



Additional documents to Brief N°3

- 1. Presentation of the 5 MBOs studied in the publication**
- 2. Bibliography**

Table of contents

1. Presentation of the 5 MBOs studied in the publication	3
1.1. Kafo Jiginew - Mali	3
1.2. Crédit Rural de Guinée (CRG) - Guinea	5
1.3. Cooperativa Los Andes (LA) - Peru	8
1.4. Cooperativa Jardín Azuayo (JA) - Ecuador	10
1.5. Cresol - Brazil.....	12
2. Bibliography	15

Introduction note: The 2 sections of this document complement the e-MFP Brief N°3 on “How do microfinance member based organizations successfully serve rural areas: The role of Governance and strategic alliances”. They give more detailed information about the 5 Member Based Organizations studied as well as a complete bibliography related to the study.

1. Presentation of the 5 MBOs studied in the publication

1.1. Kafo Jiginew - Mali

Kafo Jiginew is a Malian MBO, established in 1987 in the cotton area (South of Mali). Mali is one of the poorest countries in the world. In 2010, with a Human Development Indicator (HDI) reaching only 0.309, it is ranked at the 160th position out of 169.

The first formal Malian microfinance institutions were created in mid-80's. Kafo Jiginew was one of the pioneers together with the CVECA (*Caisses Villageoise d'Épargne et de Crédit Autogérées*). During the 90's, the Malian microfinance sector knew a huge expansion (Levard and Diop, 2005). Today the sector is still very dynamic and in December 2009, 125 institutions served more than one million of Malians and collected 52 billion FCFA of savings and provided 73.5 billion of credits (Report CCS/SFD 2009). Downscaling dynamics are also very common with around nine banks having started to provide microfinance services.

The microfinance sector in Mali, as well as in other WAEMU¹ countries, used to be regulated by the Parmec Law² for cooperatives and a specific framework convention for other MFI status. This regulation favored the cooperative status. However, in April 2007, this regulation was reviewed as a new law which covered all MFIs was created (*Loi uniforme portant sur la réglementation des SFD - 2007 & BCEAO Instruction N° 010-08-2010*). The new regulation aims mainly to reinforce the supervision of the sector, to make more places for shareholder firm MFIs and to strengthen the prudential norms. This evolution is pushing the MBOs to professionalize and will increase competition due to the emergence of shareholder firms. Regarding cooperatives, the supervisory institutions are currently pushing them to group into networks in order to have a more structured sector that is easier to control.

Kafo Jiginew has a substantial place in Malian microfinance sector. In December 2010, it represented 26% of the total MBOs membership, 28% of total savings, 24% of loan portfolio and 23% of total capital (Kafo Jiginew, RA, 2010). Kafo Jiginew is a network of financial local MBOs created in 1987 in the South of Mali to provide financial services to cotton producers. This initiative was supported by the "Consortium Européen pour le Crédit Coopératif Malien", which grouped five European NGOs: le Comité Français pour la Solidarité Internationale (CFSI), SOS Faim Belgique, Deutsche Welthungerhilfe (Germany), Mani Tese (Italy) and la Fondation du Crédit Coopératif (France). In 1994, Kafo Jiginew went through a period of tensions, which led to its independence. The French director resigned and Mr. Alou Sidibé became the first Malian director.

Between 1994 and 2001, Kafo Jiginew was only present in the South of Mali, which is the cotton zone and its membership was largely dominated by cotton producers. Kafo Jiginew

¹ The West African Economic and Monetary Union (WAEMU) or the *Union Économique et Monétaire Ouest Africaine* (UEMOA) is composed of Benin, Burkina Faso, Republic of Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. These all countries share a common microfinance regulatory law.

² The Parmec Law was edited in 1993 and regulated the cooperative MFIs in WAEMU countries.

used to be known as the “Cotton Producers’ Bank”. Consequently, its activity was closely linked with cotton production and Kafo Jiginew benefited from one of the most lucrative agricultural activity in Mali until 2000. However, the dependency risk was high. At the end of 90’s, when the cotton price started to fall down on the international market, Kafo Jiginew felt the critical necessity for diversification. Consequently, it decided to extend its activities to new urban and rural areas. In 2001, the first service point is set up in Bamako. In 2005, asserting its strategy, Kafo Jiginew launched a large plan of diversification: It reinforces its establishment in urban zones, especially Bamako, and, in 2009, it extends to new areas, such as the Office du Niger.

In parallel to this diversification strategy, Kafo Jiginew has conducted policies that favor the professionalization and the reconfiguration of the network. This leads to a huge merging process. In 2009, the network reduced the number of local MBOs (first-tier nodes of the network) from 113 to only 19; however, Kafo Jiginew conserves its 167 service points to maintain an easy access for its members. Kafo Jiginew is a three level network. Local MBOs are grouped in 5 regional Delegations under one Union.

In December 2010, Kafo Jiginew registered a total of 288,143 members with 27% of women (but the percentage of women borrowers is only 9.06% of the total number of borrowers). Its credit portfolio reached 32.92 million USD and its savings reached 32.16 million USD. The network engaged 647 employees and the staff productivity (expressed in borrowers per employees) reached 84. It is operationally self-sufficient (106.2%), but financial self-sufficient only at 98.5%. Its operating expenses represented 13.48% of its total assets and its ROA equaled to 1.63% (Kafo Jiginew, RA, 2010).

Finally, Kafo Jiginew registers a portfolio at risk (PAR 30) of 7.3% (from MixMarket). It has also managed to maintain a relatively low average loan size, of only 612 USD.

Map: Kafo Jiginew implantation



1.2. Crédit Rural de Guinée (CRG) - Guinea

Crédit Rural de Guinée is a microfinance institution located in Guinea. Guinea can be defined as a context with high political instability and has known a lot of political troubles. Infrastructures like roads, energy sources or communication means (phone) are extremely weak, and inflation often reaches two-figures digits. All these factors create a very difficult environment for any organization to develop.

The financial sector is extremely weak. Banks are concentrated on Conakry with a very low scope: less than 6% of the population have a bank account. Regarding the microfinance sector, it is regulated by OHADA regulation norms.³ Not being included in the WAEMU, Guinea does not have the same microfinance regulation law than its neighbours, which isolates it a bit. Last figures of the MIX⁴ for the whole sector show that a total of 8 Guinean MFIs serving around 112.159 borrowers. *Crédit Rural de Guinée* (CRG) is the biggest one serving 63.414 borrowers with an outstanding loan portfolio reaching 6.2 million USD in 2010, whereas the second bigger MFIs registered an outstanding loan portfolio of only 1.5 millions USD.

The *Crédit Rural de Guinée* is initiated at the end of the 80's with State support. Indeed, in 1987, considering the huge lack of financial services in the country, the Rural Development Ministry commanded to IRAM a specific study, which concluded with the necessity to undertake an initiative to increase financial inclusion (Cerise, 2002). Consequently, in 1989 *Crédit Rural de Guinée* started as a project conducted by IRAM and mainly financed by AFD (then also supported by EU, USAID and BAD). Contrary to the other cases analyzed in this study, CRG started with credit services rather than savings. It was built under the Grameen model with group lending methodology: credits for 5 to 6 people from 10 to 12 months with monthly reimbursements. These products were adequate to finance small trade, transformation and other non-agricultural rural activities (all activities with regular cash flows), but not agriculture. So, CRG implemented agricultural solidary credits with reimbursement modalities, which better fit agricultural activities. Later, it diversified its services with credit facilities to state employees. In parallel, CRG has also rapidly developed savings products.⁵

The initial mission of *Crédit Rural de Guinée* was to provide financial services to rural areas. Consequently, during the 90's, it developed its activities in all main rural areas of Guinea.⁶ In parallel, *Crédit Mutuel de Guinée*, its sister institution was created and developed to support the urban zones. However, in 2000, due to governance and management problems leading to bankruptcy, *Crédit Mutuel de Guinée* had to be closed (Dia & Tall, 2006). CRG decided to fill the gap and started to develop in urban areas. In 2001, it is institutionalized and recognized as a formal MFI under a private company status (CRG-SA) – also named non-

³ CRG had to adapt a little bit its capital structure to be conformed to this law.

⁴ The MIX, or the Microfinance Exchange Market, is the biggest online database of MFIs in the world.

⁵ The initial focus was credit, however savings products were implemented quickly, in 1991 right after the experimental phase.

⁶ The CRG knew four main phases before its institutionalization: Experimentation (1989-1991: from 2 to 18 FCs), expansion (1991-1994: from 18 to 40 FCs), consolidation (1994-1998: from 40 to 61 FCs) and institutionalization preparation (1998-2001: from 61 to 85 FCs) (Cerise, 2002).

banking financial institution (NBFI) or a shareholders institution (SHF) – and it becomes the larger Guinean microfinance institution.

Although CRG-SA is legally recognized as a Non Bank Financial Institution (NBFI), it is also a member-based organization. Indeed, this organization has a very original ownership structure, which involves members. Actually, all the main stakeholders - employees, donors and members - own a part of the capital and are represented in CRG-SA governance bodies. Out of the twelve directors who compose the board, five are elected from the membership by the local branches, four are employees elected by the whole staff and three represent the external partners (IRAM, SIDI⁷ and the Guinean State). This ownership structure reflects the CRG's governance system based on the "common management" principle involving all stakeholders. CRG has a very impressive resilience to crises. It has managed to survive to the multiple crises traversed by the country and it has never known a massive savings withdraw. Its original governance system has been instrumental in this high resilience to crises and will be explained further on in depth. Another important element favoring this resilience is the fair equilibrium between the main ethnic groups within the staff. This aspect is informally taken into account during recruitments.

At the local level, the branches work under associative principles: free adhesion, solidarity and "one-member one-vote" rule. However, there are two types of members who do not have the same voting right: first the *associate-members* who pay a subscription of 2000 GNF⁸ and have access to credit and saving services; second the *saver-members* who pay a entry fee of 1000 GNF and have only access to saving products. Only *associate-members* have deliberative vote. *Saver-members* have just a consultative one.

Local branches have a General Meeting, which elected each year a new Management Committee composed by minimum five representatives including a president. Local branches' presidents then elect the members' representatives at CRG-SA board of directors. Finally, there is also a governance body at the district level, which is a smaller locality (a branch groups several districts). Indeed, members elect a Credit Committee of minimum three representatives, whom main role is to select the borrowers inside the district.

Since its earliest stage, CRG has paid a strong attention to misappropriation risk. For example, it has included state employees very progressively in the membership to avoid monopolization by privileged social categories. They have also imposed a maximum amount per loan to be sure that the financial services fit poor members' needs and not wealthier ones. This credit plafond is still present: 60% of the loans have to be less than 85% of the Guinean GDP per capita.

In December 2010, GRG-SA has 120 local branches grouped in 10 regional delegations. It served 63,414 active borrowers, with 38% of women, and 30,882 savers with an outstanding loan portfolio reaching 6.2 millions of dollars (M\$) and a total amount of savings of 5.5M\$.

⁷ SIDI, the International Solidarity for Development and Investment company, is a French company specialized in the financial and technical support of microfinance institutions.

⁸ 1 GNF = 0.0111 Euro

The institution engaged 209 employees and the staff productivity (expressed in borrowers per employees) reached 303. CRG-SA is operationally self-sufficient at 109.07%. Its operating expenses represented 22.82% of its total assets and its ROA equaled to 2.23%.

Finally, the CRG's PAR30 is limited to 4.31% and its average loan size stays very small reaching only 119 \$. Consequently, CRG remains accessible to the poorer (Ouedraogo, Desfontaine, 2006). Despite highly no-favorable environment with very low infrastructures, CRG has managed to reach remote rural areas. It has always kept a very strong rural orientation, in particular, thanks to the help of village associations (VAs), which reduces operating costs.

Map: CRG implantation



1.3. Cooperativa de ahorro y credito Los Andes (LA) - Peru

The Cooperativa Los Andes is based in Peru. Peru is classified as an upper middle-income developing country under the World Bank classification, with a GDP per capita of 5291 dollars in 2011. It has a population of 28.84 million, of which around 40% lives in poverty. It is a very diverse country in ecological as well as in population characteristics. Geographically, Peru has a coastline, the Andes mountain stroke, and a big part of the country is covered by the Amazonia. Its population is diverse: the mountains are inhabited by Quechua- and Aymara- speaking people, in the Amazonia region there are tribes that speak other languages, like Urarina. These characteristics create great challenges regarding development. Although economic growth has been very impressive the last five years, income inequality is still high. While GDP growth was on average 7.3%, income inequality reduced only by 0.28% (Gambetta, 2009). Poor and indigenous people in the mountains and rural areas are the ones who least benefit from the economic growth.

Micro-enterprise development is seen as a major development policy. A study by the Economist Intelligence Unit of 2010 ranked Peru first in Latin America. Also other agencies nominate Peru as a very dynamic industry. As MicroRate (2009, p. 28) states: *“Peru’s microfinance sector continues to be a vibrant and large industry, consisting of some of the most sophisticated and advanced MFIs in the world.”* According to MIX⁹ data Peruvian MFIs served around 2.6 million clients at the end of 2008.

While the microfinance sector developed importantly, including a whole range of different institutions, the Peruvian Credit and Savings Cooperatives have had more difficulties in the past. Currently though, they are gaining in importance again. This is especially so, since some cooperatives have been successfully in reaching out to the rural poor, while most other Peruvian MFIs have been focusing on urban clients. One of these cooperatives is the Cooperative los Andes.

The Savings and Credit Cooperative Los Andes, was initiated in 1999 and formalized into a cooperative in 2001 in Apurímac, one the 23 departments of Peru. It was established by 5 rural communities and born out of a microcredit project. The cooperative was initiated with the help of a single international partner, the Belgian NGO SOS Faim. The main objective of the Cooperative Los Andes is to offer financial services, especially savings and credit products, to the rural poor and through this way contribute to poverty reduction. By the end of 2011, the cooperative operated in 12 offices in the 7 provinces of Apurimac. Furthermore, it has 42 service points, where members who live further away can be served. Apurimac is one of the poorest departments of Peru and more than 70% of this zone works in agriculture, while this part only constitutes 23% of the GDP (Zoom Microfinance, 2009).

Since it starts, the cooperative has known an important growth and its financial structure has been changing. While in 2002 the initial equity was the most important, from 2005, savings are the main source of finance, which demonstrates the growing confidence in the cooperative.

⁹ The MIX, or the Microfinance Exchange Market, is the biggest online database of MFIs in the world.

One of the main characteristics regarding the cooperative is that it is putting a lot of effort on territorial development. The cooperative feels part of the community and its philosophy is that in order to support its members, combat poverty and let them grow, the whole region has to advance. Not the development of the organization is important but the development of its members and the territory they live in, as Mr. Victor Chati the general manager mentions. For this, Los Andes invests also highly in local alliances. Farmers’ associations and local community networks are one of its main partners. This explains the embeddedness of the cooperative in local society. The MBO Los Andes is seen as the cooperative of “The people of Apurimac”. Additionally, Los Andes puts a lot of effort in educating their members. Since, Apurimac is one of the poorest department, members often have low educational levels. Therefore, the Education Committee of Los Andes organizes constant learning programs where members can participate.

Members are highly involved in the decision making process. This results in a constant adaptation of financial products to the needs of the members. Currently, the COOP offers a whole range of different financial products, adapted to the local needs of the population. There are more than 23 products with differentiated repayment schedules and interest rates. The interest rate that the COOP offers is competitive for the region and is part of its success and popularity.

The governance structure is constituted through different committees where the members are represented. The members control also the employees employed by Los Andes. Peruvian law prohibits employees being members of the cooperative. This results in a clear distinction between members and employees. One of the additional explanations of success of the cooperative, as we will see later on, is that the employees are highly involved in the cooperative and have appropriated its values and promote it as their own.

In 2011, the cooperative had thus 12 agencies and 42 service points. Two of these agencies are located out of the Apurimac department. They opened recently an office in Lima, the capital and Huancavelica, the poorest department of Peru and located next to Apurimac. Los Andes has around 30,000 members, of which 44% are women, and 97 salaried workers. It is operationally sustainable (OSS is 114%) and average loan size per GDP is 1,419 USD. The PAR 30, was below 2 percent at the end of 2011. It has a credit portfolio of 21.63 Million USD.

Map: Cooperativa Los Andes implantation



1.4. Cooperativa Jardín Azuayo (JA) - Ecuador

The second Latin American cooperative under study is the Cooperativa Jardín Azuayo and based in Ecuador. Ecuador is Peru's neighbour, but is a much smaller country. They have the same biodiversity, but only 14 million of inhabitants. However, the country faces similar problems regarding inequality and development. The GINI coefficient is around 49% and Ecuador is listed just three places under Peru on the 83th place of Human Development Index. Ecuador adopted the dollar as the national currency in 1999 after a hard economic crisis, which was characterized by an extremely high inflation.

Microfinance in Ecuador is well developed, although the sector is rather young. Only after the stabilization of the economy in 2000, the sector could really start to develop. The microfinance sector is composed out of a range of different institutions, where microfinance banks, microfinance institutions, of which a number of important ones still functions under the NGO status, financial institutions, mutual savings associations and finally the savings and credit cooperatives (COAC) are part of. The biggest of these COACs are currently under supervision of the "Superintendencia de los Bancos y Seguros" (SBS). Microfinance in Ecuador has developed on a rather commercial manner and providing financial services to the rural poor is still a major challenge. According to Coady (2008), the microfinance sector in Ecuador is mainly concentrated in the urban region and the cooperative savings and loan sector is growing.

One of these is the COAC Jardín Azuayo. Jardín Azuayo was constituted in May 1996 in Paute in the province of Azuay, Ecuador. The cooperative is a private nonprofit entity. Its main objective is to promote human development in popular sectors by offering quality services defined by equality, equity and liberty. By this way they want to be a trustworthy cooperative and obtain a sustainable growth.

The cooperative was set up as an answer to the natural disaster of "La Josefina" that wiped out half of the village of Paute in 1993. With local savings the reconstruction of the city was obtained. From its beginning, the cooperative was supported by a number of local organizations (the local NGO "Centro de Capacitacion Campesina del Azuay" (CECCA), the program "Pan para el Mundo" and "Balance"), but one of its most important characteristics is the fact that the local community itself initiated it. This has made the cooperative embedded in local society from the beginning. Afterwards, the cooperative has sought support from international development organizations, which led them to start operations in other locations providing resources for technical assistance and portfolio growth.

The cooperative is mainly active in the Southern region of Ecuador, in the Andes part of the country. The region is poor and mainly dominated by agricultural production. Jardín Azuayo gradually moved further into the region, and more than 60% of their members live in pure rural areas. It is also a region that knows an important migration towards Spain and Portugal.

Jardín Azuayo is a cooperative that puts much importance in the education of its members. They are organizing continuing training programs for their members and check whether these understand the decisions that they have to make. They have an organizational chart that puts the member at the centre of attention, which leads to a very decentralized

structure. It is one of its main characteristics. Coady (2008) claims that it is therefore one of the most successful cooperatives in Ecuador, and this is especially true regarding cooperatives with rural members. Members are involved in every step of the decision-making process through different committees and elected directors. Jardín Azuayo also has built strong alliances with local organizations, such as farmers' and social organizations, public actors and other local cooperatives. They have equally important alliances on national level, w to exploit advantages of scale. All this makes the cooperative very embedded in local society and has resulted in a deep appropriation of the cooperative by its members.

Jardín Azuayo is currently the second biggest cooperative in Ecuador and has very competitive interest rates, which make them attractive to all sorts of clients. Although their core clientele is poorer people, Jardín Azuayo also receives savings from better off people that are mainly located in urban areas. However, the balance between poor and more wealthy members is balanced until now.

Jardín Azuayo had in December 2011, 27 offices and 3 service points all located in the Southern Andean part of the country. It had a total of 205,000 members of which 52% women borrowers. It had 289 employees, who are also members. 70% of its members are rural people. It has an OSS of 120% and its Par- 30days was at 2.8%. Its total loan portfolio reached 205 million USD and its average loan size was of 4,830 USD.

Map: Jardín Azuayo implantation



1.5. Cresol - Brazil

Finally, the last case under study is CRESOL that is a Brazilian cooperative. Brazil is the biggest country of the Latin American continent with 203.42 million inhabitants in 2011 (World Bank Statistics). Although in recent years the country has become part of the countries that is considered as having high economical potential, it also faces main issues regarding development and poverty reduction. Brazil is listed just under Ecuador, on the 84th place in the human development index. The GINI coefficient is 51%, with poverty especially concentrated in the rural areas of the country. In summary, the three countries of the Latin American MBOs under studies have very similar characteristics regarding economic and social development.

Regarding microfinance, Brazil has known some interesting experiences. It was the first country in Latin America, where a microfinance program was developed in 1973. However, until now, the microfinance sector is less developed than in other parts of the Latin American continent. While macro- economic and regulatory issues may be important, an additional reason could be the high state intervention in providing subsidized credit to the poorer sections of the population (Nichter et al., 2002). One of the most distinct features of the Brazilian microfinance market is that the state has played an important role in stimulating financial access through different government programs. Indeed, during the 1990s the state was especially interested in providing financial services to the rural poor. For this, it constructed a program where local financial institutions could obtain credit lines in order to on lend to the rural families.

One of the institutions that made use of these programs was the Cooperative CRESOL. The cooperative CRESOL, was initiated in 1995, with the objective to help local rural communities in the south of Brazil to access credit and savings and can be defined as a network of cooperatives. It was born out of social movements, NGOs and church movements. It has its roots in agricultural organizations of farmers who organized themselves in order to create credit and savings mechanisms. These were traditional systems of Rotating Credit and Savings Mechanisms (ROSCAs). These formalized into cooperatives and grouped first as a network with a central cooperative named "CRESOL Baser". This central helped through regional offices the other cooperatives with audits, technical and legal assistance, among others (Christen and Pearce, 2006 CGAP). The cooperative made use of the group lending methodology in order to use the social collateral that is present within villages and between the farmers. In 2001, they had to become a cooperative by legislation but before they were principally an association. The government program that subsidizes credit towards rural communities played an important role in the development process of the cooperative. CRESOL was in the beginning a service provider for the Banco de Brazil, who received funds from PRONAF (National Program for Agricultural Families) to distribute credits to the rural areas. Since the bank lacked knowledge and channels to do this, they searched cooperatives and other experienced organizations to distribute these credits. In 2004, CRESOL became an official partner of the program and receives, since then, directly funds from the BNDES, which is the state development bank and PRONAF, and this has helped them significantly in their growth process, according internal sources.

Currently, the cooperative works with local workers that promote the cooperative and seek new members. The local cooperatives attributed credit and financial services to solely farmers in the beginning, but on demand of these workers, the cooperative started to provide also financial services to other kind of people. They felt that in order to have a positive impact on the life of the farmers, the entire environment in which these farmers live had to evolve. Therefore, according to Abromovay et al. (2008), the cooperative is now pursuing a logic that is more comparable with a territorial development logic. In this way, it is not interested in only providing services to farmers, but in having a positive impact on the whole environment in which this one works. Therefore, it is important that the whole region and its inhabitants advance and not only the farmers as such. Christen and Pearce (2007) say that 85% of CRESOL's members never had access to a loan before it joined the cooperative and that more than half of its members' base are below the Brazilian poverty line.

One of CRESOL's main characteristics is that it is a very decentralized institution. It exists as a three level system, where the local cooperatives are the base, the regional cooperatives are at the second level and the central cooperative is at the top. Rural families form every cooperative and choose a representative. Currently there are around 80 local cooperatives. An average cooperative represents 500-2000 families. The elected president represents the other members of the local cooperative, in the General Assembly at the central. These different cooperatives are independent and can be defined as local MBOs, but they have to fulfill and comply with the rules of the overall cooperative. They are supported by an overall central cooperative that gives them especially technical support, and there are two regional centrals. These regional centrals support the local cooperatives of their region. Regarding interest rates, these often differed in the past between the local cooperatives, but are now also centralized and have to move between a band that is determined at the central level.

The cooperative puts also a lot of energy in training and educating its farmers, since farmers have an important responsibility. The elected farmers direct the office and an important number of credit allocation decisions are taken by elected members. However, there are also financial advisors who advise them. There is thus a need for training in order to keep these processes in hands of the farmers. More recently, the cooperative has also decided to put some managers in charge, but these issues will be elaborated later on.

The whole network is mainly active in two Southern regions of Brazil, which is characterized by the dominance of agricultural families. The cooperative has mainly stayed concentrated in these, because they started their operations there, but are currently looking at expanding to the centre of the country. Since it has grown importantly the last couple of years, and most of the demand is satisfied it is currently considering expanding to two new provinces.

In 2011, CRESOL existed of 79 local cooperatives, all constituted by rural families. It has 689 salaried workers and around 42,000 active savers and borrowers. Total members reached 90,000. Only 18.38% of active borrowers are women. This is the lowest percentage of all cases but according to one of the directors, Luiz Ademar Panzer, this is due to the fact that the cooperative is mainly directed towards farmers. In Brazil economic activity is mainly concentrated/responsibility of men. He explained though that the network is recently putting some effort to increase the percentage of women members. Its total loan portfolio

reaches 417.7 million of dollars and also this organization is operational sustainable with an OSS of 118.6%. The average loan size is 3,800 USD and PAR30 is around 2.8%.

Map: CRESOL implantation



2. Bibliography

Abromovay, R. and Magalhaes, R. (2008). Social Movements Beyond the Iron Cage: Weak Ties in Territorial Development, *World Development*, 36 (12), pp. 2906–2920.

Armendáriz, B. and Morduch, J. (2010). *The Economics of Microfinance*. Second Edition, Boston: MIT Press.

Banerjee, A., Besley, T., and Guinnane, T. (1994). Thy Neighbor's Keeper the Design of a Credit Cooperative with Theory and Test. *Quarterly Journal of Economics*, 109(2), 491-515.

Battilana, J. and Dorado, S. (2010). Building Sustainable Hybrid Organizations: The Case of Commercial Microfinance Institutions. *Academy of Management Journal*, 53(6), 1419-1440.

BCEAO, (1993). Projet de Loi portant Réglementation des Systèmes Financiers Décentralisés, Parmec, Dakar.

BCEAO (2009). Evolution des Indicateurs des SFD de l'UEMOA à la fin Décembre 2009. BCEAO, Dakar.

BCEAO. (2010). *Instruction N°010-08-2010 relative aux règles prudentielles applicables aux systèmes financiers décentralisés des Etats Membres de l'UMOA*. Dakar.

Bebbington, A. (2004) NGOs and Uneven Development: Geographies of Development Intervention, *Progress in Human Geography*, 28 (6), 725 – 745.

Borgen, S. (2004). Rethinking incentive problems in cooperative organizations. *Journal of Socio-Economics* 33 (2004) 383–393.

Branch, B., and Baker, C. (2000). Overcoming Credit Union Governance Problems. In Westley, G., and Branch, B. (ed.). *Safe Money: Building Effective Credit Union in Latin America*. Inter American Development Bank, Washington, 203-226.

Campion A., (2007). *Rural and agricultural finance: emerging practices from Peruvian financial institutions*. USAID, Enterprise Development and Microfinance, volume 18 n°2 et 3, June/September pp182-188.

CERISE (2002). *Gouvernance en Microfinance - Partie 2: Les études de cas CRG*. Document CERISE, 23p.

Cerise. Capitalisation des pratiques de financement agricole dans les réseaux de la CIF cas maliens de Nyesigiso et Kafo Jiginew. Documents du réseau Cerise.

Cerise (2009). *Rapport d'évaluation des performances sociales de Kafo Jiginew*. Document du réseau Cerise.

Cerise, IRAM, (2005) « Guide Opérationnel d'Analyse de la gouvernance d'une Institution de Microfinance », document collectif, réseaux Cerise, Juin, Paris.

CGAP (2005). *Travailler avec les Coopératives d'Épargne et de Crédit*. CGAP Note No. 25, Washington D.C.

CGAP and IFAD (2006). *Emerging Lessons in Agricultural Microfinance - Selected Case Studies*. CGAP-IFAD Report, 65p.

Chao-Béroff, R., Cao, T.H., Vandenbroucke, J-P., Musinga, M., Tiaro, E., and Mutesasira, L. (2000). *A Comparative Analysis of Member-Based Microfinance Institutions in East and West Africa*. Microsave, Nairobi.

Christen, R.P., and Pearce, D. (2005). *Microfinance Agricole : Gérer les Risques et Concevoir des Produits Adaptés – Les Caractéristiques d'un Modèle Emergent*. CGAP Etude Spéciale, No.11, 60p.

Coady (2008). *Reaching the Hard to Reach: The Jardín Azuayo Savings and Loan Cooperative, Ecuador: A Governance Model for Rural Outreach, Case Study*, Coady International Institute, Canada.

Cornforth, C. (2004). The Governance of Cooperatives and Mutual Associations: a paradox perspective. *Annals of Public and Cooperative Economics*, 75(1), 11-32.

Coyle, M., Wehrell, R. and MacDonald, J. (2006). Small is Beautiful, Big is Necessary: Canada's Commercial and Cooperative Answers to the Global Challenge of Microfinance Access. *Presentation to the Global Microcredit Summit*. Raport Coady, 38p.

Cuevas, C., and Fischer, K. (2006). *Cooperative Financial Institutions—Issues in Governance, Regulation, and Supervision*. World Bank WP, No.82, Washington DC.

Defourny J., Develtere P., (1999) «Origines et contours de l'économie sociale au Nord et au Sud », pp25-56 dans Defourny J., Develtere P., Fonteneau B., (ed) *L'économie sociale au Nord et au Sud*, Edition De Boeck Université, Bruxelles.

Desrochers, M., and Fischer, K. (2005). The Power of Networks: Integration and Financial Cooperative Performance. *Annals of Public and Cooperative Economics*, 76(3), 307-354.

Dia, B. and Tall, A. (2006). *Microfinance et pauvreté dans la région administrative de Labé*. Rapport version provisoire, Ministère du Plan, GTZ, 15p.

Di Salvo R., (2002). La "gouvernance" des systèmes bancaires mutualistes et coopératifs en Europe. *Revue d'économie financière*, 67, 165-177.

Doligez F. (2004) *Le Développement financier vu du bas: Crédit Rural de Guinée et changement des pratiques financières locales*. *Colloque La Mondialisation contre le Développement ?*, C3ED, université Versailles St Quentin, 10-11 juin.

Doligez F. and Koulibaly B. (2009) Gouvernance et Privatisation en Microfinance - Les dilemmes du Crédit rural de Guinée (CRG-SA), 2002-2006, *First European Research Conference in Microfinance*, Brussels, 2-4 juin.

Doligez, F. (1999). Institutionnalisation des réseaux d'épargne-crédit: une construction sociale à concerter - Etude de cas en Guinée et au Bénin. *Transverses N°3*, Iram.

Doligez, F. (2002). Les associations de microfinance. Leur rôle dans le développement de l'industrie de la microfinance, Accra, AMF-GTZ-IRAM.

Doligez, F., Fournier, Y. and Gentil, D. (1993). Le crédit solidaire en Guinée Conakry. *Les Cahiers de la Recherche Développement*, 35, 69-82.

El-Zoghbi, M., Gahwiler, B. and Lauer, K. (2011). Cross-Border Funding of Microfinance, CGAP Focus Note No. 70, Consultative Group to Assist the Poor, Washington DC.

Emmons, W., and Mueller, W. (1997). Conflict of Interest Between Borrowers and Lenders in Credit Co-operatives: the Case of German Co-operative Banks. Federal Reserve Bank of St. Louis-WP, No. 1997-009.

FFA (2008). *Crédit Rural de Guinée, S.A – Rapport général du commissaire aux comptes – Comptes annuels – Exercice clos le 31 Décembre 2008*. Rapport de la Fiduciaire France Afrique, 7p.

Fournier, Y. and Ouédraogo, A. (1996). Les coopératives d'épargne et crédit en Afrique : histoire et évolutions récentes. *Revue Tiers Monde*, 37(145), 67-83.

Gaboury, A., and Quirion, M. (2006). *Why We Can No Longer Afford to Ignore Financial Cooperatives in the Effort to Increase Access to Financial Services*. DID - Développement International DesJardins, Québec, Canada, 25p.

Gambetta, R. (2009). A Note of Growth and Inequality in Peru, 2003-2008, MPRA Working Paper, 16986, Available at: http://mpra.ub.uni-muenchen.de/16986/1/MPRA_paper_16986.pdf (accessed June 2012).

Gentil, D. and Doligez, F. (2004). *Kafo Jiginew au Sud Mali: un partenariat du crédit coopératif au long terme*. Institut de recherches et d'applications des méthodes de développement. Paris, France, 14p.

Grammling, M. and Holtmann, M. (2008), The Role of Staff Incentives in Balancing Social and Financial Goals. Evidence from Four MFIs, CGAP Note, Consultative Group to Assist the Poor, Washington DC.

Guinnane, T. (1997). Regional Organizations in the German Cooperative Banking System in the Late Nineteenth Century. *Research in Economics*, 51(3), 251-274.

- Guinnane, T. (2001). Cooperatives as Information Machines: German Rural Credit Cooperatives, 1883-1914. *Journal of Economic History*, 61(02), 366-389.
- Guinnane, T. (2003). A Friend and Advisor: External Auditing and Confidence in Germany's Credit Cooperatives, 1889-1914. *Business History Review*, 77(2), 235-264.
- Hirschland, M., Jazayeri, A. and Lee, N. (2008). *Reaching the Hard to Reach: Comparative Study of Member-Owned Financial Institutions in Remote Rural Areas*. Report Coady, 100p.
- Höllinger, F. (2004). *Agricultural Lending Practices: Methodologies and Programs. Financing Term Investments in Agriculture: A Review of International Experiences*. FAO Case Study, 25p.
- Horus (2010). *Plan d'affaires de Kafo Jiginew 2010-2012 - De la diversification des activités à la transformation et la professionnalisation en institution de microfinance nationale*. Rapport Final – Tome 1, 66p.
- Jacquier C., (1999). L'épargne et le crédit solidaire dans les pays en développement, in Defourny, J., Develtere, P. and Fonteneau, B. (ed.). *L'Economie sociale au Nord et au Sud*. Edition De Boeck Universit: Bruxelles, 59-82.
- Johnson, S., Malkamaki, M., Mukwana, P. and Wanjau, K., (2002). *One Step Beyond: Challenges and Opportunities in Promoting Quality Financial Services in Remoter Areas*. MicroSave report, 26p.
- Kafo Jiginew (2010). *Kafo Jiginew 23 Ans Après. Rapport Annuel 2010*, 48p.
- Kloeppinger-Todd, R. and Sharma, M. (2010). Innovations in Rural and Agriculture Finance. *2020 Vision for Food, Agriculture and the Environment World Bank and IFPRI*, Focus Note No.18, 34p.
- Krahnén, J., and Schmidt, R. (1999). On the Theory of Credit Unions. In Balkenhol, B. (ed.). *Credit Unions and the Poverty Challenge: Extending outreach, enhancing sustainability*. International Labour Office, Geneva, 17-24.
- Lapenu, C. (2002). La Gouvernance en Microfinance : Grille d'Analyse et Perspectives de Recherche. *Revue Tiers-Monde*, 43(172), 847-865.
- Lee, N., Misra, R., Hamadziripi, A., Jain, A., Rutherford, S. and Cameron, D. (2006). *Rural Remote Microfinance and Selfish Genes*. Report Coady, 53p.
- Leftwich, A. and Sen, K. (2007). Institutions and Pro-Poor Growth. A Research Strategy for 2007–2010. Institution for Pro Poor Growth (IPPG), Internal Document.
- Levard, I., Diop; E.H. and Marronnier, A. (2006). *Crédit Rural de Guinée (CRG)*. Rapport Planet Rating, Saint Ouen, France, 24p.

Levard, I. and Diop, E. (2005). *Kafo Jiginew, Mali*. Rapport Planet Rating, Saint Ouen, France, 26p.

Lhériau L. (2003). *Institutionnalisation du Crédit Rural de Guinée*. Rapport pour Agence Française de Développement, 31p.

Mees, M. and Biot L. (2009). *The Los Andes cooperative: solidarity-based finance for rural development*. Zoom Microfinance, 29.

Mersland, R. (2011). The Governance of Non-profit Microfinance Institutions – Lessons from History. *Journal of Management and Governance*, 15(3), 327-348.

Microfinanza (2011). *Kafo Jiginew - Mali. Pilote – Responsible Finance Rating*, Milan, Italy, 38p.

MicroRate (2009). *Cautious Resilience: The Impact of the Global Financial Crisis on the Latin American & Caribbean Microfinance Institutions*, *MF Insights*, March 2009.

Morris, K. (1999). Using credit unions as on-lending agents for external lines of credit: The experience of international credit union movement. In Balkenhol B. (ed). *Credit Unions and the Poverty Challenge: Extending Outreach, Enhancing Sustainability*. International Labour Office, Geneva, 25-36.

Nair, A. and Kloeppinger-Todd, R. (2007). *Cooperativas Financeiras e Alcance Rural: Lições de Quatro Estudos de Caso*. World Bank - Agricultura e Desenvolvimento Agrícola, Discussion Paper 35, 82p.

Nichter, S., Goldmark, L., Fiori, A. (2002), Understanding Microfinance in the Brazilian Context, *Paper presented at the Inter-American Development Bank's V Forum on Microenterprise Development*, PDI/NBDES, Rio de Janeiro.

Ouedraogo A. and Desfontaines S. (2006) *Crédit Rural de Guinée - Diagnostic, analyse et recommandations en matière d'organisation du CRG-SA*, Rapport de mission, 43p.

Ouédraogo, A. (1997). *Partage des pouvoirs entre les constituantes d'un réseau*. ADA Dialogue No 3, Luxembourg.

Ouédraogo, A., and Gentil, D. (2008). *La Microfinance en Afrique de l'Ouest, Histoire et innovations*, *Confédération des Institutions Financières*. Editions Karthala, Ouagadougou.

Pearce, C. (2009). *From Closed Books to Open Doors – West Africa's Literacy Challenge*. Paper of African Platform for Adult Education, Oxfam International, Action Aid, 26p.

Pearce, D., Davis, J., Onumah, G. and Butterworth, R. (2004). *Making rural finance count for the poor*. UK Department for International Development (DFID) WP, 24p.

Périlleux, A. (2009). La Gouvernance des Coopératives d'Épargne et de Crédit en Microfinance: Un Enjeu de Taille. *Reflets et Perspectives de la Vie Économique*, 48(3), 51- 60.

Périlleux, A. (2011). Governance and Growth of Cooperatives in Microfinance. PhD thesis, Université de Mons.

Planet Rating (2003). *CRG Guinée – Juillet 2003*. Rapport Planet Rating, Paris, France, 47p.

Planet Rating (2003). Kafo Jiginew, Mali. *Planet Rating Report*, Paris, France, 48p.

Rock, R., Otero, M. and Saltzman, S. (1998). *Principles and Practices of Microfinance Governance*. ACCION International, Microentreprise Best Practices, Development Alternatives Inc., USA 58p.

Rogaly, (1998). Combating Financial Exclusion Through Co-operatives: Is There a Role for External Assistance? *Journal of International Development*, 10, 823-836.

Rosenberg, R., and Murray, J. (2006). *Community Managed Loan Funds: Which Ones Work?* CGAP Note, Consultative Group to Assist the Poor, Washington DC.

SCAE (2007). *Kafo Jiginew - Rapports du commissaires aux comptes sur le contrôle des comptes de l'exercices clos au 31 décembre 2007*, Société de Conseil d'Audit et d'Expertise comptable, 30p.

SoftReport (2008) *Mission Credit Rural de Guinee: Plan D'Affaires 2008-2012 de Juin 2008 à Décembre 2008: Bible des Documents Produits*, Paris, 212p.

SOS Faim (2004). *La Banque au Service des Paysans*. Dossier Kafo Jiginew, Bruxelles, 12p.

Vanroose, A. (2011). The Uneven Development of the Microfinance Sector, PhD thesis, Université Libre de Bruxelles- Vrije Universiteit Brussel, 236 p.

Vogel, R. C. (2002). Key Issues in Regulation and Supervision of Credit Cooperatives, *Finance for the Poor*, 3(4), 1-6.

Wampfler, B., Doligez, F., Lapenu, C. and Vandembrouck, J.P. (2008). *Organisations Professionnelles Agricoles et Institutions Financières Rurales: Construire une Nouvelle Alliance au Service de l'Agriculture Familiale*. Operational Guide CERISE / IRC – Montpellier SUPAGRO, 158p.

Wampfler, B. and Mercoiret, M-R. (2002). Microfinance, Organisations Paysannes: Quel Partage des Rôles, Quels Partenariats dans un Contexte de Libéralisation ? *Synthèses thématiques - Atelier 5 : Microfinance et organisations paysannes*, ATP – Cirad 41/97 - Cerise, Dakar, Sénégal, 21-24 janvier.

WBI (2011). Statistics World Bank Indicators.