

2020-11 | Yeredeme Group Methodology Upscaling

Partner Financial Institution:	Benso Jamanu	SCBF Contribution:	CHF 120'872 (70%)
Grantee:	Camide	Matching Contribution:	30%
Country:	Mali	Theme:	Financial Capability
Duration:	November 2020 – October 2022	Product:	Multiple
Potential Outreach:	5,000 new clients	Target Group:	Women
Thereof Women:	100%		

CONTEXT

Mali has an official banking rate of 23%, and while its banking sector is mostly present in urban centres, 80% of Mali's population lives in the rural areas. Data is unreliable when it comes to rural areas, but local knowledge points to a majority of rural populations living on the margins of the formal economy with little access to basic financial services. Dating back to the late 1980's, the CVECA methodology relies on self-managed village banks best suited for Mali's rural areas through the involvement and ownership of local populations. Over a 20-year period, many Malian CVECA networks have demonstrated that rural populations can sustainably manage, operate and even capitalize their own banks.

The Malian government adopted a 2016-2020 national microfinance development policy in which microfinance is to help reduce poverty by funding income-generating activities for vulnerable populations, especially women and young people. In this context, CVECA networks remain one of the main hubs of financial inclusion in rural areas.

CURRENT STATUS OF THE MFI

Benso Jamanu serves more than 72'000 rural customers across a network of 120 CVECAs (self-managed village banks) grouped into eight district branches located in Mali's Kayes and Koulikoro regions. Benso aims to provide access to credit for rural populations by leveraging the savings of the Malian diaspora. Each village bank serves its inhabitants and diaspora, and is managed by a village committee along with paid technical staff attached to the network. The General Assembly made up of village banks' representatives is the main decision-making body of the institution. Financial products offered are: current and term deposit, savings plan, money transfer, and loans for working capital and investments.

While Benso's network has achieved self-sufficiency and scale, the participation of women has remained low - less than 20% of the credit portfolio. In rural areas, women's loan needs are smaller while the transaction costs are similar to loans of a higher amount, making it difficult to scale the offerings of very small loans in a cost-effective manner.

OBJECTIVES AND MAIN ACTIVITIES

Yeredeme groups, meaning "self-help groups" (SHG) in Bambara, are the recent result of four years of collaboration between Benso's technical partner Camide and Indian NGO Manjari to increase women participation by adapting the model of Indian SHGs to the Malian context. To date, about 2'500 women have been organized into 189 SHGs across 19 villages and one federation, bringing together the women of the Logo rural municipality. All SHG members take regular micro-loans from their group's internal capital; in addition, over the last three years, over 75% of SHG members have taken larger loans refinanced by Benso for a total of over CHF 350'000 in refinancing provided by Benso since 2017.

With SCBF's support, Benso and Camide aim to scale the Yeredeme groups across two or three additional rural municipalities, tripling their reach within the next two years. Yeredeme groups will reach 5'000 additional women (households) by establishing the following grassroots women institutions: 320 to 400 SHGs in 40 village organizations and two to three federations. Yeredeme groups are rooted in self-management, hence peer-learning activities will be centred on strengthening the capacities of village women whose role it is to set up, manage and grow the grassroots institutions: 60 CRPs (community resource persons), 320 to 400 Sebennikelaw (group accounting secretaries) and 40 monitoring officers.

The methodology relies on strengthening family-based livelihood activities and local resource management. This scaling initiative will set up and organize: up to 40 henhouses, eight vegetable gardens (two hectares each), rainy season field ploughing for up to 1'500 women, training in vegetable production for up to 300 women, access to quality seeds for up to 1'500 women, storage of fresh produce (two storage areas; 40 tonnes each), as well as access to markets for the sale of agricultural products.

Upon project completion, the financial institution should be in a position to offer credit to 5'000 additional women (households) at discounted rates. Based on averages over the last three years, at least 75% of the 5'000 targeted women (3'750 women) are expected to take additional credit twice a year (in addition to 100% of group members taking more frequent but smaller loans from their group's internal capital).

Partnering with:

