

Microfinance in the Arab World: Shaping the Industry's Future

First Annual Conference of SANABEL, Microfinance Network of Arab Countries

The Challenge of Sustainability ... The Path Towards Commercialization

Khaled Al-Gazawi

Executive Director

Jordan Micro Credit Company (JMCC)



Sustainability: Best Practice View



- **Microfinance programs are not Poverty Alleviation Programs**
- **Cost Recovery Interest Rates Structure**
- **Intensive Collection Activities**
- **Well-designed Products to fit The Poor Needs**

Sustainability: Best Practice View



- **Grants will not last forever**
- **Started down ... went Up !!**
- **Built a cushion of profits**
- **Intensive collection efforts**
- **Continuous market analysis**
- **Responding to the market**
- **Management & staff sustainability**
- **Increased JMCC outreach carefully**
- **Different needs ... different (one) product**

Sustainability: JMCC Experience



cont.

- **Fast Loan processing**
- **Maintain Clients Satisfaction**
- **Volume vs. Quality (Risk Management)**
- **Minimum Drop-out Rate**
- **Free Marketing**
- **Continuous Planned Change**