HIV/AIDS AND MICROFINANCE IN ANGOLA

Report

Prepared by Mennonite Economic Development Associates and Development Workshop Angola

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# Table of Contents

ACKNOWLEDGEMENTS ........................................................................................................ II

EXECUTIVE SUMMARY .................................................................................................... I

1.0 INTRODUCTION ........................................................................................................ 2

2.0 RESEARCH PURPOSE AND OBJECTIVES ............................................................ 2
  2.1 Purpose of Research .............................................................................................. 2
  2.2 Objectives ............................................................................................................ 2
  2.3 Research Questions ............................................................................................. 2

3.0 BACKGROUND .......................................................................................................... 3
  3.1 The Angolan Context .......................................................................................... 3
  3.2 HIV/AIDS in Angola .......................................................................................... 3

4.0 LITERATURE REVIEW ............................................................................................. 4

5.0 RESEARCH METHODOLOGY .................................................................................. 6
  5.1 Survey and Data Collection Tools ....................................................................... 6
  5.2 Sampling ............................................................................................................. 6
  5.3 Data Analysis ...................................................................................................... 7

6.0 FINDINGS AND DISCUSSION ................................................................................ 7
  6.1 MFI Staff and Client Interviews ......................................................................... 7
    6.1.1 Impact on Clients & Institutions ................................................................. 7
    6.1.2 Knowledge of HIV/AIDS and its Impact ..................................................... 8
    6.1.3 Responses to HIV/AIDS ............................................................................. 8
  6.2 HIV/AIDS Expert Interviews ............................................................................. 9

7.0 CONCLUSIONS ......................................................................................................... 10

8.0 RECOMMENDATIONS .......................................................................................... 10
  8.1 Monitoring .......................................................................................................... 10
  8.2 Workplace Programs ......................................................................................... 11
  8.3 Further Research into Product Development ..................................................... 11

9.0 LIMITATION AND CHALLENGES ....................................................................... 12

10.0 REFERENCES .......................................................................................................... 13
ACKNOWLEDGEMENTS

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### List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
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<td>CDC</td>
<td>Center for Disease Control</td>
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<td>DW</td>
<td>Development Workshop</td>
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<td>FINCA</td>
<td>Foundation for International Community Assistance</td>
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<td>Global AIDS Program</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>MEDA</td>
<td>Mennonite Economic Development Associates</td>
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<td>MFI</td>
<td>Microfinance Institution</td>
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<tr>
<td>MPLA</td>
<td>Movimento Popular da Libertação de Angola (Popular Movement for the Liberation of Angola)</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>PLWHA</td>
<td>People Living with HIV and AIDS</td>
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<td>ROSCAs</td>
<td>Rotating Savings and Credit Associations</td>
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<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNITA</td>
<td>União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola)</td>
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EXECUTIVE SUMMARY

The impact of HIV and AIDS reach far beyond the infected individual. It can be disastrous for affected households, and in high prevalence countries the economic effects of lengthy illness and death are felt by society as a whole, impacting institutions such as NGOs, businesses and government alike.

HIV/AIDS has particular impacts on Microfinance Institutions (MFIs) and their clients. Affected clients face stigma which can hurt their business. They may have difficulty sustaining their business in the face of poor health and increasing medical costs. This may cause difficulty in paying back the loan. These problems threaten the poverty alleviation goals of the MFI, as well as impacting financial performance if loans are not repaid. The impact of HIV/AIDS on staff also threatens the MFI’s ability to function efficiently. Taken together, the impacts of HIV/AIDS on the Microfinance sector can be dire, and without sufficient mitigation efforts, can threaten the organisation’s viability.

This research was undertaken to examine these effects and the steps that MFIs in Angola were taking to address HIV/AIDS within their organisations. Fortunately, it was found that at this point HIV/AIDS is not seriously impacting microfinance clients or institutions. MFIs in Angola are beginning to look at the problem of HIV/AIDS as it affects their work, and some MFIs in Angola have begun addressing the issue. However, it was found that most MFIs did not have a comprehensive strategy to address rising rates of HIV/AIDS, and there are several ‘gaps’ that should be closed with proactive HIV/AIDS mitigation strategies.

Based on these findings, the following strategies are recommended:

1) Implement effective **monitoring** of the impact of HIV/AIDS
2) Design and implement **workplace programs** on HIV/AIDS
3) Engage in research into further **product development**, including the possibility of extending HIV/AIDS education to clients and offering microinsurance schemes to minimize the negative impacts of ill health and death

MFIs in Angola have the opportunity to learn from the difficulties faced by MFIs in high prevalence countries in Africa. By acknowledging the risks posed by HIV/AIDS to clients and the institution, MFIs can effectively address the problem on both sides of the “double bottom-line” and maintain poverty alleviation goals while ensuring the sustainable functioning of the MFI.
1.0 INTRODUCTION
HIV/AIDS is increasingly recognised as impacting microfinance clients and institutions, especially in Southern Africa where the rates of HIV/AIDS are highest in the world. While Angola’s HIV rate is currently low, the early stage of the HIV/AIDS epidemic in Angola may provide an opportunity for Angolan MFIs to learn from the situation in high prevalence countries and be proactive in addressing the impacts of HIV/AIDS. MEDA and Development Workshop have undertaken this joint study to closely examine the current and future impact on HIV/AIDS on the microfinance sector in Angola in order to document and promote strategies for addressing HIV/AIDS.

2.0 RESEARCH PURPOSE AND OBJECTIVES

2.1 Purpose of Research
In co-ordination with MEDA’s research into the effect of HIV/AIDS on microfinance operations in Tanzania and Mozambique, this research aims assist microfinance institutions in Angola by providing a picture of the current impact of HIV/AIDS on their clients and operations. As Angola’s relatively low HIV/AIDS rate continues to rise, this information will be used in conjunction with lessons learned from other sub-Saharan countries to assist in advanced planning of effective and proactive strategies to mitigate the impact of HIV/AIDS. Research will also be undertaking into the effect of HIV/AIDS on the informal economy in Luanda in order to ensure that MF products and services address needs that may not yet be apparent within the clientele of MFIs. All research will be carried out in co-ordination with Development Workshop in Angola.

2.2 Objectives
1) To gain an understanding of the effect of HIV/AIDS on the informal economy in general and HIV/AIDS affected micro-entrepreneurs in particular.
2) To gain an understanding of the impact of HIV/AIDS on MFIs and microcredit programs in Angola.
3) To document responses MFIs and microcredit programs in Angola are using to mitigate the effects of HIV/AIDS.
4) To identify and recommend HIV/AIDS risk mitigation and social programming strategies for the Angolan context based on techniques used in other African countries.

2.3 Research Questions
1) What economic impact is HIV/AIDS having on households in the informal economy?
2) What is the level of awareness among MFIs in Angola of the potential impact of HIV/AIDS on their operations?
3) What is the actual impact that HIV/AIDS is having on MFIs, their staff and their clients in Angola?
4) What measures (if any) have the institutions taken in monitoring and responding to HIV/AIDS?
5) What are obstacles to implementing strategies to mitigate the impact of HIV/AIDS?
6) What kind of assistance would be necessary in order to implement effective HIV/AIDS mitigation strategies?
3.0 BACKGROUND

3.1 The Angolan Context

Angola is adjusting to having peace. After several failed attempts at peace throughout a 27 year long civil war, the death of UNITA leader Joseph Savimbi ended the devastating conflict in 2002. The state of humanitarian crisis that peaked in the late nineties and early 2000s is now transitioning towards a post-conflict reconstruction. But the legacy of war remains. Angola ranks as 160 out of 177 in the Human Development Index, and has one of the highest under-5 mortality rates in the world at 260 per 1,000 live births. Angola also has one of the youngest populations in Africa, with 70% under the age of 24. Angola’s health and educational infrastructure has suffered from neglect, especially in areas outside of the capital, Luanda. The war had created millions of internally displaced persons (IDPs), most of whom have settled in urban areas. The population of Luanda has risen from around 700,000 at independence in 1975 to 2.6 million in 2000 to approximately 3.5 million today. Angola’s GDP of $975 US ($2,500 US, PPP) masks the reality that 70% of the population lives below the poverty line. By all rights, Angola should be one of the richest countries in Africa. But the massive mineral wealth of oil and diamonds has largely been used to fuel the conflict between the MPLA and UNITA. Angola’s capacity for oil production is second in Africa only to Nigeria, and it now produces over 1 million barrels a day. Oil, however, is considered an ‘enclave industry,’ with production occurring mainly offshore with minimal linkages to the Angolan economy. The distance of oil wealth to most Angolan’s lives is compounded by the lack of transparency in accounting for oil revenues by the government.

3.2 HIV/AIDS in Angola

If the decades of civil war in Angola can be said to have an unexpected positive outcome, it is the low rate of HIV/AIDS. The decay of transportation infrastructure, landmines and general insecurity throughout the war made travel inside Angola and to neighbouring countries very difficult. Since HIV/AIDS is often spread along commercial transport routes, their absence in Angola meant the disease did not have a chance to make substantial inroads into the country as it had in all other Southern African nations.

The current rate of HIV/AIDS in Angola is a matter up for debate. UNAIDS estimates the prevalence of HIV/AIDS to be 5.5%, although the estimate for the end of 2003 is 3.9% (with a low/high estimate of 1.6-9.4%). The Programa Nacional de Lute Contra o SIDA estimates the adult rate at 8.6%. In the most comprehensive study to date, the Centre for Disease Control (CDC) HIV/AIDS Seroprevalence Sentinel Study in 2004 documented a rate of 2.8% for all of Angola, 3.18% in Luanda, based on prenatal testing of pregnant women. According to this study, the highest rate in the country is in Cunane, with a prevalence rate of 9.12%, largely due

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4 Human Development Reports, Country Sheet: Angola. 2005
5 CIA - The World Factbook: Angola. (accessed on March 10, 2006)
6 Hodges, Tony. “Angola: Anatomy of an Oil State”
to cross-border mobility with neighbouring Namibia.\textsuperscript{8} The wide difference in figures underscores both the relative infancy of the crisis in Angola compared to other Southern African nations, and the need for more comprehensive epidemiological data on HIV/AIDS infection rates in Angola.

\textbf{4.0 LITERATURE REVIEW}

As the HIV/AIDS pandemic in Africa worsens, its impact is being increasingly acknowledged as a substantial risk to the both microfinance institutions (MFIs) and the clients they serve. As financial institutions that serve the poor, MFIs work within the tension of the “double bottom-line,” balancing financial sustainability and operating efficiency with poverty alleviation and service to the poor. MFIs exist in a range of forms, from ‘financial services only’ MFIs that mirror or are run by commercial banks, to social empowerment models in which financial services play only a small part. Each of these, it is recognised, is affected by the HIV/AIDS pandemic. But each of these organisations also has the opportunity to address the problem through risk mitigation and the provision of financial and social services to clients and staff.

A survey of recent literature regarding HIV/AIDS and microfinance has confirmed that HIV/AIDS is being increasingly seen as a threat to economic development in general and microfinance programs in particular. Development Alternatives (DA) points out that HIV/AIDS affects national economies by reducing GDP, diverting public funds away from other programs and reducing the available workforce. The problem also exists at the household level. Urban households living with HIV/AIDS in Cote d’Ivoire in 1997 have shown a 40-60% drop in income, a 50% drop in consumption (mainly food) and a drawing down of household assets.\textsuperscript{9} For microfinance clients this often leads to diversion of funds from business to medical and burial expenses, difficulty managing debt and demands for smaller loans or special treatment.\textsuperscript{10} FINCA Uganda has also noticed that clients also face increased pressure from caring for orphans and sick relatives. In fact microfinance clients, since they are seen as financially responsible, often shoulder an increased burden for sick relatives and orphans.\textsuperscript{11} In Kenyan Co-operatives, HIV/AIDS has affected customer borrowing trends and requests to make the emergency loan and salary advance the most requested and valued loan products at some Co-ops, particularly due to increased medical expenses.\textsuperscript{12} The MFI is impacted through increased delinquency and default rates, increased staff absenteeism and turnover and increased staff benefits cost (health & life insurance, sick leave).\textsuperscript{13} MEDA’s research in Tanzania in 2004-2005 found that clients there were diverting loans from their businesses and suffering losses of productivity. MFIs were also found to be feeling the effects of HIV/AIDS in their operations and finances but were not adequately prepared to handle the crisis.\textsuperscript{14}

Overwhelmingly, the literature suggests that MFIs must respond to the HIV/AIDS crisis on both sides of the “double bottom-line”: HIV/AIDS is a threat to both poverty alleviation goals and to the sustainable functioning of the MFI itself. A range of options is available to MFIs, from

\begin{itemize}
\item \textsuperscript{10} Ibid., 14.
\item \textsuperscript{11} Lule, Robert Magala “Targeting vulnerable populations through product innovations: A case of FINCA Uganda” FINCA Uganda.
\item \textsuperscript{12} Evans, Anna Cora, 17.
\item \textsuperscript{13} Boomgard, J & Parker J, 15
\item \textsuperscript{14} Getuba, S., 9.
\end{itemize}
financial risk management to specific social programming goals. The literature suggests that there are five key themes of HIV/AIDS strategies available to MFIs:\([15]\):

1) **Measure the Risks of HIV/AIDS**
   In order to address the risks presented by HIV/AIDS, a first step is to understand the effect it is having on clients, staff and operations. Information gathering systems can be put in place to monitor patterns of customer behaviour (increased delinquencies, increased exists, demands for changes in products, meetings missed due to funerals/illness, breakdown of borrower groups). HIV/AIDS proxy indicators (long-term illness, number of dependants and orphans, number of female headed households) can be added to loan applications, renews forms and client exit interviews in order to further assess the extent of the crisis. These indicators are an imprecise measurement of HIV/AIDS rates in a community, but they can provide an indication of the direction and speed of prevalence increases.\([16]\)

2) **Refine and Align Products**
   Products can be refined based on the needs of the clients and the MFI in an HIV/AIDS affected environment. These usually fall into the following three categories:
   a) **Loan Products** – emergency loans, interest relief, flexible repayment
   b) **Savings Products** – compulsory/voluntary savings, savings accounts, ROSCAs
   c) **Insurance Products** – loan, life, funeral and/or medical insurance
   Insurance is gaining in popularity within the microfinance sector, and can be offered through self-insurance or through linkages with commercial insurance companies. Linkages with commercial insurance companies are gaining in popularity with MFIs in order to allow the organisation to continue to focus on its key competencies while offering new services.

3) **Offer or Promote AIDS-Related Services**
   MFIs can provide an important focal point for HIV/AIDS-related services. MFIs can decide to offer HIV/AIDS education and information in a unified model (loan officers offer the HIV/AIDS services), a parallel model (HIV/AIDS staff from the same organisation but outside the MF department can deliver services) or a linked model (linkages formed with outside AIDS service organisation to provide HIV/AIDS services).\([17]\) Services can include HIV prevention education, counselling and referrals and legal or financial planning advice. Legal advice is particularly important for women clients whose husbands are sick, in order to protect their assets after the husband dies.

4) **“Risk-Proof” Operations**
   In order to maintain or build financial sustainability in the context of HIV/AIDS, MFIs need to protect against the possibility of increased delinquency. Strategies can include increasing loan loss provisions, building institutional capital (sometimes by increasing rates) and increase mandatory and voluntary savings opportunities for clients. Insurance is useful to MFIs as well as clients in order to mitigate against the risks of HIV/AIDS. Portfolio insurance for the MFI, and loan, life, health and funeral insurance

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\[15\] The following are common strategies found in the literature, but this specific set of themes are found in:
Boomgard, J & Parker J, 18-23.
\[16\] McDonagh, 21.
\[17\] Ohri, 9-10.
for clients are all viable options. Tracking staff absenteeism and policies of overstaffing in vulnerable areas are also important strategies to protect organisational efficiency.

5) **Implement Workplace Policies on HIV/AIDS**

Workplace policies on HIV/AIDS can be implemented in order to maintain the efficient function of the MFI, to slow the spread of the disease and to care for vulnerable staff members. Non-discrimination policies and staff education and training in HIV/AIDS issues can work towards de-stigmatization and prevention of HIV within the organisation. Referrals to voluntary testing and treatment centres and free condoms for staff can also help to limit the spread of the disease.

5.0 **RESEARCH METHODOLOGY**

5.1 **Survey and Data Collection Tools**

**Primary Research**
- Key informant (semi-structured) interviews with management of HIV/AIDS programs/organisations
- Key informant (semi-structured) interviews with one or more key informants from management of the selected MFIs
- Focus group discussions or semi-structured interviews with credit officers and clients from the MFIs (this was possible only within Development Workshop’s programs).
- Informal information gathering meetings with government, UN or staff from other NGOs in Angola

**Secondary Research**
- Previous MEDA research into HIV/AIDS and Microfinance in Tanzania
- Financial information provided by MFIs interviewed
- Development Workshop’s resources
- Internet research

5.2 **Sampling**

Since the microfinance sector in Angola is not as large as in many other African countries, it was expected to be possible to interview management from all of the three large MFIs working in Luanda (KixiCrédito/Development Workshop, Banco Novo and Banco Sol) as well as staff from the NGO-led microfinance programs. Unfortunately, Banco Sol declined to participate in the study. Data collection within Development Workshop’s MFI (KixiCrédito) was more robust than with other MFIs. Travel was undertaken to Huambo to visit KixiCrédito’s operations there. Other travel throughout Angola was limited due to cost and the fact that MFIs have not yet penetrated most regions outside of Luanda.

In addition to the MFI staff and client interviews, management from HIV/AIDS service organisations and HIV/AIDS Programme Managers from NGOs were interviewed in Luanda in order to obtain a better picture of the extent of the HIV/AIDS crisis in Angola. This information is used to present appropriate recommendations for HIV/AIDS mitigation in an Angolan context.

**MFI and Microcredit Program Staff**

**KIXI CRÉDITO**
- Project Co-ordinator
HIV/AIDS and Microfinance in Angola, Report – March 2006

5.3 Data Analysis

The data was organised along the themes of known effects of HIV/AIDS on microfinance programs. These included impact on clients, impact on staff, impact on operations, knowledge and awareness about HIV/AIDS and responses to HIV/AIDS. Each theme was broken down into sub-themes of specific effects felt and organised into tables for analysis.

6.0 FINDINGS AND DISCUSSION

Where useful for analysis, the findings obtained from clients and MFI staff will be presented separately. Findings from the interviews with HIV/AIDS experts will be presented in a separate section.

6.1 MFI Staff and Client Interviews

6.1.1 Impact on Clients & Institutions

In general, impact on clients was either minimal or could not be directly attributed to HIV/AIDS. Information about vulnerabilities and knowledge regarding HIV/AIDS, illness and other indicators are presented below in order to give a more complete picture of the potential future impact of HIV/AIDS.

MFI Staff (Key Informant Interviews)

- None of the respondents were aware of a microfinance client or household affected by HIV/AIDS

Banco Novo
President

CARE
Household Economic Security Co-ordinator

World Vision
Microcredit Program Co-ordinator (Huambo)

HIV/AIDS Experts

HIV/AIDS Program Managers or equivalent staff members were interviewed in the following organisations:

CARE
Ibis
PSI (Population Services International)
Save the Children UK
International Organisation for Migration (IOM) - Huambo
Jango Juvenil - Huambo
• Illness and death are not considered to be a huge issue, though it can cause problems with repayment. No upward trends were indicated.
• Formerly, if someone dies while they are clients in KixiCrédito the loan must be paid back by the client or the group (a ‘credit life’ insurance is now being offered since January 2006).
• Most respondents indicated that delinquency rates are improving as a result of better training for the credit officers, though several mentioned that there was some increase in the delinquency rate during periods of growth, but this was normal.

Clients (Focus Group Discussions)
• In general, the perceived impact of HIV/AIDS is minimal
• No respondent identified an HIV/AIDS affected household or client group
• Many clients self-identified as caring for orphans. The reason for these orphans is not clear, and many are presumably due to the war
• Illness was identified as a relatively common occurrence and most groups had members who at times cared for ill family members
• Illness was occasionally identified as affecting business and loan repayment, but most initially downplayed the impact (it is unclear if this was because they were not always aware of the impact or if they were worried about their answers affecting their loans)
• Health care costs were noted to be very expensive and could contribute to financial problems. Group contribution was mentioned by some as a coping strategy.
• Funerals were also recognised as a major expense, but all groups mentioned that group contributions were made for funerals, so the burden often not unbearable on the affected family. The “fundo de grupo” was also identified to help in this regard.

6.1.2 Knowledge of HIV/AIDS and its Impact

MFI Staff
• All staff members interviewed were able to identify 3 ways HIV is transmitted
• HIV/AIDS is currently not having any noticeable impact
• HIV/AIDS is seen as a potential problem in the future

Clients (Focus Group Discussions)
• Level of knowledge about HIV/AIDS transmission was sufficient in most groups, though one group held many misconceptions, including transmission through the air, food, sweat and toilets. The same group also stated that they would exclude HIV positive people from joining their Solidarity Group. This was the only group to make this claim.
• All groups were able to identify some methods to protect oneself from HIV, though several individuals claimed that condoms were very unreliable. Condoms were also noted to promote promiscuity.
• All groups identified churches and media (radio, TV, newspapers) as places they receive information on HIV/AIDS. Some groups mentioned workshops and hospitals.

6.1.3 Responses to HIV/AIDS

Current Responses
• KixiCrédito has started to train staff on issues MFIs can expect to face in the context of a high or growing HIV/AIDS crisis

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18 Compulsory savings held as a “Group Fund” in a bank account administered by the credit group
Only one organisation interviewed (CARE) had conducted a general HIV/AIDS education campaign amongst staff or clients, though both Novo Banco and KixiCrédito expressed plans to undertake staff training on HIV/AIDS in the near future.

Only one organisation (CARE) had specific workplace policy on HIV/AIDS (or the interviewee was unaware of one), though KixiCrédito was in the process of developing one (through DW) and Novo Banco has a code of conduct that covers health-related issues.

CARE is in the process of setting up a microfinance program to help 80 HIV positive women run businesses and access credit. This program is includes other members of the family in the training and operation of the businesses to ensure continuity if the HIV + person becomes too ill to work.

None of the organisations monitored HIV/AIDS proxy indicators amongst clients in order to track the impact of HIV/AIDS.

Financial indicators are measured as a normal part of the operations of the ‘financial services’ MFIs.

Staff absenteeism and efficiency is monitored in the organisations as part of normal operations and in calculating remuneration for employees in several of the organisations.

Desired Responses

Clients

- Nearly all client groups interviewed requested that more be done regarding HIV/AIDS.
- All client groups suggested that HIV/AIDS education/information would be useful within their weekly client meetings.
- Some groups suggested other potential services such as KixiCrédito providing free testing & treatment.

Staff

- Most MFI staff interviewed desired that more be done to address HIV/AIDS within the organisation.
- Staff training and HIV education for clients were both frequently mentioned as desired changes.

6.2 HIV/AIDS Expert Interviews

- Participants confirmed that the HIV rate in Angola is low compared to neighbouring countries, mainly due to insecurity and poor transportation infrastructure.
- Many participants stated that they believed the rate of HIV to be higher than the 2.8% reported in the CDC study.
- Stigma was identified as very strong in Angola, and an obstacle to HIV/AIDS education. Several respondents pointed out that HIV was seen to be connected with sinful behaviour.
- Youth in Angola have a very early sexual debut, and often many sexual partners.
- Gender roles put women at increased risk of infection (lack of power in negotiating sex, polygamy).
- Government is beginning to talk about HIV/AIDS, but there is a lack of real leadership from the government.
- Access to treatment is limited.
- HIV/AIDS negatively impacts the household economy for affected households, but there is a relatively low number of affected households at this point.
7.0 CONCLUSIONS

On the whole, the findings confirm that the effects of HIV/AIDS are not currently being felt strongly by clients or institutions in Angola. This is a fortunate situation, but most of the HIV/AIDS experts assert that the rate of HIV/AIDS in Angola is rising, and has the potential to explode.

Responses to HIV/AIDS amongst MFIs and organisations doing microfinance are varied, but few organisations have a comprehensive strategy to address HIV within their microfinance programs. Some of the microfinance programs (e.g. CARE) are less vulnerable to the impacts of HIV/AIDS (since it is savings-led instead of credit-led), and are also more proactive in addressing HIV/AIDS within the organisation. Most organisations are developing or considering HIV/AIDS strategies for the near future. The staff at all levels in the majority of the NGOs and MFIs expressed a desire for more to be done regarding HIV/AIDS. Microfinance clients also requested HIV/AIDS-related services, and feel that while they have some information they would like more.

One interesting finding in the focus group discussions was that all groups identified the church as a source of information about HIV/AIDS. This may account for the strong tendency to emphasize fidelity and abstinence as methods of protection, and to sometimes downplay condoms as ineffective or promoting promiscuity.

At this stage in the HIV/AIDS epidemic in Angola, the main challenge in responding to HIV/AIDS is asserting the need to plan now while the impact of the epidemic is not being felt. While most MFI staff expressed the desire for HIV/AIDS programs, the reality is that MFI staff are often stretched to the limit, and time is often occupied with the day-to-day operations of the organisation. Responding proactively to HIV/AIDS will require commitment from the leadership of organisations to prioritize this issue.

8.0 RECOMMENDATIONS

Based on the findings of this study, the following steps are recommended to address HIV/AIDS within the microfinance industry in Angola. These recommendations will not be applicable to all institutions, but a process of strategic planning regarding HIV/AIDS issues should be undertaken to identify the most appropriate strategies for each organisation.

8.1 Monitoring

At this emerging to middle stage of the HIV/AIDS epidemic in Angola, effective monitoring of the effect of HIV/AIDS on microfinance programs will be key to the planning of appropriate mitigation strategies. Much can be learned from MFIs in other sub-Saharan African countries that have experienced the effects of HIV/AIDS but were unaware of the extent of the effects due to insufficient monitoring.

It is not necessary or possible to measure HIV/AIDS directly within the client population, but the inclusion of HIV/AIDS proxy indicators can provide information on changes within households that indicate a rising effect of HIV/AIDS. Indicators such as loss of a productive adult family member, caring for sick family members, taking in of orphans and number of dependents can be useful to track effects of HIV/AIDS. These indicators can be used in conjunction with impact (livelihood) indicators to indicate the overall economic effects.
Including HIV/AIDS proxy indicators into a monitoring system should be low-cost strategy that can be integrated into a pre-existing monitoring system.

8.2 Workplace Programs

There are several reasons to begin addressing HIV/AIDS within the workplace. An MFI has a responsibility to protect its staff by ensuring that their rights within the workplace are protected and providing them with information that they might not have access to elsewhere. This serves both a social function and serves to reduce the effect of HIV/AIDS on the MFI and its operations. By addressing the issue of HIV/AIDS within the workplace, an MFI can also help to dispel myths and reduce stigma surrounding HIV/AIDS, which can be important for relating to clients who are affected or infected by HIV/AIDS. Workplace programs can also serve as the basis for the inclusion of more advanced HIV/AIDS strategies amongst the client base.

There are three recommended steps for MFI workplace programs:
1) **Workplace Policy** to ensure non-discrimination, outline the employer’s and employees’ rights and obligations and establish goals for workplace HIV/AIDS interventions
2) **Training for Staff** in order to equip them to protect against HIV/AIDS in their own lives and be able to give accurate information to clients who request it
3) **Specific HIV/AIDS and Microfinance Training** in order to understand the potential effect of HIV/AIDS on the MFI and identify trends within the clients, groups and financial information.

8.3 Further Research into Product Development

Given that the rate of HIV/AIDS is low and the effect on the microfinance sector is not yet apparent, Angolan MFIs have the opportunity to participate in proactive strategies and product development.

Further investigation into the following strategies is recommended:

**HIV/AIDS Prevention for Clients** could be undertaken using the solidarity groups as an access point into vulnerable communities in the informal sector. Further research can be carried out among clients to identify: knowledge, attitudes & practice (KAP); level of access to prevention information & voluntary counselling and testing centres; and specific vulnerabilities (costs of health care relative to monthly income). Thought should also be put into identifying a method of delivery of HIV/AIDS education, potential partners, and curriculum development to facilitate behaviour change within the long-term MFI-client relationship. This strategy could be funded from outside sources.

**Microinsurance** should be examined as a possibility to protect both the MFI and clients from the effects of HIV/AIDS and other illnesses. A “credit life” insurance that covers the loan amount in the case of death would be beneficial to both MFI and client, and could serve to prevent the exclusion of PLWHA from the self-selected solidarity groups. Other insurance possibilities include accidental death and/or funeral insurance. In order to effectively implement an insurance program, the MFI should gather the following information:
1. Client knowledge of and demand for insurance, and what they are willing to pay
2. Cost-benefit analysis of providing these insurances internally or in conjunction with an insurance company
3. Analysis of Angolan laws regarding the provision of insurance
4. Local insurance companies which have or are able to provide suitable products
5. Lessons learned from other organisations in other countries on setting up successful Microinsurance schemes

As a final note, it should be stressed that MFIs should focus on their core areas of competency. Particularly for MFIs that focus on financial services, it will remain important to retain their integrity as financial institutions while addressing the HIV/AIDS crisis. Organisations should be applauded for taking a proactive approach to HIV/AIDS, but care should be taken not to allow the ‘good works’ to “draw MFIs away from their long-term mandate and compromise achievement of long-term financial goals.”

9.0 LIMITATION AND CHALLENGES

In general, organisations were eager to participate in this research and graciously offered their time. Unfortunately one of the major commercial banks engaging in microfinance, Banco Sol, refused to participate. In an industry as small as the microfinance industry in Angola, failing to secure a major player’s participation was a significant set-back for the research.

Language was also a challenge for this research, as many interviews as well as conferences and meetings were conducted in Portuguese. In retrospect, it would have been valuable to have taken intensive Portuguese classes before departure in order to be able to at least converse in the language. A translator/research assistant was provided after 7 weeks, but valuable time was lost at the beginning of the research. In the future, it would be advantageous to arrange for a translator in advance to allow the research to begin immediately.

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10.0 REFERENCES

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Angola


