

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. schedule	Schedule for Hillary Rodham Clinton (partial) (3 pages)	04/06/00	P6/b(6)
002. report	Re: FINCA (partial) (1 page)	n.d.	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Ruby Shamir (Subject Files)
OA/Box Number: 23246

FOLDER TITLE:

FINCA [Foundation for International Community Assistance] 4-2000

2012-0565-S

ry1252

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 1 -

FINAL*

CHAPPAQUA, NY/ LONG ISLAND, NY/ NEW YORK, NY

LEAD ADVANCE:

SHARONA COHEN

P6(b)(6)

HOME
CELL

[001]

LEAD ADVANCE-
DINNERS:

PETE SELFRIDGE

212/669-7623

PHONE

P6(b)(6)

CELL

SCHEDULER:

MELODIE GREENE

202/456-7847

PHONE

P6(b)(6)

CELL

202/456-5340

FAX

P6(b)(6)

HOME

WHCA PAGER

#4938

PREV RON

Residence
Chappaqua, NY

8:40 am

DEPART Residence
EN ROUTE Crest Hollow Country Club
[Drive time: 1 hour 15 minutes]

MOTORCADE MANIFEST

LEAD: COHEN

LIMO: HRC

STAFF VAN: STEIN, CRAIGHEAD, BROMBERG

9:00 am

PREP CALL
Dial-in #: 877/241-1838
Participant Code: 66128
Host: Bill DeBlasio

9:55 am

ARRIVE Crest Hollow Country Club

GREETERS:

Jack Caffey, President of Long Island Federation
of Labor
Rocco Campanaro, VP of Long Island Federation of
Labor

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 2 -

10:00 am- **LONG ISLAND FEDERATION OF LABOR BREAKFAST**

11:05 am- Terrace Room
Crest Hollow Country Club
Woodbury, NY
Hold: Amaron Suite
Phone: 516/692-8000 main
Fax: 516/692-8008
CLOSED PRESS

FORMAT:

-HRC enters Terrace Room escorted by Jack Caffey and Rocco Campanaro.

-HRC takes seat at dais.

-Rocco Campanaro, VP of LIFL, makes welcoming remarks and introduces Jack Caffey.

-Jack Caffey makes remarks.

-Rocco Campanaro introduces HRC.

-HRC makes remarks and opens optional Q&A.

-HRC stands for a photo receiving line with guests.

PARTICIPANTS: 65 guests

11:10 am **DEPART** Crest Hollow Country Club
EN ROUTE Marriott Hotel, Uniondale
[Drive time: 30 minutes]

MOTORCADE MANIFEST

LEAD: COHEN

LIMO: HRC

STAFF VAN: STEIN, CRAIGHEAD, BROMBERG

11:40 am **ARRIVE** Marriott Hotel

GREETERS:

Alane Fagin, Exec. Dir. of CAPS
Mindy Roman, President of CAPS
Donna Simmons, Chair of Luncheon
Diana O'Neill, Board Member

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 3 -

11:45 am- **PHOTO RECEIVING LINE WITH BOARD OF DIRECTORS**
11:55 am- Hempstead Room
Marriott Hotel
CLOSED PRESS

12:00 pm- **CHILD ABUSE PREVENTIONS SERVICES LUNCHEON**
12:50 pm Main Ballroom
Marriott Hotel
Uniondale, NY
Hold: Governor's Suite - Room 1110
Phone: 516/794-3800 main
Fax: 516/794-5936 main
OPEN PRESS

FORMAT:

-HRC enters ballroom and takes seat at head table.

-Mindy Roman, President of CAPS, makes welcoming remarks and introduces Alane Fagin.

-Alane Fagin, Executive Director, makes brief remarks.

-President Mindy Roman introduces HRC.

-HRC makes remarks and opens Q&A.

-HRC departs.

PARTICIPANTS: 300 guests

12:55 pm- **PRESS AVAILABILITY**
1:10 pm Hempstead Room
Marriott Hotel, Uniondale

1:15 pm **DEPART** Marriott Hotel, Uniondale
EN ROUTE Residence of Stan and Toby Nussbaum
[Drive time: 30 minutes]

MOTORCADE MANIFEST

LEAD: COHEN

LIMO: HRC

STAFF VAN: CRAIGHEAD, STEIN, BROMBERG

1:45 pm **ARRIVE** Residence of Stan and Toby Nussbaum

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 4 -

GREETERS:

Stan and Toby Nussbaum

1:50 pm-

MEETING WITH RABBIS

3:10 pm

Residence of Stan and Toby Nussbaum



[001]

Fax: tbd

CLOSED PRESS

FORMAT:

-HRC mixes and mingles with guests.

-Stan Nussbaum makes welcoming remarks and introduces HRC.

-HRC makes remarks and opens Q&A.

-Upon conclusion of Q&A, HRC departs.

PARTICIPANTS: 25 guests

3:15 pm

DEPART Residence of Stan and Toby Nussbaum

EN ROUTE Residence of Lee and Murray Seeman

[Drive time: 1 hour]

MOTORCADE MANIFEST

LEAD: COHEN

LIMO: HRC

STAFF VAN: CRAIGHEAD, STEIN, ADLER, BROMBERG

4:15 pm

ARRIVE Residence of Lee and Murray Seeman

GREETERS:

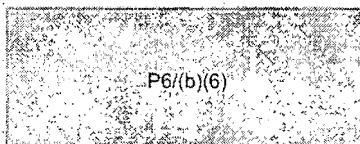
Lee and Murray Seeman

4:20 pm-

MEETING WITH RABBIS

5:35 pm

Residence of Lee and Murray Seeman



Fax: tbd

CLOSED PRESS

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 5 -

FORMAT:

- HRC mixes and mingles with guests.
- Lee Seeman makes welcoming remarks and introduces HRC.
- HRC makes remarks and opens Q&A.
- Upon conclusion of Q&A, HRC departs.

PARTICIPANTS: 25 guests

5:40 pm **DEPART** Residence of Lee and Murray Seeman
 EN ROUTE Riverdale Temple
 [Drive time: 30 minutes]

MOTORCADE MANIFEST

LEAD: COHEN

LIMO: HRC

STAFF VAN: CRAIGHEAD, STEIN, ADLER, BROMBERG

6:10 pm **ARRIVE** Riverdale Temple

GREETERS:

tbd

6:15 pm- **BEN FRANKLIN CLUB RECEPTION**

7:25 pm Riverdale Temple
 Bronx, NY
 Hold: tbd
 Phone: 718/548-3800
 Fax: tbd

CLOSED PRESS

FORMAT:

- HRC mixes and mingles with guests.
- Ellen Feld makes welcoming remarks and introduces Assemblymember Jeff Dinowitz.
- Assemblymember Jeff Dinowitz makes remarks and introduces HRC.
- HRC makes remarks.

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 6 -

-HRC departs.

PARTICIPANTS: 250 guests

7:30 pm **DEPART** Riverdale Temple
 EN ROUTE Cipriani
 [Drive time: approximately 30 minutes]

MOTORCADE MANIFEST

LIMO: HRC

STAFF VAN: CRAIGHEAD, STEIN, ADLER

8:00 pm **ARRIVE** Cipriani

GREETERS:

Rupert Scofield, Executive Director of FINCA
Soledad Gompf, Dir. of Development of FINCA
Lawrence Yannovitch, Dir. of Policy/Research

8:05 pm- **PHOTO-OP(t)**
8:10 pm Landing outside of Hold
 Cipriani
 CLOSED PRESS

PARTICIPANTS:

Randolph Hearst
Mrs. Hearst
Other tbd

8:10 pm- **PRIVATE MEETING WITH QUEEN RANIA**
8:20 pm Executive Office
 Cipriani
 CLOSED PRESS

8:25 pm- **FINCA DINNER**
9:00 pm Main Event Hall
 Cipriani
 110 East 42nd Street
 New York, NY
 Hold: Executive Office Suite
 Phone: tbd
 Fax: tbd
 OPEN PRESS

FORMAT:

-Carol Simpson, emcee, makes welcoming remarks
and introduces Rupert Scofield, Dir. of FINCA.

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 7 -

-Rupert Scofield makes remarks and introduces David Miranda.

-David Miranda makes remarks and introduces Lukia.

-Lukia makes remarks.

-Queen Rania makes remarks.

-Video presentation.

-Queen Rania introduces HRC.

-HRC presented with Village Banking Award.

-HRC makes remarks.

-HRC and Queen Rania walk to head table.

-Queen Rania is seated and HRC greets head table guests.

-HRC departs.

PARTICIPANTS: 360 guests

9:05 pm

DEPART Cipriani

EN ROUTE New York Hilton

[Drive time: 15 minutes]

MOTORCADE MANIFEST

LEAD: SELFRIDGE

LIMO: HRC

STAFF VAN: CRAIGHEAD, STEIN

9:20 pm

ARRIVE New York Hilton

GREETERS:

New York Hilton Representative

Tony Bifaro, Assistant to the President of NYSUT

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 8 -

9:25 pm- **MEET AND GREET**
9:30 pm Green Room
New York Hilton
CLOSED PRESS

PARTICIPANTS: 10 guests

9:30 pm- **PHOTO-OP**
9:40 pm New York Room
New York Hilton
CLOSED PRESS

PARTICIPANTS: 15-20 guests

9:45 pm- **NEW YORK STATE UNITED TEACHERS CONFERENCE**
11:00 pm Grand Ballroom
New York Hilton
1335 Avenue of the Americas
New York, NY
Hold: tbd
Phone: 212/586-7000
Fax: 212/
OPEN PRESS

FORMAT:

-HRC enters ballroom and takes seat on stage.

-Alan Hevesi, City Comptroller, makes remarks and presents video.

-Video presentation.

-Michael Hobart makes remarks and introduces HRC.

-HRC makes remarks.

-HRC exits stage left and works a ropeline from left to right.

PARTICIPANTS: 3,000 guests

SCHEDULE FOR HILLARY RODHAM CLINTON
THURSDAY, APRIL 6, 2000

- 9 -

11:05 pm DEPART New York Hilton
 EN ROUTE Residence of Lynn Forester
 [Drive time: approximately 15 minutes]

MOTORCADE MANIFEST

LEAD: SELFRIDGE

LIMO: HRC

STAFF VAN: CRAIGHEAD, STEIN

tbd pm ARRIVE Residence of Lynn Forester

RON Residence of Lynn Forester

P6(b)(6)

[001]

Weather Forecast: Windy with a hi of 63 and a lo of 48.



Rok3rd@aol.com

To: Iyanovitch@villagebanking.org

04/03/00 10:56 PM

cc:

Subject: Re: Please send me an e-mail that I can forward to the White House

Hello:

Happy to oblige - Mrs. Clinton should know the following people at my tables:

Sherry Bronfman - she and Russell Simmons had a fundraiser for her earlier in the spring in NYC

John Howard and Soledad Bastiancich - They had a fundraiser at their home 2 weeks ago in NYC

Tom Healy - partner of Fred Hochberg of the SBA - part of a fundraiser earlier in the cycle and maxed out donor

Anne Marchant Walker - former White House Aid and maxed out donor

Dawn Chirwa - assistant White House Counsel

Jamie Rubin - Bob Rubin's son

That is it. I do not know if my other guest's have entertained Mrs. Clinton or contributed - some may have - Anne Simmons perhaps.

If you have any questions please give me a call at 202-262-1898.

Rusty O'Kelley

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Jordan's Queen Rania greets First Lady and New York Senate candidate Hillary Rodham Clinton at the Foundation for International Community Assistance dinner in New York, Thursday. Clinton has taken an 8 point lead over New York Mayor Rudolph Giuliani in their race for U.S. Senate, according to a poll published in Friday's online edition of the New York Times. (Reuters - Pool)

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Credit Card Debt
Student Loans
Medical Bills
Collection Agencies

Select All
Delete

U.S. ONLY
AMERIDET
A non-profit organization

Associated Press Photo

Thursday 6 April 2000

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Queen Rania, of Jordan, left, speaks to the audience at the Foundation for International Community Assistance dinner Thursday, April 6, 2000, in New York. First lady Hillary Rodham Clinton, second from right, was awarded the Village Banking Award for her support of microfinance as a way to help women around the world obtain small loans to start their own businesses, which was presented by Queen Rania. (AP Photo/Bebeto Matthews, Pool)

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First Lady and Senate candidate Hillary Rodham Clinton speaks to an audience at the Foundation for International Community Assistance dinner in New York, Thursday. Clinton has taken an 8 point lead over New York Mayor Rudolph Giuliani in their race for U.S. Senate, according to a poll published in Friday's online edition of the New York Times. (Reuters - Pool)

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- Poll: Clinton Favored Over Giuliani (*Associated Press*)
- Clinton Takes 8 Pct Point Lead in Senate Race-NYT (*Reuters*)

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FINCA Kosovo Micro Lending Program
(PER-A-00-99-00022-00)

- USAID

On September 29, 1999, FINCA International was awarded a \$4.0 million Cooperative Agreement to create a sustainable microfinance institution (MFI) in Kosovo offering the widest possible client outreach and contributing to the economic and social revitalization of the war-torn region. The goal is to provide sustainable business credit and other financial services to self-employed men and women throughout Kosovo. Consistent with its initial SEED Supplemental funding in the amount of \$750,000, the program will be implemented in two phases, the initial start-up phase being consistent with the guidelines set forth in the SEED Supplemental guidance. The Chief of Party, Edward Greenwood arrived in Kosovo in mid-January. Program start up was initiated earlier using staff other FINCA programs in the region.

A. Program Description

In order to create and sustain jobs and promote prosperity in Kosovo, the FINCA program will create a microfinance institution that provides three complimentary lending products to its multi-ethnic clientele: Village Banking™, Progressive Loans, and Small Enterprise Loans. The MFI, FINCA Kosovo, will also market a traditional term savings product with the ultimate goal of establishing a reliable deposit facility – a service that is in high demand given the absence of a viable banking system in Kosovo. Subject to the elaboration of a detailed implementation plan, FINCA has projected achieving the following targets. During the life of the project, FINCA will generate more than \$5 million in loans reaching approximately 7,000 microentrepreneurs – and about 34,400 beneficiaries – in Kosovo. FINCA Kosovo expects to generate the equivalent in income of 11,000 jobs and raise severely poor clients who remain in the program during the LOP out of poverty. By the end of the grant, FINCA will have established a sustainable institution with the capacity to preserve its equity base and to issue approximately \$3 million in loans annually, with prospects for multiplying those resources by leveraging them with commercial sources of capital and local savings. Operating within the highest standards of financial prudence, the project will achieve operational sustainability within three years and financial sustainability within five years.¹

While the FINCA program seeks to create a sustainable microfinance institution, this program will be implemented using a phased approach to assure that FINCA Kosovo supports the objectives of economic and social recovery in the near term.

PHASE I: FINCA KOSOVO: ECONOMIC AND SOCIAL RECOVERY PROGRAM

This program phase (Phase I) is designed to directly contribute to the economic and social revitalization of the population affected by the war, including former refugees and displaced persons who face many dangers and challenges as they attempt to return to their homes and re-establish livelihoods.

In order to achieve rapid recovery in Kosovo, the FINCA program will focus on income and job creation by providing loans ranging from \$100 to \$10,000. As part of the revitalization of these war-affected areas, FINCA Kosovo will lead program beneficiaries towards the resumption of

¹ Operational self-sufficiency is defined as 100% of operating costs by interest income. Financial sufficiency is 100% cost coverage and coverage of the imputed cost of capital. As many FINCA affiliates are funded primarily, the imputed cost of capital is loosely defined as the (rate of inflation) x (net monetary assets). Financial self-sufficiency takes into account losses due to inflation.

normal business and community activity through their involvement in Village Banks. Recognizing the need in Kosovo for expedient recovery efforts, FINCA will rely on its tested methodology to start up operations quickly, maximize the impact of USAID funding, and get credit into the hands of returning refugees and other displaced persons.

The program is intended to target small and microentrepreneurs who are or were refugees or displaced persons from the Kosovo conflict and will focus on those communities where significant numbers of refugees and/or displaced persons are located and those communities which were severely impacted by the consequences of war. Funding for this program in the amount of \$750,000 will be used exclusively for those program activities consistent with the Kosovo Economic and Social Recovery program. The program activities associated with this funding will begin the process of setting in place durable financial services delivery systems drastically disrupted by the Kosovo conflict. Start-up is to occur in Pristina, with plans for expansion to urban & peri-urban areas near the population centers of Prizren and Gnjilane.

PHASE II: FINCA KOSOVO - A SUSTAINABLE MICROFINANCE INSTITUTION

Under Phase II of this program, FINCA's strategic objectives are to:

1. Create a model, operationally self-sustaining local subsidiary of FINCA International serving Kosovo by October 2002.
2. Develop a locally managed institution.
3. Build confidence in the financial sector and, specifically, the microfinance sector.
4. Expand the model project to several regions within Kosovo.
5. Support the reconstruction of a regional legal system by promoting a sound policy environment for microenterprise development in Kosovo.
6. Build the foundation for conversion to a regulated formal financial institution serving microentrepreneurs in Kosovo.

Results: FINCA's Village Banking methodology has the proven capacity to increase incomes and promote prosperity. Research has shown that the impact of the model is greatest in the context of high formal unemployment, which is likely to persist in Kosovo for many years to come. FINCA's impact evaluations have demonstrated that for every three loan cycles a borrower completes, he/she adds the equivalent in income of one additional minimum wage worker to the family and lifts the family out of severe poverty and into moderate poverty². Since the average Village Banking client completes five loan cycles, family income increases on average by the equivalent of 1.6 minimum wage jobs. Severely poor clients who complete three years of the program cross the poverty line and are considered non-poor. FINCA has also proven major increases in expenditure on food, education and health care. Based on this proven track record, FINCA expects the following impact:

- Generate the equivalent of more than 11,000 jobs in Kosovo after three years.
- Dramatically increase clients' expenditures on food, education and health care.
- Build clients' credit to enable them to access commercial credit and participate more fully in the formal economy.

Mbrinkerhoff:ee/mt/sba:FINCAKosovofbriefer1.24.200.doc

² Severe poverty is defined as less than \$1 of daily per capita income (DPCI). Moderate poverty is defined as more than \$1 DPCI. Non-poor means more than \$2 DPCI.

Highlights: HRC visits to FINCA Groups

October of 1999: revisit to Madres Unidas con Hillary. One of the Nicaraguan clients mentioned hearing about the visit to FINCA Uganda, and how the President had had a child named after him. Mrs. Clinton said, "Yes, the president has a godchild and I have my Village Banking group in Nicaragua."

March 24, 1998: Mrs. Clinton brings President Clinton and President and Mrs. Museveni to visit FINCA Uganda. Wanyange.

Clients: Margaret Mugabane—raises rabbits

Ramulati Kibirige—runs a bakery, cares for nine children, seven of whom are AIDS orphans

Teddy Bamwete—tailor and sewing teacher

Mary Wenene—storekeeper

Betty Namugosa—storekeeper, whose son is named Bill Clinton Namugosa

Mrs. Clinton said, "I wanted very much for my husband and President Museveni to come and see the women of FINCA, so we are very pleased that our presidents have come to hear your stories and what FINCA has done for you."

November 12, 1998: Mrs. Clinton visits FINCA Kyrgyzstan. Here, she visited the market in Novo Pavlokat (Bishkek), where a number of F/K clients ran stands. She spoke with FINCA client Sveta Kubvaeva, who runs a drink and snack stand. She also met with six other clients in a yurt, or nomadic tent.

March 29, 1997: Mrs. Clinton's first visit to FINCA Uganda.

In February of 1997: Mrs. Clinton visits two FINCA USA self-employment associations—Visions of Success and Business Pathways—in Adams Morgan, DC.

March 21, 1996: Mrs. Clinton addressed FINCA's tenth anniversary gala via videotape, urging FINCA to "continue to bring hope, opportunity and economic vitality to the forgotten neighborhoods of the world, and to those of our own people here at home, who need the lessons, and inspiration and credit that you can bring them as well."

October 12, 1996: Mrs. Clinton first visit to a FINCA program—meets with Madres Unidas Village Banking group in Managua, Nicaragua. After hearing from several clients, she said, "I could not do the things you do. I could not make a good tortilla or sell auto parts or make pretty dresses." She gave the group a large calculator, and smaller individual calculators and pens. Member of the group presented her with bread, an apron, and other crafts. After her visit, the members of the bank voted to rename themselves "Madres Unidas con Hillary"—Mothers United with Hillary.

SCENESETTER: FINCA PROJECT SITE IN WANYANGE VILLAGE

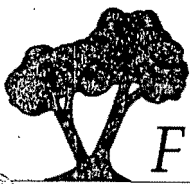
Ugandan women have traditionally borne the major share of the nation's burden -- quite literally on their heads and backs. New programs seek to make women's work less burdensome and more rewarding.

The market area in the village of Wanyange [wahn-YAHN-gay] near Jinja, located 200 yards off the paved road, reflects the efforts of the Foundation for International Community Assistance (FINCA), which over the last four years has established 340 village banks in Uganda through a \$1.7 million USAID grant.

Near the dirt square, four businesses operated by women are located in brick or mud-wattle structures. The businesses -- including a bakery, tailor shop, small store, and rabbit-production scheme -- received loans averaging \$120 as part of a microcredit program that boasts a 97 percent repayment rate. The incomes made possible through these loans have allowed the owners to move their businesses from structures with walls of woven mats or mud to more permanent buildings.

Through their newly strengthened economic position, the market women of Wanyange are gaining self-respect and confidence, improved status, and the ability to pay education and health costs for their families. They express their appreciation of these opportunities in traditional dances.

On either side of the road to the site are sugar cane and tea fields -- producing two major export crops for Uganda grown by Asian businessmen returned after being forcibly expelled by former president Idi Amin in 1974. The route also crosses the White Nile, which originates in Lake Victoria near Jinja.



FINCA[®] INTERNATIONAL, INC.

1101 14th Street, N.W. • 11th Floor • Washington, DC 20005 • 202-682-1510 • FAX 202-682-1535 • EMAIL: finca@villagebanking.org

February 18, 1998

Katy Button
Office of the First Lady
The White House
Washington, D.C.

Dear Katy,

Thank you for forwarding the following materials to the pre-advance team for President Clinton's trip to Africa. As I do not know the name of the person in charge of this trip I was hoping you could pass on the following information for us. If it is easiest please simply attach this letter to the packet.

We very much encourage the President to visit FINCA Uganda which is an example of a successful development project in Africa that is financed by USAID. We believe it is in the US interest to promote stable, *broad-based*, and sustainable economic growth and equitable development in sub-Saharan Africa which reduces poverty and increases employment among the poor. The formal sector in African countries has not been able to provide sufficient employment opportunities to the majority of their populations. *In many African countries, the microenterprise sector employs as much as 80 percent of the economically active population, and evidence suggests that more than 50 percent of medium-sized firms originated as microenterprises in Southern and Eastern Africa.* Microenterprise programs, like FINCA Uganda, also target the groups that are least likely to be affected, at least in the short term, by larger scale trade initiatives.

We would like the advance team to know that we have a lot of experience hosting high level visits, such as President Clinton's potential visit to FINCA Uganda, and we would like to be of assistance in any way we can. FINCA has organized four visits for the First Lady in Uganda, Nicaragua, Kyrgyzstan and in Washington, DC. FINCA Uganda has also hosted several U.S. Congressional Delegations, most recently last September when Congressman Kolby led a bipartisan delegation of eight House members. FINCA has the infrastructure in place, both in Washington, DC and in Uganda to help your office organize President Clinton's high level visit. We can host him in Jinja, Kampala, or in seven other districts in Uganda.

Please feel free to contact Lawrence Yanovitch at 202-682-1510 or Michael McCord, CEO, FINCA Uganda, in Kampala at Tel/Fax 256-41-534-449, with any questions.

Thank you very much.

Sincerely,

Laura Foosse
Policy and Program Development Manager

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. report	Re: FINCA (partial) (1 page)	n.d.	P6/b(6)

COLLECTION:

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First Lady's Office
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2012-0565-S
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

FINCA International and Microfinance

At a time when foreign assistance is under heavy fire for failing to alleviate world poverty, microfinance has emerged as one of the most cost-effective ways to help the severely poor lift their families out of poverty. The FINCA microfinance programs provide small loans of capital, a savings program, and technical support. Clients typically sell produce at a market, weave or sew, or run tiny stores.

FINCA field experience in 14 countries shows that the poor often double their income in the first year of entering a microfinance program—improving their family's nutritional and health status and sending their children to school. Population studies also show that as women's income rises, they tend to have fewer children.

FINCA Uganda

Despite the myth that the poor are risky clients, FINCA Uganda clients have a 98.9 percent on-time repayment rate.

FINCA Uganda currently offers Village Banking™ services to more than 10,500 women microentrepreneurs in nine districts. Village Banking loans range from \$50 to \$600. It is well on the way to becoming self-sufficient—covering 113 percent of its own operating costs. Village Banking members currently own a collective \$630,673 in savings, which they relend to group members and their communities, injecting much-needed capital into the community and earning interest on it.

FINCA Uganda also represents grassroots democracy in action. Clients, in groups of 20-40, approve and guarantee each others loans, elect leaders, run their own meetings, keep their own books, enforce repayment, and learn to run a democratic organization.

FINCA Uganda's banks are typically sociable, cooperative groups. In addition to their individual businesses, members often engage in group activities, whether they are income-generating—like tea-packing, craft-making, or sharing a garden—or merely social—like dancing, singing, and performing plays. A new bank, *Bamugambi Disabled*, serves those with disabilities. Meetings are further enlivened by visitors from FINCA Uganda's local partners: Social Marketing for Change, a group which specializes in marketing condoms and teaching family planning methods; CONCERN Uganda, which provides improved water and sanitation programs; and Uganda Women's Efforts to Save Orphans, which helps village bankers to cope with caring for orphans—particularly those orphaned by AIDS.

FINCA Uganda expects to continue its vigorous growth in 1998. By year's end, the program expects to serve nearly 20,000 Ugandans.

CONTACT: Michael J. McCord, CEO, FINCA Uganda, 32 Kanjokya Street, Kampala, Uganda
Office Tel/Fax: 256-41-534-449 and Home Tel/Fax: P6/(b)(6)
Email: mccord@starcom.co.ug

[002]

FINCA UGANDA FACT SHEET

FINCA UGANDA METHODOLOGY:

Sixteen Week Cycle
 First Loan US\$ 50,75, or 100
 Subsequent Loan Savings March to a US\$ 600 maximum
 Weekly Payments
 Compulsory (20%) and Voluntary Savings
 Interest Rates to cover costs(3% flat per month)
 "Internal Loans"

FINCA UGANDA (at December, 1997)

Dec-92

Date of Commencement of Operations in Uganda:		
Districts of Current Activity:	Jinja, Kamuli, Iganga, Mukono, Mpigi, Kampala, Luwero, Masaka and Masindi.	
Number of Village banks:		329
Number of Individual Clients:		10,429
Portfolio Value:	US\$	748,579
Interest Rate (per Month, Flat)		3.00%
Average First Loan Per individual:	US\$	86
Average value per individual of all Loans:	US\$	107
Female Clients (3 males):		99.97%
Savings Mobilized:	US\$	630,673
Cost per Dollar Lent (costs/amount lent for Dec, 1997) Annualised	US\$	0.50
Operational Self Sufficiency (Uganda Staff and ops. only).		113.0%
Monthly on - Time Repayment Rate		98.90%
Overall Historical Repayment Rate:		99.98%
Value of Gross Loans Disbursed (Sept. 1993- Dec 1997):	US\$	4,316,749
Staff:		
Field Staff:		36
Management:		8
Support Staff		13
FINCA International Resident Staff:		1

The clients of FINCA Clients are involved in the following activities: grocery stores, retail shops, restaurants, kiosks, buying and selling of charcoal, tomatoes, bread and groundnuts, tailoring, poultry production, grain milling, mushroom growing, hair salon operators and handicrafts creators and retailers, private clinics, small restaurants, prepared foods, fish, brick making and brewing of local beer and spirits.

Sources of funds include: Earnings, USAID, Austrian Regional Bureau, EDF, Rotary Intl., McKnight, FICAH, ODA, DFID

FINCA INTERNATIONAL (at October, 1997)

- Activities in 14 countries mostly through affiliation agreements.
- 73,274 clients in over 3,240 village banks
- Outstanding portfolio US\$5.718 million
- Over US\$ 4.298 million mobilised in savings
- Average loan size world wide- US\$142



Finia-ETNCA borrowers meet on a weekly basis to make payments and enter data into their Group Bank Cash book



FINCA clients: Mrs. Tamale Milly and Mrs. Jjuuju Dorothy (owner of drugstore)



Mrs. Musisi Rose (Clothing maker and Owner of Tailoring School)



In addition to borrowing and saving FINCA clients engage in group activities such as singing and dancing

KYRGYZSTAN EVENT PAPER: FINCA ROUNDTABLE AND MARKET TOUR

SCENESETTER

In Novo Povloka village you will meet a total of 24 FINCA bank members, divided into two roundtables of 12 members, each roundtable representing a village bank. The roundtable participants are microentrepreneurs, primarily women, who have businesses in the local market.

Novo Povloka is approximately 20 minutes from Bishkek. The motorcade will proceed to the single family home where the village "Bolsun" bank group meets. There will be three-four people outside the home to greet you and the press may also be present. As you enter the home, you should remove your shoes.

You will hold the roundtable sitting in traditional fashion on the carpeted floor of the meeting room. The estimated time of the roundtable is 10 minutes. You will then tour the Novo Povloka market, viewing stalls owned and operated by FINCA members.

The second roundtable will meet in a traditional Kyrgyz yurt, and you should remove your shoes before entering. You will observe a typical "Saykal" bank meeting and have a brief discussion with bank members.

BACKGROUND

FINCA is operating under a four-year, \$6.2 million USAID grant. It is a microfinance program which targets the poor, providing lending and savings services. To date, FINCA has made approximately 20,000 loans. Repayment rates are in excess of 98 percent.

In Novo Povloka, FINCA has established eight village banks with 100 active members. Over 90 percent of bank members are women. The average loan size is \$250. Members have used their loans to expand their businesses and excess profits to improve their families' standard of living. It is estimated that each FINCA client partially or fully supports eleven others from their small businesses.

PARTICIPANTS:

USAID

John Bayer

C.J. Rushin-Bell

FINCA/Kyrgyzstan Management Staff

Mark Rostal, Chief of Entourage

Kim Kuznia, Osh Regional Manager

Steve MacLeod, Osh Manager

Reuben Summerlin, Financial Services Advisor

Kirsten Weiss, Business Training Manager

Indira Ruzieva, Bishkek Finance Manager

Galena Griniova, Osh Senior Accountant

Ainura Turdalieva, Bishkek Financial Services Manager

Nurjan Miasheva, Osh Financial Services Manager

Vladimir Kovaliov, Bishkek Internal Audit Manager

Ainura Turgunbaeva, Osh Office Manager

DRAFT

EVENT SCENARIO

EVENT: Site visit - FINCA

DATE: Friday, March 28, 1997

TIME: 3:00 p.m.

LOCATION: ~~Kampala site~~
~~Akanabala village - near to Jinja~~

PARTICIPANTS: FLOTUS and delegation, Mrs. Museveni, Minister of Gender and Community Development Hajat Janat B. Mukwaya, Ambassador and Mrs. Southwick, other GOU and local officials, other U.S. Mission personnel, (see attached for larger guest list)

OBJECTIVE: To highlight the USG's commitment to economic growth activities, including promoting microenterprise finance programs in Africa. To highlight the need for financial resources to reach women.

OVERVIEW: FLOTUS arrives and proceeds to viewing stand. Women make presentation and perform welcome song/dance/skit and give testimonials on impact of loans. FLOTUS makes brief remarks. FLOTUS takes tour of four microenterprises operated by the women. FLOTUS departs.

BACKGROUND: See attached.

TALKING POINTS: See attached.

PROTOCOL: TBD

PRESS: Open

PHOTO-OP: Yes

TRANSLATION: No

GIFT: Presented in advance.

ADVANCE: _____, White House Advance Team

SITE OFFICER: _____, White House Advance Team
Jim Gohary, U.S. Mission - Kampala

Uganda: Visit to Akanabala Village Bank

Context

The Akanabala Village Bank is located in a trading center just outside Jinja, the former industrial center of Uganda. The featured bank was formed in August 1996 by friends and family of a recently "graduated" village bank which will also be at the site. The trading center consists of about ten storefront structures, some made from brick and others from mud.

This is one of 144 village banks established by the Foundation for International Community Assistance (FINCA) with a grant from USAID. It is estimated that there are over 800,000 microentrepreneurs in Uganda with the majority being women. Lack of access to credit is considered the biggest obstacle by all entrepreneurs and especially microentrepreneurs.

FINCA is a microenterprise organization which is dedicated to delivering financial services to women entrepreneurs. It was the first financial intermediary in Uganda to deliver credit to the poorest of entrepreneurs. Without village banking the 4,000 women currently involved in the program would not have access to a source of credit and a safe place to put their savings. Through the village bank approach, FINCA successfully delivers credit and deposit services and enjoys repayment rates above 92 percent.

The women members of the FINCA banks must save at least 10 percent of any loan request; in most instances they save much more. While village banks are not "banks" in the legal sense, they are fully operational in the practical sense, leveraging the members' savings to secure outside capital which is then divided among members. The outside capital in this case comes from FINCA. The featured bank is currently on its second loan of the equivalent of \$2,310, which will be divided among the 30 members (the average loan size is the equivalent of \$77).

The Uganda Women's Effort to Save Orphan's (UWESO), a local non-governmental organization started by Uganda's first lady, Janet Museveni, assists children who have become orphans due to civil strife and the AIDS epidemic. The UWESO women are forging links with FINCA in order to gain access to the financial services offered through the village banking program. In addition to the FINCA women, UWESO women will also be present at the site.

Objectives

- o To highlight the USG's commitment to economic growth activities, including promoting microenterprise finance programs in Africa.
- o To highlight the need for financial resources to reach women.

Participants

The following individuals are expected to take part in the activity:

Janet Museveni, First Lady of Uganda
FINCA village bank members
Edward Masiga, Jinja Resident District Commissioner
Daudi Migereko, FINCA Board Member and Member of Parliament
Michael McCord, FINCA Uganda Director
Edith Mulyanga, FINCA Marketing Director
Donna Acord, Peace Corps Volunteer
Madeline Mader, Associate Peace Corps Director
Jim Gohary, Private Sector Officer, USAID/Uganda
Ambassador and Mrs. Southwick

To Borrower for following

February 2, 1997

DISCUSSION WITH FINCA BORROWING GROUP

DATE: February 3, 1997
TIME: 1:00 pm
LOCATION: Latino Economic Development Corporation
FROM: Katy Button

I. PURPOSE

To hold a discussion with the members of a FINCA self-employment association in Washington, DC.

II. BACKGROUND

FINCA USA

FINCA (the Foundation for International Community Assistance) USA, Inc., is a private non-profit organization established to promote the economic and human development of low and moderate income families in underserved communities. A relatively new affiliate of FINCA International, FINCA USA promotes economic opportunity by providing micro loans, technical assistance and a savings plan to low income and other entrepreneurs in greater Washington, DC and Minnesota who do not have access to traditional sources of business financing. Loans range from \$100 to \$6,000. Loans start small and gradually over 5 loan cycles. To access FINCA services, entrepreneurs from peer support networks called "self-employment associations." Members of the group make all loan decisions and are jointly responsible for the repayment of each loan in their group.

In partnership with local community organizations like the Latino Economic Development Corporation, in the past two years FINCA has started 13 self-employment associations in the Washington area and 8 associations in rural Minnesota. The 106 members, 84% of whom are women, have started catering, home-based day care, painting and desk-top publishing businesses. You will meet with members of two local borrowing groups, *Visions of Success* and *Business Pathways*. *Visions of Success* was founded in the summer of 1996 and has just completed repaying - on time - its first loan cycle. *Business Pathways* has just received its first loan. Donna Fabiani, the Director of FINCA's U.S. programs, will also participate in the discussion.

FINCA USA recently received a grant of \$450,000 from the Community Development Financial Institutions (CDFI) Fund. They are also supported by several U.S. foundations, local enterprise initiative funds and commercial banks.

The Latino Economic Development Corporation

The Latino Economic Development Corporation (LEDC), where the discussion will take place, was founded in the wake of the 1991 Mt. Pleasant riot by leaders in the Latino community and the D.C. Latino Civil Rights Task Force as a means to address the economic development needs of the Mt. Pleasant/Adams Morgan neighborhood and of Latinos citywide. As a 501(c)(3) community development organization, LEDC works to promote sustainable communities through business, housing and human resource development.

LEDC works with FINCA to recruit, facilitate and provide technical support for self-employment associations like *Visions of Success* and *Business Pathways*. By the end of February, LEDC will launch a neighborhood business loan fund, which will complement the FINCA program as an intermediate source of credit (up to \$25,000 per loan) for small businesses. LEDC also facilitates credit relationships with conventional and SBA lenders for its business clients with needs over \$25,000. These credit facilities, along with business counseling services, enable LEDC to provide a "continuum of credit and support" to assist business start-ups and the growth of established businesses.

LEDC is supported by the DC Department of Housing and Community Development, the Community Development Support Collaborative, NationsBank, Signet Bank, the Citibank Foundation and other local donors.

III. PARTICIPANTS

- HRC
- Donna Fabiani, Director of US Programs, FINCA USA
- Marlene Léon-Lattimore, member of *Visions of Success* borrowing group
- Vivian Smith, member of *Visions of Success* borrowing group
- Pam Smith, member of *Visions of Success* borrowing group (and daughter of Vivian Smith)
- Marina Mendoza, member of *Visions of Success* borrowing group
- Manuel Carela, member of *Visions of Success* borrowing group
- Keran Dyer, member of *Visions of Success* borrowing group
- Silvia Murillo, member of *Business Pathways* borrowing group
- Alberto Hoyos, member of *Business Pathways* borrowing group

IV. SEQUENCE OF EVENTS

- HRC arrives Latino Economic Development Center

GREETERS:

- Robert Leland, Director, Latino Economic Development Center
- Donna Fabiani, FINCA International
- Lawrence Yanowich, FINCA International
- HRC proceeds to foyer for discussion
- Donna Fabiani opens discussion and intros participants
- HRC makes brief remarks and begins discussion
- After discussion, HRC departs

V. PRESS

Open Press

VI. REMARKS

Talking points provided

Nicaragua: United Mothers Community Bank

Context of the Event:

The United Mothers Bank (Madres Unidas) is an example of a community bank comprised of 30 poor women who receive loans of less than USD 300 from the Foundation for International Community Assistance (FINCA) in order to invest in their businesses, increase their incomes and improve the welfare of their families.

You will attend a weekly community bank meeting which will be held at the home of one of the bank members. Mr. Alicia Paucar, Executive Director of FINCA Nicaragua, and Mr. Mario Guity, a representative of FINCA International, will greet you upon your arrival, introduce you to the members and brief you concerning the operation of the community bank. The bank officers will then conduct the weekly meeting during which the members make their loan payments and savings deposits. The bank members will introduce themselves individually and explain how they use their loans to improve their businesses and the welfare of their families.

Your Objectives:

- o To observe a poverty lending program in action.
- o To express USG support for microenterprise programs and women's empowerment.

Background:

Through a USD 1.5 million grant from USAID, FINCA has established a network of 98 community banks in Managua since May 1994. FINCA's three-year target is to establish 383 banks that will benefit 11,400 women in Managua and four other cities.

FINCA's poverty lending program organizes groups of poor women into community banks, provides them small loans, and trains them in leadership and basic business skills. The women are also encouraged to embark on a savings program. Individual savings are placed into a formal bank account which the membership can loan to outsiders to generate additional income. This creates entrepreneurship at the grassroots level.

Each bank has its own board. Officers are democratically elected. At the end of each four-month cycle, the bank's leadership rotates to allow all members the chance to participate in decision making. A major goal of this model is to empower poor women, many of whom are heads of households, have been abandoned, or have unemployed husbands.

Nicaragua: United Mothers Community Bank

Talking Points:

- o I am impressed with the way you work together to get ahead. You are setting an example for your children and your community.
- o I am glad to see US assistance help you make a living and better feed and educate your children.
- o When you have a chance to work and earn as full and equal partners in society, your families flourish and so does your neighborhood. In this way, in this small community, you are helping rebuild Nicaragua.

Questions to ask members

- o How did you select the members of your community bank?
- o Have you been able to repay your loans on time?
- o How have your lives changed since you joined the bank?
- o What do the men in the neighborhood think about your community bank?

4TH STORY of Level 1 printed in FULL format.

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UNESCO Courier

January, 1997

SECTION: Pg. 32; ISSN: 0041-5278

IAC-ACC-NO: 19208924

LENGTH: 2751 words

HEADLINE: Village banking: a report from 5 countries.

BYLINE: Scofield, Rupert

BODY:

In Latin America, Africa and Asia, an international nonprofit foundation has created a 3,000-strong network of autonomous village banks

HONDURAS

For as long as anyone can remember, the women of Siguatepeque, a rural pueblo in central Honduras, have produced ceramics. You can see them for sale on the side of the highway that runs between the capital city of Tegucigalpa and the northern city of San Pedro Sula: great stacks of flower pots, urns, plates and ornamental pieces in the shapes of roosters, parrots, dogs, cats and caimans.

Six years ago, most of the women worked for a man - let's call him Don Alejandro - who purchased the pottery the women made, and resold them to a wholesaler who trucked them to retail markets in Tegucigalpa. The women of Siguatepeque were poor, and disorganized. Most of them sold the pieces as fast as they made them, for a fraction of what Don Alejandro and the retailers earned on them. They had no choice: they needed the money to buy their daily food.

In 1990, when I was looking for a suitable place for the first village bank to be organized by the Foundation for International Community Assistance (FINCA) in Honduras, a friend of mine suggested I go to Siguatepeque. The organizational meeting took place with about thirty women, in Don Alejandro's house. Our host was quite chagrined when, halfway through the meeting, I explained that the bank was for women only. Still, Don Alejandro was a good sport, and supported the idea that FINCA would make \$ 50 loans to the assembled women to invest however they felt best, and that, four months later, they would repay the loan with interest of 3 per cent per month. Another condition of the loan, I explained, was that they would save at least 20 per cent of it, or \$ 10.

I kept waiting for some of the women to drift away, or to be scared off by the interest or the savings requirement, but they all remained, nodding solemnly, as if they understood and were in complete agreement. I didn't tell them it was only the second time I had organized a village bank. But as I was to learn from this and subsequent organizing meetings, they all go this way. It was as if the women already knew how the system worked. It was that simple.

told me she intended to borrow 100,000.

The men in the village, who had initially viewed the village bank with suspicion, now welcomed it. As the Kimantu village chief told me: "When the women first started to hold their meetings, we men were concerned. We thought they were talking about divorcing us. But then, when we saw them earning money, and they no longer came to us for money to buy salt, and pay school fees, we saw that the village bank was a good thing. But Mr. Scofield, I have one question." "And what is that?" I asked. The chief grinned. "Can you create a village bank for us men?"

In many communities of Uganda, Aids has left its brutal imprint, sweeping away husbands, wives, and sometimes entire families. In most cases, however, the children survive, to be raised by the village as a whole. Many Ugandan village bankers are supporting not only their own children, but those orphaned by deceased relatives and neighbours. It is an intensely sad, but at the same time inspiring experience to meet these selfless, struggling mothers. "Women who are in village banks are seen as the most responsible members of the community," was the way one observer put it. "It is natural that people look to them, when they want a secure future for the children they leave behind."

KYRGYZSTAN

Can microenterprise succeed in a country where, until recently, private enterprise was officially discouraged, considered immoral, and, in some cases, even outlawed? In 1994, FINCA established the first village banks in the newly independent state of Kyrgyzstan, Central Asia, in the capital city of Bishkek.

With the snow-capped Himalayas as a backdrop, Bishkek is a city just coming to life, economically, after years of surviving on subsidies from mother Russia. Today, an estimated 15 per cent of the population is unemployed, and more expected as state-run enterprises are privatized or closed altogether. Increasingly, the population is moving to self-employment as an alternative to the meagre wages of the public sector.

Today, the village bank Bereke ("Blessing") is receiving its first loan. Village banks are smaller in Kyrgyzstan than in other countries in the FINCA network, reflecting an added cautiousness on the part of the members towards their neighbours, the vast majority of whom have never operated a business. FINCA has learned to respect the members' appreciation of local conditions as being far superior to its own, and seldom intervenes in decisions regarding the selection of the bank's members, or in the loan approval process. In this case, most of the fifteen borrowers will be investing their loans in consumer goods, to be sold in the local market. A great feast for the visitors was laid out on a gorgeous, hand-woven rug in the village bank president's living room. Other rugs, of equally dazzling patterns, adorned the walls. These rugs, which sell domestically for less than \$ 10, can command over \$ 100 in export markets. Though it was only mid morning, glasses of brandy were offered and accepted.

The meeting began, presided over by a democratically elected President, Treasurer and Secretary. The President followed the standard village bank agenda: financial report, approval and disbursement of loans, and collection of obligatory and voluntary savings. Besides the small size of the village banks, the methodology has suffered little modification in its adaptation to the Kyrgyz context. Contrary to initial warnings that no one would be interested in small

loans in Kyrgyzstan, FINCA has found the demand to be strong. To date, FINCA Kyrgyzstan has reached 2,300 borrowers, and, in a country of five million, the word is just beginning to spread.

GRAPHIC: Illustration; Photograph

LANGUAGE: ENGLISH

IAC-CREATE-DATE: March 24, 1997

LOAD-DATE: March 25, 1997

KYRGYZSTAN EVENT PAPER: FINCA ROUNDTABLE AND MARKET TOUR

SCENESETTER

In Novo Povloka village you will meet a total of 24 FINCA bank members, divided into two roundtables of 12 members, each roundtable representing a village bank. The roundtable participants are microentrepreneurs, primarily women, who have businesses in the local market.

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USAID

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Nurjan Miasheva, Osh Financial Services Manager

Vladimir Kovaliov, Bishkek Internal Audit Manager

Ainura Turgunbaeva, Osh Office Manager

TALKING POINTS

- To the poorest women microentrepreneurs, \$80 is a fortune. They can invest this money to make their labor more productive.
- Village banks can break the vicious cycle of poverty. Without credit, poor people may work hard, but stay poor because of lack of opportunity and capital.
- FINCA borrowers receive working capital so that their efforts become more productive.
- As village bankers become more productive, they increase their income and are able to accumulate savings for other investments and for family emergencies.
- 70 percent of the world's poor are women. Worldwide there is an increase of women-headed households, in which a mother is the sole support for her children.
- Women invest more of their income in their families. Extra cash in the hands of mothers lifts a family out of poverty faster than increased income in the hands of men.
- Having a steady income and a savings account raises a woman's self-esteem and status.
- Village banks are grassroots democracy in action: members elect their leaders, design their by-laws, keep their books, manage their funds and are responsible for loan supervision.

FINCA FACTSHEET

FINCA Worldwide

Founded in 1984, The Foundation for International Community Assistance (FINCA) is a nonprofit, private voluntary organization. In 13 developing countries (Mexico, Guatemala, Honduras, El Salvador, Costa Rica, Ecuador, Peru, Haiti, Dominican Republic, Uganda, Malawi and Kyrgyzstan) as well as the U.S. (Washington, D.C. and Minnesota), FINCA Village Banking programs provide small loans, a savings program and technical support for the self-employed poor, helping them to work their own way out of poverty. Since 1989, USAID has provided \$23 million to FINCA International affiliates including El Salvador (\$10 million), Nicaragua (\$1.5 million), Malawi -- through World Learning (\$1.47 million), Kyrgyzstan (\$6.2 million), Uganda (\$1.77 million), Honduras (\$1 million), Tanzania (\$1 million) and Ecuador (\$250,000).

A Village Banking group consists of 20 to 50 neighbors-usually 80% or more are women-who come together to guarantee one another's loans, to administer group lending and saving activities and to provide mutual support. By offering credit, not charity, to these women, FINCA enables them to start or improve their own small businesses, which provide a steady source of employment and income for themselves and their families. Throughout most of the world, working capital-the money needed to start or expand a business-is simply not available to the poor. During 1996, FINCA provided \$16,911,051 in working capital for 69,888 small businesses in 14 countries.

FINCA Kyrgyzstan

In 1994 FINCA received a \$6.2 million grant from USAID to establish a microenterprise credit project in Kyrgyzstan. In two and one-half years of operations, FINCA Kyrgyzstan (F/K) has successfully refined and implemented its international proprietary business technologies to help meet the needs and improve the lives of the economically disadvantaged of Kyrgyzstan. To date, F/K has disbursed over US \$1.4 MM to approximately 15,000 individuals with a bad debt expense of less than US \$500. The project is operating in three Oblasts and has 100 national employees. During the period ending June 30, 1997, F/K reported an increase in the number of active Village Banks from 349 to 421 representing a net gain of 21%.

Over 85% of loan recipients have been women. With the collapse of the Soviet system many men lost their jobs and families lost a comfortable life style as food became expensive and scarce and schools and medicine were no longer free. Self-employment became the only hope for some. With the help of FINCA, many women were able to obtain small working capital loans to buy rice, eggs and other products which they could sell in the local bazaars. Through FINCA's Village Banking savings system these women have increased their working capital and income which allows them to purchase butter, sugar, and meat-luxuries they previously could not afford.

FINCA Briefing Paper

FINCA Worldwide

What is FINCA

Founded in 1984, The Foundation for International Community Assistance (FINCA), is a nonprofit, private voluntary organization. In 13 developing countries (Mexico, Guatemala, Honduras, El Salvador, Costa Rica, Ecuador, Peru, Haiti, Dominican Republic, Uganda, Malawi and Kyrgyzstan) as well as the U.S. (Washington, D.C. and Minnesota), FINCA Village Banking programs provide small loans, a savings program and technical support for the self-employed poor, helping them to work their own way out of poverty. FINCA's first major partnership with USAID was in El Salvador in 1989 when USAID provided \$10 million to FINCA to establish and build the CAM (Centro de Apoyo a la Microempresa).

What is a Village Banking group

A Village Banking group consists of 20 to 50 neighbors-usually 80% or more are women-who come together to guarantee one another's loans, to administer group lending and saving activities and to provide mutual support. By offering credit, not charity, to these women, FINCA enables them to start or improve their own small businesses, which provide a steady source of employment and income for themselves and their families. FINCA's average loan per borrower is only \$144, yet the accumulated savings of members exceed \$3.2 million.

Why credit

Throughout most of the world, working capital-the money needed to start or expand a business-is simply not available to the poor. In its twelve years, FINCA has proven that, given access to credit, poor people can create their own business, repay their debts and set aside savings for the future. During 1996, FINCA provided \$16,911,051 in working capital for 69,888 small businesses in 14 countries. These businesses provided critical income for families, and in some cases, employment for additional family members or members of the community. While income and profits are hard to measure, FINCA-supported small business generated \$3,746,783 in family savings worldwide-an average of \$54 per family. While \$54 may not seem like a lot of money, it represents three weeks pay in Uganda and over three weeks salary in Malawi and Kyrgyzstan.

Who benefits

The typical FINCA borrower is a woman between 25 and 44 years old, supporting, or helping to support, three children. She has little hope of being hired by a business outside of the home. She wants to start her own small business that would allow her to

earn the income needed to feed, clothe and educate her children. She has a plan to improve her life and that of her family, yet she is too poor to qualify for a loan from a commercial bank. A FINCA loan is clearly the best-and perhaps the only-hope she has for improving her prospects.

FINCA in Kyrgyzstan

FINCA's performance in Kyrgyzstan

In 1994 FINCA received a \$6.2 million grant from USAID to establish a microenterprise credit project in Kyrgyzstan. In two and one-half years of operations, FINCA Kyrgyzstan (F/K) has successfully refined and implemented its international business technologies to help meet the needs and improve the lives of the economically disadvantaged of Kyrgyzstan. To date, F/K has disbursed over US \$1.4 MM to approximately 15,000 individuals with a bad debt expense of less than US \$500. During the period ending June 30, 1997, F/K reported an increase in the number of active Village Banks from 349 to 421 representing a net gain of 21%. The project is operating in three Oblasts (Chui in the north and Osh and Jalal-Abad in the southwest) and has 100 national employees. FINCA's activities in Kyrgyzstan directly address USAID's Strategic Objective 1.3 "Accelerated development and growth of private enterprises" and is highly regarded by the Ambassador and USAID Country Representative there.

F/K has established and maintained the highest level of financial performance among microfinance practitioners in Kyrgyzstan. F/K charges a positive interest rate through the effective design and implementation of an appropriate pricing structure. By charging interest rates that sufficiently cover administrative costs, expanding the scope of operations, and creating an efficient institutional structure, F/K has consistently posted gains towards self-sufficiency. In May 1997, F/K achieved its first month of financial self-sufficiency, or break-even, after two years of lending. FINCA Malawi, Honduras and Nicaragua have also achieved financial self-sufficiency. In addition, F/K has maintained repayment rates in excess of 98%, the highest return in both the informal and formal sectors.

Through August 1997, F/K has expended \$3.0 MM of USAID funds in grant management, on-site technical assistance, local operations, overhead and loan capital. F/K has utilized this funding to develop the institution as a financial intermediary, capitalize the loan portfolio, subsidize operating losses and purchase fixed assets. Therefore, USAID's funding has been used as a catalyst to build efficient operations and scale.

Who receives the loans

Over 85% of loan recipients are women. With the collapse of the Soviet system many men lost their jobs and families lost a

comfortable life style as food became expensive and scarce and schools and medicine were no longer free. Self-employment became the only hope for some. With the help of FINCA, many women were able to obtain small working capital loans to buy rice, eggs and other products which they could sell in the local bazaars. Through FINCA's Village Banking savings system these women have increased their working capital and income which allows them to purchase butter, sugar, and meat-luxuries they previously could not afford.

Future performance projections

In the coming years, FINCA will accelerate the rate of microfinance activities. To date, F/K has leveraged USAID funding by directly lending \$1.4 MM in funds originating from USAID. F/K clients have lent approximately \$2.0 MM of their personal savings, a direct result of USAID's funding. Combined lending-USAID and client savings-through August 1997 totaled \$3.4 MM, 113% of grant funds expended. This ratio will increase over the successive periods. The remaining grant funds, \$3.2 MM, will yield nearly \$13 MM in loans originating from USAID grant funds during the period from September 1998 to August 2000. Moreover, clients are projected to lend \$17 MM for the same period extrapolating from historical data. Thus the expected ratio of total combined lending-USAID and client savings-for the remaining grant funds through the year 2000 will equal nearly 800%.

USAID funding to FINCA

Since 1989, USAID has obligated \$23 million to FINCA International affiliates including El Salvador (\$10 million), Nicaragua (\$1.5 million), Malawi -- through World Learning (\$1.47 million), Kyrgyzstan (\$6.2 million), Uganda (\$1.77 million), Honduras (\$1 million), Tanzania (\$1 million) and Ecuador (\$250,000). Of the \$23 million, \$16.9 million has been spent on projects that continue to benefit tens of thousands of poor families. FINCA programs disbursed \$20 million in loans last year. The funding for the Honduras and Tanzania projects was just obligated and has not yet been disbursed. USAID recently approved a grant to Shorebank for operations in the Caucasus new projects that will include a \$6.94 million subagreement for FINCA to start three affiliates (Armenia, Georgia and Azerbaijan) and a technical assistance Hub in Georgia.

FINCA has also received two Matching Grants from USAID. The first Matching Grant for \$1 million began in September 1992. The second Matching Grant is for \$4,997,706 for the five year period ending September 1999. In addition, FINCA has received start-up funding for its Village Bank Capital Fund and for implementation of a FINCA Affiliate Financial System through USAID's Implementation Grant Program (\$1.1 million grant and \$1 million MSFD loan).

JORDAN: MICROFINANCE SITE VISIT
Scenesetter for Microfinance Site Visit
Wadi Mousa

Event: Visit to the *Movenpick Hotel* (or site to be determined) to meet with microfinance clients who have benefited from the USAID microfinance loan program.

Description of site: The hotel is located on the main street in the town of Wadi Mousa, and is less than one block away from the main entrance to Petra.

Context of the Event: The U.S. PVO, Cooperative Housing Foundation (CHF), launched USAID's first microenterprise lending program in the impoverished, southern part of Jordan in December 1998. In the last nine months, CHF through local banks has made 2,567 group loans valued at \$545,000 (389,000 Jordanian dinars) and 265 individual loans valued at \$1,096,000 (782,750 Jordanian dinars). The repayment rate has been 97.3%.

The silversmith borrower, Basma Ali Abd Al Rahman Al-Hasanat, is a member of the Salah Al-Din borrowing group. She and three other young women opened *The Silver Hands* shop after receiving training at the Queen Noor Al Hussein Foundation. The start-up capital came from their families. The USAID loan for \$210 (150 Jordanian dinars) allowed them to purchase a "finishing touch" which is used for detailing intricate jewelry pieces. This equipment has helped them produce better quality jewelry. After repaying the loan in six monthly installments, Ms. Al-Hasanat has now applied for a second loan to purchase additional equipment such as a melting torch and a Swiss precision filing set. Her longer-term plan is to move into a larger facility.

USAID is funding three other microfinance initiatives in Jordan: the Jordan Women's Development Society (begun by Save the Children), the Jordan Microfinance Company (affiliated with the Queen Noor al Hussein Foundation) and Ahli Microfinance (a subsidiary of the Jordan National Bank). CHF and these three institutions provide loans from \$140 to \$14,000. By the end of 1999, they should jointly have 10,000 borrowers and more than 25,000 borrowers by the end of 2001.

What you will do: You will meet with four – six entrepreneurs who have taken out loans from the program to talk with the borrowers and to look at their products. While not required or expected, you may purchase silver necklaces, charms, pill boxes or other products if you so choose.

Participants: Mr. Rafael Jabba, CHF director in Jordan, Ms. Ruby al-Salem, the CHF loan advisor who is responsible for this borrower, and the borrower, Basma Ali Abd Al Rahman Al-Hasanat and her three women partners (see background information) and other borrowers (to be determined).

Objectives:

- Recognize that microfinance lending is successfully providing economic opportunities for poor, entrepreneurial women in southern Jordan.
- Note that good collaboration between NGOs like CHF, working with USAID, can result in positive improvements in the lives of Jordanians.
- Motivate the borrower to take advantage of Wadi Mousa's tourist industry to expand her sales and grow her business.

Talking Points:

- Compliment the borrower and her partners on their initiative, entrepreneurship, hard work and diligence in paying back their loans.
- Note that their loan is a good illustration of U.S. and Jordanian development efforts working in harmony.
- Note that the U.S. is assisting approximately 10,000 other Jordanian entrepreneurs.
- Do you plan on taking out additional loans?
- What would you do to expand your business further?

awnings in matching blue and yellow to demonstrate that they were part of microenterprise.

Most memorable to me was a woman who told me that as a seamstress she could not compete with the larger factories, and yet she knew there was a market for her work because she had many people who had come and asked her to make something for them but she did not have the capacity to do so. With a small loan, she was able to buy a high-speed sewing machine and replace her old, antiquated one. She said that when she got that new sewing machine she felt like a caged bird set free. And that is a good way to describe how many of the people I have met seem to feel when given the opportunity.

I saw that again firsthand recently in La Paz, when I met with borrowers at Banco Sol and had a chance to visit the bank itself -- a physical place that is dedicated to microcredit. And the people there were very proud of what they had accomplished. And the United States is pleased that this bank, now the largest bank in Bolivia, was initially supported through a loan from USAID. It is the first commercial bank in the world completely dedicated to microlending.

The default rate is extremely low, about 2.2 percent; and the repayment rate, obviously, extremely high. I often say to my banker friends that if they had customers like these people, who paid off their loans at 95, 97, 98 percent, they would be very happy. And I think if more banks understood -- (applause) -- the tenacity, the commitment, the entrepreneurial spirit of people like these who are given a chance to help themselves, we would go a long way in not only extending credit, but in eliminating many of the unfortunate stereotypes about people who are poor. (Applause.)

Anyone who has worked with microcredit or seen its impact around the world as I have will testify that those stereotypes are just plain wrong. Most people who are eligible for microcredit around the world work as hard as they know how, from sunup to sundown, and sometimes for many hours before and beyond. And yet, too often, those of us in positions of influence or authority or power dismiss them. We seem to have a belief that if they are poor, they are meant to be poor and will always remain poor. Yet many of us come from families, generations back who themselves were poor, and through hard work and sometimes lucky breaks and opportunities an extended helping hand, we were able to climb our own way out of poverty and to have the benefits that that gave us and our children.

These microcredit projects are proof of what we can unleash if we invest in the economic and human potential of all the world's citizens. I am heartened that so many commercial banks and finance ministries and others around the world are beginning to show

such an interest in microcredit. We know that this is not the only answer; we still need investments in education and health, infrastructure in many parts of the world, but we know that this is a critical component of what will work in nearly any setting we can define.

It is becoming increasingly obvious that this tool not only transforms lives but lifts communities and societies as well. And that, after all, is what this summit is about. It is not just about giving individuals economic opportunity, it is about community, it is about responsibility. It is about seeing how we are all interconnected and interdependent in today's world. It is recognizing that in our country the fate of a welfare recipient in Denver or Washington is inextricably bound up with all of ours. It is understanding how lifting people out of poverty in India or Bangladesh redounds to the benefit of the entire community and creates fertile ground for democracy to live and grow because people have hope in the future.

So I think all of you who have helped to make the pictures that I've shown a reality, who have been advocates on behalf of microcredit and the concepts of community and responsibility that it represents, and I hope that as a result of this summit, many, many more people will understand how microcredit can transform lives, will learn lessons on how to do

it right --

(end of side one of tape; continuation of side two)

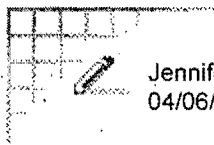
-- all of us will recognize that as we move toward this 21st century, we have an opportunity that has seldom come, if ever, in the history of humankind. We have a world that can, with technology, democracy, free enterprise, extend the benefits of prosperity and peace to countless millions whose lives can be lifted up.

So, for all of us, I hope that we will go forward from this summit more convinced than ever that providing economic opportunity, giving people a chance to be responsible, building community can happen everywhere if we have the will to make it so. Thank you for what you're doing. Godspeed on the work ahead. (Applause.)



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Jennifer H. Smith
04/06/2000 11:56:42 AM

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To: See the distribution list at the bottom of this message

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Subject: Updated Press Schedule for First Lady Hillary Rodham Clinton, April 6, 2000

FOR IMMEDIATE RELEASE
April 6, 2000

CONTACT: LISSA MUSCATINE
ERIKA BATCHELLER
JENNIFER SMITH
202/456-2960

***** UPDATED EVENT TIME *****

**PRESS SCHEDULE OF FIRST LADY HILLARY RODHAM CLINTON
FOR THURSDAY, APRIL 6, 2000**

WASHINGTON, DC -- On Thursday, April 6, the Foundation for International Community Assistance (FINCA) will present First Lady Hillary Rodham Clinton with the Village Banking award for her support of microfinance as a solution to world poverty. Her Majesty Queen Rania Al-Abdullah of Jordan will present the award, which recognizes Mrs. Clinton's long-time support of entrepreneurial opportunities for women around the world. Mrs. Clinton has visited microfinance programs across the globe, including FINCA Village Banking groups on four continents, to highlight the importance of microlending to women's economic empowerment.

EVENT: FINCA's Village Banking Award Presentation to
First Lady Hillary Rodham Clinton
DATE: Thursday, April 6, 2000
TIME: 8:20 p.m.
LOCATION: Cipriani 42nd Street
110 East 42nd Street
New York, NY

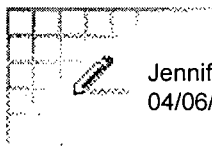
Press Notes:

This event is open press. Press wishing to attend must be pre-credentialed. For information on credentialing, contact Stacy Block or Dana Lauren West at 202-331-4323. Lighting and

mult will be provided.

Final Access: 7:45 p.m.

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Jennifer H. Smith
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mult will be provided.

Final Access: 7:45 p.m.

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Message Sent To:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 3, 1997

**REMARKS BY THE FIRST LADY
AT THE MICROCREDIT SUMMIT**

Sheraton Washington Hotel
Washington, D.C.

MRS. CLINTON: Thank you very much. Thank you, choir, that was wonderful. I got to listen to you as I stood outside. I am thrilled to see such a turnout for this summit, which is one of the most important gatherings that we could have anywhere in our world, to talk about what is possible for raising the sights and aspirations of people, giving them the tools of opportunity, expanding access to credit and creating conditions in which men, women and children will be able to make for themselves better lives.

I'm very grateful to all who have made this summit possible, particularly to the co-chairs, to the heads of state who are gathered, to other distinguished guests, to the Results Educational Fund, to many of the private corporations and other foundations that have helped to sponsor this important gathering.

This is truly an historic occasion. Microfinance is a subject that is near and dear to all of our hearts who are gathered here. And this first global summit on microcredit offers an unprecedented opportunity for us to draw attention to the successes of microcredit in developing countries, as well as in applications in advanced economies around the world.

By bringing together experts from every continent we will be able to learn from each other's challenges and achievements, and apply those lessons within our own borders. I hope that this conference will engender new understanding of microcredit and its potential to transform the lives of individuals, their families, their communities and their nations.

Although it is called "microcredit," this is a macro idea. This is a big idea, an idea with vast potential. Whether we are talking about a rural area in South Asia or an inner-city in the United States, microcredit is an invaluable tool in alleviating poverty, promoting self-sufficiency and stimulating economic activity in some of the world's most destitute and disadvantaged communities.

I first heard about microcredit more than a decade ago when my husband, then the governor of Arkansas, and I were involved in looking for ways to create economic opportunity in the poorest sections of one of the poorer states in the United States. We had heard about the work of the Grameen (sp) Bank in Bangladesh and about the work that the South Shore Bank in Chicago. And we reached out to representatives of both to explain to us how this idea of very small amounts of credit could make such a difference.

I remember well when we met with Mohammed Unis in the Governor's Mansion in Little

Rock in 1986. We sat there and listened as he told us how the idea which he had had as an economics Ph.D. and then a teacher back in his home in Bangladesh began to be put into practice. He offered advice as the project in Arkansas got off the ground. Within a few years we, too, could see how the fruits of the

Good Faith Fund, as the project in Arkansas was called, were beginning to take root.

It was so contrary to conventional thinking about finance and economic development. And, yet, before our eyes and based on reports from Bangladesh and India and Chicago and elsewhere, we knew something important was happening that had escaped the notice of many who worked in development, of many who were in finance departments of governments. And both my husband and I were determined that the concept of microcredit would have universal relevance. We looked for ways to apply microcredit in America, taking the best of the principles and values that it represented, but making it sure that it could be put into practice in different settings.

Now, more than 10 years later, we can look around this room, from one end to the other, and appreciate the power of Mohammed Unis' vision. And we can celebrate the courage and dedication it has taken on the part of all of you today -- pioneers in microfinance, lenders in microcredit enterprises, representatives of government and private business and foundations and grass-roots community organizations from all over the world -- the courage that it took to come and understand how the conventional wisdom about poor people and economic opportunity was no longer adequate. (Applause.)

To really understand the significance of this summit one must recognize that you are here because you have broken a paradigm, you have gotten out of the conventional box of thinking about the poor, about economic opportunity, about the partnership between the public and private sector. It is this type of unconventional thinking that we need more of in our world today, to address the problems that all of us confront. (Applause.)

I know those of us here understand that microcredit is a tool -- not the only tool, but we believe an important tool available to promote economic and social development. We have seen with our own eyes in the last several decades how the global economic revolution has transformed lives, many for the better. People with opportunities in places that never thought or dreamed they could see clean water, roads, their children attending school, access to health care.

And yet, we also know that global economic change has not only made winners, it has made losers as well. And part of our challenge is how do we harness these vast forces of change for the benefit of all people, how do we ensure that no matter where one lives, no matter what race or ethnic background, no matter whether a man or a woman. It is the individual human being willing to work hard who will be given the opportunity if that person takes responsibility to seek and find a better life for themselves.

That is why this idea is important not only on its own merits and that we should work to spread it, be honest about what it can do, make changes where necessary, recognize that it has limitations. But the idea is not only important for what it is, but for what it represents when we put it into the context of the global economic changes that are sweeping through all of our countries. (Applause.)

The United States has long supported microcredit overseas through USAID. And I am pleased that the United States will continue to support microcredit programs and that I hope more American citizens will recognize how important it is to support the economic aspirations of our friends and neighbors around the globe. And one of the ways we will attempt to deliver that message is to demonstrate here within our own borders how microcredit can change the lives of Americans.

Indeed, we are beginning to spread microenterprise throughout the United States. It has to be tailored to our particular economic and social circumstances. And so it is by the very nature of the communities which it is working in going to be diverse -- offering different kinds of loans, resources and business assistance.

But I am pleased that the President, working with the Secretary of the Treasury whom you will hear from later, have recognized the important role that microcredit will play in economic development throughout our country in helping people who are currently on welfare in the United States find opportunities for their own economic self-sufficiency. And to that end, just this last week, the President and Secretary Rubin presented the first Presidential Awards for Excellence in Microenterprise Development. The awards recognize efforts within our country to extend credit and economic opportunity to Americans who otherwise lack the chance to become economically self-sufficient.

The awards also underscore the ripple effect that microcredit projects can create -- not only in lifting individuals out of poverty and moving mothers from welfare to work, but in creating jobs, promoting businesses and building capital in depressed areas.

The United States is also promoting microcredit through the Small Business Administration's Microloan Program -- a public-private partnership which has already awarded \$70 million in grants to nonprofit organizations with nearly half of the loans granted going to women. The loans range from \$125 to \$25,000.

Because of the promise that microcredit holds in the United States, the President announced last week that he is requesting substantial increases in federal funding for the Community Development Financial Institutions Fund. His budget calls for a \$1 billion increase over the next five years. (Applause.)

As I said last week at the White House when we were celebrating microcredit, there are millions of people in our country as there are millions of people in all the nearly 100 countries represented here who are brimming with initiative and desire to take responsibility and to work hard. But they need what I call the tools of opportunity, and one of those tools is access to credit. For too long, many people -- not only the poorest of the poor, but working people and others -- have had to turn to the lenders in the community that extract great price and cost for the money that they give. Others have been shut out completely from any kind of access to credit. And the result has not only been to depress their opportunities, but to depress that of those in their families and in their communities.

Later today, I will visit a microcredit project right here in Washington, D.C. -- one of the FINCA USA projects. I spent time with a FINCA borrowing group in Managua, Nicaragua, and I'm looking forward to hearing from the borrowers in this group here in Washington -- how that model is working for them.

What we are finding is that modest loans are transforming lives, reclaiming villages and rural areas and cities from decay and decline, and helping to reduce the number of people living in substandard conditions or extreme poverty.

I have seen that with my own eyes. Many of you are veterans of microcredit who are here, but others of you have come for the first time to learn how this concept can be translated and transplanted where you live. And others of you in the press are finding this a new idea, something you had not really focused on before. And still others in government and private business are looking for ways to help the economic development of people in the communities that you serve. And I want to take just a few minutes to visualize why I am such an admirer and supporter of microcredit; why I believe that it has such great potential.

So I brought with me some of the pictures that I have had taken as I have traveled to various continents and countries looking at microcredit efforts, and if I could I'd like to show them

to you as I talk a little bit more about why they make such an important difference.

I want to start with a picture from India, and those of you who are familiar with Sawa (sp) -- and I believe that Ilabad (sp) is here and will be speaking -- know how important the Self-Employed Women's Association has been. This group has made it possible for very poor women to learn about finance, to borrow money, to be part of a bank, to save money. And when I visited I met with hundreds of women, some of whom had walked for 12 or 15 hours to come to meet with me, to tell me what those initial small loans meant. And I want to emphasize that it was not just stories about what the loans bought and what they were able to do with the loans, it was the entire sense of self-worth and potential that those loans created in the women that made the biggest impression on me.

Women stood up and said that they had been vegetable vendors in the markets and had been abused by police officers, others of authority, with no place to turn to try to keep their businesses going when times were difficult. They told me of working on their family farms, eking out a living in very hard soil with little equipment and little support. And yet, woman after woman stood up and said to me that since they had become members of the Self-Employed Women's Association, they were no longer afraid. They were not afraid to speak up for themselves, to find their place in their family and their village, to help contribute to the income that made it possible for them to think of sending a child to school or having a child get the health care that child needed.

Many of you will find and be able to relate the same kinds of experiences that I have had. And I hope that as we talk about microcredit and as we look at the physical manifestations of loan, ledgers, and I have reviewed -- of businesses that have been started, of milk cows that have been bought, we will also not forget that you are seeding those people with a dream and a hope that they will be functioning members of society whose children's lives will be better.

I've also seen firsthand what happens in Bangladesh, and for anyone interested in microcredit you know that it is a journey to the Grameen (sp) Bank that is often part of the learning experience because of the longtime efforts that have been undertaken there. When I visited with a group of women in a village outside of Jasore, I realized that I was visiting a Hindu village, and my schedule did not permit me to go down the road further to visit a Muslim village. And I wanted to see women from both communities who were participating with Grameen. The women in the Muslim village came to the Hindu village, the first time there had ever been such participation together. Never had there been a meeting like that.

And I listened as 150 Hindu women and 150 Muslim women told me how their lives had been transformed by virtue of earning income. These women had lived much harder lives than any I could even imagine, and yet they were filled with hope about their future. And one of the reasons is that Grameen (sp) doesn't just extend credit, as many of you know. It tries to put the women and the men who are borrowers not only in borrowing groups for credit purposes, but to help support one another in solidarity, to build stronger families and communities.

Each person who joins the bank has to abide by 16 decisions or principles that range from the mundane such as "we shall build and use pit latrines," to the much more difficult to explain and understand -- "we shall not inflict injustice on anyone; neither will we allow anyone to do so," or "we shall always keep our children and the environment clean." There is even one principle against dowry, which is extraordinary considering the attitudes in many of those communities about the proper role of women and certainly the importance of dowry.

As each woman waits her turn to get a loan, she knows she cannot borrow money until the woman before her has repaid her loan. So there is a built-in incentive to support each other's enterprises.

I saw women making steel and concrete beams they can sell to other women who use them to build houses with loans from Gramine (sp) and I visited such a house. So a whole self-sustaining market is created within one village.

Gramine (sp) also in Bangladesh attempts to work with children to change attitudes about what is possible for them. Here there was a skit performed in which some of the young children, young boys and girls, were talking about attitudes that were held about education, and in particular, whether or not girls should be educated as well as boys. And by performing that skit, they were serving notice that they understood there was another way, another idea of what could be possible for them.

And so when you go to Bangladesh, and you see, as many of you have, what Gramine (sp) means, just like what the Self-Employed Women's Association means in the lives of these women, their husbands, their families, it makes it clear that we're talking about not only economic transformation, but social transformation as well. (Applause.)

Some months later, I visited a microenterprise project in Denver, Colorado, here in the United States. In this case women, many of them Hispanic Americans, received career counseling and vocational training, and entrepreneurial technical assistance. It is provided by a group called Mi Casa. And here, the women were explaining to me what it meant for them to finally be taken seriously. Many had been on welfare or were just off welfare, and they were looking for an opportunity to take the skills that they had acquired and turn them into income.

Many of those women were good bakers, good seamstresses. They could make alterations. They could provide food for small restaurants. But they didn't, as we hear so often, have access to credit to get started. One woman said to me something I have never forgotten, when she described to me what it was like trying to go to her local bank. She did not have any traditional collateral, but she was a hard worker. She's always worked for other people. She had a good product to sell. But she was turned away because the amount of money that it would have taken for the bank to process her loan was not, in the bank's eyes, worth the investment. And she said, too many great ideas die in the parking lots of banks. (Applause.) And one of the hopes I have is that conventional banking will understand that there is an economic opportunity, a market niche for those willing to service this community.

I certainly was impressed by that when I was in Managua, Nicaragua, meeting with women in a borrowing group shortly after the United Nations Fourth World Conference on Women in Beijing, where the platform of action included a commitment microcredit. And as I have said, and as the President's said, much of the work that we are doing in the United States to advance microcredit is in part a fulfillment of our responsibilities under that platform of action. (Applause.)

I went here to the weekly meeting of the FINCA Group and there were about 30 women who described how they had received small loans to start neighborhood bakeries, seamstress shops -- one was making mosquito netting, one was selling auto parts door to door. I was surprised and very excited when several of the women not only gave me their products, but also asked me what I had been doing in India because some of them had seen on television some pictures of my trip to the Self-Employed Women's Association. They wanted to know what the women there were spending their money on and what businesses they were starting. And I felt that there was an opportunity for this to be literally a global movement, with people learning from each other and supporting each other. And this is exactly what this summit means to do.

I've also been impressed by the work I've seen in Santiago, Chile, where community bank relies on peer networks to promote and sustain local microbusinesses. Here in a local market I met the vendors who were showing their commitment to the bank by putting up

Key
microcent self-reliance Act - passed in April '99
- CROA HR 1143
S 1463 | on trans
- checked in committee
- SAP supporting CR

April 5, 2000

FINCA International 15th Anniversary Gala

Kate McKee
Dir. microcent
pgmt at AIO

- Meet who's before?
- 1st & 2nd speakers from
Uganda, Kyrgyzstan,
Nicaragua,
Thailand, U.S.

PODS: microcent self-reliance Act, 1999
renewed biennially

want - microcent act
- interfering gov
- self-reliance

• my want \$150M estimate
• 1.50% to 3.00%
• disaster land - great & while new have not
empty land used for post-harvest storage
which we do w/ supplements & water

DATE:

TIME:

LOCATION:

FROM:

Thursday, April 6
tbd

Cipriani 42nd Street

New York, NY

Brenda Costello

Detached

→ where are we for FLOI?
→ did it all turn out right?
→ updated CIG committee record?

I. PURPOSE

To deliver remarks at FINCA International's 15th Anniversary Gala and to accept their first ever Village Banking Award.

II. BACKGROUND

On Thursday evening, FINCA (the Foundation for International Community Assistance) will present you with their first Village Banking Award, in recognition of your long-time support of and commitment to microfinance. Her Majesty Queen Rania Al-Abdullah of Jordan, Honorary Chair of the event, will present you with the award.

The event, the "Village Banking Capital Adventure", will commemorate FINCA's 15th Anniversary and help raise funds for the organization. Approximately 350 guests are expected, including members of the business, banking and investment communities. Focusing on practical solutions to poverty, the event will profile several of the 130,000 clients whom FINCA serves and will feature a *Village Banking Capital Adventure*, an educational and interactive game to familiarize guests with the cycles of micro-loans and the effects and extent of poverty. Another theme, *International Diversity* will have each table represent a different country. The table overlays and arrangements will reflect the cultural and other elements of each country where FINCA is present.

During the ceremony, FINCA will also present the first Microfinance Achievement Award to Lukia Ssemanobe, a FINCA client from Kampala, Uganda, for the success she has achieved for herself, her family and her community. David Miranda, CEO of LastMinuteTravel.com, this year's corporate endowment partner, will present the award to Ms. Ssemanobe.

Queen Rania and Microfinance

As president of the Jordan River Foundation, Queen Rania oversees projects that offer financing, business support, and training for women to become skilled providers. Last week, on March 27, Queen Rania launched FINCA's first microfinance program in Kosovo, the Kosovo Village Banking program in Prizren, Kosovo. USAID generously supported the FINCA Kosovo opening. Prizren is a small community outside Pristina, the capital.

trying to
put in
reality for
25% act

stronger buy
in our job

why w/ microcent
cost to finance
long returns
reality for
25% act
+ we are
in agreement

FINCA: Current Programs

FINCA operates a network of over 7,000 Village Banking groups in 19 countries, serving over 140,000 clients. In 1999, FINCA disbursed loans totaling more than \$40 million with an average loan of \$145 and an on-time repayment rate of over 96 percent.

Format

Upon arrival, you will proceed onto stage where the program will be underway. On stage will be Her Majesty Queen Rania, event Emcee Carol Simpson, David Miranda, CEO of event sponsor LastMinutetravel.com, FINCA Executive Director Rupert Scolfield, FINCA client and award recipient Lukia Ssemanobe.

Lukia Ssemanobe is scheduled to receive her award first, followed by Queen Rania's introduction of a video highlighting your involvement in microfinance. The Queen will then present you with the first Village Banking Award. You will depart following your remarks.

Option A: Following the award presentation and your remarks, you will take photos with FINCA representatives and supporters and then have a brief private meeting with Her Majesty Queen Rania.

Option B: You will take photos and meet privately with Queen Rania on arrival, prior to the award presentation.

III. PARTICIPANTS

- The First Lady
- Carol Simpson, Emcee
- David Miranda, CEO, LastMinutetravel.com
- Rupert Scolfield, Executive Director, FINCA
- Lukia Ssemanobe, FINCA client,
- Her Majesty Queen Rania of Jordan

IV. SEQUENCE OF EVENTS

-See final schedule

V. PRESS

Open press.

VI. REMARKS

Provided by Laura Schiller.

- have advance person walk through
- handout
- Pete podium

are you going into the
mty. or does the
majesty prefer it to
be done
me & some

get a program

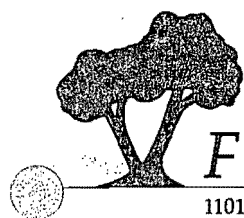


FINCA[®] INTERNATIONAL, INC.

Briefing Book for First Lady Hillary Rodham Clinton

FINCA International
15th Anniversary Gala

Cipriani's
New York, New York
April 6, 2000

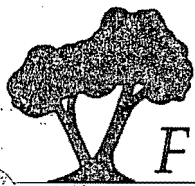


FINCA[®] INTERNATIONAL, INC.

1101 14th Street, N.W. • 11th Floor • Washington, DC 20005 • 202-682-1510 • FAX 202-682-1535 • EMAIL: finca@villagebanking.org

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The Village Banking Capital Adventure

*Recognizing First Lady Hillary Rodham Clinton's contribution to microfinance programs
and the cause of low-income entrepreneurs worldwide*

On April 6, 2000, Her Majesty Queen Rania Al-Abdullah of Jordan will present an award to First Lady Hillary Rodham Clinton in New York recognizing her commitment to microfinance, or small loans for low-income entrepreneurs. Her Majesty will present this award on behalf of FINCA International, one of the premier microfinance providers, with programs in 19 countries worldwide.

This event, the Village Banking Capital Adventure, will be held at Cipriani 42nd Street, 110 East 42nd Street in New York City. FINCA anticipates broad attendance at the event from members of the business, banking, and investment communities. The event will profile several of the 130,000 clients whom FINCA currently serves, and will reflect the diverse cultures of the countries where FINCA works.

FINCA's unique solution to poverty is not only compassionate, it makes good business sense. FINCA provides low-income families with access to small amounts of capital that they then use to start or improve small businesses. With investment, these small businesses can grow to provide a steady income for poor families, and often, as they continue to grow, jobs for family members and neighbors. These businesses can have a powerful revitalizing effect on the poorest of neighborhoods. You might think that lending to poor families represents a huge credit risk. In fact, the opposite is true; FINCA's worldwide repayment rate on its loans stands at better than 96%. Mrs. Clinton has supported microfinance programs for many years, and has personally visited FINCA programs in Uganda, Kyrgyzstan, Nicaragua, Honduras, and the United States.

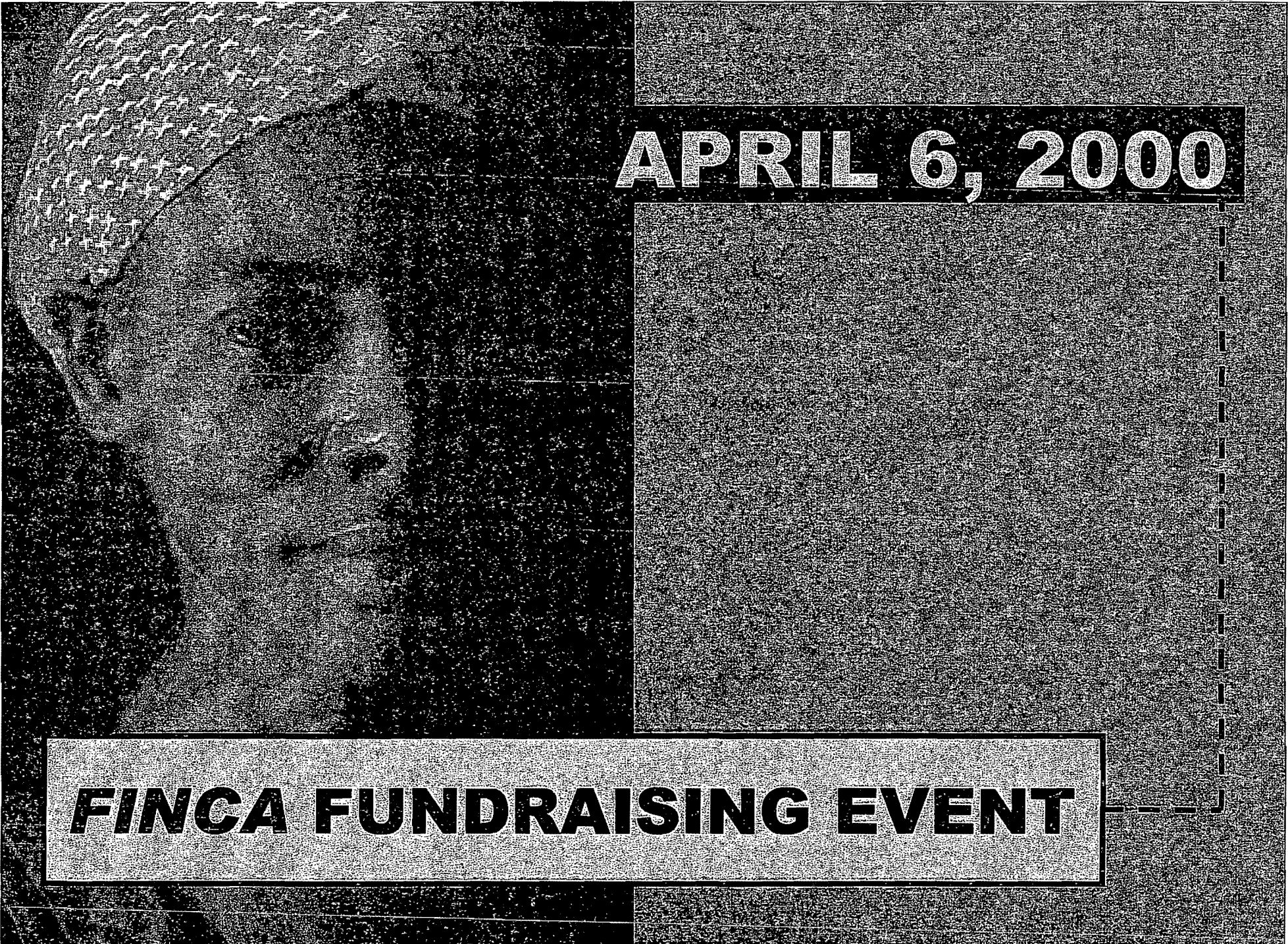
This event will focus attention on microfinance as a practical solution to poverty, and on those individuals and organizations who support it. Individual tickets and tables may be purchased. For more information, please contact:

Soledad Gompf, Director of Development, FINCA International, Inc., 1101 14th Street, NW, Washington, DC 20005. Phone: 202-682-1510; fax: 202-682-1535. E-mail: sgompf@villagebanking.org.



OVERVIEW

FINCA FUNDRAISING EVENT



APRIL 6, 2000

FINCA FUNDRAISING EVENT

OVERVIEW

To raise funds for operations and raise awareness about programming among key audiences, FINCA will host an Awards Dinner Event in New York City on April 6.

earn the income needed to feed, clothe and educate her children. She has a plan to improve her life and that of her family, yet she is too poor to qualify for a loan from a commercial bank. A FINCA loan is clearly the best-and perhaps the only-hope she has for improving her prospects.

FINCA in Kyrgyzstan

FINCA's performance in Kyrgyzstan

In 1994 FINCA received a \$6.2 million grant from USAID to establish a microenterprise credit project in Kyrgyzstan. In two and one-half years of operations, FINCA Kyrgyzstan (F/K) has successfully refined and implemented its international business technologies to help meet the needs and improve the lives of the economically disadvantaged of Kyrgyzstan. To date, F/K has disbursed over US \$1.4 MM to approximately 15,000 individuals with a bad debt expense of less than US \$500. During the period ending June 30, 1997, F/K reported an increase in the number of active Village Banks from 349 to 421 representing a net gain of 21%. The project is operating in three Oblasts (Chui in the north and Osh and Jalal-Abad in the southwest) and has 100 national employees. FINCA's activities in Kyrgyzstan directly address USAID's Strategic Objective 1.3 "Accelerated development and growth of private enterprises" and is highly regarded by the Ambassador and USAID Country Representative there.

F/K has established and maintained the highest level of financial performance among microfinance practitioners in Kyrgyzstan. F/K charges a positive interest rate through the effective design and implementation of an appropriate pricing structure. By charging interest rates that sufficiently cover administrative costs, expanding the scope of operations, and creating an efficient institutional structure, F/K has consistently posted gains towards self-sufficiency. In May 1997, F/K achieved its first month of financial self-sufficiency, or break-even, after two years of lending. FINCA Malawi, Honduras and Nicaragua have also achieved financial self-sufficiency. In addition, F/K has maintained repayment rates in excess of 98%, the highest return in both the informal and formal sectors.

Through August 1997, F/K has expended \$3.0 MM of USAID funds in grant management, on-site technical assistance, local operations, overhead and loan capital. F/K has utilized this funding to develop the institution as a financial intermediary, capitalize the loan portfolio, subsidize operating losses and purchase fixed assets. Therefore, USAID's funding has been used as a catalyst to build efficient operations and scale.

Who receives the loans

Over 85% of loan recipients are women. With the collapse of the Soviet system many men lost their jobs and families lost a

comfortable life style as food became expensive and scarce and schools and medicine were no longer free. Self-employment became the only hope for some. With the help of FINCA, many women were able to obtain small working capital loans to buy rice, eggs and other products which they could sell in the local bazaars. Through FINCA's Village Banking savings system these women have increased their working capital and income which allows them to purchase butter, sugar, and meat-luxuries they previously could not afford.

Future performance projections

In the coming years, FINCA will accelerate the rate of microfinance activities. To date, F/K has leveraged USAID funding by directly lending \$1.4 MM in funds originating from USAID. F/K clients have lent approximately \$2.0 MM of their personal savings, a direct result of USAID's funding. Combined lending-USAID and client savings-through August 1997 totaled \$3.4 MM, 113% of grant funds expended. This ratio will increase over the successive periods. The remaining grant funds, \$3.2 MM, will yield nearly \$13 MM in loans originating from USAID grant funds during the period from September 1998 to August 2000. Moreover, clients are projected to lend \$17 MM for the same period extrapolating from historical data. Thus the expected ratio of total combined lending-USAID and client savings-for the remaining grant funds through the year 2000 will equal nearly 800%.

USAID funding to FINCA

Since 1989, USAID has obligated \$23 million to FINCA International affiliates including El Salvador (\$10 million), Nicaragua (\$1.5 million), Malawi -- through World Learning (\$1.47 million), Kyrgyzstan (\$6.2 million), Uganda (\$1.77 million), Honduras (\$1 million), Tanzania (\$1 million) and Ecuador (\$250,000). Of the \$23 million, \$16.9 million has been spent on projects that continue to benefit tens of thousands of poor families. FINCA programs disbursed \$20 million in loans last year. The funding for the Honduras and Tanzania projects was just obligated and has not yet been disbursed. USAID recently approved a grant to Shorebank for operations in the Caucasus new projects that will include a \$6.94 million subagreement for FINCA to start three affiliates (Armenia, Georgia and Azerbaijan) and a technical assistance Hub in Georgia.

FINCA has also received two Matching Grants from USAID. The first Matching Grant for \$1 million began in September 1992. The second Matching Grant is for \$4,997,706 for the five year period ending September 1999. In addition, FINCA has received start-up funding for its Village Bank Capital Fund and for implementation of a FINCA Affiliate Financial System through USAID's Implementation Grant Program (\$1.1 million grant and \$1 million MSFD loan).

JORDAN: MICROFINANCE SITE VISIT
Scenesetter for Microfinance Site Visit
Wadi Mousa

Event: Visit to the *Movenpick Hotel* (or site to be determined) to meet with microfinance clients who have benefited from the USAID microfinance loan program.

Description of site: The hotel is located on the main street in the town of Wadi Mousa, and is less than one block away from the main entrance to Petra.

Context of the Event: The U.S. PVO, Cooperative Housing Foundation (CHF), launched USAID's first microenterprise lending program in the impoverished, southern part of Jordan in December 1998. In the last nine months, CHF through local banks has made 2,567 group loans valued at \$545,000 (389,000 Jordanian dinars) and 265 individual loans valued at \$1,096,000 (782,750 Jordanian dinars). The repayment rate has been 97.3%.

The silversmith borrower, Basma Ali Abd Al Rahman Al-Hasanat, is a member of the Salah Al-Din borrowing group. She and three other young women opened *The Silver Hands* shop after receiving training at the Queen Noor Al Hussein Foundation. The start-up capital came from their families. The USAID loan for \$210 (150 Jordanian dinars) allowed them to purchase a "finishing touch" which is used for detailing intricate jewelry pieces. This equipment has helped them produce better quality jewelry. After repaying the loan in six monthly installments, Ms. Al-Hasanat has now applied for a second loan to purchase additional equipment such as a melting torch and a Swiss precision filing set. Her longer-term plan is to move into a larger facility.

USAID is funding three other microfinance initiatives in Jordan: the Jordan Women's Development Society (begun by Save the Children), the Jordan Microfinance Company (affiliated with the Queen Noor al Hussein Foundation) and Ahli Microfinance (a subsidiary of the Jordan National Bank). CHF and these three institutions provide loans from \$140 to \$14,000. By the end of 1999, they should jointly have 10,000 borrowers and more than 25,000 borrowers by the end of 2001.

What you will do: You will meet with four – six entrepreneurs who have taken out loans from the program to talk with the borrowers and to look at their products. While not required or expected, you may purchase silver necklaces, charms, pill boxes or other products if you so choose.

Participants: Mr. Rafael Jabba, CHF director in Jordan, Ms. Ruby al-Salem, the CHF loan advisor who is responsible for this borrower, Basma Ali Abd Al Rahman Al-Hasanat and her three women partners (see background information) and other borrowers (to be determined).

Objectives:

- Recognize that microfinance lending is successfully providing economic opportunities for poor, entrepreneurial women in southern Jordan.
- Note that good collaboration between NGOs like CHF, working with USAID, can result in positive improvements in the lives of Jordanians.
- Motivate the borrower to take advantage of Wadi Mousa's tourist industry to expand her sales and grow her business.

Talking Points:

- Compliment the borrower and her partners on their initiative, entrepreneurship, hard work and diligence in paying back their loans.
- Note that their loan is a good illustration of U.S. and Jordanian development efforts working in harmony.
- Note that the U.S. is assisting approximately 10,000 other Jordanian entrepreneurs.
- Do you plan on taking out additional loans?
- What would you do to expand your business further?

awnings in matching blue and yellow to demonstrate that they were part of microenterprise.

Most memorable to me was a woman who told me that as a seamstress she could not compete with the larger factories, and yet she knew there was a market for her work because she had many people who had come and asked her to make something for them but she did not have the capacity to do so. With a small loan, she was able to buy a high-speed sewing machine and replace her old, antiquated one. She said that when she got that new sewing machine she felt like a caged bird set free. And that is a good way to describe how many of the people I have met seem to feel when given the opportunity.

I saw that again firsthand recently in La Paz, when I met with borrowers at Banco Sol and had a chance to visit the bank itself -- a physical place that is dedicated to microcredit. And the people there were very proud of what they had accomplished. And the United States is pleased that this bank, now the largest bank in Bolivia, was initially supported through a loan from USAID. It is the first commercial in the world completely dedicated to microlending.

The default rate is extremely low, about 2.2 percent; and the repayment rate, obviously, extremely high. I often say to my banker friends that if they had customers like these people, who paid off their loans at 95, 97, 98 percent, they would be very happy. And I think if more banks understood -- (applause) -- the tenacity, the commitment, the entrepreneurial spirit of people like these who are given a chance to help themselves, we would go a long way in not only extending credit, but in eliminating many of the unfortunate stereotypes about people who are poor. (Applause.)

Anyone who has worked with microcredit or seen its impact around the world as I have will testify that those stereotypes are just plain wrong. Most people who are eligible for microcredit around the world work as hard as they know how, from sunup to sundown, and sometimes for many hours before and beyond. And yet, too often, those of us in positions of influence or authority or power dismiss them. We seem to have a belief that if they are poor, they are meant to be poor and will always remain poor. Yet many of us come from families, generations back who themselves were poor, and through hard work and sometimes lucky breaks and opportunities an extended helping hand, we were able to climb our own way out of poverty and to have the benefits that that gave us and our children.

These microcredit projects are proof of what we can unleash if we invest in the economic and human potential of all the world's citizens. I am heartened that so many commercial banks and finance ministries and others around the world are beginning to show

such an interest in microcredit. We know that this is not the only answer; we still need investments in education and health, infrastructure in many parts of the world, but we know that this is a critical component of what will work in nearly any setting we can define.

It is becoming increasingly obvious that this tool not only transforms lives but lifts communities and societies as well. And that, after all, is what this summit is about. It is not just about giving individuals economic opportunity, it is about community, it is about responsibility. It is about seeing how we are all interconnected and interdependent in today's world. It is recognizing that in our country the fate of a welfare recipient in Denver or Washington is inextricably bound up with all of ours. It is understanding how lifting people out of poverty in India or Bangladesh redounds to the benefit of the entire community and creates fertile ground for democracy to live and grow because people have hope in the future.

So I think all of you who have helped to make the pictures that I've shown a reality, who have been advocates on behalf of microcredit and the concepts of community and responsibility that it represents, and I hope that as a result of this summit, many, many more people will understand how microcredit can transform lives, will learn lessons on how to do

it right --

(end of side one of tape; continuation of side two)

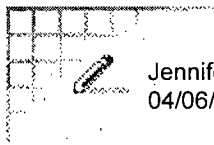
-- all of us will recognize that as we move toward this 21st century, we have an opportunity that has seldom come, if ever, in the history of humankind. We have a world that can, with technology, democracy, free enterprise, extend the benefits of prosperity and peace to countless millions whose lives can be lifted up.

So, for all of us, I hope that we will go forward from this summit more convinced than ever that providing economic opportunity, giving people a chance to be responsible, building community can happen everywhere if we have the will to make it so. Thank you for what you're doing. Godspeed on the work ahead. (Applause.)



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Jennifer H. Smith
04/06/2000 11:56:42 AM

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Subject: Updated Press Schedule for First Lady Hillary Rodham Clinton, April 6, 2000

FOR IMMEDIATE RELEASE
April 6, 2000

CONTACT: LISSA MUSCATINE
ERIKA BATCHELLER
JENNIFER SMITH
202/456-2960

***** UPDATED EVENT TIME *****

**PRESS SCHEDULE OF FIRST LADY HILLARY RODHAM CLINTON
FOR THURSDAY, APRIL 6, 2000**

WASHINGTON, DC -- On Thursday, April 6, the Foundation for International Community Assistance (FINCA) will present First Lady Hillary Rodham Clinton with the Village Banking award for her support of microfinance as a solution to world poverty. Her Majesty Queen Rania Al-Abdullah of Jordan will present the award, which recognizes Mrs. Clinton's long-time support of entrepreneurial opportunities for women around the world. Mrs. Clinton has visited microfinance programs across the globe, including FINCA Village Banking groups on four continents, to highlight the importance of microlending to women's economic empowerment.

EVENT: FINCA's Village Banking Award Presentation to
First Lady Hillary Rodham Clinton
DATE: Thursday, April 6, 2000
TIME: 8:20 p.m.
LOCATION: Cipriani 42nd Street
110 East 42nd Street
New York, NY

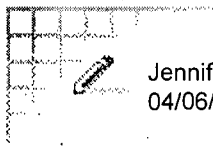
Press Notes:

This event is open press. Press wishing to attend must be pre-credentialed. For information on credentialing, contact Stacy Block or Dana Lauren West at 202-331-4323. Lighting and

mult will be provided.

Final Access: 7:45 p.m.

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Jennifer H. Smith
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mult will be provided.

Final Access: 7:45 p.m.

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Message Sent To:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 3, 1997

**REMARKS BY THE FIRST LADY
AT THE MICROCREDIT SUMMIT**

Sheraton Washington Hotel
Washington, D.C.

MRS. CLINTON: Thank you very much. Thank you, choir, that was wonderful. I got to listen to you as I stood outside. I am thrilled to see such a turnout for this summit, which is one of the most important gatherings that we could have anywhere in our world, to talk about what is possible for raising the sights and aspirations of people, giving them the tools of opportunity, expanding access to credit and creating conditions in which men, women and children will be able to make for themselves better lives.

I'm very grateful to all who have made this summit possible, particularly to the co-chairs, to the heads of state who are gathered, to other distinguished guests, to the Results Educational Fund, to many of the private corporations and other foundations that have helped to sponsor this important gathering.

This is truly an historic occasion. Microfinance is a subject that is near and dear to all of our hearts who are gathered here. And this first global summit on microcredit offers an unprecedented opportunity for us to draw attention to the successes of microcredit in developing countries, as well as in applications in advanced economies around the world.

By bringing together experts from every continent we will be able to learn from each other's challenges and achievements, and apply those lessons within our own borders. I hope that this conference will engender new understanding of microcredit and its potential to transform the lives of individuals, their families, their communities and their nations.

Although it is called "microcredit," this is a macro idea. This is a big idea, an idea with vast potential. Whether we are talking about a rural area in South Asia or an inner-city in the United States, microcredit is an invaluable tool in alleviating poverty, promoting self-sufficiency and stimulating economic activity in some of the world's most destitute and disadvantaged communities.

I first heard about microcredit more than a decade ago when my husband, then the governor of Arkansas, and I were involved in looking for ways to create economic opportunity in the poorest sections of one of the poorer states in the United States. We had heard about the work of the Grameen (sp) Bank in Bangladesh and about the work that the South Shore Bank in Chicago. And we reached out to representatives of both to explain to us how this idea of very small amounts of credit could make such a difference.

I remember well when we met with Mohammed Unis in the Governor's Mansion in Little

Rock in 1986. We sat there and listened as he told us how the idea which he had had as an economics Ph.D. and then a teacher back in his home in Bangladesh began to be put into practice. He offered advice as the project in Arkansas got off the ground. Within a few years we, too, could see how the fruits of the

Good Faith Fund, as the project in Arkansas was called, were beginning to take root.

It was so contrary to conventional thinking about finance and economic development. And, yet, before our eyes and based on reports from Bangladesh and India and Chicago and elsewhere, we knew something important was happening that had escaped the notice of many who worked in development, of many who were in finance departments of governments. And both my husband and I were determined that the concept of microcredit would have universal relevance. We looked for ways to apply microcredit in America, taking the best of the principles and values that it represented, but making it sure that it could be put into practice in different settings.

Now, more than 10 years later, we can look around this room, from one end to the other, and appreciate the power of Mohammed Unis' vision. And we can celebrate the courage and dedication it has taken on the part of all of you today -- pioneers in microfinance, lenders in microcredit enterprises, representatives of government and private business and foundations and grass-roots community organizations from all over the world -- the courage that it took to come and understand how the conventional wisdom about poor people and economic opportunity was no longer adequate. (Applause.)

To really understand the significance of this summit one must recognize that you are here because you have broken a paradigm, you have gotten out of the conventional box of thinking about the poor, about economic opportunity, about the partnership between the public and private sector. It is this type of unconventional thinking that we need more of in our world today, to address the problems that all of us confront. (Applause.)

I know those of us here understand that microcredit is a tool -- not the only tool, but we believe an important tool available to promote economic and social development. We have seen with our own eyes in the last several decades how the global economic revolution has transformed lives, many for the better. People with opportunities in places that never thought or dreamed they could see clean water, roads, their children attending school, access to health care.

And yet, we also know that global economic change has not only made winners, it has made losers as well. And part of our challenge is how do we harness these vast forces of change for the benefit of all people, how do we ensure that no matter where one lives, no matter what race or ethnic background, no matter whether a man or a woman. It is the individual human being willing to work hard who will be given the opportunity if that person takes responsibility to seek and find a better life for themselves.

That is why this idea is important not only on its own merits and that we should work to spread it, be honest about what it can do, make changes where necessary, recognize that it has limitations. But the idea is not only important for what it is, but for what it represents when we put it into the context of the global economic changes that are sweeping through all of our countries. (Applause.)

The United States has long supported microcredit overseas through USAID. And I am pleased that the United States will continue to support microcredit programs and that I hope more American citizens will recognize how important it is to support the economic aspirations of our friends and neighbors around the globe. And one of the ways we will attempt to deliver that message is to demonstrate here within our own borders how microcredit can change the lives of Americans.

Indeed, we are beginning to spread microenterprise throughout the United States. It has to be tailored to our particular economic and social circumstances. And so it is by the very nature of the communities which it is working in going to be diverse -- offering different kinds of loans, resources and business assistance.

But I am pleased that the President, working with the Secretary of the Treasury whom you will hear from later, have recognized the important role that microcredit will play in economic development throughout our country in helping people who are currently on welfare in the United States find opportunities for their own economic self-sufficiency. And to that end, just this last week, the President and Secretary Rubin presented the first Presidential Awards for Excellence in Microenterprise Development. The awards recognize efforts within our country to extend credit and economic opportunity to Americans who otherwise lack the chance to become economically self-sufficient.

The awards also underscore the ripple effect that microcredit projects can create -- not only in lifting individuals out of poverty and moving mothers from welfare to work, but in creating jobs, promoting businesses and building capital in depressed areas.

The United States is also promoting microcredit through the Small Business Administration's Microloan Program -- a public-private partnership which has already awarded \$70 million in grants to nonprofit organizations with nearly half of the loans granted going to women. The loans range from \$125 to \$25,000.

Because of the promise that microcredit holds in the United States, the President announced last week that he is requesting substantial increases in federal funding for the Community Development Financial Institutions Fund. His budget calls for a \$1 billion increase over the next five years. (Applause.)

As I said last week at the White House when we were celebrating microcredit, there are millions of people in our country as there are millions of people in all the nearly 100 countries represented here who are brimming with initiative and desire to take responsibility and to work hard. But they need what I call the tools of opportunity, and one of those tools is access to credit. For too long, many people -- not only the poorest of the poor, but working people and others -- have had to turn to the lenders in the community that extract great price and cost for the money that they give. Others have been shut out completely from any kind of access to credit. And the result has not only been to depress their opportunities, but to depress that of those in their families and in their communities.

Later today, I will visit a microcredit project right here in Washington, D.C. -- one of the FINCA USA projects. I spent time with a FINCA borrowing group in Managua, Nicaragua, and I'm looking forward to hearing from the borrowers in this group here in Washington -- how that model is working for them.

What we are finding is that modest loans are transforming lives, reclaiming villages and rural areas and cities from decay and decline, and helping to reduce the number of people living in substandard conditions or extreme poverty.

I have seen that with my own eyes. Many of you are veterans of microcredit who are here, but others of you have come for the first time to learn how this concept can be translated and transplanted where you live. And others of you in the press are finding this a new idea, something you had not really focused on before. And still others in government and private business are looking for ways to help the economic development of people in the communities that you serve. And I want to take just a few minutes to visualize why I am such an admirer and supporter of microcredit; why I believe that it has such great potential.

So I brought with me some of the pictures that I have had taken as I have traveled to various continents and countries looking at microcredit efforts, and if I could I'd like to show them

to you as I talk a little bit more about why they make such an important difference.

I want to start with a picture from India, and those of you who are familiar with Sawa (sp) -- and I believe that Ilabad (sp) is here and will be speaking -- know how important the Self-Employed Women's Association has been. This group has made it possible for very poor women to learn about finance, to borrow money, to be part of a bank, to save money. And when I visited I met with hundreds of women, some of whom had walked for 12 or 15 hours to come to meet with me, to tell me what those initial small loans meant. And I want to emphasize that it was not just stories about what the loans bought and what they were able to do with the loans, it was the entire sense of self-worth and potential that those loans created in the women that made the biggest impression on me.

Women stood up and said that they had been vegetable vendors in the markets and had been abused by police officers, others of authority, with no place to turn to try to keep their businesses going when times were difficult. They told me of working on their family farms, eking out a living in very hard soil with little equipment and little support. And yet, woman after woman stood up and said to me that since they had become members of the Self-Employed Women's Association, they were no longer afraid. They were not afraid to speak up for themselves, to find their place in their family and their village, to help contribute to the income that made it possible for them to think of sending a child to school or having a child get the health care that child needed.

Many of you will find and be able to relate the same kinds of experiences that I have had. And I hope that as we talk about microcredit and as we look at the physical manifestations of loan, ledgers, and I have reviewed -- of businesses that have been started, of milk cows that have been bought, we will also not forget that you are seeding those people with a dream and a hope that they will be functioning members of society whose children's lives will be better.

I've also seen firsthand what happens in Bangladesh, and for anyone interested in microcredit you know that it is a journey to the Gramine (sp) Bank that is often part of the learning experience because of the longtime efforts that have been undertaken there. When I visited with a group of women in a village outside of Jasore, I realized that I was visiting a Hindu village, and my schedule did not permit me to go down the road further to visit a Muslim village. And I wanted to see women from both communities who were participating with Gramine. The women in the Muslim village came to the Hindu village, the first time there had ever been such participation together. Never had there been a meeting like that.

And I listened as 150 Hindu women and 150 Muslim women told me how their lives had been transformed by virtue of earning income. These women had lived much harder lives than any I could even imagine, and yet they were filled with hope about their future. And one of the reasons is that Gramine (sp) doesn't just extend credit, as many of you know. It tries to put the women and the men who are borrowers not only in borrowing groups for credit purposes, but to help support one another in solidarity, to build stronger families and communities.

Each person who joins the bank has to abide by 16 decisions or principles that range from the mundane such as "we shall build and use pit latrines," to the much more difficult to explain and understand -- "we shall not inflict injustice on anyone; neither will we allow anyone to do so," or "we shall always keep our children and the environment clean." There is even one principle against dowry, which is extraordinary considering the attitudes in many of those communities about the proper role of women and certainly the importance of dowry.

As each woman waits her turn to get a loan, she knows she cannot borrow money until the woman before her has repaid her loan. So there is a built-in incentive to support each other's enterprises.

I saw women making steel and concrete beams they can sell to other women who use them to build houses with loans from Gramine (sp) and I visited such a house. So a whole self-sustaining market is created within one village.

Gramine (sp) also in Bangladesh attempts to work with children to change attitudes about what is possible for them. Here there was a skit performed in which some of the young children, young boys and girls, were talking about attitudes that were held about education, and in particular, whether or not girls should be educated as well as boys. And by performing that skit, they were serving notice that they understood there was another way, another idea of what could be possible for them.

And so when you go to Bangladesh, and you see, as many of you have, what Gramine (sp) means, just like what the Self-Employed Women's Association means in the lives of these women, their husbands, their families, it makes it clear that we're talking about not only economic transformation, but social transformation as well. (Applause.)

Some months later, I visited a microenterprise project in Denver, Colorado, here in the United States. In this case women, many of them Hispanic Americans, received career counseling and vocational training, and entrepreneurial technical assistance. It is provided by a group called Mi Casa. And here, the women were explaining to me what it meant for them to finally be taken seriously. Many had been on welfare or were just off welfare, and they were looking for an opportunity to take the skills that they had acquired and turn them into income.

Many of those women were good bakers, good seamstresses. They could make alterations. They could provide food for small restaurants. But they didn't, as we hear so often, have access to credit to get started. One woman said to me something I have never forgotten, when she described to me what it was like trying to go to her local bank. She did not have any traditional collateral, but she was a hard worker. She's always worked for other people. She had a good product to sell. But she was turned away because the amount of money that it would have taken for the bank to process her loan was not, in the bank's eyes, worth the investment. And she said, too many great ideas die in the parking lots of banks. (Applause.) And one of the hopes I have is that conventional banking will understand that there is an economic opportunity, a market niche for those willing to service this community.

I certainly was impressed by that when I was in Managua, Nicaragua, meeting with women in a borrowing group shortly after the United Nations Fourth World Conference on Women in Beijing, where the platform of action included a commitment microcredit. And as I have said, and as the President's said, much of the work that we are doing in the United States to advance microcredit is in part a fulfillment of our responsibilities under that platform of action. (Applause.)

I went here to the weekly meeting of the FINCA Group and there were about 30 women who described how they had received small loans to start neighborhood bakeries, seamstress shops -- one was making mosquito netting; one was selling auto parts door to door. I was surprised and very excited when several of the women not only gave me their products, but also asked me what I had been doing in India because some of them had seen on television some pictures of my trip to the Self-Employed Women's Association. They wanted to know what the women there were spending their money on and what businesses they were starting. And I felt that there was an opportunity for this to be literally a global movement, with people learning from each other and supporting each other. And this is exactly what this summit means to do.

I've also been impressed by the work I've seen in Santiago, Chile, where community bank relies on peer networks to promote and sustain local microbusinesses. Here in a local market I met the vendors who were showing their commitment to the bank by putting up

LOCATION

CIPRIANI 42nd STREET

**110 East 42nd Street
New York, NY**

GUESTS of HONOR

*Her Majesty Queen Rania Al-
Abdullah of Jordan, the
reigning Queen of Jordan*

*First Lady Hillary Rodham
Clinton*

*Her Majesty Queen Rania Al-
Abdullah will present the award
on behalf of FINCA to First Lady
Hillary Rodham Clinton.*

CONCEPT/THEME

A Village Banking Capital Adventure – a dignified, educational, and interactive game that will familiarize the guests with the cycles of micro-loans and gain some appreciation of the effects and extent of poverty.

CONCEPT/THEME

International Diversity – each table will represent a different country. The table overlays and arrangements will reflect the cultural and other elements of each countries where FINCA is present.

CONCEPT/THEME

Awards program – an award will be given to First Lady Hillary Rodham Clinton for her leadership in support of microfinance as a solution to world poverty.

FINCA INTERNATIONAL, INC.

INTERNATIONAL PROGRAM STATISTICS

MONTH ENDED: FEBRUARY 2000

Region	Africa			Latin America								NIS						NETWORK
Country Affiliate	Malawi	Tanzania	Uganda	Ecuador	El Salvador	Guatemala	Haiti	Honduras	Mexico	Nicaragua	Peru	Armenia	Azerbaijan	Georgia	Kyrgyzstan	Samara	TOTALS	
Last Month Reported	Feb-00	Feb-00	Feb-00	Dec-99	Feb-00	Feb-00	Dec-99	Feb-00	Dec-99	Feb-00	Dec-99	Feb-00	Feb-00	Feb-00	Feb-00	Feb-00		
Year of Inception	1994	1988	1992	1994	1990	1998	1989	1989	1989	1992	1993	1999	1998	1998	1995	1999		
Total Village Banking Groups	554	164	719	389	886	10	45	981	364	732	234	50	95	427	1,582	65	7,277	
Individual Clients	-	-	-	-	43	-	-	1,525	-	-	-	-	-	37	341	-	1,946	
VB Clients	17,044	4,029	20,531	7,746	19,179	288	1,346	19,944	6,883	14,873	6,048	601	893	4,627	16,243	400	140,675	
Total Clients	17,044	4,029	20,531	7,746	19,222	288	1,346	21,469	6,883	14,873	6,048	601	893	4,664	16,584	400	142,621	
Percentage Female Clients	100%	100%	100%	100%	85%	98%	86%	95%	94%	100%	97%	84%	78%	74%	90%	87%	94%	
Individual Loans Outstanding	-	-	-	-	\$8,372	-	-	\$445,373	-	-	-	-	-	\$41,894	\$83,964	-	\$579,602	
VB Loans Outstanding	\$770,492	\$143,266	\$1,380,403	\$265,326	\$1,969,450	\$26,568	\$85,688	\$1,917,033	\$698,776	\$1,296,150	\$695,756	\$35,536	\$62,309	\$210,378	\$1,197,442	\$111,199	\$10,865,771	
Total Loans Outstanding	\$770,492	\$143,266	\$1,380,403	\$265,326	\$1,977,821	\$26,568	\$85,688	\$2,362,406	\$698,776	\$1,296,150	\$695,756	\$35,536	\$62,309	\$252,272	\$1,281,406	\$111,199	\$11,445,374	
Individual Loans Disbursed	-	-	-	-	\$1,651	-	-	\$130,519	-	-	-	-	-	\$8,400	\$43,415	-	\$183,988	
VB Loans Disbursed	\$360,653	\$59,634	\$695,974	\$152,411	\$854,140	\$19,626	\$59,882	\$585,085	\$400,649	\$512,757	\$258,900	\$28,659	\$28,966	\$125,035	\$696,986	\$71,011	\$4,910,368	
Total Loans Disbursed this Month	\$360,653	\$59,634	\$695,974	\$152,411	\$855,791	\$19,626	\$59,882	\$715,605	\$400,649	\$512,757	\$258,900	\$28,659	\$28,966	\$133,435	\$740,401	\$71,011	\$5,094,354	
Individual Loans YTD 1)	-	-	-	-	\$11,296	-	-	\$760,738	-	-	-	-	-	\$70,900	\$234,785	-	\$1,077,719	
VB Loans YTD 1)	\$2,246,395	\$405,980	\$3,890,674	\$501,872	\$4,897,259	\$58,762	\$132,104	\$3,756,455	\$1,254,941	\$3,375,009	\$944,293	\$100,347	\$126,692	\$700,672	\$3,996,523	\$259,356	\$26,647,333	
Total Loans Disbursed YTD 1)	\$2,246,395	\$405,980	\$3,890,674	\$501,872	\$4,908,555	\$58,762	\$132,104	\$4,517,193	\$1,254,941	\$3,375,009	\$944,293	\$100,347	\$126,692	\$771,572	\$4,231,308	\$259,356	\$27,725,052	
Average Loan Size this Period	\$112	\$79	\$134	\$75	\$204	\$158	\$111	\$188	\$200	\$159	\$145	\$122	\$125	\$111	\$154	\$486	\$152	
Internal Account Loan Balance	\$70,129	-	\$3,292	-	-	-	-	-	\$21,366	-	\$1,521,999	\$8,932	\$17,265	-	\$389,306	\$9,959	\$2,042,247	
Internal Account Disburseals	\$17,849	-	\$0	-	-	-	-	-	\$5,500	-	\$842,500	\$27,702	\$51,432	-	\$471,399	\$33,973	\$1,450,354	
Individual Savings	-	-	-	-	\$4,071	-	-	\$92,290	-	-	-	-	-	-	\$7,163	-	\$103,524	
VB Savings	\$819,187	\$120,856	\$1,686,011	\$88,824	\$1,005,550	\$13,574	\$33,118	\$1,044,559	\$336,985	\$354,879	\$1,174,121	\$8,932	\$18,064	\$25,226	\$388,569	\$12,620	\$7,131,076	
Total Savings	\$819,187	\$120,856	\$1,686,011	\$88,824	\$1,009,622	\$13,574	\$33,118	\$1,136,849	\$336,985	\$354,879	\$1,174,121	\$8,932	\$18,064	\$25,226	\$395,732	\$12,620	\$7,234,600	
Individual Savings Ratio	-	-	-	-	49%	-	-	21%	-	-	-	-	-	-	9%	-	18%	
VB Savings Ratio	106%	84%	122%	33%	51%	51%	39%	54%	48%	27%	169%	25%	29%	12%	32%	11%	66%	
Individual Portfolio At Risk 2)	-	-	-	-	29.59%	-	-	19.68%	-	-	-	-	-	1.79%	0.34%	-	15.73%	
VB Portfolio At Risk 2)	3.60%	0.00%	0.86%	7.15%	1.63%	0.00%	3.46%	5.71%	2.87%	1.88%	1.27%	0.06%	0.83%	11.38%	0.11%	2.97%	2.63%	
Total Portfolio At Risk 2)	3.60%	0.00%	0.86%	7.15%	1.75%	0.00%	3.46%	8.34%	2.87%	1.88%	1.27%	0.06%	0.83%	9.79%	0.13%	2.97%	3.29%	
Portfolio Yield	113%	114%	86%	145%	63%	69%	66%	63%	128%	78%	98%	133%	87%	96%	108%	77%	86%	
Operating Expenses Ratio	82%	158%	63%	126%	52%	57%	379%	48%	115%	61%	68%	313%	290%	136%	67%	149%	72%	
Total Staff	90	31	93	48	130	2	12	154	62	88	0	16	22	42	179	15	984	

NOTES:

1) YTD since September-99.

2) Percent of portfolio at risk over 30 days past due.

Three FINCA affiliates are not included in the Global statistics. Two, FINCA South Africa and FINCA Kosovo had not disbursed loans as of February, 2000.

Remarks

Her Majesty's Remarks

To Follow Pending Finalization

Draft Emcee Script
FINCA's Capital Adventure

8:00 pm		Guests migrate from cocktail area into dining room.
Ongoing	Music	African Drum Ensemble
8:10 pm		All guests are seated.
8:11 pm	FINCA host	Good evening. My name is Rupert Scofield, Executive Director of FINCA. It is my pleasure to welcome you to FINCA's Capital Adventure. We have a wonderful evening ahead of us and I am so glad that each of you could join us. During our time together, you will hear some inspiring stories of enterprise and courage that will give fresh meaning to the phrase "triumph of the spirit." You will also meet a number of extraordinary women from all parts of the world and all walks of life. These women have one thing in common – they are very good friends of FINCA and the Village Banking philosophy. Tonight, I am deeply honored to welcome one of FINCA's greatest friends and supporters, Her Majesty Queen Rania Al-Abdullah of Jordan. Later tonight, Her Majesty will do us the very great honor of presenting FINCA's first Village Banking Award. Let us welcome her now as she joins us for our Capital Adventure. Her Majesty, Queen Rania Al-Abdullah.
8:13 pm		Her Majesty the Queen enters and proceeds to her seat. Now I would like to introduce you to another woman of accomplishment, who will be your Guide for this evening's adventure. Her name is Carole Simpson, and it is very fitting that she is with us tonight. She is not only a journalist of international renown, she has also been a strong and effective advocate for women worldwide. As an Emmy Award winning member of ABC's television news team, she anchors <i>World News Tonight-Sunday</i>, and reports on family, social and other issues for <i>World News Tonight With Peter Jennings</i>. During her career, she has anchored coverage of some of the most important breaking news stories of our generation, including the Tiananmen Square massacre, the fall of Philippine President

Ferdinand Marcos, the release of Nelson Mandela, the Persian Gulf War and the Oklahoma City bombing.

She has also been honored for her efforts to open doors in the broadcast industry for women and minorities. Those efforts include establishing college scholarships for women and minorities who are working towards careers in broadcasting. The Carole Simpson Leadership Institute at the African Women's Media Center in Dakar, Senegal trains African women to assume key roles in the broadcast industry.

She serves on a number of prestigious boards, including the Freedom Forum's Newseum and the International Women's Media Foundation.

So we are indeed honored that she was able to be with us. Ladies and gentlemen, please help me to welcome Carole Simpson.

8:15 pm

Emcee Carole Simpson enters and takes the podium.

Simpson:

Thank you, Rupert.

I am glad to be here among so many friends of this great organization.

[Cites reason for her interest – how she came to know about the organization or why she supports it.]

In recent decades, we have all become used to the idea of living in a "global village."

We fly easily from country to country.

We buy and sell freely in the world marketplace.

We communicate instantly to customers and friends in other nations through e-mail and the Internet.

So it should be natural for us to feel a kinship with the international entrepreneurs who have been helped by FINCA. These women are, in a real sense, your neighbors. One day, they might even be your business partners.

So tonight, we are going to give you several opportunities to get to know them a little better.

When each of you arrived this evening, you received your own Passport to the Capital Adventure. Please take your Passport now and remove the card that is attached to the outside.

Each card is numbered from one to eight – and contains a portion of one woman's success story. To learn her whole story, you will need to read the cards in order.

It is a simple exercise – but it has an important point. Each FINCA success story is also a story of cooperation and mutual support. That's what Village Banking is all about. And that is what makes FINCA's role unique in the world economy.

Please take a few minutes now to read your table's cards together.

8:20 pm

Guests read and discuss their cards.

8:25 pm

Simpson:

Thank you. We hope this little exercise has given you a personal feeling for how the Village Banking system works – and particularly how it fosters a sense of community and cooperation.

In the United States, of course, we call that networking – and, as every business person in this room knows, it can be an important element in the success of any enterprise.

Later this evening, we will tell you more about FINCA's Village Banks, and we will introduce you to some women who have used the Village Banking system as a stepping stone to success.

Now, we will resume our program. Enjoy your dinner. During dessert, Grupo Wayno from Peru will perform.

After dessert, we will present our awards to our distinguished honorees.

Thank you.

8:30 pm

Dinner service begins.

9:10 pm

Music

Grupo Wayno performs during dessert.

9:15 pm

Program participants receive cue. Participants proceed to backstage area.

9:30 pm

Program participants go to stage: Carole Simpson, Rupert Scofield, David Miranda, Her Majesty the Queen, Lukia Ssemanobe.

9:30 pm

Simpson

Thank you. That was Grupo Wayno, from Peru.

Now I would like to introduce some special guests who are with us at their tables this evening.

When I call your names, please stand and be recognized:

[Names to be provided.]

Now I would like to turn the podium back over to Rupert Scofield, Executive Director of FINCA.

9:35 pm Rupert Scofield takes the podium.

9:36 pm Scofield Once again, on behalf of FINCA, I'd like to thank you all for coming tonight.

[Remarks on FINCA.]

9:40 pm Simpson Just as our borrowers receive a helping hand from their Village Banks, FINCA, too, benefits greatly from a little help from its friends.

One of our good new friends is David Miranda, the CEO of LastMinute Travel.com, who will present FINCA's Microfinance Achievement Award.

[Ms. Simpson reads a short bio of David Miranda.]

9:42 pm Miranda Presents FINCA Microfinance Achievement Award to Lukia Ssemanobe.

9:44 pm Ssemanobe Says a very short thank you.

Both Ssemanobe and Miranda return to their chairs.

9:45 pm Scofield Now, it is my very great honor to introduce our Chairperson for this evening, Her Majesty Queen Rania Al-Abdullah of Jordan.

In the brief time since she assumed her throne, Her Majesty has already established herself as a strong and effective spokesperson for women everywhere – particularly for those who are working their way out of poverty in her own country and throughout the world.

Her Majesty is president of the Jordan River Foundation, which she created in 1998 to help economically vulnerable people in her own country take charge of their own destinies through sustainable enterprises.

She has demonstrated her support of microfinance in both word and deed. Recently, Her Majesty paid an inaugural visit to FINCA's newest Village Bank in Kosovo.

Once again, please welcome Her Majesty Queen Rania.

9:47 pm

Her Majesty Thank you.

FINCA is truly a global enterprise. It is now established in 19 countries. These include some of the world's most poverty-stricken regions, from war-torn Kosovo to developing countries such as Honduras and Uganda.

Tonight our Capital Adventure will take us on a tour of some of FINCA's Village Banks throughout the world.

[Additional remarks being written by Palace.]

9:50 pm

Video is shown. (Explains Village Banking and highlights Mrs. Clinton's long-term involvement in microfinance.)

9:58 pm

Her Majesty As you have seen, Hillary Rodham Clinton has been a very great friend to Village Banking and to microfinance for a very long time. Now we have the opportunity to thank her for all she has done to help women all over the world.

On behalf of FINCA International, I am pleased to present the first Village Banking Award to First Lady Hillary Rodham Clinton.

10:00 pm

Clinton Makes remarks.

10:05 pm

Hillary Clinton and Her Majesty walk off the stage together.

10:06 pm

Simpson Thank you.
We are nearing the end of this evening's Capital Adventure.

We thank you very much for coming and hope you found your experience enlightening. We hope, too, that you will take with you a new respect for women throughout the world who struggle – and succeed – against impossible odds, every day of their lives.

In just a moment, we will hear another song from Grupo Wayno. We ask that you remain seated, so that security arrangements for our honored guests can be completed.

Meanwhile, I would like to read you this poem, by (Maya Angelou?), which expresses what so many people here tonight have been thinking.

[Reads poem.]

OR

[Choose another powerful closing. Ms. Simpson's choice.]



10:08 pm

Grupo Wayno begins playing immediately after poem closes.

Audience maintains their seats until music ends.



Remarks of Rupert Scofield, Executive Director

8:11 pm

I'm Rupert Scofield, Executive Director of FINCA International, your host this evening for FINCA's Village Banking Capital Adventure, and what I promise you will be the most unique and enjoyable award dinner you have ever attended. Forget the Oscars, the Emmy's; the Lion's Club of Wichita – tonight you'll hear the best music, taste the finest cuisine New York has to offer, meet several of the world's most accomplished and visionary women. And, best of all, listen to the shortest speeches, beginning with this one. In a moment I will be introducing our emcee for the evening, but before I do that, I would like to extend a special thanks to our corporate and individual sponsors whose generosity made this magnificent affair possible. Thanks, first of all, to David Miranda, Founder, Chairman and CEO of Last Minute Travel.com, a company which is revolutionizing the travel business, and is not just about business but also about making a difference in the world. David, thank you. Next, I would like to thank Zillacast.com, who has kindly volunteered to broadcast tonight's event on "streaming video", so that all our friends and supporters the world over can watch us via the internet. We are also deeply grateful to Marie McKee of Steuben, Co. for the exquisite award they designed especially for this occasion, and which Her Majesty Queen Rania Al-Abdullah of Jordan will be presenting to the First Lady later in the program.

Next, I want to introduce some individuals who have been very dear and important to FINCA's success. First, our Chairman, Bob Hatch. Bob has been with FINCA from the beginning, and has contributed generously with both financial support and wisdom, acquired over 40 years of managing and serving on the boards of corporations, big and small. Bob puts new wings on the term "Corporate Angel". Next is our dear friend Jo Noble, who in fact co-hosted with me FINCA's first gala, where we celebrated our 10th anniversary. Jo, thanks for always being "there" for us, and thanks for being "here" tonight. I want to also thank Mr. & Mrs. Randolph Hearst, who had to leave us early, for their support. Finally, I would like to recognize the incredible generosity of Carlos and Sheila Camacho, who have provided major support to this event as well as to our overseas programs. Our deepest gratitude to all of you.

Now, one of my first and most privileged duties as host is to introduce to you our Honorary Chair, Her Majesty Queen Rania Al Abdullah of Jordan.

(Her Majesty enters)

At this time, I would also like to welcome another highly accomplished woman, who will be your Guide for this evening's Adventure. Her name is Carole Simpson, and I don't think we could have been more insightful nor fortunate in our choice of emcees, considering Carole's background. She is not only a world class journalist, but she has also been a strong and effective advocate for women worldwide. As an Emmy Award

winning member of ABC's television news team, she anchors *World News Tonight-Sunday*, and reports on family and social issues for *World News Tonight With Peter Jennings*. She has been honored for her efforts to open doors in the broadcast industry for women and minorities. Those efforts include establishing college scholarships for women and minorities who are working towards careers in broadcasting. The Carole Simpson Leadership Institute at the African Women's Media Center in Dakar, Senegal, trains African women to assume key roles in the broadcast industry.

She serves on a number of prestigious boards, including the Freedom Forum's Newseum and the International Women's Media Foundation.

Ladies and Gentlemen, please welcome Carole Simpson.

9:36 pm

Hello again. I hope you are all enjoying your evening so far. In a moment, we'll be getting to the main event, and presenting our awards to our honorees. Before we do that, I would like to take a little time to distill for you the essence of what FINCA has learned during the past 15 years, and its implications for the future – both for FINCA, and the economic and social development of our small planet. It comes down to three simple ideas.

First, poverty is a personal problem, ultimately, and no one has a stronger motivation to escape from it than the person afflicted by it. Governments have a role to play, but a far more effective and swift solution is achieved by putting the resources directly into the hands of the people. In FINCA's case, 90% of the time, this means making a \$100 loan to a woman.

Second, the problem of world poverty seems daunting, and cost of combating it prohibitive, until you actually begin to tackle it, one family at a time. Then you discover that, if you give the people the means to earn a livelihood, they will take care of most of their other needs. And you also learn that the cost may be nowhere nearly as high as you imagined, especially considering that most of the funds required will be borrowed, not donated. Please note that I did not say borrowed by governments, but rather borrowed by people.

The third thing we have learned is that what makes our programs sustainable is as much the result of the investments people and communities make in themselves, as what we invest in them. The experience of managing credit, running a business and providing for their families sets in motion a process of inexorable, irreversible change. In El Salvador, we call it a change in attitude from "No puedo" to "Si, puedo." In Uganda, we say "Ye nsobola: In Russian we say "Ya ploka gavaroo pa ruski. Actually, that means I don't speak Russian well, but you get the idea.

And what is the effect of this change in attitude on the children? Before FINCA arrives on the scene, their thinking goes something like this: My father is poor. My grandfather is poor. My mother is poor. I am poor. My children will be poor. This changes, once the first loans are made. Now, this child sees its mother working, earning money, providing food, clothing, and school fees, and actively participating in a new institution in the community: the village bank. The child becomes educated, and with this education, comes a future replete with new possibilities, limited only by the creativity and initiative of that child. The cycle of inevitable poverty, that terrible, unwanted legacy one generation bequeaths to another, is broken.

You may have attended events like this one where, as part of the entertainment, a conjurer takes the stage and begins telling people their birthdays, social security numbers and how much money they have in their wallet. Well, perhaps I have this ability, because as you were relating to each other the experiences of our clients in Latin America, Africa and Central Asia, I could hear the thoughts running through your heads: "This makes so much sense", or, "How can we do more of this?"

That latter question is the one FINCA will be grappling with over the next five years, as we attempt to expand our outreach three-fold, to a half a million clients. We cannot do this alone, of course, and the support of everyone in this room tonight will be crucial. Your role may be to help us mobilize the capital we need to finance the loan portfolio, which we project will reach \$70 million by the year 2005. Or perhaps you can help us spread the good news about village banking and FINCA: that we have a solution that is working, and deserves more support. However you can help, we and our clients will be grateful.

I think we like to help people. Whether its part of our job, or helping someone find the nearest payphone, we get a good feeling when we do it. It feels right. It makes us feel connected. When things get difficult at FINCA, when the work seems overwhelming or when things don't go exactly as planned, I remember what my daughter told me after I had taken her with me on a trip to see our program in Mexico. "I'm proud of what you do, Dad," she told me. Tonight, I remember the pride in the faces of the German, Italian, and French peace keepers in Kosovo. They were proud of their role in protecting the peace, and giving a chance to people who just one year earlier had lost all hope of ever rebuilding their lives. We may describe FINCA's vision and goals in many ways, in numbers or words, but perhaps the simplest way would be, if after we are gone, our children will say: "We're proud of what they did."

9:45 pm

Now, it is my very great honor to introduce again our Honorary Chair, Her Majesty Queen Rania Al Abdullah of Jordan.

In the brief time since she assumed her throne, Her Majesty has already established herself as a strong and effective advocate for women everywhere – particularly for those working their way out of poverty in her own country and throughout the world. As President of the Jordan River Foundation, which she created in 1998, she has taken a hands-on role in the foundation's mission of helping the economically vulnerable in Jordan take control of their own futures, by financing their small businesses. She brings her own personal experience in business to this mission, having worked for both Citigroup and Apple Computer Corporation. Once you hear her speak, I think you will understand why, with her sincere commitment to broad-based economic development, she has endeared herself to the Jordanian people.

In FINCA's case, we first met Her Majesty when she honored us with a visit at our headquarters in Washington, last year. But what I will always remember is a more recent visit Her Majesty paid to FINCA's project in Kosovo. On that rainswept afternoon in the small town of Malishevo, I saw a different side of Her Majesty, one of deep compassion and sympathy for a people who had suffered unimaginable tragedy. Her majesty did not have to make that trip or accept that invitation, and I'm not sure how many world leaders would have had the courage to do so. It was this experience which convinced me that Her Majesty's interest and commitment to our mission goes beyond a mere intellectual appreciation for the plight of the economically disadvantaged.

Once again, please welcome Her Majesty Queen Rania Al-Abdullah of Jordan.

Remarks of John Hatch at the VIP Session

As founder of FINCA, and on behalf of our 140,000 current borrowers and our 1,000 staff members worldwide, I want to recognize the contributions of a number of special partners who have helped us create this exciting event. We couldn't have done it without you, and we are deeply grateful for your generous support, commitment and friendship.

Queen Rania: In particular, I want to thank Her Majesty Queen Rania Al-Abdullah of Jordan, who not only inaugurated our newest Village Banking program in Kosovo two weeks ago, but has agreed to take time out of her extremely busy schedule to be here, and to serve as our Honorary Chair for tonight's event. Your Majesty, your support has already been tremendously uplifting for our borrowers in Kosovo, and for all of us as well. Thank you so much.

I want also to introduce and to thank those who provided major support for tonight's activities.

Last Minute Travel.com: Our corporate sponsor, LastMinuteTravel.com, provided major funding for this event, and also financed the Microfinance Achievement award for Mrs. Semanobe and her Village Banking group [She is pointed out]. Together, FINCA and LastMinuteTravel.com have also engaged in a very creative ongoing partnership, which will soon greatly expand the envelope of socially-conscious foreign travel. I'd like to introduce the president and CEO of LastMinuteTravel.com, David Miranda. [Miranda makes a statement here]

Mr. & Mrs. Randolph Hearst: I also want to thank Mr. and Mrs. Randolph Hearst for their support, and we are truly honored to include them among the newest members of the FINCA family. [perhaps Hearsts will say something here]

Jo Noble: I now want to recognize Jo Noble, who is one of FINCA's earliest and most loyal supporters—she's been with us through thick and thin for at least a decade. [Jo to say a few words].

The Camachos: Finally, I want to thank the Camacho family--first Carlos Sr., who is the director of FINCA's Ecuador program and a classmate of mine from the University of Wisconsin; and also Carlos Camcho, Jr. and his wife Sheila, who have made very generous contributions both to this event and to FINCA's program abroad. [Carlos says a few words]

[Back to John]

So why is this event and your contribution so important?

Tonight, we express our gratitude to Mrs. Clinton, who has been a strong and committed advocate for low-income women everywhere. Her words and actions have greatly advanced the cause of microfinance in general. But she has also visited five FINCA field programs, and is, in fact, an honorary member of the Village Banking group "Madres Unidas con Hillary" in Nicaragua.

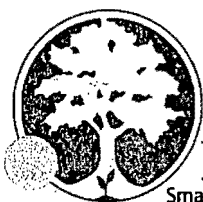
Tonight we celebrate how far FINCA has come—from its first office in 1984 located in my tiny New York apartment on 53rd Street and 8th Avenue, to today's international network of programs in 19 countries. If we include everyone who has ever been a FINCA client during the last 17 years, we are talking about at least 250,000 courageous mothers who have lifted their children out of poverty. That means nearly a million children have experienced sufficient food, healthcare, and schooling to guarantee that their own children will be born above the poverty line. We have their representative with us tonight in Mrs. Ssemanobe.

Tonight we celebrate this success story with FINCA's new logo. In that logo you see a mighty tree—what our clients fondly call "the tree of abundance"—symbolizing growth, strength, and security. But if you look at the base of the trunk of that tree, you will see a tiny seedling, symbolizing the small loan that allows a low-income mother to create the self-help miracle of lifting her family out of poverty. Hence our tagline: "small loans, big changes".

Surrounding FINCA's mighty tree is a circle, symbolizing the power of family—first, the family of each FINCA client, next the larger family of the some 20-25 Village Bankers who support each other, next, the rapidly growing family of donors and investors who support FINCA's programs, and eventually the totality of the Family of Humanity. Every time we join together, not just for our own self-interest, but for the good of others, we gain the power to transform our world. All of you are now part of FINCA's ever-expanding circle, the FINCA Family. So tonight we thank you for your support and generosity. We know that your example will inspire many others to join our circle. Until one day soon—perhaps even in our own lifetimes--we will be able to bequeath to our children and grandchildren the greatest inheritance of all: a planet where severe poverty has been abolished.

I now invite you to join our other guests downstairs for the main event. So let's make our way down there for what should be a delicious dinner and an inspirational evening. Thank you.

(2.5 minutes)



FINCA
Small Loans-Big Changes

FOR RELEASE: 21 March 2000

CONTACT: Dana Lauren West
202-331-4323

**HER MAJESTY QUEEN RANIA AL-ABDULLAH OF JORDAN
TO GIVE VILLAGE BANKING™ AWARD
TO FIRST LADY HILLARY RODHAM CLINTON**

**First Lady Honored for Her Support of Microfinance
As a Solution to World Poverty**

WHAT: FINCA, the Foundation for International Community Assistance, will recognize First Lady Hillary Rodham Clinton as a long-time supporter of entrepreneurial opportunities for women around the world. Her Majesty Queen Rania Al-Abdullah of Jordan will be the honorary chair of the event and will present the award. In 1984 FINCA developed the "Village Banking method," a program whereby small loans of working capital are provided to very poor families to help them start or improve small businesses and raise their incomes.

During the same ceremony, FINCA will award the first Microfinance Achievement Award to Lukia Ssemanobe, a FINCA client from Kampala Uganda, for the success she has accomplished for herself, her family, and her community. The FINCA Microfinance Achievement Award is being presented to Ms. Ssemanobe by David Miranda, CEO of LastMinuteTravel.com™, this year's corporate endowment partner for the April 6 event. LastMinuteTravel.com is the innovative Web site that provides instant access to the global marketplace of time-sensitive, just-released travel and entertainment offers.

WHEN: **Thursday, 6 April 2000**
Award Presentation 9:30 p.m.

WHERE: Cipriani 42nd Street, 110 East 42nd Street, New York, NY

WHY: Developed over the last 25 years, microfinance, also called microlending, is one of the most effective tools the world has to fight poverty. Small amounts of capital—typically \$50 to \$300—can make the difference between absolute poverty and a thriving small business.

Throughout her career as First Lady, Mrs. Clinton has spoken out on the importance of giving women the tools they need, such as access to credit, to provide food, education, and decent housing for themselves and their children. Mrs. Clinton has visited microfinance programs all over the world, including FINCA Village Banking groups on four continents.

Even before completing her first year as queen of Jordan in 2000, Her Majesty Queen Rania Al-Abdullah was involved in the microfinance arena. As president of the Jordan River Foundation, Her Majesty oversees projects that offer financing, business support, and training for women to become skilled providers, not only to the Jordanian economy, but for their families, too.

WHO: **Her Majesty Queen Rania Al-Abdullah of Jordan**
First Lady Hillary Rodham Clinton
FINCA Executive Director Rupert Scofield

NOTE: Media must be credentialed prior to the event. Working press, please call Stacy Block at Vanguard Communications, 202-331-4323.

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Embargoed For Release: 6 April 2000

Contact: Bonnie Jacobs

202-331-4323

**Her Majesty Queen Rania Al-Abdullah of Jordan
Presents First Village Banking™ Award to
First Lady Hillary Rodham Clinton**

NEW YORK - - FINCA, the Foundation for International Community Assistance, today recognized First Lady Hillary Rodham Clinton for her long-time support of entrepreneurial opportunities for women around the world. Her Majesty Queen Rania Al-Abdullah of Jordan, a global champion for microfinance, presented the first ever FINCA Village Banking Award to Mrs. Clinton at an event commemorating FINCA's 15th anniversary. In 1984, FINCA developed the "Village Banking method" of microfinance to provide small loans to very poor families to help them start or expand microbusinesses and raise their incomes.

"Village Banking has an eloquent and tireless advocate in First Lady Hillary Rodham Clinton," said Rupert Scofield, Executive Director of FINCA. "She has helped the world understand the importance of small loans as a resource for empowering women and their families to lift themselves out of poverty."

Throughout her career as First Lady, Mrs. Clinton has spoken out on the importance of giving women access to credit, enabling them to start or improve their own small enterprises, which in turn improves their income-earning potential. The income from these microenterprises is often vital to the family's well being; profits are spent on essentials such as food, children's educational expenses, and home improvements. Mrs. Clinton has visited microfinance programs around the world, including FINCA Village Banking groups on four continents.

Mr. Scofield also expressed FINCA's gratitude to Her Majesty Queen Rania Al-Abdullah of Jordan, stating, "We are honored to have Her Majesty Queen Rania Al-Abdullah of Jordan serve as the chair of this celebration. We join with her in saluting Mrs. Clinton and the thousands of women entrepreneurs who have benefited from microfinance."

Just last week, Her Majesty Queen Rania Al-Abdullah of Jordan presided over the opening of FINCA's Kosovo Village Banking program in Malishevo. Even before completing her first year as Queen of Jordan in 2000, Her Majesty was involved in the microfinance arena. As president of the Jordan River Foundation, Her Majesty oversees projects that offer financing, business support, and training for women to become skilled providers, not only for their families, but also for the economy of Jordan.

"To gain control of their lives, women first need to achieve economic stability," said Her Majesty. "Last week in Kosovo, I met with women who, through microfinance, are creating new opportunities for themselves and their families. Through courage and hard work, they are building a bridge to the future."

™ Trademark of FINCA International, Inc.

Also joining Her Majesty and Mr. Scofield in the presentation celebration is David Miranda, CEO of LastMinuteTravel.com. LastMinuteTravel.com is the corporate multi-year endowment partner for the event. LastMinuteTravel.com is an innovative Web site that provides instant access to the global marketplace of time-sensitive, just-released travel and entertainment offers.

"The decision to endow FINCA at this point in our business development is a testament to the employees and investors in LastMinuteTravel.com who believe success has a direct correlation to the heart and soul." Said David Miranda, CEO of LastMinuteTravel.com.

During this evening's event, FINCA also recognized a Village Banking client, Lukia Ssemanobe of Kampala, Uganda, for the success she has achieved for herself, her family and her community. Mr. Miranda presented Ms. Ssemanobe with the achievement award.

"Lukia Ssemanobe's enterprise, vision and unwavering concern for others is truly inspiring," said Mr. Miranda. "Her story is a shining example of how small loans can indeed lead to big changes."

"We are proud to have LastMinuteTravel.com join us in supporting women like Ms. Ssemanobe through FINCA's Village Banking programs," added Mr. Scofield. "Such partnerships enable us to continue to provide opportunities to those who need them most."

FINCA operates a network of over 7,000 Village Banking groups in 19 countries serving over 140,000 clients. In 1999, FINCA disbursed loans totaling more than \$40 million with an average loan size of \$145 and an on-time repayment rate of over 96 percent. FINCA borrowers in Latin America, Africa, Central Asia, North America and Eastern Europe use this money and their talents to lift themselves and their families out of abject poverty.

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For Release: 22 March 2000

Contact: David Hall
Vanguard Communications

1 202 331-4323

OR

FINCA Kosovo
011 871 76 219 3945

Her Majesty Queen Rania Al-Abdullah of Jordan to Inaugurate FINCA's First "Village Banking™ group" in War Torn Kosovo

***Kosovar Women Prepare Themselves to Take Self-Employment Loans to Start Businesses and
Rebuild their Lives and that of Their Families & Communities***

WHAT: On March 27, FINCA (The Foundation for International Community Assistance) will open its first microfinance operation in Kosovo. The program will begin in Prizren, a small community outside Pristina, Kosovo's capitol. FINCA pioneered the Village Bank method, whereby small loans of working capital are provided to women from low-income families to help alleviate poverty.

The launching of FINCA Kosovo is made possible with the generous support from the United States Agency for International Development (USAID). USAID has supported the creation and growth of microfinance institutions around the globe and is strongly committed to microenterprise.

WHEN/ Briefing with humanitarian organizations and UN
WHERE: Monday, 27 March, between 12:10 a.m. – 1:00 p.m.
FINCA office, Prizren, Yugoslavia

Inauguration of FINCA Kosovo
Monday, 27 March, between 1:00 p.m. – 1:45 p.m.
FINCA office, Prizren, Yugoslavia

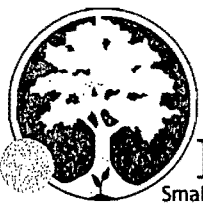
****Meeting with FINCA Kosovo clients**
Monday, 27 March between 2:30 p.m. – 4:00 p.m.
Malishevo, Yugoslavia (in between Prizren and Pristina)

****Invitations to the Press are only available for the Meeting with FINCA clients
in Malishevo**

WHY: Developed over the last 25 years, microfinance, also called micro-lending, is one of the most effective tools the world has to fight poverty. Small amounts of capital--typically US\$50 to US\$300--can make the difference between absolute poverty and a thriving small business.

As president of the Jordan River Foundation, Her Majesty Queen Rania Al-Abdullah of Jordan, has long been involved in microfinance concerns. Her Majesty is also a supporter of FINCA, and in this capacity, she will open FINCA Kosovo.

Participants include:
Her Majesty Queen Rania Al-Abdullah of Jordan; The first clients of FINCA Kosovo;
Rupert Scofield, Executive Director, FINCA International



FINCA
Small Loans-Big Changes

Embargoed For Release Until: 27 March 2000

Contact: David Hall
Vanguard Communications
1-202-331-4323
OR
FINCA Kosovo
011-871-76-219-3945

Amid Strife, Families Get New Tool to Rebuild Homes, Communities and Lives in War-torn Kosovo

***Her Majesty Queen Rania Al-Abdullah of Jordan
marks opening of Kosovo's first "Village Bank"***

PRIZREN, Kosovo—Amid the social and economic upheaval that continues to rock this strife-ridden country, families here have found reason to hope for a better future. With today's inauguration of FINCA Kosovo's Village Banking™ program, local citizens have a new tool to help them rebuild their families, homes and communities. FINCA (the Foundation for International Community Assistance) developed the "Village Banking method" in 1984, a program whereby small loans of working capital are provided to very poor families to help them start or improve small businesses and raise their incomes.

"FINCA Kosovo will provide financial services to low-income entrepreneurs in and around Prizren to allow them to rebuild their lives," said Ed Greenberg, head of FINCA's Kosovo operations. "We will offer three essential services to succeed: small, working capital loans to finance self-employment activities; a structured savings program; and cohesive Village Banking groups through which neighbors learn to work together to succeed. We look forward to helping communities rebuild."

FINCA Kosovo, whose opening was attended and celebrated by microfinance champion Her Majesty Queen Rania Al-Abdullah of Jordan, joins a network of FINCA programs in 19 countries serving over 140,000 clients. In 1999, FINCA disbursed loans totaling more than \$40 million with an average loan size of \$145. FINCA borrowers in Latin America, Africa, Central Asia, North America and Eastern Europe use this money and their talents to lift themselves and their families out of abject poverty.

FINCA Kosovo's first clients fit the microfinance profile. They are mostly women, between 25 and 44 years old, supporting or helping to support, three children. They have little hope of being hired by a business outside the home, and they may be unable to look for outside work because small children are in their care. The businesses they choose allow them to earn the income needed to feed, clothe and educate their children.

FINCA Kosovo is helping Drita Mazreku expand her embroidered handicraft business. "All of our material and traditional crafts were destroyed during the war," says Ms. Mazreku. "The other members of my Village Banking group and I are working very hard to replace what was lost in our village. By investing in my business with a FINCA loan, I hope to create a future for my children."

FINCA Kosovo also is enabling Ganimete Mazreku and Isuf Morina to build a brighter future for themselves and their families. Ms. Mazreku plans to open a small shop to sell fruit, vegetables and bread with her FINCA loan. Mr. Morina will use his loan to invest in new inventory for his grocery store.

"FINCA borrowers are strong and courageous. They have to be—they're recreating stability and normalcy for their children and families," said Rupert Scofield, FINCA Executive Director. "Most often, they have nowhere else to turn for help. FINCA is their last line of defense, and, with their word as collateral, we provide them with the tools to lift their families and communities out of poverty."

Following the inauguration in Prizren, Her Majesty Queen Rania Al-Abdullah of Jordan, who has long been involved in microfinance concerns, met in Malishevo with FINCA Kosovo's first clients. Next month, Her Majesty will present First Lady Hillary Rodham Clinton with FINCA's Village Banking award in recognition of her leadership in support of microfinance as a solution to world poverty.

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FINCA Gala Confirmed Invitees

Name	DOB	#	Connection	Bio
Tables				
Field JoAnn	8/6/34	8		Major donor/Adv.Bd.member
Heller Betty				
Moore Linda	3/26/43			
Moore Rick	2/17/50			
Schwartz Robert				
Schwartz Renee				REAL Internet CEO
Shea Lindsay				Merck Family heirs
Shea Brian				Merck Family heirs
Lopez Consuelo	22/10/54	8		
Hanley Alexandra				
Tomchinsky Gabriela				
Burke Nancy	4/5/37			
Forcione Erika	4/8/62			
Lokenzky Allen	5/13/41			
Lokensky Sabra				
Reyes Babette				
Hatch Bob		8		CEO Cereal Ingredients/FI Chairman
Hatch Dita				Hatches' mom
Hatch Jr. Bob				Bob's son
Hiscox Julie				Bob's niece
Hiscox Heather				Bob's niece
Weinrich Richard			FINCA donor	
Walzer Marjorie			husband R.Weinrich	
Murphy Melissa	8/14/78			Bob's niece
Mattel		8		
McCorkle Katrice				
Morris Caitlin				
Dodson Anna				
Rankin Randy				
Samuels Jackie				
Collins Brandon				
Acre Lisa				
Walker Anna				
Jo Noble		8		Mining heiress
Andrews Brian				
Ramirez John				
Ramirez Katie				
Patterson Sean				
Patterson Kara				
Lehrman Robert				
Lehrman Marsha				
Gannet Welsh & Kotler, Inc./Lee Financial		9		
Pert Susan	8/12/59			
Pert Richard	4/3/87		Calvert	Pacific Partners Intl.

FINCA Gala Confirmed Invitees

Bruett Tucker Doi Hilton Lanket Bradshaw Lee	Till Eric Tamara Paul Heidi Gustaf Richard	10/12/54 10/1/75 2/4/72	Calvert Calvert Calvert	Goldman Sachs Investment Dreyfus Investment Dreyfus/vegetarian meal Financial Advisor
Monsanto Navarrate Navarrate Tjada D'Oyen Blumenthal Daley-Harris Heycez Gomez Grant	Horacio Giselle Tjada Marc Sam Noeleen Angelica Anthony		8	Microcredit Summit Director
Camacho Rawashedeh Breitschopf Breitschopf Camacho Sr. Camacho Camacho Camacho Woodley Carbin	Carlos Nathem Nancy Maria Teresa Carlos Susana Carla Diego William Melanie		8	HMQ's Aide De Camp(Security) (seat?) Director of FINCA Ecuador wife of Carlos Camacho Sr. daughter of Carlos Camacho Sr. son of Carlos Camacho Sr.
Chapman and United Airlines Manning Tablantino Hadid Max Martin Hazar Gunn-Williams Rancifer Moore	Lisa Mallory Mary Connie Duncan Noleen Berna Tracy Kimberly	7/17/68 12/25/35	9 Soledad Gompf	Shorebank representative Oliver Wyman President of UNIFEM
Last Minute Travel Arogeti Ray MacIntyre Lump Lyon Wendling O'Malley Lanzaro	Jack Kim Gail Nathan David Robert Mark George	10/21/53 8/9/61 7/16/55 10/27/74 4/22/53 3/13/59 3/28/68 1/15/66	8	Marketing Director Editor of Travel and Leisure Magazine VP Strategic Market Dev / Auto Europe Managing Member the Wendling Group LLC VP Regional Mgr. East
Last Minute Travel David River	Joshua Pearl	6/3/63 1/15/66	8	

FINCA Gala Confirmed Invitees

Casel	Erica S.	7/18/62			
Greene	Karima	9/27/62			
Field	Katherine	7/17/43			
Giger-Turner	Margaret	7/10/43			
Richards	Kevin	3/3/66			
Tempest	Kate				
ConVergence					
Kaufmann	Samuel	10/4/66	8		
Houhman	John	10/18/46			
Pujol	Juan	5/9/55			
Lewin	Renee	10/13/53			
Bates	Christine	12/5/46			
Greenough	Peter	11/3/44			
Berman	Frank	5/22/69			
Grenier	Jane	10/12/58			
Bomhoff			8		
Bomhoff	Myrna	3/13/35		Bomhoff table	
Bomhoff	William	7/7/35		Bomhoff table	
Bomhoff	John	5/12/66		Bomhoff table	vegetarian meal
Kluger	Alan	7/30/54		Bomhoff table	vegetarian meal
Kluger	Robin	2/4/58			
Littlefield	Elizabeth	1/12/60		Zelikow	
Zelikow	Dan			FINCA Adv. Bd. Member	J.P. Morgan
Puente	Mariano	12/11/64			
Queen			11		
Camacho	Carlos				Agile Software
Camacho	Sheila				
Miranda	David	2/26/48			President, Last Minute Travel
Levy	Penny			FINCA Adv. Bd. Member	Heir to Macy's fortune
Gejdenson	Sam			Congressman	
Henley-Cohen	Betsy			Congressman Gejdenson's wife	
Levy	Gerald				Husband of Penny Levy
Gompf	Soledad				
Cameron	Catherine	3/8/49		FINCA donor	Director of the Wallace Fund
Wisner	Frank Hon.			Scott Leurquin's table	Escort to her Majesty
Pressley	Donald	9/28/46			Asst. Administrator USAID Europe & Eurasia
Citigroup			8		
Haul	Elizabeth				
Maxwell	Linda				
McAllister	Patrick				Catholic Relief Services
Meek	Leslie				
Miles	Ann				
Miller	Calvin				
Morales	Isabel				International Planned Parenthood Federation
Cortez	Alvaro				
Friedman			8		
Bryce-Laporte	Rene				
Bryce-Laporte	Robertino				

FINCA Gala Confirmed Invitees

Michel (TCN)	Anne Marie			TCN table	
Richie (TCN)	David & wife			TCN table	
Eng	Tiffany				
Miyake	Kent				
Arias	Karolina				
Unitarian Table			8		
Scofield	Ashley				
Meling	Sara			Christine Carroll	
Collins-Blasco	Mimi	12/8/35		FINCA donor	Unitarian Universalist Church
Hawkinson	Christine			FINCA donor	
Gamer	Mary	11/12/37			
Williams	Beulah and guests			FINCA borrower	
Walsh	Michela	6/15/35			
Davies	Phil	3/2/49		Christine Carroll	
Rupert's table			8		
Anderegg	Margit	10/16/63		Durwood	
Durwood	Peter	3/4/64			
Jaffe	Anne	3/31/56			
Jaffe	Robert	3/26/55			
Muasher	Marwan and wife			Jordanian Ambassador	
Scofield	Lorraine, Rupert			FINCA staff	
John's Table			8		
Millhouse	Nick and wife			FINCA prospect	Owner of Hacienda Cousin in Ecuador
Torre	Jim				
Greeny	Celia			John Hatch	Former Franklin Quest partner/
Greeny	Joseph			John Hatch	Former Franklin Quest partner/ Head of Vitality Group
Mendels	Louisa	8/4/46			
Hatch	John				
Hatch	Mimi				
Hillary Miller's Husband			8		
Fineman	Steve	2/13/63		Hillary Miller	
Horowitz	Lori	1/19/70		Hillary Miller	
Katz	Rebecca	6/2/63		Hillary Miller	
Katz	Roger	4/15/62		Hillary Miller	
Setbin	Jonathan D.	5/11/67		Hillary Miller	
Stellings	David	4/23/68		Hillary Miller	
Stellings	Brande	8/13/67		Hillary Miller	
Miller	Hillary	9/9/70		FINCA staff	
Women.com			9		
Goldberg	Beth			FINCA prospect	Director of Marketing at Ivillage .com
Shulman	Rebecca	1/13/77			Oxygen Media
Prober	Melissa	8/29/74		White House	
Bowyer	Liz	10/2/69		White House	
Schiller	Laura	3/3/68		White House	
Hochstein	Amos	1/4/73			
Hadid	Ma'en			Protocol person HMQ	(seat?)
Stollenwerck	Allyson	12/29/70			Oxygen Media

FINCA Gala Confirmed Invitees

Andreotti	Gwen		FINCA staff	
High Power G			8	
Mitchell	Andrew	4/20/65		
Navarrette	Jorge		Roy Kauffman	Investment officer
Scott	Lori		Calvert	
LeNoir	Monique			
Kauffman	Roy	11/19/69	Pagano	
Fortier	Mark	6/23/45		
Pagano	Jay	2/3/61		
Simko	Gary			
Rusty's table			9	
Foose	Laura			
Abu-Nimah	Hasan and Samira		Jordanian Ambassador	Former lawyer/money manager, friend of H. Clinton
Bastincich	Soledad	8/5/61	Rusty O'kelley's table	
Healy	Tom	8/20/52	Rusty O'kelley's table	
Howard	John		Rusty O'kelley's table	Invsmnt banker, Venture Capitalist/Heads Bears Stearns Venture Capital unit. Soledad's boyfriend
Marchant	Anne Walker		Rusty O'kelley's table	Senior VP Shandwick PR. Former Deputy Press Sec. To President
Bronfman	Sherry	7/6/63	Rusty O'Kelly	Fish or vegetarian dinner/fundraiser for Hillary w/Russell Simmons
Simmons	Anne			
Rusty's table			8	
Wayner	Richard	12/13/66	Rusty O'kelley's table	VP Goldman Sachs
Harris	Larry		Rusty O'kelley's table	Senior VP FCB Internet
Chirwa	Dawn		Rusty O'kelley	Deputy White House Counsel
Austin	Ken		Rusty O'kelley's table	Chief Legal Officer of Gov.Works.com
Biggers	Shaun	11/1/67	Rusty O'kelley's table	Doctor
Rubin	James			Bob Rubin's son
Riley	David	1/3/68		
O'Kelley	Jack		Lawrence Yanovitch	VP of Zillacast
Leurquin Scott			8	
Beckelman	Laurie		Scott Leurquin's table	
Miller	Rosetta		Scott Leurquin's table	
Nevins	Deborah		Scott Leurquin's table	
Perry	Marilyn Dr.		Scott Leurquin's table	
Osbourne	Jeffrey		Scott Leurquin's table	
Amery	Colin		Scott Leurquin's table	
McConnell	James		Scott Leurquin's table	
McNelly	George		Scott Leurquin's table	
Leurquin Scott			8	
Leurquin	Scott	1/13/56	Soledad Gompf	Director of the World Monument Fund
Knapp	Glen		Scott Leurquin's table	
Burnham	Bonnie		Scott Leurquin's table	
Miller	Sam		Scott Leurquin's table	
Curran	Brian		Scott Leurquin's table	
Peyser	Nadine		Scott Leurquin's table	
Ucelli	Marla		Scott Leurquin's table	
Walker	Jenonne Hon.		Scott Leurquin's table	
Stephen Rivers			9	

FINCA Gala Confirmed Invitees

Gardner Rivers Bachrach Caputo Clarke Nagourney Reed Robertson Williams	Carol Stephen Laura Lisa Serafina Adam Jonathan E. Mark Jeannie	 1/14/77 8/15/42	FINCA staff Lawrence Yanovitch Stephen Rivers Stephen Rivers Stephen Rivers Stephen Rivers Stephen Rivers Stephen Rivers Stephen Rivers	 Hollywood agent Vanity Fair Magazine Women&Co.Presid.(Citigroup subsidiary and H.Clinton's former press secretary) London literary agent (Jennie William's guest) The NY Times political correspondent (covering Mrs. Clinton's senate race) Kevin Krier & Associates ABC News (Diane Sawyer's producer) USA Today columnist
SBA table Anazagasti Carbone Carey Colagreco Frier Glick Kawano Knight	 Robert Michael Jennifer Joseph Ray Deborah Arnold David J.	 2/28/61 3/19/51 2/23/63 2/27/58 4/17/38 12/24/50 3/27/48 4/18/56	8 SBA SBA SBA SBA SBA SBA SBA	 President of Nerve Construction Inc. President JLC Environmental corporation/Chair of the NY State Delegation to the White House accompanying Mr. Knight President of Fryer Consultant NYS Assembly Woman Vice President of the Herald LI Insurance Co./husband of Sandra Li President of DJ Knight Co. and member of the National Adv. Council of the SBA
Steuben's table Cozarelli Edelson Gibson McKee Regan Rodke Sedlis Register	Giovanni Kathi Bill E. Marie Kevin Gae Melissa Larry	 7/24/59 4/20/54 9/30/52	8 FINCA staff Steuben Steuben Steuben Steuben Queen	 Director of Marketing Director of Commercial Development for Steuben CEO of Steuben CNN
Feehely Gebremichael Feehely Feehely Peters Feehely Valenstein Dyott Saukaitis	 Tekeste William Jean Ginny Brian Carl Stephen Ingrid	 7/23/27 9/17/32 11/2/57 1/19/58 12/27/68 2/5/73	8 Michael Zewalde Feeheley Feeheley Feeheley FINCA pro-bono lawyer Calvert Calvert	 Broker, realtor and CPA, owns many properties in NJ. Bank of Chicago Rep. Bank of Chicago Rep. Bank of Chicago Rep. Lawyer investment Neuberger and Berman investment Neuberger and Berman
SBA table Letendre Li Lugo Pacheco Rivera Rogers Dunkelbergér Hughes	 Daniel Sandra Betty Carmen George Aubrey Peter Denise	 6/26/63 5/18/47 5/25/59 5/22/59 3/29/55 9/7/39	8 SBA SBA SBA SBA SBA SBA FINCA staff Results	 Vice President Chase Manhattan Bank, Microlending Expert Chairman of the Herald LI Insurance Co. Partner Pacheco and Lugo Partner of Pacheco and Lugo and Delegate to White on Conference on Small Bss. Executive Director G Rivera Productions/produces shows for National Hispanic Chamber of Comm. District Director of the USBA
Teckie Table Ekejiuba	 Felicia	 1/13/38	8 Teckie	

FINCA Gala Confirmed Invitees

Ghebre-Medhin LeNoir Moore Raps Lukia Juliette Masri	Teckie Terry Diana Gena Safwan	9/27/46 4/18/19 5/15/46 6/21/41 4/15/62		President, Fathom Creative Queen	
Sandy Thurman Carroll Thurman Iscowitz Sherwin Crim Barrett Barrett Bosky Kuzzynski	Christine Sandy Michael James Matilde Wayne Fran Mary Ann Alex		9	Thurman Sandy Thurman Sandy Thurman Wagley Wagley Wagley Wagley	
Lawrence Fish Brock Wagley Conason Shamir Atalah Simpson Simpson	Hamilton David Elizabeth Joe Rubi Rania Carol Carol(husband)	9/5/51	9	Lawrence Yanovitch Wagley White House	Nation Institute Director of Development of ? Replacing Katie Button
Forbes Frost Ishaq Kaminsky Tischansky Frost Susman Altman Kahan	Sarah Ashfaq Dr. Karen Peter Christian Sally Emily Michael	10/22/57 1/20/53 10/4/62 1/5/62 10/22/56 11/24/61 7/6/55 11/28/39	8	Forbes Forbes Forbes Forbes	Forbes Magazine Chairman Intl. Child Art. Foundation (and microlending author) Immigration Policy Consultant NY Trust Community President of Bss. Council for Intl. Understanding Forbes Magazine Vice President International Government Affairs American Express Principal Morgan Stanley Dean Witter Professor Political Science CU NY Brooklyn
Kelley's Table Gompf Palacios Palacios-Casado Kelly Qaragholi Pappas Toukan	Andrea Stephen Gloria Pat, Joe, Kate Sali Ben Alia	12/11/72	9	Scott Leurquin's table Soledad Gompf Soledad Gompf Vanguard Communications Queen seat w/Joe, Pat and Kate Kelley Press Secretary HMQ	Soledad's daughter Former FINCA employee Marketing Director for clothing company
AIG Litchfield Litchfield Wacks	Richard Susan Deborah		8		

FINCA Gala Confirmed Invitees

Erickson	John				
Callie	James				
Carlson	Carl				
Litchfield	Diana				
Rey	Mike				father was Clinton's ambassador to Poland
Shearman and Sterling			8		
Cohen	Saralyn				Pro-bono lawyer
Budinger	Kim Tomsen				
Castelino	Rachel				
Shashank	Amit				
Pittinger	Chris				
Sima	Thomas				
Rappaport	Linda				
Mei	Zhu				
Fennessy	Susan				
Vogue			9		
Hart-Gomez	Margie			FINCA staff	
Anna Wintour					
IFAD			8		
Polie	Jelena Grele				
Robarts	Dee				
Robarts	Richard				
Weill-Halle	Vera				
Adechi	Odile				
Bardeleben	Manfred				
Hattem	Gary				
			332		
Gast	Zach			1	FINCA staff
Ian	Michael	7/14/48			LMT photographer
D'Elia	Brett	5/16/75			Convergence

Guests Seated at Her Majesty's Table

Mr. Carlos Camacho, On Sabbatical from Agile Software Corporation

Title sponsor of the event. Son of FINCA Ecuador Country Director.

Mrs. Sheila Camacho, Wife of Mr. Carlos Camacho

Mr. David Miranda, CEO of LastMinuteTravel.com

Chairman and CEO of Lastminutetravel.com, an on-line marketplace for travel and entertainment offers.

Mrs. Penny Levy, Member of FINCA Advisory Board

Board member Planned Parenthood, Allen Guttmacher Institute (hunger-peace issues)
Adjunct professor, Hunter College, Anthropology and Women's Studies
Heir to Macy's (Major U.S. Department Store) fortune

Mr. Gerald Levy, Husband of Penny Levy

Representative Sam Gejdenson, Ranking Minority Member, House International Relations Committee

Mr. Gejdenson is the leading Democrat on the House International Relations Committee. Mr. Gejdenson is considered one of the leading proponents of microenterprise in Congress. He has worked closely with microfinance organizations to support the sector, cosponsoring legislation passed by the House of Representatives in 1999 and playing a major role in the U.S. Microenterprise Initiative in 1994 and Renewal in 1997. After immigrating from Europe, his family received a microcredit loan to purchase and operate a farm in Connecticut, where the family still resides.

Mrs. Betsy Henley-Cohen, Wife of Congressman Gejdenson

Mrs. Soledad Gompf, Director of Development for FINCA International

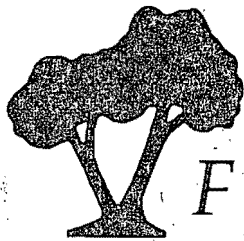
Mrs. Catherine Cameron, Executive Director of Wallace Global Fund

The Wallace Global Fund was one of the first major U.S. foundations to invest resources into the microfinance sector. Under her leadership, the foundation has invested significant seed capital into the sector in program and policy areas.

The Honorable Frank Wisner, Former U.S. Ambassador to South Africa and Zambia

The Honorable Donald Pressley, Assistant Administrator of USAID, Europe and Eurasia Bureau

The Honorable Donald Pressley is the official representative of USAID at FINCA's Gala. USAID's Europe and Eurasia Bureau, which covers Eastern Europe and countries in the Newly Independent States, has provided a great deal of support to FINCA's programs, funding start-up programs in six countries in the region, including Kosovo.



FINCA[®] INTERNATIONAL, INC.

Key Points of Contact

Rupert W. Scofield

Executive Director

John K. Hatch

Founder/Director, Special Projects

Lawrence Yanovitch

Director, Policy & Research

Soledad Gompf

Director, Development

Laura B. Foose

Policy & Program Development Manager

Carlos Camacho

Ecuador Country Director

January 9, 2000

MEMORANDUM FOR HILLARY RODHAM CLINTON

**FROM: KATY BUTTON
RUBY SHAMIR**

CC: MELANNE VERVEER

SUBJECT: NEW MARKETS AND MICROENTERPRISE

The purpose of this memo is to provide you with an update on the Administration's FY 2000 New Markets and Microenterprise budget requests, and to inform you of the Administration's New Markets and Microenterprise Initiatives for FY 2001. As you know, the President is travelling to New York next Thursday to unveil these new budget requests at events in Brooklyn and later in the day at the Wall Street Project.

MICROENTERPRISE

PRIME Act. Last year, the President's budget requested \$15 million for the PRIME Act, which authorizes the Community Development Financial Institutions (CDFI) Fund to establish a Microenterprise technical assistance and capacity building program to award grants on a competitive basis to Microenterprise development organizations and programs that focus on low-income entrepreneurs. PRIME will also sponsor research on the most innovative and successful ways of encouraging new businesses and enabling them to succeed. PRIME was authorized last year in the Financial Modernization Act, but the final budget did not include any funding for it. The President's FY 2001 budget request for PRIME will be \$15 million, which is the authorized funding level.

SBA Microloan Program. For FY 2000, the President's budget proposal included \$6 million for credit subsidies to microfinance development organizations, which in turn re-lend the funds to small businesses. The final budget did not fund the loan program at all, because there was \$2.5 million left over in the 1999 budget which will leverage \$30 million in new Microloans in 2000. Additionally, the FY 2000 request for training and technical assistance was \$32 million, and the final budget included \$23.2 million. The President's FY 2001 budget will include \$4.6 million for credit subsidies to leverage \$60 million in new loans, and \$45 million for training and technical assistance.

Individual Development Accounts (IDAs). Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower lower-income individuals to

start a new business, invest in a first home, or save for post-secondary education. The FY 2000 budget requested a doubling of funds from \$10 million in FY99 to \$20 million in FY 2000, but the program was funded at \$10 million in final budget. This year, the President's budget request for IDAs will rise sharply to \$25 million.

One-Stop Capital Shop Initiative. One-Stop Capital Shops offer financial and training and mentoring services and products -- microenterprise development, personal finance, credit repair - in Empowerment Zones to communities and individuals often passed-over by economic booms. The FY 2000 budget request for One-Stop Capital Shops was \$10 million, and the final budget included _____. The FY 2001 budget request for One-Stop Capital Shops will be \$25 million. [KATY: REMIND ME TO ASK YOU A QUESTN ABOUT THIS]

NEW MARKETS

New Markets Tax Credit. Last year, as part of the New Markets Initiative, the President proposed the New Markets Tax Credit which was worth up to 25 percent to help spur \$6 billion in equity capital for investment in America's new markets, however, this proposal did not get anywhere in the FY 2000 budget. The FY 2001 budget will include another New Markets Tax Credit this year, but the details have not yet been worked out [NEED TO CHECK ON THAT].

America's Private Investment Corporations (APICs). Modeled on the Overseas Private Investment Corporation (OPIC), which helps promote growth in emerging markets abroad, the America's Private Investment Corporations (APICs) program was introduced as a means by which to leverage large investments in untapped domestic markets. [For up to \$100 million of private equity, HUD and SBA will guarantee loans up to \$200 million, creating investment funds as large as \$300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. - NEED TO MAKE SURE THIS HAS NOT CHANGED] The FY 2000 budget funded this program at \$20 million, but it has not been authorized yet. The FY 2001 budget request for APICs will be \$37 million, which is the proposed authorized funding level.

New Markets Venture Capital (NMVC) Firms. NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. Under this program, the SBA will match the equity funds of private investors with government debt guarantees of up to \$10 million per NMVC, with interest on the debt deferred. Investors who provide at least \$1.5 million in technical assistance over five years to targeted firms will also receive matching grants from SBA. This proposal was funded at \$15 million in FY 2000 (which includes \$6 million for credit subsidies; \$9 million for technical assistance). The FY 2001 budget request for NMVCs will be \$52.5 million (\$22.5 million for credit subsidies; \$30 million for technical assistance).

Community Development Financial Institutions (CDFI) Fund. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities. The FY 2000 budget request for the CDFI Fund was \$125 million, which included the \$15 million in funding for PRIME, and the final budget included \$95 million for the Fund. For FY 2001 the President will request \$125 million.

BusinessLINC. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with and mentor small business owners and entrepreneurs. The FY 2000 budget funded the program at \$1.5 million. The FY 2001 budget request will include \$6.6 million for BusinessLINC.

U.S. Small Business Administration
PRIME Program
April 5, 2000

On November 10, 1999, The President signed the Federal Financial Assistance Management Improvement Act. The act included, at section 725, an amendment to the Riegle Community Development and Regulatory Improvement Act of 1994 - adding subtitle C, the Microenterprise Technical Assistance and Capacity Building Program. The short title of the amendment is cited as the "Program for Investment in Microentrepreneurs Act of 1999, also known as the "PRIME Act". The Act authorized the U.S. Small Business Administration (SBA) to administer PRIME.

Under the PRIME Act, SBA is authorized to provide grants for:

- the provision of microenterprise oriented technical assistance;
- building the capacity of microenterprise oriented agencies;
- research and development regarding the microenterprise industry;
- and other microenterprise oriented projects.

The major focus of the PRIME Act is on business-based assistance to low and very-low income entrepreneurs and individuals.

The Microenterprise Development Branch has been assigned to take the lead in coordinating and implementing PRIME Act programming. To date:

- Regulations have been drafted and submitted to OMB for comment
- SBA will meet with OMB this week regarding the drafted PRIME regulations
- The first of four Requests for Proposals is currently in the clearance process at SBA. The remaining three are projected to go into clearance this week.
- SBA has received no appropriation for PRIME for FY2000, however the agency is proceeding in the event funding becomes available.
- The 2001 budget request calls for \$15 million for PRIME

BACKGROUND ON THE CLINTON-GORE ADMINISTRATION'S COMMUNITY DEVELOPMENT RECORD

November 4, 1999

TODAY'S ANNOUNCEMENTS BUILD ON PRESIDENT CLINTON'S AND VICE PRESIDENT GORE'S SIX-YEAR RECORD OF PROMOTING GROWTH AND OPPORTUNITY IN AMERICA'S COMMUNITIES. Since 1993, President Clinton and Vice President Gore have been committed to tapping the potential of America's urban and rural communities. They have a demonstrated record of creating new initiatives and expanding existing initiatives to promote community and economic development. The Clinton-Gore Administration has worked with the private sector, states, and localities to help revitalize America's communities by bringing capital, jobs, and opportunity to distressed areas and cleaning up the urban environment. President Clinton and Vice President Gore have created or expanded the following initiatives over the last six years:

Helping to Bring Private Enterprise and Capital to Distressed Areas. The Clinton-Gore Administration has renewed the commitment of the Federal government to help bring private enterprise into underserved communities and improve access to capital for low-income households, minorities, and traditionally underserved borrowers.

- **Fighting to Preserve the Community Reinvestment Act (CRA) under Financial Modernization.** President Clinton made clear that he was prepared to veto long overdue legislation to modernize the financial landscape, if it allowed a bank with an unsatisfactory CRA rating to take advantage of the new powers under the bill. As a result, the conferees on the financial modernization bill provided that, for the first time, a bank's CRA rating is relevant to its merger or expansion in non-banking activities. In addition, President Clinton fought to eliminate provisions that would have excluded some banks from CRA coverage and limited the effectiveness of the merger application review process. President Clinton thus assured that CRA remains vital and relevant in the new financial landscape.
- **Strengthened and Simplified CRA.** In April 1995, the Clinton Administration reformed the CRA regulations to emphasize performance. According to the National Community Reinvestment Coalition (NCRC), the private sector has pledged more than \$1 trillion going forward in loans to distressed communities – and more than 95 percent of these financial commitments have been made since 1992. Banks made \$18.6 billion in community development loans in 1997 alone. Lending to minority and low-income borrowers is also on the rise.
- **Created the Community Development Financial Institutions Fund.** Proposed and signed into law by the President in 1994, the CDFI Fund, through grants, loans, and equity investments, is helping to create a network of community development financial institutions (CDFIs) in distressed areas across the United States. The CDFI Fund's activities leverage private sector investments from banks, foundations, and other funding sources. Since the Fund's creation, it has made more than \$190 million in awards to community development institutions and financial institutions. This investment is expected in the next two to three years to leverage three to four times the amount of the investments in total capital raised for CDFI's. There are approximately 270 CDFIs certified by the CDFI Fund throughout the nation. In FY 1999, funding for the CDFI Fund was increased 19 percent to \$95 million from \$80 million. In FY2000, the CDFI Fund will receive \$95 million.

- 135 Empowerment Zones and Enterprise Communities. The Clinton Administration has designated 135 urban and rural Empowerment Zones (EZs) and Enterprise Communities (ECs) across the country. This includes a First Round of EZ and ECs, designated in 1994 and a Second Round, designated in January, 1999. Designated communities were chosen on the basis of their strategic revitalization plans, and receive special incentives and resources to help carry out their plans. The EZ/EC initiative has already leveraged over \$10 billion in additional public and private sector investment in community revitalization efforts. The First Round EZ/EC initiative was proposed by President Clinton and passed by Congress in 1993. The Second Round was also proposed by the President, and the President and Congress, in FY 1999, provided first-year funding for the new EZs and ECs. In FY2000, Rural/Urban Empowerment Zones will receive \$70 billion.
- The Economic Development Initiative and Section 108 Loan Guarantee. EDI grants are used to infuse capital into community development projects, enhancing the debt financing provided by the Section 108 loan guarantee program. Together, the programs support critical economic development in distressed communities. Estimated jobs supported by EDI and the Section 108 loan guarantee have grown by 300,000 from 1994 to 1998. During this time period EDI and the Section 108 loan guarantee program have funded \$3.5 billion for more than 650 separate project commitments.

Helping to Bring Jobs and Opportunity to Distressed Areas. A cornerstone of the Administration's community empowerment agenda is helping to bring jobs and opportunity back to distressed areas:

- \$3 Billion Welfare-to-Work Jobs Initiative. The Clinton Administration fought for a \$3 billion welfare-to-work jobs initiative, as part of the Balanced Budget Agreement. The Administration is implementing these welfare-to-work grants directly to both cities and states for allocating additional resources to help long-term, hard-to-serve welfare recipients find and keep jobs.
- Welfare-to-Work Tax Credit and Work Opportunity Tax Credit. The Welfare-to-Work Tax Credit, enacted in the 1997 Balanced Budget Agreement, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients. This credit complements the Work Opportunity Tax Credit (WOTC), which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities. In FY 1999, the President requested and Congress accepted extending the credit through June 30, 1999.
- Community Development Block Grant (CDBG) Expansion. President Clinton's FY 2000 budget included an expansion of CDBG. The final budget increases funding for CDBG from \$4.750 billion in FY 1999 to \$4.775 billion in FY 2000, a \$25 million expansion this year.

Cleaning Up the Urban Environment through Brownfields Redevelopment. The Clinton-Gore Administration has launched a landmark effort, including the Brownfields Tax Incentive, to clean up and redevelop Brownfields sites. In total, the Brownfields action agenda has marshaled funds to clean up and redevelop up to 5,000 properties, leveraging between \$5 billion and \$28 billion in private investment and creating and supporting 196,000 jobs.

PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE BUILDING ON THEIR PAST ACHIEVEMENTS THROUGH A NUMBER OF NEW INITIATIVES THIS YEAR.

While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities and connect these communities to the economic

mainstream. To address this need, President Clinton and Vice President Gore are working on several fronts:

The New Markets Initiative. President Clinton's FY 2000 balanced budget provides a new initiative designed to create the conditions for economic success by prompting approximately \$15 billion in new investment in urban and rural areas through:

- **America's Private Investment Companies (APICs).** Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APICs will encourage private investment in this country's untapped markets, by leveraging up to \$1.5 billion in investment in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. In the recently signed, VA/HUD appropriations bill, APICS were provided with \$20 million in funding. This amount would leverage up to \$800 million of new investment in America's underserved communities.
- **The New Markets Tax Credit.** To help spur \$6 billion in new equity capital, this tax credit is worth up to 25 percent for investments in a wide range of vehicles serving these communities, including community development banks, venture funds, and the new investment company programs created by this initiative (see below). A wide-range of businesses could be financed by these investment funds, including small technology firms, inner-city shopping centers, manufacturers with hundreds of employees, and retail stores.
- **SBIC's Targeted to New Markets.** For over 40 years, SBA's Small Business Investment Company (SBIC) program has provided roughly \$20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefited our cities and rural distressed communities. Through new regulations which were proposed this fall, SBA will now be offering more flexibility and new financing terms for Small Business Investment Companies (SBICs) that invest in underserved areas.
- **New Markets Venture Capital (NMVC) Firms.** NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.
- **Community Development Financial Institutions (CDFI) Fund.** The budget proposes to expand funding for the CDFI Fund to \$125 million--a \$30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities. The signed VA/HUD appropriations bill for FY2000 included \$95 million for the DCFI Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents.
- **BusinessLINC.** The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- for new markets in economically distressed communities. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with small business owners and entrepreneurs. BusinessLINC is being led in the private sector by the BusinessRoundtable, which has dedicated its resources to establish local coalitions throughout the country.

- *Microenterprise Lending and Technical Assistance.* Microenterprise initiatives in the FY 2000 budget include the PRIME Act, which will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on low-income entrepreneurs. As proposed in the Financial Modernization Act (H.R.) PRIME will be administered by the SBA. President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling of support for SBA lending to leverage over \$75 million in new microlending. The microenterprise strategy will also involve new funding for Individual Development Accounts (IDAs) and for SBA's One-Stop Capital Shops. On October , the President vetoed the Commerce-State-Justice Appropriations bill which did not include funding for any of these provisions.
- *New Markets Lending Companies (NMLC).* For the first time in many years, SBA will approve approximately 10 new non-bank lenders --- firms authorized to originate loans under SBA's largest loan program -- the 7(a) General Business Loan Guaranty program. Under the 7(a) program, SBA guarantees up to 80% of a loan made by a lender to a creditworthy small businesses that cannot otherwise secure financing on reasonable terms. Firms must have a strategy to target lending to underserved areas.

Additional Initiatives Designed to Improve Conditions In Underserved Rural & Urban

Communities: President Clinton and Vice-President Gore have proposed the expansion or establishment of the following additional initiatives designed to create the conditions for economic success by encouraging new investment in urban and rural areas:

- *Empowerment Zones and Enterprise Communities.* The FY 2000 budget proposes full funding for ten years for the Second Round of Empowerment Zones and Enterprise Communities, which were designated in January, 1999. This includes \$100 million over ten years for urban EZs; \$40 million over ten years for rural EZs; and \$3 million for rural ECs. The FY 2000 budget also includes \$50 million to create a new Regional Empowerment Zone Program to assist First and Second-Round urban EZ and ECs in linking their economic development strategies to their broader regional economies. The recently signed VA/HUD appropriations bill provides \$70 million in funding for Rural/Urban Empowerment Zones. All of the Urban and Rural EZs (20 zones) and rural Enterprise Communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will also receive funding.
- *Regional Connections.* Regional Connections will provide competitive funding to States and partnerships of local governments to develop and implement new, locally driven "smarter growth" strategies that create more livable communities by addressing economic and community development needs across jurisdictional lines. Regional Connections, as part of the Administrations' Livability Agenda, will complement existing federal programs that respond to growth and investment patterns. The budget proposes funding at \$50 million in FY 2000.
- *The Economic Development Initiative and Section 108 Loan Guarantee Program.* This program supports critical economic development in distressed communities in conjunction with the Section 108 loan guarantee program to help bring economic development to residents. Over the past 5 years, \$3.5 billion in EDI loan commitments have been made -- these will create an estimated 300,000 jobs in low- and moderate-income communities during the life of the EDI program.¹ In FY 2000 many

¹ "Consolidated Annual Report To Congress For HUD's Community Development Programs," 1996.

projects will be eligible to participate in the Community Empowerment Fund Trust, a pilot program, which will enable the pooling of loans and the creation of a private sector secondary market for economic development loans. The CEF specifically targets Welfare-to-Work and City-Suburb Business Connections, building upon the success of HUD's EDI and Section 108 loan guarantee program.

- Low-Income Housing Tax Credit. Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of \$1.25 per capita to allocate to developers of affordable housing. While building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from \$1.25 per capita to \$1.75 per capita -- restoring the value of the credit to its 1986 level and helping to create additional 150,000-180,000 new low-income rental housing units over the next five years.
- Play-by-the-Rules. This program will allow renters with solid payment track records to own a home. The 2000 Budget proposes a second round of \$15 million for this initiative.
- Helping America's Communities Redevelop Abandoned Buildings. Redevelopment of Abandoned Buildings, as part of the Administration's "Livability Agenda," would attack one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single-family homes, warehouses, office buildings, and commercial centers. Under the proposal, HUD will provide \$50 million in competitive grant funds in FY2000 to local governments to support the demolition or deconstruction of blighted, abandoned buildings.

FINANCIAL SERVICES MODERNIZATION FOR THE 21ST CENTURY: LOWERING CONSUMER COSTS, BUILDING COMMUNITIES, AND BOOSTING COMPETITIVENESS

November 12, 1999

President Clinton today will sign historic legislation to modernize our banking and finance laws. For the first time, financial firms will be able to offer a full range of banking, securities, and insurance products, stimulating greater innovation and competition. This legislation will have the following benefits:

- ✓ Consumers, as well as businesses small and large will have greater choice, more innovative services, and the possibility of one-stop shopping for financial products.
- ✓ Prices will be lower as a result of increased competition. Americans spent \$367 billion in 1997 on fees and commissions for brokerage, insurance and banking services. If deregulation in other industries is any guide, it is reasonable to expect that increased competition will yield lower prices and billions in savings for American consumers.
- ✓ American financial institutions will be more efficient and thus better able to compete in the global marketplace.
- ✓ Low- and moderate-income communities will receive new loans and investment spurred by a preserved and strengthened Community Reinvestment Act (CRA).
- ✓ Individual privacy will be better protected by new limitations on the sharing of personal financial information.
- ✓ The economy will grow stronger as competition lowers the cost of capital for American businesses -- spurring growth.

UPDATING THE LAWS GOVERNING FINANCIAL SERVICES FOR THE NEW ECONOMY

Technological change is revolutionizing how financial products are delivered to consumers and how firms manage financial risks. But our financial services firms are still governed by depression-era laws that limit competition and place unnecessary barriers between banks, securities firms, and insurance companies. This new legislation will:

- ✓ Repeal the 1933 Glass-Steagall Act, which has separated banks from other financial firms, and other laws separating banking and insurance;
- ✓ Permit the creation of new, more efficient financial holding companies, which can offer banking, insurance, securities, and other financial products to consumers;
- ✓ Allow banks to choose the corporate structure for many new activities that best meets their customers' needs -- either a financial subsidiary or a bank-holding company affiliate;
- ✓ Regulate banking, securities, and insurance activities along functional lines, with each activity overseen by the regulators that know them best;
- ✓ Protect the safety and soundness of our banking system by requiring that non-banking activities be conducted separately within an organization, subject to funding limitations; and
- ✓ Maintain the separation of banking and commercial activities, so that loans are made on merit, not relationship, avoiding risks that have caused trouble for some banking systems around the world.

PRESERVING AND STRENGTHENING THE COMMUNITY REINVESTMENT ACT

President Clinton insisted that the legislation not weaken CRA or allow banks with an unsatisfactory CRA record to take advantage of the new powers authorized.

- ✓ The bill establishes an important prospective principle: banking organizations seeking to conduct new non-banking activities, or to merge with or acquire a firm engaged in such activities, must demonstrate a satisfactory record of meeting the credit needs of all the communities that they serve.
- ✓ Each and every time a bank or holding company commences a new activity, such as securities, insurance underwriting, or merchant banking, or acquires a company in these new areas, all of its banks and thrifts must have a satisfactory CRA rating. **Thousands of transactions involving securities activities and other non-banking activities, previously exempt from CRA, will now be covered.**
- ✓ CRA continues to apply as it has to all banks and thrifts, without exception; existing procedures for public comment on applications to acquire or merge with banks or thrifts remain in effect.
- ✓ The CRA examination cycle for small banks and thrifts with outstanding or satisfactory ratings is extended, but the bill preserves the ability to regulators to examine at any time for reasonable cause or in connection with an application.
- ✓ Harmful exemptions from CRA were eliminated in conference, as was a provision that would have blocked community comments on most bank's CRA applications.
- ✓ To spur community investment, the bill also authorizes a new program, known as PRIME, to provide technical assistance to low- and moderate-income micro-entrepreneurs.

NEW FINANCIAL PRIVACY AND OTHER CONSUMER PROTECTIONS

Under current law, a financial institution can share with or sell to anyone, including telemarketers and nonfinancial firms, information on everything from account balances to credit card transactions, without a customer's knowledge or consent. On May 4th, President Clinton proposed strong and enforceable Federal privacy protections for consumers' financial information. The bill includes a number of these provisions.

- ✓ Financial institutions must clearly disclose their privacy policies up front and annually, allowing consumers to make informed choices about privacy protection. Consumers will know if their bank, insurance, or securities firm intends to share or sell their financial data, within the corporate family or to third parties.
- ✓ Consumers will be able to "opt-out" of information sharing with unaffiliated third parties.
- ✓ These restrictions have teeth. Regulators have full authority to enforce these protections and new rulemaking authority under existing Fair Credit Reporting Act requirements.
- ✓ New penalties are available to prevent pretext calling -- when someone uses trickery or impersonation to discover the consumer's financial assets.

These protections represent an important step forward, but they are not enough. Legislation that the President is signing today requires the Treasury to study the privacy practices of the financial services industry and recommend further legislative steps.

- ✓ President Clinton will today direct the National Economic Council to work with the Treasury and OMB to complete a legislative proposal by early next year. He is committed to ensuring that consumers have choices about how their financial information is shared between different affiliated companies.

The bill includes other important consumer protections.

- ✓ Banking agencies are directed to adopt consumer protections to govern bank sales of insurance products, including: clear and conspicuous disclosure that insurance is not FDIC-insured; prohibitions on tying credit to insurance products; and other protections against coercive sales practices. Consumer protections for bank sale of securities products are also strengthened.
- ✓ Important State consumer protection laws governing insurance sales are preserved.
- ✓ Banks are required to make full and conspicuous disclosure of fees on ATM machines.