

Pellital Microfinance Institution



Final Report of the Pilot Project

(From 02 February 2009 to 02 July 2009)

Over the course of six months, Pellital financed six entrepreneurial women to start a variety of businesses: sewing, hairdressing, the sale of fish, vegetables, curds and female articles. At the conclusion of our pilot program, we interviewed each woman (except Maty Thioye, the vegetable vendor, who was absent due to travel), to evaluate the impact of the microfinance loan. A summary of their financial repayment and the qualitative impacts on their lives follows:

1 - Fama Mbodj (seamstress)

Fama received a \$132 loan to begin sewing shirts, tunics, armbands and hats to be sold in the village. Despite facing difficulties, she managed her loan well and was able to pay the loan back in full while generating profits. To continue to grow her business, she is seeking another loan at an interest rate of 5%. She is highly motivated and is confident that she will expand her business if she is able to acquire a second sewing machine. We are asking that she presents details regarding the price of the sewing machine before we grant the second loan. Fama warmly thanks her lenders.

2 - Mariatou Sall (traditional hairstylist)

Mariatou received a \$ 65 loan, and has paid the loan back in full. Her business is to make traditional braids called 'Thioissane' for brides and style hair for traditional festivals and cultural events. She used the loan to advertise her services and attract customers. Mariatou is very grateful for the impact that the first loan made, but has decided that she does not need additional credit.

3 - Mary and Penda (boubous sellers)

Mary and Penda received \$ 437 to open a store selling items and popular feminine tunics called 'Thioup'. They have a unique model: clients temporarily borrow the high priced items and then repay them to the end of a month. Early on, Mary and Penda

experienced difficulties: customers were not respecting the one month time limit. Despite these difficulties, they managed their business very well and they have found ways to satisfy their customers by offering to pay half in advance on any item purchased. Coupled with their new strategy, the loan helped them to expand their store.

4 - Dieynaba Sall (buttermilk seller)

Dieynaba received a \$132 loan to buy milk powder or cow's milk to turn it into buttermilk. She is currently facing difficulties with inflation on imported products, which hit the country especially hard. Despite her difficulties with inflation, she was able to pay back the loan on time.

5 - Kadia Diop (fish seller)

Kadia received \$ 658 to buy a freezer to better conserve her fishes and limit losses due to the warm temperatures in Agnam-Goly. Her business is to buy fish from the riverside and then resell them in the local market. Using a part of the additional income that she generated from the freezer, she was able to pay back the loan on time. The main limitations that Kadia continues to face are transportation (she orders her fish from Richard-Toll, a town located 400 km away from Agnam-Goly) and blackouts. She now realizes that she will also need a power generator to run her freezer during a blackout. She believes that the power generator will allow her to expand her operations and generate more money locally. She is very grateful to the lenders that made this loan possible.

➤ Conclusion:

In short, the pilot project was successful. All of the women paid back their loans, plus 5% interest on the principal, on time. They all mentioned that they have generated some profits with their businesses, even if they cannot tell precisely how much they have made due to lack of financial information.

- The women believe that a second round of loans will help them to move towards financial independence. They found a 5% interest rate affordable.
- All the women except the traditional hairdresser are seeking a second loan to expand their income generating activities and progress towards financial independence.
- Pellital will not issue an additional loan to Mariatou Sall (on her own will) or Maty Thioye (due to travel).
- Pellital approves additional loans for Dieynaba Sall (buttermilk) and Mari & Penda (selling boubous) because these activities are a dynamic part of their efforts to expand and contribute to the community.

- Approval is pending for additional loans to Kadia Diop (sale of fish) and Fama Mbodji (seamstress) until at least 3 price estimates are provided for the necessary equipment: respectively, a power generator and a sewing machine.
- Pellital will shortly begin the selection of fifteen (15) other entrepreneurs, this time men and women who show an entrepreneurial spirit and inspiring trust among their peers.
- Pellital is also looking to open a cybercafé in Agnam-Goly. The village's access to computers and the Internet is essential to development. Through the cybercafé, we hope to train people in computing, promote the sharing of information related to local development, bring lenders closer to the entrepreneurial women of Agnam-Goly, as well as offer services such as photocopying, word processing, printing, fax and scanner. The description of the cybercafé project will be available on the Pellital's website soon.

➤ **What our lenders said :**



Karen Keppler, Incubator and Professor of Business at the University of Winnipeg (Canada)

<http://businessinnovationcentre.ca>

'I learned of Pellital through Facebook and saw that the Women of Agnam-Goly were being supported. Micro Lending is a key to starting small businesses in any area of poverty, as I learned by running a Calmeadow style loan program for the Self Employment Program in Manitoba 10 years ago. I was aware that the success rate of Micro Lending was very high and that any money I lent would be returned, or if I chose so, my money could benefit many women as it was lent over and over again. The benefit to a Canadian is that the money goes straight

from you to someone who will start a small business, and the program allows you to choose the entrepreneur you want to support. This makes you a part of their success and a member of a team, at least virtually. It also personalizes the transaction and gives you a direct connection to that entrepreneur. You will see the good you did!

I plan to leave my initial money in the program to help the next entrepreneur. My first entrepreneur was able to pay her loan on time and in full! As funds become available for me, I hope to add a little more to the loan fund. These women deserve all the support we can lend and our respect as peers while they build the economy in Agnam-Goly.'



*Sarah Toumi, President of DREAM:
Global Network and Action for
Development (France)*
<http://dream-asso.org>

'I met Adama Diop in Quebec this summer at the 2008 World Youth Congress, and before that on Facebook ... it is amazing, this is the case say.

His idea is so simple that it becomes grandiose. It offers individuals to contribute to the realization of economic projects for women in his village, Agnam-Goly, Senegal. They reimburse you in six months later! He created his Pellital Facebook group and widely promoted it. A good example of how to use social networks to make difference.

These women do not meet the criteria for obtaining a bank loan. Therefore the idea to find them credit virtually is very interesting. So the idea that we had, the DREAM team and I is to help in his project.

We conducted two days of awareness on sustainable development and intercultural dialogue in Paris where we've sold in fair trade, subsidized by the university, at reduced prices to students and conducted a raffle to benefit the entrepreneurial women of Agnam-Goly. Thus, we collected 200 dollars that will be used to start 02 projects in Agnam-Goly!

That's what I call "The Magic effect of Sustainable Development": 2 euro given in Paris, it is a project financed in Agnam-Goly! We hope to make a larger operation soon: a student party responsible for raising awareness about the risks associated with alcohol and drugs, the importance of responsible consumption: fair, less plastic packaging and yet ... Once again the funds will be going to Agnam-Goly, and more!

As you can see, if everyone does a little, we can overcome poverty, just a few ideas, motivation and commitment as in Pellital.'



Jessi Prue, Founder of the Social Business Consulting Group (Cornell University, USA)

<http://socialbusinessconsulting.org>

'I learned about Pellital's efforts through a friend -Kimberley DC Schroder- that studied abroad in Senegal. I believe that microfinance has the ability to empower local women, especially when the microfinance institution is based locally. I support Pellital rather than another microfinance institution because of its local focus and Adama's incredible passion. There are countless stories of

microfinance institutions that care more about profit than community development. Pellital, however, shares my view that community development is the first priority.

During the fall of 2008, I worked on a consulting project for Pellital with 5 other students in the Social Business Consulting Group. Adama's incredible passion and vision inspired our group to go above the requirements and fundraise to help him empower women of Agnam-Goly. We found that others quickly became equally passionate about Adama's local focus: the Cornell Microfinance Club volunteered to host a 5K and raise money to support Pellital, and the New AJE Foundation in the Netherlands was excited to make a financial donation. I hope that Adama's passion continues to be viral, and inspires more people to lend locally in areas that traditional microfinance organizations cannot reach.'



➤ **Special Thanks to our lenders and donors :**

*The Keppler family and Carole Marshal (Canada), Sarah and Myriam Toumi (France), Jessi Prue, Kimberley DC Schroder, Michelle Manket, Isys Johnson, Molly Baker, Addison Raap, **Cornell University Microfinance Club** and **The New AJE Foundation** (The Netherlands).*

The Pellital team

Julia Kurnia (US based volunteer),
Dieynaba Diop (Local loan officer),
 And **Adama Diop** (President)

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Cash Flow Statement of the Pilot Project

(February 2, 2009 to July 2, 2009)

Revenue

Date	Source	Amount
As of July 28, 2009	Interest rate of 5% of \$ 658	\$ 27.33
	Interest rate of 5% of \$ 437	\$ 21.87
	Interest rate of 5% of \$ 132	\$ 5.46
	Interest rate of 5% of \$ 132	\$ 5.46
	Interest rate of 5% of \$ 132	\$ 5.46
	Interest rate of 5% of \$ 65	\$ 5.46
	<i>Total Income from Interest Payments</i>	<i>\$71.04</i>
As of July 28, 2009	Loan Repayment	\$ 668.18
January 2, 2009	Donation	\$ 1,661.82
	<i>Total Income</i>	<i>\$ 2,398.36</i>

Expenses

Date	Reason	Amount
February 2, 2009	Fees for opening a local bank account	\$ 16.40
February 2, 2009	Photocopy and scanned receipts	\$ 1.09
February 2, 2009	02 batteries for a camera	\$ 1.31
July 2, 2009	Loan contracts' withdrawal at cybercafé	\$ 0.54
July 2, 2009	Transport on Ourossogui : scanned receipts	\$ 6.56
July 2, 2009	Sending loan contracts by mail to Adama	\$ 4.92
July 2, 2009	Sending receipts by mail to Adama	\$ 3.06
July 28, 2009	Sending of scanned receipts and copies	\$ 1.64
August 12, 2009	Transport on Ourossogui : to send the final report	\$ 4.48
Ongoing	MoneyGram fee	\$ 25.41
Ongoing	Skype fee	\$ 50.04
	<i>Total Expenses</i>	<i>\$115.45</i>

Net

Total Income Minus Total Expenses = \$ 2,282.87

Note: Every lender has asked to reinvest, so we will use the income generated from loan repayment to issue additional loans to individuals in the community.