



**COFFEE KIDS**<sup>®</sup>  
GROUNDS FOR HOPE

## **CECOCAFEN Case Study Matagalpa, Nicaragua**

### **CECOCAFEN - Association of Northern Coffee Cooperatives**

CECOCAFEN, an association of coffee cooperatives representing more than 2,000 farmers, has two successful projects modeled on Coffee Kids projects in Mexico and Costa Rica. The Groups of Women Saving in Solidarity Project (GMAS) promotes savings accounts and allows participants to obtain small low-interest loans to create small businesses helping diversify and strengthen the local economy. The Rural Education Project provides scholarships to high school, vocational and university students.

### **The Situation in Matagalpa**

Nicaragua has few employment opportunities and migration is one of its most difficult realities. Women often function as heads of household as their husbands and sons leave home in search of work. The social fabric frays as families are separated and the cycle of poverty continues.

One of the most heartbreaking effects of poverty is the lack of educational opportunities for bright and motivated students who simply cannot afford to continue their education. In 2000, a diagnostic carried out by CECOCAFEN found that only 60% of their members were literate, with 80% of this group classified as very poor readers. Given the low income of coffee-farming families, a cycle persists in which children of coffee producers have little choice other than to subsist as coffee harvesters like generations before them, or abandon their community altogether and migrate.

### **Coffee Kids and CECOCAFEN**

The GMAS project alleviates poverty by providing low-interest loans to participants so that they can increase their family income and create greater economic diversity in their communities. The project provides consistent follow-up, training, and opportunities for participants to share their experiences and learn from one another.

The education project currently provides scholarships for 410 students at the high school, university, and technical school levels. In addition to providing an education to participants, the project also offers them



*Members in a CECOCAFEN 's savings groups meet once a week to make deposits and discuss social issues and personal finance.*

work-study opportunities in the cooperatives. By giving participants the opportunity to earn valuable work experience, the program increases their chances for employment once they have finished their studies.

### **The situation in 2007**

- Thirty micro-credit and savings groups with a combined total of 735 members have accumulated \$65,947 USD.
- Low-interest loans were provided to 442 participants to invest in small business activities.
- Female micro-credit participants attended several experiential exchanges with women from other coffee cooperatives.
- A total of 95 female micro-credit participants attended a national forum held on World Rural Women's Day, where they lobbied political candidates in regard to health, education, and quality of life.
- Scholarships were awarded at 410 students at the high school, university, and technical school levels.
- Nearly 100% of participants in the education program stayed in school and completed 100 hours of community service work each, a requirement of the scholarship program.
- Annual conferences were held for participants in both the micro-credit and education programs.