

OPPORTUNITY INTERNATIONAL AUSTRALIA  
Partner profile - TSPI

Tulay sa Pag-unlad, Inc. (TSPI) was established in 1981 with a vision to see the poorest of the Luzon Island community in the northern Philippines live with dignity, self-sufficiency and responsibility. With over two decades of experience, TSPI is dedicated to giving these individuals the chance to break out of poverty and experience fullness of life through microfinance.

TSPI currently serves almost 280,000 clients throughout Luzon Island. Through family life enrichment courses and business training, TSPI goes beyond providing financial assistance and is committed to transforming every area of a client's life.

TSPI offers a number of lending programs to cater for the varying business needs of its clients, who are predominantly women.

#### Group lending

TSPI's group lending program provides small loans to groups of approximately 20 members to build small businesses. The program has short loan terms (typically six months) and does not require collateral, because the group members co-guarantee each others' loans. As clients progress through the program, groups become smaller and clients can access larger loans.

Loan officers provide basic business skills training to clients during the weekly group meetings. Group leaders receive additional training in leadership to assist and equip them in their role.

#### Individual lending

This program is designed to assist clients who have shown the potential to significantly expand their businesses, who require larger amounts of capital to do so.



Source: Multimap

The goal is to assist clients to become agents of transformation in their communities, by being positioned to employ other people and becoming key members of local business networks.

#### Enterprise development services

As part of their services, TSPI runs a mentoring program for established clients to further increase the success of their small businesses. Clients meet monthly with mentors and TSPI staff to learn financial and business principles.



Ana (top left) with her children. Ana is a TSPI client who used to support her family through scavenging on a garbage dump. Now she has a viable small business.



*Melanie lives in an area of Manila that is permanently flooded. She joined TSPI so she can start a business ferrying her neighbours from their homes to work.*

Through the mentoring program, clients are better equipped to expand their businesses, provide a sustainable livelihood for their family and create employment for those in their community.

#### Transformation program

TSPI aims to promote client transformation that extends beyond financial assistance. In order to achieve this, TSPI offers training and assistance to clients on a range of areas impacting their lives, including family life enrichment courses, and training on a range of business related topics. The transformation program promotes four core values—integrity, stewardship, servanthood and excellence.



Sources: TSPI, United Nations Human Development Report 2009

<sup>1</sup>Exchange rate used is A\$1: US\$1.0742

\***Operational sustainability** is the ability of an organisation to cover the costs of its lending program with the revenue earned from its lending program.

\*\***Portfolio at risk** is a stringent measure of an MFI's loan portfolio quality. It calculates the total value of outstanding loan balances for loans with at least one payment being overdue by more than 30 days. PAR is used to highlight potential future repayment problems.



*"To see people live with dignity, sufficiency and responsibility."*

TSPI's vision statement

#### Livelihood and community development

TSPI works closely with communities to build their capacity to identify and address issues that affect them. As a result, many communities have instigated projects to improve health, livelihood, water and sanitation.

TSPI offers a variety of specialised loans which address clients' specific needs. These include tricycle, house renewal, toilet and livestock loans. TSPI's livestock loans provide capital for clients to buy a goat, after attending a two day goat raising seminar. The product also includes livestock insurance.

TSPI also provides healthcare loans and micro insurance to cover accidental death, disablement and medical expenses.

TSPI's focus on livelihood and community development encourages people to support each other and to adopt a community-minded approach to work their way out of poverty.

Performance indicators	June 2011
Active borrowers	274,352
Outstanding loan portfolio (A\$) <sup>1</sup>	30.8m
Operational sustainability*	106%
PAR*** > 30 days	5.6%