

អង្គការស៊ុយណ៍ផ្វូម



**ORGANISATION SOVANN PHOUM**

*With Families for Development*

## **ECONOMICS PROGRAM**

Report

Impacted & Released Fund

### **SOVANN PHOUM**

Address: # 48, St 608, BoeungKok 2, TuolKok, and Phnom Penh, Cambodia

Tel/Fax: 855-23-883 523

PO. Box 1043. CCC. Box 57

E-mail: [sovannphoum@online.com.kh](mailto:sovannphoum@online.com.kh)

Website: [www.sovannphoum.org](http://www.sovannphoum.org)

## I. Microfinance's Environment Summary

Microfinance has been expanding to poor people in more urban and remote areas and specifically women. Approximately 80% of MFI clients are women with repayment rate from client most up to 98% before the financial crisis in 2008 and around of 96% at the end 2012. MFI in Cambodia have been show to empower women as the head of family who often have good cash management.

Research estimated that the provision of financial service has impacted 3,878,618 Cambodian people (average of 4.7 people per household). Areas of investment have included business sectors such as agriculture, small and medium retailers, handicrafts, services, construction, and transportation among others. This seems to support the theory of economic development that argues that people can be moved out of poverty through empowerment as business owners. This has led microfinance service to be described as “the key to breaking the poverty cycle”.

## II. Program's General Overview

### Vision:

A Cambodian society where disadvantaged citizens - especially women and children - have an opportunity to develop their knowledge, skills, and income generating activities in order to improve their health and living conditions.

### Mission:

SP strives to improve the living conditions of disadvantaged families - with a special focus on women and children - by supporting their access to education, skill training, job opportunities, and micro-finance.

### Value:

- Participation
- Accountability
- Perseverance

### Motto:

"With family for development"

### Goals:

1. All children in target areas have access to education and receive better health care, safety, and protection.
2. Contribute to reducing poverty for disadvantaged and vulnerable youth in slum communities of both urban and rural areas of Cambodia.
3. Contribute to extreme poverty alleviation amongst target families through the support of micro-credit, saving services and non-financial service.

### III. Economics Program's Purpose

Although, the number of MFI is increasing in Cambodia helping the poor but Most of MFIs seems discriminating to the poor who is living in the slum and poor communities. Nearly Most of the slum and poor community people is not able to access Microfinance Institutes or Banks while the MFIs and Banks required client to have the assets such as House, Loan title.....

Replying with the result of the above research and the ambitious of social development contribution with long-run sustainability, Economics Program is providing its service to the poor with the two main activities of Financial Service and Non-Financial Service. Economics Program is developing its products to make sure that it is opening the gateway for clients living at the slum and poor communities to access the loan capital and business training in order to empower their sustainable business.

### IV. Economics Program's Product

The Activities of Economics Program is not focusing only the loan service (Financial Service) but program is also required to train its client before program released the loan. With these activities, it makes sure that clients is not received the loan capital but also the knowledge for their business. The below table is the product method of Economics Program:

| Economics Program's Product |                     |  |
|-----------------------------|---------------------|--|
| Financial Service Product   |                     | Non-Financial Service Product            |
| Loan Method                 | Saving Method       |  |
| • Small Loan                | • Compulsory Saving | • Beneficiary training Service           |
| • Medium Loan               | • Voluntary Saving  | • Training Service for NGO's Beneficiary |
| • Big Loan                  |                     |  |

### V. Operation Performance Highlight 2012

| Description  | 2012 | 2011 | 2010 | 2009 | 2008 | % change |
|--------------|------|------|------|------|------|----------|
| # of Offices | 1    | 1    | 1    | 1    | 1    | N/A      |

|  |         |        |        |        |        |       |
|--|---------|--------|--------|--------|--------|-------|
| # of Personnel                                 | 8       | 7      | 7      | 6      | 6      | 14%   |
| # of Credit Officers                           | 5       | 4      | 4      | 4      | 4      | 25%   |
| Active Borrowers                               | 839     | 673    | 489    | 527    | 670    | 25%   |
| Gross Loans Outstanding (USD)                  | 184,000 | 97,000 | 80,250 | 48,500 | 70,250 | 90%   |
| Average Disbursed Loan Size (USD)              | 262     | 192    | 189    | 149    | 141    | 36%   |
| Average Outstanding Balance per Borrower (USD) | 220     | 144    | 164    | 92     | 105    | 52%   |
| Borrowers per Staff (>= 120 Clients)           | 105     | 96     | 70     | 88     | 112    | 9%    |
| Borrowers per Credit Officers (>=150 Clients)  | 168     | 168    | 122    | 132    | 168    | 0%    |
| Portfolio at Risk (>=30 days)                  | 0.75%   | 1.12%  | 1.25%  | 21.36% | 16.89% | -33%  |
| Portfolio at Risk (>=90 days)                  | 0.44%   | 0.97%  | 1.19%  | 19.13% | 6.12%  | -54%  |
| Partners' Loyalty Rate                         | 72.6%   | 77.86% | 63.86% | 63.6%  | 65%    | -6.7% |
| Reimbursement Rate                             | 94.25%  | 93.46% | 96.63% | 62%    | 76.74% | 0.85% |
| Write-off Ratio                                | 0.37%   | 0%     | 9.87%  | 7%     | 4.68%  | 0.37% |
| Risk Coverage Ratio                            | 49.66%  | 35.63% | 59.17% | #      | #      | 39%   |

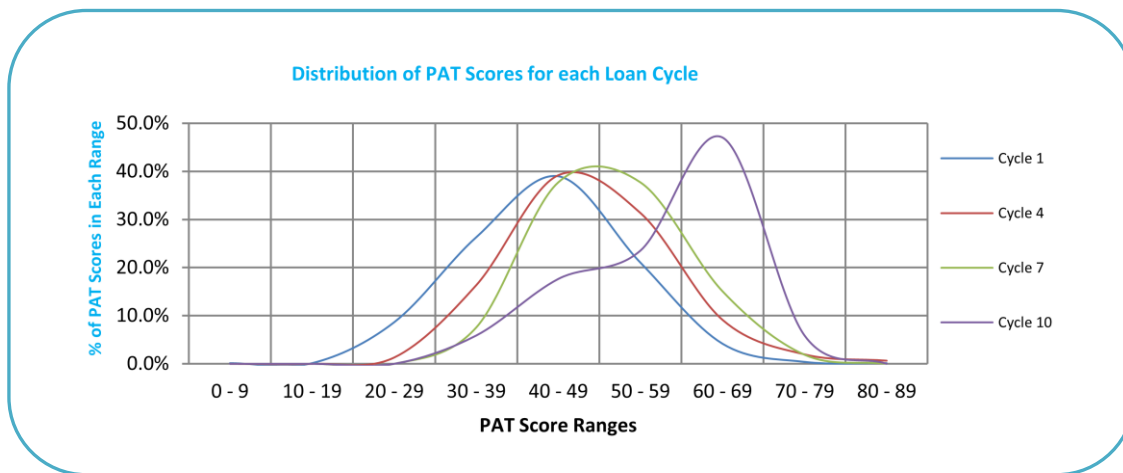
(1) MC Program names its clients as partners

(2) % change from 31/12/2012 - 31/12/2011

## VI. Social Performance in 2012

### SOCIAL ACHIEVEMENT

Economics Program developed the Poverty Assessment Tool to appraise the clients' household's poverty level from a general point of view (by providing a grade between 0 and 100, 0 representing extreme poverty and 100 representing people just out of poverty).



In 2012, According to the result of the Poverty Assessment Tool, there was a major improvement in the three categories of indicators between the first and seventh-cycle clients. The improvement is a signal of Economics Program's achievements thus far.

#### Children's Education:

- The families with the indicator of ***ALL CHILDREN ARE IN SCHOOL*** increased from 16.9% in the first cycle to 42.4% in the fourth loan cycle, while the indicator of ***>=50% CHILD ATTEND SCHOOL*** also increased from 16.9% in the first cycle to 23.7% in the fourth cycle. The increase means that clients were more able to send their children to school after their loan allowed them to generate increased income.

#### Business Capital of the clients:

- The ***BUSINESS CAPITAL*** indicator shows that families with 50-90 USD in capital have not changed. The higher bracket of families with capital greater than 100 USD, however, has increased 5.1%.

#### Client's Health:

- Another interesting indicator, ***MEDICAL ADVICE AND CURE***, shows that nearly 57.5% of Economics Program's clients were able to access modern medicine and 37.2% had access to health centers or the ability to visit a doctor. The increase in business income allowed nearly all of Economics Program's clients to see a doctor or buy medicine at the local clinical center or hospital.

## VII. Donated Fund Release

### A. Loan Disbursement:

Economics Program has used the donated fund in the amount of USD 1,291.45 from twenty one donators and plus Economics Program's fund in the amount of USD 33.55 to disburse to 11 clients in two communities and 5 villages, in which there are three clients at Andong community, one client in Reussey Village, two clients at Reussey I, two clients at O'Andong Community, one client at Trea 4 village, one client at Toul Rokakos village and one client at Trapeang Tapov.

### Loan Released Table:

| No    | Client's Name   | Family Situation |             |            | Loan      |  |                |        |                          | Location                         |
|-------|-----------------|------------------|-------------|------------|-----------|--|----------------|--------|--------------------------|----------------------------------|
|       |                 | Statue           | # Of Member | # of Child | Amount    | Term   | Release's Date | Method | Purpose's Business       |                                  |
| 1     | Ms. Oun Chantha | Marry            | 2           | 1          | USD 125   | 28 Weeks   | Mar 29, 2013   | SL     | Cloth Recycler           | Andong III Community, Phnom Penh |
| 2     | Ms. Tep Sary    | Window           | 2           | 1          | USD 150   | 32 Weeks   | Mar 29, 2013   | SL     | Grocery Seller           | Andong III Community, Phnom Penh |
| 3     | Ms. Sum Pha     | Window           | 4           | 2          | USD 100   | 24 Weeks   | Feb 14, 2013   | SL     | Grocery Seller           | Andong III Community, Phnom Penh |
| 4     | Ms. Chon Salin  | Marry            | 2           | 0          | USD 100   | 6 Months   | Feb 04, 2103   | SL     | Sugar-cane-juice machine | Ruessey Village, Phnom Penh      |
| 5     | Ms. Bo Dara     | Marry            | 8           | 6          | USD 100   | 6 Months   | Feb 05, 2013   | SL     | Grocery Seller           | O'Andong community, Phnom Penh   |
| 6     | Ms. El Ly       | Window           | 2           | 1          | USD 125   | 4 Months   | Feb 15, 2013   | SL     | Grocery Seller           | Prektapov Village, Phnom Penh    |
| 7     | Ms. Doch Vourn  | Window           | 5           | 4          | USD 100   | 4 Months   | Mar 21, 2013   | SL     | Newspaper Seller         | Trea 4 Village, Phnom Penh       |
| 8     | Ms. Soa Chuny   | Window           | 3           | 2          | USD 250   | 8 Months   | Feb 06, 2013   | SL     | Chicken Seller           | O'Andong1 Village, Phnom Penh    |
| 9     | Ms. Chan Mala   | Marry            | 4           | 2          | USD 100   | 6 Months   | Feb 06, 2013   | SL     | Grocery Seller           | Reussey I Village, Phnom Penh    |
| 10    | Ms. Chan Bona   | Windom           | 3           | 2          | USD 75    | 6 Months   | Feb 06, 2013   | SL     | Grocery Seller           | Reussey I Village, Phnom Penh    |
| 11    | Ms. Yon Em      | Marry            | 4           | 2          | USD 100   | 6 Months   | Jan 17, 2013   | SL     | Cloth Recycler           | Toul Rokakos Village, Phnom Penh |
| Total |                 |                  | 39          | 23         | USD 1,325 | Donated Net Fund in the amount of USD 1,291.45 from 21 donators. |                |        |                          |                                  |

## B. Beneficiary Impact :

The provision of donated fund has impacted to 11 household or 39 Cambodia People. With the number of 39 Cambodian people that it is included the child in the number of 23 people. Loan Fund has been provided to the women that show to empower the women as the head of families and push their leadership in their community.

Through the donated capital, Economics Program has provided its financial service to the poor families that they used this loan capital to create the new business or increase their business capital. By Depending to the average of loan capital in the amount of USD 120, nearly most of Program's client is able to generate the net income in the around of USD 5 to USD 7.5 per day that it is so little for the rich family but this amount is enough for their family to pay for two-time meal a day, medical treatment, school fee, loan payback and some for saving in their saving account, in which program open the saving account for all its clients when they get loan from Economics Program.



