



2009 PROJECT SUMMARY

MED-Net Agricultural Loan Project

Bringing microenterprise development to Uganda's farmers

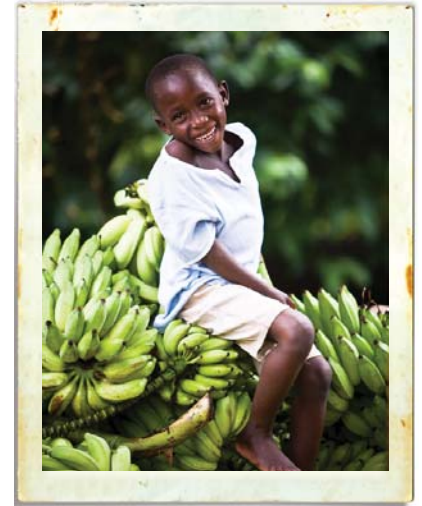
The past two years have seen a sharp rise in world food prices, creating severe economic challenges in many nations. The possible causes of "agflation" include poor harvests, low food reserves, increased use of land for biofuels, higher demand for food commodities, high oil prices, and agricultural subsidies in developed countries. In response to this problem, World Vision has intensified its efforts to enable smallholder farmers and agro-entrepreneurs improve their incomes by increasing the yield and quality of their product, organize themselves for economies of scale, and access more profitable markets.

Achieving success with coffee beans and bananas

Christine Kibonde, a proud mother of five, is among those already helped through this new initiative for rural microenterprise development in Uganda. Following her husband's retirement, Christine received a series of small business loans from World Vision's pilot program, allowing her to expand the family's seven-acre banana plantation and plant high-yield coffee seedlings. After many years of poverty, Christine now enjoys monthly sales averaging \$372, enabling her to provide ample food, health care, and education for all five children, including one who just graduated from Makerere University.

Helping 2,000 farmers beat the odds

Without investment capital and business training, farmers in Uganda — who typically make less than \$1 a day — have little chance of overcoming poverty. Normal loan opportunities are not viable for these farmers, due to the agricultural calendar, the risk of pests and diseases, and unfavorable climatic conditions. However, a growing number of farmers now are able to access loans, basic business training, and savings opportunities through MED-Net, a microfinance institution founded by World Vision in 1997. In September 2008, MED-Net had 5,083 active borrowers and an outstanding loan portfolio of \$1,716,698. An estimated 17,584 children's lives were improved in fiscal 2008 through new jobs and increased incomes for their parents, made possible by MED-Net loans and related services, including business training and savings programs.



World Vision 2007

This young boy in Uganda, sitting on a load of plantains, appears to be happy with the harvest. With loans and business coaching from MED-Net, World Vision is helping to boost family incomes in impoverished rural areas.



work



In an effort to improve sustainable food security, World Vision staff members deliver a harvest pack to a family in Mwesi village, outside of Kampala.

How you can help

This year, World Vision needs to raise \$180,859 of the three-year budget of \$767,854 for this project in order to meet the lending needs of the entrepreneurial poor in Uganda. MED-Net will combine your gift with borrowed funds to **quadruple** the impact, as follows:

Your gift	Gift x 4	Clients served	Impact on jobs	Children helped
\$10,000	\$40,000	29	35	87
\$5,000	\$20,000	14	17	43
\$2,500	\$10,000	7	9	22
\$1,000	\$4,000	3	3	9
\$500	\$2,000	1	2	4

Please consider partnering with us to support this vital work.

May God bless you.



Following a successful pilot project called “Farmers’ Pride,” MED-Net has introduced a new loan product to help Uganda’s farmers, especially those within community development areas served by World Vision. During the next two years, World Vision seeks to improve food security and incomes for 2,057 farmers (60 percent women), organized into 123 farmer associations in 18 community development areas throughout Uganda. As farm incomes improve, an estimated 10,285 children and dependents will enjoy increased access to health care and basic education. In addition, many of the 280,000 people in the target region will benefit from new job opportunities and enhanced food security. Project methods include:

- **Loan capital, insurance, and savings opportunities** needed to help finance supplies and equipment for enhanced agricultural production, storage, transport, and packaging
- **Technical, organizational, and management training** needed to maximize production and achieve economies of scale at each point in the value chain, including the purchase of supplies, the storage and transport of harvested products, and the sale of agricultural goods at favorable prices
- **Assistance with market research and linkages** needed access profitable markets, and develop or refine products as required

Economic and community development together

Significantly, MED-Net will implement this project in cooperation with 18 community development areas in which World Vision seeks, over a period of 10 to 15 years, to improve access to health care, basic education, clean water, food, and economic opportunity for members of the community. Like a rope with many strands, this multisectoral response to poverty is more effective than development programs or financial services restricted to a single aspect of a person or community’s life.

VisionFund International, World Vision’s microfinance subsidiary, will expand the impact of this project by leveraging donated funds to borrow money for loan capital. Last year, this approach positively impacted more than a half-million borrowers and 1.7 million children in 47 countries.

PROJECT COSTS				
	2009	2010	2011	Total
Loan Capital	100,000	150,000	200,000	450,000
Indirect/Startup Costs	80,859	107,417	129,578	317,854
Total Needed	180,859	257,417	329,578	767,854