

## How to improve people with disabilities' access to loans by implementing a flexible methodology?

**Relevant articles of the CRPD:** 27

**Country:** Colombia

**Region:** Latin America

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

Microfinance Provider with Strong Emphasis on Poverty Reduction

### Description of the practice and the process involved

Oportunidad Latinoamérica (OLC) is a microfinance provider that started its operations in the 1970s. It is affiliated to the Opportunity International network, based in the USA. Their objective is to **provide microcredit to vulnerable populations**. Oportunidad works particularly with **single mothers and displaced populations**.

A few years ago, OLC realised there was a **high incidence of people with disabilities among the vulnerable populations** they worked with and decided to target this group as a specific market segment. To achieve this objective, they designed a **flexible methodology that would make it easier for people with disabilities to have access to Oportunidad's loans**.

For instance, they accepted **smaller solidarity groups** if they included people with disabilities (5–10 persons instead of the usual 15 persons), gave **smaller loans** than their usual ones for people with disabilities, and **accepted to provide loans for start-ups**, which they do not do for the rest of their clients.

Oportunidad uses solidarity groups and individual methodologies **according the needs of the client**. Usually individual loans are only given to those clients who have **more experience** in their business and have received **various previous loans**. The average loan is **US\$190** with a **monthly interest rate of 1.89 per cent**.

The programme covers **rural as well as urban areas** and is focused on **women**, who are particularly vulnerable in the zones where Oportunidad works.

The institution provides **business training, courses on personal issues such as self-esteem, and parents' school**.

### Some of the difficulties encountered

For this organisation, the main obstacle for people with disabilities to access microfinance institutions **is psychological**, not physical; the biggest challenge for Oportunidad is to work with people with disabilities and **build their self-esteem, change the idea that they should receive grants instead of loans because of their disability, and in general help them realise they have the capacity to manage a successful business.**

## The effects / impact of the practice

They have now reached **450 persons with disabilities**, representing **six per cent** of Oportunidad's clients.

Some of their users are **paraplegic and quadriplegic**, and are among the **best** clients. A female quadriplegic client, for instance, was able to start a small handicraft business with a loan from Oportunidad. Now, **she supports her family of five children by herself and is able to pay school fees for all her children**; even **university fees** for her elder children.

Among the positive outcomes that loans have had for people with disabilities, Oportunidad highlights **healthier nutrition, higher self-esteem, and in general better living standards.**

## What are the main points that require attention?

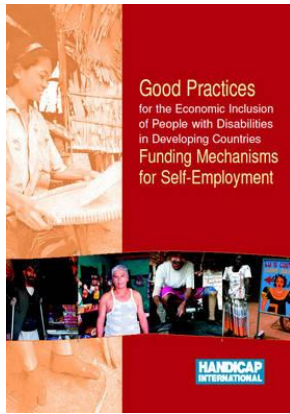
It is important to **make some adjustments** for people with disabilities when they are very vulnerable. The adjustments need **not put in peril the sustainability of the organisation.** For instance, reducing the number of persons in a solidarity group is **not a big change** but it is **easier for people with disabilities** to manage their group that way.

If the aim is to really reach vulnerable populations, **working in rural areas and with women is fundamental.** These populations are **often overlooked.** **People with disabilities** are also represented in these sectors and should not be overlooked.

Even the most vulnerable populations can manage loans if there is **continued support and training.**

Prior to starting the programme, some people with disabilities may require **self-confidence training** so that they realise their potential to be economically active members of the community. Successful people with disabilities may **share with them their experiences and act as positive role models.**

## 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.

**Link to further resources:**

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