

ENGLISH (EN)

## **Global Grant Application Supplement for Microcredit Projects**

* Rotary clubs and districts partner with established and reputable microfinance institutions (MFIs) to conduct microcredit projects. Under the supervision and active participation of a local Rotary club or district, the MFI administers the project provided that it remains a clearly identifiable Rotary project and grant funds are tracked separately in the MFI’s accounting system.
* Microcredit projects funded by The Rotary Foundation (TRF) use a multidimensional approach by incorporating training and educational activities into the project design.
* TRF does not fund loan guarantee systems (i.e., funds may not be placed on deposit with an institution as collateral for loans the institution makes from other funds).
* TRF considers a microcredit grant complete when the total amount of budgeted loan capital has been lent out, repaid, lent out a second time, and all other project activities have been completed.
* When TRF closes the grant, the loan capital remains with the MFI for continued lending purposes; no post-closure reporting is required.
* TRF reserves the right to demand the return of grant funds should the grant be terminated prematurely or a stewardship issue or other significant concern warrant such action.

### Rotary Sponsor

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Grant Number |  | | | | Project Country | | |  | |  |
| Host District | |  | | Host Club | | |  | | |
| International District | | |  | | | International Club | | |  |

### Microfinance Institution (MFI)

Identify the MFI that will help administer the microcredit project.

|  |  |  |
| --- | --- | --- |
| Name |  | Website \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

Provide information and documentation that the selected MFI is established and experienced. Attach copies of relevant documents such as audited financial statements, annual reports, sample reports, etc.

What is the MFI’s current portfolio at risk (loans more than 30 days overdue/total loans)?

What is the MFI’s collection rate (loan amounts collected/total amounts loaned) over the past three years?

I have attached a signed memorandum of understanding between project partners. Yes  No

### Project Design

Describe the microcredit model (credit groups, cross-guarantees, individual borrowers, etc.) that will be used in this project.

Describe the training that will be provided, including a list of training topics. What are the learning objectives for each topic? What activities/training exercises will be done to support each topic? What is the length and the frequency of the training? Who is conducting the training? Is this a new training as a result of the grant, or an ongoing training?

Will the project have a savings component? Who will collect the savings? Where will the savings be deposited?

### Microcredit Model

|  |  |
| --- | --- |
| Prevailing interest rates in the area | Amount |
| MFI | % |
| Bank | % |
| Project-specific information | |
| Interest rate to be charged | % |
| Average loan amount anticipated per client |  |
| Anticipated term/duration of loans |  |
| Anticipated payment frequency (weekly, monthly, etc.) |  |

### Projected Microcredit Cash Flow

|  |  |  |
| --- | --- | --- |
| 1st Loan Cycle | Number | Amount |
| TRF grant funds to be allocated to loan capital | |  |
| Loans to be disbursed |  |  |
| Loans to be collected |  |  |
| Interest (and fees, if any) to be collected | |  |
| Administrative expenses to be paid from interest and fees | |  |
| Net loan capital anticipated after all 1st cycle loans have been collected | |  |
| 2nd Loan Cycle | | |
| Loans to be disbursed |  |  |
| Loans to be collected |  |  |
| Interest (and fees, if any) to be collected | |  |
| Administrative expenses to be paid from interest and fees | |  |
| Net loan capital anticipated at end of 2nd cycle | |  |