The authors study the equality of opportunity. This year’s Financial and Private Sector Development Forum offers an opportunity for World Bank staff, developing country clients, and the donor community to discuss key challenges facing clients. The World Bank Headquarters, Washington, D.C., April 25-26, 2007.

**INCLUSIVE FINANCIAL SYSTEMS**


**CREDIT REPORTING**

**Innovation in the Retail Banking Industry: The Diffusion of Credit Scoring.** The authors study technology diffusion in the retail banking industry. Their contribution to the empirical literature is twofold: firstly, they explore technology diffusion in the financial sector, secondly, they focus on credit scoring adoption, a relevant process innovation still under-explored. By Marcello Bofondi and Francesca Lotti. August 2006.

**PAYMENT SYSTEMS**

**Payment Systems Oversight Report 2006.** This report summarizes the developments in the UK payment systems and explains the focus of the Bank’s work in this field. The main UK payment systems continue to exhibit a high level of robustness by international standards. Bank of England. February 2007.

**REMITTANCES**

**Migration and Remittances, Eastern Europe and the Former Eastern Europe.** The report documents the history of migration and remittances since transition and discusses the determinants of migration. A final chapter lays out some tentative solutions and recommendations. The World Bank, by Ali Mansoor and Bryce Quillin. 2006.

**MAKING FINANCE WORK FOR AFRICA**

**By Samuel Munzele Maimbo, Senior Financial Sector Specialist; Thomas Muller, Financial Economist; and Leslie Lang, John Gardner Fellow. The authors work in the World Bank’s Africa Region - Financial Sector Department.**

**Introduction**

Joy Mwambazi is a Zambian entrepreneur. She was to become a success story for the Africa Growth Opportunity Act (AGOA) when her company, Tianshi Distributors, was offered a contract to supply hospital uniforms to the United States – a deal which would have generated $100,000 per month and employed 50 other entrepreneurs who would then have provided employment to others over the course of three years. However, this promising outlook shattered into a bleak reality when Mwambazi’s bank failed to deliver the $27,000 loan that was needed to pay for raw materials to be shipped from Pakistan. As a result, her company was fined for failing to honor the contract with the U.S. based company and her business opportunity, along with the subsequent jobs and revenues, were transferred elsewhere.

The challenges faced by Joy Mwambazi are not unique. In recent years, limited access to finance and its associated high costs have increasingly been cited as a binding constraint amongst private entrepreneurs and investors in Africa. This is not a new phenomenon. Shuttled from one financial institution to the next, the private sector in Africa has long sought flexible and affordable financial services rather than the rigid, over-regulated products that serve the current African market. The World Bank’s Making Finance Work for Africa report is the latest of the burgeoning strategies for African development, and calls for radical re-thinking about what it will take to seriously address this constraint, especially in the face of reforms and changing landscapes on the continent.

**Background**

Africa has been perpetually identified with conflict and instability, and the idea of a stable, growing financial sector is often dismissed without a second thought. However, the tide is now changing as political and economic reforms have halted and reversed earlier deterioration. During this past decade, African finance has been strengthened by a wave of reforms through which financial repression diminished, state-owned banks became privatized, and foreign banks re-entered the market. In addition, new products and technologies such as microfinance and mobile phones have changed the way of thinking about Africa’s financial sector completely. With the recent emphasis on improving governance, reforms have also created an environment that is increasingly private sector friendly, laying important foundations for a sound financial system. Nevertheless, the performance of national financial sectors still falls short of its potential and there is much more to be done. Some hurdles to overcome include a shallow financial market, limited access to credit by small firms and households, and restricted financial services to the rural population. According to the Making Finance Work for Africa report, ”The combination of improvements and unfulfilled potential warrants a new look at African finance.”

**Performance of the African Financial Sector**

While the performance of African financial systems has not been ideal, Africa is not starved of investment funds. Local banks find it increasingly easy to mobilize resources from local depositors and investors; pension reforms provide a growing source of long-term savings; high commodity prices, remittances and aid inflows combined with sustained macroeconomic stability have dramatically increased the availability of foreign funds.
Nevertheless, most of the available funds are not transformed into productive investments because of a lack of financial sector capacity. Consequently, banks have large amounts of unproductive excess liquidity, and even more troubling, Africa exports large amounts of savings in the form of bank deposits that are held offshore.

At the same time that African savings and deposits are being sent abroad, business surveys document that many viable African firms do not have access to finance. At most, 20 percent of African households have access to formal finance and even medium-scale enterprises have difficulty accessing credit and other financial services that they need to grow. The major problems that inhibit access to finance are twofold. First, financial intermediaries have difficulty delivering their products to poor or remote customers at an affordable cost. This problem is particularly pronounced in Africa because of the small national and local markets that are exacerbated by low geographic density of population and economic isolation in rural areas. Furthermore, deficient transport and communication infrastructure along with low transaction sizes make it even more costly to provide credit to the poor. The second major problem is the difficulty of assessing creditworthiness and enforcing contracts in Africa. This obstacle arises from the poor quality and scarcity of information on individual risk, high incidence of shocks exogenous to the agents, and weak legal and judicial enforcement structures. It is essential to enhance financial sector capacity by improving financial information infrastructure, legal frameworks, creditor rights and introducing innovative products to provide substantial opportunities for closing the gap between available funds and the financing needs of African businesses and households.

The Reform Agenda

Modernizing regulatory frameworks and creating efficient stock markets are the staple diets of financial sector reforms that are now becoming replaced by a new conversation about innovation, technology, and light-touch regulation. While these subjects were once considered taboo and high risk, the previously ‘fringe’ topics are now seen as holding the key to unlocking Africa’s financial sector potential. Because conventional products offered by banks and even some MFIs are often ill adapted to poor customers’ needs, moving beyond what is generally established can allow technology to leapfrog some of the obstacles created by slow-adjusting infrastructure and other African environmental challenges. Making Finance Work for Africa asks, “What kinds of innovations might work well for Africa?” While several anecdotal success stories will be presented later, the report cites factors that should be taken into consideration in order to cope with some of the barriers facing the African market. One important characteristic would be low unit costs (per transaction or per new customer engaged) in order to offer prospects for expanding access to financial services at the bottom of the economic pyramid. This leads to another evolution that will be transforming Africa’s future financial landscape – technology. Some of the technological innovations that have already been introduced to the African market include mobile phones, satellite phones, portable computers, and smart cards, which have contributed to overcoming remoteness and processing-cost barriers for payments and deposits. Finally, the role of government must be addressed in order to ensure progress in making finance work for Africa. Although there is a significant place for private activity in financial sector reform, government also has a major policy role in seeing that visions and goals are accomplished. Making Finance Work for Africa stresses that the most rewarding task for government is not to try to substitute for the market, but rather to enable and encourage market functioning by building an environment conducive to investment and growth.

Innovative Products

Innovative products offered by competitive local financial institutions can unlock unmet potential existing in the African private sector. Credit innovations are of the utmost importance in this arena, and several new products are already becoming available in Africa. One of these is the introduction of warehouse receipts that enable farmers to get credit based on a receipt from a certified warehouse documenting the delivery of harvested goods creates a tradable asset. This allows farmers to smooth cash-flows and enhance their ability to invest in agricultural inputs at the right time. Another type of innovative credit product is the progressive housing micro-loan, which helps homes to be built in the absence of credit. This is done by starting off with small loans, and as the creditworthiness of the borrower is established, the loans become progressively larger and longer term.

While credit innovations have become the focus of attention, especially with the recent publicity on microfinance, other types of financial products can help reduce or hedge risks. For example, formal insurance schemes or other specific hedges can spread costs and risks both over time and over various agents. Although the overall experience of government-sponsored all-perils crop insurance has been financially disappointing, a new wave of initiatives is being piloted in Africa using recent technological and conceptual innovations to design insurance around risks that are important to farmers while remaining relatively easy to evaluate. Initial experience with weather insurance in Malawi is promising and a pilot initiative promoted by CRDB Bank in Tanzania seeks to provide price-risk insurance to farmer and processor cooperatives.

Deposits and payments innovations may have a lower profile in the conversation about financial product developments, but they are an essential cornerstone for building access to credit. It is generally accepted that poor people need simple and reliable savings and payments mechanisms before they need loans, and the challenge for the African provider is not determining the credit-worthiness of its customers, but rather offering affordable services with low unit transaction costs. The next major topic to be addressed considers this obstacle, and carries the potential to transform the future of Africa’s financial systems.

Technological “Leapfrog”

The African financial system of the future will look very unlike financial systems in developed countries today. With the entrance of mobile phones, satellite phones, portable computers, and smart cards into the African market, there is great potential for technology to help overcome remoteness and process-cost barriers to providing payments and making deposits, as well as other types of financial services. Many success stories are already in the making.

Kenya’s Equity Bank has introduced a mobile banking unit that has achieved prominence in outreach to the poor. By equipping vans with laptops that have telecommunications links to a fixed branch, the mobile units can provide a wide range of banking services to each location once a week at a preset time. In mid-2003, two-thirds of loans outstanding were to clients served through mobile banking units. The same bank also created a contractual savings product designed to provide a disciplined savings mechanism that allows clients to save for predictable life events, with an emergency loan facility that allows the saver quick access to an emergency loan for up to 90 percent of the amount in the savings account.
Teba Bank of South Africa is another leading innovator in savings and payments mechanisms. Its Bank A-Card project uses existing cell-phone networks to provide low-cost, entry-level electronic banking services to low-income and underserved communities in poor and urban areas of South Africa. The user purchases a stored-value card that can be used to pay for goods and services electronically.

Perhaps the hottest topic and most hopeful of Africa’s technological “leapfrog” is mobile phone technology. A growing number of African countries enjoy cell-phone banking, which has considerable potential for outreach, given the rapid expansion of cell phone use. The value of cell-phone banking appears highest where the physical presence of well-functioning banking institutions is weakest. In Zambia, a payments system introduced by Celpay allows a subscriber to use a cell phone to pay bills, an important innovation in a country where few have credit or debit cards and carrying cash can be dangerous. The prevalence of mobile phone technology in the remotest parts of the continent provides a platform for the provision of financial services independent of physical (and costly) branch networks and outlets, a trend that will radically change how financial institutions in Africa do business.

A new role for Government

Building and preserving an enabling environment for domestic finance to flourish is a goal of which all stakeholders agree. African policy reforms to date have gone some distance towards stabilizing the macroeconomy and removing incoherent administrative controls on wholesale interest rates. Insolvent banks have been intervened, many of them have been recapitalized and placed under better management and ownership and a lot has been done to improve the regulatory framework for banking. That is not to say that these foundations are securely in place throughout the continent, and in fact the reality is far from it. Macroeconomic instability, though much less evident than a decade ago, is still a threat in certain parts; crowding out by government borrowing has been evident in several countries; and the risk of major policy reversals is routinely factored into investor decisions. Reforming the legal and judicial system and improving financial information and transparency are tasks which are far from complete.

Nevertheless the modernization agenda is maturing and policy makers need to get more actively engaged in encouraging financial market participant to reach a wider market. Government is often not itself the best-placed entity to deliver financial services (not least because of credibility and governance issues). Although some innovative institutions are state-owned, these are “exceptions that prove the rule.” Clearly more and different ideas are needed, but what?

Making Finance Work for Africa means taking a new look at finding an innovative role for government. In addition to policy for prudential regulation, governments have an essential role in promoting competition, provision of infrastructure and other public goods, and coordination. Even if governance weaknesses mean that a directly involved activist agenda in the financial sector cannot be recommended for most African government agencies, they can act as a broker or facilitator – “knocking heads together” to ensure that activist efforts by others are pooled or coordinated if this means that they could be more effective.

Making Finance Work for Africa will require a partnership between the public and private sector. Innovations like the introductions of new technology in finance are mostly pioneered by activist market participants. Policy makers need to understand these innovations in order to support them and make sure that they do not inadvertently block them through regulation or undercut them with unsustainable and costly subsidies that chill market development without achieving their goal on any significant scale. Making Finance Work for Africa is a call to African policy makers, academics, development partners and the public to strive for new ideas and solutions by engaging in an extensive dialogue about opportunities, experiences and best practice.

Will the Strategy Work?

Some will undoubtedly ask why reforms today will be any different from those that have come before. Is this a case of old wine in new bottles? For many countries, the conventional staple of reforms is still relevant, but the earlier half-hearted implementation of basic financial reforms will constrain their ability to make the most of recent opportunities in the sector. Nevertheless, the landscape of Africa’s financial system has evolved greatly in the past years, and financial strategies must be well adapted and positioned against these changes. Examples of these developments include economies of scale through regional collaboration and innovations in microfinance, just to name a few. Regional collaboration initiatives in banking and insurance supervision, securities market trading and governance, accounting and auditing, credit information, payments systems, and currency are taking place all across Africa. While small African countries have benefited from regional cooperation through economies of scale, there is also a fear that larger countries will dominate the regional groups that have become increasingly prominent in recent years (i.e. South Africa in SADC and Nigeria in ECOWAS). It is in the face of these opportunities and challenges that the new financial sector must evolve. Also, with the introduction and growth of microfinance on the African continent, financial outreach to the bottom levels of the economic ladder has put the poorest on the top of the financial sector agenda. No longer marginalized and ignored by financial institutions, microfinance clients present a new opportunity for profit and shared growth. In this sense, equity has become not only a goal of African development, but a means as well. Thus, in the midst of a rapidly evolving African landscape, today’s financial sector strategy must pioneer a new path for growth and success.

Conclusion

Joy Mwambazi's bank eventually approved her loan request for $27,000, but by the time she was able to access the money it was already too late. It would be a shame if Ms. Mwambazi's experience becomes the story of Africa. While health, education, infrastructure, and other development priorities are being addressed with increased urgency and expediency, the financial sector is often perceived as less pressing and imperative. However, the new frontier presents a combination of innovation, technology, and government facilitation that must be built upon by the financial sector before the opportunity passes. When an entrepreneur or a growing enterprise seeks access to finance, it is not only the loan that is sought after, but also a timely delivery of that loan. Making Finance Work for Africa introduces new financial sector strategies while integrating traditional concepts as well, but most importantly it is a call for action where time is of essence and the maturity date may just around the corner.


Link to Making Finance Work for Africa homepage.
**NEWS**

Green business models catching on in the developing world. Interest in sustainable business models is moving into the mainstream among banks, according to the International Finance Corporation, the private sector arm of the World Bank. More than 100 banks from 51 countries have entered the 2007 FT Sustainable Banking Awards, created by the IFC and the Financial Times - more than double last year's total. FT.com. April 3, 2007.

Small loans, poor women, success: Q&A with the new chief of a network of microfinance institutions and banks. Women's World Banking is a global network of 53 microfinance institutions and banks in 30 countries throughout Africa, Asia, Eastern Europe, Latin America and the Middle East. It is based on the idea of lending tiny sums of money to poor people, particularly women, to start businesses as a way to escape poverty. The Philadelphia Inquirer, March 30, 2007.

**Microfinancial sector Bill tabled in Lok Sabha - India.** The much-awaited Microfinancial Sector (Development and Regulation) Bill was tabled in the Lok Sabha with a view to develop the sector under the regulatory ambit of Nabard, which will ensure the management and governance. The Financial Express, March 20, 2007.

Turkmenistan Microcredit Programs to Benefit from IFC's Experience in the Kyrgyz Republic. IFC is working with the Turkmenistan's government and private sector to develop microfinance programs. The first step of the initiative was a study tour by Turkmen bankers to the Kyrgyz Republic, which has a successful microfinance program. IFC.org. February 1, 2007.

Pact to finance small and medium enterprises. The Federal Bank of India and SIDBI have entered into a strategic alliance for financing small and medium enterprises. The Federal Bank has set up an SME and Agricultural Credit Department, which will launch products exclusively for the SME segment. The Hindu, January 18, 2007.

**RECENT PUBLICATIONS**

Banking Services for Everyone? Barriers to Bank Access and use around the world. Using information from 209 banks in 62 countries, the authors develop new indicators of barriers to banking services around the world, show their correlation with existing measures of outreach, and explore their association with other bank and country characteristics suggested by theory as potential determinants. The World Bank, by Thorsten Beck, Asli Demirguc-Kunt and Maria Soledad Martinez Peria. February 2007.

Guaranteed Loans to Microfinance Institutions: How do they Add Value? This Focus Note discusses the results of a study, jointly supported by CGAP and USAID, which draws on data provided by guarantee agencies, publicly available financial reporting by MFIs, and telephone and e-mail exchanges with selected MFI managers and guarantee agency staff. CGAP. January 2007.

Innovative Experiences in Access to Finance: Market Friendly Roles for the Visible Hand. This study describes some recent innovative experiences to broaden access to credit. These experiences are consistent with an emerging new view which recognizes a limited role for the public sector in financial markets, but contends that there might be room for well-designed, restricted interventions in collaboration with the private sector to foster financial development and broaden access. The World Bank. Augusto de la Torre, Juan Carlos Gozzi and Sergio L. Schmukler. April 19, 2006.


**RECENT PUBLICATIONS (continued)**

Microcredit vs. Microsaving: Evidence from Indonesia. The authors examine household-level data from 1438 households in six provinces in Indonesia, another important early site for microfinance. The story that emerges differs in important ways from the narrative that dominates microfinance rhetoric. By Don Johnston and Jonathan Morduch. March 12, 2007.


Strategies and Structures for Commercial Banks in Microfinance. This paper discusses all the factors that a bank should consider when deciding the type of organizational structure it should use to do microlending and the key best practices that banks should follow in order to be successful in microlending. Inter-American Development Bank, by Glenn Westley. August 2006.

**UPCOMING EVENTS**

European Microfinance Network 4th Annual Conference. Microfinance in a Banking Environment Models, Experiences, the Way Forward. The event will it will underline the main challenges face by the microfinance sector in relation to the banking sector and confront various practices. Supported by the European Commission and sponsored by KFW. Berlin, Germany. 25 - 27 April, 2007.

Access to Insurance for the Poor. This workshop will gather insurance regulators and practitioners, industry associations, financial policymakers, social protection officials, multilateral and bilateral donors, to discuss innovative instruments and creative policies that countries have applied to expand access to insurance. Organized by the World Bank, CGAP Working Group on Microinsurance, Munich Re Foundation, MicroInsurance Centre, Superintendencia de Seguros Privados (SUSEP)-Brazil, Association of Insurance Supervisors of Latin America (ASSAL), Insurance Association of Brazil (FENASEG), Federacion de Aseguradores Colombianos (FASECOLDA), and the Inter American Federation of Insurance Companies (FIDES). Rio de Janeiro, Brazil, May 7 - 8, 2007.

10th MFC conference. Key Conference Points. The conference will offer an opportunity to participate in practical workshops focus on both strengthening the business leg of microfinance institutions as well as on tools allowing practitioners to better fulfill their mission objectives. The conference will also give an opportunity to explore the issues of investor participation in ownership and governance as well as establish new relations and/or make new deals. Sofia, Bulgaria. May 31 to June 1, 2007.

See Microfinance Firsthand: Join the ACCION Delegation to Peru. The delegation will visit Mirbanco, one of the premier microfinance banks in Latin America. For three days, the delegation will meet with loan officers and visit the businesses of microentrepreneurs around Lima to see how microfinance is changing lives. Following the client visits, interesting delegation members can continue on to Cuzco and Machu Picchu to celebrate the winter solstice on June 24, 2007. Organized by ACCION, Peru. June 1 – July 1, 2007.

2007 World Credit Union Conference. The 2007 World Credit Union Conference will bring current credit union issues, innovations and ideas to an international forum for discussion. During the four days of the conference, you will have the opportunity to learn from and share strategies with an eclectic mix of credit union professionals and volunteers from all over the world. Calgary, Canada, 29 Jul 2007 - 1 Aug 2007.

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UPCOMING EVENTS (continued)

Youth Microenterprise Conference. The Youth Microenterprise Conference will bring together international development practitioners, policy makers, members of the private sector and youth to explore and discuss: the Challenge of Youth Unemployment and Vulnerability, the strategies to Address the Needs of Youth Entrepreneurs and ways to Build Partnerships and Advance Youth Microenterprise to Support Social and Economic Development. Washington, D.C. September 10-11, 2007.

Microinsurance Conference 2007. The conference aims to shed light on experience in microinsurance beyond pure academic research. All session proposals will be reviewed by the conference steering committee. The conference is designed to be an interactive event that focuses on sharing practical experience. The 3rd International Microinsurance conference is jointly hosted by CGAP Working Group on Microinsurance and Munich Re Foundation with the support of Indian Insurance Regulatory and Development Authority (IRDA). Mumbai, India. November 13-15, 2007.

PAST EVENTS

Cooperative Finance: Global Good Practices. The conference gathered networks of financial cooperatives from around the world, regulators, financial policymakers, multilateral experts, and donor agencies to learn about the innovative products and distribution channels of the leading financial cooperatives; to assess the pros and cons of various regulatory models; to compare different countries’ approaches to fostering this industry; and to work toward some preliminary guiding principles for the sound development and supervision of cooperative financial institutions. Organized by the World Bank Group, Washington D.C. April 10 – 11, 2007.

Building Financial Systems for the Poor: How Donors can make a Difference. A series of hands-on training courses on building financial systems for the poor. The course was designed for development professionals, policymakers, and investors who would benefit from a deeper understanding of microfinance. Organized by CGAP and UNCDF. Cairo, Egypt. April 15 - 19, 2007.

International Conference on Rural Finance Research: Moving Results into Policies and Practice. The ultimate aim of this conference was a wider use of research results in the rural finance policy and decision making processes. Steps on the way include a better understanding of the need to guarantee research quality, of how to identify research topics and of the ways to bring research results to those concerned. Organized by Food and Agriculture Organization (FAO) of the United Nations, the Ford Foundation and the International Fund for Agriculture Development (IFAD). Rome, Italy. March 19-21, 2007.


Microfinance Investment Comes of Age. The conference focused on mainstreaming microfinance, potential of venture capital, leadership of social investment funds and opened the place to discuss and to determine what will take microfinance paper to market on a broad scale. Organized by ACCION and Credit Suisse. New York, March 19-20, 2007.

NEWSLETTERS

Vision 2015: What Does the Future of Microfinance Hold? This five-day virtual conference on the future of microfinance proved to be a very stimulating discussion, focusing on new technology, the role of government; the landscape of new funders, and the implications of all of these trends for the future of microfinance and for CGAP. February 26 to March 2, 2007.

ADB Finance for the Poor. A quarterly newsletter of the Focal Point for Microfinance by the Asian Development Bank (ADB).

EMN Newsletter. European Microfinance Network (EMN) produces a quarterly e-newsletter that contains the latest news on the sector and information on EMN activities and events, policy developments, member news and profiles, and feature articles on topics relevant to microfinance.

FinMark News. A monthly newsletter published by FinMark Trust.

FIC. A Monthly newsletter from Financial Institutions Consulting, Inc.

Global News. A monthly newsletter issued by Planet Finance.

InSight Bulletin. As short, frequent, one-topic bulletins, the ACCION InSight series highlights ACCION's policy viewpoints and ongoing research in the microfinance field.

INsME news. IN Small and Medium Enterprises news is a monthly newsletter by the INSME Secretariat about its current activities and issues related to innovation and technology transfer for SMEs.

Microfinance Capital Markets Update. Is produced and edited by CGAP and the Microfinance Information eXchange (the MIX), and it is dedicated to microfinance capital markets news.

Microfinance Donor & Investor Trends is a monthly publication produced by Opportunity International-U.S. that highlights donor and investment trends as well as notable developments in the microfinance industry.

Microfinance Matters: Building Inclusive Financial Sectors. This newsletter shares effective practices and expertise on building inclusive financial sectors in the context of UNCDF's designation by the General Assembly as joint coordinator with UNDESA for the International Year of Microcredit 2005.

Microcredit Summit Campaign Countdown 2005. A newsletter on microcredit best practices issued by the Microcredit Summit Campaign.

MicroSave Briefing Notes. The Briefing Notes series is a compilation of short, focused, easy to read, summaries of key issues and ideas from MicroSave's core research and the Action Research Programme.

Microinsurance. A quarterly Newsletter by a working group chaired by the International Labour Organization (ILO).

MicroLINKS Connections. A monthly publication by USAID. This newsletter is up-to-date information on the microenterprise work USAID Missions and partners are doing across the world.

MISFA Newsletter - Microfinance Focus, Microfinance Investment & Support Facility for Afghanistan (MISFA).

NEWSBRIEF. The Newbrief is published monthly by CEREM, a microfinance research and documentation centre managed by Appui Au Developpement Autonome (ADA).

RAFI Notes. A series of technical notes produced by USAID’s Rural and Agricultural Finance Initiative that informs USAID Missions and partners about the critical questions and potential solutions related to rural and agricultural finance services.

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NEWSLETTERS (continued)

Rural Finance Update. A monthly newsletter by The Rural Finance Learning Centre. This newsletter highlights new developments in the Learning Centre and any important activities from the field.

The MicroBanking Bulletin. Benchmarking source for the microfinance industry used by investors, donors and other service providers to facilitate greater standardization and a better understanding of the development of the microfinance sector.

WWB Quarterly. E-newsletter produced by The Women's World Banking focusing on its publications, awards and events.

LINKS

CGAP. Building Financial Systems for the Poor. CGAP is a consortium of 28 public and private development agencies working together to expand access to financial services for the poor in developing countries.

Development Gateway. This site includes resources on the provision of financial services to entrepreneurs and micro business in developing countries.

DGRV. Deutscher Genossenschafts- und Raiffeisenverband e.V. (German Co-operative and Raiffeisen Confederation). This is the website of the national apex organization of the German co-operative sector, which has experience in building and supporting cooperative systems in many East European Countries and CIS, Latin America, Africa and Asia.

European Microfinance Network (EMN). The EMN supports the development of microfinance organisations through the dissemination of good practices and by improving the regulatory frameworks for microfinance and self-employment and microenterprises at the European Union and Member State levels.

Finance and Private Sector Research. The World Bank Finance and Private Sector research has just been brought together in one team. This reflects the centrality of finance to private sector development and vice versa and the fact that large parts of both sub-disciplines revolve around the behavior and performance of firms.

Finance Research: Access to Finance. This website is maintained by the World Bank's Development Research Group.

FinMark Trust. Aims to promote and support policy and institutional development towards the objective of increasing access to financial services by the un- and under-banked of southern Africa (South Africa, Botswana, Lesotho, Swaziland and Namibia).

Finscope. A FinMark Trust initiative is the most comprehensive national household survey focused on the financial services needs and usage across the entire South and Southern African population.

Global Development Research Center. Virtual Library on Microcredit. Articles and links to the principle organizations active in the field of microfinance.

Good and Bad Practices in Microinsurance. This site hosts a series of case studies developed by the ILO’s Social Finance Programme on behalf of the CGAP Working Group on Microinsurance.

Investment Climate Assessments. Investment Climate Assessments are country reports that draw upon the results of enterprise surveys, Doing Business and other available data.

LINKS (continued)

International Year of Microcredit 2005. The Year of Microcredit 2005 calls for building inclusive financial sectors and strengthening the powerful, but often untapped, entrepreneurial spirit existing in communities around the world.

Micro-Credit Ratings International Ltd (M-CRIL). M-CRIL produces ratings of microfinance institutions in Asia.

Microfinance Gateway. Information for and about the microfinance industry, including research and publications, specialized resource centers, organization and consultant profiles, and the latest news, events, and job opportunities in microfinance.

MicroSave and Market-led Microfinance. This website offers practical guidance in the form of research papers, briefing notes, training toolkits and other resources on market-led microfinance.

Planet Finance. The mission of Planet Finance is to support microfinance programs in countries with operations of Planet Finance.

Rural Finance. Access to financial services in rural areas contributes to increasing economic development and poverty reduction. However, such access is generally scarce in rural areas of most developing countries. World Bank, ARD.

Rural Finance Learning Centre. This is a website dedicated to providing access to the best materials for capacity building in the field of rural finance.

The Microfinance Information eXchange (MIX). The MIX aims to promote information exchange in the microfinance industry. The MIX Market strives to facilitate exchange and investment flows, promote transparency and improve reporting standards in the microfinance industry.

The Rating Fund. The Microfinance Rating and Assessment Fund. This website is maintained by The Inter-American Development Bank (IDB), The Consultative Group to Assist the Poor (CGAP) and The European Union.

The SEEP Network. The Small Enterprise Education and Promotion Network provide access to recent documents, programs, working groups.

World Bank – Inclusive Financial Systems. Latest reports, publications, events, analysis, policy notes and more related to this topic.

World Council of Credit Unions. WOCCU is a representative organization and a platform for knowledge exchange and development for credit unions worldwide.

World Savings Bank Institute. WSBI is one of the largest international banking associations and the only global representative of savings and retail banks. It works closely with international financial institutions and donor agencies and facilitates banking projects to develop world-wide financial sector.

Women's World Banking. The WWB network aims to create the possibility for a low income woman to build her business and assets, improve her living conditions, keep her family well-fed and healthy, educate her children, develop respect at home and in her community, and secure a political voice.

A national credit bureau should be operational in the UAE by the end of the year according to the Governor of the Central Bank. The bureau will improve the screening of credit applications and should help drive down bad debts.

Visa Launches National Financial Education Program for College Students. Visa USA has announced the national launch of its “What's My Score” program - including giving away 5,000 free FICO credit scores - to college students. The launch coincides with the release of a new survey of credit and debit cardholders that shows that only 17 percent of those surveyed knew their FICO credit score by the time they were 21 years old. PaymentNews, March 29, 2007.

The Economics and Regulation of Financial Privacy: An International Comparison of Credit Reporting Systems. This book provides the first in-depth analysis of the economics and regulation of financial privacy. It is an international comparison of credit reporting systems in the United States and in European countries. By Incola Jentzsch. 2006.


Statistics on payment and settlement systems in selected countries. This is an annual publication that provides data on payments and payment systems in the CPSS countries. Committee on Payment and Settlement Systems, Bank for International Settlement. March 2007.

Tying in Two-Sided Markets and the Honour All Cards Rule (HAC). This article analyzes the impact of the HAC rule, using a simple model with two types of transactions (debit and credit) and two platforms. In the benchmark model, in the absence of HAC rule, the interchange fee on debit is socially too low, and that on credit is either optimal or too high (depending on downstream members’ market power). Center for Economic Policy Research, by Jean Charles Rochet and Jean Tirole. February 2007.

2007 Payments Conference Competitive Forces Shaping the Payments Environment: What’s Next? The conference will highlight recent trends in the adoption of payment technologies and explore the implications of those trends, will cover topics such as competing for consumer and merchant payment choices, replacing wallets with mobile payments and finding payment substitutes in traditional cash environments. Organized by The Federal Reserve Bank of Chicago. May 10 – 11, 2007.
PAYMENT SYSTEMS (CONTINUED)

UPCOMING EVENTS (continued)

6th International EPCA Conference. This conference will bring together more than 300 finance experts to exchange best practices, build professional relationships and preview latest innovations in payments. This conference is an initiative of Innopay, PlusCON and SCC. Frankfurt. May 15 – 16, 2007.

Specialized Course on Payments Systems. The course is intended to be a survey of policy issues related to payments and securities settlement. The course will be attended by approximately 60 foreign central bankers representing approximately 50 countries. The countries represented are a mix of emerging, developing and developed economies. The course will also provide participants with an opportunity to interact with each other and engage in in-depth discussions on topics of special interest to them in a small group setting. Organized by The Federal Reserve Bank of New York. May 14 – 18, 2007.


Exploring Frontiers in Payments Systems Development. Committed to improving financial infrastructure, promoting enterprise development and economic growth, the World Bank and the International Finance Corporation, are organizing a conference that will gather senior representatives from central banks, securities regulators, commercial banks, non bank financial institutions, payments operators, and multilateral institutions. World Bank headquarters, Washington, D.C., May 29 - June 1, 2007.

Intelligent Outsourcing in Cards, Payments and Consumer Finance Conference and Expo. Outsourcing is now a widely practiced and, in most cases, essential business strategy. To remain competitive certain operations simply have to be contracted externally – whether that be through a lack of expertise in a hot new market, product or territory, or a hole in the essential infrastructure needed to support the business. The conference will focus on which functions a company should outsource, and once the contract is signed, how to ensure that the job is done effectively and is best managed. Organized by International Business Wales, Cardiff, Wales, June 26 – 27, 2007.

PAST EVENTS


New Payment Channels 2007 conference. The conference brought together leading providers, users and experts to evaluate what the new developments such as a new mobile payment service and m-payments for travel can offer them and how to utilize it to its fullest. London, UK. February 21 – 22, 2007.

MANAGING RISKS IN WHOLESALE PAYMENT SYSTEMS – 2007. This comprehensive 2-day seminar was designed to provide professionals, who have a command of banking and treasury concepts and issues in a domestic environment, with a high-quality education foundation for understanding the risks within the context of wholesale payment systems. Organized by Marcus Evans. Central London, UK. January 31 – February 1, 2007.


NEWSLETTERS

Dialogue, the Voice of the SWIFT Community. The dialogue that takes place each year at Sibos inspired this magazine. It is designed to keep SWIFT's conversation going throughout the year.


International Banking Systems. Provides latest news and analysis - across wholesale banking, retail banking, private banking and trade finance - under one roof.

Journal of Payments Strategy & Systems. Published quarterly, the Journal provides practical yet intellectually rigorous analysis of developments and trends in payments methods, markets and products, demonstrating how successful payments strategies have been designed and implemented.

SPEED, a new quarterly journal from Central Banking Publications, focuses on policy developments affecting financial infrastructures at the national and international levels.

ePaynews.com. This weekly newsletter summarizes the top payments news of the week, as covered on ePaynews.com

LINKS

World Bank Payment Systems. Latest reports, publications, events, analysis, policy notes and more related to this topic.

Western Hemisphere Payments & Securities Settlement Forum. The Western Hemisphere Payments and Securities Clearance and Settlement Initiative (WHI) has become a regional forum to discuss relevant issues in the field of payments and securities clearance and settlement.

Bank for International Settlements. The Bank for International Settlements (BIS) is an international organization which fosters international monetary and financial cooperation and serves as a bank for central banks.


Citadel Advantage provides back office system specialist services, specifically covering operations risk mitigation, payments, and liquidity & treasury systems. The company provides services relating to the design, functionality, risk mitigation and operation (including payment flow control and liquidity management) of Payment Systems and associated Back Office operations activities.

Eurogiro Network. Eurogiro is a low value payment solution between banks and postal organizations.

Payment News. This website presents the latest news on the Payment System industry.

SWIFT. This website provides news and information for the Swift community.

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**REMITTANCES**

**NEWS**

PostaPay launches money service in US. The Postal Corporation of Kenya (PCK) has officially launched PostaPay, its money transfer service, for Kenyans living overseas. The service will enable Kenyans in the Diaspora to send funds directly to places such as schools when paying tuition for relatives or dependants. *The Standard*, April 3, 2007.

GSMA, MasterCard Pilot Mobile-based Global Money Transfer. The GSM Association has announced it is working with MasterCard to launch a pilot programme aimed at "tapping the ubiquity and ease-of-use of mobile communications to enable the world's 200 million international migrant workers to easily and securely send remittances to their dependants, many of whom don’t have bank accounts.* PaymentNews, February 12, 2007.

**RECENT PUBLICATIONS**

Card-Based Remittances: A Closer Look at Supply and Demand. This report presents the results of an analysis of the supply and demand for card-based transfers among migrants. The nationwide study was based on Latin American and Caribbean migrant remittance senders and their access and use of card products of all kinds. The Center for Financial Innovation, by Manuel Orozco, Katy Jacob and Jennifer Tescher. February 2007.

Risk Taking and the Quality of Informal Insurance: Gambling and Remittances in Thailand. This paper provides evidence that remittances behave in a way that is consistent with insurance: they are sensitive to shocks to regional rainfall and they respond to household level events. The paper goes on to consider how the quality of insurance that is offered through remittances affects household risk taking behavior. By Douglas L. Miller and Anna L. Paulson. 2007.

**UPCOMING EVENTS**

1st Latin American Community Migrant Summit, Hemispheric gathering of migrant organizations. Migrant leaders will use the Summit to learn from each other about the many different forms of Latino and Caribbean migrant organizing taking place in the Americas and Europe. Groups will share learning about different approaches to decision-making and base-building, as well as fundraising and other institutional development strategies. Organized by Enlaces America. Michoacán, Mexico. May 10 – 13, 2007.

Labor Migration, Integration and Remittances. The objective of the thematic workshop is to discuss the latest developments in the EU in the field of labor migration and integration, regulatory mechanisms to manage labor migration developed by both sending and receiving countries as well as strategies for pre-selection, departure, integration, and return of migrant workers and to explore potential benefit of migrant remittances in economic development of the beneficiary countries. Organized by the Cross-Border Cooperation Process Secretariat. Budapest, Hungary. May 31 – June 1, 2007.

Global Forum on Migration and Development. This Forum may serve as an informal intergovernmental consultative body to distill possible options for international co-operation on migration. The Forum would look into ways, among others, to facilitate remittances, engage diasporas, integrate migration into poverty reduction strategies. The World Bank will take part in the first meeting of the forum, which Belgium volunteered to host. Brussels. July 9 – 11, 2007.

**PAST EVENTS (continued)**

Pan African remittances conference enhancing the investment and development capacity of remittances to Africa. This conference was intended to develop products and strategies and be a platform for the exchange of ideas between financial service providers, central banks, micro finance institutions, policy makers and sector specific companies on the methods of transferring money to, and within Africa. Organized by Africa Recruit, London. February 8, 2007.

Investing Migrant Resources: Results of Effective Alternatives. The purpose of the seminar "Investing Migrant Resources: Results of Effective Alternatives" was to promote a discussion on innovative strategies and the public policies needed to stimulate the delivery and profitable use of remittances. Among the themes discussed were: Housing and Remittances: The Current Situation and Tomorrows Initiatives, Products and Projects Financed by Remittances, and New Strategies for Promoting the Use of Remittances. Organized by the Inter-American Development Bank (BID), through its Multilateral Investment Fund (MIF). Mexico City, Mexico. February 2, 2007.

**NEWSLETTERS**

Migrant Remittances. Migrant Remittances is jointly supported by USAID’s Microenterprise Development office and DFID.

The National Money Transmitters Association, Inc (NMTA). The NMTA was born out of the need of money transmitters to have a voice in shaping and developing this industry. The NMTA channels the concerns of licensed money transmitters and other constituent sectors and provides a mechanism to address issues that impact our business with the strength and support of a national organization.

**LINKS**

World Bank – Remittances. Latest reports, publications, events, analysis, policy notes and more related to this topic.

A Technical Guide to Remittances. The Credit Union Experience. Discusses the current operating environment for remittances, provides an overview of WOCCU’s IRnet service and details how WOCCU has facilitated mass remittance distributions by partnering with money transfer operators.

ePayCom. Interchange Network which looks at the added benefits, opportunities and requirements for introducing cards into the remittance product. The introduction of cards, in particular the prepaid card, into the remittance process is enabling banks to offer a better value proposition to their existing customer base and the ability to bring the un-banked migrant worker into the banked sector.

Institute for the Study of International Migration. Research Consortium on Remittances in Conflict and Crises.

Livelihoods Connect – Hot Topics: Remittances. This webpage maintained by DFID includes conferences, papers, newsletters and links.

MicroLINKS. Remittances & Transfers. This site maintained by USAID includes documents related to remittances.

Remittances.eu. This website is maintained by the Foundation for International Migration and Development (FIMD), which aims to bring together experts, academia and migrant organizations to share knowledge and experience in the field of migration and development. It contains the latest news, events and publications of the industry.

Sending Money Home. This site shows a range of money transfer products and services. The UK Government has financed a survey to help the users compare these services and choose the right deal.