



# CONNECTIONS

Volume 8, Issue 7  
Spring 2007

## PROGRESSING TOWARDS THOUSANDS MORE: SPOTLIGHT ON MOROCCO



Approximately one in five Moroccans—six million people in all—live in poverty and a majority of the female population is illiterate. Under the leadership of Nourredine Ayouch and Aziz Benmaazouz, Foundation Zakoura was founded in 1995 with a vision to reverse these trends. Today, Foundation Zakoura is the second largest microfinance institution (MFI) in the Arab World, serving 330,000 clients and offering them legal support, health care programs and literacy classes.

This Moroccan MFI will significantly multiply its impact by providing microfinance to 41,000 new families thanks to a \$10.6 million loan from local bank Société Générale Marocaine de Banques. This loan was facilitated by a \$5 million guarantee from the Grameen-

Jameel Initiative for the Arab World, shared equally between the Grameen Foundation Growth Guarantees Program and the Mohammed Jameel Fund. The guarantee and resulting loan represent the largest transaction for the Grameen-Jameel Initiative, an alliance between Grameen Foundation and the Abdul Latif Jameel Company to advance microfinance in the Arab world.

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Grameen Foundation’s innovative Growth Guarantee Program aims to bridge the gap between MFIs’ need for capital to expand and serve more people, and local capital markets. In its first year, the Growth Guarantee Program provided guarantees that mobilized close to \$25 million from local banks for MFIs around the world, with nearly two thirds going to partners in the Middle East and North Africa.

To read more about Foundation Zakoura in *Factors that Contribute to Exponential Growth: Case Studies for Massive Outreach to the Poor and Poorest*, contact [development@grameenfoundation.org](mailto:development@grameenfoundation.org).

## IN BUSINESS FOR HER FAMILY: CHAIBIA SABIL

“Before receiving a loan from Foundation Zakoura, I had a small business in my home trading merchandise. My family had many financial problems and had trouble supporting our three children through school. When I heard about Foundation Zakoura in my neighborhood, I visited the local branch to tell them my business plan. They approved my first loan of 1000 Dirham (US\$120) to start buying wholesale clothing to resell.

Eventually, I took out a second loan of 5000 Dirham (US\$590) to expand my business. My husband and I began to see our financial and personal difficulties disappear. I was even able to help my oldest son, Abderahman, pay for his wedding. He is now following in the family business and recently took out a loan to expand our merchandise.”



Chaibia and her son Abderhman are two of more than 330,000 clients at Foundation Zakoura that are in business to lift their family out of poverty.



“AS AN EMERGING MARKET PRIVATE EQUITY INVESTOR, I WAS FASCINATED BY MICROFINANCE. IT PROVIDES A POTENTIALLY COMPELLING INVESTMENT OPPORTUNITY AND WAS THE ONLY BUSINESS I SAW AMONG THE THOUSANDS OF COMPANIES I ANALYZED THAT COULD ACTUALLY TRANSFORM LIVES. GRAMEEN FOUNDATION GIVES ME THE OPPORTUNITY TO SIT ON THE OTHER SIDE OF THE TABLE AND HELP BRIDGE THE GAP BETWEEN MFI’S AND THE APPROPRIATE FUNDING TO SUPPORT THEIR CONTINUED EXPANSION TO THE POOR.”

—DIANE SMITH  
DIRECTOR OF CAPITAL MARKETS

FOR DIANE SMITH’S FULL BIO, SEE [WWW.GRAMEENFOUNDATION.ORG/ABOUT\\_US](http://WWW.GRAMEENFOUNDATION.ORG/ABOUT_US).



## PRESIDENT'S MESSAGE: 3 MILLION CLIENT MARK CROSSED

**"Alex—we have great news! Our partners have crossed the three million client mark."**

I received this brief but wonderful news in January, along with a stream of other emails about more milestones, including our largest loan guarantee ever deployed, and one of our partners in India, SKS, growing from 22,000 clients at the start of our partnership in 2003 to cross the half million client mark. With April marking Grameen Foundation's (GF) 10th anniversary, I took a moment to reflect on our origins and look forward into our future.

Grameen Foundation began in 1997 with just \$6,000 in seed capital donated by Muhammad Yunus, the 2006 Nobel Peace Prize co-laureate with Grameen Bank. We began by mobilizing support for a small group of microfinance institutions (MFIs) that shared our goal of significantly expanding access to financial services to poor women so that they could work their way out of poverty. In 2001 we opened our technology center in Seattle, which has since produced innovative technology

to combat poverty. Its Village Phone program has enabled thousands of women in Uganda, Rwanda, Cameroon and the Philippines to start profitable cellular pay phone businesses, and Mifos is an open source management information system for the global microfinance industry that is empowering microfinance practitioners. Seven years after our founding we helped our partners reach one million clients. Since then we have reached one million additional clients per year, and are on target to bring microfinance to five million of the world's poorest families by 2008.



**Thank you for the role you have played in achieving these results, which have inspired us to dream of much bigger impact in our second decade.**

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On my recent visit to the Kashf Foundation, GF's leading partner in Pakistan, I was reminded that there are still millions of women who we have yet to reach. By supporting MFIs worldwide like Kashf Foundation, we are helping to create the next generation of Grameen Banks around the world. Our vision is to transform our partners into institutions capable of meeting the demands of the poor, so that one day abject poverty will be relegated to history books and museums.

Thank you for caring.

Sincerely,

Alex Counts  
President and CEO



# OPENING DOORS: GF EXPANDS IN CHINA

With more than 220 million people living below \$1 a day, China is the second largest potential market for microfinance. China's poorest people struggle to gain access not just to food, health care and education, but also to financial services.

Building on Grameen Foundation's (GF) work in the country since 2000 with its partner Funding for the Poor Cooperative, GF kicked off its expansion in China by adding two new microfinance institution (MFI) partners: Chifeng Zhaowuda Women's Sustainable Development Association (Chifeng) in Inner Mongolia and Association for Rural Development of Poor Areas in Sichuan (ARDPAS) in Sichuan Province.

Grameen Foundation plans to nearly double its three partners' collective client outreach by 2008, extending microfinance to nearly 35,000 of China's poorest families. To do this, GF staff are trailblazing through difficult political and environmental conditions. The fledgling MFIs face significant capital constraints as they work to reach China's poor, who mostly live in remote rural areas.

By providing a tailored suite of technical support and financing, GF is laying the foundation for its partners to scale up. "These three partners show promise to achieve a vision of growth," says Kate Druschel, GF's Regional Coordinator overseeing the work in China.

Grameen Foundation recently held a three-day long training for its partners. Kate met with Li Feng Yun, a borrower from Chifeng.

Li Feng Yun makes cotton batting to use for stuffing pillows and blankets. She received her first loan of 4000 Renminbi (US\$515) from Chifeng in 2004, and has seen her business' profits steadily grow. Li relies on the personal support and business advice that is shared during meetings with her group to grow her business and remain successful. The other borrowers "provide advice on life and work," Li says. "The meetings are very helpful."



A group of borrowers from Chifeng meet twice a month to make loan payments, discuss business challenges, and support one another.



# INVESTING IN TALENT: GF HOSTS HIGH GROWTH PARTNER FORUM



Grameen Foundation (GF) is working to help our global network of microfinance institutions (MFI) scale their operations to reach five million poor families by 2008. Like all rapidly growing organizations with bold missions, our partners face challenges associated with fast growth, including the need to attract, deploy and retain highly skilled and motivated staff.

To help address these issues, last fall, Grameen Foundation held its first-ever High Growth Partner Forum to provide training to more than 45 leaders from our 16 High Growth partners (organizations committed to the most rapid scaling of their operations). Together, these partners serve more than 2,690,000 clients worldwide. The wide-ranging workshop and roundtable discussions touched on many of the burning issues facing MFIs: managing human resources, developing innovative products to help the poor, and securing capital for new loans. In addition to providing an opportunity for our partners to share their experiences, the forum ended with a visit to CASHPOR, a GF partner serving more than 209,000 clients in northern India.

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## PARTICIPANT FEEDBACK FROM THE THREE-DAY HIGH GROWTH PARTNER FORUM:



JANET

"I want to thank you all for a splendid week with our...partners and our visit to [Grameen Foundation local partner] CASHPOR. What a fabulous experience for me and our partners. The program was so rich and the audience so eager to learn and to know one another."

—Janet Thompson, a Grameen Foundation Board Member and former Citibank Director, served as a volunteer facilitator for the conference.



OTMANI

"The forum was very beneficial for us. Given the variety in workshops and lectures, the participants could find something of interest to learn all the time. And meeting high growth partners from around the world allowed us to compare/contrast our respective trajectories and reflect upon our roadmap ahead."

—Otmani Zine El Abidine, Managing Director FONDEP, Morocco



AMY

"It was a week of learning and fruitful encounters with other [GF] partners."

—Amy de los Santos, Director for Field Operation and Client Management Services TSPI, Philippines



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## TERRY AND ANNE GUERRANT: ADVOCATES, SUPPORTERS, AND CHANGE MAKERS

Grameen Foundation (GF) friends Terry and Anne Guerrant are on a mission to put two million dollars into the hands of the poorest through microfinance. To do this they started The Guerrant Foundation to support Grameen Foundation and Opportunity International, two organizations dedicated to fighting poverty. The Guerrant Foundation aims to raise \$1 million and Terry and Anne plan to donate an additional \$1 million. The Guerrant Foundation has already helped mobilize more than \$73,000 to Grameen Foundation and one of GF's Mexican partners, Grameen de la Frontera.

The key to the Guerrants' success has been letting people know that they can play a role in spreading the impact of this business solution to poverty. "When I host an event, I tell my audience that 113 million people around the world use microfinance to lift themselves out of poverty. They are excited to learn about the opportunity that microfinance offers to them to help," says Anne. "We have had articles published in the *Phoenix Business Journal* and the *Arizona Republic*, which helped raise over \$40,000. Local journalists are drawn to the story."

Terry and Anne first learned about microfinance on a trip to India. They saw first-hand the impact that microfinance had on a group of women. When the borrowers took turns sharing their story, they proudly explained how their lives changed from dire poverty to ones with less struggle and newfound hope. "The confidence and optimism that these women exuded was proof of the transformative power that microfinance has. Neesha, a widow, had been supporting her children on less than \$1 a day. She was able to get a small loan to buy a mat weaving machine and raw materials and begin a mat weaving business. Now she has enough money to feed and clothe her children, and pay their school fees. The upward spiral out of poverty has begun."



Anne and Terry Guerrant were moved to support microfinance after visiting this group of borrowers in India.

### INTERESTED IN GETTING INVOLVED LOCALLY?

You can become a vital part of the microfinance movement by holding a "Friend" raising event. Bring together friends and family for an event to raise awareness and/or funds for Grameen Foundation. Your next birthday party, movie night, and book club meeting are perfect opportunities for you to share the solution of microfinance and to meaningfully impact the poverty epidemic. Our "Friend" raising Toolkit is a how-to guide on organizing a fun and successful event.

Download the free toolkit at: [www.grameenfoundation.org/get\\_involved/Friendraise/](http://www.grameenfoundation.org/get_involved/Friendraise/).



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# TRIP REPORT FROM MEXICO: INSPIRATION FROM THE POOREST

by Julia Wilson

As the new Executive Director of Major Gifts on the West Coast, I had the opportunity to visit Grameen Foundation's (GF) partner, AlSol, in Chiapas, Mexico. Together with Gloria McCall Godat, Chairman of the Board of the Chiapas Project in Dallas and Reed Oppenheimer, Chair of GF's James and Betty Sams Fund, we met with AlSol's founder, Pilar Garcia, and a group of AlSol's clients. AlSol is one of GF's 13 partners in the Americas region, which collectively deliver microfinance to more than 203,000 clients.

Pilar described AlSol's growth from the first borrower in 1998 to over 11,000 today, and their plans to reach 20,000 clients by the end of 2007. We learned about initiatives to bring health care and education to clients' families, and of the success of their nutritional program, which provides dietary supplements to 250 malnourished children.

After our meeting with Pilar we drove to participate in a group meeting in Betania, a small village in Chiapas. We were greeted by smiling and waving children who ran

alongside the van. Their mothers, most with children attached to their bodies in one way or another by colorful wraps, welcomed us with smiles as our group gathered with 40 borrowers for their weekly meeting. The women responded with dignity during roll call and each proudly came forward with cash to make the next installment of their loan.

After the group meeting, we said "adios" and left to visit a borrower's home. Andrea Hernandez Diaz has been making textile handicrafts for twelve years. Before becoming a client of AlSol, she embroidered her fabric and maintained a small production. She often could not meet the demand for her crafts because she did not have enough capital to invest in her business. Andrea turned to AlSol and received an initial loan of 500 Pesos (US\$45). She invested her loan in fabric to enable her to increase production. With subsequent loans she purchased raw materials and further expanded her business. Andrea used the profits from her growing business to purchase land, expand her home, improve her family's diet, and support her six children through school.

*To learn more about the inspiring story of the Chiapas Project and their goal to raise \$3.5 million dollars in support of GF's work in Latin America, visit [www.chiaps-project.org](http://www.chiaps-project.org).*

**Andrea used the profits from her growing business to purchase land, expand her home, improve her family's diet, and support her six children through school.**

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# CONGRATULATIONS 2006 NOBEL PEACE PRIZE WINNERS MUHAMMED YUNUS AND GRAMEEN BANK

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Joining the chorus of thousands worldwide, Grameen Foundation (GF) congratulates Muhammad Yunus and the Grameen Bank, co-recipients of the 2006 Nobel Peace Prize. GF also extends thanks to the thousands of friends who supported Muhammad Yunus' dream through the years and have brought us closer to a world free of poverty.

The award has offered the microfinance industry and those seeking an end to poverty an extraordinary opportunity. With increased access to capital, technical support, and technology, GF is helping its network of partners scale up to become the next generation of Grameen Banks.



Professor Muhammad Yunus



  
enda inter-arabe  
supporting microentrepreneurs  
**TUNISIA**

More than 2,100 people from 150 countries sent messages to Professor Yunus and Grameen Bank through our Web site, including Senator Hillary Clinton who said that the beneficial impact of microfinance projects on low-income women and their families continues to inspire her.

*When I started with Grameen Bank, a colleague asked what I thought about it. I said it seemed like "Aladdin's lamp" and that Professor Yunus should win the Nobel Prize for his great work. People laughed at me for this idea. We [at Grameen Bank] were underestimated and not welcomed by local elites or so-called intellectuals because we were working for a neglected portion of the community. For the last 10 years I have checked the Nobel Prize Web site. Today our work has been recognized. This decision obviously honors and recognizes the 100 million microcredit clients' work all over the world. I am also proud as a Bangladeshi, a country that has created an example in the world in poverty alleviation.*

—Nurul Alam, former Grameen Bank  
Branch Manager and Grameen Foundation  
Manager of Technical Support

*We would like to express our deep gratitude to you and Grameen Bank... The worldwide recognition of your personal efforts and the achievements of the Grameen Bank in bringing innovative financial solutions to the global poor will boost support to all of us engaged in this mission.*

—enda inter-arabe,  
Grameen Foundation partner in Tunisia

*Microcredit is an innovative concept that marries compassion for the poor with personal empowerment. It is people like you who inspire the rest of us to turn our thoughts into actions.*

—Anna Kinard, United States

VISIT OUR WEB SITE TO READ MORE COMMENTS AND LEARN HOW YOU CAN TAKE ACTION  
AGAINST POVERTY: [WWW.GRAMEENFOUNDATION.ORG/NOBEL\\_PRICE](http://WWW.GRAMEENFOUNDATION.ORG/NOBEL_PRICE).