



INTERNATIONAL NETWORK OF ALTERNATIVE FINANCIAL INSTITUTIONS

ANNUAL PROGRESS REPORT

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TABLE OF CONTENTS

- I. Executive Summary
- II. Major Events
- III. Organizational Standpoint
- IV. Programme Overview
- V. New Frontiers / Thematical Projects
 - a) INAFI Social Impact Measurement (SIM) Tool
 - b) INAFI and Microinsurance in 2007
 - c) INAFI and Remittances in 2007
 - d) INAFI and Rural Finance/Food Security
 - e) INAFI & HIV/Aids
 - f) INAFI & Gender Mainstreaming / Empowerment
- VI. Conclusion

I. EXECUTIVE SUMMARY

The International network of Alternative Financial Institutions (INAFI) is the practitioners' led global network of Microfinance NGOs and MFIs of the south that aims to alleviate global poverty, ensuring food and social security, impacting on social development, and emphasizing sustainability of Microfinance NGOs and MFIs as well as their clients. This network was established initially with twenty-five (25) NGOs in Cusco, Peru in March 1995, to provide a common platform, primarily to share knowledge and experience on best practices that are being used to alleviate poverty in the regions of Asia, Africa, and Latin America. Since then it has been operating as a network of Microfinance practitioners' ever-growing that operates globally. The International Secretariat is based in Senegal, Africa; other three regional chapters are located in Nairobi, Africa, Bangladesh, Asia, and Costa Rica, Latin America. INAFI has also country level chapters in Asia: INAFI India in Madurai, INAFI Bangladesh in Dhaka, INAFI Nepal in Kathmandu and INAFI Philippines in Manila. The membership of the network has grown from 25 MFIs to over 310 NGOs/MFIs representing 48 countries. As the project holder of the network core program 2003-2006, INAFI International Foundation received support from OxfamNovib for USD \$ 1.25 million and additionally from the Dutch Government (GDIS) under the TMF agreement for the period 2004-2007, and for 2007 an extension project for a budget of USD 1,345,850 partly funded by OxfamNovib for total amount of \$739,535 that gave to the network the possibility to carry out its newly designed thematical projects and the opportunity to look for new partners to diversify its funding sources.

During the course of 2007, INAFI has specifically focused on implementing the recommendations of the Mid-Term review (MTR) with regard to membership affiliation and pro-poor microfinance through its 5 main thematical projects: (1) Social Impact Measurement (SIM), (2) Microinsurance, (3) Remittances and development and (4) Food Security and Rural finance,(5) Microfinance, HIV/AIDS and MDGs as well as elaborating a new strategic plan for the period 2008-2010. The extension project 2007 has been a test for INAFI for how it works as a team globally led by INAFI International Foundation principles, ensuring active participation of all the regions to the concerns and issues, responding to concerns of member MFIs and OxfamNovib and recommendations from the Midterm review. The extension project 2007 is a new dimension for INAFI. The five thematic areas targeted by INAFI international programme for 2007 under this project were:

- Social Impact Measurement Project
- Microfinance, Remittances, Development and MDGs
- Microfinance, Microinsurance and MDGs
- Rural Finance, Food Security and MDGs
- Microfinance, HIV/AIDS and MDGs

INAFI has also dealt with other topics such Gender mainstreaming / participation in WEMAN project as cross-cutting issues in the five above listed thematical INAFI International Foundation has implemented its 2007 programme by ensuring that proper leadership is linked to specific tasks from each INAFI region. The regions and national chapters are required to work with the output based operational framework contained in their own memorandum of understanding (MoU). Each MoU has been signed by the specific regions by each region's Executive Director and had to ensure the commitments to deliver outcomes under the following key poverty areas in Microfinance and Development for the year 2007.

Apart from traditional services in microfinance, such as facilitating pro-poor micro credit, INAFI provides new channels, venues and products for new challenges in a global world, like services for remittances and for microinsurance. INAFI stimulates and guides new initiatives in microfinance and aims to increase the number of people involved in microfinance and in investment for pro-poor growth.

The strategic positioning of INAFI International for 2007 was to defend its proposed alternative view based on “practitioners” experiences and knowledge. INAFI advocates for poverty alleviation programmes that empower, create opportunities and reduce dependence on power structures. This argument aims to centre more the microfinance activities and programmes on people needs and not only on institutional capacities. INAFI is arguably the only microfinance network that works on a global level and builds its activities on experiences at the local, national and regional levels.

Given its position as a worldwide network, and based on the ground experiences, INAFI is most probably the first and most effective organ to pick-up signals from the grassroots and the international political and business community and translate this into viable activities that promote microfinance and strengthen its membership. In fact, INAFI can and should continue to play its leading role of being at the centre of international development initiatives for the microfinance sector in the South.

II. 2007 MAJOR EVENTS

- ☞ Opportunity and Risk Appraisal discussion : focus on OxfamNovib (ON) toolbox and joint INAFI response to ON Appraisal of the Network opportunities and Risks, The Hague, The Netherlands February 6 -7, 2007
- ☞ Brainstorming on INAFI Strategic Document 2008 – 2010 and Board discussion, The Hague, The Netherlands, February 9 - 10, 2007
- ☞ INAFI Strategic Meeting 2008 – 2010, Bangkok, Thailand, March 11,
- ☞ INAFI Board meeting , March 11 – 12, 2007, Bangkok, Thailand
- ☞ Social Impact Measurement (SIM) Project Technical Workshop in Cotonou, Benin f May 7 - 12, 2007
- ☞ SIM Microfinance Institutions (MFI) visits: July 27-August 6, 2007: Ordina (IT person) & INAFI (IT Person) visited some of the Microfinance Institutions to assist in assessing their computing capabilities and technical needs to enable them to implement and successfully use the new SIM tool (online and offline).
- ☞ Ouagadougou, Burkina-Faso Experts and Task force Group meetings: 1) July 30 - August 1, 2007 – Microinsurance kick-off workshop; 2) August 2-3, 2007 –Remittances Experts and Task Force Group Meeting; 3) August 4, 2007 –Rural Finance & Food Security Task force and Experts group Meeting (
- ☞ Microinsurance Technical Training in Madurai, South India: September 28-October 4, 2007
- ☞ Global Conference on Microfinance, Remittances and Development, Benin, November 7 - 9, 2007 (give report in Anex!!)
- ☞ SIM Pilot Project Wrap up workshop: December 3 – 8, 2007, Manila, The Philippines
- ☞ Participation in WEMAN Brainstorming sessions and workshops (April in The Hague, September in Cusco, Peru, and December in The Hague

III. ORGANIZATIONAL STANDPOINT

INAFI regions and the International Secretariat have developed a strategy to join forces, share a common programme, advocate and lobby together for a stronger network. As such, the following has taken place in 2007:

- 1) Development of a new approach for building INAFI's corporate image and global positioning.
- 2) Strengthened communication with all the stakeholders and development partners.
- 3) Continuous update of the Global Network Website, development of a virtual library and revamp of the resource centre in Microfinance;
- 4) Enabled Conferencing communication system using Skype (by mid 2007 all INAFI regional and national chapters in Africa, Asia, Latin America as well as the International secretariat staff members are connected to Skype with personal and institutional addresses to enable easy access to communication)
- 5) Global Research program to consolidate knowledge on current microfinance issues including gender mainstreaming, Credit, Savings, Microinsurance, Remittances, Food Security and Rural Finance towards achievements of the MDGs
- 6) Reinforcement of Gender Mainstreaming activities. INAFI joined the group on the WEMAN programme (Womens Empowerment Maintreaming And Networking (WEMAN) for Gender Justice in Economic development with Oxfam Novib and Linda Mayoux as International Consultant. A common proposal was presented to IFAD for funding. A task force has been identified since March 2007.
- 7) Monitoring of Social Impact: There were eight (8) phases from the start in 2006 to the end of the Project in December 2007. Phases 5 to 8 were about building and testing, installation and monitoring, sharing and wrap-up. By end 2007 the questionnaire was finalized and the SIM tool tested between Member Institutions and their potential or real clients. The major milestones were achieved in roundtable discussions and workshops. The Benin SIM Workshop took place from June 7 to June 12, 2007. A workshop report was produced and the SIM tool was live for the pilot project wrap up workshop in December 2007 in Manila, Philippines (*see annexes for the Global SIM report and follow up*)
- 8) Regional assessments: The mappings on Remittances, Food Security and Rural Finance as well as Microinsurance highlight and give relevant experiences, opportunities and constraints, case studies and good practices on Microfinance of selected Member Financial Institutions (MFIs).
- 9) Concepts papers are written, lessons are learned and experiences shared from the field
- 10) Development of a pilot program on HIV/Aids and Microfinance in Africa, to be started in the first part half of 2008 as HIV/Aids might be linked to Microinsurance; A Global Conference on HIV/AIDS, the Millennium Development Goals (MDGs) and Microfinance will also be considered in 2008 or early 2009
- 11) Mid-term Review (MTR 2006) Recommendations: INAFI is on the path to implement the agreed recommendations from the MTR Report and has already identified some key policy priorities to overcome the constraints, including the mobilization of underutilized domestic potentials and a re-balancing of the sectorial allocation of aid.
- 12) Capacity Building to address issues that touch on the following:
 - Relationship management between donors, partners and regional chapters.
 - Streamlining of the governance policies, procedures and structures
 - Strengthening sound leadership
 - Deepening the administrative and operational policies of INAFI to guide the networks and improve professionalism.

IV. PROGRAMME OVERVIEW

The table below provides a detailed overview of INAFI 2007 programme activities.

Programme Area	Activities	Timeline	Results/Achievements	Progress	Result
1. Capacity Building	1.1 Organized a Task Force Group Meeting with Resource Persons on Microinsurance	Done, March-Bangkok, Thailand	A framework developed forwarded to Regional & National Secretariats that will forward to their respective MFI Members Input/Recommendations from Experts,	Achieved	Successful
	1.2 Organized Expert Group Meeting on Food Security with INAFI regional, national chapters.	Done, July – Burkina-Faso	identification of potential Researchers with a global perspective.	Achieved	Successful
	1.3 Organized a Global Conference on Remittances, Migration and Development issues	Done, November Cotonou, Benin	Awareness built among 250 participants driven from the 3 INAFI regions and other stakeholders (Governments, donors....)	Achieved	Successful
	1.4 Organized capacity building in Microfinance and Microinsurance to train MFIs staff in order to equip them with information and experience to better serve clients	Done, September-October, Madurai, India	Increased number of institutions equipped to offer Microinsurance services	Achieved	Successful
	1.5 To strengthen member MFIs commitments at regional & national INAFI chapter levels	Done January-December	Improved contacts with other MOs, regional and national INAFI Chapters networks)	In Progress	Satisfactory

2. Research & Development	2.1 Research on Innovative Remittances products services	Done January- December	Increased number of documents produced and translated	Ongoing	Successful
	2.2 Research on Food Security jointly with INAFI Africa – Assessment of breakthrough products & technologies documented and disseminated to members and other stakeholders	Done June - December	Concept paper on Food Security and Rural Finance Mapping reports Expert group meeting proceedings	Achieved	Successful
	2.3 Research on Microinsurance in collaboration with INAFI Asia Market Research of breakthrough/potential breakthrough products and technologies documented and disseminated to members	Done, August- December	12 Pilot MFIs case studies and findings during mapping Secretariat records, Annual Report and Accounts Findings shared with participants during the Global Conference , document produced and disseminated	Achieved	Successful
	2.4 Research on Remittances, Migration and Development	Done June – November		Achieved	Successful

Programme Area	Activities	Timeline	Results/Achievements	Progress	Result
3. Advocacy, Lobby & Communication	3.1 INAFI participates and presents position papers at key country, regional, international forums (Social Forum in Nairobi, MDGs on Evaluation) on MF	Done specifically in January in Nairobi , July - New-York, November, Luxemburg,	Corporate agreement signed between INAFI & Development agencies, governments, globally recognized entity dealing with Microfinance subject	In progress	Successful
	3.2 Lobbying with governments through collaboration with National networks and influencing Continental	Ongoing January - December	Adoption of the Agreement by AU member States, Governments, Continental bodies decision-making/publications	In progress	Satisfactory I

	bodies/structures (African Union, European Union...)	Done November	Exchange with Benin Government and Courtesy visit to President of the Republic	Achieved	Successful
4. Member Services	4.1 Regular updating on all projects and activities carried by INAFI International Secretariat to Regional and National INAFI Chapters	Done	Regional & National INAFI chapters contribution in-kind and in money to the International	Achieved	Successful
	4.2 Improvement, maintenance & updating of the INAFI Website	On-going	Secretariat enhanced INAFI Website improved and maintained	In progress	Satisfactory
			Increase in number of visits to the INAFI Website	On going	Satisfactory
	4.3 INAFI, bi-annual newsletter to inform regional and national secretariats as well as MFIs and other stakeholders of the sector of major trends, events, and innovations in INAFI and in the MF sector.	Done	1 edition of INAFI Magazine developed (July 2007)	1/2 achieved	Successful
4.4 More visits to INAFI chapters Secretariats and to some extent to MFIs	Done	INAFI Africa , Philippines and India chapters visited	1/2 achieved	Successful	

5. Product Development	5.1 To facilitate INAFI Chapters members staff to participate in lateral learning, workshops and exchange visits dedicated to product development	ongoing with special focus on the SIM and the Microinsurance Pilot projects	Cooperation between INAFI Chapters and member organizations	½ achieved	Successful
	5.2 To assist MFI member chapters to conduct action research on	Done	Improvement of clients responsiveness for products and services/demand-	In progress	Successful*

	product development on Microinsurance and SIM		driven Sharing of information & replication of successful projects		
	5.3 Build and refine INAFI policies upon what has been done in Regional & National levels	Done	Policy document developed and used as guidelines to conduct daily operations	Achieved	Satisfactory
6. Institutional Building & Administration	6.1 To provide training to Secretariat staff in fundraising, lobby and advocacy skills.	Ongoing	Regional and National Secretariats Management staff sponsored to enhance their skills and knowledge about the sector to better lobby	On-going	Satisfactory
	6.2 Management participates in 2 other INAFI regional and national' activities	Done	Increase of other INAFI regions' activities in which management participates in.	Achieved	Successful
	6.3 Write the INAFI Foundation Strategic Planning document (2008-10) jointly with INAFI regional and national chapters	Done	Increase of summary reports of key lessons learned from other INAFI regional activities.	Achieved	Ongoing
	6.4 Organize Regional Board Meetings and Organization of Annual General Assembly	Done in the 3 regions and at international level	Existence of directions for the future. Ownership of powerful integrated documents for planning, monitoring and basis for evaluation.	Achieved	Successful
	6.5 To do an organizational assessment and to introduce new management information systems.		Tools for quality management, administrative organization and internal systems in place at the Secretariat and regional chapters.		Not very successful**

*Member MFIs are mostly doing research on their own and sharing their findings and reports.

**Priority is end of the year, beginning 2008.

V. PROGRESS ON INAFI NEW FRONTIERS / THEMATIC PROJECTS

a) Social impact Measurement (SIM) Project:

By the end of 2007, INAFI has an agreed and accepted set of acceptable basic social indicators, a reliable data submission process and an automated web-based application system in place and an action plan for outreach and follow-up.

- (1) By the end of May 2007, the SIM set of indicators is operational and field testing begins.
- (2) By the end of 2007 80% of the members of INAFI have accepted the SIM framework and indicators
- (3) By the end of 2007 INAFI has produced its draft report on social impact on client level for its member base (11 pilot organisations from the 3 continents where INAFI has field activities).

The SIM-tool was operational by May 2007 and field testing started from that month on in 10 participating member organisations. The field testing resulted in some adjustments especially in terms of the (number of) questions and at the end of 2007 (December meeting) the final set of indicators and set of questions was established and also the theoretical framework. The SIM-tool is ready for roll out to the membership and a concept Business plan has been made to this end. The progress on the SIM-tool has been communicated to the membership through the various meetings and conferences that took place in 2007 and there is interest from the membership. FCPB (Burkina-Faso) and AMFSSMC (Morocco) in Africa will start implementing the tool; BRAC Bangladesh will study it.

The reporting part needs further work since the software did not fulfil the requirements. With assistance of member organisation Dhan Foundation new software will be tried out in the 1st half of 2008.

b) INAFI and Microinsurance in 2007

INAFI Microinsurance and Mutual Insurance Kick off workshop was held from July 30 to August 1, 2007. This was a follow up of the Experts and Task force group meeting held in March 2007 in Bangkok, Thailand. Participants came from different countries (Peru, Costa Rica, Burkina-Faso, Kenya, Sri Lanka, Bangladesh, India, the Netherlands, Senegal, etc.) This was a follow up of the Experts and Task force group meeting held in March 2007 in Bangkok, Thailand. The workshop started with the exposure visit of Microinsurance operations of Fédération des Caisses Populaires du Burkina Faso (FCPB) on July 30, 2007.

Mr. Toon Bullens of Mutual Insurance Association of Netherlands (MIAN), key resource person, shared the insights of Microinsurance from his experience of Bangladesh, Indonesia, Sri Lanka, other countries and donor agencies. He talked about the importance and key principles of Microinsurance as well as inclusive financial systems frameworks and identified new challenges.

When sharing their experiences, participants agreed that *Insurance* is a new frontier for NGO-MFIs—particularly for INAFI as a Network. NGO-MFIs have been trying to offer 'insurance' to their clients which can not be claimed to be really life insurance, but to reduce loan portfolio risk in case of death of borrowers. As decided during the inception workshop, a technical training in line with the plan of action drafted in Bangkok that MFIs identified for the 12 pilot programmes was done at Madurai, South India from September 28 – October 4.

It has been decided in the inception workshop that the foundation programme for orientation and training for 12 member pilots – 4 from Asia, 5 from Africa, and 3 from Latin America will be organized at Madurai with technical support and assistance from ASKMI and coordination / organization by INAFI India.

The member pilots presented the inception document for the micro insurance programme indicating the contextual mapping of risks and vulnerability, coping mechanism, the risk products currently available from the mainstream insurance companies in the market, product lines identified for the pilots with indicative outreach and costing pattern.

Besides orientation and training, the participants from the following INAFI MFIs were exposed to mutual insurance initiative of DHAN Foundation under implementation for more than three years.

S.No.	Member Organization JUST Put name and country....I agree.
1	Small Enterprise Development Agency (SEDA) Tanzania
2	K-REP Development Agency (KDA) , Kenya
3	Sinapi Aba Trust (SAT) Ghana
4	Association Marocaine Solidarité Sans Frontières/Microcrédit (AMSSF/ MC) , Morocco
5	Fédération des Caisses Populaires du Burkina Faso (FCPB) , Burkina Faso
6	People's Education Development Organisation (PEDO) India
7	Centre for Community Transformation (CCT) Philippines
8	Sarvodaya Economic Enterprises Development Services (Gte) Ltd. (SEEDS) Sri Lanka
9	Nirdhan Utthan Bank Ltd. (NUBL) Nepal
10	Asociacion Benefica Prisma (PRISMA) Peru
11	Cento de Promocion de Desarrollo (CEPRODEL) , Nicaragua
12	Fundación José Nieborowski (FJN), Nicaragua

The participants expressed their preference for particular product line and assured to discuss within their institutions for a wider consensus about the choice of product for the piloting and also the outreach. Further, it has been agreed upon in the foundation programme that INAFI and ASKMI / MIAN would provide the coordinating support and technical assistance respectively and would raise funds for this purpose. Whereas the member pilots will prepare the business and programme implementation plan and would raise funds on their own for this purpose.

With the resource support from Asian Knowledge Centre for Micro Insurance (ASKMI) and MIAN and the participation of MicroCare Uganda and GTZ – Pune, India. A comprehensive operational manual and software package with technical assistance shall be evolved by People Mutuals of DHAN Foundation and ASKMI, who are in the process of developing a good system for running the insurance programmes.

That is worth to say that linkage has been done between this INAFI Global Microinsurance Programme and INAFI Bangladesh MIME Programme. INAFI Bangladesh has been implementing Microinsurance project titled '**Microinsurance Mutual Entity (MIME)**' with the support of OxfamNovib and Rabo Bank Foundation.

The project was launched in January, 2007. Initially 6 Member MFIs of INAFI Bangladesh have participated in the project. But by the end of the year 2008, another 6 new member MFIs will join in MIME Project and total number of MFIs will be 12. The progress, outcome and learning of the project are as below:

- Develop technique on how to conduct demand and affordability study by collecting primary information from the target clients
- Knowledge and skills on Microinsurance product development process have developed
- Develop expertise on how to prepare a Business Plan for Microinsurance programme
- Developed Microinsurance Operational Manual; various forms and registers i.e. underwriting form, collection register, passbook, money receipt, claim settlement form etc.
- Training materials for MFIs field level staffs to orient them about Microinsurance operations have been developed
- Completed field level staffs training
- Developed insurance education and awareness training materials i.e. posters, flip charts, and audio visual documentary etc.
- Conducting client level insurance education and awareness training
- Up to March 31, 2008 total 5,236 clients have been covered

As a member of INAFI Family, INAFI Asia and Bangladesh always try to link any of its programmes with INAFI Global programme. Following linkage with MIME project and INAFI Global Microinsurance programme:

- **Branding:** MIME is being branded as a part of INAFI Global Microinsurance programme
- **Portfolio / Outreach:** The portfolio / outreach of MIME will be included in INAFI Global programme.
- **Product Line:** The products of MIME are being included in the product line of INAFI Global programme;
- **Knowledge and Experience sharing:** The experience and learning of MIME project is already being shared among the partner MFIs of INAFI Global programme.

c) INAFI and Remittances 2007:

The INAFI Ouagadougou Experts and Task force Group meeting on Microfinance and Remittances took place from on August 2 and 3, 2007 in Ouagadougou with the full support and participation of the Republic of Benin Microfinance Minister Permanent Secretary and the Minister Personal Assistant. Experts and Task Force members flew from The Philippines, The Netherlands, The USA, Mexico, Costa Rica, Kenya, and Senegal to Burkina-Faso to share views on this important topic.

Income from migrant workers has become a major source of income for millions of families and foreign exchange for governments of many poor countries. For example, migrant Bangladeshi workers send almost same amount of monies as the countries total export of goods. Then remittance becomes the most important source of family income. But migrant workers, domestic and international, face major difficulty sending their monies on time cheaply and reliably.

MFIs with their large networks of branches form a fantastic distribution opportunity for domestic remittance for the poor. However, various challenges exist and need to be overcome to tap this potential. Often the legal system allows only banks and authorized dealers to do this job. That would mean creating a legal and policy environment to allow MFIs to do this work. Appropriate technological solutions and management system will be needed to link the MFIs and their clients to transfer channels. Affordable and cost effectiveness services have to be developed to compete with the informal system. Associated with this is the financial viability of the service for the MFIs.

Some crucial points /objectives were identified during the 3 days meeting:

- Identify challenges and barriers for INAFI members to conduct remittance related activities (transfers, financial intermediation, education, and liaison).
- Connect and network INAFI members to different international payment networks exploring and adopting several models
- Establish a link between INAFI financial services and a financial literacy program attached to a remittance literacy toolkit
- Forge an organic link between INAFI and transnational communities
- Work in the design and marketing of financial products
- Integrate in INAFI's mandate a migration and development agenda and goals
-

The participants discussed and agreed about a Global Conference on Microfinance, Remittances and Development to be held early November in Cotonou, Benin.

This INAFI Conference bannered with the theme “**Alternative Financial Institutions as a Platform for Harnessing Remittances, Diaspora Philanthropy and Investment for Sustainable Development**” took place in the capital city of Benin. The objectives of the Conference were:

- To put in place new mechanisms and memorandums of understanding for joint and shared actions,
- To do propositions and set up mechanisms for co-operation between migrants and MFI's for remittances and sustainable development.
- Identify or create microfinance products focused to the family of the migrants that the MFI's members of the Network could start to commercialize among their customers.

The conference run for three days wherein the first day was devoted to the opening ceremony where welcome and inaugural addresses from INAFI and the Benin Government were delivered, the introduction of dynamics of the Remittances. The second and third day would be devoted to the presentation of experiences on the topic of the conference structured as follows: on the second day, the first part will be the presentation of the conference overview, the delivery of the keynote address from a distinguished expert in migration and development, the acknowledgement of participants and conference management team. The second session was dedicated for the presentation of the regional offices of INAFI reporting on the results of an exploration of the network's members' role on remittances and development. Session 3 discussed the trends, challenges, solutions and initiatives, and lessons learned would follow through specifically discussing two topics: Microfinance and Remittances and Opportunities for Engagement/ Initiatives and Donor Opportunities.

The conference delivered the following outputs:

1. How to engage MFI's in remittances and what is needed in terms of building capacity and infrastructures,
2. How to engage migrant organizations in international economic development,
3. How to address needs of migrant organizations to engage in microinvestment and setting up small business and
4. The modalities for an INAFI International fund on remittances and Microcredit.
5. Proposition of some Microcredit product specially designs for the families of the migrants.

The Conference gave to INAFI the opportunity to launch jointly with the United Nations Millennium Development Campaign Representative for Africa the co-branded document “**Achieving Millennium Development Goals, the Promise of Microfinance**”

INAFI with 2 European based Diaspora organisations - UK AFFORD and Dutch DFD - are working on a joint proposal to link remittances with microfinance (ready for submission to donors in 1st half of 2008). OxfamNovib and INAFI have developed a concept note for EU-funding in the same area (submitted early 2008). A Yahoo discussion group on remittances was set up early 2008 to further discussions within INAFI and with the major stakeholders (diaspora organisations, experts) on the issues.

The Benin Conference resulted to several initiatives although four months might be too short to expect concrete outcomes. INAFI Bangladesh reported that they used the CGAP Technical Guide on Remittances introduced during the conference. One INAFI member already decided to provide remittance services. INAFI Bangladesh has planned to implement a pilot project on Institutional Support for Productive Utilization of Migrant Workers Remittances'.

INAFI Africa also reported that the CGAP remittances technical guide presented by Jennifer Isern was also well received by the members. INAFI Africa is now engaging Africa Union to hold a major conference addressing some of these critical issues affecting the continent with low funding/capital in Sub-Saharan Region in comparison to Latin America and South Asia yet Remittances seemingly has overtaken FDIs in Sub-Saharan Nations.

Some migrant participants are also quite active after the conference. The Netherlands-based Filipinos have linked up with an MFI in the Philippines for investments purposes. The conference likewise has inspired AFFORD (UK) to launch a program to link remittances, poverty reduction through job creation by seeking partnership with INAFI. The conference also inspired FONKOZE Haiti (not a member of INAFI) that it invited three migrant who attended the conference to speak during their conferences in Florida and New York on microfinance and remittances.

The link established between INAFI members and the diaspora organisations have created mutual interest to cooperate. Both MFIs and diaspora organisations realized that they need to pool their resources, knowledge and skills to achieve their common goal to contribute in creating a vibrant local economy. There are many opportunities created after the conference that it is time for INAFI to benefit from its efforts.

There is a strong interest from MFIC (Microfinance Institution Corporation, Inc.) to explore possible partnership with some INAFI member organisations based in different countries. Axel de Ville of the European Microfinance Platform during the Microfinance Week in Luxembourg expressed interest to be updated with the INAFI-migrants partnership in the field of remittances.

By the first quarter of 2008, a vibrant Internet forum discussion focusing on Microfinance, Remittances and Development among other topics in relation with thematic areas in which INAFI has been venturing in, will be set up by INAFI for lateral learning and knowledge sharing

d) INAFI and Rural Finance/Food Security

As per the INAFI International Strategic Plan, INAFI Africa is entrusted with the task to lead this initiative.

By June 2007, a concept paper on the link between food security and microfinance, which would be the starting point for a multi-year pilot program identifying and implementing food security tools and products by INAFI members throughout the global network was produced and shared among member organizations.

On August 4, 2007, INAFI held its first Experts and Task force Group meeting in the same premises in Ouagadougou. Participants from Kenya, India, France, Nepal, The Philippines, The Netherlands, Costa Rica and Senegal debated all day long on the issue. The rationale of this INAFI project partnership is that lack of food security, or food insecurity, is one the most striking manifestations of poverty; therefore, if MFIs are to contribute to the eradication of poverty, increased food security is one of the most visible forms of evidence

that their efforts have been successful; in fact, a more substantial measuring tool than a formal income proxy indicator.

In rural areas, where most of the poor live, this problem is even more pressing. First because many MFIs have come to concentrate on urban service delivery where operational costs are lower and profit margins higher and because food security does not only imply accessibility of food (the capacity to buy it) but also the availability of food and its nutritional value.

The participants debated on the action research partnership on food security that aims to achieve two objectives: the best possible mix of services that allow for direct contribution to enhanced food security for rural families and alternative savings in order to catch up with the first objective.

One key element therein is 'on the ground' gender analysis and monitoring which is deemed essential given the strong correlation between gender and food security.

Identification of participating MFIs was completed by the end of the third quarter of 2007 whereas the surveys and reviews will commence in the first quarter of 2008 upon securing the budgetary requirements. Besides, it was agreed that per participating member organization a detailed plan of action will be formulated.

As the project lead, INAFI Africa named this focused form of rural finance *Rural Enterprise Finance* or REF. It covers three intervention areas that together have the potential to rejuvenate rural development and, thus, beat rural poverty.

1. *Microfinance* in the form of savings and farm input loans for smoothening family incomes income and increasing agricultural production.
2. *SME lending* to create basic preservation and storage capacity in local markets to add value to agricultural production in addition to creating off-farm employment opportunities.
3. *Value Chain Investments* further down the line in the form of addressing the weaker links in value chains and intervene there in combination with installing advanced market intelligence and BDS systems to create lasting higher farm gate prices.

In 2007, INAFI laid the foundations for an integrated food security strategy to be pursued. As stated before, availability of food is a prominent issue in some parts of Africa only, the more burning issue being the affordability thereof. Increase of farmers' income is the only way to address that problem, and once addressed, it will be possible to address the third leg of an integrated food security strategy in the form of discussing the proper utilization of food.

INAFI would like to pledge food security as the latter element the global network would propose to tackle in the context of upgrading the deplorable status of rural health facilities in most of Africa and Asia areas which need to be addressed anyhow in view of the HIV/Aids, malaria, tuberculosis and dengue endemics that plague rural Southern countries.

e) INAFI and HIV/AIDS

The primary objective set for 2007-2008 was to launch a pilot program on HIV/Aids and to prepare for a global conference in 2008. Indeed, while HIV/Aids and health care systems hamper people from starting businesses, microfinance creates opportunities for better healthcare services. Therefore through its Africa chapter, INAFI will assess the relationships between the plight of HIV/AIDS and Microfinance services delivery.

A proposal to combine Microinsurance with HIV/Aids has been written end 2007 since the value-added would be more significant then. A research paper will be developed comparing HIV/Aids its link with Microinsurance and how it impacts Microfinance goals and objectives, especially at the social and community levels.

By the end of 2008 INAFI should have strategic alliances forged, financial support for a global conference, a program and a clear position on microfinance, microinsurance and HIV/AIDS and how they relate to the Millennium Development Goals (MDGs).

In 2010, at least 50% of INAFI members should have comprehensive, integrated programs based on MDGs and microfinance (including health, sanitation, education, etc) and have mechanisms to quantitatively assess their positive contribution in reaching each of the MDGs.

NOTE: this is indeed a SMART Outcome as I would like to see them for all of your programmes for 208-2010-!!!! We will only have remittances, microinsurance, Women an SIM with ON so I think we can add some smart outcomes like the number of MFIS using the SIM tool, dissemination yearly of datas, through a report and internet, & for remittances a number of training sessions organized on financial literacy, number of migrants involved, n° of MFIs involved on remittances and n° of transfers a year and the amount of money transferred

6. INAFI and Gender Mainstreaming / Empowerment

By July 2007 a task force report is presented to the INAFI membership, based upon mapping and as result of discussions with leading experts in gender and microfinance and women's organisations. The task force led by INAFI Asia is in place and a concept Plan of action is in place. Upon contacting one of these experts in gender and microfinance, Linda Mayoux, INAFI got – logically - involved in the WEMAN programme.

In this programme INAFI is expected to play a major role in one of the main areas, gender and microfinance. The development of the WEMAN programme halted therefore the development of the INAFI gender programme in the sense that INAFI is awaiting the progress of WEMAN to allow for linking up as much as possible. For WEMAN, INAFI Latin America is taking the lead through a new Board member and some active members in that region.

Despite the focus on women as clients of the microfinance sector, MFIs of all persuasions still have a considerable way to go before it can be confidently proclaimed that microfinance has a causal impact on gender inequality. Many MFIs do not employ a gender analysis of their programmes, or undertake impact studies from a gender perspective. The reality remains that many microfinance practitioners and decision "makers" are male and of a decidedly more advantaged background than clients, making it unintentionally easy to make assumptions about the benefits of microfinance for women without having the concomitant awareness of women's constraints, roles, and expectations. This situation necessitates a more concerted effort to mainstream gender within the sector and raise awareness among practitioners of how entrenched power structures result in impacts that are not gender neutral. INAFI has kept engage for last three years to raise conceptual understanding, building awareness, and knowledge based thematic research.

Develop Concept paper on Mainstreaming Gender: Since its establishment INAFI has given a specific focus on gender issues and work for mainstreaming gender in the microfinance programme not only cover women as client but also serve appropriate products and services that can uplift their income and increase empowerment. With a view to building awareness and motivating M.Os on the issue of mainstreaming gender INAFI thought that it is more important first to conceptualize mainstreaming gender, identifying what are its premises, and determining what are programmatic interventions needed.

The Task Force was established and has mapped the work of INAFI regions in terms of gender mainstreaming, see separate document. The gender programme, linked to WEMAN, is in process of being developed. INAFI is awaiting the progress of WEMAN to finalise their action programme.

VI. CONCLUSION

Despite many challenges, INAFI international has worked quite well to achieve its expected goals and objectives for 2007. Following the Mid Term Review recommendations, INAFI has made more visible its uniqueness as the only Global Southern Microfinance network of its nature.

The growing potential for change within the whole INAFI structure is really noticeable in 2007.

In terms of finding alternative funding opportunities, INAFI International has achieved success in branding its name, developing new partnerships with relevant organizations and is striving to access more resources and a bigger sponsor pool. In 2007, INAFI has put a bigger emphasis on raising funds and some of the donor agencies have already shown their interest in its work and alternative views. The biggest challenge is to have INAFI globally known by international and regional bodies as the Voice of the South in the pro-poor Microfinance sector.