



POST-EARTHQUAKE POLICY TURKISH GRAMEEN MICROFINANCE PROGRAM (TGMP)

Two devastating earthquakes struck the southeastern part of Türkiye on February 6th, 2023, more than 13.000 Turkish and Syrian micro-entrepreneurs who have resided in 10 major provinces of Kahramanmaraş, Gaziantep, Malatya, Hatay, Kilis, Osmaniye, Adana, Adıyaman, Şanlıurfa and Diyarbakır have been impacted.

Many micro-entrepreneurs in these aforementioned provinces have decided to resettle in other provinces temporarily or permanently after their houses and businesses have been severely damaged in order to rebuild their lives.

Purpose

The purpose of this policy is to guide affected micro-entrepreneurs through their relocation process by providing them appropriate microcredit services to start incoming generating activities and eventually to be lifted above the poverty line.

Accordingly, TGMP has added a new type of loan "**Earthquake Relief Loan**" which has a grace period of **3 months**, to be collected in **40 weeks** with **0% service fee**.

TGMP's policy regarding the relocation of micro-entrepreneurs post-earthquakes is as follows:

1. Micro-entrepreneurs whose houses have been severely damaged and have decided to settle in other provinces will be identified through due diligence report.

The staff of the nearest microfinance branches will later visit those affected micro-entrepreneurs to introduce TGMP's new type of loan called "**Earthquake Relief Loan**" after their relocation is permanent, and start to engage in income-generating activities.

2. The outstanding loans of micro-entrepreneurs whose houses have been repaired or who have found a new accommodation to reside in will be restructured and will be introduced to "**Earthquake Relief Loan**" to start income-generating activities.

As an example,

- Let's assume that a micro-entrepreneur has an outstanding amount of TRY 1.200 (of which TRY 1.000 is the principal amount and TRY 200 is service fee). In order to begin income-generating activities, micro-entrepreneur's outstanding loan amount will be written off and she will be disbursed Earthquake Relief Loan with the amount of TRY 1.000.

The situation of micro-entrepreneurs have decided to resettle in other provinces will be regularly monitored by TGMP's General Directorate.