

Health and Microfinance Alliance



Expanding Microfinance and Health Protection Services in India

The Health and Microfinance Alliance will be reaching 2 million poor women and their families in India with integrated microfinance and health protection services by the end of 2016. These services improve their health and financial security and can be delivered sustainably.

Health and Poverty

1.29 billion people in the developing world live on less than \$1.25 a day. Many of them are just one illness away from losing everything. The relationship between ill health and poverty is inextricable. Illness can be financially catastrophic for poor households—quickly depleting income and savings—because of out-of-pocket healthcare expenses and the time away from their work when sick or caring for a sick family member. This is why health shocks are important factors in reinforcing the poverty cycle.

Microfinance as a Platform for Reaching the Final Mile

Microfinance is a financially self-sustaining tool that helps families to lift themselves out of severe poverty. In India, 85 million people, 73 million of whom are women, are currently served by microfinance providers.

Increasingly, the microfinance sector is exploring the addition of other critical social services that meet the needs of the poor, most notably the delivery of simple but life-saving health services.

Microfinance practitioners have compelling business reasons to attend to their clients' health needs, and they are often uniquely positioned as trusted intermediaries between community members and the outside world. Committed institutions have proven successful at reaching the very poor in remote areas and can function as efficient and effective delivery systems for healthcare services.



However, barriers exist within the industry that pushes institutions to focus only on financial services. MFIs understandably fear the added costs that come with the integration of microfinance and health and the inability of their staff to take on what they perceive as competing tasks.

The Health and Microfinance Alliance is convening and educating practitioners, policymakers, researchers and donors and encouraging them to endorse and support the integration of these vital services. Only through large-scale demonstrations, research, documentation and the mobilization of diverse stakeholders can these barriers be broken down.

An Overview of Integrated Microfinance and Health Protection (MAHP)

The integration of *Microfinance and Health Protection (MAHP)* services is an innovative approach that delivers cost-effective health interventions at scale by partnering with established microfinance service providers. These institutions customize their packages of health products and services to meet the unique needs of the clients that they serve.

Health packages generally include a combination of the following services:

- Health education
- Health financing, such as health loans, savings accounts and micro-insurance
- Linkages to healthcare providers
- Access to health products

We are cultivating “communities of practice” for the global expansion of integrated microfinance and health.

Freedom from Hunger and the Microcredit Summit Campaign have worked with numerous microfinance service providers in India and in other countries across the globe to demonstrate that health services can be practically and sustainably combined with microfinance to reach the “final mile” to the world’s poor. Together, we are committed to creating an enabling environment for integrating microfinance and health protection services in India and to model and demonstrate what can be achieved on a global scale.

By convening the Health and Microfinance Alliance, we are cultivating “communities of practice” for the global expansion of integrated microfinance and health. Our intent is to impact the way that practitioners, thought leaders, policymakers and funders approach health protection and poverty alleviation for the world’s poor.

What better place to start building this movement than in India where there is an established interest in integrated



approaches and a substantial need. Despite numerous central and state government efforts to increase access to health and financial services, poor families continue to bear heavy burdens resulting from preventable diseases, high rates of maternal and infant mortality and non-communicable diseases.

Freedom from Hunger and the Microcredit Summit Campaign are addressing the link between ill health and poverty by championing the delivery of integrated health protection services using the platform of microfinance.

During the past year the Alliance has worked with over 30 Indian organizations that provide microfinance services to their poorest, primarily rural, clients. Through these partnerships, more

than 600,000 poor clients and their families—**some 2.8 million people**—now have access to health services through their financial institution.

Our objectives in India

- Adapt and replicate the microfinance and health protection model to create a large demonstration for the delivery of cost-effective health interventions at scale through several organizations in varying contexts.
- Identify and develop promising innovations with local partners and healthcare providers that can be linked with microfinance service providers for rapid and efficient scale-up.
- Catalyze collective learning about the integration of health and financial services by contributing to research and advocacy efforts that promote an understanding of the impacts on the poor.
- Support the development of an Indian “community of practice” to encourage growth and innovation in health and microfinance products and services throughout India.

Over the next three years, the Health and Microfinance Alliance expects to disseminate methodologies, tools and products that build the capacity of Indian microfinance service providers and supporting organizations to reach 2.0 million people.

| Year (CY) | Projected No. of MFI/SHG Clients Reached* | Projected No. of Affected (includes family members) |
|----------------|---|---|
| Current | 600,000 | 2,800,000 |
| 2014 | 1,000,000 | 4,720,000 |
| 2015 | 1,500,000 | 7,290,000 |
| 2016 | 2,000,000 | 9,440,000 |

*In the calendar year

We expect the following outcomes:

- Further demonstration and testing of the effectiveness, impact and financial sustainability of linking health and microfinance to improve health and financial security for poor families.
- Expanded engagement from a diverse community of practitioners that includes influential actors from the health, self-help and financial sectors, as well as policymakers, researchers and donors.

A Collaborative Program

The *Microfinance and Health Protection (MAHP)* initiative was launched by Freedom from Hunger in 2006 as a 4.5-year pilot project, funded by the Bill & Melinda Gates Foundation, to help five MFIs in five countries develop and offer a range of health-protection services to improve the health and financial stability of their clients while also contributing to the sustainability of the institutions themselves. The results of the pilot exceeded expectations, and today Freedom from Hunger is reaching more than 2.6 million people through 40 organizations in 10 countries with microfinance and health-protection services.

In 2010, InterAction awarded Freedom from Hunger its “Best Practices and Innovations Award” for groundbreaking work in this area, and in 2011 the Global Health Council awarded Freedom from Hunger its “Best Practices in Global Health Award” for effectively demonstrating the link between health, poverty and development.

In September 2012, an Indian not-for-profit, the Freedom from Hunger India Trust, was established to support, operationalize and further the activities of the Health and Microfinance Alliance in India.

Freedom from Hunger is an international development organization dedicated to bringing innovative and sustainable ways to support the self-help efforts of very poor families around the world. For more than 25 years, Freedom from Hunger has been a pioneer in the design and dissemination of integrated microfinance programs that equip the rural poor with tools to help them escape poverty and achieve household food security. Freedom from Hunger partners with local organizations to demonstrate the value of these innovations and trains those partners to implement the programs sustainably. In 2012, Freedom from Hunger is reaching more than 5.1 million women and their families in 24 countries throughout Africa, Asia and Latin America.

The Microcredit Summit Campaign (the “Campaign”), a project of RESULTS Educational Fund, is the largest global network of institutions and individuals involved in microfinance and is committed to 2 important goals: 1) reaching 175 million of the world’s poorest families with microfinance and 2) helping 100 million families lift themselves out of severe poverty.

The Campaign convenes a broad array of actors involved with microfinance to promote best practices in the field, to stimulate the exchange of knowledge and to work towards alleviating world poverty through microfinance. Since 2002,

the Campaign has partnered with microfinance service providers to mitigate the risk of health challenges to both clients and institutions through its Financing Healthier Lives project. The Campaign has helped to increase institutions' capacity to integrate health education into their operations through trainings across the globe. www.microcreditsummit.org.

Freedom from Hunger India Trust, a registered Indian public charitable trust, established to carry forward the India programme of Freedom from Hunger and serve as its affiliate. The Trust is under the direction of founding Trustees with deep experience and connection with India's social service sector, and is aligned with the vision and mission of the parent organization.

Please contact us to discuss how you can contribute to this vision

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