

# The role and challenges of Microfinance Institutions

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Jacco Minnaar – Fund Manager - Triodos Bank

# About Triodos

## Mission statement

To help create a society that promotes people's **quality of life** and that has human dignity at its core



**Three** ways (Tri Hodos) to quality of life

...that's why we finance

**Planet** care for the earth

e.g. Renewable Energy

**People** social responsibility

e.g. Microfinance, Social Entrepreneurship

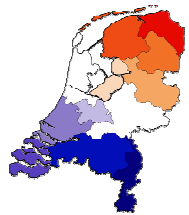
**Person** personal growth

e.g. Arts & Culture



# About Triodos

Sustainability pioneer



**1980**  
Opening  
Triodos  
Netherlands



**1994**  
Launch Stichting  
Triodos-Doen and  
Stichting Hivos-  
Triodos.



**1998**  
Triodos Green Fund.



**2004**  
Sustainable Real  
Estate Fund



**2004**  
Opening Triodos  
Spain



**2007**  
Launch of Triodos Values  
Pioneer Fund



**2009**  
Opening Triodos  
Germany

**1993**  
Opening Triodos  
Belgium



**1997**  
Launch Triodos Added  
Value Fund



**1994**  
Opening  
Triodos UK



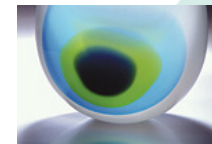
**1990**  
First green fu  
in Europe



**2002**  
The Triodos Fair  
Share Fund is  
launched



**2006**  
Triodos Culture Fund  
starts operating



**2006**  
Opening Triodos  
Headquarters in  
Netherlands

**2008**  
Launch of Triodos  
Sustainable Trade  
Fund





# The Gap: Financial exclusion

## Financial services in Uganda

Formally served

18%

Semi Formal

3%

Informal

17%

Unserved

62%

Tanzania Formal

10%

Nigeria Formal

26%

SA Formal

67%

Source: Finscope

# Role of Microfinance

- Providing Access to finance
  - Outreach: Banking the Unbanked
  - Product diversification
  - Up and Down scaling
- Integral part of the financial system
- Mission:
  - Financial and Non-Financial
  - Core competence: intermediation
  - Beyond microfinance: financing social and environmental change



# Challenges: Biggest Risks

## **GLOBAL**

1. Credit risks
2. Liquidity
3. Macro economy
4. Mgt quality
5. Refinancing

## **AFRICA**

1. Mgt Quality
2. Staffing
3. Corporate Governance
4. Credit Risks
5. Macro economy



# Investor Roles

- Finance & Investment
  - Active Board Membership
  - Sharing Knowledge and Expertise
- 
- Triodos Examples
    - Global Alliance for Banking on Values
    - Sustainability and Risk Management TA
    - Network and Annual Workshop
    - Represented on 5 boards



# Thank you



## Contact Details

Jacco Minnaar

Fund Manager – Microfinance

Triodos Investment Management

Email: [jacco.minnaar@triodos.nl](mailto:jacco.minnaar@triodos.nl)

Triodos Bank was voted the Sustainable Bank of the Year at the Financial Times Sustainable Banking Awards 2009



FT SUSTAINABLE BANKING AWARDS 2009

Triodos Bank, The Netherlands

**WINNER**

Sustainable Bank of The Year

