

**IcFEM MISSION  
COREL SCHEME REPORT  
FOR THIS PERIOD ENDING MAY 2005**

**1. Background Information;**

COREL Scheme is the Community revolving Loan Scheme Project, which is being implemented by IcFEM Mission in Western Kenya.

AIM – Is to alleviate poverty in the community by assisting small business in giving some credit and training.

IcFEM Mission started the scheme as a result of seeing the felt need in the community, namely inability of poor but highly potential small business people to access credit due to high collateral demanded by the main financing institutions.

As a result, the Scheme started operation in 2002 October as a Micro-enterprise but later changed to COREL Scheme.

**2. Target groups (beneficiaries)**

The programme started with businessmen groups in Kimilili Division and Mt. Elgon but is gradually moving out to cover the whole of Western Kenya.

<b>GROUP</b>	<b>MEN</b>	<b>DEFAULTED</b>	<b>WOMEN</b>	<b>DEFAULTED</b>	<b>NO. OF MEMBERS</b>
<b>1</b>	<b>9</b>	<b>3</b>	<b>11</b>	<b>2</b>	<b>20</b>
<b>2</b>	<b>10</b>	<b>3</b>	<b>10</b>	<b>2</b>	<b>20</b>
<b>3</b>	<b>12</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>20</b>
<b>4</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>20</b>
<b>5</b>	<b>9</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>20</b>
<b>TOTAL</b>	<b>51</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>100</b>
<b>Revolving</b>	<b>10</b>	<b>4</b>	<b>15</b>	<b>2</b>	<b>23</b>

**3. Some of the scheme's objectives are:**

-Provision of credit to Small Businessmen who are not able to benefit from services in the formal banking system.

-Provide training in basic business skills and management

-Emphasize the importance of hard work for the purpose of earning a living and contributing to national development

- To increase economic growth to employment opportunities 3<sup>rd</sup> development of viable small-scale enterprises.

- To alleviate poverty and enhance

- To engage and commit healthy but poor in productive services as they earn a living

#### 4. Progress – statistics

The scheme was launched in October 2002 with 20 members paying a non-refundable registration fee of Kshs 50 and a minimum monthly share contribution of Kshs. 200. After completing the six months training and assessment, they were each loaned Kshs. 500, which was repaid within one year at 1% monthly interest. So far the scheme has five groups of 20 members each of which groups 1,2,3and 4 have been loaned, and group 5 still undergoing assessment training. Some members of groups 1 and 2 are under 1<sup>st</sup> and 2<sup>nd</sup> revolving with credit rating between Kshs. 8, 000 – 15, 000

The table below shows the statistics:

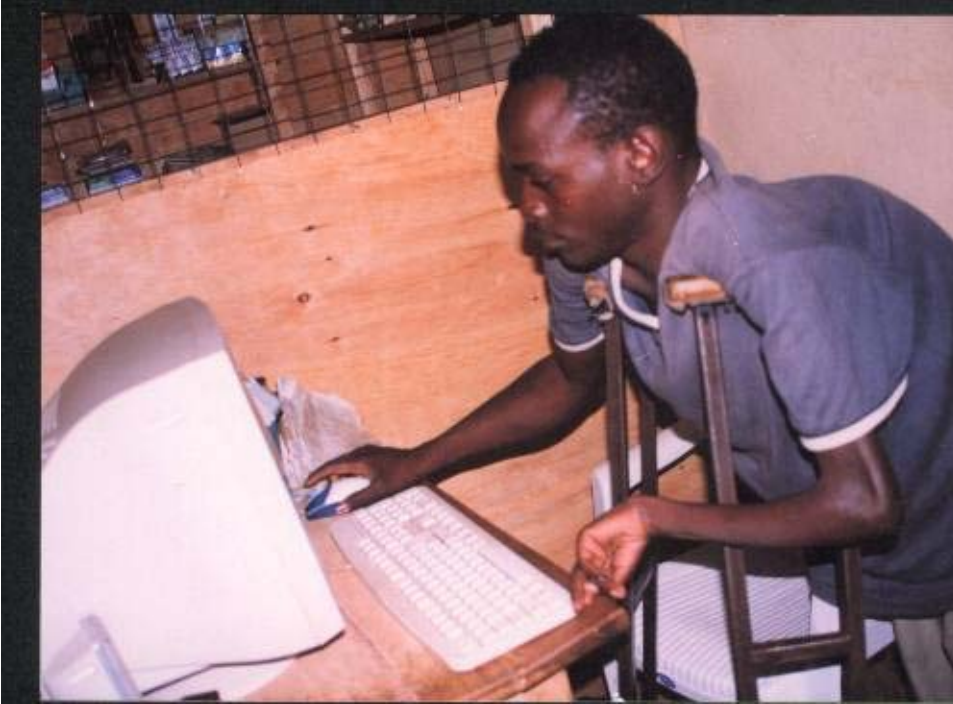
<b>GROUP</b>	<b>SHARE CONTRIBUTION</b>	<b>LOAN GIVEN</b>	<b>INSTALMENT DUE &amp; NOT PAID</b>	<b>INTEREST PAID</b>
1	66,873	94000	7,400	8300
2	55,329	100000	10,160	8470
3	30,200	100000	-	1350
4	22, 900	100,000	-	-
5	12,400	Waiting	-	-
1 <sup>st</sup> Revolving	Among GP1	111000	10,000	7600
2 <sup>nd</sup> Revolving	Among GP2	80000	10,000	3300
3 <sup>rd</sup> Revolving	Among 1 & 2	142,000	-	750
	<u>187,702</u>	<u>727,000</u>	37,560	<u>29,770</u>

Therefore the scheme has given out Kshs.727, 000 with the latest trenced going out in May 2005.

#### 5. Achievements –

So far we have had great achievements and below are some:

## Testimonies



### **Abel Kinuthia Mbatia**

-Thanks God very much that despite the fact that he is disabled/lame, he was given a loan 5000/= by IcFEM Corel Scheme, after being taught on business and spiritual matters

-Used to print/computer work but now has a stock of notebooks, pens, ink, printing papers and empty CDS.



**Beatrice N. Majimbo**

- Used to sell fruits in small quantity but now both a distributor and seller on various markets after training and being loaned 5000/= by COREL scheme



## **Edward Barasa**

Businessman on Chebukwabi market

Shopkeeper and hawker in Farm products (maize, beans, Irish potatoes, onions, cabbages)

1<sup>st</sup> loan 5000/-

- Before loan-had small kiosk into a shop and increased variety in hawking
- Also expanded his house into two bed rooms
- Also bought a goat

2<sup>nd</sup> Loan – 10000/-

- Continued to expand and diversify his enterprises
- Sold his goat and bought 1 calf cow calved down
- Had now two calves. Sold the two heifers plus other profit accrued bought ½ acre land

3<sup>rd</sup> Loan 15000/=

- Increased stock in the shop
- Currently min-whole seller
- Build his own store for maize (distribution of maize)
- Supplies potatoes to two hotels daily
- Has a livestock ban (Goats + cows)



**Joakim Masawi – Butcher**

-Before loan was food insecure, children were malnourished etc.

1<sup>st</sup> Loan 5000/-

-Started a butchery – Holy Living and hard work

2<sup>nd</sup> Loan 10 000/-

-Started second butchery

-Has a dairy cow

-Bought 2 plots – intends to develop them

-Now are food secure

-Good health among family members especially children

-Are now able to access good educational services

3<sup>rd</sup> Loan 15000

-Hoping to improve the business enterprises to offer more employment opportunities



**Esther Adelaide – Tailor**

1<sup>st</sup> Loan 2000/=

-Bought own sewing machine plus few materials from profit

2<sup>nd</sup> Loan 5000/-

-Increased stock and was now more confident with big money. Able to sew more dresses, school uniforms etc.

3<sup>rd</sup> Loan 10000/-

-Purchase more materials and sewing machines to employ 2 people to help in the business

-Trusting God for bigger things while still with the scheme.



**John Mukubuyi** – shopkeeper and hawker

-The teachings received have really helped him change spiritually and physically within himself and his family member

2<sup>nd</sup> Loan 10000/=

-Diversified the business started to hawk in cereal

-Buying locally but get an outside market for better prices

-Currently is a major maize supplier besides the shop keeping

3<sup>rd</sup> Loan 15000/=

Diversified the business – dairy farming introduced plus the two other enterprises

**Rose Wekesa** - Grocer at local markets

1<sup>st</sup> Loan – 5000/-

-Increase the fruit stock (orange, mangoes, pineapples)

-Profit used for purchase of dairy cow

2<sup>nd</sup> Loan - 10000/-

-Further increase in stock

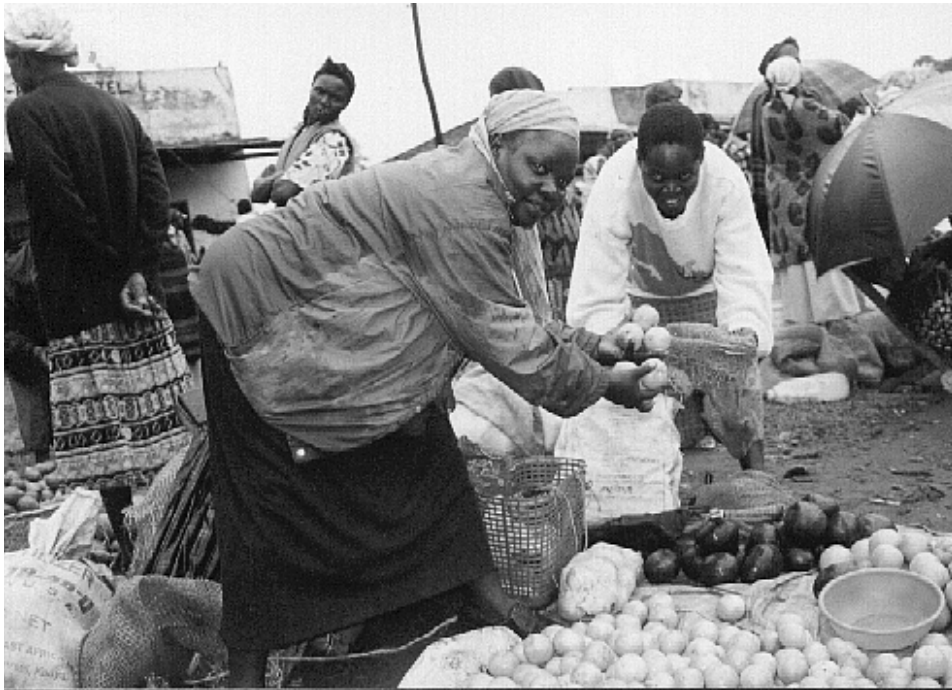
-Now food secure, able to pay rent and education for her children

-In the plan of buying own plot to settle on as she is a single mother

3<sup>rd</sup> Loan – 15000/-

Grateful that God has visited her at such a moment through the scheme

- Intends to become a whole-seller



## **6. Challenges**

1. As per the information on target groups. We have had a total of 19 people who were unable to meet the deadlines for loan repayment
2. Inadequate funds for monitoring and evaluation and training
3. Diversion of business loan by the members to other activities other than the intended business
4. Lack of commitment especially pastors who have spent more time on church issues, other than business

5. Different expectations i.e. some people used to handout thoughts it was free money hence no effects in repayment

Solutions

- Follow-up was carried out end of journey to February 2005, and some defaulters have turned up to repay
- Seminar and trainings have enabled people to understand loan terms and have started repaying.
- Group meetings encouraged hence members are able to share their challenges and problems hence turn up in repayment

### **7.Conclusion**

With availability of adequate funds necessary to facilitate transportation of staff for effective monitoring, evaluation and training of COREL beneficiaries. This will enable members to repay loans as expected and allow the scheme to grow to a COREL Bank.