

Central Asia

Central Asia Microfinance Alliance II (CAMFA II)



ACDI/VOCA's Central Asia Microfinance Alliance II project (CAMFA II) is the continuation of the highly successful CAMFA project, one of a new generation of ACDI/VOCA credit projects addressing marketplace demand for financial services and products through the establishment of targeted assistance. CAMFA, which lasted four years, supported local financial institutions in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. It strengthened the microfinance-lending community by offering a broad range of innovative financial solutions, technical assistance and training to make the institutions more sustainable and effective.

ACDI/VOCA is building on these successes through CAMFA II, a 3-year, \$4.85 million, USAID-funded project. Based in Bishkek, Kyrgyzstan, CAMFA II increases access for micro and small business to a broad range of financial services. It has expanded its outreach to rural and isolated regions throughout Kyrgyzstan and Central Asia. The project focuses on developing the microfinance-enabling environment of the region, promoting innovative lending method-

CAMFA II increases access for SMEs to a broad range of financial services.

ologies suitable for rural customers, and creating synergy with value chain finance interventions.

CAMFA II has the following three components:

Component 1—Microfinance Association Capacity Building

ACDI/VOCA works through the four existing microfinance associations (MFAs) in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to complete these activities. The Central Asian MFAs are part of a growing global community of organizations seeking to reach large numbers of small-scale entrepreneurs through a coordinated approach to service delivery.

CAMFA II improves Central Asia's policy and regulatory environment to enable microfinance sector innovation and delivery of a more diversified set of products and services; increases the availability of microfinance training and specialized technical assistance; offers best practice information on national and regional levels; and supports standards development and increased transparency.



Project Profile

Component 2—Frontiers LLC Management and Support

In 2003 ACDI/VOCA established Central Asia's only locally based wholesale lender to the microfinance sector, Frontiers LLC, in Bishkek, Kyrgyzstan. As a direct result of its strong growth and a commitment to cost containment, Frontiers became operationally self sufficient well ahead of projections. ACDI/VOCA also supports an "agricultural lending window" in Frontiers by providing lending capital and technical assistance to nonbank institutions working in rural areas. Under this CAMFA II component, ACDI/VOCA monitors Frontiers' assets and continues to provide technical assistance and strategic leadership through ACDI/VOCA's role on Frontiers' board of directors.

Component 3—Rural Finance

Under this component, CAMFA II expands on CAMFA I's success in rural and agricultural lending services by assisting MFIs, credit unions and other lenders in Kyrgyzstan willing to undertake innovative approaches to serving agricultural and rural areas.

CAMFA II's services are available through a competitive awarding process (download RFA at right under Resources). This process focuses on the strategy and commitment of the MFIs and credit unions to apply new lending methodologies and innovative lending procedures for agricultural lending with the potential for

replication, in order to increase outreach to rural customers located in remote and isolated areas of Kyrgyzstan.

CAMFA II's Goals

By project's end in September 2009, CAMFA

II will have helped over 190 MFIs increase their depth of outreach, diversify services and improve efficiencies to support over 365,000 small-



scale businesses with small loans and training. In addition, CAMFA II will strengthen Frontiers' institutional sustainability and help support it in serving small-scale microlenders throughout Central Asia.

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