MICROFINANCE CENTRE
for Central and Eastern Europe and the New Independent States

Spring 2002

Message from the Executive Director

Greetings from the MFC!

For years, creditors have been using credit scoring systems to determine if a potential borrower is a good risk for loans. Because a borrower's credit history is an important part of credit scoring systems, numerous agencies called "credit bureaus" have been set up to gather and sell information about potential borrowers.

In many countries of the C&EE and the NIS region there is a lack of access to borrower history; or if it exists, it is typically limited to commercial banks only. This situation has resulted in, among others things, higher delinquency rates for microfinance institutions (MFIs) and consequently higher pricing for their financial products.

The availability of borrower information that can be provided by credit bureaus would benefit the financial sector by reducing risk to lenders, thus (i) lowering the transaction costs associated with lending and (ii) enabling better pricing for various financial products. It also provides supervisory authorities with an opportunity to more accurately determine the overall risk of the financial system fostering the development of a healthy and competitive financial system.

There is a fully operational credit bureau in Bosnia and Herzegovina that provides services to both banks and microfinance institutions. You can read about the experiences of LRC (Long-Range Company) in this issue of the MFC Newsletter.

On behalf of the MFC staff

Grzegorz Galusek, Executive Director
Microfinance Centre for CEE and the NIS

State of the Microfinance Industry in CEE and the NIS

A survey of microfinance institutions has been carried out as part of the "Regional Mapping of Microfinance in CEE and the NIS" study by an MFC team led by Sarah Forster and Justyna Pytkowska. The objectives of the Study were to deepen the understanding of the state of the microfinance industry in the region, including its size, outreach and sustainability, to explore whether access to financing is a constraint to microfinance development, to facilitate exchange of market information on the microfinance sector and help develop partnerships among donors, investors and MFIs.

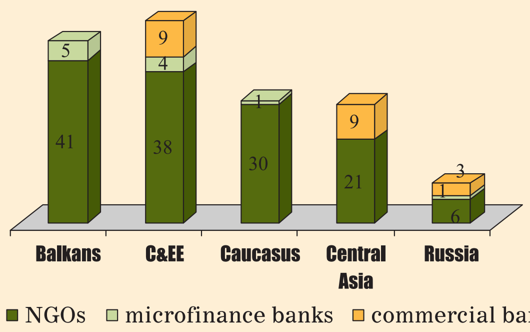
Number of microfinance institutions in the region

The region of Central and Eastern Europe and the NIS extends to 27 countries in five sub-regions: the Balkans, Central and Eastern Europe, Caucasus, Central Asia and Russia. The region covers an area of 23.5 million sq. km and has a population of 417.2 million people (World Development Indicators, World Development Report 2000/01).

Study research identified nearly 5,800 organizations providing microfinance services in 23 of the region's 27 countries. The vast majority of these organizations are credit unions – 5,600 credit unions were identified. In addition, the study identified 136 NGOs that specialize in microfinance, nine specialized microfinance banks and 21 mainstream commercial banks that have microfinance operations.

The types of MFIs vary by sub-regions. Credit Unions are dominant in Central and Eastern Europe – 5,338 institutions – the majority of which (4,304) are located in Romania. In other sub-regions credit unions are less numerous.

Figure 1:
Number of MFIs by Institutional Type in Sub-Regions (excluding credit unions)



[continued on page 3]

MISSION

The MFC is a membership-based network and provider of training and consulting services. Our mission is to promote the development of a strong and sustainable micro-finance sector in the region in order to:

- Increase access to financial services,
- Support micro-enterprise development,
- Create jobs, and
- Improve living standards and economic opportunities for low-income people.

The MFC fulfills this mission by providing high quality training, technical consulting services, mutual learning and exchange opportunities, research, and legal and policy advocacy.

MFC SUPPORTERS

- Consultative Group to Assist the Poorest (CGAP)
- USAID
- The Charles Stewart Mott Foundation
- The Ford Foundation
- Open Society Institute

MFC Chairman

Ken Vander Weele is Chief Operating Officer of the Opportunity International Network (OI), a private voluntary organization involved in microenterprise and small business development via the establishment of indigenous development agencies, credit programs, and entrepreneurship in Asia, Africa, Latin America, and Eastern Europe. Prior to this, he was an Interim President of USA-OI and Senior Executive and Owner of the Graphisphere Corporation. Ken received an MBA from the University of Chicago School of Business and a BBA honors degree in Accounting from the University of Wisconsin, Madison.

MFC BOARD OF DIRECTORS

- **Ken Vander Weele**, Opportunity International Network (OI) – Chair and Treasurer
- **Maria Nowak,** Ministry of Economy, Finance and Industry, France; ADIE International
- **Angel Pesevski,** Local Initiatives Department, B&H
- **Mariam Yesayan,** UMCOR/AREGAK Armenia
- **Caroline Tsilikounas,** ICMC
- **Gert van Maanen,** Oikocredit

Starting Feb 1, 2002 Gert van Maanen joined the MFC Board of Directors. **Gert van Maanen** is a lawyer from the Netherlands. He retired in June 2001 as General Manager of Oikocredit, a development cooperative started in 1975 by the World Council of Churches. Oikocredit is financed with share-capital (150 million euro) of some 500 churches and 20.000 individuals from all over the world and gives loans – not grants – to groups of "unbankables" in the Third World and Central Europe for income generating activities. 40% of their loan portfolio is in microcredit, serving some 80 MFIs. Prior to joining Oikocredit in 1994 he was a member of the Executive Board of ING-Bank, after a long career in shipping (Nedlloyd). During his business career he was active in a number of church – development – and anti-apartheid organisations. He served for 10 years as vice chairman of ICCO (the major Dutch Protestant donor-organisation) and joined recently the Board of Cordaid (their Catholic counterpart). He chairs the Dutch Development Research Council RAWOO.

MFC Board of Directors consists of three to seven Directors. Up to four of Directors are selected through a nomination process involving MFC member organizations and up to three Directors are selected directly by the existing Board. For more information on the current Board of Directors and on the selection process visit the MFC web page ***www.mfc.org.pl***

Grzegorz Galusek, *Executive Director* .... grzegorz@mfc.org.pl
Agata Szostek, *Training and Consulting Director* .... agata@mfc.org.pl
Leesa Wilson Shrader, *Regional Director/Balkans* .... lws@aol.com
Olga Tomilova, *Regional Director/NIS* .... olgatomilova@yahoo.com
Kasia Pawlak, *Research Coordinator* .... kasia@mfc.org.pl
Justyna Pytkowska, *Data Analyst* .... justyna@mfc.org.pl
Michał Matul, *Researcher* .... michal@mfc.org.pl
Ewa Pawlak, *Research Assistant* .... ewa@mfc.org.pl
Alicja Krzeszewska, *Regional Coordinator* .... alicja@mfc.org.pl
Marcin Fijałkowski, *Policy Programme Coordinator* .... marcin@mfc.org.pl
Aleksander Kobecki, *External Event Coordinator* .... alex@mfc.org.pl
Maciej Jaroszczyk, *Accountant* .... maciej@mfc.org.pl

State of the Microfinance Industry in CEE and the NIS

(continued from page 1)

Table 1: Total Number of MFIs in the Region

Type of MFI	Total Number of MFIs	No. of MFIs covered by survey	Coverage
NGOs (microcredit organisations, foundations and private companies)	136	99	73%
Microfinance banks*	9	9	100%
Commercial banks	21	14	67%
Credit unions/savings and credit cooperatives	5,600	5,325	95%

** Two more start-up microfinance banks exist but at the time of the survey neither provided services*

Microfinance NGOs have a strong presence throughout the region, particularly in the Balkans, Central and Eastern Europe and the Caucasus. Microfinance banks have made a strong entry into the microfinance market in the last few years and now operate in all sub-regions other than Central Asia. Commercial banks providing microfinance services currently only operate in Central and Eastern Europe, Russia and Central Asia.

The study team collected data from 5,325 credit unions, 99 NGOs, 9 microfinance banks and 14 commercial banks based on a questionnaire. The coverage of NGOs varied by sub-regions. The best response rate was in the Balkans – 88%, the lowest in the Caucasus – 61%. The results presented below are initial data based on the surveyed sample of MFIs. Some attempts were made to normalize the sample through extrapolation. Further statistical analysis is ongoing. The full study report is expected to be published in July 2002. The data represent the situation as of end of September 2001.

Total Loan Portfolio

Together the surveyed MFIs had a total portfolio of outstanding loans of over US$750 million. The largest loan portfolio was held by credit unions – over US$ 380 million. Microfinance banks had a total outstanding loan amount of US$156 million, and commercial banks US$ 112 million in loan portfolio. Surveyed NGOs had a total portfolio of US$106 million. Extrapolating the survey data to the total number of NGOs identified in the survey, it is estimated that NGOs in the region together manage a loan portfolio of US$140 million.

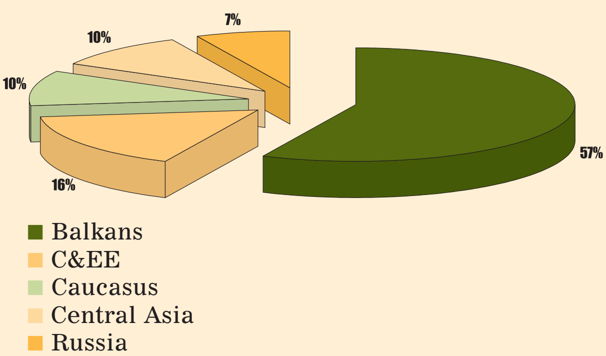
Table 2: Size of Total Loan Portfolio by Institutional Type

Type of MFI	N	Total Loan PortfolioUS$
NGOs	99	106 million
Microfinance banks	9	156 million
Commercial Banks	14	112 million
Credit Unions	5 325	380 million
Total	**5 447**	**754 million**

In the sub-regions, the biggest part of the loan portfolio was located in Central and Eastern Europe where the majority of credit unions operates.

Among NGOs, the biggest portfolio was located in the Balkans – over 50% of the total NGO portfolio. In the other sub-regions NGO loan portfolio was significantly smaller.

Figure 2: Distribution of NGO Loan Portfolio by Sub-Regions



When comparing total loan portfolio of all MFIs with the size of the population, the biggest amount of money per capita was lent in the Balkans – US$ 2.2 per capita, then in the Caucasus – 0.59, Central Asia -0.19, CEE – 0.1 and Russia – 0.05.

Number of Borrowers

MFIs surveyed serve altogether a total of nearly 2 million current borrowers. Credit unions were the leaders, accounting for vast majority of the borrowers – 1.7 million loan clients. NGOs had the second largest outreach with a total of over 190,000 current borrowers.

Both microfinance and commercial banks served significantly smaller numbers of borrowers – 35,000 and 21,000 borrowers respectively.

Credit Union members borrow both for consumer and business purposes, whereas the majority of the rest of the MFIs focus on lending to businesses. Microfinance banks and credit unions also

(continued on page 5)

Getting the Greatest Return on Investment From Your Information System

Microfinance Institutions invest incredible financial resources in their people, processes, policies, procedures, software and hardware, that enable them to capture data and create useful information – otherwise known as a management information system. Having access to accurate and timely information is critical for management to appropriately steer the institution, and generally justifies the investment of these resources. With the right information, microfinance managers can conduct greater analysis of operations, respond more quickly to problems and opportunities, create better plans for the future, allocate resources more effectively, and be more proactive in dynamic economic and regulatory environments[1].

Regardless of the your institution's level of automation you can determine the costs associated with the system and the resulting benefits. Critical factors that greatly impact the resulting benefits include: monitored performance measures, staff training, and regular evaluations of the system.

Due to changing business and economic environments, as well as client needs, the information requirements of an MFI are always evolving to keep pace. The evolution of the system, whether planned or not, in big steps or small, is known as the system development life cycle (SDLC). The creation of an organization immediately begins the creation of a system for sharing and using information. From this point forward, those managing the institution have the power to guide the direction of the system's evolution through a methodical approach. Many people think that the SDLC methodology is only used for buying and implementing new software applications, when really, the methodology can be applied at any time in the development of the system.

There are four generally accepted stages of the system life cycle:

- analysis
- design
- selection (or development)
- implementation

Along side each stage there must be preparation and organization, as well as ongoing management of the system for ensured performance.

Imbedded in the SDLC process are many steps that require varying degrees of attention and resources. Given the effort and cost required to effectively complete each step, it is not surprising that some of the seemingly minor steps are not given due attention. The most common areas for an organization to "cut corners" during the process include, not clearly articulating performance outcomes at the onset of the initiative, limiting the amount of training provided and to whom it is provided, failing to track performance measures, and failing to evaluate the overall system regularly. Yet, herein lies the opportunity for an institution to achieve the greatest value from their investment in the system.

The lack of clear goals and measurable objectives for staff productivity and system performance is the most common reason for a low return on investment from an information system. In order to determine performance measures, managers need two types of information: long-term goals and existing benchmarks. Surprisingly, many microfinance managers are unaware of their current system benchmarks. The data is perhaps being captured, but no one is evaluating and monitoring it to create the necessary information for the institution. Logically, an initial step in the SDLC process includes an assessment of your institution's productivity benchmarks. If you do not already have performance measures selected, there is no need to burden the organization with a hundred different indicators, but rather, simply select 12 to 24 (covering all departments) that have the greatest value given your institutional goals.

Whether an MFI is looking to optimize its current information system or implement a new software application creating radical changes, clear performance measures must be agreed to at the onset of the initiative. Do not wait until the design or selection stage, or you will cause immense grief among the staff and wasted efforts. When asked, many managers will say they want better reporting, or timelier reporting, or different reports. Improved reporting is a valid goal of the project, but it is too vague to be a measured objective. Instead, an MFI must look closer and determine, "what will improved reporting really look like at the end of this project?" and quantify it. For example, more timely reporting, may mean receiving reports weekly, when currently they are received monthly. A productivity indicator may be to increase the number of transactions a teller can handle in one day, from 50 transactions to 75 transactions. Another common productivity indicator, which is a process objective, is the amount of time required to approve and disburse a loan. If it currently takes your institution 7 days, perhaps your goal may be to reduce it to 4 days.

Keep in mind that increases or decreases in performance measures do not have to be significant to add economic value to the institution. Minor improvements in many different areas can result in major cost reductions overall or greatly enhanced client service. Once the objectives have

[continued on page 14] ▶

1 Waterfield, Chuck, and Ramsing, Nick, „Management Information Systems for Microfinance Institutions: A Handbook," Technical Tool Series No. 1, CGAP, February 1998.

State of the Microfinance Industry in CEE and the NIS

(continued from page 3)

provide other financial services, including deposits and money transfers.

Table 3: Number of Borrowers by Institutional Type

Type of MFI	N	Total Number of Borrowers US$
NGOs	99	195,457
Microfinance banks	9	35,118
Commercial Banks	14	20,556
Credit Unions	5 325	1,740,428
Total	**5 447**	**1,991,561**

It is estimated that NGOs in the Balkans, Caucasus and Central Asia serve similar numbers of borrowers, while in C&EE and Russia numbers of NGO borrowers are significantly smaller.

NGOs are not legally allowed to collect savings, however some of them collect forced savings, particularly those which use village banking methodology. It proved difficult to capture the value of savings collected by NGOs as not all NGOs report savings as deposits.

Similarly to the volumes of deposits, credit unions gathered the majority of savers but the distribution between institutional types was different. Although in terms of the value of savings credit unions held nearly 70% share, they served as many as 95 % of savers. This was due to the difference in the size of savings accounts of various institutional types. The average size of account of a credit union was 197$ compared to 1,300$ of a microfinance bank, excluding MEB Kosovo (with MEB Kosovo holding the majority of savings among microfinance banks the average savings account stood at 2,400$).

Table 4: Value of Savings and Number of Depositors by Institutional Type

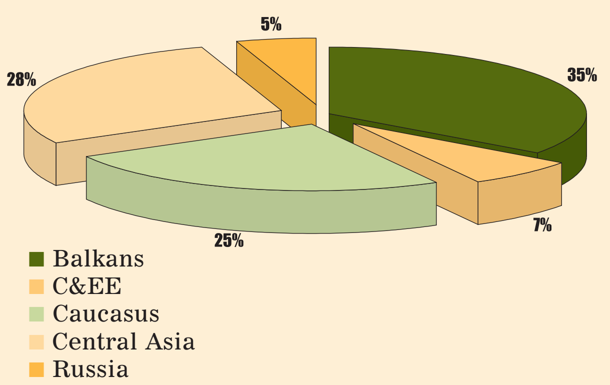
		Total Value of Deposits		Number of Depositors	
Type of MFI	N	(US$)	% Total		% Total
Microfinance Banks	7	217,916,264	34%	87,347	4%
Credit Unions	5401	428,124,053	66%	2,174,520	96%
Total	**5408**	**646,040,317**	**100%**	**2,261,867**	**100%**

** excluding NGOs and commercial banks*

Total Value of Deposits and Number of Depositors

Altogether microfinance institutions had nearly US$640 million in deposits and over 2.2 million depositors. Credit unions were the biggest savings collectors in terms of volume of savings with US$428 million in deposits. Microfinance banks also had significant volumes of deposits – over US$200 million in value, however 76 % of the deposits were with only one bank – MEB Kosovo. Two of the nine existing microfinance banks did not collect savings.

Figure 3: Distribution of NGO Borrowers by Sub-Regions



In the sub-regions nearly 100% of savings in Central and Eastern Europe and 90% in Russia were collected by credit unions. In the Balkans nearly 100% of savings were held by microfinance banks. In Central Asia there were no MFIs offering deposits (not counting commercial banks). The only form of savings were mandatory savings collected by NGOs. In the Caucasus 82% of deposits was collected by Microfinance Bank of Georgia and 17% by credit unions.

The "Regional Mapping of Microfinance in CEE and the NIS" Study has been made possible through the financial support of the following organizations:

- US Agency for International Development (USAID)
- The Consultative Group to Assist the Poorest (CGAP)
- International Finance Corporation (IFC)
- Open Society Institute (OSI)

The full text of the Study highlights can be downloaded from MFC web page www.mfc.org.pl

Justyna Pytkowska, Microfinance Centre, justyna@mfc.org.pl

Members' Corner

MicroFinS is non-governmental and non-profit organization, founded in December 2000. It is based in Belgrade, the capital of FR Yugoslavia, and currently has a staff of 18 well-trained and highly motivated employees. MicroFinS implements its programme out of one head office, based in Belgrade, 5 branch offices in Kragujevac, Sabac, Vrbas, Topola and Novi Pazar, as well as through associates in two towns in Serbia (Kraljevo, Uzice).

Main activities are related to micro credit, i.e. provision of financial services to low-income groups of population with viable business activities. The micro credit programme was initiated in December 2000 and exists to create new employment opportunities, increase domestic production, decrease vulnerable groups' dependence on humanitarian assistance and improve the standard of living for lower income groups in Serbia. By providing access to credit, MicroFinS allows vulnerable individuals to start or expand their private businesses and increase their economic independence. Emphasis is placed on reaching women and those individuals affected by conflict in the region over the past 10 years. Through its services MicroFinS facilitates improvement of economic and social well being of clients, raising their self-esteem and dignity.

MicroFinS works with local, national and international organizations and grassroots initiatives to execute cooperative projects. The programme received financial support from UNHCR, OXFAM, SIDA, European Perspective, Red Cross – Luxembourg and CWS. MicroFinS seeks to further develop these partnerships in order to increase value and impact to the work.

Micro credit technology

Individual lending methodology is utilized. Credit is given to individuals, regardless of whether the client's firm or business is registered or not. The loan term ranges from 6 to a maximum of 12 months, from 250 to 2,500 EUR, with flat interest rate of 1.5 %. Monthly installments are being required. All payments are made at a correspondent bank so the loan officers handle no cash transactions.

Basic statistics and results to date

Number of active clients	1347
Total USD disbursement	1.385.555
Loans in process	46
Average loan amount (USD)	850.66
Average loan term (months)	10.20

Loans disbursed to date

Services	758
Production	289
Trade	264
Agriculture	60
Animal husbandry	140

Gender groups

Men	876
Women	635

Web site is www.MicroFinS.org.yu
Address: Ljube Stojanović 18 / I, Belgrade, Serbia
Phone: (+ 381 11) 767 435, 769 747, 769 151
Fax: (+ 381 11) 329 13 93
E-mail: mfins@Eunet.yu

M+ MikroPlus Small Loans Program

MikroPlus program started as an operation of Catholic Relief Services Croatia in October 1999. Following the market survey, the area of Former Sector North with the municipalities of Plaški, Vojnić, Glina and Petrinja was chosen for the start-up of the program. Right at the outset of the program, a five-year strategic plan was developed to guide the program development to the establishment of an independent local microfinance institution. This plan called for operating in three distinct geographic areas of Croatia, starting in one center, and expanding the operation in "concentric circles", and required CRS's engagement in addressing the legal and regulatory issues the program was facing.

Almost two and a half years later, MikroPlus is active in three regions of Croatia, including the area of Eastern Slavonia and the city of Osijek, as well as the municipalities of Knin and Drniš in the Former Sector South, in addition to the first region where the program initially began operating. The work on legal reform was mostly completed from CRS's side by providing the draft law on microcredit associations to the Croatian Ministry of Finance. The law became conditionality for the Croatian Government under the Structural Adjustment Loan agreement with the World Bank that supported CRS's work in that area. Per the current plan and schedule it should be enacted by the Parliament before the summer break this calendar year.

MikroPlus program has 1,336 active clients organized in 196 guarantee circles. To date USD

$2,152,438.75 was disbursed in 3,405 loans. Some clients already reached their fifth loan cycle in the program. There are 71,64% women in the program (the goal was set at 60%).

The range of loans MikroPlus program provides are between $500 and $4,000, while the average loan size for the total program is USD $632.14. This piece of information shows that MikroPlus program is indeed reaching down to the poor segments of the economically active populations, but represents a challenge for reaching sustainability. Per current plans, MikroPlus should become operationally sustainable by June 2003, and financially sustainable by December 2003. Following June 2003, the program would start preparations for the spin off.

Marta Bogdanic
trave2@zg.tel.hr

FORA Fund for Support of Small Entrepreneurship is inviting people involved in or interested in microfinance to visit its operations in Russia. FORA has been established in July 2000 by Opportunity International Network partners.

As of today, FORA is a leading Russian specialized microfinance institution providing services in 11 regions of European Russia to over 6,000 microentrepreneurs. In 2001 FORA tripled the size of its portfolio and the number of clients it serves. FORA is also a key player in improving the legal and regulatory environment for the Russian microfinance sector. More information on FORA can be found on **http://www.forafund.ru**.

The agenda of a standard visit is given below. The program can be adapted in accordance with participants' needs and expertise.

The length of a standard visit is 2 days. The cost is $75 per person per day. A discount may be provided if the group size exceeds 5 people.

PROGRAM OF SITE VISITS TO FORA

Introduction

Acquaintance with FORA personnel and office set-up. Results/achievements, strategic plans and organizational structure of FORA

Legal Environment and Accounting

The legal documents regulating microfinance operations in the Russian Federation

Book keeping in a microfinance organization: key operations, specific features of microfinance activities.

Taxation of microfinance organizations.

Problems of microfinance organizations.

Management and financial reporting in a microfinance organization.

Microfinance Market and Methodology

Target market of microfinancing.
Competitive environment and advantages.

Loan methodology:

- loan terms and interest rates in FORA;
- program promotion, sales management, long-term relations with clients;
- client interview procedure;
- loan analysis;
- peculiarities of different forms of collateral (joint responsibility, guarantee, and pledge);
- loan monitoring;
- MIS (computer system of portfolio management) and reporting;
- Risk management, assessment of strengths and weaknesses of microfinancing.

Interested organizations and individuals are welcome to contact
Alla Serova, Marketing Director, FORA:
Tel./Fax (7-8312)-78-43-10, 78-43-20, 78-43-30,
Cell 8-902-124-21-43
email: aserova@forafund.ru; http://www.forafund.ru

Kazakhstan Community Loan Fund (KCLF) was the first micro-enterprise organization in Kazakhstan to receive a license from the National Bank to operate as a non-banking financial institution. Founded in 1997, KCLF began lending in the city of Taldykorgan and now has branch offices in Shimkent, Almaty and its headquarters in Almaty. These offices are run by a 63-person team of qualified and dedicated staff that efficiently manage thousands of loans and millions of dollars every year.

KCLF was initially funded in 1996 through a USAID and Soros Foundation grant to start the first micro lending program in Kazakhstan. ACDI/VOCA, an American non-profit, serves as KCLF's founder and provider of technical assistance. Since 1996, KCLF has received grants from the Eurasia Foundation, a USDA Food Monetization

Members' Corner

[continued from page 7]

program, the HIVOS/TRIDOS fund, and the New Hampshire Episcopal Diocese to support its growth and diversification.

All of KCLF's internal systems are computerized, including a state-of-the art loan tracking system and accounting system. Operations are streamlined to guarantee efficiency and a well-structured internal control system ensures transparency. KCLF has had annual external audits conducted since 1998.

KCLF provides small loans for working capital and fixed assets. This credit is coupled with technical assistance from its loan officers who work directly with clients to understand their financial needs. KCLF's original product is a group loan that offers small, working capital loans through a group guarantee system. Based on client demand, KCLF launched an individual lending program in 2001. Individual loans are offered with soft collateral terms or without collateral in the range of \$500 – \$5,000. In 2002, KCLF has piloted a new consumer loan to meet the increasing demand for non-business loans.

Janice Stallard, ACDI/VOCA Almaty, Kazakhstan, janice@online.ru

New MFC Members

- **World Vision AzerCredit, Azerbaijan**, established in 1995, its mission is to provide financial services to self-employed entrepreneurial low income people in both rural and urban areas.
- **Microcredit Organization "Cooperative Housing Foundation" Bosnia & Herzegovina**, established in 2002, its mission is to improve the economic. Political and social status of small business and housing association members.
- **Kazakhstan Community Loan Fund, Kazakhstan**, established in 1997, its mission is to help small businesses and potential entrepreneurs in developing and improving their businesses.
- **Development Alternatives Inc./BIZPRO, Moldova**, established in 2001, aims at small and medium enterprise development
- **Micro-Development Fund, Yugoslavia**, established in 2001, its mission is to promote and develop local initiatives, advance small scale businesses in order to enable better quality of life between the refugee and local population in area of Central and South Serbia.

MFC Web Page

The Microfinance Centre has upgraded its web page to make it more interactive and user friendly.

The site is divided into eleven sections:

- General Information about MFC
- Network Info
- Training & Consulting
- Policy Work
- Research
- Job Opportunities
- News
- Links
- How to Contact us
- Photo Gallery

In order to better promote the MFC affiliates special area was created for each member institution, where they can constantly add and update information about their institution.

The web page gives opportunities to present various kind of information on each MFC member such as contact information, institution's mission, status, products and so on.

If you are a member of the MFC network, in order to manage your individual section:

1. Go to "MFC Members"

2. Log in from "Members Area",

3. Choose the name of your MFI
4. Enter your password.
5. Enter or update info about your MFI

In order to create your individual password,

1. Go to "My Profile",
2. Follow the included instructions.

If you would like to place an additional feature, article, photo or have other feedback about the MFC web page, please contact Ewa Pawlak at ewa@mfc.org.pl

Kazakhstan Community Loan Fund: Designing a Loan Tracking System

KCLF КФКО

Kazakhstan Community Loan Fund (KCLF) began lending using an English-based loan tracking software for its client and loan information. It became apparent after a year, however, that this system would not provide KCLF the type of time-sensitive management information it needed to grow into the future. This included language problems as well as capacity limitations.

In late 1999, KCLF began the process of researching MIS options. At that time, there were a limited number of Russian-language systems to choose from and none that fit KCLF's requirements. KCLF decided to design its own Russian-language system while relying on existing best practice guidelines to steer its development.

By early 2000, KCLF had developed its own design platform and hired an experienced programmer to build the system. Critical to the process was the programmer's thorough understanding of how KCLF wanted to track its loans, clients, and impact information. This included the ability to "house" all historical information on clients (in particular impact information and balance sheet data) that could be viewed over time.

Once the program was completed in mid-2000, the challenge was to launch the new system and move away from the old system. This was done by having both systems operating in parallel for several months during the transition to ensure that the new MIS – or ISKRA – was operating properly.

ISKRA became fully operational by the summer of 2000 and has been a cornerstone of KCLF's management and operations. ISKRA has increased internal efficiencies by automatically generating client contracts and individual and group reimbursement schedules. This sophisticated program also allows group members to take different loan sizes and loan terms within a group – providing clients with increased flexibility.

ISKRA serves an important role in KCLF's internal control by providing a daily cross-check for disbursements, repayments, and ending balances with the accounting system. The system is also linked to a client black list and mini credit bureau that KCLF maintains on-line.

In summary, ISKRA can provide any number of reports to managers and loan officers about their clients and active loans.

- **Productivity** – Monthly trend analysis of loan officer productivity including new clients, number of disbursements, portfolio at risk, number of active clients, and income generated for the program.
- **Financial** – Aging of portfolio report; portfolio at risk reports (by loan officer and branch); restructuring reports; statistics on loans written off (by month, year, and cumulative – by branch); income and fees received for the month.
- **Impact** – Change in the growth of individual client equity; number of jobs created; number of jobs retained; number of women served (by amount and loan size).
- **Start-Ups** – The number of start-ups served by month, year, and cumulative as well as their individual growth and development (including monthly profit and growth in business equity).
- **Development** – Information on client retention (by month, year, and cumulative); average loan size; number and amounts of loans for different business types; and loan use.

A number of these reports are standardized and generated every month. ISKRA also has a report generator that can create new reports that are tailored to specific information requirements. ISKRA will continue to grow and adapt with KCLF's expanding needs and was recently up-graded to include an individual lending product (that can also be used for agricultural lending products). In 2002, ISKRA will add a consumer loan product to its structure.

ISKRA has served KCLF well and has gained recognition within Central Asia as a valuable tool for other MFIs. In February 2002, KCLF sold ISKRA to two new MFIs in Uzbekistan and Tajikistan and has begun to make plans to market this product throughout the Russian-speaking MFI community. For more information on the sale or purchase of ISKRA, please contact Shalkar Zhusupov, KCLF General Director, email: Shalkar_zh@kclf.kz

Janice Stallard, ACDI/VOCA Almaty, Kazakhstan
janice@online.ru

Special Thanks

Microfinance Centre for CEE and the NIS wishes to thank:

- **Mkrtich Ayvazyan**, *OXFAM GB Armenian Branch*
- **Tima Becirovic**, *MI-Bospo, Bosnia and Herzegovina*
- **Sanin Campara**, *MIKRA, Bosnia and Herzegovina*
- **Maja Gizdic**, *PRIZMA, Bosnia and Herzegovina*
- **Hala Kosiura**, *Independent Consultant*
- **Zviad Mirianashvili**, *Constanta Foundation, Georgia*
- **Volodymyr Tounitsky**, *Counterpart Meta Center, Ukraine*
- **Lejla Viteskic**, *PRIZMA, Bosnia and Herzegovina*
- **Marina Yoveva**, *World Vision AzerCredit, Azerbaijan*

for their excellent job in delivering the MFC training courses; and

- **Laura Frederick**, *echange, llc*

for valuable guidance during the first delivery of the "Management Information Systems" course in Krakow.

Private Initiative in Regulating Financial Discipline

Bosnia and Herzegovina (BiH) has its own Credit Bureau called LRC (Long-Range Company) Kreditni Biro. It is a private business, whose start up was supported by different federal governmental institutions and agencies such as the Ministry of Finance, the Central Bank, the Ministry of Justice and the Banking Agency. Also, support was given by other Multilateral Institutions such as the Office of the High Representative, the World Bank and USAID.

The LRC Credit Bureau started its operation in April 2001. The pricing methodology makes this service affordable for all Financial Institutions within BiH. The prices range from 5 to 25 Convertible Marks (KM) per client request in relation to the loan size. The constitution of the credit history of each client respects their confidentiality rights. Each client has to agree with the Financial Institution in order to enable them to be screened from the LRC Credit Data Base. As of now 11 Banks and 9 Microcredit Organisations (MCO's) are clients of the LRC Credit Bureau.

In order to analyse the level of loan delinquency on the Bosnian financial market and confirm as justifiable the existence of credit bureau, CARE International has conducted a customer satisfaction survey. The survey was conducted in both BiH entities (Federation of Bosnia and Herzegovina and Republic of Srpska) on the sample of 21 Microfinance Institutions' and Banks (14 Institutions that are current clients and 7 Institutions that are not working with LRC Credit Bureau as shown in the list below). CARE International has surveyed these institutions to evaluate the scale of the loan delinquency prevention and policy risk management. As of now, there are 49 Microcredit Projects or Organisations in Bosnia and Herzegovina that provide financial services whether as a main or as an additional activity. The sample included only 16 of them. The quick survey[1] shows a high level of satisfaction from the LRC Credit Bureau financial clients. 86 % of financial institutions that work with LRC Credit Bureau are satisfied and 14% are fairly satisfied with the services. It is interesting that none of the organisations have declared themselves dissatisfied. 71% of organisations in the sample are currently not working with the LRC Credit Bureau but have expressed their interest to join in. Nevertheless, only 29% of interviewees, who are not members of the LRC Credit Bureau, do not see the need for such an organisation for the MCO market. Considering the age of the institution (14 months), the data set shows limited timely validity but is a clear indication of a positive start up and reflects an emerging financial sector mobilisation. In this survey, we have not given importance to confidence level due the limited sample size.

The positive point in the LRC Credit Bureau case is that it came into operation in a questionable disciplined market and will thereby prevent the expansion of systemic delinquency behaviours. Despite a large number of MCOs', BiH did not reach levels of overindebtedness[2] of its client base. Some clients received credit services from many institutions or credit projects, which do not empirically represent a delinquency risk. Overall, BiH financial sector has a small credit portfolio in comparison with its asset, past and present level of industrial development. The LRC Credit Bureau will eventually be capable of assessing market size and number of loans outstanding in order to determine the market penetration rate, thereby providing critical information over market saturation and overindebtedness. As expected, the

List of Financial Institutions and Banks that were surveyed
BENEFIT Lukavac Micro-credit Organisation
BOS VITA Micro-credit Organisation
Bosnian Committee for Help, BOSPO
Catholic Relief Services-MIKRA
Central Bosnian Economic Development Agency, CEBEDA
International Orthodox Christian Charities, IOCC
MIKROFIN Micro-credit Organisation
PARTNER Micro-credit Organisation
PRIZMA Micro-credit Organisation
SINERGIJA Micro-credit Organisation
United Methodist Committee on Relief, UMCOR
Women for Women in Bosnia Micro-credit Organisation
World Vision International BiH-EKI
Agriculture Projects Co-ordination Unit, APCU
Agro-producers Association Prijedor
United State Agency for International Development, USAID
ABS Bank Sarajevo
BOR Bank Sarajevo
COMMERCEBANK Sarajevo
Central Profit Bank Sarajevo
Razvojna Banka Banja Luka

[1] Survey conducted in February and March 2002, by the CARE USDA SEED Project, BDS Component

[2] There is no generally accepted definition of overindebtedness, though one suggestion is that it is, *"When income is insufficient to cover reasonable living expenses and meet financial commitment when they come due"*, Task Force on Overindebtedness, Appendix B, July 2001, United Kingdom, Online http://www.fairtrading.wa.gov.au/conference/downloads/presentations/keating_ppp.pdf, Accessed April 9, 2002

Private Initiative in Regulating Financial Discipline

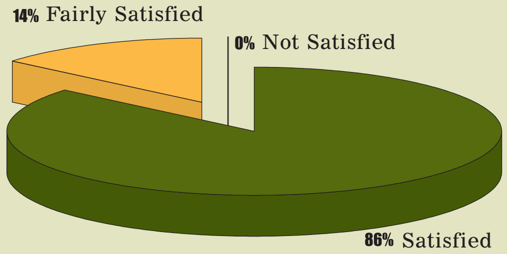
Credit Bureau will contribute to decreasing delinquency, introducing financial discipline in everyday work and leading to economic efficiency. Moreover, the Credit Bureau represents a preventive measure for all types of delinquent behaviour as it gives a clear message to the entrepreneurs and financial users about the necessity of working on their credit history. At the same time, it offers a base for the establishment of a safer business environment.

The Bosnian financial market has experienced highly opposite results in terms of delinquency or repayment behaviour from the clientele of its different creditors. We can confirm this statement by analysing the Microfinance Sector and different Credit Programs, two different lending mechanisms "servicing" different clienteles. The importance for the Credit Bureau will be to access the information of both to enable Micro and Small Enterprises to access banking services and preserve Financial Institutions from an undisciplined client base.

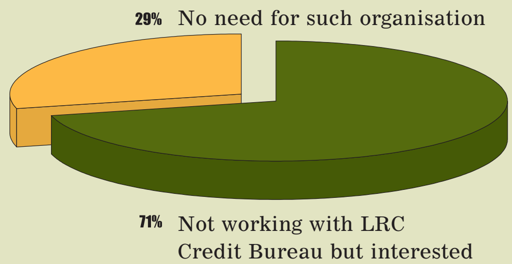
As reported by Isabelle Barres in the Microbanking Bulletin[3] which reports only about the best players within the BiH Market, the "Bosnian MCOs' Portfolio at Risk is very low 1.9%; Bosnian MCOs' have very low arrears rate" in general. Some MCOs' have maintained their Portfolio at Risk at 0% such as AMK, Bospo, Lok, Mikrofin and Sunrise. These performer MCOs have "a strong focus on delinquency management, credit culture and powerful sense of honour among their clients".

On the contrary, Microcredit Programs or Projects, mostly focusing on agriculture and forestry lending, have experienced a relative success: in some adverse local cases, delinquency rates have ranged from 83% to 98%[4] . BiH post-war transition to market economy as known and "emergence of politically powerful special interest groups in and around the natural-resource-based industries, which strive rent-seekers[5] to apply their political and financial clout to sway the government's economic policies in their favour at public expense"[6]. Delinquency in payment is not something new in BiH, we can track it back to the pre-war decades[7]. We have done several interviews with four different government officials which some of them have requested their interview to remain off the record. The problem is well known but data are not publicly available in regards to policy. Nevertheless, considering the complexity of the problem this issue demands deeper analysis, transparency and participation.

The level of satisfaction of Institutions and Organisations that provide financial services in BiH with LRC credit Bureau



Interest of Organisations and Institutions that provide financial services in BiH to co-operate with LRC credit Bureau



The broad lesson we can draw from those two lending mechanisms is to simultaneously focus on internal and external financial discipline. We all agree that selection of the adequate credit methodology can substantially contribute to the resolution of the delinquency problem but it should be linked and enforced by enabling policy frameworks and information transparency in order to avoid rent-seeking behaviour and/or corruption.

Regarding the large range of reimbursement behaviour in BiH the LRC Credit Bureau initiative is more than welcome in regulating the financial market through a private initiative. In the coming years the financial market will face new challenges. As the business environment will improve and the transition will be more responsive to the establishment of market economic principles, financial management of both businesses and Financial Institutions will require higher investment strategies in order to face competition, maintain positive reimbursement behaviours and access foreign direct investments.

CARE Bosnia & Herzegovina / Croatia
Studenicka 14, 51000 Banja Luka, Bosnia & Herzegovina
Tel: ++ 38 7 51.468-797 / 468-827, Fax: ++ 38 7 51.468-797
e-mail: carebds@inecco.net

[3] Barres, Isabelle, Bosnian MFIs: Performance, and Productivity, MicroBanking Bulletin, Issue No.6, April 2001

[4] The data were made available to us during off record research discussion.

[5] Rent-seeking behaviour: The expenditure of resources in order to bring about an uncompensated transfer of goods or services from another person or persons to one's self as the result of a "favourable" decision on some public policy. The term seems to have been coined (or at least popularised in contemporary political economy) by the economist Gordon Tullock. Feliks, Leon, Rent-Seeking Behaviour, 1996, Online http://www. magnolia.net/leonf/politics/rentseek.html, Accessed January 23, 2002

[6] Gylafson, Thorvaldur (2000), Resources, Agriculture and Economic Growth in Economies in Transition, online http://www.cerge-ei.cz, Accessed January 23, 2002

[7] Foresee Former Republic of Yugoslavia's Green Plan

Opportunity Microfinance Bank in the Philippines

Forty percent of the total Filipino population of over 75 million live below the internationally defined poverty line. That is a total of 30 million Filipinos living in deep-rooted poverty. There are now 4 million able bodied Filipinos without jobs, up from 2.5 million unemployed in 1997. However, the poor are doing something to live. Sprouting market stalls have created an "informal economy" that thrives on micro and small enterprises. In order for these enterprises to prosper they need to have sufficient supply of working capital for the purchase of inventories.

According to Annual Poverty Indicator Survey of the government, only 961,127 entrepreneurial poor were able to avail of credit. Believing in the vast potential of the poor, a group called the Alliance of Philippine Partners in Enterprise Development, Inc. (APPEND), the pioneer and one of the largest networks of microfinance institutions in the Philippines, and Opportunity International, one of the largest providers of microfinance in the world allied themselves with a common goal of fighting poverty by starting the microfinance program for the poor in the early 1980's. Their microfinance program began in the slums of Metro Manila and has now expanded through its member NGOs operating in several parts of Luzon, Visayas and Mindanao. With a current combined outreach of more than 120,000 microentrepreneurs and a total loan portfolio of over 446 million PhP (8,7 million US$), the APPEND group continues to post an average repayment rate of 98%. This implies that the poor are bankable and have the necessary discipline in handling credit. This also proves that the poor do not need handouts but access to financial services.

To be able to meet the huge credit demand of its growing clients, the APPEND group and OI established the **OPPORTUNITY MICROFINANCE BANK (OMB)** – the first bank of the poor in the Philippines.

Opportunity Microfinance Bank is a consolidation of well-established microfinance NGOs in the Philippines, which transferred their loan portfolios, clients and operational staff to the Bank. OMB was created to bring hope to poor communities throughout the Philippines by making millions of dollars available in the form of micro loans. These micro loans support the creation of small enterprises and generate jobs to help poor families lift themselves out of poverty.

The Bank offers non-collateralised group loans at an initial amount of PhP2,000-PhP4,000 (40 – 80 US$) payable weekly in six months at market interest rates. These loans are given to self-selected groups of 30-35 women borrowers who operate home-based or trading businesses such as store owners, sidewalk or market vendors, street peddlers and other low capital skills-based enterprises. Members of the group cross guarantee each other's loans and meet weekly for loan payments, training and consulting purposes. Women in the group undergo training on leadership, governance, family values, work ethics, linking with other entrepreneurs, social responsibility and health and sanitation.

OMB also offers growth or individual loans at an initial amount PhP10,000 (196 US$) which may increase up to 150,000 to entrepreneurs who own and operate small-scale enterprises needing expansion capital. These loans are offered at market interest rates and payable in one year. OMB has a built-in system that promotes and inculcates a "savings culture" among the poor. OMB relates to poor entrepreneurs as business people, fully capable of repaying market rate loans on time. OMB's clients are customers not beneficiaries.

APPEND through the NGOs, will continue to support the clients of OMB in the following ways:

- Economically, the business development services help these clients nurture and expand their businesses.
- Socially, these services help build relationships among clients and their communities.
- Spiritually, the value formation programs are geared to instil and strengthen credit discipline, honesty, stewardship and social responsibility, and to enhance their latent leadership capabilities. These programs have been producing indigenous women leaders that often become change agents in their respective communities.
- Politically, the programs empower people to make wise decisions and increase their self-esteem and self-confidence.

All of APPEND and OMB's programs and services aim to replicate its four core values of **respect, commitment to the poor, integrity and stewardship** in the lives of its clients.

Jeng Juan, APPEND
jengjuan@append.org.ph

MFC ADDRESS AND TELEPHONE NUMBERS:

Microfinance Centre
for CEE and the NIS

ul. Koszykowa 60/62 m 52,
00-673 Warsaw, Poland
tel: (48-22) 622 34 65, fax: (48-22) 622 34 85
e-mail: microfinance@mfc.org.pl
http://www.mfc.org.pl

Microfinance Client Profile

Gennadiy Abramov at his workshop.

Gennadiy Abramov is a modest man in his 50's and worked all his life for an engineering plant in the position of shop superintendent. As happened with many plants during perestroika years it went bankrupt and Gennadiy found himself on the street even without severance pay. All that he had was a desire to work and his longstanding engineering skills.

Gennadiy borrowed some money from his relatives and rented a small corner at one of the inexpensive shopping malls in the industrial area of Khabarovsk, Russia. He knew how to work with gold and he knew that many people of this district couldn't afford to buy new golden jewelry, but had old golden ware that could be refashioned.

He did not make a mistake choosing his business. The demand for his services exceeded his expectations. He started to hire new people. Expansion required additional equipment. Gennadiy understood that he needed financing of approximately $1000.

The bank he came to did not even want to discuss the loan for such a small amount. Once, he saw the flyer on the billboard at the shopping mall offering small business loans. That's how he came to Counterpart Enterprise Fund – Russia.

Gennadiy received his first loan from CEF ($1000) in May 2001. Now he is on the third loan cycle with the same amount of borrowed funds, and each loan he used to purchase additional equipment for his small shop. In autumn he opened the second shop and hired two new people.

After seeing how good his business was going some other entrepreneurs opened a similar shops in his district but Gennadiy does not worry much about that. He has permanent clients who are fully satisfied with the quality and price of his service.

Elena Zubareva

Ms. Zubareva is a 37 year-old wife and mother of two children. After graduation from the University and until the late 1990s, she worked as a schoolteacher in Khabarovsk. Inflation and inconsistent pay prompted her to pursue other jobs, including clerk at the State Heading Record Office. Frustrated by low-paying job after low-paying job, Ms. Zubareva decided to start her own business.

At first, she borrowed some money from friends, rented a space in a nearby shopping mall and opened her own small clothing store. Ms. Zubareva's education, life experience, and good taste immediately made the business a success.

After about half-a-year, the business had grown notably enough to hire her first staff. However, the store lacked a wide variety of styles and could not generate the capital necessary for the expansion Ms. Zubareva envisioned. She started to search for additional financing.

Although the bank offered Ms. Zubareva a loan, she would have been required to offer her family's small apartment as colateral. A mandatory condition on the bank's offer was that she pledge to leave the apartment completely uninhabited during the loan's entire life. A conscientious wife and mother, Ms. Zubareva refused to displace her family.

Somewhat discouraged, she continued to look for new funding for her business. Ms. Zubareva read about the Counterpart Enterprise Fund (CEF) in a newspaper advertisement and attended an information seminar on CEF conditions and policies. She was immediately pleased with what CEF offered its clients and took a CEF business training course that helped her evaluate her business and choose the optimal loan amount for her store's needs.

Ms. Zubareva received her first six-month CEF loan, worth $500, in August 2000. She expanded the assortment of goods in her store from 30 to almost 50 brand names and added children's clothing for the school season. Her sales doubled almost immediately, increasing from $30 to nearly $60 per day!

In December 2000, Ms. Zubareva prepared for the Christmas season by prepaying the remainder of her first loan and taking a second loan valued at $1000. Her credit history remains excellent.

The loans Ms. Zubareva has received from CEF have made her business more stable and profitable. She has already started to save money in order to move her family out of their small apartment into a larger one.

The loan from Counterpart Business Fund allowed Elena Zubareva to expand the assortment of goods and increase sales, making her business more stable and profitable.

Aleksei Shumilov, Counterpart Enterprise Fund-Russia,
aleksei@cef.khv.ru

Getting the Greatest Return on Investment From Your Information System

(continued from page 4)

been determined, a method and schedule must be established to track them. Only those indicators that are reviewed on a regular basis get the due attention of both staff and management.

The second most critical factor that impacts the return on investment of an information system is user training. Insufficient training on the use of the software application can greatly inhibit the overall benefits of the system. While training may sound expensive in its aggregated cost as part of your implementation costs, it can actually save money in the long run through higher staff productivity.

Intangible benefits to training include: the greater acceptance of the new system and changes in the organizational culture and way of doing business. Training provides a structured path for the organization's transformation process, acting as a buffer for employees to become comfortable with the changes.

When employees are resistant to change it generally stems from fear-fear of making mistakes, fear of damaging the computers or data, fear of not understanding when everyone else does, and fear of loosing your job or no longer being needed. One of the most common reasons for automating an organization's processes is to reduce the amount of staff's time spent doing repetitive tasks, freeing them to do higher value-added activities. This does not necessarily mean that people lose their jobs, but many jobs may change. Defining the new roles and responsibilities, then communicating them clearly as part of your training will help calm fears and generate excitement about the new system amongst the staff.

The training provided for staff at this critical time is not simply software training, but training in handling change positively. The training becomes the means for allowing people to deal with the emotional responses to the changes, as well as the practical and procedural changes themselves. It is important not to underestimate the impact of these changes, and technology in general, will have on your organizational culture.

Effectively planning for reactions to the changes, allowing staff to release the old and embrace the new will save the organization money and build institutional good will. Furthermore, it will increase staff's capacity to embrace inevitable future changes. This increase in capacity is known as institutional change capitalÔ, which the organization can leverage overtime for greater benefits.

The third critical factor affecting return on investment is the monitoring and evaluation of the information system. To determine the level of success of the new system, the performance targets set at the initial stage of the project must be tracked, analyzed and revised. They should be reviewed at least as often as financial statements are produced, if not monthly. Through monitoring these performance targets, you will know if some of the measures are not being reached, in which case further analysis and solutions can be generated.

In addition to measuring productivity, it is important to review the overall system (processes, policies, reports, etc) for opportunities to maximize the use of the software. The first evaluation should be conducted six months after the completion of the implementation, and yearly from then on, to insure full alignment of the processes with the new software. In addition, a review of the functionality and reporting capabilities should be conducted to determine what is being used and not used. It is important to build this review process into the planning cycles of the institution, and especially to carry it out one or two months prior to initiating your annual strategic planning and budgeting process.

There will be other times to evaluate the software's functionality, for example, when considering the introduction of a new financial product or service and you need to determine the best way to track it in the system. Also, managers or the MIS Director could bring forth ideas of how better to use the system during regular management meetings. Hence optimization of the system comes both through routine, scheduled evaluations, as well as special project inquiries. Greater returns will be gained through on-going optimization of the system in light of ever-changing business environments.

Microfinance institutions must continually reinvent themselves, their operational practices and organizational infrastructure to remain current with changing economic and regulatory environments. Maintaining an information system that can accommodate the changing information needs of the institution is critical. It is therefore imperative that appropriate attention be given to the design and management of the information system, in essence the system's life cycle. An MFI will gain the greatest return on investment from the system by identifying clear measurable performance outcomes, providing sufficient user training, and regularly reviewing the overall system. The net impact of these efforts will, not only increase the value of the financial return for the organization, but also ensure that quality information is accessible to senior management when they need it most.

Laura Frederick,
Information Technology and Change Management Consultant,
lfrederick@globalechange.com

*e*change, llc

Happenings at Microfinance Centre

JANUARY

Training of Trainers for Loan Officers Course, Sarajevo, Bosnia & Herzegovina

This event, which gathered 7 trainees from local MFIs, took place on Jan15-18. This was the first ToT in 2002 in an effort to develop the capacity of MFC trainers team in Bosnia.

Training of Trainers for Financial Analysis Course, Moscow, Russia

This event gathered 3 trainees from the MFC side. It was held on Jan 21-26 and aimed at the development of the capacity of MFC New Independent States team.

Training for Loan Officers for IRC and DRC Yugoslavia

This in-house customized training course gathered 26 participants from two organizations. It was held on Jan.21-23. The course was delivered in Bosnian/Serbo/Croatian by local trainers with the back-up support of Leesa Wilson Shrader, MFC Regional Director.

Consulting for DRC Yugoslavia

In February the MFC consultant was invited to assist in business planning with the usage of the MICROFIN module.

FEBRUARY

Training for Loan Officers for CredAgro Azerbaijan

This 6-day customized training took place in Baku, on Feb.11-16. The specific goal of the training was to expose participants to new tools and instruments for loan analysis.

Consulting for CredAgro Azerbaijan

In February the MFC consultant was invited by the Program to review the existing financial and accounting systems, aggregate them and present in the CGAP recommended format. Also the financial performance of the program was analysed.

Fundamentals of Accounting for MFI Managers, Tbilisi, Georgia

This first Russian language edition of this course was delivered in Tbilisi in Feb 25-28. It gathered 26 participants from 19 organizations and 7 countries.

MARCH

Business Planning and Financial Modeling, Tbilisi, Georgia

This was the first delivery of the module in Russian. It took place on March 18-25 and gathered 14 participants from Central Asia and Caucasus.

Consulting for Regional Development Fund, Poland

As Regional Development Fund is planning to open a local microfinance program in Bilgoraj, MFC Consultant helped the Fund in preparing necessary documents and steps in the loan procedure.

APRIL

Management Information Systems, Krakow, Poland

This was the first delivery of the CGAP training on Information Systems. It took place on April 8-11 and gathered 17 participants from 10 countries.

Calendar of the MFC Open Enrollment Courses 2002

June 3-6

Operational Risk Management

Training course – *English language*

Belgrade, Yugoslavia

June 17-20

Fundamentals of Accounting for Microfinance

Training course – *Bosnian/Serbo/Croat language*

Sarajevo, Bosnia Herzegovina

July 1-4

Introduction to Client Assessment and Market Research

Training course – *English language*

September 9-13

Financial Analysis for Microfinance

Training course – *English language*

September 23-27

Financial Analysis for Microfinace

Training course – *Russian language*

September

Incentive Systems for Loan Officers

Training course – *English language*

October

Delinquency Management & Interest Rate Setting

Training course – *English language*

Incentive Systems for Loan Officers

Training course – *Russian language*

November

Fundamentals of Accounting for Microfinance

Training course – *English language*

Business Planning and Financial Modeling for MFIs

Training course – *Bosnian/Serbo/Croat language*

Dubrovnik, Croatia

AFFILIATED MEMBER ORGANIZATIONS (66 members as of April 15, 2002)

ALBANIA	BESA Foundation	fku@ngo.org.al
	For the Future Foundation	fff@albaniaonline.net
	Mountain Areas Finance Fund (MAFF)	ffzm@icc-al.org
	Partneri Shqiptar ne Mikrokredi (PSHM)	pshm@pshm.icc-al.org
	Rural Finance Fund	ffrural@albaniaonline.net
ARMENIA	Microenterprise Development Fund KAMURJ	vgagik@arminco.com
	Shen NGO	shen@acc.am
	Small Enterprise Fund International (SEF International)	wvarm@arminco.com
	United Methodist Committee on Relief UMCOR / AREGAK	umcor@umcor.am
AUSTRIA	Opportunity International – Eastern Europe	100746.3540@compuserve.com
AZERBAIJAN	International Rescue Committee (IRC) – Azerbaijan	office@irchq.baku.az
	World Vision AzerCredit	Marina_Yoveva@wvi.org
BELARUS	Belarusian Fund for Financial Support of Entrepreneurs (BFFSE)	kharetsk@un.minsk.by
	UNDP SME and Microcredit Project in Belarus	sme@un.minsk.by
BOSNIA & HERZEGOVINA	International Rescue Committee (IRC) – BiH	debbie.tomlinson@irc-bosna.org
	Local Initiatives Department – Foundation for Sustainable Development	lip@odraz.ba
	LOK mikro Mikrokreditna Organizacija Sarajevo	lokino@bih.net.ba
	Microcredit Organization "Cooperative Housing Foundation"	esmal@chfbh.org
	Microcredit Organization "MIKROFIN", Banja Luka	mfbl@inecco.net
	Microcredit Organization "MI-BOSPO" Tuzla	bospo@bih.net.ba
	Microcredit Organization "Mikro AMK"	mikro-amk@tel.net.ba
	MIKRA Mikrokreditna Organizacija	mikra@crsbh.ba
	MKO BosVita	bv@max.ba
	MKO EKI B&H	wvimikro@bih.net.ba
	PARTNER Mikrokreditna Organizacija	partner@partner.ba
	PRIZMA	info@prizma.ba
	Zene za zene International / Women for Women International	zene@bih.net.ba
BULGARIA	Catholic Relief Services – Bulgaria	crsbg@crs-bg.org
	Nachala Cooperative	arnaudov@nachala.org
CROATIA	Catholic Relief Services, USCC, Croatia Program	crs@zg.tel.hr
	ICMC-DEMOS Saving and Loan Cooperative	demos@icmc.net
	NOA Savings and Loan Cooperative	noa@os.tel.hr
FRANCE	ADIE – Association pour le Droit à l'Initiative Économique	adie@adie.org
GEORGIA	Constanta Foundation	all@constanta.ge
KAZAKHSTAN	Asian Credit Fund	acfexecutive@nursat.kz
	Kazakhstan Community Loan Fund (KCLF)	almaty@kclf.kz
KYRGYZSTAN	Mercy Corps Kyrgyzstan	mcioffice@mcikyr.bishkek.su
MACEDONIA	Horizonti CRS – Microfinance	horizonti@catholicrelief.org.mk
	Humanitarian Association MOZNOSTI	moznosti@mt.net.mk
MOLDOVA	Development Alternatives, Inc. / BIZPRO– Moldova	office@bizpro.md
	Moldova Microfinance Alliance	mma@mma.dnt.md
POLAND	Foundation for Development of Polish Agriculture (FDPA)	fdpa@fdpa.org.pl
	Fundusz Mikro	fm@funduszmikro.com.pl
	Inicjatywa Mikro	krakow@inicjatywamikro.pl
	Rural Development Foundation	fww@fww.org.pl
ROMANIA	Cooperative Housing Foundation – CHF/Romania	office@chf.dnttm.ro
	Economic Development Center	info@cde.ro
	Foundation for Local Development Buzau	cdpt@bz.softnet.ro
	Opportunity Microcredit Romania (OMRO)	fizvor@fx.ro
	Romanian-American Enterprise Fund	Bill.Wingate@raef.ro
RUSSIA	FORA Fund for Support of Small Enterpreneurship	opport@kis.ru
	The Russian Women's Microfinance Network	rwmn@com2com.ru
SLOVAKIA	Regional Advisory and Information Center (RAIC), Presov	rpic@rpicpo.sk
	The Integra Foundation	integra@integra.sk
UKRAINE	Counterpart Meta Center	meta@meta.lviv.ua
	CREDO Association for Entrepreneurship and Development	credo@utel.net.ua
USA	Women's World Banking	agincherman@swwb.org
UZBEKISTAN	NUFUZ TA'LIM	ntal@tkt.uz
YUGOSLAVIA	AGROINVEST Foundation – Montenegro	agroinvest@cg.yu
	Alter Modus	altermod@cg.yu
	ICMC – Kosovo Enterprise Program (KEP)	icmckep@yahoo.com
	Mercy Corps International – Agency for Finance in Kosovo	yshulhan@mercycorps-kosovo.org
	Micro Business Fund	ircbg@intrescom.org.yu
	Microcredit Montenegro	mcm@cg.yu
	Micro-Development Fund	igp@drc.org.yu
	MicroFinS	mfins@eunet.yu