



Program Fact Sheet

Program: Friendship Bridge

Web Site: <http://www.friendshipbridge.org/>

Mission: Friendship Bridge provides microcredit and education to help women and their families create their own solutions to poverty.

Special Note: Professor Muhammad Yunus, founder of the Grameen Bank and tireless advocate of microcredit as a means of alleviating poverty globally, has been awarded the 2006 Nobel Peace Prize. Since 1976, Dr. Yunus has worked to perfect and promote the use of microcredit for millions of impoverished people across the globe. His innovations and steadfast belief in the power of poor people to work their way out of extreme poverty has inspired the microcredit movement for decades.

Where they give: **Guatemala** and Vietnam (DFW gives to Guatemala programs)
94% of the land in Guatemala is in the hands of 7% of the people. 80% of the arable land is in the hands of 2% of the people. According to a study done at San Carlos University, Guatemala is 1,200,000 housing units short, or in other words, two million people in the country are homeless. 70% of the overall population has had little or no formal education, 38% have no access to health care, and 46% have access but no medicine or cannot afford the medicine that is available. The unemployment rate is 53%. In an urban study, it was determined that it cost just under \$5 per day to live and the average wage earner can make just under \$2 per day.

Who they serve: (In Guatemala) There are roughly 3 million Mayan women and children living on less than \$2 a day, especially the 25% who live on less than \$1 a day. Isolated by a language barrier, with education and health care out of reach, income generating opportunities for these women are limited. Some suffer post-traumatic stress from protracted civil war which has left approximately 3,000 women widowed.

Friendship Bridge is committed to reaching the poorest areas of rural Guatemala, providing credit and education to women and educational support to their children. By February 2007, there were 10,112 women clients in eight departments of rural western Guatemala: Sololá, Quiché, Quetzaltenango, Totonicapán, Chimaltenango, Retalhuleu, Suchitepequez, and Sacatepequez

History:

When the founders of Friendship Bridge, Connie and Ted Ning, visited Vietnam in 1988, they were on a fact-finding trip to assess the needs of women and children. They began a grassroots medical relief project in 1989, sending medical supplies and medicine to Vietnam. They worked with healthcare professionals in teaching projects, and a bridge of opportunity was forged – the opportunity to heal the wounds of a war that haunted so many lives. FB developed a reputation for listening to the needs of others and began partnering with non-governmental organizations to accomplish their goals. Later Ted and Connie turned to microcredit loans for women interested in enhancing or starting businesses. In 2000, after 5,000 successful loans in place, FB turned over its loan portfolio in Vietnam to its local partners, avoiding the increasingly complex restrictions on foreign relief efforts in the country. Then, they started a microcredit program in Guatemala.

Since Friendship Bridge began its microcredit programs, it has distributed a total of almost \$8 million and provided over 20,000 scholarships for children. Loans ranging from \$50 to \$800 have changed

women's lives on two continents. Friendship Bridge began its successful Microcredit Program in Guatemala in 1998.

FB invests in women because they believe they are effective entrepreneurs, leaders and agents of change for themselves, their families and communities.

Friendship Bridge has always listened and tried to respond to the needs of those it serves. They have consistently elicited the needs of others and responded with compassion and programs that work. FB believes that:

- Microcredit helps impoverished women reach economic independence.
- Education for women and children is an important tool for development.
- Health education enhances personal, family, and community well-being.
- Respect for the spiritual and cultural roots of communities is fundamental.
- Participatory techniques incorporate each client's voice.
- Women are leaders for (of) change in their families and communities.
- Effective programs are created through listening.

How They Work: Friendship Bridge is a non-profit, non-governmental organization that provides microcredit and educational programs to help women and their families create their own solutions to poverty. The Friendship Bridge development model is unique in that they are blending the short-term economic development needs of women through access to credit and education, and the long-term goal of breaking the generational cycle of poverty by providing educational opportunities for their children.

Microcredit Plus Program: In 1998, Friendship Bridge began offering small microcredit loans to rural women in Guatemala. The microcredit loan program represents a direct investment in women entrepreneurs. Not only do these women receive loans, they are taught how to develop a successful business that will grow through our microcredit plus model. Friendship Bridge has created a unique model that encourages education, self-sufficiency, and empowerment.

Women attend 3 pre-credit meetings emphasizing business management, development and savings before receiving their first loan, which averages \$125. Loan groups, locally known as ComUnidades are 25-30 women who meet regularly and co-guarantee each other's loans, known as social collateral. Each woman operates her own business, but the social collateral provides an additional support network for these rural women. All clients are required to add at least 10% of their loan amount to a group savings, which is returned to them at the end of each loan cycle. When the loans are repaid in full, women can apply for larger loans. Loan cycles vary but are usually 6 months to a year depending on the group. Friendship Bridge maintains a 98-99% repayment rate.

Regular meeting of the loan groups include an educational component. Games and other participatory strategies are used to insure these largely pre-literate women can engage in the learning activities that are a part of the meetings. Beginning in 2007, training began to foster self-management of the loan groups and in time clients will be encouraged to share their own unique knowledge with each other in addition to the training the loan officers provide.

Education for Children: Many of the borrowers see a tremendous value in educating their own children even though they themselves did not attend school. Mothers are well aware that in order for their children to improve their situation they must receive an education, yet this is a cost few can afford. Friendship Bridge developed a Children's Education Scholarship Program to help clients get and keep their children in school.

How They Measure Their Success: The number of loans, the loan portfolio (loans outstanding), and the repayment rate are among the measures Friendship Bridge uses to calculate its success. Success for clients is harder to measure in a conventional way. They report satisfaction with the ability to increase their business and the information they learn in the meetings, but for them success is tied more closely to their enhanced capacity to provide for their families. Friendship

Bridge had 10,112 clients in February 2007, a loan portfolio of \$1,996,038 and portfolio at risk > 30 days of 1.61%.

Outside research and their own evaluations reveal that loaning money to women helps with:

- Improved nutrition for the whole family
- More children attending school, especially young girls
- An awareness of the importance of family planning
- A reduction in the incidence of spousal abuse
- Newly found solidarity and support among women in the loan groups
- Improvements in housing

Program Financial Efficiency: Friendship Bridge operates its programs as economically as possible. FB reports that 20% of the 2005 total operating budget was spent on administration and fund raising costs. Latest estimates report no changes in this percentage.

DFW Giving History with Program:

2005: \$350

2006: \$3,010 (DFW established a Trust Bank with Friendship Bridge this year, allowing us to direct our donations for microcredit loans for women living in Chimaltenanga.)

2007: \$6,378

Resources: The Friendship Bridge web site is loaded with excellent information. Visit the links under *Learn More* to find additional info on Guatemala, Microcredit, Global Issues, and FB success stories.