



## RURAL MICRO-FINANCE DECLARATION OF MANAGUA

We, members of the Board of Directors of the KATALYSIS Network, its directors and personnel, together with the Board of Directors and executive personnel of Katalysis International and Katalysis Central America, gathered in the City of Managua, Republic of Nicaragua to participate in the ***KATALYSIS REGIONAL FORUM: RURAL MICRO-FINANCE, A CENTRAL AMERICAN CHALLENGE*** during March 18 – 20, 2004, to analyze and evaluate the presence of our organizations in the Central American rural sector offering micro-financial services to its population and taking into account that the KATALYSIS Network plays an important role in Rural Micro-finance in the region, have considered:

1. That the poverty condition of more than 70% of the Central American rural population constitutes a commitment for the KATALYSIS Network to integrate all its efforts towards promoting achievement of a better life for the rural population.
2. That at least 50% of the micro and small entrepreneurs in the Central American region are located in the rural areas and live in a condition of subsistence and without opportunities for sustained growth.
3. That provision of a wide range of financial services such as assets as liabilities in the rural sector has been extremely limited not withstanding the great need manifested by the rural populations.
4. That research has demonstrated that rural micro-entrepreneurs look forward to the promotion and implementation of income generating activities, consistent with the reality and circumstance of the rural sector, contrary to the general idea of subsidy provision and/or debt forgiveness.
5. That the organizations of the KATALYSIS Network have the best disposition, human, capital, material and technological resources to service the poorest clients, especially those located in the rural areas of the Central American region.
6. That the KATALYSIS Network is committed to continue contributing to the social and economic development of the diverse rural communities of Central America, favoring the generation of wealth and the improvement in the quality of their lives.

**Hereby declare that we:**

1. **Support** national and international public and private initiatives that promote the development of financial services directed at rural micro and small entrepreneurs in Central America, making available the Network's organizational infrastructure and the entities that integrate the KATALYSIS Group.
2. **Reaffirm** in the Strategic Plans of each of the members of the KATALYSIS Network, the provision of services oriented to the rural sector as a way to promote the empowerment of the rural communities serviced in accordance with the Central American strategies to combat poverty.
3. **Orient** Network MFI rural financial services to income generating activities as required by the rural population to improve the quality of their lives, maintaining respectful attitude of its cultural and ethnic values.
4. **Promote** the development and implementation of innovative financial products, such as credit and savings, as well as other complementary services that facilitate the financing processes required in the rural sector.
5. **Commit** to continue strengthening the organizational structure of micro-finance institutions that are affiliated to the Network regarding policy, methodologies and procedures, promoting the specialization of financial services oriented to the rural sector.
6. **Support** training of human resources within the Network member MFIs, to achieve specialization of their abilities as required to service the rural poor.
7. **Stimulate** the development of technical instruments that strengthen micro-finance services participating in dialogues addressed to have positive impact for the rural sector.
8. **Promote** medium and long-term capital mobilization to allow the allocation of funds for rural financial services in accordance with its distinctive characteristics and needs.
9. **Promote** jointly with the Network or individually, the attainment of equity funds that allow the consolidation of the Network Members' financial structures, and the leverage of resources for the rural sector.

10. **Support** management of member organizations through the implementation of indicators that allow measurement of coverage and efficiency of service delivery to the rural sector.
11. **Stimulate** within the Network's membership the horizontal and vertical integration with entities that provide specialized services to the rural sector allowing for the transfer of technology and optimal service delivery.
12. **Reaffirm** our commitment to support the processes that are oriented to the transparent management of all resources handled by the Network MFIs, observing the values contained in our Code of Ethics and Conduct.
13. **Support** the incorporation of "Environmental Protection" subject in the rural credit activities.
14. **Agree** to support the development and implementation of legal regulatory frameworks that consolidated the participation of our institutions offering services to the poorest clients of our society.
15. **Commit** to divulge this Declaration through all the advertising media available in the Central America region.

As a demonstration of good faith of the above, we sign the present Declaration in the city of Managua, on the twenty-day of March 2004.

**KATALYSIS INTERNACIONAL**

**HONDURAS:**

ODEF  
FUNED

**GUATEMALA:**

MUDE  
FAPE

**EL SALVADOR:**

PROCOMES

**NICARAGUA:**

ACODEP  
FUNDENUSE

**KATALYSIS CENTROAMERICA**

FAMA  
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SFC-POP

ASEI

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