



Russian Microfinance Center

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Institutional Development Project. The establishment of NAMMS - the National Association of Microfinance Market Stakeholders

On Thursday, 9 February 2006, the founding conference of the National Association of Microfinance Market Stakeholders (NAMMS) took place in the Business Center of the Russian Chamber of Commerce and Industry (RCCI). The initiators of NAMMS are: the Russian Microfinance Center, the Association of Russian Banks, Razvitye (Development) Association of SME Support Agencies, and the National Union of Organizations for Mutual Financial Assistance, with active support of the Russian Chamber of Commerce and Industry.

NAMMS is established to

coordinate efforts of all microfinance market stakeholders. Mikhail Mamuta, Director of the Russian Microfinance Center, was elected NAMMS President. Membership of NAMMS governing bodies will be rotated annually to ensure a better representation of interests and to

reaffirm equal importance of all institutional types operating in the microfinance market.

Please, contact RMC Legal Advisor Anna Baitenova at abaitenova@rmcenter.ru for more information about NAMMS.



RMC website upgrade

In February 2006, the Russian Microfinance Center started a major upgrade of its website. Numerous features to be added in the near future will serve to improve website through better structuring of infor-

mation, which ultimately will enable a more efficient use of this resource. Currently, the RMC team works on the TOR for the website upgrade, so your feedback on what parts of the current website could be upgraded,

improved or revised will be highly appreciated.

Please contact our IT and PR specialist Asya Kamenskaya at akamenskaya@rmcenter.ru with your comments and suggestions.

An International Round Table focusing on the need for, and regulation of, non-bank deposit-credit organizations in the context of recent trends in the credit market

On 10 February 2006, an international round table focusing on the need for, and regulation of, non-bank deposit-credit organizations in the context of recent trends in the credit market was held in the State Duma, Moscow. It was attended by more than 70 representatives of government, Russian

MFI practitioners, journalists, and research institutions.

RMC was a co-organizer of the round table. The event featured a presentation of research findings produced by experts of the State Duma Committee on Credit Institutions and Financial Markets, German consultants,

specialists of the Association of Russian Banks and the Russian Microfinance Center.

The round table participants discussed ways to improve the regulation of non-bank credit institutions, including the role of the Central Bank (the Bank of Russia) in promoting the development of non-

-bank deposit-credit organizations (NDCO), as well as problems and prospects of small banks, credit cooperatives, and SME support funds, including their potential transformation into NDCO.

Implementation of the Microfinance Development Subprogram launched by the Ministry of Economic Development and Trade

On 21 February 2006, on the premises of the Association of Russian Banks, the Russian Microfinance Center conducted an extended meeting of the ARB's Committee on Microfinance and the RCCI's Subcommittee on Microfinance. The meeting looked at the progress of the MEDT Microfinance Development Subprogram in 2005, and its main provisions for 2006; at positive and negative experience of cooperation between banks and MFIs; and at the new version of par. 3.14.1 of the Bank of Russia's Regulation dated 26.03.2004 No 254-P "On the Proce-

dures of Loan Loss Reserve Formation by Credit Institutions with Regard to Loans and Similar Debt" (the new version was drafted by the RMC).

The participants of the joint meeting discussed a range of problems arising when Russian regions subsidize part of the interest rate paid by credit cooperatives. The attendance also looked at Regulation No 254-P facilitating bank credits to MFIs, some practical aspects of loan collateral, and problems and prospects of bank lending to MFIs. The Bank of Russia approved amend-

ments to par. 3.14.1 of Regulation No 254-P, whereby loans to MFIs can be ranked first or second class with regard to their risk profile, which means less risk and less required loan loss reserve, making such loans more attractive to banks. You can view the Central Bank

letter at the RMC website at http://www.rmcenter.ru/art.php?category_id=5&artId=791&lang=1. Regulation No 254-P is expected to be amended before end-May 2006.



A Framework Concept for the Development of Microfinance in Moscow

In February 2006, RMC, jointly with the Moscow City Government's Department for SME Development and Support, completed the design of a Framework Concept for Microfinance Development in Moscow. The Concept includes an overview of Moscow SME, microlending market

and types of microcredit products, with a focus on local specifics. According to the Concept, in 2006, a microlending program targeting start-ups will be launched in Moscow. Noting the positive example of the Moscow City Government, we must add that many other regions have recently shown

an interest in launching targeted microfinance programs. By developing targeted policies for microfinance development, regions can best suit their regional specifics, while RMC can contribute its expertise in microfinance program implementation for the best possible effect.

Training news

Between 15 and 17 February, 2006, in Moscow, RMC trainers delivered an open course in Delinquency Management and Setting Effective Interest Rates, developed by CGAP and adapted by the Microfinance Center for Central and Eastern Europe and NIS (MFC). The trainers have extensive experience in microfinance, insider knowledge of Russia's microfinance industry, and good training delivery skills. This 3-day crash course focused on financial management, and in particular looked at the challenges faced sooner or later by all MFIs, i.e.



delinquency management and setting effective interest rates for a sustainable operation.

Please, contact Yelena Zakarzhenskaya, RMC Training Coordinator, at ezakarzhenskaya@rmcenter.ru with questions about enrolling in RMC training courses.

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