



Enrique V. Iglesias

President of the Inter-American Development Bank

"The IDB is paving the way for new actors—commercial banks, investment funds, and other private sector investors—to enter and participate in this sector with its great economic and social potential."

Microfinance and microenterprise loom large among the priorities of the Inter-American Development Bank. Not only are microenterprises a key component of our region's economy and society as a whole, but by supporting microenterprise development the Bank helps its developing member countries to achieve three important objectives: social reform, democratization—building civil society—and the development of the private sector. Two decades ago, when the Inter-American Development Bank, together with a handful of international aid agencies, began supporting tiny loans to very small businesses, hardly anyone could have imagined the economic significance that microbusinesses would attain. Today, microenterprises constitute the largest source of employment in our region, a stabilizing force in society, and an economic sector in which women play a central role. No wonder that microenterprises and the microfinance institutions that serve them have now gained global attention.

In Latin America, microfinance has grown faster than in any other region of the world. Since microfinance institutions have demonstrated that the poor can be good credit risks, commercial banks are getting into the act. As microfinance has grown to respond to the burgeoning microenterprise sector, the clients have grown more sophisticated and their demand for services more diverse. The practices and services of microfinance and the role played by international donors and technical agencies must evolve in response to the needs of their clientele.

Over the past 22 years, the Inter-

American Development Bank has supported more than 500 microenterprise projects valued at US\$800 million. The Bank's funding for this sector is geared toward strengthening organizations that offer financial or business development services to microenterprises, and to help governments create an environment that promotes microenterprise development. The financial and business development service organizations working in our region today are important players that are imaginatively opening up new markets.

A number of obstacles still confront the region's microenterprises, however: a poor business climate, an inadequate regulatory environment, limited access to credit and risk capital, deficient business development services, restricted access to technologies and information systems, and few opportunities to export products. Through several funding instruments, the Bank and its Multilateral Investment Fund (MIF) seek to remove these obstacles, thereby helping microenterprises to flourish, become stronger and more profitable, provide new jobs, and gradually make the transition into the formal economy.

The IDB brings a pioneering and missionary spirit to its work on microenterprise development. It is determined to give a boost to the small businessmen and women of the region. There should be no doubt about the IDB's continued commitment to enhancing private sector development at the microenterprise level, not least by paving the way for new actors—commercial banks, investment funds, and other private sector investors—to enter and participate in this sector with its great economic and social potential.



Inter-American Awards for Microenterprise Development

Recognizing Outstanding Institutions
and Leaders Supporting Microenterprise
in Latin America and the Caribbean

■ Award for Microfinance

Recognizes regulated financial intermediaries and NGOs that have achieved success in broadening the availability of financial services to microentrepreneurs

■ Award for Business Development Services

Recognizes organizations that have demonstrated effectiveness in providing and expanding non-financial products and services to microentrepreneurs

■ Award for Social Entrepreneurship

Recognizes individual leaders working with private sector institutions that combine social commitment and sound business practices to promote microenterprise and community development

For more information:

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The IV Inter-American Forum on

Microenterprise



is proud to support the first edition of *MicroEnterprise Americas*. We are pleased to join this new initiative to share, comment and disseminate relevant experiences in microenterprise development.

Workshops include

- The Double Bottom Line: Investing for Social and Financial Returns
- What Do the Customers Want? Understanding the Microenterprise Sector
- Fair Trade for Microenterprise Products
- Innovations in Training for Micro and Small Enterprises
- Microenterprise and the Environment
- Youth Business
- A New Approach to Rural Finance
- State of the Art Technology for Micro and Small Enterprise Development
- And much more...

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