

**NRK**  
**Bj. Bjornsons Plass 1**  
**0340 Oslo**  
**Norway**

**Attention: Editor-in-Chief Hans-Tore Bjerkaas**  
**Editor of *Brennpunkt*, Vibeke Haug**  
(Also sent by e-mail to [hans-tore.bjerkaas@nrk.no](mailto:hans-tore.bjerkaas@nrk.no) & [vibeke.haug@nrk.no](mailto:vibeke.haug@nrk.no))

**Regarding: “Caught in Micro Debt”**

Dear Sir and Madam:

I am writing on behalf of Grameen Foundation, a global non-profit that works to alleviate poverty by providing the world's poorest with access to microfinance and technology, in connection with a documentary film under the above title, which we understand you broadcast on November 30, 2010.

I am writing to you to explain three serious respects in which the film contains false and defamatory accusations against Grameen Bank and Professor Muhammad Yunus and to invite you to discuss what NRK could do to reduce the harm inflicted upon Grameen Bank due to the erroneous statements in the film.

#### ***NORAD Aid***

One principal charge made in the film relates to financial dealings between Grameen Bank and the Norwegian Agency for Development Cooperation (NORAD), a directorate under the Norwegian Ministry of Foreign Affairs. The charge concerns matters that arose more than a decade ago, that were promptly addressed by Grameen Bank, the relevant Norwegian authorities and the government of Bangladesh, and that were fully and finally resolved at the time. By selective use of a few documents from that time, the film suggests that very significant sums of aid money were diverted by Grameen Bank, in violation of the conditions on which they were provided, and used for improper commercial enrichment.

I assume that you are aware that, as a consequence of the film's airing on November 30, 2010, Norway's Minister of International Development commissioned an urgent and comprehensive review of all NORAD's support for Grameen Bank. This report, published on December 6, examined the relevant earlier exchanges, and concluded that the issues raised at the time by the Norwegian Embassy in Dhaka had been satisfactorily explained and resolved. The NORAD report ([http://www.regjeringen.no/en/dep/ud/press/news/2010/report\\_grameen.html?id=627366](http://www.regjeringen.no/en/dep/ud/press/news/2010/report_grameen.html?id=627366)), it demonstrates that the film contains incorrect statements and gives a false impression of the 1997-98 issue.

### ***Interest Rates***

Another central charge made in the film is that Grameen Bank charges excessive interest rates. Specifically, the film accuses Grameen Bank of charging its borrowers annual interest rates of between 30% to 200%. This was and is factually incorrect. As an expert on microfinance, I was interviewed by Mr. Heinemann on film about this issue, as was David Roodman, Senior Fellow of the Center for Global Development. We both specifically told Mr. Heinemann that his figures were wrong, but he ignored the corrections. We have since set out on film how our statements to Mr. Heinemann were willfully misrepresented in the film – for more information, see <http://www.youtube.com/microfinanceresponse>.

In response to the unfounded assertions about interest rates in the film, Grameen Bank invited an independent expert, Chuck Waterfield of MicroFinance Transparency, to examine their rates, providing full access for that purpose. The MicroFinance Transparency report, dated January 4, 2011, is available at:

<http://www.mftransparency.org/pages/category/resources/pricing-certifications/>. It shows, in particular, that the highest effective interest rate charged for Grameen Bank’s “basic loan” (the most expensive) is 22.84%. Other loans for higher education and housing attract substantially lower interest rates, and all loan products score an unprecedented 100% on the Transparency Index. The allegation that Grameen charges interest rates of up to 200% is wrong, defamatory and deeply irresponsible – yet the film repeatedly shows individuals said to be suffering from extortionate rates.

### ***The Jobra Interview***

The film seeks to portray Grameen Bank and Professor Yunus in a damaging light by way of interviews with individuals in Bangladesh, claiming that Professor Yunus made promises to them that were not kept, or that they have suffered in other ways at the hands of Grameen Bank due to high interest rates. The alleged suffering due to high interest rates is, as stated above, false. The film presents no real evidence to substantiate the other claims, and Professor Yunus refutes any claims made concerning him. Grameen Bank also denies such claims.

This element of the film is based on filmed interviews with individuals in Bangladesh, who are identified in the film and accompanied by commentary purporting to explain and clarify what it being said in Bangla by the interviewees. From our enquiries to date, it is evident that at least some of these interviews are not as represented in the film. For example, Mr. Heinemann claims to have interviewed the daughter of Professor Yunus’s original borrower, and, in the voiceover, claims that the original borrower died in deep poverty. An independent filmmaker, Ms. Gayle Ferraro, travelled to the place of the interview and found the person he interviewed. As can be seen from her film (<http://www.youtube.com/user/microfinanceresponse#p/a/u/0/1JGBQnrC-cw>), it turns out that the person Mr. Heinemann interviewed was not in fact who he claimed. In addition, Ms. Ferraro found that the woman who was the actual borrower described in Mr. Heinemann’s film was alive and well, and confirmed the true story of how she had been helped by Professor Yunus. Ms. Ferraro’s film shows that this part of Mr. Heinemann’s film is false.

### ***Conclusion and Proposed Next Steps***

We believe that the false allegations made by Mr. Heinemann are so serious and damaging to Prof. Yunus and Grameen Bank that there is a need for substantial correction, to redress the harm inflicted upon Grameen Bank. Furthermore, the errors already identified bring into question whether there is any factual basis for other allegations made in the film.

Even though Grameen Bank may, due to the publication of the above mentioned false and defamatory statements, have a legal claim against NRK, the Bank does not desire to engage in a legal battle against NRK – at least if it's possible to redress harm by other means. I should therefore be grateful to receive your urgent response as to what measures NRK could take to correct the false statements made in the film and to rectify some of the harm inflicted upon Grameen Bank. I can confirm that Grameen Bank is willing to engage with you constructively in dealing with this; please do not hesitate to contact me to move this process forward.

I would like to emphasize that it is not Grameen Bank's or Professor Yunus's intention to stifle debate on microfinance – indeed, the Bank, Prof. Yunus and Grameen Foundation all welcome healthy, balanced debate on the issues – but deliberate and repeated false and defamatory statements and unfounded attacks with intent to inflict harm and damage do not further that debate: they distort it. They feed sensationalism and confusion, and they damage the progress that they and all responsible microfinance institutions have made in helping millions of the world's poorest citizens lift themselves from poverty. Some of the wider ramifications of this discussion are not for this letter, but are expressed in a recent article by Professor Yunus in the New York Times, which can be found at [http://www.nytimes.com/2011/01/15/opinion/15yunus.html?\\_r=1&scp=1&sq=yunus&st=cse](http://www.nytimes.com/2011/01/15/opinion/15yunus.html?_r=1&scp=1&sq=yunus&st=cse).

You may not be aware that Grameen Bank is 95% owned by more than 8 million borrowers and members of the Grameen Bank in Bangladesh. About 4% is owned by the Government of Bangladesh. The borrowers and members of the Grameen bank are 97% women, who come from the poorest sectors of Bangladesh. To these people, Grameen Bank is a vital resource that enables them to improve the lives of themselves and their families. Attacks upon Grameen Bank directly harm the interests of these people; it is on their behalf in particular that I write to explain the extent the untrue and defamatory content of Mr. Heinemann's film.

I look forward to your urgent reply.

Sincerely,



Alex Counts  
President and CEO  
Grameen Foundation