

## NEWS FROM OUR PARTNERS

### Vietnam: PCF financial coops form federated network



In Vietnam, the country's new association of financial cooperatives was recently given the responsibility of introducing two new services that make use of modern technology: electronic fund transfers between the cooperatives and the country's banks and a transaction system designed for the new needs of the cooperatives.

These two services were developed and piloted under a support program to modernize the People's Credit Funds (PCF) with funding from the Canadian International Development Agency (CIDA) and financial contributions from one hundred PCFs and the Central People's Credit Fund (CCF). In Vietnam, this is the first time that base cooperatives have made a direct financial contribution to their own technological development.

From the point of view of the managers and directors of these financial cooperatives, the two new services will help facilitate transactions made by members and will enhance the image of these financial institutions within their communities. For the Association, founded in October 2005, the development of these new services embodies the spirit of an integrated network and helps gain credibility with the PCFs.

The Association, which oversees implementation of these new technologies throughout the network of PCFs, faces several other challenges that include organizing representation of the cooperatives with the authorities, improving communication throughout the network and ensuring both ongoing employee training in the PCFs and the security of member savings deposits. These challenges can be met with support from DID through a new project intended to help structure the Association of PCFs, help it define its service offer to the member cooperatives and its strategy, and design a training plan for PCF employees.

The PCF financial cooperatives in Vietnam were created during the 1990s with support from DID in partnership with the State Bank of Vietnam. Today, there are 935 PCFs located in 53 of the country's 61 provinces. They serve nearly 1.1 million individual and entrepreneur members located mainly in rural areas where 70% of Vietnam's 83 million inhabitants live.

### Nicaragua: Impressive results for FINDESA

FINDESA, a DID partner institution in Nicaragua, has recorded impressive results over the last few months. This regulated financial institution offers deposit and loan services, mainly to micro and small rural enterprises in Nicaragua. Its shareholders include the national institute for enterprise development (INDE), a group of Nicaraguan entrepreneurs, and international investors such as DID.

Since its creation in 2002, FINDESA has seen its loan portfolio increase over 80% yearly to CAN \$103 million in December 2006. Despite such rapid growth, the quality of the assets remains excellent with a rate of bad loans of hardly 2%, well under the average for the sector. "The key to these good results is strict control over management, highly effective systems and sound diversification of assets," explains Gabriel Solórzano, FINDESA's president.

Among its achievements, FINDESA has been ranked 4th in terms of efficiency among financial institutions in Central America for the first semester of 2006. This is the fourth year that FINDESA has ranked in the top 10 financial institutions in the region. It should be noted that Nicaragua alone has over 300 microfinance institutions.

In addition, FINDESA has set up a number of rules for governance that encourage transparency and reduce the risk of conflict of interest. Last year this initiative was rewarded by an honourable mention in the Financial Transparency Award competition held by CGAP (Consultative Group to Assist the Poor). FINDESA then received an award from the Microfinance Information Exchange (MIX) and the *Red Centroamericana de Microfinanzas* (REDCAMIF) highlighting its exceptional transparency.

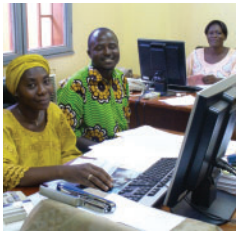
FINDESA also distinguishes itself by pursuing a triple bottom line, namely achieving good financial results, as well as significant social and environmental impact designed to provide populations in the poorest Spanish-speaking countries with the means necessary to improve their quality of life. The Global Reporting Institute (GRI), which celebrated its tenth anniversary in October 2006, invited FINDESA to present its triple objective methodology at its convention, an acknowledgement of FINDESA's innovative character.



Gabriel Solórzano, President of FINDESA (at right)



## Head of Tanzanian SACCO visits the Burkina network of financial cooperatives



Employees of the Ouahigouya financial cooperative, Burkina Faso

Last October, Tabitha Siwale, Chief Executive of the Women Advancement Trust Savings and Credit Co-operative Society (WAT SACCO) in Tanzania, was chosen for an internship with the Burkina Faso network of financial cooperatives (RCPB) as part of

the 2005 Outstanding Partner program. The RCPB is a longstanding DID partner and RCPB Director General Daouda Sawadogo was himself recognized under the program in 2006.

The many similarities between the RCPB and Dunduliza, the Tanzanian network with which the WAT SACCO is affiliated, made the internship a relevant and applicable learning experience for Tabitha Siwale, herself a pioneer in the creation and promotion of financial cooperatives in her country.

The internship took place October 22-28 and included visits to the Burkina Faso federation of financial cooperatives, two regional unions, the Ouagadougou financial centre for entrepreneurs (CFE), the centre for financial innovation (CIF) and several financial cooperatives.

Tabitha Siwale had the opportunity to consult with representatives of these organizations about her concerns and possible solutions. Their discussions included agricultural and housing finance, computerization and operational control in addition to the characteristics of service offers for rural and urban areas.

The experience was an opportunity for this outstanding partner and for RCPB representatives to become familiar with new efforts that will undoubtedly prove useful for the development of their respective institutions.

## OUTSTANDING PARTNERS

Modernization and efficiency of operations, circulation and reliability of information, financial profitability and social impact were the major interests of the four individuals who were honoured by DID during International Development Week in February. These outstanding individuals are managers and directors of *Proxfin* financial institutions: Fanta Fomba Wattara, Anatoly Kadrov, Daouda Sawadogo and Modesto Napoleón Segovia Boltes.

### Fanta Fomba Wattara

In Mali, Fanta Fomba Wattara was one of the pioneers in the reconfiguration of the Nyèsigiso network of savings and credit cooperatives. This process, to which Nyèsigiso devoted major efforts in recent years, reduced the number of financial cooperatives in the network from 48 to 22 in just three years, thereby improving network integration and efficiency.

Wattara Fanta Fomba was Chair of the Lafiabougou financial cooperative when the merging process began. This financial cooperative, that Wattara Fanta Fomba helped set up, was one of the first to take part in the reconfiguration as a pilot project. Its merge with the Djicoroni-Para financial cooperative resulted in the Commune IV financial cooperative. In acknowledgement of her leadership abilities, Wattara Fanta Fomba was chosen to chair the new institution.

The communication talents of this visionary woman certainly had a lot to do with the success of the process. She was able to convince her team of the advantages associated with the reconfiguration, then informed and convinced her peers to join in the network's reconfiguration project.

Committed and available, Wattara Fanta Fomba keeps a close eye on the growth of her financial cooperative. She had a chance to demonstrate its performance and positive impact on the community during a visit from Canada's Minister for International Cooperation in August 2006. The Minister was very impressed by the excellent results.

Chosen as an Outstanding Partner for 2006 by DID, Wattara Fanta Fomba will have the chance to take part in a familiarization tour in June with a partner member of the *Proxfin* network, the UM-PAMÉCAS network in Dakar in Senegal.



Founded in 2006, *Proxfin* consists of 23 microfinance institutions on four continents along with DID.



Fanta Fomba Wattara, Board Chair of the Commune IV financial cooperative, Nyèsigiso network (Mali)



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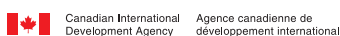
[www.did.qc.ca](http://www.did.qc.ca)

Développement international Desjardins  
150, avenue des Commandeurs, Lévis (Québec) Canada G6V 6P8  
☎ 418-835-2400 📠 418-833-0742 📧 info@did.qc.ca

Intended for partners of Développement international Desjardins, the Finance & Communities bulletin is published four times a year, twice in print and twice electronically.

ISSN 1195-6763

Legal deposit: National Library of Canada and the Bibliothèque nationale du Québec.



This publication was made possible by the financial support of the Government of Canada provided through the Canadian International Development Agency (CIDA).