

Summary of the Microenterprise Team
Interaction with the Village of Palmeras
As regards the Microloan Program

The Microenterprise team conducted classes following the lesson plans developed by the Microenterprise team in 2009. These were conducted over three days with a large group of villagers as follows:

Day 1 – Instruction was given covering the basics of loans. This included the topics of principle and interest, promissory notes, loan terms, repayment, etc.. The villagers were given copies of a form entitled “Business Profile” (“Profile”), which also outlines the request for a loan amount, and were told to propose a business idea to Youthlinc and to apply for a loan according to the following conditions:

1. That they organize into groups of 3 to 5 persons to complete the form.
2. That each group would be expected to elect officers, including a President and Treasurer.
3. That Youthlinc would consider their Profiles and decide which ones to fund; and that not all of the requests would be met.

They were told that their Profiles would need to be prepared by the end of the week, and that we would accept them on a given date and time. Several persons took Profiles in anticipation of organizing into groups.

Day 2 – Instruction was given covering choice of business to conduct and marketing that business.

Day 3 – Instruction was given covering basic accounting practices, tracking of inventory and cash inflows and outflows.

The Microenterprise team provided some guidance to the villagers throughout the course on how to complete the Profiles. A final meeting was held on Sunday, July 18, during which further instruction was given to the groups on how to complete the Profiles. Nine Profiles were accepted on that day, and each of the groups was photographed. A tenth Profile was accepted from a group from the village of Santa Rosa.

Upon later review of the Profiles, it became evident that the Microenterprise team could have been clearer about the possible size of the loans we were to make. Many of the groups requested far more than we intended to loan, and so, many of the requests will have to go unfunded. The following requests, however, did fit, roughly, the loan sizes we desired, and are of the business types we believe can be successful in the area. That

opinion was arrived at partly from the successes we witnessed while meeting with the people of Santa Rosa who had received loans in 2009.

Loan requests to be funded are as follows:

1. Los Moshacos. Their business plan is to plant rice. They believe that with a loan of 950 soles (~\$315), they can create an annual revenue of approximately 9,000 soles.
2. La Familia. Their business plan is to grow bananas. They believe that with a loan of 550 soles (~\$185), they can create an annual revenue of approximately 2,500 soles.
3. Los 5 Trabajadores. Their business plan is to grow corn. They believe that with a loan of 800 soles (~\$265), they can create an annual revenue of approximately 1,800 soles.
4. Las 5 Estrellitas. Their business plan is to raise chickens. They believe that with a loan of 500 soles (\$165), they can create an annual revenue of 1,500 soles.

The total amount approved for loan to the groups of the village of Palmeras is 2,800 soles, or \$930. It is our understanding that the loans will be awarded through a Loan Committee formed by members of the Iquitos Rotary Club, who have a form promissory note that they will have each of the groups sign upon delivery of the loans.