



A microfinance institution to help social and economic inclusion of the poorest

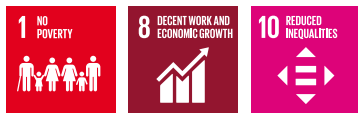
SIERRA LEONE



- 7.7 million inhabitants
 - 181st out of 189 on the HDI
 - 60% of the population live below the poverty line²
- 1- Human Development Index
2- Source : hdr.undp.org



MILLENNIUM GOALS



BACKGROUND



An urgent need for social microfinance

The population is mostly rural (62%) and young (42% is under 15 years). 70% of the youth are unemployed or underemployed.

To make a living, people run informal businesses like small grocery shops workshops, peasant farming or livestock. However, they often lack funding and training to develop and make their businesses more profitable. Entrepreneurs du Monde decided to help some of the poorest and vulnerable entrepreneurs to succeed in their businesses and get out of extreme poverty.

MISSION



A complete support for poor entrepreneurs

In 2018, Entrepreneurs du Monde decided that it would support entrepreneurs in some of the most precarious slums of Freetown and in remote rural areas. It created Munafa ("to prosper" in local dialects) a local social microfinance company, to offer loans, savings opportunities, trainings and social support adapted to their needs. Through this comprehensive support, poor entrepreneurs develop their income generating activities and permanently improve their living conditions. 89% of Munafa's beneficiaries are women.

METHODOLOGY



A Comprehensive support

After 6 initial training sessions, the entrepreneurs are granted a first individual loan based on their business needs and their capacity to repay, without the need for a collateral. Twice a month, field officers meet the entrepreneurs organized in groups. During those biweekly meetings, they manage the loan repayments and savings collection, and provide trainings on economic and social topics to help the entrepreneurs strengthen their businesses as well as their families and communities.

SUPPORT



A strong support for long-term action

Entrepreneurs du Monde started with prospection missions and a feasibility study. It surveyed the target population and met with key stakeholders. It hired and trained a local team that would create Munafa. The team gets support from Entrepreneurs du Monde's technical advisors on operations management, management and information systems, social performance, strategic planning, financial management, governance, human resources management, risk management and fundraising. Eventually, Munafa will be an autonomous organisation giving sustainable high-quality support to the poorest.



ADAMA lives in Susan's bay, an impressive shanty town.

She makes soap but not just any soap: her recipe is the purest, the least cut and therefore the most effective of the whole shanty town. She supplies a whole network of resellers.

One day, a fire ravaged the slum, her house, production tools and savings. All her efforts have been reduced to ashes. But thanks to Munafa's loans, savings and trainings, her business has been revived. She appreciated the trainings, especially the one on the education of children, because Adama has 6: 2 of her own and 4 others, whose parents are deceased or in great difficulty. In her community, Adama is an example, a light that spreads hope. She was elected chairlady of her group of micro-entrepreneurs.



89%

OF MICRO-ENTREPRENEURS BEING SUPPORTED ARE WOMEN

FOCUS

INCEPTION TRAINING IN WAKILI



The 8 Field Officers, the branch manager and operations manager recruited in May 2019 followed their 2 weeks inception training in Wakili, the Guinean Entrepreneurs du Monde's social microfinance institution, with the help of Entrepreneurs du Monde's technical advisor on social microfinance methodology. They were trained on the financial services policy, group meetings management, promotion speech, group formation process, loan application process, delinquency management, etc.



Trainees went to observe operations on the field, in vulnerable communities. They saw three meetings with different Field Officers and groups of entrepreneurs. They were trained on the first 4 initial training sessions, and got accustomed to various facilitation techniques adapted to illiterate people: flashcards, stories, role-plays, brainstorming, practical exercises, songs, energizers, etc.

As soon as the team returned to Freetown, they started to promote Munafa in deprived areas and met the different stakeholders of the communities (chairperson, chiefs, counselor, market chairlady, etc.). For a month, they were all based at Head Office so that they could share their experiences and advices after each day on the field. Then, they got deployed to the two first branches and their individual catchments.



KEY FIGURES

	No. of beneficiaries	No. of loans granted	Average loan amount	Outstanding loans	Accumulated savings	Operationally sustainable	No. of employees
2019	1,738	1,435	€ 85	M€ 1.2	€ 11,000	8%	19
Objectives 2020	4,500	5,000	€ 120	M€ 6	€ 40,000	30%	30

HIGHLIGHTS



Foundation stones

With the constant support of Entrepreneurs du Monde's technical advisors, Munafa was incorporated as a Sierra Leonean company in February 2019 and obtained its microfinance license from the Central Bank shortly after. A team of 18 local staff has been recruited : Executive Director, Operations Manager, Finance and Admin Manager, Branch managers, Field Officers, Accountant and Branch Assistants. Two branches were opened, which already serve eight communities.



For the poorest

Munafa is currently working in 8 vulnerable communities in Freetown, among which are the most deprived bay slums. They have in common very precarious housing, lack of schools, health services, infrastructure for sanitation, sewage and waste management and high vulnerability to natural disasters. Its beneficiaries carry out small informal trade activities such as the sale of foot wares and clothing, drinks, oil, provisions, nuts and snacks, cookery.

OUTLOOK



Expansion to further urban and semi-rural areas

In its second year, Munafa will open two new branches, totaling 4 branches, in and on the outskirts of Freetown. The fourth branch will be situated 32 km away from Freetown. The 2 branch managers were selected among the current Field Officers. They are very familiar with the unique methodology of Munafa and have shown passion and commitment for their fieldwork.



Followed by expansion to rural areas

In 2021, Munafa will expand its work to rural areas, where poverty is twice higher than in urban areas (73.9% versus 34.8%). To open this 5th branch, Munafa will have to adapt its socio-economic services: it will create loan products and trainings adapted to agricultural value chains (rice farming, cassava and ground nut cultivation, value addition, marketing and distribution).

PARTNERS



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