

Femme Khmer au marché



Peuple Miao - Chine, province du Guizhou



J A P A N

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The Microfinance Platform

Pushkar, Inde



Présence à l'échelle internationale



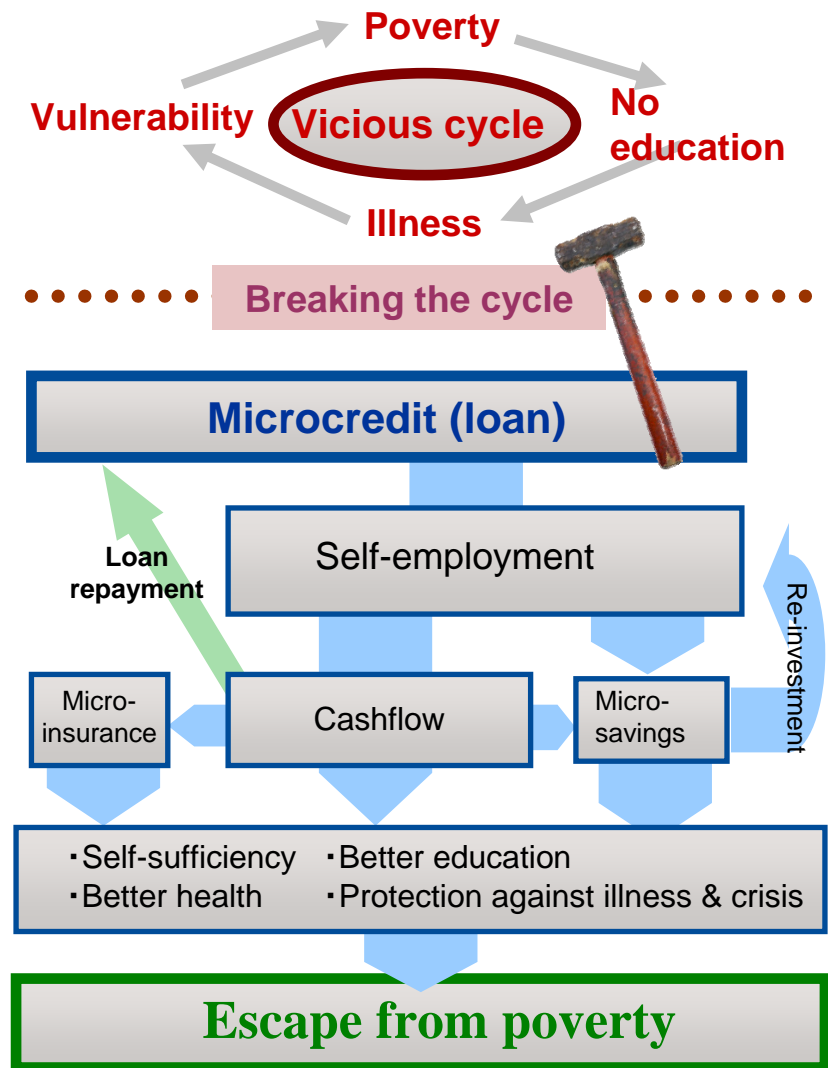
Microfinance: Helping the poor lift themselves out of poverty

Microfinance is:

- Loans
- Savings
- Insurance

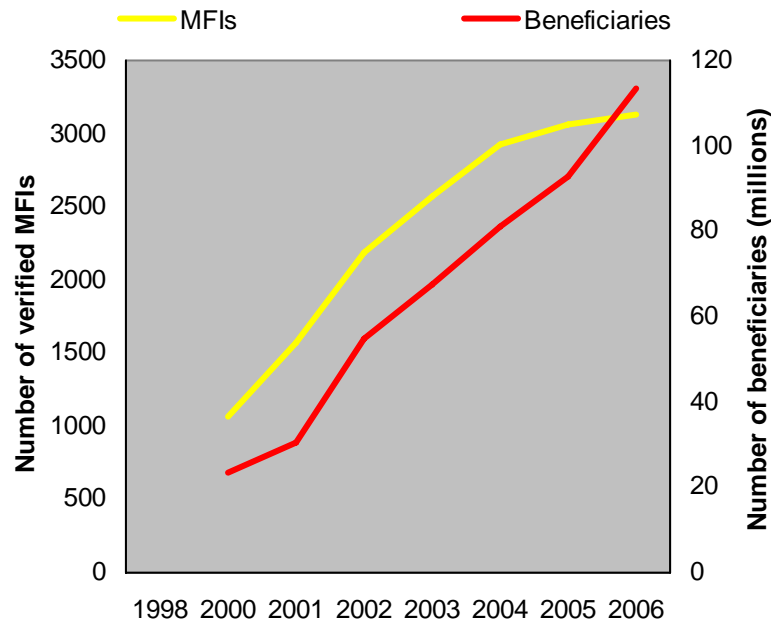
The services are the same as that provided by normal financial institutions.

What is different is the client base – and therefore how the services are provided.



The Growth of Microfinance

The number of MFIs and the number of clients continues to increase sharply.



Source: Microcredit Summit Campaign

Microfinance statistics

As of December 31, 2005, 3,133 microcredit¹ institutions have reported reaching 113,261,390 clients, 81,949,036 of whom were among the poorest when they took their first loan.

Of these poorest clients, 84.2 percent, or 68,993,027 million, are women. Eight hundred forty-seven of these institutions submitted an Institutional Action Plan in 2006.

Together these 847 institutions account for 88 percent of the poorest clients reported.

Challenges for sustainable microfinance development



High transaction costs

- Operational inefficiency due to poor management
- Outdated technology or failure to adopt best practices
- High cost of identifying clients
- Lack of competition or institutional diversity



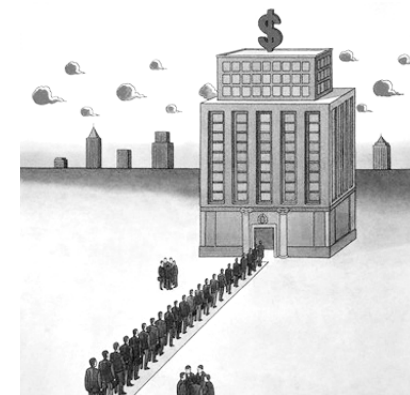
Insufficient long-term capital to lend

- Lack of transparency
- Lack of independent third-party assessment available to investors and donors
- Shortage of investment capital



Adverse operating environment

- Counterproductive government regulation
- Political influence over lending practices
- Lack of credit bureaus and other financial market infrastructure
- Poor systems of information exchange



Region underserved by existing MFIs*

- No MFIs operating in remote areas
- MFI operations limited by natural disasters or man-made crises

*MFI – Microfinance Institutions

PlaNNet Finance areas of operation

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① Sector Strengthening

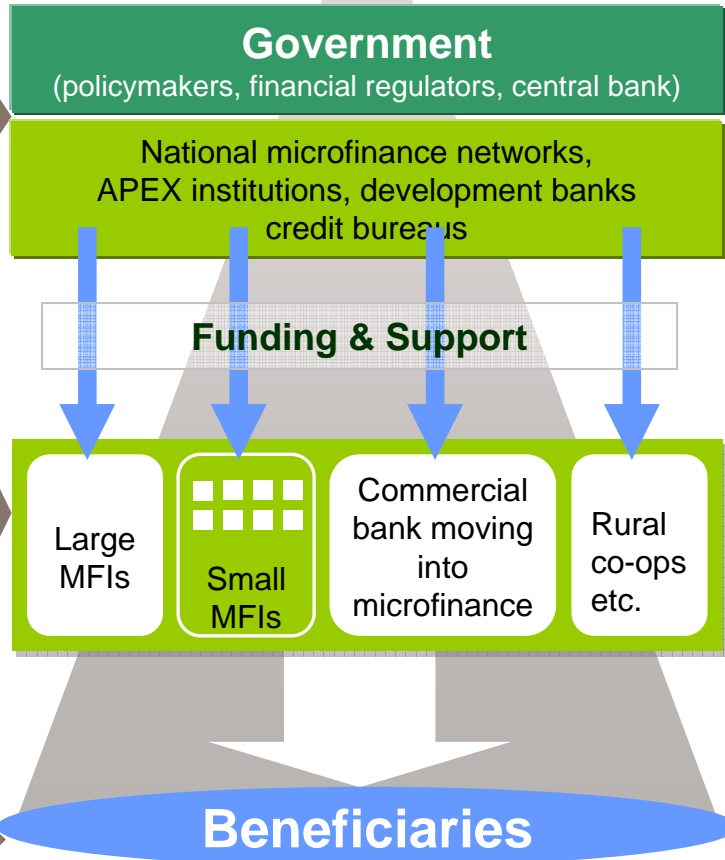
- Policy/regularoty advice
- Credit bureaus
- Resource centers
- Web portal sites
- Impact & market studi

② Capacity Building

- Training
- Technical assistance
- Evaluation and reting
- Loans and investments
- Business plans
- 断一長所と短所の評価
- Web sites
- MIS / IT support
- Establish new MFIs

③ Education

- Business planning
- Health & social services
- Computer training



Microfinance Challenges (Non-Financial)

Needs of the microfinance sector



Education

- Vocational training
- Financial knowledge
- Managerial skills
- Computer literacy



Social Barriers

- Female empowerment
- Health (HIV, malaria)



Soft Infrastructure

- Markets for inputs
- Markets to sell output
- MF support institutions
- Linkages to other sectors
- Legal/regulatory support



Hard Infrastructure

- Communication
- Transportation
- Power

Xiamen and Yunnan Provinces, China



Education

Microfinance and Computer Literacy

April 2004-March 2006

Sponsored by: Microsoft (€50,000/yr for 2 years)

Microfinance & Computer Literacy, China (Apr 2004–Mar 2006)

Computer literacy can help Chinese migrant workers integrate into the market economy.

Over 5000 migrant workers received this training. The program has now been expanded to three other regions.

Background

- Rural-to-urban migration has been perhaps the key demographic trend in China over the past decade
- Up to 150 million people are reported to be part of China's "floating population"
- These migrant workers live on the margins of Chinese cities and Chinese society and their disenfranchisement has been a cause of unrest in recent years

Overall Objectives

- Train migrant workers in basic computing skills via training sessions 3 days per week to that they can better integrate into the market economy
- Use classroom attendance to enable the trainees to develop a network of associates, thus reducing their isolation and vulnerability

Means

- Establish "Community Technology Centers" in areas in which migrant workers are living on the fringes of major cities in Xiamen and Yunnan provinces
- Develop IT training modules for disadvantages and/or illiterate trainees
- Partner with local NGOs to provide other forms of training and support to the migrant worker community

Benin, West Africa



Social Barriers

Microfinance and Health Program

May 2004-May 2007

Sponsored by: Sanofi Synthlabo (€200,000/yr for 3 years)

Microfinance and Health Program, Benin (May 2004–May 2007)

Malaria is the leading cause of childhood death in Benin. It also prevents adults from working and leads to misuse micro-loans.

Over the first two years of the program, 821 master trainers were trained and 87,337 people participated in the program.

Background

- In Benin, between 25% and 40% of a family's expenditures are used to treat malaria
- Nevertheless, malaria is the leading cause of death among children with a daily death rate of more than 50
- Malaria also has a severe affect on adults' ability to work, making it a prime cause of underdevelopment
- Malaria also negatively affects the microfinance sector because the need to cover the cost of treatment is one of the key reasons microcredit loans are misused

Overall Objectives

- Develop the tools for an effective awareness raising campaign to reduce the incidence of malaria infection
- Bring the awareness raising campaign to 300,000 people in three years

Means

- Strong partnership with 15 MFIs/NGOs to create an information network in order to reach a large number of people: 7 in rural areas, 4 in peri-urban areas and 4 in urban areas
- Simple but effective communication tools
- A « Training-of-Trainers » curriculum to train MFIs/NGOs members and leaders of solidarity groups
- Control, supervision and evaluation of the program to measure impact

Shaanxi and Ninxia Provinces, China



Soft Infrastructure

Microfinance and ITC

April 2006-March 2008

Sponsored by: Qualcomm (donation of 1000 CDMA2000 handsets)

Microfinance & ITC, China (Apr 2006–March 2008)

The digital divide is wide in China and contributes to underdevelopment in rural areas.

Through SMS messaging services, 1000 rural farmers will have information about market prices and microfinance loans.

Background

- The mobile phone penetration rate in China is just 30%, with rural areas being extremely underserved
- The lack of information about market prices causes local farmers and craftsmen to miss good opportunities to sell their products or waste time travelling to the market to inquire about prices

Overall Objectives

- Enable the clients of microfinance institutions to access market price information and updates on loans via weekly SMSs on their mobile phone
- Encourage the recipients to access local markets and make it easier for them to receive microfinance loans

Means

- Deliver cellphones to microfinance clients in the poorest regions of North West and South West China so that they get access local market data
- Collaborate with China Unicom to provide a monthly service voucher to each user so that they can use the handset free of charge for two years

Tongwei, Gansu Province, China



Hard Infrastructure

Microfinance and Renewable Energy

April 2007-April 2009

Sponsored by: Areva (€50,000/yr for 3 years)

Microfinance & Renewable Energy, China (Apr 2007–Apr 2009)

Low-cost renewable energy sources can stimulate entrepreneurial activity and slow environmental degradation.



Background

- The people of Tongwei County have little access to electricity and rely on a limited amount of poor quality coal and firewood to meet their energy needs
- The lack of electric power prevents them from developing agricultural processing activities that could increase their income levels
- The degradation of the environment has long term impact on the economy and on the health of the people who live there

Overall Objectives

- Develop a specific loan product to finance the purchase of biogas digesters or solar panels (approximate cost is 50,000 yen per household)
- Implement a pilot project in which 200 households will make use of the loan to install renewable energy sources in their house

Means

- Establishment of a capital fund to provide low-interest loans to households interested in purchasing a solar panel or biofuel digester
- Partnership with a selected MFI in order to develop an appropriate loan product and an awareness-raising campaign
- Training of the purchasers of renewable energy sources on how to utilize the energy to develop a business
- Begin the process of reforestation in the region to stave off desertification



Planet University

<http://www.planetfinance.or.jp/planet-university>



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