

As we embarked on the new year of 2017, UNCDF in Myanmar achieved a number of milestones in financial inclusion. January witnessed two workshops successfully held in Yangon, Myanmar – one on Microfinance Institutions (MFIs) with their over-indebtedness issue and another on the Customer Journey Data Analytics Training and Research. In February, UNCDF launched its Market Development Facility (MDF) with its first loan issued to Pyae Mahar Services Ltd. As of March, MicroLead programme exceeded its target, reaching 150,000 clients and continues acquiring new customers with an emphasis on women and the rural population. UNCDF’s strong support towards the Financial Inclusion Roadmap Implementation (FIRM) Plan 2017-2018, which also continues, in partnership with the Government of Myanmar, through development partners round table meetings and Inter-ministerial Steering Committee (IMSC) Meetings.

## Workshop on MFIs and Prevention of Over-Indebtedness *IFIs and MFIs meet each other*

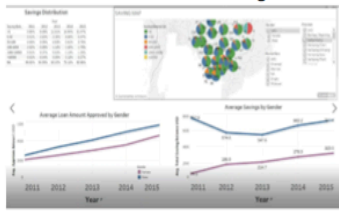


January 2017 – UNCDF Myanmar and the Catholic Organization for Relief and Development Aid (Cordaid), in partnership with TCX (The Currency Exchange Fund) and the Livelihood and Food Security Trust Fund (LIFT), organized a workshop on ‘MFIs and prevention of over-indebtedness- International Financial Institutions (IFIs) and Microfinance Institutions (MFIs) meet each other’ at Inya Lake Hotel in Yangon, Myanmar. The workshop was stimulated by both the opportunities and challenges resulting from the MFIs regulations issued by the Government of Myanmar in August and December 2016 around the areas of prevention of over-indebtedness, the market for MFI debt-finance and forex-risk management.

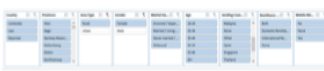
The workshop was attended by over 90 participants from the financial sector, from senior representatives of the Financial Regulatory Department (FRD) and the Myanmar Microfinance Association (MMFA) to a wide range of local and foreign-owned MFIs, international financial institutions and local banks, development partners and the TCX hedge fund. The workshop allowed the introduction of IFIs to Myanmar MFIs and provided an opportunity for the business matching between them. During the workshop, there were also discussions over the prevention of over-indebtedness in the rural and urban credit markets of Myanmar against the background of the new MFI Directives, MFI forex-risk management and the TCX/LIFT hedging facility.

## Workshop on Customer Journey Action Research

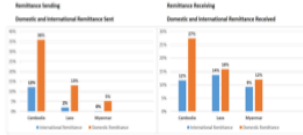
Tableau Dashboards for large datasets



Excel Dashboards for small datasets



Knowledge Management !



Presentation on Customer Journey Data Analytics Training

January 2017 – UNCDF Myanmar invited Financial Service Providers (FSPs) to join a workshop on Customer Journey Data Analytics, which is a UNCDF SHIFT programme that provides technical support in using data analytics for management decision-making, specifically in using customer data to better understand customer behaviour and enhance service delivery. Following other successful data workshops and trainings in the ASEAN region, the programme has decided to expand into Myanmar in 2017 in which UNCDF will offer training in data analysis and usage to capacitate the FSPs' staff to better examine clients' exist, product usage and uptake. Financial institutions are further supported through a study on customer journeys, in collaboration with research team hosted at the UNCDF and UN Pulse Lab in Jakarta.

Dr. Robin Gravesteijn from UNCDF moderated the workshop and various FSPs from Myanmar, ranging from local banks and MFIs to other financial service providers, attended the workshop and expressed interest to participate in the training. The Central Bank of Myanmar (CBM) was also further communicated and is expected to receive training by UNCDF to capacitate the CBM staff in data analysis and usage for policy and regulation-making objectives and for them to be better equipped in utilizing their existing Finscope data for financial inclusion policy making.

## Development Partners Round Table Meeting



February 2017 – UNCDF Myanmar organized a Development Partners Round Table Meeting in compliance with the Myanmar Financial Inclusion Roadmap (FIRM) Implementation Action 2017-2018 at Inya Lake Hotel in Yangon, Myanmar on 1<sup>st</sup> February 2017. Participants included the Director General, the Director and other senior representatives from Financial Regulatory Department (FRD) under the Ministry of Planning and Finance (MOPF), and other development partners.

The meeting mainly discussed the status update on FIRM implementation and there were presentations on proposed FIRM initiatives for fiscal year 2017-2018 and implementation plans and the development partners' presentation of 2017-2018 priorities and implementation plans. The discussion around development partners was also chiefly focused on the refining and aligning 2017-2018 plans to exert a maximum impact on the financial inclusion process and on achievable objectives and priorities by the Government of Myanmar.

## UNCDF Myanmar Launches Market Development Facility First Loan Provided to MFI Pyae Mahar Services Ltd.



*Mr. Paul Luchtenburg, UNCDF Myanmar Country Coordinator with Pyae Mahar Services Managing Director, U Min Aung during the launch of MDF*

Mr. Paul Luchtenburg, UNCDF Country Coordinator in Myanmar, expressed his thanks to the Ministry of Finance's Financial Regulatory Department for approving the financing for Pyae Mahar. Pyae Mahar Services Managing Director, U Min Aung appreciated UNCDF's confidence in his business and looked forward to potential opportunities arising from this investment.

February 2017 – UNCDF in Myanmar commenced its Market Development Facility (MDF) with its first loan issued to Pyae Mahar Services Ltd. – a Myanmar-owned (MFI) microfinance company. The three-year loan, totalling 300 million Myanmar Kyats, will be used by Pyae Mahar to provide more loans to greater amounts to its Ayeyarwady-based clients.

UNCDF's Market Development Facility aims to address market failures by providing technical assistance, grants, and/or loans through financing MFIs, especially the local institutions, through local currency loans to address the funding shortage and other constraints they are currently facing.

Mr. Paul Luchtenburg, UNCDF Country Coordinator in

### MicroLead Progress

6<sup>th</sup> March 2017– The 4<sup>th</sup> disbursement to Association of Asian Confederation of Credit Unions (ACCU) was released under UNCDF Myanmar's MicroLead Expansion Programme.

6<sup>th</sup>-10<sup>th</sup> March 2017 – UNCDF Myanmar's country coordinator, Mr. Paul Luchtenburg and the representatives from three MicroLead partners (ASA (Association for Social Advancement), ACCU and ALLIANCE), travelled to Tanzania for UNCDF MicroLead's 2017 Annual Peer Learning Event. The workshop allowed an extensive exposure of Myanmar's MicroLead partners with their International peers. The delegates presented Myanmar's microfinance sector and shared their in-country experiences. There were also discussions about the microinsurance and the social protection and prototyping of clients.

31<sup>st</sup> March 2017 – As of March 2017, UNCDF's MicroLead Programme exceeded its 100,000 clients target, reaching 150,000 clients in total and continues acquiring more new customers with an emphasis on women and rural population.

### Investment Committee Meeting

23<sup>rd</sup> March 2017 – UNCDF Myanmar held the second Investment Committee (IC) Meeting on 23<sup>rd</sup> March. The meeting started with the opening remarks from IC Chair and the discussion continued regarding the action items established at the November 2016 IC meeting, the ongoing technical assistance for Pyae Mahar Services Ltd. and Market Development Facility's (MDF) contribution to the Expanding Financial Access (EFA) targets.

Based on the discussions, The IC confirms the Secretariat's proposal of UNCDF entering into a Loan Guarantee Agreement with a local bank and a MFI for a 12-Month Credit Facility. The IC Delegates agreed on the Responsibility to UNCDF Headquarters and UNCDF Myanmar to faithfully negotiate the Loan Guarantee Terms and Conditions and Report Back to the IC on the Final Agreement.

## Sub-Technical Working Group (SWGs) Meetings Nay Pyi Taw – 22<sup>nd</sup> – 23<sup>rd</sup> March



22<sup>nd</sup>-23<sup>rd</sup> March 2017 – The Sub-Technical Working Groups (SWGs) meetings as part of the Inter-ministerial Steering Committee (IMSC) on the Financial Inclusion Roadmap (FIRM) implementation were held on 22<sup>nd</sup> and 23<sup>rd</sup> March 2017 in Nay Pyi Taw, Myanmar.

Among the participants are the Director General, Dr. Sandar Oo, Financial Regulatory Department (FRD) under the Ministry of Planning and Finance (MoPF), and the Director General Daw Than Than Swe, the Payment & Settlement System Department &

Market Department of the Central Bank of Myanmar (CBM), Mr. Paul Luchtenburg, UNCDF Country Coordinator, senior government officials, development partners and other SWG members. 3 SWGs meetings on bank, non-bank and policy working groups commenced with the opening remarks from each chairperson followed by the Financial Inclusion (FI) progress updates and discussions on drafting FI Strategic Action Plan for Fiscal Year 2017-2018 and Annual Work Plans 2017-2018. The working group members mainly discussed the ongoing issues around policy and regulatory oversights, and the stakeholder engagement in the process of FIRM implementation.

UNCDF is the UN's capital investment agency for the world's 48 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments — through fiscal decentralization, innovative municipal finance, and structured project finance — can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to Sustainable Development Goal # 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs.

For more information, visit [www.uncdf.org/myanmar](http://www.uncdf.org/myanmar) or contact Mr. Paul Luchtenburg, UNCDF Country Coordinator for Myanmar, writing to UNCDF Myanmar at No. 6, Natmauk Road, Tamwe Township, Yangon 11211, Myanmar.