



Unlocking Public and Private
Finance for the Poor

2020 Biannual Newsletter

UNCDF Myanmar

HIGHLIGHTS

- Myanmar's National **Financial Inclusion Roadmap 2019-2023** officially approved by the Government of Myanmar!
- Magnitude and impact of **COVID-19** on Myanmar's economy and what UNCDF Myanmar is doing in response.
- UNCDF Myanmar launches three **new projects** in 2020: Leaving No One Behind, Microfinance Institution (MFI) Integration Platform, Digital Financial Services (DFS) Initiative for Rural Women in partnership with CB Bank.
- Phase 2 of UNCDF's **Women's Digital and Financial Literacy** Innovation Challenge Fund finalized – winners announced!



ADDITIONAL CONTENTS

- UNCDF Myanmar's Market Development Facility (MDF)
- Improving Women's Access to Money and Markets: The Business Case for Myanmar Financial Service Providers Workshop
- Gender Smart Product Development Training
- Women's Digital and Financial Literacy Workshop
- Columbia University Qualitative Customer Journey Mapping
- Financial & Digital Inclusion for Persons with Disabilities (PwDs)
- UNCDF Myanmar Team news!

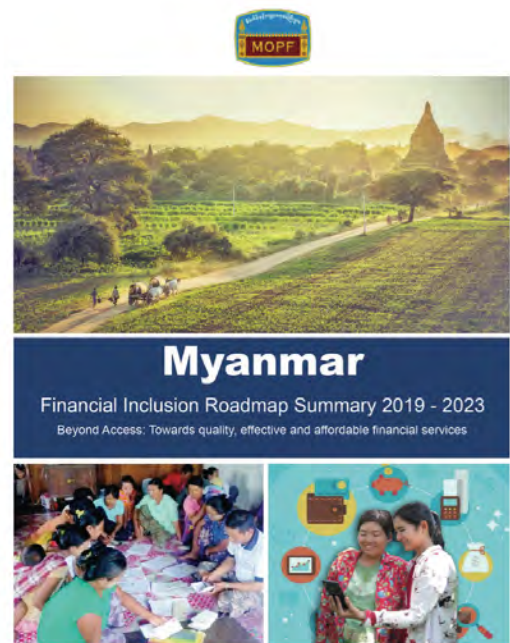
UPDATES

Financial Inclusion Roadmap (FIRM) 2019 - 2023

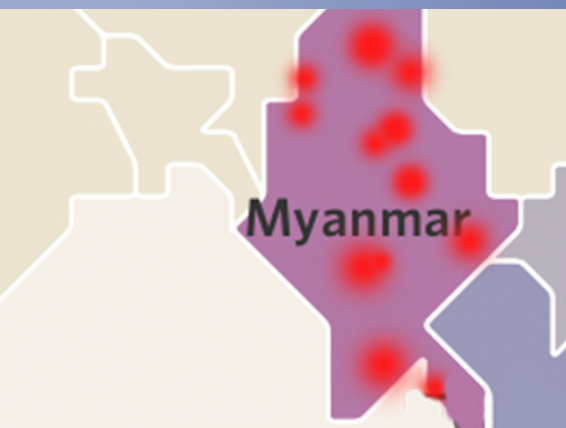
Following the completion of the MAP survey and research in 2018, UNCDF Myanmar in partnership with the DaNa facility and UKAid has been supporting the Financial Regulatory Department and the Central Bank of Myanmar to put together Myanmar's new [2019-2023 Financial Inclusion Roadmap](#). As of March 2020, we are excited to announce that the new Roadmap has finally been approved by the Government of Myanmar!

The new Myanmar National Financial Inclusion Roadmap 2019-2023 replaces the first Financial Inclusion Roadmap 2014-2018, under which the country achieved significant success, with over 48% of the population gaining access to formal financial services against a target of 30%, while adult's access to more than one product escalated to 18%. The new Roadmap reflects a raised ambition for even greater financial outreach and service quality, and outlines the pursuit over the next five years to ensure that the financial sector is inclusive in support of national policy objectives.

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COVID -19 UPDATES



COVID-19 is not only a public healthcare crisis but has severe economic implications for Myanmar. Several microfinance institutions (MFIs) and MSMEs are facing significant cash flow risks and increased needs for capital.

Some of our initiatives include working with the MFI and SME sectors to provide both technical assistance and consultation, as they navigate through this difficult time.

What we are doing in response?

In April 2020, UNCDF conducted a webinar with its Myanmar financial inclusion partners to discuss key issues on how to monitor the organizations' financial health in terms of liquidity constraints and loan collections during the pandemic period. Advice on maintaining staff and client safety were also addressed.

Through UNCDF Myanmar's Market Development Facility (MDF), UNCDF also rapidly assessed the liquidity needs of its MDF MFIs leading to the deferral of scheduled loan payments and liquidity injection, as needed.

In addition, through UNCDF's Women's Economic Empowerment (WEE) initiative, participating fintech partners, Koe Koe Tech, Monkiri, ONOW, Zabai and Thitsa Work, are raising COVID-19 awareness to key audiences. Using digital platforms, our partners are reaching out to marginalized sectors including low-income rural women in conflict-affected areas with health and safety messages.

NEWS BRIEF

Click to read

- [COVID-19 Threatens Myanmar's Economy](#) (April 17, 2020 | The Diplomat)
- [COVID-19 leaves 60,000 workers jobless in Myanmar](#) (April 28, 2020 | Myanmar Times)
- [Myanmar government extends temporary suspension of microfinance operations](#) (May 4, 2020 | Myanmar Times)
- [Myanmar Launches Sweeping COVID-19 Economic Relief Plan](#) (April 29, 2020 | The Irrawaddy)
- [Reasons for optimism in Myanmar's coronavirus fight](#) (May 18, 2020 | Frontier)

UPDATES: NEW PROJECTS

1) Leaving No One Behind

At the start of 2020, UNCDF Myanmar, in partnership with LIFT, was excited to kick-off its new project "Leaving No One Behind (LNB)" to support the transformation and expansion of 10 MFIs in Myanmar.

LNB is a 3-year project to provide technical assistance to nine local MFIs as they transition and transform their organizations from an NGO to a Company. In addition, the project will help MFIs expand their services to rural and conflict affect areas in Myanmar's border states.



2) MFI Integration Platform



The MFI Integration Platform is a test environment platform to prove the possibility of MFIs connecting to the future National Payment System.

UNCDF is proud to partner with [Modusbox](#) to design an interoperable platform that allows MFIs to integrate their core banking systems to a common platform which, at the same time, is connected to other types of digital financial service providers (DFSPs).

This pilot project will work with more than 10 different DFSPs, including MFIs, banks and MFPs. The project has also broadly partnered with technology providers, such as core banking systems vendors.

The project kicked off at the end of February 2020 and has since been making great progress. The final objective is to test real-time transactions between the different network participants.

3) DFS Initiative for Rural Women



Thanks to LIFT, UNCDF and CB Bank have been able to partner on a 3-year project that aims to deliver digital financial services to low-income women living in rural areas.

The project will deliver digital, financial and nutritional literacy content to the beneficiaries, and link them to the formal financial sector by offering them a range of tailored digital saving and credit product.

HIGHLIGHT: UNCDF MYANMAR'S MARKET DEVELOPMENT FACILITY (MDF)

During this time, UNCDF Myanmar acknowledges the challenges that the economy is currently facing and is continuing to strengthen and build up Myanmar's microfinance sector through its Market Development Facility (MDF).

MDF is an investment vehicle that aims to facilitate financial service expansion to marginalised areas, strengthen the capacity of emerging MFIs and encourage sustainable market linkages.

We are continuing to work with our MDF partners during this difficult time to help ease some of the financial burden and provide additional capital in order for them to better serve their clients.

In addition, we are taking this time to build the pipeline for more potential MFIs that can benefit from the MDF.



Learn more about MDF

To date, MDF has disbursed five direct loans totalling 1.6 billion MMK (approximately USD 1.14 million), of which four are local MFIs and one is a Myanmar subsidiary of a French INGO. We want to recognize, Pyae Mahar Services Co. Ltd. as they successfully repaid its loan obligations in the beginning of 2020.

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UPDATE

Investment Committee Meeting on Women's Digital and Financial Literacy Innovation Challenge Fund – Winners Announced!



In April 2019, UNCDF, in partnership with UKaid, launched the Myanmar's Women's Digital and Financial Literacy Innovation Fund. UNCDF partnered with five different organizations to deliver digital and financial literacy content for low-income rural women in conflict affected areas of Myanmar.

The objective was to build the capacity on digital and financial literacy for women beneficiaries, or potential beneficiaries, of electronic cash transfers (ECT), such as the Maternal-Child Cash

Transfer Programme. The project was designed to have two phases, with the first one finalized, reaching out a total of 16,675 beneficiaries (13,496 women, 3,111 men and 69 others).

The organizations that participated in Phase 1 were: [KoeKoeTech](#), [Monkiri](#), [ONOW](#), [ThitsaWorks](#), [Zabai](#). In April 2020, these five partners pitched their products and partnership ideas to an audience of 54 financial services providers.

For the Phase 2, an ad-hoc Investment Committee composed

by experts, was conducted on 29th April. The Committee selected **ONOW and ThitsaWorks** to scale up their pilots conducted in Phase 1. Through this new round of funding, these partners will increase financial literacy for more than 120,000 rural women in Kachin, Shan, Mon and Kayin and increase access to new accounts for more than 35,000 rural women.

Congratulations to all the organizations, participants and the awardees!

KNOWLEDGE SHARING, WORKSHOPS & TRAINING



Improving Women's Access to Money and Markets: The Business Case for Myanmar Financial Service Providers Workshop

Since 2017, with support from the Australian Government's DFAT's Gender Equality Fund (GEF), UNCDF has worked with financial service providers (FSPs) in Myanmar in order to incentivize the development of inclusive financial services catered towards women.

On 5th February 2020, DFAT and UNCDF held a knowledge sharing workshop aimed at sharing the case studies that highlight the business case for FSPs in Myanmar to serve the women's market and manage their operational gender impacts. During the event, LOLC Myanmar and KEB Hana Microfinance shared the lessons learned from GEF support, with specific focus on the impact of collecting and using sex-disaggregated data and improving

institutional gender policies and practices to enhance women's workforce participation.

As part of UNCDF Myanmar's Women Economic Empowerment initiative, UNCDF expert Cavelle Dove, also presented case studies of women's access to money and markets in conflict regions. The event was a great success with 56 participants from 30 organizations in attendance including government departments, Cooperative departments, Financial Regulatory Department and Department of Social Welfare.



Women's Digital and Financial Literacy Workshop

As part of the Women's Digital and Financial Literacy Challenge, UNCDF Myanmar held a workshop (via Zoom) on April 9, 2020 to highlight and share the tools and products the Challenge participants (ThitsaWorks, ONOW, Zabai, KoeKoeTech, Monkiri) have been

developing. These tools are designed to teach digital and financial literacy to low-income women beneficiary's challenge and create opportunities for future partnership between fintech partners and financial service providers.

In the workshop, the five tech-based organizations shared the challenges and achievements of their products and offered to coordinate with each other in the future. The workshop was well attended with 49 participants from 26 MFIs and Fintech companies.



Gender Smart Product Development Training

From December 2019 to March 2020, UNCDF Myanmar team held a Gender Smart Product Development Training for 3 MFIs: LOLC Myanmar, KEB Hana Microfinance and BRAC Myanmar Microfinance. This 3-day training was successfully conducted with a total of 57 participants (25 males, 32 females) from all MFIs taking part in the training.

The workshop provided technical capabilities on developing women-centric products for low-income women. Components of the training included theory about product development, customer journey mapping, and supply and demand analytics for product development. Participants learned how to analyze their own internal supply data (MIS Data), together with some external demand-side data (Myanmar MAP FinScope survey) and to draw conclusions using multiple sources of information.

Columbia University Qualitative Customer Journey Mapping

UNCDF collaborated with a team of MSc students from Columbia University's School of International and Public Affairs (SIPA) to conduct a qualitative customer journey mapping exercise for BRAC Microfinance customers in Myanmar. Unfortunately, due to COVID-19, the Columbia University and UNCDF staff teams were unable to complete all interviews.

On March 16th, together with BRAC Myanmar, UNCDF managed to conduct two focus group discussions (FGDs) with female micro-merchants and home businesses in the Bago Region. Based on these FGDs, supplemented by five remote Skype interviews with branch staff (24th March, 7th April), and FinScope Market analytics, the SIPA team developed customer journey maps for group and individual loan borrowers. Focusing on women merchants, the FGDs identified customer pain-points that hinder the graduation of women customers (enterprises, farmers) from group to individual micro-enterprise loans.



Financial & Digital Inclusion for Persons with Disabilities (PwDs) in Myanmar

UNCDF and Myanmar Independent Living Initiative (MILI), with the support from DFAT, organized a high-level information gathering workshop in February to better understand the barriers that are preventing PwDs from being digitally and financially included, and how to overcome them.

By bringing financial institutions, fintech companies and Disabled People Organisations (DPOs) together, valuable discussion sessions focusing on the demand, supply and enabling environment of the research were recorded for the purpose of developing into a best-practices report.



UNCDF MYANMAR TEAM NEWS!

With many new activities and initiatives in 2020, the UNCDF team in Myanmar also saw a lot of changes. Thanks to all the enthusiastic colleagues who have joined the team from different parts of the world, including those from Australia's New Colombo Plan (NCP) program, UNV and KOICA we saw

many intelligent, fun and hardworking days come and go. New projects have also resulted in new local and international members with a variety of experiences and specializations join the team! In March 2020, UNCDF Myanmar held an off-site staff wide training. It was a great opportunity to come together as a team to share and collaborate on different projects and strategically plan for the future, while participating in team-building activities and games. Special thanks to Australia's DFAT who made this possible!



UNCDF makes public and private finance work for the poor in the world's 47 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.

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