

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	Gender focused Savings Linked Insurance for Microfund for Women (MFW)
Country / Region	Jordan
Partner Financial Institution/s	Microfund for Women (MFW)
Grantee	Women's World Banking
Overall Budget	CHF 224,885 (35% self-contribution)
SCBF Contribution	CHF 146,625 (65% SCBF funding share)
Date of Approval	15.03.2016
Duration	03.2016 until 09.2017
Context	The lack of proper microfinance regulation in Jordan has led to fragmented legal forms. Microfinance institutions are not allowed to accept deposits; the only financial institutions authorized as deposit taking institutions are banks which are regulated by the Central Bank of Jordan. Because of minimum deposit amounts the low-income segment has a high barrier to access banks. In order to provide Microfund for Women's (MFW) clients with access to formal savings mechanisms, MFW and Women's World Banking plan to develop and launch an endowment insurance product. The goal of the proposed product is to support women clients with a value-added, risk-free savings product tailored to their needs which allows them to increase their asset base by saving small amounts of money in a secure manner.
Current Status of the MFI	MFW is the largest MFI in Jordan (out of total 8 registered MFIs) and has a market share of nearly 42% with over 112,000 active credit clients, mostly women, and a gross loan portfolio of USD 36.29 million. The organization started its operations as a pilot for a group guaranteed lending program in 1994. MFW achieved financial sustainability within 8 years of operations and has been able to maintain a steady portfolio growth. The MFI offers group loans, individual loans, credit insurance, accidental insurance, and health insurance to the clients. It also engages with its clients through several non-financial services such as capacity building and training for entrepreneurs, market linkages, women health and rights etc. Almost 100% of the clients are women and they are engaged in various livelihood activities. In addition to the understanding of local clientele, the MFI is equipped with trained staff and robust operational infrastructure to support growth, expansion and product diversification. This will be a first-of-its kind program in Jordan that aims to bridge the supply gap for institutionalized savings for low and mid-income households. SCBF support will allow Women's World Banking to ensure that the intervention is a success.
Objective and Main Activities	<p>Building on substantial preparation work, including developing a product prototype, the objectives of the project are to:</p> <ul style="list-style-type: none"> - Launch an endowment insurance product for the clients for MFW, with a minimum term of 2 years - Enroll at least 20'000 clients by the end of the project - Collect at least JOD 200'000 as first year premium <p>Main Activities</p> <ul style="list-style-type: none"> - Operational preparation - Capacity building for the insurance department - Development of marketing and training roadmap - Development of product performance indicators (KPIs) and building MFW's capacity in monitoring and dashboards - Pilot evaluation - Roll out - Final assessment (Qualitative and Quantitative)