



In cooperation with  
**Asian and Pacific Development Centre**  
**Association of the Asian Confederation of Credit Unions**  
**Asia Pacific Rural and Agricultural Credit Association**

## **BANGKOK DECLARATION ON MICROFINANCE**

1. The Conference on Microfinance Policy and Governance was held in the United Nations Conference Centre, Bangkok from 6 to 8 March 2002 to build knowledge, institutional capacity, and public-private sector cooperation in enhancing the effectiveness of microfinance as an instrument of poverty alleviation in the Asia-Pacific Region. The Conference was graciously opened and addressed by His Excellency Mr. Somkid Jatusripitak, Deputy Prime Minister and Minister of Finance, Royal Thai Government.
2. The Conference was organized jointly by UN-ESCAP, APDC, APRACA and ACCU, with support and cooperation from the Japan Foundation, the Leopold Mayer Foundation, the Canadian International Development Agency, Canadian Cooperative Alliance, the Inter-American Development Bank, the Initiatives in Research and Education for Development in Asia and Ethnos Asia. It was attended by the representatives of all stakeholders – the poor, microfinance institutions, cooperatives, government agencies, academicians, donors and the United Nations agencies.
3. The Conference examined the different dimensions of microfinance and discussed its future role in alleviating poverty in the region. The Conference examined the policy and regulatory regime, the transformation of institutional delivery mechanisms, and the development of products and services of microfinance. Further, it examined the linkages of microfinance with enterprise development, market-oriented mechanisms, and risk sharing schemes. The issue of HIV/AIDS and possible assistance to the affected households through microfinance serves to mitigate the devastating impact of the epidemic was also discussed.
4. The participants attending the Conference unanimously adopted the following as **“Bangkok Declaration on Microfinance”**.

**Recognizing** the tremendous economic and social hardships faced by more than 800 million poor in the developing countries of the region and the need to improve their lot in the immediate future;

**Considering** the need for strong partnership between the developing and developed countries for the social and economic upliftment of the poorest of poor;

**Acknowledging** the initiatives taken by the millions of poor to come together by forming formal and informal groups to take strong steps for the betterment of their and their children's future;

**Further acknowledging** the initiatives taken by the governments, non-governmental organizations and other stakeholders to provide assistance to the poor through various provisions;

**Considering** the Millennium Declaration Goals set by the Millennium Summit in September 2000 by the Heads of States and Governments in New York to halve, by the year 2015, the proportion of the World's people whose income is less than one dollar a day;

**Acknowledging** that the microfinance has visibly and substantially helped the poorest people, especially women, in many countries;

**Further acknowledging** that the microfinance alone is not adequate to achieve sustained poverty alleviation and, henceforth, greater attention needs to be given to linking the microfinance with other related economic and social activities for the holistic development of the poorest as human beings; and

**Reiterating** the will and determination of all the stakeholders involved in the microfinance to make it a powerful and important tool for alleviating poverty in the coming decade.

Make the following declaration:

***Strongly rededicates to***

1. the pivotal role of microfinance as an indisputably useful instrument for alleviating poverty in the developing countries of the Asia-Pacific region and to the vision of ensuring better and broader access of the poorest of the poor to microfinance services by strengthening the related institutions, the regulatory mechanisms, and the supporting grassroots organizations of the poor.

***Declares unequivocally that***

2. an enduring partnership between the clients and providers of microfinance services is a hallmark indicator of success of any microfinance initiative. This partnership needs to be further strengthened as microfinance institutions are being transformed to become robust partners in development of the poor in a sustained relationship.

***Strongly urges that***

3. the microfinance institutions and their services should be forward looking to meet the growing and diversified needs of the poor. While traditional microfinance services continue to be required, the advent of new technologies particularly in agricultural and information and communication sectors has opened up new avenues for microfinance to help bridge gaps between the rich and the poor. The empowerment of poor through new technologies needs to be heightened and intensified.

***Calls to further strengthen***

4. the linkages between microfinance services, market-oriented mechanisms and enterprise development. Where such linkages have been established the multiplier effects have proven to be substantial contributing sustained income and employment to the poor families, with less than one US\$ daily income. Such linkages would contribute towards bringing microfinance services into the mainstream development and poverty alleviation efforts.

***Strongly urges***

5. the international community, non-governmental organizations and other donors to provide increased financial and technical assistance to the developing countries of the region to further promote, expand and strengthen microfinance services and related institutions and thus enable these countries to meet the lofty goals of the Millennium Summit to halve the number of poor by 2015.

***Strongly resolves***

6. with consensus to carry out the follow up activities on microfinance at regional, national and local levels to fulfil the dreams of millions of poor of the Asia-Pacific region.

Signed on behalf of Co-organizers

Friday, 8 March 2002

ESCAP

Ms. Keiko Okaido  
Deputy Executive Secretary and  
Officer-in-Charge, a.i. of the Secretariat

APDC

Mr. Mohd Noor Hj Harun  
Director

APRACA

Mr. Gary B. Teves  
Chairman

ACCU

Mr. Jin Woo Park  
Chairman