

## Microfinance Program Started in Brazil Gets US\$ 5.8 Million from Gates Foundation

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Accion International, a leader in global microfinance, which started its pioneer work in Brazil announced that it has received a grant of US\$ 5.8 million from the Bill & Melinda Gates Foundation.

The four-year gift is the largest single donation received by Accion in its 45-year history and will be used to extend Accion's microfinance programs for the poor in Africa and India.

With the grant, Accion will develop new partnerships with microfinance institutions and commercial banks in West Africa and India in order to improve access for low-income people to microloans and related financial services.

Currently operating in seven African countries - Angola, Benin, Mozambique, Nigeria, Tanzania, Uganda and Zimbabwe - Accion will use the Gates funding to extend its work on the continent, initially through a partnership with Ecobank of Ghana.

In India, Accion will use the Gates funds to partner with four NGOs and three commercial banks to assist them in offering a broad range of financial products to individuals in underserved, urban areas.

Accion began operations in India in 2005, partnering with microfinance accelerator Unitus and opening the India Microfinance Center, in Bangalore, in October.

An early developer of microlending for the poor - in Recife, Brazil, in 1973 - Accion has grown from its roots in Latin America to help provide financial services to poor entrepreneurs around the world.

Today the Accion Network operates in 22 countries, with an active loan portfolio that exceeded \$1 billion in 2005 and had 1.9 million active clients at year-end.

Its pioneering and distinctive approach to microfinance has focused on helping microfinance institutions to become sustainable, so that they can reach millions of poor entrepreneurs on a permanent basis.

To this end, Accion uses technical support and equity investments that enable microfinance institutions to expand their operations and integrate into national and international financial systems. Accion's objective is to catalyze systemic social change by giving the poor permanent access to financial services.

"We see Accion as a leader in fighting poverty through microfinance," said Sylvia Mathews, COO and executive director at the Bill & Melinda Gates Foundation.

"We expect this grant will enable financial services providers to expand their reach to serve additional underprivileged people in new markets, using a scalable and sustainable delivery model. We look forward to working with the Accion team."

"We are deeply grateful to the Gates Foundation for their generosity," said Maria Otero, president and CEO of Accion International.

"This grant recognizes the power of microfinance to redefine the way the world addresses poverty. It comes at an opportune time for us as we reach out to more poor people in more countries, and will allow us to even better leverage the private donor dollars that provide the core of our funding."

Accion International is a private, nonprofit organization with the mission of giving people the financial tools they need - microenterprise loans, business training, and other financial services - to work their way out of poverty. A world pioneer in microfinance, Accion issued the first microloan in 1973 in Brazil.

Accion partner microfinance institutions today are providing loans as low as \$100 to poor women and men entrepreneurs in 22 countries in Latin America, the Caribbean, India and sub-Saharan Africa, and in more than 35 U.S. cities and towns through the U.S. Accion Network.

In the last decade alone, Accion and its partners have disbursed US\$ 7.6 billion in loans to nearly 4.1 million borrowers, 65 percent of whom are women. Ninety-seven percent of these loans have been repaid.

For the past three years, Accion has been among the organizations awarded the Social Capitalist Award by Fast

Company magazine for "using business excellence to engineer social change."

Accion International - [www.accion.org](http://www.accion.org)