



HOUSE OF COMMONS
LONDON SW1A 0AA

The All-Party Parliamentary Group on Microfinance

AGM, 13 July 2011, Room W4, House of Commons

Attendees

Harriett Baldwin MP
Lord Boateng
Annette Brooke MP
Stephen Lloyd MP
Mary Macleod MP

Brittany Fletcher, Office of Stephen Lloyd MP
Julia Modern, Coordinator, APPG on Microfinance
James Dennison, Parliamentary Researcher to Anne Marie Morris MP
Michael Shantry, Office of Anne Marie Morris MP

Election of Officers

Annette Brooke MP, outgoing Chair of the APPG on Microfinance, introduced the election and asked for nominations for officers. She proposed that the APPG adopt a system of Co-Chairs with Annette, Harriett Baldwin MP and Lord Boateng acting as Co-Chairs from each of the main political parties. This motion was carried with no objections.

Annette then proposed Stephen Lloyd MP and Mary Macleod MP as Vice-Chairs. This motion was also carried with no objections.

Review of the last year

Annette Brooke commented that the last year had been an extremely active time for the APPG, and expressed her thanks to the staff of the Secretariat for their work.

Julia Modern then talked through the document reviewing the APPG's activities over the last year, in particular highlighting the recently completed [parliamentary inquiry](#) into the impact of microfinance on poverty, which resulted in the report '[Helping or Hurting: what role for microfinance in the fight against poverty?](#)' She also mentioned that Annette Brooke MP, Co-Chair of the APPG, received a letter from Alan Duncan MP, the Minister of State for International Development, which welcomed the report and pledged to provide an official response from DFID to the report's recommendations by the end of July.

Feedback and future ideas

Julia fed back from suggestions received from members of the public following the launch of the inquiry report as to the direction that the APPG should take from here:

- Picking up on the central recommendation of the report that microfinance institutions need to better manage their social performance, the APPG should carry out work looking at how this can be promoted and/or enforced in practice;

- We should use the report as leverage to influence key international bodies such as the UN to promote better microfinance practices;
- We should continue working on innovation in microfinance, particularly following the inquiry's finding that the sector is unbalanced and services other than credit – particularly savings and insurance – need to be scaled up.
- More attention should be paid to gender issues. Although the inquiry did address gender, Dr Susan Johnson who spoke at the launch of the report felt that it did not go far enough.
- Fragile states: DFID is planning to dramatically increase its support for microfinance in fragile states. We looked into this issue in the inquiry and found that this is a very complex issue which we were not able to fully address with the resources and time available.
- Islamic microfinance, which is a growth area in the sector and raises some unique and interesting issues.
- The links between different economic sectors, particularly how microentrepreneurs can be supported to move into the small and medium enterprise sector and how links between microentrepreneurs and new markets can be supported. Again this was an area covered in the inquiry, with particular recommendations from participants in the oral evidence sessions and launch that the APPG pay more attention to it.

There was broad agreement that the APPG should leverage the report and carry out lobbying on social performance management and potentially accreditation. Annette mentioned that if Sam Daley-Harris passes through the UK we could ask him to speak on the accreditation issue and Julia mentioned involving the Social Performance Taskforce and other groups.

Lord Boateng picked up on the issue of fragile states. He mentioned the case of Somaliland, describing it as a brave enclave in the chaos of Somalia, and asked how we can assist DFID in bringing functioning financial markets to fragile states. Stephen is also keen to work on this issue because it is a departure for DFID. He suggested trying to get a speaker from BRAC Afghanistan. Julia raised the issue of resources and explained that due to the complexity of the issue it will need quite a lot of input to be done properly. Ideally this would involve a visit to microfinance programmes in a fragile state. It was suggested that the bulk of this work be delayed until next year, and that we try to mobilise additional resources to support it.

Brittany Fletcher asked about connections to the current disastrous drought in the Horn of Africa and asked how the issue of microinsurance intersects with food security and if we could get involved in the debate around this issue.

James Dennison asked whether the APPG focuses exclusively on domestic microfinance or whether it also covers microfinance in the UK. Stephen Lloyd responded to say that until now the focus has been on microfinance internationally, but that he would be very interested in integrating microfinance in the UK into the APPG's work because he believes there are areas in his constituency where microfinance could provide help. James said that Anne Marie Morris MP would be very interested in the group if it does work on the UK as well. Julia commented that the reason we have focused almost exclusively on international issues thus far is the limitations on capacity of the group, which has just a part-time secretariat provided by RESULTS UK, which is an international development charity. The conclusion was that the group would like to work on UK issues as well but this would require further resources – for example the APPG on TB has a full-time staff member acting as the secretariat and covers both international and UK TB.

Stephen asked whether the APPG should get more involved in supporting Muhammad Yunus in his persecution by the Bangladesh government. Annette responded that she had not wanted to take a very

public stance on this issue, for example tabling an EDM, but that we have invited Professor Yunus to address the APPG and Julia is currently working on arranging this meeting. Lord Boateng supported Annette's stance on this and commented that it is important for the APPG to retain its objectivity and to simply stand up for the interests of poor people.

Annette said she would like the APPG to do more on the gender issue this year, dedicating a meeting to it and getting Dr Susan Johnson in again to expand on her views. This could potentially be with the APPG on equality and link in to international women's day. Annette also suggested getting Street Cred, which works with Bangladeshi women in East London, involved in order to cover some domestic issues as well as international.

Finally it was noted that the APPG could apply for an hour and a half adjournment debate on our inquiry and the Government's response once this is received.

Funding of the APPG

Julia also highlighted that the group has received no financial support in the last year other than the contribution from RESULTS UK, which provides a part-time secretariat and paid for the printing of the inquiry report. She said that the lack of resources is a big constraint on the group's capacity and that it is not sustainable under the current staffing of the secretariat to continue with the level of output that has been produced during 2010/11.

A discussion on potential sources of finance followed, with Brittany Fletcher and Stephen Lloyd MP mentioning NESTA, who hosted an event in London with Muhammad Yunus recently, which Annette and Stephen attended. Stephen was due to meet representatives of NESTA next week but now has a bill committee at the same time. Brittany will attend, and Stephen suggested that Annette could go along as well if she is available. Brittany will liaise with Annette's office to arrange this.

Harriett Baldwin MP suggested that Mastercard may be interested, and Lord Boateng added his support to this idea as the company is interested in getting into emerging markets. It was suggested that first contact be made through Annette, and Harriett will forward on her contacts.

Annette also mentioned the possibility of approaching phone companies, particularly Vodaphone. Stephen supported this idea, as mobile phone technology has been crucial to expanding access to banking particularly in East Africa.

Mary Macleod commented that it is very important to be able to make a specific ask of any organisations we approach for funding. She suggested we need to be able to request a precise level of funding. Julia mentioned that the APPG secretariat had put together a business case with costings for a two-year programme, but that this is out of date and needs work. Stephen requested that it be circulated to the officers, and Julia agreed to bring it up to date and send it around.

Review of the APPG's Mission Statement

At the launch of the APPG's inquiry report the group agreed to revise the mission statement included on the APPG register in order to better reflect the current activities of the group. At the AGM it was decided that the new mission statement will read: 'To raise awareness of microfinance and the role it can play in reducing poverty; to improve the practice and delivery of microfinance; and to provide a forum for communicating new developments in the field of microfinance and associated services.'