

## MICROCAPITAL BRIEFS | TOP STORIES

### Komaza Raises \$28m in Equity for “Micro-forestry” in Africa

Please see page 3 for coverage of this MicroCapital *Deal of the Month*.

### Pakistan Loosens Lending Rules in Response to COVID-19

The State Bank of Pakistan, that country’s central bank, recently took additional steps to relieve pressure on microborrowers and microbanks caused by the COVID-19 pandemic, including the following: (1) increasing the maximum general-purpose loan size from the equivalent of USD 900 to USD 2,100, with a loosened annual income cap of USD 7,000 to qualify; (2) for enterprise and housing loans, increasing the maximum loan size from USD 6,000 to USD 18,000, with an income cap of USD 9,000; and (3) increasing to 50 percent the portion of a microbank’s portfolio that may consist of loans secured by gold. Additionally, the regulator is allowing microborrowers to restructure their loans if they were current on their payments through December 2019, rather than the February 2020 criterion previously required. Lastly, customers now may agree to restructuring via recorded phone calls rather than having to appear in person. August 14, 2020


### \$10m Bond Issue by Symbiotics to Benefit SMEs in Peru via Abaco

Symbiotics, a Switzerland-based investment company, recently launched a “social” bond to raise USD 10.2 million to benefit Peruvian Cooperative de Ahorro y Crédito Abaco. The bond is part of the Sustainability, Social and Green Bond Framework of Symbiotics’ entity Micro, Small & Medium Enterprises Bonds SA. The proceeds will flow to Abaco in the form of an unsecured, senior, local-currency loan with a term of four years. Abaco plans to use the proceeds “to finance small and medium-sized enterprises within the trade, services and agriculture sectors, in particular the food industry, commercial stores and farms.” Abaco was founded in 1981 and serves 20,000 members at three branches in the city of Lima as of 2020. Its products include youth savings accounts; payment cards; and loans for enterprise, education, homes and vehicles. Abaco also provides services such as governance support for other cooperatives. It reports total assets equivalent to USD 450 million. August 5.

### Bangladesh Bank Reports Record \$2.6b in Monthly Remittances

The Bangladesh Bank, the central bank of that country, recently reported that Bangladeshis living abroad sent home USD 2.59 billion during the month of July. This was an increase of USD 760 million over June 2020 and USD 1 billion higher than July 2019. Although some observers expected a fall in remittances due to the COVID-19 pandemic, others cite the following factors as contributing to the increase: requests for aid from family experiencing unemployment and other economic shocks associated with the pandemic; the celebration of the Islamic holiday Eid-ul-Adha, which occurred in July this year (but in August during 2019); and the introduction of a 2-percent cash incentive from the Bangladeshi government for migrants to switch from using informal to formal remittance channels. Ahsan H Mansur, Executive Director of the Policy Research Institute of Bangladesh, also argued that migrants may be sending more money in preparation for returning home “due to joblessness abroad.” August 5, 2020

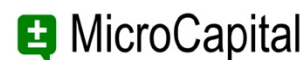
### Smart Campaign Closing; SPTF, CERISE to Boost Client Protection

The Smart Campaign, an initiative of the US-based Accion’s Center for Financial Inclusion, recently announced that it would wind down following 10 years of activity. Two nonprofit partners of the initiative, the US-based Social Performance Task Force (SPTF) and France-based Comité d’Echange, de Réflexion et sur les Systèmes d’Epargne-Crédit (CERISE), have agreed to continue the evolution of the Smart Campaign Client Protection Standards, thereby “ensuring that [this tool] continues to be the ‘do no harm’ foundation of social performance management.” While SPTF and CERISE will not accredit the client-protection practices of financial services providers, they will work with rating agencies that are interested in doing so. Isabelle Barrés, the outgoing Global Director of the Smart Campaign, attests, “As the landscape of providers serving the needs of clients at the base of the pyramid continues to diversify, it will be critical to better understand the incentives that motivate them to adopt good practices.” July 30, 2020 

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### Next Month:

A preview of European Microfinance Week, which will take place online November 16-20, 2020



### WE WISH YOU HEALTH!

We recognize the significant health and business impacts that COVID-19 is having on communities around the world. Thank you for your efforts to minimize the risks that we all are facing. While each of us at MicroCapital is lucky enough to be able to work from home, we understand that many of our colleagues are not able to do so. We wish you and your loved ones good health and resilience during this challenging time.

## MICROCAPITAL BRIEFS

### SEAF Invests in CloudCfo, Service Provider to Philippine SMEs

The US-based Small Enterprise Assistance Fund (SEAF) recently placed an equity investment of undisclosed size in CloudCfo of the Philippines, which plans to use the cash to fund growth across the online accounting, bookkeeping and financial reporting services it provides to small and medium-sized enterprises. SEAF Managing Director Jennifer Buckley stated, “We are impressed by the strong expansion of [CloudCfo’s] customer base, particularly among women entrepreneurs, while exhibiting solid retention metrics.” SEAF focuses on “providing small and medium-sized enterprises in emerging markets with the capital, knowledge, and resources necessary to grow their business and impact their local communities.” The group has offices in 33 countries and a track record of managing 38 funds. August 28, 2020

### Maha Agriculture Borrows \$6m for E-microfinance in Myanmar

The Netherlands Development Finance Company, which also is known by its Dutch acronym FMO, recently disbursed a loan of USD 6 million to Myanmar-based microfinance institution Maha Agriculture to be on-lent as microloans in rural areas. The goal of the wholesale loan is to support small-scale farmers impacted by the COVID-19 pandemic, particularly to alleviate market illiquidity and food insecurity. Maha, which is a subsidiary of Yangon-based agricultural input manufacturer Myanma Awba Group (Awba), focuses on digital agri-lending products. Awba created Maha in 2013 to provide loans to farmers as well as retailers of goods such as fertilizer and seeds. Maha operates 32 branches across eight regions of Myanmar, serving 40,000 clients, 93 percent of whom are farmers. Awba, which was established in 1995, provides products and services such as seeds, crop insurance and nutrition education to 3.5 million farmers. August 27, 2020

### DMA to Connect Farmers in Tanzania with Inputs, Buyers

Through a performance-based contract, the UN Capital Development Fund (UNCDF) is backing Tanzania-based Digital Mobile Africa (DMA) to offer farmers in the Kigoma region of Tanzania online access to agricultural input retailers, crop buyers and financial services providers. DMA’s online portal is integrated with multiple mobile network operators and offers financial services under the license of the Tanzanian Postal Bank. These financial services include payments, credit, savings, remittances and insurance. In addition to funding, UNCDF provides DMA with technical assistance and connections to stakeholders in the financial services and farming sectors. DMA has enrolled 6,700 farmers in the region since 2019 and seeks to reach a total of 8,000 by June 2021. Established in 2018, DMA is an “agri-fintech” that serves 872,000 smallholder farmers as well as micro-, small and medium-sized agribusinesses in Tanzania and Rwanda with offerings such as data management, marketplace connections and digital financial services. August 26, 2020

### EFSE Lending \$2.4m to BT Leasing for MSEs in Moldova

The European Fund for Southeast Europe (EFSE), a microfinance investment vehicle domiciled in Luxembourg, recently agreed to loan the euro-equivalent of USD 2.4 million to Banca Transilvania (BT) Leasing MD, a Moldovan entity controlled by Romania’s BT, to finance micro- and small enterprises (MSEs) that need capital as a result of the economic impacts of COVID-19. BT Leasing MD has 3,000 clients, mainly small and medium-sized enterprises. EFSE Board Chairperson Christoph Tiskens commented, “Leasing...opens up access to long-term investment in fixed assets without demanding the large amounts of collateral often unavailable to MSEs.” BT is a privately owned bank that was established in Romania in 1994 and serves 3.2 million clients as of 2020. During the six months ending June 2020, BT reported net consolidated local-currency profit equivalent to USD 169 billion on total assets of USD 24 billion. August 25, 2020

### FMO Loans \$3.5m for Microfinance, SMEs via ACEP Burkina Faso

Alliance de Credit et d’Epargne pour la Production (ACEP) Burkina Faso recently borrowed the equivalent of USD 3.5 million from the Netherlands Development Finance Company, a public-private partnership often referred to as FMO, to support ACEP Burkina’s lending to microenterprises as well as small and medium-sized enterprises (SMEs). ACEP Burkina, a member of the ACEP Group, aims to fight poverty through the provision of financial services. Microenterprises comprise 80 percent of its loan portfolio, with the remainder outstanding to SMEs. Created in 2009, ACEP Burkina has seven branches, 194 employees and a credit portfolio equivalent to USD 41 million. In addition to Burkina Faso, ACEP Group has microfinance institution members in Cameroon, Madagascar and Niger. The remaining unit of the group is ACEP Conseil, which provides management consulting services within the group. ACEP Group has 1,300 employees serving 140,000 entrepreneurs with a loan portfolio of USD 122 million. August 24, 2020

### IFC Loans \$50m to Diamond Trust Bank Kenya for SMEs

To support small and medium-sized enterprises (SMEs) that are struggling during the COVID-19 pandemic, the International Finance Corporation (IFC), the private-investment arm of the World Bank Group, recently issued a loan of USD 50 million to Nairobi-based Diamond Trust Bank (DTB) Kenya Limited. The targeted sectors include financial institutions, tourism, manufacturing and healthcare. IFC is funding the loan through Working Capital Solutions, its program that provides one-year, renewable loans to banks to on-lend to SMEs for working capital and trade finance “in markets where macroeconomic factors have caused a reduction in the availability of US dollars.” Founded in 1945, DTB Kenya is listed on the Nairobi Securities Exchange. Its top stakeholder is the Switzerland-based nonprofit Aga Khan Development Network, which owns 16.5 percent of the bank’s shares. DTB Kenya holds total assets equivalent to USD 3.5 billion as of 2020. During 2019, it generated 1.8 percent return on assets and 12 percent return on equity through its service to 600,000 customers. In addition to its operations in Kenya, the institution has subsidiaries in Burundi, Tanzania and Uganda. August 21, 2020

### EBRD Lends \$47m to CaixaBank for SMEs in Morocco

CaixaBank, a Spanish retail bank, recently accepted a dirham-denominated loan worth approximately USD 47 million from the European Bank for Reconstruction and Development (EBRD), a UK-based development finance institution. CaixaBank is to use the funding to on-lend to Moroccan small and medium-sized enterprises (SMEs) that have been adversely affected by COVID-19. In concert with the loan, “EBRD will also support CaixaBank’s expansion strategy to SMEs located outside the Casablanca-Rabat axis.” CaixaBank has offices in the Moroccan cities of Agadir, Casablanca and Tangier in addition to serving 15 other countries. The bank earned gross income of USD 2.5 billion on assets of USD 463 billion during 2019. Founded in 1991, EBRD seeks to support a “transition to open, market economies, whilst fostering sustainable and inclusive growth” in 38 countries in Central Asia, Eastern Europe and North Africa. August 20, 2020

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For questions, comments or suggestions, please contact us via  
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Please refer to <http://MicroCapital.org> for the sources of all information appearing in this publication. Among these, MicroCapital recognizes CGAP’s FinDev Gateway for its outstanding work disseminating information on financial inclusion. Thank you!

### EIB Lends \$12m to Credo to Support Food Production in Georgia

Credo Bank, a microfinance institution in Georgia, recently accepted a local-currency loan worth approximately USD 11.8 million from the EU's European Investment Bank. Credo will use the funds to on-lend primarily as working capital for farmers and entrepreneurs in rural areas, with the aim of lessening the impacts COVID-19 has had on food production in particular and the country's agricultural sector in general. Carl Hartzell, the EU Ambassador to Georgia, said that "improving living conditions in rural areas is an important priority of EU-Georgia cooperation. This loan will have a strong focus on the local agricultural sector, which is key from a local food production and employment perspective." This loan is also part of the EU's pledge of USD 7.5 billion to alleviate the impact of the COVID-19 pandemic in 100 partner countries. Credo Bank, which was founded in 1997, focuses on serving small and medium-sized enterprises in rural areas. It serves 270,000 customers via 68 service centers and is owned by three European investment firms. August 17, 2020

### BIO Investing \$1.5m in FINCA Malawi for MSMEs

The Belgian Investment Company for Developing Countries, a government-backed institution also known as BIO, recently began disbursing funds as part of a four-year loan of USD 1.5 million to FINCA Malawi, a microfinance institution owned by the US-based firm FINCA Impact Finance. FINCA Malawi will use the funding for on-lending via its mobile channel, 23 branches and 63 agents. The microbank offers group and individual loans ranging in size from the equivalent of USD 110 to USD 200,000. It holds client savings of USD 3.9 million and also offers insurance services. FINCA Impact Finance owns 20 financial institutions that serve 2.7 million clients in 20 countries. The company is majority-held by FINCA International, a US-based NGO formerly known as the Foundation for International Community Assistance. August 12, 2020

### As Bank of Ghana Intervenes, Concerns of MFI Failure, Profiteering

To cushion the effects of the COVID-19 pandemic, many microfinance institutions (MFIs) in Ghana have granted their borrowers repayment moratoria of up to 6 months. Meanwhile, local researcher Samuel Darko cited a report from the Bank of Ghana, the central bank of the country, stating that a "liquidity stress-test conducted for the sub-sector shows minimal survival rate for most MFIs." In an effort to assist lenders, the Bank of Ghana has: (1) provided cash to some institutions, including via the apex bank for rural and community banks; (2) extended until the end of 2021 the date by which MFIs must meet previously announced increases in capital reserves; (3) reduced primary reserve ratios by 2 percentage points; and (4) reclassified loan repayments that are overdue by 1 to 30 days as "current." However, Mr Darko warns, "These interventions... must meticulously be appropriated by the MFIs for intended purpose of survival (liquidity) only, rather than using same for presumptuous profiteering enterprises, which [would] jeopardize the sub-sector." August 12, 2020

### Komaza Raises \$28m in Equity for "Micro-forestry" in Africa

Four investors recently agreed to place equity totaling USD 28 million in the Komaza Group, a Kenya-based forestry company, to expand its work with smallholder farmers in Africa to use their idle land for growing trees. Established in 2006, Komaza partners with groups of "rural farmers to plant woodlots that [they] manage collectively as a 'virtual plantation.' Farmers contribute land and labour, and are paid a fair price for their harvested trees." The company also provides training, planting inputs, maintenance support, harvesting services, and opportunities for farmers to engage in wood processing and sales. The new investors in Komaza, which has worked with a total of 25,000 farmers, are the AXA Impact Fund: Climate & Biodiversity; Mirova's Land Degradation Fund; Novastar Ventures East Africa Fund; and the Dutch Fund for Climate and Development. August 11, 2020



## EUROPEAN MICROFINANCE WEEK

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### DFC Announces Partnerships, \$6b Goal to Support Women

The US International Development Finance Corporation, a government-backed institution, recently announced it will participate in the following initiatives: (1) increasing the target of funds to be mobilized through the 2X Women's Initiative of the Women's Global Development and Prosperity Initiative to USD 6 billion; (2) lending USD 92 million with "additional financing from a Citibank loan-term loan" to Banco del País of Honduras to "nearly double maximum loan tenors for" its small and medium-sized enterprise clients, especially those led by women; (3) collaborating with US-based technology firm Microsoft to develop "information and communications technology infrastructure" intended to bridge the "digital divide" by serving entities such as educational institutions; and (4) arranging sessions for entrepreneurs and investment officers to collaborate on gender-focused investment strategies, funded by the government of Taiwan. August 10, 2020

### CAURIE of Senegal Borrows \$1.4m from Grameen Credit Agricole

Coopérative Autonome pour le Renforcement des Initiatives Économiques par la Micro finance (CAURIE-MF), a microfinance institution in Senegal, recently borrowed the approximate equivalent of USD 1.4 million from the Grameen Credit Agricole Foundation, whose head office is in Luxembourg. Based in the city of Thies, CAURIE-MF was founded in 2005 and serves 80,000 women, including 48,000 in rural areas as of 2020. August 6, 2020

### Accion's CFI to Hold Financial Inclusion Week October 13-16

The Center for Financial Inclusion (CFI), an initiative of US-based NGO Accion, is planning to hold the sixth iteration of its Financial Inclusion Week from October 13 to October 16. The series will include online events focusing on four of CFI's priorities: (1) Consumer Protection; (2) Data Opportunities and Risks for Financial Inclusion; (3) Women's Financial Inclusion; and (4) Financial Services for Mitigating and Adapting to Climate Risk. August 6, 2020

### MFIs in India Starved for Cash Despite Increased Repayments

The India-based Information and Credit Rating Agency, whose top shareholder is US-based Moody's Investors Service, found that collection efficiency during June ranged from 40 percent to 70 percent among 21 microfinance institutions (MFIs) in India. This follows a drop in efficiency to approximately 10 percent, cumulatively, during April and May. The increase in repayments, which was led by borrowers operating in agriculture and related activities, occurred despite the Reserve Bank of India extending a moratorium on microborrower repayments from May to August. On average, MFIs' cash-to-assets ratios remained steady near 10 percent from late March to late May. However, "the ratio for entities in the 'BBB' and below rating category was less than half of the ratio for entities in the 'A' and above rating category." Accordingly, many MFIs do not have enough liquidity to cover their operating expenditures between June and September while also satisfying their debt obligations. August 4, 2020

### TradeCore Platform Facilitates Launching of New Fintechs

TradeCore, a financial technology (fintech) firm that assists digital financial services providers (FSPs) in navigating regulation, licensing and payment systems, recently established a platform to expedite the launching of new FSPs. The platform offers services relating to legal matters, digital banking, cryptocurrency, investment, know-your-customer protocols, and issuing digital and physical Mastercard-branded payment cards. TradeCore CEO Stefan Pajkovic argues, "For too long fintechs have faced too many barriers to market in the form of regulation, compliance or costly processes to reach the market. This has stifled innovation, cost far too much money, and has had a detrimental effect on the ability of fintechs to move quickly." TradeCore's partners include three UK-based firms, ComplyAdvantage, which provides client on-boarding services for fintechs, and Modulr and Truelayer, both of which specialize in automated programming interfaces (APIs). August 3, 2020

### Orange, NSIA Launch E-bank in Côte d'Ivoire

France-based telecommunications company Orange recently partnered with NSIA Group, a firm in Côte d'Ivoire that specializes in bancassurance, to establish Orange Bank Africa in the city of Abidjan. Orange Bank Africa offers both microcredit and savings services through mobile phones via the Orange Money payment service. The minimum loan size is equivalent to USD 9, and the minimum deposit transaction is USD 2. Savings balances up to USD 18,000 earn annualized interest of 3.5 percent. In the future, Orange Bank Africa plans to extend its operations to Burkina Faso, Mali and Senegal. In addition to France, NSIA Group operates in 12 countries in West and Central Africa. Orange serves 266 million customers in 26 countries in Africa, Europe and the Middle East. July 30, 2020

### Refugee, Host Savings Groups in Uganda Meet Despite COVID-19

VisionFund Uganda, a microfinance institution of VisionFund International, recently conducted a survey on the impacts of COVID-19 on refugee and host-community savings groups. The 417 respondents are members of savings groups in the Yumbe and Obongi districts of Uganda, to which many refugees from South Sudan have relocated. The findings are: (1) 81 percent of savings groups are still meeting, including 65 percent doing so in-person, albeit in smaller sub-groups; (2) whereas 24 percent of host-community groups stopped saving, only 2 percent of refugee groups stopped saving; (3) although 92 percent of respondents experienced "financial stress," 58 percent reported no increase in requests to their savings groups' social funds; (4) in terms of their businesses, 47 percent reported "a big reduction in income," 11 percent reported "a complete stop to income" and 6 percent reported an increase. VisionFund International operates in 28 countries. Its parent organization, World Vision, is a US-based Christian relief and development organization that recorded 2019 revenue of USD 1.1 billion. July 30, 2020

## MICROFIN

Operational Planning for MFIs

#### WEB COURSES:

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September 28 - October 2  
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December 14-18

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## SPECIAL REPORT

*This feature is sponsored by the Development Finance e-Campus of the Frankfurt School of Finance and Management.*

### Frankfurt School Development Finance e-Campus: A Decade of Online Education

When we were getting ready to launch our first online course, I was full of hope and optimism. But I must admit, I was rather disappointed *after* the launch - I had expected the initial enrollment to be higher. This was when we realised that we needed to prove that online education is just as effective as traditional classroom learning - and that it even comes with its own unique advantages.

Ten years ago, the e-Campus consisted of just one course, Certified Expert in Microfinance. A decade later, that course has become an industry standard, and our portfolio spans 13 Certified Expert courses covering the fields of inclusive and green finance, contributing to 14 of the UN Sustainable Development Goals. We also have added a full-fledged online Master Programme on Sustainable Finance as well as two Diplomas in Financial Inclusion and Green Finance, respectively. With over 8,000 alumni now covering even the most remote corners of the globe, we must have gotten something right over the past 10 years!

#### The Secret to Success

The secret of e-Campus' success is the best kept one in all of Frankfurt School! But I'd like to share some of the aspects that I believe have contributed the most to our success over the last decade.

**We stay true to our mission.** Education is central to development, both in the sense of personal development and the wider context of community development. We have always focused our attention on underserved areas whose access to quality education is limited.

**Frankfurt School's experience** in development finance and digital education has enabled us to develop high-quality course content and structures, delivering both academic and practical insights tailored to students' needs. This has helped greatly in maintaining students' motivation and explains our very low dropout rate - a rarity in online education.

**Our dedicated team of advisors** accompanies participants through every step of their journey, offering advice and support - participants never find themselves on their own while pursuing coursework at Frankfurt School.

**The trust, loyalty and feedback of our participants** has motivated the whole team continually. By listening to the feedback of participants, both complimentary and constructive, we have been able to mold and develop our course structure and content over time to truly meet the educational needs of our participants.

#### A Decade of Challenges

Of course, the past decade has not passed without challenges. We work hard to encourage students to enroll by meticulously explaining the benefits of online education, overcoming the technical challenges that come with delivering digital education worldwide and maintaining the integrity of the qualifications we provide.

I would be remiss if I did not mention the COVID-19 pandemic, which has served us with its own unique challenges. Until the start of 2020, the final examinations for our online courses were hosted in-person at our

partner centers all across the world. However, after a successful trial period, our final exams now are hosted online, affording participants a fully online experience. Our sophisticated software system maintains the integrity of examinations through several layers of security measures.

#### The Next 10 Years

I am confident that the Development Finance e-Campus will continue on its growth path of the previous 10 years. However, the external environment in our day and age remains largely unpredictable, so it is difficult to say what might arise and how the unexpected could impact the e-Campus over the next decade.

So far, we have learned the importance of adapting quickly - not only in terms of technical improvements, but also to cope with external challenges to meet the needs of our participants. We are constantly working to improve our procedures and add new topics to our portfolio to cover new demand while ensuring high-quality standards. However, one sure thing is that we will continue to stick to our core values and provide education to those underserved areas that need it the most! As part of this work it is our goal to expand our portfolio to address the remaining UN Sustainable Development Goals that our courses currently do not cover.

*Junes Arfaoui is the Programme Director of the Frankfurt School Development Finance e-Campus (FSDF e-Campus). Junes is celebrating his 10-year anniversary with Frankfurt School of Finance and Management, having worked with the e-Campus since its conception in 2010. He is passionate about delivering high-quality education especially to those with limited access to such resources.*

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## EAR TO THE GROUND

### Resilience Is Temporary: Let's Not Leave People on Their Own

Having not left the US for the past six months (an extreme rarity for someone in my line of work!) due to the pandemic, I find myself exploring parallels and contrasts between what I observe here and what is happening abroad. In the US, we have had toilet paper and sanitizer hoarding, crowded emergency departments with staff forced to reuse protective equipment, and middle-class Americans brandishing military-grade weapons as protesters for racial justice pass their homes. These are jarring manifestations of the “We Are on Our Own” attitude that many people have taken. The economic, political and social structures in the US - as in many developing countries - have been at best inefficient and often incapable of meeting the needs of financially vulnerable people. In this time of crisis, people's resilience largely has been limited by whatever tools they already had in hand.

This lack of safety nets is one of the reasons that microfinance continues to be a relevant - if not essential - service after decades of being the only game in town in many poor communities. It is also one of the reasons our industry has worked to promote savings by simplifying bank account access (through tiered-KYC accounts) and promoting financial health initiatives. These efforts can feel futile, considering how hard it is for poor households to save - and how easy it is to borrow. Yet the pandemic has revealed that savings are an essential tool for the initial management of crises. This is largely because governments have struggled to get cash out quickly and to the right people, even when there are digital options.

At a recent webinar hosted by Sistema Económico Latinoamericano y del Caribe, Manuel Orozco explained that Latino migrants in the US have shown a moderate level of resilience to the pandemic, in particular, Mr Orozco posits, because they entered it with more savings than they did the financial crisis of 2008-2009. This is somewhat ironic since it has become more difficult for undocumented migrants to open bank

accounts since then. Despite lockdowns in the US, where most Mexican migrants live and work, remittances increased 35 percent in March YOY as migrants took advantage of the favorable exchange rate to send more money home. Back in Mexico, according to a recent study by BFA Global, 66 percent of Mexican households began preparing for the crisis by storing provisions that same month, and 70 percent did so with savings, presumably using mostly their own cash, as many do not receive remittances. In Ecuador, a study of the clients of Fundación Espoir reveals that 34 percent have been using savings to cover their expenses. (For women and men, the rates were 36 percent and 29 percent, respectively.)

I am encouraged that some households had savings to tackle the early stage of the pandemic, but BFA notes that today only 45 percent of survey respondents in Mexico have money saved for emergencies - meaning many have depleted their reserves. In Kenya, BFA also finds savings to be minimal, and most of those surveyed owe money to digital lenders.

These anecdotes lead me to a few reflections. First, savings are a critical tool for managing crises, and it doesn't have to be formal or digital. In fact, where mobile money is prevalent, balances have been coopted into debt traps, leaving folks even less resilient. We all know the risks of saving money “under the mattress,” but no one will secure a loan with that money, and it can't be taken away from you to cover loan payments. This leads to my second thought: savings are a first line of defense, but they eventually run out. People lucky enough to be able to save likely just are buying time in the hope that their governments will get their response plans into action and prove that, in fact, we are not on our own.

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has more than 25 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or [bmagnoni\[at\]eac-global.com](mailto:bmagnoni[at]eac-global.com), or you may follow her on Twitter at [@BarbaraatEA](https://twitter.com/BarbaraatEA).*






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## UPCOMING EVENTS

### Future Banking 2020

September 9 - September 10, 2020; Bucharest, Romania  
Originally scheduled for May 2020, this event will cover a range of technical, marketing, funding and other topics relating to the use of financial technology (fintech) by traditional and non-traditional financial service providers. The fee to attend in person is EUR 79, but there is also a no-cost option to attend online. More details are available via <https://www.futurebanking.ro/>, contact[at]futurebanking.ro or +40 212 015 000.

### APAC Microfinance Forum

October 20 - October 21, 2020; Kuala Lumpur, Malaysia  
Topics at this forum include the impact of COVID-19, gender disparities in financing, overindebtedness, transforming into a digital institution, alternative methods for assessing risk and alternative funding sources such as peer-to-peer lending. The fee to attend is EUR 1,300. For additional information, you may visit <https://www.uni-global.eu/portfolio-page/3rd-annual-apac-microfinance-forum/>, call +420 226 220 400 or email office[at]uniglobal.eu.

### Global Insurtech Summit

October 21 - October 22, 2020; Istanbul, Turkey  
Presenters at this summit will demonstrate products and address topics in insurance technology (insurtech) such as getting more out of partnerships, bancassurance, distribution channels and the "smartphone as a digital marketplace." A delegate pass costs EUR 1,195. You may seek additional details from Nevena Atan via [nevena.atan@euro-events.co](mailto:nevena.atan@euro-events.co) or +420 234 261 963, or you may visit <https://insurtechsummit.io/>.

## MORE DETAILS COMING SOON ON:

### AltFi London Summit 2020

November 9, 2020; London, UK

### Digital Investing

November 24, 2020; London, UK

### Inclusive Finance India Summit

January 18 - January 19, 2021; New Delhi, India

### Finovate Europe

February 9 - February 11, 2021; Berlin, Germany

### Africa Trade and Investment Convention

March 26 - March 27, 2021; Amsterdam, the Netherlands

### AFSIC (Africa Financial Services Investment Conference)

May 5 - May 7, 2021; London, UK

### Global Forum on Remittances, Investment & Development - Africa

June 16 - June 18, 2021; Nairobi, Kenya

### Super HappyYness Festival

June 26 - June 29, 2021; Munich, Germany

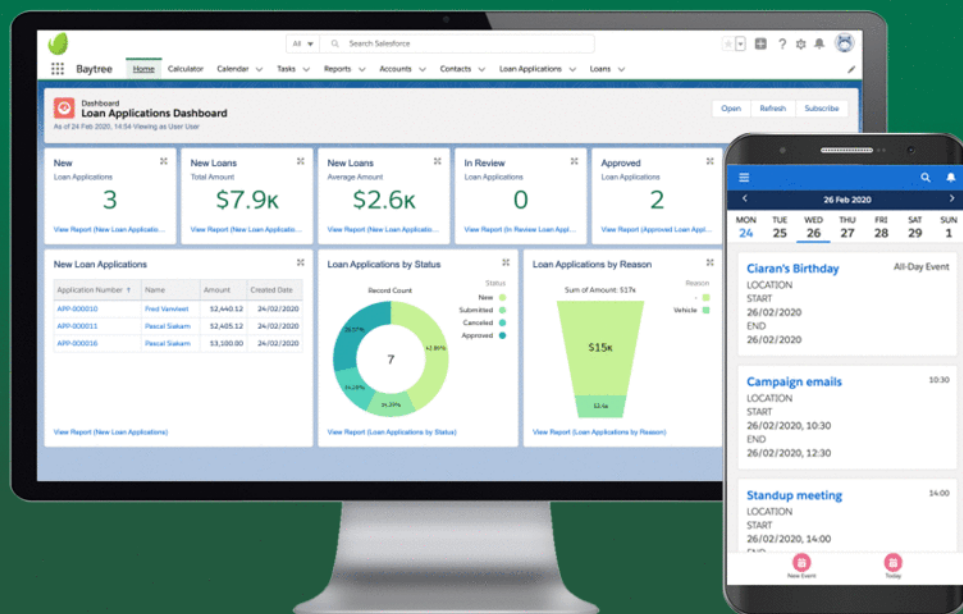
### Finnosummit Mexico 2021

September 21 - September 23, 2021; Mexico City, Mexico

### 16th International Conference on Inclusive Insurance

October 26 - October 29, 2021; Kingston, Jamaica 🇯🇲

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## PAPER WRAP-UPS

### Gendered Social Norms in Financial Inclusion: A Diagnostic Study from Southeastern Turkey

By Adriano Scarampi, Dima AlBashar and Deena Burjorjee; published by CGAP (Consultative Group to Assist the Poor); July 2020; 48 pages; available at [https://www.findexchange.org/sites/default/files/users/user331/CGAP\\_GenderNorms\\_Final-Web.pdf](https://www.findexchange.org/sites/default/files/users/user331/CGAP_GenderNorms_Final-Web.pdf)

Through interviews with 93 members of southeastern Turkey's Arab population, the authors identified community norms that impact financial inclusion, such as the idea that women do not need to save because men should act as providers and the perception that it is "less acceptable" for women than men to use financial products that are not compliant with sharia, Islamic law. Potential avenues for intervention include: (1) executing "targeted messaging and awareness" efforts to demonstrate inconsistencies in perceptions of norms, such as when women follow a norm because they think others, such as their husbands and extended family members, have stronger feelings about the norm than they actually do; (2) identifying where norms are evolving, so products can be designed to target and encourage those who are beginning to break a norm, "contribut[ing] to overall relaxation of a norm and encourag[ing] others to break it;" and 3) engaging the private sector and government to celebrate norm breakers, encouraging those who disagree with a norm but lack sufficient confidence to break it.

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### Fintech, Digital Finance and Funding: How the Development Sector Is Channeling Money to Digital Financial Services

By Howard Miller, published by MIX and the Center for Financial Inclusion at Accion, July 2020, 26 pages, available at [https://content.centerforfinancialinclusion.org/wp-content/uploads/sites/2/2020/07/MIX\\_DFS-Funding-Flows\\_July2020.pdf](https://content.centerforfinancialinclusion.org/wp-content/uploads/sites/2/2020/07/MIX_DFS-Funding-Flows_July2020.pdf)

In this study, Mr Miller found that: (1) development funders had USD 1.95 billion invested digital financial services as of year-end 2018; (2) there is a positive correlation between financial inclusion and the amount of investment "potentially due to a limited number of providers with the capacity to absorb funding, and riskier investment profiles" in relatively low-inclusion countries; and 3) investments have shifted to financial technology firms (fintechs) to the exclusion of mobile network operators and traditional financial services providers.

### Women's Access to Cash Transfers in Light of COVID-19

By Shelby Bourgault and Megan O'Donnell, published by the Centre for Global Development, June 2020, 9 pages, available at <https://www.cgdev.org/sites/default/files/womens-access-cash-transfers-light-covid-19.pdf>

This paper analyzes the efficacy of various cash-transfer programs created by the Pakistani government in reaching low-income women. Under the Ehsaas Emergency Cash Program, which is intended to counter the effects of COVID-19 on both male and female citizens, 12 million families can receive the equivalent of USD 75. Limitations of the program include that the amount is well below the World Bank's estimated cost for food for the intended time period and that the program requires access to both a mobile phone and a national identification card, which only 25 percent of poor women in Pakistan have. 🇵🇰

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