

BURKINA FASO

A Microfinance Institution Offers Services to Protect Clients' Health



Microfinance and Health Protection Services in Burkina Faso

The Réseau des Caisses Populaires (RCPB), a federation of credit union networks in Burkina Faso, introduced health protection services to its microfinance clients in April 2007. RCPB's health protection service package includes three complementary financial products:

- Health savings to cover primary care and medicine for common illnesses
- Health loans to cover treatment that exceeds clients' health savings
- A health solidarity fund for communities to invest as they wish toward the improvement of local health services

RCPB provides complementary health education on planning ahead to pay for health expenses, how to use the local healthcare system and advocate for better healthcare, and prevention and management of common diseases. RCPB also promotes quality care for its clients by establishing alliances with rural health centers.

Economic and Health Context

Burkina Faso is among the poorest countries in the world. More than 80 percent of the population lives on less than \$2 per day, and 45 percent lives on less than \$1 a day, with the poorest residing in rural areas. National health data shows high infant and maternal mortality and malnutrition rates. Frequently occurring infectious diseases such as malaria, respiratory infections, skin diseases and diarrhea account for the vast

majority of health problems, while the chronic condition of high blood pressure is a growing threat. HIV/AIDS affects about 4 percent of the population, although rates among young pregnant women have recently declined. Knowledge of causes, prevention and management of common diseases varies widely, with most RCPB clients—many of whom receive health education through their Credit with Education program—demonstrating correct knowledge of causes and treatment of HIV/AIDS, malaria and diarrhea. Clients characterize health care as generally insufficient in quality and accessibility. The distance to the nearest clinic can be great; the availability of doctors and skilled health workers scant; medicines and equipment on hand inconsistent at best; and disrespectful or subpar treatment common.



RCPB clients hold their health savings account passbooks.

Cost of Health Care

In this context of extreme poverty and frequent lower-impact illnesses, people typically spend from 20 percent to 50 percent of their income on health. Health insurance is unavailable to the vast majority of the population, although community-based mutual health organizations have been growing in popularity. The government provides healthcare via community health centers, referral clinics and district or regional hospitals. While primary care consultations at public facilities are available at low cost, people must pay out of pocket for transportation, medicines, laboratory work, hospital fees and surgical supplies. Private health care is available in cities and some larger towns, and it is considered high quality, but it is prohibitively expensive for most of the population.

Microfinance Clients' Health Expenditures

According to both national data and RCPB clients, malaria is the most widespread and costly disease faced by Burkinabe people. RCPB clients and their families report spending an average of 30 percent of

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their annual income to treat malaria alone. Although malaria occurs year-round, it strikes most frequently during the rainy season, when many rural people's incomes—based on agricultural cycles—are at their lowest. Without cash on hand to purchase insecticide-treated mosquito nets and medicine in the disease's early stages, people often wait, pray and self-treat ... which can lead to serious complications, resulting in hospitalization and even death.

Sources of Money for Health Care

In order to pay for health expenses, RCPB clients usually rely first on any savings they have on hand or on revenue from their microenterprises. When excess cash is not available, they draw on business capital, including loan proceeds, or they liquidate assets. As a last resort, they turn to relatives or moneylenders.

MFI's Response to Local Health Needs

The design of RCPB's health protection package reflects the particular requirements and demands of the local population, as revealed through in-depth market research. People find the treatment of early-stage malaria and other common, infectious diseases to be affordable enough—the problem is having cash on hand at the right time. A dedicated health savings product was appealing to clients, because it not only keeps money safely off-site for a use that inevitably occurs, it also restricts the use of savings that otherwise can too easily be funneled toward other, more general needs.

On the other hand, savings can only go so far. Illnesses sometimes worsen despite early treatment, and major medical problems and emergencies still occur. People recognized that their capacity to save will often be inadequate to meet larger expenses, and therefore proposed that RCPB provide health loans or insurance. RCPB opted to offer health loans in the short-to medium-term, while exploring viable health microinsurance options. The health loans are available to RCPB clients with health savings accounts that have been active for six months or attained a certain level of capitalization.

As an MFI, RCPB can only do so much to address the issues of healthcare distance, staffing, medicinal stocks, equipment, and service quality, but they have adopted a multifaceted approach that combines dialogue-based education about consumer rights and negotiation with a health solidarity fund to put a portion of RCPB branch profits in the hands of communities so that they have some power to address specific needs.

Finally, RCPB is attempting to draw on its reputation and the collective strength of its membership to influence positive change through advocacy and partnerships with the health sector.

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Achieving the Double Bottom Line

RCPB recognizes its vested interest in having a healthy clientele. Through these health protection services, which are being tested and studied for impact through 2009, RCPB seeks to better accomplish its mission of improving the living conditions of clients and their communities, while protecting its own financial sustainability and longevity as a microfinance institution. Technical assistance and support are being provided by Freedom from Hunger with funding from the Bill and Melinda Gates Foundation.

Réseau des Caisses Populaires—Burkina Faso

Institution-Wide data (October 2007)

Year MFI established	1992
Total borrowers	147,872 (26% women)
Total savers	502,968
Total loan portfolio	\$61,258,282
Portfolio at risk (30 days)	3.35%
Total savings	\$89,622,853
Operational self-sufficiency	123.3%

Credit with Education and Health Protection data (November 2007)

Credit with Education since	1993
Number of Credit with Education members	78,492
Number of clients with access to health savings and loans	14,936
Number of health savings accounts	493
Total health savings deposits	\$12,976

Freedom from Hunger launched the Microfinance and Health Protection initiative in January 2006 with funding from the Bill and Melinda Gates Foundation. Through this initiative, Freedom from Hunger is collaborating with a select group of microfinance institutions to develop and test sustainable innovations in health protection services that will improve the lives of poor people while also contributing positively to the financial performance of the institutions themselves. At the end of the Microfinance and Health Protection initiative in 2009, successful innovations will be widely disseminated to microfinance institutions around the world.



International Center

1644 Da Vinci Court
Davis, CA 95618
(800) 708-2555

info@freedomfromhunger.org

freedomfromhunger.org

ffhtechnical.org