Kiva
Loans That Change Lives
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Yenku Sesay: Survival to Success

Yenku Sesay is a 30 year old Sierra Leonean
In 2006 rebel soldiers cut off his hands as punishment for voting
When he was 21 years old, Yenku was a double amputee, whose only prospects were begging in the streets of Freetown
Yenku Sesay: Survival to Success

Yenku was approached by a **microfinance institution**

The microfinance institution encouraged Yenku to take a loan of 300,000 Leones (about $100) to start a small business

Yenku sold soap, biscuits and small items for a small profit

As Yenku made a profit, he reinvested it into the business

**Yenku now supports his family of three children, and even pays for his younger brother’s schools fees**
Yenku’s story is not unique

Millions of people around the world could help themselves if they just had access to money for starting or expanding their small business

Whether they need tools, seed, fertilizer, cloth, store supplies, it just takes that first step, that start-up capital, to give them a chance to be truly self-sufficient

However they cannot apply for a loan from a bank, credit company or credit co-operative because banks typically do not serve the poor
Microfinance is the provision of financial services to the poor

The poor are typically excluded by financial service providers:
- No collateral
- No credit history
- Illiteracy

The poor need financial services, and already use them informally:
- Borrowing money from loan sharks with interest rates so high that it may be impossible to ever pay back
- Savings accounts kept in the home, vulnerable to theft
- Investing in livestock which is vulnerable to disease

Microfinance works to provide the poor with these financial services, in a safe and controlled environment, through a microfinance institution

Give a man a fish, feed him for a day.
Teach a man to fish, feed him for a lifetime.

What if he knows how to fish, but just can’t afford a fishing net?
There are thousands of microfinance institutions around the world, and they all vary a little depending on the region they are in and people they are targeting to help

- Some focus on **women** in places where women don’t have the same rights as men and so have no economic empowerment
- Some focus on the **rural population** in areas where people are isolated and cannot travel to cities to access services
- Some focus on a **comprehensive program** which includes business training with financial products

What ties them all together, however, is a desire to help the poor by providing them with financial services
The Traditional Microfinance Lending Process

Banks and NGOs

- Microfinance institutions typically get the money that they lend, from banks or non-governmental organizations, or both
- This can be **expensive**, as it is often borrowed with interest
- There may also be **difficult** application procedures to access debt capital from non-governmental organizations
- Some organizations can even find themselves **shut out** due to the region they operate in, particularly post-conflict regions

Microfinance Institutions

- Restrictions that microfinance institutions face ultimately affect the entrepreneurs, who rely on microfinance institutions to serve them

Entrepreneurs
The Kiva Microfinance Lending Process

You!

With Kiva, you can be micro-lender.

You can act as a banker and provide the funds to microfinance institutions that they then lend to entrepreneurs.
Kiva.org is a website which allows you to lend as little as $25 to an entrepreneur in the developing world who needs a loan.
The Kiva website lists loan requests which you can browse, just like browsing items on eBay or another website.
Each loan request has a **business page** which gives you more information about the loan…
Yenku has overcome significant obstacles to get where he is today. In particular, Yenku is a double- amputee who lost both his hands during the brutal civil war in Sierra Leone. A 30-year-old father of three, he runs a small grocery stall in Kundelleya Village, which is 15 miles from Kabala town. Before he received a loan from BMF, Yenku survived by begging in the streets of Kabala town and, as one might imagine, he was extremely hard for him and his family. Through lengthy discussions with BMF staff, BMF recognized that Yenku has strong business skills. Consequently, BMF provided him with a loan of $100 to start a business with a solidarity group comprised of four other war amputees. Today, Yenku is off the street and is managing his business in the village. He sells cotton clothes, cosmetics, etc. Assisted by his wife, the family has built a small mud house and has a small farm. Yenku’s plan is to build a bright future for his children and his wife, and he would like to expand his business. He is requesting a loan of $1,200.

Size of the loan and status

Summary of the business and loan, including when it is expected to be paid back

Information on the microfinance institution which is managing the loan on the ground
The business page also shows you all of the other people around the world who are contributing to this loan.
Kiva’s Lenders

340,000 lenders from 135 countries have loaned $45 million in just three years.
Kiva’s Borrowers

- From **Africa, Asia, Eastern Europe, Middle East, South America** and **Central America**
- **92,000 borrowers** in three years
- Repayment rate of **over 98%**
- Nearly **80%** are **women**
- **Average loan size of $450**
- Working in **Retail, Farming, Construction, Education** and many other sectors
Kiva has 90 Microfinance Partners in 42 countries and is still growing
The organization has received a lot of attention in the press, as more people learn about this new and unique way to give back.
What others are saying…

“…a positive alternative to conflict.”

“An eBay for Microfinance”

“(One of) Ten things that will change your future”

“Peace through PayPal?”
Kiva is the world’s first microlending website.

Kiva’s mission is to connect people, through lending, for the sake of alleviating poverty.

With Kiva, you can become a micro-lender to people like Yenku who just need a hand up.

Kiva allows Real People to make a Real Difference in the lives of the poor.
www.kiva.org

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