



West Timor

Loans for Freedom

Location

Betun, West Timor

Partner

Evangelical Christian Church in Timor

The Situation

Nusa Tenggara Timur (NTT), which includes West Timor, is one of the poorest provinces in Indonesia. Government estimates indicate that 80 per cent of households in NTT have an income of less than two dollars a day. Additionally, 84 per cent of the population live in rural areas where infrastructure, transport and utilities are very limited. Almost 60 per cent of the population have only a basic education, and 17 per cent are unable to read and write.

The Project

“Loans for Freedom” is a project of the Tanaoba Lais Manekat Foundation (TLM). Economic and social transformation of families and communities is enabled through the provision of small loans, also known as “microfinance.”

TLM provide small loans to poor families and community groups (clients), who work together by starting an income generating project. The loan is then repaid with minimal interest, to cover administrative costs, and the clients keep

the profit. Profits help pay for education, food, medical costs, or can be put towards another income generating project. Over 95 percent of clients pay back their loan on time, and many go on to successfully complete second and third loan cycles as a result.

Several types of projects are available to clients, including:

- **Animal fattening:** A young cow or pig is loaned to a client for a period of time to fatten. The fattened animal is sold at the market. The original cost of the cow and a small amount of interest is returned to TLM to be used for a new loan and the client keeps the profit. Experienced clients will sometimes keep several animals for breeding.
- **Business expansion:** Clients who already own a small business, such as a kiosk, can apply for microfinance to expand their business, which allows them to stock a greater range of products, increasing their income.
- **Food stalls:** A loan is provided to buy cooking equipment and ingredients. This allows the client to make and sell food which generates household income.

The amount of money available to borrow grows as clients earn more. Initial loans may start at \$100, and more experienced people can borrow upwards of \$300.





Achievements

TLM has been providing microfinance services to families and communities in NTT for over 15 years. TLM provides over 1000 new loans each year from the Betun Branch, benefitting over 5000 individuals. This has given thousands of families the opportunity to access basic healthcare and education. Over 50 per cent of clients are women.

Basic business training is provided with the initial loan, and ongoing support throughout the loan period ensures success.

TLM encourages clients to save some of the money they earn to invest in future projects.

The Future

TLM has asked Uniting World to assist them in funding a new branch on the island of Sumba. They hope to be serving around 1400 new clients from the East Sumba branch within two years of opening. Around 6000 people will benefit from this branch.

A pig fattening scheme will also be trialed, and will operate alongside the existing cattle fattening scheme. This has already been successfully introduced in other areas of West Timor.

Contact UnitingWorld

Address: PO Box A2266
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Web: www.unitingworld.org.au

Yes, I'd like to help provide Loans for Freedom in West Timor.

I would like to make a one off gift of:

\$40 \$80 \$200 \$500 Other \$ _____

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Mr / Ms / Mrs / Miss / Dr / Rev (Please circle)

Name _____

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Should the funds raised exceed the amount required to meet the needs of the West Timor Loans for Freedom project UnitingWorld will use the excess funds to help people involved in similar projects.

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OR Please debit my MasterCard Visa

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