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DEVELOPING SUSTAINABLE MICROFINANCE SYSTEMS

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This paper was prepared by Mr Ashok Sharma, Project Economist, Asian Development Bank, Metro Manila, Philippines. The views expressed in the paper are those of the author and do not necessarily reflected the views of the United Nations.

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I. INTRODUCTION

1. While many factors contribute to poverty, its most obvious manifestation is insufficient household income. Both the extent of income-generating opportunities and ability to respond to such opportunities are determined to a great degree by the access to affordable financial services. Increasing the access to poor households to microfinance (MF)¹ is therefore being actively pursued worldwide. Once almost exclusively the domain of donors and experimental projects, MF has evolved during the last decade with prospects for viability, offering a broader range of services, and significant opportunities for expansion.

2. Development practitioners, policy makers, and multilateral and bilateral lenders, recognize that providing efficient MF services is important for a variety of reasons. Improved access to MF services can enable the poor to smoothen their consumption, manage their risks better, build their assets, develop their microenterprises, enhance their income earning capacity, and enjoy an improved quality of life. MF services have a significant positive impact on the depth (severity) of poverty and on specific socioeconomic variables such as children's schooling, household nutrition status, and women's empowerment.

3. Despite this, about 95 percent of some 180 million poor households in the Asia and Pacific Region (the Region) still have little access to affordable institutional MF services. Significant resources are required to meet the potential demand. The paper argues that on the supply side there is a need to build MF systems that can grow and provide MF services on permanent basis to an increasing number of the poor through domestic resource mobilization. On the demand side, there is a need to invest in social intermediation² to enable the poor to optimally utilize MF services. The paper analyzes the status of MF in the Region, discusses means to develop MF systems capable of financing their growth for sustainable expansion, and provides an overview of the MF activities supported by the Asian Development Bank (ADB).

II. MICROFINANCE IN THE ASIA AND PACIFIC REGION

4. Over 900 million people in about 180 million households in the Region are poor, earning less than \$1.00 a day. More than 670 million poor people, live in rural areas. Reliance on secondary occupations in rural areas is increasing, as agriculture can no longer meet the income needs of the growing rural population. These occupations include paid employment,

The paper was prepared by Ashok Sharma, Project Economist, Asian Development Bank. The paper discusses the analysis and approach for MF development presented in the Asian Development Bank (ADB). *Finance for the Poor: MF Development Strategy*, 2000. Manila.

¹ MF is the provision of a range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their microenterprises. MF institutions (e.g., rural banks, cooperatives, NGOs, etc.) are defined as institutions whose major business is the provision of MF services.

² Improving the condition for the excluded to access finance, for example, through grassroots training in group formation and vocational and financial skills.

microenterprises, and services such as carpenters, weavers, etc. The urban poor are engaged in self-employed businesses such as food stalls, tailoring, shoe repair, etc. Women, who are a significant proportion of the poor and suffer disproportionately from poverty, operate many of these microenterprises. Corresponding to the higher rural poverty incidence, most of the MFIs have a rural bias. Supply of MF to the urban poor has also markedly increased in recent years. In comparison with rural areas, MF service delivery in urban areas involve lower costs due to higher population density as well as better infrastructure and economic opportunities.

A. Demand for Microfinance Services

5. The poor and low-income households as well as the microenterprises they undertake differ greatly in the Region. The collective demand of these groups for financial services is large and the types of services they demand vary across households and microenterprises. This large demand and the heterogeneity of services needed across households and microenterprises and over time have created scope for commercial financial intermediation.

6. **Savings.** Poor and low-income households and their microenterprises have a large demand for safe and convenient deposit services. The poor households have the capacity and willingness to save for emergencies, investment, consumption, social obligations, education of their children and other purposes. Savings are important for microenterprises and provide them with a major source of investment funds. Extensive use of informal savings arrangements by poor households is another indicator of their demand for savings facilities. The demand for deposit services is particularly strong among poor women in the Region.

7. **Microcredit.** Demand for microcredit that originates both from households and microenterprises is also large. Poor households in the Region require microcredit to finance livelihood activities, for consumption smoothening, and to finance nonfood expenses for purposes such as education, housing improvements, and migration. Many countries in the Region have numerous small farms and their operators also require MF services. The other source of demand is nonfarm microenterprises, which cover a wide array of activities such as food preparation and processing, weaving, pottery, furniture making, and petty trading.

8. **Others.** The poor are the most vulnerable to economic and physical downturns. As a result, they forego potentially viable income-generating opportunities due to risk aversion. Therefore, the demand for insurance services among the poor is vast. For instance, micro-insurance products offered by MF institutions (MFIs) in Nepal have been subscribed to by most of the clients. This shows that the supply of such services creates its own demand because the real demand remains hidden in the absence of suitable products.

B. Supply of MF Services

9. The MF market structure varies significantly across countries depending on their stage of financial development, level of economic development, and policy environment. Most commercial banks do not serve the poor because of perceived high risks, high costs involved in small transactions, perceived low relative profitability, and inability of the poor to provide physical collateral. Thus, a segment of the poor households that has viable investment

opportunities persists in poverty for lack of access to credit at reasonable costs. Most of the poor households also find it difficult to accumulate financial savings without easy access to safe institutions that provide deposit services.

10. **Informal.** The supply of MF services is dominated by informal sources. Their collective outreach, both breadth and depth, is vast in most countries. They supply mainly short-term credit and charge higher interest rates than semiformal and formal sources. Because of the relatively greater bargaining power enjoyed by the informal suppliers in general, the terms and conditions under which services are provided do not enable the clients to fully harness economic opportunities. The informal sources operate in highly localized areas. Therefore, their contribution to financial intermediation and improvement of resource allocation is also limited.

11. **Semiformal.** Semiformal sources mainly comprise the NGOs. In virtually all countries NGOs have become important MF providers. Their involvement is important because their clients in general are poorer than those reached by many formal institutions, their services are targeted in most countries to serve poor women and services are provided largely on the basis of social collateral. The small average loan sizes of NGOs, which usually range from about \$30 to \$150 per loan account, suggest that their clients include the poorest. NGOs in some countries are trying to organize themselves into coalitions to improve MF standards and self-regulation. Some NGOs plan to graduate into formal financial institutions, illustrating the potential value of the NGO modality for expanding the services to a large number of poor households.

12. **Formal.** Formal refers to an organized, registered, and regulated system of institutions providing MF services. The involvement of formal sources in MF has increased during the last two decades. This greater involvement has stemmed from (i) the expansion of the scope of formal institutions into MF through downscaling (e.g., Government Savings Bank, Thailand); (ii) establishment of linkage programs with semiformal sources of different types (Self-help Group-Bank Linkage Programme, India); (iii) the emergence of formal institutions focused on MF (e.g., Grameen Bank of Bangladesh and Khushhalibank in Pakistan); (iv) reforms of state-owned financial institutions (e.g., unit desas of Bank Rakyat Indonesia); (v) the introduction of MF programs by the governments through nonfinancial institutions (e.g. Viet Nam Womens' Union); and (vi) entry of private sector institutions (e.g., Badan kredit-desa owned by Indonesian villagers). Cooperatives are also playing a significant role as financial intermediaries in the Region, particularly in India, Sri Lanka, Thailand, and Viet Nam. However, the formal operations concentrate mostly on providing credit facilities, and savings mobilization has yet to receive adequate attention, with few exceptions.

C. Major Achievements in Microfinance

13. The MFIs and other MF providers have expanded their outreach from a few thousand clients in the 1970s to over 10 million in the late 1990s. The developments in MF in the Region have set in motion a process of change from an activity that was entirely subsidy dependent to one that can be a viable business.

- (i) The myth that poor households cannot and do not save has been shattered. Savings can be successfully mobilized from poor households.

- (ii) Poor, especially poor women, have emerged as creditworthy clients, enabling MF service delivery at low transaction costs without relying on physical collateral.
- (iii) MF services have strengthened the social and human capital of the poor, particularly women, at the household, enterprise, and community level.
- (iv) Sustainable delivery of MF services on a large scale in some countries has generated positive developments in MF policies, practices, and institutions.
- (v) MF services have triggered a process toward broadening and deepening of rural financial markets.

D. Major Challenges

14. The achievement in MF in the Region has been impressive relative to the status in the 1970s. However, a number of major problems remain.

1. Policy Environment

15. Despite general improvement in the policy environment for financial sector programs, the policy environment for MF in many countries remains unfavorable for sustainable growth in MF operations. For example, in countries such as Viet Nam and the People's Republic of China, ceilings on interest rates limit the ability of MFIs to expand and diversify. Governments continue to intervene in MF to address the perceived market failure through channeling microcredit to target groups that are considered to have been underserved by the existing institutions. Furthermore, government programs with subsidized interest rates and poor loan collection rates undermine sustainable development of MF. As a result, most countries are crowded with poorly performing government MF programs that distort the market, discourage private sector institutions from entering the industry, and affects the integration of MF with the financial sector.

2. Inadequate Financial Infrastructure

16. Inadequate financial infrastructure, (legal, information, and supervision and regulation) is another major problem. Most governments have focused on creating institutions or special programs to disburse funds to the poor with little attention to building financial infrastructure that supports, strengthens, and ensures their sustainability. Lack of a legal framework conducive for emergence and sustainable growth of small-scale MFIs and corresponding supervisory and regulatory systems have impeded the expansion of market-based MF services by limiting their access to commercial sources of funding.

3. Limited Retail Level Institutional Capacity

17. Most retail level institutions do not have adequate capacity to expand the scope and outreach of sustainable MF services. Many institutions lack capacity to leverage funds, including public deposits, in commercial markets and are unable to provide a range of products and

services compatible with client characteristics. In the absence of an adequate network and delivery mechanisms many MFIs are unable to cost-effectively reach the poorest of the poor, particularly those concentrated in resource-poor areas and areas with low population densities.

4. Inadequate Emphasis on Financial Viability

18. Inadequate emphasis on financial viability is the most serious problem of MFIs in the Region. This prevails among many NGOs, government-directed microcredit programs, state-owned banks, and cooperatives providing MF services. As a result, only a few MFIs are sustainable; most are not moving toward sustainability and reducing subsidy dependence. Viability is important from an equity perspective because only viable institutions can leverage funds in the market to serve a significant number of clients.

5. Inadequate Investments in Agriculture and Rural Development

19. Agricultural growth, which underpins much of the growth in the rural nonfarm subsector, significantly influences rural financial market development. Inadequate investment in the sector is a major constraint on the development of sustainable MF services. The insufficient investments in physical infrastructure (especially irrigation; roads; electricity; and support services for marketing, business development, and extension) continue to increase the risk and cost of MF and particularly discourage private investments in the provision of MF services on a significant scale. Also, in the absence of economic opportunities created by growth-inducing processes, MF cannot be expected to play a significant role in poverty reduction.

6. Inadequate Investments in Social Intermediation

20. The low level of social development, a distinctive characteristic of the poor in the Region, is another major constraint. This is particularly true with respect to the poorest, women in poor households, poor in resource-poor and remote areas, and ethnic minorities. The development of sustainable MF to reach a large segment of the potential market requires supporting social intermediation on a large scale. Private sector investments in social intermediation are unlikely in view of the externalities associated with such investments.

E. Lessons Learned

21. MF is a critical element of the overarching poverty reduction objective of the ADB. During 1988-2000, ADB approved 21 MF projects and 24 projects with MF component aggregating \$741 million (Appendix, Table 1). Over the same period, 60 technical assistance projects aggregating \$31 million were also approved for social mobilization, training of clients, and institutional strengthening (Appendix, Table 2). Increasing attention is being given by ADB to sector analysis and policy dialogue for establishing self-financing MF systems, as resources required to serve the potential MF market is far beyond what funding agencies and governments can provide.

22. In general, the early MF projects did not make a significant poverty reduction impact because of their limited outreach. There was no mechanism to sustain the positive impact on a

small number of clients beyond the project period. Poor infrastructure, sluggish agricultural growth, and limited markets imposed serious limitations on the potential for broad-based growth in rural areas and access to credit could contribute little to permanent improvements in income for clients of MF projects under such conditions. Thus, to maximize their development impact, it is essential to integrate MF services with other critical measures aimed to reduce poverty.

23. Other lessons learned include:

- (i) MF is an effective way to assist and empower poor women, who make up a significant proportion of the poor and suffer disproportionately from poverty.
- (ii) MF clients are more concerned about access to services that are compatible with their requirements than about the cost of the services.
- (iii) Social mobilization is necessary to introduce the poor to a market-oriented institutional environment. This is particularly true for poor women and the poorest of the poor. It is important, however, to distinguish between financial intermediation and social intermediation in designing support programs.
- (iv) Given the diversity of demand for financial services, a broad range of institutional types is required to expand outreach.
- (v) Expansion of the outreach of savings services can have a potentially significant impact on both institutional sustainability and poverty reduction.
- (vi) Adoption of the financial system development is the key to achieving sustainable results and to maximizing development impact. This approach emphasizes an enabling policy environment, financial infrastructure, and the development of viable MFIs that can provide a variety of financial services, not just credit.
- (vii) Strong retail institutions committed to outreach and sustainability are essential for extending the permanent reach of financial services and to have a significant impact on poverty reduction. Thus, building the capacity of institutions with a commitment to reach the poor is vital.
- (viii) MF can contribute to the development of the overall financial system through integration of financial markets.

24. The collective experience of ADB and other funding agencies confirms that MF can play an important role in poverty reduction, and the economic and social benefits of MF can be large. The challenge is to mainstream good practice in MF operations and increase the outreach to the poor on a sustainable basis. Experience also indicates the importance of integrating MF operations with the broader financial system to sustain outreach.

III. TOWARDS A SUSTAINABLE MICROFINANCE SYSTEM

25. To realize the poverty reduction potential of MF, substantial continuing resources are required to provide institutional MF services to the potential clients who are currently outside of formal finance in the Region. Efficient institutional and market mechanisms are needed whereby funds can be sourced and allocated efficiently through appropriately designed and priced services to the poor for investment in agriculture and microenterprises in a profitable manner. Hence, there is a need to catalyze the growth in supply of sustainable MF services and strengthen the capacity of the potential clients to access the services. This can be facilitated through support for the following mutually reinforcing areas:

- Creating a conducive policy environment
- Developing critical financial infrastructure
- Developing viable MFIs
- Pro-poor innovations in financial technology
- Social intermediation

1. Policy Environment

26. In many countries, lack of an enabling policy environment for MF continues to be a major constraint. Relevant policy reforms for MF include interest rate reforms for microcredit and savings, creating an environment sufficiently flexible to accommodate a wide array of MF service providers to meet the diverse demand, and redefining the role of the state and the central banks in MF development to facilitate participation of private sector financial institutions. Given that nonfinancial policies such as agricultural pricing and taxation of microenterprises also have a critical role in sustainable development of MF, the policy reforms need to be extended to address such issues where they constitute significant constraints.

2. Financial Infrastructure

27. MFIs can develop sustainable commercial services on a permanent basis, and expand their scope of operations and outreach, only if they operate within an appropriate financial infrastructure such as information systems and training facilities. The legal framework and supervision and regulation of MFIs, including self-regulation and performance standards for MFIs need to be setup to facilitate sound growth and improve the capacity of MFIs to leverage funds in the market and provide competition. However, it needs to be ensured that legal and regulatory systems will not discourage financial innovations, stunt institutional growth, and prevent emergence of a diverse set of dynamic institutions. Legal barriers preventing banks from establishing business relationships with informal or semiformal bodies such as community-based organizations or self-help groups will need to be removed.

3. Developing Viable Microfinance Institutions

28. Viability is critical for expanding the outreach to achieve the primary objective of poverty reduction. The institutional development support for viability need to encompass (i) ownership and governance, (ii) diversified products and services, (iii) management information

systems and accounting policies and practices, (iv) management of portfolio quality and growth, (v) systems and procedures and financial technology for reducing transaction costs, and (vi) training facilities. In countries where state-owned agricultural and rural development banks continue to undermine development of sustainable MF operations, reform of such banks is necessary. In some circumstances, especially in transitional economies that lack appropriate institutions to efficiently provide MF, new institutions may be needed.

4. Pro-Poor Innovations

29. Those in resource-poor and low-population density areas, the poorest of the poor, and ethnic minorities often tend to be excluded by financial institutions due to risk-return considerations, although the social returns to reaching these clients may be high. Therefore, it is important to support MFIs and other financial institutions to expand the services to these categories through innovative programs and development of financial technology that contribute to breaking these barriers through pilot projects and other measures that aim at establishing linkages between formal financial institutions and informal service providers.

5. Social Intermediation

30. Investment in social intermediation is necessary to increase the capacity of the poor to access and productively use MF services. Such investments, among other things, should support (i) awareness building programs on a broad range of MF services; (ii) information dissemination on service providers; (iii) basic literacy, numeracy, and skills training for women, ethnic minorities, and other disadvantaged groups; and (iv) social mobilization for formation of community-based organizations and solidarity groups to actively participate in MF markets.

IV. CONCLUSION

31. The landscape of MF is changing as a result of increasing understanding of how the poor use money and their diverse demands for financial services can be met. Correspondingly, the MF industry is evolving into an increasingly commercial operation to serve a larger segment of the potential market. A number of challenges need to be overcome to facilitate and accelerate this process to realize the vast potential of MF. This calls for a comprehensive approach, as outlined above, that takes cognizance of the diversity of MF development issues across countries. ADB's interventions in support of MF pursue this approach to catalyze the development of sustainable MF systems in the Region. With a view to leveraging its support, ADB is coordinating with other funding agencies involved in MF and enhancing the involvement of its private sector operations in MF.

TABLE 1: ASIAN DEVELOPMENT BANK-FINANCED MICROFINANCE PROJECTS, 1988-2000

Project No.	Year of Approval	Country	Project Title	Loan ^a Amount (US\$M)
I. Microfinance Projects				
1 L940-PHI (SF)	1988	Philippines	NGO Microcredit	8.00
2 L1037-NEP (SF)	1990	Nepal	Third Small Farmers Development	30.00
4 L1066-BAN(SF)	1990	Bangladesh	Rural Training	16.30
5 L1067-BAN (SF)	1990	Bangladesh	Rural Women Employment	8.00
7 L1137-PHI (SF)	1991	Philippines	Second NGO Microcredit	30.00
9 L1213-BAN (SF)	1992	Bangladesh	Rural Poor Cooperatives	30.00
10 L1237-NEP (SF)	1993	Nepal	Microcredit for Women	5.00
11 L1290-MON (SF)	1993	Mongolia	Employment Generation	3.00
12 L1327-INO (SF)	1994	Indonesia	Microcredit Project	25.70
13 L1435-PHI (SF)	1996	Philippines	Rural Microenterprise Finance	18.12
14 L1524-BAN (SF)	1997	Bangladesh	Participatory Livestock Development	16.58
15 L1529-KGZ (SF)	1997	Kyrgyz Republic	Rural Financial Institutions	11.87
16 L1634-BAN(SF)	1998	Bangladesh	Rural Livelihood	42.26
17 L1650-NEP(SF)	1998	Nepal	Rural Microfinance	18.66
18 L1741-CAM(SF)	2000	Cambodia	Rural Credit and Savings	20.00
19 L1805-PAK(SF)	2000	Pakistan	Microfinance Sector Development Program	70.00
20 L1806-PAK(SF)	2000	Pakistan	Microfinance Sector Development Project	80.00
21 L1768-PNG(SF)	2000	Papua New Guinea	Microfinance and Employment	9.60
Sub-total				443.09

II. Projects with Microfinance Components^a

1971/972	1989	Philippines	Fisheries Sector Program	30.00
21128 (SF)	1991	Sri Lanka	Southern Province Rural Development	6.40
31179 (SF)	1992	Pakistan	NWFP Barani Area Development	7.90
4L1201-SRI (SF)	1992	Sri Lanka	Fisheries Sector Program	4.00
5L1457-VIE (SF)	1996	Viet Nam	Rural Credit Project	2.00
8L1461-NEP(SF)	1996	Nepal	Third Livestock Development	4.61
9L1531-PAK (SF)	1997	Pakistan	Dera Ghazi Khan Development	2.75
10L1549-IND(SF)	1997	India	Housing Finance	45.00
11L1550-IND(SF)	1997	India	Housing Finance	30.00
12L1551-IND	1997	India	Housing Finance	20.00
13L1583-INO	1997	Indonesia	Rural Income Generation	20.40
14L1609-NEP(SF)	1998	Nepal	Community Groundwater Irrigation Sector	12.98
15L1605-INO	1998	Indonesia	C.Sulawesi Integrated Area Dev. and Conservation	1.58
16L1672-PAK(SF)	1999	Pakistan	Malakand Rural Development	5.28
17L1771-BAN(SF)	2000	Bangladesh	Chittagong Hills Tract Rural Development	1.60
18L1758-IND	2000	India	Housing Finance II	25.00
19L1760-IND	2000	India	Housing Finance II	5.00
20L1761-IND	2000	India	Housing Finance II	10.00
21L1802-VIE(SF)	2000	Viet Nam	Rural Enterprise Finance	42.00
22L1766-INO	2000	Indonesia	Community Empowerment for Rural Development	15.00
23L1822-MON	2000	Mongolia	Agriculture Sector Project	5.50
24L1786-KGZ	2000	Kyrgyz Republic	Skills and Entrepreneurship Development	0.80
			Sub-Total	297.80
			Grand Total	740.89

^a Includes cofinancing by other agencies.

^b The amounts refer to the size of the microfinance component.

**TABLE 2: ASIAN DEVELOPMENT BANK-FINANCED TECHNICAL ASSISTANCE FOR MICROFINANCE
1988-2000**

Year	I. Project Preparatory Technical Assistance	Amount (\$)	Year	II. Advisory Technical Assistance	Amount (\$)
1989	TA 1133-NEP: Third Small Farmers	99,000	1989	TA 1092-PHI: Microenterprise Sector	595,000
	TA 1155-BAN: Non-Farm Employment Creation for Women	99,000			
	Subtotal	<u>198,000</u>			
1991	TA 1617-PHI: Rural Credit	640,000			
1993	TA 1849-INO: Microcredit	455,000	1993	TA 1871-NEP: Institutional Strengthening of ADBN	690,000
	TA 1840-MON: Employment Generation	100,000		TA 1903-NEP: Group Formation and Training of Women Beneficiaries	
	Subtotal	<u>555,000</u>		TA 2020-MON: Institutional Enhancement for Employment Generation	598,000
				Subtotal	<u>1,288,000</u>
			1994	TA 2232-BAN: Training of Cooperative and Field Staff	1,310,000
				TA 1807-BAN: Institutional Strengthening of Bangladesh Rural Development Board	600,000
				TA 2277-INO: Microcredit	1,000,000
				Subtotal	<u>2,910,000</u>
1995	TA 2293-BAN: Rural Livelihood	287,000	1995	TA 2449-KAZ: Study of Rural Credit and Savings	470,000
	TA 2410-BAN: Urban Poverty Alleviation	600,000			
	TA 2426-BAN: Participatory Livestock	598,000			
	TA 2453-KRY: Agriculture Credit	910,000			
	Subtotal	<u>2,395,000</u>			
1996	TA 2700-IND: Housing Finance Facility *	100,000	1996	TA 2601-CAM: Rural Credit Review	100,000
	TA 2634-INO: Rural Income Generation	493,000		TA 2105: Country Institutional Strengthening of Agricultural Banking Services *	205,000
	TA 2604: PAK: Malakand Rural Development *	800,000		TA 2524-THA: Institutional Strengthening of Bank of Agriculture and Agricultural Cooperatives *	500,000
	TA 2624-UZB: Rural Enterprise Development	100,000		TA 2558-PHI: Strengthening Rural Microenterprise Finance	600,000
	Subtotal	<u>1,493,000</u>		Subtotal	<u>1,405,000</u>

1997	TA 2818-CAM: Rural Credit and Savings	600,000	1997	TA 2939-PRC: Reform of the Rural Credit Cooperative System *	997,000
	TA 2836-NEP: Rural Finance	500,000		TA 2851-NEP: Third Livestock Development *	750,000
	TA 2918-PAK: Balochistan Rural Development *	800,000		Subtotal	1,747,000
	TA 2937-PAK: Rural Microfinance	600,000			
	Subtotal	2,500,000			
1998	TA 3132-PAK: Sindh Rural Development *	800,000	1998	TA 3078-BAN: Establishment of a Framework for Sustainable Microfinance	800,000
	TA 2991-VIE: Second Rural Credit *	150,000		TA 3143-PRC: International Symposium on Microfinance and Urban Unemployment in PRC	150,000
	Subtotal	950,000		Subtotal	950,000
1999	TA 3213-BAN: Chittagong Hill Tracts Rural Devt. *	500,000	1999	TA 3270-CAM: Capacity Building For Rural Financial Services	1,450,000
	TA 3288-IND: Housing Finance II *	405,000		TA 3344-IND: Strengthening Microfinance Institutions for Urban and Environmental Finance	500,000
	TA 3315-PNG: Microfinance and Employment	150,000		TA 2558-PHI: Strengthening Rural Microenterprise Finance	600,000
	TA 3254-UZB: Rural Savings and Credit Union Devt.	600,000		TA 3227-VIE: Strengthening Corporate Governance at Viet Nam Bank for Agriculture and Rural Development *	900,000
	TA 3206-VAN: Rural Financial Services	250,000		Subtotal	3,450,000
	Subtotal	1,905,000			
2000	TA 3397-MON: Rural Finance	700,000	2000	TA 3435-ETM: Microfinance	150,000
	TA 3581-NEP: Information and Communication Technology for Improved Financial Services Provision	565,000		TA 3556-ETM: Strengthening the Microfinance Policy and Legal Framework	250,000
	Subtotal	1,265,000		TA 3480-IND: Reducing Poverty in Urban India *	300,000
				TA 3413-LAO: TA Cluster for Rural Finance Development	2,020,000
				TA 3555-TAJ: Support to Rural Financial Systems Devt.	150,000
				Subtotal	2,870,000

* The scope of these TAs included microfinance, among other things.

III. Regional Technical Assistance

1992	TA 5496: Regional Workshop on Banking with the Poor	15,000
1995	TA 5634: Review of Microenterprise	300,000
1997	TA 5723: Fourth Consultative Group Forum	150,000
	TA 5744: Economic and Policy Analyses in Pacific Developing Member Countries	600,000
1999	TA 5836: Consultations on the Bank's Microfinance Development Strategy	400,000
	TA 5851: Rural Financial Systems Workshop in Central Asia	360,000
	TA 5889: Gender and Development Initiatives *	850,000
2000	TA 5950: Financial Services for Poor Women	600,000
	TA 5952: Commercialization of Microfinance	700,000
2001	TA 5984: Microfinance Outreach Initiatives for the Consultative Group to Assist the Poorest	
	Total	<u>3,875,000</u>

Grand Total (I+II+III) 31,461,000

* The scope of this TA included microfinance.