

**Achievement of Market-Friendly Initiatives and Results Program  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

**MFW Board Governance Workshop – Follow up**

Final Report

**Deliverable for MEI Component, Task No. 310.1.1  
Contract No. 278-C-00-02-00201-00**

*January 2003*

*This report was prepared by Jeremy Condor in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

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### *Executive Summary*

This governance consultancy concludes that measurable progress is being made by the Microfund for Women re:

- Board membership development
- The role and function of the Board in relation to an Honorary Committee or non-governing support group.
- Appropriate profiling of new and potential members
- Buy in and commitment to the AMIR-supported, generic and custom workbooks as governance development tools

The Microfund for Women remains at a critical point in its institutional development, and careful ongoing monitoring and organizational development support will be needed to ensure the stabilization of the governance process. The membership is in the process of being resolved, and careful follow by the AMIR Program will be required to ensure that the enthusiasm of the new Board is not misplaced or directed toward micromanagement.

Conditional on final modifications and essential corrections being made, there is every reason to expect the Good Governance Workbook to be an unqualified success. It has already assumed a key role as an essential Board development tool.

The following proposed changes to the Board's function and composition are highly recommended:

- The establishment of a full membership Board of seven members
- Save the Children represented by a designated Board member
- Voluntary Board membership.
- The reconstitution of the so-called "Executive Committee" as a full constituent part of the Board.
- The recruitment of a Board secretary to assume the role currently played by the CEO.
- Completion of the custom designed Workbook, using the CEOs base material as a starting point.
- The composition of an Honorary Committee
- The transition of non-performing Board members to the Honorary Committee

## *Findings & Updates*

### *1. Re Generic Workbook development*

The Workbook has been printed in its final version. The Grafica Company has overlooked some remaining corrections. Some of the remaining typographical errors will impact negatively on a full understanding of content unless they are corrected. Corrections have been submitted to the AMIR Program.

### *2. Re Board Study tour*

Current research favors a visit to Kenya, with the visit being focused principally on K-Rep, a for-profit banking institution offering a wide range of loan products, including micro credit.

### *3. Re Microfund for Women Board*

The Microfund for Women's Board has been completely reconstituted. The workshop was conducted in order to:

- Re-establish an appropriate governance process.
- Establish clear parameters between the new governing body and the Executive.
- Promote buy in and commitment to the Workbook as a Board development tool.

## Organizational update

Current membership and committee structure

### **Board**

Mr. Ghiath Sukhtian: Chair

Mr. Mohammed Al Hassan, Vice Chair

Ms Muna Sukhtian\*

### **"Trustee group" (Honorary Committee)**

Ms Suhair Al Ali

Ms Maha Khatib

Ms Nisreen Haram

Mr. Ghassan Nuqul

### **"Executive Committee"**

Ms Muna Sukhtian\*

Ms Nadine Khoury

Ms Nedjma Saifi (US citizen)

Mr. Mohammed Issess

Currently Save the Children is not formally represented.

\*Ms Muna Sukhtian is a full Board member and a member of the "Executive Committee".

### **Proposed changes to the Board**

Further to consultations with Save the Children, USAID, the AMIR Program and the Board, the following decisions are imminent:

The existing "Executive Committee" will be subsumed into the Board. Thus the Board will be expanded to include 7 full members. One member of the "Executive Committee" will be invited to leave. Some members of the "Trustee" group may join the Board or become members of the to-be-established "Honorary Committee". Thus the new Board will be comprised of the existing members, two members of the "Executive Committee" and possibly two members of the existing "Trustee" group. The Workshop also considered bringing in other members to complete a full range of required profiles.

Current Board members who are unable to attend Board meetings because of other commitments or obligations will be invited to join an "Honorary Committee". This committee will be used to attract other highly placed individuals who would be willing to have their names and reputations associated with the Microfund for Women, and who would be willing to attend gala events, sign promotional documentation and other non – governance roles that would enhance the prestige and standing of the Company.

The intention here is to assemble a Board of younger, highly qualified and available people who can commit the time and effort necessary to build a strong company.

A Board secretary will be appointed from within the current "Executive Committee". Thus responsibility for the preparation of agendas, Minutes and Workbook maintenance will pass from the CEO to the Board.

Save the Children will appoint one Board member to represent its interests. It is not envisaged the Save the Children Jordan Field Office Director will sit on the Board himself.

Discussions continue at the Board level about payment to Board members. The majority view is that Board members should not be remunerated, but the Chair continues to review the organization's options in this regard. The AMIR consultant has discouraged any payments being made to Board members.

### MFW Workbook development

Custom Workbook development will be continued, using the existing material developed by the CEO as a starting point. It will also be integrated into a strategic planning effort, led by the newly constituted Executive Committee, composed of full Board members. Response to the generic Workbook was overwhelmingly positive and the Workshop concluded that the Workbook should form the basis of the Board's development plan.

## *Conclusions*

### *1. Re Generic Workbook development*

If some final corrections are made, the Workbook will be everything it was intended to be. It has been exceptionally well received by the Microfund for Women's Board, and is perceived as a tool for good governance development and institutional planning.

### *2. Re Board Study tour*

Our research indicates that the AMIR program's Microfinance partners may have at least as much to teach as to learn during the proposed Study Tour in March 2003. After extensive enquiries, it is becoming clear that there are no obvious examples of exceptionally good quality governance in Microfinance organizations. Nonetheless this conclusion only confirms the usefulness of the Study Tour as an opportunity to:

- Share experience with Board members from a variety of institutional frameworks
- Consolidate existing best practice among all three AMIR partners in an informal learning environment far away from the pressures and constraints of their usual operating and social milieu.
- Use learning opportunities from the tour as training and development tools.

### *3. Re Microfund for Women Board*

All indications suggest that the Board of MFW is highly motivated and enthusiastically committed to the fulfillment of its role. The fact that so many of its members are young, exceptionally highly qualified female professionals is a very encouraging sign.

Had the AMIR program not stayed the course in mentoring and coaching the CEO and the Board during the ownership transition MFW's existence would have been threatened.

Close monitoring may be required to ensure that the new Board does not make policy decisions without fully considering the implications. Current concerns about purportedly "extortionate interest rates" are an indicator that the Board has much to learn about Microfinance. Similarly, the notion of the currently misnamed "Executive Committee" as designer of Company strategy is an indicator that the Board has not yet fully understood the current capacity and role of the Executive and staff, or indeed the role of the Board itself.

The fact that the Board Secretary role has been understood and accepted at this stage in the Board's development is an indicator that the Board intends to assume its responsibilities.

## ***Recommendations***

### ***1. Complete the corrections to the Generic Workbook***

Final corrections should be made to the Workbook before it is produced in quantity. The corrections have already been proposed.

A reinforcement device may be required in order to ensure the papers are retained in the Workbook.

Revised/upgraded ring binders may be required.

### ***2. Re Board Study tour***

The consultant should submit a final recommendation re the location and content of the study tour by the end of February 2003.

### ***3. Re Microfund for Women Board***

Proposed changes to the Board's function and composition should be fully supported by the AMIR Program, notably:

- The establishment of a full membership Board of seven members
- Save the Children represented by a designated Board member
- Voluntary Board membership.
- The reconstitution of the so-called "Executive Committee" as a full constituent part of the Board.
- The recruitment of a Board secretary to assume the role currently played by the CEO.
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