

page 1 EUROPEAN MICROFINANCE WEEK 2008
EUROPEAN MICROFINANCE AWARD 2008

page 2 NEWS FROM THE BOARD

page 3 NEWS FROM OUR WORKING GROUPS

page 4 WORKING TOGETHER
SEMINAR 'RURAL MF IN CENTRAL AMERICA'

page 5 ABOUT A NATIONAL PLATFORM
THIS TIME... SWITZERLAND

page 6 NEW MEMBERS

page 7 NEWS FROM OUR MEMBERS
UPCOMING EVENTS

page 8 CALENDAR



Ms. Leila Akhmisse, Zakoura Foundation

EUROPEAN MICROFINANCE AWARD 2008

e-MFP is very pleased to announce the launch of the European Microfinance Award 2008.

This year the objective of the award is to highlight and stimulate initiatives that represent breakthroughs in promoting social responsibility in microfinance. This award, given by the Luxembourg Ministry of Foreign Affairs – Development Cooperation, is a prize of EUR 100,000 awarded to an institution working in microfinance, judged to be contributing to enhance 'Social Responsibility in Microfinance'. The winner will be announced during the Opening Ceremony of European Microfinance Week on Wednesday 12th November.

Initiatives for the award may be products taking social responsibility into account

> continued p. 2

EUROPEAN MICROFINANCE WEEK [EMW] 12TH – 14TH NOVEMBER 2008

Dear Members and Friends,

Following the success of last year's conference, we have already received numerous requests about European Microfinance Week 2008. Last year's conference gathered 250 participants from 24 countries. The event was characterized by lively and enthusiastic contributions by diverse European microfinance actors working in developing countries.

We are currently finalising preparations for this year's meeting which will take place in Luxembourg, 12th – 14th November 2008. To ensure a stimulating three day event the conference programme will reflect the current 'hot topics' in microfinance and will include issues relevant to each peer group active in the industry.

The theme for the 2008 meeting is Frontier Issues in Microfinance - opportunities and challenges for European actors. We are open to consider any topics which would be of interest to you. We are already considering the following:

- Social responsibility
- Food crisis
- Technology
- International and local funding
- Reaching the most vulnerable
- Risk and disaster management
- Microinsurance and social security

We encourage all our members to submit their ideas for workshops, research papers and major reports to be included in the discussion. More detailed information is available on our website www.microfinance-platform.eu.

Some of the above issues are already uniting several European microfinance actors

and EMW will offer opportunities to start new joint initiatives with other members on specific topics.

European Microfinance Week is the major annual event for European microfinance actors and this year the Plaza will be a central point for networking opportunities. The Plaza will be available for participants who want to showcase themselves. Members are invited to use the Plaza facilities to publicize their organization or service and to display information material. It will allow participants to share their experience, make new contacts and collaborate on future joint initiatives.

Following the success of the Peer groups last year, we would like to build on this concept. A proposed innovation this year is to allow the peer group members to also access other peer groups. We suggest the following groups: NGOs, Banks and investors, Consultants, Public agencies.

A draft agenda and details of how to register for the European Microfinance Week will be sent out shortly. We look forward to meeting you all in November. In the meantime we wish you an enjoyable summer.



*Christoph Pausch,
Executive Secretary*

YELLOW PAGES

As announced in the last issue of our newsletter the secretariat has started work on a directory of European actors active in microfinance in developing countries. The first and so far only edition of this sort was published in October 2005. This time, two more specialised directories will be added (with the help of the concerned working groups): one on researchers in microfinance and the other on capacity building (with financial support from MicroNed). The three Directories will be published before the next Euro-

pean Microfinance Week, 12th – 14th November.

All e-MFP members will be contacted in the next few weeks and will be asked to complete a questionnaire. We hope that you will be able to provide the necessary information and count on your active support for this project to ensure a comprehensive and complete overview of European microfinance actors.



Award ceremony 2006

> continued from p. 1

[loan products, savings or insurance products, that limit negative activities or strengthen activities with 'high social value'], processes and technology that reinforce social performance of the MFI [efforts to reach excluded clients, to adapt services, to prevent over-indebtedness, to strengthen participation of clients/members, social links, social and environmental awareness etc.], or institutional and management process [e.g. a particular governance model, a partnership modality, incentive structures for staff to strengthen responsible behaviour, code of conduct etc.]

ELIGIBILITY REQUIREMENTS

MFIs from the South are invited to apply for the award but they need the backing of an e-MFP member [e.g. a letter of recommendation]. Joint applications of MFIs from the South with European partners will be accepted. In this case the award money would go exclusively to the Southern MFI while the public recognition would be for both partners.

The previous winner of the European Microfinance Award with the theme of 'Innovation for Outreach' was the Zakoura Foundation in Morocco for its rural tourism programme.

Application forms and more detailed information about this year's award will be published on 18 July 2008 on our website www.microfinance-platform.eu.



The last meeting of the e-MFP Board was held on 20 May 2008 in Geneva in the premises of RAFAD. On the busy agenda, the main issues of discussion were the organization of the European Microfinance Week 2008, the preparation of the European Microfinance Award 2008 and the discussion on how the e-MFP working groups should evolve.

e-MFP is expanding and at this meeting the Board accepted seven membership applications, bringing the total membership to 86 entities from 14 European and 6 non-European countries (see presentation of new members on page 6).

After the Board meeting the Swiss Microfinance Platform and the European Microfinance Platform invited Swiss microfinance actors to a 'meet the e-MFP Board'. After a short introduction to the Board members and a presentation of e-MFP's activities, all participants were invited to a cocktail, giving them the opportunity to meet, discuss and network in an informal atmosphere. The presence of around 40 Swiss participants shows the great success of this event. A similar invitation will be issued to Italian microfinance actors after the next Board meeting on 23rd September in Italy.



THE ROLE OF INVESTORS IN PROMOTING SOCIAL PERFORMANCE IN MICROFINANCE

A new edition of the European Dialogue has been prepared by the **Social Performance Working Group** of e-MFP and is entitled 'The Role of Investors in Promoting Social Performance in Microfinance'.

It can be downloaded from the e-MFP website. Printed copies are available from the Secretariat, contact@microfinance-platform.eu. A French version will be available soon (September 2008).

In this publication, cases of some investors who participated at the e-MFP social performance working group or at the exchanges organized by the Swiss Development Cooperation in Bern are presented. Those cases are not an exhaustive list and other investors may also have valuable experiences that can be shared at another time.

This edition of European Dialogue examines an issue that is fundamental to current developments in microfinance. Social performance assessment is increasingly accepted as an approach that can improve impact on clients while strengthening financial performance in the medium term. The different cases show that investors are also in the process of taking this issue on board and are seeking to incorporate it into their decision-making by putting various mechanisms in place. The studies cover a wide range of investors who are concerned with these issues: they differ in terms of size, maturity, intervention methods and geographic focus of their operations.

The case studies of the European Dialogue provide a rich overview on what social investors actually do to make sure they invest in a socially correct way. For instance, the highlights of the workshop on "Pushing the

Frontiers of Performance Reporting" present the discussions and exchanges of investors in March 2007, on their questions and practices, with specimen cases such as responAbility fund. The cases of the Belgian organizations Incofin and Alterfin demonstrate in a detailed way how they screen MFIs on their social performance. Triodos bank, a Dutch private bank and FMO, administering public money, stimulate MFIs to consider social and environmental aspects in credit activities and day-to-day management practice. Paris-based Sidi explains how they work with the MFIs to improve their social performance and ensure the social viability of a MFI giving an example from Peru. Oikocredit illustrates how they build up an internal database that provides them with overall information on the social profile of their investments, while EFSE (the European Fund for Southeast Europe) explains how it promotes social and environmental performance of lending institutions by setting standards, regular monitoring and conducting studies.

Each case study shows that investors are seeking on the one hand to better understand the objectives and actions of their partner MFIs in terms of their social mission through a process of collecting information (due diligence), in an attempt to understand the social dimension as a basis for their judgements. These tools and the resulting data should help them to decide their strategies (for example, which partners to work with, what services to offer and how to support MFIs). On the other hand, they are trying to increase the visibility of their actions, either to their own financiers or in a desire to clarify their strategy within their



organisation. Lastly, investors are able to use this information to support and strengthen their links with MFIs and improve the SP of their partners.

The various articles describe autonomous and individual strategies that have strengthened links between MFIs and investors in specific circumstances, or measures inspired by advances in the sector to adapt processes to investors' and their partners' needs for information and actions. Each case study illustrates a process of research, trial, questioning and progressive adaptation, most often in close association with feedback from partner MFIs.

At this stage, no standardised common processes seem to have developed among investors. No measure currently presented has completely succeeded, and some difficulties and constraints remain: how to combine standardisation and different contexts of interventions? How to interpret information and use it etc?

Although significant progress has been made in recent years to develop an appropriate format for MFIs, a complete framework for assessing the social performance of investors and donors, rewarding innovative approaches, rural outreach, etc. is yet to be drawn up.

This Dialogue is open, and will be pursued with the different actors who want Social Performance to be promoted and strengthened at different levels of the microfinance chain.

For more information contact Cécile Lapenu, fpsocialperformance@microfinance-platform.eu



WORKSHOP ON MICROFINANCE MANAGEMENT AND GOVERNANCE IN KRISTIANSAND, NORWAY, 2-3 JUNE

Participants at the 1st International Workshop on Microfinance Management and Governance, in Kristiansand, Norway, 2-3 June. The workshop was a joint event between Agder University and the **Research Working Group** of the e-MFP.

The 2-day workshop gathered 23 researchers (all academics) from 14 different countries on various topics related to governance and management of microfinance institutions (e.g. role of the boards, efficiency of microfinance institutions). Around 20 papers were presented and discussed during the conference. A new conference on the same topic will be organised next year.

For more information contact: Roy Mersland, mersland@online.no or Marek Hudon, fpresearch@microfinance-platform.eu

INTERNATIONAL SEMINAR 'RURAL MICROFINANCE IN CENTRAL AMERICA'

On May 9th 2008, the Institute of Development Policy and Management, IOB with e-MFP member Johan Bastiaensen, University of Antwerp, the Instituto Nitlapán, Universidad Centroamericana and the Fondo de Desarrollo Local (FDL), Nicaragua organized a seminar 'Maturing microfinance and the challenge of rural microfinance in Central America: perspectives from the Fondo de Desarrollo Local in Nicaragua.' This initiative was co-organized by the social investors Alterfin and Oikocredit (both e-MFP members) as well as the NGOs USOS and Broederlijk Delen; all of which were initial sponsors of the FDL. The seminar had the support of the Province of Antwerp and took place in the premises of the Provincial Council.

The FDL is a rural microfinance institution with around 73,000 clients and a portfolio of over US\$ 50 million. (See www.fdl.org.ni) Its average loan amounts to 585 US\$. Last year, 63% of its portfolio was rural, the majority of loans for agriculture and cattle raising mainly in the deep interior of the country, and 75% of loans have a term of over one year. Despite its deep rural productive outreach, the FDL manages to make a profit of US\$ 2 million, in part by transferring urban profits to the more expensive rural operations. The FDL does not consider

itself a typical microfinance institution, but rather a new style of institution for rural development finance. It therefore attempts to link its financial services with embedded legal-technical-commercial services in a value chain approach and puts much emphasis on the development of innovative financial products (micro-leasing, 'green package', franchising bred cattle) and longer term investment loans.

The main purpose of the seminar was to draw attention to the relative lack of support and space for the kind of finance for inclusive rural development of institutions like the FDL. With 75% of the world's poor living in rural areas and largely depending on agriculture for their livelihoods, the current mainstream financial systems approach with its 'finance only' focus and excessive urban-bias falls short in addressing the challenge of poverty reduction and inclusive rural-agricultural development. The seminar analyzed the experience with 'Social Performance Management' in the context of rural microfinance in Latin America (Florent Bédécarrats representing e-MFP member Ceres), Tomás Rodríguez (Programa Misión) and Francisco Pérez (Nitlapán-FDL)). In a second part Peter Marchetti and Miguel Alemán (Nitlapán-FDL) introduced the 'Fi-

nance Plus' approach, in particular how the FDL tries to combine its financial with non-financial services (technical assistance, marketing support, legal services). François Doligez (IRAM) and Rued Ruben (University of Nijmegen) made contributions about 'fair trade' initiatives, among others highlighting the lack of articulation between 'fair trade' and microfinance. Attention was also given to the dilemmas of regulation for rural institutions. Marc Labie (University of Mons, CERMI-ULB, an e-MFP member) introduced the general perspectives, while Julio Flores/Peter Marchette indicated that regulation is clearly a longer term necessity for the FDL, allowing for further growth and broadening of services. They denounced however that there is no legal space for most of the FDL's rural financial operations within the current regulatory framework. Since regulation is a key condition for having access to cheaper mainstream donor funds, this leads de facto to an anti-rural bias in donor policies. The seminar ended with a diagnostic of public policies for rural finance in Central America by Hans Nusselder (CDR-Costa Rica).

For more information contact Johan Bastiaensen, johan.bastiaensen@ua.ac.be

WRITTEN DECLARATION ON MICROCREDIT ADOPTED BY THE EUROPEAN PARLIAMENT

Early May the European Parliament adopted a written declaration on microcredit. It calls on the Commission and the Council to lend greater support to microcredit projects and to bolster programmes to help women. The written declaration calls for human and financial resources to be allocated to microcredit projects in the developing countries and in the Mediterranean.

The declaration requests the Commission and the Council to recognise the importance of microcredit in the context of the Barcelona Process and in the neighbourhood and development policies.

More than half of the total of number of MEPs have now signed the declaration (424

out of 785) which means that it becomes an official position of the European Parliament. The declaration was put forward by Jamila Madeira (PES, PT), Ana Maria Gomes (PES, PT), Anna Zaborska (EPP-ED, SK), Luisa Morgantini (GUE/NGL, IT) and Miguel Angel Martinez Martinez (PES, ES)

MEPs point out that microcredit represents a method of lending small amounts that can be accessed by disadvantaged persons and that microcredit has permitted the extremely successful development of self-help employment projects, while also enabling the improvement of living conditions, and is also an important vehicle for the empowerment of women.



Finally, the European Parliament says that microcredit is a key tool for the combating of poverty and an instrument for achieving the Millennium Goals.

THE SWISS MICROFINANCE PLATFORM (SMP)

PROMOTING INNOVATION AMONGST SWISS MICROFINANCE PRACTITIONERS

Switzerland is the leader in microfinance private investment, spearheaded by companies such as BlueOrchard and responsAbility, as well as specialized actors such as Symbiotics and FIG. Swiss investment companies have experienced rapid growth in volume, as well as numbers.

In September 2007, these and other Swiss organizations decided to create a national microfinance platform, similar to the one in the Netherlands (www.microfinance.nl) and at the European level (www.microfinance-platform.eu). Members come from socially responsible investment institutions, non-governmental organizations (NGO), international organizations (IO), and public and private sector organizations.

The Swiss Microfinance Platform association is a not-for-profit independent body with no profit-seeking activities. Its core strategy is to bring together all microfinance practitioners in Switzerland and provide them with opportunities for presenting and sharing activities, exchanging information and experiences, networking with other practitioners and collaborating on joint microfinance initiatives of interest.

The association is a platform open to all professionals involved in microfinance, whether as analysts, practitioners, policy makers, investors – social or commercial – regardless of their vision of microfinance. Any individual or institution based in Switzerland that abides by the statutes of the association and pays the annual membership fee can join.

MISSION

The aim of the SMP is to contribute, in Switzerland and in the world, to promoting microfinance by providing space where microfinance practitioners meet, gather information, debate and cooperate on institutional, market development and policy options.

Within this framework the SMP has the following roles:

1. monitor the Swiss related microfinance market
2. connect all interested actors on microfinance issues, particularly professional practitioners
3. exchange information and expertise
4. develop knowledge and skills in the field of microfinance
5. define norms and standards in the promotion of microfinance
6. promote Swiss microfinance

BACKGROUND

The Swiss Microfinance Platform was created on October 4, 2007, replacing and building upon the Geneva Microfinance Forum (GMF), started by the International Labour Organisation, ECLOF and the University of Geneva in 2005, the UN Year of Micro-Credit. In March 2007 it was relaunched by the RAFAD Foundation, initially as an informal group of microfinance practitioners. The Forum has met periodically since then to look into the suitability of forming a registered entity, to support the operations and aims of the Forum. Representatives from over thirty institutions involved in microfinance attended these meetings. The high level of participation and interest shown emphasized the need to formalize the association.

INFORMATION SERVICES AND ADVOCACY

The SMP will survey the activities of microfinance practitioners in Switzerland, by mapping regularly and comprehensively microfinance activities in Switzerland: "Who does what in MicroFinance in Switzerland?" This will provide information and statistics to the public and help develop further microfinance in Switzerland. SMP will also put at the disposal of its members tools to facilitate sharing of information, experience and expertise. It will also contribute in Switzerland and elsewhere to promoting microfinance.

EDUCATION AND TRAINING

The SMP provides a learning platform. It promotes training and education on various issues and aspects of microfinance for members and the general public in Switzerland. It will provide training opportunities to enhance their microfinance knowledge and skills. It also aims to increase and enhance current microfinance training and various job opportunities. The SMP shall be assessing internal training needs, training facilities already available and explore the feasibility of developing further course work, whether in partnership with universities, for example a microfinance masters or certificate program, or with banks by designing in-house training programs for banks and other financial institutions, developing specific curricula provided by the association.

RESEARCH AND POLICY

The SMP is developing a charter of good practice, to underpin the SMP with a set of common values and norms guiding the promotion of microfinance by Switzerland-based institutions. Every year SMP will make two awards, one for a theoretical work paper by a Phd student and the second for an innovation by an institution. The SMP will also prepare research papers, carry out research on various subjects including social performance indicators and oversee industry research initiatives.

NETWORKING AND EVENTS

The SMP will provide a space for networking via internal and external events, in collaboration with other organizations and public relations bodies representing microfinance in Switzerland and elsewhere. For this year the SMP has already planned to organise jointly with the World Microfinance Forum Geneva an event and an annual assembly meeting in Geneva within their biennial international symposia on October 2008. The SMP will also organize international events in the South which will enable to gather northern and southern microfinance practitioners and cover issues of interest to both.

For more information contact Estelle Gitta, e.gitta@microfinanceplatform.ch

e-MFP WELCOMES THE FOLLOWING NEW MEMBERS:

FULL MEMBER: Credit Suisse (Switzerland), Microfinance Initiative Liechtenstein (Liechtenstein), Microfinance Centre (MFC) for Central and Eastern Europe and the New Independent States (Poland)

ASSOCIATE MEMBER (INDIVIDUAL): Ashta Arvind (F), Johan Bastiaensen (B), Malika Hamadi (L), Xavier Mommens (B)



Credit Suisse Group is actively involved in a number of different microfinance initiatives across the Bank's core banking franchises, all of which reflect a long heritage of financial innovation.

The bank was instrumental, together with partner firms, in launching an organization that bridges the gap between the financial markets and microfinance institutions, *responsAbility Social Investment Services*. As of June 2008, *responsAbility* manages several investments funds with assets totaling around USD 550 million. As early as 2003, Credit Suisse together with the Management firm launched the "*responsAbility Global Microfinance Fund*" offering financial and social return. The fund today provides financing to some 200,000 microentrepreneurs. In late 2007, *responsAbility* expanded its offering, supported by Credit Suisse, with the private equity investment vehicle "*responsAbility bottom of the pyramid*" which provides small and medium-sized enterprises (SMEs) in developing countries and emerging market economies with access to risk capital.

Credit Suisse has established and is currently in the early stages of implementing, an important philanthropic initiative in the field of microfinance. The Credit Suisse Foundation will award global grants in the order of several million US dollars to enhance the capacity of microfinance institutions, to foster research and innovation and to channel the enthusiasm and expertise of Credit Suisse's employees worldwide in support of the field of microfinance.

For more information contact: forum.microfinance@credit-suisse.com or visit www.credit-suisse.com.



Microfinance Initiative Liechtenstein (MIL) is a genuine Public Private Partnership: The Liechtenstein Bankers Association, the Hilti Family Trust, the Medicor Foundation, the Enabling Microfinance Foundation, the University of Liechtenstein, the Liechtenstein Development Service and the Liechtenstein Government, represented by the Office for Foreign Affairs, meet on a regular basis as a working group, in order to initiate Liechtenstein's engagement in microfinance and to coordinate joint activities.

Activities in developing countries: MIL finances specific technical assistance projects in the microfinance sector. To implement the projects, organisations with many years of experience in such projects are commissioned.

Activities in Liechtenstein: Research projects are in progress, analyzing "Microfinance as an investment class in portfolio management". Furthermore, MIL is active in public relations to create more awareness both of the topic of microfinance in general and the activities of MIL in Liechtenstein and globally.

MIL supported the creation of a Microfinance Fund in Liechtenstein and will continue to promote investments in the microfinance sector. This fund with its innovative and unique structure and process takes into account the most recent results of research studies.

For more information visit www.microfinance.li



Microfinance Centre (MFC) for Central and Eastern Europe and the New Independent States is a grass-root network of 110 member institutions active in microfinance, ranging from banks and non-governmental organizations engaged in provision of financial services to microenterprises, SMEs and low-income households to donors, social and commercial investors and development institutions supporting access to finance and providing technical assistance to microfinance practitioners.

MFC plays a catalyst role in bridging the market gap through supporting development of various institutional forms, promoting microfinance among policy makers, regulators, formal banking sector and investors. It initiates activities supporting members in different countries – from EU member states, through fast-developing Caucasian states to the poorest countries in Central Asia.

The MFC is active in the following areas:

The MFC is active in the following areas:

- Innovation (advancing social performance management, financial education program, microinsurance)
- Knowledge Management (annual conference, investors fair and policy forum, mapping the state of the microfinance industry, microfinance market studies, publications)
- Capacity Building (management training program, associations strategic planning and growth)

For more information please visit the website: www.mfc.org.pl

HOW TO BECOME A MEMBER OF THE EUROPEAN MICROFINANCE PLATFORM (e-MFP)

e-MFP has three categories of members:

- **Full membership** is open to entities with headquarters based in Europe supporting microfinance in developing countries (fee: minimum of EUR 500).
- **Associate membership** is open to any **entities or individuals** which are involved in the development of the microfinance sector inside or outside Europe (fee: minimum of EUR 500 for organisations and minimum of EUR 100 for individuals).
- An entity that does not meet the criteria to become a full or associate member or that does not want to become a member but wishes to support specific activities of the platform, may become a **Sponsor** of e-MFP.

Registering is very easy: Just connect to <http://www.microfinance-platform.eu> and go to the section Membership / Registration.

- Complete the membership information form which will identify your institution's microfinance activities in developing countries.
- Download the application form and send it back on official letter headed paper to the secretariat of e-MFP.
- Once your application has been accepted by the e-MFP Board, you will receive a letter of confirmation.

FRANKFURT FORUM ON DEVELOPMENT FINANCE 2008 - RESPONSIBLE FINANCE

A Joint Initiative by e-MFP member Frankfurt School of Finance & Management and KfW Development Bank

Peter Grosslaub / Trendshots



As Michael Chu, Senior Lecturer of Business Administration, Harvard Business School, pointed out in his opening speech: "The timing could not be more appropriate. In past years, we have come together in this venue to discuss the possible intersection of development finance - the application of money to change lives - with commercial finance - the capital markets that represent the savings of the world. Today, we meet when the two have crossed, not as a reflection of vision, theory or daring imagination, but of hard, incontrovertible reality."

Opening Speech by Michael Chu

The conference Frankfurt Forum 2008 - Responsible Finance sharpened different perspectives on the topic of responsibility in finance. The question "What is responsible finance?" was addressed in three pillars and nine sessions: Delivering Products Responsibly, Mobilising Capital Responsible and Creating Responsible Financial Systems. Contributing to this exchange, conference participants from diverse backgrounds, i.e. microfinance practitioners, private and institutional investors, international donors, international financial institutions, commercial banks and academics, met in Frankfurt am Main for two days of discussion in February.

Investment decisions, taken purely commercially, are based on the respective risk-return profile. Over the last years, another dimension has gained importance in investment decisions: the level of responsibility of the investment. Responsible finance decisions are considered to have a focus on sustainability (return over time vs. short profit maximization). More and more, investors are asking for investments fulfilling responsibility criteria. Increasingly, financial institutions are including such criteria either pro-actively or in reaction to different incentives or pressures.

Among the areas where responsible investments by donors as well as commercial investors have gained importance is the financial sector. Investors, but also donors, have to think about appropriate criteria for responsibility which they want to promote, as well as about the right incentives to do so. One important criterion is the time horizon for investments - short term profit maximisation hardly captures the sustainability dimension. On the other hand, as empirical evidence shows, partnerships between private investors and donors can effectively promote principles of responsibility.

Until recently, many microfinance institutions (MFIs) have not studied questions of responsible finance too deeply - rather, their lending has been traditionally viewed as being "good" and responsible by definition. Looking closer at the current development trends of many MFIs, e.g. to the recent introduction of consumer loans, this statement eventually has to be reconsidered. 'Mission drift' is a key concern when discussing whether growth together with profit-making or the so-called "commercialization of microfinance" may harm the original social mission.

Similarly, commercial banks have only recently started to consider social values as an important element in their business model. Being a "responsible bank" and a "good corporate citizen" has gained importance - be it for the sake of attracting customers or own employees or following pressures by investors, politicians or society at large. Furthermore, animated by the success of many MFIs, some commercial banks have started to realize that providing financial services to poor clients can be profitable while doing good at the same time. By the same token, at the investors' level, socially oriented investors have also blurred the divide between donors and truly commercial investors.

The conference pointed out the importance of discussion around this subject to respond to all current developments in the market. The role of all players or shareholders: governments, funds, donors, international financial institutions, credit bureaus, and clients should be included, stimulating the diversity of the group.

> continued p. 8

The Microcredit Summit Campaign will organise its **Asia-Pacific Regional Microcredit Summit** in Bali, Indonesia from July 28-30, 2008, for which The World Savings Banks Institute (WSBI, e-MFP Board member) will act as a sponsor. 2006 Laureate of the Nobel Peace Prize, Mr. Muhammad Yunus, Founder and Managing Director of Grameen Bank, will participate as a keynote speaker. Mr. Chris De Noose, WSBI Managing Director, will be a panellist in the session «Overcoming Regulatory and Legal Constraints to Savings Mobilization».

For more information and registration: www.inamicrocreditsummit.org.

Frankfurt School of Finance & Management (previously Bankakademie) is this year offering several courses in the field of Microfinance and Housing Finance: The **Micro Banking Summer Academies** (22 - 24 August / 24 - 29 August / 31 August - 5 September) and the **Housing Finance Summer Academy** (20-25 July).

For more information: www.frankfurt-school.de/summer_academy and www.frankfurt-school.de/housing-finance.

The Banking With the Poor Network (BWTP) and the Foundation for Development Cooperation (FDC), with funding from the Citi Foundation, are pleased to convene the Asia Microfinance Forum 2008 in Hanoi, Vietnam, August 26 - 29, 2008. **The Asia Microfinance Forum 2008** is being held in association with PlaNet Finance Group and the European Union, in collaboration with the State Bank of Vietnam. This milestone event will bring together around 300 leading microfinance practitioners, policymakers, financiers, academics and advocates from around the world to outline their visions and priorities, and explore new ideas and opportunities.

For more information: <http://www.bwtp.org/AMF-2008.html>.

The XI edition of the **Inter-American Forum on Microenterprise** (Foromic) will take place in Greater Asunción, Paraguay on October 8-10, 2008. The World Savings Banks Institute (WSBI, e-MFP Board member) will be participating as sponsor to the Forum, which this year will feature the topic "Microenterprise: From the Margin to the Mainstream". Considered as a major event of the Latin American microfinance industry, the Forum

> continued p. 8

> continued from p. 7

The forum further raised the discussion about consumer finance vs. enterprise finance (MSME) and the issue of responsibility and customer care. It must be taken into consideration that any bad management of loans can lead to clients' over-indebtedness and therefore damage rather than help improve their living standards. Knowing the customer is a main issue in developing healthy loan portfolios under responsible lending practices. Conversely, there should also be a level of responsibility from the person who takes a loan with respect to their obligations. Appropriate disclosure of education of clients is of vital importance. When dealing with groups with financial illiteracy, the products should be easy to understand and clients should know how the institution is administering their money.

In the case of financial institutions searching for new resources, the importance of price and added value is of high importance. At present, the market has started to discuss aspects previously not discussed in terms of responsibility, both on the commercial and the development finance side. An important subject for many countries is to have appropriate regulation for the sector, regulation that insists in transparency, makes information accessible to the public and permits assess to risk. This will also have an impact in savings protection and the buying and selling of shares in the capital markets. Further promotion of responsible finance has to take place on all financial levels and in all financial aspects.

The full agenda as well as presentations from the speakers are published on the conference website: www.frankfurt-forum.org

CALENDAR OF e-MFP MEETINGS

23 SEPTEMBER 2008	e-MFP Board meeting, Italy
NOVEMBER 2008	e-MFP Board meeting, Luxembourg
12-14 NOVEMBER	European Microfinance Week, Luxembourg

e-MFPnews is a regular publication of the European Microfinance Platform whose aim is to facilitate the exchange of information and promote cooperation among various European actors involved in microfinance in developing countries. e-MFPs members share the vision that everyone on this globe has access to financial services and that microfinance can contribute to the development of this vision.

European Microfinance Platform (e-MFP)
Christoph Pausch, Executive Secretary
Niamh Watters, Administrative Assistant
Allée Scheffer 21-25, L-2520 Luxembourg
Tel: +352 26 27 13 55, Fax: +352 45 68 68 68
contact@microfinance-platform.eu

If you have not received an electronic copy of this newsletter and would like to do so, please email the e-MFP at contact@microfinance-platform.eu.

Please feel free to forward this newsletter to whoever it may be of interest. We welcome any contributions or suggestions which might improve and enrich the content.


This publication is protected by the law from the 18th April 2001 of the Grand Duchy of Luxembourg concerning copyright, databases and related laws. It is strictly prohibited to reproduce an article from this publication, in whole or in part, without the written consent of the author. The articles represent the author's opinion, the latter is therefore solely responsible and liable for his/her works.
Copyright © e-MFP 2008. All rights reserved

will include panels with topics such as technology, rural finance, housing, microinsurance and will also explore how to effectively reach more people with better, faster, and more affordable services to improve their businesses and their livelihoods.


For more information and registration:
<http://www.iadb.org/mif/foromic/sponsors.cfm?language=English>

 **Micro Finance and New Technologies Summit (MFNT), 21 - 22 October, India**
PlaNet Finance India is organising a global Information, Communication, Technology (ICT) and MF conference, to be held in Delhi on the 21st and 22nd of October 2008. The objectives of this conference are: to provide an opportunity for microfinance institutions and ICT industries to meet and exchange experiences and knowledge on the use of ICT for microfinance: to look at past achievements and at new challenges such as; the increase of outreach to poor people, increase sustainability, increase social impact of microfinance, to address regulatory issues, to produce an enabling environment, to look at financing issues of the Microfinance and ICT partnership.

For more information:
cpanigrahi@planetfinance.org

 In 2008 - 2009, **Triodos Facet** and **InHolland Hogeschool** will organise three seminars to explore the potential role microfinance institutions (MFIs) can play in providing access to non-financial services for their entrepreneurial clients. The highly-interactive seminars are characterized by sharing practical experiences (good practices and lessons learned) and providing policy recommendations. The first seminar is scheduled on Thursday November 13th in Utrecht (The Netherlands).

For more information on this seminar series: www.triodosfacet.nl.

 **Call for case studies:** the first seminar of Triodos Facet and InHolland Hogeschool welcomes papers on the needs of micro- and small entrepreneurs in developing countries for non-financial services; the role that (micro)finance institutions in developing countries can play in providing these services. We specifically invite practical case studies and empirical research on these topics. The deadline for submitting abstracts (max. 150 words) is July 31st (send to: a.pater@triodosfacet.nl)