VFM COVID-19 Review
April 2020 to January 2021

Country Overview
Myanmar reported its first confirmed cases of coronavirus in the middle of March 2020. Although there were relatively few deaths compared to neighboring countries, the government took precautionary measures including travel restrictions to control and limit the risk of spreading the virus. This has adversely affected business activities in almost all sectors including the country’s agricultural value chains and small and medium enterprises. When the second wave hit in mid-August, there was a dramatic increase in the number of cases compared to the first wave. People were required to stay at home and only businesses providing essential services have been allowed to continue operation. Travel restrictions continued to impact businesses and farmers across all sectors of the economy.

Industry Overview
The microfinance sector has been significantly impacted in the wake of the COVID-19 health and economic crisis. Higher savings withdrawals, and rescheduling of loans and client repayments have created liquidity challenges for MFIs and decreased availability of funds to disburse to clients.

Mobile Repayment with Agents
Starting in September 2020, VFM started rolling out mobile agent repayment to improve the ease, convenience, and security of transactions for clients. By January 2021, 14% of over 171,000 clients made loan repayments through mobile money.

Ngwe Bike Cash Transfer Project
Through a partnership with the Department of Social Welfare, VFM empowered women to secure their livelihoods and the wellbeing of children through an app based initiative targeting pregnant women called Ngwe Bike Cash Transfer Project. VFM registered 8,522 pregnant women and disbursed 197,220,000 MMK to 6,574 beneficiaries.

Distributions and Awareness
160,000+ People reached through social media
4,000+ Sets of gloves
60+ Banners
10,000+ Soap/Liquid soap
300+ Posters
100+ Handwashing stations
1,000,000+ Masks
2,000+ Hand sanitisers
2,000+ Sets of gloves

VFM Donated 3,500 USD to the COVID-19 Control and Emergency Response Committee

How we value our staff
- Flexible working hours and work-from-home arrangements.
- Frequency of meetings/gatherings and group sizes reduced for managing crowd restrictions.
- Insurance plan arranged to claim medical expenses.
- Branch level and head office standards (disinfection, handwashing, client education posters, etc.) developed and implemented.
- Emergency Staff Loan rolled out to help staff with family expenses.

VFM Responses
In spite of tightening cash flow, VFM adapted products and services to continue supporting the livelihood of clients, including:
- Rescheduling repayments to support client businesses impacted by COVID restrictions.
- Eliminating advance notice for savings withdrawals.
- Continuing loan disbursements, especially to the agriculture sector to ensure food security for communities across the country.

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Client Impact

Number of Disbursements
157,218

Total Disbursement Amount
126,888,870,000 MMK | 95,405,165 USD

Number of Savings Withdrawals
96,932

Amount of Savings Withdrawals
6,292,960,262 MMK | 4,731,549 USD

Social Impact

Number of Agri Clients
65,692

Number of Jobs
8,107

Number of Women
124,884

Number of Children
207,071

Preparations for
COVID-19 Third Wave

Staff Protection and Wellbeing
- Ongoing communications and updates
- Stockpiling of PPE at branches
- Branch safety protocols
- Working from home protocols and tools
- Health insurance coverage
- New leave system to better manage and monitor sick leave

Portfolio and Solvency
Management
- Revision of loan disbursement strategy adjusted to COVID risks.
- Strengthening loan assessment capabilities.
- Strong PAR monitoring and reporting processes.
- Revision of PAR management approach and training to all field staff.
- Innovation in loan collection channels (mobile money).
- Digitization efforts to reduce official cash receipt.
- Credit Life insurance.

Client Protection and Resilience
- Product adaptations and developments
- Loan rescheduling process and tools
- Remote loan application and assessment process and tools
- Refreshing Client Education Strategy and approach
- Strengthening cash transfer capability
- Life insurance for all children of clients and clients’ spouses up to age 70
- Continuing efforts to secure voluntary savings license and offer health insurance

Partner and Stakeholder
Management
- Ongoing engagement with lenders and donors for updates and opportunities.
- Ongoing strengthening of relationship with WV Myanmar to leverage tools, resources and existing projects.
- VFM CFO on MMFA Executive Committee to influence decisions impacting sector and obtain advanced notice of such decisions.

Click here for previously issued COVID Highlight Reports