

Microcredit direct support program

Slovenia

Changemakers Archive

[SHARE](#)

Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

About You

Location

Project Street Address

Project City

Project Province/State

Project Postal/Zip Code

Project Country

Innovation

Strategy Summary:

How the Strategy Works:

MICROCREDITS DIRECT SUPPORT PROGRAM New, revolutionary financial instrument for the Rich directly supporting the Poor Save and help TWB should change or widen the system of collecting the capital for microcredits programs. It should no longer depend mainly on the good will of the donors, staying with very limited capital (and then having done so, finding themselves not being able to offer microcredits to enough people). Instead, the new system should work in the same way as a conventional banks work with savers on one side and borrowers on the other. However, the important difference would be that saving would assure only the revalorisation of the savings and lending would involve microcredits. Let me explain. There are many companies and even more private investors in the world, (I should stress the importance of the wide vast mass of middle class people) who would be willing to invest (save) certain amount of money to the TWB fund with the promise to just maintain the real value of the money with no interest rate if they knew that this money did a lot of good by it giving the opportunity to people to get out of poverty. The visionary aim should exist that all middle and high class people of developed world one day should credit certain number of people somewhere in the third world. The system would work on the basis of matching an individual investor to the particular borrowers with projects. With the proper ?information system support? investors would be transparently informed about who (name and surname, possibly with the photo of the person, group of people, village or in case of big investments even region) received their money, for what projects and at what stage these projects are. A TRANSPARENT INFORMATION SYSTEM would satisfy the strong desire of investors to see what ACTUAL IMPACT their investments were having on ?their people? in the Third World. This would be the EMOTIONAL REWARD FOR THE INVESTORS. Certain RELATIONSHIP between the ?Haves? and the ?Have-Nots? would develop. TWB business would be managing a fund and an information system, as well as collecting the money and distribution of it to loan providing organisations and communication with the medias. Loan providers would provide microcredits by the existing system. No decisions regarding the investment of money would be taken by investors but by TWB and loan providers exclusively. Investors would sign a contract for saving/investing their money for a set period of time. In the event of them wanting their money back before the agreed date of withdrawal, they would have to take some of their repayment in the form of a ?credit? from TWB or, if this is not possible from other bank. E-mail facilities such as sending photos and emails could be used to tighten the relationships between investors and creditors. Investors could also visit creditors. Such visits might be anonymous or under certain ethics conditions required from both sides; this could be agreed beforehand. This would make both parties more appreciative and aware of the ?common humanity? that connects them. The possibilities for additional help in both investment and educational aspects could be organised by experts from TWB. This program must be well communicated to the media. It is a good topic for journalists to get their teeth into, particularly if a celebrity is involved, so TWB should try to start the ball rolling in that department! This is just my basic idea how the system could work in a mutually beneficial way for both the investor and the creditor. This idea could herald a new level of cooperation between the Rich and the Poor. SUMMARY Microcredits will be delivered by the same system as they have been up to now and would remain the exclusive responsibility of TWB and the loan providers. Strikingly, a lot more capital can be accrued for the loan providers by the investments of interest-free savings with philanthropic character rather than by donations. Savers / investors would get no interest rate on savings but their reward would be the awareness that they help people to get out of poverty. Investors would sign a contract for saving a certain amount of money for a set time with no possibility of removing their money early without paying a percentage of their investment in microcredits. An information system would provide transparent information to investors as to who received whose money and for what project. This would emotionally reward the investors and tighten the relations between investors and creditors. The possibilities for additional help and donations from investors? side should be organised. This program must be well communicated to the media. It is a good topic for journalists to get their teeth into particularly if a celebrity is involved. This system of collecting the capital for microcredits would be a great new way of cooperation between the Rich and the Poor.

Key Strategy Elements:

Impact

Increasing Self-sufficiency and Social Impact:

Described in answer 4.

Organization Mission and Vision:

Looking Forward to the Next Three Years:

Source URL: <https://www.changemakers.com/competition/citizenbase/entries/microcredit-direct-support-program#comment-0>