

insight

Opportunity Newsletter

JUNE 2012

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SPECIAL FEATURE

IT BEGINS WITH THE BASICS

How families start to leave poverty behind...



Opportunity International
AUSTRALIA



Dear friends

For me, one of the greatest things about microfinance is the impact it has on families. Our programs aren't just about helping *individuals* out of poverty, they're about empowering families and communities – giving parents the tools they need to provide for their children and turn their lives around.

Microfinance clients are generally incredibly willing to work hard to create a better life for their children. Just like you and me, they want to be able to provide a safe and nurtured life for their kids – one where it is no longer a struggle to provide nutritious meals, schooling or medicine. In this issue, you'll see the kinds of changes your donations are enabling.

You'll also see a story from Renalyn, the five-year-old daughter of one of our clients, Melba. Melba's business means that she can now afford food and clothing for Renalyn – but more importantly, she is able to send her daughter to school.

As the photograph on our cover illustrates, the sad fact is that not all children are walking into the same bright future as Renalyn. Right now, this group of children are living with their parents in a slum in the Philippines, falling asleep with hungry stomachs under makeshift shelters.

I want to take this opportunity to ask you if you would please continue to reach out to families in need. Through your action, you are helping create a life of hope for the next generation of our world's children. And that's quite a legacy to leave.

Warmly

Robert Dunn
Chief Executive Officer

a village voice

Life on an island isn't always as idyllic as some might think. A program that seeks out innovative village enterprises is bringing new opportunities to people in some of Indonesia's poorest islands.

On the islands of eastern Indonesia, rural isolation and a lack of infrastructure have kept many families stuck in a life of poverty. With limited opportunities, communities in the area face worrying levels of malnutrition, illiteracy and infant mortality.

Thankfully, many of these communities possess the potential to benefit from sustainable community enterprises. The Village Partnership Program, run by Opportunity International Australia's partner in the region, Tanaoba Lais Manekat (TLM), sees specially trained staff placed within these villages, enabling them to work alongside local groups to assess their needs, skills and resources. Once a potential village enterprise has been identified, families are given the tools they need to generate sustainable incomes and provide for their children.

INCOME SAUCES

On the island of Sabu, palm trees exist in abundance and palm sugar is a major commodity. Although it has many uses, the people of Sabu only use the sugar to produce a sweet beverage.

As part of the Village Partnership Program, TLM staff were able to introduce the idea of manufacturing soy sauce from the palm sugar in the village of Raemude. A loan of Rp.900,700 (A\$100) allowed a group to purchase the sugar, soybeans, spices, bottles and labels for packaging. They produced 95 bottles of soy sauce which sold out within months, giving them a new income source they can now use to provide for their daily needs.



95 BOTTLES OF SOY SAUCE PRODUCED, GIVING A NEW INCOME SOURCE TO FAMILIES IN SABU



BUILDING BLOCKS

Back on Sabu is the district of Raijua, a relatively new area where infrastructure is still under development. Through the Village Partnership Program, a group of youth in Raijua were able to identify the potential demand for bricks, ready for use on upcoming building projects.

With a loan of Rp.1,480,000 (A\$164), the villagers were able to invest in a mould, sand and cement, everything they would need to establish the brick-making business. Initially producing a total of 1,500 bricks, the business proved an immediate success, with all the bricks selling out. With the profits they earned, the group was able to invest in two more moulds – increasing their productivity and allowing them to grow their income even more.

PICK OF THE CROP

It's corn that has become the focus for a group of farmers in Polo Village on the island of Flores. A loan of Rp.3,744,000 (A\$415) through the Village Partnership Program has enabled the group to begin hybrid corn farming, investing in seedlings, fertiliser, insecticides and the rent payment on a tractor.

Planting began in August 2011, and despite a problem with a pump that impacted the water supply for the crop, the corn was ready to harvest in early December. The group had also planted chillies, anticipating that the yield from the corn crop would be slightly lower than expected due to the water issues.

With the help of the program, the village was able to mitigate their risk and diversify their business to ensure an income from their hard work.



WHAT CAN I DO?

Businesses like these give families the hand up they need to leave poverty behind. If you would like to help provide opportunities to families with no other way to break the poverty cycle, you can donate on the form on the inside back cover.

IT BEGINS WITH THE BASICS

Being able to grow a small business thanks to microfinance can help transform a family's standard of living – but how?

What everyday items are they able to afford that they couldn't before?

When a family is able to start a business and increase their income thanks to a hand up from people like you, life begins changing. While the specifics of these changes vary amongst families and between regions, a regular income often translates into improved nutrition, healthcare, housing, education and the ability to invest in valuable household assets. Here's a snapshot of what some of these improvements can look like...



FOOD



It's a basic necessity of life, so it's no wonder that food is one of the first things families spend their finances on. But with very little money to spend, families living in poverty are sometimes only able to eat once or twice a day. In rural areas, many families take advantage of growing their own vegetables, cooking them with whatever rice or noodles they can afford. In the Philippines, sardines are common at mealtimes, because of their affordable price.

An increased income from a small business can allow families to ensure proper nutrition in their diets – adding more protein by eating meat or fish two or four times a week, and giving milk to their growing children where previously there was only water. Families are also able to eat more often – like Srinu (pictured above) and his mother Beesamma from India. Parents no longer have to send their children to bed hungry.

Cooking methods can also improve. Where once the only source of energy was firewood, some families are able to use a gas stove, while others are able to store their food in a refrigerator where it is less likely to go bad. Families can also afford purified bottled water. Where piped water is not available in poor communities, bottled water offers a safe, clean alternative to contaminated sources that are likely to make you sick.



EDUCATION



Education levels vary greatly in poor communities. Some children only go to primary school; while others are able to complete secondary school. Some are forced to forego their studies because of the fees or because their families need them to work and earn money just to survive. In some regions, certain levels of education are free. However, the added expenses related to school enrolment make it impossible for many families to take advantage of this. An increased income means more money to spend on uniforms, school books and other supplies, enabling children to get the most out of their schooling.

While it can be free or low-cost, the standard of some government education offered in developing countries can be poor, with children struggling to learn from absent teachers and scarce supplies. For some families, it's a priority to save their incomes in order to send their children to low-cost, privately owned schools in their area, with the hope that their children will get the best education possible. For others who are happy with the standard of public education, they are able to invest in additional learning materials or even save for their children to go on to university. For many parents like kiosk-owner Deborah from West Timor, education is the first thing they spend their incomes on each week. Her daughter Elga, pictured above, is in third grade.



HOUSING



In urban areas of developing countries, many poor families live in slums – shanty homes made of scrap wood, metal and plastic sheeting. Often there is no electricity, no running water and nothing but a dirt floor. In rural areas, some families live in huts made of bamboo and grasses.

Sharing homes with extended family, people often sleep side-by-side on the floor on thin mats. Furniture is scarce and often the bedroom, kitchen and living area are all the same room.

With the profits from their businesses, some families choose to spend money on their homes, installing proper roofs, repairing broken walls or laying a concrete floor, sometimes even tiles. Others install electricity, piped water or a toilet or latrine, but as access to these services is limited by infrastructure, this is not always possible without additional community intervention. It's because of this that Opportunity International Australia doesn't only support microfinance, but also complementary community development services.



HEALTH



When a family member becomes sick, healthcare is most often the number one priority. But with limited savings, many families do not have the money they need to see a doctor or buy medicine, even when health facilities are available. For some, this means the difference between life and death.

Conchita, one of our clients from the Philippines, lost three of her children to illness before she was able to start her own business and earn a regular income. Despite sending her children to the hospital to get treatment, Conchita was not able to afford the medicine the doctor prescribed to save them (*you can watch Conchita's Story on our website – click on Resources then Videos*).

An increased income can allow families to put away savings for emergencies, giving them the money to not only see a doctor but also to fill any prescriptions that are given to them. It also allows families to invest in preventative vaccinations to avoid illness – for children, this is especially valuable.

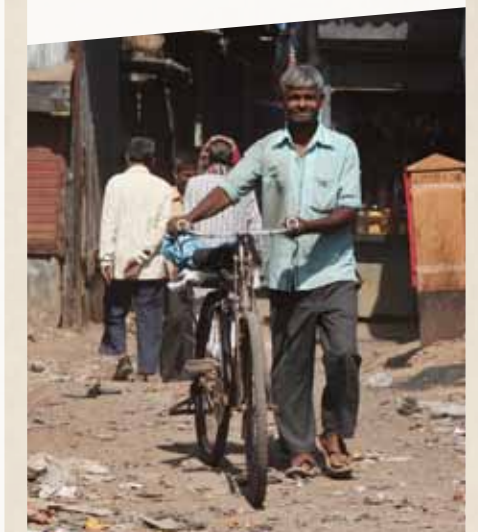


CLOTHING, TRANSPORT AND ASSETS



Having clothes on your back and shoes on your feet may sound like a pretty basic right, but for some poor families, even this is a struggle.

As well as being able to afford new clothing, some families are able to invest in other assets such as sewing machines, kitchen appliances or tricycles – items that can often benefit their businesses as well as their families.



Want to help?

YOU CAN HELP GIVE PEOPLE THE TOOLS THEY NEED TO GROW SMALL BUSINESSES AND LEAVE POVERTY BEHIND – MAKE A DONATION VIA THE FORM OVERLEAF.

Who, what, where?

EMPOWER A WOMAN, EMPOWER A NATION

Did you know that according to UN Women, over 70 percent of the world’s poor are women and girls? 8 March saw United Nation’s International Women’s Day give a voice to the world’s women, with Opportunity International Australia presenting a range of events throughout Australia to raise awareness and funds to help women and their families leave poverty behind.

Kristina Keneally (Opportunity Ambassador and former Premier of NSW) spoke alongside KC Ranjani (the Managing Director of our Indian subsidiary) at a series of lunches and dinners hosted by Deloitte, Macquarie, 4impact Group, King & Wood Mallesons, Freehills, PwC, RBS Morgans, First Samuel, AIIA and FINSIA.

Having visited the slums of India last year, Kristina spoke about how she had seen firsthand how microfinance empowers women, giving them the hand up they need to start small businesses, earn incomes and provide for their families.

“The women I met were incredibly outgoing, they were incredibly confident and they were incredibly optimistic about their future. One woman we spoke to started a very small egg shop and she would buy her eggs for two rupees, hard boil them, and then sell them for five rupees. She told us almost furtively that she was making almost 200 rupees (A\$3.70) a day. That is an extraordinary amount of money for someone who has been living on about A\$1.25 a day previously. She’s part of a community of people who, through the provision of microfinance, really are transforming, not just their own lives, but their children’s future.”

Watch a short film about Kristina Keneally’s visit to India at www.opportunity.org.au – visit the Resources page and click on Videos.



Giving through your workplace can be a great way for you as an individual to have a collective impact (sometimes even with matched giving by your employer). June is The Australian Charities Fund’s Workplace Giving Month, so why not talk to your employer about how your organisation can make a significant difference in the world. Visit www.australiancharitiesfund.org.au to learn more.



SWAP TIL YOU DROP

A number of Opportunity Swap clothes swaps were also held around Australia in honour of International Women’s Day, encouraging Aussies to recycle their wardrobes and make a donation to empower women in need. In Sydney’s Chippendale, 10thousandgirl hosted a clothes swap and high tea, raising valuable funds to help Opportunity empower families to start businesses and afford better food, healthcare, sanitation and an education for their children.

Opportunity has joined as a coalition partner of Micah Challenge – a global Christian movement in support of the Millennium Development Goals to halve global poverty by 2015. Want to learn more about Micah? Visit www.micahchallenge.org.au

FUN RUN AND FUNDRAISE

Planning on taking part in a fun run, triathlon or other community event? Whatever you’re training for, setting up a fundraising page when registering for your event makes it easy to raise funds for a cause that’s important to you at the same time.

Choose Opportunity as your charity of choice, send the link to your fundraising page to family and friends and ask them for their support as you give a hand up to people living in poverty. For more information, contact opinfo@opportunity.org.au

Upcoming events:	
QLD Gold Coast Marathon	30 June – 1 July
VIC The Age Run Melbourne	15 July
NSW The Sun-Herald City2Surf	12 August
WA Chevron City to Surf	26 August

Want to learn more about how microfinance works?

If you are based in Sydney, Opportunity’s free Microfinance Masterclass gives you an in-depth look at this effective poverty alleviation tool. To register for a date that suits you, visit www.microfinancemasterclass.com.au



FOOD FOR THOUGHT

Take part in Opportunity’s Food for Thought campaign anytime in October by hosting a meal to raise funds and awareness for families living in poverty. Enjoy anything from a pizza and movie night with a few friends to a formal degustation dinner – just invite your guests to make a donation to Opportunity’s programs in honour of the UN International Day for the Eradication of Poverty (17 October). Get started by registering at www.foodforthoughtevent.org.au

Ever wanted to leave a gift in your will to a cause that’s important to you? 17-23 September is Include a Charity Week – find out more about how to leave a bequest via the Get Involved section on our website www.opportunity.org.au

WINNER OF THE PWC TRANSPARENCY AWARDS

As a steward of donated funds, Opportunity strives to be transparent in everything we do. We are pleased to announce that in April we were recognised as the winner in the \$5m to \$30m revenue category in the 2011 PwC Transparency Awards, an accolade that recognises the quality and transparency of reporting in the not-for-profit sector. Opportunity is committed to our mission to provide opportunities for people living in poverty to transform their lives, and we are equally committed to our program governance and public accountability. This latest award follows from the runner-up position we were awarded in 2011 and we hope that, ultimately, it will translate into more families being given a hand up out of poverty through microfinance.

Our thanks go to PwC, the Institute of Chartered Accountants in Australia and the Centre for Social Impact for their commitment to the not-for-profit sector – and also to all the donors who place their trust in us. We are grateful to be the bridge between you and the families you empower to leave poverty behind.



\$200 = ONE SMALL LOAN
SMALL LOANS = BIG CHANGES

Donations over \$2 are fully tax-deductible.

I would like to give a one-off donation of:

☐ \$50 ☐ \$100 ☐ \$200 ☐ \$300
☐ \$500 ☐ \$1,000 ☐ \$5,000 ☐ \$10,000
☐ \$_____ (please specify)

I would like to give a monthly gift of:

☐ \$50 ☐ \$75 ☐ \$100 ☐ \$150
☐ \$200 ☐ \$_____ (please specify)

BEQUESTS:

☐ I would like information on how to make a bequest to Opportunity

- HOW TO DONATE:
- Donate on our secure payment website at www.opportunity.org.au
- Send this form with your payment details to us in the reply paid envelope enclosed or via the address below.
- Fax this form with your payment details to (02) 9270 3399.
- Call us on 1800 812 164 or (02) 9270 3300.

MY PAYMENT DETAILS:

☐ Cheque (make payable to Opportunity International Australia Ltd)

☐ Bank transfer (we will contact you with details)

Credit card:

☐ Visa ☐ Mastercard ☐ Amex ☐ Diners

Name on card _____ Expiry _____ / _____

Signature _____

MY DETAILS:

Name _____

Organisation _____

Receipt name _____

Address _____

State _____ Postcode _____

Home ph _____ Work ph _____

Email _____ Date of birth _____ / _____ / _____

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For more information on the work of Opportunity International Australia, please visit www.opportunity.org.au

