



K-Rep FAHIDA

What is K-Rep FAHIDA?

K-Rep's FAHIDA ("Fahida" is the Kiswahili word for "profit") Savings and Credit Project is a USAID-funded program designed to improve the quality of life of persons living with HIV/AIDS and to mitigate the adverse social and economic impacts of the disease.

K-Rep FAHIDA offers persons living with HIV/AIDS access to financial services to enable them to start or expand their micro- and small businesses.

The project is implemented by the Kenya Rural Enterprise Program (K-Rep) Development Agency, Kenya's first nonprofit microfinance organization.

Photo: USAID/K-Rep Development Agency



Kennedy Odhiambo Nyaori in the shop he opened at Ragumo Shopping Center with a FAHIDA microfinance loan

Project Duration and Budget

October 2007 – September 2012
\$4.5 million

Who implements K-Rep FAHIDA?

K-Rep Development Agency
www.k-repbank.com

Where does K-Rep FAHIDA work?

K-Rep FAHIDA operates in four regions: Nairobi, Central, Coast, and Western Kenya.

What does K-Rep FAHIDA do?

K-Rep FAHIDA provides loans to small groups of HIV/AIDS infected and affected persons to support them in setting up and/or expanding ongoing enterprises.

Project activities include:

Client recruitment

- FAHIDA makes loans to People Living With AIDS (PLWAs), including widows, widowers, mature orphans, commercial sex workers, and caregivers of orphans and vulnerable children to build businesses
- Training for clients in business management skills, including recordkeeping, credit and savings management, marketing, preparation of business and feasibility plans, pricing, customer relationships.

Loan disbursement

- Groups called *Watano* are comprised of five individuals; four or five *Watano* groups are joined to form a larger group known as *Juhudi*, the legal entity through which loans to individuals are made.
- Loans are advanced to clients who are either self-employed or seeking to start up a business. Loans range in size from Ksh 1,000 (1st loan) to Ksh 40,000 (3rd loan).
- *Watano* members guarantee loans through a joint agreement by all members to forfeit accumulated and future savings in the event of default by the borrower.

How is K-Rep FAHIDA making a difference?

FAHIDA microfinance loans enable HIV/AIDS infected and affected persons to improve their livelihoods and overcome the stigma of the disease. Achievements include:

- Mobilization of 12,737 clients as of September 2011, of which 74% are women and 26% are men; 75% of clients are HIV/AIDS infected.
- 28,000 loans amounting to Ksh 634,659,250 (US\$7 million) made to People Living with AIDS.
- Clients have contributed Ksh 113,967,375 (US\$1.4 million) to savings
- 17,000 clients have been trained in basic business management skills.
- 4,510 people have started micro-enterprises
- 70% of client savings are invested over time; returns are distributed to clients as annual interest.

What key challenges does the K-Rep FAHIDA project face?

The demand for loans by persons living with HIV/AIDS is more than the project can handle. As a result, cash flow challenges lead to client drop-off.

K-Rep FAHIDA in action

Life has not been easy for Kennedy Odhiambo Nyaori. Born in 1975 to a poor family in Kisumu district, the fifth of fourteen children, Kennedy dropped out of school at a young age and took on odd jobs to supplement the family income. He saved some of his earnings and bought a bicycle so he could open a delivery service.

In 2000, Kennedy got married, and he and his wife now have four children. Medical care and school fees for his children stretched Kennedy's modest income as a *boda boda* operator, but he was determined to turn things around. When he discovered K-Rep's FAHIDA program in 2007, it was an answer to his prayers.

Kennedy took an initial loan from FAHIDA of Ksh 15,000 to open a retail shop. He repaid the loan in nine months and took a second loan of Ksh 30,000 which he repaid in 12 months. With this second loan, he stocked his retail shop and was able to acquire a piece of land for his family. In 2011, Kennedy took a third loan of Ksh 40,000 and purchased a secondhand motorcycle.

Today, at the end of the workday in his retail shop, Kennedy operates as a *boda boda* driver, bringing in extra income with his motorbike taxi. He has paid in full for the piece of land and his children are now in a good school. He is committed to educating his children so they will have bright futures. He and his family have access to quality health care and Kennedy is able to provide his family with small luxuries from time to time. Life is good for Kennedy and his family thanks to K-Rep's FAHIDA loan program.

For more information:

www.k-repbank.com

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Photo: USAID/K-Rep Development Agency



Kennedy on his motorcycle carrying supplies to his retail shop

Updated February 2012