



EUROPEAN
MICROFINANCE WEEK
2014

DEVELOPING BETTER
MARKETS



etimos
foundation



**A potential action in response to the Climate
Change threats: the LIFE FUND in the Philippines**



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The promoter: Etimos Foundation

Etimos Foundation is a foundation of members.

It concentrates on social finance and social economy.

Through the years Etimos Foundation focused on finance for development and microfinance, also in post-emergency contexts. It implemented several programmes in this area, also leading research and impact analysis actions.

Etimos Foundation can also be seen as an incubator of projects and companies matching social value and economic sustainability. It invests the main part of its assets in these projects.



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Philippines: a vulnerable Country

In the World Risk Report 2013
the country ranks third among the countries most at risk to disasters

74% of the population is vulnerable to natural hazard

- **Typhoons**
- **Floods**
- **Earthquakes** –almost 900 earthquakes/year
- **Droughts, landslide, mudslides and volcanoes**

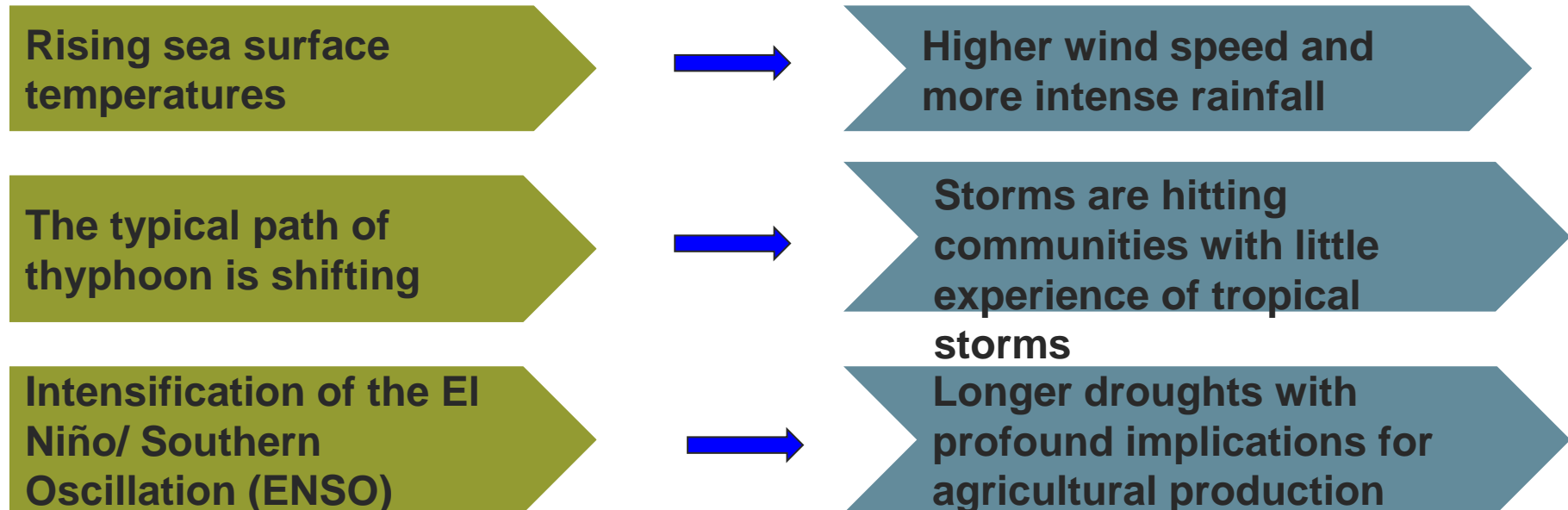


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Philippines and the climate change

Increase in extreme events such as rainfalls and tropical cyclones. Some studies suggest the cyclones' activities in the Pacific is likely to intensify with these consequences:





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Damages of the typhoon Haiyan



16 million affected

More than 6,000 deaths

44 provinces involved

More than 1 mil houses
destroyed



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Strong local partnership

APPEND is a strong network composed by 8 NGOs dedicated to microfinance, which pioneered the use of microcredit as a tool to fight poverty in the Philippines since the 80s.

- ✓ 65 branches in the affected areas
- ✓ 96,000 of its beneficiaries has been touched by the typhoon
- ✓ Targets poor micro-entrepreneurs (the average loan is USD 214, compared to a average national income of USD 2,587)
- ✓ Provides different services: loans, micro-insurances, business development skill trainings.



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The Life Fund Intervention

Life Fund means: Livelihood Intervention
through Financing and Entrepreneurship

It involves different components:

- ✓ Capitalization of local MFIs
- ✓ A rotating fund to provide loans to restore the operational capacity of the MFIs
- ✓ Technical assistance to strengthen the capacity of the MFIs;
- ✓ Skill trainings to final beneficiaries (business development, risk reduction management, micro-insurance);
- ✓ Community socio economic development projects



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Micro-insurance: a tool to reduce vulnerability

Most of APPEND's clients were insured, and after the typhoon Haiyan they received a contribution to repair their houses.

According to them this was not enough to cover their financial needs, but it has been very helpful.

Micro-insurance products can be a great contributor to support communities in case of eventualities resulting from climate change

MICROINSURANCE FOR
LOAN
LIFE
CALAMITY

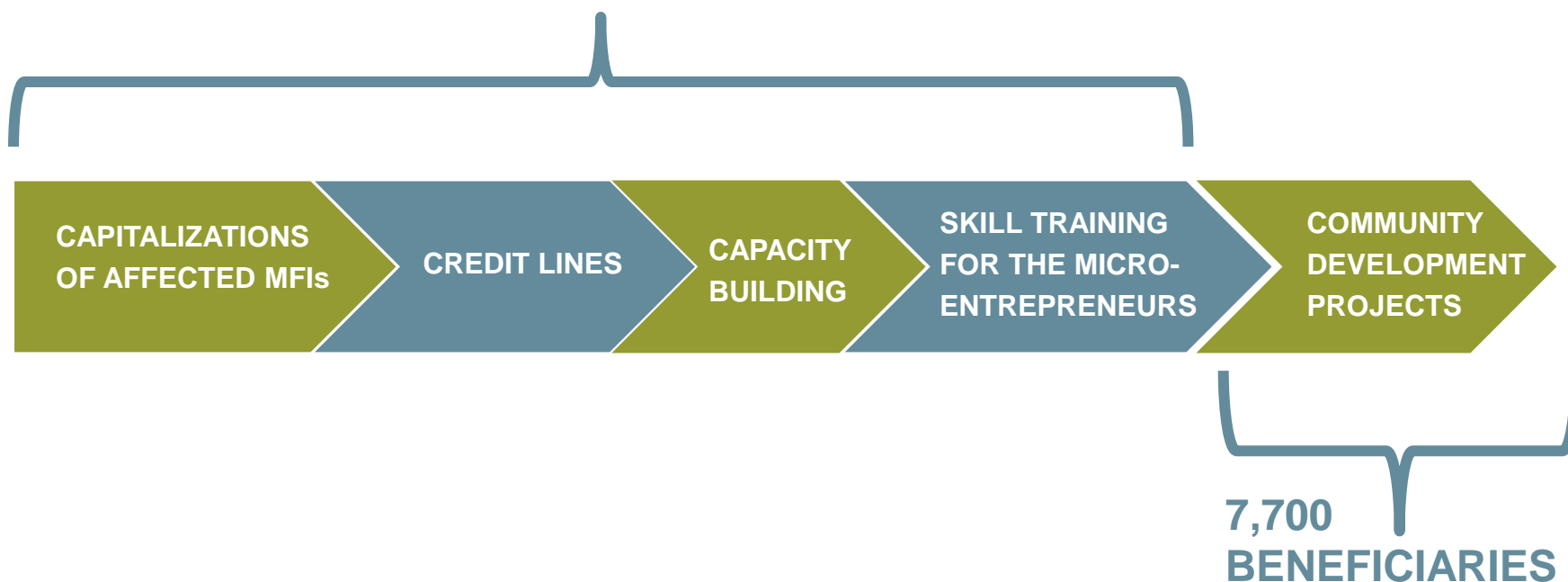


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The expected impact

96,000 DIRECT SUPPORT, MORE THAN 450,000
PEOPLE BENEFITTING

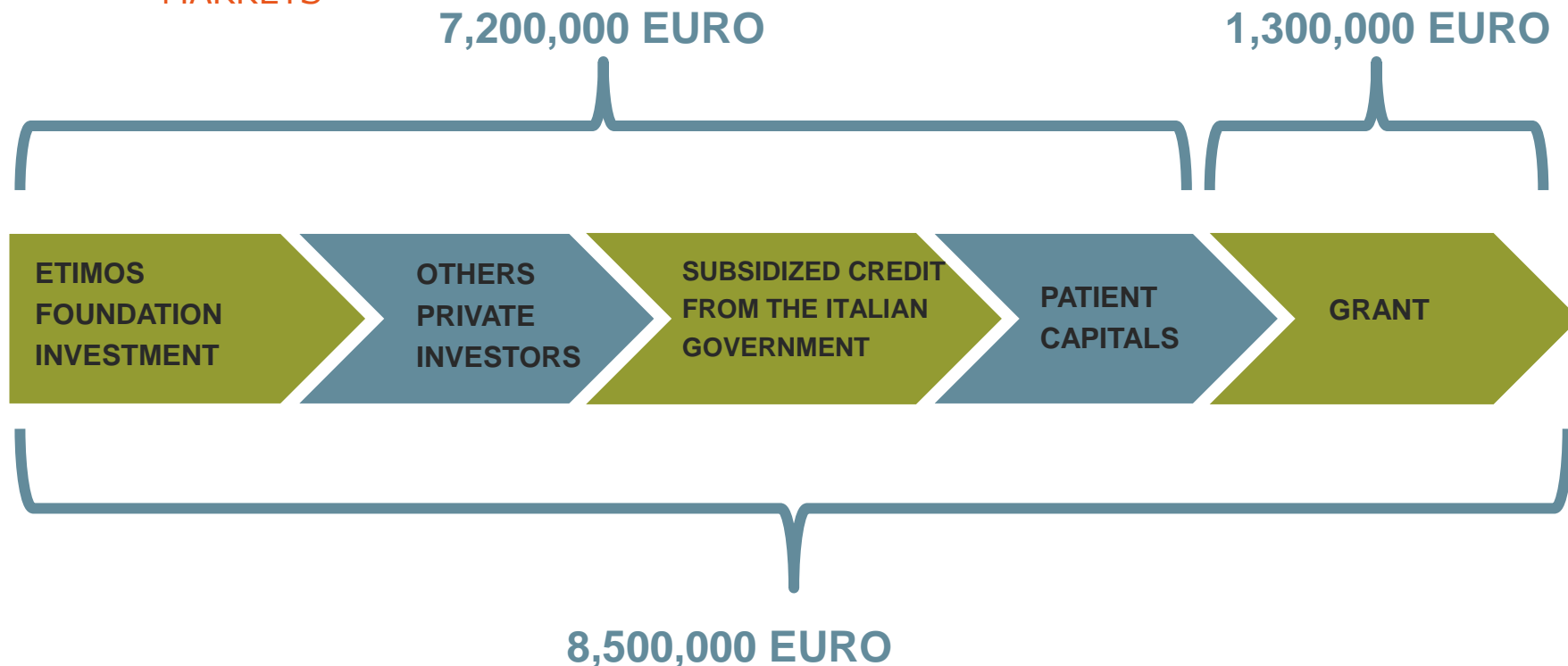




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Programme funding structure





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