



Moto with a Mission:

A Creative Solution Helps Women Gain Access to Credit in Madagascar

Sylvie Faramihaja moves around her native town of Toamasina and its surrounding villages in eastern Madagascar with ease on her green moped. Equipped with this vehicle, and with expert training on how to help women access microcredit, she is helping to reduce poverty as part of the Millennium Challenge Corporation's \$110 million compact with Madagascar.

Sylvie is one of 20 credit counselors that MCA-Madagascar has trained to help women in this coastal town overcome obstacles in their quest to gain access to credit. She spends her days travelling to communities in and around Toamasina coaching women to manage microcredit support groups that were established in partnership with the region's largest microfinance institution.

Through these microcredit support groups, women acquire small loans without collateral. The groups are responsible for ensuring repayment of the loans, which is done on a weekly basis. This group-based credit approach has proven to be very effective, with almost a 100% loan repayment rate.

Sylvie is aware of the cultural, economic and practical issues that are part of these women's daily lives—and of just how important microcredit can be to their future. “More and more women are taking advantage of credit...and they are paying back their loans while improving their businesses,” she claims with pride.

Madagascar included access to credit in its proposal to the Millennium Challenge Corporation after determining that a great number of its citizens were ready to improve their businesses and help build their economies if they



Sylvie Faramihaja is a microcredit counselor. She spends her days travelling to communities in and around Toamasina coaching women's microcredit support groups. MCA-Madagascar's investment in credit counseling—and a handful of motorbikes like Sylvie's—has helped bring knowledge on how to acquire microcredit loans and manage businesses to women in rural Madagascar.

could only access microcredit institutions and secure a loan. These loans vary from under a hundred dollars to up to \$2,000 and help women buy supplies, goods and support for their shops or small cottage industries that include artisan crafts, food production and other services.

One of the biggest obstacles to increasing women's access to microcredit is their lack of knowledge about the process. Additionally, women find it hard to find the time to attend faraway meetings or travel to microcredit offices and need almost daily counseling through the application and repayment process.

Thanks to MCC, however, the knowledge about how to acquire a microcredit loan and successfully manage their businesses and busy lives can now come to them. The simple investment of a handful of handy motorbikes, coupled with expert training on how to access credit, is helping microcredit counselors like Sylvie reach out to these women. It is a creative solution to bring Malagasy women closer to the microcredit institutions that are already available in this part of Africa.

"I like helping these women, and I like my moto!" reports Sylvie. The women she visits welcome Sylvie and her motorbike as a friend and ally in their quest to provide for their families.

In the long term, women participating in this program will be able to grow their businesses and increase their incomes thanks to the loans they received. They will also be better equipped to run successful businesses and stand on their own.

This is just one of the ways that the MCC and Madagascar are tackling the problem of poverty in Madagascar. For more examples of MCC's results on the ground, please visit www.mcc.gov.



Cristiane Ratsia Anne Marie, a mother of three, is a microcredit loan beneficiary on her second loan – she has already paid back her first. She wants to open a clothing store in her town.