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December 5, 2005

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**Bill and Melinda Gates Foundation Awards Freedom from Hunger \$6 million
for Worldwide Microcredit and Health Protection Programs**

Davis, CA --- Freedom from Hunger announced today that it has received a grant from the Bill and Melinda Gates Foundation for \$6 million to combine micro-loans with health protection services for the world's rural poor. The four-year grant recognizes Freedom from Hunger's leadership in making microcredit programs available to people considered too poor and too vulnerable to illness to qualify for bank loans.

"The Bill and Melinda Gates Foundation recognizes that poor health is a major cause as well as a consequence of poverty," said Dr. Christopher Dunford, Freedom from Hunger's president. "Our solution is to equip mothers living in absolute poverty with access to health information, products and services at the same time they are increasing their incomes. This combination of money, knowledge and access to health services turns poor women into powerful advocates for their families' health."

The need for such programs has never been greater. Estimates from the World Bank are that at least 1.2 billion people live on \$1 per day or less. According to the Global Fund to Fight AIDS, Tuberculosis and Malaria, malaria kills more than one million African children every year, while AIDS is the leading cause of death in Africa and the fourth leading cause of death worldwide.

Despite their poverty and ill health, families living on the margin of survival are characterized by an indomitable desire to work toward self-reliance and better health and to make life better for their children.

"We're pleased to award this grant to Freedom from Hunger," said Sylvia Mathews, Chief Operating Officer and Executive Director of the Bill and Melinda Gates Foundation. "They have been long-term leaders in integrating credit with health education and then documenting the impacts. This grant will advance an especially important set of financial products that combine financial services with health protection services for even the poorest families."

The grant from the Bill and Melinda Gates Foundation will expand and strengthen Freedom from Hunger's Credit with Education program—which currently serves nearly 400,000 women, most of whom live on a dollar per day or less—in Asia, Africa and Latin America. Credit with Education offers women working capital loans—from as little as \$20 to as much as \$300—to set up and expand home-based businesses. The women have proven themselves to be excellent credit risks, repaying almost

FREEDOM FROM HUNGER SELF-HELP FOR A HUNGRY WORLD

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every penny they ever borrowed—a total of more than \$380,000,000—plus interest. They have accumulated more than \$11 million in personal savings accounts.

At weekly gatherings where women meet to make loan payments and deposit savings, they also participate in education on vital topics such as malaria, HIV/AIDS, child nutrition, family planning and basic business management.

The grant also enables Freedom from Hunger to develop new health protection services, including prepaid healthcare—a type of micro-insurance that allows poor women to pay a small, fixed fee to a local clinic in advance of services they need to address common health problems that may affect themselves or their children. The system protects families from the financial consequences of ill health by encouraging women to go to the clinic as soon as they see a need instead of waiting and wondering if their illness or their child's illness warrants the cost of a visit to the doctor.

The pilot projects for the new micro-insurance product and enhancement of Credit with Education will be implemented in West Africa, South America and Asia. And, in keeping with Freedom from Hunger's longstanding commitment to proving effectiveness, the grant will also underwrite rigorous impact studies at each site. Freedom from Hunger has conducted similar studies on other Credit with Education programs that showed significant gains in child nutrition—the key indicator of success in anti-hunger programs—as a result of their mothers' participation in the program.

Speaking from Freedom from Hunger's International Center in Davis, Dr. Dunford said, "Microcredit programs are well recognized as an effective way to help poor people pull themselves up by their own bootstraps. We serve the poorest—those who live in rural areas. We know money isn't their only problem. Poor health traps people in poverty. With small loans, a safe way to save, basic lifeskills training and access to health services, even the poorest families become hopeful about their futures."

To implement the program and pilot the new services, Freedom from Hunger will work with in-country organizations that share its commitment to reaching the rural poor. The studies will document how these local organizations implement the programs, as well as report their challenges and successes and what others need to know as they seek to implement the same or similar programs.

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About Freedom from Hunger

Founded in 1946, Freedom from Hunger brings innovative and sustainable self-help solutions to the fight against chronic hunger and poverty. Together with local partners, we equip families with resources they need to build futures of health, hope and dignity.



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About the Bill and Melinda Gates Foundation

The Bill & Melinda Gates Foundation is committed to promoting greater equity in the areas of global health, education, public libraries and outcomes for low-income children and families in the Pacific Northwest. More information about the foundation is available at www.gatesfoundation.org.