



Panel Discussion on “Regulation of Microfinance”

Tuesday, 10 April 2007, 3 p.m. – 5:30 p.m., Conference Room 7

Due to the expansion of microfinance (MF) through new institutions, downscaling of services by regulated banks, and transformation of small non-governmental service providers into major financial institutions, it has been increasingly recognized that MF activities need to be brought under the financial sector’s regulatory framework. In many countries, this framework is underdeveloped, in others partially applied. Retail financial institutions are often frustrated by the incompatibility of the existing regulatory framework with their growth trajectory. The legal, regulatory and supervisory frameworks are challenged to not only keep up with, but lead the way for the development of inclusive finance. Policy makers and regulators need to identify the opportunities for inclusion while respecting the fundamental principles of safeguarding the stability of the financial system and protecting funds deposited in regulated financial institutions. There is a rich literature on issues and guiding principles of regulation and supervision of MF. Nevertheless, it is recognized that existing analytical tools do not enable the generation of a set of detailed regulatory guidelines based on universal principles. Rather, comparative studies have found that countries take diverse and distinct approaches to addressing the key issues in MF regulation. Many issues remain unresolved and need to be urgently addressed in a multi-stakeholders environment.

Programme

- 3:00 – 3:15 *Opening Remarks by the Chair/Moderator*
Mr. José Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs
- 3:15 – 4:30 *Presentations:*
- Mr. Joselito Gallardo**, Counsellor, Business Outreach Center Network
Approaches to Regulating Microfinance: a Comparative Analysis
- Mr. Arnaud Ventura**, Vice President, PlaNet Finance & President & CEO, MicroCred
Regulatory Obstacles to Private Sector Investment in Microfinance
- Mr. Mark Bienstman**, Senior Adviser for Institutional Relations, World Savings Banks Institute (WSBI)/European Savings Banks Group (ESBG)
A Level Playing Field for All Microfinance Providers
- Mr. Richard Weingarten**, Executive Secretary, United Nations Capital Development Fund (UNCDF)
Initiatives Supporting the Development of Regulatory Frameworks for Microfinance
- 4:30 – 5:30 *Interactive Discussion*

Biographical Notes

Mr. José Antonio Ocampo has a BA in Economics and Sociology from the University of Notre Dame and a Ph.D. in Economics from Yale University. Prior to assuming his present position as United Nations Under-Secretary-General for Economic and Social Affairs on 1 September 2003, Mr. Ocampo served as Executive Secretary of UN-ECLAC. He held a number of posts in the Government of Colombia, including those of Minister of Finance and Public Credit, Director of the National Planning Department and Minister of Agriculture. As an academic, he has been Director of the Foundation for Higher Education and Development, Professor of Economics at Universidad de los Andes and Universidad Nacional de Colombia and Visiting Professor at Cambridge, Yale and Oxford Universities. He is the author of numerous books, monographs and articles on macroeconomics policy and theory, international financial and monetary issues, economic development, international trade and Colombian and Latin American economic history. Mr. Ocampo has received a number of personal honors and distinctions, including the Alejandro Angel Escobar National Science Award.

Mr. Joselito Gallardo is Counsellor for the Business Outreach Center Network. Previously, was Senior Financial Sector Specialist at the World Bank. Mr. Gallardo has over 20 years experience in financial sector development in the Philippines, Southeast Asia and the United States. Mr. Gallardo works on issues pertaining to access to financial services for rural, micro and small business enterprises and low income households; regulation and supervision of non-bank finance companies, microfinance institutions, and financial cooperatives; micro-insurance and contractual savings; financial intermediation mechanisms and techniques; restructuring of banks and non-bank financial institutions; housing finance and secondary market institutions. Mr. Gallardo holds an M.A. in Development Economics from Williams College and has completed all PhD coursework in Economics from Stanford University.

Mr. Arnaud Ventura co-founded PlaNet Finance in 1998. He developed the organisation as its Managing Director until 2005 when he founded Microcred, a microfinance holding company initiated by four founding shareholders: PlaNet Finance, IFC, Société Générale and Axa Bank. At present, Mr. Ventura is Vice President of PlaNet Finance and President and CEO of MicroCred. Mr. Ventura has been directly involved in the design and negotiation of large consulting and technical assistance projects, he participated in the creation of PlaNet Rating, PlaNet Finance's rating agency, and he has fostered the development of the investment advisory activity of PlaNet Finance. Before founding PlaNet Finance, he was consultant in the IT Industry in Asia for Internet Thailand, founder and director of NGO-NET and IT Advisor for BNP-Paribas.

Mr. Mark Bienstman is Senior Adviser Institutional Relations, World Savings Banks Institute (WSBI)/European Savings Banks Group (ESBG). Mr. Bienstman is an economist and worked for various years for the Cabinet of the Belgian Minister of Finance. He also has banking experience at management level in several banks such as ASLK-CGER Bank, the biggest state owned bank in Belgium, MBA, Paribas Belgium, the Bank of New York and Crédit Agricole. He has actively participated in several merger and acquisition as well as privatisation projects. Mr. Bienstman holds a PhD in Economic Science from the State University Ghent, Belgium.

Mr. Richard Weingarten was appointed as the Executive Secretary of UNCDF in August 2005. He worked as financial adviser and investment banker. He started his career as Special Counsel to the Chairman of Securities and Exchange Commission in 1976. For more than ten years was President of Richard Weingarten and Company Inc., which provided financial advisory and investment banking services to a wide variety of clients in both the private and non-profit sectors. Prior to starting his firm, he worked as a Managing Director for Bear Stearns and Co., Inc., and as a Vice-President for Alex Brown and Sons Inc. Mr. Weingarten holds a J.D. from Antioch School of Law in Washington D.C. and a Bachelor of Arts in Political Economy and History from Yale University.