



The African Microfinance Network

N°5

News letter

EDITORIAL

Dear leaders of the AFMIN Newsletter, we are delighted to publish the 5th AFMIN Newsletter. During the 1st quarter of the year 2005, Country level networks increased their innovations in order to become financially and institutionally self sustainable. Activities related to the International Year of Microcredit dominated the main achievements of National networks in their respective countries. AFMIN is proud of this involvement and wishes you happy reading.

REGIONAL ACTIVITIES

CONFERENCE ON IMPROVING MICROFINANCE CLIENT PROTECTION IN AFRICA



In the line with its mandate of "Building people and systems that work for the poor in Africa", the Africa Microfinance Network (AFMIN), in partnership with SEEP Network, Micro Enterprise Alliance (MEA), the Ford Foundation, and the Microfinance Regulatory Council, (MFRC) organized a three-day workshop on "Improving Microfinance Client Protection in Africa." The workshop was held on 9 - 11 March 2005, at Birchwood Executive Hotel. The conference brought together 22 participants from Malawi, Zimbabwe, Uganda, USA, South Africa and Ivory Coast. The group was composed of microfinance practitioners, consumer protection advocates and regulators. After witnessing different presentations and experiences from different participants, participants

reiterated that the microfinance client remains "the King", and therefore has a bill of rights, has the right to choose specific financial services, has the right to transparent information, has the right to safety, and the right to be heard. Participants recognized that information asymmetries and unequal power relationships are exacerbated in situations where consumers have low literacy and skill levels. Based on this observation, participants recommended that it is the responsibility of microfinance institutions to incorporate the needs of their clients into their business models. Likewise, they should provide products and services that are competitively priced and best suited to the clients' needs. They should offer better customer service and process complaints by providing concrete solutions. In order to produce a sound consumer protection policy in African countries, participants to the conference agreed on certain guidelines that should be taken into consideration:

- Stakeholders should define the problem by conducting research with all parties on all issues,
- The results should be utilized to formulate principles on consumer protection,
- Laws should be enacted that provide adequate protection for consumers

Participants observed finally that, without a sound consumer protection policy, it is obvious that the government will continue to be in the uncomfortable position of having to intervene on an emergency basis, and the good image of the microfinance sector will be tarnished. In order to pre-empt such conflict, microfinance institutions and the networks that represent them have to formulate, adopt and publicize a code of practice for

consumer protection. In this way, all parties (MFI employees, customers, and government) will understand how the consumer is to be treated, and the consumer will be familiar with available recourse.

AFMIN REINFORCES ITS PROGRAM TO BUILD SHARED PERFORMANCE INDICATORS AND STANDARDS.

In order to put into practice recommendations from the conference on AFMIN's Program to build shared performance indicators and standards held in Kampala-Uganda in July, AFMIN contracted Consortium ALAFIA to disseminate the performance monitoring software known as ALAFIA Perform to AFMIN members from French speaking countries. The first group that benefited from this tool consists of RIFIDEC from Democratic Republic of Congo and ANIP from Niger. This tool is an added value to monitoring of performance and standards and it promotes transparency and professionalism in the microfinance industry in the respective countries where the beneficiaries are operating. AFMIN is committed to support the dissemination to other AFMIN members on request and who fulfil the requirements of the installation of the tool.

AFMIN VISIT TO APIFM MADAGASCAR

In its program, TAARP/SEEP, AFMIN conducted in partnership with SEEP Network a Network capacity

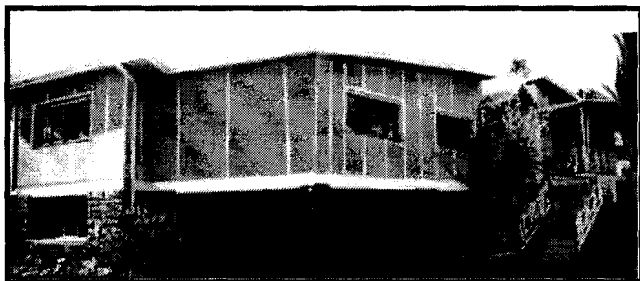
assessment of APIFM. The assessment team was made of Sharyn Tenn of SEEP and Mr Abdoul Anziz Said Attoumane . During this evaluation, Mr Anziz used this opportunity to organize meetings with local authorities and donors and informed them about the 5th forthcoming annual conference to be held in Madagascar in November. Mr Anziz was received by the Prime Minister, Minister of Finance and Budget, UNDP Representative, the Chief Executive of International labor Office. All stakeholders of industry were committed to collaborate for the success AFMIN conference in Madagascar. The audience with Prime Minister was broadly broadcasted in news paper and other media.

PREPARATION OF MICROFINANCE POLICY WORKSHOP IN EASTERN and SOUTHERN AFRICA

As part of its action plan for the year 2005, AFMIN will organize, in partnership with Women's World Banking, a microfinance policy workshop in Eastern and Southern countries. The workshop will be held in Nairobi- Kenya on the July 21st 22nd, 2005. It will bring together top leaders of finance ministries, central banks, microfinance country level network leaders, and representatives from leading MFIs. These dignitaries will be coming from Ethiopia, Kenya, Tanzania, Uganda, Malawi, South Africa and Zimbabwe. The organizing team made of Mariama Ashcroft from Women's World Banking and Abdoul Anziz Said Attoumane met with all stakeholders and Kenyan authorities to ensure the success of the conference.

NATIONAL ACTIVITIES

AEMFI TOWARD INSTITUTIONAL SUSTAINABILITY.



During the period of January to March 2005, AEMFI achieved a variety of activities that focused on three main pillars. These include activities related to capacity building through training of MFIs' Boards of Directors on governance and HIV/AIDS training in collaboration with the Microcredit Summit. They also include research and information dissemination. Along this line, AEMFI published its quarterly bulletin and presented results from its study on Rural Finance in Ethiopia and Assessment of the Financial Products of Microfinance Institutions. Further, its research unity launched a study on Informal Finance in Ethiopia. In regard with performance monitoring indicators and benchmarking, AEMFI installed the MIX monitor tool and trained head office staff as well the personnel from RUFIP project. AEMFI has also

purchased an office and training center for USD 350,00.

EXCHANGE VISIT BETWEEN CONSORTIUM ALAFIA AND AISFD- IVORY COAST

Besides the Annual General Meeting for 2002 and 2003, which focused on results achieved, challenges, future plans and the presentation of the action plan for the year 2005 to members and partners, AISFD-CI received a delegation from Consortium ALAFIA, the National Network of Benin. The main objective of the visit was to be inspired by the strategy developed by AISFD to fund its activities in a sustainable manner. During four days, Top Leaders of ALAFIA were introduced to the institutional structure of the Association, basic principles of calculating membership fees and annual contributions, mechanisms of recovery, challenges and strategies to overcome. The exchange visit was concluded by a visit in the field to some MFIs members of AISFD and the ministry-level Microfinance Department.

ANIP-NIGER HAS RECRUITED A NEW CHIEF EXECUTIVE OFFICER

ANIP Niger focused on public relations, advocating for the interests of Microfinance Institutions, capacity building, streamlining the industry and microfinance information dissemination. With these core activities, ANIP

participated actively in meetings with Representatives of BOA; International Monetary Fund in Mali, and authorities of Banque Islamique de Développement. In addition, ANIP recruited the Chief Executive Officer of the Network named, Mr DJERMAKOYE Issa Dourahamane. One of the main challenges that partners are expecting the new Chief Executive to work on is the performance monitoring program, particularly because the network has recently been assisted by AFMIN with the acquisition of the performance monitoring tool ALAFIA Perform.

APIM BF : BURKINA FASO BURKINA

Capacity building of the microfinance sector in Burkina Faso was the main focal point for the National Network APIM BF. In that respect, a vast program targeting 127 participants was launched in partnership with Finances Sans Frontière. In the same line, APIM BF signed a protocol of one year (2004-2005) with Plan d'Action pour le Financement du Monde Rural (PA/FMR) in regard with training. In the area of lobbying and advocacy for MFIs, APIM BF participated in the launching of the International Year of Microcredit 2005 in Burkina Faso. Also, APIM BF participated in the 9th Francophone forum held in Ouagadougou and to the 3rd professional microfinance forum that discussed "relations between microfinance and the banking sector", a forum organized by Agence Française de Développement in partnership with the World Bank Representative in Ouagadougou and Distance Learning Centre in Ouagadougou. Additionally, during the first quarter of 2005, APIM BF recruited the Chief Executive Officer of the Network named Miss Perpétue COULIBALY

APIFM MADAGASCAR ACHIEVEMENTS

During the first three months of the year 2005, APIFM focused mainly on the validation of the annual action plan and annual budget, during which APIFM members reaffirmed their commitment toward supporting the running costs of the Association with annual contributions. Also, APIFM developed tools, one for board members of Mutual Saving and credit scheme administrators, and a database on geographical

information systems for all members. Further, APIFM participated actively in the launching of an official celebration of the International Year of Microcredit and in the activities of Francophonie during which the Ministry of Finance chose as its theme for debate "Conditions to access loans in microfinance." Additionally, APIFM was evaluated by AFMIN and SEEP under TAARP/SEEP program.

APIM/MALI

After finalizing the four year action plan for the period 2005-2008, the action plan for the year 2005 and the adoption of the new national action plan for microfinance, APIM Mali participated in the activities of different inter-ministerial commissions with whom APIM Mali is a member. These include the Pilot National Committee of Italian Fund to fight the desertification and poverty reduction in the Sahel region, the commission in charge of thinking about financing enterprises by commercial banks, an inter-ministerial commission to adopt special mechanisms for refinancing fixed asset loans. Also, APIM Mali participated in the workshop organized by DID, for the round table of CAPAF for the year 2005. APIM was actively involved in funds mobilization.

RIFIDEC AND ACTIONS FOR INTERNATIONAL YEAR OF MICROCREDIT.

In accordance with the International Year of Microcredit, RIFIDEC launched a range of actions. These include mobilizing all microfinance stakeholders committed to promoting sustainable development and poverty reduction in Democratic Republic of Congo. The mobilization targeted government officials, top leaders from central banks, practitioners and technical services providers. Thematic conferences were held and RIFIDEC took this opportunity to exhibit its different products. Also, RIFIDEC made field visits to its members during provincial general meetings. These visits aimed at emphasizing microfinance regulations and professionalism in the microfinance industry. Further, discussions on standardized management tools used by all MFIs were conducted.

UPCOMING EVENTS

- AFMIN participation in the Management Development Course in India
- AFMIN participation in the AFRACA Conference in Nairobi Kenya
- Microinsurance and HIV/AIDS workshop in Ethiopia
- AFMIN participation in the Global meeting on Blue Book in Geneva- Switzerland
- AFMIN Conference on Microfinance Policy in Eastern and Southern Africa
- Current state of AFMIN relocation to Accra Ghana
- AFMIN members outreach as of December 31st, 2004