

Innovations

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Due to the growing competition among microfinance providers in Cambodia, there has been pressure to innovate, in order to be more effective, and to provide new products and services to clients. Individual lending has progressively been introduced and offered to clients, while they were given access to a wider range of saving and credit products.

GRET health insurance project

The pilot health insurance project run by GRET, called “SKY”, aims to provide access to quality health coverage to rural population, through an affordable health insurance policy. The project promotes and sells insurance contracts for free and better access to public health facilities. Rural families pay a premium to cover all family members to have priority, free, access to health structures, while usually access is difficult and very costly, as it requires co-payment. The project contracts the health facility and pay for insured care, in advance, using a capitalization model. The project monitors the quality of the health care services and provides feedback to the suppliers as the insured use the facilities. The pilot project has resulted in improved health conditions and behaviour among clients, and better prevention and treatment. Clients reduced their health expenses and were able to secure their economic situation by reallocating household budget to more productive investments. With improved quality of health care, more clients will join the scheme, meaning more income for health facilities, better quality, etc..

The three pilot schemes benefited 1,613 persons, covering in some places 36% of health center patients. In the future, the project aims to reach at least 25% of the population in the regions served. The scaling-up phase will aim at reaching self-sufficiency over a larger client base and designing new insurance products for other segments of the population. A pilot project will be launched in urban areas, such as Phnom Penh, where the contribution capacity is higher. Cross-subsidisation between rural and urban areas could then be experimented.

Development of Credit Union - CCSF

The development of CCSF’s supported savings banks is undertaken in different stages:

Establishment stage (1 to 2 years)

Subsidised by donors and supported by CCSF, with the use of volunteers at the village level. The savings bank need to reach 100 to 150 members within a year to reach a critical mass, otherwise will have to close down or merge with another savings bank.

Development stage (after 2 years)

Savings banks begin to employ part-time staff, and support some of the operating costs. CCSF continues to provide free training and monitoring.

Expansion stage (after 3 to 4 years)

Savings banks employ full time staff.

ACLEDA new products

ACLEDA now offers Euro currency Deposit in addition to other currencies such as Cambodia Riel, US Dollar, and Thai Baht.

In addition it also provides **personal loans**, since September 2004:

- Maximum size US\$10,000
- Purpose: consumption, home improvement (vehicle, electronics, furniture, etc..)
- Costing: 3% monthly interest (up to US\$1,500) or 2% (US\$1,500-10,000)
- Terms: up to 24 months (Below 1,500, up to 12 months)
- Incentives: Regular repayments lead to subsequent loan (fast disbursement)
- Requirements: Collateral, employed/self-employed.

Sources

- ACLEDA website www.acledabank.com.kh and brochures
- CCSF brochure and internal documents
- Presentations made at BWTP Microfinance Regional Workshop, in Phnom Penh, December 2004. Available on www.bwtp.org