



MEDIA RELEASE

For immediate release

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Peru microfinance initiative - a step in the right direction.

Anti poverty advocacy group RESULTS Australia welcomes today's announcement by the Rudd Government of a \$2 million microfinance initiative in Peru as an important step towards revitalising the microfinance component of the overseas aid program.

National Manager Maree Nutt says "RESULTS looks forward to engaging on this and other proposed initiatives as the Government puts 'flesh on the bones' of its soon to be released microfinance strategy."

As a lead advocate on microfinance, RESULTS maintains its call for aid spending on microfinance to increase to \$45 million annually within the next two years.

Microfinance, the provision of credit and other financial services, has proven to be a powerful tool to enable poor people to sustainably achieve most of the Millennium Development Goals especially around increasing family incomes, empowering women and improving the health and education of children.

The World Bank also now recognises BRAC and Grameen Bank in Bangladesh, Fonkoze in Haiti and Jamii Bora in Kenya as microfinance institutions which have 'pushed the boundaries' by successfully targeting financial services to the very poor with remarkable benefits.

While these institutions have shown that the very poor are credit-worthy, measures such as the Peru business training initiative are important to complement increased access to credit. As Australia does not provide significant aid to South America at the moment, the approach in this initiative of partnering with the Inter-American Development Bank is an appropriate way to increase Australia's reach with microfinance.

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RESULTS Australia

RESULTS Australia engages in grassroots advocacy on poverty issues with members around the country. www.results.org.au

AusAID Media release

Australia Supports Business Training for Women in Peru www.usaid.gov.au