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Helpdesk Research Report

Women's access to finance in Mozambique

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Question

Please provide a literature review on issues relating to women's access to finance in Mozambique, including the barriers and current situation in terms of access and use.

Contents

1. Overview

Access to finance in Mozambique is very low across all sectors of the population; 77 per cent are deemed to be financially excluded, while 79 per cent of women are excluded (de Vletter, F., Lauchande, C. & Infante, E., 2009). Within this statistic, there are variables showing that the most excluded are those with the **lowest levels of education, lowest income and in the most remote locations**, of which many are women (de Vletter et al., 2009). Access to finance is regularly listed in the literature as one of the major barriers for women's enterprise development, along with barriers created through gender norms such as lack of skills, training and business development knowledge. This report reviews the barriers for women, their current use of financial services and products, and the specific challenge of HIV/AIDS.

For this report a brief search was conducted in Portuguese to identify Portuguese-language papers, but the literature did not offer exclusive insights beyond what was already available in English. The report thus focuses on English-language literature. There are only a few research outputs which look specifically at Mozambican women's access to finance, but there is enough literature on women in Mozambique and women's access to finance in Africa to present strong evidence. Where the literature makes statements on general access to finance, it can be assumed that women are more disadvantaged than men.

The key points arising from this review are:

- Women suffer from gendered norms which create barriers to access: **low levels of education, skills and access to assets.** The legal and policy situation in Mozambique is quite supportive for women, but they find it **hard in practice to access finance**, particularly due to the banks' requirements for collateral and/or guarantees.
- Women as business owners are mostly concentrated in the **small and medium enterprise sector** (SME). There is policy and legislation to support SMEs, which largely encompasses women's enterprises.
- It is strongly noted that formal financial institutions and national policies, including SME support, **do not make special provision for women's needs**. The aforementioned barriers are not usually considered when designing bank products. In particular, the interest rate on loans is considered too high to be feasible for SMEs.
- There is reasonable access to microfinance from banks and microfinance institutions (MFI), but much **less access to medium sized loans**. There is very little support for growth and expansion for women's enterprises beyond the micro level.
- **Loans are usually taken from friends and family** rather than formal financial institutions. Few women take loans to start businesses.
- Women do not tend to use banks for savings accounts; **informal savings associations are highly popular**. There is a **strong interest in saving**, especially as to provide a buffer against emergencies.
- People living with HIV/AIDS require more flexible bank products, including the ability to miss payments **without high penalties**, and life insurance or savings which will help provide for family members.
- Mozambican women remain unbanked due to both **supply and demand**. Bank branches do not reach into rural areas, nor offer accessible and suitable products; and women do not have a high demand for credit.

2. Barriers

Most of the literature on women and finance looks at the barriers to access. These range from gender norms, legal and bank requirements, to women's lack of business and financial skills, and the distant location of the banks for most Mozambicans.

Gender norms

It is widely accepted that women have less access to financial services than men, particularly in Sub-Saharan Africa (Aterido, Beck, and Iacovon,e 2013). This study analyses the existence of a gender gap in Sub-Saharan Africa, and conclude that the **barriers for women are largely outside the financial sector**. When the data is controlled for household and business characteristics, such as size, industry, ownership type, foreign participation, export status, and age, there is no difference in access to financial services between businesses with at least one female owner and male-owned business, or between male and female individual entrepreneurs. The gender gap becomes visible when wider factors are taken into account.

Aterido et al. (2013) state that Sub-Saharan African firms where at least one of the owners is female **tend to be smaller,** and smaller firms have less access to financial services. They also present some evidence to support the idea that female ownership of businesses tends to be **in sectors which rely less on access to external finance**. As individuals, women face barriers to access which include **lower levels of education and formal employment**, and not being heads of households. The paper concludes that Sub-Saharan African women’s barriers to accessing finance lie mainly outside the financial sector, in dimensions related to female participation in the economy more generally. Policies to expand access must therefore also address these dimensions, and reach out beyond traditional formal banking.

An International Labour Organisation (ILO) research report provides a comprehensive review of the situation for female entrepreneurs in Mozambique (Cilo Consulting, 2011). The report states that women have **lower levels of education and skills**, which create challenges in accessing business services. It notes that in Mozambique there are high levels of school dropout and failure for boys and girls, but consistently higher for girls. There are few policies in place specifically for businesswomen. Lack of collateral, poor access to markets and business premises compound the problem. This report also summarises previous research reports which show that women in Mozambique rank **access to finance as the main constraint to their business development**, and that cultural norms make a difficult environment for female entrepreneurs. Many believed it was **easier for men** to run a business, stating that **managing male employees** and being **taken seriously as a businessperson** was difficult.

According to the Mozambique Microfinance Facility report, women’s major constraint in accessing finance is to do with the **lack of guarantees for credit** (Sibanda, 2010). Women in Mozambique often do not own property or significant assets, meaning they cannot provide either collateral for the bank or use assets as credit. Most women depend on family approval to put up property as a guarantee.

Women are also **time-poor** due to their care burden on top of paid work, and have less time than men for networking or attending training. Respondents in Sibanda’s study (2010) identified business development services which link women together and provide training as a valuable initiative. Time limitations (and potential mobility constraints) suggest that **convenience** of financial services is a stronger driver for women than for men (Making Finance Work for Africa, 2012).

Importantly, Serra (2007) also notes that the majority of his survey of 70 businesswomen say their gender makes no difference in the areas of: dealing with bureaucracy and paperwork, dealing with corruption, joining business networks and working with clients.

Legal

Women generally face higher legal barriers in starting a business, such as **property ownership rights, inheritance, capacity before the law**, and rights of married men compared to married women (Aterido et al., 2013). ILO research on female entrepreneurs in Mozambique shows that **few business laws and policies make any special provision** for women’s specific needs (Cilo Consulting, 2011). The Mozambican government has passed new laws supporting SME development, which tends to be where women entrepreneurs are located, but none which specifically target businesswomen (Cilo Consulting, 2011; Serra, 2007; Sibanda, 2010). Cilo Consulting (2011) criticise these policies for having limited reach and impact.

The FinScope survey from 2009 is the first national survey on access to finance in Mozambique, and provides a thorough overview of patterns of access, constraints and financial literacy (de Vletter et al., 2009). Legal identification is needed to start a business in Mozambique, however, the survey reveals that **fewer than half the adult population has an identity card**, while only 54 per cent have a birth certificate. More people in the urban population have these forms of documentation than rural population.

Many business owners do not complete the required registration processes due to fear of the costs involved (Cilo Consulting, 2011). The government has started to address this by reducing the procedures, bureaucracy and costs of registering a business (One Stop Shops – Sibanda, 2010).

The legal and bureaucratic barriers around business development disproportionately affect women due to their lower access to these required resources and/or skills (Aterido et al., 2013).

Bank requirements

In addition to the more general legal requirements for accessing business finance, each financial institution exercises its own policies, which tend to restrict access for women.

The financial system in Mozambique is dominated by banks, rather than supporting a range of institutions such as credit unions, pension funds, and insurance companies, and the banks' loan portfolios tend to be highly concentrated in small areas, which reduces access to finance for alternative enterprises (Sibanda, 2010). The FinScope survey (de Vletter et al., 2009) states that **bank requirements are too stringent for SMEs to access loans**, while at the same time the **banks argue that borrowers do not submit acceptable loan proposals**. Mozambican women identified that they would benefit from training on how to write a business plan which meets the bank requirements (Sibanda, 2010).

Commercial banks find SMEs risky and thus have high requirements for granting SMEs loans. Whereas, commercial banks established as microfinance institutions (which should be more amenable to SMEs) tend to offer only small loan amounts with extremely high interest rates (Cilo Consulting, 2011). Interest rates for SME loans are 16-20 per cent from commercial banks, and as high as 50 per cent from microfinance commercial banks (de Vletter et al., 2009). The literature states consistently that **interest rates on loans and banking fees are too high** for SMEs to reasonably use them.

At the individual level, **access costs are also high**, ranging from money spent on transport to the bank to time spent in the bank itself (Sanford et al., 2011).

Sibanda (2010, p.9) offers a useful summary of the accessibility issues for Growth Oriented Women Entrepreneurs (GOWE):

Institution Type	**Products and Services**	**Conditions to access a loan**	**Accessibility challenges**
Commercial Banks	Traditional banking services and loans	• Business formalisation • Loan guarantee • Documented business plans • Financial statement	• GOWEs not able to meet the guarantee requirements because of ownership and control of family resources/assets • Limited skills in developing business plans • Poor financial records • Lengthy loan application and processing procedures
Commercial Banks originating as MFIs	Traditional banking services and loans	• Staged loan amounts for those with no guarantees, increasing on the second and subsequent loans. • Women guarantee each other • Other conditions same as other commercial banks	• Loan amounts are too low for the business requirements • Cost of credit too high for the business to sustain (Interest rates of 72% p.a. compared to approximately 36% from commercial banks) • Quick processing time
Micro banks, Credit Cooperatives, Savings and Loans Organisation	Savings and loans	• Membership • Maintenance of savings account • Membership linked to specific sectors	• Micro Banks offer loans for members • Loan amounts are usually small, affected by the available funds in the bank • Limited range of financial products • Favourable interest rates

The main reason given in FinScope (de Vletter et al., 2009) for individuals *not* opening a current or savings bank account is 'do not have enough money' (79 per cent). It is unclear what this means – are the bank requirements too stringent (such as minimum balances) or does the person not have enough money to spare to divert into a bank account? It is very clear in FinScope that **wealth plays a large role in access to services** – in the wealthiest quintile half of adults have access to financial services, compared with 13 per cent in the poorest three quintiles. The wealthier a client is, the more likely they are to be able to take a loan (Athmer and de Vletter, 2006). FinScope concludes that **poverty and the lack of 'excess' cash** remain the principal impediments to accessing financial services. The second major barrier is psychological; respondents showed a mistrust of banks, probably due to low levels of education and financial literacy.

Financial literacy

The ILO research lists among its key barriers women's lack of knowledge of legal obligations, limited accounting and management skills, and lack of confidence in negotiating access to finance with banks and other financial institutions due to not understanding the financial language and related laws (Cilo Consulting, 2011). The FinScope survey (de Vletter et al., 2009) also demonstrates the very low levels of financial literacy across both men and women in Mozambique: **only 57 per cent of the population know what a bank is**, 22 per cent understand the meaning of collateral, and decreasing percentages are aware of credit cards, money lenders, loan interest, exchange rates and bank charges.

FinScope (de Vletter et al., 2009) states that the unbanked population of Mozambique displays high levels of mistrust of commercial banks. However, 57 per cent said they did not know what type of information they would need to improve their relationship with financial service providers. Reasonable proportions of respondents said they would like to receive information over the radio or in direct meetings with service providers.

In terms of insurance rather than current accounts or business services, FinScope (de Vletter et al., 2009) reveals that less than a quarter of the adult population knew how insurance functioned, while more than half had never heard of it (more in rural areas). The main reason for having insurance is that it is legally compulsory or that someone else (e.g. an employer) pays for it.

Business skills

Women in Mozambique self-identify their low level of business skills, especially in **financial and human resources management, and marketing** (Cilo Consulting, 2011). This is partly being addressed through the introduction of the Entrepreneurship Curriculum in schools (piloted in 2005), which teaches basic business skills and aims to foster entrepreneurial attitudes (Cilo Consulting, 2011). In 2007, a survey of 70 business women self-identified their **lack of management skills and the lack of qualified staff** as the major barriers to business development (Serra, 2007)[1].

Location

Given that 70 per cent of Mozambique's population lives in rural areas, the concentration of finance institutions in urban areas severely constrains rural people's access (Sibanda, 2010). A primary study supports the view that **time and distance** are among the key barriers to access to banks (Sanford et al., 2011).

FinScope (de Vletter et al., 2009) demonstrates that there is a **significant gap between rural and urban** access, with very low levels of financial awareness in rural areas. Only 4 per cent of the rural population had formal financial access, compared to 27 per cent of urbanites. Only 12 per cent of adults throughout Mozambique have a bank account, and three-quarters of these are in urban locations. Almost half of the bank branches are located in the area around Maputo, the capital city, and over three-quarters of all bank branches are in large cities, mostly in the south. The same geographical pattern applies to microfinance institutions. The second reason given in FinScope for not opening a current or savings bank account is **that the branches are too far away** (15 per cent)[2]. Half the respondents walk to their bank; while a third of the rural population is more than three hours (walk) away from their formal financial institution. These physical access problems mean that formal financial institutions are not logistically well placed for the majority of Mozambicans.

[1] Access to credit was listed as the sixth most important barrier.
[2] As above, the main reason is 'do not have enough money' (79 per cent).

3. Enablers

Although there are serious barriers to women's access to finance in Mozambique, there are a few enabling factors which are supporting the development of finance for women.

Legal

The legal framework for women is quite supportive: the law recognises customary and informal marriages, giving women the right to inherit from these partnerships, and women have **equal property rights** (Cilo Consulting, 2011). The **Family Law** passed in 2004 brought significant changes for women, including establishing their right to access credit, purchase goods and property without the approval of their husbands (Serra, 2007; Sibanda, 2010). Anti-discrimination laws and protection of maternity rights are also in place (Cilo Consulting, 2011). In practice women are still customarily discriminated against, especially in land rights, which are usually only acquired through marriage (Cilo Consulting, 2011).

Hansen and Rand (2011) use publically available World Bank data from eight Sub-Saharan African countries[3], including Mozambique, to examine differences between male and female manufacturing entrepreneurs' credit constraint. In Mozambique, the manufacturing sector accounts for 16 per cent of women-owned business (Cilo Consulting, 2011), which is a significant proportion. Hansen and Rand (2011) suggest that there is an observable trend for credit to be favourably given to female small business owners, which is in **contradiction with most other evidence** presented here. However, no study on Mozambique specifically compares the differential between men and women's access to credit, as most review the generally high barriers for women.

The study shows that enterprises owned by female entrepreneurs are **less likely to be credit constrained** than their male counterparts, by three to five percentage points. This is due to variations in returns rather than differences in the makeup of firms themselves. Business size plays an important role – micro/small firms with female owners are less likely to be credit constrained than micro/small firms with male owners, while medium sized firms (50+ employees) with female owners are more likely to be credit constrained than medium sized firms with male owners. The authors therefore conclude that that the credit constraint gap is caused by favouritism towards micro and small enterprises with female ownership, meaning that **banks and policy-makers tend to favour giving credit to micro and small firms with female owners** rather than male owners.

The authors suggest that future policy should not further increase credit to small female-owned firms but should improve the **functioning and competitiveness of the financial sector as a whole**, and find other ways to support female entrepreneurs.

Informal services

Women more commonly use informal financial services than formal ones, which suggests that the products are **more accessible and/or appropriate** (de Vletter et al., 2009). Common formats are rotating savings groups (x*itiques*), funeral associations, and community savings and credit associations (ASCAs) (de Vletter et al., 2009).

These services are used by a large proportion of Mozambicans. Half of the FinScope respondents said they would go to family and friends first for financial advice, 21 per cent would go to a community leader,

[3] Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Senegal, Tanzania, and Uganda

and a quarter would go to a bank (de Vletter et al., 2009). Most microfinance institution (MFI) clients continue to use informal systems even after opening a bank account with an MFI; the reasons given were the **peer pressure to save and the social contacts** made in the *xitique*.

Xitiques are especially popular, and reach women of all wealth levels (Athmer & de Vletter, 2006). According to this survey's respondents, men do not trust each other enough and do not have the patience to regularly attend meetings, meaning the *xitiques* are primarily for women.

Banking staff's attitudes

The treatment of customers, particularly small clients, is important in encouraging the use of banks. Athmer and de Vletter (2006) report that customer satisfaction was primarily linked to the perception of the quality of the loan product and related services, but also in the treatment of customers. The MFI Tchuma's[4] clients appreciated that an account could be opened with only 10,000 Mt. (USD 0.40), which made them feel that **even poor customers are valued.** Tchuma also asked clients to nominate a beneficiary in the event of death, a service which was considered positive as other banks may take months to transfer the money, if at all. For FinScope respondents taking loans, the choice of bank was primarily influenced by the **image of the bank and the sympathy of the staff** (de Vletter et al., 2009).

Athmer and de Vletter (2006) also identify that the average age of loan-takers from MFI was surprisingly old (over 40). This is not gender-disaggregated, but does identify that younger people are more excluded, due to their lack of assets and collateral and perceived higher risk.

4. Usage

This section discusses which financial products and services women use in Mozambique, and what they use the services for.

Individuals

Some insights into financial behaviour can be gleaned from the Making Finance Work for Africa (2011) report on African women's financial inclusion. It suggests that African women seek '**safe, convenient and confidential ways to save** small amounts' (p.4). They are less concerned with interest rates than security and convenience, and the possibility of regularly saving small amounts.

Only about a fifth of the adult population actually saves money (de Vletter et al., 2009). The FinScope national survey (de Vletter et al., 2009) states that bank accounts are used primarily for **safeguarding money** and for normal transactions. Savings are primarily seen as **protection against emergencies**, often medical or nutritional, rather than for productive investments (Sanford, Zollmann, & Collins, 2011). Where saving happens, it is mostly through informal institutions or at home (de Vletter et al., 2009). Many MFI clients used *xitique* to save for reimbursing their MFI loan (Athmer & de Vletter, 2006). However, the attitudinal questions in the FinScope survey suggest that there is a **strong desire to save**.

Borrowing money is primarily for the same reasons – principally for short-term coping, followed by investment in business (de Vletter et al., 2009). **Borrowing is usually from family and friends** rather than formal sources, due to the fear of not being able to pay back the loan. 83 per cent of FinScope

[4] The biggest MFIs in Mozambique are: Banco ProCredit, Socremo, Tchuma, and Banco de Oportunidades (Nsabimana, 2010).

respondents agreed with the statement 'You avoid borrowing money if you can', suggesting that **credit is not something which Mozambicans strive towards.** Only 8 per cent have any kind of loan, which is mainly from families and friends (de Vletter et al., 2009).

FinScope notes that **women's financial behaviour was proportionately exactly the same as men's** in which kinds of products and services they accessed (savings, loans, insurance and transactions), but their level of participation was lower (de Vletter et al., 2009). The bank products most commonly used are:

- Current account (39 per cent).
- Savings account (30 per cent).
- Debit card (28 per cent).

The bank services most commonly used are:

- Withdrawal of cash (78 per cent).
- Deposit of cash (71 per cent).
- Received transfers (31 per cent).

One sub-component of the finance market which is not generally studied is access to finance for housing. Most Mozambicans own and/or build their own houses. FinMark provides a comprehensive overview of the housing finance market in Mozambique (Allen & Johnsen, 2008), which concludes that **only the wealthiest quintile is able to access construction and mortgage loans**. This is also restricted almost completely to urban areas. There is no gender disaggregation in this report, but it suggests that loans are only given to salaried workers, with collateral, at a high interest rate, which suggests that women will be more excluded than men. This financial sector is very small but likely to develop as buildable land is used up, perhaps making it a sector worth reviewing.

Insurance products are in existence but make up a very small component of individual financing. Women have higher levels of risk than men (lower earnings, fewer assets, higher care burden), which means they require **gender-sensitive insurance products** which respond flexibly to household dynamics (Making Finance Work for Africa, 2012). Insurance products which extend coverage to family members or which are specifically for children could be a popular innovation (Making Finance Work for Africa, 2012).

Business

Female business entrepreneurs in Mozambique operate primarily in trading (17 per cent); manufacturing (16 per cent); agriculture (16 per cent); tourism, hotel and restaurants (13 per cent); poultry breeding (7 per cent); and the service sector (7 per cent) (Cilo Consulting, 2011). Business loans are usually **taken to purchase merchandise stocks**, although plenty of clients also use their business loans for personal needs such as construction or household goods (Athmer and de Vletter, 2006). Most people interviewed in this study said that they felt their level of household welfare had increased since they took loans, partly through increased income from business and partly from the direct application of the business loan to household improvement.

Serra (2007) shows that in the survey of 70 Mozambican businesswomen, only 28 per cent needed financial capital to start up their business. Of these, 63 per cent borrowed from a private bank, and 32 per cent from family or friends. The main purpose of the loans was to **buy machines, equipment and raw**

materials. Of the 70 total respondents, 25 indicated that they do regularly request financial support from banks, mainly for investment projects or further equipment purchases. These loans are usually guaranteed against property or business cash flow. This report suggests that **only a small proportion of businesswomen take loans** to support their business.

60-70 per cent of business and agriculture loans come from microfinance institutions, with hardly any taken from banks (de Vletter et al., 2009). The microfinance sector is highly concentrated. In 2009, nearly 90 per cent of the credit portfolio was managed by the four biggest institutions: Banco ProCredit, Socremo, Tchuma, and Banco de Oportunidades (Nsabimana, 2010). Microfinance lending is almost exclusively restricted to retailing and small scale commodity trading (de Vletter et al., 2009). The average amount of credit granted in 2009 was a 150 per cent increase on 2005 (Nsabimana, 2010). This displays a **growth of the sector in general, and an increase in trust levels** both from clients and the institution.

Sibanda (2010) identifies some of the unfulfilled business needs of women entrepreneurs. There is a **lack of investment financing** in Mozambique, with a very low level of venture capital. This gap is partly attributable to a lack of understanding of business investment and a distrust of investors on the part of business owners. Linked to this, the literature is very consistent on the idea that microfinance is perceived as valuable for starting up enterprises but there is a **financing gap when businesses need to grow,** where MFI loans are too small to support growth. This is illustrated in the pan-African report on finance for women (Making Finance Work for Africa, 2012), which states that women's lack of formal financing restricts business growth to the micro scale. Staircase products have proved to work in Kenya, where women can access more sophisticated larger products as businesses grow (Making Finance Work for Africa, 2012). In the Athmer and de Vletter study (2006), most low-level clients of Tchuma, NovoBanco and SOCREMO managed to graduate up the loan scale over two years.

5. Successful initiatives and outcomes

BIFSMO

The BIFSMO project run by UNDP/UNCDF has been a major microfinance initiative in Mozambique. It started in 2007 and has recently been granted a second phase for 2012-2015[5]. The project outputs for the first phase included an aim to produce **innovative financial services** to improve the accessibility of financial services to the poor, especially in the rural areas.

This output was 'on track' in the mid-term review of 2010, having supported the introduction of innovative products in: mobile banking, micro-leasing, and products for women and youth (Nsabimana, 2010). **Micro-leasing** proved to be a successful initiative. The MFI owns agricultural equipment, which it leases to low-income farmers, with an option to purchase at the end of the loan term. The initiative in Matutuine district, Maputo province, reached 4,000 clients, 55 per cent of which were women. It has proved sustainable and possibly profitable, with annual increases of customers. The mobile phone banking initiative was also successful, serving around 40 per cent women, slightly lower than targets, but the product portfolio is good and it is reaching a large number of clients (33,000).

[5] http://www.undp.org.mz/en/What-we-do/Poverty-and-HIV-AIDS/Ongoing-Projects/Building-Inclusive-Finance-in-Mozambique-BIFSMO

HIV/AIDS

Financial services offer some form of protection against emergency or unexpected expense, as well as providing credit for businesses.

One paper in the literature reviewed specifically examined the interaction of financial services with HIV/AIDS in Mozambique (Brouwers, 2007). Women suffer disproportionately from the impacts of HIV/AIDS; besides being more likely to be infected than men, the burden of care for infected family members usually falls on women (Serra, 2007). Mozambique has a high HIV prevalence rate at 11 per cent of adults[6], with the highest prevalence in Sofala, Manica, Tete and Zambezia provinces (Brouwers, 2007). It is well-established that increasing women's economic empowerment protects them against risk of HIV and/or helps them cope with the consequences of the disease, and many development programmes serve the dual aims of increased economic resources and increased health knowledge. One example in Mozambique is International Relief and Development's 'Women First' programme, which combines entrepreneurship training with health education[7].

USAID has funded the Accelerated Microenterprise Advanced Program (AMAP), which helps MFIs to consider the implications of HIV/AIDS for their work. After a training course, an action-research programme assisted Mozambican MFIs to implement new activities. Some MFIs implemented **internal training programmes**, delivered by partner HIV-awareness organisations, while **some tracked clients' changing needs** due to HIV/AIDS and adapted products accordingly.

The general response from clients was positive. One MFI found that there was considerable demand among clients to open **savings accounts to mitigate against emergency medical shocks**. The insurance sector also saw strong demand for credit insurance – to allow for missed payments due to illness – and new products such as funeral costs insurance. The response was also positive to the HIV, health and nutrition education provided by the MFIs.

Lessons learned from the project are:

- Financial services need to be **flexible** to respond adequately to the needs of people living with HIV/AIDS.
- The circumstances of different savings groups and different clients are hugely varied, so **flexibility in products is of key importance**.
- It was important to establish **partnerships with AIDS organisations**, as MFIs do not have the relevant expertise in this area.
- The **claim process for funeral expenses must be sensitive** and not cause further stigmatisation if the cause of death is AIDS.
- Some institutions are exploring the idea of **savings products** which provide for family members after death.

It is shown to be very important to MFIs to 'know their client' in the context of HIV/AIDS. This research shows that, in Mozambique where HIV/AIDS has a high prevalence, MFIs can help tackle this either by providing HIV education to their clients or by adapting their financial products to enable better quality of life.

[6] http://www.unaids.org/en/regionscountries/countries/mozambique/
[7] http://www.ird.org/our-work/programs/women-first

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- African Development Bank – Mozambique: http://www.afdb.org/en/countries/southern-africa/mozambique/
- Microfinance Gateway: http://www.microfinancegateway.org

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