



Contact: David Vita  
The Unitarian Church in Westport  
Phone: (203) 227-7205 x 14  
Email: david@uuwestport.org  
Web: www.uuwestport.org

***FOR IMMEDIATE RELEASE***

## **Unitarian Church Funds Village Banks in Tajikistan**

### **Microcredit added to Social Justice Program**

**(Westport, CT) February 4, 2007** – Members of the congregation of The Unitarian Church in Westport have successfully completed the first phase of a new microfinance initiative by raising money for two village banks in a severely impoverished area of Tajikistan.

“Funding village banks in Tajikistan will help improve the lives of people in one of the poorest places on earth,” said David Vita, Director of Social Justice at the church. “Giving extremely impoverished people access to loans for their businesses is consistent with Unitarian Universalist principles, including the inherent worth and dignity of every person, and supporting justice, equity and compassion in human relations.”

Microfinance is an economic system designed to help the half of the people in the world who typically live on a family income of \$1 or \$2 a day receive small loans to start or expand a business. Recipients of the loans use the money to purchase equipment, such as a used sewing machine, or to rent space to open a market stall. The concept of Microfinance has received world-wide attention recently since the 2006 Nobel Prize for Peace was awarded to Mohammed Yunus, the “father of microfinance,” and the bank he founded, Grameen Bank.

Usually the recipient is an uneducated woman. As a condition of receiving the loan she is taught basic business accounting skills and is encouraged to start a small savings account. In this way, she is able to maintain the success of her business. Most often the first thing the woman does with her profits is to make sure her children go to school. The benefits of microfinance are like the ripples in a pool of water radiating out from individual, to family, to the village community.

Microfinance differs from traditional lending practices because loans are small (typically \$50-\$100), short term, and recipients are people who lack significant assets and therefore cannot obtain traditional bank loans. Typically, more than 90% of microfinance loans are paid back and the money is loaned out to other needy members of the community, circulating several times a year and multiplying its effect.

A small group of people from The Unitarian Church in Westport researched various microfinance agencies before deciding to develop a relationship with FINCA, the Fund for International Community Assistance. A fund-raising drive raised \$10,000 -- enough to help FINCA develop two village banks in Tajikistan, the poorest country in Central Asia.

Tajikistan, a Muslim country, borders on China and Afghanistan and other former Soviet Asian countries. Upon independence from the Soviet Union in 1991 the country was plunged into a civil war that decimated its economy. Since 1997 the economy has started to recover slowly. Tajikistan has been a strong ally of the United States and has been actively resisting incursions from the Taliban of Afghanistan. Almost half the population is under 14 years of age and unemployment is high. The situation of women is most difficult. FINCA is the only microfinance agency working in Tajikistan. The concept of the village banks is being enthusiastically received there, and demand is high for new banks in the small communities in which most of the population live.

About two months after FINCA receives the funds, the church will be informed about the villages in which FINCA has established the banks. Eventually, details of the individual women who have received loans and the businesses they have established will become available. In this way, donors will be connected to the impact of their gift.

To learn more about the group's microfinance initiative, contact David Vita, Director of Social Justice at The Unitarian Church in Westport at [david@uuwestport.org](mailto:david@uuwestport.org), (203)227-7205 x 14. Further information about FINCA can be found at [www.villagebanking.org](http://www.villagebanking.org).

*The Unitarian Church in Westport, located at 10 Lyons Plains Road, offers a caring and diverse community in which to seek spiritual growth and opportunities to make a difference.*

###