The PT micro loan program operated in one of the poorest regions of Colombia, serving an Afro-Colombian community. It started off strong in January of 2011, issuing sixty-five loans in the first two years. When the economy declined in Colombia, PT was hit hard and crime increased and micro lending became riskier in terms of loan repayment as well as personal safety of the loan administrators. At one point after a loan administrator was robbed, a gang member made sure that the stolen property was returned since his mother had received a micro-loan from the nuns in PT. While this was a nice gesture, it did little to alleviate apprehension about personal safety.

In 2013, only ten loans were issued, slowing further to five loans in 2014 and only three in 2016. PT carried a large balance because they had virtually stopped issuing loans, except for a series of loans to three individuals well known to the nuns. They always paid their debts but they were not from the target community in PT. We were concerned both by that balance of funds that were not invested as intended in helping marginalized micro-entrepreneurs and in the shift away from investing in the PT community.

WHAT WOULD YOU DO? WHY?
This is what TCP Global did.

With the full agreement of the nuns running the program, TCP Global arranged to have the funds from the permanent loan pool, roughly $1,800, transferred to another micro-loan site in Colombia, thus avoiding international wire transfer fees. The program in PT had earned $4,466 during the six years that the program was active and had already withdrawn $3,684 for special projects including repair of homes for the indigent. They kept the balance of $782, and could continue lending to those few individuals or invest in some other community project.

Lesson Learned: When conditions change, work with the partner to determine what works best for everyone. Sometimes it is better to close a struggling program. In this case PT continued with a smaller, more manageable program,