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# Pact Global Microfinance Fund

Coordination Workshop  
LIFT Dry Zone Programme

Jan 20, 2016



# Background

- Pact is an International development organization based in Washington DC
- Introduced microfinance in 1997 under UNDP and grew over time
- Established Pact Global Microfinance Fund (PGMF) in 2012 and received a microfinance license from the Ministry of Finance
- Presently serving **10,062** villages in **58** townships
- **623,864** active borrowers with an outstanding portfolio of **146** billion Kyats



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# Background

PGMF Model:

To increase the financial inclusion of rural poor in Myanmar through the provision of both financial and non-financial services.

## Financial Services:

- **Credit** for business, agriculture, livestock, health, and education.
- **Savings** to help build the resilience of rural communities to external shocks and to provide for future investment.
- **Quasi-Insurance** to help protect against natural disaster, death, livestock epidemics, and the financial burden of childbirth.

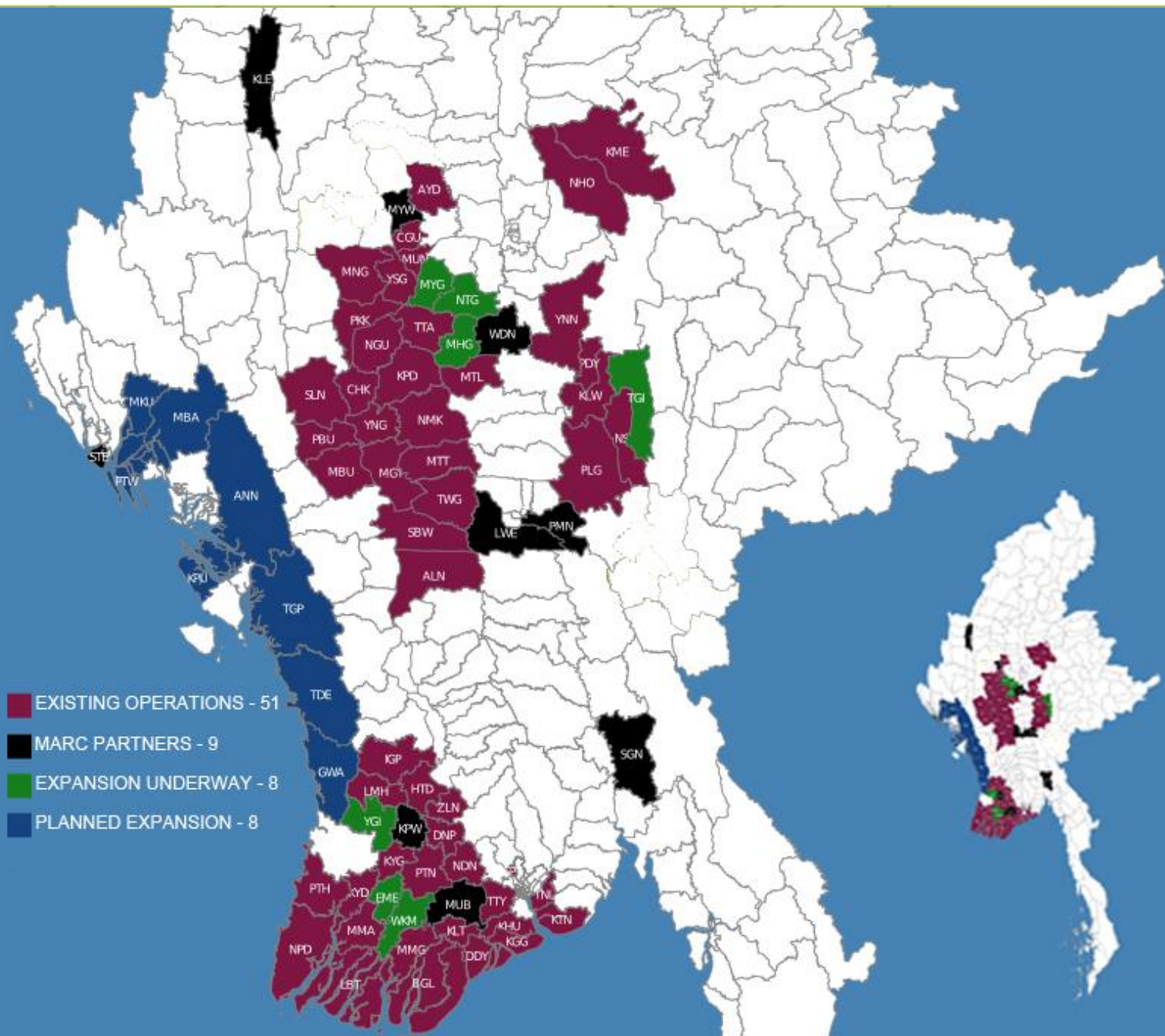
## Non-Financial Services

- Fundamental **Business Training** to help clients invest and save more effectively



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# Current Footprint





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# PGMF Key Indicators December 2015

	Particular	All PGMF
1	No. of Townships	58
2	No. of Units in operation	157
3	Villages covered	10,062
4	No. of MF Centers activated	17,791
5	No. of Group formed	159,907
6	Total no. of Clients	1,008,983
7	Total no. of Active Clients	673,828
8	Total no. Active Borrowers	623,864
9	Client Savings ('000 MMK)	44,763,163
10	Loans Disbursed--Last 12 months ('000 MMK)	298,034,409
11	Repayment (Rate %)	99.43%
12	Loans Outstanding ('000 MMK)	145,797,137
13	Loan Officers	1,682
14	Total Staff	3,136

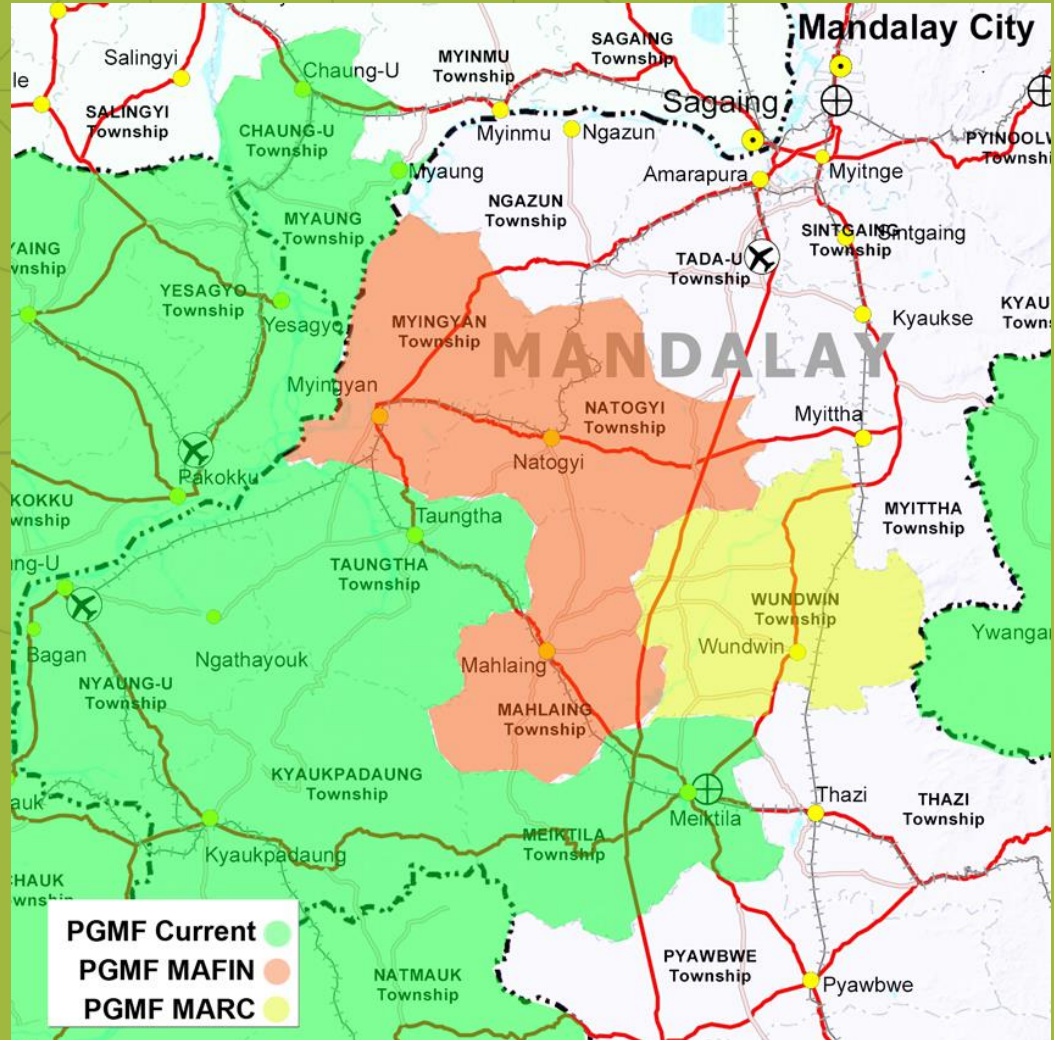


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# Myanmar Access to Financial Inclusion (MAFIN)

Main MAFIN Project Area:

- Myingyan Township
- Natogyi Township
- Mahlaing Township
  
- Consolidates PGMF and PGMF partner coverage in the central area of the Dry Zone





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# Objectives of MAFIN Project

- To build resilience and food security in Myingyan, Mahlaing and Natogyi townships in Mandalay Division by expanding financial inclusion among the rural population.
- To improve and increase agricultural and production output by providing financing for necessary equipment in Pakokku, Yesagyoo, Taung Tha, Labutta, Bogalay, Mawlamyinegyun and Pyapone townships, principally through the development of a lease product.





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# Target and Accomplishment (1)

Indicator		Dec 2015 Target	Dec 2015 Actual	%
1	No. of Townships	3	3	100%
2	No. of new branches	3	3	100%
3	No. of new groups	720	1,947	270%
4	No. of new clients receiving loans	3,600	7,902	219%
5	No. of Business Loan and Livestock Loan Disbursed	3,600	7,902	219%
6	Amount of Business Loan and livestock loans disbursed (\$)	360,000	607,384	169%





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## Target and Accomplishment (2)

Indicator		Dec 2015 Target	Dec 2015 Actual	%
7	No. of Agriculture Loans disbursed	45	0	0%
8	Amount of Agriculture Loans disbursed (\$)	21,600	0	0%
9	No. of clients accessing savings	3,600	9,785	272%
10	Clients Savings (\$)	9.012	35,087	389%
11	Clients covered by quasi-insurance	3,600	7,902	219%
12	No. of lease loans provided	492	-	0%
13	Amount of lease loans provided (\$)	492,000	-	0%



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# Inception Period Challenges

Challenge	Solution
Natural disaster in project area	Client participation in Beneficiary Welfare Program (quasi-insurance)
Scarcity of high quality employee candidates	Started inception period with lower number of loan officers and brought in experienced ones from other townships
Migration to other places for better livelihood opportunities	Over time investment in income generating activities locally should reduce economic migration
Financial lease services could not be started in the selected townships due to overrun in product development and additional time required to secure debt financing	Equipment purchase has been financed through existing loan products for 361 clients at a total value of \$119,208 since the start of the project. Loan product is ready for rollout and financing for the lease objective is now forthcoming



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# Way Forward

- Much of the demand for formal financial services has not yet been fulfilled by the licensed microfinance actors; therefore, although much has been accomplished to date there is still much work to be done.
- The methodology and processes of implementation developed by PGMF in Myanmar over the last 19 years can be used in new areas with minimal modification, allowing PGMF to leverage its experience for the improvement of financial inclusion in Myanmar.
- PGMF will actively explore new opportunities that allow it to offer more services in more townships.

