



IMPLEMENTING RULES AFRICAN MICROFINANCE TRANSPARENCY

1. CONTACT DETAILS

- a) Registered address
- Physical address: 2nd floor WCMAS Building
Cnr Swartbos & Susanna Street
Witbank
1034
South Africa
- Postal address: P O Box 115
Witbank
1035
South Africa
- b) Secretariat ADA asbl (Appui au Développement Autonome)
21 -25 Allée Scheffer
L-2520
Luxembourg
Tel : +352 45 6868-31
Fax : +352 45 6868-68

2. OBJECTIVES

To promote and strengthen the performance and transparency of Microfinance Institutions in Africa.

Specific objectives include to promote:

- a) Regular MFI performance evaluations: AMT deems “regular” to mean preferably once a year and at least once every two years.
- b) Dialogue, exchanges, analysis and dissemination of performance evaluation results.

3. ACTIVITIES

AMT shall undertake various activities to accomplish its objectives. These shall include but not be limited to:

- a) Regular workshops on post evaluation analysis, and related dialogue between MFIs and Rating Agencies
- b) Serve as a source of information on performance evaluations and ratings
- c) Implement and ensure compliance with a code of conduct for rating agencies and serve as an arbitrator in times of need between MFIs and rating agencies

- d) To support MFIs and rating agencies in accomplishing a sound market for performance evaluations in African microfinance
- e) Implement mechanisms to facilitate MFI access to external resources
- f) To conduct promotional activities in order to increase AMT membership and to raise awareness of the importance of performance evaluations through:
 - The organisation of regional workshops
 - AMT's information system (website, a half yearly newsletter, technical studies...)
 - Participation in various conferences and other events worldwide

4. MEMBERSHIP CRITERIA

a) Ordinary Members:

MFI and Rating Agency ordinary membership is per organisation and not per individual. (Member organisations are encouraged to send the same representatives to meetings for the sake of continuity). Ordinary members include only Founding Members, MFIs and Rating Agencies subscribing to the Forum's statutes & rules.

To be a member:

Rating Agency:

- Rating Agencies must subscribe to the code of conduct
- Rating Agencies must have performed ratings in Africa

MFIs:

- MFIs should be rated or committed to be rated within 24 months of joining AMT
- MFIs should be based in Africa
- MFI ordinary members are encouraged to update their rating as frequently as possible and at least once every two years. If after 2 years a MFI ordinary member has not updated its rating, the AMT coordinator will contact the MFI to remind them that they are due a rating and determine why the update has not yet taken place. A further year is then allocated to allow the MFI to complete its rating. If the update has still not been done by the end of that extra year and the MFI can present no valid reason for not having had one, sanctions may be imposed which could result in the exclusion of the member.

b) Other Members: in addition to ordinary members, AMT also accepts:

Associate Members:

- Can be an institution or an individual
- No voting rights and shall not represent collectively more than 20% of ordinary members
- Can attend AMT activities but at own costs

Observers:

- Open to potential members by invitation (MFIs, Rating Agencies, and other microfinance stakeholders)
- Observers can attend activities as invited but at own costs, with no voting rights

Approval of members to be done by the Board of Directors. Annual fees will be payable as decided upon by the members at the General Meeting of Members

5. ROLES AND RESPONSIBILITIES

General Meeting of Members

With regards to the roles and responsibilities: In accordance with the "Articles of Association" the General Meeting has to

- Approve the Audited Financial Statements,
- Approve the budget and the activity plan for the AMT
- Appoint Directors and Auditors

These therefore have to be proposed to the General Meeting by the Board.

The Board

The Board is responsible for:

- The appointment of signatories
- The approval of any contractual agreements/obligations
- The appointment of staff
- The supervision and control of activities
- The supervision and planning of funding sources
- Ensuring that the budgets and activities as approved by the General Meeting are implemented.

The Coordinator

The Coordinator is responsible for:

- Managing the affairs of AMT and conduct day to day management and administrative duties.
- Preparing and proposing the budget and activity plan
- Fund-raising
- Implement the activities and other Board decisions
- Manage the finances of the forum
- Keeping, filing and archiving all documentation pertaining to AMT
- Report to the Board at least quarterly on the activities planned and achieved, as well as on the management accounts (income & expenses and cash flows)

- Representing AMT to any third parties

6. BOARD COMPOSITION PRINCIPLES

- a) 11 members of which 6 are proportional representatives of regional MFIs, 3 are Rating Agencies and 2 are Founding Members
- b) Strive to maintain the diversity of MFI representation (by size, products...)
- c) Board membership shall ensure representation of both MFIs and Rating Agencies but the majority of members should be MFIs
- d) Rotation of MFI Board members
 - Two year terms, with
 - half elected per meeting for the sake of continuity

7. POLICY PRINCIPAL

In fulfilment of AMT's external auditors' requirement, the Board shall further ensure that the following records are maintained and provided:

- a) Copies of all contracts as signed with funders
- b) Copies of all appointment letters/ contracts with the Coordinator/ Consultants and any other staff
- c) A copy of the detailed approved budget for AMT
- d) A copy of the activity plan/logical framework corresponding with the contracts as agreed upon with the funders and as approved by the Board and the general meeting
- e) A dedicated bank account for AMT where all money received, as well as all payments made can be clearly tracked. (The Board must formally appoint the signatories)
- f) A copy of the Board approved policies and procedures with regards to at least the purchasing of goods and services; the receipt of income; and the payments to be made.

For 2008, AMT will adopt ADA's internal policies and procedures.

Annexes:

- Code of Conduct
- Grievance Procedure
- Procedures Policy