



**USAID**  
FROM THE AMERICAN PEOPLE

**KENYA**

## NOTE FROM THE FIELD

# Microfinance and HIV/AIDS: Defining Options

**USAID supports HIV/AIDS strategy training for microfinance institutions**



AIDS awareness mural

*“HIV/AIDS is a reality. We may lose our portfolio if policies to mitigate it are not designed and implemented,” remarked Charles Naimoi, program officer at Oikocredit East Africa. Mr. Naimoi participated in the USAID/Microenterprise Development office-supported workshop on Microfinance and HIV/AIDS: Defining Options for Strategic and Operational Change conducted January 10–12, 2005, in Nairobi, Kenya.*

R. Zurba

Edward Kiyaga of MED-Net—a microfinance affiliate of World Vision Uganda—and Grace Tiberondwa Sebageni of World Relief Rwanda submitted this week’s *Note* on the training they provided to Kenyan microfinance institution managers.

Addressing an urgent need for microfinance strategies to cope with HIV/AIDS in Africa, the Kenya Microfinance and HIV/AIDS workshop complemented the one held in August 2004 in Addis Ababa, Ethiopia, which was the subject of the Note from Ethiopia. Both workshops were managed by ECIAfrica, and Development Alternatives, Inc. (DAI). DAI leads the Accelerated Microenterprise Advancement Project’s Financial Services Knowledge Generation project. The Kenyan course brought together 11 participants from seven microfinance institutions (MFIs). Kiyaga and Sebageni elaborate:

“The Joint United Nations Programme on HIV/AIDS reports that Kenya is one of the nine African countries hit hardest by the HIV/AIDS epidemic. According to the United Nations, at the end of 2001 an estimated 2.5 million Kenyan adults were living with HIV/AIDS, a prevalence rate of 15 percent. Largely because of AIDS, life expectancy in Kenya dropped from 60 years in 1990 to 49 years in 2000. In addition to the increase in prevalence, a number of studies from Kenya’s Ministry of Health indicate that high health care costs and lost income from HIV/AIDS will be a major burden on the Kenyan economy. By 2005, Kenya’s gross domestic product is projected to be 14.5 percent lower than it would have been in the absence of AIDS.”

“Because of this high HIV/AIDS prevalence, Kenya was selected to host the January Microfinance and HIV/AIDS workshop, jointly organized by the Association of Microfinance Institutions and Women Advancing Microfinance/Kenya. The workshop helped participants understand an MFI’s options for responding to HIV/AIDS; and at the same time, provided them with strategies to mitigate the internal institutional and external risks of operating in an HIV/AIDS environment. Participants were supported through aftercare to prepare for action with an increased strategic understanding that will lead to operational change.”

"The workshop stimulated MFI managers to think and program for HIV/AIDS, recognizing that the disease has a direct impact on operations. Without addressing the AIDS challenge adequately, both institutions and their clients are likely to see productivity drop and resources that would have been used for investments will be used for health care, orphan care and funeral expenses. Similarly, savings rates will decline, and the loss of human capital will depress production and the quality of life within the community."

"The workshop opened my eyes to understand the impact of HIV/AIDS not only on human resources but on the entire clientele. It was inclusive and on my part I will do what is within my ability to apply what I have learned at my workplace and in the community," promised Catherine Mugambi of the Small and Micro Enterprise Program Ltd. Anne Gathuku of K-Rep Development Agency added: "The case studies were very good and reflected on real life situations. The training helped me to identify some areas I need to reflect on in my organization."

"The course is great, it's been well received and the presentation has been excellent," observed Mark Rostal, the DAI representative in Kenya that works closely with AMFI."

"Dr. John Ong'ech, a reproductive health consultant and HIV/AIDS expert at the University of Nairobi/Kenyatta National Hospital, shared information with the training group about the Kenyan government's position on the fight against HIV/AIDS. His presentation noted the growing presence of AIDS in Kenya with approximately 100,000 new cases per year and more than a million children orphaned by the scourge. Although the Kenya Government has taken a great stride by declaring HIV/AIDS a national disaster and putting into place the National AIDS Control Council, a body with sufficient legal powers, resources, and effective leadership for a multi sectored response, more can be done. He challenged the participants to aid in the battle of eliminating HIV/AIDS."

"For their part, the workshop sponsors are considering next steps. Representatives of AMFI recommended that given the large, unmet need within Kenyan MFIs, the course should be repeated with a wider group of practitioners. Prior to the training, only one of the participating organizations had an integrated HIV/AIDS response. The workshop therefore provides a basis for designing strategic plans for integration."

Learn more about the AMAP Financial Services Knowledge Generation project by contacting Colleen Green at [colleen\\_green@dai.com](mailto:colleen_green@dai.com) or Frances Fraser at [Frances.Fraser@eciafrica.com](mailto:Frances.Fraser@eciafrica.com). To learn more about the training, contact Edward Kiyaga of MED-Net at [Edward\\_kiyaga@wvi.org](mailto:Edward_kiyaga@wvi.org) and Grace Tiberondwa Sebageni of World Relief Rwanda at [gsebageni@wr.org](mailto:gsebageni@wr.org).