

Micro-finance project

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Following the rescue and recovery efforts, it is now time for long-term mitigation and rehabilitation. Various programs have been evaluated and a micro-financing program is one of the most promising options that came up as a means of helping people to rebuild their lives and livelihood.

In order to do the assessment for the micro-finance project, a trip was carried out to Than Date village, Dedaye on 05 October.

Location: Than Date village, Dedaye Township

Loan Amount: 2,800,000 kyats (700,000 kyats for each member)

Time frame: October 2008 to January 2010 (16 months)

Type of business: Shop keeping (grocery, housewares, accessories, etc)

A group of four female shopkeepers were being formed for the collateral loans. They were very interested in getting short-term loans at affordable rates in order purchase additional inventory for their shops. They lost their investment capital due to expenses for repairing their houses after the cyclone. It was very difficult for them to get the capital necessary to restart their business and provide supplies to their customers. They have agreed that if one member is unable to provide interest or repay it, the remaining members are responsible to fill the funding gap.

An agreement will be made between the parties (who provided loans and received loans) in front of a lawyer. The following is the proposed repayment plan for each member.

Repayment Plan
Interest (4%)
Loan Repayment

end October 2008
28,000.00

end November 2008
28,000.00

end December 2008
28,000.00

end January 2009
28,000.00

end February 2009
28,000.00

end March 2009
28,000.00

end April 2009
25,200.00
70,000.00

end May 2009
22,400.00
70,000.00

end June 2009
19,600.00
70,000.00

end July 2009
16,800.00
70,000.00

end August 2009
14,000.00
70,000.00

end September 2009
11,200.00
70,000.00

end October 2009
8,400.00
70,000.00

end November 2009
5,600.00
70,000.00

end December 2009
2,800.00
70,000.00

end January 2010
0.00
70,000.00

294,000.00
700,000.00

The fixed Interest rate would be 3% or 4% (the actual rate will be established at the time of Agreement) and the interest and principal repayment would be monthly, as established in the Agreement. Because this area is located at the mouth of the ocean, the fisheries business is very successful. The fishermen from other places stop in this area regularly for the evening. These shop owners target these outsiders for their sales and provide the types of supplies they regularly request. The purchasing power of the local residents is very low.

The performance of the borrower to repay the loan will be assessed regularly and based on their performance, the interest rate, if appropriate, shall be determined.

Loan Repayment:

Loan repayment will be ensured in the following manner:

- All loan repayments will be made at the regular visits of loan collector.
- The information regarding the loan repayments will be recorded in a sheet called Collection Sheet. The sheet will contain information regarding borrowers group, center, borrowers' name and number (each borrower will be assigned a number), purpose of loans, repayment records and the cumulative amount of repayments up to a specific date (the day of the visit), amount due and recovered against actual due as per recovery method and actually paid, etc.
- The collection sheet will also be used for source document for accounting. After posting in the book the form will be returned to the Loan Collector for use in the next visit.

Once the loan has been repaid in full, all the of interest received, as well as the original principal, shall be donated for the welfare of the village. These funds will be expended on either general welfare needs or educational supplies, depending upon the greatest need at that time.

The current proposal would be building a cement cistern to store rain water for the next season in the monastery compound.

From the visit, it was learned that that village was having difficulty maintaining a reliable drinking water supply. They have one fresh water pond which is no longer in good condition. The standing water supply is very salty now. As noted, the village is located at the mouth of the ocean and they use hand-pumped water which is very rusty. Before cyclone, they used water from a fresh water pond (100 sq.ft) in the village as well as the pond from the neighbouring village (300 sq.ft). Both ponds are no longer fresh due to salt water inundation this will become a more severe problem when the rain stops.

Ma Thida's shop

Ma Thida's video house (side business)

Ma Ohnmar's shop

Daw Saw Wai's tea shop

Daw Lone's shop

fresh water pond

currently not in good condition

Than Date village entrance

Temporary school

We have also planned a micro-financing for a group of farmers. They will be preparing a proposal for us. We have also reserved 1200000 kyats for them.

Plan after repayment

Currently, we are planning to provide education grants to students who would be unable to continue studying due to poverty. It could be either to elementary, high school through entering university. If there are other needs that arise, they will be prioritized based on community feedback.