Microfinance

What is Microfinance

Refers to a variety of financial services that target low-income people

Provides financial services to people not targeted by traditional banking system

Microfinance also grants microcredit to support and develop small-scale economic activities

It is an effective tool for poverty alleviation and social-economic development

- The aim is to empower the socially and economically vulnerable members of the society and give them the means to attain dignity and self-sufficiency
- Amounts involved are usually smaller than what traditional banks offer

Who does microfinance target

Small scale business owners (retailers, wholesalers, hawkers, farmers, artisans, Vendors)

Low income people involved in either the formal or informal sectors.

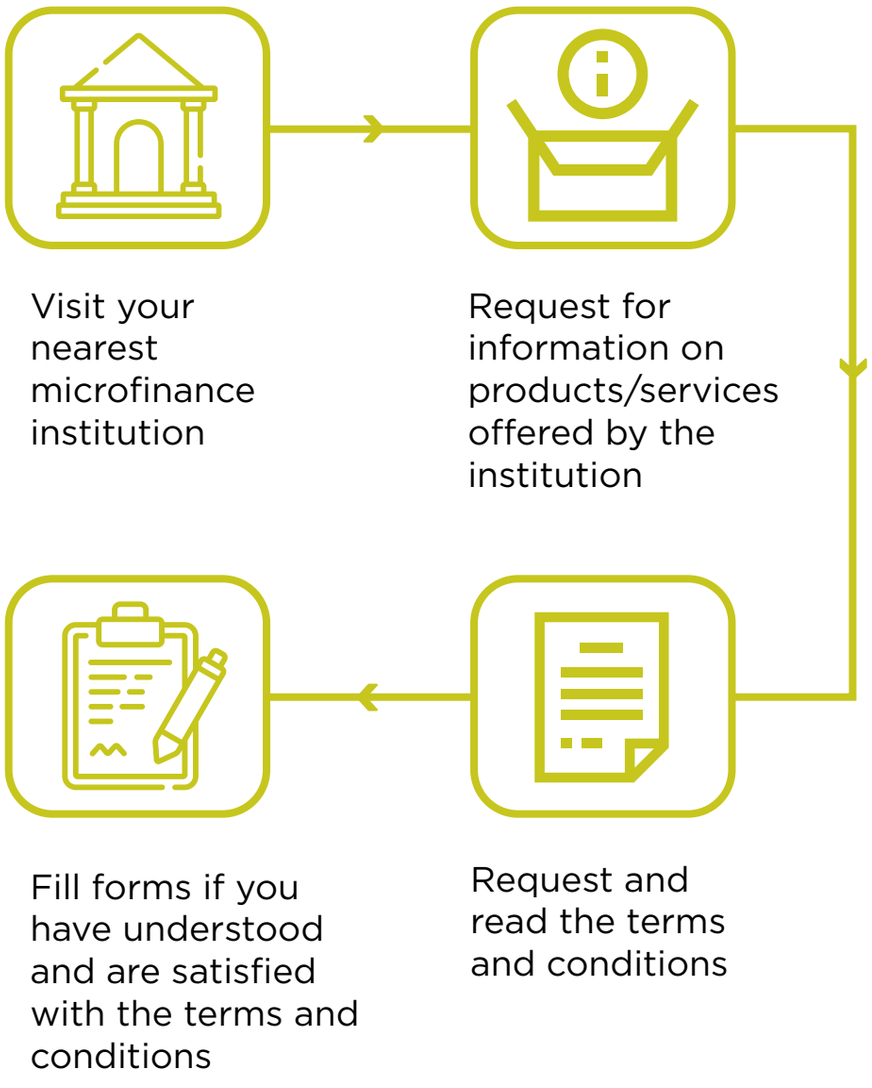
What services do microfinance institutions provide

- Provide small loans
- Micro-leasing
- Micro savings
- Micro-housing
- Micro insurance
- other services

Microfinance

How can you access microfinance products or services

1. As an individual



2. As a group



Microfinance

Benefits of microfinance



Provides access to funds through soft loans



Encourages self-sufficiency and entrepreneurship



Manages risk through micro-insurance and funds for unforeseen events



Empowers vulnerable people and groups by providing them access to startup capital