

IRAQ NATIONAL MICROFINANCE SUMMIT
Erbil, November 13-16, 2006

Session 2

Panel: “Developing Local Iraqi Microfinance Institutions”

Local Iraqi microfinance institutions discuss their perspectives.

The panel is made up of senior management or board members of the three indigenous microfinance institutions (MFIs) operating in Iraq. Participants and panelists discussed issues relating to the establishment and operation of MFIs in Iraq, including:

- The process of establishing a local MFI
 - Security
 - Ease of ingress and egress for staff and advisors
 - Same for clientele
 - Assessment of risk level for all concerned
 - Registration
 - Challenges involving registration of an MFI
 - Board selection
 - Representative of clientele to be served
 - Roll of the board in day to day management
 - Staff recruitment
 - Local staff available?
 - Experience and qualifications
 - Training needs
 - Market survey
 - Type of clientele
 - Demand for financial services
 - Identify target clientele
 - Loan products
 - Products suited for target clientele
- Market potential and target clientele
 - Basis for determining market penetration
 - Market surveys, local knowledge
 - Target clientele – does this change by location, staffing, etc.?
 - Urban vs. rural area
 - Experience of loan officers
- Site location for head office and branches
 - Criteria for site location
 - Client service
 - Proximity to banks, other support facilities
 - Security for office and staff
 - Pressure from donors

Session 2 (continued)

- Selection and training of staff
 - Availability of qualified staff
 - Often difficult to find experienced people
 - Minimum qualifications
 - Training needs
 - Availability of training
 - Recommended training programs
 - Results of training on staff performance

- Lessons learned
 - Things that really worked
 - Things that should never be done
 - Reporting to donor issues