

Micro Credit Loan scheme

- Micro Credit Loan scheme, funded by the government of Maldives was established on 8th March 2000. A sum of one million Rufiya was allocated to start the project.
- A size of an individual loan is Rufiya 10,000/- or Rufiya 15,000/- and the size of a group loan is Rufiya 20,000/- or Rufiya 30,000/-
- The terms of interest are a service charge of 6% on every loan, which is for the entire loan period.
- A grace period of three months is given to start off the business.
- The loan repayment period is distributed over three years and the service charge on the loan is repaid along with the principal payments
- Aimed at economic empowerment of women.
- The total funds have been fairly apportioned between the Atolls and Male' such that 1/3 of the funds will be disbursed in Male' where approximately 1/3 of the population is estimated to live.
- Number of loans disbursed to Male' is 35 but the number of loans to women outside of Male' is delayed due to administrative and communication difficulties.
- Focal points have been appointed in every island and every wards of Male' and trained by the MWASS and BML. They are involved in the inspection of the applicants in the five wards of Male'. They will inspect their individual wards' applicants only.
- A loan committee, which consists of 6 members, is appointed for selection of beneficiaries. The terms for selection of beneficiaries are laid down by the loan committee with the approval of MWASS.

The Terms of the Loan Scheme

- Targeted to women between ages 18-60.
- No collateral required.
- 6% interest rate.
- Should submit a feasible proposal for work intended to undertake to utilize the loan.
- If the funds are to be utilized for investment in a registered establishment, the establishment should be registered on the person taking the loan.
- The person taking the loan should be actively involved in generating income.
- Preferences given to single mothers and mothers/ women with more dependents and less income.

Administrative procedure (Male')

- Loan application forms & the information leaflets are available from MWASS.
- A Public announcement will be made before the application forms are released.
- The application forms and the inspection forms will be sent to the focal points for inspection.
- The applicant's situation with regards to the application shall be assessed by the focal point on a given reporting format (Inspection Form).
- The inspection forms of the applicants will be presented to the loan committee.
- Loans are disbursed by the MWASS & loan repayments are collected by BML.