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MICROFINANCE PARTNERSHIPS TO HELP ACCESS BASIC SERVICES

CONVERGENCES
Towards a fair and sustainable world

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INTRODUCTION

Microfinance, by providing services to those who are excluded from the formal banking sector, has been developed as a key strategy for reducing poverty. However, despite high recognition and enthusiasm, the impact of microfinance remains debated. The issues of financial sustainability, social impact or replicability regularly resurface, potentially weakening the sector.

Through the present study, Convergences wishes to examine how multi-actor partnerships can help microfinance institutions in their mission to improve the living conditions of the most vulnerable clients and in particular, support them in their access to basic social services.

As food for thought, Convergences conducted a preliminary review of scientific literature about the impact of microfinance on poverty reduction, including 75 documents published between 1990 and 2012. This analysis helped underline the beneficial effects of microfinance: progress toward the MDGs, increase in income and reduction in vulnerabilities. Moreover, this assessment highlighted correlations and strong potential synergies between microfinance and access to essential social services, be it basic education, primary health or livelihood.

For the study, Convergences identified and surveyed 168 microfinance projects across the globe, built on hybrid successful alliances. The objective is to promote a better understanding of microfinance, its positive effects on poverty reduction and its limitations. In this outlook, this study offers an in-depth review of 7 case studies, based on the field experience of project managers, to compare experiences and to come up with concrete proposals to improve practices.

Convergences hopes that this study will encourage microfinance professionals, public donors, private companies and civil society organisations to work together, as part of a new global partnership, to advance the collective fight against poverty.

METHODOLOGY

The present study is based on a survey conducted by Convergences and his partners of 168 microfinance projects that were identified, contacted and that answered the online questionnaire. The following criteria were used to select projects: they involved a partnership (between public, private and social actors); they promoted access to a basic social service (health, education, energy, water and sanitation, housing, waste management); they targeted the populations most in need (women, youths, SMEs, rural communities, disadvantaged households, people in emerging markets with low purchasing power); they took place in the developing world (Africa, Asia, Latin America) or in Europe; they lasted at least 3 years (finished or ongoing); they adequately responded to the questionnaire sent to project managers; and finally, they authorized the publishing of data.

STATISTICAL INFORMATION

The statistical analysis of the 168 projects selected provides an overview of geographical, sectoral and stakeholder diversity. Nonetheless, several key findings can be emphasised:

Most of the projects studied (43.6%) take place in Sub-Saharan Africa, an underdeveloped region which concentrates the biggest share of basic social programmes such as education (55%), energy (46.3%), housing (42.2%), water and sanitation (42.8%), health (45.0%) and clean waste (33.3%).

In the emerging regions of Latin America (21.5% of all projects) and Asia (18.0% of all projects), microfinance is more used as a lever for technical or hybrid initiatives. In this context, Asia benefits the most from projects involving energy and clean waste (50.0%) or water, sanitation and housing (50.0%), while Latin America implements a reasonable share of energy and clean waste (25.0%), only energy (28.0%) and health projects (25.0%).

The overwhelming majority of financial services delivered by MFIs are credits (80%) primarily because they are the simplest and most accessible products in developing countries. Nonetheless, client needs are progressively changing and might require more tailored offers in years to come.

On average, microfinance projects rarely involve more than 3 partners and last barely more than 4 years. These figures illustrate the difficulty of making these initiatives economically sustainable whilst developing a common operational culture amongst collaborators.

Regarding the type of partnerships, the underrepresentation of social/private alliances (only 20% of projects) pinpoints the ongoing need for a change in mindsets, to break down the remaining barriers that compartmentalize microfinance.

Generally speaking, on a sample of 90 cases analyzed, microfinance partnership projects directly benefitted more than 8.1 million people, without taking into account positive spillover effects.

CASES STUDIES

THE TUJIJENGE CASE: MICROFINANCE FOR CLEAN ENERGY IN TANZANIA

Only 10% of Tanzanians are connected to a reliable power source – a figure that drops to a staggering 2% in rural areas. Over the past decade, undeterred by this challenge, several programs have leveraged on MFIs and credit cooperatives (SACCOs) work to accelerate the access to solar energy in rural Tanzania. In 2010, Tujijenge Tanzania – an MFI – designed a program to expand solar energy access by learning from previous experiments. This program was set up thanks to a grant from GIZ.

The project used an original partnership approach to bring together four actors: the MFI Tujijenge Microfinance, in charge of project management, the SACCO Kaliro, in charge of raising funds, local solar energy dealers and the provider, Barefoot Power. By the end of the programme, 245 solar energy units had been sold, delivering a better access to this renewable energy to rural communities. Nonetheless, the high training cost of credit agents prevented the project from carrying on beyond its planned 24 months lifespan.

THE MIREP CASE: MICROFINANCE FOR WATER IN LAOS AND CAMBODIA

In Cambodia and in Laos, over half the rural population do not have access to water supply. Hence in 2000, after 2 decades of methodical observation, the GRET - a French NGO - launched the Mini Drinking Water Networks Program (MIREP), an ambitious public-private partnership, to support small businesses in the water sector and integrate their activity in the framework of the public service. Thanks to the financial contribution of the Greater Paris water authority and the French Ministry of Foreign Affairs, the GRET subsidized up to 30% the investments of the local small entrepreneurs, helping build a water treatment plant to connect poor households.

GRET's flexible multi-partnership approach proved to be efficient: in Cambodia now nearly 250 small operators bring water to the rural population and 20 in Laos. The programme also helped creating a new water distribution system in Laos, where MIREP was a keystone in defining appropriate collaboration schemes and technical norms.

THE APROOT CASE: MICROFINANCE FOR HOUSING LOANS IN THE PHILIPPINES

The project took place in September 2009 when typhoon "Ondoy" hit the Philippines. The natural disaster particularly affected people from provinces of Laguna Rizal & the Southern Part of Metro Manila. In these areas, victims lost their homes and all of their possessions, becoming entirely dependent on humanitarian assistance.

The local MFI ASHI launched the program APROOT to help the 4000 victims of the typhoon by supporting livelihoods, catering to basic needs and building new houses. Securing funding for the project was a major challenge as housing construction is still perceived by donors as a risky business. That is why ASHI built partnerships with other local investors (Peace and Equity Foundation, People Credit Microfinance Corporation, Cordaid) and hopes to be part of the government Community Mortgage Program which offers long-term loans and covers the credit risk. As of 2013, 25% of ASHI members (6250 people) have benefited from a renovation loan.

THE DJIDJOHO CASE: HEALTH MICRO-INSURANCE IN BENIN

Following a 2007 feasibility study conducted in Benin, the NGO PlaNet Finance decided to launch the voluntary health microinsurance "Djidjoho" project (well-being in Fon language), in collaboration with three local MFIs and with the technical and financial assistance of WTO/ST-EP and Sanofi.

Implemented by PlaNet Guarantee (PlaNet Finance's microinsurance affiliate) the programme's objective was threefold: offer quality health insurance to vulnerable populations; protect the economic viability of MFIs by helping micro-entrepreneurs overcome health issues; and help extend healthcare throughout Benin. The micro-insurance included 70% health coverage for most health services in 16 partner centres of the Mutuelle de Sécurité Sociale du Bénin (MSS-B). 70 credit agents were trained to market these services, eventually insuring 3259 clients and raising awareness for 20 880 more. However after three years, the project could not be consolidated due to the low number of beneficiaries and important training costs, pinpointing the limits of voluntary versus obligatory health insurance services.

THE FONDENERGIA CASE IN PERU: MICROFINANCE AND ENERGY

Fondesurco is a Peruvian NGO, pioneering new energy services in urban areas to help improve clients' living conditions. The Fondenergia project began in 2010 with the financial support of ADA, MEI and EnDev/GIZ Peru, after Fondesurco decided to introduce two new green products (solar panels and environmentally-friendly ovens) in 9 of its 14 agencies.

Since the project's inception, the number of beneficiaries has been increasing. In its intermediate projection, Fondesurco plans to sell 239 solar panels and 230 improved ovens in the year to come. In this context, many households are accessing cheaper, more ecological and economical energy devices, improving their livelihood and allowing them to begin saving. The project is scheduled to become financially sustainable within five years or less. In this outlook, the main challenges remaining are the deployment of these products in all the organisation's agencies, whilst continuing to improve communication with financial and technical partners.

THE GUARDIAN CASE: MICROFINANCE FOR WATER AND SANITATION IN INDIA

Gramalaya Urban And Rural Development Initiatives And Network (GUARDIAN) is an Indian MFI founded in 2008 to tackle the issue of open defecation, which concerns 58% of India's population. GUARDIAN is the first MFI in the world engaged in microlending to communities lacking access to credit for the creation of individual toilet and water connection facilities.

Exclusively focused on women, the MFI's objective is to provide water credits to 100,000 clients for the period of 4 years up to 2015-16. As of June 2013, GUARDIAN could reach 40,593 beneficiaries with a total loan disbursement of INR 329,900,000 ($5,440,000) to have easy access to household water and toilet facilities. GUARDIAN proposes a variety of loans to solve different water issues: 60% go to toilets, 20% to water connection and the last 10% for renovation of existing toilets. The average loan for a client is INR 7 500 ($124) and there are no compulsory savings. Through its programme, GUARDIAN is addressing many other mentions of poverty, including health, gender equality and education.

THE CAISSES D'EPARGNE CASE IN FRANCE: MICROCREDIT FOR HOUSING

The "Microcredit for Housing" programme was designed to address the housing needs in France which currently affect more than 3.6 million people, mostly elderly people whose standards of living are below the poverty line. Inadequate housing often comes with poor housing insulation or faulty heating systems which increase energy costs drastically at the end of the month.

Launched in 2013, this project relies on the financial and technical expertise of three main partners: PACT associations, specialized in home renovation, which identify and help low-income persons to set up loan applications; Parcours Confiance, a network of regional associations funded by the Caisses d'Epargne in charge of delivering microcredits; and finally the Caisse des Dépôts et Consignations which guarantees microloans in the limit of 50%, via its Social Cohesion Fund. Microcredits range from 300 to 10,000 for a fixed rate of 4% and over a maximum of 72 months. Two pilot projects have started in the regions of Bretagne and Pays de Loire with the goal of expanding rapidly to the rest of France. By the end of 2013, more than 300 people are expected to benefit from this project and improve their livelihood.

CONCLUSION AND RECOMMENDATIONS

While the MDGs do not formally set targets for financial inclusion, microfinance can contribute to their achievement. Innovative partnerships can be decisive to improve the role of microfinance in the provision of basic social services (energy, water and sanitation, habitat, education, health, etc...), particularly in rural areas. The Project Manager of the Tujijenge's Partnership in Tanzania underlined that her program "demonstrates the feasibility and the advantages of bringing together microfinance and private sector actors to develop sustainable solutions". Similarly, the Head of the " Microcredit for Housing " project in France considers that "the success of microfinance relies on the links between partners whose expertise is complementary".

Although the study suggests high potential growth in the market of basic services, MFIs are not always able to deliver both socially-impactful and economically sustainable projects. Starting and managing efficient partnerships can also be difficult, especially when partners have different timeframes or strategies.

The case studies clearly provide some hints to solve these problems. Hence, the different stakeholders should reflect on the following recommendations:

Convince public authorities to regulate and support the microfinance sector	Consolidate projects' cost-effectiveness
• Encourage financial support • Develop microfinance awareness-raising (advocacy, lobbying campaigns) • Foster proactive regulation (legal definitions, fiscal incentives) • Spread legal guarantee mechanisms to consolidate partnerships	• Convince credit institutions of the dynamic potential market at the Base of the Pyramid representing a large demand for essential services. • Seek economies of scale via more communication, partnerships and fundraising.
Improve partnerships / rationalise the microfinance sector	**Develop better communication on projects**
• Better share costs by creating resource pools • Promote internal communication to create a common operational culture • Encourage greater involvement of the private sector • Support the emergence of partner service companies	• Raise awareness in targeted populations on the importance of basic services • Develop educational tools to explain how complex products work • Encourage word of mouth to raise visibility • Set up centralised clients complaints systems, invest in maintenance and follow-up services

INTRODUCTION

Since Muhammad Yunus, founder of the Grameen Bank in Bangladesh, was awarded the Nobel Peace Prize in 2006, microfinance has been globally acknowledged as a powerful lever to deliver essential services to the Base of the Pyramid – BoP – (education, primary health care, water, energy, housing...). Today, thousands of similar microfinance institutions (MFIs) across the world provide small loans to over 100 million people excluded from the traditional banking system. In a context of budgetary uncertainty, microfinance thus appears as one of the available tools to help reduce poverty in developing countries.

However, on the flip side of the coin, microfinance has suffered from several scandals, exposing the sector's potential ills and undermining its credibility as a development platform. Indeed, the IPO of Mexican MFI Compartamos in 2007 and the over-indebtedness crises of 2006 and 2011 in Andhra Pradesh, India highlighted the necessary balancing of financial profitability versus social impact.

Today, microfinance remains debated: **is it an efficient tool to reach the Millennium Development Goals (MDGs) and reduce poverty? How can a MFI simultaneously focus on the poorest and face the challenge of financial sustainability? To what extent can financial and non-financial services help improve the living conditions of the most vulnerable populations? Is microfinance universally replicable in all developing countries or does it require a specific context?**

Through the present study, Convergences wishes to contribute to this reflection by focusing on microfinance partnerships. These alliances, involving several social, public or private actors represent a potentially powerful means to spread access to basic social services. However, because of the different interests and management cultures they involve, these collaborations are often seen as time-consuming and ineffective. **This study aims at shedding light on the rationale, implementation mechanisms and results of such partnerships, to demonstrate their validity.**

In a broader outlook, this work contributes to Convergences' global reflection on the importance of innovative cooperation frameworks, in line with the recommendation of **the High Level Panel on the post-2015 development agenda** to forge **a new global partnership.** Consequently, the groundbreaking initiatives hereby presented should be widely popularized. They represent building blocks for the "*transformative shift towards a new spirit of solidarity, cooperation, and mutual accountability*"[1] which the international community should ultimately aim for.

This work combines both practitioner-oriented and academic approaches. It presents an empirical benchmark of **168 microfinance projects across the globe**, built on partnerships between private, public and social actors. Based on strict criteria, this two year research offers **a general statistical assessment** (geographical, sectoral and stakeholder-wise) of the impact achieved by alliances on access to basic social services for the poor.

Furthermore, the **in-depth review of seven case studies**, hinged on the field experience of project managers, provides a comparative evaluation of practices. Indeed, these short reports span a diversity of sectors (energy, health, housing, water and sanitation) and geographic locations (Benin, Cambodia, France, India, Laos, Peru, the Philippines, Tanzania, Uganda); thus presenting a precise data source to analyze the strengths and weaknesses of partnership models.

On this basis, **four general types of recommendations** relating to public involvement, cost-effectiveness, the rationalization of partnerships and external communication, are issued to help devise a basic microfinance partnership model potentially replicable across the sector.

The study also presents a **thematic glossary** including key definitions and an **indicative bibliography** of approximately 30 publications based on a literature review (75 documents, from 1990 to 2012) to continue reflecting on the role of microfinance partnerships to further access to basic services.

Hence, Convergences strongly hopes that this study will encourage all microfinance professionals, national and international donors, private firms, banks, NGOs, governments and civil society at large to launch new partnerships to deliver more innovative and accessible financial and non-financial services to the Base of the Pyramid.

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[1] High-Level Panel of Eminent Persons on the Post-2015 Development Agenda (2013) A new global partnership: eradicate poverty and transform economies through sustainable development, p.9

DEFINITIONS

METHODOLOGY

1 – DEVELOPMENT DEFINITIONS

A) GENERAL DEFINITIONS

Access to basic social services: There is a general consensus that basic social services – primary health care, clean water, proper sanitation and basic education – are the building blocks for human development. Indeed, these objectives are now recognised as fundamental rights. However, there is a widening gap between this consensus and the reality of public spending on basic services in the developing world, as highlighted by the UNICEF publication "Basic Services for All?"[1]. This report highlights the shortfall of approximatevely $80 billion per year between what is spent and what should be spent to ensure universal access to these essential services.

Millennium Development Goals (MDGs): The MDGs are eight goals, each developed in a set of targets and indicators, that UN member states agreed upon in 2000, and decided to pursue before 2015 in order to reduce extreme poverty. These development objectives are the following:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education for boys and girls alike
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Fight HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Microfinance has a crucial role to play both in achieving the MDGs and building the Post-2015 Agenda, a process led by the United Nations (UN) to define the future global development framework that will replace the eight objectives defined in the year 2000. Indeed, the report "Microfinance and the Millennium Development Goals" published by the United Nations Capital Development Fund (UNCDF) underlines that "*while the MDGs do not formally sets targets for financial sector access, low-income countries need microfinance to achieve the MDGs. Microfinance underpins the achievement of many MDGs and plays a key role in many MDG strategies. Microfinance fosters financially self-sufficient domestic private sectors and creates wealth for low-income people.*"

New Global Partnership: In today's world, economic, politic and social approaches are increasingly interconnected. The pursuit of self-centred, short-term or purely economic goals will ultimately become unworkable. Poverty-reduction must be implemented through partnerships between all stakeholders, including governments, civil society (NGOs, associations, researchers…), local communities and private companies. The involvement of all players through mutually-beneficial partnerships is particularly crucial in the microfinance sector. Indeed, by bringing together complementary resources and skills, drawing on each partner's core strengths, they can face complex issues that they could not address alone. On the supply-side, microfinance partnerships contribute to extend the outreach of financial products, thus multiplying the impact of these services in terms of development. On the demand side, these alliances enable both a comprehensive and tailored response to the underprivileged's needs.

B) SPECIFIC DEFINITIONS

Affordable drinking water and sanitation for all (MDGs 1, 5, 7): On 28 July 2010, the United Nations General Assembly officially recognized the right to water and sanitation. It also acknowledged that clean drinking water and sanitation are essential to the realization of all human rights. This Resolution called upon States and international organisations to:

• Provide financial resources

• Help capacity-building and technology transfer to support developing countries

• Supply safe, clean, accessible and affordable drinking water and sanitation for all

However according to a common WHO/UNICEF report published in 2013, a third of the world's population still do not have access to improved sanitation services.

Primary health care (PHC) for all (MDGs 4, 5, 6): According to the World Health Organisation (WHO), the goal of universal health coverage is to ensure that all people obtain the health services they need without suffering financial hardship when paying for them. This requires:

• A strong, efficient, well-run health system

• A system for financing health services

• Access to essential medication and technologies

• A sufficient capacity of well-trained, motivated health workers

In this context, PHC is an approach to health beyond the traditional health care system that focuses on health equity-producing social policy. PHC includes all areas that play a role in health, such as access to health services, environment and lifestyle.

Right to adequate housing (MDG 1): According to The United Nations Housing Rights Programme (UNHRP): "within the overall context of an enabling approach, governments should take appropriate action in order to promote, protect and ensure the full and progressive realization of the right to adequate housing".

In this outlook, everyone has the right to decent, affordable housing. However, as of today, almost 2 billion people lack access to this basic necessity. A billion of these people live in slums. By 2030, it is expected that 3 billion people will live in inadequate conditions. In some cities, up to 85 percent of housing is "informal", or developed in stages, without secure land tenure. This dramatic trend calls for immediate action.

Sustainable energy for all (MDG 7): According to the World Health Organisation (WHO), ensuring access to energy is arguably one of the major challenges the world faces today. For those living in extreme poverty, a lack of access to energy services dramatically affects and undermines their health, limits their education and personal development opportunities, and can reduce their family's potential to rise up out of poverty. In a context of increased vulnerability produced by climate change, global financial uncertainty and volatile energy prices, the problem of energy access for the poor has become even more acute.

To tackle this burning issue, the UN Secretary-General Ban Ki-moon is leading a global initiative on "Sustainable Energy for All" to mobilize action from all sectors of society in support of three interlinked objectives to be achieved by 2030:

- Providing universal access to modern energy services
- Doubling the global improvement rate in energy efficiency
- Doubling the share of renewable energy in the global energy mix

Universal right to basic education (MDG 2, 3): Universal basic education is regarded as a priority for developing countries and is the focus of the "Education for All" movement led by the UNESCO. This concept refers to the whole range of educational activities that aim to meet basic learning needs. An extensive number of studies have proven the benefits of basic education on public health, demography and economy. Nonetheless, the goal of ensuring universal primary education will not be met by 2015. Indeed, between 2000 and 2011, the number of children deprived of schooling has only been divided by half on a global scale. Today, 70 million children (12-15 years old) still do not have access to public education, whereas 122 million youths (15-24 years old) are analphabetic. Hence, it is more than necessary to increase the number of teachers in primary schools, and intensify efforts to ensure education continues throughout secondary school and university. Despite these poor results, a major improvement should be underlined: the goal of achieving parity between boys and girls in primary schools has been met.

2 – MICROFINANCE DEFINITIONS

A) GENERAL DEFINITIONS

Inclusive financial systems: The microcredit era that began in the 1970s has somewhat lost momentum, and has now been replaced by a "financial systems approach". This new outlook is more inclusive, pragmatic, empirical and it acknowledges the immense diversity of institutions serving poor people in the developing world today. It also recognizes the poor's numerous financial service needs, and the diverse settings in which they live and work.

Brigit Helms, in her book "Access for All: Building Inclusive Financial Systems", encourages the four general categories of microfinance providers (informal financial service providers, member-owned organisations, NGOs and formal financial institutions) to work together in order to achieve the goals of the microfinance movement.

Microcredit: Microcredit is the term used to identify small loans that are made to individuals and entities that would otherwise not be able to obtain any type of credit. Often referred to as microloans, microcredit is extended to people who have no collateral to pledge for a bank loan, who are currently unemployed or who lack an acceptable credit history. The main function of microcredit is to provide financial services to those that do not qualify for standard sources of credit and assist them in achieving a better quality of life.

Microfinance: Originally stemming from Nobel prize Muhammad Yunus' work on the base of the pyramid, microfinance refers to the financial services for entrepreneurs and small businesses lacking access to formal banking and related services. The two main mechanisms for the delivery of financial services to such clients are:

- Relationship-based banking for individual entrepreneurs and small businesses
- Group-based models, where several entrepreneurs come together to apply for loans and other services as a group

In some regions of Southern Africa for instance, microfinance is used to describe the supply of financial services to low-income employees, which is closer to the retail finance model prevalent in mainstream banking.

Microfinance Institution (MFI): The term MFI refers to a financial institution specializing in banking services for low-income groups or individuals. A Microfinance Institution provides account services to small-balance accounts that would not normally be accepted by traditional banks, and offers transaction services for amounts that may be smaller than the average transaction fees charged by mainstream financial institutions.

Microfinance standards and principles: Several key principles summarizing decades of development practice in microfinance were encapsulated in 2004 by the CGAP and endorsed by the Group of Eight leaders at the G8 Summit on June, 10, 2004. These principles are the following:

1. Poor people need not just loans but also savings, insurance and money transfer services. Microfinance must be useful to poor households, helping them raise income, build up assets and/or cushion themselves against external shocks.
2. Microfinance can "pay for itself". Given that subsidies from donors and government are both scarce and uncertain, microfinance must be self-sufficient in order to reach a large numbers of beneficiaries.
3. Microfinance must imply building permanent local institutions.
4. Microfinance must aim at integrating the financial needs of poor people into

a country's mainstream financial system.

5. The role of governments is to enable financial services, not to provide them directly.

6. Donor funds should complement private capital, not compete with it.

7. "The key bottleneck is the shortage of strong institutions and managers". Donors should focus on capacity building.

8. Interest rate ceilings hurt poor people by preventing microfinance institutions from covering their costs, which in turn chokes off credit supplies.

To go deeper in the understanding of microfinance standards and principles, you can consult the Global Appeal for responsible microfinance.

Microinsurance: Microinsurance is the protection of low-income people (those living on between approximately $1 and $4 a day) against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of the risks involved. This definition is exactly the same as one might use for regular insurance except for the clearly prescribed target market: low-income people. The target population typically consists of persons ignored by mainstream commercial and social insurance schemes, as well as persons unaware of the importance of appropriate insurance products.

B) TECHNICAL DEFINITIONS[2]

Commercial borrowings: Funds received by an MFI through a loan agreement or other contractual arrangements that carry a market rate of interest. Commercial borrowings include loans, lines of credit, and overdraft facilities with outstanding balances, but do not include deposits. While definitions of market rate vary, a common benchmark is the rate that local commercial banks pay on time deposits of 90 days or more. The MFI should note what benchmark it uses to determine whether a borrowing is at a market rate, and therefore commercial.

Concessional borrowings: Funds received by an MFI through a loan agreement or other contractual arrangement that carry a below-market rate of interest. The MF should note what benchmark it uses to determine whether a borrowing is at a below market rate, and is therefore concessional.

Donated equity: The accumulated donations to an MFI. MFIs use different methods for calculating donated equity. For the majority, donated equity includes all donations, regardless of their use. For a minority, donated equity includes only in-kind donations and donations for financing the gross loan portfolio or fixed assets. All donations for operating and non-operating expenses are included in retained earnings. MFIs should indicate what donations are included in donated equity and are encouraged to break out donations restricted to a specific use from those which are unrestricted.

Gross loan portfolio: The outstanding principal balance of all of an MFI's outstanding loans, including current, delinquent, and restructured loans, but not loans that have been written off. This does not include interest receivable. Although some regulated MFIs may be required to include the balance of interest accrued and receivable, the MFI should provide a note that gives a breakdown between the sum of all principal payments outstanding and the sum of all interest accrued. Some MFIs choose to break down the components of the gross loan portfolio.

Interest rates: One of the principal challenges of microfinance is providing small loans at an affordable cost. The global average interest rate proposed by MFIs is estimated at 33.0%, which is a higher than in traditional financial markets.

The classic approach to microfinance has made only limited progress in resolving the problem it aims to address: that the world's poorest people pay the world's highest cost for small business growth capital. The high costs of traditional microfinance loans limit their effectiveness as a poverty-fighting tool. Offering loans at interest and fee rates of 33.0% means that borrowers who do not manage to earn at least a 33.0% rate of return may actually end up poorer as a result of accepting the loans.

Number of active borrowers: The number of individuals who currently have an outstanding loan balance with the MFI or are primarily responsible for repaying any portion of the gross loan portfolio. This number should be based on the number of individual borrowers rather than the number of groups.

Number of active clients: The number of individuals who are active borrowers, depositors, or both. Individuals who have multiple loans or accounts with an MFI should be counted as a single client. Individuals who are not currently receiving any service directly from the MFI are not included, such as those with facilitated savings.

Number of loans disbursed: The number of loans disbursed during the period. For MFIs using a group-lending methodology, the number of loans should refer to the number of individuals receiving part of a group loan, unless the MFI specifies a different definition.

Total liabilities: All liability accounts, representing everything that an MFI owes to others, including all deposits, borrowings, accounts payable, and other liability accounts.

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[1] «Basic Services For All », UNICEF, April 2000

[2] «Microfinance Consensus Guidelines, definitions of selected financial terms, ratios, and adjustments for microfinance», CGAP/The World Bank Group, September 2003

SELECTION CRITERIA

The present study is based on a survey conducted by Convergences and its partners with 168 microfinance projects around the world. The Convergences team identified a set of criteria for the selection of projects, which are the following:

• The project had to involve a partnership (between public, private and/or social actors) in order to highlight the strong growth potential of these innovative alliances.

• The project had to promote a basic social service: health, education, energy, water and sanitation, habitat, waste management...

• The project had to target segments of the populations in need: women, young or elderly people, SMEs, rural communities, disadvantaged households, people in emerging markets with low purchasing power...

• The project had to take place in the developing world (Africa, Asia, Latin America) or in Europe.

• The project had to last at least 3 years (finished or ongoing).

• The questionnaire sent to project managers analyzing the different components of the project (objectives, partnerships, funding, impact assessments...) had to be almost or completely filled, especially the part “lessons and recommendations”.

• Project managers partaking in the study had to authorize to publication of their data.

STATISTICAL INFORMATION

INTRODUCTION

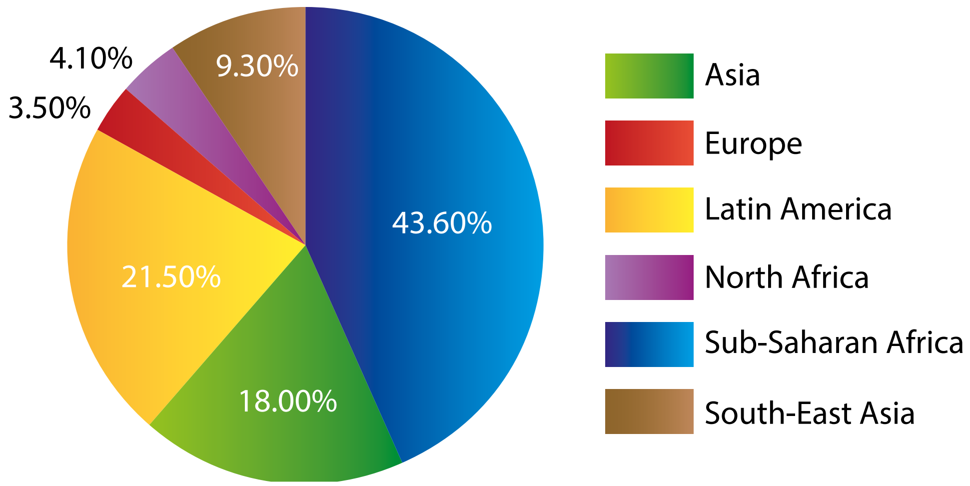
The statistical analysis of the 168 referenced projects pinpoints the emerging trends in the sector of microfinance partnerships to help access basic services. On a sample of 25 cases, the projects studied extended from a minimum of one year to a maximum of 12 years, the average duration being 4.2 years. This limited timeframe might be an illustration of the difficulty in making partnerships sustainable. Indeed, obstacles are both financial (most projects are dependant on time-bound donor aid) and procedural (given their diverging internal processes, partners can hardly afford more than ad hoc collaborations). In this context, the main challenge is surely to make alliances more systematic and durable.

Generally speaking, the breakdown of microfinance projects by geographical area, sector and stakeholders tells us a lot about the needs of beneficiaries, as well as the prospects and potentialities which the basic services market holds.

GEOGRAPHICAL DISTRIBUTION OF MICROFINANCE PROJECTS

REPARTITION OF PROJECTS BY GEOGRAPHICAL AREAS

Most of the microfinance projects reviewed take place in Sub-Saharan Africa (43.60%). The others were mainly implemented in Latin America (21.50%), Asia (18.00%) and Southeast Asia (9.30%). North Africa (4.10%) and Europe (3.50%) clearly lag behind.



Most projects took place in Africa, essentially because of the lack of basic services in many countries. However, African microfinance is as diverse as the continent itself, ranging from traditional group-based systems, to specialised bank lending mechanisms. In this context, most projects were concentrated in Sub-Saharan Africa as opposed to the traditionally more developed regions of North Africa.

The remaining projects mostly took place in Latin America, a long-established field for innovative microfinance initiatives, and Asia, especially in the Indian peninsula. Finally, a limited number of projects took place in Europe.

COUNTRIES WHERE THE PROJECTS ASSESSED ARE IMPLEMENTED

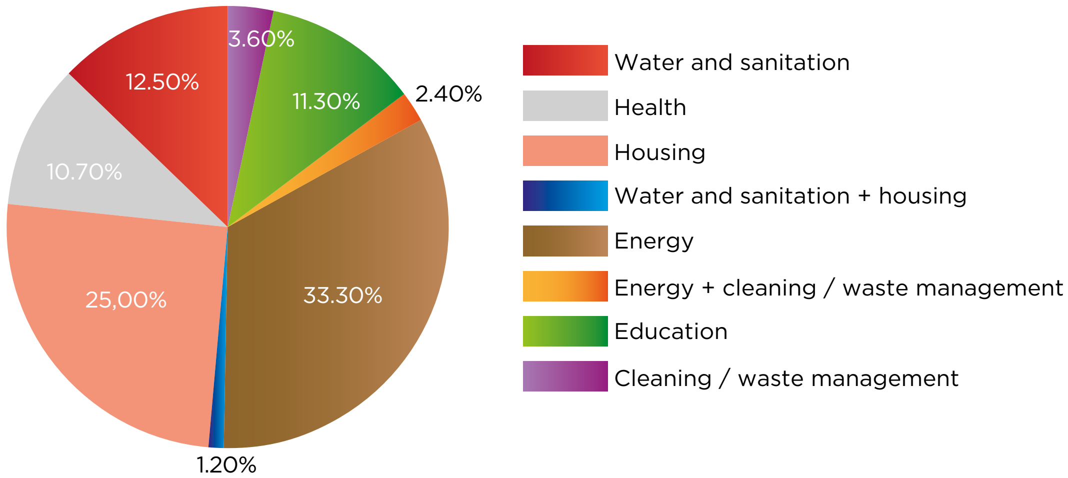
SUB SAHARAN AFRICA		NORTH AFRICA	EAST AND SOUTH ASIA	SOUTH EAST ASIA
Madagascar	Nigeria	Morocco	India	Philippines
South Africa	Burkina Faso	Egypt	Nepal	Cambodia
Kenya	Senegal		China	Samoa
Comoros	Mali		Sri Lanka	Laos
Ethiopia	Ghana			Vietnam
Tanzania	Benin			
Cameroon	Togo			
Uganda	Côte d'Ivoire			
Lesotho	Mauritania			
Zambia	Sierra Leone			

LATIN AMERICA & CARIBBEAN	EUROPE
Guatemala	France
Nicaragua	Bosnia-Herzegovina
Peru	Albania
Paraguay	Macedonia
Honduras	
Haiti	
Dominican Republic	
Bolivia	
Salvador	
Ecuador	
Mexico	

SECTORAL DISTRIBUTION OF MICROFINANCE PROJECTS

REPARTITION OF PROJECTS BY SECTORS

Most of the microfinance projects reviewed are implemented in the sectors of energy (33.30%) habitat (25.00%) and water and sanitation (12.50%). The other projects assessed are being run in education (11.30%) and health (10.70%).

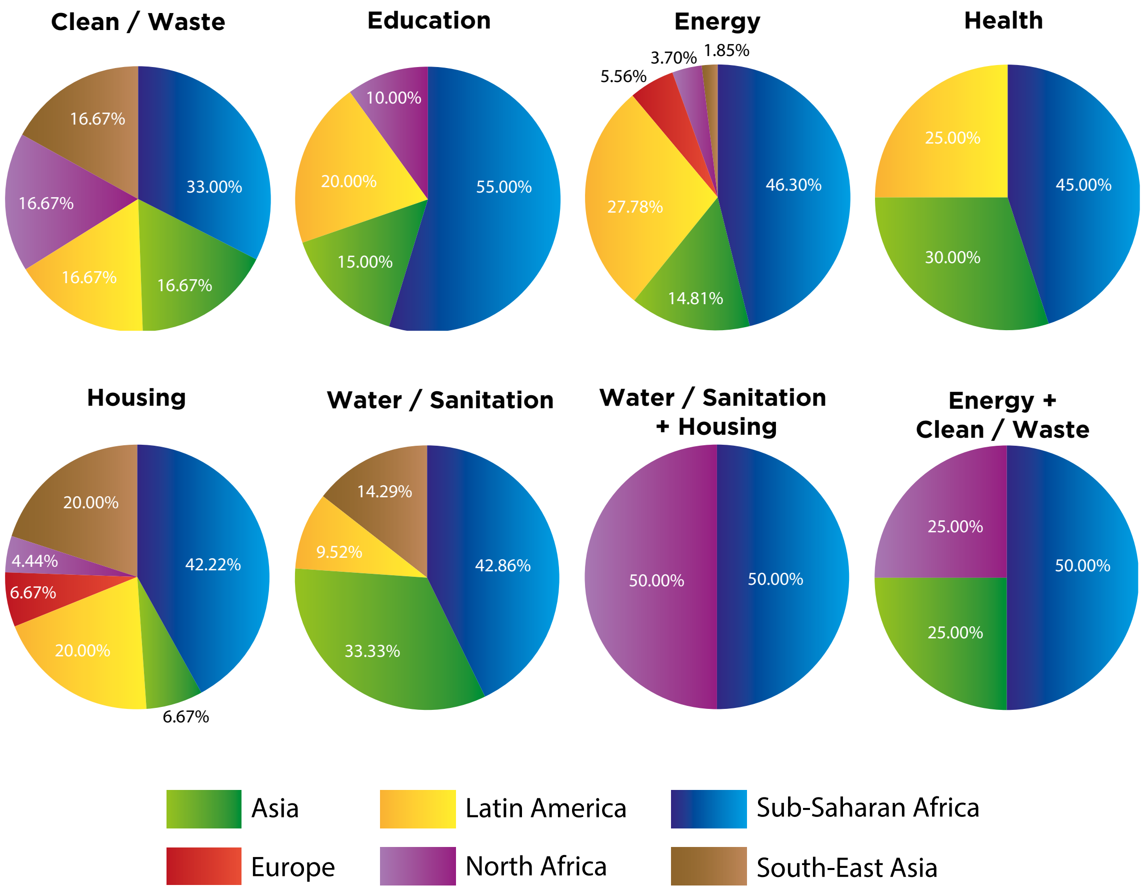


Generally speaking, most projects are related to energy, as microfinance is considered a relevant mean to broaden access to electricity and heating, whilst promoting more sustainable energy sources. Indeed, if correctly designed, loans offered by MFIs can provide clients with access to high quality modern energy services by closely matching loan payments to existing energy expenditures or income flows. Such loans can offset the high upfront cost associated with cleaner, more efficient technologies such as biogas, micro hydropower, wind, solar or liquefied petroleum gas (LPG). To date, an overwhelming majority of financial support for increasing energy access has been publicly funded. Although these programs are beneficial, increased availability of loans for consumers will be essential to engage the private sector and improve the investment climate for rural energy services.

Housing projects, which indirectly improve health, are also overrepresented, insofar that decent living conditions are often seen as the first step towards poverty reduction. Finally, water and sanitation as well as education projects lag behind, either because these schemes are considered too costly or because they imply a longer timeframe and investment. Nonetheless, it should be noted that most projects include an awareness-raising or educational dimension.

GEOGRAPHICAL DISTRIBUTION BY TYPE OF SECTORS

The majority of projects relating to education (55.00%), energy (46.30%), housing (42.20%), water and sanitation (42.80%), health (45.00%) and clean waste (33.30%) took place in Africa. Most hybrid projects involving energy and clean waste (50.00%) and water, sanitation and housing (50.00%) were implemented in Asia. Latin America benefited from a reasonable share of energy and clean waste projects (25.00%), pure energy projects (28.00%) and health projects (25.00%). Apart for energy (5.00%) and housing projects (6.67%), Europe was not targeted by other initiatives.



A clear distinction appears between emerging countries and least developed countries. Indeed in Africa, a continent with 18 of the world's poorest countries, microfinance projects focus mostly on education and access to primary health care, as these services respond to the most basic needs of the population.

Reversely, in emerging regions of the globe (Asia, Latin America), microfinance is used as a lever for more technical or hybrid initiatives including energy access, water, sanitation and housing, which are essential to reduce poverty and boost economic growth.

DISTRIBUTION OF THE MICROFINANCE PROJECTS ASSESSED BY TYPE OF FINANCIAL PRODUCTS

Type of financial products used to implement the projects	Percentage (%)
Credit	80%
Insurance	8%
Savings	4%
Non financial services (training, technical assistance, loan guarantees...)	8%

NB: Sample: 25 cases

The products offered include loans, savings, insurance, and other non-financial services. Microloans are given out for a variety of purposes, but mainly for micro-entrepreneurship.

The overwhelming majority of financial services delivered are credits (80%) primarily because they are the simplest and most accessible product in developing countries. However, the survey also highlights the fact that the financial needs of individuals, households and enterprises can change significantly over time, especially for those who live in poverty.

In this context, MFIs should be prepared to adapt their offers. Nevertheless for the time being, services such as insurance and savings are clearly underrepresented, insofar as they require basic financial understanding and imply longer time spans.

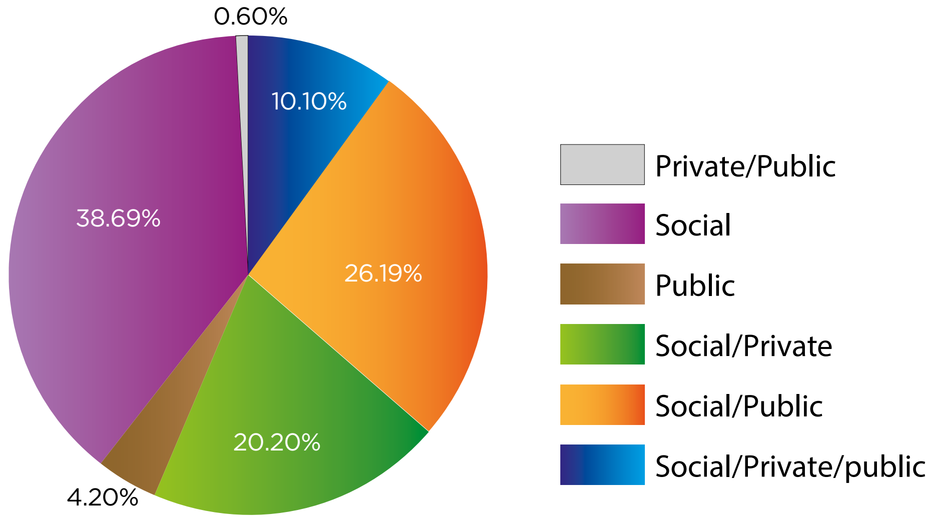
THE DIFFERENT STAKEHOLDERS INVOLVED IN THE MICROFINANCE PROJECTS ASSESSED

The number of associates per project extends from 1 to 4, with an average mark of 2.8 partners per project.

These figures underline the potential coordination issues faced by partners when implementing projects. Indeed, given the different internal procedures and interests, the main challenge is the development of a common operational culture through regular dialogue and transparency.

THE DIFFERENT TYPES OF PARTNERSHIPS

Most of the partnerships reviewed are between social actors (38.69%). However, partnerships between social and public actors (26.19%) and between social and private actors (20.20%) are becoming increasingly common.



The microfinance sector involves a multitude of actors, which often work side by side without openly cooperating. Most are community-based institutions like the famous Grameen Bank, large charitable organisations like the Aga Khan Foundation, but also commercial banks like the First National Bank in South Africa. All these different actors are regulated and eventually sustained by public authorities.

Securitizations and microfinance investment funds are more recent phenomena that support the growth of microfinance institutions by mobilizing private capital that can be on-lent to microcredit customers or that provide equity for the foundation and growth of microfinance institutions.

This traditional segmentation is blatant regarding the nature of partnerships, which often bring together social actors or social and public actors. The underrepresentation of social/private alliances or even more ambitious social/public/private collaborations highlight the need for a change in mindsets to break down the barriers of microfinance.

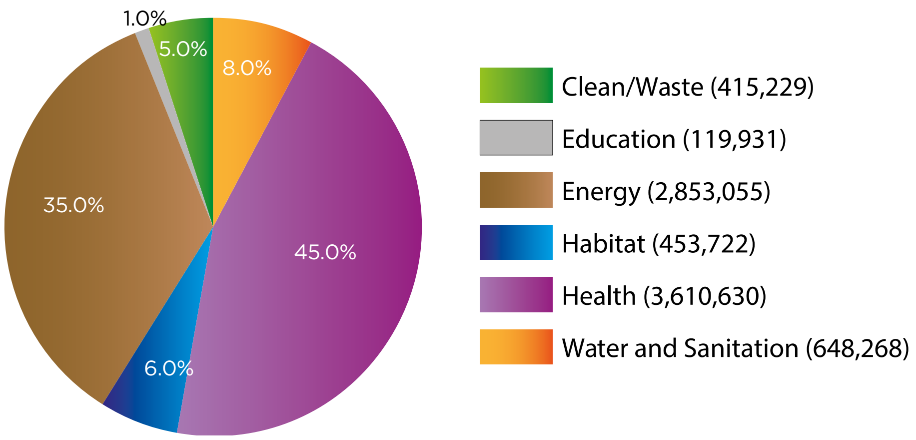
Indeed, this variety of actors represents a true opportunity to better serve the poor, by providing them with tailored socio-economic services. Under the right conditions, coalitions of expertise between public, private and social actors offer a real chance to make an important contribution towards the Millennium Development Goals.

EXAMPLES OF STAKEHOLDERS INVOLVED

Public		Social		Private
-United Nations Environment Programme (UNEP)	-Canadian International Humanitarian Directorate	-PlaNet Finance	-Habitat for Humanity	-Deutsche Bank
-United Nations Development Programme (UNDP)	-Cambodia's Ministry of Industry	-Green Microfinance	-Uganda Plan International	-The Federation of Nepal Cottage and Small Industries
-European Union (ReCoMaP Programme)	-The French Embassy in Cambodia	-Approtech Asia	-Fundacion Solar	-Total Access to Energy
-Inter-American Development Bank (IADB)	-Municipality of Bokaro	-Foundation " Energy for a better world "	-GERES	-Lafarge
-German Development Bank (KfW)	-City of Grand Quevilly (France)	-Nidan	-Grameen Koota	-Schneider Electric
-Uganda Agency for Development (UGAFODE)	-City of Rouen (France)	-Waste Venture	-Nyésigiso	-The MasterCard Foundation
-Steel Authority of India (SAIL)	-City of Morondava (Madagascar)	-Fikrifama	-International development of gardens (IDG)	
	-Research institutes	-Center for Financial Inclusion	-French Association of Volunteers for Progress (AFVP)	

THE FINAL BENEFICIARIES

The projects which involve the largest number of final beneficiaries are implemented in the health sector (3,610,630 beneficiaries).



NB: Sample: 90 cases

On a sample of 90 cases analyzed, microfinance partnership projects directly benefited more than 8.2 million people. These figures do not include indirect beneficiaries, who are often hard to evaluate especially when analyzing the impact of awareness-raising.

Regarding the effects of microfinance, World Bank researchers Klaus Deininger and Yanyan Lu recently published 3 articles based on detailed household data, to pinpoint the exact effects of microfinance self help groups on the final beneficiaries[1]. The authors find that there are significant economic gains from program participation in the form of better nutrition, increased asset accumulation, higher levels of consumption and consumption smoothing. Apart from this material impact, self help groups also have important social effects as reflected in the authors' measures of female empowerment. Moreover, in most of these cases, benefits often accrue to non-participants through positive spillover effects.

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[1] «Economic and Social Impacts of Self-Help Groups in India», « Determinants of Repayment Performance in Indian Micro-Credit Groups» and « Longer-Term Economic Impacts of Self-Help Groups in India», The World Bank Development Research Group, Policy Research Working paper, Klaus Deininger, Yanyan Liu, 2009.

ILLUSTRATIVE CASE STUDIES

Although statistical information provides an overview of this growing segment of microfinance, the more operational aspects of partnerships to help access basic services require in-depth case studies. In this outlook, Convergences has selected seven geographically and thematically representative projects, to provide insight on implementation issues. This comparative work, based on detailed questionnaires sent out to the project teams, gives a concrete dimension to this study whilst supplying qualitative material for a precise benchmark of practices.

Beyond the general selection criteria mentioned earlier, four main sectors were targeted for an in-depth review:

• **Energy** through the “Tujijenge project” in Tanzania and the “Fondenergia project ”in Peru

• **Water and sanitation** through the “MIREP project” in Cambodia and Laos and the “GUARDIAN project” in India

• **Housing** through the “Caisse d’Épargne project” in France and the “APROOT project” in the Philippines

• **Health** through the “Djidjoho project” in Benin

The case studies are organised in four substantive sections. Firstly, the context and needs specificities as well as the project’s objectives are described. Secondly, the stakeholders, products and services as well as financing mechanisms are presented. Thirdly, the results in terms of beneficiaries, essential services covered and economic viability are highlighted. Finally, several lessons and recommendations, both in terms of partnerships and services, are put forward.

THE TUJIJENGE CASE
MICROFINANCE FOR CLEAN ENERGY IN TANZANIA

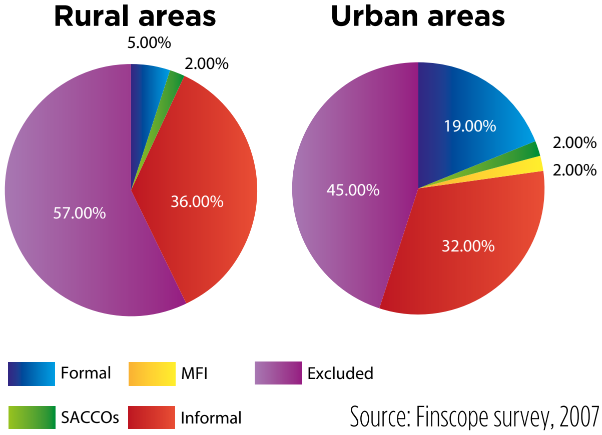
1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

Only 10% of Tanzanians are connected to a reliable power source – a figure that drops to a staggering 2% in rural areas. Consequently, many households rely on kerosene for lighting and cooking - with obvious adverse effects on health.

Since 2008, overproduction and technical innovation have contributed to a historic fall in the price of solar energy modules worldwide. This sparked renewed interest for solar equipment in Tanzania.

Access to financial services in Tanzania



Source: Finscope survey, 2007

However, the 20 existing Tanzanian commercial banks remain heavily focused on urban areas. This imbalance has led to the emergence of dynamic microfinance institutions, which are mainly targeting rural areas. Today, there are approximately 5300 saving and credit cooperatives (SACCOs) and 30 microfinance institutions (MFIs) in 2010.[1]

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

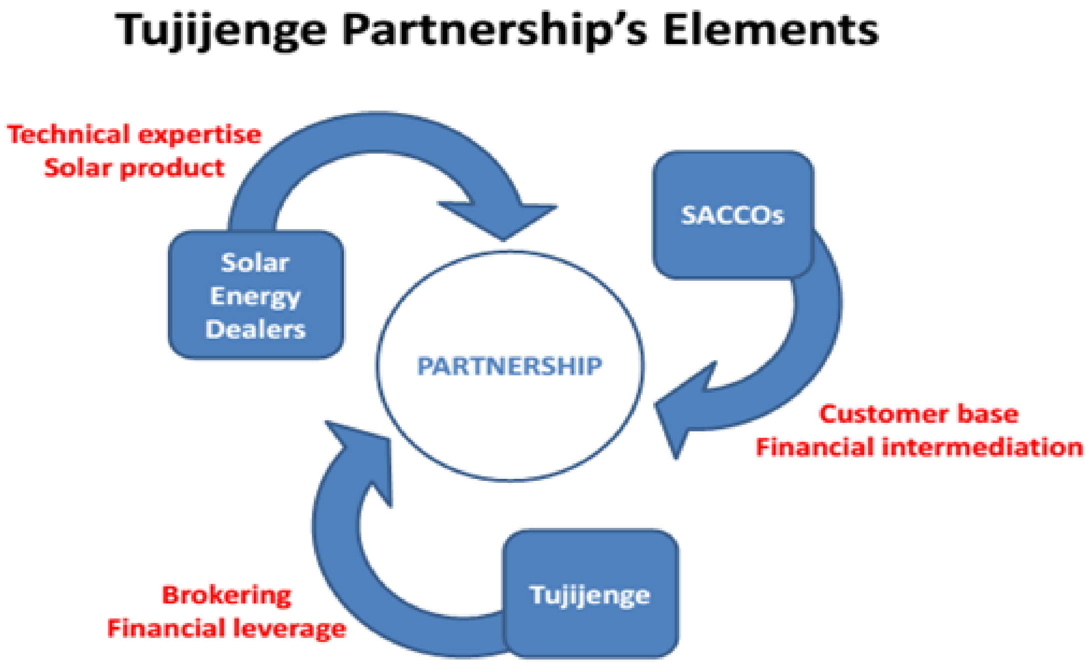
Over the past decade, undeterred by these challenges, several programs sought to leverage MFIs and SACCOs to accelerate the access to solar energy in rural Tanzania.

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEEDS

In 2010, Tujijenge Tanzania – an MFI – designed a program to expand solar energy access by learning from previous experiments. It sought to "*develop rural solar market through enabling SACCO member participants to purchase solar system for household and business need*". [2]

Tujijenge used a partnership approach where solar energy dealers and SACCOs were brought together to:

- Remedy the inability of SACCOs to pay the upfront deposits
- Ensure that all stakeholders had a vested interest in the operation
- Turn SACCOs' loan officers into an effective marketing force



2 – PROJECT OVERVIEW

A) STAKEHOLDERS

The project rested upon the ad-hoc association between three actors:

• Tujijenge Microfinance, a registered MFI in charge of project management

• One SACCO, Kaliro SACCO, in charge of raising money

• One solar energy dealer, Naco Solar Ldt, Barefoot Power, in charge of the system

Therefore, while Tujijenge remained the focal point of the whole project, the SACCO and energy dealer could change from contract to contract. Upon launching the partnership, the three parties signed a model Memorandum of Understanding (MoU) that detailed their responsibilities toward one another:

• **Tujijenge** assumed the role of project manager. As such, the organisation:

- Identified eligible SACCOs and conducted due diligence on them

- Trained the SACCOs loan officers so they could effectively market solar products, answer basic technical questions and handle financing and repayment

- Paid 55% of the price to the solar energy dealer within 5 working days after a loan had been approved and 30% balance once the system had been installed

• **The SACCO** was in charge of intermediation, bridging the gap between the seller and the Base of the Pyramid. In exercising this function, the SACCO:

- Marketed the product to its members and appraised the members applying for a solar loan

- Ensured the timely payment of 15% of the price once the system is installed and the subsequent repayments to Tujijenge.

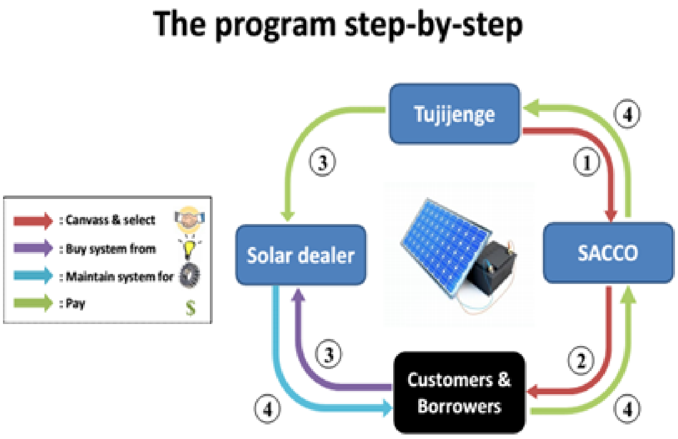
• **The solar energy dealer** oversaw the installation and maintenance of the system. Therefore, the provider:

- Installed the system within 5 working days after the 55% had been paid by Tujijenge

- Ensured all warranties on the products were honoured.

B) PRODUCTS AND SERVICES OFFERED

The product array varied with each solar dealer. However, an emphasis was put on small systems suited for light domestic applications (lighting, cooking, phone charging...). Overall, business applications only represented 5% of applicants (20% if one consider charging the neighbours' phones a full-fledged business). The typical price range was $60 to $200.



C) FINANCING

The project was set up thanks to a grant from the German Society for International Cooperation (GIZ). The loan ran for six months on average with a 3% interest rate. A minimum amount of six systems (approximately $360) bought was required at the SACCO level for a series of application to be considered.

The original capital used by Tujijenge to train loan officers and advance the money was provided by the GIZ as a grant of $200,000.

3 – PROJECT RESULTS

A) BENEFICIARIES

The program ran for 24 months in Tanzania. The program was slow to gather momentum. Sales grew at a sluggish pace for the first 18 months, as Tujijenge reached out to interested parties, set up MoUs between SACCOs and solar energy dealer and trained loan officers. Things only started to really step up a notch by the 18th month. In addition, loan officers from SACCOs also had to climb a steep learning curve as some customers mishandled their new system when they received it from the dealer.

B) ESSENTIAL SERVICES COVERED

The target was set initially at 200 systems. By the end of the program however, 245 units had been sold (+22.5%), delivering a better access to solar energy to the rural communities.

C) ECONOMIC VIABILITY

The program did not extend beyond its planned 24 months lifespan. Though dealers continued to provide maintenance within the bounds of their contract and SACCOs ensured timely repayment, the deal flow soon ran dry.

The main explanation is that the training of loan officers is an expensive operation which can hardly be solely financed through the proceeds of the sales. Once the money from GIZ tapped out, no new officers received training. This prevented dealers from extending their market, as go-to-market operations in rural, sparsely populated areas carry prohibitive costs. “In the end, it was simply too expensive for them” explained Mrs. Felistas Countinho, a member of Tujijenge.

4 – LESSON LEARNED

A) REGARDING PARTNERSHIPS

The experience of Tujijenge both demonstrates the feasibility and the advantages of bringing together microfinance and private sector actors to develop sustainable energy solutions.

For the energy dealer, the partnership:

- Solves the dilemma of creating an in-house loan program. The screening of applications and loan recovering are carried out by experienced SACCOs, a more cost-effective solution
- Lowers the implementation costs of a go-to-market strategy toward the base of the pyramid. Turning SACCOs loan officers into a marketing force gives solar energy dealers a local foothold with a solid capital in trust. Though training costs remain prohibitive, the program showed that loan officers are successful at selling solar equipments

For the SACCOs and the customer, the partnership:

- Lowers the price of acquiring solar equipment by smoothing the upfront costs over time

• Gives a guarantee that the equipment will be duly installed and maintained over time by the dealer, who has a vested interest in staying on good terms with its local customer base.

Compared to prior programs, the design of Tujijenge also highlighted the advantages of using a flexible model of MoUs that detailed their responsibilities toward one another. Using different partners in different areas to cover varying degrees of needs makes sense only if one is to readily change the terms of the partnership.

B) REGARDING PRODUCTS / SERVICES OFFERED

Though the program met its initial goal, it also fell short of becoming a sustainable modus operandi between local SACCOs and solar energy dealers. The main cause identified was the training costs of loan officers.

Due to the low density of the area covered, it simply does not make sense for companies to send out their own marketing force. Training loan officers is cheaper but also suffers from the same problem: training one officer for one SACCO is not cost-effective. Not enough profit is created to allow for a privately-funded training program.

Though untried, solutions to this challenge could include:

• Creating a pool of trained loan officers between several SACCOs to cover more ground

• Changing the minimum amount requirement to allow the dealer to cover its costs, either by

- Increasing the minimum amount of product (e.g. from 6 to 10)

- Changing from a minimum amount of product to a minimum amount of value (e.g. $500)

At any rate, Tujijenge underlined the importance of the economies of scale and word-of-mouth in this type of program. It is not a coincidence that sales picked up in the later month of the program, when the product had been proved to work and the dealer had demonstrated its commitment to the operation.

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[1] GVEP International, "Market study on possible cooperation with Finance Institutions for Energy Financing in Kenya, Uganda and Tanzania", February 2010, p.7

[2] Tujijenge Tanzania, Model of Memorandum of Understanding

THE MIREP CASE
MICROFINANCE FOR WATER IN LAOS AND CAMBODIA

1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

Cambodia is experiencing an annual growth rate of 7%, in turn leading to an increasing urbanization. Water utilities are insufficiently regulated and, despite a strong and solvent demand, the access to this essential service is limited: around 30% in rural areas and 40% in urban areas.

In Laos, the communist regime as set a target of 80% for access to drinking water by 2020, a figure which is currently slightly above 55%.

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

After two decades of methodical observation of water policies in the two considered countries, the GRET - a French NGO specialized in development projects found out that the involvement of Small Local Entrepreneurs (SLE) was an interesting option to improve access to drinking piped water in small towns. Indeed, SLEs offer the opportunity to deliver an essential service in rural areas, which are neglected by the State's services.

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEEDS

In the first decade of the 2000s, the GRET launched an ambitious public-private partnership to improve access to drinkable piped water in boroughs and small towns of Cambodia (beginning in 2000) and Laos (beginning in 2005). Four provinces were targeted In Cambodia and 3 in Laos.

The Mini Drinking Water Networks (MIREP) programme, implemented in Cambodia and Laos, concentrates on three main lines of action:

- Defining appropriate public-private partnerships
- Improving the technical standards for safe water supply
- Experimenting new funding mechanisms.

The "MIREP" programme is thereby seeking to achieve two main objectives: on one hand, to subsidize the Small Local Entrepreneurs working in water supply, and, on the other hand, to integrate their activity in the context of the public service.

2 – PRESENTATION OF THE PROJECT

A) STAKEHOLDERS

On one hand, policies used in the 1990s in Cambodia and Laos have showed that public monopolies or delegation to multinational companies are not efficient when applied to rural areas. On the other hand, small Cambodian entrepreneurs already

played a role locally by providing water through small rudimentary network systems to poorly equipped districts of some small towns. They worked as small and family entrepreneurs in the informal sector.

GRET's initiative strongly contributed to the emergence of these new players, as Small Local Entrepreneurs are perceived as key actors to provide water services in remote regions.

B) PRODUCTS/SERVICES

The MIREP programme is being implemented in several phases.

First, the GRET encourages the emergence of Small Local Entrepreneurs which did not appear spontaneously, especially in Laos.

Secondly, the organisation worked on improving the framework regulation, in particular by supporting the process of contractualisation with the local provinces.

Thirdly, the GRET subsidized up to 30% of the Small Local Entrepreneurs investments to build their water treatment plants and to connect poor households.

Last but not least, the programme included in Cambodia a credit guarantee to the Rural Development Bank (RDB), allowing this credit institution to lower its interest rates from 16% to 12% and to increase the duration of loans.

C) FINANCING

In Laos, the MIREP programme is funded by the Greater Paris water authority, the City of Paris, the French Development Agency (AFD) and the United Nations' Habitat Programme.

In Cambodia, the financial partners of MIREP are the Greater Paris water authority, the French Ministry for foreign affairs (MAE), the Veolia foundation, the German Development Bank (KfW) and the UNICEF.

However, it is important to underline that the MIREP programme subsidizes only part of the investments: the small business owners also fund their projects through commercial banks and their own contributions.

3 – PROJECT RESULTS

A) BENEFICIARIES

GRET's flexible multi-partnership approach has proven to be efficient: in Cambodia now nearly 250 small operators bring water to poor households and 20 local actors do the same in Laos.

B) ESSENTIAL SERVICES COVERED

In the two concerned countries, the programme helped create not only a network of small enterprises but also a new water distribution system. For instance in Laos, a water law allowing participation of the private sector was passed in 2009 and MIREP was a keystone in defining appropriate collaboration schemes and technical norms.

MIREP also helped reinforce the legitimacy of private players on technological and knowledge building issues.

C) ECONOMIC VIABILITY

The MIREP programme is financially sustainable: all the loans granted were repaid. The results are encouraging despite uneven levels of homogeneity, depending on the different sites.

In Cambodia, commercial banks were initially reluctant to finance operators but thanks to the MIREP programme, they finally accepted to grant credits. Moreover, after several years, the credit institutions have become more flexible on credit maturities, and they have begun decreasing rates. Nowadays, the average annual revenues of Small Local Entrepreneurs is approximately 15 000 $.

4 – LESSONS AND RECOMMENDATIONS

A) REGARDING PARTNERSHIPS

Financial partnerships and involvement of Microfinance Institutions (MFIs) are probably key to transforming the MIREP programme into a full scale success. MFIs seem in fact more naturally open than commercial banks to take risks on both small operators and end-users once they accept the idea that water accession financing can generate cash flow.

Moreover, a strong backing by international institutions is an efficient trigger to convince the MFIs to get financially involved, as the Laotian example highlights.

B) REGARDING SERVICES

The relations between credit institutions and Small Local Entrepreneurs are characterized by mutual mistrust. On the one hand, commercial banks much like MFIs consider that investments in the water sector are too risky. On the other hand, small businesses regret that negotiations are difficult, financial guarantees too harsh and loan structure too complex.

To solve this problem, the best solution is the intervention of a bank supported by the State or a donor guarantee. Moreover, it is essential to build service companies providing support to the operators on the drawing up and monitoring of dossiers. The implementation of these two recommendations would be a powerful mean to reduce financial risks, increase the volume of credit and steer interest rates downwards.

THE ASHI CASE
MICROFINANCE FOR HOUSING LOANS IN THE PHILIPPINES

1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

The project took place in September 2009 when the typhoon "Ondoy" hit the Philippines. According to the Philippines Weather Forecast Bureau, "Ondoy" was one of the most damaging natural disasters the country had to face in the last 40 years. Indeed, the typhoon had dramatic consequences for Filipino people as most of them were unprepared for this tragedy.

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

The typhoon particularly affected people from the provinces of Laguna Rizal and the Southern Part of Metro Manila. In these areas, communities are extremely vulnerable as they have lost their entire livelihood. "Ondoy" destroyed their resources, houses and other properties. After the disaster, victims had nowhere to go as even evacuation centres were full and overcrowded. Nowadays, inhabitants are dependent on humanitarian assistance and that is why there is an imperative need for rehabilitation, especially by building new houses.

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEED

ASHI (Ahon sa HIrap) is a NGO working in the microfinance industry and has the distinction of being the first replicator of the Grameen Bank approach to credit for the Base of the Pyramid in the Philippines. The NGO had been working with the poor people of Laguna regions for the past 20 years. Through the project APROOT, started in October 2009, ASHI intended to help the 4 000 victims of the Ondoy typhoon by supporting livelihood enterprises, providing basic needs (food, clothing, medicine) and building new houses or renovating existing ones.

2 – PRESENTATION OF THE PROJECT

A) STAKEHOLDERS

Organisation's name	Type of organisation	"Contribution to the project (financial, human, technical, etc.)"
Ahon Sa Hirap, Inc. (ASHI)	Local NGO	Financial: offers 7 years loans to its clients and covers the risk on the two years gap
Peace and Equity Foundation	Local investor	Financial: disburses a 5 years loan to finance the housing loans portfolio.
Municipality of Pangil	Public Donor	Technical and human: allocates a land to build 167 houses
Que bem	NGO	Technical and human
People Credit Microfinance Corporation	Local investor	Financial: opens a window for houses renovation
Cordaid	Investor	Financial

B) PRODUCTS /SERVICES OFFERED

The project had three major components:

• The RECOVERY Program, focused on provision of fresh capital to finance livelihood enterprises. A review would be conducted every six months to assess the needs and progresses of the enterprises

• The RELIEF program designed to provide basic needs such as food, eating utensils, clothing, medicine, sleeping mats and blankets, particularly to the women in evacuation centres

• The REBUILDING Program which aimed at building new houses and renovating the existing ones. This Program capitalizes on the experience of ASHI in the microcredit industry and construction management. ASHI gave out loans in the form of construction materials, for a maximum of 1200 USD per family, payable in two years, and renewable for up to four years. The Rebuilding Program also included disaster mitigation, health and sanitation, solid waste management and rural/urban gardening for food.

C) FINANCING

The APROOT project started with ASHI's own generated funds. Securing funding was a major challenge as housing construction is a risky business and implies long term maturities. That is why ASHI built partnerships with other local investors

(Peace and Equity Foundation, People Credit Microfinance Corporation, Cordaid) and hopes to be part of the government Community Mortgage Program which offers long term loans and covers the credit risk.

3 – PROJECT RESULTS

A) BENEFICIARIES

Initial objective	Number and type of beneficiaries	Comments
Number of houses built so far	110	The government only allocated one building plot to ASHI (with a capacity of 167 houses) in Laguna province. ASHI hopes to be part of the government Community Mortgage Program to improve its outreach in terms of houses built.
Number of houses renovated so far	6250	Although it was hard to find land to build new houses, ASHI renovated more houses that it was initially expected, thanks to a local partner.
Number of beneficiaries of the recovery program	4000	This program will be completed by the end of 2013
Number of beneficiaries of the relief project	4000	This program has been completed in the first months after the typhoon.

B) ESSENTIAL SERVICES COVERED

ASHI has had a marked impact on the poverty status of its clients, compared to the control group of non-clients. At entry, almost all ASHI clients were poor and the great majority were very poor. Most of them have moved upwards into moderate poverty. However, only a fifth of ASHI's clients have risen out of poverty. ASHI clients are overwhelmingly in self-employment or livestock farming, and most have two or more business activities, a new trend compared to past experiences. There is a residual group of 15%, who either have no economic activity (mainly clients in Talim who are turning all their loans over to their husbands) or who are doing paid labour for others. Moreover, most households have invested in the kind of productive assets which will make their progress sustainable. The global movement out of poverty is positively related to taking larger loans.

C) ECONOMIC SUSTAINABILITY

The renovation program is already sustainable thanks to the large scale reached.

The next steps of the programme are:

• Organizing members into communities to be supported by the Community Mortgage Program. This government housing program will cover the credit risk, and loan term will comprised between 10 to 25 years. Each community should be composed of 150 members, 60% of which have been transferred to community centres, whilst others are still waiting in their houses. Other NGO MFIs are also trying to be supported by the community mortgage program but ASHI is the only cooperative offering these products.

• Make the building program economically sustainable and no longer dependant on local investors.

4 – LESSONS AND RECOMMENDATIONS

There is a very high level of satisfaction with ASHI services, even among ex-clients. The majority want to re-enter the program and thus represent an easily accessible source of trained clients. However, ASHI should look at the way group responsibility is currently being enforced to see if alternative methods of promoting credit discipline would result in less group disruption and a lower exit rate. Staff-client relations in Laguna East need special attention. It also needs to look at how good clients, who encounter personal or business difficulties in early in the program, could be helped to overcome these problems and stay with ASHI.

The major difficulty encountered during the implementation of the project was the relative indifference of the government concerning microfinance: the State did not allocate enough land to the APROOT programme, rather preferring to sell lots. It is clear that to expand the project, a stronger support of the public authorities is needed.

Based on these findings, the following recommendations are relevant to improve ASHI's financial services and social impact:

• Reach a larger scale to promote a financially sustainable programme

• Consider developing new loan products for local activities that are likely to move moderately poor clients right out of poverty

• Look into allowing its good clients to take on long term maturity loans (It is ASHI policy to encourage graduation into larger loan sizes)

• Try allowing earlier and easier access to House Repair loans for clients in good standing. In this outlook, ASHI should consider joining forces with other MFIs in the country to lobby the appropriate authorities into accepting voluntary savings deposits from their members.

THE DJIDJOHO CASE
HEALTH MICRO-INSURANCE IN BENIN

1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

A feasibility study in Benin[1], revealed that health costs were one of the main financial constraints faced by micro-entrepreneurs, particularly in reimbursing their credits. Paradoxically, health micro-insurance is often the only means to reduce personal health costs and enable underprivileged populations to access first aid[2].

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

In 2007, PlaNet Finance[3] decided with the support of BIT/STEP to set-up an innovative health micro-insurance model to help vulnerable populations access health insurance (for MFI clients and their beneficiaries).

This project is part of Benin's current national policy, aimed at promoting the distribution of health micro-insurance products at the national level, in the outlook of the imminent launch of the Universal Health Insurance System (RAMU).

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEEDS

This project pursues the following goals:

- Supply quality and sustainable health coverage
- Protect MFIs from outstanding debts linked to micro entrepreneurs' health problems
- Participate to the extension of social protection in Benin

2 – PRESENTATION OF THE PROJECT

A) STAKEHOLDERS

The Health Micro-insurance project in Benin[4] (MAS Bénin) was financed by the French pharmaceutical company Sanofi and initiated by PlaNet Finance and its micro-insurance specialized branch, PlaNet Guarantee, in partnership with three local MFIs[5].

The project was based on the creation of an association between several Beninese MFIs. This association was called Djidjoho ("well-being" in Fon language), and was responsible for marketing a health micro insurance product with the related MFI clients. The distribution of this product was based on a voluntary subscription model (the product was offered by Djidhoho to MFI clients, in addition to financial services), as the principle of a compulsory subscription model was dismissed by partner MFIs.

The Djidjoho association:

• Was responsible for awareness-raising activities regarding health insurance and collecting financial contributions from MFI clients

• Managed relations with the Beninese Social Security Mutual Fund (MSS-B), which took on financial risks and ensured contacts with healthcare providers

Thanks to the product distributed by Djidjoho and developed by MSS-B, partner MFI clients and their families were granted access to 16 MSS-B contracted health centers, and could benefit from a wide range of health services offered by the mutual fund.

B) PRODUCTS/SERVICES

The characteristics of the product proposed were the following:

• Target: partner MFI clients (borrowers and savers) and their families

• Coverage: 70% (third-party payer)

• Health services included: general consultations, hospitalizations, surgery, specialized consultations, maternal healthcare, medication available in contracted health centers, laboratories, eye and dental treatments

• Insurance premium: 850 FCFA/ month/ person (1.30 Euros).

C) FINANCING

In a first stage of the project, 70 credit agents were formed to the marketing of the health micro-insurance product in the member MFIs. However, in order to ensure a greater penetration for this product with MFI clients and a regular monitoring of client needs, PlaNet Finance suggested the creation of a sales task force dedicated to the health micro-insurance product marketing. This group would also supervise all activities linked to product distribution (raising awareness for MAS, managing subscriptions, collecting financial contributions). Four agents recruited in February 2012 also helped beneficiaries to access the MAS.

3 – PROJECT RESULTS

A) BENEFICIARIES

Thanks to this project, 20 880 partner MFIs were made aware of the MAS as part of Djidjoho, particularly regarding the following topics:

• Illness risks and their consequences

• The usefulness of MAS to prevent health risks and their financial impact on households' income, production activities and credit reimbursement capabilities

• The product's characteristics and content

• The way an insurance product functions.

B) ESSENTIAL SERVICES COVERED

Hence, by the end of May 2013, 3259 MFI clients and their families, meaning 3,848 people total, benefited from quality and affordable healthcare, distributed by a network of contracted health centers. Although the number of subscriptions remained quite low compared to the number of people informed, awareness was notably raised in vulnerable communities regarding the opportunities offered by health micro-insurance. Given that the targeted populations had low income and were often illiterate and ignorant, the expansion of insurance systems was necessarily linked to the development of better planning habits.

C) ECONOMIC VIABILITY

Unfortunately, after three years of implementation, the project could not be consolidated in order to continue providing long term distribution of health insurance products to the clients of partner MFIs. Despite setting up an adapted economic model to reach its objectives, the project was unable to carry on covering the product's distribution costs throughout the association.

• The marketing of the product implied high costs, whereas the financial contributions received from the subscribers were automatically transferred to the structure bearing the financial risk, in other words the MSS-B. In this context, greater fairness could have been achieved through a financial retribution of intermediate actors (based for example on a fraction of financial contributions received) to compensate the work they accomplished.

• In parallel, MFIs which marketted the product to their clients, actually offered an additional service which was comparable to savings or credit; and thus represented a crucial financial benefit for targeted populations. Insofar as they developed a true comparative advantage, MFIs could have also decided to allocate an annual participation to this plan.

4 – LESSONS AND RECOMMENDATIONS

A) REGARDING PARTNERSHIPS

• **Raising awareness in targeted populations:** Awareness-raising initiatives are extremely important to progressively spread an insurance culture, the concepts of mutual fund, of risk anticipation and sharing, as well as a basic understanding of how health micro-insurance works. Priority should be given to visual presentation tools, whilst encouraging greater interactivity with beneficiaries. The project revealed that a single testimony from a satisfied client could then motivate several subscriptions in a group.

• **Voluntary versus compulsory subscription models:** The simultaneous implementation of two projects in Benin and Madagascar, the former being voluntary and the latter compulsory, confirmed that the voluntary model could severely penalize the project's results both in terms of beneficiaries and debt collecting.

• **Agents dedicated to the marketing of the MAS product:** Awareness-raising, subscription management, debt collection and regular contacts with clients represent an important work load. Hence, the recruitment of dedicated marketing agents seems to be an essential pre-condition to achieve satisfactory results. The MAS Benin project highlighted difficulties in committing and motivating busy operational agents, who went through an increase in their workload.

B) REGARDING SERVICES

• **Sanitary education:** A study[6] conducted during the project underlined several obstacles which discouraged clients from subscribing and becoming loyal to Djidjoho MFIs. These drawbacks include auto medication, which is widespread in rural areas because of the geographical remoteness of health centers. Hence, product advertising must be combined with sanitary education, focusing on benign health troubles which often have serious consequences both for children and adults. In this outlook, raising awareness in families is crucial, for them to seek a precise diagnosis, get the right treatment or know they can call upon a specialist in case of need. People having subscribed to a microcredit in a MFI represent the ideal target for sustained sanitary education.

• **Improving the quality of healthcare:** Such a project must be necessarily linked to an improving healthcare, in order to provide satisfactory services to the beneficiaries. In this perspective, a partnership should be sought with a mutual fund which would be ready to work (i) on improving services available in contracted health centers (front desk reception, caring) and (ii) on product performance.

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[1] "Etude de faisabilité sur la mise en place d'une assurance maladie pour les IMF au Bénin", PlaNet Finance, BIT/STEP, 2009.

[2] Ibid, p.6

[3] Understood as the NGO PlaNet Finance and its micro-insurance specialized group branch, PlaNet Guarantee

[4] In parallel to this project, the financial support from Sanofi also enabled PlaNet Finance to launch a health micro-insurance project in Madagascar

[5] The MFIs are ALIDé, ACFB and Renaca, which together represent 120,000 clients

[6] "Micro-assurance : Améliorer l'adhésion et la fidélisation des populations au Bénin", Jean-Yves Le Hesran, Carine Baxerres, Anne-Lise Le Hesran, UMR 216, IRD, November 2012.

THE FONDENERGIA CASE
MICROFINANCE FOR CLEAN ENERGY IN PERU

1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

Fondesurco is an NGO that is focused on its clients' needs and is thus constantly trying to better the value of what it can offer. The financial support it offers to create new energy services represents a key opportunity to help its clients improve their living conditions. These services help retain customers whilst offering them more purchasing power, thus creating a unique mix of added value services, which helps single out Fondesurco from its competitors.

Since 2010, Fondesurco is in a transitional stage where it is in process to become a EDPYME (Entidad de Desarrollo para la Pequeña y Microempresa), a process which has implied several organisational changes. Given this evolution within the organisation, the economic context and the growing weight of the programme Fondenergia, green credits will become a strategic priority for Fondesurco.

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

Given the microcredit context where most MFIs are concentrated in the urban areas and offer economic trade-related activities, there is a favorable space for the Fondenergia initiative.

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEEDS

With the end goal of identifying its clients'energy uses, Fondesurco, supported by ADA and MEI, carried out a specific field study between October and November 2010, in 9 of the insitution's 14 agencies. Besides producing a poll on the use of energy in its current and potential clients 'daily activities , Fondesurco also studied the costs of energy sources related to income.

For the development of this study, three types of questionnaires were sent out: residential, microbusinesses and local guides[1]. The analysis of collected data showed the highest costs were related to:

- Cooking (wood and 5 to 15 litre gas tanks consumption);
- The use of refrigerators that are more than 10 year-old;
- An important use of batteries for old lamps while sprinkling the lucerne fields;
- The use of wood and solar radiation to heat water (sun heated buckets of water);
- The use of electricity to light up businesses in off-grid roads and regions.

In this way, given the results and the conclusions streaming from the study, a first list of energy equipment could potentially be added to Fondesurco's products: improved ovens, solar dryers (for oregano), biodigestors, efficient refrigerators and solar panels.

2 – PRESENTATION OF THE PROJECT

A) STAKEHOLDERS

Organisation name	Type of organisation (NGO, MFI, public actor, company...)	Activity sector	Contribution to the projecty (Financial, human, technical)
Appui Au Développement Autonome (ADA)	NGO	Inclusive microfinance	Financial
MicroEnergy International (MEI)	Company	Renewable energy	Technical
Programa Energía, Desarrollo y Vida - EnDev/GIZ Perú	Technical cooperation	Renewable energy	Financial and technical

B) PRODUCTS/SERVICES

Following this field study of energy uses and costs, the results were analyzed and discussed. On this basis, solar panels and improved ovens were chosen as the two green energy equipments to be added to Fondesurco's range of products.

These energy devices were chosen for their productive benefits. Indeed, by acquiering these tools, Fondesurco clients could save money, while reducing their households' energy costs. Hence, the type of clients targeted by this offer were clearly rural families with little resources and micro-entrepreneurs, mainly hotels, lodgings, restaurants or households that cook food on demand.

C) FINANCING

Funding for the project SER comes partly from Appui Au Développement Autonome (ADA) and EnDev/GIZ Peru's Energy, Development and Life programme. These contributions are adjusted annually, until the project is finalized.

3 – PROJECT RESULTS

A) BENEFICIARIES

Projections show that the number of beneficiaries will slowly grow, from nearly none to a maximum during the second month of the second year tof the project implementation. The following table shows the number of people benefiting

from each of the energy devices offered.

	Year	Oven sales	Solar panel sales
Optimistic projection	Year 1	311.9	276.4
	Year 2	596.4	543.2
	Year 3	615.5	567.1
Average projection	Year 1	239.2	230.4
	Year 2	474.4	452.6
	Year 3	490.3	472.6
Negative projection	Year 1	209.4	184.3
	Year 2	397.6	362.1
	Year 3	410.3	378.1

B) ESSENTIAL SERVICES COVERED

The project indirectly helps clients access better and cheaper energy equipments, thus allowing them to improve their living conditions and save money through microcredit.

C) ECONOMIC VIABILITY

The financial sustainability analysis shows this product could become viable within the next 5 years provided the interest rate decreases by 0.05% annually.

4 – LESSONS AND RECOMMENDATIONS

A) REGARDING PARTNERSHIPS

The lessons learned are part of a continuous improvement process, which will enable Fondesurco to take the right decisions on the long run. Recently, communication has been bettered, which has helped promote greater coordination between decision-makers. However, communication channels can still be improved between Fondesurco staff and technical assistance providers (MEI, GIZ). Moreover, in order to collect complaints, Fondesurco plans to set up a data base with clients' comments.

B) REGARDING SERVICES

In the case of solar panels: High altitudes and low temperatures may be problematic. Indeed, the water contained within the solar panels can freeze, thus affecting the proper functioning of the device. Hence, hollow tubes are used for high altitude operations, in order to prevent any damage linked to freezing. Moreover, hollow tubes also work better than flat collectors in cloudy conditions, provided they are equipped with water filters and thermal pipes for high altitude regions.

Regarding recycling, Fondesurco has established a partnership with the provider D'Sol to ensure it collects, recycles or repares used solar panels.

In the case of improved ovens: Many clients do not properly read the instruction booklet that comes with the oven. They try learning to use it on their own and make mistakes, which can create frustration and disappointment. To make this learning process easier and avoid errors, salesmen and counselors will be trained to explain the functioning and maintenance of ovens. They will have access to an explanatory leaflet with graphic indications on the way the ovens work. More precisely, the two main recommendations are the use of dry wood and keeping the oven's door constantly closed.

Moreover, a recipe book will be given out to clients in order to inform them on the proper cooking times in the improved ovens, to help them become more efficient and enable them to cook tasty dishes.

Finally, Fondesurco's complaints system should be up and running shortly. On the medium term, the objective is to set up a system to collect both proactive and reactive complaints to improve the practices of Fondesurco as part of FondeEnergia.

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[1] Local guides were in charge of collecting information regarding the price of energy products in the local district studied, and if relevant the distance and time needed to find these products elsewhere. This analysis took place in selected shops, where products were available and prices stable.

THE GUARDIAN CASE
MICROFINANCE FOR WATER AND SANITATION IN INDIA

1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

India is the first country in the world with open defecation where more than 58% of the people are defecating in the open places. While the urban poor are using community toilets, thus reducing open defecation in urban slums, the rural people are using the roadsides, tank bund areas and village surroundings.

Today, 2.5 billion people lack improved sanitation facilities around the world. In India, 8% of the population - almost 97 million people - do not have access to improved drinking water and 66% of the population - over 814 million people - to improved sanitation facilities. Although progress has been made, increasing access to improved sanitation is fraught with challenges. Most households, particularly in rural areas, do not see the need for sanitation: Indian families have more telephone connections (63.2% households) than they have toilets (53.1% households).

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

In this context, Gramalaya Urban And Rural Development Initiatives And Network (GUARDIAN) came into existence to address the financial needs of the communities, by creating household water infrastructures.

GUARDIAN is a non-profit microfinance institution (MFI) founded in 2008 as a brain child of Gramalaya, an NGO working on water and sanitation in urban and rural villages for several years. This NGO helps the communities through revolving loans fund supported by WaterAid UK, and Water.org. GUARDIAN is the first MFI in the world engaged in micro lending to communities lacking access to credit for the creation of individual toilet and water connection conveniences. With the support of nationalized banks, communities, NGOs, women self help groups (SHG) and donor agencies, GUARDIAN lends to the poorest communities for the promotion of water and toilet facilities.

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEEDS

GUARDIAN is fighting against poverty, by improving access to water and sanitation both in rural and urban areas. The MFI has grown and is now active in 4 cities (Trichy, Perambalur, Namakkal and Pudukottai) in the state of Tamil Nadu.

2 – PRESENTATION OF THE PROJECT

A) STAKEHOLDERS

Organisation's name	Type of organisation	Sector of activity	Contribution to the project
Gramalaya NGO	NGO	Water and sanitation	Technical and human
Indian Overseas Bank	Nationalized Bank	Loan capital	Financial
Acumen Fund, USA	Social Investor	Loan capital	Financial
Milaap, Bangalore	Social Investor	Loan capital	Financial
Water.org, USA	Donor agency	Grant	Financial (grant support)
Guardian MFI	MFI	Loan for water and sanitation	Financial (loans)

B) PRODUCTS/SERVICES

GUARDIAN proposes different types of loans in order to solve most water issues. 70% of the loans go to toilet construction, 10% to renovation of existing toilets and the last 20% to water connection.

Below is a description of the MFI's products:

Loan Products	"Urban Rs."	"Rural Rs."	"Interest rate (declining basis)"	Duration
New Water connection	7000.00 (115 USD)	5000.00 (82 USD)	21%	18 months
New Toilet Construction	10000.00 (165 USD)	10000.00 (165 USD)	21%	18 months
Renovations (Water / Toilet)	5000.00 (82 USD)	5000.00 (82 USD)	21%	18 months
Rain water harvesting	5000.00 (82 USD)	5000.00 (82 USD)	21%	18 months
Water purifier	3000.00 (50 USD)	3000.00 (50 USD)	21%	18 months
Bio-Gas Plant	10,000.00 (165 USD)	10,000.00 (165 USD)	21%	18 months

C) FINANCING

From its inception, Water.org USA has supported GUARDIAN with a grant of 35 million Indian National Rupees (INR) (577k USD) to meet operational costs, development support and services.

Concerning lending activities, GUARDIAN has mobilized loan capital of INR 105,000,000 (1,731k USD) from Indian overseas Banks (Acumen Fund, Milaap, FWWB).

3 – PROJECT RESULTS

A) BENEFICIARIES

A specificity of the GUARDIAN's programme is that the beneficiaries are only women. The objective of the MFI is to provide water credit to 100,000 members for the creation of individual water and sanitation facilities, for period of 4 years up to 2015-16 under water credit initiatives. Thus, GUARDIAN could reach 100,000 families for easy access to water and sanitation facilities by the year 2016 and 500,000 members would benefit indirectly from these initiatives. Guardian's water credit concept would be spread over to the entire Districts of Tamil Nadu in the years to come.

B) ESSENTIAL SERVICES COVERED

Providing access to improved drinking water and sanitation facilities addresses many other aspects of poverty, including income poverty, hunger, gender equality and education. The following statistics show the need of home-based water connections and toilets, a way to enhance the population's access to improved drinking-water and sanitation facilities. Hence, GUARDIAN is in fact indirectly contributing to each of the eight Millennium Development Goals.

Increasing access to improved drinking-water and sanitation facilities can effectively relieve the poor of many of these sufferings. For example, it significantly reduces their disease burden. Globally, improving water, sanitation and hygiene has the potential to prevent 6.3% of all deaths, and 9.1% of the disease burden measured in disability-adjusted life years (DALYs)[1].

C) ECONOMIC VIABILITY

Although it is a relatively small IMF, GUARDIAN has been rapidly developing over the last three years and has demonstrated the potential for further growth, backed by a strong operational and financial record. During its first three years of operation, it has disbursed 20,000 loans to households which attracted a 100% repayment rate.

4 – LESSONS AND RECOMMENDATIONS

A) REGARDING PARTNERSHIPS

In order to expand its activities among the marginalized and poorest communities living in urban and rural villages, GUARDIAN is in the process of seeking loan assistance from government-owned banks, commercial banks, social investors and other financial institutions. In line with its expansion activities, GUARDIAN is seeking INR 50,000,000 (825k USD) from Unitus Capital.

GUARDIAN's partnerships strategy, tied up with many international and local NGOs, such as LEAF Society, INDO Trust or Gramalaya has proven to be very effective. It should allow GUARDIAN to provide water connections for around 20,000 households and toilets for 10,000 households in the next three years.

B) REGARDING SERVICES

The Indian government has an important role to play in the development of MFIs like GUARDIAN. It should continue to promote the fight against poverty. Indeed, decision-makers have recently announced that in the next 10 years India would become an open defecation free country. This kind of commitment is really helping GUARDIAN.

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[1] DALYs are the sum of the years of potential life lost to premature mortality and the years of productive life due to disability.

THE CAISSE D'ÉPARGNE/ PARCOURS CONFIANCE CASE
MICROFINANCE FOR HOUSING IN FRANCE

Bruno Leclercq (General Secretary of the Caisse d'Epargne Bretagne Pays de Loire and president of the Parcours Confiance association): *"We are currently reflecting on the evolutions of microcredit in France and on the ways this tool can accompany public policies or local plans to help underprivileged populations. We must be capable of adapting our products, whilst offering a personalized banking instrument."*

Christine Ghesquière (Deputy Director of the Région Bretagne): *"Microcredit is a tool that can be mobilized to help people with low income access financing networks. This dynamic view of microcredit, still at an experimental stage, will eventually complement more classic loan mechanisms, which are not accessible to all social categories, to reduce the energy divide."*

1 – INTRODUCTION

A) CONTEXT SPECIFICITIES

In its 2013 report on poor housing, the Abbé Pierre Foundation estimates that approximately 3.6 million people in France suffer from bad housing conditions. In most cases, poor housing is linked to fuel poverty, namely bad isolation or dysfunctional heating systems. According to the French National Housing Agency (ANAH), 2.1 households spend over 10% of their income to pay energy bills.

B) NEEDS SPECIFICITIES: WHAT SOLUTIONS BEFORE/WITHOUT THE PROJECT?

In France, financial aid mechanisms exist to help unsanitary house owners to renovate their homes. The ANAH's "Live better" programme for instance, offers subsidies aimed at renovating 300,000 homes by 2017. Local action plans also exist at the communal, departmental and regional levels to fight poor housing.

However, these subsidies are hardly sufficient to cover the whole cost of construction, leaving owners with a financial burden of approximately 3000 Euros for energy efficiency works and 15,000 Euros for sanitary works. When the incumbent households do not have the necessary savings, this financial load compromises entire renovation projects.

C) PROJECT'S OBJECTIVES GIVEN THE CONTEXT AND SPECIFIC NEEDS

In this context, the Caisse d'Epargne Bretagne and Pays de Loire built partnerships with local associations active in house renovations, in order to offer housing microcredits. Microcredits are distributed through "Parcours Confiance", an association created by the Caisse d'Epargne. A national public fund, called Fonds de Cohésion Sociale (2005), guarantees 50% of microcredits every microcredit provided under this project. This experimentation was launched in the Bretagne and Pays de la Loire regions, with the objective of quickly spreading to the rest of France.

2 – PRESENTATION OF THE PROJECT

A) STAKEHOLDERS

The "microcredit housing" project is based on a financial and technical partnership between several operators, with complementary expertise:

• PACTs: These actors are departmental associations, specialized in home renovations. They identify owners in need, and help them undertake a housing diagnosis, before putting together a financing file in order to adequately organize the renovation with qualified craftsmen. When the files are incomplete, and the financial support needed cannot be provided by aids or subsidies, the Parcours Confiance association is called upon.

• Parcours Confiance: This network of regional associations is financed by the Caisse d'Épargne and is specialized in the examination of microcredit demands and banking assistance for borrowers. When dossiers are considered acceptable by a Parcours Confiance counselor, the Caisse d'Epargne can grant a housing microcredit comprised between 300 and 10,000 Euros, with a fixed interest rate of 3%, to be reimbursed over a maximum of 72 months.

• The Caisse des Dépôts et Consignations (CDC): This public financial institution manages the Social Cohesion Fund (SCF) and is committed to guarantee housing microcredits up to 50% of the amounts loaned. For the time being, this model is experimented for a limited number of dossiers.

B) FINANCING

The project brings together private funds, from the Caisse d'Epargne via Parcours Confiance, and public funds in the form of subsidies and loan guarantees. The Social Cohesion Fund has made available 64,000 Euros, equivalent to 1.3 million Euros in microcredit liabilities. The time dedicated to each dossier is important (15 to 20 hours total) because of the complex analysis required and the multitude of financing tools. Given that the project is at an experimental stage, a representative annual budget is hard to present. The latter is conditioned by the number of dossiers, which should be multiplied by four in 2013 reaching 120 microcredits, compared to 30 microcredits in 2012.

3 – PROJECT RESULTS

A) BENEFICIARIES

In 2013, the project should enable the financing of approximately a hundred housing microcredits, a figure far from the estimated 2,000 microcredits annually needed. Adding up the completed dossiers since September 2012 when the first partnerships were launched, between 250 and 300 persons should see their living conditions improve by the end of the year 2013.

B) ESSENTIAL SERVICES COVERED

This has helped reduce the risks which households face:

• Reduction of accident risks due to the upgrading to standards of residences

• Reduction of illness risks thanks to the upgrading of heating and isolation conditions

• Reduction of over-indebtedness risks thanks to the reduction of the energy divide and the cost of insalubrious housing

This has also created positive externalities, increasing the employability of beneficiaries, their self-esteem and social relations.

For the community, these positive effects contribute to the decrease of health and house degradation costs, which may lead to incivilities in certain neighbourhoods. For the bank, costs are paid off by the interest rates, the services offered to clients (savings account, credit card, insurance…) and by networking with new associations and communities who might become clients. However, the interest rate offered by the Caisse d'Épargne shoud be multiplied by 4 or 5 in order to cover the entirety of instruction costs. If experimentation were to develop at a broader scale, the bank could pay off these costs by collecting and reselling energy economy certificates (CEE). These certificates are currently delivered in acknowledgement of works helping reduce energy consumption in dwellings.

C) ECONOMIC VIABILITY

The first results show a controlled risk. No outstanding debts were created, but data is still missing to fully analyze this issue. Borrowers have a rather more stable profile than most personal microcredit beneficiaries. They own their homes, are often retired, possess regular incomes and are motivate by the improvement of their living conditions. Most of them live under the poverty line. Microcredit enables them to benefit from housing subsidies (l'aide au logement), which in turn reinforces their reimbursement capacities. The decrease in their energy bills, around 20%, is also a step in the right direction.

4 – LESSONS AND RECOMMENDATIONS

A) REGARDING PARTNERSHIPS

The success of this project is based on the linkage between partners with complementary expertise. Alone, bankers cannot estimate the nature and costs of renovations. Thanks to the experience of partners, specialized in housing, construction works can be carried out in the right conditions. This helps build credibility. Finally, the actors involved should also raise awareness for housing issues in charitable or socially active associations, so the latter can identify and report the needs of their beneficiaries.

However, creating these partnerships is a long and time-consuming job. Hence, it is important that future discussions be based on concrete cases, so that partners can standardize their procedures, and become more efficient. Regular meetings must be organized, from the first dossiers onwards, to anticipate issues and build this partnership on both a transparent and solid basis. Each partner must thus share its intentions and capabilities in order to avoid an overwhelming amount of work.

B) REGARDING SERVICES

The first months of experimentation confirmed that housing microcredit provides a response to the growing demand of households confronted with energy precariousness and insalubrious living conditions. The dossier validation rate (over 80%) confirms this trend. These measures target elderly people (over 50 years old) whose living conditions are below the poverty line, but who nonetheless manage to reimburse around 100 Euros a month.

The analysis of dossiers which were granted financing highlights 3 broad types of needs, with different financial levels:

- Energy efficiency works: 16,000 Euros average including 5,000 Euros microcredit
- Works to make dwellings compliant with standards: 25,000 Euros average including 7000 Euros microcredit
- Works to upgrade insalubrious housing: 30,000 Euros average including 9,000 Euros microcredit

The more costly works to upgrade insalubrious housing appear to be quite prohibitive, given the limited microcredit owners can ask for (10 000 Euros). In this context, guarantees should be extended to more costly microcredits. In order to remedy these financial shortcomings, private investors or public actors such as the Social Cohesion Fund, could be called upon. However, one of the main issues is the lengthening of reimbursements, whilst borrowers, which are often elderly, can unexpectedly pass away or suffer from infirmity. In order to ensure this project's viability, financial security mechanisms, such as insurance subscriptions or third-party guarantees, should be developed for microcredits exceeding 10,000 Euros.

In this outlook, housing microcredit is quite likely to succeed.

CONCLUSION

To sum up, there is an overwhelming amount of evidence substantiating the beneficial effects of microfinance facilities both in terms of material and physical well-being. Indeed, strong potential synergies exist between microfinance and the provision of basic social services for clients. **The benefits derived from microfinance, basic education or primary health are interconnected, and their impact can increase when they are delivered simultaneously.**

Moreover, this study confirms that a new global development partnership is underway and that microfinance represents an important tool for the achievement of the MDGs. Indeed, **innovative alliances can be decisive to provide basic social services to the most vulnerable populations, particularly in rural areas.** For instance, in Tanzania, the MFI Tujijenge provided 245 solar energy units to disadvantaged households at affordable prices; in Cambodia, 250 new small operators are bringing water to the poor thanks to the MIREP programme; and, in India, the GUARDIAN project will soon reach 100 000 families for easy access to water and sanitation facilities.

Beyond geographic and sectoral specificities, the assessment of 168 projects and the in-depth analysis of seven case studies help point out the strengths of microfinance partnerships, but also their limits and the difficulties they face in the field. On the one hand, **the market for the provision of basic social services is almost limitless in developing countries**, with long-term projected growth. On the other hand, **microfinance partnerships still have trouble combining high social impact and profitability**.

Below are presented **the main lessons learned** from our surveys and case studies on microfinance partnerships, as well as several recommendations to improve practices in this sector and make partnership models easier to replicate.

THE STRENGTHS OF THE PROJECTS ASSESSED:

• The results are convincing in terms of improving access to essential services: the projects have a **qualitative social impact** and confirm the existence of a large demand and dynamic market at the Base of the Pyramid.

• Partnerships in microfinance help trigger **a positive dynamic between stakeholders**, which can share knowledge and skills while increasing complementarities, professionalism and mutual expertise. Thanks to their alliances, the private, public and social actors are encouraged to adopt good practices whilst promoting a more comprehensive and sustainable vision of development. In this outlook, the project manager of the Tujijenge's partnership in Tanzania stated that her programme "*underlines the feasibility and the advantages of bringing together microfinance and private sector actors to develop sustainable solutions*".

• Some of the **microfinance projects manage to become fully operational and balanced in the long run** (at least 18 months). For instance, concerning the MIREP programme in Cambodia, "*after several years, credit institutions have become more flexible on credit maturities and have also decreased rates*". Along the same lines, the Tujijenge case in Tanzania "*only started to be financially sustainable when the product proved to work and the dealer demonstrated his commitment to the operation*". Thus, partners should not be deterred by the financial difficulties encountered at the beginning of projects.

THE LIMITS ENCOUNTERED BY THE PROJECTS ASSESSED:

• In several cases, **MFIs lack financial and human resources** to recruit and to train new credit officers. The need for additional and more pedagogical staff is nonetheless crucial to efficiently sell complex products, such as solar energy units or micro-insurance to poor households.

• In some cases, such as the MIREP programme in Cambodia and Laos, **mistrust can plague relations between credit institutions and SMEs**. On the one hand, commercial banks consider that investments toward the Base of the Pyramid are not secure. On the other hand, small businesses perceive negotiations with banks as difficult, financial guarantees as too harsh and the structure of loans too complex.

• Last but not least, **some of the products offered by the MFIs might be hard to use or suffer from quality defects**. These risks call for better support, maintenance and follow-up services in order to assist beneficiaries and create trust amongst stakeholders.

• In order to become an operational tool for access to basic services, **microfinance will have to upscale** by reaching more beneficiaries and developing projects at the regional and national level. This objective implies economies of scale, reducing delays and reinforcing partnerships.

• At the same time, for evident credibility reasons, it is **crucial to promote responsible and ethical microfinance**. To do so, we encourage you to support the numerous initiatives advocating better practices in the sector, which are encapsulated in the Global Appeal for Responsible Microfinance.

RECOMMENDATIONS

1

PROMOTE THE REGULATION AND THE SUPPORT OF MICROFINANCE BY PUBLIC AUTHORITIES

• Encourage the financial support of donors both at the national and international levels.

• Organise advocacy campaigns to raise public awareness on the importance of microfinance to reduce poverty.

• Promote regulation of the microfinance sector through legal definitions or fiscal incentives, to attract potential investors.

• Create legal guarantee mechanisms to help consolidate microfinance partnership projects.

2

CONSOLIDATE THE COST-EFFECTIVENESS OF PROJECTS

• Convince credit institutions of the dynamic potential market at the Base of the Pyramid representing a large demand for essential services.

• Seek economies of scale via more communication, partnerships and fundraising.

3

REINFORCE PARTNERSHIPS AND PROGRESSIVELY RATIONALISE THE MICROFINANCE SECTOR

• Better share costs by creating resource pools (project managers, administrative support teams, trained credit agents, impact evaluation experts).

• Promote internal communication (share information, circulate good practices) through regular meetings between partners.

• Encourage greater involvement of the private sector which remains underrepresented in microfinance partnerships.

• Support the emergence of service companies providing support to the operators on the drawing up and monitoring of dossiers.

4

DEVELOP BETTER COMMUNICATION ON THE PROJECTS

• Raise awareness in targeted populations to progressively spread an insurance culture, by educating clients to the concepts of mutual fund, risk anticipation or micro-insurance.

• Promote external communication about the importance of essential services and explain how the more complex ones work, by using appropriate educational tools.

• Promote word of mouth which can substantially raise project visibility.

• Help set up a system to centralise clients' complaints, invest in maintenance and follow-up services.

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168 PARTNERSHIPS

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WATER AND SANITATION

CLIFF

SPARC (Society for the Promotion of Area Resource Centres); Nirman; Mahila Milan; National Slum Dwellers Federation

Environmental Services Project

Bank Rakyat Indonesia; PDAM Tanah; USAID

FINISH

Bharat Integrated Social Welfare Agency (BISWA); Bharathi Women Development Centre (BWDC); Evangelical Social Action Forum (ESAF); The Institute of Integrated Rural Development (IIRD); Nageshwara Charitable Trust; National Bank for Agriculture and Rural Development (NABARD); National Housing Bank (NHB); SAMBHAV Social Service Organization; SNS-REAAL Asset Management Arm; TATA-AIG Life Insurance Ltd.; UNU-MERIT; WASTE Netherlands

IEM (Initiative Eau et Microfinance)

PAMIGA

Kenya Microfinance for Water Project Activity

K-Rep Bank; PPIAF; GPOBA; EUWI; WSP

MIREP Project

GRET; commercial bank; private providers and local companies; MIME (Cambodian ministry); MPWT (Lao ministry); local authorities

Improve the financing of urban sanitation: Wogodogo

Lagemyam; CREPA; NGO East

Regefor Project

CMS; AFD; ASUFOR

Safe Water and Rural Environmental Sanitation Program (SWRESP)

Vietnam Women Union; Vietnam Bank for Social Policies

Safe Water Project

PATH; Spandana; Hindustan Unilever Limited; Abt Associates

Watercredit

Gramalaya (WAVE); Acumen Fund; Milaap; Indian Overseas Bank; Guardian MFI

WaterCredit

Water.org; Local MFIs; Local NGOs

Parivartan Project

SEWA Bank; Mahila SEWA Housing Trust; Mahila Housing SEWA Trust (MHT); Ahmedabad Municipal Corporation (AMC)

EDUCATION

A window to the world of work: Work inclusion for vulnerable young people

PlaNet Finance; Fundación Paraguaya; European Union

Babeo: Women's Programme

Promotion de la Femme Microentrepreneure via la Microfinance et l'Appui à la prise en charge de ses Enfants; PlaNet Finance; Aina; Capacity building for Communities (CforC); Tabita

CRED'ART (Crédit aux Jeunes Artisans)

FCPB; CIF; ADA Luxembourg

Djirume

PlaNet Finance; AMIE; USAID

Grameen Shikkha (Education)

Grameen Bank Foundation; MFIs; RESULTS

Professional integration for insecure Youth

PlaNet Finance; two local organizations : Darna and L'Heure Joyeuse; Local Sector - Agence pour l'emploi: ANAPEC

Jigeen Nit Tamit

PlaNet Finance; RECEC; PROFEMU; ANS; MEC Bargny; Union forestière de Mboro

Kiva Student Microloans

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Microfinanzas y Educacion

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Motivating Youth via Skills Training & Employment Preparation (MY STEP)

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Aliniha Project

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Promote access to higher education in developing countries

Vittana; MFIs

Promotion and development of women entrepreneurship; Mali

PlaNet Finance; BEREBEN; APFER; MISELINI (MFIs)

YEP MENA - Youth Entrepreneurship Project (YEP)

PlaNet Finance; 3 MFIs: The Lebanese Association for Development: Al Majmoua; The Arab Center for Agricultural Development (ACAB); Alexandria Businessmen Association (ABA)

Youth Education Pack (YEP)

Norwegian Refugee Council; NGOs; businesses associations; local businesses; donors; local MFIs

YUWAccess - “Alleviate unemployment by upgrading the relevant Vocational Education Training Providers and Microfinance Institutions”; Nepal

PlaNet Finance; The Rural Microfinance Development Centre (RMDC); The Federation of Nepal Cottage and Small Industries (FNCSI); European Union

ENERGY

Biogas Support - Programme (BSP)

SNV/Nepal; Biogas Sector Partnership-Nepal; NGO; Alternative Energy Promotion Centre; Government agencies; Selected biogas companies

Energy credits

FCPB; Local banks; OMA Senisot; Local associations ; FONDEM

Ecomicro program

IADB; Nordic Development Fund; MFIs Latin America

L’Initiative Eau: Energie Renouvelable et Microfinance

PAMIGA; Schneider Electric; 7 MFIs includingt PRIDE; MIFED Cameroun

Energy Links

Energy Links; Barefoot (solar social enterprise); local MFIs and savings groups partners : CARE (UWESO and CREAM in Uganda); Oxfam (Mali); Epic Ankilais in Mali; FINCA in Tanzania

ERSEN

ERSEN; GIZ; ASER; technical partners

GGF Fund

KfW/private investors; MFIs/local banks

Global Environment Facility: Small Grants program

UNDP; committee of community members; 32 local NGOs

Genesis empresarial

NGO Plan International and Fundacion Solar; MFI; Fulano de Tal (solar companies); Central American Bank for Economic Integration (BCIE)

Initiative Perza

World Bank; UNDP/GEF; Microfinance institutions (Fondo de desarollo local; Fundacion para el desarollo socioeconomico rural; Fundacion para la promocion y el desarollo; Fundacion José Nieborowski; Energy companies

Initiative for Energy inclusion

ADA; MicroEnergy International (MEI); 2 MFIs : FONDESURCO and Caja Huancayo

Kathamba micro-hydropower scheme

Self help groups Kathamba Electricity Users Association; Practical Action; NGO; Ministry of Energy; local ROSCAs

KAYER

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Mantra Project

Spanda

Microfinance for Liquefied Petroleum Gas

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Microfinance and Jatropha

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PALMIS ENEJI

ID Microfinance; Entrepreneurs du Monde; Total Access to Energy; ICTP

Photovoltaic Market Transformation Initiative (PVMTI)

International Finance Corporation (IFC); Global Environment Facility (GEF); Barclays Bank of Kenya; Muramati SACCO and other SACCOs member of KUSCCO; ASP Ltd; Solagen Ltd; Chloride Exide

Plan Sierra

Governemental association Plan Sierra; 3 MFIs: cooperatives Mamoncito and San José; and the General Directorate of Community Development (DGDC); Agence Française de Développement

Solar Loans Programme

CO-OP ADEPE; Unregulated rural savings bank; Soluz Domincana; Energia Solar Mocana

Solar Loans Programme

Enersol SA (solar company); UNDP/ World Bank; Cooperativa San Roquea; Cooperativa Buen Samaritana; Emprender (MFIs)

3 years Solar Loans Programme

Banco ADEMI; Little local solar companies

SELCO Solar Programme

SELCO; REEP; Self-help groups; SEWA Bank

Tecnosol Programme

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FREEME Project: Promotion of Renewable Energy in Maroc and Egypt

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Promotion of Renewable Energy in Tanzania (PRET)

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Renewable ENergy for DEVelopment (RENDEV)

PlaNet Finance; MFIs: Association for Underprivileged People (Prokashauli Langsad Ltd); Yayasan Bina Usaha Lingkungan UKABIMA; Bina Swadaya; IT power; Transenergie; Grameen Shakti; Rahima Frooz Solar; Optimal Power Indonesia

Rural Electrification Project

Governmental authorities ; UNDP; 4 energy companies; 4 rural MFIs; Global Environment Facility

SEEDS

SEEDS (Sarvodaya Economic Enterprise Development Services); Solar enterprises; RERED (governmental programme); Central Electricity Board (CEB)

Solar Energy Support Programme (SESP)

Alternative Energy Promotion Centre (AEPC) ; government agency; selected photovoltaic companies; Agricultural Development Bank Ltd (ADBL); Rastriya Banijya Bank; MFIs

Solar Loan Programme

Sun Power Afrique; local MFIs like FECECAV; local Togolese technicians; SunPower Builders

Clean Energy for cooking

GreenMicrofinance; Approtech Asia (NGO)

Renewable energy project for Tongwei County

PlaNet Finance & local MFIs; Areva & GDF Suez; European Union

HOUSING

APRROOT PROGRAM

Ashi; Habitat for Humanity; Que bem; GCAMF; Cordaid; municipality of Pangil

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CLIFF

Homeless International; CFID; SIDA

Flexible Housing Loan

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Global Financial Innovations Partnership (GFIP)

Shorebank International; USAID; Local MFIs; BMCE and Fondation Zakoura

Habitat Nyésigiso

AFD; Nyésigiso; DID (Développement International Desjardins); ACDI

Home Improvement Loan

Habitat for Humanity Uganda/ International; Uganda Agency for Development Limited (UGAFODE); Association of MFIs; Build Africa; Company Support and Community Development Trust (ENCOT)

House Improvement Fund

Habitat for Humanity Macedonia; Moznosti; local implementing partner of the global microfinance coalition Opportunity International (OI)

Housing Construction for Faith Foundation Co-op

NACHU (National Cooperative Housing Union of Kenya); Rooftops Canada; CLIFF (Community Led Finance Facility)

Initiative on Housing Microfinance

Accion; FAMA

Initiative on Housing Microfinance

Accion; Integral

Kredi Kay Program

Habitat for Humanity; Fonkoze; affiliate of Grameen Foundation

Lafarge Microfinance Programme for Affordable Housing

Lafarge; CHF International; local MFIs (Bank Rakyat Indonesia; TSPI in Philippines; Lapo in Nigéria); AFD

Micasa

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Mortgage Loan and Housing Support Services

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Propriétaires Occupants Très Sociaux (POTS)

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PRIDE (Promotion of Rural Initiave and Development Companies)

NORAD (Norwegian); PRIDE Tanzania

Extending the provision of decent housing for low income South Africa through microfinance Project

PlaNet Finance; Kuyasa Fund

Tanzania Pilot Housing Microfinance Project

WAT (Human Settlements Trust); Financial Sector Deepening Trust (FSDT); Rooftops Canada and NBBL

Twize : Beit el Mal

GRET; Beit el Mal; Government of Mauritania

Urban Poor Development Fund (Cambodia)

Solidarity and Urban Poor Federation (SUPF); Asian Coalition for Housing Rights

Low-cost housing finance

Women Advancement Trust (WAT); SACCOs

PRIMARY HEALTH CARE

Responding to HIV/AIDS within MFIs in Mozambique

CIDA; USAID; local MFIs (Banco Oportunidade de Moçambique; Male Yeru; Ophavela; Caixa das Mulheres de Nampula); consulting firms (DAI; ECIAfrica Consulting; MEDA; MMF; Health Alliance International

Intensifying education on National Health Insurance Service

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Microfinance and Health Protection Initiative (MAHP)

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Microfinance-health Initiative

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Microinsurance Programme

TATA-AIG; Local NGOs; Members of local communities

Health Microinsurance Project

PlaNet Finance; PlaNet Guarantee (microinsurance); MFI: ALIDé Bénin; RENACA; ACFD; association Djidjoho; Sanofi-Aventis; Mutuelle de Sécurité Sociale du Bénin

HIV Project Burkina Faso

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Sudhanand Healthcare

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CLEANING / WASTE MANAGEMENT

ALMODO Initiative

GVD (Gestion et valorisation des déchêts); Local authorities/Research institute; UNEP/UNDP

Ecotourism development and cleaning in the city of Morondava; Madagascar

PlaNet Finance; European Union (Programme ProGeCo)/City of Grand-Quevilly (Seine-Maritime); City of Morondava; NGO FIKRIFAMA

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GERES Cambodia - Cool briquettes: sustainable exploitation of combustible waste

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