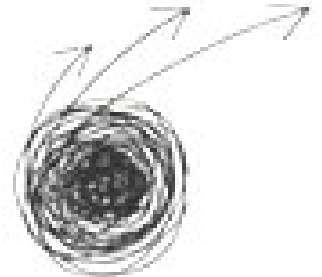




# Project Overview

***“Enhancing Access of the Poor to  
Microfinance Services in Frontier Areas”  
(TA 4544)***

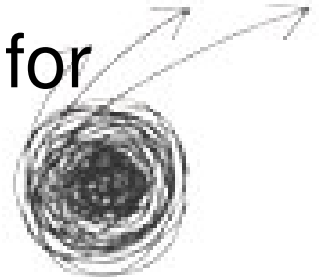
***National Anti-Poverty Commission (NAPC)  
Asian Development Bank (ADB)***





# Key Issues

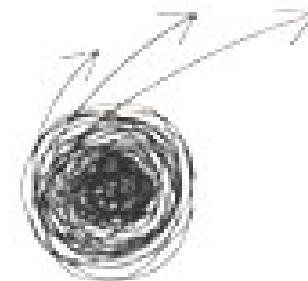
- Majority of poor households in the Philippines have no access to microfinance services
- **Government seeks to support the development and strengthening of microfinance services across all channels**
- Limited institutional capacity of MFIs
- **Limited outreach of microfinance services**
- Need to encourage new players and for existing MFIs to expand outreach





# Project Summary

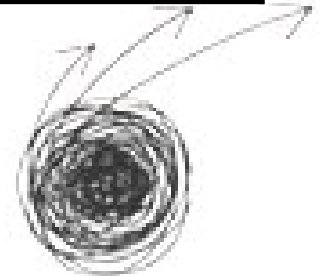
<b>Title:</b>	<b>Enhancing Access of the Poor to Microfinance Services in Frontier Areas</b>
<b>Implementing Agency:</b>	<b>National Anti-Poverty Commission</b>
<b>Project Funding:</b>	<b>Asian Development Bank</b>
<b>Budget Requirement:</b>	<b>\$357,000</b> <b>\$250,000 – ADB</b> <b>\$107,000 – GOP</b>
<b>Duration:</b>	<b>18 months</b>
<b>Consulting Requirement:</b>	<b>1 International Consultant</b> <b>2 Domestic Consultants</b>



# Output Indicators



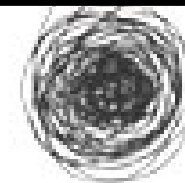
Outputs	Performance Indicators
<p>Microfinance training materials in English and local dialects for MFIs to support a consistent approach to sustainable, effective and efficient delivery of microfinance services.</p>	<p>Training materials disseminated through on-site training and mentoring of MFIs and distribution to resources centers, universities and other channels designated by NAPC.</p>
<p>MFIs trained in best practices for sustainable microfinance services for the poor.</p>	<p>15 MFIs and/or branches in frontier areas trained on-site by 2006 to provide sustainable microfinance services to the poor, 50% of staff trained are women.</p>
<p>Educational materials/pamphlets on microfinance in English and local dialects for the basic sectors in frontier areas.</p>	<p>Educational materials/pamphlets for the basic sectors distributed through seminars/workshops, MFIs, MCPI, LGUs, and NAPC website.</p>





# Output Indicators

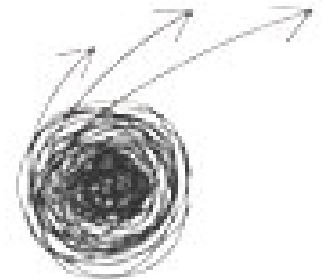
Outputs	Performance Indicators
<p>Seminars/workshops to increase knowledge and understanding of microfinance by poor/basic sectors in frontier areas.</p>	<p>Completion of seminars/workshops on microfinance by basic sectors in 30 frontier areas by 2006 to 3,000 participants.</p> <p>50% of participants in educational seminars are women</p>
<p>Report on NGO MFIs in frontier areas covering institutional needs, capacity, profitability and growth; client profile and utilization of funds; services offered; and linkages and impact of microfinance services on economic and community development.</p>	<p>Report on MFIs in frontier areas in 2005</p>
<p>NAPC database expanded to include MFIs data in frontier areas.</p>	<p>NAPC database expanded in 2005 to include MFI data in frontier areas.</p>



# Project Scope

## *The Technical Assistance provided:*

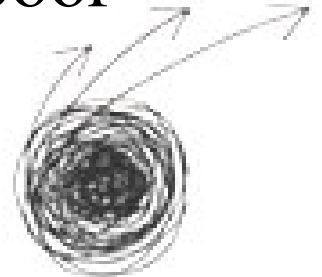
- Limited capacity building to MFI's located in identified frontier areas through on site training & mentoring and;
- Educational seminars on microfinance services for the poor and lower income groups.



# Frontier areas - defined

## *Municipalities and barangays with the ff. conditions:*

- Hard to reach or where access is a problem because of geographic locations (highlands or uplands);
- High poverty incidence and high magnitude of poor families;
- Areas that lack access to other basic services and infrastructure facilities;
- Areas where the saturation rate of MF services is very low (ratio of potential poor household vs. actual number of clients reached in a given area.)



# TA 4544 in 3 Phases

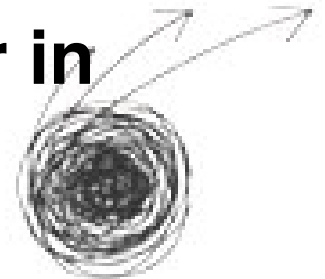


**1. Field survey in frontier areas of MFIs and basic sectors**

**2. Analysis of survey results**

- *Selection of MFIs for on-site training and mentoring*
- *Development of training materials for MFIs*
- *Development of educational materials*

**3. Training and on-site mentoring of selected MFIs and seminars/workshops for the poor in frontier areas**

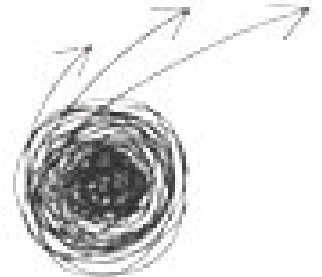


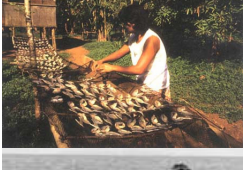
# Results of Phase I



## MFI Survey

- **53 MFIs nationwide**
- **3 priority frontier regions in Luzon, 3 in Visayas, 5 in Mindanao**
- **16 NGOs, 18 cooperatives, 19 rural banks**



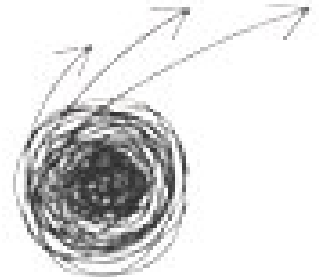


## Client Survey

- 424 respondents (8 clients from each of the 53 MFIs)

## FGD

- 39 BS representatives
- 11 sectors



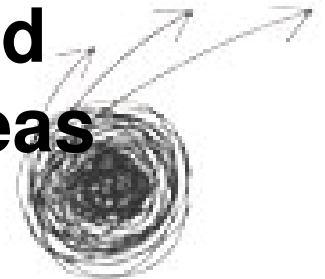
# Results of Phase II

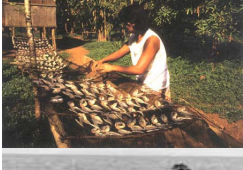
## Analysis of Survey Results

- **MFI Survey – report completed and submitted**
- **Client Survey – report in the process of completion**

## Selection of MFIs for OTM

- **15 MFIs out of 53 surveyed based on outreach, portfolio quality, number of savers, governance, presence and potential to expand in frontier areas**



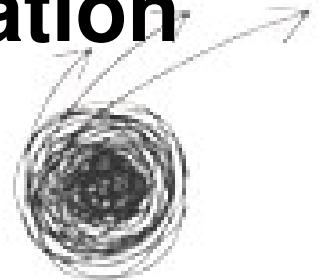


## Dev't of MFI Training Matl's

- PESO (Uniform Set of Performance Standards for MFIs) as point of entry

## Dev't of Educational Matl's

- Official documents from various institutions on understanding, direction, strategy and legislation on microfinance

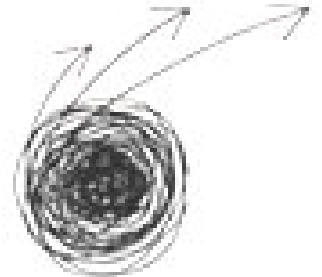




## Results of Phase III

### On Site Training and Mentoring (OTM) for Selected MFIs

- **29 MFI units provided with limited on site training and mentoring**
  - *Introductory meetings (BOD, senior management and microfinance staff)*
  - *User's training on the PESO*
  - *Direct mentoring guided by results of PESO rating*
  - *Exit meeting*

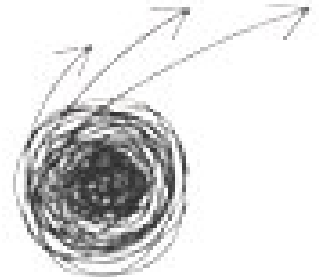


<b>MFI</b>	<b>Units Trained</b>	<b>Meetings, Seminars &amp; Workshops Conducted</b>	<b>Combined # of Participants</b>
<b>COOPERATIVES</b>			
1. Tam-an MPC	7	4	41
2. Sinpangabong MPC	1	4	39
3. St. Vincent MPC	2	4	37
4. Basud Dev't Cooperative	1	7	71
<b>NGOs</b>			
1. SACRED	2	5	47
2. FCB Foundation	1	4	26
3. SEKAP	2	5	38
<b>RURAL BANKS</b>			
1. Green Bank of CARAGA	2	9	77
2. RB Lebak	1	5	52
3. RB Cantilan	9	5	69
4. RB Tacurong	1	4	35
<b>TOTAL</b>	<b>29</b>	<b>56</b>	<b>532</b>



# Microfinance Seminars for the Basic Sectors

- **20 seminars totaling 3,300 participants**
  - *Overview of Philippine Microfinance*
  - *Rights and Obligations of Clients*
  - *MFI Products and Services*



<b>MFI</b>	<b># of Conducts</b>	<b># of Participants</b>	<b># of Barangays</b>	<b>% Male</b>	<b>% Female</b>	<b>% Clients</b>	<b>% Non- clients</b>
<b>COOPERATIVES</b>							
1. Sinpangabong MPC	1	155	36	12.90	87.10	97.42	2.58
2. Tam-an MPC	1	349	115	10.32	89.68	98.85	0.86
3. TRD Cooperative*	2	280	57	20.36	79.64	97.14	2.86
3. St. Vincent MPC	1	202	33	21.78	78.22	45.05	54.95
4. Basud Dev't Cooperative	1	157	80	8.28	91.72	89.17	10.83
<b>NGOs</b>							
1. SEKAP	2	312	75	6.40	93.60	87.82	12.18
2. SACRED	2	300					
3. SEDP*	1	103	81	7.77	92.23	87.38	12.62
4. FCB Foundation	1	129	70	8.53	91.47	97.67	2.33
<b>RURAL BANKS</b>							
1. RB Cantilan	2	308	71	13.96	86.04	88.96	11.04
2. RB Lebak	1	250	14	20.00	80.00	6.00	94.00
3. Green Bank of CARAGA	2	307	143	12.05	87.95	100.00	0.00
4. RB Tacurong	1	146	27	10.27	89.73	95.21	4.79
5. 1 <sup>st</sup> Midland RB*	2	306	37	18.95	81.05	70.26	29.74
<b>TOTAL</b>	<b>20</b>	<b>3,304</b>	<b>839</b>	<b>13.68</b>	<b>86.32</b>	<b>80.86</b>	<b>19.14</b>

\*Off site seminars

	Inclusive Activities	Remarks/Status
<b>PHASE 1</b>		
1. MFI Survey	<i>Design of survey instrument</i>	Done
	<i>Field survey</i>	Done
2. Clients Survey	<i>Design of survey instrument</i>	Done
	<i>Field survey</i>	Done
<b>PHASE 2</b>		
1. MFI Survey	<i>Written analysis</i>	Done
2. Clients Survey	<i>Written analysis</i>	In-Progress
3. Training Materials-MFI	<i>Design &amp; Development of PESO Training Materials</i>	Done
4. Educational Materials-BSS	<i>Design &amp; Development of Educational Materials</i>	Done
<b>PHASE 3</b>		
1. Onsite Training/Mentoring	<i>Provided training and mentoring to 29 MFI units</i>	Done. Exceeded 15 MFI unit target
	<i>PESO rating per MFI</i>	Done.
	<i>Written Final Activity Report per MFI</i>	Done
2. Basic Sector Seminar	<i>Conducted 20 MF educational seminars attended by 3,300 participants</i>	Done. Exceeded 3,000 participant target

# Final Activities



- **Presentation of OTM Findings to PESO TWG**
- **Presentation and updates to ADB**
- **Presentation and updates to NAPC**
- **Final Presentation of TA Results and Experiences**
- **Submission of Final Report**

