell better?'"

Aida's youngest daughter, Lolita, works alongside her while pursuing college studies — a dream come true that was made possible by the Opportunity loans and business expansion. Aida is confident that she might some day even be able to buy a small house — one more dream come true.

LATIN AMERICA

Our 2005 Latin America client of the year is **Eva Garcia** from Honduras. Eva Garcia moves with a boundless energy that defies her 74 years



PHOTO BY RON LONDEN

Eva Garcia

and inspires her six children and 19 grandchildren. She makes hundreds of tamales over a wood-fired stove just off a two-room home that she shares with her husband, José.

Before becoming a client of Opportunity International, Eva sold only tortillas. But thanks to her loans, she now also sells four different kinds of tamales and other foods.

She is a leading voice in her community — working with government officials to see that services such as road improvements are provided when and where they are needed. Politicians call her influential and seek her support. Everyone in the neighborhood just calls her Grandma.

"In 74 years, I feel excitement to work," Eva says. "I wish I could keep living longer, so I could continue in the Trust Bank. As long as God gives me life, I'm going to continue in the bank, because I have a work spirit." ●

Hernando de Soto praises microcredit and Opportunity

OPPORTUNITY INTERNATIONAL

Q & A

In February 2005, Opportunity International spoke with Hernando de Soto at his home in Lima, Peru. The renowned economist was recently appointed by Kofi Annan, Secretary General of the United Nations, to chair the U.N. High Commission on Legal Empowerment for the Poor. De Soto's comments on microcredit and the global economy are thought-provoking in their implications.



PHOTO COURTESY HERNANDO DE SOTO

Q: Why is legal empowerment of the poor necessary?

A: We are a world of about 6 billion inhabitants, and 5 billion are in the Third World (developing countries, as they are called) and the former Soviet Union. Altogether, of these 5 billion, only about 20 percent, one way or another, connect to the world, to the global economy. [Connecting to the global economy means that] we're registered; our property is defined and protected by law; our businesses are all recorded and function according to certain rules; we make contracts that are protected by law. And about 4 billion people in the world are not there at all. They can't globalize because there *is* no rule of law; they *have* no property rights.

Q: What impact does this have on these 4 billion poor?

A: If one of them wishes to export something, or to open a bank account, there are three questions that are always asked: *What's your name — identify yourself?* Most people in the world *cannot* identify themselves, at least not legally. Second: *What is your address?* Most people *don't* have an official address. And third: *What company do you work with?* Most people *don't have* an official company.

Q: Don't most microcredit clients fall into this group?

A: That's the world of microenterprise: 4 billion people who will never benefit from any of the globalization measures being taken worldwide. The idea of this high-level commission is to see what can be done about it. Article 17 of the Charter of Human Rights says that everybody has a right to property, because property allows you to identify yourself; property allows you to give a guarantee, to mortgage, to pledge an asset. But 4 billion people in the world *don't* have [legal title to their] property; 4 billion people in the world work in *ad hoc* organizations or family-based organizations and *don't* have any of the advantages that exist in the West. The whole issue is, how do we integrate them?

Q: Is microfinance a part of this integration?

A: These are the people we want to bring *inside* a system that allows them to make transactions in peace. It always seems that we're talking about people without resources. In fact, they *do* have resources. Four billion people have about \$10 trillion in real-estate assets. So we're not talking about people who *don't* have resources; we're talking about people who have resources that are not liquid, that cannot be converted into money.

Q: Please explain the value of liquid assets.

A: In the United States, houses and land are not only assets that shelter you from the rain or the snow or the wind, they are also assets that generate liquidity. These 10 trillion dollars in the Third World and the former Soviet Union *only* have a physical existence; they do not exist as liquidity. They do not produce that surplus value that creates capital and creates credit.

That is the work being done by Opportunity International. Opportunity [makes] their assets, or their trustworthiness, sufficiently credible, so that it can bring forth liquidity — so that the world can also see how these people we're trying to help are able to honor their debts.

It is a revolution, because eventually it will mobilize many more assets than those that can come from abroad. In other words, microcredit is not micro in its effect; it's very macro.

Q: What are some of the broader implications behind legal empowerment of the poor?

A: All of this is, of course, relevant for the war on terrorism, for a very simple reason: People who cater to violence or can be swept into violence are those people who are excluded. And the people who are most excluded are those who can't walk into banks, who can't do international trade, who have no way to connect with the larger market economy but are ensconced in small, little niches and can't connect. And they feel discriminated against.

The moment you make it possible for them to access resources, feel a part of the system, then of course the reason to rebel against the system no longer exists.

One of the wonderful things about microcredit is that it is a first step into that broader world, which they *obviously* want to be part of. Microcredit is a welcome mat [saying], "You can come in."

So microcredit goes *way* beyond just giving people credit. It gets into the very thing of human solidarity and peace. ●

For a complete transcript of this interview, please visit www.opportunity.org

Tsunami recovery in India



STR/GETTY IMAGES

Fishing communities in the state of Tamil Nadu, India, are beginning to recover from the devastation brought about by the tsunami of December 26, 2004. The initial, pressing need for short-term relief is past. Now, attention is focused on rejuvenating the local economy — the best means of recovery for the affected families and prevention of aid dependency. Opportunity's partner in the area is helping survivors to establish or re-establish small businesses, which will create income and employment.

Mano Francis, an Opportunity loan officer in the Tamil Nadu region, has seen about 100 loan clients affected by the tsunami. Some were killed, along with their families. Others lost most of their possessions.

Ninety percent of his clients are in the fishing industry — either fishermen or micro-businesses that are tied to fishing. The day of the disaster, Mano helped the community collect lost fishing nets, transport children to safety and distribute food. He has visited regularly to provide support and assess needs.

A fisherman checks his fishing net outside the southern Indian city of Chennai

Also in the Tamil Nadu region, Dhanamary, an Opportunity loan client, initially could not locate her two children after the tsunami, but they were found. All of her family's possessions were sucked out of their hut by the retreating waves.

She is also worried about her family's future, now that her husband's fishing business has been destroyed. Before the tsunami, Dhanamary had borrowed and repaid a loan, which she used to buy cloth in bulk for her business. Now she would like to secure a new loan to use in expanding her business and in re-establishing her husband's business with new nets and a new boat.

Microcredit is vital, long-term follow-up for tsunami-affected communities in Tamil Nadu, and elsewhere. Opportunity's program in India is committed to re-establishing or creating 10,000 jobs over the next three years. ●

In the News

The December 26 Indian Ocean tsunami is giving a boost to the microloan industry among nonprofit organizations as investors seek ways to do good with their money.

Chris Crane, chief executive officer of Opportunity International, said reasonably priced loans would not be available otherwise to many poor people in countries such as India and the Philippines. "Loan sharks typically charge 500 percent to 1,000 percent [interest] annually to small borrowers," Mr. Crane said.

—Tom Ramstack,
The Washington Times,
February 6, 2005

In 2004, for the first time, Opportunity issued more than a million loans in a single year.

WOMEN'S OPPORTUNITY FUND

For more information about the Women's Opportunity Fund, visit www.womensopportunityfund.org

A partnership with Compassion

As a pioneer in microenterprise development, Opportunity International leads a revolution that is improving the lives of poor people around the world.

But our work worldwide unearths a myriad of other critical needs that affect our clients and our efforts on their behalf. Since our expertise is in microenterprise development, our approach is to team up with "best-in-class" organizations that are meeting other needs of the poor.

Last year, we entered into an exciting partnership with Habit for Humanity in Africa, so our entrepreneurs could have homes as well as small business loans.

This year we looked to Compassion International. Like Opportunity, Compassion breaks the cycle of poverty. But Compassion serves children directly, releasing them from economic, social and physical poverty. Working in more than 20 countries, Compassion is serving about the same number of children as Opportunity is serving adults. Opportunity International will provide loans and training to the parents of these needy children.

2004 gender awards

The Women's Opportunity Fund sponsors two special awards each year — recognizing and uplifting people and programs that exemplify our goals to serve the poorest, particularly women, and to promote women in leadership. This year, in addition to the traditional \$500 award, each winner received a \$10,000 grant to further develop gender-focused programs, as well as a \$3,000 scholarship for career development training for a woman staff or board member.

The 2004 Gender Excellence Award was presented to KMBI, one of our programs in Manila. The Advancement Toward Gender Equity Award was presented to another of our programs in the Philippines, ASKI.

The 2004 Gender Awards Committee unanimously agreed to award IMED, our program in Chennai, India, an Honorable Mention for Advancement toward Gender Equity. While maintaining outreach to impoverished women, IMED also dramatically increased female representation on staff. In 2003, only 8 percent of its loan officers were women; in 2004, 24 percent were women. Several managerial positions were filled by women, and IMED worked diligently to hire

and train new women loan officers. They discovered a wealth of human potential among outstanding clients and client family members, whom they hired as loan officers. For their extraordinary achievements, IMED received a \$5,000 grant. ●

"We were able to increase the number of women loan officers from one in 2003 to 22 in 2004. How? One woman made a difference. She was our loan client, and she was able to educate her daughter due to the increased profits from her business. When her daughter graduated from secondary school with a business degree, she applied to us to become a loan officer. Her mother was very supportive and encouraged her to do this because she knew how much the loan and training had helped her. Once other families saw this mother's pride in having her daughter work in this role, it became more culturally acceptable for their daughters to also do such work in the slums. It is important for our women clients to have role models in their loan officers and to see women in these roles."

—India's IMED General Director Mr. I. John after receiving the Advancement Toward Gender Equity Honorable Mention Award at the February 2005 Opportunity International Leadership Conference

Looking ahead

Three initiatives in 2005 will advance gender equity at all levels of Opportunity International.

The \$10 million LEAD Campaign will focus on leadership development. In the next six years, Opportunity needs to recruit and train 6,000 new loan officers and hundreds of managers — a three-fold increase. The campaign will underwrite a comprehensive training program, a CEO mentorship program and other innovative programs to empower women throughout the organization, including clients.

A \$250,000 product-development project will continue the development and refinement of Trust Banks, growth loans, microinsurance and microsavings. Market research will help Opportunity better understand the needs of impoverished women.

Finally, a \$400,000 initiative will be aimed at best-practice standards and accreditation efforts. The goal is to ensure that an annual accreditation review and mission-based review helps all programs maintain excellence and a



PHOTO BY RON LONDEN

Women's Opportunity Fund initiatives will be invaluable to loan officers such as Angella Kamahoro, above, who is committed to offering crucial training in both basic business principles and AIDS education to women entrepreneurs in Uganda.

focus on the poorest, on women and on transformation. The team will examine exceptional or adverse situations or trends and recommend appropriate action. ●

BOARD OF GOVERNORS

For more information about the Board of Governors, visit www.opportunity.org/BOG

One family's involvement in Opportunity



PHOTO COURTESY THE THOMPSON FAMILY

The Thompson family

As a business analyst, Mark Thompson knows the power of capitalism to move people beyond subsistence living to prosperous living. Through his involvement with Opportunity International, he says, "I have seen this happen all over the world. Lives are being transformed economically as well as spiritually."

Mark and his wife, Kim, are members of Christ Presbyterian Church (CPC) in Edina, Minn., and members of Opportunity's Board of Governors. They have been involved with Opportunity for more than a decade. As parents,

they are eager to give their four children an international perspective and share with them God's call to serve the poor. Three of their children have been on Insight Trips, and the youngest will accompany her parents on a Governor's Trip later this year.

"On these trips," Mark says, "our kids learned that when you empower a poor person by believing in them and giving them an opportunity to improve their lives, great things will result."

These trips have opened their eyes to a new way of looking at the world."

Traveling as a family, the Thompsons can see how other families in the developing world are strengthened by the opportunities that come with having businesses that provide for their needs.

The Thompsons offer hospitable hearts as well as by opening their home for governors' gatherings and international visitors.

The Thompsons are living proof that Opportunity changes lives: not only the lives of those it serves in the developing world, but also the lives of those who partner in promoting its mission and vision. ●

A church that's making a difference worldwide

More than 10 years ago, passion for the poor led a Minnesota church to get involved in Africa. Christ Presbyterian Church (CPC) in Edina, Minn., began providing funding for the launch of Opportunity International's loan program in Uganda. Eleven thousand clients later, the Uganda program is going strong. And CPC continues to support the work. Last year CPC and its members donated over \$75,000 to support Opportunity's work.

Support hasn't just been monetary. Senior Pastor John Crosby served on the Opportunity International Board of Directors in the '90s and Jonathan Reckford, executive pastor, serves on the board of directors today. And it doesn't stop with church leadership. Twenty-one CPC

members serve on the Opportunity International Board of Governors, including Mark and Kim Thompson (above). These governors serve as advocates for our work, host events and travel to meet our loan clients.

Thanks to CPC's heart for the poor, thousands of families in developing countries are working their way out of poverty. ●



"After spending time with staff and clients of Opportunity in Uganda last fall, my confidence in their work soared."

Paul Tshihamba, pastor of international missions, CPC

BOARD OF GOVERNORS 2005 CALENDAR

Governors Family Week in Honduras	June 20-26
Governors Annual Meeting in Chicago	October 21-22
Nicaragua Insight Trip	November 9-13



OPPORTUNITY INTERNATIONAL
Giving the poor a working chance

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THE OPPORTUNITY MISSION is to provide opportunities for people in chronic poverty to transform their lives.

OUR STRATEGY is to create jobs, stimulate small businesses and strengthen communities among the poor.

OUR METHOD is to work through indigenous partner organizations that provide small business loans, training and counsel.

OPPORTUNITY INTERNATIONAL'S COMMITMENT is motivated by Jesus Christ's call to serve the poor.

STATEMENT OF INTENT REGARDING POVERTY AND WOMEN

Opportunity International—U.S. strives to reach the world's poorest people through its microenterprise development programs. Recognizing that the large majority of the world's poorest are women and that they contribute decisively to the well-being of their families, Opportunity makes it a priority to support programs that serve the particular needs of women.

OPPORTUNITY INTERNATIONAL HAS PARTNERS in Albania, Bulgaria, China, Colombia, Croatia, Dominican Republic, East Timor, Egypt, Ghana, Honduras, India, Indonesia, Macedonia, Malawi, Mexico, Montenegro, Mozambique, Nicaragua, Peru, Philippines, Poland, Romania, Russia, Serbia, Uganda, Zambia and Zimbabwe.

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