

# Islamic Solidarity Fund for Development Success Stories Series

## Integrated Program for Microfinance Support in Benin



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"These loans have helped us a lot. Before, we had to ask our husbands if we wanted money; now we are independent. Thanks to this programme I can now also read, write and count ... so I can calculate what I spend and what I sell, and work out my profit"

– Mrs Blandine Dansou, Maria Gbé women's group, Cotonou.

**"The big difference with Islamic microfinance is that  
it finances an activity, not a person"**

– Mrs Hugette Assou, Cooperative for the Promotion of Savings and Credit, Cotonou

High levels of poverty and illiteracy mean many youth and women in Benin have few opportunities to become economically active. One way to reduce poverty is to improve access to microfinance, so people can invest in their businesses. In 2010, the Government of Benin started the Integrated Program for Microfinance Support, in partnership with the Islamic Solidarity Fund for Development (ISFD).

The programme had three main components: (i) revolving microfinance schemes for ultra-poor people and micro- and small enterprises; (ii) capacity-building for microfinance institutions; and (iii) market-oriented vocational training and awareness campaigns for ultra-poor people.

In total, around 90 per cent of the beneficiaries were women – about 150,000 in total. One example is the Maria Gbê women's group in Agla, Cotonou. The group's 300 members each developed their own skills and market niches thanks to obtaining working capital via the programme. They meet and work together, making and selling tea, fruit juice, biscuits, pancakes, sweets, woven mats, soap and many other items.

### Project funders

Government of Benin: **US\$5.61 million**

Islamic Development Bank (IsDB):

**US\$5.45 million**

ISFD: **US\$5 million**

Microfinance institutions: **US\$1.24 million**

### Success factors

- ◆ The **demand for Islamic microfinance** among the target groups was strong, as people were quick to see the advantages and eager to try for themselves.
- ◆ In total, **166,440 people** have benefitted from microfinance loans for income-generating activities, of which 90 per cent are women.
- ◆ **256 micro- and very small businesses** received Islamic microfinance loans, with **1,287 new jobs** created or consolidated.
- ◆ Islamic microfinance proved to be very **well adapted to the needs** of the ultra-poor, by formally involving the lender as a partner and reducing the risks of being unable to repay.
- ◆ **Government and microfinance staff** were trained in different aspects of Islamic microfinance principles and practices, to help this new approach become widely adopted.
- ◆ The National Fund for Microfinance, which coordinated the project, and its microfinance institution partners were **highly motivated** to assimilate the principles, products and practices of Islamic microfinance.

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