

IMPACT

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World AIDS Day, December 1, 2005

Microfinance: a global response to the HIV/AIDS pandemic

When Elizabeth Byaruhanga's husband passed away in 1993, she might have become just another sad statistic on a continent overwhelmed with the HIV/AIDS pandemic. His death left Elizabeth with an unfinished house, eight children and very few prospects for supporting herself.

"After my husband's death," Elizabeth says, "I thought it was the end of the world. I used to cry all the time. But one day, I called my children in and told them, 'I am going to work. And you will learn to read. You are going to school and you are going to study.'"

In 2002, Elizabeth learned about Opportunity International and its innovative Trust Bank group-lending program. She founded the Kabalagala Widows Group Trust Bank in Kampala, Uganda. This group of 19 women and one man are rebuilding their lives after each losing a spouse to AIDS.

Elizabeth has a stand in an open market in Kampala, where she sells bananas. Her first loans allowed her to buy her bananas in bulk, securing more profits to pay for her children's school fees. Increased profits have also allowed her to support three AIDS orphans in addition to her own eight children. Elizabeth's oldest child has graduated from the university and three others are attending.

In the face of the AIDS pandemic, its easy to fall into hopelessness and conclude that a small victory like Elizabeth's will never make a difference. But even one victory is progress; many such victories can help turn the tide.



PHOTOGRAPH BY RON LONDEN

Elizabeth Byaruhanga

As World AIDS Day approaches on December 1, 2005, governments around the world are looking at their response to the global pandemic. The spread of AIDS in the developing world is moving governments to consider responses that provide health education and a means for AIDS-affected families to protect their livelihood. And they are finding this response in the form of microfinance.

The special challenge of AIDS is the effect it has on the economies of developing countries and the vicious cycle of poverty it feeds. When HIV/AIDS strikes a family in Africa, the family income drops 40 to 80 percent while medical expenses jump by 400 percent. When the main wage earner from a family is unable to work due to AIDS, the dependents move deeper into poverty. In addition, deaths from AIDS create an increasing number of orphans and widows who have lost their support system and must provide for other family members.

In this environment of lower earning power and additional medical costs, it is imperative that

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While AIDS is a global pandemic, the statistics regarding its effects in Africa are staggering:

- Every 24 hours, 6,500 Africans die of AIDS, while 9,500 are infected with HIV.
- Nine out of 10 children living with AIDS are African.
- In Botswana, life expectancy decreased from 65 years in 1985-1990 to 40 years in 2000-2005.
- AIDS will have claimed the lives of at least one-fifth of agricultural workers in southern Africa by 2020.
- Sub-Saharan Africa is home to more than 10 percent of the world's population, and more than two-thirds of all people living with HIV.

The AIDS pandemic in Africa is predicted to kill 65 million lives in Africa by 2010, resulting in an estimated 40 million orphans. (USAID/UNCDF "Children on the Brink" 2004)

From the CEO's desk



CHRIS CRANE
President &
Chief Executive Officer

With the approach of World AIDS Day on December 1, I am reminded yet again of the urgent mission — and the huge impact — of Opportunity International in the world today. Our mission is not about modest gains or minor improvements, but about bringing the light of hope and the promise of transformation into some of the world's most critical issues.

Opportunity International is not a health-care organization, yet our work can be a vital part of a winning strategy against HIV/AIDS in the developing world. By providing families with a means to build sustainable income and a growing business, we help those living with HIV/AIDS as well as those who would one day be left behind.

Together, we are making a difference in the face of some of the world's greatest challenges. Thank you for your continuing support of our work and our mission.

Chris

economic opportunities are available. While the standard response to the AIDS crisis is to send funds and medicine to afflicted countries, microfinance has proven to be a successful and self-sustaining option.

Opportunity International provides very small loans — sometimes as little as \$50 — directly to people living in chronic poverty, to help them start or expand a business. With their profits, poor entrepreneurs are able to provide their families with safe shelter, nutritious food, health care and education. Women who have lost their husbands to AIDS and must earn more to support their families can use these small loans to start or expand a business.

Oppportunity International is committed to fighting the twin evils of poverty and AIDS in Africa through microfinance at the grassroots level — serving more than 760,000 poor entrepreneurs in 27 developing countries. Through its “Lending Hope to Africa” campaign, Opportunity encourages community, jobs and social empowerment for Africa’s most neglected people.

This type of campaign is not about giving money to help the poor survive. Through group-guaranteed loans, HIV/AIDS education, training in basic business practices, insurance, counseling, peer support and youth apprenticeship programs, the basic economic realities are changing for impoverished families throughout Africa.

For impoverished people, access to financial services is difficult because of their inability to prove who they are. Documents such as a driver’s license

or passport are too costly, and many poor people are illiterate. Today, a secure identity and illiteracy are no longer barriers for the poor. Opportunity International is leading the way, using technological advancements such as biometric “fingerprint” technology in its microfinance programs.

By using this paperless system, poor people are able to use their own fingerprint embedded in a credit-card-size identification card. The card is then scanned at the local microfinance bank, enabling the holder to make financial transactions.

Through Opportunity’s microfinance banks in Africa, poor entrepreneurs can open secure, interest-bearing savings accounts that allow them to save in small increments for emergencies or business expansion. Poor entrepreneurs also have access to life and health insurance, even if they or a family member has AIDS. Without savings and insurance, a small emergency pushes poor families into deeper poverty.

With the approach of World AIDS Day and the emphasis on this growing, global pandemic, the world needs to rejoice over stories like Elizabeth Byaruhanga’s. AIDS may be the most significant health threat in the world today, but microfinance is fighting its effects and helping to reach out to those affected to improve their lives. Through the work of Opportunity International, Elizabeth’s story is repeated thousands of times in Africa — with the potential to help many millions more. ●

To hear Elizabeth tell her story, visit www.opportunity.org under “Who We Are/Resources” and watch the video, “A Day with Elizabeth.”



PHOTOGRAPH BY RON LONDEN

Elizabeth Byaruhanga sells bananas at a local market in Kabalagala, Uganda.

Rwanda: ripe for Opportunity

When the world last laid its eyes on Rwanda more than a decade ago, the tragic aftermath seemed almost beyond comprehension — a brutal genocide between tribes that left 800,000 dead in just 100 days. Little noticed by the world since, this nation is rebuilding itself, striving to rise from its tragic ashes into a modern society, rich with opportunity for all of its citizens. The nexus of tremendous need and progressive policy may form an occasion for making a big difference quickly. And Opportunity International wants to help make it happen.

In recent months, leaders from Opportunity International have been meeting with government and banking officials from Rwanda to lay the groundwork for a new program in this country that, despite a tragic past, holds a great deal of potential. The new program, the Opportunity International Bank of Rwanda, looks forward to a formal announcement in 2006.

“Our new program in Rwanda will have a tremendous, positive effect on the people of Rwanda, and on Africa as a whole,” says Chris Crane, president and CEO of Opportunity International. “The work we do in Rwanda can be a springboard for new financial services — reaching the poorest of the poor throughout the continent.”

“Rwanda has a progressive government,” says Adrian Merryman, COO of the Opportunity International Network, which manages and coordinates partner programs around the world. “Many governments are unreceptive to outsiders. But the Rwandan government is focused on economic development and recognizes the critical role of microfinance. Everything about the country says that it is committed and dedicated to developing opportunity for its people.”

Organizations such as the World Bank have come to agree, citing Rwanda in a recent report as one of the 12 most active nations in the world for enacting reforms conducive to economic growth. “Africa is largely still slumbering in efforts to open up its economy,” notes this World Bank report, “with the exception of Rwanda, where new company and labor laws introduced in 2001 made it easier to start businesses.”



Orphans in Gitarama, Rwanda

PHOTOGRAPH BY KRESTA KING CUTCHER

communications infrastructure within the country will allow program staff to offer progressive solutions at a lower cost.

The Opportunity International Bank of Rwanda will be the first full-service bank committed to serving the poor with a full range of financial services. Using state-of-the-art biometric “fingerprint” technology, the bank will use a paperless system, processing transactions faster and at less expense than traditional banks.

The need is certainly there: Nearly 80 percent of Rwandans live on less than \$2 per day and more than 11 percent of Rwandans are living with HIV/AIDS. Opportunity International’s programs address both issues: Businesses built through microfinance allow the poor to afford more medicine while building an asset for the next generation. Since Opportunity International also offers insurance to clients, a parent’s death need not mean destitution for the children. And through HIV/AIDS education offered in Opportunity Trust Bank meetings, clients are given vital information for avoiding — and living with — HIV infection.

“For most people in Rwanda, financial services are largely absent,” explains Opportunity International Network CEO Larry Reed. “Because it is a more agriculturally based economy, there are a large number of cooperative societies and a few small microfinance organizations. But the government and its central bank are excited about our plan to offer savings services and insurance policies to people at the bottom end of the economy.”

The need for Opportunity’s programs is evident in other ways as well. For example, the country is much more densely populated than most of Africa.

“The average size of a plot of land that someone owns is less than three acres,” Reed says, “so it is harder and harder for people to produce food for their family.”

Yet, because the country is so densely populated, financial services can be offered more efficiently here than elsewhere. Once an Opportunity International program is in place,

With these advantages, Rwanda holds the promise of serving as a model program for other areas in Africa. “It can become a model for us,” Reed says, “which is very important for future development of other partners in Africa.”

Yet, even with a progressive government and rapidly developing infrastructure, decisive change often depends on personal passion. One of the driving forces behind Opportunity’s new program in Rwanda is Dale Dawson — a successful businessperson who caught the vision and now serves as a volunteer chair on the Opportunity International President’s Council. (See story on page four.)

In 2003, Dawson was introduced to Bishop John Rucyahana, headmaster of the Sunrise School, a boarding school in Rwanda for orphans of the genocide. Eventually, Bishop John challenged Dawson to help Rwanda rebuild its economy. Two years later, efforts are underway to bring Opportunity International to Rwanda.

“It’s all built on personal relationships,” Dawson says. “My personal relationship with Bishop John Rucyahana is what changed my life. Once you get to know people, you get to be friends with them and share a common calling. Then the rest of it just flows.”

Through the passion and commitment of people on both sides of the Atlantic — and thanks to the committed leadership of a nation — Rwanda is rising out of the ashes of tragedy. A nation once known for a past of terrible fighting stands on the threshold of giving its poor a fighting chance. ●

Building bridges between worlds

Dale Dawson comes by his entrepreneurial instincts honestly: learned at the feet of his father, a hard-driving businessman who sold fruit from a wagon during the 1930s. As a CPA, investment banker and entrepreneur himself, Dale had birthed a number of successful ventures and was on his way to having it all — until he discovered that having it all wasn't nearly enough.

Dale soon discovered the work of an organization called Halftime, founded by Bob Buford, which challenges successful business people to examine their lives and consider the balance between success and significance. "In 2003," he explains, "I went through an assessment of how I wanted to spend the next few years of my life. Doing the same thing I'd done the last 25 years wasn't that appealing."

Dale had already developed a passion for the nation and people of Rwanda through a friendship with Bishop John Rucyahana, headmaster of a school for orphans of the Rwanda genocide. After helping Bishop John raise money for the school, Dale wanted to help in other ways too. But he had no idea how.

Meanwhile, Dale was making life changes based on the influence of Halftime. By the end of



Bishop John Rucyahana and Dale Dawson

2003, he had sold his business interests, convinced that God would lead him to an opportunity to "give back" using his business skills.

That's when he discovered Opportunity International.

Attending an Opportunity International event, Dale was moved by a video image of a woman carrying fruit in a basket on her head — selling fruit, just as his father had, decades earlier.

"I started crying," he says. "It was so close to my childhood. I knew from the moment I saw that video that Opportunity was special and its mission was particularly applicable to my life and my values."

Within months, Dale had embraced a new volunteer role — new for him and for the

organization: chair of the Opportunity International President's Council. Working from his home base in Little Rock, Ark., Dale meets with entrepreneurs and business leaders throughout Texas and the southeast to spread the word about Opportunity and microfinance.

"This country is very much a cocoon," Dale says. "There are 6 billion people in the world, most of them living in levels of poverty that people in the United States don't even comprehend."

"Over the next 20 years, the greatest opportunity I have is to build bridges from the abundance of American baby boomers to people in the developing world, encouraging people to develop relationships with people of these countries and make a difference."

"I've known people who used to think the biggest challenge of their lives was how to knock another five stroke off their handicap," he says. Now, through Dale's influence, those same people are willing to fly off to Latin America and Africa to help poor people with whom they share the bond of entrepreneurship.

"The transformation of the donor is as significant a ministry as the transformation of the poor," Dale says. "My mission in life is to be effective in transforming lives at both ends of that bridge." ●

IN THE NEWS

HIDDEN WEALTH OF THE POOR

Opportunity International is the only Christian microfinance organization mentioned in a 10-page article in *The Economist* magazine titled "The Hidden Wealth of the Poor." The November 5 article positions Opportunity as the first microfinance organization to extend uncollateralized loans to very poor borrowers. (Opportunity's first program started in Colombia in 1971.) The article also highlights Opportunity's new remittance joint venture with HSBC that allows money to be sent to the Philippines via the Internet and retrieved from local ATMs. *For the full story, visit www.opportunity.org, under "Media Center."* 📖

TRICKLE-UP ECONOMICS

Opportunity International was widely cited in an extensive article about the microcredit revolution by CFO.com, online presence for *CFO* magazine. According to

the article, while traditional commercial lenders track indicators such as customer profitability or transaction reserve ratios, microcredit lenders such as Opportunity International track things such as children who are properly fed and attending schools. *For the full story, visit www.opportunity.org under "Media Center."* 📖

MICROFINANCE A KEY TO WOMEN'S PROGRESS

Even though women around the world have made great strides through microfinance, millions are still unserved, according to an article by Opportunity International's Susy Cheston, published in a biweekly newsletter, "Monday Developments."

For example, although women do 60 to 90 percent of the farm work in Africa, they receive less than 10 percent of the credit available to small farmers. But, the article says, empowering women through microfinance is an incredible tool for bringing families out of poverty. "Monday

Developments" is published by Interaction, the largest alliance of U.S.-based development organizations. *For the full story, visit www.opportunity.org under "Media Center."* 📖

RECKFORD JOINS HABITAT FOR HUMANITY AS CEO

Opportunity International Board Member Jonathon Reckford has been named CEO of Habitat for Humanity International. As a successful business executive and then executive pastor of Christ Presbyterian Church of Edina, Minn., Reckford led his congregation in ministry partnerships to serve the poor around the world, including relationships with Habitat for Humanity, World Vision and Opportunity International. Last year, the church and its members donated more than \$75,000 to Opportunity's work. Opportunity International and Habitat for Humanity enjoy a partnership through the Orphans and Vulnerable Children's project, an initiative to combat AIDS in sub-Saharan Africa. ●

WOMEN'S OPPORTUNITY FUND

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

Recent tax change to benefit the poor

Did you ever think that you could reduce your federal income taxes for 2005 and change the lives of poor entrepreneurs in the developing world at the same time?

Here's how:

Congress recently passed a "limited time only" change in the tax laws, to provide financial incentives to increase 2005 charitable giving.

From 8/28/05 until 12/31/05, any cash gift you make to a public charity (such as Opportunity International) can be deducted up to 100 percent from your 2005 adjusted gross income.

Key aspects of the legislation include:

- Only gifts made from 8/28/05 to 12/31/05 qualify for the special tax treatment. As of 1/1/06, the 50-percent limit returns.
- Only cash gifts are affected. While gifts of assets such as stock and real estate are still welcomed and provide tax benefits of their own, they do not qualify for the special tax treatment this year.
- The gifts must be made directly to a public charity. Gifts to private foundations and donor-advised funds are specifically excluded under the provisions of the law.
- The gift must be an outright gift, meaning that life-income giving arrangements such as charitable gift annuities don't qualify.

Please contact Chuck Day, Opportunity International's Director of Planned Giving, with any questions at 800-793-9455, ext. 4136, or at cday@opportunity.org. Please consult your tax advisor regarding the deductibility of any charitable gift.

Tools for transformation



Opportunity International loan officer Charlotte Arinaitwe leads a Trust Bank near Kampala, Uganda. Through Trust Bank meetings, loan officers give clients vital tools for economic, social and spiritual transformation.

conditions and traditionally enjoy few chances for education, but with this training, they are seeing more and more doors opened — for both themselves and their families.

In one leadership module, clients role-play different leadership styles in response to common problems in their families, their businesses, their Trust Bank meetings.

In a module on civic responsibility, clients are each handed a piece of paper — some contain problems and some contain solutions. They then are told to find each other and "match" the problem with its solution. Afterward, they meet in small groups to prioritize problems and decide what they can do to solve them individually and as a group.

One health module pairs a discussion about traumatic experiences with biblical examples of people who suffered trauma yet found God's peace. In another, participants learn how to prepare inexpensive herbal remedies for common ailments.

Regardless of the topic, through the Transformation Library, Opportunity International's clients are rising to new levels of health, confidence, leadership and business expertise. ●

The Women's Opportunity Fund has strengthened the process of client transformation by funding expanded training — creating a "Transformation Library" of 400 different training modules for use in Trust Banks.

Loan officers report great eagerness to start using these modules, which focus on health, leadership, self-esteem, gender awareness, communication, work-life balance, civic responsibility and more.

Opportunity's clients live in impoverished

Opportunity testifies on behalf of the poor

Testifying before a congressional hearing on microfinance on September 20, Susy Cheston, Opportunity International's senior vice president for policy, presented a case for increased support for microfinance.

"Microfinance practitioners have figured it out, we've cracked the code, we now know how to ramp up to reach many more poor families," she said in her testimony. "We are part of a financial sector revolution that is ready to soar. Do you want to let microfinance stagnate now, or do you want to invest in success and finish the job?"

The hearing brought attention to the need for further resources so that microfinance organizations can help millions more poor families begin the path to self-reliance through access to credit, savings, training and other basic services.

Cheston was the founding executive director of Opportunity International's Women's Opportunity Fund.

To view hearings via Webcast, visit www.opportunity.org.

BOARD OF GOVERNORS

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

Africa insights by Steve and Emmy Stanley

PHOTOGRAPH COURTESY OF THE STANLEYS



In Malawi, the Stanleys met Eliza Kasakula (center, in front of her store). Opportunity International Bank of Malawi provided Eliza with a loan to expand her business.

The lobby is crowded and busy — a typical Wednesday afternoon at the Opportunity International Bank of Malawi (OIBM) in the capital city of Lilongwe. The air is filled with energy as people wait their turn to make deposits and do business. They affectionately call it Banki Yanga — “my bank.”

We had just arrived in Lilongwe to begin an

11-day Opportunity Insight Trip to both Malawi and nearby Mozambique. After years of personal interest and support for Opportunity, we came to see for ourselves how the organization partners with the poor.

Despite the poverty in Malawi, Opportunity's OIBM started strong. In just a few short years, more than 34,000 depositors with more than 5,000 loan clients are being served.

In Mozambique, Opportunity is just beginning, building on the work of two previously existing microfinance projects. New bank branches are opening soon in several cities.

In that same bank lobby in Lilongwe, on another morning before the crowds arrived, we joined with 26 bank workers, Trust Bank leaders, loan officers and tellers — even OIBM's president — to sing, read the Bible and pray. OIBM is not only “my bank,” it is God's bank. Through OIBM, we know that Opportunity International is doing God's work. ●

Steve and Emmy Stanley serve on the Opportunity International Board of Governors.

2005 Board of Governors annual meeting

In October, at the 2005 Board of Governors annual meeting, 93 members gathered in Chicago for a time of education, training and fellowship with those who share a passion for empowering the world's poor.

The featured speaker, Diana Villiers Negroponte, spoke on the plight of the poor in less-developed countries. Diana drew from her own public service, her family's diplomatic career, her years living in the Philippines and Honduras, and her roles as educator and parent. Diana is a professor at Fordham University in New York City and research associate at the Institute for the Study of Diplomacy.



Ken Appenteng (left) greets Board of Governor member David McAlpin of New Jersey.

Ken Appenteng, manager of the Opportunity International Bank of Malawi, reported how microfinance programs are transforming lives in Africa (see story above).

One highlight was the unveiling of Opportunity's new Volunteer Toolkit — a way for members to continue sharing their heart for the poor. Included in the toolkit are ideas and resources for hosting informational gatherings about

Opportunity International. (For information about the Volunteer Toolkit, contact Wendy Cox, Board of Governors director, at wcox@opportunity.org or 800-793-9455 x4180.) ●



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 SERVES women and men of any faith and no faith.

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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BOARD OF GOVERNORS 2006 CALENDAR

**Insight Trip to Dominican Republic
Board of Governors Annual Meeting**

**February 1-5, 2006
October 27-28, 2006**