

## **RESULTS AUSTRALIA/ OPPORTUNITY INTERNATIONAL**

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### **DRAMATIC LIFT IN MICROLOANS GIVES INCREASED HOPE TO WORLD'S POOR**

An 1100 percent rise in less than a decade in the number of microloans to some of the world's poorest families is proof the initiative is providing the dual gifts of opportunity and empowerment to the most needy, according to a report released today by the Microcredit Summit Campaign.

Microloans provide access to business capital for the world's poor in the form of collateral-free, low interest loans.

The Summit report reveals 133 million families, including 93 million families from amongst the world's poorest people, received microloans in 2006. The 93 million figure, which is up more than 1100 percent from 1997 when microfinance data was first collected, equates to 465 million family members, nearly the entire population of the European Union.

The Microcredit Summit Campaign, a program developed by the US-based RESULTS Educational Fund, also wants to go further and get microloans to 175 million of the world's poorest women by 2015.

Commenting on the report, Maree Nutt, National Manager of RESULTS Australia said: "The outstanding success of the microloan concept was recognised by the award last year of the Nobel Peace Prize to Muhammad Yunus and his microlending institution, Grameen Bank. It gave the world renewed hope in its fight to tackle global poverty."

Ms Nutt added that Australia had a significant role to play in helping eradicate poverty in the Asia Pacifica region. She called on the new Federal Government to make its mark in this regard by engaging with microfinance organizations to help facilitate the delivery of financial services to even more poor people across the region.

"While there have been many outstanding achievements in the field of microfinance, considerable challenges remain," said Nutt.

## **World Bank called on to act**

The State of the Microcredit Summit Campaign Report 2007 calls on the World Bank - an institution that purports to seek “a world free of poverty” - to “act not just talk” to support microfinancing for the poor.

The report states that a microfinance-related request to the World Bank from 1,200 parliamentary members from Australia, Britain, Canada, Japan, India and Mexico had been ignored by two previous World Bank presidents. The parliamentarians had requested the World Bank ensure that half of the bank’s microfinance funds go to people living on less than \$1 a day.

According to the report, the current World Bank President Robert Zoellick discussed the issue in October 2007 with 29 members of the U.S. House and Senate, but he would only commit to further talks. The report urged the U.S. politicians to make sure at the next round of talks on microfinance that Mr Zoellick provided “a gift to the world”.

Paul Peters, CEO of microfinance organisation Opportunity International Australia affiliated with the Microcredit Summit Campaign, agreed more needed to be done.

“Among the many solutions offered, microfinance has captured the world’s philanthropic imagination,” he said. “Its economic viability has also attracted commercial providers to the sector.

“Microfinance’s innovative approach – based on sober-minded economics – has demonstrated poor entrepreneurs are bankable and can pull themselves out of poverty when allowed access to financial services.

“The new paradigm of microfinance, integrated with sustainable livelihood interventions is an exciting opportunity to offer a workable solution to many millions of people trapped in poverty.”

The report features the achievements Jamii Bora, a microfinance group in Kenya that started eight years ago with loans to 50 beggars and now reaches 170,000 savers and 60,000 borrowers. It also now offers health insurance at 30 cents per week for a family of five after realising that almost all those who struggled to repay their loans faced the challenge of having a close family member in hospital.

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