

Enterprise Driven Local Economy, Myanmar

a social business programme of DRI



A DRI Enterprise Dev. Specialist imparting digital skills to residents of a village near Nay Pyi Taw

7 September 2020



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**Access to Capital for
Enterprises**

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MOTIVATION AND MISSION

After 30 years of work on livelihoods for the low income, small asset-holding households under various programmes without real and lasting impact, the leadership of DRI is convinced that a focus on “balance sheet” or business approach to small income earning activity and micro and small enterprise (MSE) development must constitute the core of livelihood intervention strategy. Such a strategy would additionally promote local economic growth and poverty alleviation as well as contribute to national level equitable economic growth.

We have configured and situated our core expertise in the context of critical needs of low-income families engaged in homestead-based small income earning activities and those at *the base of the pyramid* engaged in MSEs. Our intervention model and service lines are organised and delivered under our flagship “Enterprise-driven local economy programme”.

As a developing country organisation, we have full confidence in our intellectual capital, local knowledge and expertise to accomplish our visionary goals - in partnerships with financial institutions, government agencies and the international development community.

TARGET BENEFICIARY CLIENTS

The programme's target beneficiary client groups are:

- **Low income, small asset-holding rural households** who are generally engaged in homestead-based small income earning activities such as vegetable gardening, pig raising, cow and goat rearing, fish paste making, tailoring, etc. These households are often engaged in “livelihood group” based activities (see Annexe 1).
- **Micro and small enterprises** operating with small capital and employing 1 to 9 workers and 10 to 49 workers, respectively, in rural area (farmers and non-farm micro enterprises) and small urban towns (non-farm MSEs)

CAPACITY DEVELOPMENT FOCUS OF THE PROGRAMME

Our development model's service lines are structured to meet capacity needs and **market demand** of our target clients. The focus is on capacity development, centred on:

- a. organisational and technical capacity of the beneficiary clients to access financial services at affordable cost; and
- b. acquiring essential accounting and financial management competency to operate their small business successfully.
- c. A suite of three mobile app enabled software applications are integrated to deliver technical services at low cost and to empower the clients with tools to operate their small business and group-based savings and loan scheme efficiently.

Figure 1. DRI's "enterprise-driven local economy" model

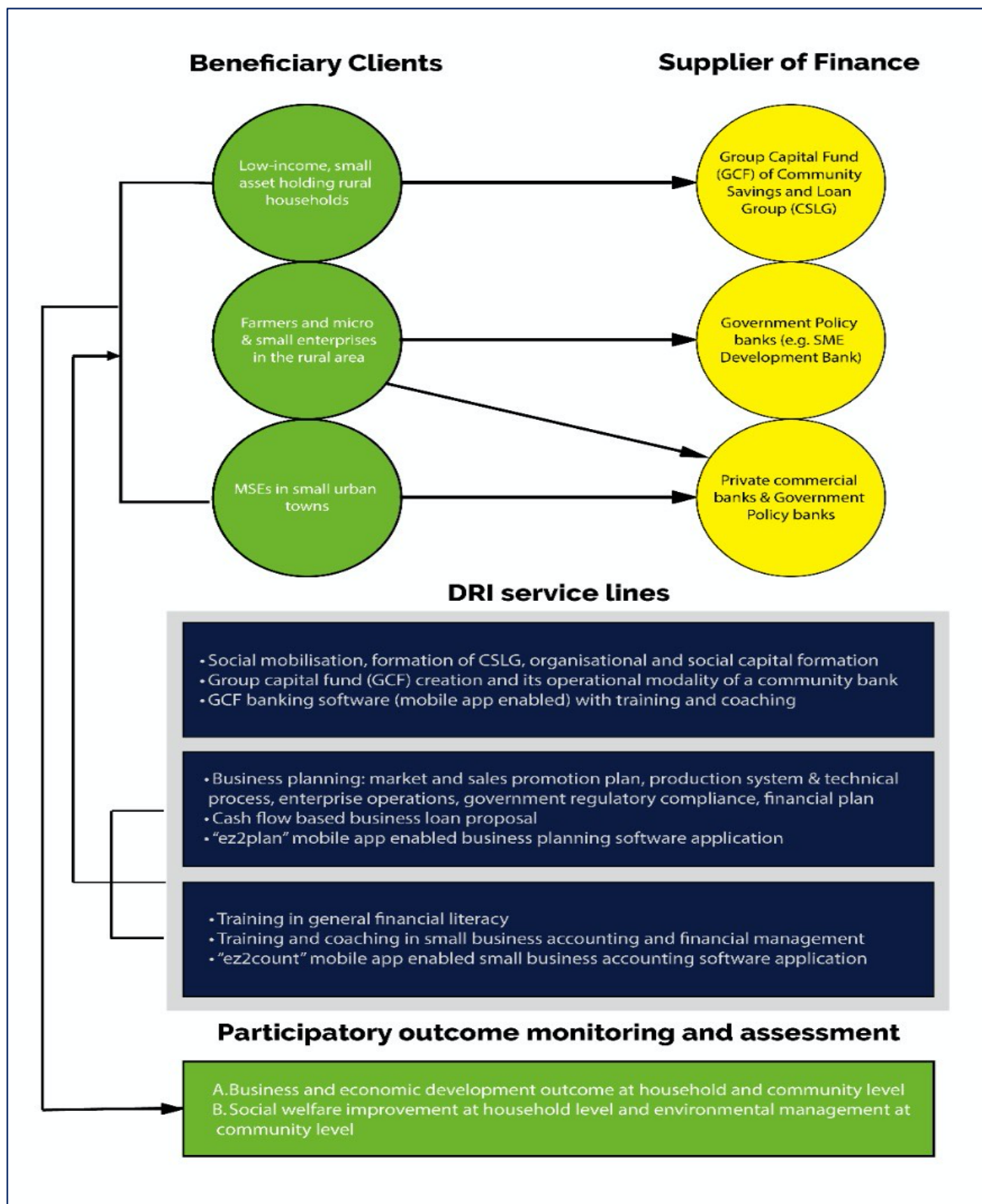
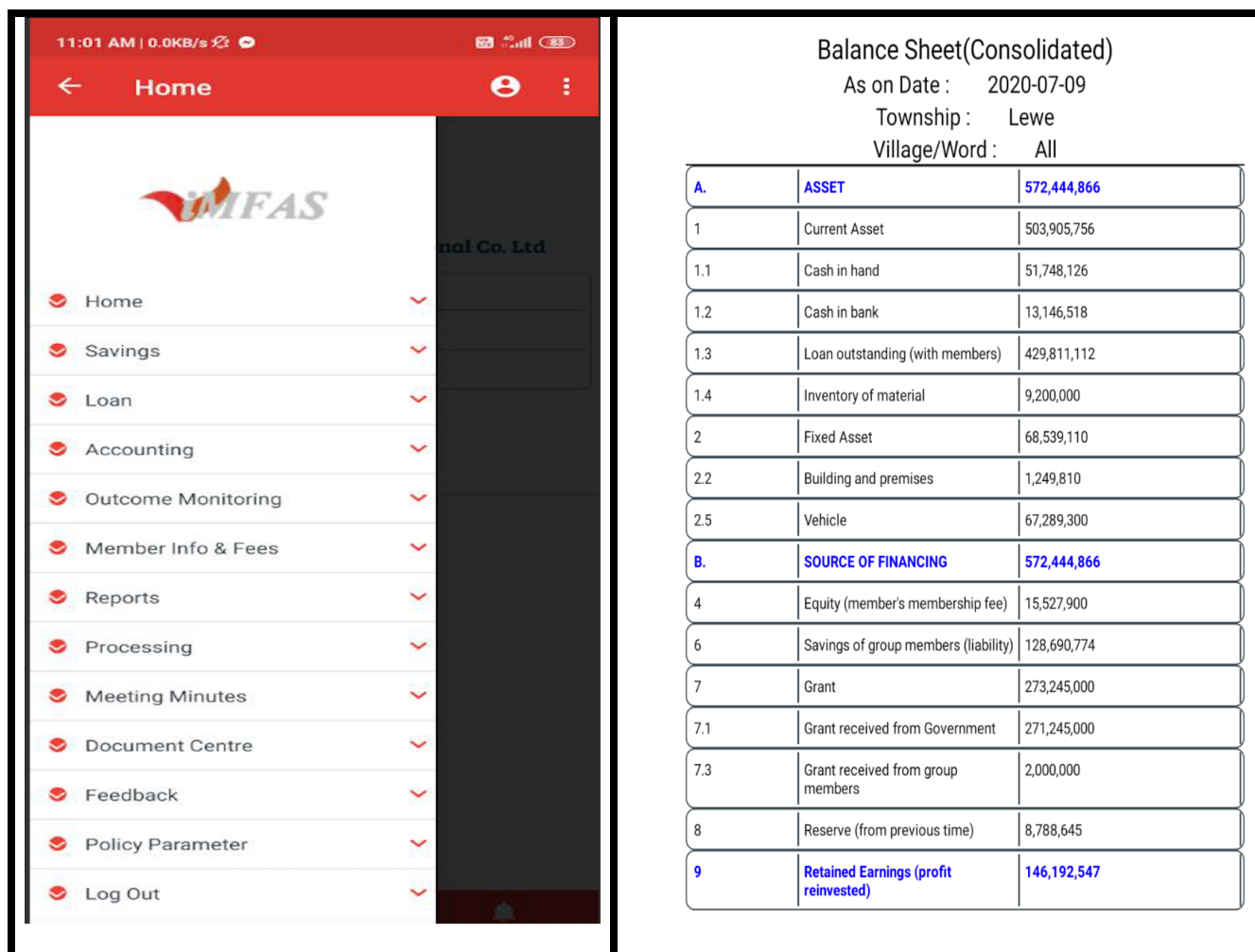


Figure 2. Screen shot of DRI's GCF banking software for operation of group capital fund of savings and loan group



TOOLS AND TECHNICAL PROCESSES FOR CAPACITY BUILDING

Capacity of the beneficiary clients to access and manage financial services at affordable cost are developed with the following tools and technical processes (depicted in Figure 1):

1. Business planning for business loan
2. Cash flow-based loan proposal
3. Training and coaching in small business accounting and financial management
4. These tools and processes are accomplished efficiently with a suite of three low-cost **mobile app enabled software applications:**

- "ez2plan" business planning software,
- "ez2count" small business accounting software and
- GCF banking software for operation of group capital fund (see 5 below).

5. Supply side of finance

On the supply side of finance, DRI services are extended to (i) develop capacity of the community savings and loan schemes and (ii) identify and negotiate with policy and commercial banks for responding to loan requirements of our MSE clients. This is accomplished in the following ways:

Capacity development of community savings and loan schemes

- a. Formation, registration and capacity building of community savings & loan groups

- b. Setting up of the CSLG's "group capital fund" (GCF) with five sources of funding:
 - membership fee (equity of members)
 - member savings
 - grant contribution from well-off village residents and government and donors
 - retained earnings (reinvestment of profit of GCF).
 - With maturity the groups are able to mobilise debt financing in the form of loan from commercial banks, microfinance institutions (MFIs), supplier credit for group business such as bulk procurement of agricultural inputs, farm equipment, etc.
- c. GCF banking software is provided by DRI to allow the CSLG management committee and members to manage their GCF banking transactions efficiently and transparently (see Figure 2).
- d. Bank financing. DRI does not provide financing; instead, we identify financing windows of policy and commercial banks for meeting debt financing needs of our clients. Our team develops comprehensive knowledge and information on banking financing facilities and their terms and conditions. This knowledge allows us to develop and structure business plans and loan proposals for our MSE clients. Proposals are developed for both unsecured and collateralised loans as per financial and asset background of the MSEs.

SOCIAL BUSINESS UNDERPINNING OF OUR SERVICE

DRI's social business is based on a business model that has feasible sources of revenue while the products and services are offered at a low unit price to the target beneficiary clients operating at the base of the pyramid.

Firstly, DRI teams are methodically trained in the programme subject matter and digital technologies. This allows for service delivery at low unit cost.

Secondly, the pricing model of our services and technology products is structured in a way that the prices are commensurate with the low purchasing capacity of our clients. This pricing strategy also facilitates quick scaling up.

Presently, programme revenues are generated from the following sources:

- a. One-time "license fee" and monthly "user fee" from subscribers of DRI's suite of three mobile technology enabled software applications: (a) GCF banking software, (b) "ez2plan" business planning software and (c) "ez2count" small accounting software.
- b. Service fee from MSEs clients who have effective demand for business plan and loan application preparation and packaging for submission to commercial banks for loan financing. Implementation and business progress of this service line has been temporarily interrupted due to the Covid-19 crisis since end of March 2020.
- c. The above fees allow DRI to cover its training and implementation cost as well as to make a margin for reinvestment in the balance sheet.
- d. Implementation and business progress of above plus ez2count has been temporary slowed down due to the Covid-19 lockdown since 23 March 2020.
- e. The other source of revenue is the fee generated from consulting and downstream project implementation service.

POLICY AND PROGRAMMATIC FEEDBACK

Implementation of our "Enterprise Driven Local Economy" programme generates both time-series and cross-section (across different income and asset groups and geographical area) data and information on financials of CSLG group capital fund, members' savings and loan and repayment behaviour, individual household and MSE business activities by gender, lines of business and sector/sub-sector; their financing strategy and their debt repayment

behaviour. We are in the process of capturing these sets of data and information in a cloud database (MongoDB) that has been developed in cooperation with its software development partners. We use data analytics tools like Tableau or simple Excel Pivot Table function to analyse these data series and produce policy and programmatic reports. Such analytical reports are prepared by our senior experts and associates who have a track record of working with senior government policy makers in 30 developing countries and the international development community. They have accomplished outcome and impact assessments of programmes and projects which are then further analysed to prepare policy briefs for upstream policy and programmatic discussions with government policy makers. The next section provides selected stories of accomplishments of our programme.

TRACTION

1. Village community savings and loan groups and their group capital fund

The tractive force of our programme is substantiated by its implementation progress. As of 20th July 2020, we have successfully developed technical capacity of over 500 rural community savings and loan groups at five townships under the Nay Pyi Taw Capital Territory. Additionally, together with previously formed groups a total of 880 group capital fund (GCF) accounts have been inducted in the GCF banking software. Evidence of the utility of this system is provided by the willingness of the village groups to pay monthly user fee for using the banking software application following training by DRI's community engagement teams.

We have completed market feasibility of implementing the model in other regions and states in Myanmar where there are active community groups willing to develop and transform their GCF into their own "community bank".

2. Business plan and cash flow-based loan proposal

DRI Enterprise Development Specialist teams have assisted 297 members in preparing their business plans and cash flow-based loan proposals for securing loan from their group's GCF. The sectoral distribution of the lines of these 297 businesses are shown in Table 1 while the list of business plans by gender is presented in Table 2. Annex 1 has details on the lines of business related to the 343 business plans.

Table 1. Business plans and loan proposals of 343 rural producers in rural Nay Pyi Taw

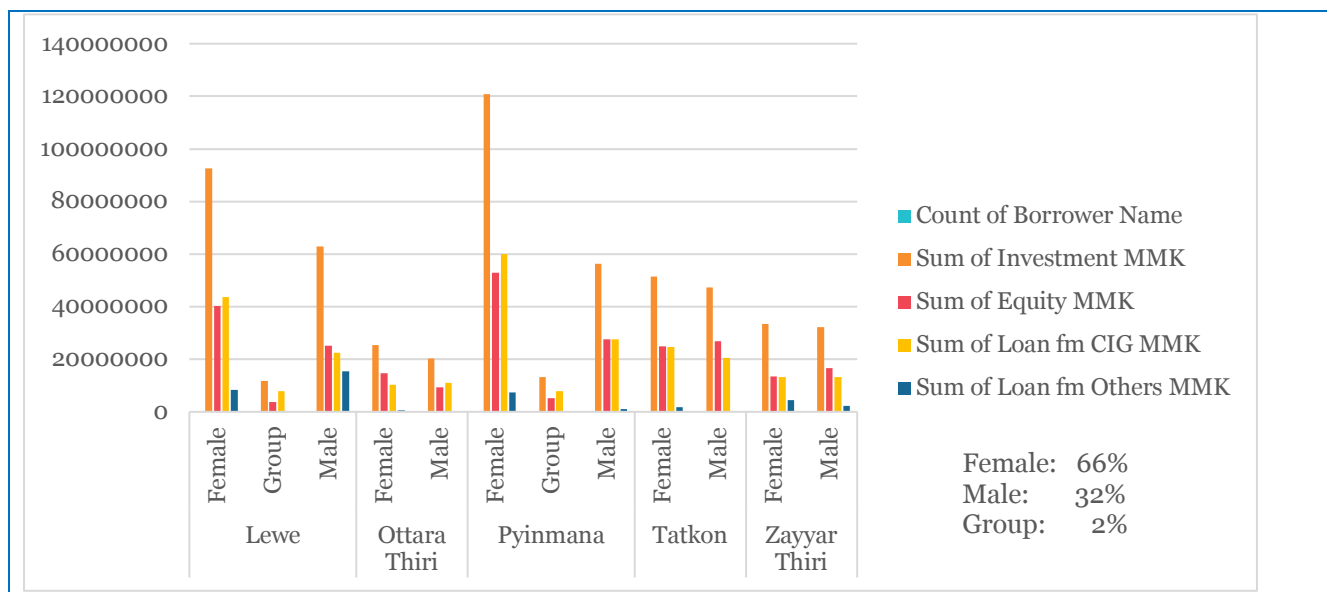
Line of Business by Sector	Total Investment			Source of Financing		
		MMK	%	Equity	Loan from CIG	Loan from Others
Agriculture (farming)	43	87,152,000	15.4%	45,491,500	32,190,000	9,470,500
Hotel and restaurant	2	2,324,000	0.4%	994,000	1,330,000	-
Livestock	181	254,226,100	44.8%	104,625,100	131,410,000	17,691,000
Manufacturing	23	51,517,500	9.1%	19,047,500	20,470,000	10,000,000
Professional service	6	15,618,500	2.8%	8,778,500	5,670,000	500,000
Trade & commerce	88	156,755,300	27.6%	81,655,300	71,600,000	3,500,000
Grand Total	343	567,593,400	100.0%	260,591,900	262,670,000	41,161,500

Table 2. Investment and source of financing of the 343 business plans, by gender

Gender	# of Members	Investment MMK	%	Equity MMK	Loan from CIG MMK	Loan from Others MMK
Female	227	323,504,900	55.6%	146,256,400	151,703,000	22,375,500
Group business	7	24,935,100	5.0%	9,005,100	15,930,000	-
Male	109	219,153,400	39.3%	105,330,400	95,037,000	18,786,000
Grand Total	343	567,593,400	100%	260,591,900	262,670,000	41,161,500

Note: MMK (Myanmar Kyat) 1400 = USD 1.00

Figure 3. Business plans and loan proposals of the 343 villagers by gender (as of 31Aug 2020)



Note: Group refers to a business undertaking by the entire CSLG group.

Table 3. MSEs that have had access to commercial bank with DRI support, as of 31Aug 2020

Location: Township	Sector	Line of business	Gender	Investment (in MMK '000)			Loan term	
				Total	Equity	Bank Loan	Term	Payment
Yamethin	Trading	Rice Trading	Female	32,820	12,820	20,000	12 m	Qrtly
Yamethin	Trading	Rice Trading	Female	16,900	9,900	7,000	12 m	Qrtly
Yamethin	Processing	Tamarind process	Female	21,573	11,573	10,000	12 m	Qrtly
Yamethin	Processing	Tamarind process	Female	23,900	13,900	10,000	12 m	Qrtly
Yamethin	Processing	Tamarind process	Male	25,000	15,000	10,000	12 m	Qrtly
Yamethin	Processing	Rice mill & agric. input trading	Male	35,760	15,760	10,000	12 m	Qrtly
Yamethin	Processing	Rice mill; rice trade	Male	22,000	12,000	10,000	12 m	Qrtly
Yamethin	Processing	Rice mill; rice trade	Female	21,800	6,800	15,000	12 m	Qrtly
Tat Kone	Manufacturing; trading	Concrete pole factory; construction material shop	Male	56,080	36,080	30,000	12 m	Monthly

Source: DRI MSE database, as of 14 July 2020. MMK 1400 = USD 1.00

3. Micro and small enterprises connected to commercial banks

Connecting MSEs to commercial banks is the most challenging aspect of DRI's social business. While we are able to resolve the capacity constraint of MSEs for preparation of business plan and loan proposal, the financial institutions are generally reluctant to take exposure on the MSEs in both urban and rural areas because the MSE's loan size is too small and they do not have the type of collateral acceptable to the commercial banks. SME loans are generally provided on collateral basis and loan facilities backed by credit guarantee insurance (CGI) are still new to the banks and sponsoring insurance companies have administrative procedures that are often difficult for MSEs to manage.

Nonetheless, as a pilot, DRI has instituted a back-to-back collateral with supportive letter of agreement between DRI and the client, to cover risk exposure of a commercial bank (A Bank Ltd) to extend loans to our MSE clients as shown in Table 3 above. This was the first time that a Myanmar private commercial bank extended loans to MSEs in the rural area.

Unfortunately, the Covid-19 crisis has led to temporary interruption of this special loan facility of the bank.

This case demonstrates that with innovative instruments and mechanisms, pilot initiatives can yield high impact outcome which can then be shared with the government for appropriate policy and programmatic response for scaling up unsecured financing to the MSE sector.

4. Training and coaching

DRI has instituted a structured knowledgebase on the subject matter comprising community-driven livelihoods, social mobilisation for community savings and loan group formation, technical tools and processes for CSLG group capital fund operating procedure, knowledge of the domestic financial sector, business planning and small business accounting and financial management system. The knowledge is now explicated in the form of three sets of documentation:

- **Guidelines** – which constitutes knowledge content in structured format amenable to developing training manuals and user guides
- **Training Manuals** – which are used for training our team members made up of community development officers (CDOs), enterprise development specialists (EDS) and livelihood experts.
- **User Guides** – which are further simplified brief guidance notes for the beneficiary clients including CSLG members and individual MSEs who may retain these for future reference following training imparted by DRI team members (EDS, CDOs, etc.)

Below is a list of subject matter on which the above set of documents have been prepared by DRI. These documents can be used and adapted to specific project assignments.

#	Subject matter	#	Subject matter
1	Formation of CSLG and management of GCF	2	GCF banking software
3	Business planning for farmers	4	Business planning for NFEs
5	Appraisal of biz plan & loan proposal	6	"ez2plan" mobile app enabled biz plan
7	General financial literacy	8	Small business accounting and finance
9	"ez2count" mobile app accounting software	10	Outcome monitoring and assessment
11	Market chain assessment	12	Supply chain assessment

PARTICIPATORY OUTCOME MONITORING AND ASSESSMENT

Participatory outcome monitoring is an integral part of the development model of DRI's enterprise-driven local economy programme. Outcome is assessed with respect to:

- a. Business and economic development outcome at household and community level
- b. Social welfare improvement at household level and environmental management at community level.

We have developed participatory monitoring tools including technology (mobile app) for CSLG members and individual MSEs who can report on their "base line" status and "end line" outcome. Data values can be provided with respect to seven indicators as per below. Our field experience has informed that outcome monitoring and assessment requires dedicated investment in resources, but the cost is considerably less than traditional monitoring and periodic assessments. Use of technology together with technical process are critical.

Outcome Indicators for: business and economic development

Individual CSLG members and MSEs enter data for base line and end line indicators

#	Outcome	Indicator
1	Entrepreneurship development	1.1 Participate actively in group meeting 1.2 Number of viable business plans prepared 1.3 Amount and date of money borrowed from GCF and bank 1.4 Timely repayment of debt or loan taken from the GCF 1.5 Number of repeat loans taken
2	Job creation	2.1 Number of full-time and part-time jobs created by the borrower
3	Biz Profit & Financial sustainability	3.1 Profit made or loss incurred from business 3.2 % of profit reinvested in their "enterprise" balance sheet
4	Capital accumulation	4.1 Increase in capital base over time in borrower's business balance sheet 4.2 Increase in total assets of borrower 4.3 Increase in net worth (total asset minus total liability) of borrower

Outcome Indicators for: Social welfare improvement

Changes in social and environmental outcome are recorded by borrower only at the completion of a loan cycle when loan amount is repaid or settled.

1	Health Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Change in or current status of overall health condition of family members. Mother and child health situation. Any serious disease of family member. Good and timely access to medical doctors, medical lab tests, able to afford to buy medicines. Reason for ill health.
2	Nutrition Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Change in or current status of nutritious diet. Improvement in nutrition of children and elderly person in family. Reason for poor health
3	Education Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Change in or current status of educational attainment of children in terms of moving up to higher standard or class. Quality of educational attainment on account of better teaching at school, private education at home, regular school attendance, etc.
	Functional literacy, skills Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Adult literacy attained. Attendance at community learning. Trade and industry as well as business management skills formation at present.
	Gender development Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Both women & men have good understanding and cooperation for family management and decision-making, jobs and business management. Both girls and boys have equal access to education and learning. Women and men participate with equal opportunity and effort in local community affairs
	Safety measures in business Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Good personal, occupational health safety measures at workplace. Hygiene and food safety measures adopted in business related to food processing, restaurant, etc. Protection measures for livelihood assets such as animal vaccination, safe storage of seeds, paddy, etc.
	Natural resources conservation and regeneration Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Conservation and mitigation measures adopted against depletion of natural assets like agricultural land, soil fertility, fishery resources, mangrove, etc. Adequate mitigation and protection measures against natural disasters such as floods, cyclones, etc.
	Environmental management Good <input type="checkbox"/> Bad <input type="checkbox"/> Moderate <input type="checkbox"/>	Proper disposal of garbage at home and at community level. Adequate awareness of environmental issues. Measures adopted for proper disposal of "industrial" waste and other pollutants including less use of plastic material.

OUR TEAM

Our team is optimally configured with expertise blending conceptual ability and rigorous operational capability. The team is composed of subject matter experts with background in rural economy, small urban economy, local economic development, small business management, accounting and finance, and banking and lease financing.

Presently, DRI has a full-time programme staffing strength of 21 professionals: 12 female and (57%) and 9 male members (43%). The DRI leadership has substantial working experience with local and global financial institutions, government agencies at national and local levels, donor agencies and private enterprises. The leadership has extensive working experience across 99 townships in Myanmar and 30 developing countries in the Asia-Pacific region, Central Asia and Africa.

Our **leadership team** is composed of a Managing Director, Kyaw Naing and Director, Shafique Rahman. Both are initiators and co-founders of DRI.

Kyaw Naing has extensive working experience with government officials at union, region/state and township levels; similar experience in dealing with multilateral development agencies such as UN agencies, World Bank and Asian Development Bank, International and national non-governmental organisations, civil society organisations, financial institutions and private sector.

Kyaw Naing is a graduate of Yezin Agricultural University, Myanmar. He has 20 years of experience in community-driven activities, village development planning, municipal planning and budgeting, rural livelihoods, community savings and loan schemes, and MSE development.

Shafique has 38 years of international experience with a track record of working in 30 developing countries in the Asia-Pacific region, Central Asia and Africa, in the areas of community-driven programmes, development planning and budgeting, banking and finance, and micro and small enterprises development. Shafique Rahman has 15 years of experience in Myanmar, mainly in the areas of community-driven development, livelihoods and social protection, recovery and reconstruction programme in the aftermath of natural disaster, development planning and budgeting, and development of micro, small and medium enterprises.

Shafique holds a Master of Science degree (1980) in Economics from the London School of Economics and Political Science, United Kingdom and Bachelor of Arts (Honours) in Economics (1978) from the University of Sussex, U.K., and Cambridge Secondary School Certificate (1975) from Sevenoaks School, Kent, UK.

Annexe 1. Small income earning activities of 343 CSLG members by line of business and sector in rural villages of five townships of Nay Pyi Taw Union Territory

Line of Business by Sector	Total Investment (MMK)		Source of Financing (in MMK)		
	MMK	%	Equity	Loan from CIG	Loan from Others
Agriculture (farming)	87,152,000	15.4%	45,491,500	32,190,000	9,470,500
Banana plantation	15,629,600		7,964,600	7,230,000	435,000
Certified seeds production (paddy)	16,330,000		8,690,000	5,300,000	2,340,000
Crop production (beans)	6,240,000		2,880,000	3,360,000	-
Crop production (chilli, maize)	10,702,400		6,262,400	2,660,000	1,780,000
Crop production (chilli)	2,889,000		2,389,000	500,000	-
Crop production (mushroom)	876,000		276,000	600,000	-
Crop production (paddy, peanut, sesame)	5,534,000		3,684,000	1,850,000	-
Crop production (paddy)	1,337,000		777,000	560,000	-
Crop production (paddy) & pig raising	3,874,000		1,154,500	400,000	2,319,500
Crop production (vegetables)	900,000		500,000	400,000	-
Crop production (vegetables) & pig raising	880,000		330,000	250,000	300,000
Eugenia planting	13,273,000		5,653,000	6,670,000	950,000
Flower growing (rose)	7,512,000		4,256,000	1,910,000	1,346,000
Horticulture (nursery, bamboo plant, other)	1,175,000		675,000	500,000	-
Hotel and restaurant	2,324,000	0.4%	994,000	1,330,000	-
Restaurant	2,324,000		994,000	1,330,000	-
Livestock	254,226,100	44.8%	104,625,100	131,410,000	17,691,000
Buffalo raising	28,748,000		13,106,000	7,460,000	8,182,000
Buffalo raising & pig raising	1,583,000		383,000	900,000	300,000
Buffalo raising & trading	3,711,000		1,051,000	2,660,000	-
Cow raising	108,563,000		43,923,000	56,355,000	7,785,000
Cow raising & trading	8,826,500		3,516,500	5,310,000	-
Cow raising and breeding	3,812,000		1,152,000	2,660,000	-
Goat raising	9,596,000		4,006,000	5,590,000	-
Pig raising	83,674,600		35,255,600	47,265,000	1,154,000
Pig raising & breeding	3,972,000		1,312,000	2,660,000	-
Pig raising & cattle rearing	1,740,000		920,000	550,000	270,000
Manufacturing & processing	51,517,500	9.1%	19,047,500	20,470,000	10,000,000
Bamboo tray making	2,155,000		715,000	1,440,000	-
Brick production, trading, transport service	9,220,000		1,070,000	2,650,000	3,500,000
Broom making	9,904,000		4,454,000	5,450,000	-
Broom making & pig raising	1,172,000		472,000	700,000	-
Broom making & raw material for broom trading	3,145,000		645,000	1,000,000	1,500,000
Furniture making	1,020,000		720,000	300,000	-
Hair processing	4,375,500		2,005,500	2,370,000	-
Manufacturing of garlic and onion	7,660,000		3,000,000	2,660,000	2,000,000
Milk production & trading	1,980,000		330,000	650,000	1,000,000
Processing of bean	661,000		301,000	360,000	-

Line of Business by Sector	Total Investment (MMK)		Source of Financing (in MMK)		
	MMK	%	Equity	Loan from CIG	Loan from Others
Rice mill	4,130,000		1,350,000	780,000	2,000,000
Tailoring	6,095,000		3,985,000	2,110,000	-
Professional service	15,618,500	2.8%	8,778,500	5,670,000	500,000
Computer service	7,338,000		5,218,000	1,620,000	500,000
Dentistry	740,000		240,000	500,000	-
Electronic accessories sale & computer training	4,737,000		1,417,000	2,650,000	-
Rental of tractor	1,287,500		887,500	400,000	-
Repairing of farm machinery	1,516,000		1,016,000	500,000	-
Trade and commerce	156,755,300	27.6%	81,655,300	71,600,000	3,500,000
Bamboo basket trading	440,000		240,000	200,000	-
Brick trading	1,645,000		1,145,000	500,000	-
Brick, sand & stone trading	5,540,000		4,180,000	1,360,000	-
Broom trading	2,580,000		1,730,000	850,000	-
Cane trading	515,000		215,000	300,000	-
Cattle trading	18,305,000		12,385,000	5,920,000	-
Charcoal trading	1,428,000		763,000	665,000	-
Clothes trading	3,605,000		1,725,000	1,880,000	-
Construction material trading	3,850,000		3,250,000	600,000	-
Dry fish trading	554,000		254,000	300,000	-
Fertiliser & pesticides trading	22,150,000		10,510,000	11,640,000	-
Fish paste & dry fish trading	2,652,000		1,792,000	860,000	-
General trading	3,035,500		1,375,500	1,660,000	-
Grocery store	42,992,000		20,402,000	21,340,000	1,250,000
Grocery store & cattle rearing	2,100,000		500,000	900,000	700,000
Grocery store & pig raising	2,436,000		1,171,000	1,265,000	-
Grocery vendor	8,031,800		3,531,800	3,550,000	950,000
Lottery sale	720,000		220,000	500,000	-
Mango trading	870,000		670,000	200,000	-
Motorbike accessories store & service	6,090,000		2,350,000	3,140,000	600,000
Paddy trading	1,252,000		812,000	440,000	-
Petroleum store	5,250,000		3,490,000	1,760,000	-
Pig trading	1,228,000		368,000	860,000	-
Raw material for broom trading	2,545,000		1,745,000	800,000	-
Retail store (clothing)	1,206,000		406,000	800,000	-
Rice trading	9,290,000		3,740,000	5,550,000	-
Snack store	945,000		545,000	400,000	-
Trading of rice	4,852,000		1,892,000	2,960,000	-
Waste material trading	648,000		248,000	400,000	-
Grand Total	567,593,400	100%	260,591,900	262,670,000	41,161,500

Note: ** MMK 1400 = USD 1.00

1. Other sources of loan are principally village money lender and microfinance institutions.
2. 45% of the investment demand is for livestock; 28% for trading related to livestock and farm produce, although retail trade assumes the largest proportion (45%) of total investment in the trade and commerce sector.
3. Investment demand for crop production is 15% but this does not reflect the true value of investment in crop production because a substantial number of farmers have accessed loans from the Myanmar Agricultural Development Bank to meet their farm investment requirement.
4. The investment demand preference of low-income households is a reflection of their investment preference when business planning tools are invoked by them for estimating uncertainty, risk and return on their small investment with equity and debt financing. With larger financing possibility in the form of unsecured loan from commercial banks, four to five MSEs in each village could be promoted with feasible business plans and cash flow-based loan proposals.