



UnitingWorld
connecting communities for life

LOANS FOR Freedom

West Timor



UnitingWorld is an agency of the National Assembly
of the Uniting Church in Australia.

If you had an income of two dollars a day for your family of six, what would you spend it on, and what would you go without?

For our friends in West Timor, this question is faced every day. Education and health care are forgone so families can afford their most basic needs.

The people in this small Christian-majority state are the poorest in Indonesia. Families in several communities surrounding the market town of Betun are living in poverty. Affording sufficient food is a daily battle.

The Relief and Development unit of UnitingWorld has been actively collaborating with the Evangelical Christian Church in Timor and its aid and development arm, Tanaoba Lais Manekat Foundation (TLM), since 2001 to empower the families and communities in the areas surrounding Betun through microfinance.

Microfinance is the provision of low-interest loans to fund practical, income generating projects. Microfinance doesn't bind people in debt, but provides opportunities that empower entire communities to move themselves out of poverty by generating an income, which puts education, healthcare, and vaccinations within reach.

In the last three years, more than 3000 loans have benefited over 15,000 individuals in Betun, but many more still need access to this opportunity. Motivated by the compassion of Jesus, the field officers at TLM work closely with their clients and have a genuine concern for their wellbeing.

With your generosity, this successful project will grow to benefit an additional 1200 clients by August 2012. Support services and vital infrastructure such as transport and the cattle post will also be strengthened.

Today in West Timor:

- **84 per cent of the population live in rural areas**
- **80 per cent are self employed, or are farmers with little to no income.**
- **17 per cent are unable to read or write.**

Microfinance in Action

Microfinance provides the initial funds required to establish an income-generating project. It could involve buying cattle for fattening, expanding an existing business, or establishing a farming cooperative within a community. Sound business guidance is provided with the loans so that clients have a solid foundation from which to build their futures.



1. A Strong Foundation

A loan is granted to a family or community group. An income generating project begins and business training provided. This relationship is fostered throughout the term of the loan to ensure that repayments are easily met.



2. Sustained Growth

Families and community groups work on their investment in order to generate income. Community groups work to help each other succeed and protect the project's growth. Ongoing support is provided by TLM field officers, like Anderias below.



3. Income generated

The profit can fund education and medical care for the current and future generations of West Timor. In some cases, clients receive incentives for repaying their loan early. Over 95 per cent of clients successfully repay their loan on time.



Meet Anderias: TLM Field Officer

Anderias is 28 years old and is a TLM field officer based in Betun. After hearing about a job with TLM through his Church, he jumped at the opportunity to help rural communities build their futures.

Each day he meets with other field officers at 8am before going out to visit his clients. He tries to visit at least ten of his 76 clients each day to provide ongoing support.

Anderias strongly believes that people deserve the opportunity to improve their lives through economic independence, and he always enjoys meeting people from all walks of life. His clients help him learn more about different cultures, and it gives him great joy to see them make the most of their projects.

Five Facts about Microfinance

1. Loans, not handouts

All loans are repayable, with minimal interest, and clients keep the profits. Basic business training is provided with the first loan, to ensure success. The TLM officers provide guidance and support throughout the duration of the loan.

2. Helping communities to help themselves

Microfinance empowers individuals and communities to generate their own income. By working as a community group, everyone contributes to the project's success, and everyone benefits when profits increase.

3. It works

UnitingWorld has been supporting microfinance projects in West Timor since 2001. The lives of over 15,000 families in the Betun region in the last three years alone have been successfully transformed. Many move on to second and third loans after their first term is complete.

4. Enabling education, enabling health care

The future generation will have opportunities that many of their parents often went without. Children will be able to go to school and receive basic healthcare. Loans for Freedom will lead to lasting community transformation.

5. Developing sustainably

As loans are repaid, the funds can be lent to new clients. The small interest charges help to cover the costs of administering the loans and providing training.

“With solid foundations, communities and families in West Timor can build their own futures”

– Rob Floyd: Associate Director, Relief and Development



The Relief and Development unit of UnitingWorld has been working in partnership with the Evangelical Christian Church in Timor through their aid development unit, the Tanaoba Lais Manekat Foundation (TLM), since 2001. Operating since 1995, TLM have 15 years experience managing positive relationships with clients and empowering communities through microfinance. For more information, visit www.ytlim.org



The Relief and Development unit of UnitingWorld is a member of the Australian Council for International Development (ACFID) and a signatory to the ACFID Code of Conduct. This ensures the highest standards of corporate governance, public accountability and financial management. To read more about the Code, visit www.acfid.asn.au



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Microfinance helped these families help themselves

Sarce Betty Simon



Sarce is a mother of four children. Before she received her first loan, she struggled to provide her children with food each day, and only her eldest child could go to school. In 2006, she applied for a microfinance loan

with TLM, and in a matter of three years her family's life has turned around. Sarce is now in her third loan cycle, and was able to afford two cows that she will fatten to sell at the market. She now sends all of her children to school, and they visit the hospital in Betun every three months for check-ups and vaccinations. Sarce is even completing construction of her new home.

Image: Sarce with one of her cows.

Imelda Meru

Imelda is 29 years old and lives with her three children in a small village near Betun.

Working with a group of her friends and their families, she applied for a loan to expand her small kiosk. She has now completed her second loan cycle, expanding the kiosk into a small shop so she can sell a greater range of products. "My friends and their families all help each other to make my shop successful. I'm happy to be able to send my children to school and give them a bright future," said Imelda.



Image: Imelda outside her shop with her mother and two children.