



2010 Africa-Middle East Regional Microcredit Summit

Session transcript

Opening Ceremony

Day 1, 11:00 AM - 12:30 AM, Tsavo Ballroom

Introduction: Sam Daley-Harris, Director, Microcredit Summit Campaign

Moderator: Ms. Lydia Koros, Chairperson, Association of Microfinance Institutions of Kenya

Panelists:

- His Excellency President Mwai Kibaki of Kenya
- Her Majesty Queen Sofia of Spain
- Her Royal Highness Princess Máxima of The Netherlands
- Professor Muhammad Yunus, Nobel Peace Laureate and Managing Director of Grameen Bank
- Mr. Kamal Budhabhatti, CEO, Craft Silicon

Ms. Lydia Koros, Moderator: ...you have it in Africa, and in Kenya, this time 'round. So ladies and gentlemen join me in welcoming Sam to give us a note.

Sam Daley-Harris, Director of the Microcredit Summit Campaign: Thank you so very much. Don't reach for your headsets. I am going to attempt the first paragraph in French and then English.

Vos excellences, vos majestés, chers panélistes et délégués, chers invités, bienvenue au plus grand rassemblement de la microfinance qui s'est tenu ce jour sur le continent africain et en moyen orient. Bienvenue au Sommet Régionale de Microcrédit pour l'Afrique et le Moyen Orient.

Your Excellency, Your majesty, Your Royal Highness, distinguished speakers, and delegates, and honored guests, welcome to the largest microfinance gathering on the continent of Africa ever. Welcome to the Africa-Middle East Regional Microcredit Summit. [applause] Karibu! [Kiswahili for Welcome.]

Now our final numbers are not in, because actually people are still arriving and still registering, but a conservative estimate is that more than 1,200 are here from more than 75 countries and more to come.

We have come to share our innovations and our challenges. We have come to see the innovations from the microfinance institutions in Kenya. We have come to recommit ourselves to the Microcredit Summit goal of reaching 175 million of the world's poorest families with microloans, and ensuring 100 million families rise above the dollar a day threshold.

I urge you to use this summit to recommit yourselves and re-inspire yourselves. I ask that you connect with your most profound vision for your institution, your country, and the world; re-commit to that vision. I ask you to congratulate yourselves for what you have accomplished. I ask you to challenge yourselves to take those accomplishments to the next level, to build microfinance institutions that are at the cutting edge that use microfinance as one critical tool to better end poverty in your country, your region, and around the world.

I know that sounds sometimes like an impossible task, but that is what the leaders from Africa and the Middle East have asked for. I was so inspired by your responses to the survey that we sent out last year, asking for your top choices on plenary and workshop sessions. Out of all the titles circulated, the number one selection by microfinance leaders who responded to this survey was this one "Breakthroughs in Using Microfinance to Better End Poverty: A Vision for the Future of Microfinance in Africa and the Middle

East”. That wish was granted in the session at nine am this morning, when we heard from two of the global leaders, in not only reaching the very poor, but reaching the ultra-poor with microfinance.

At the Microcredit Summit last year in Latin America, Ann Hastings of FONKOZE in Haiti, spoke about a big vision. She held a little summit of leaders, a few from Africa, the Middle East, and Latin America, with this one question: what’s the best methodology we can use to end poverty in our country? (Don’t you love that question?)

The program they embraced was BRAC’s Ultra Poor program. I tell you now, more and more, you will hear that programs from Africa, programs from the Middle East, are being replicated in Asia, being replicated in Latin America. I promise you that programs and innovations from this summit, that innovations from Africa and the Middle East, will make their way to Asia, and to Latin America.

Here’s one innovation that can’t stay just in Africa. It must not stay just in Africa. The world is desperate for it. After the post-election violence two years ago, Jamii Bora was given money to rebuild one of the markets that was destroyed in the rioting. They decided—listen carefully—they decided that they had to find the rioters and engage them in rebuilding the market that they had destroyed. They found the leaders of one of the gangs, known as the General, and engaged the gang in rebuilding the market, which they did and engaged some of the gang members in microfinance. They turned their lives around.

Last year the General came to Ingrid and said to her “I haven’t been to my home village for thirteen years because my mother is so ashamed of me, but I just went home, and my mother cried for three days because she was so happy how I had turned my life around.” There are many visions for microfinance, including this one: microfinance for redemption.

The dictionary defines redemption as “restoring one’s honor and worth; setting one free.” Isn’t that the highest vision for microfinance: assisting people, and restoring their honor and worth, and setting them free from the bondage of poverty?

Before I conclude my remarks, I must thank His Excellency President Kibaki and the Kenyan government, the Association of Microfinance Institutions in Kenya (AMFI), our Diamond Sponsors Craft Silicon and Citi Foundation, and all the other sponsors for the spectacular job they have done.

Your Excellency, I have been honored to work with Kenyans from every walk of life, and you should be very proud of what they have accomplished and what we have accomplished together.

In conclusion, a year ago the Microcredit Summit announced that in 2007 we surpassed our goal of reaching 100 million of the world’s poorest families with microloans. It took us most of 2008 to collect and verify the data, and we announced it in 2009. This is a tremendous achievement that everyone in this room and around the world should celebrate, but most of the 100 million poorest came from Asia—more than their share. But as Lydia Koros, the chair of AMFI, said yesterday, “Africa and the Middle East are masters of their own development and co-equal partners with Asia and Latin America in the movement to use microfinance to better end poverty.”

This is Africa’s moment. This is the Middle East’s moment. They take their place as leaders in the movement to use microfinance to better end poverty.

Let us use this summit to ask the same question that Ann Hastings asked, “What are the best methodologies we can use to end poverty in our country?”

Thank you very much. Asante sana.

Ms. Koros: Thank you, Sam. Like we just said, we want to showcase Africa. We want to say that Africa can do it. We have done it, we are doing it, and we can do it. We have learned a lot in the course of time. What we are showcasing are men and women in Africa who were able to take responsibility for their own economic well-being. It is something that we have learned and have learned from someone we like to call the father of microfinance generally, Professor Muhammad Yunus, who is the Managing Director of Grameen Bank but also the Nobel Peace [Prize] Laureat for Microfinance in the world, has been a great teacher and great father to us. Professor, today we are showcasing what you have taught us and what you have helped us achieve.

Join me in, ladies and gentlemen, in welcoming Professor Yunus to give us a note.

Professor Yunus: Honorable President, Your Majesty Queen Sofía, Your Royal Highness Princess Máxima, Honorable Ministers, Excellencies, and my friends in microcredit, greetings.

We come here to celebrate. We celebrate every year to bring together—to kind of inspire each other. So this time we have come to Nairobi to bring all our friends in Africa and the Middle East to get together and shaking hands and getting inspired by the kind of work that we do. And to look forward to what we need to do.

We have been doing this [meeting at the regional and global Microcredit Summits] for 14 years (1997, the first one in Washington DC), not knowing what it all means. It became such a significant thing that we repeated this every year since then. So this would be the 14th Summit.

The journey began in 1997, and many of us were there to be in this journey. We are very grateful to Her Majesty Queen Sofía; she was there on the first day in 1997. Ever since she never missed our global summits, and even attended our regional summits, like the one we are doing here. So she was there in our journey, our long journey that we began; sort of our long march. This journey will never end, until we come to our destination. Our destination is to see that nothing called poverty exists in this world.

Microcredit is about addressing the problem of the poor. Microcredit is not about making money for anybody—some people got the wrong message. They think this is a kind of exciting area where we can make money. That was not what the journey was for; that is not what the journey is for. The journey is for changing the lives of the poor people that we think they can change their own lives.

We need to remind ourselves again and again, what this is all about. The Nairobi Microcredit Summit is a landmark summit of all the 14 summits that we have had because of the backdrop in which we are holding this summit. The backdrop is the dark clouds of the financial crisis engulfing the world. People feeling restless, helpless, and not knowing what is there for them. Suddenly some people created something in one country, and the rest of the world had to suffer from that. The governments came out with bailout packages, huge, huge big ones, for the people who created it. There is no bailout package for the sufferers, the victims of it.

The victims are not asking for charity; they are not asking for doles. They are asking for legitimate opportunity. They are asking for financial services. They are asking for things that they never had before—something enjoyed by others and claiming that is the only way it can be done. That this financial crisis laid it all bare...made it very clear. The rocks that we thought those financial institutions were, were a mete [meat? Can't tell]. They melted like soft ice when the crisis came.

But the microcredit flourished. In this crisis, microcredit was not the one who was closing down their shops. It was the big banks, which were closing down their shops.

So one of the lessons of these dark days [is that] we need to reinvent banking, and microcredit provides the direction in which we have to go. Things that work is the way you go. [When] things do not work,

you abandon them, you recreate them, re-design them. This is the time to re-design, re-design our financial architecture. That architecture should be an inclusive architecture, not an architecture protected [for] the privileged and rejecting the rest of the world.

So this is the summit that relays this voice that we need to re-design our system. We need to make microcredit as a mainstream system, not just a footnote in the system. [We need to] recognize it; give it a legal home, which it is missing; give it a regulatory structure, which it is missing, so that we do the work with pride.

We are not waiting for money to come from outside. That is not microcredit. Microcredit is about doing banking with the local money. Nobody needs external money for this, provided that door is open—the door of taking deposits. If it is so stable, if it is so reliable, if it is so transparent, why are we afraid to give them the legal right to do that job? If it has showed its strength in the face of the crisis, why are we so, kind of, reluctant to support it? So these are the questions that we should be raising now in these dark days. In these dark days this also becomes very obvious, very apparent when the weak financial institutions failed, the flaw of those institutions came out there. When people are losing jobs, when people are losing livelihoods, it is the microfinance, which protected them—which has the ability to make sure that people are not dumped away. They have hope; they can create their own life.

So it showed the future of this entire movement that we have been building up: that it is not simply for a kind of side story. It is the main story. It is the real story that you should be putting back into it. So microcredit is something that we should be opening up, and then the MDGs (Millennium Development Goals), 2015 is not too far. You have already gone through nine years. The tenth year has begun. So we have hardly six years left to find the final result, which we have achieved. In this assessment of the evaluation, many countries come out at the top. Many Asian countries come out at the top, claiming that they will be achieving all the eight Millennium Development Goals. What a wonderful thing to say! We are very happy that even Bangladesh, with just lots of problems, is still in those categories, hoping and still demonstrating that we can make it. We can make all the eight Millennium Development Goals, including number one, which is the most important one: to reduce poverty by half by 2015.

But when you look at the countries in Africa, you don't get very many exciting news. Still we have a long way to go. So we have to find ways, how to make sure, if not all eight of them, at least seven of them we make it; the eighth one may come in the next year, 2016. Or we can make all six of them; two of them can come in 2016 and '17. We shouldn't give up hope because we cannot. This is about our life. We cannot just say, "the world—that's the way it happens." It does not happen the way it happens. This is the age of making the impossible possible. We make it happen. It is us, who decides. If we make up our mind that we want to make it, we make it. It can happen.

We don't give all the responsibilities to the government to do that. Those days are over. Government will do the best as they can, but the citizens...citizens are *very* creative these days, particularly the young generation. If you look at them, all over Africa, all over Asia, all over Latin America, they are a new generation completely. We never had this kind of young generation in the entire history of mankind. They are ready to make this world happen in a completely different way.

This is our job, to tell, to bring options to them for what they can do. They can do in many ways. They can change the structure, like we have to change the structure of the financial institutions, the whole architecture, needs to get changed. It can be done. It is easy. It is not complicated thing. We have to change the architecture of the business. We cannot go on doing the business "make money, make money, make money" business. We are not money-making machines in this world. We are human beings. We are not just happy to make ourselves rich, wealthy. We want to make sure that our fellow human beings also can stand on their feet with pride, with dignity, no matter where they live. They are as human-being as

anyone else; as talented, as creative, as energetic as anybody else—whether they live in the remote village in Africa or they live in the villages of Bangladesh or wherever. Why do we not give them the chance?

So we create those businesses, businesses not to make money; businesses to change the world. That is what microcredit is all about: business to change the world, not making money out of it. So that we can change the world by making businesses for healthcare, for the environment, for housing, for drinking water—whatever problem we have. All we need to do is let these young people get into the picture. Let the creative people of all ages, all places, get into the picture, so that we say, as a citizen, we can make contribution in changing the world. We join hands with the government so that we all work together—rather than complaining about the government, “Our government is a lousy government; our government is something that cannot deliver.” There is no way that they can deliver, no matter what unless, we as citizens, come together and do it as individuals together.

This is what this summit is all about. As I said, it is a landmark summit; we will remember in our history [that] we made a turning point. We want to reach the end point, the destination of our long journey. Our destination will be reached when nobody will remain a poor person on this planet. Until then, our journey will continue; we will never give up. We want to create museums, poverty museums. We want to keep the name “poverty” in the museum, not in our society. Thank you very much.

Ms. Koros: Thank you very much, Professor Yunus. You can see why we are so charged to go on in microfinance and make a difference. He charges us; he gives us encouragement to make sure that we can do the best. Now our next speaker is the Royal Highness the Princess of Netherlands, Princess Máxima, who is very interested in microfinance. In a brief chat with her this morning, she told me this is her 15th visit to Kenya. So I believe she is a friend of Kenya. She is very interested in microfinance not just in Kenya but generally in poverty alleviation. Your Excellencies, Ladies and Gentlemen, join me in welcoming Princess Máxima.

Princess Máxima, Princess of the Netherlands: Su Majestad [Your Majesty] la Reina Sofía de España [the Queen of Spain], Mr. President, Madame Vice President, Mr. Governor, Your Excellencies, Ladies and Gentlemen. I have the challenge to speak to you after Professor Muhammad Yunus—not an easy task for this morning. But I would like to thank Professor Yunus and Mr. Daley-Harris for giving me the opportunity to speak to you today at this Africa-Middle East gathering. I am really delighted to be back in dynamic Kenya where so many exciting things are happening. I have, indeed, so many fond memories of this country, and so many friends here. Nime forahi. Nime forahi.

The sector has come a long way since I first attended my first Microcredit Summit, four years ago in Halifax. Many of you have made tremendous contributions, and I think we can all be very proud of the progress we have achieved. Having said that, it is now time, for us, to move to the next level. I strongly believe, just as you, that access to formal financial services is essential for development. But unfortunately, a recent study by the Financial Access Initiative shows that still half of the world’s population is unbanked; many more are under banked.

So the question is, how do we reach the next level? I would like to align three priorities. First: there is enormous need and opportunity for reaching the very poor, mostly living in rural areas. With the arrival of new partnerships and new service delivery technologies, the cost of supplying financial services, will drop dramatically. This will make it possible for us to deliver customized products to the unbanked in rural areas. But access alone is not enough. Educating people about finance and helping to build up the capacity of financial institutions is just as important.

In terms of partnerships and innovations, M-PESA, here in Kenya, sets a great example. This electronic payment was developed by Vodafone and Safaricom and can be accessed from ordinary mobile phones. Nine million Kenyans have adopted this service in the three years since it was introduced. This growth is

extraordinary. M-PESA allows people to send and receive e-money via text messages to any mobile phone, and to pay for many kinds of services. At a nationwide network of Safaricom agents, users can quickly and easily deposit and withdraw cash, by exchanging it for electronic value recorded in a mobile phone. The fees are low and affordable, but they still cover the cost of each transaction. The fees generate real revenues for the agents. In this way, Ladies and Gentlemen, M-PESA, not only gives people access to financial services, it also creates jobs. This shows the true power of innovation and partnership to improve lives. Around the world, the M-PESA business model is being replicated and is inspiring innovation. Like Professor Yunus said, it is about re-designing the products.

Let us move now to the second priority: broadening our scope. Our ambition should reach far beyond microcredit to include access to a very wide range of financial services, like savings accounts. I cannot stress enough the importance of savings accounts. Like insurance and payment services, like pension plans, remittance facilities, and all the other services that can help people buy the house they need, get an education or medical care, manage their cash flow, and protect themselves against life's setbacks. Another Kenyan success story, Equity Bank, which has grown from just a few thousand customers in 1998 to over three million savers today, is one of the many examples that show the enormous demand, for such innovative product and institutions. We should also broaden our scope to include small and medium size enterprises, often the engines of growth in local and national economies. Small businesses provide jobs, and jobs are the most effective anti-poverty strategy. It simply does not make sense to keep micro, small, and medium enterprises in separate silos. They are all part of the same value chain and all need financial services to thrive.

The third priority is client protection. Already more than 700 MFIs, associations, investors, and individuals have endorsed the client protection principles that are becoming the industry standard. But this is only the first step. Financial institutions must put these principles into practice, and this requires both thought and action. That is why I am urging the whole sector to get involved with the SMART Campaign, a global effort to get client protection on everyone's radar.

The global financial crisis underscores the importance of these principles. I fully agree with the SMART Campaign that pricing terms and conditions of financial products should be as transparent and responsible as possible. The customers shouldn't be sold financial products they do not need or end up borrowing money they cannot pay, and their complaints about financial services should be taken very seriously. So I am delighted to see workshops on client protection on the Summit's program.

To sum up, these are the priorities I see for the years ahead:

- One, reaching the very poor in rural areas, by reducing delivery costs.
- Two, broadening our scope to include all finer financial services like savings, as well as small and medium size enterprises.
- And three, re-enforcing client protection.

We must always remember, however, that inclusive finance is a means to an end and not an end in itself. It is an enabler of development and works both directly and indirectly. Last month, I attended the Fourth High Level Dialogue for Financing in Development at the United Nations in New York. There, I mentioned that finance programs can reach far beyond the limits of scarce donor resources. Not only can they unleash domestic capital in the form of savings, but they can also have a multiplier effect on those donor resources. What is more, research shows that there is a connection between a large shadow economy, on the one hand, and weak states on the other. Banking the unbanked can help to solve the problem of informality and by extension can strengthen governments.

Finally, inclusive finance can help us to reach environmental sustainability. Many people have no access to electricity, water, drinking water, or fuel to cook with. Building alternative energy systems, for

example, is a huge challenge, but is also a huge opportunity, a business opportunity. Financial products can play a very important [30:33-30:38 the audio stops].

Your Majesty, Mr. President, Mr. Vice President, Madam Vice President, your Excellency, Ladies and Gentlemen, as you may know, the UN Security General designated me as a special advocate for financial inclusion for development. You may ask, what's in a name? In choosing the term "inclusive finance", we are highlighting a world that needs more than credit alone. We have a greater ambition. I am so happy that the Microcredit Summits have become landmark events, helping to shape a sector. What to call them in the future, of course, is entirely up to you. But I for one enthusiastically embrace the notion of Inclusive Finance Summit to reflect both the progress we have made so far and accepting the important role of microfinance in the development of countries and of the challenges for us laying ahead. I wish you a very inspiring summit. It is very important for Africa. I thank you so much.

Ms. Koros: Thank you very much, Your Royal Highness. Now, it is a really great pleasure to welcome the Queen of Spain to speak to us. She has been one of the greatest supporters of the Microcredit Campaign in the world. I understand from her that she has attended seven Microcredit Summits all over the world, and in her own words, "Our interest in the world is making sure that poverty is completely eradicated". It is a real pleasure for us to have her here in this session. It is a privilege. We thank you very much for coming. Now, Your Excellencies, Ladies and Gentlemen, please join me in welcoming Her Highness, the Majesty the Queen of Spain.

Queen Sofia, Queen of Spain: Mr. President, Mr. Deputy Prime Minister, Her Royal Highness the Crown Princess of the Netherlands, Professor Muhammad Yunus, Mr. Sam Daley-Harris, Director of the Microcredit Summit Campaign, speakers and delegates, Ladies and Gentlemen, it is a pleasure for me to take part, as I have done in previous years, in a new Microcredit Summit. The fact that the present meeting takes place in Kenya, in the heart of Africa, has further encouraged me to attend it as I am aware that the right application of microcredit policies in this region shall be one of the most powerful and supportive instruments we can use to improve the continent's future.

Thirteen years have gone by since we first gathered in Washington for the 1997 [Global] Microcredit Summit, in order to start defining and planning the goals we wanted to reach, by putting into practice the new formidable tool of microfinance doctrine. Today right here in Africa, a land where microcredit can still work with high efficiency at lessening the continent's various levels of poverty, I wish to pay a tribute of gratitude and acknowledgment to two people, who with their constant courage and effort have put microcredit at the forefront of current world news. I am talking about our dear and admired Professor Muhammad Yunus, Nobel Peace Prize [winner], who was capable of making effective, such a simple and brilliant idea as microcredit. He was tenacious, enthusiastic, and caring enough to turn a tiny seed of love, into a huge forest of hope, commitment, and solidarity, spreading all over the world.

Take for instance, his new initiatives launched from Grameen Bank, like the constant increase of operations, related to new businesses with social goals, based, as always, on mutual trust between the bank and its clients. As Grameen Bank mainly operates in local currency, it has been able to weather the present world crisis with a certain confidence because its clients with their deposits are able to finance subsequent loans to the more needy borrowers.

But none of this would have been possible without the help of Mr. Sam Daley-Harris from his post as Director of the Microcredit Summit Campaign. Over the years he has skillfully coordinated the continuity of the Summit system, always adapting when necessary microcredit theory to practice, in order to achieve the best possible results. As well as both of them, I want to thank most warmly, all those anonymous helpers everywhere who have tirelessly worked to give back to so many women their dignity.

Everyone here today can bear witness to this peaceful tidal wave of understanding, affection, and commitment towards microcredit borrowers worldwide. To those involved, my deep gratitude for their solidarity.

[Spanish speech 36:35 – 37:38]

Muy brevemente quiero expresarles la actuación de mi país, España, en relación con la ayuda que presta al desarrollo y fortalecimiento de esta importante modalidad microfinanciera. Desde el inicio de sus actuaciones en 1998 dentro del fondo para la concepción de microcréditos gestionado por la Agencia Española de Cooperación Internacional para el Desarrollo sean formalizados operaciones de préstamo por un importe total de 713,000 de euros. Estos préstamos sean adjudicados a 89 instituciones microfinancieras. En su mayoría de primer piso del sector privado lo que ha beneficiado a más de dos millones y medio de microempresarios de países en desarrollo.

Very briefly, I want to express to you the conduct of my country Spain in relation to the help that we lend to the development and strengthening of this important modality: microfinance. From the beginning of its conduct in 1998, within the fund for the conservation of microcredit, managed by the Spanish management of international cooperation for development, they have formed loan operations totaling an considerable total of 713,000 Euros. These loans have served 89 microfinance institutions. In their majority they serve the first level of the private sector, which has benefited more than 2.5 million micro-entrepreneurs in developing countries. **(Translated the above paragraph from Spanish).**

Our microcredit fund is at present operating in 26 countries, granting loans that range from a minimum of 600,000 Euros to a maximum of 20 million Euros with an interest rate of 5.75% and a repayment time limit of 10 to 12 years, and a grace interest time period of only 5 years. Loans are given in Euros or Dollars—although, in 2009, the first lending operations in local currencies were also approved. Alongside these policies implemented by the state of Spain, equally important initiatives are being operated by our banks and savings banks who have contributed with significant sums to promoting the flow of microfinance across the world.

In fact, in 2008, La Caixa, our biggest savings bank, created a specialized branch called “Micro-Bank”, exclusively devoted to granting microcredits to families and individuals, who want to start small businesses and are excluded from the traditional lending system because they lack guarantors. Since it began operations, Micro-Bank, has given more than 60,000 microcredits in just two years. As final proof of my country’s involvement and interest in the subject of microcredit, I am glad to inform you that next year Spain will hold in the city of Valladolid from November 14th to 17th the next world Microcredit Summit. It will be the first time that a summit of this kind takes place in a European country.

I take this opportunity to extend to you all my heart-felt invitation to come to Spain next year and join us for this important event. You may count on the friendliest and warmest welcome from my fellow citizens. We look forward to seeing you all in Valladolid. Thank you very much.

Ms. Koros, Moderator: Thank you very much, Your Majesty, for those very kind words and the invitation to the next Microcredit Summit in Spain. We look forward to that. Now, Ladies and Gentlemen, the Ministry of Finance in Kenya has been a very great supporter of microfinance. They have done a lot to make sure that microfinance in Kenya succeeds and have been one of the biggest supporters of this summit. They have worked with us, and in every way, we felt their support. It is my pleasure to say thank you to the Minister and to also invite him to come to speak to us, and will go on and welcome our other guests. Ladies and Gentlemen, welcome the Honorable Minister of Finance and the Deputy Prime Minister, Uhuru Kenyatta.

Kenyan Minister of Finance and Deputy Prime Minister, Uhuru Kenyatta: Your Excellency, the President and the Commander in Chief of the Armed Forces of the Republic of Kenya, the Honorable Mwai Kibaki, Your Majesty Queen Sofía of Spain, Your Royal Highness Princess Máxima of the Netherlands, Your Excellency Dr. Ajeratou Setow Njie Saidy, the Vice President of the Gambia, Ministers, Professor Muhammad Yunus, Mr. Sam Daley-Harris, all microfinance leaders, distinguished guests, Ladies and Gentlemen, let me take this early opportunity to sincerely thank all of you, who have made time to attend, in large numbers, this important meeting.

Your Excellency, my task this morning is a very simple one, and that is to invite Your Excellency to give your Keynote Address to this distinguished gathering. However, Your Excellency, before I do so, allow me to make a few remarks. Firstly, to say that today marks an important day for Kenya and especially for microfinance. It is the culmination, Your Excellency, of a journey that started mid last year, started off by the Association of Microfinance Institutions in Kenya (or AMFI) and their successful bid to host the Africa-Middle East Microcredit Summit here in Nairobi.

Your Excellency, your government has worked hand-in-hand with the representatives of the Association of Microfinance Institutions in Kenya and indeed the Microcredit Summit Campaign to make this summit, hopefully, a success. My Ministry, together with other relevant Ministries and indeed government agencies have all worked hard to ensure that this forum takes place. It is indeed our hope, that in achieving this, the objectives of this summit, indeed, to strengthen microfinance as a tool to empower the poor, will indeed happen.

Secondly, Your Excellency, I would like to point out that we in Kenya recognize the critical role that microfinance can play in the fight against unemployment and poverty. We are, Your Excellency, convinced that microfinance is indeed the most appropriate grass root model of poverty alleviation. It is the tool that the poor but innovative Kenyans can use to improve their livelihoods in a dignified manner. It is in recognition of this, that your government is committed to undertaking reforms that will enhance the effectiveness of microfinance.

Indeed, this summit comes at an opportune time when the microfinance industry in Kenya is experiencing rapid changes and, indeed, legislative support following the enactment of the Microfinance Act 2006, which became operational in May of 2008. The major challenge prior to the enactment of this Act has been the lack of a specific legal and regulatory framework, as well as appropriate regulatory oversight, to guide the specific operations of the deposit taking microfinance business in Kenya. Your Excellency, the microfinance sector is now transforming to deposit taking institutions. Our central bank has so far issued two licenses one to Faulu Kenya and the other one to the Kenya Women's Finance Trust to conduct a nation-wide deposit-taking microfinance business. Further to this, Your Excellency, a total of eight applications for deposit-taking microfinance licenses have been received and are in different stages of review and appraisal. The Central Bank has also approved 34 business names, which indeed is the first step in the licensing process for the deposit-taking institutions.

Your Excellency, we are also proud of our own Jamii Bora that has been the first microfinance institution to take over a mainstream bank, and indeed, this is the future. [applause] Your Excellency, the Ministry of Finance—and indeed in conjunction with the Central Bank of Kenya—is currently drawing up proposals for review of the microfinance legal and regulatory framework. I should stress that we will continue to consult with market players as the process moves forward. We are therefore looking forward to drawing valuable lessons from this summit to ensure, and indeed enhance, Kenya's microfinance legal and regulatory framework. Your Excellency, with those few remarks, and indeed before I invite you to give your Keynote Address, allow me with your permission, Your Excellency, to invite Her Excellency, the Vice President of the Gambia to make a few remarks. Your Excellency.

The Vice President of the Gambia, Dr. Isatou Njie-Saidy: Thank you very much, Your Excellency, the President of the Republic of Kenya, President Mwai Kibaki, Her Majesty the Queen of Spain, Her Royal Highness the Princess of the Netherlands, Deputy Prime Minister, as well as Minister of Finance of Kenya, organizers—I want to recognize all of them—and all of the other protocols you have observed, distinguished Ladies and Gentlemen.

I want to add my voice to previous speakers in commending, first and foremost, the government of Kenya through his Excellency, the President, for hosting us and organizing this very important Summit. I would say they have done it on behalf of Africa, and I want to commend them for that. [applause] I want to do that to the President, of course; to President Mwai Kibaki. This shows the importance that Africa, and indeed, Kenya, on behalf of Africa, attached to this very important Summit. You've heard it from the Minister of Finance himself, which was that African governments do realize that it makes good economic sense to invest in the majority of the people of Africa who are the poor, really. Indeed, it makes good economic sense, also, to invest in women and youth, among others.

I think now we are all convinced that to address the cardinal principles, which address the issue of development, which is inequality in society, poverty, injustice, dependency, and a host of other issues we have to invest (as I said earlier on) in the poor. That is the way of moving us to ensure that we have sustainable development for all. I want to commend, definitely the organizers (as I said earlier on) of this meeting for having confidence in the majority of the people (as I said), indeed in the third world countries, who are the poor, specifically woman and the youth.

We all had a good experience this morning at nine o'clock. Between nine and ten thirty we attended a session here, where we were shown by Ingrid Munro, a very successful program. I think really, seeing is believing. She did not speak for the poor. The originally poor, who are now rich, spoke for themselves. This morning we were all here to witness it. These are the sort of lessons of good practice that we have come here to learn through the different panel discussions that we are going to have in the upcoming days, through the field visits that we are going to have in Kenya. I can ensure you [that] Kenya has a lot to offer, on behalf of Africa. We have seen it already during the exhibition. As I have said, we have had the case study this morning as well.

I was not originally scheduled to speak at this session because I will be doing that tomorrow in an upcoming session. But I want to take this opportunity to thank the government of Kenya for the hospitality and for the wonderful facilities that have been put at our disposal. Of course, before taking my seat, I want to extend His Excellency the President, Sheikh Professor Alhaji Dr. Yahya AJJ Jamus, "Greetings" to his brother and friend President Mwai Kibaki. He was the one originally scheduled to come to this meeting, but because of the short notice and, of course, state matters he could not make it to this meeting. Once again, I thank you very much for giving me this opportunity. Thank you.

Kenyan Minister of Finance and Deputy Prime Minister, Uhuru Kenyatta: It is now my pleasure and indeed honor to invite His Excellency, the President of the Republic of Kenya to give his Keynote Address. Your Excellency.

President of the Republic of Kenya, Mwai Kibaki: Your Majesty, Queen Sofía of Spain, Your Royal Highness, Princess Maxima of the Netherlands, Professor Muhammad Yunus, ...representatives from various governments and missions, distinguished Ladies and Gentlemen, I am happy to join you all for the Opening Ceremony of the Regional Africa-Middle East Microcredit Summit.

Let me begin by extending a very warm welcome to you all. “Karibu ni Kenya.” [applause] We take deep pride that Kenya has been chosen to host this important meeting, attended by such a large number of high-powered delegations, from more than 78 countries. Ladies and Gentlemen, this summit is not only timely, but also, critically important for Africa and indeed other developing countries.

It is being held against the backdrop of the financial instability that the global economy is just emerging from. It will also be recalled that the combined effects of high food and energy prices had a devastating effect on our economies. These shocks brought to its halt the steady progress many countries had made over the last ten years. Not only in growth but more importantly in reducing poverty. According to a World Bank report, the growth of the global economy came down steeply from an annual average of 6.1% in the year 2007 to 1.7% in the year 2009. Global [performance] per capita declined for the first time in a decade. The consequence of this decline is that millions more were thrown into poverty. It is therefore fitting that the theme of this summit is forecasting on how best we can re-commit ourselves to ending poverty.

Indeed, the challenge of fighting poverty is more urgent in sub-Saharan African countries. The extent and depth of poverty and food insecurity in developing countries is unacceptable. It is sad to note that 1 in every 6 persons in the developing world does not have access to sufficient food to lead a healthy and productive life. This summit, therefore, comes at an opportune time, not only to deliberate and agree on how to reverse the worsening trend in poverty rates, but also to chart a way forward, in terms of achieving the Millennium Development Goals. I have no doubt that as we strive to move our economies towards a higher economic growth path and reverse the spread of poverty, microfinance will play a very important role.

So Ladies and Gentlemen, I am happy to note that we have the Microcredit Summit Campaign as a major force behind this conference. As the world’s largest global network of microfinance stakeholders, the Microcredit Summit Campaign is well positioned to lead this fight in empowering our people. I am informed that since inception, the Microcredit Summit Campaign has surpassed its original goal of reaching 100 million of the poorest people by the year 2007. Encouraged by this remarkable success, the Campaign now aims to have 175 million of the world’s poorest families access credit, and thereby, raise a 100 million families above the income threshold of 1 dollar a day by the year 2015.

So Ladies and Gentlemen, available evidence shows that one of the factors that combined continues to strain the development of micro business enterprises is access to finance. You should share important lessons, innovations, and advancements in the area of access to finance and other support services for the very low-income groups who are carrying societies. It is a fact that microfinance has significantly contributed towards alleviating poverty in many parts of the world. Kenya, for example, has been able to reduce its level of poverty through microfinance access and entrepreneurial development. We recognize how essential a vibrant microfinance sector is to a country’s equitable development. This is primarily because microfinance services ensure financial support to those members of our society underserved...

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