



VIETNAM MICROFINANCE WORKING GROUP

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MINUTES OF ANNUAL MEETING 2007

Venue: Dien Luc Hotel, 30 Ly Thai To, Ha Noi

Time: 8:30 – 13:00, January 25th 2008

I. PARTICIPANTS

60 delegates representing member organizations in Vietnam Microfinance Working Group, including microfinance organizations, national and international non governmental organizations, representatives from State Bank of Vietnam and individuals.

II. CONTENTS

- Annual report in 2007 and action plan in 2008
- Draft the strategic plan of Microfinance Working Group
- Institutionalization of MFWG: Process and Interest
- Approve the list of Standing Committee's members of MFWG in 2008
- Information on Decree 165 ND/CP/2007 and related guiding circulars,

III. MEETING'S RESULTS

1. Annual report 2007 and action plan 2008.

During 2007, with the effort of the whole group and the support from Ford Foundation, SEEP Network, ILO and SC/US, Vietnam Microfinance Working Group has gained remarkable achievements (please find annual report attached herewith).

After listening to Co-chair presented annual report, participants were divided into 4 discussion group (Human resource, Operation, Service Delivery, and Financial Sustainability) to point out the limitations and contribute their ideas on building plan, direction in 2008. Following are results of discussions:

HUMAN RESOURCES

Limitations in 2007:

- Few staffs (1 full time staff, and 2 part time staffs)
- Limited experiences and skills



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- Scope of activity just focusing on the North
 - Weak cohesion

Plan in 2008: Building up organizational structure

- Increase full staffs (from 3 to 5)
- Assign tasks by regions, enhance quality, improve activities to support microfinance sector
- Strengthen connections
- Professional unit directly providing services for members.
- Build up capacity for staffs of MFWG.

GOVERNANCE

Limitations in 2007:

- Unclear decision-making process between co-chairs.
- Diversified membership, with little participation of microfinance organizations/programs/projects.
- Lack of long-term action plan and intermittent participation of members.
- Do not have guideline for MFIs after Decree 165.

Plan for 2008:

- Set-up regulation, charter for MFWG.
- Should change the place of meeting/conference (in the North, Central, South) to create favorable condition for member to participate.
- Develop and finalize the strategic plan with participation of microfinance organizations.
- Evaluate activities quarterly based on objectives.
- Learn from other networks from other countries assuring legal frame and effectiveness.
- Organize frequent meetings.

FINANCIAL SUSTAINABILITY

Limitations in 2007:



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- Reports do not include financial information to evaluate the sustainability of the Group.
 - The Group does not have a long-term financial plan.
 - The Group does not have strategic and business plan to attract more donors.
 - There have not been contributions from members yet.

Plan/Solutions for 2008:

- Do not wait for formalization; the Group should have a clear action plan at the beginning of 2008.
- Have a budget for each activity.
- Mobilize the contribution from members.
- Call for funding to support for publishing Bulletins of MFWG.
- Set-up a membership fee structure

SERVICE DELIVERY

Limitations in 2007:

- Some organizations did not receive the Bulletin. Haven't informed full information on MFWG's activities to some organizations/ individuals.
- Format of data should include data of individual organizations
- Summarize some technical documents (standardize data, send Bulletin to SBV, update mailing list, create a list of organizations interested in trainings)
- **Trainings:**
 - Do not have long-term strategy for training
 - Need to organize the training course on "Financial Analysis training course for Managers" to prepare transformation process on Decree 28/CP and Decree 165/CP.
- **Policy:**
 - Still be inactive.
 - Do not act successfully as a "hub" organization on microfinance

Plan for 2008

- **Information:**
 - Improve the Bulletin, standardize data
 - Complete the website of the Group and launch the library
 - Periodically send Bulletin to managing organizations in the text
- **Training:**



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- Develop and specify a training strategy of the group for 2008
- Continuously explore a sustainable source of funding for the Group's activities
- **Policy:**
 - Actively send information and entanglements of microfinance industry to Government Agencies, managers.
 - Diversify services (consultation on transformation according to Decree 28 and 165)
 - Post information about the Group's activities on mass media.

2. Decree 165 and implementing circulars

- Mr. Truong Ngoc Anh – Deputy Director of Banks and Nonbank credit institutions department – on behalf of State bank of Vietnam presented main points of Decree 165/ND-CP/2007 which amends some main points of Decree 28/ND-CP/2005.
- Decree 165/ND-CP/2007 in Vietnamese and English version (informal) is attached with this minute of meeting for reference.
- After the speech of representative of SBV, there were some questions of organizations raised for him to ask for some issues related the Decree.

3. Draft strategic plan for 2008

- In this meeting, representative from core group presented process of making strategic plan done by the Group during previous time and preliminary results of the meeting on developing strategic plan making of the group for 2008 (held in January 16th, 2008). The draft of strategic plan consists of vision, mission and values enclosed with this minute.
- The strategic plan draft for 2008 was given out to collect the ideas of representatives. They all wrote their ideas on paper and forwarded to organization board. All contributing ideas will be collected and classified by task force group.
- All delegates in this meeting agreed to take part in the meeting on strategic plan making of the Group which will be tentatively held in the beginning of March, 2008. The Group will send invitation letter to organizations participating in this meeting, including member organizations and international organization concerning this issue.



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4. MFWG's institutionalization: Process and benefits

Representative from Task force on activities related to institutionalization of MFWG represented on process and benefits of institutionalization.

- **Benefits of institutionalization:**
 - The voice is stronger in policy campaign
 - Providing more services with better quality
 - Be able to get more donations from international organizations
- **Necessity:**
 - Improve the group's management, members have the clear right, obligations and responsibilities
 - Clear report and decision making system
 - Operation process and professional staffs
 - Sustainable finance: diversify funding sources; combine with charging members' fee based on members' capacity.
- **Different options:**
 - Current legal status: An informal network with the secretariat is Microfinance and Development (M&D)
 - A national association registered with Home Affairs according to Decree 88 (with 100 signatures of 11 organizations registered)
 - Other model: a centre is under operating association (Vietnam Association of People credit fund, Association of State bank of Vietnam)
- MFWG with financial support from Ford Foundation is negotiating to sign a legal advisory contract for MFWG's institutionalization. Standing committee will notify specifically about the process relating to institutionalization of Group. We hope that member organization will actively take part in.

5. Inform the list of members of standing committee of MFWG:

- After the nomination and self-nomination process of MFWG's members, core group 2007 classified based on votes received and selected 12 organizations to become members of standing committee of Group in 2008. PLAN International organization refused to be, therefore the one after PLAN is PPC-Can Loc selected.
- List of 12 organizations participating in standing committee of Group in 2008 includes:
 1. Microfinance and Development centre (M&D)



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2. Centre of financial resource community (CFRC)
3. NGO resource centre (NGO-RC)
4. World Vision Vietnam
5. SC/US Vietnam
6. SNV
7. ILO
8. TYM
9. Thanh Hoa microfinance program
10. Binh Minh CDC Company
11. PPC-Can Lộc
12. Dariu Foundation – Ho Chi Minh city

I. GENERAL EVALUATION

In very short time, the annual meeting 2007 and action plan making for 2008 of MFWG was successful. Participants were provided with information on results the Group achieved during 2007, and limitations as well as active take part in the process of making action plan for 2008 and strategic plan draft of the Group.

Meeting end at 13h30

Minute note takers: Trân Ngọc Thịnh

Trân Hồng Vân