

Latin American and Caribbean microfinance industry at a crossroads



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Arequipa, the second most important Peruvian city, offered its beautiful landscape at the foot of the Volcano 'Misti' to host the 12th Inter-American Forum on Microenterprise – FOROMIC – from 30 September to 2 October. FOROMIC is “the” annual event on microfinance in Latin America and the Caribbean. It is organized by the Inter American Development Bank (IDB), the main sponsor of the forum and the biggest multilateral lender for the region.

This year's FOROMIC event focused on the impact of the global economic crisis on the microfinance industry in Latin America and the Caribbean and provided a platform for 1500 participants from 36 countries to analyse, discuss and share experiences in areas such as financial education, consumer rights protection, microinsurance, microfranchises, savings mobilization and remittances. In the opinion of high level decision makers, the microfinance industry in Latin America and the Caribbean is at a crossroads, looking for new ways to increase its efficiency and better assess customer risks and needs. In this respect it is worth noting the growing number of microfinance institutions that want to offer savings products in addition to microcredit.

WSBI and members leading sections of the forum

Before the opening of the forum, WSBI – which has sponsored the event for several years – led a workshop on “The Marketing of Products for Low Income Segments”. This was the occasion to share experiences with around 20 microfinance institutions and credit unions including some Cajas Municipales from Peru and BANRURAL, Guatemala. BANRURAL presented a package of savings product and health services for women with a saving potential of less than a quarter of a dollar per two weeks. Mr Adolfo Fernando Peña, CEO of the bank, showed how innovative and intelligent packaging of products and services allow the bank to remain profitable, notably through cross-selling. WSBI also provided an institutional presentation and participated as a speaker in a panel on financial education, which gathered close to 300

people. The model of the School Banks in Thailand raised significant interest among the participants – including the IDB.

The launch of knowledge platforms and web-resources for microfinance

Gregg Watson, Operations Officer at the IDB, mentioned that the construction of an internet portal collecting experiences on financial education would be highly recommended in order to save time, resources and optimise project development. The initiative is under consideration at the IDB, and should include the creation of a working group of institutions with experience in this field.

In addition to the above, the Multilateral Investment Fund (MIF – the funding arm of the IDB) launched MicAmericas (www.iadb.org/Micamericas) - a website that will showcase the latest information, analysis and articles about the microfinance industry in the region. This new platform will also offer visitors an opportunity to share their opinions and read expert blogs.

An opportunity for networking and moving forward

As in previous years, the forum was an excellent opportunity to strengthen the visibility of WSBI as the world representative of socially driven savings and retail banks, specialized in the mobilization of savings and the provision of microfinance services. The forum also helped the WSBI to identify new project opportunities for Training & Consultancy and to make useful contacts for the GRULAC (Regional Group for Latin

America and the Caribbean) meeting on 7 and 8 December in El Salvador.

The next 13th Inter-American Forum on Micro Enterprises will take place in Punta del Este, Uruguay 1-3 December 2010.

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