



VIET NAM MICROFINANCE BULLETIN

MFWG - INGO Resource Center

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ISSUE 10

FUNDRAISING FOR MICROFINANCE

IN THIS ISSUE

Fundraising For Microfinance:

- Using Technology to Fight Poverty*.....2
- Increasing Business Opportunities between European Social Investment Funds and Microfinance Institutions in Asia*.....5
- Bringing Rating Benefits to Vietnam*.....6

Viet Nam Microfinance Benchmarks:

- Vietnam Microfinance Statistics - A Benchmarking Approach*..... 7
- Microfinance Benchmarks for Vietnam*8

Sector Highlights:

- News and Upcoming Events*.....10

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Editors' Overview

Dear Readers

Warm greetings from the Vietnam Microfinance Working Group!

2007 has been a busy year for the MFWG, and we have achieved some great results. The Editors would like to thank all members for their participation and support over 2007. In particular, many thanks to those of you who have contributed information, data and articles for Issue 10 of the Viet Nam Microfinance Bulletin. We are also indebted to the Core Group and our key partners - the Ford Foundation, the SEEP Network, ILO, Citi Foundation and SC/US - for their continued support.

The theme of Issue 10 is "Fundraising for microfinance". This is not only a concern of MFWG, but also for all organizations supporting the poor through microfinance and related development activities.

Issue 10 will also provide you with updated information on the Group's activities and development. The MFWG has been busy building resources and cooperative relations to enhance the quality of microfinance in Vietnam.

As New Year approaches, we would like to wish you all good health, happiness and success for the coming year.

The Editors

Using Technology to Fight Poverty

How Kiva.org Connects Individual Lenders with Microfinance Programs



Tim Gorman, Save the Children US

Save the Children is currently working to set up a partnership between one of our microfinance affiliates, the Thanh Hoa Microfinance Program, and Kiva.org, a US-based website that helps microfinance programs raise funds by connecting them with individual donors. Drawing from our experiences with Kiva, and from the input provided by other Kiva partners in Vietnam (TYM, SEDA/Binh Minh, and Mekong Plus), we have compiled this brief fact sheet to help other microfinance programs (MFPs) understand how Kiva works and decide if a Kiva partnership is right for their needs.

What is Kiva?

Kiva is neither a microfinance provider itself nor a direct provider of microfinance capital. Rather, it is an intermediary that connects individuals (both from the US and around the world) with MFPs on the ground. By drawing on the donations of individual, socially motivated investors, Kiva is able to provide interest free loans to its partners and their clients.

Here's how Kiva works:

Fundraising for Microfinance



Why raise funds through Kiva?

By far the most obvious advantage to funding loans through Kiva is that they are interest free for the MFP. The MFP can, however, continue to collect interest on the Kiva-funded loans that they disburse to clients, and use that interest to fund operations. Funding loans through Kiva is not only free, but also quick; Nguyen Long at Binh Minh reported that all the loans posted on Kiva so far have been fully funded in less than one day.

Another advantage of Kiva to local MFPs is that working with Kiva provides an opportunity to both develop staff capacity and to raise the institutional profile of the MFP. For Bernard Kervyn of Mekong Plus, putting client profiles online has been "excellent training for the local team" and has helped local staff learn how to present their work to an international audience and raise funds from abroad.

Across the board, all respondents praised Kiva for its helpfulness and willingness to accommodate its program partners. According to Mr. Kervyn, the Kiva staff has proven very "sympathetic and responsive" in the eight months that Mekong Plus has worked with them. Of specific help to Vietnamese microfinance programs is the option of sending Kiva client profiles and loan requests in Vietnamese; these will then be translated by Vietnamese-speaking Kiva volunteers and posted within a day or two. Ms. Duong Thi Ngoc Linh of TYM commented that this service "makes Kiva friendlier than other foreign financial organizations."

How does a microfinance program set up a partnership with Kiva?

Recent coverage of Kiva in the American media has brought a flurry of attention to the

site, along with thousands of new donors. To meet this increased interest, Kiva is actively working to set up new partnerships. To become a Kiva partner, an MFP must first send an email to partnerships@kiva.org and provide some brief information about operations (number of clients, size of loan portfolio, etc). If interested, Kiva will then provide the MFP with the full partnership application. To complete this application, the MFP must provide information about general operations and financial performance, funding sources, management and governance, MIS, and professional references. Besides the application itself, Kiva also requires that the MFP submit additional documentation, including audited financial statements, CVs of management staff and directors, the latest available financial data and portfolio reports, and business or strategic plans.

Based on Save the Children's experience, completing the application and gathering the required information should take about two or three weeks. Kiva representatives were very helpful throughout the process, and were available to promptly answer any questions we had about the application. After completing the application, the MFP must wait a few weeks for Kiva to review it and make a decision; Save the Children is currently in this phase of the application process.

If Kiva decides to approve a partnership, a contract is proposed by Kiva and signed by both parties. According to Mekong Plus, Kiva is flexible and open to negotiation if the proposed terms are not acceptable to the MFP. Once the contract is signed, Kiva and the MFP work to set up a pilot lending project with a small client base and relatively low amount of monthly funding. SEDA/Binh Minh, for example, is currently running a pilot project in Bac Ninh with a maximum of

\$5,000 in Kiva-funded loans per month. After completing this pilot phase, the MFP is gradually allowed to increase its Kiva fundraising. The TYM Fund, which has been a Kiva partner for five months, is currently permitted to raise \$70,000 in loans from Kiva per month.

Is Kiva right for your MFP?

When asked for their comments, the three existing Kiva partners in Vietnam all spoke positively of their relationships with Kiva. However, before deciding to work with Kiva, an MFP must consider the potential costs of a Kiva partnership. For one, collecting the information required for Kiva demands a fair amount of staff time and administrative effort. Having staff go to the field, take pictures of clients, write up client profiles, and upload the information to the Kiva website makes the partnership with Kiva a "demanding" one, according to Mr. Kervyn. Collecting and

processing data for Kiva also requires "thorough information management" practices, according to Ms. Linh. However, as Mr. Long notes, working with Kiva is an "assured, simple process of obtaining loan funds" that, in the long run, saves time otherwise spent securing program funding. Given the staff time required to process each loan, it may make sense for an MFP to specifically target Kiva funding to higher value loans with established clients; with an average Kiva loan size of \$569, TYM seems to be following this strategy.

Another potential issue raised by respondents is the currency risk associated with dollar-denominated Kiva borrowing. However, the prospect of a severe devaluation of the Vietnamese Dong against the dollar is unlikely, and in any event, the risk of default is borne not by the MFP, but by the individual lenders. It is also possible that the currently rapid growth of Kiva might slow, making it more difficult for MFPs to fund their loans. Given the strong interest that Kiva has generated so far, however, it seems likely that the site will continue to grow and to attract new users.

On the whole, Kiva represents an exciting new opportunity for MFPs to raise funds on very attractive terms and to raise their profiles internationally. At the very least, Kiva is a welcome addition to existing funding sources, and provides a great source of capital for MFPs looking to expand their operations and grow their client base.

Many thanks to Ms. Duong Thi Ngoc Linh of the TYM Fund, Mr. Nguyen Long of SEDA/Binh Minh and Mr. Bernard Kervyn of Mekong Plus for their feedback in preparing this article.

Current Kiva Partners in Viet Nam



BINH MINH
DU AN CHO VAY VON

Seda/Binhminh

- Time on Kiva: 1month
- Money raised: \$4,800
- Number of Loans Funded :39
- Average Loan Size: \$130



Mekong Plus

- Time on Kiva : 8 months
- Money raised : \$26,400
- Number of Loans Funded: 360
- Average Loan Size: \$73



TYM Fund

- Time on Kiva: 5 months
- Money raised : \$105,800
- Number of Loans Funded: 187
- Average Loan Size: \$569



Increasing Business Opportunities between European Social Investment Funds and Microfinance Institutions in Asia

Nguyen Huu Ninh & Luong Quoc Tuan, GRET

Recent years have seen the development of “social investments” - funds which are specifically geared towards sustainable development initiatives. Since the 1990s, specialized social investment funds interested in financing microfinance were established in Europe. However, microfinance in Asia has not had much access to the majority of these specialized European Investment Funds.

This is due to a number of reasons, such as (1) a lack of reliable information on microfinance sectors and the overall investment environment in various Asian countries, (2) the microfinance sectors in Asia suffering from weak dissemination of industry reporting standards and poor financial disclosure, and (3) there are few public information centres on microfinance institutional performance. This lack of transparency and access to information contributes to the low proportion of European investments in Asian microfinance markets.

Thus the Planet Finance has proposed a project named “Increasing Business Opportunities between European Social Investment Funds and Microfinance Institutions in Asia”, which aims at reaching an overall goal of “matching European investors’ financing capacities with Asian Microfinance Institutions’ financing needs” concretized as specific objectives:

- An increased presence of European Investment Funds specialized in microfinance in Asia
- Strengthened and professionalized microfinance sectors in Asia
- New South-South relationships and transfers of knowledge

- New economic opportunities and more developed private sectors in Asia

The project will implement in thirteen Asian microfinance markets: Cambodia, Afghanistan, Bangladesh, China, India, Indonesia, Laos, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka and Vietnam. In Vietnam, Planet Finance is collaborating with GRET (Research and Technological Exchange Group) to set up this project from November 2007 until March 2008, which will contribute to the development of microfinance in Vietnam.

Firstly, project activities will respond to the problems hindering investment by filling the information gaps for investors on the microfinance market in general and medium-sized microfinance programs (MFPs) in particular. This aims to increase investments flows towards Asia and Vietnam. At the moment, European Investment Funds (EIFs) in microfinance can be classified in three main categories: (1) commercial microfinance investment funds, (2) commercially-oriented microfinance investment funds, and (3) microfinance development funds. The first two types of EIFs are usually set up in the form of a traditional investment company, while the third is often in the form of NGO or non-profit company. Indirectly, the poor microentrepreneurs in both rural and urban areas will be able to expand income-generating activities by borrowing funds from MFPs.

(See page 7)



Bringing Rating Benefits to Vietnam

Lai Minh Huy, Planet Rating

The microfinance rating field was born following the industry's request for independent assessment of microfinance institutions (MFIs). In May 2001, the Inter-American Development Bank (IDB) and the Consultative Group to Assist the Poor (CGAP), later joined by the European Union, launched a program called the Microfinance Rating and Assessment Fund. The Rating Fund enables the development of the microfinance rating industry by covering part of the costs of the ratings themselves. After 429 ratings co-financed, the Fund ends in December 2007.

Created in 1999, Planet Rating became an independent and private microfinance rating agency in June 2005. Planet Rating has an international network including the headquarters in Paris and four Regional Offices: Lima, Dakar, Kampala and Beirut. Planet Rating's multilingual team (10 nationalities speaking all major languages including Vietnamese) is made up of more than sixteen permanent and certified analysts. To date, Planet Rating has conducted over 300 ratings in more than 58 countries all over the world and is the largest microfinance rating agency by revenues in 2006. Planet Rating's reports are widely distributed and read by MFIs, investors and stakeholders.

Planet Rating employs the well-recognized GIRAFE rating methodology to assess MFIs by combining a qualitative approach with traditional financial analysis. This broad approach is based on 6 evaluation areas: Governance, Information, Risk Management, Activities, Financing & Liquidity Management and Efficiency & Profitability. Each area receives an individual grade which together makes up the global

composite rating according to pre-set weightings and scales. The global rating provides a comprehensive picture of relevant risks with a rating scale from A+ to E. The complete evaluation process is made of a preliminary analysis and financial modelling, an on-site mission, a debriefing session, a draft report, a Rating Committee session and a final rating report.

All the Planet Rating's products are based on the GIRAFE methodology. The core GIRAFE Rating targets mature MFIs that wish to have a comprehensive assessment of their risk profile, with a financial and operational analysis. The Mini-Rating focuses on the strengths and weaknesses of younger or smaller MFIs. Finally the social ratings enable institutions to measure their social performance management. Planet Rating also provides training in the GIRAFE methodology worldwide. In Vietnam, CEP has been rated twice and received a GIRAFE training session.

Ratings are an important tool for MFIs' visibility and growth. It has been proven that ratings lead to better access to funding from both local and international institutions. Better visibility attracts more sources of funds which, in many cases, results in a greater ability to negotiate pricing and in diversification of capital structure. Smaller or younger MFIs can use ratings to secure technical assistance. It is a tool to build capacity, grow and become profitable in order to help more poor people. Finally, ratings are used to obtain recognition from the industry. Indeed only rated MFIs can obtain 5 diamonds on the MIX Market. Planet Rating is the only microfinance rating agency with experience in Vietnam. Please contact Lai Minh Huy* at rating@planetrating.com for more information.

Vietnam Microfinance Statistics - A Benchmarking Approach

Steven Pennings, Save the Children/US

Issue 10 of the Viet Nam Microfinance Bulletin presents new Microfinance Benchmarks for the sector as a whole, as well as for peer groups based on age, geography and size. The Bulletin will no longer publish information about individual programs, though if such information is required, readers should contact the MFWG coordinator (taichinhvimo@gmail.com). The new format is primarily designed to facilitate the comparison of MF programs to their peers in Vietnam and internationally. It also allows comparisons of the Vietnamese MF sector to those in other countries. Most of the peer group definitions are based on the international standards published in the MicroBanking Bulletin (MIX, www.mixmbb.org). The new reporting framework will also support data collection by respecting the confidentiality of individual program data provided to the Bulletin.

On behalf of the MFWG, the Editors would like to thank all individuals and organizations involved in providing data to the Bulletin. Your help is instrumental in providing reliable information to the public about the microfinance sector in Vietnam. Any questions, comments or suggestions are welcomed, and should be directed to the coordinator.

All figures presented in the following table are calculated as the median of the particular peer group (for example, young microfinance programs). The median is similar to the average in that it seeks to report the "typical" microfinance program. Technically, a median is calculated as the "middle score" of a group. For example, to calculate the median "total assets" for 29 MFIs, rank the MFIs to smallest to largest total assets, and report the figure for the 15th MFI. The advantage of the median over the average is that median is not distorted by the inclusion of very large (or very small) microfinance programs that are atypical of the sector. For this reason, medians are also reported by the MicroBanking Bulletin.

(Continues from page 5)

Secondly, specific training will be organized for Vietnamese microfinance institutions' staff on the EIFs and their requirements. The training will also provide MFP staff with the knowledge and skills needed to improve their reporting systems to meet the investors' requirements. Finally, a conference will be held in order to place European investors in direct contact with Vietnamese microfinance institutions.

For further information about this project and its reports, please contact:

Nguyen Huu Ninh (Project Manager)

Luong Quoc Tuan (Project Officer)

GRET Viet Nam:

Appt 307-308, A1 Van Phuc, Ba Dinh – Ha Noi

Tel: (04-846 44 91), **Fax:** (04-846 4514)

Email: nguyen_huu_ninh@gret.org.vn

Microfinance Benchmarks for Vietnam

First half 2007	Institutional Characteristics				Outreach Indicators					Productivity			
	Number of Organization (ex VBSP)	Total Assets (USD)	Branch	Staff	Loan Officer	Gross Loan Portfolio (USD)	Savings (USD)	Active Borrower	Average Loan Balance per borrower (USD)	Average Loan Balance/GNI per Capita (%) **	Active Borrowers /Staff	Active Borrowers/ Loan Officer	Loan Portfolio/Loan Officer(USD)
Peer Group Medians													
All (ex VBSP)	28	425,873	4	24	17	335,488	102,990	4,005	93	13%	167	236	20,911
Age (ex VBSP)													
New (0-4 years)	7	327,297	2	14	11	174,038	48,064	2,851	107	15%	204	259	15,822
Young (5-8 years)	9	260,563	2	17	16	226,815	68,241	2,458	81	12%	145	154	14,176
Mature (> 8 years)	12	591,487	11	34	26	758,548	268,477	7,234	88	13%	216	278	29,175
Geographical Scale (ex VBSP)													
District	11	260,750	7	18	12	254,518	72,886	3,851	83	12%	214	321	21,210
Province	13	842,453	2	23	17	583,198	102,990	5,207	94	14%	226	306	34,306
National	4	484,411	11	60	18	1,346,029	666,112	12,981	77	11%	216	742	76,916
Scale by Gross Loan Portfolio (incl. VBSP)													
Very Small* (<400000 USD)	15	172,494	2	14	11	145,992	31,813	1,898	72	10%	141	173	13,272
Small (400000-1m USD)	6	504,966	6	23	17	445,375	157,859	4,278	93	14%	186	259	26,992
Medium (1m to 8m USD)	6	2,642,182	14	98	55	2,288,799	363,648	20,167	122	18%	206	370	41,996
Large (> 8m USD)	2	990,138,020	41	3,393	945	888,158,283	27,420,676	2,542,649	256	37%	749	2,692	940,348

USD 1 = VND 16,046 (Exchange rate November 29, 2007)

Notes: All figures are in USD and are calculated medians. See text for an explanation.

* The definitions of Small, Medium and Large MFIs are based on the Microfinance Information Exchange classifications for the Asia (Pacific). The definition of a "very small" MFIs is based on eligibility for Decree 28. Microfinance programs with equity less than 5bn VND are not eligible to apply for registration under decree 28, and MFIs of this size usually have a loan balance of less than USD 400,000. However the ratio of gross loan balance to equity is quite variable across MF Programs, and so such a measure is at best an approximation. The ratio is generally around 1.0-1.6 for different sub-groups, and we choose a ratio of 1.28 (based on an exchange rate of 16,046VND/USD). The equity of a program is approximated by assets less savings (which are the main liability for MF programs).

** GNI/capita is USD 690 (2006, Source: World Bank)

Age (ex. VBSP)			Geography (ex. VBSP)			Size (incl. VBSP; based on Gross Loan Portfolio)			
New (0-4 Years)	Young (5-8 years)	Mature (>8 years)	District	Provincial	National	Very Small (<400k USD)	Small (400k-1m USD)	Medium (1m-8m USD)	Large (>8m USD)
Binh Minh CDC, CEP Long An, CPI, CSOD, PLAN Vietnam, RUDEP, World Vision Vietnam	CARSWI, CCF - Bac Kan, CCF Uc - Hoa Binh, CIDSE- Pho Yen, Thai Nguyen, M7 Can Loc, M7 Ninh, M7 District Dien Bien, M7 Mai Son, Son La, M7 TP Dien Bien, M7 Uong Bi, Quang Ninh, SNV, TCVM Thanh Hoa, TYM, Viet nam-Belgium Project, WU HCM	CEP-BRVT, CEP-HCM, M7 Dong Trieu, Quang Ninh, M7 District Dien Bien, M7 Mai Son, Son La, M7 TP Dien Bien, M7 Uong Bi, Quang Ninh, SNV, TCVM Thanh Hoa, TYM, Viet nam-Belgium Project, WU HCM	CPI, Binh Minh CDC, CARSWI, CIDSE- Pho Yen, Thai Nguyen, M7 Can Loc, M7 Dong Trieu, Quang Ninh, M7 District Dien Bien, M7 Mai Son, Son La, M7 Ninh Phuoc, M7 TP Dien Bien, M7 Uong Bi, Quang Ninh	CSOD, CCF - Bac Kan, CCF Uc - Hoa Binh, CEP Long An, CEP-BRVT, CEP-HCM, NMA, RIDP Tuyen Quang, RUDEP, SNV, TCVM Thanh Hoa, WU Ha Tinh, WU HCM	PLAN Viet Nam, TYM, Viet nam-Belgium Project, World Vision Viet Nam	CARSWI, CCF - Bac Kan, CCF Uc - Hoa Binh, CEP Long An, CIDSE- Pho Yen, Thai Nguyen, CPI, CSOD, M7 Huyen Dien Bien, M7 Mai Son, Son La, M7 Ninh Phuoc, M7 TP Dien Bien, NMA, PLAN Vietnam, TCVM Thanh Hoa, World Vision Viet Nam	Binh Minh CDC, CEP-BRVT, M7 Can Loc, M7 Dong Trieu, Quang Ninh, M7 Uong Bi, Quang Ninh, RUDEP	SNV, RIDP Tuyen Quang, TYM, Viet nam-Belgium Project, WU Ha Tinh, WU HCM	VBSP, CEP-HCM

News and Upcoming Events

Legal:

The new Decree 165/2007/ND-CP that amended Decree 28/2005/ND-CP on the organization and operation of microfinance institutions in Vietnam has been signed by Prime Minister in November 2007. The State Bank of Vietnam will soon issue the implementing circulars.

The Vietnamese version of Decree 165/2007/ND-CP is available at:

<http://www.nhandan.com.vn/tinbai/?top=40&sub=68&article=109919>

Training:

Making Microfinance Work: Managing for Improved Performance. To build on the success of the 4 previous runs of the same course, the ILO will support the 5th course which is planned to be held in March and April, 2008. This time, this 10-day-training course will be divided into 2 separate one-week sessions; the second one will come around 4-5 weeks after the first. Participants will therefore have a chance to put into practice the difference lessons learned from the first week, and discuss their fresh experiences when they return to begin the second week.

Interested MFIs please inform Microfinance and Development Center (M & D) the number and names of middle and top managers they want to send to the training by January 20th, 2008. Please contact M & D for more information at:

Mr. Vuong Dinh Hung/Ms. Tran Hong Van
Microfinance and Development Center
Address: 88/64 Nguyen Luong Bang,
Tel: 04.5115469, Email: mdcenter@vnn.vn

Workshops/Conferences:

Ha Noi, Viet Nam. A Microfinance Training Strategy for Viet Nam. On October 26th, the Microfinance Project (ILO Office in Viet Nam) organised a meeting with microfinance

practitioners, training providers and donors to share the results of a research conducted by the ILO on May-June, 2006 on training demand of the microfinance sector, and to discuss a long term strategy to develop local microfinance training market. Ms. Lillian Diaz, international consultant contracted by the ILO to conduct the research, briefed on various experiences and training models implemented by different countries. The active discussion that followed focused on identifying the potential model that better fit in the Vietnamese context of microfinance.

For more information on the meeting and a soft copy of the research report, please contact ILO's Microfinance Project Office:

Ms. Nguyen Ngoc Duyen, Project Admin/Secretary
Tel: (04) 734 0902, Ext. 227
Email: duyen@ilohn.org.vn

Mumbai, India. The third International Conference in Microinsurance, jointly hosted by the Munich Re Foundation and the CGAP (Consultative Group to Assist the Poor) Microinsurance Working Group took place in Mumbai, India from November 13th to 15th, 2007. More than 300 participants from over 50 countries attended the Conference. Participants included all types of stakeholders: academic and practitioners, regulators and supervisors, not-for-profit and commercial providers. One third of participants came from commercial insurance companies, highlighting the increasing interest of commercial providers in the low-income market.

The Viet Nam delegation attended this conference with 10 members from the microfinance and insurance sectors, government agencies (MoF, MoLISA) and the ILO. The conference provided Vietnamese participants with a great learning environment and an excellent opportunity to explore new partnerships for capacity building and product development.

MFWG in Action

Semi-Annual Meeting of the MFWG in August 2007. On August 24th, 2007, 59 representatives from 32 organisations involved in microfinance activities throughout the country attended the semi-annual meeting of the MFWG, held at the Women and Development Center on Thuy Khue Street, Ha Noi. The semi-annual meeting was honored by the presence of representative from the MFWG of Laos PDR.



Besides reviewing the activities of the first six months and discussing the workplan until the end of the year, participating organisations shared experiences on accessing funding from national and international sources. Most importantly, participants contributed ideas on how to strengthen the national microfinance network to become a formal organisation in the future. As a first step toward a strategic plan, participants shared their expectations and suggestions on the structure and activities of a future formal national network of Viet Nam microfinance organisations.

The 2007 Citi Microentrepreneurship Awards in Vietnam

On 14 December 2007, Vietnam's first Citi Microentrepreneurship Awards ceremony

took place in Hanoi. The 60 winning microentrepreneurs received \$350 each in prize money at the ceremony, and 30 outstanding credit officers were awarded with \$300 each. The ceremony was attended by dignitaries from the public and private sectors, including the former Vice President of Vietnam, Madame Truong My Hoa, Citibank's country director for Vietnam Mr. Charly Madan and a number of senior officials from the State Bank of Vietnam.

The Awards are supported by the Citi Foundation, organized in cooperation with the MFWG, and aim to highlight the achievements of some of the most innovative microentrepreneurs in the country. In addition to recognizing microentrepreneurs, the Awards in Vietnam honor outstanding microfinance institutions and their credit officers. The goals of the program are:

- (i) to support micro-entrepreneurs, by raising awareness of how they may benefit from microfinance products and services;
- (ii) to provide recognition for local microentrepreneurs who are helping to lift the economic fortunes of their families and their communities; and,
- (iii) to create new microfinance networks, comprised of political and financial leaders, commentators, students, practitioners, and communities.

Participating microentrepreneurs presented their businesses to microfinance experts and leaders from the public, private and academic sectors. This year, the judges received 234 applications from microentrepreneurs and credit officers. The judges and media visited candidates all over the country to learn more about their businesses as part of the selection process.



More information about the Citi Microentrepreneurship Awards - Vietnam 2007 is available from the Awards' Vietnam Country Team,

Telephone: (84-4) 513 1853

E-mail: cmavietnam@gmail.com

Lao PDR Microfinance Working Group (Laos MFWG) visits Vietnam

From 21-25 August, a delegation of 6 core members of the Lao MFWG visited Hanoi to learn from the experiences of the Vietnam MFWG. Among others, the delegation included Bank of Laos' Chief of the Microfinance Division, Ms. Keasorn

Manivong. The purpose of the visit was for the Lao MFWG to learn from the experiences, successes and failures of the Viet Nam MFWG.

While in Hanoi, the Lao MFWG met with core members of the Viet Nam MFWG, attended the semi-annual meeting of the Viet Nam MFWG (where funding models were discussed), observed microfinance in practice by meeting clients and employees of Binh Minh CDC, a member of Viet Nam MFWG, and attended a meeting with Mr. Truong Ngoc Anh, the Deputy Director of Bank and Non-Bank Credit Institutions Department of the State Bank of Viet Nam (SBV). Mr. Truong expressed his support for the Viet Nam MFWG to become a formal microfinance association, and argued that dialogue between the MFWG and the SBV is mutually beneficial. At the conclusion of their visit, the Lao MFWG thanked the Viet Nam MFWG and expressed a desire to maintain a strong working relationship in the future.

ANNOUNCEMENT

Upcoming Annual General Meeting of the MFWG, 2007. 2007 was filled with many important events, marking significant changes in the organisation and activities of the MFWG. A General Meeting will be held on January 25th, 2008 to review the achievements and discuss future plans of the Group. The exact date and venue will be communicated to all Group members shortly. Please contact the Coordinator, Mr. Tran Ngoc Thinh, email: taichinhvimo@gmail.com, Telephone: (04) 513 1853 from January 4, 2008 for more information and for registration.

Microfinance Working Group (MFWG)

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