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Hluvuku

ASSOCIAÇÃO DE DESENVOLVIMENTO
SÓCIO-ECONÓMICO DE MATUTINE

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Planned Activities

- Savings Needs Assessment (*)
- Monitoring of the financial performance ratios
- Design of a new Human Resource policy
- Training of staff and clients on HIV/AIDS

(*) the only activity included in the Technical Assistance program

Objective of the Activity

1. Savings Needs Assessment

- Identify the savings needs of Hluvuku's clients, by listening to clients
- Determine link to HIV/AIDS
- Propose alternative solutions for Hluvuku's savings offering
- Propose refinements to the products to contribute to improved customer satisfaction

Methodology

- **Savings needs assessment:** 15 Focus Group Discussions carried out with a total of 125 active clients
- **Preparation of HR policy on HIV/AIDS:** Sharing of experience with BOM and partnership with Médicos do Mundo (*Doctors of the World*) Portugal
- **Staff training:** Presentation on the impact of HIV/AIDS in the workplace, given by Médicos do Mundo Portugal
- **Awareness-raising amongst clients:** industrial theatre and presentations on the socio-economic impact of terminal illnesses and HIV/AIDS: 294 participants in Bela Vista and surrounding areas (Kutsemba)
- **Training of clients:** Ponta d'Ouro (60); Boane (83) and Catembe (55)

Results – Demand for savings services

- The demand for savings services was strongly confirmed during the needs assessment
- Clients would utilise savings services, in the event that Male Yeru were to provide savings facilities
- However, there was no strong link between the demand for savings and the HIV/AIDS pandemic, because:
 - In Catembe, no clients have joined the existing funeral fund
 - Since the introduction of the insurance with EMOSE around five months ago, there have been no claims
 - No mention of increased illness amongst households
 - Could be due to stigma, as people do not normally accept that they are affected

Outcomes – Degree of customer satisfaction

- The degree of customer satisfaction for credit products is high, although there are some problems with communicating loan features
- The majority are satisfied with the insurance product, as it will avoid family members suffering in the event of the death of the borrower
- However, in general they prefer the old system (1% on the loan amount) because according to them it was cheaper

	Variable loan size	
Capital (MTn)	5,000	15,000
Loan term (years)	1	1
Age (years)	24	24
% of the amount of credit	0.7%	0.6%

Variable age	
15,000	15,000
1	1
24	54
0.6%	1.4%

Variable loan term	
15,000	15,000
1	2
54	54
1.4%	2.6%

- Many clients would like the insurance to cover funeral expenses as well

Next steps – Supply of savings services

Due to Male Yeru's current legal form, they cannot mobilize savings directly. There are three options:

- Offering mandatory savings
- Transforming to another legal status (micro-bank)
- Operating as a deposit-taking intermediary

The third option is the most viable in the short term.

Next steps include:

- Continue negotiating with Austral Bank, the only one of the three banks contacted which showed interest
- Contact other commercial banks in the market

Next steps – current products

- ARC to conduct client meetings to communicate the features of the insurance products, in January 2007
- Produce brochures explaining credit and insurance product features and make them available in all branches
- Request a proposal from EMOSE on a funeral insurance product for clients

Lessons learned

- HIV/AIDS should not be ignored
- Ongoing awareness-raising of clients and employees
- Industrial theatre is a very effective means of transferring information
- Important to provide incentives for client participation in training sessions
- Feedback from the clients in relation to the products is important
- The financial products should be continually adapted and solutions to providing savings services reached
- Was confirmed that employees share a common vision and mission

Lessons learned

- Establishing partnerships with other institutions is an effective means of mitigating the impact of the pandemic
- The sharing of experiences with other MFIs is useful for reflection and for realising the profound changes required in the operation and sustainability of an MFI
- Stigma is still the biggest challenge in addressing HIV/AIDS within communities
- Mitigation activities require significant resources, both human and financial
- Thanks to MEDA, CIDA, DAI, AMAP, MMF, AFRICAP, USAID and other intervening parties. Male Yeru is now fighting for a microfinance sector free of HIV/AIDS, and is appreciative of all of the support received