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**FECECAV, Togo:  
capacity building process towards refinancing**

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## FECECAV, Togo: capacity building process towards refinancing

- Brücke - Le pont and microfinance
- Togo
- FECECAV
- Attracting savings
- Local and international refinancing
- Lessons learnt
- Challenges

# 1. Brücke - Le pont, agriculture and microfinance

- Brücke - Le pont : Swiss NGO, Travail.Suisse
- 1.7 mio CHF/a, in 6 countries, SDC partnership
- Programm « Decent work »: improve working conditions, foster employment and income
- Togo-Benin: development of agricultural value chains
- Togo: microfinancial services for value chain actors



## 2. Togo: Economy and microfinance

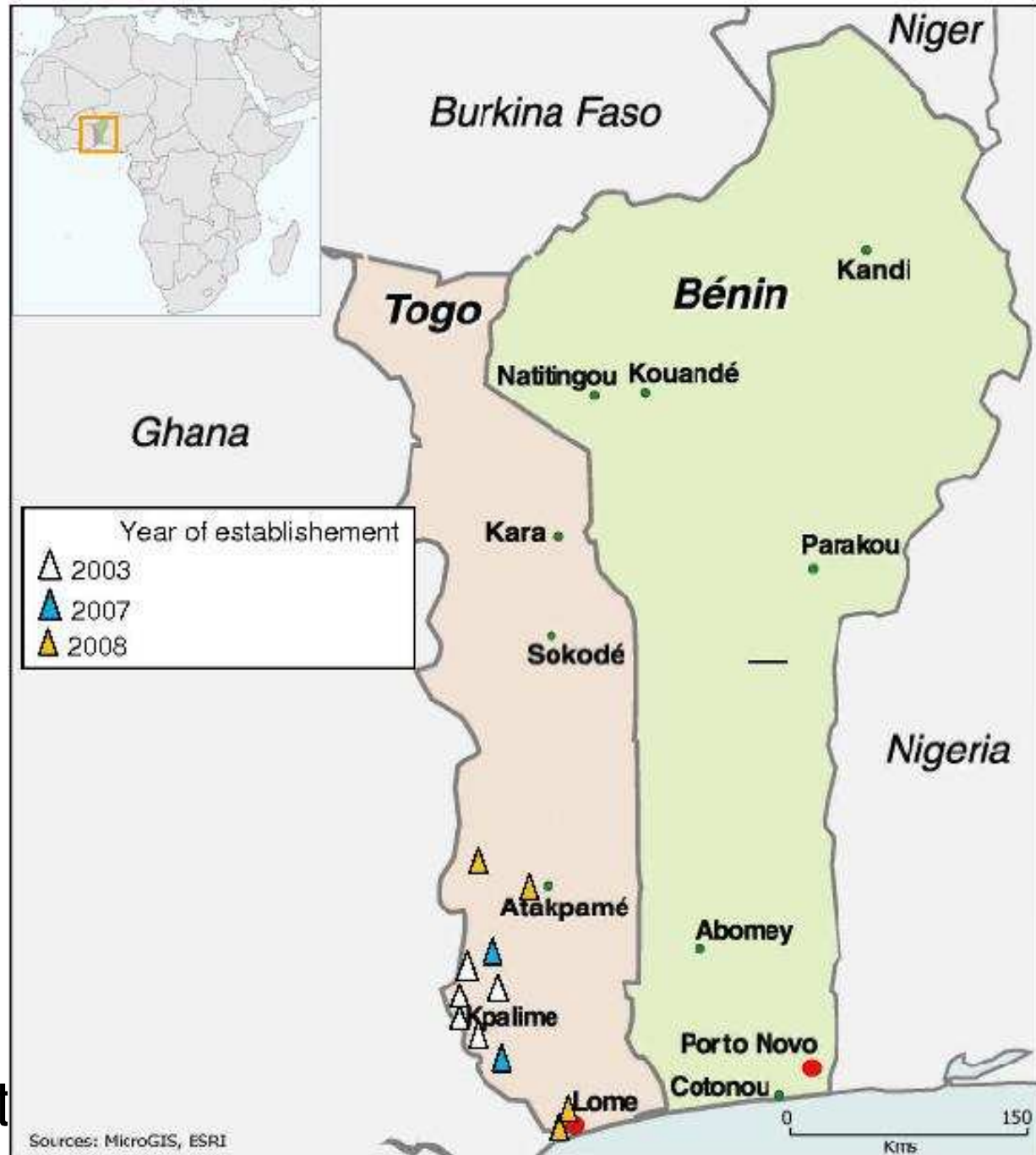
- 55'000 km<sup>2</sup>, population 5.5 million
- population density quite high for rural conditions
- 1980's: cocoa, coffee, cotton, phosphat
- 2009: cement
- Human Development Index: 152nd (of 177)
- slow political process
- low level of external aid
- UNDP supported national microfinance strategy

### 3. FECECAV: the Institution

- 1996: 17 small „village banks“
- 2003: development plan, crisis!
- 2004-2005: new board, new director, savings mobilization, rigorous credit policy
- 2009: **Union of 11 Savings and Credit Cooperatives (SACCO's)**
- among 4 leading rural MFI's



(3. FECECAV) **Map**



# FECECAV's Evolution in numbers

(CHF, 31st December)

	2003	2004	2005	2006	2007	2008
Members (number)	1'100	735	1'416	4'189	7'388	12'923
Members AND clients (number)	1'100	1'168	3'318	9'152	14'520	43'556
SACCO (number)	17	5	5	7	7	11
<b>Savings (volume)</b>	38'201	<b>46'556</b>	<b>126'319</b>	<b>510'558</b>	999'196	1'662'767
<b>Loans (outstanding)</b>	37'583	44'730	79'204	<b>648'364</b>	<b>1'077'465</b>	<b>2'044'558</b>
PAR 30d			6.50%	1.24%	2.20%	0.74%

## 4. Financing through savings

Attractive products:

- Save at home (daily savings)
- Christmas savings
- School savings

Note: 31'000 clients  
(70% women) only use  
saving services

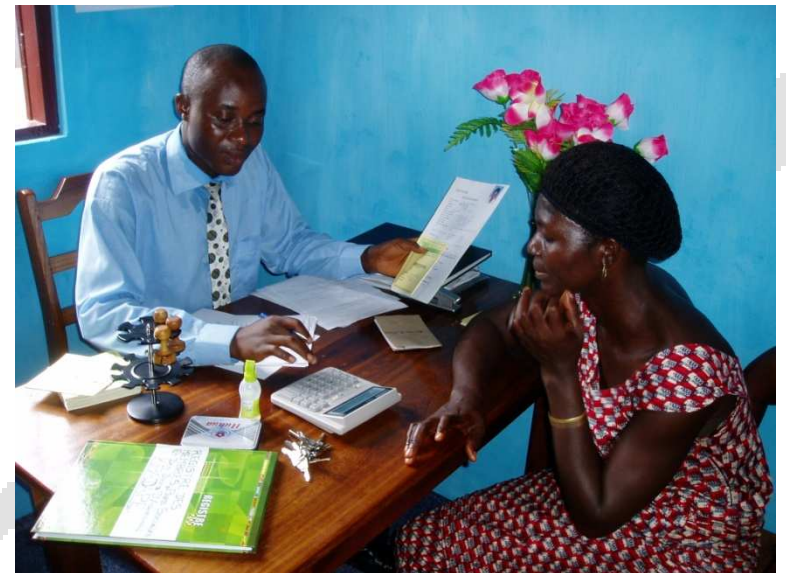




## 5. Refinancing: local and international (CHF)

*2003: Brücke · Le pont stops refinancing*

- 2006: Regional Solidarity Bank (BRS): 357'000
- 2007: BRS 95'000 + 238'000
- 2007: KIVA (USA) 32'500
- 2008: BRS 833'000
- 2008: BTCI 238'000
- 2008: Sidi (France) 119'000
- 2008: KIVA (USA) 286'000
- 2009: Oikocredit (NL) 119'000



## 6. Positive assets for the refinancing of FECECAV

1. clear legal framework, effective state-control and support
2. commitment from support organization... subsidies
3. donors search donors
4. partnership with non-financial service providers
5. excellent human resources
6. proven credit management capacities
7. explicit rural profile

## 7. Lessons learnt

- responsibility of the donor: clear guidelines, adapted conditions (currency, hidden costs)
- savings products for the poor
- saving and credit services along the value chain



## 8. Challenges for FECECAV

- Developing more accessible financing mechanisms for agricultural value chains
- How much rural, how much urban?
- How to cover costs of product development?
- How to protect against exchange rate risk?

