



**National Association of  
Business Women of  
Tajikistan**



**International Micro-Loan  
Fund “IMON”**



*supporting by*  
**Swedish International  
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**Impact Assessment Study  
for the Project  
“Microbusiness opportunities  
for the poor families in Tajikistan”**

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## INTRODUCTION

This Report reflects the results of studying the impact of the Project “Microbusiness opportunities for the poor families in Tajikistan”, its microcredit and educational components on the beneficiaries.

The Project “Microbusiness opportunities for the poor families in Tajikistan” was launched in June 2004 and completed in September 2005. The performing party for the Project was the National Association of Business Women of Tajikistan, project partners - Mercy Corps and UN Children’s Fund – UNICEF. The Project was implemented with the financial support from Swedish International Development Agency – Sida.

The Project had the following objectives:

1. Strengthen family microbusiness by improving the knowledge of business management among the target group of the project;
2. Promote development of microbusiness in the poorest districts of Sughd and Khatlon Regions by providing loans to family microbusiness.

The target group of the project was as follows:

- Families with dependent children under 16;
- Families whose daily income is less than \$1 per family member;
- Families living in the area covered by the project.

The project covered districts of Sughd and Khatlon Region.

When running a microfinance program, there is always an expectation that the financial intervention will change the structure of income, assets and will generally affect the prosperity of service recipients. Therefore, among the main indicators of the Project were the expectations that microcredit and educational components of the Project will facilitate:

- An increase in sales and profitability of the enterprise by 10%;
- Opening new jobs;
- Strengthening economic security of the families.

As part of the research, we attempted to measure the influence of the microcredit and educational components of the project on the beneficiaries, in particular, whether it promoted growth of sales, opening new jobs, and improving well-being of the family.

In the introductory part of the Report, we should also point out other indicators that were affected by the Project. This will give us an idea of the Project scale, its coverage and quantitative indicators.

INDICATORS	PLAN	ACTUAL PERFORMANCE
Loans issued to target communities	1900	2136
Total amount of loans issued, \$	310,000	734,901
Number of business plans designed	500	249
Market evaluations performed	500	444
Professional training received	250	458
Services expanded in seven new districts	Kurgantube, Spitamen, Bokhtar, Jilikul, Vakhsh, Sarband, Kolkhozabad, Jabbor Rasulov districts	

One of the social objectives of the project was the coverage of the defined target group. It must be noted that by the end of the Project the structure of active clients under the Sida portfolio was as follows:

#### By the number of dependents under 16:

Number of children	0	1	2	3	4	5	6	7	8	9	10	Total
Active clients as of 30.09.05	276	393	525	404	210	72	18	11	2	1	1	1913
% of total number	14.43	20.54	27.44	21.12	10.98	3.76	0.94	0.58	0.1	0.05	0.05	100

#### By monthly income per family member:

Monthly revenue per family member	0-5\$	5-15\$	15-30\$	30-45\$	45-60\$	60-100\$	>100\$	Total
Active clients as of 30.09.05	22	499	956	282	68	61	25	1913
% of total number	1.15	25.08	49.97	14.74	3.55	3.19	1.31	100.00

Thus, the Report reflects the impact of microcredit and educational components of the Project on the beneficiaries, i.e. what economic and social change happened to the business and household situation of the clients.

### Methods of research

The research used a combination of qualitative and quantitative methods of analysis:

- Deep interview / business evaluation;
- Analysis of loan applications;
- Case study.

The research covered the following areas of project operation:

Sughd Region: Bobojon Gafurov, Kanibadam, Isfara, Spitamen, Jabbor Rasulov districts; Khujand.

The following hypotheses were taken as the source:

- The loans received will facilitate expansion of the business or range of goods sold, subsequently higher volume of sales and number of clients, resulting in a 10% growth of revenue/profit.
- Increased household income will promote higher level of economic security for the family and therefore prevent institutionalization of children.
- Provision of educational services will result in better quality of goods produced, selection of a correct marketing strategy and higher number of clients served by the microenterprise.

At the first stage we used quantitative methodology, namely analysis of information in loan applications and business plans of the target group and monitoring reports by the loan experts.

NABWT/IMON took part in the global practical research program Impact-Act in 2003 and implemented a system of managing social impact in its internal procedures.

NABWT introduced a number of indicators into its internal system, which allow the performance of impact assessments. These were integrated in the loan application forms and information systems. The following indicators are tracked by NABWT/IMON on a regular basis:

1. Monthly income per household member;
2. Number of jobs created after receiving the loan;
3. Enterprise balance structure (changes and trends in assets, liabilities and equity);

NABWT/IMON monitors the aforementioned indicators and degree of impact at each subsequent loan. The information requested in the loan application helps perform loan analysis and track the influence of microcredit program on its beneficiaries.

A control group of clients at the second and third lending cycle was selected. The following documents from the loan file were analyzed: loan applications, balance structure and profit & loss accounts.

Overall, 412 loan applications from 146 clients were analyzed at the microfinance component of the project (123 clients in the third cycle and 23 in the second cycle). 112 clients were located in Sughd Region and 34 in Khatlon Region.

At the second stage qualitative methodology was used, namely: semi-structured deep interview and involved observation (business evaluation). The research covered the following categories of respondents:

- Microcredit component participants – 20 persons;
- Educational (and microcredit) component participants – 20 persons;
- Control group (entrepreneurs not taking part in the Project) – 8 persons.

Sampling among the microcredit component participants considered the duration of borrowing in the program, respondent's gender, type of business and region.

To assess the impact of business educational and professional training, 10 persons were selected additionally within each region from among the business (5) and professional (5) training participants.

The sampling among the educational component participants included the type of educational course, experience in business and type of business.

The sampling of research also included a control group of 4 persons in each of the regions, not involved in the project.

Overall, 48 persons were interviewed and visited, from among the participants of microcredit and educational components.

At the third stage case studies were collected, to evaluate the impact of lending and educational components of the project on the target audience. These are included in the report.

### Description of respondents

Overall, 194 persons were covered by the research.

To analyze the links, we have shown the description of respondents in the microcredit component participants category who took part in the research.

	Men	Women	TOTAL	
	Qty	Qty	Qty	% of total
<b>Type of business</b>	<b>49</b>	<b>97</b>	<b>146</b>	<b>100</b>
Commerce	23	68	91	62.33
Production	5	14	19	13.01
Agriculture	4	5	9	6.16
Services	9	2	11	7.53
Cattle farming	8	8	16	10.96
<b>Region</b>	<b>49</b>	<b>97</b>	<b>146</b>	<b>100</b>
Sughd	34	78	112	76.71
Khatlon	15	19	34	23.29
<b>Max loan amount</b>	<b>49</b>	<b>97</b>	<b>146</b>	<b>100</b>
Up to 600 Somoni	3	29	32	21.92
From 601 to 1000 Somoni	0	9	9	6.16
From 1001 to 1500 Somoni	15	35	50	34.25
Over 1500 Somoni	31	24	55	37.67

The structure of respondents was as follows:

- 56.85% of the respondents had secondary education, 20.55% vocational, 22.60% – higher education.
- 30.14% of the respondents have between 1 and 3 employees, 8.22% – from 3 to 5 employees, while the majority – 61.64% work alone.
- 32.19% work on the basis of a patent or certificate, 67.81% are in the informal sector.

## 1. Main hypotheses concerning the impact of lending component on the level of business at the enterprise/household

### Opening new jobs

Most of the respondents have a business, where they work themselves, and hire 1-3 people. In suburban and rural areas, most of the respondents employ only their family members.

Only slight changes happened with regards to employment. Analysis of questionnaires and loan applications showed that 17 persons (11.64%) had created 18 jobs, of which 50% were in the area of production, 22.22% in commerce, 16.67% in cattle farming and 11.11% in services.

Six respondents (12.5%) created 18 new jobs during their participation in the project, of which 13 were in Sughd Region and 4 in Khatlon Region. Such a small number of project clients creating new jobs is explained by the fact that the project targeted the most vulnerable part of the population, with very low income, involving small-sized business that can be managed single-handedly.

### Increased sales volume, 10% or more

In 85% of the questionnaires analyzed, the volume of business or assets grew with the increase of working capital, i.e. after receiving the loan their volume of sales, and consequently profits from business, went up.

This is explained by the fact that an increase in working capital (by attracting borrowed funds) increases the opportunity for expansion of range of products, increase in sales volume and therefore income of the enterprise.

Changes in the enterprise assets in the last 3 lending cycles (12-month average)	Sughd Region	Khatlon Region	Control group
Reduced	9%	26%	37.5%
Stayed level	4%	3%	25%
Up 10%	10%	18%	25%
Up 11-20%	11%	15%	12.5%
Up 21-30%	11%	6%	0
Up 31-50%	13%	6%	0
Up 51-70%	10%	9%	0
Up 71-100%	13%	12%	0
Up 101% and more	20%	6%	0

After analyzing the questionnaires, we identified that with 71.23% of the clients, business assets and volume of sales grew by more than 10%.

During the interviews, respondents in all categories spoke about growth of competition from large retail chains and major wholesale suppliers, who have a number of advantages, including substantial resources to promote their services and an opportunity to offer lower prices.

The respondents from among microcredit program clients emphasized the importance of access to financing to expand the assortment of goods produced and dynamic business development to create competitive advantage.

The clients used the loans mostly for expansion of existing business, while the profits were invested in new economic activities.

**Jumanazar Nazarov, a participant of the microfinance component, Kurgantube**

*I used to deal in men's clothes, importing goods wholesale and selling them to shops, often on credit, then a week later I would go around and collect my money from these people. Now I started buying and renting out video tapes and discs. I have two shops, one next to a bus stop, the other at the market.*

*I opened this new business after getting my second loan, and now I am in the fifth cycle. The change of business type is explained by the fact that with increased working capital (my funds plus the loan) I started importing more goods, while the competition became higher; so more goods were left for sale off-season. Then I decided to change business and do something no one has been doing in the region.*

According to the respondents, this kind of strategy allows for a more stable income, increases employment in the family and provides for a diversification of risks.

**Kholmurod Assoev, a participant of the microfinance component, Kolkhozabad**

*I have been selling stationery (pens, pencils, notebooks, folders, etc.) for several years. As a teacher, I realized a lack of books in the schools. Not every pupil could get their textbooks, even though the majority was willing to pay for them. So, in August 2004 I went to Dushanbe for the first time and brought back some books. These were sold in two days. Then I made another trip and I saw this was a good and profitable business. When the President issued a decree on support and development of book stores, the local consumer union gave me a shop, where I am selling books now. At the moment, I have three sales outlets: one is next to the school – my daughter runs it; the other is in the market – where my wife sells stationery products; and the shop that I run.*

Overall, it can be stated that the size of production assets is directly linked to the volume of sales, and so larger assets bring forth higher sales. The respondents from among the program clients have better growth indicators when compared to the control group.

## 2. Main hypotheses concerning the impact of lending component at the household level

### Per capita household revenue

For most respondents, business is the only source of income. 78% said their entrepreneurial activities are the sole source of household revenue.

The structure of household revenue looks as follows:

*Income from entrepreneurial activities – 70%, of which:*

- Business – 75%
- Cattle or poultry farming – 20%
- Land cultivation – 5%

*Income from non-entrepreneurial activities – 30%, of which:*

- Financial assistance from family members working abroad (mostly in Russia) – 60%
- Salary – 40%

Monthly revenue per household member was taken as the indicator for analysis. To calculate the revenue per household member value, the following formula is used:

$$\frac{\text{(net household profit1)}}{\text{number of family members}}$$

Analysis of loan applications from a sampling of this research has shown that during the project, more than 50% clients saw positive changes, i.e. a more than 10% growth of revenue per household member.

Changes in household income in the last three lending cycles (12 months average)	Sughd Region	Khatlon Region	Control group
Reduced	20%	9%	25%
Stayed level	24%	59%	12.5%
Up 10%	3%	3%	25%
Up 11-20%	10%	6%	12.5%
Up 21-30%	5%	0%	25%
Up 31-50%	10%	14%	0%
Up 51-70%	9%	0%	0%
Up 71-100%	8%	0%	0%
Up 101% and more	12%	9%	0%

57% clients in Sughd Region indicated 10% or higher increase in revenue per household member. In Khatlon Region growth was reported in 32% cases. The data registered in the questionnaires showed that income per household member did not change in 59% cases in Khatlon Region and became lower in 9% cases. Among the respondents in the control group, reduction of household income was experienced in 25% cases.

1 Net household profit = all revenue from entrepreneurial activities + revenue from non-entrepreneurial activities – costs of entrepreneurial activities

It is important to remember that the table above is based on the data from loan applications, and can therefore be quite subjective. For example, during the interviews some clients in Khatlon Region said they just filled out the questionnaire time after time without changing the numbers for second or subsequent applications. This may explain the fact that revenue per household member did not change in 59% cases.

It is also noteworthy that the Project covered the most vulnerable category of entrepreneurs (with \$1 per capita income and dependent children under 16), therefore we are dealing with micro-entrepreneurs, who rarely have proper records of their own business performance. Out of the 48 entrepreneurs interviewed, 47.5% are using special books to record all revenues and expenditures of the household, whereas 52.5% keep the numbers in their minds and do not run any records.

While interviewing the microcredit program clients, all 100% of the respondents gave a positive answer to the question on whether their families' well-being and income had improved. Even when a reduction of income per household member was indicated by the questionnaires, the respondents were clear about the reasons, citing the following issues:

- Using the revenue more for reinvestment into the current business activities;
- Investing into other types of entrepreneurial activities;
- Drawing the money from the business for consumer needs.

This indicator must be viewed in combination with other ratios. Reduction or increase in per capita household revenue is not always directly related to the financial intervention. Since the formula for this indicator has the total household revenue in the numerator, and number of household members in the denominator, the actual figure is dependent on the profitability of the enterprise, as well as other sources of revenue (not from entrepreneurial activities) and the size of the family. The majority of respondents, who have additional sources of revenue, such as outside financial assistance, remarked the irregularity of this income and tendency for reduction.

Those respondents who have entrepreneurial activity as the main source of revenue, said they were experiencing a reduction of revenue due to growth of competition. Many entrepreneurs direct the loan funds and additional profits into business expansion and development, investing in new sales outlets and expansion of range of goods sold.

In 30 % cases, the respondents blamed growing competition as the main reason of reduced enterprise revenue.

18.75% of the clients said they could not use the business profits for their consumer needs (i.e., improvement of quality of life). In 10% cases, the clients reinvest their profit into the current business, 8.75% invest in other types of activities to better cope with competition and have additional source of income.

It is interesting to see that the number of clients engaged in more than two types of entrepreneurial activity is growing. This strategy is usually chosen to lower entrepreneurial risks, to have additional sources of money and involve other household members in business.

18.75% of the respondents explained a drop in business profitability by the need to draw large amounts from business into consumer needs (organizing major events, education for their children, house construction or renovation).

Growth of the family and number of dependents also had an impact in 5% cases.

### **Strengthening the material base of the household and improvement in life quality**

Changes in the enterprise revenue affect the household income, which in turn results in improved or worsened economic stability of the family. Once again, we must say that there is no clear link between the loan and profit/loss from entrepreneurial activities.

According to the respondents, the material position of the household in comparison with the last year improved substantially in 41.67% cases, improved slightly in 35.42%, and dropped in 20.83% cases.

The following factors were chosen as indicators of the economic safety: of the families:

- Investment into education for the entrepreneurs themselves and their children;
- Housing, its size and living conditions;
- Family assets;
- Vehicles;
- Food (meat consumption) and clothing

The respondents gave the following answers to the question on how their living standards changed, or what material and social improvements took place during their participation in the program:

- 22.92% spent the money on renovation, construction and purchase of housing;
- 22.92% substantially improved their food and clothing;
- 18.75% spent the money on education for their children, including entrance to the universities;
- 16.67% said their income did not change;
- 10.42% of the respondents said their revenue was spent to organize events like weddings, funerals, or forming a dowry;
- 8.32% purchased domestic appliances or cars

The questionnaires did not include a question on the purchase of livestock. However, it was discovered that in 16.67% the additional profits were spent on purchasing cattle and poultry. Thus, these respondents benefit additionally from buying and selling livestock and from using the products (milk, eggs, meat) for their own consumption.

One of the factors examined by IMLF "IMON" and characterizing the economic safety of the beneficiaries was the household ability and willingness to make savings. The following saving strategies were mentioned by the respondents:

- 56.25% save regularly with a specific goal ("for a rainy day", or for weddings);
- 20.83% prefer not to save; they believe money must work, so they reinvest the profits in the existing business or launch a new business activity;
- 14.58% do not have an opportunity to save, due to low profits;
- 8.34% save irregularly, whenever they have an opportunity

### 3. Main hypotheses concerning the impact of educational component

As part of the project, a business training on the topic “Basics of entrepreneurship and sources of funding” (two days) and “Business planning and aspects of lending” (four days) was conducted.

Vocational training was also organized in cooperation with the German Crafts Chamber, with the following topics: sewing elite curtains using German technology (6 days), confectionery baking using German technology (6 days), bead-working (10 days) and hairdressing (6 days).

Out of the 20 participants of the educational component interviewed, 15 (75%) are also using NABWT/IMON financial services, and 5 (25%) took part in both business training and vocational courses.

Out of ten vocational training participants interviewed, 7 (70%) said they could expand the range of services provided, increase the range of goods sold, increase the volume of sales. The remaining 3 (30%) entrepreneurs do not use the skills acquired for business, they use such skills only for domestic purpose. Of these seven, 4 (57.14%) expanded the range of services offered and improved the quality of products, 2 (28.57%) got a permanent job, 1 (14.29%) opened a new business.

Thanks to the business training, 100% of business training participants became more informed about the legal issues, 50% learned to make precise calculations of the cost of goods sold and account for costs, 20% built their own marketing strategies, 20% started or changed their type of business, and 10% became registered with the tax authorities.

Out of the 20 educational component participants, two (10%) created new jobs after completing the training.

Out of the 10 vocational training participants, 7 (70%) are engaged in production, and 3 do not use the skills acquired, since they are working in other areas of activity.

20 respondents took part in the business training, including 13 (65%) engaged in commerce, 5 (25%) in production, and service sector and cattle farming each are represented by one entrepreneur (5%).

## CONCLUSIONS

NABWT/IMLF “IMON” during the Project achieved its financial and social objectives; financial results, such as the amount of loans issued and high portfolio quality, facilitated meeting the financial goals as well. The project will strengthen NABWT/IMON’s adherence to its social mission, by achieving strong results in both financial and social spheres.

It is quite difficult to determine the role of IMON and the project in the changes that took place in the clients’ lives and businesses, and in the society in general. However, it is clear that the program clients had experienced more positive change than non-clients.

83.33% of the respondents witnessed an increase in their enterprise assets and thus higher sales volume.

12% of the respondents in the category of lending component participants and 10% in the category of educational component participants created new jobs in their current enterprises. It is noteworthy that many of the clients invested the loan funds and high profit from the current business into other types of revenue-generating activities, thus increasing employment among the family members.

Income per household member is an ambiguous indicator. Even though positive change prevails, a substantial part of indicators in the questionnaires, especially in Khatlon Region, showed that the ratio of revenue per family member remained the same or was reduced. After qualitative investigation of this indicator, 100% of the microcredit program clients surveyed told us that even though the revenue in general is increased, they cannot always spend the extra profit on their domestic needs – growth of competition compels them to reinvest into business.

There are certain achievements in the area of increasing the economic safety of the Project beneficiaries. Some of the substantial social effects were the opportunity to improve the living standards, food, to invest in the children’s education and make savings.

Implementation of this Project in general had a positive impact on NABWT/IMON’s reputation, since the outcome demonstrated not only strong financial indicators, but also substantial social impact of the project components.

## CASE STUDY

### **Jumanazar Nazarov, married, two children, a resident of Kurgantube:**

Jumanazar has been in business for more than five years. He started as a wholesaler of men's clothes, importing in bulk and distributing to a number of retail shops, frequently on credit, and collecting money from the sellers a week later.

In 2004 he first applied to NABWT for a loan. However, with increased working capital (his own funds plus the loan) he started importing more goods, while competition grew stronger, and so more clothes had to be sold off-season. Then he decided to change the type of business. However, he didn't know what to choose. NABWT officers invited him to a business training on the basics of business. He became interested with the session "selecting a rational business idea", which explained the methods of analyzing various areas of business to determine the most demanded and least filled niche market. After doing some analysis, Jumanazar realized that there is no place in Kurgantube to buy or rent a videotape or disc, and most people have to travel to Dushanbe for the purpose. After visiting a friend, who is engaged in this type of business, he became assured about the new type of business and with the next loan started implementing his business idea.

Today he is selling and renting video tapes, DVDs, CDs, MP3 and MP4 discs from two shops: one in the downtown, and the other in the market.

Jumanazar says: "Your organization changed my life; with the new type of business I got different clients, I started spending more time with my peers, with youngsters, with modern people. This business brings me enjoyment and satisfaction, I am in the loop on all new movies, I know many world stars, my business affects my personal development, and of course, it has a positive impact on my pocketbook, too!"

### **Sotikjon Yakubova, a mother of three, a confectionery baker, Khujand:**



Sotikjon is one example of what you can call "a strong woman".

After many years spent together, her husband left the family. She was left alone with three sick children, living in a dormitory, since she does not have a house of her own.

Initially she got a job as a janitor at a hospital. The salary was low, and she had to save on everything to bring food to her children. Life was intolerable, and she understood this. As usual, by accident she found out from a newspaper that NABWT is running training on confectionery baking. She became interested in this, since she had always liked baking. During the training she acquired new skills and learned new technologies of baking confectionery goods. She decided to start her own business in parallel with her employment at the hospital: bake confectionery goods and sell them at the hospital. However, she did not have the funds to buy raw materials (flour, sugar, milk and butter). She remembered that NABWT provides lending services in addition to education. Sotikjon was very anxious to apply for a loan. She was afraid of being refused on the grounds she had no valuables to leave as collateral. After discovering about the collateral-free Group Lending Program, she was very happy and formed a group. This was more than two years ago, but Sotikjon is still an active borrower, since she finds it profitable for her business.

Today Sotikjon has quit her hospital job and dedicated herself to her bakery business. She has regular customers and most of her product is made to order. Her family life changed too. Sotikjon was able to organize a wedding for her eldest daughter, pay for a surgery for her youngest girl, renovate the room and improve food conditions. At the same time, she started another type of business: wholesale of foodstuffs.

Sotikjon says: *“Sometimes life is so hard you think there is no way out, but Allah sends salvation and help. I received this help in the hardest times of my life, and I am very grateful for your labor, for your caring and support”.*

#### **Tavarali Sharipov, 27, married with one child, a resident of Bokhtar district:**



Tavarali sells men's clothes in Kurgantube market: sports suits, footwear, shirts, and winter jackets at the season. He brings his goods from “Korvon” wholesale market in Dushanbe. Tavarali has been in this business for four years.

The first time he heard about NABWT/IMON microcredit activities was in 2004, when his brother was organizing a lending group and invited him to join it. Tavarali was wary at first, so he decided to calculate everything. At home, he sat down and calculated the interest, analyzed all the terms and conditions, then decided to join the group. His first loan was used for business expansion. Since most of his capital was tied in summer clothes and the loan was received in the autumn, he bought autumn and winter garments. Since that time, Tavarali remains an active borrower at NABWT/IMON, thanks to which he could expand the range of goods sold, increase his working capital and profits.

Higher profits resulted in increased household consumption. With his earnings, Tavarali he paid most of the expenses required to organize a wedding for his son and sister (since he lives with his parents). Besides, the food quality also improved in his family: he can now afford lamb, fruits and other more expensive products – something he could never have done before.

Tavarali took part in a two-day training on the basics of business, after which he purchased a book for registering inspections. As a result, the amount of unofficial payments was reduced for him. In the last year, Tavarali's business has grown substantially, line of products expanded, profits doubled and he was able to solve many household issues.

Tavarali is grateful to IMON for giving him a chance to receive short-term collateral-free loans, and he plans to continue cooperation.

#### **Rajabova Inobat, 27, a mother of three, a resident of Vakhsh district:**



The Civil War in Tajikistan caused damage to the country, its population, breaking up families with women becoming widows, and children becoming orphans. We'd like to tell you about one of those families who suffered much from the consequences of this conflict. Rajabova Inobat was born in Vakhsh district. As soon as she graduated from school her parents forced her to marry. The young family started their independent life with great hopes for future. They had two sons and two

daughters. However, nobody believed that such a tranquil life would be broken by the civil war that ruined not only the families but the hopes of the population of the Republic of Tajikistan. This tragedy was the reason why Inobat, for her children's safety, in 1993 had to leave her house and native village and start life in a new place. Her husband refused to leave their village saying that he would defend his house. Later that year, she was informed about her husband's death and understood that she was left alone with four children.

When she returned to her native village she found her house totally destroyed. Despite all the difficulties she experienced, the 37 years old Inobat did not give up. Without having any skills except for a secondary school education, Inobat started her business by trading small wares and food in the market. However, the income she received was not enough to support her family and restore the house destroyed by the war. Since childhood Inobat liked confectionery and had baking skills. All this made her change her business. Together with her elder daughter Zamira she started baking and selling of bakery and confectionery products. The income she generated from this business was also insufficient because of the required expenses for buying flour, sugar, oil and etc. Through her contacts in the market, she learned that the National Association of Business Women of Tajikistan (NABWT) started activities in the Vakhsh district. NABW was known for its support and help to women by providing micro-loans, training and advocacy services. Together with her friend Gulnora, they were one of the first clients who applied to for a loan to NABW in this district. They formed a solidarity group and received the first micro loan for 600 somoni (about USD 200).

This helped Rajabova Inobat within a short period to improve the range of her products and increase production. Among the local population Inobat became famous as an energetic confectioner and she obtained orders for cake and confectionery goods that in turn required improved skills so as to improve quality of output.

In August 2005, the Sida sponsored project "Microbusiness Opportunities for Poor Families" in Khatlon region together with German Trade Chamber, introduced a vocational training on utilizing "German technology" for baking. Inobat was one of the first on the list of participants. She had an opportunity to improve her practical skills and acquire new knowledge on how to increase the range of products for her microbusiness. Simultaneously she attended trainings on business development organized by NABW that helped her very much.

Currently Rajabova Inobat is one of the most active clients of the Khatlon Branch, which is now IMLF 'IMON'. *"I'm very happy that I cooperate with such organization as IMON. Owing to the support that was provided by IMON, I was able to improve my life and educate my children. My elder daughter entered pedagogical Institute in Qurgan-Tube and I opened the bakery where I sell confectionery. My life has improved and I feel confidence for tomorrow. I hope to have a long term relationship with IMON so that my business continues to grow and our lives improve".*

### **Ismoiljonova Gavhar, a mother of two, a resident of Khujand city.**

When Gavhar Ismioljanova was a young girl she used to sit with her grandmother and listen to stories while learning to sew and make curtains and clothing. Now, with some assistance from Mercy Corps and NABW through the project "Microbusiness

Opportunities for Poor Families in Tajikistan”, Gavhar has become a very successful and independent business-woman in Khujand.

Her path to success started when Gavhar got married and began to raise children. Her husband was working for the government and his salary was not very high, leaving only enough money to buy the most essential items for the family. Not wanting to just sit and home and wish for a better life, Gavhar decided to use what she had learned from her grandmother to improve the situation for her family. She rented some space in a sewing workshop and invited two of her friends who were also skilled in sewing. Together they bought a sewing machine and started their own little business.



It was difficult at first, because the location was not good and the few potential clients in this location did not know Gavhar and her friends. But then they saw an advertisement from NABW for training in the basics of entrepreneurship and business financing, Gavhar decided to attend and there she learned things that helped her become very successful. After the course, she decided to find a better location in the centre of the city, advertise her services seriously, and buy modern equipment. To implement her plans Gavhar applied for a loan from NABW. She collected a group of people she trusted and this group received their first loans in December 2004. From her new location in the city centre and with her modern equipment, Gavhar was gradually able to build her business and become one of the more famous seamstresses in Khujand.

As she became more and more successful, Gavhar began to take on apprentices and teach young women how to sew properly, just as her grandmother had once taught her. With a second loan from NABW, she purchased additional machines and created two new jobs in her workshop. On July 13, 2005, Gavhar was invited to attend 12 days of professional trainings organized by NABW and the German Crafts Chamber. She participated with some of her students and studied German techniques for sewing curtains and sewing beads and other accessories onto clothing. Gavhar showed her skills so well that the trainers recommended her to become a local vocational trainer and invited her to conduct future trainings with them in other regions of Tajikistan.

Today Gavhar operates a successful business in Khujand with several employees providing basic sewing services to the general population and using the advanced technologies learned in the vocational trainings to provide elite services to clients who can afford it. Her business is growing and she is a prosperous entrepreneur. Gavhar is very grateful to NABW and to the project that supported her, exposed her to new possibilities, and helped ensure a good future for her family. And just as she benefited from the care and attention of her grandmother and others along the way, Gavhar enjoys sharing her knowledge and enthusiasm in seminars and with other young women who come to work as apprentices in her shop.