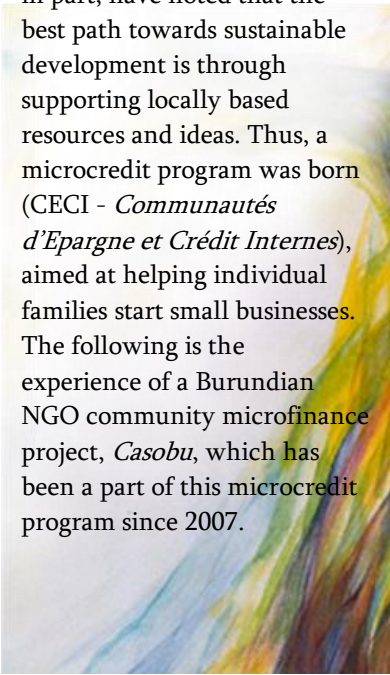


Community microcredit and microfinance in Burundi

Birashoboka: It can be done!

by Maria do Sameiro Freitas



Known for its rolling green hills, Burundi is a beautiful country in the heart of Africa. With a history of serious political problems and civil wars behind them, the population is not giving up. The Church and civil society, in part, have noted that the best path towards sustainable development is through supporting locally based resources and ideas. Thus, a microcredit program was born (CECI - *Communautés d'Épargne et Crédit Internes*), aimed at helping individual families start small businesses. The following is the experience of a Burundian NGO community microfinance project, *Casobu*, which has been a part of this microcredit program since 2007.

Burundi, the second most densely populated nation in Africa, is one of five countries with the highest poverty rates in the world and is listed in 185th place out of 189 countries according to the 2019 Human Development Index. Approximately 4.6 million people, almost one in every two families, suffers from food insecurity with more than half of the children suffering from malnutrition (WFP, 2014 and 2016). There is often poor access to water and sanitation, and less than five percent of Burundians are connected to the electricity grid (World Bank, 2016). Moreover, the healthcare situation remains worrisome and most of the population must pay for medical treatment themselves.

Casobu - which has been strongly supported by the Italian non-profit "Action for a united world" (Amu) since 2007, has accompanied families in Burundi along a path towards improved living conditions through various projects, one of which is a microcredit and community microfinance initiative.

One of the first developments was a childcare center for 180 children, in Kinama. But, in addition to after-school and childcare activities, something had to be done to help remove the root causes of extreme poverty that prevented many families (often headed only by women) from properly caring for their children. The situation in this neighborhood was serious, with many families having only one meal daily, and

not infrequently mothers were unable to provide school uniforms or other classroom materials for their children who therefore often had to stay at home instead of going to school.

A project for vulnerable families

In 2008, the project entitled '*Support for income-generating activities for vulnerable families in Kinama*' began with a community microcredit model: "*Community savings and internal*

credit". This model has proved particularly effective in fighting poverty because it restores dignity to people by enabling them to *give*, no matter their poverty level. In fact, credit for starting small income-generating family businesses is not approved by external financial institutions. Rather it comes as a direct result of the group's ability to self-manage its assets and save. Moreover, this system forges deep bonds between its members, thanks to shared needs and objectives and a joint training programme.

What is it and how does it work? Community microcredit is a savings and credit system managed in small groups. Each group contributes a small sum to the system. Then, together with contributions from all the others, a joint fund is established to start income-generating activities. Those benefitting from a credit advance of money are to then obviously undertake efforts to repay these advances with the proceeds of their new businesses.

This project methodology reflects a participatory approach. It leads group members to know and share project objectives, making them responsible to the point of understanding their activities are dependent upon themselves and thus better ensures long-term project sustainability. Respect for the dignity of the person as a whole and the ability to listen and share are important for each *Casobu* working group member. This allows self-expression according to one's individual style and personality.

The project has spread very quickly to other provinces in Burundi, including Ruyigi, Bujumbura and Rumonge. After several years, a next step involves the transformation of more committed groups into a cooperative. This further ensures ongoing sustainability for the small production activities that have been undertaken.

Women with big dreams

The *Twitezimbere* group was born in 2008 to support its members, mainly women, as they faced the many challenges of daily life. They met weekly to share the few savings they could put aside and, at the same time, offer credit according to the rules of community microcredit. Together they initially managed to save 500 francs per week and this later increased to around 5,000 francs each week. This was an amount that each member could not have earned on their own, not least because many had no initial source of income.

Ten years later, their lives have completely changed. Currently, the raised capital is such that the women of this group now want to carry out important joint projects. Previously, each one brought ahead their own project to make an individual profit. Now, they are aiming higher by carrying out joint projects.

Maria Goretti is one of the women who spent five years with *Twitezimbere*. Not having access to more institutionalized financial services, the community microcredit system allowed her and her husband to buy plots of land. She only recently moved into a house built on one of the plots. "With the first loan, we started the foundation. With the next credit, we continued building the roof," she proudly explains.

"My life has completely changed" says Espérance. Out of work and impoverished for years, she was completely dependent upon her husband prior to joining the group. With the credits received, she obtained capital to invest in income-generating activities and could contribute to her family's development.

Emilienne lives with her family on the hill of Rukanda. Before microcredit availability, she had no business. Now she has managed to start one and, together with her husband, can now meet the needs of her family as she continues to look towards the future.

A step forward.

Maria Goretti, Esperance, Emilienne and others like them, would like to grow their businesses. A further project, sponsored by AMU and Casobu, involves starting a community microfinance institution that will be able to offer savings and credit services to people with big dreams but who are currently unable to access loans from banks.

The project is *Birashoboka - It can be done!* It aims, in fact, to go one step further beyond community microcredit groups whose members can support themselves, towards the creation of work initiatives. It seeks to create a community microfinance group able to support the growth of expanding projects. Those who already have businesses look towards further developing them, to support their community and to guarantee income for additional workers.

Rose recounts her own journey: "My group began 13 years ago. I remember very well not doing anything in particular with the first credit I obtained; I bought clothes and goods that I needed, but I wasted the rest. Initially, I did not know how to start a business and frequently I difficulty repaying the credits received. Then, I realized that I could not continue to take out a loan without a concrete project. Finally, I decided to start the project of a 'restaurant' with the first 300 thousand Fbu (150 €). I started buying pots, dishes and, little by little, opened the 'restaurant' in 2009, although I still had no workers, except for my children who helped me in the kitchen. I would then take the bus and bring the food to the city where I had my customers. Once they got to know me, the numbers grew. I was able to hire workers and now I am proud to participate because it is also fulfilling their dreams, too, through the salaries they receive."

In addition to her own family, Rose currently manages to ensure income for five other families and, through the community microfinance program, she dreams of one day creating jobs to help many others as well.