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FROM THE AMERICAN PEOPLE



Canadian International
Development Agency

Agence canadienne de
développement international

WOMEN'S CREDIT ASSOCIATION OF NAMPULA (CMN) BERLINDA PACHECO, ARC

[November 8, 2006]



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Activities Planned

- Monitoring of financial ratios
- Research on the level of client satisfaction and drop-out
- Training of CMN staff and members on matters related to HIV/AIDS

Objective of the activities

- HIV/AIDS training of CMN staff and members
 - Raise the awareness of staff and members on dangers related to HIV/AIDS
 - Provide staff with the knowledge to better take up HIV/AIDS aspects with the members
- Define and analyze ratios
 - Measure possible impact of HIV/AIDS on CMN
- Client satisfaction survey
 - Find out whether there is a need to change products because of impact of HIV/AIDS
- Drop out study
 - Determine if the impact of HIV/AIDS increase client drop out

State of the activities

- **Activities carried out**

- Research concerning the members' degree of satisfaction –July 2006;
- Monitoring of the financial ratios –August 2006
- Training of staff and members related to HIV/AIDS –October 2006
- Research concerning the causes of member drop-out. However, the drop-out rates were stable and it was difficult to locate the few members who dropped out

- **Activities not carried out**

- Printing t-shirts with awareness-raising messages concerning HIV/AIDS

Methodology and Outcomes

HIV/AIDS training

- Dissemination campaign to convince the members to join in the training initiative
- Training sessions in groups of 50 persons/day, led by a female trainer specialised in HIV/AIDS

Methodology and Outcomes

Client satisfaction

- Survey of 71 members (40 with a loan and 30 without) in their workplaces, through two INE (National Institute of Statistics) interviewers –Nampula;

Results

- The CMN's clients are generally satisfied with the services and products provided
- They have relative health burdens in the form of:
 - Their own health problems
 - Taking care of family with health problems
 - Taking care of orphans
- HIV/Aids impact: savings consumed in medical expenses and travel, and reduction in profits due to time away from the business

Outcomes (2)

- The load with caring for orphans is more significant than health care amongst the observed sample.
 - > 50% of the families have at least one orphan
 - 61.4% take care of children on a temporary or ongoing basis
 - Large families: >50% of the families have seven or more members – exacerbated by the orphans
- Meeting social needs through partnerships
 - There is a strong social demand on the CMN, e.g.: requests for food, clothing, counselling and care of children
 - It is necessary to establish partnerships with local NGOs in order to receive assistance

Methodology and Outcomes

Analysis of Ratios

- Historical review: 2004, 2005, 2006
- Outcomes
 - The analysis showed that the quality of the portfolio is excellent:
 - low portfolio at risk: 0.8%,
 - substantial portfolio growth: 80%
 - The risk cover ratio is low (37%), but the CMN's portfolio at risk is low and the MFI manages to recover debts even after thirty days, therefore it is not a problem;
- Only information on CMN's credit portfolio
 - no information related to savings or CMN's financial statements (due to lack of good MIS)

Recommendations

- Establish partnerships with local NGOs working in the social area, particularly on the HIV/AIDS pandemic
 - Continue training with members that did not received it
 - Provide training to the members' husbands
- Conduct client satisfaction survey on a annual basis
- Ratios
 - Monitor the loan portfolio ratios on a regular basis
 - Monitor other ratios which may serve as a warning sign of increased HIV/AIDS impact.
 - Growth in deposits
 - Staff productivity
 - Client retention

Next Steps

- Partnership with local NGO
 - In negotiation
 - Issue is on payment of services, CMN does not have financial resources for that type of intervention
- Ratios
 - Pending the installation of a MIS
- Client satisfaction survey
 - Would need some external help to be able to do that; members not available to work for free

Lessons learnt

- We learned that there is a lot that an institution like CMN can do to mitigate the effects of HIV/AIDS, both amongst its staff and in the membership
- Support from board and members is key for the success of the programme
- CMN needs a good MIS to be able to monitor the impact of HIV/Aids on the financial performances
- Technical assistance related to HIV/Aids impact cannot be isolated from other issues

Lessons learnt

- The process for implementation was not always clear:
 - Need for an ARC
- Advances and reimbursement was a constrain on a small institution; CMN did not have the cash flow to advance the funds for some activities