



## MICROFINANCE AND HEALTH PROTECTION

Many microfinance institutions—particularly those serving the very poor—have witnessed the significant impact that all-too-common health shocks can have on their clients' ability to repay, save and flourish in their microenterprise endeavors. These institutions seek **sustainable approaches that help safeguard their clients' health while also protecting the institutional bottom line.**

Freedom from Hunger, a recognized expert in integrated financial and nonfinancial services for the poor, launched the *Microfinance and Health Protection (MAHP)* initiative in January 2006 with funding from the Bill & Melinda Gates Foundation. The initiative aims to develop and test integrated microfinance and health-protection products and services that positively impact clients' lives while being practical and sustainable for microfinance institutions (MFIs). Today, integrated microfinance and health protection services are benefiting nearly 2.3 million microfinance clients in ten countries.

### Health Protection Innovations Demonstrated by Freedom from Hunger and Partners

Freedom from Hunger initially collaborated with five MFIs in Africa, Asia and Latin America to conduct market research and to design and test an array of health-protection products and services. Each MFI developed a “package” that combined several of the following elements to meet the specific needs of their clientele in a cohesive, efficient and effective manner.



#### Health education

- Interactive education sessions on topics such as prenatal health, malaria, dengue fever, common childhood illnesses, HIV/AIDS and water and sanitation
- Training on coping with health-related financial shocks, planning ahead to face common health expenses and getting the most out of local healthcare services



#### Health financing and micro-insurance

- Health loans
- Health savings accounts
- Loans for health insurance premiums and linkages to health micro-insurance



#### Linkages to health providers

- Mobile health providers providing health education, preventive and diagnostic services in rural areas
- Referrals to private and public providers for secondary care
- Preferred-provider program with discounted primary care for rural clients



#### Access to health products

- Door-to-door visits by village entrepreneurs who reinforce health education, sell health products and medicines and provide referrals to local healthcare providers
- Sales of health products such as insecticide-treated nets, family planning products, oral rehydration solution, and home water treatment and storage devices
- Microfranchise distribution of affordable essential drugs

## Impacts of Microfinance and Health Protection

**Scale.** As of December 2012, MAHP products and services were being provided by 25 MFIs and Self-Help Promoting Institutions (SHPIs), reaching nearly 2.3 million clients (nearly 11.5 million people, including family members) across ten countries.

**Client-level Outcomes.** Careful research detected statistically significant changes in knowledge and behavior change, as well as considerable client and staff satisfaction. For example:

- In Bolivia, 24% of CRECER clients interviewed said that they had never seen a doctor before participating in the program.
- In India, the life-saving use of oral rehydration solution to treat children with diarrhea—a leading cause of death in local children—went from 60% to 88% in Bandhan’s program area.
- In Burkina Faso, the percentage of RCPB clients seeking preventive health care increased from 9% to 24% in the MAHP area.
- In Bénin, families in PADME’s *Credit with Education* program area were 23% more likely to own an anti-malarial net.
- In the Philippines, 100% of CARD clients interviewed would recommend the health micro-insurance product to others, and 88% said it had already helped them significantly.



**MFI-level Outcomes.** Freedom from Hunger has found that MFIs have the capacity to effectively and sustainably provide a range of low-cost health care products and that these products benefit the MFIs. Findings included:

- Costing analyses revealed that these various services result in a net cost to the MFIs of on average US\$1.59 per client per year and that these costs decline as the program grows.
- Some health-protection products, such as health loans, can be profitable for the MFI. Other products (such as linkages with local providers) may not generate direct revenue for the MFI but contribute significantly to the social mission at very low cost.
- Evidence suggests that increases in client growth and retention occur for MFIs that offer health services. If these products resulted in 5% more new or retained clients, then they would effectively result in a net profit for the MFIs—meaning that the health-protection products are cost-neutral or better.

## MAHP Resources and Tools

Freedom from Hunger is committed not only to sparking innovations that effectively help poor people lift themselves out of poverty, but also to sharing information that will inspire and equip the widespread replication and further innovation needed to bring successful approaches to the tens of millions of people around the world who can use them.

To that end, the following resources are now available:



### Technical Guides

Providing product-design considerations with experience-based information on the pros and cons of various approaches, these are practical tools for MFI leaders, practitioners and networks to use when implementing their own health-related products and services.

- **Market Research for Microfinance and Health Protection: A Technical Guide for MFIs**
- **Developing Linkages with Health Providers: A Technical Guide for MFIs**
- **Health Loans: A Technical Guide for MFIs**
- **Health Savings: A Technical Note**

### Education Modules

Each education module, or series of “Technical Learning Conversations,” is comprised of seven 30-minute sessions designed to be offered to groups of clients at periodic meetings. Each topic includes: (1) a guide for trainers to use in training and coaching field agents on the topic (“Trainer’s Guide”) and (2) a guide for field agents to refer to as they deliver the sessions in the field (“Facilitator’s Guide”).

- **Plan for Better Health**

Guides participants to consider their health-related financial risks, share their coping strategies and evaluate how various financial products (such as health savings or loans offered by the MFI) can address these needs.

- **Using Health Services**

Empowers participants to improve their health-seeking behavior by clarifying how and when to access local and regional healthcare services, what they can and should expect, and to help participants negotiate for fair and quality treatment.

- **Healthy Habits**

Focuses on preventing common, chronic diseases. Participants discuss diseases (such as high blood pressure, diabetes and cancer) present in their communities, learn about behaviors that put their families at risk, and consider alternative practices that are both realistic and relevant to their context.

- **Health Insurance – Preparing to Face Illness**

Empower poor families to manage the costs and risks of illness by giving them tools and information to evaluate an available health insurance product, make an informed decision about enrollment, and use the insurance appropriately to protect their health and financial assets.

- **Healthy Families: Safe water, Sanitation and Hygiene**

Helps participants to reduce the health and financial burden of water borne diseases by equipping them with knowledge and access to interventions to improve access to safe drinking water and adopt improved sanitation and hygiene practices in their families.

- **Freedom from Hunger's Health Education Series**

As a long-time leader in curriculum design for groups of chronically hungry poor women and youth in Africa, Asia and Latin America, Freedom from Hunger has a full suite of health education modules that are designed to be relevant, easy to use, enjoyable, and focused on behavior or practice change. Health education topics include those focused on family planning and maternal health, early childhood and common childhood illnesses, nutrition, women's sexual and reproductive health and more.

### Analyses of Costs and Benefits

This series of papers details the cost centers, revenues and net profit or loss associated with some MFIs' offer of health-protection products. They provide a sense of what it costs to offer such products and the indirect benefits that may accrue to the MFI's financial bottom line as a result.

## Freedom from Hunger—A Leader in Integrated Services

Founded in 1946, Freedom from Hunger is known for its innovations in integrated services. The organization's *Credit with Education* innovation unifies microfinance and dialogue-based education for self-help groups of women. The *Credit with Education* model includes training on health, business and financial topics. Rigorous studies have documented the statistically significant impacts of *Credit with Education*, including improvements in economic status, women's empowerment and the health and nutritional status of children whose mothers participate in the service.

With the creation of the *MAHP* initiative, Freedom from Hunger initiated a new era in microfinance, one that responds to the desires of MFIs to help their clients stay healthy and flourish in their micro-enterprises and meets the most pressing health needs of families living in poverty.



### Freedom from Hunger's MAHP Partners

**Bénin:** PADME, APHEDD, FADeC

**Bolivia:** CRECER

**Burkina Faso:** RCPB

**Ecuador:** Cooprogreso, FACES, Oikocredit

**Ghana:** Sinapi Abu Trust

**India:** Aga Khan Rural Support Program, Access Development, Bandhan, ESAF, Gram-Utthan, Nidan, Pioneer Trad, PMD, Reach India, SKDRKP, World Women's Banking, West Bengal Voluntary Health Association

**Mali:** CAEB, GRAADECOCOM,

**Peru:** ADRA Peru, FINCA Peru, Financiera Confianza, PRISMA, Manuela Ramos, Alternativa, Oikocredit

**Philippines:** CARD

**Vietnam:** TYM

**International:** Microcredit Summit Campaign, Andes Health and Microfinance Community of Practice, Center for Health Market Innovations at Results for Development

To learn more about *Microfinance and Health Protection*, to share your organization's innovations, tools and lessons, and to download or request materials, visit [www.freedomfromhunger.org/resources/microfinance-health](http://www.freedomfromhunger.org/resources/microfinance-health)