



Social microfinance
for the most vulnerable,
predominantly in rural areas

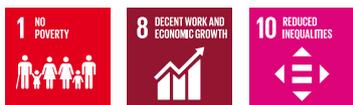
MYANMAR

- 54 million inhabitants
- 148/189 on the HDI*
- 67% of workers live on \$2/day

*Human Development Index
Source : hdr.undp.org



MILLENNIUM GOALS



BACKGROUND



A poor but enterprising population
Most of the inhabitants of Yangon's outlying districts are poor and illiterate. This gives them very little access to paid employment, so they set up informal revenue-generating activities such as little shops, workshops or small farms in order to survive. It is very difficult, however, to develop these into sustainable businesses without access to credit facilities and training. Some people try their chances with classic microfinance institutions, but these insist on guarantees and only provide limited guidance.

MISSION



All-round support breeds successful, sustainable businesses
In 2014, Entrepreneurs du Monde set up Sont Oo Tehtwin (Entrepreneur in Burmese) to support extremely vulnerable families in Dala, Seikkyikhanaungto, Twante and Kawhmu, to the south of Yangon. The organisation offers financial and socio-economic services to the very poorest: loans without guarantees, a savings account, training sessions and guidance to help the micro-entrepreneurs develop their revenue-generating activities and improve their living conditions.

METHODOLOGY



The micro-entrepreneurs get together in groups of around fifteen, meeting every two weeks in urban areas, or every month in rural areas, to make loan repayments or deposit savings and to take part in training sessions. Before they even obtain their first loan they take part in initial training sessions to learn about saving, assessing their credit needs, avoiding indebtedness and running the group in a democratic and efficient way.

SUPPORT



With the help of an on-site expat and regular visits from technical experts the local team is developing its skills and building a social microfinance institution that is sustainable in every sense: regulatory, human, financial, etc. In particular, the SOO team is being trained in loan methodology, management and reporting tools, creation and delivery of training sessions, measuring social performance, etc.

Thet Thet Tunet

"I'm already
earning 3 times
what I was when
I joined SOO!"



We live with our four children in a little bamboo-walled house with a sheet metal roof. It's simple but ideally located at a crossroads near the school. So I started a grocer's shop in front of the house. My loans enabled me to buy and sell a wider range of goods in bigger quantities. I've got a freezer to sell ice-cream, and a second-hand moped. I've also been to training sessions, such as one on managing money deposits and withdrawals. My grocer's shop is coming along very well. It's open every day from 06:00 to 22:00 and I'm already earning 3 times what I was when I joined SOO! We're saving towards our dream of funding our children's education.



69%

OF SOO'S MICROENTREPRENEURS LIVE IN RURAL AREAS

FOCUS

Shrimp farming: an activity to be encouraged

In the villages surrounding the town of Twantay (24 km to the south-west of Yangon), the villagers are in real need of finance and support to develop their fish and shrimp farming. At the moment SOO supports shrimp farming in 5 villages through 5 groups which bring together around 150 farmers.



They use two types of cultivation:

- 80% of the farmers buy very small shrimps for between K13,000 and K30,000 (€7 to €17) per 1,000 and keep them in a pond for a month. Half of the shrimps are still alive by this point, and are transferred to a large pond where they can grow to their adult size of around 50g in 6 to 8 months. The farmers then sell their shrimps to wholesalers for around K9,800 (€5.65) per kg.
- 20% of the farmers have chosen to breed native shrimp species that are bought directly from the small fishermen who catch them in freshwater rivers. They buy these better quality wild shrimps for a price of K150,000 (€87) per 1,000. The farmers grow them in ponds and after 6 to 8 months they reach around 280g and are sold for around K38,000 (€22) per kg.



“With the K600,000 (€346) loan that SOO granted us, we bought 40,000 small shrimps. We no longer need to borrow from money-lenders and we can save. I’m happy because SOO allows us to adjust the length of the loan according to our needs, which is good for our family”, says Daw Khin Than Nu, from the village of Ohn Pin Chaung in the Twantay area.

KEY FIGURES

	No of beneficiaries ¹	No. of loans granted ¹	Average loan amount ¹	Outstanding loans ²	Accumulated savings ²	Operational sustainability ³	No. of employees ²
2018	11,151	10,946	178 €	1,262 K€	13,116 €	91%	66
Objectives 2019	13,600	15,000	198 €	1,722 K€	54,000 €	89%	82

¹over one year - ²on 31/12 - ³depends on the exchange rate

HIGHLIGHTS



Increased presence in rural areas

In 2018, SOO increased its presence in rural areas with a new branch in the Kawhmu district. The total proportion of active rural borrowers has increased from 61% to 69% in a year, and the total sum of loans paid out in rural areas has increased by 42%. An agronomist has been recruited to assist the trainers with agricultural training sessions, to provide technical advice to farmers and to organise demonstrations in the field.



A well-run social mission

The social audit undertaken in 2018 shows, for example, that between the first and third loans the net income of a household increases by an average of 59% and the number of families who send all of their children to school jumps from 78% to 90%. The families also manage to obtain a refrigerator and/or fan. The loyalty rate, participation in training sessions and the results of the satisfaction survey all show that the micro-entrepreneurs are happy with the services provided by SOO.

OUTLOOK



Reaching more people in remote areas

In 2019, SOO will continue its activities to the south of Yangon and will open a 7th branch in the Kaunyangon district, where 85% of the population lives in rural areas. Finances permitting, the team will also extend its activities to the north of the country, into conflict zones where there is significant need.

Adapting governance and legal status

To allow it to reach a larger number of poor micro-entrepreneurs, SOO will become a social enterprise with international capital. This will help it to find funding. Limited liability company (LLC) status will put Sont Oo Tehtwin on a solid statutory footing under Myanmar company law and will consolidate its framework for governance, management and development capital.

PARTNERS



CONTACTS

Country coordinator: Anne-Hélène Roignan
> anne-helene.roignan@entrepreneursdumonde.org
Head of social microfinance: Carole Sulski
> carole.sulski@entrepreneursdumonde.org

ON THE WEB

> www.entrepreneursdumonde.org
> [Témoignages](#)

MORE ABOUT