



GREAT LAKES ILLUSTRATIVE PROJECTS

**ICGLR GREAT LAKES REGION
MICRO-FINANCE INSTITUTION**



Project Country (ies)	DRC, Burundi
Project Sector	Microfinance
Project Source/Sponsor/Funder(s)	ICGLR (Sponsor)/ SOFIGL (Sponsor) (Potential PPP)
Investment Opportunity	Provision of equity capital, management services, private equity and/ or line of credit provision
Stage of Project:	ICGLR has a concept note and SOFIGL has developed a preliminary business plan. Feasibility Study to be commissioned.
Type of Project:	Microfinance institution development
Duration of Project:	Estimate 12 months to develop
Cost of Project:	Estimated: US\$ 4 million
Funding Available:	TBD
Funding Gap:	TBD



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Description of the Project

For several decades, the Great Lakes Region has been subjected to multifaceted crises that have prevented it from initiating necessary economic reform. The situation has not allowed international financial institutions to mobilise sufficient financial resources to benefit the region. As risk became increasingly significant, they opted to scale down their interventions. Development banks in the region have also suffered the consequences of the situation. They have been operating in an environment that is not conducive for business. This has greatly reduced their efficiency

The majority of the population in the region operates in the informal sector and therefore do not have credit facilities from traditional banks. On the other hand, microenterprises that generally create numerous jobs and significantly contribute to economic growth, and value-addition of natural resources greatly suffer from the lack of appropriate funding for the development of their activities. These individuals and/or micro-enterprises often tend to create informal micro-finance institutions so as to meet their savings and credit needs.

It is in this context, that the core countries of the ICGLR deemed it necessary to establish a Regional Micro-finance Support Facility. Its goal would be to:

- Mobilize financial resources from both local and external sources in favour of micro-finance institutions to finance income generating activities and build a capital base accessible to the majority of the population;
- Build the management and organisational capacity of beneficiaries;
- Apply collective guarantee (principle of collective responsibility) to grant loans and monitor the use of funds by providing technical assistance support to the target population and national micro-finance institutions;
- Organize a sharing of experiences;
- Provide technical capacity building in management of micro-finance institutions.

Further Information

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