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**MICROENTERPRISE ACCESS TO BANKING SERVICES
PROGRAM**

**YEARS 1 & 2
WORKPLAN**

YEAR 1: MAY 1 – SEPTEMBER, 2008

YEAR 2: OCTOBER 2008 – SEPTEMBER 2009

14 July 2008

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Contract No.

Rural Bankers Association of the Philippines (RBAP)

Mindanao Economic Development Council (MEDCo)

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Annexes

- ANNEX A: IMPLEMENTATION PLAN - 2008
- ANNEX B: MABS-4 STATUS OF GOALS

Acronyms Used in this Report

ADB	Asian Development Bank
ARMDEV	Associated Resources for Management and Development Inc.
BAP-CB	Bankers Association of the Philippines - Credit Bureau
BSP	Bangko Sentral ng Pilipinas
CICO	Cash-in/Cash-out
CIBI	Credit and Background Investigation
EAGLE	Efficiency, Asset Quality, Growth, Liquidity, and Earnings
GEM	Growth with Equity in Mindanao Program
GXI	G-Xchange, Inc.
KRA	Key Result Area
MABS	Microenterprise Access to Banking Services
MABSTeRS	MABS Technical Resource Specialists
MAP	Micro Agri-loan Product
MATTS	Training and Technical Services
MBB	MicroBanking Bulletin
MCPI	Microfinance Council of the Philippines
MEDCo	Mindanao Economic Development Council
MIAAP	Microinsurance Associates Agency Philippines
MIC	Microinsurance Centre
MICRA	Microfinance Innovation Center for Resources and Alternatives
MIS	Management Information Systems
MIX	Microfinance Information Exchange
MPBS	Mobile Phone Banking Services
MPMS	MABS Performance Monitoring System
MSP	MABS Service Providers
PB	Participating Bank
RBAP	Rural Bankers Association of the Philippines
SAF	Special Activities Fund
SMS	Short Messaging Service
TA	Technical Assistance
TAB	Text-A-BillPayment
TAC	Text-A-Credit
TAD	Text-A-Deposit
TAP	Text-A-Payment
TAR	Text-A-Remittance
TAW	Text-A-Withdrawal
USAID	United States Agency for International Development

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Executive Summary

Microenterprises comprise approximately 90% of the total number of businesses in operation in the Philippines and are the primary sources of livelihood of about 40% of Filipino households. Historically, the great majority of microentrepreneurs in the Philippines have not been able to grow beyond the microenterprise level. One of the principal reasons for this is that, microentrepreneurs have not had access to reasonably priced credit which virtually all businesses need if they are to expand. Formal financial institutions have, generally, been unprepared to lend to this sector as it was considered unprofitable and risky – with the projected interest income barely enough to cover the costs of lending small, uncollateralized loans. Frequently, the remaining option for these microentrepreneurs was to borrow from informal moneylenders at interest rates that do not allow them to have savings or reinvest in their enterprises. As a result, they continue to operate informally and in small scale.

Providing the microenterprise sector with access to a wide range of financial services – micro loans, micro savings, microinsurance, and housing micro credit and remittance – builds financial inclusion and ensures that all sectors of society gain access to financial services and can participate in the growing economy. This is especially critical in increasing the momentum brought by the country's economic growth in 2007 - its fastest pace in 17 years.

Over the past ten years, the United States Agency for International Development (USAID) in partnership with the Rural Bankers Association of the Philippines (RBAP) implemented the Microenterprise Access to Banking Services (MABS) Program, which was designed to provide training and technical assistance to develop the capacity of rural banks to profitably provide commercial microfinance services for the microenterprise sector. The MABS Program is a USAID-supported program implemented by the RBAP with oversight provided by the Mindanao Economic Development Council (MEDCo) under the Office of the President. The Program is one of the principal elements of USAID/Philippines' efforts to accelerate the economic transformation of the country, particularly Mindanao, through expanded participation of lower-income groups in productive activities. The Program provides participating rural banks with the Training and Technical Services (MATTS) package, a systematic, step-by-step, training and technical assistance package followed by rural banks as they develop the full capability to profitably provide loan, deposit, money transfer and other financial services to microentrepreneurs and low income households.

Since 1997, the Program's participating bank (PB) units disbursed a cumulative total of more than PhP18.3 billion (approximately US\$368 million) totaling more than 1.5 million micro loans to almost 500,000 new micro borrowers. From January 1998 up to end-April 2008, the number of micro deposit accounts increased by more than 500,000 and now stand at more than 1.3 million accounts. The overall micro deposit balance has also increased over this same time period by more than PhP816 million and now stands at more than PhP1.8 billion (approximately \$43 million). As of April 2008, MABS PBs' loan portfolio balance totaled more than PhP1.5 billion (over US\$36 million) comprising

more than 191,300 active borrowers. The program objectives and targets for the first ten years for the new deposit accounts, active borrowers, and cumulative new borrowers were all exceeded.

Throughout its decade of operations, MABS provided training and technical assistance to 90 rural banks with more than 350 branches to develop loan products and deposit products that encouraged savings in their communities. Technologies introduced by MABS — improvements to management information systems and performance monitoring systems — helped banks manage their operations efficiently. Innovative technologies such as mobile phone banking services (MPBS) promise to revolutionize banking not just in the Philippines, but also in the microfinance sector worldwide. MABS helped demonstrate that rural banks can earn profits and benefit society through microfinance.

Despite these achievements, there are still many more Filipino microentrepreneurs without access to financial services. It is estimated that microfinance institutions are reaching only a third of over 4.0 million families who are engaged in micro business activities. A 2002 study placed the potential supply and demand gap of microfinance, nominally, at PhP17.2 billion, where the potential supply from existing microfinance institutions is PhP 8.8 billion against the potential demand at PhP26 billion based on the number of poor families engaged in entrepreneurial activities.

To address this gap and to give more small entrepreneurs access to more financial products, MABS will work on the following initiative in MABS-4:

- *Continue expanding access to microfinance.* MABS will support the expansion of MABS participating banks to a cumulative total of 500 branches, to increase the cumulative number of new micro borrowers by more than 375,000 during the period of the extension to bring the 15-year total of new borrowers reached to more than 800,000, and to increase the amount of loans disbursed by more than US\$500 million to bring the total 15-year cumulative amount of micro loans disbursed to over US\$800 million. MABS will focus on providing technical assistance and support to existing MABS PBs to help them grow and open branches.
- *Increase agricultural lending.* MABS team will work with additional rural banks to conduct market research to enhance the micro agri-loan product and expand micro agri-lending to an additional 65 bank branches and reach at least 30,000 additional small farmers.
- *Introduce housing microfinance.* With the rapid population growth in the Philippines, the demand for housing continues to rise. According to the Asian Development Bank (ADB), there is a very large unmet need in the area of housing finance, particularly in rural areas. MABS will initially work with a small group of rural banks to develop and pilot various micro-housing products and if this proves successful, will roll out these services to at least 50 rural bank branches reaching at least 5,000 new clients.

- Expand the use of new technologies.* The MABS Program and participating rural banks offer mobile phone banking services, such as *Text-A-Payment (TAP)*, *Text-A-Deposit (TAD)* and *Text-A-Sweldo* (salary, TAS), and are the acknowledged leaders in the field of mobile phone banking for microfinance. The innovative partnership that RBAP-MABS developed with Globe Telecom's subsidiary G-Xchange (GXI) is a success story that has been widely documented in both the local and international media. The MABS initiative and pilot in mobile phone banking and mobile commerce services has just scratched the surface of possibilities and there is still more to be done to promote and institutionalize these services for hundreds and thousand of rural bank clients across the country. Major activities that MABS will undertake to accelerate the expansion of MPBS, which will reach more than 500,000 bank clients and customers through 500 rural bank branches during MABS-4 include: enhancing existing mobile phone banking services for rural banks and develop new products, assisting in promoting and marketing the services locally and nationally, supporting the adoption of appropriate regulatory framework for electronic banking, developing partnerships with international remittance and e-payment firms, and assisting in developing interface software between short messaging services (SMS)-based e-money transactions and the back-end system of rural banks to allow for greater efficiency.
- Develop micro-insurance products.* The estimated market for micro-insurance in the Philippines is enormous, with most potential clients operating as microentrepreneurs in the large informal sector. In partnership with local insurance companies, MABS will work with 125 rural banks to reach at least a third of rural bank clients and ensure that there is improved access to insurance options which rural banks will be able to offer.
- Improved Access to Credit Bureaus.* As more and more institutions engage in microfinance, the need for a comprehensive, accessible, and accurate credit information sharing has become clear. With the anticipation of the passage of the Credit Information System Act expected to be passed by the Philippine Congress soon, MABS will work with rural banks, the Bangko Sentral ng Pilipinas (BSP), and private credit bureaus to ensure that rural banks will be able to participate and access credit bureaus over the coming years.
- Communications and other activities.* MABS will continue using appropriate communications and marketing tools to ensure that there is widespread public awareness of the activities and achievements of the Program and that knowledge tolls developed by MABS, best practices, and lesson learned are shared with key organizations in the local and global microfinance industry and practitioners.

Workplan Format

The Workplan indicates the major tasks MABS intends to carry out during Years 1 (May 1, 2008 – September 30, 2008) and 2 (October 1, 2008 – September 30, 2009). However, specific activities may be required, which are not included in the workplan schedule. The MABS Quarterly Performance Reports will compare actual results against planned targets and activities and provide explanations where results exceeded or did not meet targeted goals, as the case may be.

This workplan covers the period May 1, 2008 through September 30, 2009 and is organized according to key result areas (KRAs).

- 1. Key Result Area 1: Expansion of banks providing microfinance services***
- 2. Key Result Area 2: Assistance to banks to extend the range of services***
- 3. Key Result Area 3: Sharing of lessons learned with global practitioners***

Annex A outlines the detailed implementation plan for Years 1 and 2. Annex B is a monitoring template that sets the periodic status of program goals against end-of-Program targets (March 2013).

Key Result Area 1: Expansion of banks providing microfinance services

Table 1 MABS-4 KRA1 Targets

Performance Indicators	Baseline Data from MABS-3 (As of April 2008)	MABS-4 End of Project Targets (March 2013)
1. Number of banks and bank branches	320*	200 additional bank branches
2. Number of new micro-borrowers	499,604	375,000 new micro-borrowers
3. Amount of Micro-loans disbursed	PhP18.27 billion	PhP20 billion in micro-loans disbursed (over US\$500 million)
4. Number of outstanding micro-deposit accounts**	1,339,435	1,700,000

* These figures include active MABS participating bank branches

** While the performance indicator for deposits was not listed in the USAID contract, it was included here for the purposes of tracking the progress of banks to expand micro deposit services.

Table 2 MABS-4 KRA1 Annual Breakdown of 5-Year Targets

Performance Indicators	Year 1 Target (May 2008 – Sept 2008)	Year 2 Target (Oct 2008 – Sept 2009)	Year 3 Target (Oct 2009 – Sept 2010)	Year 4 Target (Oct 2010 – Sept 2011)	Year 5 Target (Oct 2011 – Sept 2012)	Year 6 Target (Oct 2012 – Mar 2013) *	Total (End of Project)
1. Number of banks and bank branches	10	40	40	50	50	10	200
2. Number of new micro-borrowers	30,000	60,000	70,000	80,000	90,000	50,000	375,000
3. Amount of Micro-loans disbursed	1.7 B	4.5 B	5.0 B	5.5 B	6.0 B	3.3 B	PhP 26 B
4. Number of Outstanding Micro-Deposit Accounts	1,390,000	1,459,000	1,519,000	1,579,000	1,639,000	1,700,000	1,700,000

* Year 6 only covers 5 months (October 2012 to March 2013)

Table 3 MABS-4 KRA1 Quarterly Targets for Years 1 & 2

Performance Indicators	Year 1		Year 2			
	Quarter 3 Target (May 2008 – June 2008)	Quarter 4 Target (July 2008 – Sept 2008)	Quarter 1 Target (Oct 2008 – Dec 2008)	Quarter 2 Target (Jan 2009 – Mar 2009)	Quarter 3 Target (Apr 2009 – June 2009)	Quarter 4 Target (July 2009 – Sept 2009)
1. Number of new bank branches	3	7	5	10	10	15
2. Number of new micro-borrowers	10,000	15,000	15,000	15,000	15,000	15,000
3. Amount of Micro-loans disbursed	750M	1.0 B	1.25 B	1.0 B	1.25 B	1.0 B
4. Number of Outstanding Micro-Deposit Accounts	1.37M	1.39 M	1.40 M	1.41 M	1.44 M	1.46 M

MABS will support the expansion of MABS PBs to a cumulative total of 500 branches and increase the cumulative number of new micro-borrowers by 375,000 during the period to bring the 15-year total of new micro-borrowers reached to more than 800,000. The overall increase in micro-loans disbursed over the next five years is expected to exceed US\$500 million and bring the total 15-year cumulative amount of micro loans disbursed to over US\$800 million. MABS will focus on providing technical assistance and support to existing MABS PBs to help them grow and open branches.

KRA 1.1 Number of bank and bank units participating in the MABS Program expanded

To extend the *MABS Approach* to Microfinance to 200 additional bank units by 2013, MABS will:

- Aggressively market *MABS Approach* Training and Technical Services (MATTS) to new rural banks through the combined efforts of the MABS technical staff and accredited MABS Service Providers (MSPs).
- Continue to provide the to microfinance training and technical services to existing rural banks that have plans of establishing new branches and other banking offices through the combined efforts of the MABS technical staff and accredited MSPs.
- Close monitoring and analysis of the banks’ microenterprise operations and providing the banks with periodic feedback and coaching on how to maintain and/or expand further their services.
- Hold a training course for existing and new MABS Technical Resource Specialists (MABSTeRS) to serve as in-house trainers on the MATTS.

- Use the distance learning platform to train additional bank staff and to complement classroom training

As MABS expands its services to additional rural banks, providing quality, in-person training on microfinance best practices to the more than 1,000 account officers, supervisors, and branch managers of PBs has become a challenge. Classroom training entails substantial travel and lodging costs and disrupts employees' set work schedules.

MABS developed an online distance-learning program as an alternative to onsite training. The program provides intensive training on the core elements of the *MABS Approach* through lectures, exercises, and quizzes. Chat rooms are provided for course participants to communicate real-time with facilitators and peers.

The distance-learning program was piloted in 2006 and launched in 2007. The distance-learning site, www.moodle.rbapmabs.org, contains four courses: *Introduction to Distance learning*, *MABS Microfinance Basics*, *Delinquency and Remedial Management*, and *Middle Management Training: Effective Supervision*. This Web-based distance learning course will reduce the costs of training bank staff and scale up the delivery of training to the continuously increasing number of microfinance staff that need to be trained and re-trained. Aside from reduced training costs and scaled-up training, the distance learning course deliver an integrated learning package to the banks – as the primary learners (account officers) complete the online modules, their supervisors and managers can also actively participate as learning partners.

MABS will work with the Rural Bankers Research and Development Foundation Inc. (RBRDFI) and the MSPs to manage the online courses. MABS will also, from time to time, supplement onsite and classroom training with the DL courses.

KRA 1.2 Number of microborrowers expanded

MABS will work with PBs to increase the cumulative number of new microborrowers reached by 375,000 and bring the 15-year total of new microborrowers reached to more than 800,000.

Among the strategies for expansion are:

- Facilitate annual bank planning and budgeting activity of the microenterprise lending operations.
- Provide training on effective supervision and management of the microfinance operations.
- Provide basic microfinance course for newly hired and existing account officers of PBs, with emphasis on proper client selection using intensive credit and background investigation (CIBI) and cash flow lending analysis as well as effective sales skills.

- Close monitoring and analysis of the banks' microenterprise operations and providing the banks with periodic feedback and coaching on how to maintain and/or expand further their services.
- Hold a training course for existing and new MABSTeRS to serve as in-house trainers on the MABS Basic Microfinance Course for supervisors and account officers

KRA 1.3 Number of micro loans expanded

To achieve a- PhP 26 billion (over US\$500 million) overall increase in micro-loans disbursed over the next five years and bring the total 15-year cumulative amount of micro loans disbursed to over PhP 44 billion (over US\$800 million), MABS will work with the banks to:

- Ensure that banks are conducting annual bank planning which includes a focus on microfinance lending operations.
- Ensure that banks are regular improving the effective supervision and management of their microfinance operations.
- Ensure that banks continue to provide basic microfinance courses for newly hired and existing account officers with an emphasis on proper client selection using intensive CIBI and cash flow lending analysis as well as effective sales skills.
- Closely monitor and analyze the banks' microfinance operations and provide the banks with periodic feedback and guidance on how to maintain and/or expand further their services.
- Ensure that MABSTeRS are in place within banks that are effectively serving as in-house trainers on the MABS Basic Microfinance Course for supervisors and account officers.

KRA 1.4 Expansion in the number of microdepositors

To achieve a total of more than 1.3 million micro deposit accounts by the end of Year 1 and 1.7 million accounts by 2013, MABS will undertake the following strategies:

- Work with MSPs to offer the Savings Mobilization Training Course to PBs that are in need of improving their deposit generation activities.
- Provide examples and case studies on effective savings mobilization strategies.

The MABS program will also continue to provide periodic trainings and technical advises to ensure that PBs continue to focus on the basics and improve their microfinance operations.

The MABS team will provide training by offering special forums, roundtable conferences, as well as distance learning and electronic updates about services and opportunities for rural banks to expand microfinance services.

KRA 1.5 Support to credit bureau access and enhancements to MIS

The establishment of a credit bureau will greatly help rural banks to evaluate, monitor and reduce the costs of credit risk analysis through accessing credit histories of prospective clients. The BSP has expressed optimism that the “Credit Information System Act” will be approved by the Philippine Congress within the year. Since this will be a new requirement for rural banks, they will need assistance in improving their systems to properly gather and submit credit history information of their clients.

MABS will work on the following strategies to attain the objective of improving access to and participation in credit bureaus in the Philippines:

- **Collaborate with BSP and other private credit bureaus to determine the generic/standard reporting structure to ensure that the reports generated by the rural banks will be acceptable to both the national credit bureau and private credit bureaus.**
 - Work closely with the BSP; participate in meetings and provide support in the drafting/preparation of implementation guidelines and other circulars.
 - Carry out activities to help provide/disseminate information supporting the establishment of the credit bureau to RBAP and other stakeholders.
 - Gather from existing private credit bureaus information on the database structure and report formats that are now in place in order to provide recommendations on a more inclusive reporting format for the national and private credit bureaus.
 - Make recommendations to the BSP for a standardized reporting format that can be utilized by both the private and the national credit bureau system.

- **Once the circular for reporting to the Credit Bureau is in place, MABS will assist in developing specifications for participant banks' management information systems (MIS) systems to allow the banks to participate in reporting and accessing credit bureau services.**
 - Using the standard reporting formats that the BSP will require, MABS will develop systems specifications for reporting templates.
 - Encourage major information technology (IT) and MIS service providers to include the new reporting templates within their systems.
 - Assist rural banks using other banking software in discussing with their providers to develop appropriate reporting modules.
 - Assist in testing and monitor implementation of credit bureau reporting.
 - Enhance MABS Performance Monitoring System (MPMS) to include overseeing the accomplishments of the rural banks in utilizing access to credit bureaus

Key Result Area 2: Assistance to Banks to Extend the Range of Services

Table 4 KRA2 Targets (Year 1 and End-of-Project)

	Year 1 Targets (Sep 2008)	End-of-Project Targets
1. Number of rural bank clients registered to use mobile phone banking services	70,000 *	500,000
2. Number of bank branches offering mobile phone banking	340 **	500
3. Total value of monthly mobile phone banking transactions	PhP155million	PhP400 million
4. Bank branches offering microinsurance	9	125
5. Active microenterprise clients covered by microinsurance	15,000	150,000
6. Number of bank branches offering micro housing loans	0	50
7. Cumulative number of micro housing clients	0	5,000
8. Cumulative number of bank branches offering the micro agri-loan product	43	106
9. Cumulative number of new micro agri-loan product clients	10,100	30,000

* Figure includes number of clients registered as of April 2008 (60,000) and new clients registered up to September 2008 (10,000)

** Figure includes 330 bank units offering MPBS as of April 2008 (330) and projected additional number of units by September 2008 (10)

KRA2.1 Mobile phone banking services expanded in participating banks

Table 5 KRA 2.1 Targets

Performance Indicators	Baseline Data from MABS-3 (As of April 2008)	MABS-4 End of Project Targets (March 2013)
1. Number of bank clients registered to use mobile phone banking services	60,651	500,000
2. Number of banks branches offering mobile phone banking transactions	330	500
3. Total Value of monthly mobile phone banking transactions	PhP132 Million	PhP 400 Million

Table 6 MABS-4 KRA2.1 Annual Breakdown of 5-Year Targets

Performance Indicators	Year 1 Target (May 2008 – Sep 2008)	Year 2 Target (Oct 2008 – Sep 2009)	Year 3 Target (Oct 2009 – Sep 2010)	Year 4 Target (Oct 2010 – Sep 2011)	Year 5 Target (Oct 2011 – Sep 2012)	Year 6 Target (Oct 2012- Mar 2013 *	Total (End of Project)
1. Cumulative number of bank clients registered to use mobile phone banking services	70,000	125,000	215,000	330,000	450,000	500,000	500,000
2. Number of bank branches offering mobile phone banking services	(New) 10	30	35	40	50	5	500
	(Cumulative) 340	370	405	445	495	500	
3. Total Value of monthly mobile phone banking transactions	PhP155 Million	PhP175 Million	PhP200 Million	PhP250 Million	PhP300 Million	PhP350 Million	PhP400 Million

* Year 6 only covers 5 months (October 2012 to March 2013)

Table 7 MABS-4 KRA2.1 Quarterly Targets for Years 1 & 2

Performance Indicators	Year 1		Year 2				
	Quarter 3 Target (May-Jun 08)	Quarter 4 Target (Jul – Sep 08)	Quarter 1 Target (Oct 08 – Dec 08)	Quarter 2 Target (Jan 09 – Mar 09)	Quarter 3 Target (Apr 09 – Jun 09)	Quarter 4 Target (Jul 09 – Sep 09)	Year 1 + 2 Targets (May 08 – Sep 09)
1. Cumulative number of bank clients registered to use mobile phone banking services	60,651	70,000	80,000	95,000	110,000	125,000	125,000
2. Number of bank branches offering mobile phone banking services	(New) 0	10	10	10	10	10	380
	(Cumulative) 330	340	350	360	370	380	
3. Total Value of monthly mobile phone banking transactions	PhP 150 Million	PhP155 Million	PhP 160 Million	PhP 165 Million	PhP 170 Million	PhP 175 Million	PhP 175 Million

Since 2004, the Program, with support from G-Xchange, Inc. (GXI) - a wholly owned subsidiary of Globe Telecom – has been developing and implementing mobile phone banking applications and mobile commerce services for rural banks and their clients. The banks and clients are finding that MPBS offer significant advantages in terms of reduced costs, security and convenience in accessing financial services, and opportunities to expand their business.

For rural banks, mobile phone banking has several advantages since it improves transparency of financial transactions, helps control fraud, and reduces errors associated with cash transactions.

Clients, on the other hand, can now access and manage their financial services needs remotely, receiving loans, making payments and deposits, withdrawing funds from deposit accounts, remitting and receiving money from relatives and friends, and even buying and selling goods using electronic cash and their phones instead of point-of-sale systems. Rural banks can also provide payroll-processing services for small businesses where employees can receive their salaries via their mobile phone wallets.

All of the MABS-developed MPBS have been approved by the BSP. These services include: Text-A-Payment (TAP) for loan payment and collection, Text-A-Remittance (TAR) to cash-in/out remittance locally and abroad, Text-A-Deposit (TAD) for remote deposit mobilization, and Text-A-Withdrawal (TAW) to remotely withdraw money from their accounts in the form of electronic money directly from their savings account to their mobile wallet.

To build a sustainable and robust mobile banking ecosystem requires building the “source” (where cash could be converted to electronic money) and “use” (where electronic money can be used to buy or sell goods and services) components. The

commercial viability rests on achieving the desired critical mass of users (both “source” and “use”) of electronic money in any given community. The 39 rural banks that signed up to partner with GXI understand the business potential of being first to provide mobile banking services to their clients. However, the real value of the mobile banking service can only be achieved when the general public has accepted the technology and makes mobile phone banking and mobile commerce a part of their everyday lives. The development and improvement of the mobile phone banking applications developed by MABS is an important and continuous activity to make MPBS and related mobile commerce opportunities an attractive opportunity for the banks and to new and existing clients.

- **Promotion of Mobile Phone Banking Marketing Program with Globe and other incentive program of MPBS rollout banks**
 - Launch MPB Marketing Program and Train MPB Marketers in partnership with Globe and six rollout banks (GM Bank, Cantilan Bank, 1st Valley Bank, Bangko Kabayan, Green Bank, Philippine Rural Bank)
 - Continuously collaborating with GXI in terms of promotional (e.g. GCash Agent Program) and other activities that create awareness, registration and educational campaign on the use of electronic money in the localities
- **Re-activation of accredited banks to do MPBS**
 - Classify and determine priority banks to enhance MPBS. Priority MPB services are as follows: Text-A-Sweldo, Text-A-Remittance, Text-A-Payment, Text-A-Deposit & Withdrawal, Text-A-Credit (TAC).
 - Assist banks in determining and marketing potential MPB merchants and resellers.
 - Assist banks in identifying companies to market payroll services through Text-A-Sweldo & utility companies to offer the Text-A-Bills Payment Service
- **Encourage other rural banks to participate in the mobile phone banking initiative**
 - Conduct survey among other rural banks to identify additional rural banks interested in offering mobile phone banking services.
 - Coordinate with Confederations for the training requirements on mobile phone banking accreditation for its members.
 - Conduct accreditation training in conjunction with the federations.
 - Assist banks in the accreditation process.

- **Partnership with System Developer/Content Provider for development of SMS interface program to automate MPBS transactions**
 - Set series of discussion/meetings with third party content providers (local and international) who are able to provide for the integration of SMS banking services with the back end systems of rural banks.
 - Initiate pilot tests to expand mobile phone banking services to include message alerts, balance inquiry, and other services.
- **Development of new mobile phone banking products**
 - Identify new MPBS e.g. Text-A-Credit (TAC) service
 - Develop internal process and procedures
 - Rollout to participating banks
- **Explore Partnership with telecommunications company Smart Communications**
 - Hold discussions with Smart on mobile phone banking services using the Smart Money platform.
 - If an agreement is reached between RBAP and SMART, MABS will
 - Work with BSP's for the approval of remittance and potentially other mobile phone banking services using the Smart Money Platform.
 - Initiate pilot tests with interested rural banks and should the pilot tests be successful, assist with launching remittance and other services to additional rural banks.

KRA2.2 Microinsurance services offered in participating banks

Table 8 KRA2.2 Targets

<p>Major Objective:</p> <p>Assist participating banks in expanding their range of services</p>	<p>Goals:</p> <ol style="list-style-type: none"> 1. 125 bank branches offering micro-insurance by the end of project 2. 1/3 of all active micro-enterprise clients (150,000) purchased micro-insurance by end of project 3. 10 bank branches offering one or more microinsurance products by end of year 1
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Table 9 MABS-4 KRA2.2 Annual Breakdown of 5-Year Targets

Performance Indicators	Year 1 Target May 08 - Sept 08	Year 2 Target Oct 08 - Sept 09	Year 3 Target Oct 09 - Sept 2010	Year 4 Target Oct 2010 - Sept 2011	Year 5 Target Oct 2011 - Sept 2012	Year 6 Target Oct 2013 - Mar 2013
Number of Bank Branches offering Microinsurance	9	11	16	28	39	24
Cumulative No. of Branches Offering Microinsurance	9	18	34	62	101	125
1/3 of Active Borrowers Buying Microinsurance	15,000	26,000	42,000	77,000	118,000	150,000

Table 10 MABS-4 KRA2.2 Quarterly Targets for Years 1 & 2

Type of Target	YEAR 1		YEAR 2			
	May-June 2008	July-Sept 2008	Oct-Dec 2008	Jan-Mar 2009	Apr-Jun 2009	July-Sept 2009
Total Number of Bank Branches offering Microinsurance	7	9	9	12	15	18
1/3 of Estimated Active Borrowers Buying Microinsurance	402	15,000	5,000	12,000	19,000	26,000

- Quarter 1: Primary activities include market research and partnership-building
- Quarter 2: At least 1 bank and 2 of its branches agree to pilot microinsurance products of 1 or more insurance companies
- Quarter 3: Improved marketing strategies and tools result in steady growth in branches and clients signing up to marketing insurance
- Quarter 4: Developed online resource center on rural bank-driven microinsurance result in refinement of insurers' microinsurance products on life and hospitalization

With more than 1 million microenterprise borrowers and depositors and coverage across the nation, MABS participating rural banks are seen as strategically positioned to

facilitate greater access to microinsurance services. Microinsurance also provides an opportunity for the banks to expand their range of financial services from which they can generate additional revenues. However, MABS sees it as imperative to promote access to quality insurance products by licensed (and regulated) providers who can effectively secure protection for low-income households. Hence, MABS will be promoting the partner-agent model among the banks similar to the ones that MABS supported with Malayan Insurance Company for their microinsurance product *Todo Asenso*.

In the partner-agent model, rural banks enhance access to microinsurance products for the underserved market minus the significant investment in resources necessary for the effective assessment and management of the risks of the insurance. The primary role of rural banks will be to serve as agents for the insurance company which bears the risk of insuring the clients and is responsible for regulatory compliance.

- **Facilitate access by rural banks, insurers and other key industry players to information on emerging trends and best practices on microinsurance in the rural banking industry**

In year 1, MABS will assess the demand for microinsurance, foremost of which are life and hospitalization (health). Insights on the needs and preferences of existing and new clients, particularly women, will be determined through focus group discussions and localized surveys conducted by MABS and the bank staff.

On the supply side, information will be pooled on various insurers' microinsurance products, including details on the types, products, terms, premiums and requirements. It is expected that this will facilitate the creation of healthy competition among insurers subsequent to which is the development of more affordable and better quality insurance products for our micro clients.

Activities to be undertaken during the first two years from May to September 2009 will include the following:

- Development of an inventory/comparative matrix on microinsurance providers and their products
- Conduct of key informant interviews (KIIs) with coordinators of rural banks with existing microinsurance
- Conduct of a series of market research studies (through rapid surveys and focus group discussions) to assess local demand for microinsurance in selected rural bank communities
- Expand *life, hospitalization, or accident* microinsurance among at least 20 additional rural bank branches
- Activation of web pages on microinsurance incorporating the following features:

- Profile of rural bank partners for microinsurance
 - Database of insurance providers and their products
 - Orientation materials for rural banks
 - Case studies on the results of the pilot implementation
- Organize one forum with rural banks, insurance providers and industry regulators

- **Facilitate arrangements with insurance firms interested in microinsurance**

In partnership with rural banks participating in the initiative, MABS will coordinate with several local insurance firms to provide microinsurance products through rural banks that are responsive to the needs and capacities of our micro clients.

MABS will engage an expert in promoting the partner-agent model, the Microinsurance Centre (MIC), as a resource partner in this initiative. While MABS will refrain from endorsing insurance providers or exhibiting partiality, we will assist banks on provider selection and negotiations that should result in mutually beneficial relationships between the banks and insurance providers.

Priority activities under this component include the following:

- Conduct exploratory meetings with insurance companies interested in microinsurance.
 - Establish linkages with institutions actively involved in the design, distribution and promotion of microinsurance for the informal market, such as the Microinsurance Insurance Associates Agency Philippines (MIAAP).
 - Collaborate with insurers in the development of marketing tools and capability-building activities to ensure the effective promotion of microinsurance products by bank management and staff.
 - Assist rural banks in effectively formulating partnership agreements with insurance providers.
- **Optimize the use of emerging trends and technological innovations to reduce operational costs of micro-insurers and rural banks.** One of the reasons which deter insurers from venturing into microinsurance is the prevailing notion that administrative costs are too high for serving the low-income market. High administrative costs adversely impact on premium levels, compromising the affordability of insurance products. MABS will therefore explore innovative means by which marketing and administration of microinsurance is kept at minimum cost.

Major activities supportive of this strategy are:

- Conduct of gap analysis on the administration of microinsurance by participating banks.
- Analyze the potential to utilize mobile payments among microinsurance clients for premium collections or payments.

KRA2.3 Microhousing finance services expanded in participating banks

Table 11 MABS-4 KRA2.3 Annual Breakdown of 5-Year Targets

Performance Indicators	Year 1 Target (May 2008 – Sept 2008)	Year 2 Target (Oct 2008 – Sept 2009)	Year 3 Target (Oct 2009 – Sept 2010)	Year 4 Target (Oct 2010 – Sept 2011)	Year 5 Target (Oct 2011 – Sept 2012)	Year 6 Target (Oct 2012 – Mar 2013) *
1. Annual Number of Branch Units offering HMF	4	6	10	10	15	5
2. Cumulative Number of Branch Units Offering HMF	4	10	20	30	45	50
3. Active HMF Loans by Year	0	120	500	1,000	2,000	3,000
4. Cumulative Number of HMF Borrowers	0	150	600	1,600	3,200	5,000

* Year 6 only covers 5 months (October 2012 to March 2013)

Table 12 MABS-4 KRA2.3 Quarterly Targets for Years 1 & 2

Performance Indicators	Year 1		Year 2			
	Quarter 3 Target (May-Jun 08)	Quarter 4 Target (Jul – Sep 08)	Quarter 1 Target (Oct 08 – Dec 08)	Quarter 2 Target (Jan 09 – Mar 09)	Quarter 3 Target (Apr 09 – Jun 09)	Quarter 4 Target (Jul 09 – Sep 09)
Number of Banks	–	4	-			
Number of Branch Units	–	4	1	1	2	2
Cumulative Number of Branch Units		4	5	6	8	10
Active Loans	–	–	30	60	90	120
Cumulative Number of Borrowers	–	-	30	60	90	150

NOTES:

Q3 and Q4 of YEAR1: Months May to September 2008 are for MABS-4 preparatory activities and market research and product development activities;

With rapid growth in population in the Philippines, the demand for housing continues to rise. According to the ADB, from 2001-2004 housing need was estimated at 3.6 million units and actual housing provision was just about one-fifth of this total, resulting in a huge unmet demand particularly among the poor and informal sector. Between 2005 and

2010, potential demand is projected to reach 3.76 million units, including housing units for new households of 2.58 million.

Microfinance and housing finance are related by the shared objective of providing access to marginalized groups. Also, since many microenterprises are home-based, microenterprise loans often contribute to home improvements or house construction that also benefit the business. Because of the potential for mutually reinforcing product and service design, it will be beneficial to examine the prospects for providing housing loans using microfinance technologies.

Introducing housing microfinance under MABS -4 will help address the credit demand of microenterprise clients for home improvement purposes and, to a certain extent, the shortage of affordable housing for low income groups. Based on a MABS survey of 210 clients of more than 20 MABS participating banks, close to 40 percent have used part of their loans from the rural bank during the last 12 months for home improvement or repairs. A majority (58%) indicated needing a loan for home repairs and improvement (44%) and for the purchase of a house and/or lot.

MABS will assist rural banks in developing and offering micro housing products to reach 150 clients through at least 10 rural bank branches by the end of September 2009, and more than 50 branches during the life of the project. Major activities under this component include:

- **Priority during the period May 2008 to September 2009 is to develop and introduce home improvement loan products that banks can offer to existing clients –i.e. borrowers with good history as well as depositors.**
 - Enter into collaborative partnership with Microfinance Innovation Center for Resources and Alternatives (MICRA) and Mercy Corps that will provide support for a housing microfinance expert and researchers to work with MABS team on market research and development of housing microfinance products and promotional strategies for pilot testing
 - Develop simple market research & survey tools that banks can use
 - Test survey instrument and other market research tools
- **Focus efforts on banks with strong interest and commitment to meet the demand of their clients for housing microfinance, and have the potential for expanding product outreach through their branches and extension offices.**
 - Based on a set of criteria, select pilot banks for testing *MABS Approach* to housing microfinance
 - Implement market research in four pilot banks – two in Mindanao and two in Luzon

- Analyze and report results of market research
- Design prototype product, including product manuals, marketing kits and informational materials
- Provide TA to Pilot banks for product development activities (product adaptation, business planning, product manual preparation), and identifying MIS gap to accommodate new product monitoring.
- **Limited testing of new product with existing clients as initial target markets in 1 to 2 branches of each pilot bank.**
 - Provide technical assistance to pilot branches, and train core group of trainers for the new product in anticipation of product roll out to additional branches.
 - Ensure new product is communicated to all bank branch and HO staff
 - Monitor implementation and product performance
 - Evaluate product implementation
- **Work closely with the BSP for regulatory and policy requirements to allow rural banks to issue micro housing loans utilizing their own fund sources.**
 - Dialogue with BSP on MABS housing microfinance initiative
 - Request BSP approval for the MABS' microhousing loan initiative and the increase of ceilings on both tenor and amount to qualify loans as microfinance.

KRA2.4 Micro agri-loan product rollout

Based on the nationwide survey of farmers by the Philippine Agricultural Policy Council (ACPC, 2004-05 survey), three-fourths of farm households depend on crop farming, one-third on livestock raising, while fishing is an additional income source for almost a fifth. The ACPC survey also showed the multiplicity of income sources for farming households, with more than half (52 percent) of these households having other incomes from non-farm sources. In terms of access to formal loans, the surveys found a higher share of 51 percent of all farm loans from formal sources in 2004-05 compared to 38 percent in 1996-97.¹ While access to formal credit by farmers had improved, the unmet farm credit demand remains large. Excluding the livestock sector, ACPC estimated the unmet credit demand of rice, corn and coconut farmers at about US\$1.47 billion. Reducing the gap in supply and demand faces two major challenges: reducing the risk of lending to farmers and reaching those farmers in areas farther away from town centers.

¹ Supplying 20 percent of loans, traders and millers are the single most important source of credit for farm households, 7 percent of loans come from rural banks.

With so much the labor force dependent on agricultural income, access to financial services in this sector is critical. Rural banks are uniquely positioned to serve this market. By incorporating MABS best practices and adjusting loan features to address the flexible needs of agricultural borrowers, rural banks have become more confident about lending to this sector. More technical assistance, training, and monitoring are needed to increase agricultural lending, and close monitoring will be critical to maintaining portfolio quality.

MABS developed in 2004 an approach to the Micro Agri Credit that essentially utilized in designing and implementing microfinance products. The approach integrates market research, careful product design, pilot testing, and portfolio management. In many ways the MABS-Micro Agri Product approach was different from the traditional agricultural lending. MABS-Micro Agri Loan Product took into account the multiplicity of income from various sources, the ability of farmers to make rationale decisions, and based the provision of credit on the borrower's character and capacity to repay. Determining capacity to repay required an analysis of all farm and non-farm household income. Loan payments were amortized regularly on a weekly, semi-monthly or monthly basis which was aligned with a borrower's cash flow. Borrowers were allowed to pay a partial lump sum to take into account crop or livestock business cycles but the lump sum payment could not exceed 40% of the loan amount. This payment scheme substantially reduced the risks normally associated with the 100% lump sum payment option that banks traditionally used. This new approach to agricultural lending has been quite successful in reaching small farmers while reducing the risk of lending. MABS found that due to the multiple income sources, farmers were willing to pay their loan in frequent installments.

Table 13 MABS-4 KRA2.4 Annual Breakdown of 5-Year Targets

Indicator	Baseline (April 08)	Year 1 May 2008- Sep 2008	Year 2 Oct 2008 -Sep 2009	Year 3 Oct 2009 - Sept 2010	Year 4 Oct 2010 - Sep 2011	Year 5 Oct 2011 - Sep 2012	Year 6 Sep 2012 - Mar 2013	Cumulative
# of Branches*	N/A	4	12	14	14	14	7	65
Cumulative # of Branches	41	45	57	73	87	100	106	106
# of New Clients	N/A	2,250	5,400	6,000	6,600	7,200	2,550	30,000
Cumulative New Clients	9,200	11,450	16,850	22,850	29,450	36,650	39,200	39,200

* Excluding trained but inactive banks. Target is 100 bank branches or an additional 65 bank branches with 35 branches as base figure.

Table 14 MABS-4 KRA2.4 Quarterly Targets for Years 1 & 2

Indicator	Baseline*/ (Apr'08)	YEAR 1		YEAR 2				Cumulative
		Quarter 3 Target (May-Jun 2008)	Quarter 4 Target (Jul – Sep 2008)	Quarter 1 Target (Oct 2008 – Dec 2008)	Quarter 2 Target (Jan 2009 – Mar 2009)	Quarter 3 Target (Apr 2009 – Jun 2009)	Quarter 4 Target (Jul 2009 – Sep 2009)	
Number of branches		2	2	2	6	0	4	16
Cumulative	41	43	45	47	53	53	57	57
Number of new clients		900	1,350	1,350	1,350	1,350	1,350	7,650
Cumulative number of new borrowers	9,200	10,100	11,450	12,800	14,150	15,500	16,850	16,850

The number of micro agri-loan product (MAP) participating bank branches grew from the five pilot bank branches in 2004 to a total of 41 bank branches in 2008. By April 2008, the number of active clients stood at 5,200 with an outstanding loan portfolio of P47.6M. The cumulative number of new borrowers was 9,200 while the total number of loans disbursed was more than 17,900 with total amount of loans disbursed reaching P217.7M. On the average, the annual number of new clients as well as number of active borrowers grew more than 100% every year.

Presently, there are two major challenges in micro agri lending. First is slow take up of rural banks to offer micro agri loans for the following reasons: (a) bank's long-standing impression that lending to small farmers remains very risky; and (b) the MAP design is no different from the microenterprise lending design. The second challenge is risk mitigation against calamities (flooding, drought) and such risks on account of pests and diseases, price, and market risks. The micro agri lending addresses these challenges. The approach has inherent risk mitigating procedures with the regular amortization payment feature and been successful overall in maintaining good portfolio quality and this lesson will be shared and more widely disseminated in order to convince more banks to adopt the micro agri product. Also, to differentiate this agricultural lending approach from the microenterprise lending approach, the banks can give the clients repayment option using the straight amortization payment or the 60/40 mode of payment. Banks that are implementing 60/40 (Progressive Bank, GM Bank and RB Talisayan) have so far not reported any problems with loan recovery.

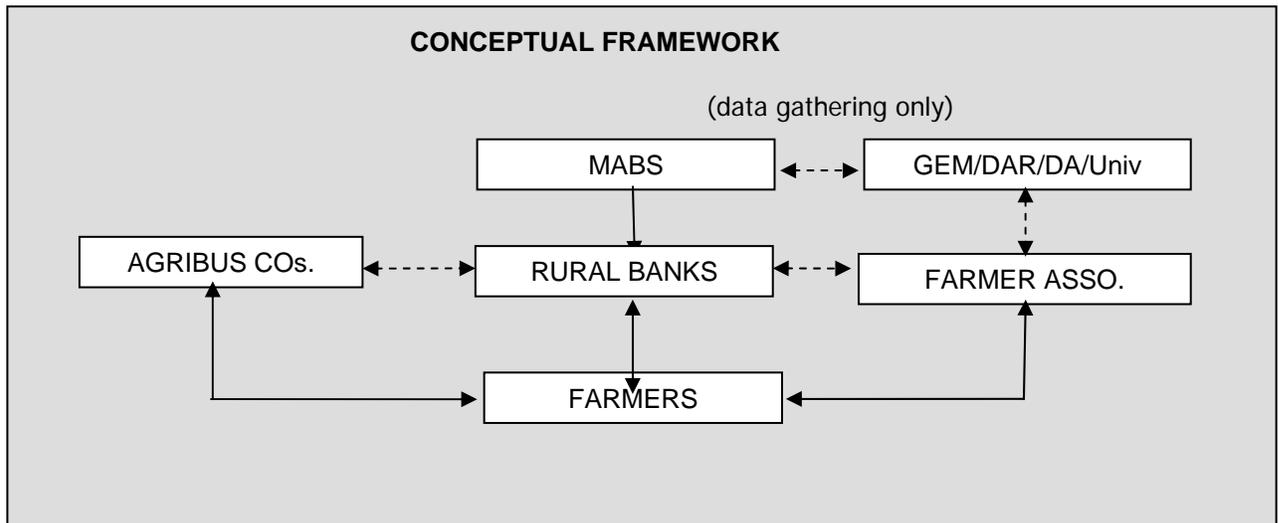
To encourage more banks to offer micro agri lending the strategic approaches are outlined below.

- **Focus on rural banks that have the largest potential market for MAP**

This strategy aims to tap new market segments to increase client outreach of MAP implementing banks. In addition, specific major crop or agricultural produce will be identified in specific farming localities and such will be subjected to value chain analysis to identify gaps and opportunities for financing. MABS will identify the exact location of small farmers and farmer associations, initially in Mindanao and eventually in other regions of the country that are not affected by typhoons. A market research tool will be refined and market survey activities be conducted to find out demographics, natural resources, types of agricultural activities, and the capacity of MABS banks in the area. MABS will assist the banks to target the small farmers in their areas and offer MAP. During the first two years of MABS 4, the MABS team will provide additional support to existing participating rural banks that are implementing the MAP and will encourage expansion to more farmers by actively promoting the services offered through existing networks that link to small farmers including larger trading companies and farmer associations.

MABS will identify farmer associations from databases available at the Department of Agrarian Reform, the Department of Agriculture, and its various field offices. These farmer associations will then be provided to rural banks to assist them in better marketing the availability of the micro agri loan product to more farmers. MABS will coordinate with the Growth with Equity in Mindanao (GEM) Program in Mindanao to put its assisted farmer groups in contact with rural banks offering micro agri loan products. MABS will also work with student interns coming from interested universities who are willing to assist MABS in conducting market studies. MABS will also identify big agribusiness companies for possible collaboration with the banks.

Figure 1 MAP Conceptual Framework



- Research typhoon-free provinces & locations with greatest need for MAP (large number of small farmers involved in different farming activities – rice, corn, vegetable, fruits, livestock, aquaculture)

- Map locations of participating rural bank, agri business companies, and farmer associations for possible collaboration and increased marketing of MAP to more small farmers.
- Conduct market research in targeted selected areas with specific agri sub-sector, including value (supply) chain analysis
- Complete a report on the profiles of agricultural activities (rice, corn, hog, cattle, goat, etc.)

- **Provide additional technical assistance and training on the MAP**

MABS will target existing MAP implementing banks, particularly the multi-branch banks that continue to commit resources and personnel to MAP. MABS will provide additional TA/training support thru the special activities fund (SAF).

During the first quarter, MABS will assess the technical assistance provided under MABS-3 to learn how to improve on previous efforts and focus assistance on PBs offering the MAP. MABS will target banks that are expanding rapidly and continuing to commit resources and personnel to marketing the MAP, using the SAF to provide additional training. Focused assistance can ensure that the MAP is incorporated as a standard product in all of target bank's rural branches.

In the first two years of the program, MAP efforts will be directed towards assisting the existing MAP implementing rural banks to rollout the product to other branches while at the same time encouraging other banks to join the training and implement micro agri loan products.

The idea of marketing the micro agri loan product through farmer associations and agri business companies and its potential in improving client outreach will be promoted to rural banks.

- Identify all existing MAP PBs and local farmer associations and agri business companies operating in the same regions.
- During the second quarter of the program year, MABS will train new banks/ additional branches of existing banks.
- MABS will also identify auxiliary training needs of MAP banks (e.g. training for "MAP champions" for each bank to ensure that the participating banks can expand their micro agri loan product and improve their services).

- **Use technology to expand outreach to small farmers**

This strategy aims to promote mobile phone banking, improve mobile phone banking use, expand coverage to remote agricultural areas, and help the bank and farmers reduce transaction cost.

Using the MABS-designed MPBS, MABS will explore the expansion of MAP payments and disbursements via mobile phone to reach small farmers in rural areas, which will coincide with the expansion of MPBS.

- During the first quarter of the program’s 1st year, MABS will conduct a survey among MAP implementing banks that are also offer mobile phone banking services and have strong mobile phone coverage in rural areas where the farmers are operating.
- During the second quarter of the program’s 1st year, these selected banks will be encouraged to actively support Text-A-Payment services to new and existing MAP clients.
- Study the feasibility of expanding mobile payments to reduce the costs of purchasing farming inputs by:
 - 1) Identifying local farm supply stores that can register to accept mobile payments for the purchase of farming inputs.
 - 2) Identify MAP banks in these locations that would like to offer MAP borrowers loan disbursements via their mobile phones in order to facilitate the purchase of inputs from local suppliers.

- **Promote knowledge sharing to refine and enhance MAP**

This strategy aims to promote knowledge sharing among stakeholders, support learning to improve the effectiveness and impact of the Micro Agri Loan to rural banks and farmer clients.

MABS will help banks analyze client feedback on the MAP and refine it to meet changing market demand. Using the to micro agri-lending, MABS will incorporate lessons learned from client feedback and the experience of banks that have enhanced their MAP services and cascade these lessons learned to other participating banks offering MAP services. Additionally, MABS will continue to participate in initiatives such as the Agricultural Microfinance Research Project, a multisectoral effort that documents innovative agriculture financing schemes, so that MABS can also improve the MAP product.

- Conduct a Practitioners’ Learning Forum of MAP implementing banks

- Organize cross visit of potential banks to MAP banks successfully implementing their micro agri product.
- Complete a report on the Best Practices of implementing a Micro Agri Loan product that will be shared with MABS participating banks.
- Document at least one MAP client “MABS Winner” story..

Key Result Area 3: Sharing of lessons learned with global practitioners

Table 15 KRA3 Targets

Targets
1. 12 news items/articles released by end of Year 1.
2. 60 articles in local and international media by end of project.
3. 4 national roundtables organized and participation in 20 international conferences by the end of the project.

KRA3.1 Participating banks encouraged and assisted in adhering to MABS best practices

- **Continuously promote the adoption and observance of the MABS-EAGLE Assessment system as a tool in improving the banks’ microfinance operations**
 - EAGLE Assessment

The EAGLE (Efficiency, Asset Quality, Growth, Liability Structure, and Earnings) assessment system is one of the major services by MABS that is highly appreciated and anticipated by PBs. Conducted by the MABS staff on a yearly basis, the assessment makes use of 11 indicators for efficiency, asset quality, growth in outreach and portfolio, liability structure, and earnings to determine how the banks’ are implementing their microfinance services. The results of the EAGLE assessment is issued to the PBs in a score card format and accompanied with a written analysis and recommendations for improvement.

Banks that merit the highest assessment of double “A” are recognized and feted during an awards ceremony coinciding with the holding of the MABS National Roundtable Conference.

Starting this year, MABS intend to release a mid-year (July to June) and annual (January to December) results of the EAGLE assessment system.

- MABS Compliance Certification

The MABS Compliance Certification is another mechanism designed by the MABS program to ensure that PBs possess the minimum requirements essential to properly implement a microfinance operation. These requirements are: 1) completion of *MABS Approach* training and technical services; 2) Full-time account officers; 3) MABS compliant loans tracking system; 4) Presence of MF Operations and product manual that incorporates MABS recommended MF best practices and principles.

As a pre-requisite to being certified as MABS compliant, MSP trained banks are evaluated on a set of bank-wide criteria that include: 1) BSP CAMELS rating of at least 3 or higher; 2) Bank-wide past due ratio of 15% or less; 3) Capital adequacy ratio of 10% or higher.

Banks found to be compliant are given their certificates either during the regional or national roundtable conferences organized by the MABS program.

- **Increase awareness of participant banks in latest trends and innovations in microfinance**

- National Roundtable Conference

MABS will continue to hold the yearly National Roundtable Conference for MABS PBs. The National Roundtable serves as a venue for sharing best practices and innovations in microfinance - both local and international - from which PBs could learn from. The National Roundtable Conference also serves as a forum for presenting and discussing the annual results and performance status of the microfinance operations of MABS PBs. The conference is normally held in April or May, with senior and middle management officers and microfinance supervisors of PBs in attendance.

During the National Roundtable, the MABS technical staff will engage the PBs in a one-on-one discussion of the results of EAGLE assessment of their microfinance operations, highlighting its strengths and weaknesses and providing recommendations.

- Regional Roundtable Conference

The Regional Roundtable Conference is like the national roundtable conference although lesser in scale, as it only focuses on gathering the PBs by island grouping (Luzon-Visayas and Mindanao). The Regional Roundtable serves also as a venue for sharing best practices and innovations in microfinance - both local and international - from which the PBs could learn from. The Regional Roundtable Conference, normally held in September or October, also serves as a forum for presenting and discussing the annual results and performance status of the microfinance operations of the MABS PBs

During the Regional Roundtable, the MABS technical staff will engage the PBs in a one-on-one discussion of the mid-year results of EAGLE assessment of their microfinance operations, highlighting its strengths and weaknesses and providing recommendations.

KRA3.2 Public awareness of RBAP-MABS widespread

MABS carries out a communications program primarily aimed at ensuring continued, wide-scale public awareness of the Program by providing information on the Program's activities and accomplishments. MABS uses and develops communications tools that are designed to effectively address the information needs of specific and previously identified audience groups. These are delivered through the appropriate channels (print media, videos, and the Program's website - www.rbapmabs.org).

In Years 1 and 2, MABS will undertake the following activities to promote and increase awareness of program activities and achievements:

- **Document, communicate, and promote the achievements and impact of the MABS Program through:**
 - Production of updated materials (brochures, flyers and briefs, identity kit) that provide an overview of the program and its core activities and services
 - Regularly sending out press releases, photo releases, news articles, and feature articles to mass media contacts. MABS will seek to establish connections/contacts with desk editors of other newspapers/magazines and regularly sending releases to existing contacts.
- **Re-design and re-launch www.rbapmabs.org**

Aside from updating the content of the site to reflect MABS-4 initiatives and activities, the website will be re-designed to 1) showcase MABS' technical resources and knowledge assets (technical papers, case studies, presentations etc) and 2) serve as a tool for the launch and rollout of new initiatives

- **Develop and distribute MABS Monthly Highlights as an e-newsletter**
- **Leverage the internet, social networks, blogs, and user-generated content.** More and more, the internet is becoming the primary source of information and therefore, the best media and platform for information dissemination. In sites running on user-generated content as well as taking advantage of social network sites, information is spread exponentially – at rates that traditional forms of media cannot match.

MABS will leverage this by uploading videos on such sites as YouTube and by establishing MABS presence in microfinance-industry blogs and links to other key websites.

- **Establish presence and increase visibility through participation in conferences/other events promoting microfinance and study tours.**

MABS actively participates in major events promoting microfinance, such as the Citi Microentrepreneur of the Year Awards – a search for outstanding Filipino microentrepreneurs. MABS actively solicits nominations from PBs and submits nominations to the screening committee. Since 2002, 18 MABS PB clients (out of 34 total winners) have been named winners of the outstanding microentrepreneur search.

MABS has also established presence and visibility through presentations in international conferences on microfinance/mobile phone banking initiatives. MABS staff members and participating rural banks are expected to participate as well as make presentations in at least 20 international conferences over the next five years. During the first year, MABS staff members have been invited to present and share lessons learned in four international conferences in Singapore, Manila, Thailand, and Nepal and provide an assessment for USAID/Ethiopia. Participating bank Presidents have also been invited to present at conferences in Vietnam and Indonesia.

During FY 2009, we anticipate that MABS staff and participating bankers will participate in at least three additional international conferences. Based on a tremendous demand for international visits to the Philippines, MABS will assist RBRDFI in initiating an international visitor program that will arrange for at approximately four international visits per year to meet with RBAP, the MABS program, and participating banks. For 2008, visits are being planned for visitors from Colombia, Indonesia and India and discussions are underway with organizations in Mexico and Cambodia to facilitate additional visits.

KRA3.3 Key organizations knowledgeable of MABS accomplishments and lessons learned

The Program will also sustain initiatives to link rural banks with other established local and international institutions whose work primarily focus on microfinance, and who share the common objective of promoting financial transparency and improving microfinance performance monitoring and benchmarking in the Philippines. These institutions include the local Microfinance Council of the Philippines (MCPI), Microfinance Information Exchange (MIX), the Micro Banking Bulletin (MBB), Innovations for Poverty Action (IPA), Microfinance Innovation Center for Resources and Alternatives, Citi Foundation, the World Bank supported Consultative Group to Assist the Poor (CGAP), ACCION, Women's World Banking (WWB), Banking with the Poor Network (BWTP), and others. In particular, MABS will continue to compile and submit various reports to them containing detailed information on the performance of banks participating in the MABS Program on an annual basis.