



# Sont Oo Tehtwin

*Providing social microfinance services to vulnerable families in Myanmar*

••••• To expand the outreach of services and support more micro-entrepreneurs, SOO is looking for new financial partners

## ▼ COUNTRY FACTS

- 54 million inhabitants
- 145<sup>th</sup> out of 188 on the 2016 HDI\*
- 67% of workers live with \$2 a day

\*Human Development Index

## ▼ 2017 KEY FIGURES

- 6 branches
- 7,535 micro-entrepreneurs
- 80% are women
- 8 500 training sessions

## MISSION

**A social approach stated loud and clear**

Entrepreneurs du Monde has established itself in Myanmar with a more social approach to microfinance than commonly found amongst other microfinance institutions working in the country. It created in 2014 Sont Oo Tehtwin (*Entrepreneur in Myanmar language*), a social microfinance program supporting thousands of extremely vulnerable families. It also promotes responsible microfinance among other microfinance institutions.



**For sustainable improvement of poor entrepreneurs**

Sont Oo Tehtwin (SOO) supports low income microentrepreneurs in the townships of Dala, Seikkyikhanaungto, Twante and Kawhmu, all in Southern Yangon. It offers pro-poor adapted financial and socio-economic services including uncollateralized loans, savings, training and support, which help beneficiaries to develop their income-generating activities and make sustainable improvements to their living conditions.



## 2017 ACHIEVEMENTS

**Expanding services and implementing a social strategy**

Two new branches were opened: one in Twante and one in Kawmhu, both in Southern Yangon. Besides, SOO has finalized their social strategy. It outlines their mission and values and designs a theory of change depicting the paths and assumptions between SOOs products and services and short term and long term outcomes.

**Prioritising savings**

Savings reduces vulnerability to shock life events. The demand for this service is high and SOO promotes it widely. Thus, beneficiaries must save a minimum of €30 cents per week. SOO still remunerates savings at 15% per annum whereas the national minimum interest rate was reduced from 15% to 10% in August 2016. The team organized focus groups to better understand the needs and the feasibility to launch a long term savings product.

**Adapting services to agricultural activities**

SOO supports some of the most deprived rural families with agricultural loans. Many of them live on less than \$2 per day and have even less access to basic services (health, education, energy and sanitation) than in the urban areas. This attention to farmers significantly increased the size of the overall portfolio as first loans in urban areas begin at €50, whereas first loans for agricultural activities start at €250. An agronomist was hired to develop training modules and reinforce technical capacities of farmers. A new loan product was also launched for gardening of living stock activities with a grace period adapted to the seasonality.



**May Hnin Tun**  
*I'm proud to be a tailor and a successful business woman!*



*My father passed away when I was 13 years old and I went to Thailand to work in a sewing workshop. I learnt about sewing and tailoring, before coming back to help my aunty with her tailor's shop. I decided to open my own shop but I only had a very little amount of money to bring into my project. I looked for lenders but all of them were asking me high interest rates. That's why I was lucky to meet SOO, who granted me a loan with a good interest rate. I saved money and managed to buy a scooter for my husband, so he could become a taxi driver. I was able to buy my own sewing machine and small equipment for tailoring. Now, I can make more sewing clothes and then I have more customers.*

## FOCUS

### MYA YADANAR, A NEW GROUP OF FARMERS

Mya Yadanar (*Emerald* in Burmese) was established in August 2016. It is a new agriculture group in the Seikyikanaungto Branch 3 of SOO. The group consists of 6 men and 20 women, all farmers.



They do both monsoon and summer paddy. They can produce around 65 baskets for monsoon paddy and around 110 baskets for summer paddy per acre. Therefore, they make approximately 1,000,000 MMKs to 2,500,000 MMKs (€612 to €1531) per year according to the size of the farm-land. SOO has provided a loan for each of them, according to their needs and abilities (from 100 000 to 950 000 MMKs, which means from €61 to €582).



Accessibility and flexibility of the loans are important features for these farmers. No guarantee is required and they can repay the loan in their village. The fact that they can save and withdraw their savings at any time is also important to them.

In 2017, the farmers have been provided with six training sessions: Budget Management, Basic Nutrition, Cash Flow Management, Rice and Seeds Preparation, Soil/ Crops, Pest/ diseases. These trainings provided them with the skills and knowledge to manage their income and expenses effectively, as well as their cash flow.



## INDICATORS

	No. of beneficiaries <sup>1</sup>	No. of loans granted <sup>1</sup>	Average loan amount	Loan portfolio <sup>2</sup>	Cumulative savings <sup>2</sup>	Operational sustainability <sup>2</sup>	No. of employees
2016	4,786	6,341	€134	€468,230	€34,328	44%	41
2017 <sup>3</sup>	7,000	8,904	€170	€981,363	€53,964	75%	62
Objectifs 2018	13,000	15,600	€168	€1,534	€144	103%	90

<sup>1</sup>Over one year - <sup>2</sup>On dec, 31<sup>st</sup>

## OBJECTIVES

### Expansion of services

In 2018, SOO will work to increase activities and levels of penetration at its existing 6 branches. A feasibility study will be completed to determine a new area where the project could expand to. The selection will be based on a concentration of SOO's priority target population, a combination of urban and rural communities, existing micro entrepreneurs and little or no other formal credit providers working in the area.



### Promotion of a high social performance

SOO will maintain its good reputation as social player in the Myanmar micro-finance market with high level of social performance. It will roll out a number of new social and business training modules to all micro-entrepreneurs in 2018 to raise awareness and promote



resilience of their households. It will also focus on agriculture by creating four new specific training modules (Small technologies in farms/Fertilizers on-site/Estimation of the harvest in terms of income/weeds management).

### Regulatory Environment and Sustainability Objective

To reach operational and financial sustainability in 2018, SOO is looking for new debt and equity investors. Fortunately, the government released new regulations making it easier for foreign debt to enter the country to support microfinance institutions. Entrepreneurs du Monde is currently registered as an NGO in Myanmar, but in order to attract equity investors, will begin the process to transition to Company status. This will not change its social mission.

## FUNDING

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Center, Micro Crédit Macro Action, private individuals and a Fund wishing to remain anonymous. For loan fund, SOO was supported by Microfinance Solidaire SAS, Kiva, Don Boule de Neige and UNCDF. To support the growth of the program in 2018, SOO needs to find new partners.

## PARTNERS



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