



# COFFEE KIDS®

GROUNDS FOR HOPE

## CECOCAFEN Case Study Matagalpa, Nicaragua

CECOCAFEN, an association of coffee cooperatives, represents more than 2,553 farmers and became a Coffee Kids partner in 1998. Their Microcredit and Savings Project promotes savings and financial literacy and provides access to small low-interest loans.

The Scholarship Project provides scholarships to high school, vocational and university students who otherwise could not afford to continue their studies. This program helps individual participants and their families, and strengthens the knowledge and skill base of local communities.

### Community Need

Nicaragua has few employment opportunities and emigration is a necessity for many. Women often become heads of household when their husbands and sons leave home in search of work. One of the most damaging effects of poverty is the lack of educational opportunities for students who cannot afford to continue their studies.

Given the meager income from coffee, many families are caught in a cycle as children leave school to help in the fields. Many continue farming coffee or emigrate for work elsewhere as their only options.

### Coffee Kids and CECOCAFEN

The microcredit and savings project alleviates poverty by providing low-interest loans to participants so that they can create greater economic diversity in their communities and increase family income. The project provides consistent follow-up, training and opportunities for participants to share their experiences and learn from one another. Additionally, participants receive training on small-business planning to market their products and increase profits.

The education project provides scholarships to students at the high school, university, and technical school levels. The project also provides recipients with work-study opportunities in the cooperatives. Students receive valuable work experience, which increases their chances for employment once they finish their studies.



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

### 2009 Results

- The GMAS Project has 683 participants in 29 groups with a combined savings of \$46,660 USD.
- The average yearly saving rate per person was \$65 USD and \$1,530 USD per group.
- A total of \$10,250 USD in low-interest loans was distributed to seven groups.
- The GMAS project reached 43 communities in three departments of Northern Nicaragua (Matagalpa, Jinotega and Nueva Segovia).
- A group of GMAS participants (45 women and 3 men) took part in a sharing and training event.
- Scholarships were awarded to 219 students at the high school, university and technical school levels.
- Eleven education committees were trained in evaluation methods and strategic planning to improve the selection process and student evaluation.
- Each scholarship covered 45% of school expenses.