

DJIBOUTI. . . A Compelling New REI Project

“Halimo rents one room in a metal shack. Her tin walls are full of holes, letting in malaria-carrying mosquitoes. Her house is smaller than our bathroom. There is one fan but it is broken and the temperature soars to over 130 degrees four months out of the year. Halimo and her two sons sleep on a shredded piece of cloth laid out over the uneven cement floor. Her baby is 13 months old and can’t sit up yet. His hair is orange and falling out from malnutrition. Halimo and the



A TYPICAL SHANTY TOWN IN DJIBOUTI

baby are HIV positive. In Djibouti, suffering like Halimo’s is not uncommon. The average income is less than \$3 per day. In Balbala, a mostly Somali slum outside Djibouti Town, entire families barely scrape by on less than \$1 per day. Many houses lack electricity and running water and few children are able to

attend school.”

REI Project Manager, Djibouti

This is the opening statement from a proposal that REI received to open a new project in Djibouti. It goes beyond the scope of our current English Education projects that have been in progress now for several years. It reaches out to a new sector of society and allows opportunity to help families escape desperate poverty, as REI seeks the sustainable transformation of persons and communities. In order to accomplish this, REI will assist UNFD (Union National de Femme Djiboutienne/National Union of Djiboutian Women) in providing small loans to poor women.

UNFD focuses on serving women and children with activities including a girl’s school, house worker trainings and sewing classes. UNFD is one of the main opponents to female genital mutilation, fighting and raising awareness against the practice. UNFD has homes for AIDS and TB patients where the sick can receive food and safe housing. UNFD has been a major proponent of literacy for women and girls, including computer literacy. Funding for the organization is provided part by the African Bank, WHO, UNICEF, the World Bank and others.

One of UNFD’s primary projects is providing loans to women for small business development. The program began in 2002 with 125 women and has grown to include over 400.

At the present time, UNFD helps women owning existing small businesses grow and expand. Businesses include tailoring, selling tea, selling candy and snacks outside schools, making and selling *laxoox* (a Djiboutian pancake). Since these loans are made through African Bank by UNFD, they must be repaid at a 3% interest rate which comes out of the business women’s meager profits. Thus, the only women eligible for loans are those who have already proven their ability to operate a business. Women who have zero collateral with which to start have no opportunity.

Two objectives of the REI project in Balbala, Djibouti are:

- Help UNFD provide interest-free loans, guaranteeing the women a higher profit margin and allowing the loan program to become partially self-sustaining.
- To serve the poorest of the poor by providing women with the basic materials required to set up a business which will lead to their ability to apply for a loan.

The beneficiaries of the project will be women who have been previously ineligible for a loan due to lack of collateral or lack of an already operational business. Recipients will be chosen based on recommendations from the neighborhood leaders in the areas of need, ability and sustainability. The women will be provided with \$85 worth of supplies for their chosen business initiative. They will also receive basic economic training assistance in their business start-up. Once a woman has proven her ability to operate a profitable business, she may apply for a \$170 loan.

Our REI Project Manager, along with an American doctor working in Djibouti are involved with a group of refugee women who meet for community development. They will assist these women in starting businesses. This project will lift women out of desperate poverty in a real, sustainable way. Women like Halimo will not suffer indefinitely, but will be able to provide food and health care, perhaps even education for their families—and hope for the future.



DJIBOUTIAN WOMEN AND THEIR CHILDREN—BEAUTIFUL FAMILIES IN NEED OF HELP AND HOPE