



SOSTENICA Update

Sustainable Development Fund of Nicaragua

Spring 2011

From The President

Margaret Mead famously said: "Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever does." Well Margaret, twenty years ago a small group of thoughtful and committed citizens formed SOSTENICA. To this day, those committed individuals and institutions named on page 6 continue to support the work of making Nicaragua more sustainable and socially just. In the past ten years, while we have not succeeded in changing the world, we have, never-the-less, made a remarkable difference in many people's lives. In the past decade alone, we have extended 129,364 loans to Nicaraguan farmers and small businesses. The dollar amount of those loans fell just short of \$84 million U.S. dollars. In a country where the per capita annual income is \$1,071 (\$89.25 per month), and the national GDP is \$6.14 billion, \$84 million to nearly 130,000 borrowers goes a very long way. Thank-you to everyone who continues to care about Nicaragua and the work of SosteNica.

The photo (right) of Crecencio Frolian Perez, his wife, their daughter, and their two grandchildren, serves as an invitation to read further into this newsletter. On pages two and three you will discover brief vignettes about Nicaraguan borrowers who signed up with SOSTENICA/CEPRODEL ten years ago. Their stories represent the thousands of people who have developed their creative spirit by making use of SOSTENICA/CEPRODEL's credit and technical assistance over the past decade.

Pages four and five have been reserved to give a narrative and numeric representation to readers of our current financial situation. A saying in Nicaragua observes that "When the United States'

economy catches cold, the Central American economy gets pneumonia." Sayings such as this reflect the popular awareness of Nicaragua's economic dependence on the health of the global economy. Any downturn in the U.S. domestic economy often means fewer jobs for Nicaraguan migrant workers in the U.S. and, as a consequence, fewer remittances back home. Fewer dollars circulating in Nicaragua leads to a downturn in the Nicaraguan economy. At the same time, the large export companies who hire much of the Nicaraguan workforce tend to lay off workers, or even shutter their doors for a time if orders from the U.S. flag. Here again, a slower U.S. economy leads to fewer orders for Nicaraguan export goods, resulting in smaller paychecks for workers, limiting their ability to buy goods produced locally.

Despite hardships and limitations, we proudly search for ways to make our clients financially stronger and better stewards of their environment.

Alan Wright, President



Three generations - Crecencio Frolian Perez, his wife, daughter and grandchildren

10th Anniversary Clients

To celebrate and to illustrate the change possible in one decade of work, Please read the following stories--diverse and real, inspirational and reaffirming--of microcredit borrowers (affectionately called "producers"), who have been producing for ten years. And please visit our homepage, www.sostenica.org, for more stories.

The **Perez** family (pictured on page 1) used their first loan in September 2001 to purchase a mill to grind tortilla flour in their small community. After that they used a loan to build an addition to their home for their son's family and did the construction work themselves. The five Perez brothers live in the same community and often make credit decisions together. Many of the next generation have graduated high school and live nearby. Crecencio Froilan Perez says he will always recommend SOSTENICA/CEPRODEL!

Maria Antonio Reyes Pasos and her family have taken out thirteen loans. The first was used to stock a small refrigerator with ice, beans, and sugar. They sold these products from their home to the the community and generated modest profits, which they used to purchase land. Since then, their store has grown enough to enable them to send their five children to college and to purchase more land with a house, a well, a pump (to irrigate their crops), cattle, pigs, a tractor, and a pickup truck. Their children are farmers, school teachers, and professionals, but they all make time to continue to help run the store.



Maria Pasos in her family's store

The **Juarez** family has used credit to plant corn and sorghum, purchase cattle, store grain, and start an ice cream store! Despite the premature death of their mother, the Juarez children graduated university or technical school, and the oldest grandchild is studying economics at the National Autonomous University of Nicaragua in León. Although the family has struggled through hardships -- including the recent financial crisis -- during the past decade, they have never missed a loan payment. Father Rafael Juarez's dream for

Nicaragua is for small farmers to live well off their land and to provide better futures for their children.



*Don Rafael's
cornfield
looks out onto
Volcano Telica*

Elda Camacho has been a school teacher for 25 years. To help make ends meet, she used her first of 14 loans to buy small items to sell to her colleagues at school. She now receives orders for specific items and has earned enough to put her daughter through university. Doña Elda has seen many changes in the education system, including better teacher training, better administration, and more funding and support from the government. But she is concerned about many changes in the education system, including better teacher training, better administration and more funding and support from the government. She is also concerned about inequality and tries to mend the gap in small ways. "I gather extra materials from the private school and get permission to take them to the public school where the children don't have enough."

Nidia Hernandez and her husband live deep in the indigenous Subtiaba region of León, 18 km from the city center on a 17 acre farm which Nidia had inherited from her father. When husband worked for the local electrical company, he ran cables to their house, making them the first in the community to have electricity. Doña Nidia celebrated by taking out a loan to buy a refrigerator with a freezer and began selling ice and cold drinks. When her husband began working in the city, he began bringing other products home, so their business grew. Although Nidia and her husband have limited formal education, they were proud to be able to send three children to Universities in the city. Then her husband's company selected him to receive a scholarship for a degree in electrical engineering and hired him as an installation manager.

