

# FOCUS GROUP DISCUSSION OUTPUTS



***Andrea S. Alforte***  
***NAPC-Microfinance Unit***

Non-clients'  
Experiences in  
Accessing  
Microfinance  
Services

# PRESENTATION OUTLINE

- FGD Objectives
- Design and Structure
- Participants
- Discussion Coverage
- Results

# OBJECTIVES

- Discuss non-clients' understanding of microfinance
- Identify specific issues, concerns and problems in accessing microfinance services
- Discuss the requirements of Basic Sectors in so far as Business Development Services is concerned
- Recommend possible interventions to address needs/concerns and problems in expanding microfinance service delivery to Basic Sectors

# DESIGN and STRUCTURE

- 3 FGD workshops were conducted with a maximum of 15 non-client participants from the Basic Sectors
- A facilitator was responsible for administering the workshop proper
- Metaplanning was used to facilitate documentation of responses
- A 2-hour limit was set for each workshop

# PARTICIPANTS

- 39 Basic Sector representatives who are non-clients of MFIs
- 11 Sectors
- 15 Regions
- 34 Organizations

# DISCUSSION COVERAGE

- MF Awareness and Access
- Income Sources
- Microenterprise Activities
- Loan Sources
- Savings
- Business Opportunities and Training Needs

# FGD RESULTS



# Understanding of Microfinance

## DISCUSSION AREAS

**MF Awareness and Access**

Income Sources

Microenterprise Activities

Loan Sources

Savings

Training Needs

**lending**

**ME financing**

MF = government program

✓ **CHEAP**

✗ **HIGH INTEREST**

# Awareness of Microfinance Services

## DISCUSSION AREAS

**MF Awareness and Access**

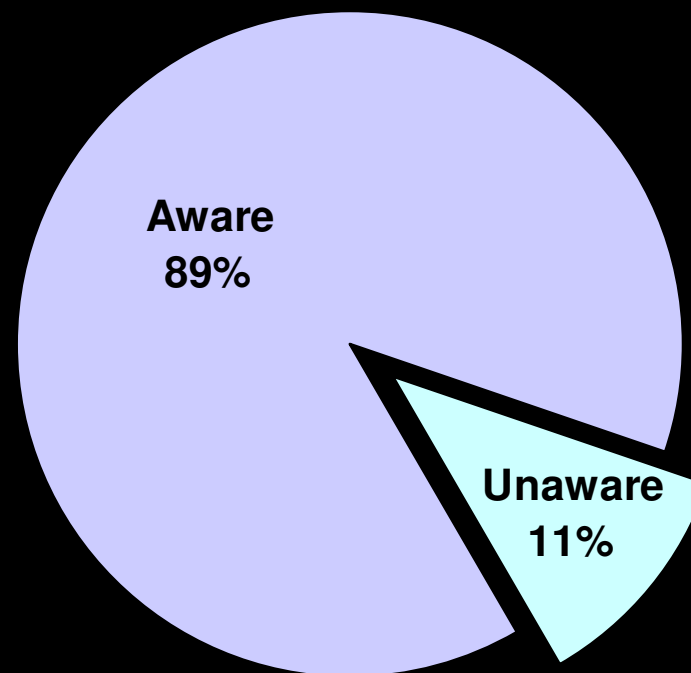
**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**



# Sources of Information on MF

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Government institutions
- Members of organization
- Community members
- Media
- MF clients

# Improving Microfinance Access

## DISCUSSION AREAS

### MF Awareness and Access

Income Sources

Microenterprise Activities

Loan Sources

Savings

Training Needs

- Less stringent MFI requirements
- Info dissemination at barangay level
- Media campaign
- Capacity building for MFIs and clients
- Expansion of MFI operations

# Common Sources of Income

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Farming
- Fishing
- Livestock production
- Cottage industries
- Vending
- Petty trading
- Services delivery
- Employment

# Microenterprise Operation Experience

## DISCUSSION AREAS

**MF Awareness and Access**

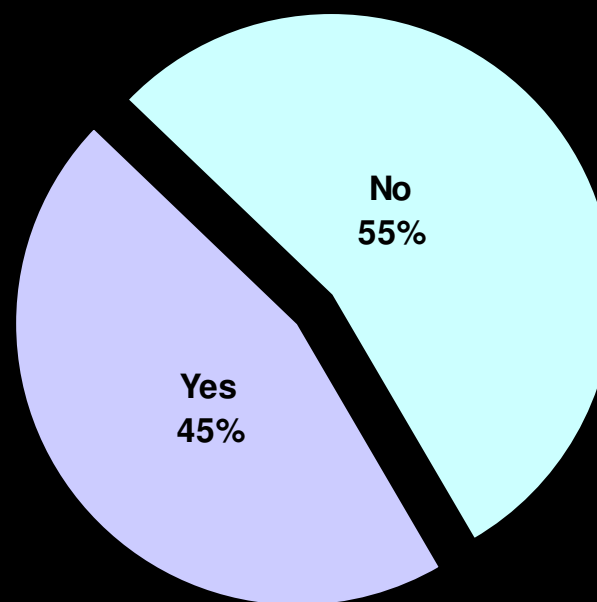
**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**



# Constraints in Microenterprise Operation

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Lack of working capital
- High cost of inputs
- Market price fluctuations
- Strict competition
- Lack of enterprising skills

# *Reasons for Not Engaging in ME*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- No seed capital
- No enterprising skills
- Full-time employment
- Cultural factors

# Sources of Loans

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Cooperatives
- Rural Banks
- GFIs/Gov't Agencies
- NGOs
- 5/6
- Relatives

# *Loan Purpose*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Working capital
- Education
- Loan repayment
- Hospitalization
- Emergency situation
- Special Occasion

# *Borrowed from Formal Sources*

## DISCUSSION AREAS

**MF Awareness and Access**

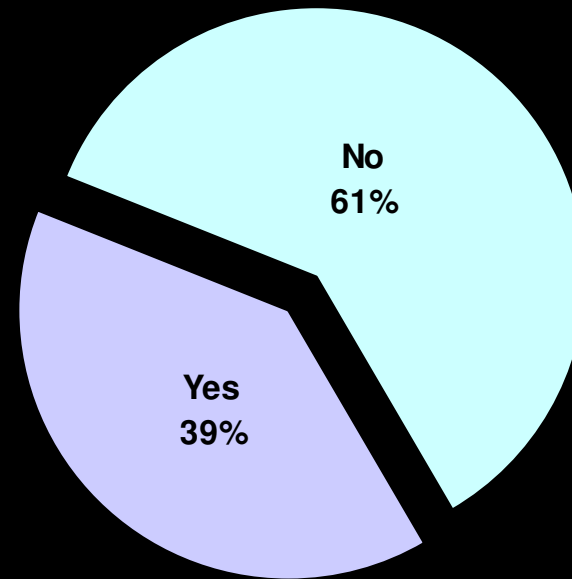
**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**



# *Reason for Not Borrowing*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Long process
- Stringent requirement
- Not qualified
- Collateral requirement
- High interest rate
- Payment terms
- No need

# Presence of Savings

## DISCUSSION AREAS

**MF Awareness and Access**

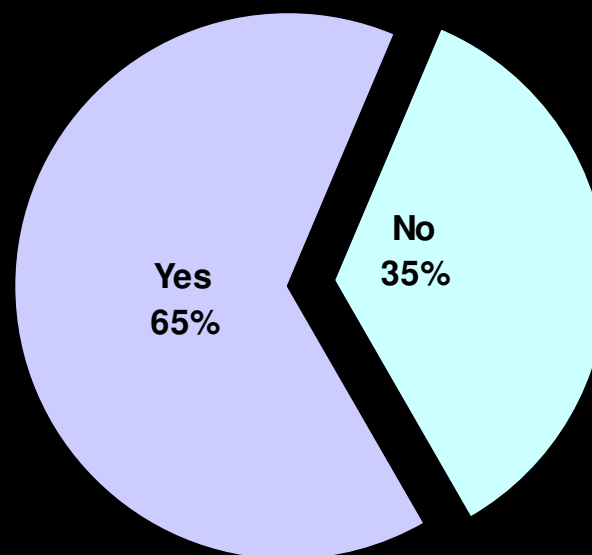
**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**



# *Where kept*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- **Banks**
- **Cooperatives**
- **BSRP**
- **Investments**
- **Coin bank**

# *Business opportunities*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Aquaculture
- Livestock production
- Farming
- Business franchise
- Cellphone load
- Eco-tourism & travel
- VCO
- Network marketing
- Lending

# *Training needs*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- **Marketing**
- **Management**
- **Quality control**
- **Product development**
- **Computer operation**
- **Process technology**
- **Financial management**

# *Support services*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- Financial assistance
- Resource identification
- Product transport
- Market linkaging
- Product promotion

# *Expected service providers*

## DISCUSSION AREAS

**MF Awareness and Access**

**Income Sources**

**Microenterprise Activities**

**Loan Sources**

**Savings**

**Training Needs**

- **NGA's**
- **LGU's**
- **Donors**

# CONCLUSIONS



- Microfinance is understood as lending and microenterprise financing
- Access to microfinance can be improved thru capacity building of MFIs and potential clients
- Lack of working capital is a major constraint to microenterprise operations
- Loan sources include formal and informal providers

- Stringent requirements of formal financial institutions stir a continuing dependence on informal loan sources
- There is capacity to save whether in formal or informal arrangements, except for those with very low incomes
- There is willingness to put up businesses based on existing opportunities which can be better enhanced by the provision of training and support services