

Copyright © 2005 ADA asbl. – Appui au Développement Autonome

with the support of



THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG



EUROPEAN DIALOGUE STREAM

Conference Summary and Notes

Luxembourg Week of Microfinance:
Capital Markets – European Dialogue – Rural Finance
17-19 October 2005, Luxembourg



This report was prepared by the Luxembourg Round Table on Microfinance and is based on the conference notes from Joyce del Rosario, Hazel Daniells and ADA, and includes the panel summaries from Maria Winnubst, Isabelle Guérin, Betty Wampfler, Kristin Duchateau, Charles T. Ruys, Anton Simanowitz and Bart de Bruyne.

A conference summary report of Luxembourg Week of Microfinance: Capital Markets – European Dialogue – Rural Finance, and the stream reports and conference presentations can be downloaded from <http://www.microfinance2005.lu>

Luxembourg Round Table on Microfinance

E-Mail: info@microfinance.2005

Any comments for the European Dialogue steam can be send to adainfo@microfinance.lu

Copyright © 2005 ADA – Appui au Développement Autonome

Short excerpts from this publication may be reproduced without authorisation on condition that the source is acknowledged. For rights of reproduction or translation, please contact adainfo@microfinance.lu

CONTENTS

1. CONFERENCE SUMMARY	3
2. CONFERENCE NOTES	7
European Dialogue - An Introduction	9
Current Approaches on European Level	12
Presentation of Current Initiatives - Experiences and Opportunities	14
Role of Research – Topics and Implications	16
Measuring, Managing and Reporting on Social Performance	20
MFI Financing – Linkages and Autonomy	25
Innovation for Deeper Outreach	30
Lessons in Rural Finance for the Future	34
A Plan for the Future	36
3. CONFERENCE PROGRAMME.....	39
4. PARTICIPANTS LIST	45

1. CONFERENCE SUMMARY

1. CONFERENCE SUMMARY

1. CONFERENCE SUMMARY

Objective

The European Dialogue conference during the Luxembourg Microfinance Week: Capital Markets – European Dialogue – Rural Finance was aimed at European microfinance actors working in developing countries. The objective of the conference was to create synergies and links between these different actors as to enhance and increase the impact of microfinance activities for the benefit of the economically poor in developing countries.

Structure

Each day focused on themes and issues identified by the publication European Microfinance Actors – Working in Developing Countries: Directory, Main Topics and Priorities with inputs from many microfinance experts and institutions following a set of questions.

Presentations of the publication's conclusions and of current initiatives were given during the first day. The objective was to inform about what is already happening in Europe in terms of approaches and collaborations, and learn from these experiences. Three panels were presented: Current approaches of the European Commission and European Investment Bank towards microfinance; Current joint initiatives at national, regional or topical level and Role of universities and research centres.

Debate was on the agenda during the second day in form of discussion panels and working groups on the three priority topics of European microfinance actors as per above mentioned publication: Social performance assessment and measuring, managing and reporting tools; Innovations on different product methodologies, institutional structures, technologies and distribution channels for deeper outreach, and Linkages and new partners for financing of the microfinance sector to achieve wider outreach and strengthen sustainability of MFIs. During each session, key input was provided by MFIs from Latin America, Africa and Asia.

Action plans for collaborations for the near and far future were discussed during the third and last day. The focus was on practical ways for working together after and outside the frame of the conference: Presentations of the working groups and their proposed activities, and a general plan on European level.

There was also a discussion panel with the participants of the Rural Finance stream on sharing experiences in this sector and the presentation of the conclusions of both streams.

Outcome

A striking success of this conference was its bringing together European microfinance actors working in developing countries, who had previously never met and exchanged views. In order to facilitate a continuation of the dialogue, this conference stream proposed the creation of the European Microfinance Platform: e-MFP

The e-MFP will be set up by a provisional steering committee with an initial secretariat provided by the Luxembourg Round Table on Microfinance.

The e-MFP will aim to:

- Build a credible multi-stakeholders group in Europe which is deemed representative enough to enhance the European dialogue and competence in microfinance, building on the experiences of European countries and their interaction with developing countries, and exchange on microfinance policy issues with European Institutions and Governments.
- Promote innovative and inclusive economic and financial sector development concepts based on research and practitioners' lessons learnt, and advance microfinance good practices for the benefit of the economically active poor as well as for a more economical implementation of European development programmes in both the North and the South.
- Provide an open platform of microfinance experts, practitioners, researchers and policy makers in order to promote innovation, mutual interaction and synergies within the sector.

2. CONFERENCE NOTES

2. CONFERENCE NOTES

2. CONFERENCE NOTES

EUROPEAN DIALOGUE - AN INTRODUCTION

This panel opened the conference on European Dialogue: Axel de Ville, ADA, presented the objectives and expectations of this initiative, which included the publication on European microfinance actors working in developing countries, and this conference. Marie Perillo, consultant, who conducted the survey and is co-author of the publication, discussed the main findings and conclusions of the survey and Véronique Faber, ADA, explained the influence of these conclusions on the conference agenda.

Axel de Ville welcomed the participants to the European Dialogue stream and explained why this initiative has emerged: Resources used by Microfinance Institutions (MFIs) by a multitude of partners, where there had been an overlap of initiatives and programmes; Emerging of national microfinance platforms in Europe; and Lack of coordination amongst actors in the microfinance sector. The premise was that with the sharing of experiences and new ideas, participants should try to reach a consensus and come up with a common plan for the future. This conference aimed to serve as catalyst and facilitator for synergies between the different actors.

The conference brought together more than fifty microfinance experts from Europe: Development practitioners, representatives from NGO and MFIs, local microfinance institutions, government, academics and researchers, donor agencies, institutions of the European Union and the private sector notably the commercial banks, and invited key speakers from Africa, Asia and Latin America.

The main expectations of this conference from the organisers and participants were:

- To connect with European actors to make Europe part of a global microfinance sector;
- To link up with European organisations for future partnerships with smaller MFIs and microfinance organisations or NGOs;
- To seek ways of lobbying the European Union;
- To learn from and network with MFIs from all over the world;
- To listen and share experiences to strengthen future effectiveness of microfinance projects;
- To find ways to coordinate efforts and work together.

To kick off the discussion, a presentation of the publication *European Microfinance Actors – Working in Developing Countries: Directory, Main Topics and Priorities* was presented by Marie Perillo, highlighting the main findings, conclusions and limitations of the survey which thus fed into the agenda of this conference stream.

In a nutshell, the study identified: Who are the European microfinance actors; What do they do and Where?

The main conclusions of the study are:

- Microfinance is a prosperous and diverse sector in that: NGOs are the most represented type; there is an emergence of specialised services (i.e., investment funds, consulting firms, rating agencies, etc.); and training and research centres are very active.
- Despite specialisation in microfinance activities, there are not many human resources in the organisations.
- European microfinance actors are most active in Africa, Latin America and Asia but are least present in the Middle East and Oceania.
- There are no specific methods or areas of intervention per type of organisation. However, financial support remains an important tool. Each type of organisation offers a wide and diverse range of services. Support for MFIs in operations, products and services are set within the context of long-term relationships with MFIs. Exceptionally, more specialised institutions are naturally more focused on a particular method and area.

2. CONFERENCE NOTES

Plans for the future:

- Reinforcement and development of current priorities with a special focus on: linkages with the formal banking sectors, social performance measurement, and rural finance and outreach.
- Development of new products such as microinsurance, remittances and new MFI financing.
- Importance of research and the increasingly high demand for documentation so as to acquire lessons, at the same time avoid pitfalls.

Some of the challenges ahead and questions:

- Given the diversity of organisations, what could facilitate and also prevent synergies?
- How important is for microfinance organisations to have specialised staff?
- Is a wide geographic spread beneficial? How could inter-regional exchange of experiences be strengthened?
- On methods of intervention, should organisations continue to offer a combination of financial and non-financial support?
- In terms of areas and priorities of intervention, would specialisation increase efficiency in microfinance?
- How can MFIs and microfinance organisations benefit from the existent diversity of competences and facilitate synergies among actors?

Some comments and issues from the floor

It was mentioned that it was unfortunate that following points were not addressed by the publication:

- Type of loans (hard or soft currency) given to MFIs.
- Weight or significance of funding support in terms of volume and distribution.
- The historical dimension of European experience with microfinance.

It was clarified that the survey was meant to launch a debate and hopefully initiated a process among actors at the table. At the same time, the publication was intended to give an overview of what and where European microfinance actors are currently engaged in developing countries. ADA, who published this directory for The Luxembourg Round Table on Microfinance, wishes for someone to update the existing directory and improve upon it.

CURRENT APPROACHES ON EUROPEAN LEVEL

This panel presented the current approach towards microfinance of the European Commission and the European Investment Bank. Especially for organisations from EU member states, it is important to know these approaches as it is for the EC and EIB to recognize the available expertise.

Facilitator of this panel was Igor Wajnsztoek from Lux-Development (Luxembourg). Presentations were given by David Domes, European Commission, on the support to microenterprises and microfinance as part of a coherent policy framework for private sector development, and Edvardas Bumsteinas, European Investment Bank, aiming to promote linkages between MFIs and local financial institutions through a more extensive application of guarantee instruments.

The EC's approach to microfinance and microenterprises forms part of a coherent EC policy framework for private sector development and intervenes in four areas: capacity building of MFIs, market infrastructure, legal and regulatory framework for inclusive financial systems, and facilitation of access to finance. The EC has three modalities of aid delivery in microfinance: direct supervision through projects and programmes; facilitating access to finance cooperating with international development banks; and financing start ups in cooperation with NGOs in the framework of co financing budget lines. The EC believes that microfinance gives concrete expression to the values which form the basis of a sustainable development policy. Although the EC has a long experience in microfinance, some of its interventions led to criticisms which then resulted in an evaluation on appropriateness, level of effectiveness and poor management of schemes. Following the donor peer review which pointed out weaknesses of its approach, the EC decided to professionalize delivery of microfinance interventions and concentrate its actions where it can be most effective by refocusing on capacity building based on best practices in the field and working with specialised NGOs. This new approach aims to work towards much needed 'professionalism', which thus improves

2. CONFERENCE NOTES

aid effectiveness and delivery of better projects to the poor, likewise leads to better financial sustainability and ultimately enables permanent positive social returns in microfinance.

The EIB endorsed an enhanced strategy in microfinance investment goals in 2004, specifically: Promotion of linkages between MFIs and local financial sector, scaling up of private MFIs; assistance to commercial banks willing to develop microfinance activities transformation of NGO MFIs into commercial entities; and strengthening of MFIs' organisation and management. 76% of EIB's commitment in microfinance activities is earmarked for Africa, Caribbean and the Pacific while the remaining 26% goes to beneficiary countries under the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) framework. EIB places great emphasis on capacity building of financial institutions especially in rural areas of Sub-Saharan Africa and will intensify the dialogue with the EC, the Consultative Group to Assist the Poor (CGAP), existing and potential partners in the ACP countries. EIB aims to promote linkages between MFIs and local financial institutions, such as commercial banks and life insurance companies, through a more extensive application of guarantee instruments. It will also include performance indicators and benchmarking tools. EIB has also developed local currency guarantee instruments within the ACP Investment Facility Framework.

Some comments and issues from the floor

EIB together with the EC launched the programme called "Jeremy", whose objective is to provide better access to finance for microentrepreneurs and newly established entrepreneurs. EIB has been active in providing local loans and credit lines to 'big players' in Europe for onward lending to microbusinesses. This programme will broaden lending schemes to other financial institutions. EIB would also like to attract the private sector to invest in microfinance given the increasing demand for resources from publicly owned institutions.

As regards plans on working with European actors, the EIB encourages MFIs to present concrete proposals to the bank as well as opinions on the viability of guarantees. With the "Jeremy" programme, access to EU funds would be easier. Both the EC and EIB have an interest to engage more stakeholders and potential partners.

In conclusion, the EC as a member of CGAP tries to learn from the latter's finding on good practices in microfinance and see how best to cooperate with other actors. The EC is also engaged in on-going debates on microfinance and intends to set up an internal network to exchange experience in the different programmes and initiatives. Lastly, the EC aims to have a common position with different partners on good practices and specialisations. The EC will continue to work with donors, the EIB, CGAP, private sector and other partners in shaping its future strategies.

PRESENTATION OF CURRENT INITIATIVES – EXPERIENCES AND OPPORTUNITIES

This panel presented joint current initiatives, which exist on national or on regional level, or are organised around a particular topic or objective. These initiatives give evidence of opportunities, but also of difficulties, which come about when working together. It is important to learn lessons from current experiences as to build on them and make for more efficient and effective collaborations.

As the microfinance sector is becoming more specialised and available resources are limited, joint initiatives have become more important in the last couple of years, as they allow leveraging efforts.

Facilitator was Maria Winnubst from Miserior, who represented the Microfinance Group of the NGO network Concord. Speakers included Philippe Guichandut from the European Microfinance Network on challenging Western European microfinance, Cor Wattel for the Netherlands National Platform on its achievements and challenges, Grzegorz Galusek for the Microfinance Center for Eastern Europe and the Newly Independent States

2. CONFERENCE NOTES

on the grassroots of the Center, Gaby Ramm for the CGAP Microinsurance Working Group on lessons made to date and Sabine Missistrano for SIFRA on this network's strategic position and recent lobbying efforts.

Following constraints for collaborations were mentioned by the panel:

- Financial constraints, but maybe less a matter of not enough money, but more a matter of lacking knowledge on how to access the money, i.e. the money does not find the right target and the "target" doesn't find the money.
- Structural constraints which includes lack of staff. In nearly all cases presented staff was doing microfinance among many other tasks.
- Cultural constraints due to the fact that very different types of actors work together: Commercial banks, NGOs, research institutes and universities, etc.. Each of these organisations has a different culture. In addition there is a language barrier across Europe (and even worldwide, where the participants identified the fact that much of the literature on microfinance is written in English, some is written in French and hardly anything is written in Spanish which excludes Southern America).
- Priority setting amongst the different actors in a joined initiative and expectations towards the initiative. For example: Small organisations in a network would focus mainly on the need for training whereas the bigger members would find it important to focus mainly on lobby actions.
- Visibility constraints as the sector is little known, yet growing every day.

Despite these constraints, the existent initiatives have shown that there is real scope for working together:

- Collaborations on a concrete theme where everyone is involved and convinced that working together on the specific topic will bring added value, for example, the European Microfinance Network started working together with organisations from Middle Eastern and North African countries on the issue of migrants since there is a notable increase in the microfinance sector in Europe of clients originating from these regions, (2) a variety of organisations got together to discuss the issues of microinsurance in the CGAP Working Group on microinsurance etc.
- There are clear "motors" in each collaboration. There is always someone needed to "push the cart forward, people taking responsibility and leadership of the process.

Other learning experiences from the presentations are:

- A consistent strategy is needed to develop a common approach.
- All members have to respect and trust each other and be really willing to cooperate (instead of stepping on each others toes).
- Knowledge management: Systematic information sharing and learning (which can be done if one works on a concrete theme but which is more difficult if the subject matter is too diverse).
- Funding is needed. One can work with volunteers, but at a certain moment the need for funding becomes apparent. Small funds need to be pooled.
- Working together should lead to concrete and realistic outputs and results.
- Face to face meetings are needed from time to time. Electronic contacts cannot replace the human contact completely.

The most important lesson of the session was the need of information exchange - systematic and transparent.

Finally, it was also pointed out that it is important never to forget “vision” and “flexibility”, and not to put too much emphasis on structures and mechanisms.

ROLE OF RESEARCH – TOPICS AND IMPLICATIONS

This panel explored the involvement and contribution of universities and research centres to microfinance. Research, training and teaching are very important elements. There is a wide array of briefing notes and papers available, but extensive research is time and cost intensive, and therefore, rare.

This panel aimed to see how researchers and practitioners work together in practise – even though in theory, they are complementary, they are subject to different constraints, e.g. in terms of temporality, outputs, etc.

It was decided that a Working Group on this topic should also come together as to discuss the role of research for the sector.

2. CONFERENCE NOTES

Facilitator was Isabelle Guérin from IFP in India. Speakers included Dr. Henk. A. J. MOLL, University of Wageningen, who spoke about the ABC of microfinance, Betty Wampfler, CNEARC, on the benefits of applied research, Hans Dieter Seibel, University of Cologne, on strength and weaknesses of academic research with the example of rural finance, Ranjula Bali Swain, University of Uppsala, on the role of research with regards to impact assessment and Luciano Bonomo, Fondazione “Giordano Dell’Amore”, on the importance and challenges of publications and information dissemination.

Based on the findings of the publication and discussions during the conference, it was confirmed that research is conducted principally by three actors:

- Universities: Research is done by individuals, not in teams and there is very little collaboration between them. There is problem of visibility. An exception would be the ImpAct Programme.
- Research Centres: Most applied research is also undertaken by individuals and not in teams. They are usually done by networks linked to demands of MFIs and micro-finance organisations.
- Networks: Also conduct applied research mostly in partnership with MFIs.

There are very few partnerships between these three different actors.

What can research do to support microfinance?

- Initially clarify what type of research is needed: Applied, academic or expertise
- Applied research requires empirical data and study on methodology, which is closely linked to microfinance. It produces description, an analysis of reality, expertise and tools for action.
- The materials produced by applied research feed academic research whose objective is to make progress in theory (prove or disprove theory) in economics, sociology, etc. and to test how the theory works in real life. For example, the theory of production costs is now widely used to explain market failure.
- Research and its findings can influence public policy at national and international level, donor strategy and that of the sector in general.

The panel discussions proved that there are many areas where research can play a role, hence the need for:

- Better understanding of demand and needs
- Better understanding of processes (e.g., governance)
- Work on innovations
- Impact at various levels
- Limitations of microfinance hence linked to strategy
- Interaction with other sectors (informal, economic....)
- Interaction with public policies

Following problems were highlighted:

- Gap between practitioners and research
- Temporality (proper research takes time)
- Vocabulary and terminology
- Confidentiality of data versus the obligation to publish
- Lack of visibility of results of research
- Lack of funding

Some comments and issues from the floor

Research can be an effective lobbying and advocacy tool, however it should be based on what is actually happening on the ground and focus on concrete topics ‘what works, what doesn’t work’.

“Why are failures not published when we can learn more from them than success stories?”

Researchers need to gather data and their findings serve the future of microfinance. However, there should also be a balance between what is useful for those in the field and what should remain with academics for theory development. Academics could perhaps filter what is useful for practitioners.

Impact assessment is particularly attractive to donors especially now that there is greater pressure on donors to provide evidence that microfinance works.

Capacity building is the ‘flavour of the year’ hence funding for research has become scarcer than ever. While lack of funds poses serious limitations, academics still enjoy autonomy in choosing topics for research.

2. CONFERENCE NOTES

Outcome of THE Working Group on the Role of Research

The proposals of the ad hoc formed Microfinance Research Working Group are:

- To give a better visibility to European microfinance research by using existing dissemination channels (i.e., Microfinance Gateway, 'portail microfinance, BIM, Espace finance') and by promoting a resource centre for research on microfinance.
- To improve documentation through an annual publication dedicated to microfinance research and publish a special issue of the bulletin "Dialogue" on the role of research.
- To convene a conference on "Putting research into practice and practice into research". While there had been a number of conferences on microfinance, one on research has yet to be organised.
- To improve research on sustainable development on microfinance. The members called on MFI representatives to join the group to bridge the gap between academics and practitioners as this poses serious limitations in the future not only for the group but the sector.

Some comments and issues from the floor

A suggestion was made that when research is published, given the technicality and length of the research, it would be best for researchers to make some type of a summary for immediate use or reference by practitioners.

The language issue is a serious one as it hinders exchange of research findings and therefore, does not support the learning process.

MEASURING, MANAGING AND REPORTING ON SOCIAL PERFORMANCE

Many European microfinance actors want or have to get involved in social performance assessment, but there seems to be a bit of confusion about available tools, methods and initiatives. This panel and Working Group attempted to clarify this situation and explore the different dimensions of social performance assessments: Measuring, managing, and reporting.

Facilitator was Anton Simanowitz from Imp-Act, who introduced the topic. After his brief overview, there was a panel interview with Aniceta Alip from CARD Bank on her experience with these three dimensions. Then the perspective on the key issues from CERISE were presented by Betty Wampfler, from TRIAS by Bart de Bruyne and from Microfinanza by Micol Guarneri as to understand what is meant by measuring social performance and what the different approaches are. Bart de Bruyne also introduced the Social Performance Task Force.

While there has been a lot of talk on Social Performance (SP), there are also a lot of people asking what does SP mean? According to the International Task Force on Social Performance, it is defined as focussing on the process as well as the outcomes. That means looking at the effective translation of an organisation's mission into actual practice. Its management is based on action, corrective measures, how it is achieved and the outcomes. What are the results of that work?

2. CONFERENCE NOTES

Two driving factors that have led to Social Performance assessments:

- Impact: Impact Assessment (IA) focuses on the end result, the final step. SP looks at the process of how impact is achieved or generated. SP looks at the design, intention of the organisation: how it designs its services, who it reaches, who are the target clients, how clients use these services and the changes that result from that and long-term impact. Hence it is not just the end point but the process before reaching the end point.
- Client led microfinance: The move away from supply driven services to demand driven services. This is about trying to understand and tailor services to better meet clients' needs; and the recognition that if you are going to be effective in microfinance both financially and socially, you need to build services based on understanding of the specifics of the clients you are trying to reach and the needs of those clients.

This session presented the concept of social performance as a process by which organisations translate their mission into practice, and the social outcomes they achieve. It outlined three aspects of social performance:

1. How social performance can be measured on an ongoing basis using internal information systems and supplemented through periodic in depth assessment.
2. How regular internal information can be used as part of an organisation's performance management system.
3. How internally generated information can be reported externally and benchmarked to the performance of other organisations.

The session was structured around these three themes with panellists giving short presentations and then answering questions from the other panellists and the audience. The session started with an in depth and practical exploration of social performance in the context of CARD in the Philippines, through a presentation and panel interview with Annie Alip from CARD.

Betty Wampfler then led a discussion on measuring social performance highlighting the experience of CERISE. These include tools for appraising and auditing the capacity of an organisation to achieve its mission, as well as applying market research and impact assessment tools to measure outcomes.

Bart de Bruyne introduced the concept of social performance management, drawing on the experience of TRIAS. He drew parallels between the management of financial and social performance, highlighting the resources spent on the financial management systems. This was followed by a discussion of reporting and benchmarking highlighting the experience of Microfinanza's work on social rating led by Fabio Malanchini.

Some comments and issues from the floor

As seen from previous day's discussions, Impact Assessment is a very costly exercise. How is the issue of SPM costs addressed? CARD argues that investing in Social Performance Management is an organisational priority. "If it's something you value, you measure it and if it's something you value, you spend money on it." It has been repeated during the conference that donors do not give grants as such although social investors and donors demand transparency, social returns and financial returns. Then who will pay for the cost, the analysis if social investors when donors do not give grants especially to small MFIs and microfinance organisations? How can they measure if they are not given the resources?

Did CARD attain financial independence first then implemented SP? There was no conscious effort on this. In 1997 when the bank was established, it grew exponentially and when CARD discovered the 'exit tools', actually started practising SPM. As more tools became available, they were used. In 2003, CARD experienced a problem; while financial sustainability was attained due to the fact that a lot of effort and emphasis was placed on loan repayment, both clients and staff were unhappy. There were harsh exchange between field staff and management on why clients could not pay. What management failed to understand what the root of the repayment problem was? So management went through an institutional reflection: while the organisation is concerned with financial sustainability, an equally important issue is that 'Are we helping our clients? Are we improving their well-being? Do we give them dignity?'

Why is CARD committed to SPM? "It is our belief that if clients are happy with existing products and services, they will be our best promoters, sharing their satisfaction through word of mouth. If clients remained satisfied, even delighted with our services, they will stay with us and will be more willing to pay for the use of financial services. The longer clients stay in our programmes, there is a better chance of making the effects of the service longer term. Hence by managing our financial and social imperatives, we are making sure that the CARD mutually reinforcing institutions remain true to its mission."

2. CONFERENCE NOTES

On quality versus quantity, the Social Performance Indicator (SPI) tool that is used by CERISE is a self-evaluation technique that is done by the MFI itself by means of a questionnaire (of three parts: [a] context and social strategy of the MFI; [b] social performance indicators; [c] major financial indicators), the results of which are discussed among the different MFIs. What is important here is the discussion that takes place.

On the external demands, i.e. impact of microfinance, how does it affect the local community, how does it effect the national economy, these all social performance questions but does not mean that MFIs are expected to respond to these questions themselves. Thus, there is a role for external assessments and evaluations. Therefore, we need to be clear about what is internal and external information.

Outcome of the working group on social performance

This group initially identified existing activities at international level. There is the International Task Force on Social Performance focusing on advocacy and using SP approaches and planning to set up a resource centre. The practise can also be made known through networks in the different regions. Donor groups provide incentives and look for funds to finance SP.

Considering the volume of tools, views, approaches, methods and possibilities on SP, a couple of questions came up:

- How does one find his or her way around these different SP tools, approaches, methods etc.? Is there an overview or guideline? How does one go about starting or apply SP? Where does one start?
- To what extend are practitioners involved? In the initial set up of the International Task Group on Social Performance, there were a lot of practitioners; however when the task group grew, the number of practitioners decreased. Why is this the case and despite the growth on the International Task Group, why is SP not propagated in the developing countries?

The following were identified by the Task Group as bottlenecks or difficulties in applying SP:

- Start-up costs of SP: Maintenance of SP was not considered an issue in light of positive returns in terms of healthy management generates positive returns experienced by SP practitioners in that “if is it good, people will support and pay for it. If you value it, you will measure it”.
- Lack of information on existing SP tools and other instruments on SP available in the market, hence, knowledge and access to SP instruments.
- Maturity of organisations to invest in SP because organisations are bogged down with operational, management, administration and financial or budgetary issues. Small agencies do not have financial and human resources to invest in SP; while others have yet to be sensitised on the use of SP. Business case studies are a way for making staff and board of organisations aware of SP added value.
- Donor incentive: Do organisations get enough incentives from donors to pursue SP or does the financial aspect take the lead in the selection of activities to be supported by donors? Is SP used simply as a marketing tool?
- Training for SP is underdeveloped especially when compared to impact assessment.

The Working Group came up with following initiatives:

- Make information on SP accessible as many and as widely as possible by way of providing an overview to orient organisations (guidelines, methods, who to contact) on the practise or application of SP.
- By having access to SP instruments, this would encourage organisations to put SP into practice, test different types of SP approaches in their context and share their experience so that others may learn also from them.

The objective is to make SP accessible and to facilitate the use of SP in organisations. “Use it, do it and see what happens.”

Some comments and issues from the floor

Donors like the EC look at indicators and would very like to enrich the further use and development of SP in MFIs since this provides an incentive. It was noted that there are on-going in house discussions in the EC on indicators including SP, hence would take up and how it could be used from a donors’ perspective.

2. CONFERENCE NOTES

In reaction to the above, caution was expressed that SP might be narrowed down to a few indicators to suit the donors' requirements in that it becomes a selection indicator. SP is highly valued by practitioners and especially the value of integrating SP into organisations that is reflective of management decisions at all levels and operational processes.

SP should be seen as a process and a tool for strengthening the microfinance sector. As great as it is to know that microfinance works, if the evidence is only used to prove that microfinance can help to reach the Millennium Development Goals, the evidence will always remain biased and not reflect the true impact on people's life.

A suggestion was made to a third activity for the Working Group to recommend to the International Task Group to have MFIs integrate and pay for the costs for SP, so as to ensure MFIs maintain it and not just develop a system tool for donors. There should be a distinction between the need for donor funds at the start up phase and maintenance phase of SP.

MFI FINANCING – LINKAGES AND AUTONOMY

The study on European microfinance actors has revealed that not only financial institutions are involved in financial support mechanisms, but also NGOs and development agencies. Finding new ways to finance the sector with the aim to achieve wider outreach and strengthen sustainability is one of the most challenging questions in microfinance today.

This panel explored the option of linkages with the formal banking sector, and market, and its implications and conditions for the microfinance sector. The related issues of governance, mission drift and loss of autonomy of the MFI were discussed as well as the opportunity of higher leverage as to achieve greater outreach.

Facilitator was Charles T. Ruys from Rabobank Foundation. Pilar Ramirez from FFP FIE in Bolivia gave a presentation on the importance of autonomy and strategic decisions for the MFI with a Bolivian background, and her experience with linkages. The expert panel included Wolfgang Heupel, Bankakademie International, Sambou Coly, Oikocredit Senegal, Jasper Snoek, Doen Foundation and Hans Dieter Seibel, University of Cologne.

The Working Group session focused mainly on guarantees and linkages, but also came up with a list of important points to consider in future.

The presentation from Pilar Ramirez presented some issues MFIs are facing in a more commercial setting. It is difficult to link with formal banks if you are an NGO. Performance, risks, transparency and governance issues of the NGO are taken into consideration. In some cases, NGO personnel are putting their personal property up for collateral for the banks. Banks were more interested in physical security and guarantees rather than experience. However, the fact that the staff was willing to risk their personal property as collateral impressed the banks that they were serious.

Commercial loans are more expensive but are generally available for longer periods, which is quite usefully. Gain some respectability and credibility through international loans, is often only possible for regulated MFIs.

In the non-regulated world, governance is an in-house issue and not an external one. Strong international organisations such as Freedom from Hunger, Women's World Banking, etc. would tend to lend if the MFI is part of its network.

MFIs wish for autonomy. Autonomy is different whether regulated or non-regulated. Autonomy can be a very lonely existence. It is easier to be a member of a network, but this could affect the MFI's autonomy.

It is very common to find that shareholders and investors want a seat on the board to guarantee themselves a certain amount of control. Mission and vision statements can be used as guiding principals and can be a powerful tool – autonomy might be reflected in mission or vision statement.

2. CONFERENCE NOTES

There are many well performing small MFIs, which are having trouble accessing funds. Funding is often directed towards the top 50 MFIs – the recognised as “winners”. The other ones might be willing to let go of some of their autonomy, if it gave them access to these funds.

The client must be the focus of attention. The final client of microfinance does not have the resources that cushion them in times of trouble. MFIs have a duty to carry out due diligence and they should be careful who they want to invest in their operations.

Advice was expressed during the discussion that NGOs should make clear their visions and expectations, before they undertake any partnerships with an MFI. If wanting to get involved in linkages, then they also must have proper accounts, transparency etc. and think about interest rate risks, governance risks.

Some comments and issues from the floor

Lack of information available: Financial information is very important for bankers, who have the role of optimising resources available to them. It is obvious that in a situation of over-liquidity, there is an incompatibility. This can mean that there is a lack of decision making on the side of the banker and on the side of the various stakeholders. It would be interesting to think about it a bit more and to think about starting a system of a credit bureau – so that the banker can make a decision very quickly and precisely because the information is compiled. The MFI can use this means as well. This could be a useful tool, to enable banks and MFIs to be more effective in decision making and both would be speaking the same language.

This could only be effective if we are able to involve the central organisation or the central bank. For the credit bureau to be effective, one must have an obligation of reporting. There also has to be accessible information

Some MFIs are devoting themselves to bigger and bigger loans and now we lend larger loans for longer periods of times – and so there is additional risk with operating in this fashion. Banks in Senegal have experimented with SMEs and loans to some independent economic operators. In most cases this was very costly.

Creating a link by means of guarantees between a local commercial bank and an MFI can reduce currency fluctuation risks. At the moment guarantees are not used very often.

Outcome of the working group on mfi financing

This Working Group session had the highest number of participants, therefore the largest number of issues.

The Working Group decided on following objective:

To promote linkages of MFI's in developing countries (including self-help groups, savings and credit cooperatives, credit NGOs, community or rural banks and other types of local financial institutions) with commercial banks in the developed and the developing world.

Proposed activities:

To organise a workshop on recent experience in linkage banking

The study on European microfinance actors has shown that the microfinance sector is highly diversified and that MFIs can be linked in various ways to commercial banks.

Spreading the existing experience and finding new ways to finance the sector with the aim to widen outreach and deepen services in a sustainable way is one of the most intriguing issues in microfinance today.

This Working Group will explore the option of linkages of the microfinance sector with national as well as international financial markets. The related issues of legal status, ownership, governance, and autonomy of the MFI have to be discussed as well as the opportunity of leverage to achieve greater outreach.

2. CONFERENCE NOTES

Summary of the suggestions:

- Guarantee fund
- Savings mobilisation
- Case studies on linkages
- Registration of a credit bureau per country
- Transparency of MFIs
- MFI investment fund by commercial banks
- Improving trust between banks and MFIs
- Awareness-raising of banks
- Mechanism for local currency loans
- Access to information
- Rating agency to go to unrated MFIs
- Get involvement of governments or central banks
- Partnership models (banks-MFIs) Capital Market
- Scaling up linkages among MFIs
- Business association of banks and MFIs
- Standard accounting procedures for funding requirements
- Create linkage facilities in regulatory framework
- Govt policy and incentives to create linkages
- Donor guarantee and funding policy on web site
- Link up with the FAO/Ford Foundation “Global Study on Financial Linkages” (Maria. Pagura@fao.org)

The Working Group puts priority on following points:

- Given the enormity of ideas put forward, it was suggested that a workshop should be organised to manage these ideas thus take this conference a step forward.
- Savings mobilisation
- Guarantee fund

Some comments and issues from the floor

On linkages on a broad scale, one possibility is to get the central bank involved to provide an umbrella or to write circular letters that would allow non-financial institutions and non-bank institutions to get loans without board members having to put up personal property as collateral for the loan. Another channel is through the agricultural development banks which have played a significant role in microfinance.

The element of trust also plays a big role in that trust should be cultivated between local banks and MFIs of various sizes. Guarantees also come in other forms: Transparency, openness, communication, etc..

On the role of governments, the conference was reminded that it is still the primary obligation of governments to provide for its citizens. MFIs and others have been doing their share on poverty alleviation; Governments should be reminded and pushed to do their part.

A great deal of time was spent on discussing the concept of “guarantee funds” given disastrous experiences in the past. There were suggestions to enlarge the concept into guarantee mechanism, which are actually being applied in the field without external or outside guarantees. Perhaps this could be done through linking the financial institutions with smaller microfinance organisations and also make use of local mechanism for smaller initiatives. For example, in Indonesia are 800 rural banks that did not offer credit guarantee but remained successful. Internal guarantee fee fund can be built up from membership fees as has been done in Europe many years ago and this did not create moral hazard.

INNOVATION FOR DEEPER OUTREACH

This panel discussion explored different product methodologies, institutional structures, distribution channels, which aim to achieve deeper outreach. Current experiences and lessons, what did work and what did not work, should allow for more adapted methodologies in the future. To reach clients in rural and isolated areas is one of the major challenges of microfinance today. The rural environment, with three-quarters of the developing world's poor people, is characterised by low spatial density, high transaction costs, high vulnerability of the farming population exposed to environmental risks and dependence on world markets, and lack of non-agricultural roles.

2. CONFERENCE NOTES

Facilitator was Kristin Duchâteau from the Austrian Development Agency. Oumou Sidibé gave a presentation on outreach products offered and tested by the CIF Network in West Africa. The expert panel gave specific input to this topic: Yves Fournier, CIDR, on the reality of outreach and impact in West Africa, Nils-Gunnar Smith, Church of Sweden Aid, on the role of SACCOS for outreach, Florica Chereches, Integra Romania, on how BDS can help to achieve more outreach and Cor Wattel, AMREP, on if the change in the industry has led to deeper outreach.

The Working Group session allowed time for brainstorming on how European microfinance actors could contribute together to greater outreach of microfinance in developing countries.

Oumou Sidibé presented the methodology for innovation of the CIF Network, i.e. the way from the initial idea to the final product introduction. Yves Fournier, CIDR, followed with an input of rural, non-agro farming innovation. He argued that we also have to innovate for these groups in order to bring them out of poverty and give them chances to stay in their environment. Nils-Gunnar Smith, Church of Sweden Aid, opened the discussion on the aspect of traditional structures like SACCOS. He referred to the long history of savings in Europe and that this idea can be transferred successfully to developing countries. Florica Chereches, Integra, presented the three-pillar model used in Romania, which consists of training, loans and market access for entrepreneurs and provides a wide range of networking opportunities and the like. Cor Wattel, AMREP, introduced the linkage between Private Sector Development and Microfinance in rural areas, which means promoting rural investments and also including the informal sector. He strongly emphasised the need to promote rural entrepreneurship.

In the discussion the emphasis was put on the idea that innovation should be accessible and treated as public good. This issue was also carried forward into the Working Group session later.

Some comments and issues from the floor

From the perspective of clients, do they have financial capacity (cash flow, nature of business, turnover, etc.) which would also be the basis for reaching new clients? What about transaction costs for clients? What do they need to invest in terms of time, distance, etc. to get access to products offered by MFIs? Going back to the five steps, the first one looks at client's profile hence serves as a fact sheet which gives an idea of client's credit and savings behaviour. Based on the other steps, you can always go back to the clients to check if product is consistent and responsive to market and clients demand. If it is, then the customer is ready to pay for that product or service. Each step of the method is well structured but is also flexible in that you adapt along the way.

What about competition and when others replicate then duplicate? Innovations entail costs; by virtue of their membership to CIF, they have already paid for 'innovation'. If others who are non-members want it, they will have to pay for it.

Infrastructure is needed to promote economic development in rural and more remote areas. But infrastructure is never neutral as is microfinance; some have to use it more than others; it has distribution effects to create infrastructure. Hence it all depends for whom you are creating the infrastructure.

Donors have disastrous effects when they come into a country and create credit led investments. They undermine the amount of savings surplus existing in the countries which are bigger than what donors have actually invested. Repayment and terms are too heavy when using external or donor funds. SACCOS have been advised to be very careful and prudent and use their own money for loans.

For NGO enterprises like Integra, lending is one of their activities providing some profit but it is not enough to support everything. Integra looks at clients' needs and then develop projects for donor financing; hence business plan changes yearly. Training courses are provided for marginalised and low income groups who do not have cash but trade with products. The costs are shouldered by donors but Integra requires a small fee from participants because experience has shown that small investment from clients ensure significant difference in attendance and completion of the training course.

Are we reinventing the wheel all the time? Innovations are expensive hence they should be public goods for people to adapt according to their needs. The suggestion was made to set up a database of products and services to be shared by everyone. This was an issue also discussed during the Working Group session.

2. CONFERENCE NOTES

Do you document failures and make that available publicly? Around the table, everyone knows of examples, but they hardly documented although it is crucial to know what does not work as to be able to improve and learn from past experiences.

Outcome of the working group on innovation for deeper outreach

A definition of achieving outreach was agreed upon: More people should be included in the microfinance services

Two aims have been defined:

- Promotion of Innovation as Public Good
- Sharing of Information

In order to reach these aims different actors have to fulfil different tasks:

- MFIs: Realisation of the objective of outreach
- Donors: Provision of incentives and conditions to MFIs on collecting and sharing information (best practices; failures and pitfalls)
- Development of a common format on financial products to exchange information including
 - clients
 - products
 - operations
 - financials
 - experiences

The Working Group decided to continue as a group after the conference and will propose activities by the end of December 2005.

Some comments and issues from the floor

On the notion of outreach and microfinance in general, microfinance was considered somehow exclusive in that men, women or 'anyone who has a thatched roof' and the like are not included based on a 'means testing'. In Asia and Africa, about 80% of the population would therefore be excluded as a result of these criteria or 'means testing'. Is this the understanding of outreach around the table? Looking at the study of CGAP on over 100 MFIs in sub-Saharan Africa, the definition of outreach is unacceptable.

Outreach should be looked at in terms of depth and breath. There was no geographical context in the definition of outreach; this conference might redress this issue. “Where are the poor? They are neither in the cities nor major towns; they are located in 30 to 50 kilometres from the main road”. When collecting data and planning ahead, these realities should factor into future programmes.

Outreach according to CGAP refers to people or populations not yet reached, hence a ‘frontier issue’. This may then be an Outreach objective rather than a definition, because outreach by itself means ‘reach’ and has no further connotation unless parameters are set.

Innovations are happening in the field and are contextualised to suit the persons or groups they intend to reach, attract, serve or satisfy. Innovations are done for a wide range of reasons (demand, increase in number of clients, etc.). Hence, there is no limitation on innovations as they vary considerably in consideration of the problems and issues in the field.

LESSONS IN RURAL FINANCE FOR THE FUTURE

This was a joint session at the end of the conference with the participants from the Rural Finance stream of the conference on the lessons of rural finance, based on the outcome of the two different streams.

The panel was coordinated and facilitated by Bart de Bruyne from TRIAS.

The Rural Finance stream allowed getting an overview on recent trends and tendencies. There are lots of subsidised programmes but some have been abandoned due to liberalisation. The prediction that the market is taking care of microfinance, has not been correct. How can access issues be addressed? Supply problems?

2. CONFERENCE NOTES

Some comments and issues from the floor

Need for a proper understanding of needs: MFIs need to make traditional economic analysis of projects. It is important to analyse the family in its entirety, and look at income and repayment capacity, at gender and power relationships within the family context.

Need to work with locally recruited staff, and receive local information in order to have a clear understanding of the specific context.

There was a widespread consensus of the huge gaps in supply and demand. Need to adopt every possible type of arrangements in order to bridge the gap. Rural finance is risky – climate variability, high costs. Therefore, cost management is an important issue. Initial need to phase out risks, then expand to more risky zones, drought zones etc..

Need to complement urban and rural markets in order to be cost effective. However, still need for subsidized support. The majority of rural people rely on informal saving mechanisms, which are expensive and not safe. A formal system is needed and there is the need to promote a savings culture, raise awareness, and develop saving systems that people can trust.

We did mention that we need pilot projects to test innovation to ensure their validity before distributing them more widely. The information on innovation is not circulating very well. An MFI might repeat work already done. We also said that information on innovation should be considered as a public good. How can we turn this into practical benefit? Need to find relevant channels in order to distribute this information. We realised that many MFIs working in isolated areas do not have access to modern technology, so other alternative distribution channels need to be set up. One of the conclusions was to create a Working Group that would give itself more time on this project.

How to better communicate with migrants? Media, bank sponsoring of events in migrants community to achieve a better image, few new products, encourage MFIs to develop new products using the remittances, remittances not just money transfer, but an attempt to leverage with local people and using more savings as collateral.

With regards to remittances, transaction costs and exchange rate costs, they have been reduced in the past five years because of competition but it is very difficult for MFIs to compete on the transaction costs because commercial competitors are bigger. Alliances and linkages are an alternative. Cheapest way to send money is by debit card but often recipients do not have access to banks.

A PLAN FOR THE FUTURE

This discussion aimed to reach conclusions from the previous two days on how to collaborate in the future and on how to strengthen existent collaborations. Based on the presentations of the results from the Working Groups and from the interest demonstrated, it soon became clear that there is a role for new Working Groups and a platform.

Facilitator was Axel de Ville from ADA. This was an open discussion, where everyone was requested to air their hopes and concerns, impressions and conclusions. The aim was to focus on practical actions for the future and to identify the organisations and people willing to support these proposed actions.

Taking into account the proposals presented by the four Working Groups, and their intention to follow up on proposed activities after the conference, and based on comments and questions raised from the floor, the discussion focused on where do we go from here?

There was a general feeling that the conference generated a lot of enthusiasm and indeed a lot of potential for collaborations. The immediate task ahead would then be to arrive at some agreement on basic and practical ways of moving this forward. Substantial time was spent on issues such as: Getting operational, structures and mechanisms, the nature of the group, membership and ownership issues, formal versus informal setting, etc. and how this European grouping might learn from existing platforms or networks specifically, SEEP Network in the USA and the Netherlands Microfinance Platform

In order to facilitate a continuation of the dialogue, this conference stream proposed the establishment of the European Microfinance Platform: e-MFP

2. CONFERENCE NOTES

The following was agreed by the European Dialogue Stream participants:

Name:	e-MFP – European Microfinance Platform
Founded:	19 th October 2005
Nature:	Group of European microfinance actors in an informal setting
Working Groups:	Thematic Working Groups
Pilot Steering Committee:	Initially composed of 9 members
Initial Secretariat:	Luxembourg Round Table on Microfinance until the end of 2005

Key points or suggestions for mission and objectives of the e-MFP, which had been tasked to the Pilot Steering Committee:

- Inclusive economic development
- Advance microfinance field
- European Dialogue (annual meeting)
- Collaboration
- Drive innovation
- Promotion of good practices

Four thematic Working Groups, based on the Working Groups during the conference, were established: Outreach, Funding and Linkages, Research, and Social Performance.

Perhaps a Working Group on Rural Finance would be useful following the joint session with the Rural Finance stream, and other Working Groups in the next months depending on the interests and commitments of participants. The pilot steering committee were tasked to get a firm commitment from members in their respective Working Groups.

It was emphasised that the Working Group debates initiated a 'process' that would move forward discussions at this conference. Interest has been generated; The lead person of the Working Group will ensure that there is a consensus on topics to be pursued in the future, and that focus will be on 'content'.

SOME COMMENTS AND ISSUES FROM THE FLOOR

While the platform or network type of grouping generated a lot of interest with emphasis on the informality, flexibility, openness and diversity on one side, there had been proposals for a little bit of structure in view of issues such as ownership, follow-up, venue of meetings, costs, etc.. Other platforms or similar set-ups will also be looked into.

The conference participants argued that it is imperative to maintain openness and to be inclusive because variation and diversity are just as important in shaping a platform or any form of grouping.

Though there is a need for secretariat and a steering committee to ensure that this grouping takes off, it was reiterated throughout the discussion that the focus of this set up would be content.

3. CONFERENCE PROGRAMME

3. CONFERENCE PROGRAMME

EUROPEAN DIALOGUE STREAM

17-19 October 2005, Abbaye Neumünster, Luxembourg-Grund

MONDAY - 17 October 2005

09.00 Registration

10.00 Opening CEREMONY (ROOM R. Kriepps)

Luxembourg Microfinance Week:

Capital Markets – European Dialogue – Rural Finance

Joint Opening Session by the Minister for Development

Cooperation and Humanitarian Affairs, Mr. Jean-Louis

Schiltz and HRH Maria Teresa The Grand Duchess of Luxembourg

10.30 Coffee Break

11.00 EUROPEAN DIALOGUE STREAM (ROOM A21)

EUROPEAN MICROFINANCE ACTORS - The study and conference

Why promoting synergies among European microfinance actors?

How is the current situation?

Presentation

Speakers:

- Axel de Ville, ADA (Luxembourg)

- Marie Perillo, Consultant (France)

- Véronique Faber, ADA (Luxembourg)

12.00 Introduction of Participants

12.30 Lunch

14.00 CURRENT APPROACHES ON THE EUROPEAN LEVEL

What are the current approaches and plans of the EC and EIB?

Presentations

Facilitator: Igor Wajnsztoł, Lux-Development (Luxembourg) Speakers:

- David Domes, European Commission

- Edvardas Bumšteinas, European Investment Bank

Discussion

3. CONFERENCE PROGRAMME

- 14.45 Presentation of Current Initiatives – Experiences and Opportunities
What collaboration efforts amongst European actors exist and what are their main topics? What are the difficulties encountered during collaboration initiatives?
Presentations
Facilitator: Maria Winnubst, Miserior (Germany) for Concord
Speakers:
- Philippe Guichandut, European Microfinance Network
- Cor Wattel, Netherlands National Platform (The Netherlands)
- Grzegorz Galusek, MFC (Poland)
- Gaby Ramm, Senior Advisor to GTZ (Germany)
for CGAP Microinsurance Working Group
- Sabine Missistrano, SIFRA (Belgium)
- 16.00 Coffee Break
- 16.30 Role of Research - Topics and Implications
*How far are universities involved in microfinance research?
What can research do to support the microfinance sector?
What are the needs in terms of research? What can be done to support applied and academic research in this sector?*
Presentations
Facilitator: Isabelle Guérin, LPED/IFP (India)
Speakers:
- Dr. Henk. A. J. MOLL, University of Wageningen (The Netherlands),
The ABC of Microfinance
- Betty Wampfler, CNEARC (France), *Applied Research*
- Hans Dieter Seibel, University of Cologne (Germany), *Rural Finance*
- Ranjula Bali Swain, University of Uppsala (Sweden), *Impact assessment*
- Luciano Bonomo, Fondazione “Giordano Dell’Amore”
(Italy), *Publications and Information Dissemination*
Discussion
- 18.00 End of Day One
- 19.00 Dinner hosted by the Luxembourg Round Table on Microfinance
(Abbaye Neumünster)

TUESDAY - 18 October 2005 (ROOM A21)

- 8.30 Measuring, Managing and Reporting on Social Performance
*How to measure social performance? How to manage social performance?
How to report and benchmark social performance?*
Debate
Facilitator: Anton Simanowitz, Imp-Act (UK)
Speakers:
- Aniceta Alip, CARD Bank (The Philippines) on Client Needs
- Bart de Bruyn, Trias (Belgium) on Social Performance Indicators
- Micol Guarneri, Microfinanza (Italy) on Rating
- Betty Wampfler, CNEARC (France) on CERISE
Discussion
- 10.15 Coffee Break
- 10.45 Innovation for Deeper Outreach
*What can be done to achieve deeper outreach?
Product methodologies, institutional structures, technology, distribution
channels... What works, what does not work and what should be
encouraged?*
Panel Discussion
Facilitator: Kristin Duchâteau, ADA (Austria)
Speaker: Oumou Sidibé, CIF Network (West Africa)
Panelists:
- Nils-Gunnar Smith, Church of Sweden Aid (Sweden), (*Saccos*)
- Cor Wattel, AMREP (The Netherlands), (*Entrepreneurship*)
- Yves Fournier, CIDR (France), (*Rural Finance*)
- Florica Chereches, Integra (Romania), (*BDS*)
Discussion

3. CONFERENCE PROGRAMME

- 12.30 Lunch
- 14.00 MFI Financing – Linkages and Autonomy
What are the conditions for a linkage with the formal banking sector?
What are the implications of linkages for an MFI with regards to governance and strategy decisions?
How to reinforce the autonomy of MFIs?
Panel Discussion
Facilitator: Charles T. Ruys, Rabobank (The Netherlands)
Speaker: Pilar Ramirez, FFP FIE (Bolivia)
Panelists:
- Wolfgang Heupel, Bankakademie International (Germany), *(Linkages Concepts)*
- Sambou Coly, Oikocredit (Senegal) *(Linking Markets)*
- Jasper Snoek, Doen Foundation (The Netherlands), *(Guarantees)*
- Hans Dieter Seibel, University of Cologne (Germany), *(MFI Linkages)*
- 15.45 Presentation of Working Groups
Speaker: Axel de Ville, ADA (Luxembourg)
- 16.00 Coffee Break
- 16.30 Working Groups: Establishing an Action Plan for the Future
- 18.00 End of Day Two

WEDNESDAY - 19 October 2005 (ROOM A21)

- 9.00 Presentations of Working Groups and their Action Plans
Presentation of Outcome and Conclusions
Discussion
- 10.00 Break
- 10.30 A Plan for the Future – Platforms and Working groups
How to collaborate in the future? What could be the role of Platforms and Working Groups? What needs to be done to strengthen collaboration and what benefits such initiatives will have for the microfinance sector?
Discussion
- 12.00 Summary Report and Closing of European Dialogue
Facilitator: Axel de Ville, ADA
- 12.30 Lunch
- 14.00 LESSONS IN RURAL FINANCE FOR THE FUTURE
How to capitalise lessons and experiences made in Rural Finance to do? How to use them for current and future projects and approaches?
Panel Discussion together with the participants of the Rural Finance Stream
Facilitator: Bart de Bruyne, TRIAS (Belgium)
- 16.00 CLOSING CEREMONY (ROOM R. KRIEPS)**
Conclusions from the three conference streams
(Capital Markets - European Dialogue - Rural Finance)
- 16.45 Address by Phillippe Maystadt, President of the European Investment Bank
- 17.00 Questions and Answers with Philippe Maystadt and Jean-Louis Schiltz, Minister for Development Cooperation and Humanitarian Affairs
- 17.20 Final Conclusions
- 17.30 Cocktail

4. PARTICIPANTS LIST

4. PARTICIPANTS LIST

Organisation	Name	First Name
CARD Bank	Alip	Aniceta
European Investment Bank	Arnould	Cyrille
University of Uppsala	Bali Swain	Ranjula
CreSud	Berrini	Andrea
Incofin	Blondeau	Nicolas
Fondazione "Giordano Dell'Amore"	Bonomo	Luciano
n/a	Bossler	Christine
GTZ	Braun	Gabriela
European Investment Bank	Bumsteinas	Edvardas
SNV	Chen	Lascelles
Integra Romania	Chereches	Florica
Oikocredit	Coly	Sambou
TRIAS	De Bruyne	Bart
ADA	De Martines	Therese
ADA	De Ville	Axel
ADA	Diallo	Thierno Mamadou Bocar
European Commission	Domes	David
Austrian Development Agency	Duchateau	Kristin
ADA	Faber	Karin
ADA	Faber	Véronique
CIDR	Fournier	Yves
MFC	Galusek	Grzegorz
Microfinanza Rating	Guarneni	Micol
LPED/IFP	Guérin	Isabelle
European Microfinance Network	Guichandut	Philippe
Bankakademie International	Heupel	Wolfgang
Solvay Business School	Hudon	Marek
ADA	Kerroumi-Igri	Samira
Concern Worldwide	Kidney	Isabelle
ING Group N. V.	Kiszelnik	Kim
European Commission/CGAP	Koning	Antonique
Ministry of Foreign Affairs	Lepore	Micaela
University of Uppsala	Liljefrost	Emilia

4. PARTICIPANTS LIST

	Country	Email
	Philippines	aralip@yahoo.com
		ARNOULD@eib.org
	Sweden	Ranjula.Bali@nek.uu.se
	Italy	berrini@cresud.it
	Belgium	nicolas.blondeau@incofin.be
	Italy	luciano_bonomo@yahoo.com
	Belgium	n/a
	Germany	gabriela.braun@gtz.de
		e.bumsteinas@eib.org
	The Netherlands	lchen@snvworld.org
	Romania	fchereches@integraromania.ro
	Senegal	scoly@oikocredit.org
	Belgium	bart.de.bruyne@triasngo.be
	Luxembourg	t.demartinez@gms.lu
	Luxembourg	axel.ada@microfinance.lu
	Luxembourg	tmbd_2001@yahoo.fr
		David.DOMES@cec.eu.int
	Austria	Kristin.DUCHATEAU@ada.gv.at
	Luxembourg	karin.ada@microfinance.lu
	Luxembourg	veronique.ada@microfinance.lu
	France	yves.fournier@groupecidr.org
	Poland	grzegorz@mfc.org.pl
	Italy	micol.guarneri@microfinanza.it
	India	isabelle.guerin@ifpindia.org
		p.guichandut@european-microfinance.org
	Germany	Heupel@Bankakademie.de
	Belgium	mhudon@ulb.ac.be
	Luxembourg	samira.ada@microfinance.lu
	Ireland	isabelle.kidney@concern.net
	The Netherlands	betty.wampfler@cnearc.fr
		akoning@worldbank.org
	Italy	micaela.lepore@esteri.it
	Sweden	Emilia.Liljefrost@ekhist.uu.se

Organisation	Name	First Name
IPALMO	Loche	Antonio
ADA	Marques	Michel
EuropeAid	Matzner	Georg
University of Antwerpen	Mendoza	Irasema
SIFRA	Missistrano	Sabine
Wageningen University	Moll	Dr. Ir Henk A.J.
European Commission	Murengezi	Celestin
Consultant	Perillo	Marie
ADA	Pouget	Perrine
FFP FIE	Ramirez	Pilar
GTZ Consultant	Ramm	Gabriele
Rabobank Foundation	Ruys	Charles
Austrian Development Agency	Schmid	Elisabeth
Aquadev	Schyns	Laurent
University of Köln	Seibel	Prof. Dr. Hans Dieter
CIF	Sidibé	Oumou
CGAP	Siedek	Hannah
Imp-Act	Simanowitz	Anton
Church of Sweden Aid	Smith	Nils-Gunnar
Doen Foundation	Snoek	Jasper
Mercy Corps	Soares	Fernando
ADA	Vandeweerd	Luc
CNEARC	Wampfler	Betty
AMREP	Wattel	Cor
Miserior	Winnubst	Maria

4. PARTICIPANTS LIST

	Country	
	Italy	ipalmo@tin.it
	Luxembourg	michel.ada@microfinance.lu
		georg.Matzner@cec.eu.int
	Belgium	n/a
	Belgium	s.missistrano@sifra.org
	The Netherlands	Henk.moll@wur.nl
		celestin.murengezi@cec.eu.int
	France	marie.perillo@libertysurf.fr
	Luxembourg	perrine.ada@microfinance.lu
	Bolivia	marie.perillo@libertysurf.fr
	Germany	GRamm25652@aol.com
	The Netherlands	C.T.Ruys@rn.rabobank.nl
	Austria	elisabeth.schmid@ada.gv.at
	Belgium	laurent.schyns@aquadev.org
	Germany	seibel@uni-koeln.de
	Mali	oumou@nyesigiso.org
	France	hsiedek@worldbank.org
	United Kingdom	a.simanowitz@ids.ac.uk
	Sweden	Nils-gunnar.smith@svenskakyrkan.se
	The Netherlands	Jasper@doen.nl
	United Kingdom	fsoares@mercycorporsdc.org
	Luxembourg	luc.ada@microfinance.lu
	France	betty.wampfler@cnearc.fr
	The Netherlands	Cor.wattel@icco.nl
	Germany	winnubst@tiscali.be