

PRODUCT UP-SCALING SUPPORT – FACTSHEET

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| Product Up-scaling Support | 2018-10: Savings-Linked Microinsurance Design & Implementation |
| Country / Region | Jordan |
| Partner Financial Institution/s | Microfund for Women (MfW) |
| Grantee | Women's World Banking, Inc, endorsed by the Swiss Agency for Development and Cooperation |
| Overall Budget | CHF 99'046 (8% self-contribution) |
| SCBF Contribution | CHF 91'048 (92% SCBF funding share) |
| Date of Approval | 04.12.2017 |
| Duration | 05.2018 until 10.2019 |
| Context | <p>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, with minimum balances and paperwork that are a fundamental deterrent to the low income segment.</p> <p>Microfund for Women (MfW) is the only Jordanian microfinance institution (MFI) that actively targets women; central to MfW's work is their belief that serving women is not only intrinsically valuable but also good for business. 93% of MfW's clients are women and they are engaged in various livelihood activities. In addition to the understanding of local clientele, the institution is equipped with trained staff and robust operational infrastructure to support growth, expansion and product diversification.</p> <p>Through savings-linked insurance (SLI), a product developed in collaboration with MfW and Women's World Banking in 2017, clients are now having a unique way to effectively "save" in a formal institution by building assets in a structured and secure manner. However, due to its institutional focus on disbursing loans and limited internal resources, MfW is currently not effectively distributing the product.</p> |
| Current Status of the MFI | MfW, the leading non-profit microfinance company based in Amman, operates through a network of 40 branches across Jordan providing small business loans, life and hospitalization insurance to the country's most underserved entrepreneurs. MfW also provides training in business skills and personal development to ensure their clients have the tools to start and expand their businesses, creating a steady income for their families while generating employment opportunities for others in their communities. MfW has a market share of nearly 42% in terms of the number of microfinance clients and 7% in terms of outstanding portfolio. Capacity building support from SCBF will ensure the sustainability of the SLI product at MfW with the hiring of one dedicated insurance resource at the MFI solely focused on Amani and trained on the technical aspects by Women's World Banking. |
| Objective and Main Activities | The objective of the project is to build MfW's capacity to increase uptake and usage of their SLI product (Amani). With SCBF's financial support, Women's World Banking and MfW management will set up an insurance team with one dedicated resource responsible for the overall project management of the SLI product, including providing support to the branches and internal follow-ups, training and incentive schemes. The project will reach the following targets by the end of 2019: One dedicated insurance resource with full capacity to manage the SLI program; 4250 active clients (as per MfW's scale-up plan) enrolled under Amani; and Client 6-month retention rate >50%. |