

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2014-05: Upscaling of innovative microinsurance products for rural poor
Country / Region	Nepal
Partner Financial Institution/s	Manushi & insurance partner
Grantee	PlaNet Finance, 44 rue de Prony, 75017 Paris, France
Overall Budget	CHF 106'619 (26% self-contribution)
SCBF Contribution	CHF 79'260 (74% SCBF funding share)
Date of Approval	10.07.2014
Duration	11.2014 until 05.2016, extended until 05.2017
Context	<p>Financial inclusion is one of the priorities of the Government of Nepal with only 25% of people above 15 years estimated to have an account in a formal financial institution (21% for women). Financial inclusion is guided by the provision of deprived sector lending requirements for banks and financial institutions. The National Microfinance Policy 2007 motivates the country's disadvantaged groups to mobilize their savings in order to improve their access to microfinance services.</p> <p>As part of a previous project supported by the SCBF (2011-05), a pro-poor life microinsurance product has been designed with Manushi, the partner MFI in the intervention. The product design has been based on an extensive survey carried out among Manushi's low-income clients to assess their needs and payment capacity for microinsurance products. The new intervention aims to scale up this product considered as one of the first "pro poor" microlife products in Nepal with a partner insurer to be selected at the intervention start. The intervention also aims at supporting Manushi in formalizing and scaling up its Social Protection Fund (SPF). Lastly, the intervention will focus on knowledge capitalization and dissemination.</p>
Current Status of the MFI	<p>Manushi is a Financial Intermediary Non-Governmental Organization (FINGO) established in the year 2002 and authorized by the Central Bank of Nepal to carry out microfinance related limited banking activities.</p> <p>Manushi works for economic empowerment and socio-economic development of low-income Nepalese women by providing loans (different products), savings (different products) and in-house microinsurance services to them for self-employment through micro-enterprises promotion and minimizing risk from hazards. Manushi operates on group lending and adheres to very high standards of client selection and financial discipline as indicated by its 99% repayment rate. In 2013, they generated gross profit of 53.6 thousands CHF with return on asset of 24%. More than 16'000 clients – all women – are getting services from Manushi's 10 branches.</p>
Objective and Main Activities	<p>The aim of the intervention is to win a new insurance company as partner for Manushi and to launch the first pro poor microlife endowment product in Nepal.</p> <p>The main activities planned are:</p> <ol style="list-style-type: none"> 1) To pilot microlife endowment product with an insurer company 2) To improve and formalize the health insurance component of SPF 3) To disseminate and promote the microlife endowment product 4) To follow-up the impact with a baseline survey <p>Upon project completion, Manushi should be in a position to upscale the microlife endowment product to 30% of its clients and the Insurance company shall consider it as a regular product.</p>