

UNCDF has been in Myanmar since 2012, with the Making Access Possible Financial Inclusion diagnostic and Financial Inclusion Roadmap providing the foundation for in-country interventions. The Roadmap was approved by the Government in 2015 and launched by the United Nations Special Advocate for inclusive finance for development, Queen Máxima of the Netherlands. Through the Roadmap, UNCDF identified the following targets: i) increase formal financial inclusion from 30% to 40%; and ii) increase the percentage of adults with access to more than one financial product from 6% to 15%, by 2020.

#### What is Financial Inclusion?

Financial inclusion means ensuring that all segments of the population have access to **affordable** and **appropriate** financial services. It has been recognized as a key tool to reduce poverty.

### The Financial Inclusion Roadmap (FIRM)

| The Challenge  | Our Response  |
|--|---|
| <p><b>Lack of financial inclusion diagnostics</b></p> <p><b>No systematic financial inclusion strategy</b></p> <p><b>Poor stakeholder coordination</b></p> | <ul style="list-style-type: none"> <li>✓ Implemented the Making Access Possible <u>diagnostic</u></li> <li>✓ Developed the <u>Financial Inclusion Roadmap</u></li> <li>✓ Facilitated establishment of <u>Inter-Ministerial Steering Committee</u> (IMSC) to oversee Roadmap implementation</li> </ul> |



Queen Maxima speaks at the University of Yangon



Microlead in Myanmar has reached 200,000 mostly rural & women clients

### Savings-led Financial Service Development (MicroLead)

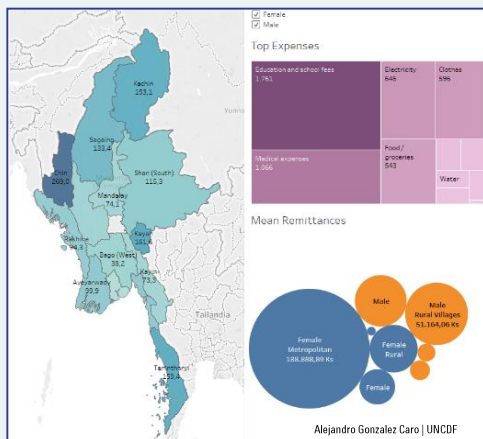
| The Challenge  | Our Response  |
|--|---|
| <p><b>Lack of international best practice organizations targeting poor and underserved clients</b></p> <p><b>Regulatory constraints limit the provision of savings services from financial service providers</b></p> | <ul style="list-style-type: none"> <li>✓ Microlead Expansion: kick-started 2 Microfinance Institutions (ASA &amp; Alliance) and 1 Credit Cooperative (ACCU)</li> <li>✓ Reached <u>200,000 clients</u> (vs 100,000 target) &amp; <u>90% women</u></li> <li>✓ Influencing national policy revisions and advocating for savings reforms</li> </ul> |

### Market Development Facility (MDF)

| The Challenge  | Our Response  |
|--|---|
| <p><b>Lack of local currency funding for financial service providers focused on last-mile clients</b></p> <p><b>Commercial banks have liquid capital but Microfinance Institutions (MFIs) are undercapitalised</b></p> | <ul style="list-style-type: none"> <li>✓ Providing local currency <u>loans</u>, <u>loguarantees</u>, &amp; <u>technical assistance</u> &amp; bridge funding shortfall</li> <li>✓ Focusing on local MFIs</li> <li>✓ Linking banks and MFIs</li> <li>✓ Risk-mitigating opportunities for banks to test new markets</li> <li>✓ <u>300M MMK loan</u> given to local MFI Pyae Mahar</li> <li>✓ <u>400M MMK convertible grant</u> to EdM Soo MFI</li> <li>✓ Two more in pipeline</li> </ul> |



UNCDF Myanmar Country Coordinator Paul Luchtenburg with Pyae Mahar Services Managing Director U Min Aung signing MDF loan agreement



UNCDF provides Big Data analytics and training through its Customer Journey Action Research programme in DFS



For more information, visit our website [www.uncdf.org/myanmar](http://www.uncdf.org/myanmar) or contact Paul Luchtenburg, UNCDF Myanmar Country Coordinator at No. 6, Natmawk Road, Tamwe Township, Yangon Region, 11211, Myanmar. Last updated October