

AccessFinance

A NEWSLETTER PUBLISHED BY THE FINANCIAL & PRIVATE SECTOR DEVELOPMENT VICE PRESIDENCY

AccessFinance is a bi-monthly newsletter which disseminates information on improving access to financial services. The four key pillars highlighted are: **Inclusive Financial Systems, Credit Reporting, Payment Systems and Remittances.**

INCLUSIVE FINANCIAL SYSTEMS

[Expanding Access to Insurance for the Poor in Eastern and Southern Africa.](#)

The seminar will gather insurance companies operating in Eastern and Southern Africa that are underwriting or planning to get involved in serving the poor. Regulators and supervisors of the insurance industry in Eastern and Southern Africa are also invited, and would benefit from the discussion of different business models that serve the poor and enabling environment.

Organized by the World Bank Group in cooperation with Uganda Insurance Association and Africa Re. March 2-4, 2009.

([more Inclusive Financial Systems page 3.](#))

PAYMENT SYSTEMS

[Redefining the Landscape of Payment Systems.](#)

This year's conference "Redefining the Landscape of Payment Systems" has two main objectives: i) discuss those topics currently at the heart of the international debate, and ii) challenge the international payment systems community on whether new approaches are necessary to better address current weaknesses. Cape Town, South Africa. April 7 - 10, 2009.

[Understanding Risk Management in Emerging Retail Payments.](#)

This article describes an economic framework for understanding risk control in retail payments. Risk control is a special type of good because it can protect one payment participant without diminishing the protection of other participants. Federal Reserve Bank of New York, by Michele Braun, James McAndrews, William Roberds, and Richard Sullivan. September 2008.

([more Payment Systems page 7.](#))

Bank Financing for SMEs around the World: Drivers, Obstacles, Business Models, and Lending Practice

The financing of small and medium-size enterprises (SMEs) has been a subject of great interest both to policy-makers and researchers because of the significance of SMEs in private sectors around the world. More importantly, a number of studies using firm-level survey data have shown that SMEs not only perceive access to finance and the cost of credit to be greater obstacles than large firms, but these factors constrain SMEs (i.e., affect their performance) more than large firms.

By Thorsten Beck (CentER, Department of Economics, Tilburg University and CEPR), Asli Demirgüç-Kunt (World Bank), and María Soledad Martínez Pería (World Bank)

Furthermore, there is often the perception among policy-makers that banks, especially large ones, are not interested in financing SMEs. However, little research exists on the supply side of bank financing across countries. This article describes recently completed research that tries to fill this void in the literature and to inform policy-makers about whether, why, and how banks are financing SMEs around the world. This study shows that the lending environment is more important in shaping bank financing to SMEs than firm size or bank ownership type.

Using newly gathered data collected through a survey of 91 banks operating in 45 countries, this study documents the state of bank financing to SMEs. First, the study examines how banks perceive the SME segment, discussing the factors driving and impeding SME financing. On the driving side, the role of the segment's profitability vis-à-vis other factors, such as competition and thinning margins in other segments is analyzed. In terms of obstacles, the study examines the importance of competition in the segment as well as of macroeconomic, regulatory, contractual, SME-specific, and/or bank specific factors.

The study also analyzes the role of government programs and of prudential regulations in driving and deterring SME finance. Second, the study describes the business models banks have adopted to serve SMEs. Here the study considers whether banks have set up separate departments and/or decentralized their operations to serve SMEs. Also, the study looks into banks' use of scoring models to approve loans and investigates the main criteria banks consider when evaluating a loan, including the availability and types of collateral. Finally, the study quantifies the extent and type of bank lending to SMEs.

([read more](#))

CREDIT REPORTING

[Jordan to introduce credit bureau legislation with IFC and USAID.](#)

IFC has signed an agreement with USAID and Jordan to support the country's efforts to establish a legal framework for credit bureaus, institutions that will help individuals and smaller businesses access finance, boosting the overall economy. *Trade Finance*. December 10, 2008.

([more Credit Reporting page 6.](#))

REMITTANCES

[Remittances and economic growth in developing countries.](#)

This paper examines the effect of workers' remittances on economic growth in a sample of 39 developing countries using panel data from 1980-2004 resulting in 195 observations. A standard growth model is estimated using both fixed-effects and random-effects approaches. The *European Journal of Development Research*, by Gyan Pradhana, Mukti Upadhyayb and Kamal Upadhyayac, September 2008.

[International Research Conference on Remittances.](#)

The Bangko Sentral ng Pilipinas (BSP) is inviting policymakers, academics and researchers to participate in the International Research Conference on Remittances. The conference is a two-day event intended to provide a venue for discussing the macroeconomic consequences and policy implications of remittance flows in the Philippines and the rest of Asia. Manila, Philippines, March 30-31, 2009.

([more Remittances page 8.](#))

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Bank Financing for SMEs around the World (continued from page 1)

In particular, it examines the ratio of total loans going to SMEs, the percentage of applications approved, the share of loans financing investment, the share of secured loans, the share of non-performing loans, and the loan fees and interest rates associated with SME lending. Wherever possible, the study compares SME to large firm financing. Also, the study contrasts the behavior of banks in developed and developing countries, as well as the practices of government, private (domestic), and foreign-owned banks.

This research focuses on banks as opposed to other financial institutions because studies have shown that banks are the main source of external finance for SMEs across countries.¹ Furthermore, the study concentrates on large banks due to their systemic importance and their significance as potential SME financiers. Until recently, a large literature had argued that small banks are more prone to finance SMEs because they are better suited to engage in “relationship lending”, a type of financing based primarily on “soft” information gathered by the loan officer through continuous, personalized, direct contacts with SMEs, their owners and managers, and the local community in which they operate, to mitigate opacity problems.² However, some recent studies³ have disputed this conventional wisdom and argued that large banks, relative to other institutions, can have a comparative advantage at financing SMEs through arms-length lending technologies (eg., asset-based lending, factoring, leasing, fixed-asset lending, credit scoring, etc.) instead of relationship lending.⁴ Hence, this study’s focus on large banks is also justified by this recent literature.

The data gathered and analyzed in this study shows that banks perceive the SME segment as being very profitable. Banks’ reaction to government programs supporting SME finance is positive and prudential regulations are not considered a hurdle. Instead, banks perceive macroeconomic instability in developing countries and competition in developed countries as the main obstacles impeding SME finance. To serve SMEs, banks have set up dedicated departments and have decentralized the sale of financial products to the branches. However, the loan approval, risk management, and loan recovery functions remain centralized. Relative to large firms, banks are less exposed to small firms, charge them higher interest rates and fees, and, in relative terms, experience more non-performing loans from lending to them. Compared to other bank types, foreign banks are more likely to engage in arms-length financing - they tend to rely more on scoring, are more likely to make loan decisions based on quantifiable information, and prefer to use real estate as collateral. Despite some differences in SME financing across bank ownership types, the most significant differences are found comparing banks in developed and developing countries. In particular, banks in developing countries are less exposed to SMEs, tend to provide a smaller share of investment loans, and charge higher fees and interest rates to SMEs relative to banks in developed countries.

While a large literature has used firm-level data to analyze differences in access to finance by firm size, this study is a first step in better understanding SME financing from the supply side. Going forward, it would be interesting to expand the number of banks and countries surveyed in order to see if we can corroborate these findings in a larger sample. Also, it would be useful to explore in greater depth what drives differences across developed and developing countries and between different bank ownership types. Finally, combining demand-side data, such as firm-level surveys, and supply data, as presented in this study, might allow identifying the remaining bottlenecks in SME lending and thus help policy makers develop priorities.

Article for AccessFinance based on “[Bank Financing for SMEs around the World: Drivers, Obstacles, Business Models, and Lending Practices](#)” by Thorsten Beck (CentER, Department of Economics, Tilburg University and CEPR), Asli Demirgüç-Kunt (World Bank), and María Soledad Martínez Peria (World Bank). World Bank Policy Research Working Paper 4785.

*This study is related to and extends the work presented in de la Torre, Martínez Peria, and Schmukler (2008).

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¹ See Beck, Demirguc-Kunt, and Maskimovic (2008).

² See Berger, Kayshap, and Scalise (1995), Keeton (1995), Berger and Udell (1996), and Strahan and Weston (1996).

³ See Berger and Udell (2006), Berger, Rosen and Udell (2007), and de la Torre, Martínez Peria and Schmukler (2008).

⁴ Large banks are also the ones with the most extensive branch networks and, hence, the ones most accessible to SMEs, at least in terms of location.

INCLUSIVE FINANCIAL SYSTEMS

NEWS

[Another View: A Local Fix for a Global Mess.](#) Elisabeth Rhyne, managing director of the Center for Financial Inclusion at Acción International, argues that the seeds of a more sustainable global finance industry might be found in microfinance, in which local lenders provide very small business loans and other financial services. A banking "microgrid," in which each institution operates a locally-grounded business, could help stabilize world markets. *Dealbook blog, New York Times*. January 27, 2009.

[The Battle for the Soul of Microfinance.](#) This article criticizes the overly moralistic tenor of the debate around microfinance, pointing out that what we really need is better empirical evidence of the kind produced through randomized trials and transparency to consumers on the terms of microfinance loans. *Financial Times*. December 6, 2008.

[From Microcredit into Microinsurance.](#) Insurers should think small to tap into one of their biggest opportunities for growth: serving poor people. Like their counterparts in development markets, the populations in emerging markets demand the range of financial services, including savings, remittances and insurance. Insurance is especially needed. The way to capitalize on this massive and growing demand is via microinsurance. *Forbes*. November 26, 2008.

[Global Economy Tests African Microcredit Channels.](#) Micro finance institutions that borrow from banks are facing higher interest rates and in some cases, drying up funds. This has this cascading effect as microfinance groups pass higher interest rates on. Microcredit Summit Campaign Director Sam Daley-Harris says the regulatory environment needs to be such that microfinance groups could 'on-lend' savings and bypass the global financial crisis as they go directly to the community for savings. *Voice of America*. October 24, 2008.

RECENT PUBLICATIONS

["Borrower runs."](#) Microfinance institutions and other lenders in developing countries rely on the promise of future loans to induce repayment. However, if borrowers expect that others will default, and so loans will no longer be available in the future, then they will default as well. We refer to such contagion as a borrower run. The optimal lending contract must provide additional repayment incentives to counter this tendency to default. *Journal of Development Economics* by Philip Bond & Ashok S. Rai. March 2009.

[The Cost of Ownership in Microfinance Organizations.](#) The author compares the ownership-cost of shareholders firms (SHFs), non-profit organizations (NPOs), and cooperatives (COOPs) involved in microfinance. A theoretical framework is laid out to understand ownership-costs in microfinance organizations (MFOs) better. The author proposes that cost-variables related to market contracting favor NPOs and COOPs, whereas most cost-variables related to the practice of ownership favor SHFs and conclude that what best serves the customers is the coexistence of ownership types and call for empirical research to test this theory. *World Development* by Roy Merslanda. February 2009.

[Modeling the Potential Impact of Catastrophic Weather on Crop Insurance Industry Portfolio Losses.](#) This article discusses ways in which catastrophe risk modeling can be used in agriculture as a planning tool to anticipate the likelihood and severity of potential future weather-based catastrophic events, ultimately permitting crop insurance companies and policy makers to better prepare for the financial impact of natural disasters. The authors anticipate increased interest and participation from the global reinsurance market serving the U.S. crop insurance program as well as the development and use of novel risk management instruments that will complement traditional reinsurance. Oscar Vergara, Gerhard Zuba, Tim Doggett, and Jack Seaquist. December 2008.

INCLUSIVE FINANCIAL SYSTEMS

RECENT PUBLICATIONS (continued)

[Credit Risk in Financing SME in Romania.](#) Romania's integration in the European Union brought about some major changes in our banking system. One of the direct consequences is the fierce competition between banks for supremacy on the market. According to this, the Romanian banks saw in the SMEs sector a true potential for reaching their goal and they proceeded to conquer it by conceiving unique products, specially designed to reach the financial needs of this segment. Moreover, banks often come up with new attractive offers and cost reductions for the SMEs sector. In this context the authors examine: the effective risk banks accept to take by providing the offers, specific risks in financing this sector, the problem of the balance between risk and profit return. December 2008.

[Pursuing Efficiency While Maintaining Outreach: Bank Privatization in Tanzania.](#) Profitability improvements after the privatization of a large state-owned bank might come at the expense of reduced access to financial services for some groups, especially the rural poor. The privatization of Tanzania's National Bank of Commerce provides a unique episode for studying this issue. Robert Cull and Connor P. Spreng. December 2008.

[Bank Financing for SMEs around the World: Drivers, Obstacles, Business Models, and Lending Practices.](#) Using data from a survey of 91 banks in 45 countries, the authors characterize bank financing to small and medium enterprises (SMEs) around the world. They find that banks perceive the SME segment to be highly profitable, but perceive macroeconomic instability in developing countries and competition in developed countries as the main obstacles. Overall, the evidence suggests that the lending environment is more important than firm size or bank ownership type in shaping bank financing to SMEs. World Bank by Thorsten Beck, Asli Demirgüç-Kunt, and María Soledad Martínez Pería. November 2008.

[Are Women More Credit Constrained? Experimental Evidence on Gender and Microenterprise Returns.](#) This paper analyzes data from a randomized experiment on mean returns to capital in Sri Lankan micro-enterprises and findings show greater returns among men than among women; indeed, returns were not different from zero for women. The authors explore different explanations for the lower returns among female owners, and find no evidence that the gender gap is explained by differences in ability, risk aversion, or entrepreneurial attitudes. World Bank, by Suresh de Mel, David McKenzie, and Christopher Woodruff. October 2008.

[Markets and Housing Finance.](#) The authors examine the extent to which markets enable the provision of housing finance across a wide range of countries. Housing is a major purchase requiring long-term financing, and the factors that are associated with well-functioning housing finance systems are those that enable the provision of long-term finance. Across all countries, controlling for country size, we find that countries with stronger legal rights for borrowers and lenders (through collateral and bankruptcy laws), deeper credit information systems, and a more stable macroeconomic environment have deeper housing finance systems. *Journal of Housing Economics* by Warnock, Veronica Cacadac & Warnock, Francis E. September 2008.

[Housing Finance Policy in Emerging Markets.](#) This book provides a guide for policymakers dealing with housing finance in emerging markets. It highlights the prerequisites for an effective housing finance system; it lays out several policy alternatives and models of housing finance; and it explores the role of governments in expanding access to housing finance for lower-income households. There is no "best" model set out in this book. The aim is to provide a developmental roadmap that can be tailored and sequenced to each country's situation and timing. World Bank. Book. Coming Soon.

INCLUSIVE FINANCIAL SYSTEMS (continued)

UPCOMING EVENTS

[Building a Successful Agricultural Lending Business Today.](#) This program will highlight best practices in meeting challenges and in helping you build a successful agricultural lending portfolio. The program objectives are to understand the current agricultural commodity/industry landscape; enhance profitability in lending portfolios; review methods of analyzing individual loans; examine the importance of conducting loan portfolio studies on problem commodities; identify, measure and monitor the risks attached to agricultural lending; determine problem loans and dealing with delinquencies; conduct internal credit review and due diligence reviews for lenders. The Banking Academy, Kuala Lumpur, Malaysia. February 16-17, 2009.

[Expanding Access to Insurance for the Poor in Eastern and Southern Africa.](#) The seminar will gather insurance companies operating in Eastern and Southern Africa that are underwriting or planning to get involved in serving the poor. These business plans would be shared and discussed in an open format. Regulators and supervisors of the insurance industry in Eastern and Southern Africa are also invited, and would benefit from the discussion of different business models that serve the poor and enabling environment. Organized by the World Bank Group in cooperation with Uganda Insurance Association and Africa Re. March 2-4, 2009.

[Financial Access: Evidence from Household Surveys.](#) This conference will focus on addressing the following three questions: How is household access best measured? What interventions promote access? And what impact does access have on household welfare? *Mark your calendars.* Organized by the World Bank Group. March 12-13, 2009.

[Business Planning and Financial Projections with Microfin.](#) This course guides participants through a step-by-step process for developing a business plan and financial projections for a microfinance institution using Microfin 4.0, the sophisticated financial projections software that was developed by the facilitators of this training course, Chuck Waterfield and Tony Sheldon, with financial support from CGAP, Women's World Banking, and Sida. Washington, DC. April 27-May 1, 2009.

[Microfinance Centre \(MFC\) Regional Conference.](#) MFC for Central and Eastern Europe and the New Independent States has announced their latest regional conference. Additional details on the registration process and conference agenda to be disclosed. *Mark your calendars.* Belgrade, Serbia. May 25-27, 2009.

[Micro Banking Summer Academy.](#) Conducted by the Frankfurt School of Finance & Management. Micro Banking Summer Academy combines the innovation of microfinance with the sophistication of banking knowledge and is interactive and hands-on. We mix experience with innovation. Frankfurt, Germany. Three course offerings:

Microfinance Principles. In this weekend seminar key success factors of dynamic microfinance institutions will be discussed. You will also learn how to assess whether a microfinance institution is doing a good job. July 3-5, 2009.

MFI Management. In this one-week seminar three key issues relevant for smaller MFIs will be looked at: financial management, operational management, and leading organizational change. July 5-10, 2009.

Commercial Micro Banking. In this one-week seminar commercialization issues will dug into: advanced risk management, product diversification, new technologies, diversification of funding sources, and strategic planning. July 12-17, 2009.

UPCOMING EVENTS (continued)

[Housing Finance Summer Academy.](#) Conducted by the Frankfurt School of Finance & Management. In its second year, the Housing Finance Summer Academy aims to help participants develop the tools necessary to implement and/or improve mortgage lending operations in their financial institution. Practitioners will obtain deeper insights into diverse strategies aimed at improving and refining their existing operations. Frankfurt, Germany. July 26-31, 2009.

PAST EVENTS

[Microfinance as a Tool for Peacebuilding, International Symposium.](#) How can microfinance serve as a tool to promote peace and stability for victims of conflict? How to support the successful operation and expansion of Microfinance Institutions (MFIs) in conflict-afflicted societies like Colombia and others? These are the main objectives of this year's international symposium on Microfinance as a Tool for Peacebuilding, taking place in Cali, Columbia. January 22-23, 2009.

[European Microfinance Week 2008.](#) European Microfinance Platform organizes the annual European Microfinance Week which offers, through panels and interactive discussions, the opportunity to learn more about the strategies of fellow European microfinance actors and contribute to the European responses to global microfinance challenges, share experiences regarding topics of interest and get involved in an e-MFP working group. Luxembourg. November 27-29, 2008.

[CITI-FT Financial Education Summit 2008 - Reducing Financial Vulnerability: Innovation & Impact.](#) The fifth Financial Education Summit will be one of the largest and most significant international gatherings of financial education experts and advocates ever held, with more than 300 representatives of financial institutions, government agencies, multilateral bodies, non-governmental organizations, educational groups and private business. This summit will be a platform to share best practices in developing, delivering and evaluating financial education initiatives from around the world. Organized by CITI and Financial Times. Sponsors include International Finance Corporation (IFC). Beijing, China. November 25-26, 2008.

NEWSLETTERS

[ADB Finance for the Poor.](#) A quarterly newsletter of the Focal Point for Microfinance by the Asian Development Bank (ADB).

[CGAP - Focus Note.](#) The Focus Note Series is CGAP's primary vehicle for dissemination to governments, donors, and private financial institutions on best practices in microfinance.

[CGAP Briefs.](#) CGAP Briefs offer concise two-page presentations of issues affecting microfinance programming and operations.

[EMN Newsletter.](#) European Microfinance Network (EMN) produces a quarterly e-newsletter that contains the latest news on the sector and information on EMN activities and events, policy developments, member news and profiles, and feature articles on topics relevant to microfinance.

[FinMark News.](#) A monthly newsletter published by FinMark Trust.

[FIC.](#) A Monthly newsletter from Financial Institutions Consulting, Inc.

[Global News.](#) A monthly newsletter issued by Planet Finance.

INCLUSIVE FINANCIAL SYSTEMS (continued)

NEWSLETTERS (continued)

[InSight Bulletin](#). As short, frequent, one-topic bulletins, the ACCION InSight series highlights ACCION's policy viewpoints and ongoing research in the microfinance field.

[INSME news](#). IN Small and Medium Enterprises news is a monthly newsletter by the INSME Secretariat about its current activities and issues related to innovation and technology transfer for SMEs.

[Microfinance Capital Markets Update](#). Is produced and edited by CGAP and the Microfinance Information eXchange (the MIX), and it is dedicated to microfinance capital markets news.

[Microcredit Summit Campaign Countdown 2005](#). A newsletter on microcredit best practices issued by the Microcredit Summit Campaign.

[MicroSave Briefing Notes](#). The Briefing Notes series is a compilation of short, focused, easy to read, summaries of key issues and ideas from MicroSave's core research and the Action Research Programme.

[Microinsurance Focus](#). MicroInsurance Focus is managed by the CGAP Working Group on Microinsurance.

[MicroLINKS Connections](#). A monthly publication by USAID. This newsletter is up-to-date information on the microenterprise work USAID Missions and partners are doing across the world.

[RAFI Notes](#). A series of technical notes produced by USAID's Rural and Agricultural Finance Initiative that informs USAID Missions and partners about the critical questions and potential solutions related to rural and agricultural finance services.

[Rural Finance Update](#). A monthly newsletter by The Rural Finance Learning Centre. This newsletter highlights new developments in the Learning Centre and any important activities from the field.

[WWB Quarterly](#). E-newsletter produced by The Women's World Banking focusing on its publications, awards and events.

[The MicroBanking Bulletin](#). Benchmarking source for the microfinance industry used by investors, donors and other service providers to facilitate greater standardization and a better understanding of the development of the microfinance sector.

LINKS

[Financial Access Initiative](#). The Financial Access Initiative is a consortium of leading development economists focused on substantially expanding access to quality financial services for low-income individuals.

[ACCION](#). ACCION International is a private, nonprofit organization with the mission of giving people the financial tools they need – microenterprise loans, business training and other financial services – to work their way out of poverty.

[IPA - Innovations for Poverty Action](#). Develop innovative solutions to poverty and policy problems worldwide. Disseminate results of successful evaluations to development practitioners and policymakers.

LINKS (continued)

[International Finance Corporation – SME](#). This site provides an overview of how IFC supports small and medium-sized enterprises (SMEs) through investments and advisory work. Promoting the growth of SMEs in developing countries is an important part of our private sector development mission.

[CGAP](#). Building Financial Systems for the Poor. CGAP is a consortium of 28 public and private development agencies working together to expand access to financial services for the poor in developing countries.

[Development Gateway](#). This site includes resources on the provision of financial services to entrepreneurs and micro business in developing countries.

[DGRV](#). Deutscher Genossenschafts- und Raiffeisenverband e.V. (German Co-operative and Raiffeisen Confederation). This is the website of the national apex organization of the German co-operative sector, which has experience in building and supporting cooperative systems in many East European Countries and CIS, Latin America, Africa and Asia.

[Finance and Private Sector Research](#). The World Bank Finance and Private Sector research has just been brought together in one team. This reflects the centrality of finance to private sector development and vice versa and the fact that large parts of both sub-disciplines revolve around the behavior and performance of firms. This website is maintained by the World Bank's Development Research Group.

[FinMark Trust](#) aims to promote and support policy and institutional development towards the objective of increasing access to financial services by the un- and under-banked of southern Africa (South Africa, Botswana, Lesotho, Swaziland and Namibia).

[Finscope](#). A FinMark Trust initiative is the most comprehensive national household survey focused on the financial services needs and usage across the entire South and Southern African population.

[Global Development Research Center](#). Virtual Library on Microcredit. Articles and links to the principle organizations active in the field of microfinance.

[Good and Bad Practices in Microinsurance](#). This site hosts a series of case studies developed by the ILO's Social Finance Programme on behalf of the CGAP Working Group on Microinsurance.

[International Year of Microcredit 2005](#). The Year of Microcredit 2005 calls for building inclusive financial sectors and strengthening the powerful, but often untapped, entrepreneurial spirit existing in communities around the world.

[Micro-Credit Ratings International Ltd \(M-CRIL\)](#). M-CRIL produces ratings of microfinance institutions in Asia.

[Microfinance Gateway](#). Information for and about the microfinance industry, including research and publications, specialized resource centers, organization and consultant profiles, and the latest news, events, and job opportunities in microfinance.

[MicroSave](#). This website offers practical guidance in the form of research papers, briefing notes, training toolkits and other resources on market-led microfinance.

[Planet Finance](#). The mission of Planet Finance is to support microfinance programs in countries with operations of Planet Finance.

INCLUSIVE FINANCIAL SYSTEMS (continued)

LINKS (continued)

[Rural Finance](#). Access to financial services in rural areas contributes to increasing economic development and poverty reduction. However, such access is generally scarce in rural areas of most developing countries. World Bank, ARD.

[Rural Finance Learning Centre](#). This is a website dedicated to providing access to the best materials for capacity building in the field of rural finance.

[The Microfinance Information eXchange \(MIX\)](#). The MIX aims to promote information exchange in the microfinance industry. The MIX Market strives to facilitate exchange and investment flows, promote transparency and improve reporting standards in the microfinance industry.

[The Rating Fund](#). The Microfinance Rating and Assessment Fund. This website is maintained by The Inter-American Development Bank (IDB), The Consultative Group to Assist the Poor (CGAP) and The European Union.

[The SEEP Network](#). The Small Enterprise Education and Promotion Network provide access to recent documents, programs, working groups.

[World Bank – Inclusive Financial Systems](#). Latest reports, publications, events, analysis, policy notes and more related to this topic.

[World Council of Credit Unions](#). WOCCU is a representative organization and a platform for knowledge exchange and development for credit unions worldwide.

[World Savings Bank Institute](#). WSBI is one of the largest international banking associations and the only global representative of savings and retail banks. It works closely with international financial institutions and donor agencies and facilitates banking projects to develop world-wide financial sector.

[Women's World Banking](#). The WWB network aims to create the possibility for a low income woman to build her business and assets, improve her living conditions, keep her family well-fed and healthy, educate her children, develop respect at home and in her community, and secure a political voice.

CREDIT REPORTING

NEWS

[IFC Lays Groundwork for Developing Credit Bureaus in Central Asia](#). IFC is reinforcing its work with credit bureaus to help lenders identify and avoid client over-indebtedness. As part of its response to the global financial crisis and support of financial markets, IFC launched an initiative in 2008 to develop legislation related to sharing credit information in Azerbaijan and Central Asia. IFC. December 16, 2008.

[Jordan to Introduce Credit Bureau Legislation with IFC and USAID](#). IFC has signed an agreement with USAID and Jordan to support the country's efforts to establish a legal framework for credit bureaus, institutions that will help individuals and smaller businesses access finance, boosting the overall economy. *Trade Finance*. December 10, 2008.

[Credit Reference Bureau Takes Root](#). Uganda made the first step towards eliminating access to credit as one of the greatest barriers and constraints to doing business when the Bank of Uganda (BoU) officially launched the Credit Reference Bureau (CRB). *East African Business Week*. December 8, 2008.

CREDIT REPORTING (continued)

RECENT PUBLICATIONS

[The Emergence of Information Sharing in Credit Markets](#). This paper provides the first systematic empirical analysis of how asymmetric information and competition in the credit market affect voluntary information sharing between lenders. It studies an experimental credit market in which information sharing can help lenders to distinguish good borrowers from bad ones. Lenders may, however, also lose market power by sharing information with competitors. Results suggest that asymmetric information in the credit market increases the frequency of information sharing between lenders significantly. Stronger competition between lenders reduces information sharing. In credit markets where lenders may fail to coordinate on sharing information, the degree of information asymmetry, rather than lender competition, drives actual information sharing behavior. By Martin Brown and Christian Zehnder. January 2009.

UPCOMING EVENTS

[InterACT09 – The Decision Management Conference](#). Navigating the volatile terrain of today's financial markets requires steady leadership, intelligent strategies, and an analytical approach. InterACT 09 showcases expert guides of the new risk landscape who will show you how to effectively manage risk, predict customer behavior, and turn compliance into competitive advantage during a time of turbulence. Fair Isaac. New York City, March 10 – 13, 2009.

[CRC Credit Scoring Conference 2009 - Credit Research Centre](#). The mission of the Credit Research Centre is to conduct research into theory and practices of all aspects of credit, and especially consumer credit, to the highest possible standards. Credit Research Centre. Edinburgh, UK. August 26-28, 2009.

PAST EVENTS

[National Approaches to Credit Registry Creation and the Resultant Consumer Protection Implications](#). IDLO (International Development Law Organization - Rome) organized a forum on Microfinance and Credit Reporting. The forum was attended via videoconference by delegations from Tanzania, Bangladesh, India and Morocco. IFC led the discussions, which was followed by ample debate. January 21, 2009.

[3rd World Credit Reporting Conference: Public Policy & Innovative Solutions for Emerging Markets](#). The conference gathered policy makers and practitioners in credit reporting, and regulators from developed and emerging markets to discuss public policy issues and credit reporting best practices, and to share experiences in regulating the credit reporting industry. Participants shared their experience and brainstormed on the ways to promote responsible lending practices. Organized by International Finance Corporation (IFC). Rio de Janeiro, Brazil, October 21 - 23, 2008. [Conference materials are available online](#).

[World Consumer Credit Reporting Conference \(WCCRC\)](#). The conference focused discussions on various issues of global concern and tackled as well some regional developments. Organized by SERASA, Experian, Consumer Data Industry Association (CDIA) and Association of Consumer Credit Information Suppliers (ACCIS), Rio de Janeiro, Brazil. October 19 -21, 2008. Conference materials are now available at: www.wccr2008.com.

[Small and Medium Enterprise \(SME\) Credit Scoring and Basel II Compliance](#). The purpose of this course was to give participants an overview of the methodologies involved in developing internal credit scoring models for SMEs. Its primary objective was to illustrate how well-understood scoring models might be adapted and/or constructed to overcome a number of common problems in assessing credit risk for SMEs. Euromoney Training EMEA. Athens, Greece. September 22 – 25, 2008. [\(back to front page\)](#)

CREDIT REPORTING (continued)

NEWSLETTERS

[ViewPoints](#). Bi-monthly publication by Fair Isaac Corporation.

LINKS

[Financial Infrastructure – Credit Bureaus](#). This website contains the latest news on the sector, publications and more related to credit bureaus and IFC's work around the world.

[Doing Business](#) provides objective measures of business regulations and their enforcement across 178 countries and selected cities at the subnational and regional level.

PAYMENT SYSTEMS

NEWS

[Mobile Payment: Potential and Reality for Nigeria](#). The ability to pay for goods and services without having to carry cash or cards has universal appeal. In Africa it is being driven by the need to reduce the risk of theft. The mobile is ideal because it is cheap and ubiquitous and can authenticate the payer and payee and record the transaction. *Nigeriatelecoms*, January 14, 2009.

[Focus Stock: Global Payments Rings Up Growth](#). S&P likes the payment processing outfit's expansion into international markets and ranks the "attractively valued" shares strong buy. *BusinessWeek*, January 13, 2009.

[Consumer Credit Cards Greater Worry Than Mortgages](#). Royal Bank of Canada Chief Executive Officer Gordon Nixon said he's more concerned about rising defaults on credit-card debt than on mortgages as unemployment rises amid a recession. "That would be a portfolio that would be, in my view, much more immediately impacted as a result of a downturn than you'd see in the mortgage portfolio." *Bloomberg*, January 8, 2008.

RECENT PUBLICATIONS

[Benefits of Open Payment Systems and the Role of Interchange](#). This publication explains the economic value that electronic payments bring to the economy as a whole and their role in advancing commerce. Mastercard. 2009.

[Statistics on payment and settlement systems in selected countries – Figures for 2007](#). This is an annual publication that provides data on payments and payment and settlement systems in the Committee on Payment and Settlement Systems (CPSS) countries. Bank for International Settlements. November 2008.

[Understanding Risk Management in Emerging Retail Payments](#). This article describes an economic framework for understanding risk control in retail payments. Risk control is a special type of good because it can protect one payment participant without diminishing the protection of other participants. Federal Reserve Bank of New York, by Michele Braun, James McAndrews, William Roberds, and Richard Sullivan. September 2008.

[Global Trends in Large-Value Payments](#). This article presents ten major long-range trends in the settlement of large-value payments worldwide. The trends are driven by technological innovation, structural changes in banking, and the evolution of central bank policies. Federal Reserve Bank of New York, by Morten L. Bech, Christine Preisig, and Kimmo Soramäki September 2008.

PAYMENT SYSTEMS (continued)

RECENT PUBLICATIONS (continued)

[An Agent-Based Model of Payment Systems](#). This paper lays out and simulates a multi-agent, multi-period model of an RTGS payment system. At the beginning of the day, banks choose how much costly liquidity to allocate to the settlement process. Then, they use it to execute an exogenous, random stream of payment orders. Bank of England, by Marco Galbiati and Kimmo Soramäki. August 2008.

[The Federal Reserve's Role in Retail Payments](#). The U.S. retail payments system is in the midst of a transformation. The shift from paper to electronics, the emergence of new instruments and payments channels, the rise in nonbank participation, the change in risk profiles—all are elements of this new landscape. The Federal Reserve takes as one of its mandates fostering a payments system that is safe, efficient, and accessible. How does the Federal Reserve fulfill this mandate in this new environment? Federal Reserve Bank of Kansas City, by Stuart Weiner. 2008.

UPCOMING EVENTS

[Mobile Payments and Commerce](#). A focus on the recent developments of mobile payments to sustain commerce and other economic activities. Brussels, Belgium, March 17-18, 2009.

[IFSA's 5th Annual Payments Symposium](#). This year's conference will focus on the issues and challenges facing today's funds transfer professional. The conference will provide the audience with the opportunity to learn and network at sessions covering the latest financial services topics. Organized by the International Financial Services Association. New York, NY, March 31-April 2, 2009.

[Redefining the Landscape of Payment Systems](#). This year's conference "Redefining the Landscape of Payment Systems" has two main objectives: i) discuss those topics currently at the heart of the international debate, and ii) challenge the international payment systems community on whether new approaches are necessary to better address current weaknesses. Cape Town, South Africa. April 7 – 10, 2009.

[International Payment System Summit 2009](#). The programme is driven by extensive research with the payments community, thus ensuring that we cover all the topics at the top of your agenda and the stream formatting enables you to create your own agenda over the three days. London, UK. 11 – 14 May, 2009.

PAST EVENTS

[Banknet's Fifth Annual Conference on Payment Systems](#). The conference will provide the opportunity to get immediate insight on Role of Payment Systems in the financial stability, developments & trends in various payment & alternate channels and related areas. The conference will be of great significance for bankers, Payment Solution or Software Providers and vendors. Organized by Banknet Group. Mumbai, India, January 9, 2009.

[Mobile Banking for Poor People: Pioneer Perspectives](#). A CGAP roundtable and webinar. A lively discussion on how mobile phone banking can deliver a range of financial services to poor people and change lives for the better. Consultative Group for Assistance to the Poor –CGAP. World Bank Headquarters, Washington DC. December 11, 2008.

PAYMENT SYSTEMS (continued)

PAST EVENTS (continued)

[Fundamentals of Smart Cards for Payment](#). The second webinar, "Fundamentals of Smart Cards for Payment," provided a foundation on the basics of smart card technology, applications and standards. The webinar covered contact and contactless versions of smart cards, applications for payments such as credit, debit, EMV, mobile, and transit, and other applications and standards. Organized by The Electronic Transactions Association and the Smart Card Alliance. Webinar. November 18, 2008.

[Research Conference on Payment Systems](#). Norges Bank (the central bank of Norway) has conducted an extensive survey of costs for all parties involved in retail payment transactions. Results of this survey were made available in the early fall of 2008. On this occasion Norges Bank organized a research conference on payment systems. Oslo, Norway. November 14-15, 2008.

[Banking on Mobiles: Why, How, for Whom?](#) The promise of mobile banking is well known; harder to find are examples of solid implementation and mass roll out beyond payments and transfers. In "Banking on Mobiles: Why, How, for Whom?" CGAP examined the business case and deployment options for smaller banks and microfinance institutions. Organized by CGAP. Washington DC. October 1, 2008.

[IFSA'S 2008 Annual Conference](#). The conference provides the audience with the opportunity to learn and network at sessions covering the latest financial services topics. Organized by the International Financial Services Association. Florida, September 28 - October 1, 2008.

NEWSLETTERS

[Electronic Payments Journal](#). The Electronic Payments Journal is published by NACHA - The Electronic Payments Association. It provides ACH news and payments system information.

[International Banking Systems](#). Provides latest news and analysis - across wholesale banking, retail banking, private banking and trade finance - under one roof.

[Journal of Payments Strategy & Systems](#). Provides practical yet intellectually rigorous analysis of developments and trends in payments methods, markets and products, demonstrating how successful payments strategies have been designed and implemented.

[SPEED](#), a new quarterly journal from Central Banking Publications, focuses on policy developments affecting financial infrastructures at the national and international levels.

[Dialogue](#), the Voice of the SWIFT Community. The dialogue that takes place each year at Sibos inspired this magazine. It is designed to keep SWIFT's conversation going throughout the year.

LINKS

[World Bank Payment Systems](#). Latest reports, publications, events, analysis, policy notes and more related to this topic.

[Bank for International Settlements](#). The Bank for International Settlements (BIS) is an international organization which fosters international monetary and financial cooperation and serves as a bank for central banks.

LINKS (continued)

[CISPI](#). Cooperation in the Commonwealth of Independent States. Payment and Securities Settlement Initiative.

[Citadel Advantage](#) provides back office system specialist services, specifically covering operations risk mitigation, payments, and liquidity & treasury systems. The company provides services relating to the design, functionality, risk mitigation and operation (including payment flow control and liquidity management) of Payment Systems and associated Back Office operations activities.

[Eurogiro Network](#). Eurogiro is a low value payment solution between banks and postal organizations.

[Payment News](#). This website presents the latest news on the Payment System industry.

[SWIFT](#). This website provides news and information for the Swift community.

[Western Hemisphere Payment & Securities Settlement Forum](#). The Western Hemisphere Payments and Securities Clearance and Settlement Initiative (WHI) has become a regional forum to discuss relevant issues in the field of payments and securities clearance and settlement.

REMITTANCES

NEWS

[Colombia Reports Sharp Drop in Remittances](#). New government figures show that Colombians living abroad are sending less money to their home country — though it's too early to say if it's a trend. CNBC, January 19, 2009.

[In Dubai Slowdown, Remittances Under Pressure](#). As signs of a deep downturn in the Gulf state's once-buoyant property market multiply, those migrant workers who aren't forced to return are having problems sending money home, and their declining remittances may be a significant drag on the economies of South Asia. *Reuters*, January 12, 2009.

RECENT PUBLICATIONS

[Outlook for Remittance Flows 2008=2010](#). Growth is expected to moderate significantly, but flows will remain resilient, according to a recent study from the Migration and Remittances Team, Development Prospects Group of the World Bank, by Dilip Ratha, Sanket Mohapatra and Zhimei Xu, November 11, 2008.

[A Link Between Workers' Remittances and Business Cycles in Germany and Turkey](#). This paper examines the cyclical interactions between the remittances of Turkish workers in Germany and output in both Turkey and Germany. The analysis introduces a new data set covering 1962 to 2004, never used before in the research literature and considered to be a more reliable source than the data sets used in other studies. *Emerging Markets Finance & Trade*, by S*ule Akkoyunlu and Konstantin A. Kholodilin. October 2008.

[Remittances and economic growth in developing countries](#). This paper examines the effect of workers' remittances on economic growth in a sample of 39 developing countries using panel data from 1980–2004 resulting in 195 observations. A standard growth model is estimated using both fixed-effects and random-effects approaches. *The European Journal of Development Research*, by Gyan Pradhana, Mukti Upadhyayb and Kamal Upadhyayac, September 2008.

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REMITTANCES (continued)

RECENT PUBLICATIONS (continued)

[Labor Migration, Remittances and Economic Well-Being of Households in the Philippines.](#) The research reported here examines the extent to which remittances sent by Filipino overseas workers increase the income and standard of living of households in the Philippines. Data for the analysis were obtained from a representative sample of 2,388 households drawn in 1999–2000 from four major “labor sending” areas in the Philippines. Population Research and Policy Review, by Moshe Semyonov and Anastasia Gorodzeisky. June 2008.

UPCOMING EVENTS

[International Research Conference on Remittances.](#) The Bangko Sentral ng Pilipinas (BSP) is inviting policymakers, academics and researchers to participate in the **International Research Conference on Remittances**. The conference is a two-day event intended to provide a venue for discussing the macroeconomic consequences and policy implications of remittance flows in the Philippines and the rest of Asia. Manila, Philippines, March 30-31, 2009.

[2009 International Forum on Remittances.](#) This year’s forum will mainly focus on remittances to and within the African continent. The objective of the forum is to raise awareness among different stakeholders in the remittance market and highlight the potential benefits that remittances can bring to the social and economic development of the African continent. Organized by the International Fund for Agricultural Development (IFAD), Nairobi, Kenya. June 2009.

[Worker’s Remittances. Creating New Markets Opportunities.](#) Over 100 attendees gathered in Berlin for ICBI’s first annual conference on Workers’ Remittances. All the key players in the industry were represented including money transfer operators; banks; national and government organisations; academics; research organisations; and lawyers and regulators. The issues covered ranged from the scale and potential business opportunity of workers’ remittances to new Delivery channels for remittance: Where Do the Opportunities Lie? Organized by ICBI. Rome. June 2009.

PAST EVENTS

[Money Transfers London 2008.](#) Participants discussed the business development, investment opportunities and service standards in money transfers. The leaders of the industry shared their views on how the remittances will evolve. Regulators and governmental agencies from around the world revealed the recent and forthcoming changes in the money transfers and financial services regulatory environment. Organized by International Association of Money Transfer Networks. London. November 17-18, 2008.

[Mobile Money Transfer \(MMT\).](#) The MMT conference drew on the experiences of the people who have “got their hands dirty” launching and marketing MMT programmes to millions of customers. Sponsored by SEMOPS-UAE. Dubai, November 10 - 11, 2008.

[Remittances Public/Private Partnership Meeting.](#) The first meeting of the Remittances Public Private Partnership will take place in the context of the Global Payments Week 2008 organized by the World Bank. Working sessions were held on legal and regulatory issues, industry codes of conduct, and information disclosure mechanisms. Vienna, Austria. September 12, 2008.

NEWSLETTERS

[Migrant Remittances Newsletter](#) Migrant Remittances is jointly supported by USAID’s Microenterprise Development office and DFID.

[Money Transfer Newsletter.](#) The newsletter is maintained by The International Association of Money Transfer Networks and provides weekly and monthly updates.

[The National Money Transmitters Association, Inc \(NMTA\).](#) The NMTA was born out of the need of money transmitters to have a voice in shaping and developing this industry. The NMTA channels the concerns of licensed money transmitters and other constituent sectors and provides a mechanism to address issues that impact our business with the strength and support of a national organization.

LINKS

[World Bank – Remittance Price Database.](#) The database monitors the evolution of costs to remitters and beneficiaries of sending and receiving money.

[World Bank Issue Briefs– Migration and Remittances.](#) Latest reports, publications, events, analysis, policy notes and more related to this topic.

[A Technical Guide to Remittances.](#) The Credit Union Experience. Discusses the current operating environment for remittances, provides an overview of WOCCU’s IRnet service and details how WOCCU has facilitated mass remittance distributions by partnering with money transfer operators.

[Institute for the Study of International Migration.](#) Research Consortium on Remittances in Conflict and Crises.

[International Organization for Migration \(IOM\).](#) IOM is the leading inter-governmental organization in the field of migration and works closely with governmental, intergovernmental and non-governmental partners.

[Global Commission on International Migration.](#) Launched by the United Nations Secretary-General and a number of governments on December 9, 2003 in Geneva. It is comprised of 19 Commissioners, is independent and was given the mandate to provide the framework for the formulation of a coherent, comprehensive and global response to the issue of international migration.

[Livelihoods Connect – Hot Topics: Remittances.](#) This webpage maintained by DFID includes conferences, papers, newsletters and links.

[MicroLINKS.](#) Remittances & Transfers. This site maintained by USAID includes documents related to remittances.

[Remittances.eu.](#) This website is maintained by the Foundation for International Migration and Development (FIMD), which aims to bring together experts, academia and migrant organizations to share knowledge and experience in the field of migration and development.

[Sending Money Home.](#) This site shows a range of money transfer products and services. The UK Government has financed a survey to help the users compare these services and choose the right deal.