This Guide is meant to assist Rotary Clubs interested in sponsoring a new microcredit project using the Rotary Global Grant Program. It has been prepared by the Rotarian Action Group on Microfinance and Community Development (RAGM).

1. The first step of sponsoring a Rotary microcredit project is for a potential Host (local) Rotary Club to perceive need for a microcredit program to serve low income people in their community.

2. Locate a Rotary partner club in another country to partner with your club or District in co-sponsoring the Global Grant project. The Host (local) Rotary Club will organize and manage the project. The International Rotary Club will provide funding for the project, and can assist with organizing the project and with the application to The Rotary Foundation. It is important that the partner clubs be able to communicate in a common language.

To help find a partner club, local Rotary clubs wishing to sponsor a project can list their project on the website www.matchinggrants.org/global. RAGM members can also assist with locating possible partners. International Clubs wishing to sponsor microcredit projects can help inform prospective Host Clubs about Rotary’s microcredit program, and help them identify possible MFI’s to operate the project. Local MFI’s might also help inform potential Rotary Club sponsors about the advantages of providing microfinance services to low income people.

3. Locate a local Microfinance Institution (MFI) who is capable and willing to manage the Rotary project on a day-to-day basis. One source to help find an MFI www.mixmarket.org which lists many MFIs. For Rotary projects, it is recommended to find an MFI that serves very low income people and utilizes Grameen-style solidarity groups or credit centers where group members guarantee each other’s loans. Local Host Clubs can identify a prospective MFI before finding an International Partner Club, if they prefer.

The MFI will organize the solidarity groups, make the loans, collect the loan payments, manage the Revolving Loan Fund, and provide status reports to the sponsoring Rotary Clubs. They will also need to assist with the required reports to The Rotary Foundation.

4. Obtain certification from each Rotary District for the partner Rotary Clubs to qualify for managing funds provided by The Rotary Foundation. This requires an MOU to be signed by club leaders, agreeing to certain accounting and management practices for a Global Grant project. Both clubs or Districts need to be qualified and eligible for a new grant.

5. Form a committee of three Rotary members from each sponsoring club or District to organize and supervise the microcredit project.

6. Reach an agreement with the MFI and the international sponsor about the goals of the project, its design, and the role of each partner. Loans should be supported by other activities such as a training program, savings component, etc. Projects should at least include funds for basic business and entrepreneurial training for the target community.
7. Prepare a Memorandum of Understanding (MOU) with the MFI that is selected to operate the program. This is a standard form provided by The Rotary Foundation. In the form, you will need to describe what actions the MFI will take in carrying out the project, and what the Rotary clubs will do to help support the project and the MFI.

8. Raise the funding needed for your project. The final financing for the project will be shown at the end of the Global Grant application form. You will need to review how the matching financing works for Rotary Global Grant projects. The minimum size project is $30,000, using 100% DDF financing for the local share. Your grant request from The Rotary Foundation must be for at least $15,000.

9. Fill out the Global Grant Application Supplement for Microcredit Projects. This Rotary form describes specifically how the project will be operated (size of loans, payments schedules, interest rates, training to be provided, etc). Generally the MFI can provide most of the information required for this form. The goals to be accomplished by the project are to be identified at the end of the Application Supplement for Microcredit Projects.

10. Complete the application for the Rotary Foundation Global Grant. This form needs to be completed on-line, through Member Access on the Rotary website at www.rotary.org. The International sponsor club for the project may be able to take the lead in filling out this form. All participating club members and District leaders will need to be signed up for Member Access, and sign the application form on-line through Member Access.

11. Establish a separate bank account to hold the grant funds until they are needed by the operating organization (MFI). This account will be required when the Global Grant is approved by The Rotary Foundation.

12. Work closely with the MFI in carrying out the project and monitoring the results.

13. It is highly desirable for members of the International Club to visit the Host Country Club and MFI and establish personal relationships with those involved. This provides the opportunity to report to Rotary donors how lives are being changed by your microcredit project.

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Keith Axtell has enjoyed a prestigious career in community development focusing on housing, including Indigenous peoples, through his role as Director of Housing for the US Department of Housing and Urban Development (HUD) for the western United States.

In Rotary he has played an active part in the magic of matching grants whereby smaller donations are aggregated and added to matching fund to take part in wholesale projects such as the two large micro-credit matching grant projects he organized in Guayaquil, Ecuador.

All of this experience plus having served as a past President of the Marin Evening Rotary Club in Marin County, California, Keith is a natural to contact if you need further information. Keith is the 2013 - 2014 RAGM Director responsible for Grants & TRF Coordination. He is available for comments, questions and examples of other projects - what has been accomplished - at: keaxtell@aol.com Ph: 415-924-5930