



Technical support and investment for the community finance sector



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PARTNER UPDATES

IMPRESSIVE RESULTS IN GUINEA

The Yètè Mali network in Guinea has the wind in its sails. Set up with financial support from the Central Bank of the Republic of Guinea (BCRG) and the Canadian International Development Agency (CIDA) and with technical support from DID, this Guinean network is now posting very encouraging results despite an extremely difficult political and economic context. Today Yètè Mali has nearly 25,000 members, 62 permanent employees, 144 directors and manages assets worth 8.7 billion Guinean francs (CAN \$3 million).

Savings deposits play a major role within the network, accounting for 86% of total assets. This performance is a tangible illustration of the strong confidence and pride that members have in their network. This feeling of pride is also reflected by the board members who are increasingly committed to developing the network and who place great hope in the role that the network can play within the community as a whole.

The operational review undertaken by CIDA in the spring of 2004, and a mission by the International Monetary Fund (IMF) during the same period, highlighted the quality of the network's management and its potential for growth.

These good results have been achieved despite the fact that the network recently went through an especially difficult period for loan recovery, a crisis that it was able to overcome brilliantly during the year that followed. *"The results show that we were able to maintain the confidence of the community. In fact, deposits did not drop. They remained stable. Membership even grew,"* explained Fatoumata Barry, Yètè Mali President. *"Overcoming difficulty makes you stronger. The important thing is knowing how to end the crisis,"* added Ibrahima Kourouma, Director General of the network.

An evolving network

From 1998 to 2000, 13 financial cooperatives were set up in Conakry, the capital of Guinea. The network was legally constituted in January 2003 and officially certified by BCRG officials in June of the same year. In addition to the financial cooperatives, it has a second-tier structure that oversees development and provides control for the cooperatives.

The network also set up a financial centre for entrepreneurs (CFE) in 2002. Analysis of loan applications is centralized in the apex structure where there is a team of loan specialists but the portfolio is decentralized since the approved loans are accounted for and appear in the balance sheets of the financial cooperatives concerned. *"Without the CFE, we risked losing business people as clients,"* explains Ibrahima Kourouma. *"In addition to being adapted to the needs of entrepreneurs, the CFE loans increase the profitability of the financial cooperatives. What's more, there are practically no late payments on these loans."* adds Mamadou Dian Diallo, who is in charge of the CFE.

OUTSTANDING INDIVIDUALS

Lecira V. Juarez is one of those outstanding individuals who devote themselves to their community. The strength of her commitment is shown by her involvement with her community finance institution. In addition to her responsibility managing the Panabo multi-service cooperative in the Philippines, she was also the first woman to take the reins of DID partner NATCCO, the National Confederation of Co-operatives. Her commitment makes her a source of inspiration for all those around her.

Her vision for managing a cooperative clearly reflects the values of solidarity, integrity and cooperation on which DID and its partners base their efforts: *"When you work in a cooperative, you don't just manage financial operations. You don't just hold money in your hands, but the lives of marginalized individuals who place a great deal of hope in their cooperative. It becomes a question of confidence that requires a cool head, a warm heart and clean hands. All of which are essential if the cooperative is to have an impact on its social and economic environment."*

Based on this vision, she worked to help her cooperative grow in a spectacular fashion from assets of 15 million Philippine pesos (CAN \$354,000) to 100 million (more than CAN \$2 million) in only five years. Today, only 36 of the 1,000 financial cooperatives in the Philippines have reached this asset level. Lecira V. Juarez's positive influence in the community had such impact that she was admitted to a bankers association, although her experience was only with a financial cooperative... and she rose to become the association president.



Mamadou Dian Diallo, head of Yètè Mali's CFE



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OUTSTANDING INDIVIDUALS (contd)

A major force for improving his community, **Álvaro Aguilar Ayón** was highly instrumental in the founding of the Mexican financial cooperative *Caja Solidaria Tosepantomín* (which in Nahuatl means money for all). The members of this financial cooperative are mostly indigenous peoples and peasants from Sierra Norte, in Puebla.

Álvaro Aguilar Ayón is a team leader and eternal optimist. One of his main strengths is the team spirit that he knows how to build and maintain with the local inhabitants and peasants for whom he works so tirelessly. At every meeting with the members of the financial cooperative, his contagious enthusiasm inspires their interest and confidence in their financial institution and its various projects.

With a desire for his financial cooperative to constantly improve its overall performance, Ayón actively supported introduction of solidarity loans, an innovative loan product designed for remote communities. Launching this product in the *Caja Solidaria Tosepantomín* helped keep non-performing loans at a very low level.

These successes will help this Mexican financial cooperative widen its horizons, and should lead to the opening of two new branches in the near future.



Álvaro Aguilar Ayón



Lecira V. Juarez

HIGHLIGHTING MICROFINANCE

One hundred microfinance leaders and experts meet in Quebec City

On May 25 and 26 Développement international Desjardins and its partners from all around the world will mark the International Year of Microcredit in their own manner by meeting in Quebec City at the Musée de la Civilisation, to discuss "The new challenges for increasing accessibility of financial services: Improving organization and adapting services." In a context marked with many challenges for financial institutions (rapid growth, diversity of member needs, new competitive pressure, etc.), this international seminar will be an opportunity for participants to explore the need for financial institutions to adapt their structure and services while using the means at their disposal, and without restricting access to services. This meeting will certainly raise numerous issues such as: How will DID partner institutions handle this new environment? How is it possible to reconcile accessibility, sustainability and profitability of services? What innovative solutions are financial institutions offering? What tried and true initiatives can DID offer its partners?

The desire to make financial services accessible to all in order to better meet the needs of the community is not only a priority for partners in the South. It is an integral element in the growth of all financial institution networks, as was the case with the Desjardins Group. That is why at the seminar managers from the Desjardins Group will be speaking on the topics of network reconfiguration and initiatives developed to adapt services to member needs.

Two DID guest speakers capture the attention of Desjardins Group executives

A thousand representatives of the Desjardins Group heard the highlights from last year for DID at the annual information session held April first at the *Palais des congrès de Montréal*. The highlights of the event included presentations by two guest speakers, Carlos Cuevas, chief financial economist at the World Bank and Inès Guadalupe Hernández Fernández, President of the SERFIR cooperative financial institution in Chiapas.

The attention of those attending was riveted on the SERFIR president as she helped them better understand the specific type of institutions supported by DID and the innovative approach taken by SERFIR to reach its largely indigenous population. Carlos Cuevas highlighted the vision of the World Bank in relation to the essential role and the potential that financial cooperatives have in improving community access to financial services.

The information session again this year gave DID an opportunity to acknowledge the contribution of Desjardins financial cooperatives taking part in the North-South Partnership program. A short video was shown on that occasion, expressing thanks from the main beneficiaries of the program in Africa.

ERRATUM

The last issue of Finance and Communities, in the portrait of Fatoumata Barry, described the turnaround in loans undertaken by the Yèté Mali network. Please note that this exceptional turnaround took twelve (12) months instead of two (2) months, as indicated in the article.

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