

## FEASIBILITY STUDY – FACTSHEET

<b>Feasibility Study</b>	<b>SCBF FSW-11: Feasibility study for implementation of key performance indicators &amp; program linking of independent Pact programs PGMF and VRF</b>
<b>Country</b>	<b>Myanmar</b>
<b>Partner Financial Institution/s</b>	<b>PGMF &amp; Pact VRF</b>
<b>Grantee</b>	<b>Stonestep</b>
<b>Overall Budget</b>	CHF 72'370 (30% self-contribution)
<b>SCBF Contribution</b>	<b>CHF 50'600</b> (70% SCBF funding share)
<b>Date of Approval</b>	19.12.2014
<b>Duration</b>	01.2015 until 4.2015
<b>Context</b>	Financial inclusion is a new topic in Myanmar, fitting with the growth and maturation of the financial services sector generally. The overall level of financial inclusion remains very low, with only 30% of adults using regulated financial services. Most microfinance institutions are very small organizations.
<b>Current Status of the MFI</b>	<p>Pact's PGMF is the largest microfinance institution in Myanmar. It operates in 140 branches in 51 townships, covering 8'664 villages and reaching 613'373 active clients. Its Beneficial Welfare Fund (BWF) provides risk cover to all of its clients, providing specific benefits responding to specific economic shocks.</p> <p>PGMF has a market share of 74% of all active MFI clients nationwide, 90% of all INGO clients, and holds 65,4% of all MFI outstanding loans in Myanmar as of March 2013, and is further growing.</p> <p>SCBF capacity building support focuses on transferring international best practice for risk product development and management.</p>
<b>Objective and Main Activities</b>	<p>The feasibility study works on two major areas: product and distribution. For product, a review of current practices in key performance indicator (KPI) management will be concluded on the PGMF embedded program. For distribution, a second Pact property, Village Resiliency Funds, will be investigated as voluntary distribution channels.</p> <p>Each of the targeted programs pays future benefit against future peril – a function typical of insurance. However, Myanmar does not have microinsurance regulation. This study aims to determine the feasibility of improving these important programs through capacity building on insurance methods and tools.</p> <p>Dedicated preparation began in February 2014 and has included Stonestep, CIRM, Pact Global, Pact Institute, Pact Regional, PGMF, and VRF management. Specific steps have included:</p> <ol style="list-style-type: none"> <li>1. Desk-top review of the programs/entities and existing data formats</li> <li>2. Desk-top review of the country context &amp; interviews with additional experts</li> <li>3. Desk-top review of the program context including interviews with experts on the Card MBA program</li> <li>4. Agreement with global and local Pact leadership including PGMF and VRF</li> <li>5. Review at Pact global annual internal strategy meeting including endorsement by group CEO</li> <li>6. Consolidation by Pact of BWF data into consistent electronic format at sub-township level and by coverage type</li> </ol> <p>Upon project completion, the financial institution should be in a position to accurately and succinctly describe the specific benefit of implementation of international insurance best-practices.</p>
<b>Next Steps</b>	<ol style="list-style-type: none"> <li>1. Adapt processes at BWF to standardize collection and analysis of KPIs</li> <li>2. Align revenue model and risk-pooling, possibly connecting to global markets</li> <li>3. Develop voluntary risk pooling propositions for offer through VRF</li> <li>4. Connect and consolidate risk pooling of VRF and BWF</li> </ol>