



Australian  
National  
University



VisionFund

World Vision



# 2022 Australasian AID Conference

How do we best serve the missing middle?  
Lessons from small business programs in  
Myanmar and Ghana

**Chair:** James Gordon

**Participants:** Matt Gamser; Jodi York; Clay O'Brien;  
Vincent Potier; Ratika Kathuria; Arpita Pal Agrawal



# Plan for today

1. **Dr James Gordon, ANU:** Introductions
2. **Dr Matt Gamser, IFC:** Setting the scene: Financing Small, Growing Business: The Challenge, and the Opportunity
3. **Dr Jodi York, ImpactAbility Solutions & Kilara Capital:** Investable deals and appropriate capital: How supply and demand leave a Missing Middle in SE Asia, and what might work instead
4. **Vincent Potier, WVA:** The case of the SGB/MMM project led by World Vision and VisionFund in Ghana and Myanmar
  1. Context for the project
  2. The three products offered
  3. Country circumstances impacting the project
  4. Monitoring and evaluation strategy
5. **Ratika Kathuria & Arpita Pal Agrawal, MCRIL:** Contributions to recent evaluations of WV programs by M-CRIL
6. **Clay O'Brien, WVA:** Lessons learned
  1. On coaching and on lending
  2. Sustainability and other issues for VisionFund
  3. Next steps for SGB lending
7. **Open discussion**



# Financing Small, Growing Business: The Challenge, and the Opportunity

Matthew Gamser  
CEO  
SME Finance Forum  
November 2022



# SME Finance Forum

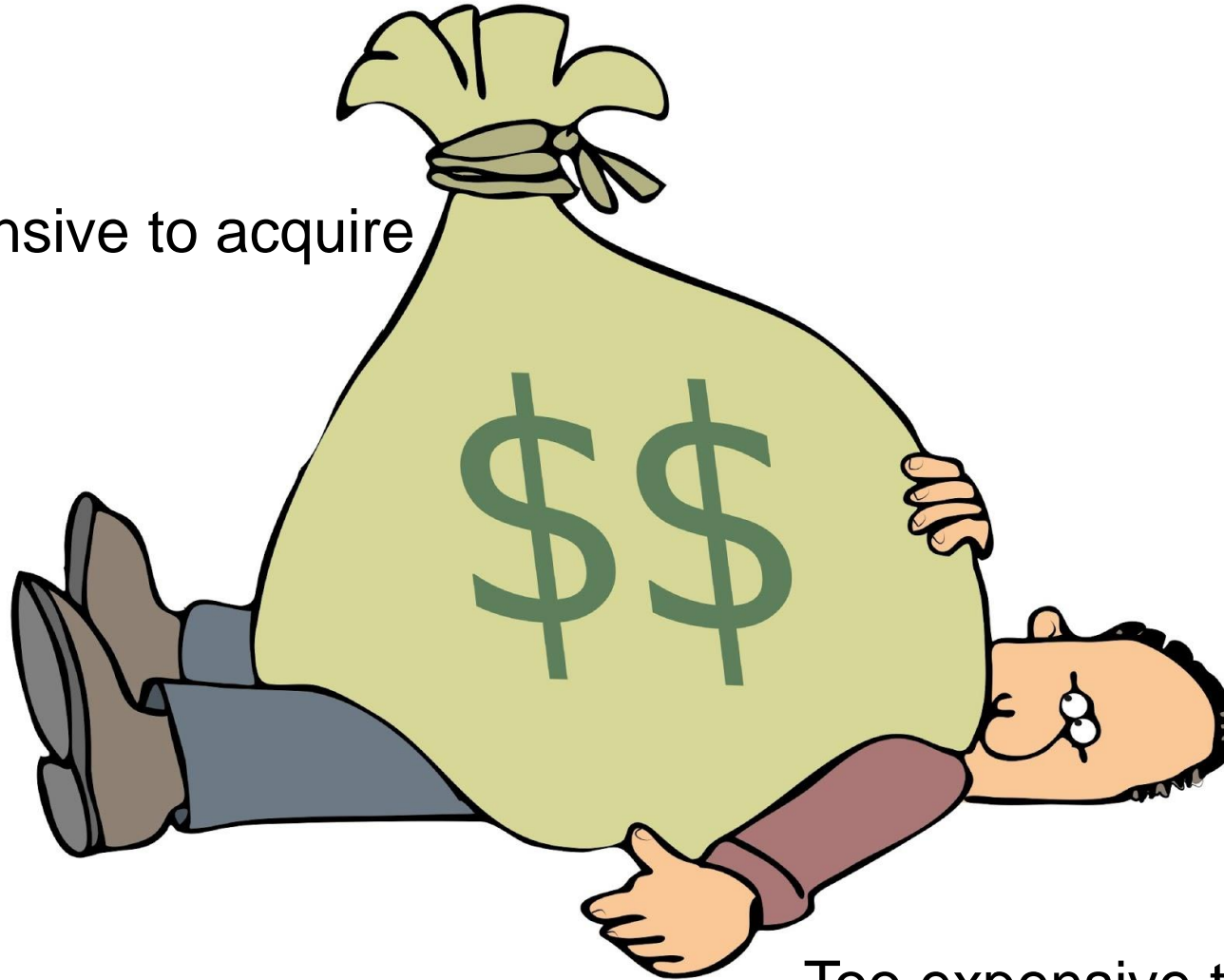
Convening 240+ members from 60+ countries, operating in 190+ countries sharing knowledge, spurring innovation in & promoting growth of SME financing.





# How SMEs look to bankers

Too expensive to acquire

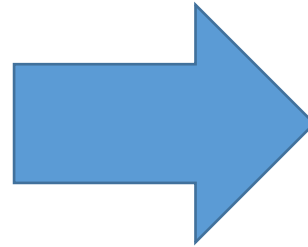
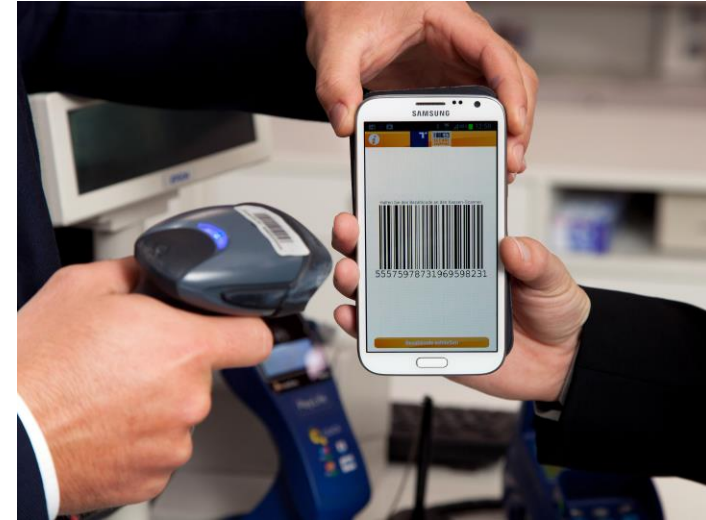


Too expensive to serve

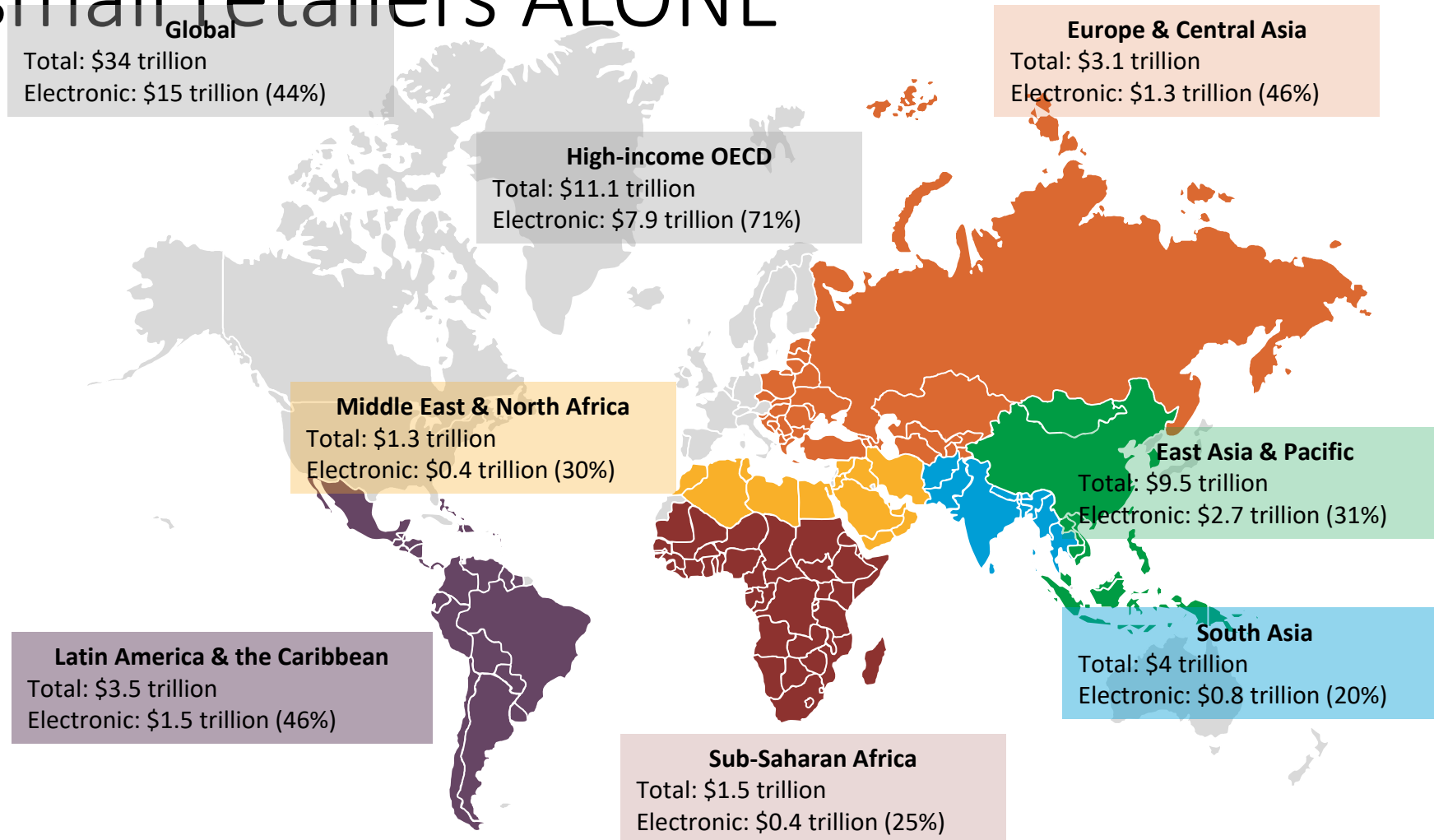




# WHAT IS CHANGING THE GAME?



# \$19 trillion in cash transactions by small retailers ALONE







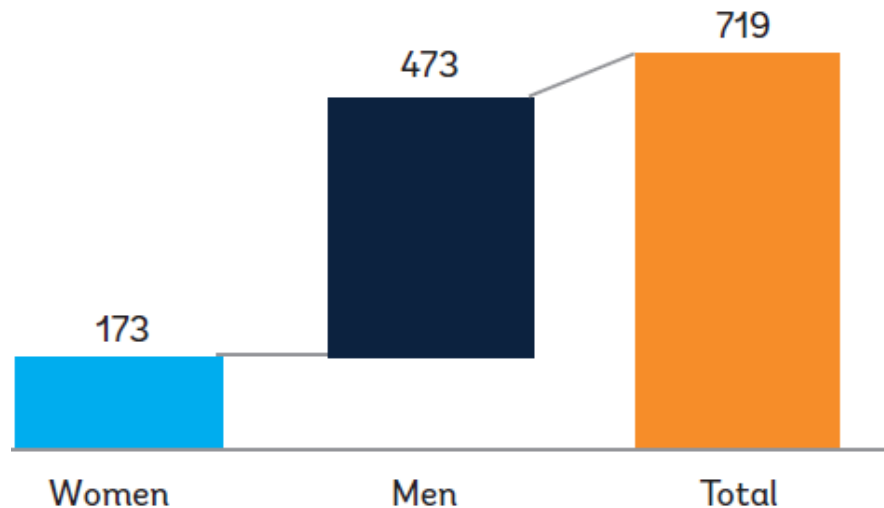
# OLD APPROACH --- BIG GAP

MSME Finance Gap, US\$ trillions

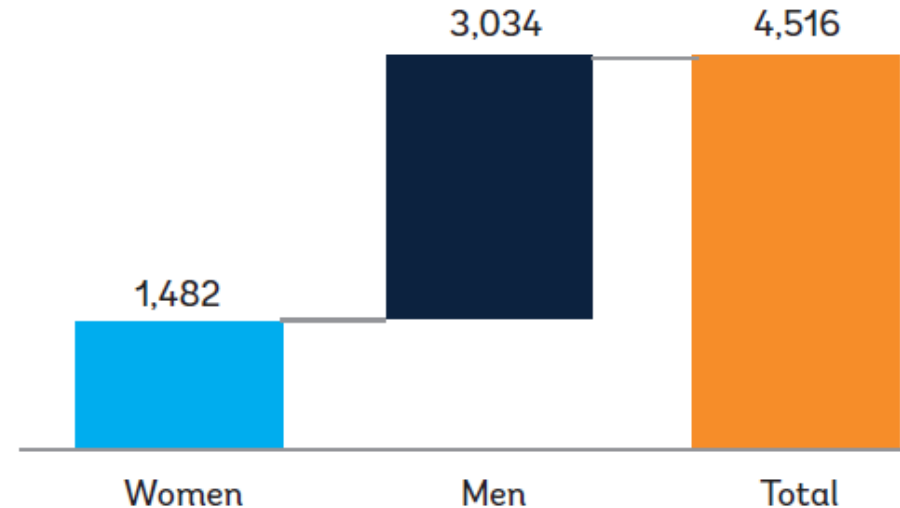


- Women-owned businesses comprise 28 percent of business establishments and account for 32 percent of the MSME finance gap
- The total MSME finance gap for women is estimated to be valued at \$1.7 trillion, which is over 6 percent of total GDP

Microenterprise Finance Gap, US\$ billions



SME Finance Gap, US\$ billions



# Myanmar and Ghana

- Myanmar
  - 13,000 formal MSMEs (no good government statistics)
  - Financing Gap (2016) - \$13.8 Billion
  - Over 21% of GDP
  - Women's Gap - \$2.9 Billion
- Ghana
  - 2.2 Million MSMEs (formal)
  - Financing Gap (2016) - \$5 Billion
  - Over 13 % of GDP
  - Women's Gap - \$242 Million





# Accelerating finance for businesses

[www.smefinanceforum.org](http://www.smefinanceforum.org)

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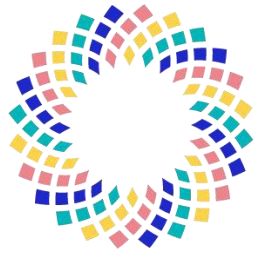


# Investable deals and appropriate capital

How supply and demand leave a Missing Middle in SE Asia, and what might work instead



November 2022

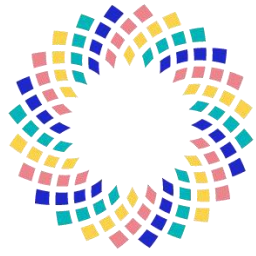


# The Missing Middle Gap for Impact in SEA

## Too little risk capital reaches impact-oriented SGBs

- **30% of SMEs** in SE Asia do not have access to debt capital or lines of credit
- More than **70% of women-led SGBs** in Vietnam, Philippines, Indonesia lack access to capital
- **Impact financing skewed** towards a few sectors that have capacity for larger ticket sizes





# Meet the team



**Ian Jones**  
Agile DG  
Cambodia



**Shравan Shankar**  
AtWorks  
India



**Dr. Jodi York**  
ImpactAbility  
Australia



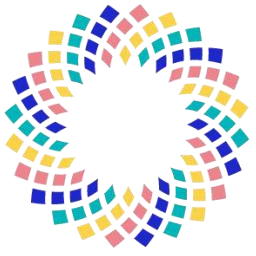
**Priya Thachadi**  
Villgro Philippines  
Philippines



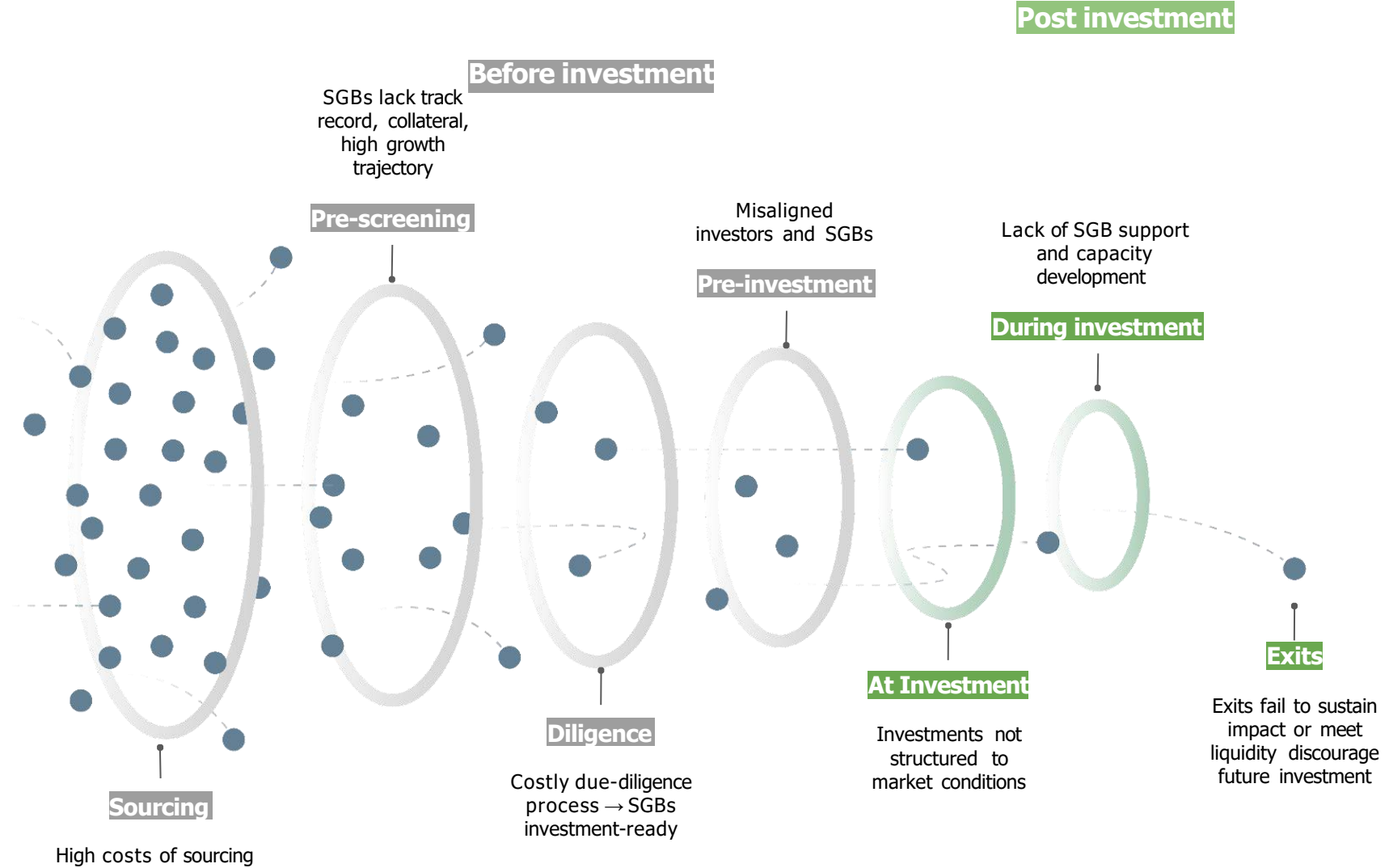
**Erika Tatad**  
xChange  
Philippines

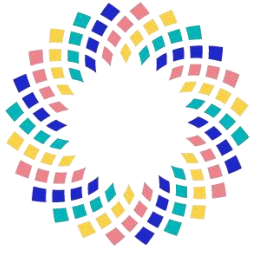


**Cameron Neil**  
Red Hat Impact  
Australia



# How impactful SGBs and investors fail to meet





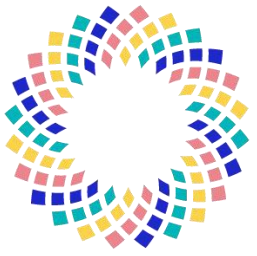
# The Demand-Led Investment Report

Insight on deploying private capital more effectively to scale impact SGBs in Southeast Asia.

- Leveraging existing principles and tools
- 7 cases of how adaptive capital deployment in SEA
- Outlined Levers for Adaptative Capital







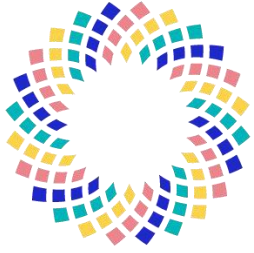
# The What: DLI & #adaptive capital

## **Demand-Led Investment**

When the approach is **tailored from the demand side**, and not the traditional supply side. Think; problem centric, founder centric where the deal is built upon the **founder's needs**, rather than making the founder fit the needs of the investor

## **Adaptive Capital**

Refers broadly to **inclusive approaches** in which **finance is tailored** to meet SGB needs.

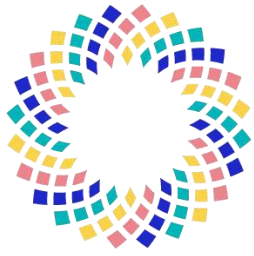


# The How: Across the Funding Spectrum

## Adaptations can be in

- Mandates,
- Non-financial supports
- Parties involved
- Timeframes
- Channels
- Processes
- Vehicles
- Instruments, and structures.

This term is intended to be broadly inclusive of alternative finance, blended finance, gender-lens investment strategies, ecosystem-level investments.



# Foundations for Demand-led Investment

A path to unlocking impact by adapting capital to needs of SGBs in Southeast Asia has to involve the following:

## **Adaptive Capital Approaches**

Adopt innovative financing instruments and services that generate investor returns, around reduce costs, and better meeting the SGBs needs

## **A gender and power lens**

Build for long-term value in investments by understanding around personal and systemic bias, and gender and power at a company, value chain and sector level

## **Existing tools and data**

Leverage what exists to reduce the costs of sourcing, diligence and SGB support, from frameworks and tools to articulate situations of SGBs

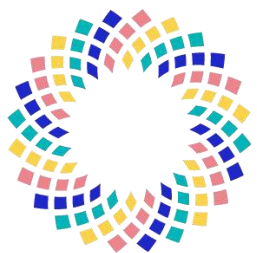
## **Investor Commitment**

Investment thesis to create impact, expectations of returns, leverage knowledge and skills towards how financing can scale in missing sectors

## **The needs of SGBs**

Approaches based on understanding needs and contexts of the specific SGBs, accounting for promising factors that warrant investment





# The 6 Ps of Adaptive Capital

## Partners

Additional parties de-risk arrangement by ensuring necessary capacities are developed to meet financial and impact goals.

## Price

Accepting an expected rate of return that is below-market relative to expected risk.

## Pledge

Providing credit enhancement or principal assurance to other investors in the case of default.

## Position

Providing credit enhancement via a subordinated debt or equity position.

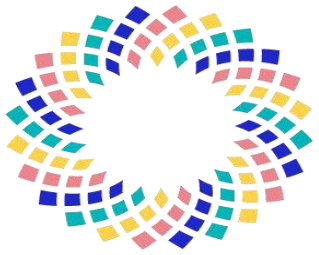
## Patience

Accepting a longer or especially uncertain time period before exit.

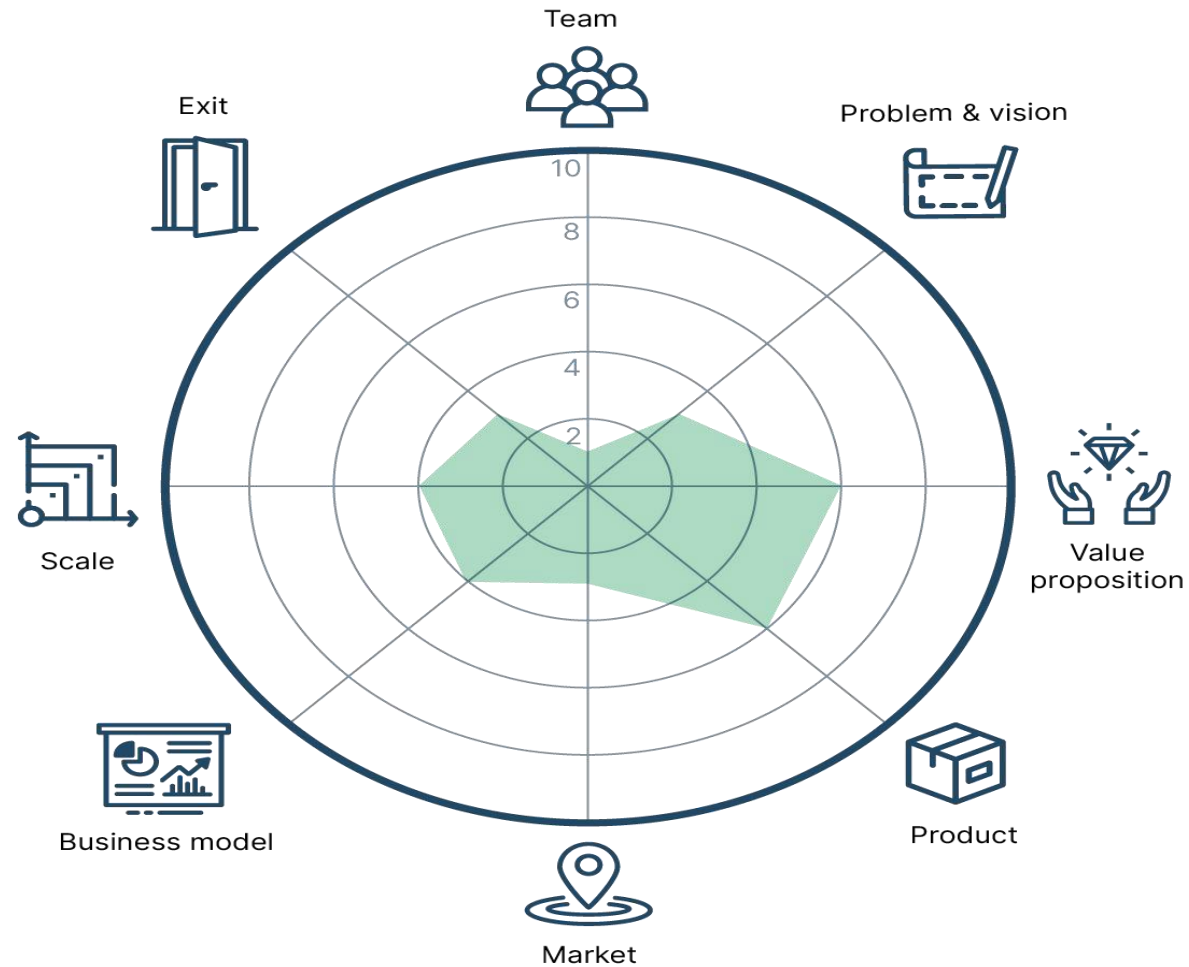
## Purpose

Accepting non-traditional terms to meet the needs of an investee

Partners plus the 5 Ps of Tideline's *Pathways to Impact* framework



# Using Vilcap's VIRAL Framework to understand SGBs



# Cricket House, Cambodia

## Investor: Red Hat Impact

Unsecured 18-month syndicate loan arranged by Red Hat Impact involving 5 investors ranging from AUD2k to AUD28k

### SGB Needs and Challenges

- Woman-led enterprise empowering marginalised farmers through agtech and producing nutritional alternative insect proteins
- **Context:**
  - Able to deploy products to market to show product/market-fit, with sophisticated farmer-side solution
- **Need:**
  - Capital to increase sales to further build out POC and traction towards further funding
- **Challenges:**
  - Enough traction to show short-term PMF, but not in depth for longer term vision and scale
  - Understanding different international markets, opportunities and channels for alternative proteins
  - Identify markets with barriers to entry to target first

### VIRAL Framework assessment



# Cricket House, Cambodia

## Investor: Red Hat Impact

Unsecured 18-month syndicate loan arranged by Red Hat Impact involving 5 investors ranging from AUD2k to AUD28k

### Investor Considerations: Red Hat Impact

- Problem-centric approach to combine crowd-sourced impact debt capital through a syndicate of individual investors with pre and post investment support for SGBs
- Returns offered to lenders at or slightly above market rates, as series of repayments across the loan, rather than a single repayment.
- Based on impact, Red Hat provided unsecured debt investment with tailored support around:
  - **accessing new markets**
  - build **track record** for future investment
  - strengthening Cricket House's **fundraising skills**
  - developing **long range projections** and cost estimates
- Since the initial raise, Cricket House have increased the revenue of individual farmers, secured multiple major INGOs as clients, and raised further funding

### Capital Adaptation Need to Capture Opportunity

#### Partners

Syndicate debt approach allows investors to set own level of risk, allowing for smaller ticket sizes and lower diligence costs

Trust network between overseas private impact investors and SGBs.

#### Price

8% simple interest sufficient to attract investor interest across that term, given impact objectives and Red Hat Impact's track record of success

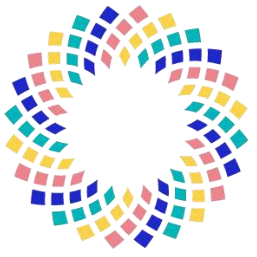
#### Position

Unsecured loan with risk spread across participating investors (syndicate) each taking smaller or larger positions according to their own risk preferences

#### Patience

Loan repaid over an extended term of 18 months rather than 12 months, to provide a longer runway to get necessary traction and market metrics to secure next round of investment





# The What Next: Building a Community of Practice to Scale Adaptive Capital

- Bring together aligned stakeholders: funders, ESOs, and the adaptive capital curious
- Research and information sharing on demand-led investing and adaptive capital to the Asian context
- Supporting adaptive capital initiatives developing in South and Southeast Asia
- A longer-term goal of developing a funding structure that enables demand-led investment and adaptive capital financing
- Reach out! <https://adaptivecollective.com/> or [Linkedin](#)

adaptive collective





**Australian  
Aid** 

This project was supported by the Australian government and implemented by World Vision and VisionFund

Catalysing Growth in Small and Growing Businesses in Myanmar and Ghana (2018 – 2022)

AAC2022

VisionFund

World Vision



# Theory of Change: Goal & Outcomes

The SGB sector has increased growth potential through the development, testing & identification of an optimum business model that is effective, sustainable, scalable and inclusive

**O1:** A tested 'optimum' business model is available to the market that is gender-inclusive, financially sustainable & commercially attractive

**O2:** SGBs have experienced sustainable business growth

**O3:** Learnings from the project informed the development of the optimum package & are shared externally

# CONTEXT FOR THE PROJECT

Ghana:

- a **well-developed banking sector** serving large enterprises and microfinance at household level
- 2017-18 **banking crisis**: Many banks locking up their own funds to deal with liquidity problems



**Ghana**



- Lack of availability of SGB finance
- Lack of business skills and knowledge for emerging SMEs from microenterprises

Myanmar: one of the **poorest countries** in Southeast Asia

- In 2018, Myanmar's **financial sector was growing** but was still not accessible to most of the population
- 74% of formal enterprises were not using any form of credit: one of the **largest untapped markets for financial inclusion in Asia**



**Myanmar**

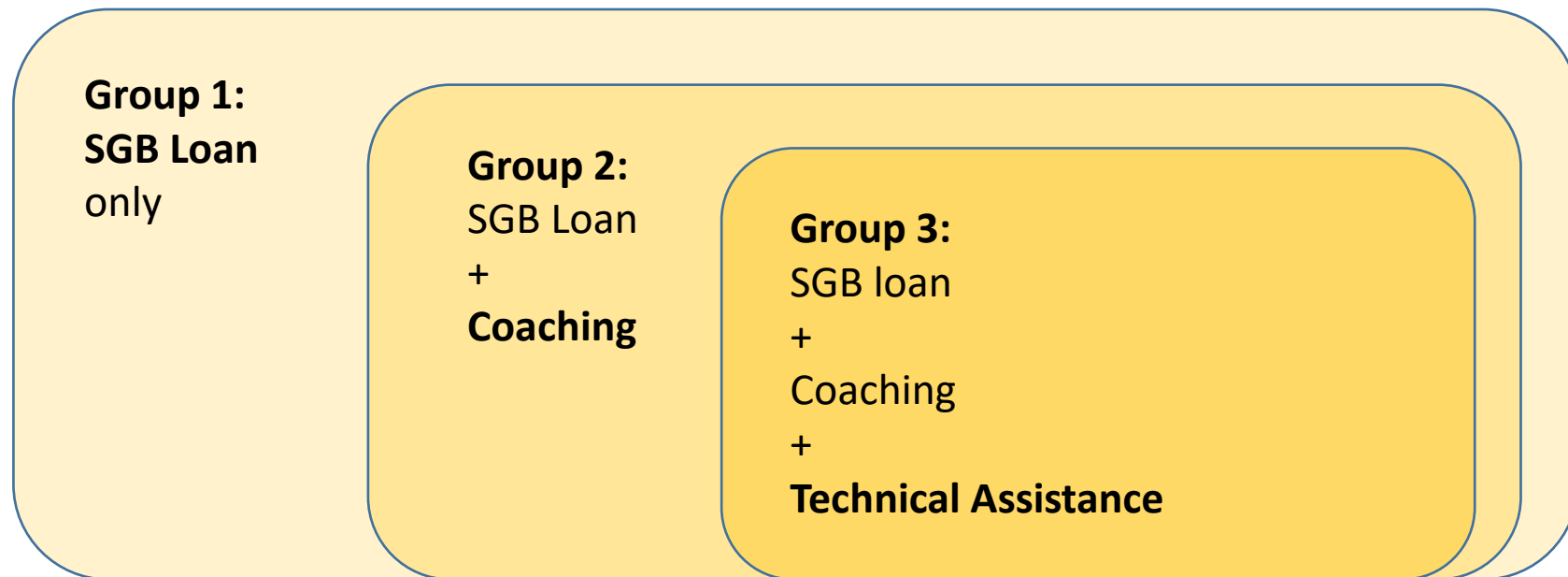




# THE THREE PRODUCTS OFFERED

The project **tested and compared three different products** combining:

- business loans
- business coaching
- technical assistance (TA) for clients (Myanmar only)



# SCALE OF THE PROJECT



Geographic coverage

Myanmar (VFM)	Ghana (VFG)
---------------	-------------

25 branches 7 regions across the country

6 branches, most clients in Greater Accra

USD Disbursed

10.87 million

1.75 million

*% disbursed to female clients*

57%

52%

Number of Loans Disbursed

2,478

608

*% disbursed to female clients*

59%

55%

Clients Served

1,524

416

*% of female clients*

58%

58%



Jobs supported (including sustained and created)

9,603  
(avg 6.3/client)

1,335  
(avg 4.1/client)

# COUNTRY CIRCUMSTANCES IMPACTING THE PROJECT



# KEY EVALUATION AREAS

## How effective is the SGB loan?

- a. On business **growth** (sales and profitability of SGB clients)
- b. On the quantity of **job** opportunities
- c. On reducing the finance access **gap** between male and female SGBs

## How effective is the coaching... and is that making a difference?

- a. On business growth (sales, profitability)
- b. On the quantity of job opportunities
- c. On the **quality** of the jobs for employees
- d. On changing business **practices** and adapting to context

## How sustainability is the SGB product?

- a. **Satisfaction** from SGB clients with the loan and with coaching
- b. Loan **renewal** and referral
- c. Financial sustainability of the product for VisionFund (Repayment, Portfolio at Risk)



# MONITORING AND EVALUATION

- **Frequent** monitoring, analysis and learning cycles enables quicker and better adaptations, and quick response to issues and opportunities that arise.
- More than usual **investment** into monitoring and evaluation for the micro-finance institutions
- Importance to agree on **key metrics** to monitor
- **Capturing** and **holding the data** in digital format is key to using and analyzing it; ideally incorporated into the core banking system, but other tools can be deployed quickly and at low cost as well



**End-of-project Evaluation**  
of  
**World Vision's SGB financing project**  
in  
**Myanmar & Ghana**



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30 November 2022

# About the evaluation

- **Why the SGB endline evaluation?**

- ❖ World Vision had been collecting monitoring data since the beginning and making iterations to the loan product(s)
- ❖ Project came to an end in May 2022
- ❖ It was time to measure the achievements and progress made by the project viz-a-viz the indicators measured at baseline of the project while appreciating the challenges of the last 23 months (COVID-19 spread, closure of borders, devaluation of currency, military takeover)

- **Focus areas**

- ❖ Effectiveness of the SGB loan
- ❖ Effectiveness of the coaching and technical assistance
- ❖ Sustainability of the SGB product

- **Impact at four levels**

- ❖ Enterprise
- ❖ SGB client household
- ❖ Employee household
- ❖ MFI

# SGB evaluation activities

## Study of

- World Vision Monitoring data (primarily quantitative – Impact survey and End-of-client survey)
- M-CRIL Endline field data (mixed-methods)

## Monitoring data

- Impact survey dataset from 1,543 SGB borrowers
- Panel study dataset, 423 SGB borrowers (a subset of impact survey clients) for whom there was data for at least two loan cycles
- EoC survey dataset, 710 SGB borrowers
- Coaching tracking sheet
- SGB loans full report

## Endline data

- Client survey – 303 borrowing clients/SGB enterprises
- Employee survey – 102 employees of 75 SGBs
- IDIs with SGB clients – 27 from 8 branches
- FGDs with SGB employees (5)
- KIIs with VFM staff, other FSPs (20)

# Challenges faced in applying the methodology

There were restrictions on entry to townships due to the military takeover; clients were fearful of what they would say and avoided face to face contact due to COVID.

All surveys were conducted by telephone – typical issues with phone surveys are that the researcher cannot assess body language, reduce connection and limits the depth of the discussions. Some clients found questions too personal (access to bank accounts, savings, income sources, employee details) – and were not willing to share these with a third party over the phone.

Defaulters and clients whose businesses were performing poorly tended to turn off their phones or disconnect calls after finding out that the study was about borrowing from VFM, though a few did agree to participate in face-to-face IDIs.

Many businesses are either family-based or clients did not consent to interviews of their employees (did not want their employees to know they had taken loans (*feel embarrassed*) and were perhaps concerned that their operational practices (good or bad) would be exposed.) Some employees were not aware that their SGB employers had taken loans and could not understand the rationale for the interviews. Others were too busy to be interviewed. As a result the employee survey was limited to 102 compared to a target of 600.



# Findings on business performance – men vs women-led SGBs

## Turnover and profitability

- **Men-led SGBs have performed better** than women led ones in both countries.

## Myanmar

- Sales increased for men-led SGBs and decreased for women led ones.
- COVID and then coup resulted in significant reduction in turnover and profitability of female led SGBs.
- Male clients suffered setback after COVID but have been showing signs of growth and recovering to attain profitability of pre-COVID levels.

## Ghana

- Both men and women are as likely to report increase in turnover and profitability; margins are higher in case of men-led SGBs. No effect of COVID on business performance.

## Jobs created/retained

- Very few jobs created – Both genders create less than 1 job per unit SGB. Ghana SGBs are cautious on account of economic crisis and currency devaluation.
- **Women tend to retain employees** while **male owners are more likely to cut jobs and rehire** when business shows signs of growth.
- There is no net decline in number of jobs supported since baseline.
- Men-led SGBs employ more; male employees are higher in numbers.

Surveyed employees do not belong to most vulnerable sections (in Myanmar).

# Effects of coaching on business performance and VF's portfolio

- **Vision Fund's unique selling points** – tailored and demand-driven one-to-one coaching sessions and group based technical assistance.
- **Mixed views on coaching** – Some see it as an ongoing management advice, motivational talk to navigate stress, and an opportunity to learn to adapt to changing context, others call it '**monitoring check**' to assess their ability to make timely repayments. SGBs seek technical inputs.
- Most are interested in working capital to run their businesses. Struggling clients are likely to continue coaching. There is **no conclusive evidence** that suggests **direct effect of coaching** on tangible business outcomes but 30% perceive that coaching helped to increase their profits.
- Women are more likely to continue coaching compared to men.
- In Myanmar, Net Promoter Score (NPS) is the highest for clients that complete coaching. **Coaching and TA have been effective on referrals in Myanmar**. But the referral rate is low overall – just **one out of five clients in Myanmar are likely to refer** other potential borrowers. In Ghana, NPS is very low suggesting the need to revise coaching content and improve client-CRO relationship.
- **Client-CRO-coaching manager relationship**, loan size, and client's ability to repay are **key to loan renewals**.

# Some other key findings

## Financing gap and renewals

- Around 60% of new loans given to women clients in both countries. But women are less likely to renew (up to the end of 2021) compared to men.
- In both countries renewals of SGB loans are taking place – 47% in Myanmar and 31% in Ghana.

## Inclusivity and job quality

- Men and women are equally paid for similar work. But mostly, there is gendered division of work.
- No reduction in wages/salaries since baseline.
- Working conditions are the same since baseline.

## Sustainability

- Myanmar, PAR<sub>30</sub> was 48%; much higher than PAR<sub>30</sub> in Ghana at around 21% in February 2022 – the **Myanmar PAR was substantially higher** than the 2-3% PAR that was the norm in the country before **Covid**; the **Ghana PAR has traditionally been high with concomitant sustainability challenges**.

# Options for future financing opportunities

- Due to **challenges in the economic environment in both countries**, the evaluation could not establish the sustainability of the SGB programme in either country. The economies of both countries were affected by Covid during which businesses of daily relevance to households – agriculture and retail trade – flourished while others with more extended supply chains and extended market environments (needing transport facilities) were not successful.
- **In Myanmar, the coup of February 2021 caused substantial immediate disruption** which, layered upon the effects of the pandemic, resulted in very high portfolio delinquency rates, PAR30 (Feb-22) at 48%. While the economy has stabilised somewhat in recent months; the adverse effects of the coup continue. In the meantime, **the blacklisting of Myanmar by FATF** at the end of October 2022, has intensified challenges in international fund flows to the country.
- These two issues taken together mean **it is difficult to see international lenders and supporters of MSME (SGB) businesses taking much interest in the programme in Myanmar.**
- **In Ghana, the overall weakness of the economy and major devaluation in 2021** had its own adverse impact on the lending and business environment for MSMEs. The 20%+ PAR in the Ghana SGB programme means it is not sustainable due not only to problems with loan quality but also due to a high commercial funding cost. **Both the institution (VFG) generally and the program specifically probably do not have enough scale to be sustainable and would be challenged finding financing other than donor funding.**

## Partnerships with World Vision Australia

### **Programme Evaluation for Value Chain Development Project and Financial Inclusion for Inclusive Growth Project in Myanmar**

- Baseline (2017)
- Midline (2019)
- Endline (2021)

**End-of-project Evaluation for the SGB/MMM project in Myanmar and Ghana (2022)**

**Baseline study for the Climate Smart and Inclusive Cocoa project in Papua New Guinea (ongoing)**



The Catalysing Growth in Small and Growing Businesses in Myanmar and Ghana Project is supported by the Australian government and implemented by World Vision and VisionFund



# PRESENTATION TO AAC2022

Catalysing Growth in Small and Growing Businesses  
in Myanmar and Ghana Project – 2018 to 2022





# COACHING



- The project design incorporated monthly **tailored business coaching** for the client by MFI staff as a part of the product offered to clients. Data indicates that coaching **improved client outcomes, loan quality, client retention** and **resilience**. For example:
  - More **adaptation measures** were taken by SGB clients who self-reported that ‘coaching helped a lot’ than for those who found it ‘did not make any difference
  - The Net Promoter Score (NPS)<sup>1</sup> rose from -2 for all clients to +17 for clients with some coaching and +20 for clients with intensive coaching in Myanmar—indicating much **stronger customer loyalty** and **likelihood to recommend** among coached clients
  - **Loan renewals are higher** among clients who received coaching, compared to no coaching clients
  - Loan officers highlighted **improved client relationships** among coached clients, and ability to anticipate problems and support clients who might have otherwise fallen into delinquency;
  - Clients noted appreciation of the **adaptability of the one-to-one coaching** program, in particular as coaching topics were quickly shifted to topics relevant to the crises when they struck
- Coaching **does require significant time** from the MFI staff:
  - **Segmenting clients** and providing more intensive coaching to those with high desire to be coached and vision for business growth improved coaching efficiency.

# LENDING



- Fewer clients have come through client referral than expected, requiring **more time for sales and marketing** efforts than originally planned—though some improvement has been seen later in the project as the program becomes more established and more SGB clients join and refer
- **Portfolio at Risk (PAR) and Write-off (WO) were higher than the overall MFI portfolio** and increased in both institutions due to the multiple crises
  - Supports the view that SME lending is typically higher risk, and thus pricing should reflect **higher risk compared to micro-loans.**
- After process improvement efforts in both countries, **loan approval and disbursement time improved** to 5 days in each of the countries
- **Loan Officer productivity was below expectations** but improved when separate coaching function set up, through call centre and SGB manager
- **MFIs with existing individual lending competency are best positioned** to expand into SGB lending, leveraging and building on this existing capability
- SGB clients demonstrate a **higher level of digital literacy** than average MFI clients, which accelerates on-boarding to digital money, apps and similar technologies.

# IMPACT ON MFIs AND SUSTAINABILITY



- The **project goal** of proving a sustainable business case for a product that couples SGB lending with coaching and training for this “most missing middle segment” **remains a work in progress.**
- However, the results recorded with SGB clients and the financial sustainability of the SGB product achieved by VFM prior to the pandemic (108% OSS) do indicate that the **project successfully developed a product that can be scaled-up.**
- Furthermore, **improvements made to the operational approach** led to a significant reduction in the operating expense ratio that, in a more stable operating environment, would most likely have led to consistent profitability.
- Certain **key enabling factors were also identified:**
  - A thorough **market assessment** prior to starting is crucial, to identify the business types for which SGB lending opportunities are most prevalent and where they are within the MFI capacity
  - **Scale is important** to achieve reasonable cost ratios, with a USD 2 million portfolio the minimum
  - A **reasonably stable operating environment**, with enabling regulatory requirements (e.g. hard collateral allowed, reasonable loan size limitations, etc) critical enablers to a sustainable program.

# TO LEARN AND ADAPT IS KEY



- **Adapting the products and services** delivered and the related processes and staffing of the teams has been **ongoing and essential** throughout the project, for example:
  - COVID required both countries to modify coaching to **remote delivery** eg use of VFM call centre
  - The VF Ghana SGB team quickly modified the loan product and credit manual to **include grace periods** when they identified a new opportunity with agricultural associations
  - VF Myanmar adjusted credit policies to allow branch staff in other locations to **verify prospective clients with property in other regions**, eliminating a barrier among internal migrants
- The project included **annual reviews** to assess opportunities for improvement and re-define plans, enabling significant changes to be adopted quickly
  - When developing SGB program, assume there will be **trial and error** and build in time to assess and adjust as the program progresses
- Program adaptations were enabled and **accelerated by the data collection, monitoring and evaluation, technology enhancements and dedicated management** of the SGB program



# FOCUS ON MANAGING SGB LENDING



- The project confirmed the importance of **active management** of the SGB products and services
  - Ensure **operational alignment between the SGB product and the individual loan products**, and removing the overlaps in loan size, supported improved productivity and compliance of loan officers and processes
  - SGB managers should maintained **close oversight of the SGB portfolio** in order to address problems, improve processes, and maintain close accountability
  - VFM shifted management of the SGB *loans* to branches, to ensure **clear accountability for the loans** remains with each branch, but maintained an SGB manager to ensure the SGB *program* is **managed successfully across the entire MFI**
- **Digitalization** enhanced processes, tracking and productivity
  - A new core banking system in Myanmar captured coaching sessions which **enabled management to monitor staff and clients** completing coaching—particularly important as coaching sessions reached 300+ per month
  - Digitalization also freed Loan Officers to do **more coaching, sales, evaluations and follow ups** due to simplified processes.

# NEXT STEPS



- The project has shown **that loans for SGBs are critical for job creation and new services** for communities, **particularly in the context of diverse shocks** where access to finance is critical to:
  - Keep businesses and markets going; and
  - Protecting jobs and ensuring employment continuity.
- In many markets, SGB lending, especially with Coaching, will **differentiate** the MFI from current competitors, creating **marketing and other indirect benefits** beyond the direct SGB portfolio:
  - Client acquisition and retention outside of the immediate SGB portfolio may be improved, especially where pricing cannot be a differentiator
  - SGB lending requires adapted lending, risk management, marketing and/or digitalization, which will enhance the capabilities of the MFI with benefits beyond the SGB portfolio
  - SGB lending and coaching creates additional career opportunities for staff to pursue, aiding in staff retention
- SGBs remain an **underserved market** in most countries, with impact focused funders interested to see innovation in this area, **creating subsidy opportunities** (i.e. grants, low-cost debt, etc.).
- **Both VFG and VFM will continue the product**, subject to funding for such loans and human resources for the coaching/TA element
- Based on the learnings from the project, **WVA and VFI are examining opportunities to roll out the SGB product in other countries.**