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From the desk of the Chairperson

Dear Readers of Family International!

The Rules of Procedure of the Vienna NGO committee of the Family stipulates that a Full Committee Meeting has to be held once every year. However, since its inception, the Committee has always tried to hold two meetings every year, including several international forums and international seminars.

The Board of the Committee in its meeting in January has taken the necessary steps to ensure that procedure again for 2008, but faced obstruction from an unexpected corner: Vienna is to stage the European Football Championship from June 7th to June 29th, which means that for of the month of June there were no hotel rooms available for advance booking in all of Vienna.

Since our board members, who had tried to book rooms back in February and March, were unable to find accommodation in Vienna, the board decided to cancel the meeting, which was originally scheduled for June. The only meeting in 2008 will be held on November 17th, 2008 in Vienna. I hope that this cancellation does not cause any inconvenience.

In this issue I am glad to be able to return to our last forum in November. We have now finally received the transcripts of the presentation given by Eunice Omondi, Kenya and Benedikt Metternich, Austria, which I promised in our last issue. I am glad we can publish their views to all our readers.

I remain

Yours faithfully

Michael Schwarz

Chairperson

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From the United Nations

International Day of Families

15th May 2008

Fathers and Families: Responsibilities and Challenges

BACKGROUND NOTE

In resolution 47/237 of 20 September 1993, the United Nations General Assembly proclaimed that 15 May of every year shall be observed as the International Day of Families. The theme for this year's 2008 observance is "Fathers and Families: Responsibilities and Challenges", which emphasizes the role of the father in the family and the important responsibilities and special challenges that accompany it.

Families all over the world have been undergoing significant changes. Among these changes are shifts from the extended family to a nuclear family; increased participation of women, including mothers, in the labour force; smaller family sizes; and an increased instance of divorce and remarriage after divorce. Other, concurrent, changes to families have included increases in non-marital births, female-headed households and non-residential fatherhood.

Responsibilities

During this time of change, the roles of fathers have also been changing. In many societies, the traditional responsibilities and role of the father were that of moral teacher, disciplinarian, male role model and breadwinner. Fathers exhibited a strong presence in family life, though not necessarily through direct or heavy involvement in child-rearing.

In many families and cultures, the roles and responsibilities of fathers with respect to their children has changed over time. In the extended family system, the responsibility for raising children often falls on many family members. Parenting is shared, children are cared for by several family members, and collective fatherhood is practiced. However, with the continuing shift from extended families to more nuclear families, parents are taking on a more direct role in childrearing, and the influence of fathers on their children takes on added significance.

The internationally recognized importance of gender equality and an increased number of women, including mothers, participating in the labour force have also brought about changes in the expected responsibilities of men and fathers. In many cultures, there is now an increased emphasis on the father as co-parent, fully involved and actively participating in both the emotional and practical day-to-day aspects of childrearing.

Traditionally, research on family well-being tended to focus mainly on the links between mothers and children. However, during the past two decades, there has been an increased interest in the role of the father. Much research has now been directed toward exploring fatherhood, particularly with respect to fathers' involvement in the family and its effects on child development.

Recently, in July 2007, the United Nations Population Fund (UNFPA), observed 2007 World Population Day under the theme "Men at Work". Highlighted under this theme were four sub-themes emphasizing some of the major family responsibilities of fathers worldwide: "Support pregnant wife; Care for baby; Educate daughters; and Share parenting."

Challenges

While the expectations of direct fatherhood involvement in parenting have changed over time, the challenges to fathers, as well as to society and social policy, remain as strong as ever. For many men, assuming the responsibilities of fatherhood is difficult, with negative consequences for the family and society.

One of the largest challenges is the absence of fathers from the family. Fathers may be absent physically, emotionally or both. They may also be absent economically, not providing financial support, such as child-support payments, despite having the means to do so. All of these forms of absence are more likely in families where fathers no longer reside.

With growing rates of divorce, particularly in developed countries, men are more likely than ever before to live separately from their families. More and more children live in one-parent households, usually headed by women. The effects of children growing up without a father present in the household are a subject of growing concern to researchers and policy-makers. Researchers continue to explore possible links between fatherhood deprivation and social outcomes, such as school attainment and crime.

Rising labour migration, particularly from developing countries, often leads to migrant fathers separated from their families, challenging fathers to remain connected as best they can. Other migrant fathers find the concept of fatherhood from their country of origin to be quite different from that in the receiving country – and may see their tradi-

tional fatherhood role rejected by their children as they grow up in the new society.

The HIV/AIDS crisis shows the crucial importance of the sexual responsibility of fathers and all men, and also challenges men in the family and community to act as father figures to orphaned children.

An additional, and very serious challenge to everyone, is when fathers are the source of domestic violence or sexual abuse within the family, leaving their spouses and children with profound physical and emotional scars. Social policy has a vital role to play in these situations through the education of family members, educators and healthcare workers to the signs of abuse; the provision of physical and legal protection to vulnerable family members; consequences to, and treatment for, the person carrying out the abuse; and access to physical and emotional healthcare to all concerned.

Building a supportive environment for fathers

Fathers have an important, constructive role to play in families. It is important to foster a positive environment for fatherhood, both within families and within society, and to construct and implement father-friendly social and family policies, assisting fathers to meet the many challenges of fatherhood.

Policies supporting fathers should aim at removing barriers to paternal involvement and at being supportive of enhancing fathers' constructive role, carried out in the context of a broader family policy. These policies can include education programmes for fathers, facilitating father-child bonding in infancy, starting at the birth hospital, and enhancing bonding throughout childhood at schools. Father-friendly work-related policies could include paternity leave, flexible work times, family leave for men, telecommuting, part-time or job-sharing work options and a general work atmos-

phere that is supportive of family life for both women and men. Legal policies also need to be mindful to not set up unnecessary barriers to paternal involvement with their children, especially in the case of divorce.

Fathers can be at their best as parents when they are highly motivated, have adequate parenting skills, receive social support for their fathering and are not undermined by work or other institutional settings. Involved fatherhood should be promoted early on through father-inclusive practices in health, education and family services. Fathers have a positive and healthy role to play in families, and need the support of society and social policy in this role.

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INFORMATION NOTE

The International Day of Families is 15 May every year. Proclaimed by the United Nations General Assembly in its resolution 47/237 of 20 September 1993, this annual observance reflects the importance the international community attaches to families around the world. The theme for 2008 is "Fathers and Families: Responsibilities and Challenges". Please see the Background Note for more information on this theme.

The International Day of Families provides an opportunity to promote awareness of issues relating to the family as the basic unit of society as well as to promote appropriate action to recognize and promote the importance of families. The Day can become an opportunity for all countries to demonstrate support to families.

Governments, non-governmental organizations, educational institutions, religious groups and individuals can organize observances of the Day to promote a better understanding of the functions, problems, strengths and needs of families. The Day also provides an opportunity to increase knowledge of the social, economic, cultural and demographic processes affecting families.

The Programme on the Family of the Division for Social Policy and Development, within the Department of Economic and Social Affairs, is the focal point for family matters in the United Nations system. In this function, it offers the following suggestions for the observance of the Day.

Observing the Day at the National Level

Governments may wish to use 15 May as an occasion to hold special family events, initiate family-oriented projects, enter into force family legislation or begin discussion on family policies in the country through special conferences, cultural festivals, special announcements or other similar events. The support and active involvement of the media can be made part of the Day.

Because the Day is a very time-limited event, it lends itself well to an intensive and focused media campaign. The official logo for the International Year of the Family has become a permanent fixture of the International Day of Families, and represents a useful instrument for such action.

The active engagement of the non-governmental organizations is also very important for the success of the Day's observance. For the International Day of

Families, it is vital that non-governmental organizations mobilize their substantive expertise, organizational potential, grass-root outreach as well as human and material resources. Governments should seek the active partnership of nongovernmental organizations and provide necessary support for the activities of the voluntary sector. Partnerships among public, private and volunteer organizations that serve families should be encouraged.

Suggestions for observing the Day at the Local Level

Drawing on past experiences, the following are some examples of the kinds of programmes, which could be undertaken for the Day's observance:

- Official proclamations of the Day by mayors and other local authorities.
- Proclamations of "Family Week".
- Arranging special exhibitions of publications, photographs, children's drawings, posters and other materials on families.
- Family and community forums and workshops, to explore issues and offer options for strengthening families. Forums can also provide information on family support services, such as counselling, financial assistance, advisory and information services.
- Special events in educational settings can highlight families, such as parent/teacher gatherings or student activities.
- Special family fares or free family tickets on public transportation and other incentives to give additional emphasis to the Day and to facilitate the involvement of families.
- Free entrance for families to museums, exhibitions, concerts and other cultural attractions.
- Production of documentary films or promotional vignettes on families to be shown on national and local television stations.
- Launching family-related publications.
- Organization of essay competitions on the family.
- Press conferences by research institutions and others concerned with family issues can raise public awareness of priority concerns.
- Coverage of the Day's events by the news media, including television, radio and newspapers. The latter could also carry feature articles and special supplements on the Day, as well as a series on family issues.

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Vienna NGO Committee on the Family

Proceedings of the International Forum - United Nations Vienna International Centre Microcredits and Families - Cooperation across borders November 19th 2007

Presentation of Benedikt Metternich

My talk today will be about development and developmental problems as such or rather about the different dimensions of the development problem and the development approaches. The role of economic development, microfinance, various approaches to microfinance, current trends in microfinance and some conclusions at the end.

This is our ICEP illustration – we are as you have been told in the introduction a non-profit organisation, a non political association, it's the Austrian legal term for an NGO and we really have two lines of work which for us are the same, are the two halves of the same coin. On the one hand we try to implement good development projects in developing countries on the other hand we try to raise awareness for development issues, for development trends etc. within Europe. Now for this awareness raising in Europe we chose a sector that is difficult. It is the private sector. The private sector is or has long been considered as the bad guys you know, as the evil guys the exploiters and the causers of the developmental problems. This is an opinion which we don't share. On the other hand we share the opinion that globalisation in a globalised world if we try to tackle this problem without involving the private sector you are not going to get terribly far. On the other side of that coin the development projects we work exclusively with local partner organisations and I am extremely glad that we have here a representative of one of these partner organisations in Kenya – Eunice – and she can tell you more about the actual implementation of the work. Why do we work with partner organisations? It is because we do not claim that we can be specialists in a specific country – in Kenya for example or in Uganda or in Guatemala. It would take us four, five, six years to become real specialists in a topic and even after all this time, all this investment, the people who are there they will stay there, they will continue to benefit the country, they will continue to provide their services to the people of the country, they will continue to stimulate economic growth in their country. I will now show you a map of the world in the post second world area. That is what the world was considered to be and was basically split into three types of world, you know. It was first world, second world, third world. First world were the industrial countries – the rich countries, the second world was the communist block and the third world were the green countries –

basically the whole of Latin America, almost all of Africa and the whole southern and south-eastern part of Asia. A gross generalisation that people did in that time was that they lumped two countries that I will take as an example - Argentina and Mozambique - into one category and that is ridiculous. Few years before in the 1920 Argentina was one of the economic superpowers of the world and they lumped it together with Mozambique. I am illustrating this to show you that there is a huge differentiation between various countries and you cannot completely generalise and I am taking my own word away here because I will also do the same here. I will also talk about developing problems in developing countries. However this image of the world has changed and now we have a world that looks somewhat more like this – where the world is split into high income countries, upper middle income countries, lower middle income countries, low income countries. A slightly better differentiation but still the whole of central Africa is lumped into one big block here – certainly not all Central African Countries have the same problems and the same requirements to spur development. Also interesting if you look at this thing here – India and China are still considered to be low-income countries on par with Africa and that is certainly not a trend that we recognise today. To talk about the different dimensions, the different aspects, the different approaches that one could take for development I will show you that picture which is rather representative and could be seen in almost any country of Sub Saharan Africa and to me this woman on the bicycle with her son at the back going to the market is rather exemplary because she has already undergone a rather significant amount of development. She can go to the market because she has been to school and she had some schooling and she will not be cheated on the market because she can do the calculations. Furthermore there is a certain level of health there – the child can come with her to the market, does not have to stay at home and she does not have to take care of the child at home. Then there is the information. She knows when to go to the market and what to bring to the market. The infrastructure: the road – she likes to cycle on a paved road, riding on a dirt road is much more burdensome. And she had some credits to purchase the bicycle, which makes it much easier for her to get to the market. All these are different

aspects of development, which are all important, and I certainly do not claim to be a specialist in all of them and I think very few people do. They are too different: schooling, health, infrastructure, credits – there are different approaches for each.

What are the various dimensions of development? And here we have to distinguish between the means and the goals. What do we really want to achieve? And here I am afraid to say that my power point presentation skills came to an end because I wanted to make it pop up but it does not. But regardless of that for me in my mind economic growth is one of the most important means for development. With economic development a lot of the other factors come as a consequence. Governance is also an arguably very important mean to attain development and education. However topics like human rights, environment, health and culture - those are topics that are not so much an important mean to attain development. However if you look at the other side at the goals of development they are actually what we really want. We do not want economic growth per se. Economic growth for us is a mean to get there. What we really want are human rights, a good environment, culture. Culture to me is one of the most important goals of development because it has a lot to do with the identity and the attitude of the person. So there are different dimensions, different approaches to development and each one that is involved in this topic is now getting more and more focused and more and more specific in the topics and becomes more and more professional also in the topics they do.

ICEP is also following one goal and that goal is Empowerment. We seek to provide poor local people with Empowerment. We try to give them the opportunity to live a self-determined life. A self-determined life can be based on their own work. They can participate in order to have opportunities and options. And once you have this and once you can actually take these opportunities then in my mind you have attained a certain level of Empowerment. For us the means to attain this are primarily education and training based. Vocational or occupational training to us just means providing a skill with which you subsequently can earn an income. It is a classical developmental approach. Carpentry and sowing are the things and the topics that people trained also forty, fifty years ago in their development works but they still apply to a slightly different degree and with slightly different topics. We tried for example to get much more into IT training skills or tourism skills which for us are also occupational skills yet they are more service oriented than manufacturing oriented.

Rural development for us and in our approach is everything. Development in rural areas classically is about training farmers how to be better farmers

and that is good and important because the majority of people still are farmers. To increase productivity however is not the only thing they have to realise that they have to be able to do. They need also to perceive that in their rural environments can also be other opportunities than farming because farming is mainly ecologically limited. Either there is not enough space, physical space for everybody to do farming. A case in Guatemala where the average farm size is about 1ha – that is about two soccer fields which is really not a huge area – families tend to have four, five or six children. So if you cut that again into four or five little bits it becomes impossible to work and to provide a family with nourishment on it. Another example is Northern Kenya where the ecology, the countryside, the climate, the rain and the vegetation do not allow more agriculture. So there has to be an alternative source of income and both approaches are for us part of rural development.

Supporting women – women are an incredibly good multiplier for us. They are incredibly good beneficiaries mainly because women are the ones that have children and they are also culturally in all countries the ones who take care of the children. So if you empower a woman in a very long run you also tend to empower the children. I forgot the fine details of the statistics but for each dollar a woman earns a much higher percentage is invested into the family than for each dollar a man earns. It is something crass like 70% compared to 30% or something like that but I forgot the specific details. However supporting women and empowering women is not just economic empowerment. It takes more than that - it takes a more settled approach to that. It also has a lot to do with making women aware that they can do it, increasing the self esteem of women which tends to be rather scarce in these societies, make them aware about their rights etc.

And finally supporting small businesses. In developing countries the job market is extremely limited, people cannot find employment and subsequently choose self-employment. They do not choose it per se but they have to do it. They have to survive and they have to provide food so they have to become self-employed. However they do not do this based on an economically or financially viable business plan. They do not have the economic or entrepreneurial skills for this kind of development. So this is a key topic for us to help people who are either active in the informal small-scale business sector or seek to become active in the sector with business skills. These four topics of education and training intermingle often you know. For example providing entrepreneurial Know-how. We provide entrepreneurial Know-how also to farmers. Farmers have to realise that they are businessmen. And they cannot continue to believe the most important thing is that they pro-

duce more and more potatoes. They should also consider things like how much do I earn for my potatoes and what are my production cycles in my potatoes and what is actually my profit margin? How intensively do I have to work to produce these potatoes? They should consider all these calculations and then make a decision based on those. Vocational training is similar – if you get trained as a carpenter or if you get trained as a tourist guide you also have to be able to make the calculations whether it is economically viable or not.

All these topics are key topics for us because they work with the skills and with the brains of the people. They provide them with Know-how and that is something that does not rot and cannot be taken away - it stays there. It is something that has also a lot to do with attitude and this attitude can very easily be passed from one person to another. However once we provide people with Know-how we will perceive very quickly that Know-how alone is not enough – you need something else. And so we attached this second strength to it, which is Microfinance. And we believe in the importance of both of it.

You have to have access to training, access to Know-How and access to capital to be able to invest, to be able to provide a cash flow and to be able to purchase your raw materials or whatever it may be. And this topic of Microfinance is becoming increasingly known about since the Nobel Peace Prize of Mohammed Yunus last year. Everybody now knows about Microfinance. I am afraid to say that maybe that was a bigger tool for the awareness of the Microcredit than the United Nations International Year of the Microcredit in 2005. But both actions - the Peace Prize as well as the UN year of the Microcredit - are an indication that it is an important topic, that it is a very viable topic, that it is a very logical topic and that it is a very effective topic. There is also a differentiation to Microfinance Institutions or MFIs and I sketched here that we have different models with different goals. This is all on a rather small-scale basis. Credit unions are a bunch of individuals that group together, 15 - 25 people. And in Kenya they have the funny name of the Merry-go-round where the members put some money into a pot and then provide this pot on a loan basis to one of the members – the one member of the group that has the best business plan. A very sensible model but very limited in effectiveness. Village banking is something very similar to it. However in the rural environments you go about the community. It is the same logic, the same principle but it is about the community and not so much about the group of people - a differentiation between the slum area of some urban area or the rural environments.

Road savings and credit associations differ in the way that they allow access. They are slightly big-

ger in scale and they allow access to people outside the direct group and they also receive money from outside the group. And that is simply a slightly bigger link. In recent years we have increasingly seen that bigger huge commercial banks on a local scale tend to investigate and see if they cannot go down the scale and provide Microfinance Tools also. Often they fail, often they perceive that it is not really viable for them at all and I will come back to this point later.

NGOs – Non Governmental Organisations – provide two things and they provide exactly what we try to foster. They provide training on the one hand - awareness raising and training how to administer funds to individuals and to groups - but they have both sides of the medallion - the Microfinance side and the training side. Now Microfinance people ask very quickly: what is the average interest rate? How much do these people have to pay? And we have to remember that we are talking about credits of around 100USD with a duration of six month. So we are talking about small amounts of money for short periods in not easily accessible areas, either in slum regions or in rural areas. And the interest rate – it varies greatly but the interest rate tends to be between 25% and 35% per year. Now on a per year basis that really sounds quite a lot and you have to remember that these organisations that provide Microcredits also have certain costs. These costs are not always covered by donations and should not be as I will explain later. And this is on average the cost structure of a sample of 45 Latin American Microfinance Institutions. Now carefully these are the bigger Microfinance Institutions and as you see they have more than 35% administrative costs – that is including earnings on the other hand. And these costs have to be covered. On the other hand one perceives that the people are actually quite ready and quite able to pay these interests without much problems. And that is because Microfinance has enormous results. The most important result and the most evident result of course is poverty alleviation or economic development. I tried to characterise this with a photograph of two Kyrgyz women who managed with a loan of relatively little money to pay for the rent of this shop and who are developing and growing economically and their life is getting increasingly better.

About the empowerment and the self-esteem of woman – this is a problem and the woman on the picture is actually one of your beneficiaries. She does her own business, she can get her own credit, she can pay back that credit – that is an amazing ego booster and a basis for self-confidence and self-esteem of that woman, which is really quite remarkable.

The next point is nutrition of the children. I cannot name the source because I forgot it but a 10%

increase in a loan to a woman leads to a 6% increase in the diameter of the upper arm of her children - mainly her daughters. Women get their credits to provide their children with better nutrition. Not just to have full stomachs but to be actually well nourished.

Schooling is a more impressive indicator and a global research study says that a 1% increase in loans leads to an almost 2% increase in the likelihood of a mother to send her children to school. That is an enormous impact and a really outstanding result.

And of course health. Women can pay for injections like the one on the picture and this of course has huge implications on her not only economically but also on the stability of the family.

And amazingly Microfinance Institutions came up because they really were an NGO initiative. The commercial banks discovered very quickly that the cost structure is just too high for them because it is not viable to make a 100USD loan for 6 months. The operating costs are way too high and it does not work because they do not pay back anymore and they do not have collateral. They were considered not creditworthy. Poor people were considered uncreditworthy just because they were poor. And this has changed and we now have 30, 40 years of Microfinance History. Microfinance incidentally started to really take off in the 1970s and they have discovered that the average pay back rate is 98%, which is very very impressive. And then commercial banks saw this repayment rate and then they said: wait a second I would love to have such a repayment rate for my credits but I do not. Let's look at the market – what kind of market are we talking about? And they discovered that we are talking about 4 billion people in the world. 4 billion people in the world that have less than 2 USD a day. That is a vast market and if you add 4 billion times 2 USD a day that is actually an enormous amount of money and an enormous demand on the market. A demand that is so big that the supply that is currently being provided by the Microfinance Sector is not nearly enough.

So combining these two – the big demand and a 98% interest rate - the private sector the commercial banks said: how could we participate in this? They said: we can actually do good business here but we can also have this feel good effect that our clients or our investors want to have. To eliminate poverty in Africa is fantastic. However for a commercial bank it still remains that the cost structure to do it directly is still too high. And so they have discovered a different approach. The classic approach was that the Microfinance Institution provided the loan to a person and that person repaid that loan. That has changed. The commercial sector provides the Microfinance Institutions with capital, they can provide the loan to a person who gets the repayment and they pay back the money

to the commercial sector. With an added benefit that there can be another person and they can simply cater to more people.

And this has really revolutionised the Microfinance Sector in the last 5 or 6 years. This is the City Bank and Deutsche Bank that are providing these funds. And again for Latin America this is the average funding structure for bigger I repeat bigger Microfinance providers. 80% of their funding comes from regional banks, local banks, local investors, private investors. And a relatively small amount of 20% comes from development agencies from Europe, NGOs from Europe, the commercial sector – when I say Europe I mean the Industrialised Countries.

Why do the Microfinance Institutions do that? There are a number of implications that come with it - rapid access to means, lower risks of shortage of capital, wider diffusions of funding sources. And the Microfinance NGOs said: hold on a second – to follow this trend and to be able to provide our services even better we have to transform. We cannot be a credit association any longer. We have to be a bank, which is a huge step for them because they are actually an official, registered bank. However they often have to do it to provide saving services. With all the positive implications to it but also with the negative. If you want I would actually regard it as a positive implication that they are being fiscalized and at the bottom that is a better governance and financial sustainability. They are being fiscalized by the banking authorities of the country.

And what are the implications of this trend for us? For us European partners? If we work with small partner organisations in the South we have to provide institutional capacity building and we have to do that with donations. We have to work with the Microfinance Institutions themselves and we have to build up the capacities of the Microfinance Institutions themselves. We have to provide technical and entrepreneurial training to the beneficiaries based on donations. When I say we I mean of course them because I cannot do it myself. We have to put our partners in the position that they can provide training alongside with the credit. And we have to increase the amount of capital they have. Basically we have to prepare them to become bigger partners. Then once you work with bigger partners all donation money should only be used to support educational training. For capital funds we can do this on a loan basis. As an outlook because this is a situation that we are debating right now internally at ICEP if you look at the development situation it is ridiculous, it is not working. So much money has been put into these countries and there is no result at all. And I would like to refute this with some illustrated statistics.

This is for the year 1970. That is the year I was born. And this was before Microfinance really took

off. We had 38% that lived below the poverty line in the world. The poverty line being 1 USD a day. And if we fast-forward this to the year 2000 we see that the number of people under the poverty line is about 1.2 billion people. That is a lot of people and it is actually more or less the same amount of people that we had in the 1970. However if you look at the percentage down here it is 19%. That is half proportionally speaking than what we had before. And that is a rather positive trend. If we with all care try to project this into the future we are talking about a 10% proportion of the world below the poverty line, which means the UN development goal, could theoretically and taking the global average be reached. However taking the global average is difficult and I would like to take only this proportion here and differentiate about the various countries. This is in the 1970 and you will see that the biggest bowl of people below the poverty line actually came from Southern and Eastern Asia. By 2000 this has changed and the proportion of African people below the poverty line has grown dramatically. And if you project this into 2015 you will see that two thirds of the world bowl comes from Africa. This is a projection, it is a generalised projection but it illustrates that on the one hand we are on a very positive trend and on the other hand there is still a lot to do especially for the African people.

Another interesting fact for these slides is that you will see that Eastern Europe begins in 1970 with 0 and stays in the year 2000 at 1% - so Eastern Europe got respectively poorer. The transition from Communism to the Market economy left some people actually poorer than they were before. It is a difficult situation and this situation is becoming increasingly more difficult for Central Asian States. And by the year 2015 we will have 68% of the world poor in Africa.

This is again our illustration to symbolise what ICEP wants to attain – it is Empowerment. It is Empowerment, which starts in the mind. However with the realisation that the mind alone cannot implement everything. Very often we also need access to capital - generally we need access to capital. And this is actually the end of the talk. Thank you very much.

Thank you very much Mr. Metternich. There is time in our schedule for a little discussion. Are there any questions? Or maybe you can just add a little bit on the actual work of ICEP here in Austria. What are your means of work here in Austria or the results or the developments?

Here in Austria ICEP as an institution currently has 12 or 13 employees and the work for development projects in development countries is actually the minority of the people there. There are only three and a half people who are working in that field. The rest is doing the awareness raising within Europe mainly because it is more time in-

tensive. For the development projects, which I presume is what you are interested in, we are currently implementing 25 projects simultaneously with something like 12 or 13 partner organisations in Central America, in East and West Africa and in Central Asia. Concerning our budget for the development projects I would say that about 25% to 30% of the funds come from the public sector. The public sector meaning the Austrian Government through the Austrian Development Agency, which is sort of an Agency, which channels the development funds to NGOs as well as the European Union. About 12-15% come from private individuals and the entire rest, which is a lot, comes from private institutions. Private institutions being companies on the one hand and private foundations on the other hand.

So the whole public sector is quite difficult. It is quite difficult to get money from them. Their budgets are rather decreasing than increasing, they are more questioned, they are more fiscalized. I cannot blame the officials that I work with, but the conditions are getting worse for them. We hope very much that more funds will also flow from Austria because of the self-proclaimed goal of the Austrian Government to increase their share for development cooperation from a rather poor level where they currently are to a promise that is almost as old as Microcredit or myself which points that 0,7% of the gross national income should go to development cooperation. So we hope very much that more funds will become available in the future – 2010 more or less.

I apologize, not everybody in the room obviously knows what ICEP means but would you be so kind to explain it because I don't know it?

Sorry I should have explained it immediately. It is German for the Institute for Cooperation in Development Projects.

Does there perhaps a homepage exist?

Yes, the name of the organisation is the Institute for Cooperation in Development Projects. In German Institut zur Cooperation bei Entwicklungsprojekten. And the homepage is www.icep.at. Unfortunately I have to apologize in advance that the homepage so far is only in German.

You mentioned a good number of points. One of them is rural development. I would like to have a little bit more explanation about that point and I give an example. I come from a very small country – Malta where land is very limited. We find farmers who have to work on small lands. The result is that they are leaving the land and work only as part timers because they cannot afford a decent living. But if we go to Latin America and we mention just one country Brazil we find that 85% of the land is owned by about 5% of persons. Then there is the movement 'sem terra' which means without land, who are looking for a small piece of land to work to earn some vegetables for the family or

something like that. Can anything be done to help these people in one way or another? I am showing the difference in the balance between a small country and a huge country like Brazil.

The country I mentioned was Guatemala. Guatemala is also very small. It is about the size of Austria but I think with about twice the population and our projects there are really more about the intensification of the agriculture. When we work with agriculture it is about how to be able to intensify agriculture without leading to ecological deterioration. I found it very nice that you mentioned Brazil mainly because I actually worked in Brazil for four years. So I know it quite well. The Brazilian problem is a big problem. However in my mind as I mentioned before I think it takes about 5-6 years to become a specialist in a country. I was four years in Brazil but I still do not claim to be a specialist in Brazil.

As far as I understood one of the sources of this problem is the legal framework for land registration and land entitlement in Brazil. It is as far as I understand in private hands. It is not a public institution that legalises officializes and registers land. It is a private thing and so it is a business. And once it is a business in very remote areas then a thousand USD under the table can be a big incentive to have all of a sudden 2, 3 or more owners of the same pot of land and then it becomes a question of who is the strongest. And the person who is the strongest is of course the person who is the richest. And this legal point in my mind has to be changed extremely urgently. But the problem is that the people who can change this legal point when they are not the latifundiarios themselves they are very often the cousins, the brothers in laws, the step-fathers, friends of latifundiarios and they will not, they cannot and they do not change it.

What we NGOs could do is to do political lobbying. Some NGOs do that but we do not and as I said in the introduction that is because NGOs are getting more and more specialised which I think is good. We do not work in Brazil yet, ICEP doesn't work in Brazil yet. I hope to be able to start with our first project early next year and if we are going to work in Brazil it would be to work in providing technical Know-how to administer land as well as providing technical Know-how to register land and to control the legislation issue. We leave the lobbying work to other NGOs - they are much better than we are. That would be my answer to you for Brazil. That should be work that may have a more significant impact. I hope I have answered your question.

Thank you very much. I hope that one day very poor people in Brazil will have a little bit better circumstances to live in. Thank you.

I completely agree with you and I have to say that Brazil is now considered as one of the power horses of the emerging countries. You know in one breath

people talk about China, India, Brazil, Russia, Turkey. It is all going enormously forward and Brazil is economically developing very quickly however there is a big separation internally. I worked for four years in northern Brazil and southern Brazil is actually very developed. Where it is measured by UN development indicators it would be more or less like Spain, more or less on that level. The northern territories are more like Malawi or Uganda. Actually there is poor, poor, poor and there is rich, rich, rich. And there is a big polarisation there and I completely agree with you and I think that the country is a very fantastic country.

I think we have time for just one more question.

Do you promote vocational training certified by the Ministry of Education?

That depends a little bit on the training on our partners and on the scale. Generally we try to ally with the ministry and try to talk it through but the NGOs are actually private initiatives - depending on the topic. For example we have a tourism program in Central America where people get trained because poor people can also benefit a little bit from tourism - not only the Hiltons. And that is accorded with the Ministries of Tourism, Education, Training etc.

I would like to thank you for your impressive presentation and you may know that we have a quarterly called 'Families International' which is published on our website and which is sent to a worldwide audience and goes to United Nations agencies including the Department of Economic and Social Affairs. So I hope that you can send us a digitalised copy of your presentation so that we can publish it on our website. Our editor Dr. Matt is sitting on the other side of the room here so I hope that you will be able to provide a copy of the presentation.

I can certainly provide a copy of the presentation. I hope that you will get the email just away. Otherwise we can work it over in our office to make sure that the image is coming across. Now Eunice is here concerning your question. According to your point she also has a point to add.

Thank you very much. I just wanted to respond to your question on the linkage with the various ministries. In our organisation, which I will present later, we normally link up with the Ministry of Education and the Department of Technical Training. The certificates that are given to some of the courses offered by the organisation are examined by the body of the Minister of Education and the certificates are from the ministry. So you will find a linkage with the ministry in a number of technical and vocational trainings because it is the sole examining body and these certificates are more recognised than just internal certificates, which could be given by various organisations.

Thank you very much for your presentation.

Presentation of Eunice Omondi

Our second presentation in our morning session will be held by Mrs. Eunice Omondi. I apologize that her family name was misspelt in our first communication. Her proper name is Omondi and she is the director of a job creation program of IMANI - an NGO working in the slum areas of Nairobi. I do not want to read of course the whole resume I have received about her but I will just leave it to Ms. Omondi to give us her presentation. Thank you.

Good morning every one once again. Thank you for this opportunity to be here today. Benedikt has given a complete international broad overview of what we are about to discuss. I am going to share with you specifically the details of the organisation I work for and what we basically do in the Organisation with regard to Microfinance.

So the institution is called IMANI. It is an abbreviation for Incentive from the Marianists to Assist the Needy be Independent. This is a religious organisation, which has been in Kenya since 1960. It is a catholic religious order of Marianist brothers and fathers who started the project in 1986. But the Marianists themselves have been in Kenya since 1960. IMANI was started in 1986 and currently has three programs.

One of the three programs is Mariahouse – it is especially a women's program. Mariahouse is a women's program, which deals especially with women and families from disadvantaged parts of Nairobi. The general mission from IMANI is to rest the lonely type less two programs of practical and spiritual formation. So IMANI's work has taken an integrated approach to address the problems of poverty among poor people. Mariahouse is one of the programs which was first started in 1986 and deals with women and various skills. It offers training skills in various areas such as hairdressing dress making as well as basic vocational training skills. Those are the various skills that are offered by IMANI - we mainly focus on women. So we address 75% women in the skills of hairdressing, dress making and print finishing. The list is quite long - there are about eight or nine courses.

Then there is one other program that is called the Chaminade training centre. William Joseph Chaminade is the founder of the Marianist Congregation. We have another centre within the centre of Nairobi – a slum called Moguru, which provides training skills to both women and men, but 60% are women. The choice of the Marianists to work with women is due to the fact, which has already been mentioned by Benedict that they are more disadvantaged because of cultural reasons and they need more support in various areas of their lives to become economically responsible. So as we move on we look at the third program.

The third program is a job creation program, which deals with business development activities. So what we do in the two programs is to train about 250 trainees per year. And these 250 trainees of both Mariahouse and Chaminade training centre become the glance(?) of the job creation program. That is the program I work in.

So what we do with these graduates is that we are supposed to link them up to the job market. And in order to link them up to the job market we need to prepare this job market. In the process of preparing this job market we do offer a given package of support for small and medium enterprises mainly within the informal sector. The package, which we provide to these people, is a package of business management training. We train small-scale business people and we provide credit for those who qualify according to the assessment and feasibility study, which is carried out by the personnel of the job creation program. We also offer general business advisory services for working class people who are aware of our services and often come to the office to ask for support. We also develop the production and marketing activities of the training programs because resources are used for buying the supplies for the training programs. We do not want a situation whereby what these people do have no value. So we have a marketing area within the job creation program that is responsible to ensure that whatever is made during the training can be sold and that the money can be used to buy supplies for continued activities. It may not necessarily be sold at market rates because of the quality but somehow money has to be received to keep things moving. We also have to manage the credit portfolio through follow up recovery and we have to record the basic things that are involved in managing the credit portfolio.

So there is the job placement, which I have just talked about. For the job placement, which is basically for the graduates of the two training programs, we do a lot of networking with small and medium enterprises. We last with the relevant sectors for employment and also get a feedback on the needs of the job market as well as on the changes in the sector because the world is dynamic and a lot of things keep on changing. We also monitor the webs we provide what we call work experience place allowances. It is some form of allowances, which the graduates get during the first three months of employment. The purpose of this is that when the trainees complete their training the first three months are very harsh. The informal sector is the sector that base people according to peace rates. It is a peace rate payment.

The more you can produce the more you learn and we all understand that after training they do not have the experiences and they also cannot do

much. So for that reason we provide them with some subsidies, which will allow them to be able to get trust for going to work, and this will also develop a culture for work. We are working with a special target group that has special needs. They need a bit more pushing in the sense that most of them might have come from a family background that has no strong culture for work. Maybe the mother who has been involved in activities that is not quite legal like the brewing of illegal brews to bring up the family. And that does not require a lot of energy like the formal work. They have to go to the job market and sit at the machine for a whole day and are paid what is not comparably as high as what they would earn from other kind of businesses that they have been used to. Others could have come from broken families where their income could have come from prostitution and that kind of earning might not require as much education and energy that would be required in an unnormal set-up in the normal employment sector.

So that cultural struggling to earn is not quite developed within this kind of target group. If you take them in a different set-up where they have to struggle and develop that culture you need to push the process by enabling them to actually go there. And so we provide the nets to enable them to go there as well as to develop that culture and at the end of the three months you will find that all these people who have gone through the three months would not want to go back and sit down and do nothing. They can either continue in the same place of work or change to a better place but they never leave to do nothing.

We also do a lot of networking with other support providers. It is not only us working in these areas - there are several organisations, which also offer similar or relevant services to the same target group. And so we do networking in order to discourage the culture of the beneficiaries hoping from one organisation to another.

That is as far as the job placement area is concerned - there is also the social work area. Maybe I do not need to talk much about that but as I said earlier the organisation has taken an integrated approach to develop the target. You do not focus only on the economic aspect of development because these things are interlinked and if you focus on one without the other your chances to succeed in this one area are quite minimum. So the different programs as I have said deal with the different aspects of target group development, which includes family life, education, gospel living and spiritual motivation. These areas are for the social work basically. I think I will leave it with that and then I will focus mainly on explaining how we will go for the development of small enterprises.

So what we basically do - the organisation has been in existence for quite some time. In our screening and selection processes we carry out

the necessary interviews and then we categorize the glance (?) according to their needs. Not all of them need to go through the entire process of support. So we will categorize those who need just business management training. We will also categorize those who need business management training and possibly credit. We will also categorize those who might just need business advice. Maybe they have some kind of entrepreneurial knowledge and they need just some kind of advice and direction on how to move forward. So after categorizing them we will take them through the various processes that they need. Also there are differences in the sizes of businesses of these people. We have the very small micro businesses, we have the medium and the larger to very major in our credit program but we still link up with these large organisations because they are the major employers of the graduates of the training programs. So we still have them in our network but for the purposes of credit provision we mainly focus on the micro and the medium sized enterprises.

The micro are mainly businesses that are obtained in nature. We support them mainly through group guarantee mechanism. This is where people come together they form the group and they register the group within the Ministry of Culture and Social Services. Once these groups become official it is much easier to work with them because there is a reference point. So once they do that we visit their individual businesses and assess them because each member of the group is just a collateral or a guaranty to one another's loan. But every person has its own business, which has its own needs. So the program officers help to visit and assess all the individual businesses belonging to the members of every group. And upon visit we will be able to identify whether the specific business qualifies for alone or not. If it does not we will explain to you and advise you what you need to do for us that we support you financially. Once this loans have been given it is made clear to the members that they are all guarantors to all the loans given irrespective to the fact that different amounts of loans are given to different members of the group depending on the different needs of the respective businesses.

The repayment period is one year but you will find that some people pay below one year. The interest charged on groups currently is 15% and then we also have the individual loans, which I will explain later. They meet every week and there are also savings. So the savings for us group members are the collateral for these loans. If a member does not pay it is the responsibility of the group to either make contributions from their pockets and pay that loan and then fold it up with the member in their own wing. Because either the savings that they bring and the same with the

organisation as collateral they have their own other savings, which Benedict was calling, Merry go round. So they still have other forms of collateral in their own way. Merry go round is a separate saving skill which they have and a part of it is either a giving of one or two members at every meeting. It could be maybe just 20 Schillings per week and 10 Schillings are saved and 10 Schillings are given to one person or two in the form of loans.

But you will find that these loans are mainly taken for social issues other than business needs. They also have social needs and we encourage this because it exelves(?) the loans from the heavy burden of social crises which this group of people has to face. First of all they do not have things like medical cover, they have no insurance in terms of medical issues, they have nothing in place, which would help them to take care of the social issues. So if they do not have these Merry go round savings it means that everything that comes in sickness like major sickness or death would take all the business capital put into that. And that would put the businesses at much higher risk. So it is even more recommended that they have those other social savings to take care of social issues.

That is as far as the group credit is concerned. I would say the type of business and group credit support concerns mainly unskilled areas things like small shops, vegetable vending, second hand clothes and shoes. The other kind of package that we have is the individual support package. It is also run within the program and it is meant for the majority of people who are in the cluster of medium sized businesses. And in these medium sized businesses you will find the majority in production type of businesses.

I will define it by looking at the level of investment and the likely number of employees that are available in that business. You will find that these businesses employ between three to seven people and the level of investment in terms of machinery, equipment and working capital is between 100 000 and 200 000 while in the micro the investment of the very small ones is between 5000 – 15 000. So these are the kind of differences and the number of jobs in the micros. You will find that this is individual and most of the time and those who are employed are mainly family members. Maybe the sons, the daughters or brothers and sisters. One or two more just to help for maybe a small salary.

Our main focus on the medium businesses is to develop a sector that absorbs most of the graduates from the training programs. Most of our graduates end up in these medium businesses for the purposes of employment. And as I said earlier the working rate is not very high - this is a national problem and not just for us alone. Wages within the informal sector are rather low. You will find the

earnings between 2000 – 5000 per month in various businesses. And so the wages are low but I would say it is far much better than nothing. Because without that the alternative would be that these people are either in the streets or are either in the illegal activities that are quite dangerous for their lives. Looking at the issue of AIDS, which is quite rampant internationally. And so that is as far as giving of the loans is concerned.

There are various challenges, which these entrepreneurs have to face. One of the major challenges is the access to business management skills. There are a few organisations, which offer business management skills, training but the cost of it is quite exorbitant for the small business people to afford. And so most of the small business people would not be able to go to these organisations for this kind of training. And that is why organisations such as IMANI through the support of ICEP have managed to make it possible for all these small operators of the micro and medium businesses to access business management skills. Because without that skills I can adjust you the chances of moving any step further in as far as developing their small businesses is concerned would be just a dream and not reality. The other challenge is the issue of technology. So most of these small-scale entrepreneurs barely have the necessary technology to run their businesses in a competitive way. And this is the area where I was saying ICEP has come in to help us. Not only in the business management training but also in providing trainees the skill to build the technical training period. We finally find that those who have gone through IMANI are more equipped when they finally decide to start their own businesses because they have the technical training background and the business entrepreneurial background, which is a healthy combination for their businesses.

Concerning the impact I would want to mention that many small business owners are actually women. And women as we all understand in the developing countries have been disadvantaged in many areas. First of all in the area of collateral. For many years women have not been able to access credit or still do not even have collateral. Collateral in the developing countries is mainly land and it could be car logbooks which a lot of women do not own. There are quite a number of other collaterals but basically the acceptable collaterals are not owned by women. And secondly even the land which is inherited is accessed by men. Most of the time women are not in the position to inherit a small piece of land, which belongs to the family. When they get married they are actually at the mercy of the men who marry them because they are also not accepted culturally when they have to go back to their families. So you get your children and you are expected to

stay with your husband. Even if he is an abusive husband you will be forced to stay and that is the reason why so many women have ended up in the slums of the cities where they are bringing up many children. These children are a result of the process of trying to get something to provide for the existing children. This trend continues and in the final end you will find single families owned by single mothers with children with up to eight living in a one room within the slums. So this is the kind of target group, which ICEP actually has been supporting us to reach.

You saw the picture of the lady he was talking about and that category of clientele is quite a large number in our credit portfolio. I think at that point I will pause a bit for any necessary questions before I move on.

Are there any questions from the podium so far? Maybe just one question I want to raise. How do you get in contact with your clients? Are they coming to you or are you looking for them?

Our organisation is 20 years old and over the years clients have learned who we are and what we do. So we have a lot of working class coming to us asking for support. A lot of times they are coming to ask for loans because every business person thinks the problem is money. That is the first problem every person thinks of and through our discussions and various interviews we actually identify what the really needs are. During the interviews you will find that the main need is not actually the money. The main need is the knowledge because many business people lack the entrepreneurial knowledge. That is why we made it mandatory that every support applicant who comes to the organisation has to go through business management training. In the initial stages it may not even appear to them that they need it but after the discussion and after taking them through the training you will always realise that they come back to appreciate and tell you that they did not know that they needed it. They realise that their problem is not even money at the moment and they want to make a few correction on their business based on what they have learned then come back later. So there is quite a large number who delay the request for loans. There are few who have gone and never came back for money. They will come maybe six month later and tell you that they realised that they did not need money because after implementing what they have learned from us their business just changed. And they were able to raise the capital that they were requesting from us within the business.

So that is the kind of criteria that we often use. And this is related by the fact that you will find so many people trained in a given year. We may train 150-200 people in a year but when it comes to the number of people who have actually received loans within that same year of training it could be

100. So these 50 might not have been funded for various reasons. One of the reasons could have been that some of them realized that their problem was not actually money to correct their operations and respective needs and the business picked up quite well. Others might have been rejected by group members because the group members are the guarantees and they have a strong say on who is given money. We give them this chance because they know themselves better and they have been together longer than we are. As much as their business may be viable and may need the money according to our assessment are character loans. And character is very important in determining the repayment ability or credibility for that money. So the members have a say on our final decision as a loans committee. There is a loans committee that makes the final decision and this decision is communicated to the groups during the meetings. During the final meeting where we communicate the decision of the group members they are still given the chance to tell us whether they think our decision is fine. They will tell us for example even though the business is viable and you have recommended this kind of money this member in as far as paying our other Marry go round she has been problematic. We think that if you give her this much money she might be more problematic. We have those communications and before the final disposal of loans are done we listen to the members and when the loan is finally given it is an amount which goes to the office and which the group members have agreed to.

We appreciate very much your presentations this morning. They are really revealing to us in Europe. We try to understand your position but we cannot understand it properly because we are not in your exact situation. The thing is that what every NGO is doing in Kenya and in other African States perhaps is only a drop in the ocean, which counts for the ocean. But what these countries really need, and they really need it very badly, is politicians to intervene financially and educate the people in all fields, to escape these slums and the poverty not just by giving money but by making plans to help people to work. Lots of people do not work because there is no means of working. What is your comment? Thank you.

Thank you very much. Actually I would support that. Just as I have started by saying that there are various challenges in the area of microfinance and small-scale businesses. I mentioned just a few in the area of technology. There is also the intervention by governance in terms of making strategic policies and monitoring and implementation of these policies to create a smooth flow or rather to clear systems where factories can work smoothly and in a viable way to be able to create job opportunities for people. Also to look into the

issues of social responsibility in terms of developing structures and infrastructure in the areas of health and education - to make it affordable and accessible to involve the very poor people into the society. Kenya right now is just trying to struggle with the issue of free primary education, which started a few years ago but has not picked up quite well. Well it is free to some extent but the quality is still doubtful because it is an issue that was implemented without a strategic thought about it. What I mean by this is that the issue of classes and facilities is a big issue especially in the rural set-up where you find that some children are still learning under trees because there are not enough desks, not enough books and not enough class rooms. So basically the infrastructure was not fast taken care of before the system was put in place. I would say they have led the house before the cut or the cut before the house – whichever the situation is like.

And that is why we as development organisations such as IMANI and many others cannot actually tell when governments are going to do what they are supposed to do. Talks have gone on for years and years that governments should do this and governments should do that but I think for many countries it has never been achieved. Or if it has been achieved maybe only to a very limited level. So we ask ourselves do we leave those who are currently there to suffer and vanish until the government makes the decision to do it. And I think that is not what many of us want. We want even those that are suffering without the necessary structures to have a continuity of life. Maybe as we wait for the say of governments to do whatever they are supposed to do these interventions of these NGOs are crucial for the current target group in this kind of crises.

If we talk about the small microfinance targeting the needed in this area it is trying to save those who are in crisis at the moment. At the back of our mind it is very clear to us that this are things that the governments are supposed to do but that they are not doing for various reasons - maybe for political reasons or maybe for social reasons. But at least something needs to be done that those who are in that crisis have a life to live.

I want to congratulate you on the excellent work you are doing. It is good for Europe to know the existence of organisations like yours. I have been working here in trans-national projects concerning the volunteer return of minors without family support here in Europe. And during the meetings we had some of our partners who introduced the problems in Africa and you could observe that sometimes they are so poor that mothers sent them to Europe. They have many children and they encourage them to come to Europe to look for a job, education and training. Today illegal immigration is a problem in Europe and I have

been wondering if helping institutions like yours in providing health and education to their children could be a way to stop this situation in Europe. What the NGOs here in Europe try to do when these children come is to integrate them because they also have some kind of difficulties because they do not have family here in Europe and sometimes the services try to send them away to your countries. And we also need NGOs, which provide care to these children when they return. So when we hear about you we have some hope that there will be more institutions like yours in Africa and may help these children. Also we work with different programs in Europe. I think it could be a good exchange of experiences because I do not know if you have integration enterprises in Africa. They are very well known in Europe. It is a program and at least in Portugal and Spain I know that we have those. These are local centres of employment through the ministry of employment in social affairs - I do not know if you have them. They found a group of persons who have difficulties in integration and they totally finance the material to create an enterprise and they also finance some training for the beginning - about 400 hours. The NGO trains them to develop the enterprise and then the NGO accompanies the development of the enterprise. This is for people with difficulties in integration. Maybe we can have some exchange in this area and I can show what is done. Anyway I just want to congratulate you for the work you developed I guess with many difficulties and I think we should network to have the exchange and maybe some more contribution in the future. Because where you work you have many difficulties and here in Europe we have many difficulties as well trying to know what is done and how we can have references in Africa. Thank you for coming and sharing your work with us.

I am very interested in these business-training programs for your clients. Is there a kind of sustainability and is there a possibility for all those people who did that program to come back to do it again and to get more details in business plans or do they have only once the chance to take part in this training program?

Thank you very much. A lot of them do not even realize that they need training. They think what they need is money. And once they go through the training program actually a good number comes back for advanced training. Do you have some kind of advanced training in this area? And I say we have networks with other organisation, which may provide advanced business management training but maybe at higher costs. So we link them up to those kinds of organisations and maybe visit them to get details what kind of training schedule they offer. Those whose businesses have developed to that point that can service such a need of entrepreneurs normally are sent to such

institutions. For those who need further follow up we sometimes have something what we call business clinics. The business clinics are more about a follow up of the business management training. Here we get entrepreneurs who have specific needs in various businesses and they come back either as individuals or as small groups of five people with similar or related problems. So we will put them down and look at the various problems that they may have. I will give an example of people who want to get into the export market. Maybe they have been targeting the local market for some time and with the time they developed certain products where they feel they should sell them out of the country. And they need some knowledge or information on the process they need to go through in order to export their products. What we will do is to call them together and to give them specifically the procedure of doing this or the various bodies they need to join. So we link them up with the available bodies and people who are already in that area that they want to get involved. So we give them that opportunity to come up and to develop fine.

I am sorry but do you think we can have just one more question because I am afraid Eunice has another appointment.

Here is my question. I know the meaning of Micro and I know the meaning of credits. But could you please explain in simple language the meaning of Microcredit?

Microcredit is basically making financial facilities available for the very small businesses and I

started by defining the different sizes of businesses in terms of the number of people they can employ and in terms of the level of employment and in terms of whether it is training or manufacturing. So I said basically micro businesses are those businesses that the majority are involved - trading type of businesses. The number of employees that they have asked by our target group is by 1 - 5 people and the investment will be between 5 000 - 15 000 Schillings. Those are the very micro small businesses. And they require normally loans between 10 000 to 20 000 Schillings for their trading businesses. Those are what we term as micro in our situation.

Medium sized businesses I would say are mainly in the production type of businesses. They employ many more people I would say between 5 – 10 and the investment level will go up to over 100 000 Schillings. So in our context those are the kind of businesses that we categorize under micro and medium businesses.

Thank you. Mrs. Omondi has to leave; she has some appointments with newspapers here in Austria. Of course she has other work to do here. Thank you for coming, for visiting us and giving us this presentation. We appreciate that you took the trouble to come here. She will stay in Vienna another week I think and doing some business here for her organisation but the reason for coming was our invitation and I am very glad she took the trouble to come here at the beginning of winter in Austria.

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