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Let a Thousand Flowers Bloom: The Implementation Grant Program

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Anicca Jansen was a member of USAID's Office of Microenterprise Development from its launch in 1994 until her retirement from government service in June 2013. During that time she managed and monitored several Implementation Grant Program grants which supported the development of microfinance institutions. With a heavy focus on Africa and Haiti in the early years, her work later expanded to Eastern Europe, Haiti, and the Mideast. From 2001 to 2004 Anicca served as USAID's West Africa Regional Technical Advisor for Microenterprise and Microfinance.

USAID launched the Microenterprise Initiative in 1994 and with it, created the Office of Microenterprise Development (MD). Under the leadership of Elisabeth Rhyne, the Office became the hub of Agency support for microfinance. The Office created a framework for support called the Microenterprise Innovation Project (MIP), a multi-mechanism project that covered all the bases: research, grants, and technical support. As a part of MIP, the Office managed a large grant program, called the Implementation Grant Program (IGP).

With evidence from the USAID "Maximizing Outreach" study and other sources, the IGP moved forward with the confidence that low-income people could be reached with microfinance services, and that the best way to ensure long-term access would be to support the establishment of financially viable providers. However, there was no consensus, or even perceived need for consensus, on what type of institutional form that provider would take, or on what type of loan methodology they would use. The mantra of the day was "Let a Thousand Flowers Bloom."

The IGP grants would be used to draw out and support promising microfinance approaches, knowing that some would be more successful than others. The first Request for Applications issued in 1995 cast a wide net, stating: “Types of financial service programs eligible include poverty lending, village banking, solidarity group lending, individual lending, savings mobilization, and other program methodologies that demonstrate a capability to serve the poor.” These were methodologies identified through earlier USAID projects—PISCES, ARIES, and GEMINI—and documented and described in “The New World of Microenterprise Finance.”

Successful proposals were selected based on three factors:

- movement toward self-sufficiency;
- focus on the poor, especially women; and
- management capacity.

In order to be eligible, the awardee had to have the capacity to work in more than one country. That was because the objective of IGP was not just to build individual institutions, but also to develop and test out methodologies and approaches that would be replicated in other countries.

Eighty grants worth just over US\$95 million were awarded over the 15-year lifespan of IGP. Many grantees won multiple awards through the years for their work in several countries. For example, with IGP funds, World Council of Credit Unions (WOCCU) would go on to support credit unions in Latin America, Eastern Europe, Asia, and Africa; FINCA would spread the village bank methodology through five countries in Africa and two in Latin America; and Freedom from Hunger introduced Credit with Education to Mali, Uganda, and Bolivia.