

CAPACITY BUILDING FOR PARTNERS



FACTS & FIGURES

Project: Review of Small Enterprise Lending Activities

Type of partner institution: Microfinance Institution (MFI)

Countries: Lebanon

Overall project budget: USD 57,000

In 2011 this Lebanese MFI started developing a new loan product for small enterprises to complement its existing micro enterprise portfolio. Acceptance of the new product, however, lagged behind expectations. The MFI contacted SANAD to help solve the problem.

The SANAD Technical Assistance Facility (TAF), which offers a broad range of expertise for individual partner institutions, developed a tailored support package for this MFI. Based on initial discussions with the institution, two international experts commissioned by the TAF reviewed the MFI's existing loan products, conducted client interviews and undertook a cost and profitability analysis to highlight those areas the MFI needed to better cater to small businesses.

The findings enabled the MFI to pinpoint the specific causes of the slow growth of its small enterprise loan business. The areas requiring action: product design, lending methodology, personnel management, and overall integration of the various loan products into the MFI's portfolio. Equipped with this knowledge, the MFI was in a better position to implement the necessary changes in its small business lending activities.



"It was very useful to understand the strategic implications of catering to small businesses and how this would translate into an appropriate approach for an MFI like us".

TAILORED SUPPORT AT A GLANCE

SANAD Technical Assistance Facility

SANAD takes a holistic approach, combining funding with Technical Assistance (TA) to strengthen the ability of partner institutions to increase access to finance to MSME. It has therefore created a Technical Assistance Facility (TAF), which operates independently from the Fund in a fiduciary arrangement under Luxembourg law. The TAF supports SANAD's mission by providing partner institutions with the hands-on support they need to optimize product offerings, access new customer segments, adopt alternative lending technologies, and develop new initiatives.

Our activities

Capacity building for partner institutions

Strengthening (potential) partner institutions through

- individual TA and training tailored to the specific needs of each financial institution
- a combination of dedicated consulting services, trainings, workshops, and on-the-job coaching

Financial sector support

Support the development of inclusive financial systems by

- providing support to sector institutions, e.g. central banks or microfinance associations
- organizing sector workshops and conferences
- fostering sector dialogue on responsible finance

Applied research

Pushing the Fund's frontier through

- impact measurement
- research on topics of strategic importance for the Fund
- development and pilot testing of innovative approaches in MSME finance

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