

How can cooperation between an organisation for people with disabilities and a microfinance partner institution improve the management of loans?

Relevant articles of the CRPD: 27

Country: Nicaragua

Region: Central America

Languages available: English, French (full report available in Spanish and Arabic)

Financing Credit Line. FURWUS – Espino Blanco, Nicaragua

Description of the practice and the process involved

Fundación para la Rehabilitación Walking Unidos (FURWUS) provides **physical rehabilitation, orthoses and prostheses, and employment opportunities** for people with disabilities.

One-and-a-half years ago, FURWUS **started a micro-credit programme through a partnership with the local microfinance institution, Espino Blanco, which specialised in working with vulnerable populations.**

FURWUS received **a grant** from the Inter-American Foundation and got the socially minded Espino Blanco to **manage it.**

The **loan terms were decided** by FURWUS with some **adjusted requirements:** the interest rate is **lower than market rates** and there is a **two-month grace period.**

Some of the difficulties encountered

After a period of low on-time repayments, **a strong follow-up system** was put in place and **financial indicators are improving.**

For the moment, **only 30 persons** have used these services; FURWUS' **goal is to reach 200 users.** There is currently a **campaign under way to let people with disabilities in nearby communities know about this fund.**

The effects / impact of the practice

Rosa María Pérez is an **accountant**. When she received a loan from FURWUS to start a small business she **thought she may not need further training, but she attended anyway**, since it was a requirement for all borrowers.

Now she realises the training is a **great asset** for her: *“I learnt about **marketing and client service**; but the training also helped me **select the best products** for me to sell according to demand, offer and to my personal skills and constraints. I decided on selling basic grains, because they are not perishable, and because there are not too many people selling grains in this market. **Combining my new skills with my accounting training really help me build a successful and sustainable business**”.*

*“The loan opened a **new life** of opportunities for me and my children”* she affirms. In spite of her **degree** in Accounting, she had never been able to find employment. *“When people realised I had trouble walking, they would not hire me. I thought I had gone to school for nothing”*. Thanks to the loan this is no longer true. Rosa María used her loan to **start her small shop**, which has been a **success**.

“Before I received the loan, my life was sad. My husband passed away a few years ago and I could not find any job, so my 14-year-old son had to beg and sell candies on the street to provide for both of us and for my smaller son”, she says. *“Now that I have my shop, **I can take care of the three of us myself**; both my children go to school; and I will make sure they go all the way to university!”* Rosa María spends **three hours daily on public transport** travelling to and from the market.

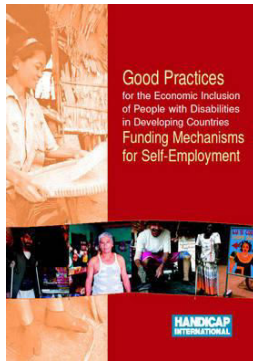
What are the main points that require attention? How could it be improved?

It is **useful if the beneficiaries learn to calculate their income and expenses, to give them an idea of the real net revenue of their business activities**.

Doing a **business plan** is equally important, since this means the entrepreneur plans for the future. This can help them in making **rational business decisions**.

Also an understanding of some **basic marketing principles, such as the importance of product differentiation and behaviour towards customers**, can be helpful.

Background and context



Full project report: [Good Practices for the Economic Inclusion of People with Disabilities in Developing Countries: Funding Mechanisms for Self-Employment](#) (Handicap International, 2006)

Criteria for the good practices: see p. 35 of the full report. **Recommendations from the good practices:** see full report pp 87 – 90 of the full report.

Links to further resources:

[Full text on article 27 – Work and employment](#)