



4th FEMIP Conference

TUNIS, 5 MAY 2008

European Investment Bank • European Investment Bank



Microfinance in the Mediterranean: What impact?



Welcome to the 4th FEMIP Conference



Philippe de Fontaine Vive
EIB Vice-President

The EIB and Sanabel welcome you to Tunis and the Fourth FEMIP Conference, which we are delighted to have organised together. After Monaco, Paris and Berlin, what better way to embrace the policy of greater dialogue between partners advocated by FEMIP than by crossing the Mediterranean for this conference?

In choosing microfinance, at their meeting in Cyprus, as one of the two issues to be addressed by FEMIP in 2008, the European and Mediterranean Ministers elected to focus on a priority sector for economic development and growth but also for active solidarity in the region.

Against this backdrop, the EIB and Sanabel especially wished to spotlight the economic and social impact of microfinance. The expansion of microcredit since the 1980s is a tried-and-tested model of development. In the Mediterranean region, such growth has only been a phenomenon of the past fifteen years. The United Nations General Assembly's decision to declare 2005 as the International Year of Microcredit and the Nobel Peace Prize Jury's decision to reward the pioneering work of Mohammad

Yunus in 2006 have given microfinance the recognition that it deserves among the efforts to improve the lot of disadvantaged people.

However, the real sustainable impact of microfinance on poverty reduction continues to stimulate debate. We therefore felt that it would be useful to look beyond whatever intuitive perception might be held by the EIB, one of the three leading sources of finance for microcredit institutions in the Mediterranean, and Sanabel, currently the only network of MFIs covering the Arab world and whose members supply over 90% of the region's microcredit.

Accordingly, mirroring the approach already adopted by FEMIP concerning migrant workers' remittances and the tourism sector, a study has been conducted. Its findings will be made public at this conference.

This study, whose terms of reference were drawn up jointly by the EIB and Sanabel, was financed by the FEMIP Trust Fund. Its prime objective is to take stock of the situation based on an in-depth examination of the

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work done in this area. It surveys the impact assessments carried out or under way in the region and examines the main indicators used. But it is also intended to be forward-looking and propose a renewed approach to the development of microfinance activities, which both the EIB and Sanabel will continue to support.

Our shared goal is to make microcredit a model lever for economic and social development in the Mediterranean. To achieve this, the resources and capacities of microfinance institutions must be bolstered. Synergies with the banking sector must also be encouraged. Lastly, in order to increase the available resources, it is important to help convert a greater proportion of savings into investment. In this respect, particular emphasis must be placed on migrants' remittances. In a number of countries in the region, these outstrip other external financial flows, i.e. tourist revenue, foreign direct investment and development aid.

We hope that today's conference will be the starting point for new initiatives in which all those involved, whether from the public or

private sectors, community organisations or civil society, can combine their efforts.

In extending our warm thanks to everyone who has supported us in this initiative, we wish you a pleasant stay in Tunisia and a fruitful conference.

Essma Ben Hamida

Philippe de Fontaine Vive



Essma Ben Hamida
Chairperson of Sanabel's Board of Directors

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Programme

08:30 Reception and registration

10:00 **Introductory session**

- **Mohamed Rachid Kechiche**, Minister of Finance of Tunisia
- **Essma Ben Hamida**, Chairperson, Sanabel's Board of Directors
- **Philippe de Fontaine Vive**, EIB Vice-President

10:30 **Session 1 - Measuring the impact of microfinance: issues and challenges**

Moderator: **Dr. Martin Greeley**, Research Fellow, Institute of Development Studies
Introduction: **Jean-Michel Debrat**, Deputy Chief Executive Officer, Agence française de développement

➤ **Does microfinance influence economic and social development?**

- **Daniel Ottolenghi**, Associate Director, EIB
- **Ahmed Ghazali**, President, Al Amana
- **Sébastien Duquet**, General Director, PlaNet Finance

➤ **Towards common indicators for MFIs in the Mediterranean region**

- **Katarzyna Pawlak**, Deputy Director, Microfinance Centre for Central and Eastern Europe
- **Ozaina Al Jundi**, SPM Project Manager, Sanabel
- **Samia Mansour**, Deputy Director, Banque tunisienne de solidarité

The impact of microfinance on economic development is the subject of much fervent discussion in academic circles. In the light of the results of a FEMIP study and the experience of other institutions, this session will give the floor to researchers and practitioners who will endeavour to define the main parameters and indicators for measuring the impact of microfinance in the region. It will focus on poverty reduction, the promotion of employment, equal opportunities for women, health and education.

12:30 Lunch - buffet

Guest speaker: **Jacques Attali**, President, PlaNet Finance

14:00 **Session 2 – A lever for development but under what conditions?**

Moderator: **José Luis Curbelo**, Chief Investment Officer, COFIDES
Introduction: **Abderrahim Bouazza**, Head of Banking Supervision Department, Bank Al Maghrib

➤ **Towards adaptation of the legal and regulatory framework**

- **Dr. Nabe Rasheed Mohamad**, Deputy Minister, Ministry of Agriculture and Agrarian Reform of Syria
- **Souhir Taktak**, Director in charge of Sectoral Financing, Tunisian Ministry of Finance
- **Arlina Elmiger**, Division Chief North Africa and Middle East for Financial Sector and Economic Infrastructure, KfW



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► Professionalisation of microfinance institutions or the conditions for a successful transformation

- **Victoria White**, Vice-President, Accion
- **Fouad Abdelmoumni**, General Director, Al Amana
- **Sahar Ahmed Nasr**, Senior Economist, World Bank

Microfinance is a highly dynamic sector in the Arab world. Over the past seven years, the number of active customers increased tenfold to nine million in 2007. The number of potential beneficiaries is estimated at 40 million. This session will examine the factors paving the way for the rapid expansion of microfinance in the region, in particular the professionalisation of MFIs and the establishment of an appropriate legal framework.

16:00 Coffee break

16:30 Session 3 – Can socially responsible investors contribute to the growth of microfinance?

Moderator: **Slaheddine Ladjimi**, General Manager, BIAT
Introduction: **Xavier Reille**, Senior Microfinance Specialist, CGAP

► What role will the commercial banks and the private sector play?

- **Kenneth Hay**, Chairman, LuxFLAG
- **Keith Palzer**, Chairman, Seed Capital Development Fund
- **Marc Checrici**, Microfinance and CSR Global Coordinator, BNP Paribas International Retail Services

► Transfer of migrants' funds and MFIs: how can the link be created?

- **Adel Gaaloul**, Executive Chairman, La Poste tunisienne
- **Tarik Sijilmassi**, Chairman, Crédit Agricole Maroc
- **Leila Rispens-Noel**, Programme Officer, Oxfam Novib

The rapid growth in the funds raised by MFIs reflects the commercialisation of microfinance at financial institutions and to a lesser extent among private investors. Are the objectives pursued by private investors compatible with those of the MFIs? Under what conditions can MFIs sustain this diversification of their sources of funds? On the other hand, given the significant volume of transfers by migrant workers, can the latter be encouraged to take on a more active role in the development of microfinance?

18:00 Conclusions
Philippe de Fontaine Vive, EIB Vice-President

19:00 Reception - Cocktail

Conference format

The Conference will be **interactive**. After the opening session, which will provide a broad outline of the topics to be discussed, each session will be introduced by an expert in the field, and a panel will then comment briefly on the subject, before opening the floor to discussion with conference participants.

Discussion documents prepared by the speakers will be distributed in advance of each session to provide background information and facilitate discussion. These documents will be posted on the FEMIP Conference website (www.eib.org/femip/conference), with links from the Sanabel site, and may be consulted both in the run-up to and after the Conference.

Contact

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