

VIII National Conference

«The Role of Microfinance in Overcoming the Financial and Economic Crisis»

November 17-19, 2009

Moscow

Hotel “Borodino”

Working languages: Russian, English

Conference Agenda

(may be subject to changes and additions)

17 November 2009			
08.30 – 16.00	Registration of Conference participants, Ground Floor Lobby		
16.00 – 18.00	1. The Conference Opening Ceremony. «The Role of Microfinance in Overcoming the Financial and Economic Crisis: Reality and Prospects». Borodino Hall		
18.30 - 20.30	Welcome Cocktail Reception for the V.I.P. guests, “ Kutuzov Restaurant ”		
18 November 2009			
10.00 – 11.30	2. Plenary Session. «How the Regulators and Market Participants Respond to Today’s Challenges: Opportunities and Threats on the Road to Inclusive Finance». Borodino Hall		
11.30 – 12.00	Coffee-break, 3-d Floor Foyer		
12.00 - 13.30	Bagration Hall*	«Ermolov+Tuchkov» Hall*	Raevsky Hall
	3.1. Discussion. «Adapting a Credit Cooperative’s Charter to Meet the Requirements of the New Law on Credit Cooperatives»	3.2. Discussion. «E-money and Electronic Payment Systems: How to Develop Appropriate Regulations and Successful Market Models»	3.3. Round Table. «The Program for Microfinance Development as Part of the Government’s SME Support Policies: New Approach - New Results»
13.30 - 15.00	Lunch, “ Kutuzov Restaurant ” and “ Davidov Restaurant ”		
15.00 - 16.30	Bagration Hall *	«Ermolov+Tuchkov» Hall *	Raevsky Hall
	4.1. Discussion. «Building a Multi-tiered System of Credit Cooperatives: The Rules Are Set. Where Do We Find the Resources?»	4.2. Discussion. «How to Sustain and Develop Small and Medium-Sized Regional Banks in the Current Context»	4.3. Discussion. «Microfinance and Social Entrepreneurship as Part of the Regional and Municipal Policies»
16.30 - 17.00	Coffee Break, 3-d Floor Foyer		
17.00 - 18.30	Bagration Hall *	«Ermolov+Tuchkov» Hall *	Raevsky Hall
	5.1. Debate. «Self-regulating Organizations in Credit Cooperation»	5.2. Discussion. «Attracting Commercial Investment to the Microfinance Industry: How to Assess and Improve the Sector’s Appeal for Investors?»	5.3. Training Session. «How to Develop Microfinance Programs at the Regional and Municipal Levels» (presentation of RMC’s new training course)»
19.00 – 23.30	Evening Reception for the Conference Participants, Borodino Hall		
19 November 2009			
09.00 - 15.30	The Investor Fair, 5th Floor Atrium		
09.30 - 11.00	Bagration Hall	«Ermolov+Tuchkov» Hall *	Raevsky Hall
	6.1. Discussion. «Credit Cooperatives’ Financial Performance Standards and Restrictions: How to Adapt Them to the New Federal Law on Credit Cooperatives»	6.2. Discussion. «The Second Russia-Asia Forum on Rural Finance. Better Access to Financial Services in Small Towns and Rural Areas»	6.3. Discussion. «Risk Management in Microfinance»
11.00 - 11.30	Coffee Break, 3-d Floor Foyer		
11.30 - 13.00	Bagration Hall	«Ermolov+Tuchkov» Hall *	Raevsky Hall
	7.1. Discussion. «Banks and Microfinance: risks and incentives»	7.2. Discussion. «Building a Support Infrastructure in Microfinance»	7.3. Training Session. «Delinquency Management and Bankruptcy Prevention for MFIs»
13.00 – 14.00	Lunch, “ Kutuzov Restaurant ” and “ Davidov Restaurant ”		
14.00 - 15.30	Bagration Hall	«Ermolov+Tuchkov» Hall *	Raevsky Hall
	8.1. Discussion. «New Developments in Law and Practice Relevant to MFIs»	8.2. Discussion. «Consumer Protection in Microfinance»	8.3. Master Class. «Strategies of Success (Survival) in the Current Crisis: MFIs’ Practical Strategies»
15.30 - 16.30	Closing Ceremony, Bagration Hall		

*Simultaneous translation (English - Russian, Russian – English) will be provided.

November 17, 2009

16.00-18.00, Borodino Hall

Simultaneous translation (English - Russian, Russian - English) will be provided.

1. The Conference Opening Ceremony.

The Role of Microfinance in Overcoming the Financial and Economic Crisis: Reality and Prospects

The current financial and economic crisis has emphasized the importance of diversifying the financial system, improving its sustainability and introducing new, innovative forms of financial service delivery. Russia's strategic plans of developing the country's middle class, overcoming poverty, strengthening the role of small business and building a regional financial center are closely linked to providing better access to finance. In this context, the issues that Russia is working to address are not unique, but have a global and comprehensive nature. In this connection, it is important to understand the recent trends and projections in the building of financial infrastructure, the social and economic goals set by countries and supranational bodies working to expand access to finance, and the role that Russia can play in the international cooperation. These and other pressing issues and concerns over the development of the global finance architecture will be discussed at the Conference opening session. Top-ranking Russian and international policy-makers and practitioners working on systemic solutions for access to finance will take part in the discussion.

Facilitator: **Mikhail Mamuta**, President, National Partnership of Microfinance Market Stakeholders (NAMMS)

Speakers: **H.R.H. Princess Máxima of the Netherlands**, UNSG's Special Advocate for Inclusive Finance for Development
Professor Muhammad Yunus, Nobel Prize Winner, founder of Grameen Bank
Mikhail Nikolaev, Deputy Chairman of the Federation Council of the Federal Assembly of the Russian Federation
Anna Popova, State Secretary - Deputy Minister for Economic Development
Alexey Savatyugin, Director, Financial Policy Department, Russian Ministry of Finance; member, National Banking Council
Mikhail Kopeikin, Board Member, Deputy Chairman, Bank for Development (Vneshekonombank)
Anatoliy Gubkin, Chair, Microfinance Development Sub-committee, State Duma of the Federal Assembly of the Russian Federation
Garegin Tosunyan, President, Association of Russian Banks, Chair of the Board, NAMMS
Sergey Borisov, President, All-Russia's Non-commercial SME Organization 'Opora Rossii'
Sergey Katyrin, Vice-President, Russian Chamber of Commerce and Industry
Honorable Budi Rochadi, Deputy Governor, Bank of Indonesia

18.30-20.00, Kutuzov Restaurant

Welcome Cocktail Reception for the V.I.P. guests

November 18, 2009

10.00-11.30, Borodino Hall

Simultaneous translation (English - Russian, Russian - English) will be provided.

2. Plenary Session

How the Regulators and Market Participants Respond to Today's Challenges: Opportunities and Threats on the Road to Inclusive Finance

This plenary session continues the conceptual discussion started at the Opening Plenary. It will focus on strategies as well as specific steps taken by international institutions, regulators and market participants to expand access to finance. The discussion will cover the impact of the global crisis on access to finance in different parts of the world, various steps taken to remedy the situation, and response strategies adopted by major banks and microfinance institutions in the context of the current crisis. A separate discussion will cover regulatory innovations and the government's support of microfinance. The discussion will involve government officials, spokespersons from international financial alliances, and leading market experts and practitioners.

Facilitator: **Aleksander Murychev**, Executive Vice President, Russian Union of Industrialists and Entrepreneurs

Speakers: **Alfred Hannig**, Executive Director, Alliance for Financial Inclusion (AFI)
Timothy Lyman, Senior Policy Advisor/CGAP
Elisabeth Kvitashvili, Acting Mission Director, US Agency for International Development (USAID)
Anatoliy Aksakov, Deputy, State Duma of the Russian Federation; President, Association of Regional Banks «Rossiya»
Vladimir Lukov, Deputy Director, Financial Policy Department, Russian Ministry of Finance
Sergey Moiseyev, Director, Center for Economic Research of the Moscow Academy of Industry and Finance
Nadia Cherkasova, Chair of the Board, National Bank TRUST
Sergey Kryukov, Chairman of the Board, Russian Bank for Development (RBD)
Sergey Suchkov, Board Member, Director, Department for SME Lending, VTB 24
Pavel Sigal, Vice President, All-Russia's Non-commercial SME Organization 'Opora Rossii'

11.30-12.00 Coffee Break

12.00-13.30, Bagration Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

3.1. Discussion.

Adapting a Credit Cooperative's Charter to Meet the Requirements of the New Law on Credit Cooperatives

The Federal Law of 18.07.2009 № 190-FZ on Credit Cooperatives establishes new rules for credit cooperatives in terms of general assembly meetings, setting up review bodies, loan committees, etc. The law also requires that the cooperative's charter should define criteria for the members' social community, refer to the number of members, and include some other provisions. What is the best way to comply with the new requirements, how detailed should the charter provisions be, what problems cooperatives may face during a transition phase when the new requirements conflict with older provisions of the charter which must be updated within one year – these and other questions will be addressed by the session. Representatives of government authorities, credit cooperative associations and market practitioners will review some of the challenges of adapting existing charters to the new legal requirements.

Facilitator: **Valeriy Kasatkin**, Altay Association of Credit Unions

Speakers: **Natalya Satina**, Head of division, Financial Policy Department, Russian Ministry of Finance

Ilya Rodionov, League of Credit Unions

Marina Kokhanova, National Union of Non Commercial Organizations of Mutual Financial Aid

Aleksander Bondarev, Credit Consumer Cooperative «Tsentrlniy»

Yelena Stratyeva, Credit Consumer Cooperative of Citizens «Soyuz»

Nina Budnikova, Credit Consumer Cooperative of Citizens «Rost»

Victoria Tagirova, "Vozmozhnost dlya vseh" NGO

12.00-13.30, «Ermolov+Tuchkov» Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

3.2. Discussion.

E-money and Electronic Payment Systems: How to Develop Appropriate Regulations and Successful Market Models

*The session is supported by
Non-commercial Partnership "E-Money"*



The e-money market has been evolving for 10 years in Russia. Most participants of this market are unanimous in their desire to agree on shared rules for payments systems.

Currently this market is entering a final stage of its establishment as a legally predictable environment that ensures consumer protection as well as equitable and transparent rules for all market players.

In designing the rules, both regulators and operators seek to improve accessibility and transparency of financial services and new financial instruments and to encourage e-money circulation and successful service models.

The discussion will provide an outlook on the future of e-money in Russia, address various approaches to regulation, including potential applicability of relevant international legislative practices, and highlight hopes and concerns of key market players.

Facilitator: **Viktor Dostov**, National Association "E - Money"

Speakers: **Vadim Kuznetsov**, Head, Retail Payments Development Management, Department of the calculation regulation, Central Bank of the Russian Federation

Yevgeniya Zavalishina, Yandex.Money

Petr Darakhvelidze, WebMoney

Aleksander Sobolev, Commercial Bank «Tavrisheskiy»

Timothy Lyman, Senior Policy Advisor/CGAP

12.00- 13.30, Raevsky Hall

3.3. Round Table.

The Program for Microfinance Development as Part of the Government's SME Support Policies: New Approach - New Results

The session is supported by



In 2009, state support of microfinance has been taken to a new level. Following a proposal by NAMMS, the Ministry of Economic Development and the Ministry of Finance, the Russian Government included microfinance in its anti-crisis priorities for 2009 as an instrument of encouraging self-employment and business start-ups. The Ministry of Economic Development supports microfinance providers in 41 Russian regions as part of a federal program for SME support. Subsidized credits have been extended to MFIs under a special project of the Russian Development Bank (RosBR) and Vneshekonombank. These developments raise a few questions:

- to what extent does state support of microfinance meet the needs of the regions and the market participants?
- what makes microfinance institutions eligible to a RosBR loan for onlending to SME?
- what measures of state support are planned for 2010?

Representatives from the MED Department for SME Development, Vneshekonombank, and RosBR have been invited to contribute to the discussion.

Facilitator: Mikhail Mamuta, National Partnership of Microfinance Market Stakeholders (NAMMS)

*Speakers: Andrei Sharov, Director, Department for SME Development, Russian Ministry for Economic Development
Aleksey Eskindarov, Bank for Development (Vneshekonombank)
Sergey Sumenko, Voronezh Oblast Enterprise and Consumer Market Development Department
Murat Kerefov, Deputy Minister for Economic Development and Trade, Kabardin-Balkar Republic
Tatyana Sharova, Belgorod Oblast SME Support Fund
Denis Derevyanko, Yugra SME Support Fund*

13.30 – 15.00 Lunch

15.00-16.30, Bagration Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

4.1. Discussion.

Building a Multi-tiered System of Credit Cooperatives: The Rules Are Set. Where Do We Find the Resources?

Seventeen years ago, credit cooperatives began to re-emerge in Russia after a long pause. During these years, a multi-tiered system of credit cooperatives and the industry support infrastructure have been built. A few nation-wide networks coexist side by side, with overlapping memberships of credit cooperatives spread across the entire country. Some of these networks were created long ago when the first cooperatives were set up in Russia, while some other networks are fairly recent. There is space for credit cooperatives to develop, and established rules for their operation. Recently, it has become clear that coop networks should provide, in addition to a policy and advocacy support, also the business contacts and opportunities for cooperatives. The network most capable of mobilizing the resources and creating business opportunities for its members will ultimately succeed in becoming a truly national network. Each of the currently active nation-wide networks of credit cooperatives explores its own ways of meeting the sustainability challenge. Some create their own funds by accumulating membership dues and contributions, some others set up second-tier cooperatives, and yet others create structures similar to central funds common in the West - in addition to serving as a second-tier cooperative, they also serve as stabilization funds, insurance and security funds. The session will provide an overview of various forms and options of raising funds available in Russia, and highlight problems standing in the way of effective solutions.

Facilitator: Vladislav Krivosheev, Russian Microfinance Center

*Speakers: Valeriy Kasatkin, Altay Association of Credit Unions
Yuri Volokhonsky, National Union of Non Commercial Organizations of Mutual Financial Aid
Lyubov Shadrina, Rural Credit Consumer Cooperative "Sodruzhestvo"
Andrei Sidnev, "Centralnaya Narodnaya Kassa" second-tiered Credit Consumer Cooperative*

15.00-16.30, «Ermolov+Tuchkov» Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

4.2. Discussion.

How to Sustain and Develop Small and Medium-Sized Regional Banks in the Current Context

The session will discuss the potential of regional banks (credit institutions whose territory of operation is limited to a federal district) to facilitate access to finance in Russia, provided that a grandfather clause is adopted whereby regional banks which have increased their authorized capital or have secured a subordinated credit facility after 1 March 2009 may not reduce their equity. It is important to maintain the existing level of lending to the real sector of economy, and to attract domestic deposits to replace external sources of investment finance.

Facilitator: **Andrei Yemelin**, Association of Russian Banks

Speakers: **Sergey Moiseyev**, Russian Union of Industrialists and Entrepreneurs
Valeriy Guzun, Bank "Askold"
Aleksandra Kozyreva, Tveruniversalbank

15.00-16.30, Raevsky Hall

4.3. Discussion.

Microfinance and Social Entrepreneurship as Part of the Regional and Municipal Policies



The session is supported by

Microfinance and social entrepreneurship are increasingly included in strategic plans of local and regional development. What should be their role in regional and municipal policies? What is the meaning of social enterprise and intersectoral social partnership? What is the best use of government support for SME, such as guarantees, subsidies, and development loans? What are potential problems and solutions? Both theorists and practitioners will engage in a discussion of these issues.

Facilitator: **Andrey Kudryashov**, Fund for Regional Social Programs of V. Alekperov "Nashe Budusheye"

Speakers: **Mikhail Mamuta**, National Partnership of Microfinance Market Stakeholders (NAMMS)
Irina Pavlova, Fund for Regional Social Programs of V. Alekperov "Nashe Budusheye"
Murat Kerefov, Deputy Minister for Economic Development and Trade, Kabardin-Balkar Republic
Yekaterina Dubizhanskaya, Consultant, Russian Ministry for Economic Development
Vladimir Yakimets, Institute Of Systems Analysis of the Russian Academy of Sciences
Lev Petrov, Charity Fund "Nadezhda"
Aleksandra Moskovskaya, Social Processes Management Institute
Olga Sorokina, Russian Microfinance Center

16.30-17.00 Coffee Break

17.00-18.30, Bagration Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

5.1. Debate.

Self-regulating Organizations in Credit Cooperation

The Federal Law of 18.07.2009 № 190-FZ on Credit Cooperatives requires all coops to join self-regulating organizations (SROs): within three months of their establishment, all credit consumer cooperatives must become SRO members, otherwise they will not be allowed to attract new members and finance. The law establishes a number of criteria for SROs. One of their functions is to set performance standards for their member coops. However, SROs can perform this function only if their rules of operation are clear, i.e. who can join SROs, how membership dues are calculated, what rules and standards should apply to their members, etc. Another important question is the cost of SRO membership to coops. The discussion will involve leaders of organizations aspiring to be SROs, and the audience will have a chance to ask questions about different options.

*Facilitator: **Dmitry Skripichnikov**, Deputy Director, Corporate Governance Department, Russian Ministry for Economic Development*

*Speakers: **Anatoly Kadrov**, National Union of Non Commercial Organizations of Mutual Financial Aid
Andrei Sidnev, “Centralnaya Narodnaya Kassa” second-tiered Credit Consumer Cooperative
Victoria Tagirova, “Vozmozhnost dlya vseh” NGO
Valeriy Kasatkin, Altay Association of Credit Unions
Valeriy Orekhov, Group of Cooperatives «Soyuzsberzaim»
Aleksander Norov, Credit Consumer Cooperative «Chest»*

17.00-18.30, «Ermolov+Tuchkov» Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

5.2. Discussion.

Attracting Commercial Investment to the Microfinance Industry: How to Assess and Improve the Sector’s Appeal for Investors?

The global financial crisis has negatively affected MFIs’ foreign investments everywhere in the world, including Russia. RMC’s quarterly anti-crisis monitoring reveals that in the first six months of 2009 attracted investments decreased by 26,1%. Is there any connection between the decline of investment and the global financial crisis? Or maybe some Russia-specific factors make a difference? What can MFIs and investors do to change the situation?

This session will offer some potential answers. The audience will also learn about the investors’ requirements for microfinance institutions and about the role of transparency and ratings in improving investment attractiveness of the industry. The session will be attended by representatives of a major microfinance investor – the European Bank for Reconstruction and Development (EBRD), the leading provider of information about microfinance – MIX, and a leading microfinance rater in Russia and Central Asia - Microfinanza Rating, as well as successful MFIs and private investors/lenders.

*Facilitator: **Gail Buyske**, member, Board of Directors, Russian Microfinance Center*

*Speakers: **Oksana Pak**, European Bank for Reconstruction and Development (EBRD)
Eugeniy Bernshtam, Domashnie Dengi, LLC
Yekaterina Lapshina, ADELA Management Limited
Ralitsa Sapundzhieva, MIX
Giorgia Carloni, Microfinanza Rating
Vincent Oswald, Blue Orchard
Irina Dzhusup, Oikocredit*

17.00-18.30, Raevsky Hall

5.3. Training Session.

How to Develop Microfinance Programs at the Regional and Municipal Levels (presentation of RMC's new training course)

The development of this training has been financially supported by Citi Foundation and the Higher School of Privatization and Enterprise - Institute as well as the Voronezh Oblast State Fund for SME Support specialists's participation.



Microfinance today is not only an essential instrument of addressing the needs of SME, but also an important part of the anti-crisis policy in Russia. Through its SME Promotion and Support Program, the Ministry of Economic Development provides funds to the Russian regions to enable them to support microfinance.

However, in absence of relevant legal provisions or a legal definition of microfinance the regions do not have a uniform idea of this sector of economy, its structure and specifics, and the operational principles and forms of microfinance institutions (MFIs). At the same time, some recipients of state subsidies do not have sufficient knowledge and skills for successful implementation of regional programs to facilitate microcredits and MFI establishment.

In order to help local authorities learn more about microfinance and how it may be used to encourage SMEs in their regions, the Russian Microfinance Center jointly with the Higher School of Privatization and Entrepreneurship have designed a training course to be presented during the session.

Facilitator: **Tatyana Dikova**, Russian Microfinance Center

Speakers: **Aleksey Zavyalov**, Higher School of Privatization and Enterprise - Institute
Aleksey Nekhayev, Voronezh Oblast State Fund for SME Support

19.00-23.30, Borodino Hall

Evening Reception for the Conference Participants

November 19, 2009

09.00-15.00, 5th Floor Atrium

The Investor Fair

External funding remains important for microfinance institutions, particularly for credit cooperatives, whose members withdraw their deposits due to the crisis. Moreover, the financial crisis has caused a decrease of foreign investments. Nevertheless, the Russian microfinance industry continues to be attractive for Russian commercial banks and international investment companies. The Investor Fair will offer the microfinance industry a unique opportunity to learn more about banks and investors operating in Russia and about the products they offer - these will also be listed in the Investors Catalogue. In addition, representatives of microfinance institutions will have a chance to meet and negotiate directly with officials of commercial banks and specialized investment companies who have confirmed their participation in the Investor Fair.

09.30-11.00, Bagration Hall

6.1. Discussion.

Credit Cooperatives' Financial Performance Standards and Restrictions: How to Adapt Them to the New Federal Law on Credit Cooperatives»

Article 6 of the Federal Law on Credit Cooperatives of 18.07.2009 establishes a number of limits and standards for credit consumer cooperatives to ensure their sustainability. A few coops have been following similar or even stricter standards on their own initiative, while some others believe that the new requirements are too tough and impossible for credit cooperatives to meet. Some people believe that the law should not spell out specific numbers attached to financial indicators, while others argue that having specific numbers set in the law is better than unpredictability and arbitrariness of bureaucrats. An explanation of the logic behind the financial standards and limitations, their practical application, and an overview of similar experience with designing and implementing performance standards by colleagues from agricultural cooperatives, plus an auditor's perspective – all this should help the participants to adapt to the new legal requirements in the most practical way to benefit their members.

Facilitator: **Anna Baitenova**, Russian Microfinance Center

Speakers: **Alexander Solomkin**, League of Credit Unions

Marina Kokhanova, National Union of Non Commercial Organizations of Mutual Financial Aid

Yekaterina Ovchinnikova, Credit Consumer Cooperative «Pervy Dalnevostochny»

Tatyana Ivashkina, Credit Union «Raduga»

Marina Kolomkina, Head, Auditing Management Department, Samara Oblast Ministry of Agriculture

Lyudmila Ovchinnikova, Rural Credit Cooperation Development Foundation

Victoria Tagirova, «Vozmozhnost dlya vseh» NGO

09.30-11.00, «Ermolov+Tuchkov» Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

6.2. Discussion.

The Second Russia-Asia Forum on Rural Finance. Better Access to Financial Services in Small Towns and Rural Areas

The current supply of microloans in Russia meets no more than 10% of the effective demand. In 2009, about half of Russia's economically active population lacked adequate access to financial services, and the need for finance is growing. Poor access to finance is particularly acute in smaller cities and communities (starting from 500 residents), and their number in Russia exceeds 140,000.

The main problem is that it is not feasible for banks to set up offices in smaller communities. However, business startups, commercial and household farms, traditional artisans need loans and other financial services, such as remittances and payments. What is the best way to meet the demand? What is the best way to reduce the risks involved in lending to low-income borrowers? What is the best way to improve access to finance in general? The participants will explore various solutions.

Facilitators: **Vladimir Kostryukov**, Doctor of Science, Economics; Professor, Russia Academy of Public Administration under the President of the Russian Federation

Benedicto S. Bayaua, Executive Director, Asia-Pacific Agricultural Credit Association (APRACA)

Speakers: **Olesya Kremneva**, Russian Microfinance Center, Center of Payment Systems

Grigoriy Mats, Center for Financial Technologies, Novosibirsk

Aleksey Nekhayev, Voronezh Oblast State Fund for SME Support

Andrei Sidnev, «Centralnaya Narodnaya Kassa» second-tiered Credit Consumer Cooperative

Aleksander Rasskazov, Rural Credit Cooperation Development Foundation

09.30-11.00, Raevsky Hall

6.3. Discussion.

Risk Management in Microfinance

The operation of MFIs over the past 12 months, marked by instability of the entire financial system, offers some useful lessons and suggests ways to survive the crisis. The people invited to address this session believe that risk management is one of such ways. To manage risks effectively, MFIs are advised to focus on two things:

1) undertake careful risk management to avoid further loss and institutional vulnerability, and 2) embrace risk management as an integral component of their corporate culture, improve their staff's risk awareness and learn to detect threats at all levels of their institutions. These approaches, and a more detailed overview of risk classification and methods of risk minimization and trade-offs will be addressed by the session entitled *Risk Management in Microfinance*.

Speakers: IFC risk management experts, representatives of banking and microfinance practitioners.

Facilitator: **Yekaterina Butova**, Russian Women Microfinance Network

Speakers: **Alexander Barnewitz**, GERFO Fund

Pavel Sigal, «Center for Microfinance» Managing Company

Judit Burucs, International Finance Corporation - Central European University - Russia Banking Advisory Project

Sergey Motolygin, Rural Consumer Credit Cooperative «Garant-credit»

11.00-11.30 Coffee Break

11.30-13.00, Bagration Hall

7.1. Discussion.

Banks and Microfinance: risks and incentives

The session will discuss some of the issues faced by banks in lending to SME in these times of crisis, and explore solutions. The discussion will look at banks' medium-term expectations and the prospects of their collaboration with MFIs to diversify their risks and improve their microlending performance. The session will be attended by major banks lending to small businesses, and by microfinance industry leaders.

Facilitator: **Alexander Brechalov**, All-Russia's Non-commercial SME Organization 'Opora Rossii'

Speakers: **Nadia Cherkasova**, National Bank TRUST

Nadezhda Karisalova, VTB 24

Anatoliy Khvostikov, Rosbank

Stacie D. Schrader, Forus Bank

11.30-13.00, «Ermolov+Tuchkov» Hall

Simultaneous translation (English - Russian, Russian - English) will be provided.

7.2. Discussion.

Building a Support Infrastructure in Microfinance

Today, after more than 10 years' history of microfinance in Russia, building a support infrastructure for the industry is an urgent need, particularly in the light of the new legislation on credit cooperatives.

A support infrastructure is a multi-dimensional phenomenon, which may include different types of providers of training, advice, finance, regulation, rating assessment, etc. What parts of the microfinance infrastructure are particularly relevant today? Which types of microfinance infrastructure projects can be self-sustainable, and which types will require donor or state support? The session participants will have an opportunity to discuss infrastructure projects they find particularly interesting, and suggest new ideas for NAMMS to develop and implement.

Facilitator: **Anatoly Kadrov**, National Union of Non Commercial Organizations of Mutual Financial Aid

Speakers: **Nina Budnikova**, Credit Consumer Cooperative «Rost»

Yekaterina Korsunskaya, Credit Consumer Cooperative of Citizens «Cash Account of Mutual Credit»

Marina Kokhanova, National Union of Non Commercial Organizations of Mutual Financial Aid

Irina Adzhiderskaya, Pacific Center for Credit Unions Development

Sergey Pakhomov, Kuzbass Association of Credit Unions

Alexander Norov, Credit Consumer Cooperative «Chest»

Boris Tkachenko, International Business Leaders Forum (IBLF)

11.30-13.00, Raevsky Hall

7.3. Training Session.

Delinquency Management and Bankruptcy Prevention for MFIs

How to draft a loan agreement to minimize borrower delinquency and strengthen the lender's position? What is the way to proceed should a borrower fail to repay a loan? How to collect debt if the borrower has "disappeared"? What if the borrower is convicted and imprisoned? What if the borrower dies? Will the collateral cover the loss?

A microfinance institution which does not know how to handle delinquencies may face bankruptcy procedures. Is bankruptcy good or bad for a microfinance institution, its founders or members, and its creditors? Can we expect a law on bankruptcy of natural persons to be adopted in Russia soon, and with what implications for microfinance institutions?

These and other issues of managing delinquencies will be discussed during this training session.

Facilitator: **Victoria Tagirova**, "Vozmozhnost dlya vseh" NGO

Speakers: **Dmitry Skripichnikov**, Deputy Director, Corporate Governance Department, Russian Ministry for Economic Development

13.00 – 14.00 Lunch

14.00-15.30, Bagration Hall

8.1. Discussion.

New Developments in Law and Practice Relevant to MFIs

The session will focus on the recent litigations involving microfinance institutions and concerning the nature of membership dues in a credit cooperative; whether police is allowed to confiscate the documents of an institution; how members of a cooperative can claim part of its property; how to handle mortgage-related disputes, etc.

Facilitator: **Anna Baitenova**, Russian Microfinance Center

Speakers: **Yelena Stratyeva**, Credit Consumer Cooperative of Citizens «Soyuz»

Alena Kravtsova, Credit Consumer Cooperative «Pervy Dalnevostochny»

Aleksander Bondarev, «Centralnaya Narodnaya Kassa» second-tiered Credit Consumer Cooperative

Yugeny Rossov, Credit Consumer Cooperative of Citizens «Rost»

Pavel Sigal, «Center for Microfinance» Managing Company

Victoria Tagirova, «Vozmozhnost dlya vseh» NGO

14.00-15.30, «Ermolov+Tuchkov» Hall

Simultaneous translation (English - Russian, Russian - English) will be provided.

8.2. Discussion.

Consumer Protection in Microfinance

The session is supported by



The U.S. sub-prime lending crisis and incidents of client over-indebtedness in countries ranging from Bosnia to Nicaragua to some regions of India have drawn both media attention and industry concern. Intense competition in some over-saturated markets and the global economic slowdown have added to pressures on microfinance institutions (MFIs) to work aggressively for market share, sometimes by lowering their underwriting standards just to get more money out the door. Yet benefitting and protecting our clients is at the heart of the social mission of microfinance. This panel will explore the business and social case for consumer protection and look at six basic principles to guide the treatment of customers. It will consider the role that investors and advocacy associations in Russia can play to champion these principles. The session will also introduce The Smart Campaign, a global effort to unite the microfinance industry around the consumer protection principles, help MFIs assess their customer practices and to make changes as indicated to better ensure they are delivering transparent, respectful and responsible financial services to all their clients.

Facilitator: **Robin Ratcliffe**, «Keeping Clients First in Microfinance» Center for Financial Inclusion at ACCION International

Speaker: **Dmitriy Yanin**, International Confederation of Consumer Societies

Jerome Savelli, Symbiotics

Olga Sergeyeva, Deputy Head, Financial Markets Control Department, Federal Antimonopoly Service of the Russian Federation

14.00-15.30, Raevsky Hall

8.3. Master Class.

Strategies of Success (Survival) in the Current Crisis: MFIs' Practical Strategies

The session is supported by



Even though the history of Russian microfinance institutions is not very long, they have already faced two financial crises. The 1998 crisis did not affect MFIs too much – no institution was closed or went bankrupt at the time. In contrast to massive problems with banks, MFIs continued to operate, make loans and accept savings from their members. Most MFIs relied on their members' savings and avoided dependence on external borrowing. It was a key factor in MFIs' survival strategy during the 1998 crisis. The fact that the sector was still young and relatively small also helped its survival. The decade since then has been marked by a dramatic growth of both the number of cooperatives and their key economic indicators at the average of 10% each month. Very soon, MFIs faced a shortage of financial resources and began to rely on external borrowing rather than members' savings. At the time of the 2008 crisis, the microfinance business was more powerful than before, but at the same time, it was more vulnerable to external financial turbulence. The year since the beginning of the crisis has brought about dramatic changes in the Russian microfinance industry. Many strong and successful MFIs with national visibility either struggle financially or have suspended their operations. Some went bankrupt. However, some others continue to raise external finance, and to open new branches and offices. The people invited to this master class include leaders of those MFIs which carry on their operations and continue to enjoy the trust of their members in the current crisis. What is their survival secret? What problems have they faced – and solved? What is their outlook for the future? How can other participants benefit from their experience?

Facilitator: Vladislav Krivosheev, Russian Microfinance Center

Speakers: Yekaterina Ovchinnikova, Credit Consumer Cooperative «Pervy Dalnevostochny»
Lyudmila Kukushina, Credit Consumer Cooperative of Citizens «Credit Union Alternativa»
Yelena Tokareva, National Union of Non-commercial Organizations for Mutual Financial Support

15.30-16.00, Bagration Hall

Simultaneous translation (English - Russian, Russian – English) will be provided.

Closing Ceremony

Glossary

Plenary Session is a session format where the audience is accommodated in one big conference room to hear VIP guest speakers.

Discussion is a discussion of relevant issues with the presenters and other participants of the session.

Round Table is a discussion focusing on a certain issue to summarize the participants' ideas and opinions. Usually, round tables do not feature formal presentations, but allow the audience to contribute on an equal basis. The facilitator's role is to describe the problem, briefly review different perspectives and solutions, invite comments from the floor, and provide feedback and a final summary.

Training Session is a hands-on workshop designed to build or develop certain practical skills.

Business Breakfast is a meeting in an informal, welcoming atmosphere and an opportunity to discuss specific questions and concerns with invited guests who will share their opinion or relevant expertise and engage in informal conversations. In addition to learning valuable information, usually a business breakfast is the perfect opportunity for networking and establishing business contacts. A breakfast is served, including tea and coffee, etc.

Master Class is a demonstration of a certain technique or skill by a relevant specialist.

Investor Fair is an exhibition where investors present their programs and products. Visitors can consult, negotiate with staff of the investor companies and sign agreements.

