

Freedom from Hunger and recent developments at PADME in Benin

Davis, California. Freedom from Hunger expresses deep concern about recent developments at Association PADME, one of its partner microfinance institutions in Benin. We believe that the governance of a private organization such as PADME should not be assumed by the government for the reasons that have been officially stated.

Freedom from Hunger has been working with PADME since 2006 through our global Microfinance and Health Protection initiative, aimed at developing, testing, and documenting the impact of innovative services that combine microfinance and health protection. PADME has been instrumental in implementing high-impact innovations that are making a difference in the lives of thousands of poor families in rural Benin. At the same time, PADME has been our primary partner in carefully controlled research to examine the impact of such services on the performance of the microfinance institution itself. These activities have been successful over the past two years because of the strong commitment and aptitude of PADME's leadership, from both the Board of Directors and management.

We understand that important issues have been raised about PADME's institutional performance and we know that René Azokli and his team have been working to address them with the assistance of PADME's partner organizations. (We note that such questions are not unique to PADME or Benin and that sincere attention to the financial performance of such institutions is appropriate.) Freedom from Hunger is prepared to collaborate with PADME and other key stakeholders in the Beninois microfinance sector to overcome any critical pending issues in order to expedite PADME's return to its status as an independent financial institution operating in Benin.

While this episode has unsettled the microfinance sector in Benin, Freedom from Hunger remains committed to working in Benin and in partnership with PADME for the sake of the thousands of poor people in rural areas who are benefiting from PADME's integrated services. We trust that the situation at PADME will soon return to normalcy, and that PADME will soon regain its status as a private organization for the benefit of its clients and for the long-term viability of the microfinance sector in Benin.