

# **Day 1 Summary**

**Workshop on Social Finance for SMEs with a CSR  
Agenda**

**9 to 13 March 2009**

**Kuala Lumpur Malaysia**

# Learning Disabilities

- Understanding learning disabilities will allow us to build learning organizations.
- What are they?
  - I am my position
  - The enemy is out there
  - The illusion of taking charge
  - The fixation on events
  - The parable of the boiled frog
  - The delusion of learning from experience
  - The myth of the management team

# Social Enterprises

- **Mitra Bali** – Handicrafts Consolidator and Exporter
- **Mahaguthi** – Handicrafts Consolidator and Exporter
- **PODIE** – Consolidator and Exporter of Organic Spices
- **Upland Marketing Foundation** – Distributor of Community Enterprise Products
- **Kaakbay Entre-Workers Cooperative** – Manufacturer of Filing System Products

# Needs Addressed by SEs

Organization	Needs Addressed
Mitra Bali	Livelihood for poor in Bali
Mahaguthi	Deprived women, widows and low caste people.
PODIE	Organized producers needing markets for their products
Upland Marketing	Community enterprises needing markets for their products
Malaysian CARE	Marginalization of indigenous peoples
Kaakbay Entre-Workers Coop	Employment/livelihood for a group of laid-off women

# Social Enterprise Opportunities

Organization	Resources	Products	Markets
Mitra Bali	Artisans	Handicrafts	Tourists and Fair Trade Network
Mahaguthi	Artisans	Handicrafts	Fair Trade Network
PODIE	Farmers/ Producers	Organic Spices	Fair Trade Network and Organic Markets
Upland Marketing	Farmers/ Producers	Farm and Forest Products	Supermarkets
Malaysian CARE	Farmers/ Producers	Various	Unspecified
Kaakbay Entre-Workers Coop	Skilled Workers	Filing System Products	Institutional

# SE Challenges and Responses

Challenges	Responses
<b>Achieving scale</b>	<ul style="list-style-type: none"><li>•Clustering (community enterprises, cooperatives, self-help groups)</li><li>•Provide/facilitate access to technology</li><li>•Provide/facilitate access to training and technical assistance</li><li>•Product development</li></ul>
<b>Financing</b>	<ul style="list-style-type: none"><li>•Advance payments</li><li>•Facilitate access to credit</li></ul>
<b>Markets</b>	<ul style="list-style-type: none"><li>•Consolidation</li><li>•Distribution</li><li>•Initiating/Engaging with value chains (e.g. Fair Trade)</li></ul>

# SE Success Factors

- Relationships with stakeholders/beneficiaries – address needs, use participative approaches, build ownership, provide or facilitate access to support services
- Relationships with Suppliers or Clients – understand your clients, meet their needs, build and promote value chains (share information, build trust, be transparent and accountable)

# SE Success Factors (contd)

- Business Models -- Becoming market players (consolidate, distribute, build value chains)
- Sustainability – environment, processes, financial management, social responsibility, community development
- Organizational values

# Social Finance Institutions

- Vision Fund – Microfinance
- Land Bank of the Philippines – Government-owned bank
- Inner City Development Corp – Microfinance
- Rural Development Bank of Cambodia – Government bank
- ASKI – Microfinance
- Small Industries Development Bank of India – government bank
- Federation of People's Sustainable Development Cooperative – Federation of Cooperatives
- Social Money Institutions

# Who fund social enterprises?

- Microfinance institutions?
- Government banks and financial institutions?

# Challenges

- Shifting credit away from collateral to transaction-based financing
- Participation of financial institutions in value chains
- Allocating a portion of profits to development or social programs
- Need to educate borrowers in the use of credit
- Need to influence policy.