



KARAKOL ORPHANAGE & MICRO CREDIT SCHEMES



Update May 2011

Introduction

It is great to be back safely in Kyrgyzstan following Hugh's illness late last year. He is very much on the mend and back to his full working schedule. Thanks to all for your continued support especially through those difficult days.

We are happy to report, also, that Kyrgyzstan is back on track following the revolution 12 months ago. A remembrance day was held throughout the country on 7th April and was very peaceful and respectful of all those who lost their lives.



Republican Square on 7th April 2011

We had a great visit to Karakol Easter weekend; following will be a review of progress being made and an outline of activities for the coming months.

Our sincere thanks to all our sponsors, both in Kyrgyzstan and overseas and to everyone who has made these projects a reality.

Karakol Orphanage

The Children

There are presently 11 children being looked after at the Orphanage but as spring is now here one child has returned home to help with the potato

planting. This is a very normal practice in Central Asia. Jyldyz continues on her medication and is in very good health, this is always good news. Four of the older children; Jyldyz, Hurchic, Aisulu and Saida are doing exams at present and we wish them every success.



The children are still enjoying the play equipment

There is still an ongoing problem for the children from Osh region following ethnic unrest last year. The Social Dept (Oblast Administration) has asked Chynara for donation of clothes for other orphanages where these Osh children are being looked after. Chynara has generously provided clothes for the children. Our children are lucky enough to have received a plentiful supply of clothes from Fund Slaemraganue, sincere thanks for their assistance.

The charity organisation Children of Tien Chan has provided clothing over the years, however, following the second revolution in April 2010 and civil strife in June in the South of Kyrgyzstan they have had to concentrate on the children with most need. They have told Chynara that once the situation eases they will recommence their activities in Karakol. They are doing a wonderful job in very difficult circumstances.

Progress on Sustainability

The orphanage continues to make good progress towards sustainability with the huge livestock complex completed and stocked. All animals continue to thrive, particularly as they receive veterinary medicines as required, and the numbers are as follows:

Cows – 2, and 2 offspring - in Jilo

Sheep – 11, 3 of which are pregnant,

Goats – 2 goats, but 2 young goats were killed for meat during winter

Hens -35, several died due to unknown disease– hens producing 18 – 22 eggs per day with half being sold and remainder used for children's diet. Feed for poultry is adequate as Chynara bought sufficient feed late summer when the price was low.



Chicken house showing new roofed area providing protection from the elements

Projects

1. Project Re-seeded Grass

The five hectares of land was reseeded to grass in late spring of last year, however, some seed needs to be purchased to fill in any gaps affected during severe winter. It is hoped that the weather will be more favourable this year and there will be two cuts of hay enabling surplus crop to be sold and money used to fund some projects for 2012. Hay prices are presently about twice what they were a few years ago.

2. Project Vegetables

Vegetable seeds will be purchased and sown in the coming weeks, once the risk of frost has gone. An area at the end of the orchard has been prepared for the vegetables. Karakol is at an altitude of 1600 meters and runs the risk of late frosts.

3. Playground

The swings and slide require painting with good quality metal paint. These will be painted in various bright colours, red,

green, yellow blue. This will probably be an annual task due to the very strong sun and it is vital to keep the equipment in top condition.

Sand is also required for the playground area. The Deputy Governor promised transport and sand last year – Chynara is to follow up and report back to us. We believe that it is important that local Government and the local community remain involved with the orphanage.

4. Gates of Livestock compound

These massive gates will be painted with metal paint during the month.

5. Hens

As egg production is very successful it has been agreed to purchase an additional 50, 2 month old chicks now. Following the loss of hens due to some unidentified disease the new Chicks must be vaccinated before they are moved in with other hens.

The vegetable crop, particularly the potato crop was very disappointing in 2010 and no funding of a potato crop is being considered for 2011 as funds provide a much better return from the livestock projects.

Projects under consideration for 2011

- Ongoing operation costs
- Purchase of replacement cattle for those that will be sold in the spring or autumn.
- Expanding the hen flock (**to be purchased in the coming weeks**)
- Study Room - more *chairs* and 3 storage units still to be financed.
- Chain Fence -Chynara requested a fence be built along the right side of the property between next door neighbours and chicken and livestock houses as there have been problems with neighbour's children. (**quotes are to be obtained prior to decision being made**)
- Signage outside the orphanage and other signs on nearby roads (**Quotes being sought**)
- Expansion of Sheep stock - Livestock rearing can be very profitable, however, the timing of buying and selling is critical. We have been advised that the best time to purchase livestock is during the winter months. (**We will return to this item later in the year**)

As always, we are being cautious regarding expenditure as we like to have some funds in

reserve for any unforeseen expenses. Kyrgyzstan is also experiencing unprecedented levels of price increases, particularly in relation to food.

Micro Credit

The two Microcredit Projects ICK and Tumar are continuing to operate successfully and certainly from our meetings with various clients they are more than happy with the level of service they are receiving from these two organisations. At any one time during the year the two schemes fund around 50 clients. Since the start of these initiatives, Tumar in May 2007 and ICK in October 2007, a total of Euro 12,950 has been provided to the two schemes, Euro 6,050 to Tumar MicroCredit and Euro 6,900 to ICK (which focuses on women).

Karakol Micro Business Fund - Tumar

Presently Tumar has 18 microcredit clients, 13 having business loans and 5 having social loans, the latter being on easier terms.

During our recent visit to Karakol Kuba and Arsen took us to meet three of their clients who we had not met before. We always enjoy meeting clients and getting to know how micro credit has assisted them to expand and/or develop their businesses. Below are some examples:

Bakery – Anatolie Chumickin (Client 2 years)

Anatolie used to be a director of major bakery plants and since Kyrgyz independence has gained a lot of experience in bakery production to international standards. He decided to open up a small business operating from his home and required micro credit loan for the purpose of room preparation and equipment purchase.



Anatolie's wife with part of day's production

Presently he has €150 loan on business credit terms and €150 loan on social credit basis, this loan is planned to be increased by a further €150 in the coming months. Micro credit loans are particularly good for small business clients as they do not require any collateral.

Current output from bakery is 300kg bread per day, with 70% of product going to grocery stores and 30% being sold through the local market.

Grocery Store Sozulkan Junusheva (Client 2 years)

Junusheva runs a very well stocked and laid out grocery store, it appears to cover all the day to day requirements of her customers. She plans to expand the business as soon as possible.



Store Frontage

A well stocked interior

Micro credit loan is €600. Loans through banks are not an option because of their collateral requirements. Her original one year loan was repaid on time and at that stage she went to another micro credit company, however, she returned to Tumar having experienced less favourable terms.

Livestock Trader – Urmat Akmatov (Client 2 months)

Urmat is a widow and has a very successful livestock trading business. Her business has helped to set up one of her son's with his own home and purchased cars for the other two sons.



4 of the huge bulls to be traded

She has 4 bulls, average price is US\$1,300, one bull is used for breeding and other 3 will be sold for meat or traded again if the price is right. The micro credit loan is for €300 to support cost of feed (barley and bran mix) over the winter months. Although this is a very small loan in comparison to animal costs it is still a vital component in her business success.

We wish all these businesses continued success.

Karakol Micro Business Fund – Social Fund MicroCredit Agency “Development”

By the end of 2010 the “Development” MicroCredit Agency typically funded 28 clients with total loans of 429,826 som, or approximately 15,300 som per client (approximately Euro 250).

We also visited several clients and details follow:

Salad business - Salima Vutanyskjan (Client 1 year)

Salima mentioned how useful this kind of micro credit loan is to her business and that she finds the terms much more flexible than when she was dealing with ECO Bank. ECO Bank repayment terms were a problem.



Salima obviously happy with her lot!!

She is selling a wide variety of interesting salads, the loan helps her to purchase produce when available and then she can store certain products over the winter period which enables her to meet

customer needs when there is a general lack of fresh produce.

Salima mentioned that she also has an orchard outside the city which she would like to develop; however, she needs a tractor. Hugh pointed out that funding for a tractor does not fall under the micro credit terms; it is definitely big business requiring a bank loan!!!!

The next three clients work side by side in the small central Karakol Market; they also met us together and talked together!!!! We had a lot of fun.

Clothing & Home textile Business at Market (Client 1 year)

Galina has been in business for 20 years so has plenty of experience, however, she did say that since the revolution in 2010 it has been even more difficult to get credit. She is very happy with her credit of €450 and claimed her interest rate was much better than she could get through the Credit Unions.



Another happy client waving

Children's Clothes & Toys – Vera Shuvalova (New credit client)

Vera has a good selection of Children's clothes and toys. Some of the clothes are made by Kyrgyz art and craft people locally, however, the majority are Chinese imports as these are much more affordable.

Vera's loan is €300 and she is quite happy with the service she gets from Sonun.



Vera's display of Children Clothes & Toys

Souvenir & Gift Business – Uljana Oleinikova (Started business in Dec. 2010)

Uljana started her business in December 2010 with the help of €300 loan, so it is very early days. Her display of gifts is very attractive and well organised. She stocks Kyrgyz souvenirs and also some Kyrgyz handicrafts made locally. Her gift section includes a lot of Chinese imports because, as mentioned before, the prices are more in tune with local spending ability.

In addition to the above, Uljana has a good selection of greeting cards and gift packaging.



Uljana's display of souvenirs and handicrafts

Bermet, Chynara's daughter, in Turkey

Bermet's university year in Turkey is coming to an end and she will return to Karakol in June where she will complete her final year at university. She has excelled in her studies, however, we are sure that the overall experience of travel and living overseas will stay with her for a lifetime.

Last word

Sonun, Director of ICK micro credit project has been honoured by the Kyrgyz Government. The award was in recognition of Sonun's ongoing commitment to helping women and women's groups develop small business enterprises that enable improved quality of life for the wider community.



Sonun was presented with her award by the President,

Congratulations, Sonun, for a job well done.

Thank you once again to all who have continued to support us as well as our new sponsors to these very worthwhile humanitarian projects. Your contributions really do make a world of difference to the kids and to our microcredit clients. Just remember that 'a little goes a long way'.

Contact Details

Further enquiries and details can be obtained by Emailing: hugh.coulter@gmail.com or

Writing to: Hugh & Jean Coulter, Mourne View, Coolfore, Monasterboice, Drogheda, Co Louth, Ireland or

Telephoning: 353 (0) 41 9826819

Mobile: 353 (0) 87 2740607

Bank Details Bank A/c: Karakol Orphanage A/c
Ulster Bank,

104 West Street, Drogheda, Co. Louth, Ireland

A/c No. 13403018

Sort code: 98-55-65

BIC: ULSB IE 2D

IBAN: IE03 ULSB 9855 6513 4030 18