

Three Cambodian Microfinance Institutions honored for excellent financial transparency

CGAP is proud to present the recipients of the 2004 Financial Transparency Award.

Worldwide one organization received the financial Transparency Award: Financiera Compartamos, S. A. de C. V. from Mexico. In the East Asia and Pacific region, 5 MFIs rated honorable mention. The fact that 3 of them are from Cambodia confirms that Cambodia has a flourishing microfinance sector, which compares favorably with other countries and is arguably the most sophisticated component of the national financial system.

E Asia/Pacific		
Institution	Country	Auditors
AMRET (formerly Ennathion Moulethan Tchonnebat)	Cambodia	PricewaterhouseCoopers
Prasac Credit Association (PCA)	Cambodia	Ernst & Young
Thaneakea Phum (Cambodia), Ltd.	Cambodia	PricewaterhouseCoopers
Instituição de Microfinanças de Timor-Leste (IMFTL)	East Timor	Ernst & Young (Australia), Merit Partners (Australia)
The Capital Aid Fund for Employment of the Poor (CEP)	Vietnam	KPMG

In its first year, this award marks an important milestone in the development of the microfinance industry. By striving to comply with international disclosure guidelines, including industry-specific CGAP Disclosure Guidelines (<http://www.cgap.org/fintransaward/index.shtml>), the institutions which participated in this year's competition are doing more than improving the world of microfinance: They are helping make microfinance institutions' performance better understood by the general public and hence helping build more inclusive financial systems for the poor.

Microfinance institutions, whose origins were social, are professionalizing, becoming profitable and getting licensed to take deposits. In fact, in many markets, microfinance institutions are stronger and more profitable than leading banks. Collectively, such institutions are seeking more and more commercial funding, working hard to become more transparent in their financial reporting. The Microfinance Information Exchange (MIX) - the Bloomberg of microfinance - now reports on more than 400 institutions, several of which boast "5-diamond" ratings.

For those of us who worked in microfinance even five years ago, this is staggering progress: We have gone from having no reliable information at all to having a wealth of data on a growing portion of the market. But, most important, we now have the framework on which to build an entire financial sector, folding it into the mainstream while retaining its focus on serving the poor.

Nearly 150 microfinance institutions committed to transparency from 48 countries applied for the award. Of these, 110 met the entry criteria. Entrants were scored based on their compliance with key international and industry accounting standards spelled out in the CGAP Disclosure Guidelines for Financial Reporting—the most widely accepted benchmark for microfinance transparency.

The response to the Financial Transparency Award is another sign that the microfinance industry is growing into its own. CGAP is proud to sponsor the award and invites everyone in the microfinance industry and beyond -- including investors, policymakers, and regulators -- to learn what it says about the institutions that have earned it.

Country	Institution	Score
Bhutan
Burkina Faso
Burundi
Cambodia
Cameroon
Chad
Cote d'Ivoire
Dominican Republic
Egypt
Guatemala
Honduras
Kenya
Madagascar
Mali
Morocco
Niger
Nigeria
Rwanda
Tanzania
Togo
Tunisia
Zambia
Zimbabwe