

# Micro-loan schemes: Improving livelihoods and Empowering women at the Gola Forest, Liberia.

## Title

The BirdLife *Across the River – a Transboundary Peace Park for Sierra Leone and Liberia project (ARTP)* funded by the European Commission is being implemented in the Gola forest: an area of pristine forest on the border between Liberia and Sierra Leone, within the so called West Africa Upper Guinea Forest Eco-region. Apart from being a biodiversity hotspot of global significance, the importance of the Upper Guinea forests to the livelihoods of the local forest edge communities cannot be overemphasized, particularly since income levels are generally low and economic opportunities have been few. The communities are therefore major stakeholders in any conservation initiative in the region. However, the direct reliance on the local natural resources is at the same time creating a big pressure on that same environment they so much rely upon. Both the local people and those from outside the area have limited livelihoods options. Many make out a living through environmentally-damaging practices such as commercial bush meat hunting, and artisanal small scale, but widespread, mining for gold and diamonds. This, in combination with the general practice of shifting cultivation is leading to environmental degradation and unsustainable use of the forest resource. Fully recognizing this, the implementation of the livelihood component of the Across the River Project commenced halfway through 2012. Informed by data collected earlier in the project through socio-economic surveys conducted in the Gola area, and through a participative process with the local forest edge communities a Livelihood Implementation Plan was developed by BirdLife International, the Society for the Conservation of Nature in Liberia (SCNL), the Conservation Society of Sierra Leone (CSSL) and consultant Prof. Paul Richards, associated to Wageningen, Cambridge and Njala Universities. Implementation of the plan has resulted in the establishment by CSSL and SCNL of 80 community groups, representing approximately 2,000 beneficiaries:

- 21 community groups for the implementation of livestock-for-bushmeat pilot interventions;
- 19 groups for the implementation of improved agricultural practices, notably Inland

- Valley Swamp rice production as a more productive and forest sustainable alternative to slash-and-burn Upland Rice Farms;
- 40 groups for the implementation of micro-loan credit for women's business in forest edge communities.

Paramount Chief Ms. Jamiyatu K Watson (right) on behalf of SCNL hands over the micro-loan to one of

Image not found  
<http://www.birdlife.org/community/wp-content/uploads/2013/09/p1.jpg>

The first two interventions work with groups of mixed gender while the micro-loan credit interventions targets mainly women. The project socio-economic surveys in the Gola forest have indicated that in many forest edge communities gender balance is significantly skewed towards males, and that for most women small business is one of the few economic opportunities for earning money. However the lack of credit facilities poses a major constraint. The ARTP micro-loan programme addresses this constraint and empowers women by providing them the opportunity to expand their means of livelihood. In Liberia where SCNL has been teaming up with the Foundation for Women (an NGO specialized in the implementation of micro-loan programmes), the micro-loans provision has followed a well-tested format. After an initial training phase of the micro-loan groups, which provides lessons in financial and business management, micro-loans are provided to each group averaging 100 USD per group member. It is up to the group to decide whether to engage in group or in individual businesses. However, payback of the loans is a collective responsibility of the group. This builds group cohesion and encourages collaboration, and ensures that the group members meet, monitor and assist each other during the micro-loan cycle. After each cycle, each lasting 6 months, the group is expected to pay back the loan with a 10% interest. In addition to this, the group has been encouraged to set aside an additional 10% as a saving which will then be used as their own input to their own businesses. If successful, then the group will qualify for a second loan cycle where each group member receives 175 USD. If the group at the end of this second cycle is again successful, then the group will qualify for a third and last 6 month cycle where each individual receives a 300 USD loan. After this third cycle, the group members are expected to have enough experience in and capital for continuing their businesses without further outside support and the repaid funds will be used by SCNL to start a new set of cycles with other groups in the Gola area.

This design provides a potentially perpetuating, sustainable and largely self-monitoring and evaluating format. So does it work? The first cycle, after the initial period of establishing and training the micro-loan groups, officially started on the 1<sup>st</sup> of January 2013 and ended end June the same year. 70% of the loan at this first cycle has been used for small businesses in food and consumable household goods, while 30% has been used for other goods, such as fuel products and textile. The success rate of the first cycle is a very satisfying 100% with all beneficiaries having completely paid back the received loan plus the stipulated interest and the personal savings. The next round of loan cycle will start in September 2013, allowing for a two month break during the height of the rainy season, and ends February 2014. The success rate so far is very encouraging and many of the beneficiaries have indicated that the loan and resulting businesses have put them in a position of respect, control of their own financial resources and is assisting them in addressing financial challenges including the payment of their children's school costs and fees. For example, Ms Jebbeh Watson, micro-loan group member from Fonor village stated that she was baking bread prior to receiving the loan. Now, using the micro-credit, she has moved on to add a dry goods business and is currently able to help with her children's needs unlike before when the burden was entirely on her husband. Apart from these direct livelihood benefits to the beneficiaries and their families, the micro-loan programme also provides SCNL with a solid and lasting platform to continue to engage with the local forest edge communities, to create conservation awareness and goodwill, and to promote the sustainable use of local natural resources.

Future work will examine the impact that the schemes have had on people's attitudes and behaviour towards the forest and the conservation of its biodiversity. Under the Aage V. Jensen Chairty Foundation funded "*The Gola National Park in Liberia: realizing its vast potential*" project, the micro-loan programme will be expanded to other communities in the Gola area.

**By Albert Schenk ([Albert. Schenk @birdlife.org](mailto:Albert.Schenk@birdlife.org)) and Michael Garbo ([scnlliberia@yahoo.com](mailto:scnlliberia@yahoo.com))**