Starting a

MICROFINANCE ORGANISATION

in New Zealand

JUNE 2014

CONTENTS

1. INTRODUCTION

a) *Background to the report*

The need for an information resource on microfinance in New Zealand was identified at a workshop led by Good Shepherd New Zealand Trust on 8 March 2014. The attendees were microfinance providers, community groups, government representatives and banks, and the purpose was to share perspectives and discuss issues around microfinance. For many participants, this was the first microfinance sector gathering that they had attended.

The discussions made it apparent that there is a consistent set of questions and information that any organisation thinking about microfinance should ask or know. Kiwibank agreed to lead a project to develop an information resource, with the assistance of many of the other attendees. The report was researched and written by the Auckland Microfinance Initiative.

b) *Purpose and Scope*

This report is intended for any organisation thinking about setting up a microfinance programme or wanting to know more about the mechanics of such a programme. The report covers possibilities for microfinance business models, but does not describe operational details.

For the purpose of this report, microfinance is defined as:
The "provision of financial services – such as loans and savings accounts to people on low and limited incomes who cannot easily access mainstream financial services." (Source: Good Sheherd Microfinance www.goodshepherdmicrofinance.org.au)

All microfinance providers in New Zealand are not-for-profit organisations. Similarly, most products offered by NZ microfinance organisations are free in that no interest or fees are charged to clients. Accordingly, this report is written with not-for-profit organisations in mind.

c) *Report methodology*

Interviews with established and emerging microfinance organisations throughout New Zealand and Australia provided the information from which this report was constructed.

Interviews were conducted with the following organisations:

Nga Tangata Microfinance Trust

Dr Claire Dale	Trustee

Good Shepherd Microfinance New Zealand Trust

Fleur Howard	Senior Project Manager

Aviva Family Violence Services

Nicola Woodward	CEO
Christine Wallace	Office Manager
Nicola Eccleton	NILS worker and loan evaluator
Vimbayi Chitaka	Client Services Manager

Newtown Ethical Lending Trust

Anna Costley	Founding Trustee
Yasmin Morris	Founding Trustee

New Zealand Federation of Family Budgeting Services

Raewyn Fox	CEO

Good Shepherd Microfinance

Michelle Crawford	Deputy CEO, Development and Innovation

We are grateful for their contributions of time and knowledge, and their willingness to participate.

2. YOUR PURPOSE AND MICROFINANCE AS A SOLUTION

Microfinance organisations must ask two basic questions. Firstly, "***who*** do you want to help/**what problem** do you want to solve, and "**why**?"

Your purpose may be to help a specific group of people based on:

- Demographic characteristics
- Recognition of the needs and wants of a community or specific group
- Geographic location such as supporting members of a local community
- Common problems people share such as financial exclusion or child poverty

Each organisation should determine how broad or narrow their purpose is. How an organisation defines its purpose will affect how it is structured and run.

The second fundamental question is: "**what role does microfinance play in solving this problem?**"

While microfinance can be a powerful tool to help people become financially independent and achieve social aims, it is not suitable in every situation. Microfinance is only appropriate for people who have the **capacity** and **willingness** to repay the loan. Microfinance organisations should understand who could benefit, and for whom microfinance is not a suitable product.

Microfinance may also facilitate a sense of dignity, confidence and pride in clients if the exercise is successful. This benefit can only be achieved if a client is able to repay the loan. Therefore, unsuitable candidates will not benefit.

In addition to providing microfinance loans, you may wish to consider other services that may help achieve your purpose. Many existing organisations offer, or partner with other organisations to offer, a 'holistic' suite of services, such as:

- Budgeting advice/financial literacy workshops
- Workshops on subjects such as computer literacy, employment up-skilling
- Counselling and support groups

--- QUESTIONS TO CONSIDER ---

1. What is your organisation's purpose?
2. What role does microfinance play in serving this purpose?
3. Are there any other services that you can offer to clients?

3. ORGANISATIONAL STRUCTURE

a) *Legal Status*

Most existing providers of microfinance operate as charities. A charitable organisation must be set up wholly and exclusively to carry out charitable purposes. It also needs to exist for the public benefit. You'll need to consider what sort of structure you want to establish. Commonly, charities are constituted as a charitable trust or incorporated society. However, corporate bodies such as companies can be charities as well. You should seek legal advice as to the best-suited legal structure for your microfinance organisation. Additionally, advice should be sought about the legal obligations of the people involved in the organisation, such as trustees.

More information about charities can be found at the following webpages:

- **Charities New Zealand: Setting up a Charity**
  http://www.charities.govt.nz/setting-up-a-charity/

- **New Zealand Companies Office: Charitable Trust FAQs**
  http://www.societies.govt.nz/cms/customer-support/faqs/charitable-trust-faqs

- **Philanthrophy New Zealand: Setting up a Charitable Trust**
  http://www.philanthropy.org.nz/options/charitable

- **Te Puni Kokiri: Charitable Trust**
  http://www.tpk.govt.nz/en/services/effective/governance/organisation/charitable/

More information about the legal obligations of microfinance organisations is outlined in **Part 4 - Legal and Regulatory Matters**.

b) *Accreditation*

You may wish to seek accreditation from a reputable microfinance provider in order to confirm your reliability to potential funders and other stakeholders.

For example, Good Shepherd Microfinance Australia accredited Aviva Family Violence Services after assisting Aviva in developing their policies and procedures. The accreditation assured potential funders that Aviva would be a safe and effective microfinance provider, and secured funding from Kiwibank.

c) *Delivering microfinance as a solution*

While microfinance products may ease a client's financial problems, clients would often benefit from assistance in other areas of life. When microfinance is part of a holistic suite of services offered by one organisation, clients can benefit from many programmes while avoiding the hassle of dealing with many organisations.

Additionally, existing organisations will have established processes and resources. This means that partnering with an existing organisation to implement a microfinance programme will be much easier than starting a microfinance organisation from scratch.

d) *Extent of customer interaction*

Some organisations interact with clients throughout the entire microfinance process – from the first contact through to the final loan repayment. Others prefer to perform only a part of the process, such as the loan assessment and loan management.

To allow a microfinance organisation to focus on the loan management aspect, a family budgeting service may be a valuable partner to identify clients who can benefit from a microfinance loan. The budgeting service could also gather information about each client's financial situation, passing on the information to the microfinance organisation. The microfinance organisation will decide whether to grant a loan, and pay the loan principal, while the family budgeting service remains responsible for maintaining the relationship with the client and ensuring that the loan is repaid.

Less time and resources are needed to provide only a part of the microfinance process. Conversely, managing the entire microfinance process requires a far greater commitment of time, effort and resources.

For example, Nga Tangata Microfinance Trust's borrowers are referred by family budgeting services providers. Clients must work with the budgeting service for around 2 months before a loan application is considered, and Family Budgeting Services only refers those whom it considers capable to repay loans. This method has two clear benefits: loan applicants are likely to be reliable borrowers, and Nga Tangata can focus on considering loan applications and loan management.

e) *Key roles*

The human resources needs of a microfinance organisation will vary according to its purpose and product offerings. Generally, however, one or more people must perform the following roles:

- Strategy design and implementation
- Loans co-ordination and assessment
- General administration
- Client relationship management

Details on essential skills and capabilities for a microfinance organisation are contained in **Part 6 - Critical Capabilities**.

--- QUESTIONS TO CONSIDER ---

1. What legal structure would be best-suited for your microfinance organisation?
2. Should you start a standalone organisation or establish some form of partnership with an existing organisation?
3. Should you seek accreditation?

4. LEGAL AND REGULATORY MATTERS

A number of statutes may apply to the provision of microfinance loans. The legal framework around microfinance can be complex and will differ for each organisation depending on factors such as:

- the legal structure of your organisation
- the activities you undertake
- the types of products you provide
- whether or not you charge fees or interest

A brief overview of the regulations that may apply are outlined below. Please note, however, that this report does not constitute legal advice, and professional, up-to-date legal advice should always be sought before taking any action.

a) *Anti-Money Laundering/Countering Financing of Terrorism Act 2009 (AML/CFT)*

A microfinance organisation is a financial institution under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. As such, the organisation is subject to a number of legal obligations to guard against money laundering and the financing of terrorism. These obligations include, among others, an AML/CFT programme, and client due diligence processes such as client identification and verification of identity. Microfinance organisations may find it difficult to comply with client identification requirements because many people on low income only have one form of ID.

Different types of organisations will be subject to different requirements under the AML/CFT regime. Professional legal advice should be sought to determine how your organisation must comply with the Act. More information about AML/CFT regime can be found at the following webpages:

► **Department of Internal Affairs - Anti-Money Laundering outline**
http://www.dia.govt.nz/Services-Anti-Money-Laundering-Index

► **The AMLCFT Act 2009**
http://www.legislation.govt.nz/act/public/2009/0035/latest/DLM2140720.html

b) *Credit Contracts and Consumer Finance Act 2003 (CCCFA)*

The CCCFA provides a disclosure regime and rules to regulate interest, fees and payments in consumer credit contracts, such as microfinance loans. The CCCFA is currently being amended and the new bill is likely to be signed into legislation in June 2014.

More information about the CCCFA can be found at the following webpages:

- **Commerce Commission CCCFA Factsheet**
  http://www.comcom.govt.nz/consumer-credit/consumer-credit-fact-sheets/credit-contracts-and-consumer-finance-act/

- **Chapman Tripp CCCFA outline**
  http://www.chapmantripp.com/publications/Pages/Credit-Contracts-and-Consumer-Finance-Act-2003.aspx

- **Credit Contracts and Consumer Finance Act 2003**
  http://www.legislation.govt.nz/act/public/2003/0052/latest/DLM211512.html

c) *Financial Advisers Act 2008*

You may also be required to comply with the Financial Advisers Act 2008 if you provide financial advice. More information about the Financial Advisers Act 2008 can be found at these links:

- **Financial Markets Authority: Help Me Comply**
  http://www.fma.govt.nz/help-me-comply/financial-advisers/

- **Financial Advisers Act 2008**
  http://www.legislation.govt.nz/act/public/2008/0091/latest/DLM1584202.html

d) *Additional Issues*

You may wish to consider and seek legal advice with regards to:

- Insurance
- Tax liability, for example applying for donee status
- Reporting requirements
- Governance issues

--- QUESTIONS TO CONSIDER ---

1. Have you sought legal advice regarding any necessary compliance with these regimes?
2. Have you considered whether any of the additional issues might apply to your organisation?

5. FUNDING

Loan capital and **operating costs** may have different sources of funding. Commercial banks and philanthropists represent potential sources of funding, especially for loan principal. Funders will likely require evidence that microfinance providers have appropriate policies and processes. Accreditation can help in this regard.

Charitable Trusts may also be a potential source of funding, particularly for operating costs. Many professional firms or individuals – such as accounting firms and law firms – offer pro bono or discounted services for charitable trusts.

--- QUESTIONS TO CONSIDER ---

1. What or who will be your sources of funding?
2. How will they be approached?

6. CRITICAL CAPABILITIES

You will need certain skills and knowledge for the effective operation of any microfinance organisation. Trustees, employees, volunteers, donors and other participants could be selected to access a wide range of skills and knowledge. Where very specialised knowledge is required, assistance from outside the microfinance organisation may be necessary.

a) *Required Knowledge*

- **Local knowledge** – To offer the most effective range of products, microfinance organisations must understand how its potential clients are affected by financial exclusion, and the traditional finance options that are currently available to them.
- **Finance knowledge** – A microfinance organisation must be able to assess whether a client is in a position to repay a loan. Knowledge about sensible financial management will be helpful in educating clients about budgeting.
- **Computer literacy** – Management of loans and client information will likely involve an electronic database or an Excel spreadsheet. Some communication with likely be via email.
- **Marketing knowledge** – To ensure that potential clients know about a microfinance service, some marketing activities may be necessary.
- **Legal knowledge** – Legal research skills are helpful but not essential – it is common for law firms to provide pro bono or discounted services for social causes.

b) *Required personal skills*

- **The ability to interact constructively with a wide range of people** - Stakeholders in a microfinance organisation – clients, funders, employees etc – can be very diverse. Clients may require empathy and compassion; while funders may require a more professional and business-like approach.
- **Emotional objectivity** – While clients will need empathy and compassion at times, a certain level of detachment may be necessary at other times, particularly when assessing whether a loan should be granted to a particular client.
- **'Big-picture' thinking and strategic planning skills** – Establishing a microfinance initiative is a time-consuming exercise. A clear strategic plan will provide direction and assist with decision making throughout the process. Equally, big picture thinking is necessary to envision how microfinance may fit into a holistic suite of services offered by an existing organisation.

b) *How to acquire or access capabilities*

As the community's awareness of your organisation grows and becomes more well-known, people may begin to offer their help. This was the experience of the Newtown Ethical Lending Trust. Publicising your need for assistance will encourage willing helpers to make contact with you. Partner organisations may also be a source of assistance. If your financial resources are relatively unconstrained, you might consider employing or contracting people with the required knowledge or skills.

--- QUESTIONS TO CONSIDER ---

1. What skills and knowledge do you possess?
2. What skills and knowledge do you have access to?
3. How will you ensure that all capabilities are provided for?
4. Who might be able to help in contributing important knowledge or personal skills?

7. PRODUCTS

Products will form the lifeblood of any microfinance organisation. It may be difficult at the outset to know which product or combination of products will best service your community. Ideally, your products should reflect your purpose. Your product offerings may change as your purpose evolves, or as you learn more about the problem you are trying to solve.

This section covers existing products that are currently offered in New Zealand, as well as potential products that are not currently offered in New Zealand but have been trialled in other countries, particularly Australia.

a) *Products offered in New Zealand*

- **No-interest loans** - Most microfinance providers currently operating in New Zealand offer some variant of the no-interest loan scheme (NILS®)[1]. The loans are generally between $1000 and $2000. They tend to focus on asset building and family wellbeing; with typical purchases being whiteware, beds and car repairs.

- **Debt relief loans** - Loans are also provided for debt relief, either as a separate product or within the no interest scheme. Several interviewees emphasised the significant weight of demand behind loans provided for this purpose. Unsurprisingly, these organisations tended to be operating in especially vulnerable communities targeted by a large number of predatory lending companies.

- **Other social services** - For several organisations, their microfinance products were part of a "holistic portfolio of services" offered to their clients. Many organisations emphasised the benefits of this model, suggesting that microfinance is most effective when offered in conjunction with a range of other social welfare enhancing solutions.

- **Financial literacy and budgeting workshops** - There is a consensus among organisations in New Zealand that financial literacy workshops serve as a natural complement to microfinance loans; that they are another tool that could be used to empower people to regain control of their finances. This sentiment is questioned in Australia on two fronts. It is suggested that the problem is not that clients are unable to look after their finances, but that they simply don't have those finances to begin with. Any gaps in financial literacy are regarded as best filled through the process of acquiring a loan, rather than passively learning via a workshop.

1 "NILS" is a registered trade mark of Good Shepherd Microfinance.

b) *Products offered in other countries*

These products are offered by Good Shepherd Microfinance in Australia:

- **Low interest loans** - Low interest or "StepUP®" loans are offered as a graduate programme catering to people who have improved their circumstances through the no interest loan programme. They may also serve different sectors of the community (for example, people in low-paying employment as opposed to welfare beneficiaries). StepUP® loans will be offered in Auckland from late August 2014 as part of a pilot project between Good Shepherd NZ, Bank of New Zealand, The Ministry of Social Development and The Salvation Army.
  ▶ http://www.goodshepherdmicrofinance.org.au/services/stepup-low-interest-loans

- **Savings packages** - A bank or other financial institution will match the client's saving of $500. The package is incorporated into the service once a client has passed the no or low interest entry point.
  ▶ http://www.goodshepherdmicrofinance.org.au/services/addsup-matchedsavings-plan

- **'Community Finance Hubs'** - Bringing microfinance providers' premises into the heart of communities in order to compete directly with pay-day lenders.
  ▶ http://www.goodshepherdmicrofinance.org.au/services/good-money

- **Affordable Insurance** - Forming partnerships with insurance providers to bring low-cost insurance products onto the market.
  ▶ http://www.goodshepherdmicrofinance.org.au/loans/insurance

- **Good to go now** - Microfinance organisations partner with retail energy providers to offer energy efficient household products at competitive prices to NILS® and StepUP® clients.
  ▶ http://www.good2gonow.com.au

--- QUESTIONS TO CONSIDER ---

1. Which products are best suited for your expected clients?
2. If you are an existing provider of community services, how do you plan to integrate the microfinance arm of your operation in with the rest of your services?
3. If you intend to focus exclusively on the provision of microloans, will your chosen products give effect to your purpose?
4. Is improved financial literacy one of your aims? How do you think this can be best achieved? How do adults learn best?

8. CHANNELS AND MARKETING

Some microfinance organisations in Australia have physical offices where potential clients can inquire about a loan in-person. These premises are sometimes located across the road from payday lenders, because many people are unaware that alternative methods of finance exist.

For microfinance organisations who do not have a physical office, or where a physical office is not highly visible, there are a number of ways to market their service to clients and key stakeholders.

a) *Direct Marketing*

Direct marketing to clients and stakeholders can take the form of:

- **Brochures** placed at strategic locations such as budgeting advisors offices, other social service organisations, Work and Income offices, secondhand stores.
- **Websites** presenting information about an organisation's product and service offerings.
- **Press releases** in local, regional and national newspapers, newsletters and websites.
- **Presence at community events** such as family days or weekend markets.

At a minimum, these marketing activities or resources should contain information about the services and products offered, the organisation's purpose, value proposition and contact details.

b) *Referrals*

Organisations may also obtain clients through referrals from other organisations. Important things to consider when an organisation is determining whether to form such a partnership include:

- Similarities in purpose between the organisations
- Whether the potential partner's clients are suitable candidates for microfinance from your organisation
- Whether the potential partner has the capabilities and willingness to identify potential clients to refer.
- How committed and proactive the potential partner will be in assessing clients' suitability for a microfinance loan (and also for helping with the administration of the loan if necessary such as enforcement).

Potential partners may include:

- **Budgeting services and advisers** - They may be able to assess and screen applicants which can reduce the administrative burden of reviewing a large volume of applications. However, it may be difficult to find suitable candidates for a no-interest loan through this channel because people tend to seek budgeting services when they are under financial stress or are unable to effectively manage their funds.
- **Social service organisations**
- **Alternative channels where people are in a more stable financial situation** - This will vary depending upon your organisation's purpose but may include community centres which provide courses for upskilling (such as computer courses), employment service providers, sports clubs and secondhand stores.

If you decide to use a referral system, you will need to set and communicate clear guidelines and processes to determine when a client may be referred. In designing these processes, you should consider:

- Requirements that the potential candidate must fulfill before being referred. For example there may be a minimum period of engagement with the partner service before referral is considered.
- The extent to which the partner 'pre-screens' potential applicants, before making a referral.
- The partner's involvement in the administration and enforcement of the loans.
- How much training be provided to the partner organisation.
- How communication will be maintained between the organisations.

--- QUESTIONS TO CONSIDER ---

1. Do you want to pursue a direct marketing approach, rely on partner referrals, or a mixture of both?
2. What other types of organisations serve your target market? How willing and committed are they to introducing their clients about your microfinance product?
3. To what extent is your partner organisation(s) involved in the provision of your microfinance service?
4. Do you have clear processes, guidelines and training in place to help your partner organisations refer potential clients to you?
5. How will you communicate with your partner organisations?

9. PROCESSES

Overall, existing microfinance organisations in New Zealand follow a similar process at each stage, with varying degrees of flexibility. .

a) *Loan Evaluations*

You should establish a process for assessing potential clients and determining whether they will be suitable borrowers. Primarily, the question will be whether the potential client is capable of repaying a loan.

Clients may be referred to the organisation through networks such as CYFS, or (if your organisation provides a holistic suite of services) the client may have already engaged with other services provided by your organisation. In this instance clients may be fast-tracked through the evaluation process if they are known to be reliable.

All potential microfinance clients should have an appointment with a microfinance worker. Appointments will:

- Ensure that the client understands their obligations; and
- Enable the microfinance worker to ensure that the client is not put into financial hardship; and
- Reveal information about the client's financial situation and capacity to repay, and;
- Identify problems the client may be facing in other areas of their life
- Facilitate an assessment of whether a particular person would make a suitable borrower.

It is important to be sensitive to the fact that agencies' existing clients tend to be highly vulnerable and have complex needs.

After being determined as a possible suitable borrower, the client is referred to a loans committee. So as to remain impartial, committees should consider making decisions solely on the basis of the client's financial information, without meeting the client. The decision could be made at a scheduled meeting or via an online decision-making platform such as Loomio. Loomio is an online, collaborative decision-making tool, and is useful when it is not convenient for loan committee members to meet in person. See Loomio's website for more information ► https://www.loomio.org

Criteria for loan approval should include clear guidelines and requirements, although some flexibility can be appropriate. The client may be required to provide, for example, bank statements, proof of income or employment, a budget template, proof of basic expenses, or an intended repayment timeline. Trust is a common theme foundational in all evaluation processes, with most interviewees tending to err on the side of generosity. While trust is importat, organisations need to lend in a responsible manner, avoiding putting clients into financial hardship and avoiding the loss of loan capital. Overall, decisions came down to a key question: ***did the client have the willingness and capacity to repay the loan?***

While most organisations followed a structured client-assessment process, others were willing to set aside routine procedure in exceptional circumstances. In these instances the process of approval would take place on a much more flexible, ad hoc basis. For example, at times organisations were required to rush through a loan in 24 hours in order to meet an urgent deadline. Thus even with a clear structure and procedure in place, certain circumstances may justify a more intuitive response. It will be helpful to have contingency decision-making tools on hand to help you make the right decision in these instances.

b) *Loan transactions*

Paying the loan principal directly to the supplier or retailer is the most reliable way to ensure that the money is used for the agreed purpose. Discount agreements with retailers or suppliers may be negotiable if a Microfinance provider can generate a sufficient volume of new sales for the retailer or supplier.

c) *Ensuring repayments are made*

You should aim to make repayment as easy and pleasant as possible for the borrower. Automatic payments with set repayment amounts at fixed time intervals will increase the likelihood that a loan will be repaid. Loan co-ordinators or budget advisers – whomever has the best relationship with the client – can increase the likelihood of repayment by staying engaged with the borrower for the duration of the loan.

c) *Responses to delayed repayment or non-repayment*

Communication and regular contact are essential to reducing the incidence of bad debts. In-person visits, phone calls, emails and letters serve as effective reminders of clients' obligations. A flexible approach may be required to reflect clients' circumstances – for example, if a client is struggling to repay the loan, you may consider reducing the amount of each repayment while maintaining the repayment intervals.

--- QUESTIONS TO CONSIDER ---

1. Do you have the resources and capabilities to assess initial clients yourself, or would partnering with local budgeting services would be more effective?
2. Do you have a relationship with other potential referral networks? If not, how might you go about establishing such a relationship?
3. Who will sit on the loans committee? How will decisions be made?
4. Are you willing to set aside your processes in exceptional circumstances?
5. What is your preferred method of providing loans?
6. How might relationships with suppliers or retailers be formed?
7. How will you maximise the chances that loans will be repaid?
8. What will be your process for dealing with delayed or non-payments?

10. STAKEHOLDER RELATIONSHIP MANAGEMENT

Key stakeholders include:

- Clients
- Funders
- Partner organisations
- Supply partnerships: (retailers who may provide discounts)

Each stakeholder's needs vary greatly depending upon individual arrangements. Some funders and partner organizations require formal and regular reporting processes, while informal and irregular updates may suffice for other stakeholders. Good practices that organisations can employ to maintain positive and productive relationships with their key stakeholders include:

- **Transparency** about challenges, issues, new ideas about products and alternative sources of funding
- **Regular updates about progress.** This may include how the organisation is performing against key metrics. **See Part 11 - Key Metrics** for more information.

11. KEY METRICS

Key metrics help to ascertain whether an organisation is fulfilling its purpose. For microfinance organisations and other social enterprises, key metrics seek to measure social impact.

Good Shepherd Microfinance has recently released an evaluation of their flagship NILS programme, entitled "Life Changing Loans at No Interest" See the report here ▶ http://goodshepherdmicrofinance.org.au/sites/default/files/GSM_NILS_Report.pdf The report contains an extensive analysis of how the NILS programme has directly improved the lives of their clients. Metrics used include:

- Social and economic return on investment
- Net improvement in social, health and economic outcomes
- Improvement in financial capability
- The proportion of clients diverted away from predatory lenders.

In-depth analysis may not be possible for smaller scale organisations operating in New Zealand. Existing operators measure their success in the short and medium term in the following ways:

- Loan repayment rates;
- Increase in financial literacy/reduction in financial exclusion;
- Identifying the extent to which clients have improved their quality of life through surveys and interviews;
- Unsolicited feedback from clients;
- Community/Government recognition.

12. SUMMARY AND CONCLUSION

The microfinance sector in New Zealand is still at an early stage of development. The resources available to individuals and organisations interested in setting up a microfinance scheme are limited, a problem readily acknowledged by established providers. This report seeks to aid the growth and development of the sector by providing a guideline for anyone wishing to start a microfinance scheme. It is important to note that this report is not intended to remain static. It is intended as a living document, a vessel through which information may be shared among existing and potential microfinance organisations alike.

All contributing organisations emphasised their belief in microfinance and its capacity to transform New Zealanders' lives for the better. It is hoped that this resource may go some way in helping to ensure their vision for microfinance in New Zealand will be achieved.