



“We develop sustainable social-impact businesses that empower very poor people to climb out of poverty themselves”

November 2016

A letter from our CEO:

I would like to update you on our latest developments at Grameen Australia in the Philippines.

Nearly 3,000 loans have now been made to very poor urban women (95%) and men (5%), and almost AUD 75,000 of savings are held by our members. The program applies the Grameen model in a unique way due to its focus on the fractured urban situation in the developing world environment of Manila. Given this unique element and the great demand to increase the size of our loan book towards 10,000 plus loans, Grameen Australia decided to implement a formal review of operations.

As part of this audit process we found two areas requiring further strengthening:

1. Operational record keeping against Centre records showed that a significant number of borrowers were late in paying their account even though the official operational system showed that they were repaying their loans on time. This lack of accuracy is unacceptable.

Outcome: The factors that led to this are being rectified as a matter of urgency. This process has involved introducing additional checks and control measures, in tandem with even more 'bank-like' practices. Strict data encoding standards and systematic reconciliation of all systems and records has been implemented. The country manager (in charge of managing the operational system and reporting) has been replaced with an experienced interim head with an extensive auditing and financial management background. The local leadership team has been strengthened through clearly defined roles and segregation of duties, mainly with regard to Finance and Operations functions.

Ensuring enhanced data accuracy and more robust control are the foundations for the program to experience substantial growth from 2017 with the objective of achieving sustainability.

2. Meetings with key Borrowers and Centre Leaders to seek their input into our developments to date has led to a range of improvements in our processes being discussed and implemented. Central to this is our people-focused approach and the drive for more impactful training and capacity building. Suggestions were made to improve repayment structures, increase training for Centre Leaders and further improve communications with the project's Account Officers.

Outcome: To further support the Grameen model whereby the community and self-help groups manage their loans, increased management training is being initiated for Centre Leaders to further develop their capacity. Account Officers are being provided with advanced training in key areas including how to implement Grameen methodology in the specific situation of urban Manila, and how to ensure business-like practices in borrower businesses.

Our work is impacting lives with sample surveys revealing increased household incomes ranging from 33% to 47% on an annualised basis.



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We will continue to keep you updated on our journey to empower poverty stricken slum dwellers of metro Manila with incredible entrepreneurial potential, by delivering intergenerational change and playing our part in making poverty history.

Thank you for your wonderful and ongoing support of Grameen Australia.

Yours sincerely

A handwritten signature in blue ink that reads 'Duncan Power'. The signature is written in a cursive style and is contained within a thin black rectangular border.

Duncan Power
CEO
Grameen Australia

Empowering the Poor through Social Business Activities Update



Social Business Hub, Manila the Philippines

- To date 2,789 loans totalling AUD 563,807 loans have been released.
- AUD 172,425 of loans are current to 1,848 borrowers.
- Business Plan in place to ensure significant growth in 2017
- Savings accounts established by borrowers to secure their financial future against unexpected issues such as illness or natural disaster, with AUD 73,086 in savings in Compulsory, Voluntary and Group Fund accounts.
- 39 Centres established and 3,140 members have completed compulsory business training
- 2 businesses established:
 - *Soap* – sales both internally in Manila and to Australia and Japan
 - *Rags* – ongoing sales to corporate partner
- Corporate partnerships formed with 2 Australian organisations with activities in the Philippines, resulting in the development of social business projects including a school based business training and microfinance program and an agribusiness with the first steps underway.



Livestock Training Centre, Siem Reap Cambodia

- The Centre has reached an early target of 5,000 chickens, with more than 350 chickens being readied for sale – breakeven targeted for 1H/17.
- The impending arrival of a full-scale commercial incubator will provide the momentum to scale the Centre, as it will hold 5,000 eggs and maintain them at correct conditions for healthy hatching without intervention. Members of the Expert Advisory Committee will visit the Centre following the incubators arrival to install it and provide training. The Committee will also review activities and provide further recommendations for improvement.
- Productivity to date has been increased through the implementation of infrastructure improvements including a dedicated egg room with controlled temperature, further enhanced chick rearing environment, high quality feed and a strict and thorough vaccination program.
- Biosecurity has been further improved with the introduction of uniforms for all who interact with the chickens, and enhancements to the cleaning and maintenance program.



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With your support we can continue our work empowering those in greatest need

Please click on the “Donate Now’ button below



Grameen Australia’s MISSION is to eliminate poverty in some of Asia’s most neglected communities by applying our Social Business Model to create new sources of income for poverty stricken families. Our dynamic approach combines compulsory training, ongoing mentoring, microfinance and leading technology to empower beneficiaries to change their own lives permanently. Social Business uses the tools of business – efficiency, economic viability and innovation – to drive scalable and sustainable social outcomes.

Grameen Australia is an Australian not-for-profit organisation with DGR 1 status, which means that donations are fully tax deductible to donors in Australia.

Visit our website at www.grameen.org.au for all the news and information on our activities including Current Projects and Case Studies.