

Transformation and Integration of MFIs

TA approach of the EFSE Development Facility

EFSE Annual Meeting, 6-8 May 2008

- Vision of an MFI
 - Continue lending-only to serve niche market
 - Growth and diversification of services
- Two types of transformation
 - NGO into for-profit organisation (example BiH)
 - Lending-only into deposit-taking / banking institution (example Kosovo)



- Products
 - Liability products (current accounts, savings accounts, ...)
 - Transaction services
- Management capacities
 - Asset liability management
 - Risk management
 - Internal control and audit
 - Profit management
 - Sales and Marketing
- Systems
 - IT
 - Governance
 - Risk, ALM, control systems

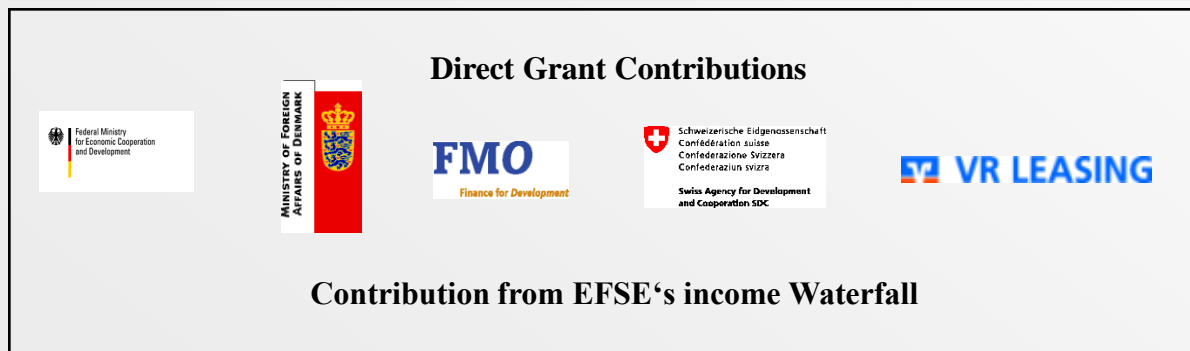


TA of the EFSE Development Facility



- Complementing financial assistance of the Fund
- Increasing outreach, mitigating investment risks, supporting development of the sector

Contributions to the Development Facility



Exemplary projects



BiH:

- Efficiency management
- Asset-liability management
- Internal audit and control
- Transformation workshops

Kosovo:

- Dedicated transformation preparation
- Transformation workshops

Areas for future activities

Principles of TA organisation:

- Open to EFSE partners and potential partners
- „TA ownership“ of the partner institutions
- Focussed TA, shorter-term and in intervals
- Combination of consulting, training and coaching
- Cost-sharing

