



**Multi-stakeholder Consultations on Financing for Development:**  
**“Building Inclusive Financial Sectors for Development”**  
**&**  
**“Regulation of Microfinance”**

Alex Trepelkov  
Deputy Director, Financing for Development Office  
Department of Economic and Social Affairs  
United Nations



## Microfinance for Small Business in Easter Europe and NIS



FfDO Mandate in Microfinance



Building Inclusive Financial Sectors for Development



Outcome: The “Blue Book”



Follow-up project on Regulation of Microfinance

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## **Microfinance for Small Business in Easter Europe and NIS**

**The large majority of existing and new business are very small and the survival rate of such businesses is very low.**

**Small businesses face difficulties in accessing financing. Loan finance remains the main source of external financing, yet it is limited.**

**Despite the flourishing of microfinance providers, around 90% of the region's microfinance demand is still unserved.**

**The main obstacles to development of microfinance are: access to funding, intense competition, the regulatory environment.**

**It is important to foster innovation, e.g. through diversification of products, strategic alliances, new technology.**



Microfinance for Small Business in Easter Europe and NIS



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Building Inclusive Financial Sectors for Development



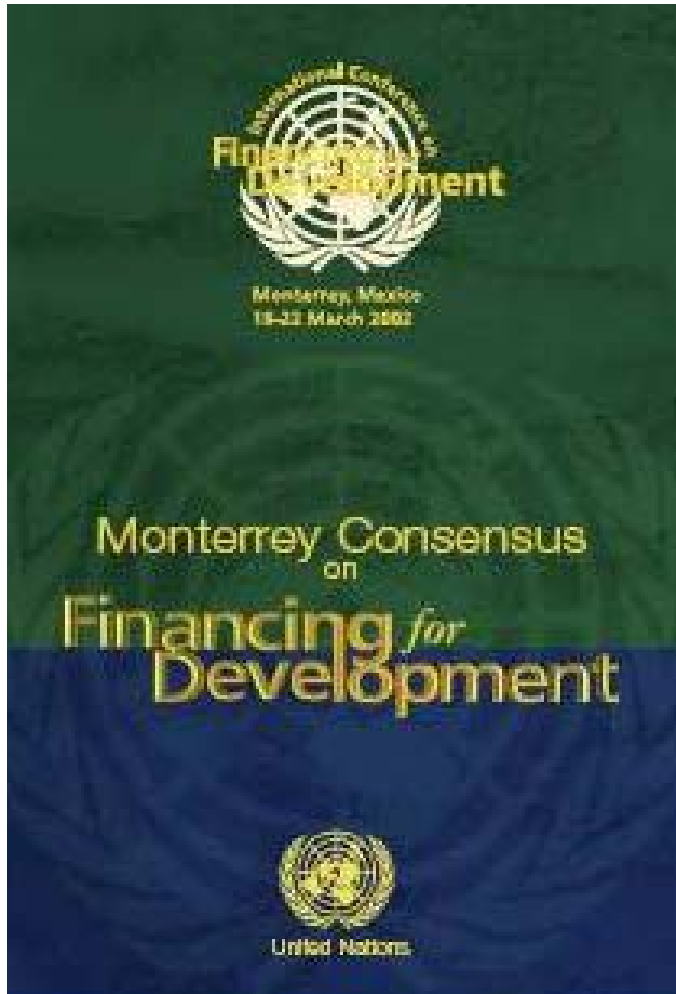
Outcome: The “Blue Book”



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## Mandate (1/2)



*FfDO*

**Resolution of the UN General Assembly  
58/230 of 23 December 2003, entitled  
“Follow-up to and implementation of the  
outcome of the International Conference on  
Financing for Development”.**

**Resolution of the UN General Assembly  
60/188 of 22 December 2005.**

## Mandate (2/2)



Photo by Adam Rogers

### *Microfinance*

**The UN General Assembly designated 2005 as the International Year of Microcredit - Resolution 53/197 of December 1998.**

**The Monterrey Consensus (2002) & the 2005 World Summit Outcome recognize the importance of microfinance for enhancing the social and economic impact of the financial sector.**

**In 2006 the General Assembly adopted resolution 61/214 on “The role of microcredit and microfinance in the eradication of poverty”.**



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## **Building Inclusive Financial Sectors for Development**

**International Year of Microcredit (2005) – Project to analyze the obstacles to financial inclusion and to report on efforts to overcome those obstacles in a variety of countries.**

**Leading agencies: FfDO & United Nations Capital Development Fund (UNCDF).**

**Supporting multilateral agency group: WB, IMF, IFAD and ILO.**

**Collaborating groups (e.g. the Advisors Group of the International Year of Microcredit, the Group of Friends of the Year of Microcredit).**

## **Multi-Stakeholder Consultations**

**Series of regional multi-stakeholder consultations: Middle East, Africa, Asia and Latin America.**

**Geneva, May 2005: Global Meeting on Building Inclusive Financial Sectors.**

**New York, November 2005: UN Forum on Building Inclusive Financial Sectors.**



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## Outcome: The “Blue Book”

The image shows the cover of a report titled "Building Inclusive Financial Sectors for Development". The cover is light blue with a faint background pattern of a globe and laurel wreath. The title is written in a dark blue, serif font. Below the title is the United Nations logo, which consists of a globe surrounded by a laurel wreath.

**Building Inclusive  
Financial Sectors  
for Development**



**“Blue Book” on Building Inclusive  
Financial Sectors for Development  
(published in May 2006)**

## Main Conclusions

Formal financial institutions do not service the lower-income segment of the market – small enterprises, microenterprises and poor households.

Inclusive finance entails:

- Access for all to a continuum of financial services.
- A multiplicity of financial institutions providing these services.
- Sound institutions.
- Financial and institutional sustainability.

There is no specific legal form and ownership structure, which can better succeed in reaching out to the poor effectively, efficiently and sustainably.

Access to financial markets is a crucial challenge for microfinance institutions.

Governments have a crucial role to play in enhancing access to finance.



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Building Inclusive Financial Sectors for Development



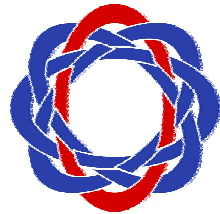
Outcome: The “Blue Book”



**Follow-up project on Regulation of Microfinance**

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## Follow-up project on Regulation of Microfinance



WORLD SAVINGS BANKS INSTITUTE



**The FfDO of DESA is working in partnership with PlaNet Finance, WSBI, the United Nations Advisors Group on Inclusive Financial Sectors and UNCDF to foster multi-stakeholder discussion on the issue of regulation of MF.**

## **Issues in Regulation of Microfinance**

**Existing analytical tools do not enable the generation of a set of detailed regulatory guidelines for microfinance.**

**The analysis will address policy issues in the regulation of MF across the range of major microfinance providers.**

**The project will address:**

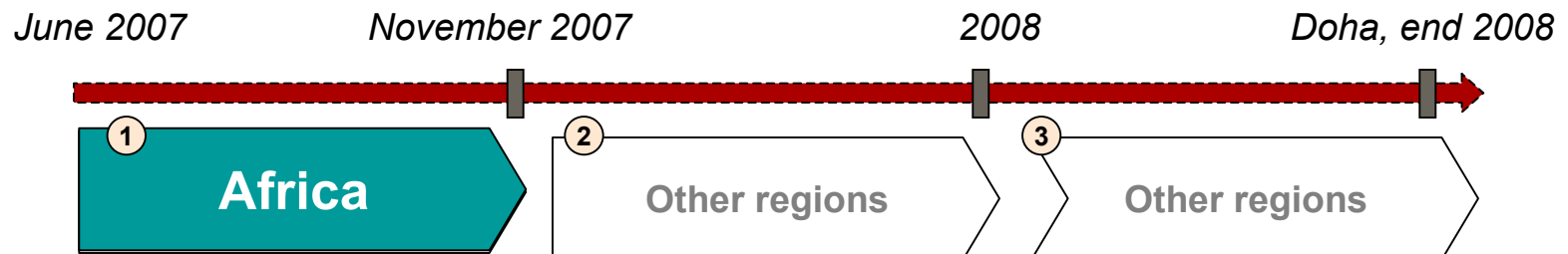
- 1. Prudential regulation of MF.**
- 2. Non-prudential regulations for MF.**
- 3. Supervisory and capacity issues.**

## Objective & Activities

**Objective:** contribute to policy making and development cooperation in the field of regulation of MF.

**Activities:**

1. Development of good practices in regulation of MF based on comparative regional studies.
2. Organization of regional conferences .



## Outcome

- 1. Publishing of a set of good practices for the regulation of MF for each developing region.**
- 2. Forums for the discussion of MF regulatory issues.**
- 3. Input to the Follow-up International Conference on Financing for Development (Doha, Qatar, end 2008).**

Thank you!

More information: [www.un.org/esa/ffd](http://www.un.org/esa/ffd)

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FOLLOW-UP PROCESS TO THE INTERNATIONAL CONFERENCE ON  
**Financing for Development**

FFD Home - Multi-Stakeholder Consultations - Dialogues by FFDO - Building an inclusive financial sector (2004-2005)

**MULTI-STAKEHOLDER CONSULTATIONS ON FINANCING FOR DEVELOPMENT**

**Dialogues managed by FFDO**

**"Building Inclusive Financial Sectors for Development"**

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