

# \$1 Billion in Loans

Partnering to Expand Access to Financial Services

**M**ore than 45 years ago, ACDI/VOCA understood the challenges of delivering credit to farmers, rural households and small enterprises. More important, we recognized its vital role in expanding economic opportunities. Our founders included farm credit associations and banks with a history of reliably serving rural communities. As a result, ACDI/VOCA has always supported financial institutions that share this commitment to expanding rural, agricultural, micro and SME finance.

Over the last two decades, ACDI/VOCA has helped develop more than 20 financial institutions that assist small-scale farmers and enterprises to manage their cash-flow constraints and invest in economic opportunities. Starting on a small scale, these institutions have grown steadily. Today, 9 entities that we founded serve more than 100,000 active customers with combined portfolios totaling more than \$200 million.

In the summer of 2009, these partners reached a significant milestone: the billionth dollar went out the door. That means \$1 billion that has funded nearly 700,000 loans to fuel the dreams of borrowers like Soran, the Erbil print shop owner profiled on the back page. \$1 billion in loans to farmers and businesses that once were not considered creditworthy. \$1 billion to pursue opportunities that benefit families and communities. And given the way our partners are thriving, this first billion is only the beginning.



# Partner Overviews

## Fundación Agrocapital, Bolivia

Agrocapital promotes economic development and increased welfare in rural Bolivia by providing short- and medium-term credit. Chartered in 1992, Agrocapital received technical assistance from



ACDI/VOCA in its early years under a USAID-funded project. Agrocapital provides loans to a broad market of farmers, agribusinesses and small and micro enterprises. In 2008 Agrocapital's total portfolio surpassed \$25 million extended to 20,000 borrowers.

<http://www.mixmarket.org/en/demand/demand.show.profile.asp?token=&ett=225>

## Al-Thiqa Small Business Loan Fund, Iraq

Al-Thiqa supports rebuilding Iraq's economy by offering transparent financial services to small and micro enterprises. ACDI/VOCA created Al-Thiqa in 2004 under the U.S. government-funded



Access to Credit Project. Through ACDI/VOCA assistance, Al-Thiqa has become operationally self-sustainable in a challenging environment. Al-Thiqa offers innovative microloan products for housing, transportation, agriculture and small enterprises in more than eight governorates in northern and central Iraq. In 2008 Al-Thiqa became the first Iraqi institution to earn a "4-diamond" transparency rating from MIX Market. In 2009 Al-Thiqa's loan portfolio exceeded \$20 million, with more than 11,000 active clients.

<http://www.mixmarket.org/en/demand/demand.show.profile.asp?token=&ett=2744#>

## Bai Tushum and Partners, Kyrgyzstan

Bai Tushum contributes to the sustainable development of the Kyrgyz economy by providing affordable microfinance services to farmers, businesses and



households. ACDI/VOCA established Bai Tushum in 2000 with funding from USDA, USAID and Swiss Caritas. Bai Tushum offers an extensive array of innovative loan products for its rural and urban clientele including livestock production, farming, mortgages, equipment, leasing, groups and microenterprises. In 2009 Bai Tushum's outstanding portfolio exceeded \$40 million extended to over 26,000 individuals, 47 percent of whom are women.

[www.baitushum.kg/en](http://www.baitushum.kg/en)

### MCO KazMicroFinance, Kazakhstan

KazMicroFinance (KMF) supports small-business development by providing high-quality and accessible microfinance services to rural and urban areas in Kazakhstan. ACDI/VOCA established KMF in 1996 with USAID funding. It was the first nonbank financial institution in Kazakhstan to disburse loans. KMF offers group and individual loan products designed for farmers, consumers and small entrepreneurs. KMF earned a "5-diamond" transparency rating from MIX Market. In 2009 its loan portfolio exceeded \$29 million, with women representing more than 70 percent of its 25,000 active borrowers.



[www.kmf.kz](http://www.kmf.kz)

### MicroInvest/Arvand, Tajikistan

ACDI/VOCA established the microloan fund MicroInvest in 2002 as part of the USAID-funded Fergana Valley Regional Microfinance Project and continues to advise the institution on strategic issues. MicroInvest provides sustainable financial services to small and micro enterprises. In 2009 MicroInvest established Arvand, which obtained a license as a microfinance deposit-taking organization. MicroInvest and Arvand strengthen low-income households in rural Tajikistan through increased access to credit delivered in accordance with microfinance best practices. They focus on financing small-scale traders, service providers, manufacturers, agricultural products processors and livestock raisers. MicroInvest earned a "BBB" rating from MicroFinanza in 2007, and a "5-diamond" transparency rating from MIX Market. As of 2009, it has a gross loan portfolio of \$4.3 million, with over 10,000 borrowers, 45 percent of whom are women.



[www.microinvest.tj](http://www.microinvest.tj)

### CredAgro NBCO, Azerbaijan

CredAgro provides loans to rural small and medium-sized enterprises engaged in small-scale agricultural and livestock production, food processing and trade.

ACDI/VOCA established CredAgro in 2000 with USAID funding and continues to provide advisory support and guidance. CredAgro operates in 27 regions across Azerbaijan, offering loan products for agriculture, trade, leasing, automobiles and equipment purchases. CredAgro received an "A-" rating from MicroFinanza in 2008, and the 2007 Certificate of Transparency and a "5-diamond" rating from MIX Market. In 2009 it served more than 8,000 clients, 25 percent of whom are women, with a loan portfolio of \$50 million.



<http://www.kredagro.com/>

### Frontiers LLC., Central Asia

To create employment and improve the welfare of communities across Central Asia, Frontiers supports the development of sustainable and transparent financial institutions. In 2003 ACDI/VOCA established Frontiers under the USAID-funded Central Asia Microfinance Alliance (CAMFA). Based in Bishkek, Kyrgyzstan, Frontiers operates as a wholesale microlending company, providing wholesale loans to credit unions and microfinance institutions to increase their outreach and loan portfolios in Kyrgyzstan, Tajikistan and Kazakhstan. A 2008 analysis of Frontiers by MicroFinanza concluded it is a “well-performing second-tier microfinance organization.” In 2009 it had a loan portfolio of more than \$10 million, comprising more than 100 wholesale loans.



<http://www.frontiers.kg/>

### Rural Credit Cooperative Development Foundation, Russia

Rural Credit Cooperative Development Foundation (RCCDF) provides financial services to farmers and small businesses in Russia's North Caucasus region. RCCDF was established in 2005 to provide grants and credit capital, along with technical assistance and training, to newly created and growing credit cooperatives. RCCDF has refinanced 47 first- and second-tier rural credit cooperatives in 22 of 88 regions of the Russian Federation, serving 10,600 rural borrowers. In 2009 RCCDF's total portfolio, comprising over 490 loans, exceeded \$10 million.

# Partners at a Glance

ACDI/VOCA Partners Reported as of September, 2009					
Institution, Country, Founded	Outstanding Loan Portfolio	Clients	MIX Market Rating	Other Rating	Cumulative Loans Disbursed
Agrocapital, Bolivia, 1992	25,262,392	19,985	5 ♦	BBB Fitch Rating 2008	195,800,188
KMF Kazakhstan, 1996	29,254,757	25,296	5 ♦	A+ MCRILL Rating 2005	335,235,029
CredAgro, Azerbaijan, 2000	49,479,419	18,578	5 ♦	A- MicroFinanza 2008	125,411,798
Bai Tushum, Kyrgyzstan, 2000	39,456,473	26,687	5 ♦	BBB MicroFinanza 2008	122,846,382
MicroInvest/ Arvand, Tajikistan, 2002	4,331,297	10,153	5 ♦	BBB MicroFinanza 2007	52,901,630
Frontiers, Kyrgyzstan, 2003	10,063,568	112	*	BBB MicroFinanza 2008	29,015,824
Al-Thiqa, Iraq, 2004	21,109,956	11,782	4 ♦		92,278,159
RCCDF, Russia, 2005	11,247,920	496	*		42,132,479
Other	14,915,776	68			19,241,666
<b>Total</b>	<b>\$207,905,745</b>	<b>113,273</b>			<b>\$1,014,863,154</b>

\*Wholesale lender



## “Good Quality, Good Prices” and a Chance to Grow One Borrower’s Story

**T**he Heidelberg “Speedmaster” offset printing press makes short work of large jobs, efficiently whirling through thousands of sheets in rapid succession. The unit operating at Shahab Printing House in Erbil, Iraq, allows its owner, Soran, to take on large projects and expand his thriving small business. Soran purchased the press, as well as the generator powering it, with small-business loans from Al-Thiqa, a local microfinance institution established by ACDI/VOCA.

“Because of these two loans, I’ve been able to develop my work,” Soran said. “I’ve been very comfortable and happy to be with Al-Thiqa.”

Soran first approached Al-Thiqa in 2006, after he “heard good things from the community” about the institution. With its focus on loaning to small and medium-sized businesses, the organization was well suited to his needs. Initially worried about hidden fees, he was pleased to find the process transparent, as well as expedient—the paperwork was completed and the loan disbursed within a week.

Since the initial loan, Shahab Printing House has expanded to include 17 employees, including Soran’s three brothers. The company’s policy of “good quality, good prices” has earned them contracts from government agencies such as the Ministry of Education and the Election Committee. The shop recently completed an order of 100,000 fliers promoting upcoming elections, and Soran anticipates further demand. His Speedmaster printing press will be busy.

Al-Thiqa exemplifies ACDI/VOCA’s commitment to the idea that the principles and best practices of financial services apply everywhere, including conflict-affected areas. The loan that funded Soran’s printing press accounts for a tiny portion of the \$1 billion in loans disbursed by ACDI/VOCA’s partners. These institutions have expanded financial services to small enterprises and rural households around the world.

