

## RISK MANAGEMENT GATEWAY LIVE: SHARING COACHING EXPERIENCES FROM LEADING MFIs

**Moderator** Yves MATHIEU (ATTF)

**Panellists** Alex SILVA (Omtrix)

Nawal KERDOUGLI (Open Space Risk Assessment for Microfinance Institutions)

**Speakers** Samuel GRAND (ATTF expert, coach of Xac Bank, Mongolia)

Dragisa LUKIC (Partner Microcredit Foundation with Yves Deceuninck, ATTF expert)

Sami Ben ACHOUR (Enda Inter-Arabe, Tunisia)

Sameh AL-MAHARIQ (National Microfinance Bank, Jordan with Yves Mathieu, ATTF expert)



The second contribution of the Risk Management workshop organized by ADA, ATTF and PRIM to the European Microfinance Week was a panel discussion about the coaching exercise which was organized in the framework of this workshop.

In addition to their participation at the workshop, microfinance institutions were given the opportunity to apply for some dedicated assistance under a coaching process delivered by Luxembourgish risk managers. This initiative is funded by the Luxembourg Ministry of Finance. Part of the agreement is that beneficiaries of this support have to present results of the coaching exercise during the following year's workshop to show participants the added value provided by this assistance.

This year four MFIs, following their participation in the 2009 edition of the workshop, presented their experience to-

gether with their coaches; Xac Bank from Mongolia, Enda Interarabe from Tunisia, Partner Microcredit Foundation from Bosnia-Herzegovina and Microfinance National Bank from Jordan. Two experts had been invited to comment on their experiences, Alex Silva of Omtrix, a Costa Rican consulting firm managing the risk management facility for Latin-America and Caribbean and Nawal Kerdougli of Open Space, a French risk management initiative with the purpose of setting-up a tool for self-assessment of risks for MFIs.

The MFI representatives and their coaches expressed their satisfaction about the method and recommended to participants to apply for this valuable experience, which for them led to concrete results and improvements.

## RISK MANAGEMENT FOR MFIs: LESSONS LEARNED FROM THE IMPLEMENTATION OF “THE RISK MANAGEMENT FACILITY” (RMF)

**Speakers** Alex SILVA (Omtrix/Risk Management Facility-RMF)



### PRESENTATIONS

This session, prepared by Alex SILVA on The Risk Management Facility, a donor-funded technical assistance facility in Latin-America and the Caribbean, was an opportunity to join two Luxembourgish initiatives in the area of microfinance, e-MFP's European Microfinance Week and the Microfinance Risk Management workshop organized by ADA, ATTF and PRiM. This workshop has been organized yearly by these partners to provide professional training about risk management to a selection of leading MFIs already engaged in a process of setting-up or improving their risk management procedures. The first workshop in 2008 was the result of a survey on this subject after an interactive session at the 2006 European Microfinance Week.

Mr. Silva continued by presenting the Facility, which is administered by Omtrix and supported by various international donors. It aims to provide risk manuals, management tools and training to MFIs, based on international standards and best practices, tailored to meet the needs and realities of the microfinance industry and taking also into account national regulations and contexts. It addresses credit risks, market risk (stemming from interest rates, foreign exchange, and prices), operational risk, liquidity risk and other risks such as reputational and legal risks. He explained the procedures and organizational structure of the facility and that the facility has assisted 17 MFIs in 8 countries, since its inception in 2008. This session gave Mr. Silva an opportunity to share his experience and show what pitfalls should be avoided, principally linked to poor information systems and data, weak organization of the function and finally un-adapted processes, including communication.

The session was quite interactive, due to the number of EMW participants who attended it and the importance of the subject today in the microfinance sector. As a conclusion, Alex Silva informed participants that due to its success, there are discussions between the different initiators to duplicate or extend this initiative into Africa to provide the microfinance industry in this region with better perspectives for sustainability.

