



SUCCESS STORY

Bringing Capital to Small Businesses

Sudan Microfinance Institution offers financial services for small-scale entrepreneurs



Photo: Chemonics

SUMI strives to ensure that half of all lending goes to businesswomen like Rose Anite, who sells dried fish in Yei.

“Microfinance is dynamic, and SUMI will adapt to change as it grows,” says SUMI Managing Director Edward Lokule. “I envision that SUMI, in the future, will be a bank.”

Rose Anite is a 26-year-old woman who sells dried fish at the open market in Yei, a town in southern Sudan. She began her business in 2000 with the equivalent of \$75. She buys the fish twice a month at Panyamur, in Uganda near the Nile River, but the trip can take her a week due to poor roads.

Sudan’s lack of infrastructure, businesses and legal or regulatory framework is compounded by a culture heavily dependent on aid due to a quarter century of war. Few thought a microfinance institution — an organization dedicated to giving small loans to entrepreneurs like Rose — could be developed. “The Sudanese will run away with your money,” said one skeptic.

Despite all the initial doubts and hurdles, in 2003 USAID helped establish a successful microfinance institution, governed by a local board of directors. Sudan Microfinance Institution (SUMI) offers self-sustaining but efficient financial services to small-scale entrepreneurs in southern Sudan, with an emphasis on agriculture, women, returned refugees and internally displaced persons.

SUMI now performs above international standards and continues to grow. Through borrower groups and salary loans, three branches in southern Sudan had disbursed nearly a half million dollars to more than 1,600 clients by February 2005 — above the targets set in the business plan. SUMI’s repayment rate is over 98 percent with a portfolio-at-risk rate of less than 6 percent.

Rose joined SUMI to increase her capital. Her \$100 loan allows her to now buy in larger quantities, increasing the profitability of each buying trip to Uganda. Like the other four members of her borrower group, Rose services her loan on time and is looking forward to paying it off so she can access a larger loan next time.