



building
local
promise.

PGMF Credit to Agriculture & Participatory Approach in LIFT delta II program



Pact Global Microfinance Fund (PGMF)

- Since 1997, Pact implemented MF activities in Myanmar
- February 2012, Pact founded PGMF as an outgrowth of MF operation in Myanmar
- PGMF implementing MF activities in 51 townships in Dry, Shan & Delta Region
- PGMF offered both financial & non-financial services
 - Financial service; Loan & Saving
 - Non-financial service; Beneficiary Welfare Program

PGMF Implementation Credit Service in Delta II Program



- LIFT Delta II Microfinance Project – March 2012.
- Joint cooperation UNDP and PGMF for MF service
- Extended PGMF's existing Microfinance Project in Delta
- Coordinated with 7 Ips
- Bogalay/Mawlamyinegyun and Laputta



PGMF Implementation Credit Service in Delta II Program

- PGMF found the needs of marginalize farmers;

Beyond Nargis

- lost resources materials
- lack of credit access
- high rate interest loan from local lander
- insufficient labor resource
- high labor cost
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Project Design & Approach

- Access to credit for actual practicing in farming activity
- PGMF provide credit assistant by coordination with IPs
- IPs' Village Development Committee (VDC) recognition
- Village Authority recognition/ recommendation
- Solidarity group lending methodology & regular meeting
- Center chief / chairperson coordinated with PGMF staff
- Through the Microfinance Center Executive Committee
- Two times opportunity for Paddy cultivation in year (monsoon & post monsoon paddy)



Project Design & Approach

- Agriculture Loan Model, based on participatory approach
- Agriculture Loan period and repayment schedule was depend on crop type and beneficiary negotiation (3 to 6 months approximately)
- Balloon payment for Paddy and negotiable for seasonal crops
- Maximum 500,000 Kyat per loan (follow by MMSE)
- Interest calculation follow by MMSE and collect bi-weekly
- BWF program had been set up to cover the beneficiaries' lost due to death and weather/ localize disaster



Lesson learned & Constraint

- Delay signing process

Initial startup on time as upfront action & constant follow up

- Misunderstanding between IPs' VDC(s) and Project

Regular Coordination with IPs & systematically feedback collection

- Variety of MF providers

Coordination with local authority & other MF organizations could reduce the beneficiary overlapping



Lesson learned & Constraint

- Timely input lead to great output

PGMF emphasized to provide timely assistant for agriculture by arranging efficient loan disbursement plan with field staff

- MMSE Limited the maximum loan amount as 5 lakh.

Not enough for farmer who had large amount of farming land, Farmers had to take other credit assistant to fulfill their need

- Ensure Beneficiary Accountability

Regular monitoring,

Listening to the beneficiary

Adaptable methodology



Advantage & Benefit

- Positive impact for both sides

-Beneficiary;

- Increase food productivity
- Could avoid the high interest rate loan
- Could using a timely input for farming
- Be able to payback the principal in harvesting time
- Had access to several repayment systems based on the crop types
- BWF program can cover the beneficiaries lost due to weather / localize disaster



Advantage & Benefit

- Team work practice by Solidarity group lending system
 - internal control system among the beneficiary
 - power for developing their life year by year by themselves
- Credit for food productivity
 - continues credit assistant
 - low interest rate
 - timely support
 - adaptable with crop types



Advantage & Benefit

- Project;
 - Increase the loan portfolio
 - Support to be project sustainable
 - Support to the Myanmar Agricultural Development Sector as part of activity
 - Maintain the repayment rate up to over 99%



Thank You

