
IMPACT CASE STUDY: EDPYME ALTERNATIVA
Country: Peru (Latin America)

EDPYME Alternativa (www.alternativa.com.pe) was founded in March, 2000 and received its license to operate as a regulated microfinance institution in September, 2001. As of April, 2007, EDPYME Alternativa served over 13,000 clients in the Northwest region of Peru through ten points of service. EDPYME Alternativa has experienced massive growth in recent years. Even after achieving a gross loan portfolio of \$6.3 million, EDPYME Alternativa has maintained its focus on Peru's poor, boasting an average loan balance per borrower of US\$472, compared to the average loan balance for all EDPYME's in Peru of \$901. In 2007, Alternativa was serving over 14,000 borrowers (55% of whom were women and 40% of whom who resided in rural areas).

MicroCredit Enterprises Impact

In September, 2007, MicroCredit Enterprises issued a loan of \$700,000 to EDPYME Alternativa.

- MicroCredit Enterprises' loan will provide enough capital for it to reach approximately 1,500 new clients.
- EDPYME Alternativa will use MicroCredit Enterprises' funds to expand its lending to rural communities for farming and animal husbandry. Additionally, part of the loan will support Alternativa's innovative loan product targeting market vendors.

Country Profile: Peru

- Peru's population is ethnically diverse. The largest ethnic group is indigenous Indians, who comprise 45% of the population, followed by Mestizos, mixed descendants of the Spanish and indigenous Indians, who comprise 37% of the population.
- Nearly 45% of Peru's population lived under the poverty line, as of 2006. Poverty is more pervasive in rural areas, affecting almost 65% of the rural population.
- Peru ranks about mid-point (87 out of 177 countries) on the U.N. Human Development Index.

“EDPYME Alternativa respects me. I feel happy walking into their office and they always give me my loan quickly with no hassles. This leaves me time to run my business.”

Rosario, EDPYME Alternativa client

Client Impact: Rosario's Microloan*

Rosario lives in the northern city of Chiclayo. She is a single mother of 3 children. But unlike many mothers, Rosario cannot count on a salaried job.

After losing her job when a local factory moved its work to another country with lower labor costs, Rosario struggled to provide for her kids. Then, learning about EDPYME Alternativa from a friend, she decided to borrow \$200 to sell vegetables outside the local market. After having moderate success as a vegetable seller, Rosario decided to borrow \$600 to begin selling chicken from a market stall that she also began renting on a daily basis.

Her chicken business met with great success and eventually she accumulated enough capital to rent her stall on a monthly basis, thereby realizing significant savings on rent. With the added income, she was able this year for the first time to buy her kids their school uniforms and books.

*Fictitious name to protect the privacy of the individual.