

## MICROCAPITAL BRIEFS | TOP STORIES

### MFI Network Gojo Takes \$14m Stake in Satya of India

Please see page 4 for coverage of this MicroCapital *Deal of the Month*.

### Mobile Money Usage Up 4x, Cash-outs Down 50% in Rwanda

Airtel, an India-based telecommunications company that operates in Rwanda and 17 other countries in Africa and Asia, reportedly has observed “a spike in data, mobile payments and voice [usage] during the lockdown” imposed by the Rwandan government in response to the COVID-19 pandemic. Contributing to the increase in mobile payments was a March 15 instruction from the National Bank of Rwanda, the country’s central bank, that mobile network operators in the country waive all charges on person-to-person payments and other transfers to and from electronic wallets. Insight2impact, a South Africa-based promoter of financial inclusion in Africa and Asia, reportedly found the daily value of mobile transactions in Rwanda grew from the equivalent of USD 11 million to USD 26 million during the week of March 15. By April, that figure grew to USD 43 million. From February through April, the daily value of mobile money transactions grew 485 percent while the total number of transactions increased 397 percent. From January to April, the value of cash-outs from mobile wallets fell by more than half. June 22, 2020


### 26 Firms Pledge to Support MFIs, Clients Through Pandemic

At the initiative of the Luxembourg-based Grameen Crédit Agricole Foundation, microfinance lenders and other operators in the inclusive finance sector have agreed to a set of “Key Principles to Protect Microfinance Institutions and Their Clients in the COVID-19 Crisis.” The commitment includes the following measures: operating in a customer-centric manner, protecting staff members, sharing information, providing training and technical assistance, minimizing foreign-exchange risk, providing additional debt funding, and taking a cooperative and transparent approach to requests for payment moratoriums as well as debt restructuring. Since the publication of the pledge, which had been signed by 20 organizations, an additional six had joined by June 6. The list of signatories is available at <https://microcapital.org>. June 8, 2020

### Brazil Launching Open Banking Regulations

Banco Central do Brasil, Brazil’s central bank, is introducing open banking regulations “enabling licensed institutions to share customer data” with the goal of encouraging “the rise of comparison platforms, financial management tools and more customer-friendly payment initiation procedures.” The central bank plans to implement the regulations in four phases from November 2020 through October 2021. Ozone, a UK-based financial technology (fintech) firm, is partnering with Brazil’s TecBan, an operator of automated teller machines, to assist firms in complying with and benefitting from the new regulations. June 8, 2020

### Cybercrime Against FSPs, Clients Rises During Pandemic

Amidst the COVID-19 pandemic, the use of digital payment services has risen, leading to an increase in fraud and thus a renewed urgency to educate and otherwise protect consumers of these services. Financial services providers (FSPs) also need to remain vigilant in safeguarding their information technology (IT) systems. Dr Adesola Adeduntan, the CEO of FirstBank Nigeria, reportedly noted, “The increased adoption of digital channels by customers and the activation of remote work model[s] by financial institutions have widened the cyber-attack surface.... Cyber-criminals are exploiting the crises to launch tirades of attacks on financial institutions’ IT networks.” In an effort to counter these risks, Philippine Payments Management Incorporated (PPMI), which oversees the Philippines’ National Retail Payment System, is encouraging users to rely solely on “official websites and verified social media accounts” when seeking information from FSPs. PPMI also has requested that banks and issuers of digital money invest in their digital security frameworks, including by regularly updating their systems. June 5, 2020 

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### Coming Next Month:

COVID-19 edition of e-MFP’s *Financial Inclusion Compass* survey of the sector



### 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

### Paytm of India Expands Retailer Network, Boosts Credit Limit 5x

Paytm, an Indian digital payment firm, recently expanded the network of locations that participates in its payment system, which is based on purchasers scanning QR codes with their mobile phones, as well as its Postpaid service, which allows customers to delay paying for these purchases by one month. Paytm's expansion focused on neighborhood shops known as kiranas, which sell groceries and home essentials, and other in-person retailers that sell similar goods. Among the chains in this category are Apollo Pharmacy, Croma, Haldiram, Reliance Fresh and Shoppers Stop. Paytm also signed on other retailers and restaurants such as Domino's, HungerBox, Pepperfry, Patanjali, Spencer's and Tata Sky. Meanwhile, Paytm is increasing the monthly credit limit for Postpaid from the equivalent of USD 265 to USD 1,310. Paytm, whose name derives from the phrase "pay through mobile," has 7 million merchant partners in India. Its shareholders include Alibaba, Ant Financial, SAIF Partners and Softbank. June 29. 2020

### Planet42, Financier of Used Vehicles in South Africa, Raises \$2.6m

Planet42, a lender in South Africa that had been known as CarGet, recently raised the equivalent of USD 2.6 million in equity to expand its "rent-to-buy" service for used cars in South Africa. Neither the names of the investors - a mix of private and institutional entities - nor the sizes of their stakes have been released. Planet42 manages risk through "an automated scoring algorithm and securing its assets [via] title deed, tracking technology [and] comprehensive and mechanical insurance." Clients submit monthly rental payments for their vehicles and are offered a buy-out price that declines over five years to USD 300. Planet42 has financed 1,800 cars and reports annual turnover of USD 4 million. Verdant Capital, which has offices in the Democratic Republic of Congo, Ghana, Mauritius, Nigeria and South Africa, served as advisor on the equity raise and is seeking additional debt funding for Planet42. June 28. 2020

### Nordic Microfinance Initiative Raises \$5m from Lauritzen Fonden

Denmark-based Lauritzen Fonden recently invested USD 5 million in "Fund IV" of the Nordic Microfinance Initiative (NMI), a Norway-based public-private partnership that invests in microfinance institutions and agricultural initiatives in developing countries. The new investment is specific to microfinance, mainly for women in Africa and Asia. Lauritzen describes itself as a "commercial foundation." It earns income from shipping concerns and investments in real estate, technology, software and equipment and then disburses the approximate equivalent of USD 6 million per year to mission-driven organizations. Founded in 2008, NMI has five funds holding aggregate assets of USD 280 million, including 18 direct investments in six countries that reach 9 million people, of whom 90 percent are women. The funds have also placed a total of seven investments in other microfinance investment vehicles. NMI reports a history of generating returns to investors of 3 percent to 5 percent per year. June 26. 2020

### JP Morgan, EBRD Deliver TA to MSMEs Led by Women in Turkey

US-based financial services firm JP Morgan recently agreed to co-fund the Turkish operations of the Women in Business Programme of the UK-based European Bank for Reconstruction and Development. Women in Business, which expanded to Turkey in 2014, supports micro-, small and medium-sized enterprises (MSMEs) operated by women in 18 countries. In Turkey, the support from JP Morgan will fund: (1) technical assistance in areas such as energy efficiency, marketing and financial reporting; and (2) "a new digital platform or solution that will expand access to know-how and learning opportunities for MSMEs" as well as networking opportunities. To qualify, a firm must have "fewer than 250 employees and less than [USD 56 million] in annual turnover or...a balance sheet total of less than [USD 48 million]." June 25. 2020

### Singapore Offers \$1.2m Fintech Challenge on COVID-19, Climate

The Monetary Authority of Singapore, Singapore's central bank, is hosting a competition to encourage financial technology (fintech) firms to "enable the financial sector to respond better to the pandemic and climate change." Registration is open until August 7, and 12 winners will share USD 1.2 million in cash prizes. The winners will be announced in November at the Singapore Fintech Festival. June 24. 2020

### CGAP Gauges COVID-19 Impact with Biweekly MFI Survey

In an effort to understand the needs of microfinance institutions (MFIs) and their clients during the COVID-19 pandemic, the US-based NGO CGAP (Consultative Group to Assist the Poor) has launched a biweekly survey called the "Global Pulse Survey of Microfinance Institutions." CGAP is releasing the results on the Atlas data platform, which is a service of Italy-based MFR (MicroFinanza Rating). The data, which are shown in charts that the user can manipulate in several ways, cover various measures of delinquency, change in delinquency, perceptions of the state of the sector and organization-wide data such as debt-to-equity ratio. For responding MFIs deemed "large," the 30-day portfolio-at-risk ratio (PAR30) is 7 percent, while it is under 6 percent for small MFIs. PAR30 is the highest (10 percent) in sub-Saharan Africa, while MFIs in the Middle East and North Africa reported the highest growth in that metric (over 112 percent). The survey is designed to take approximately 15 minutes for MFI staff to complete. June 24. 2020

### Azerpost to Offer Mobile Money as Banking Agent in Azerbaijan

Azerbaijan's postal services company, Azerpost, is working to boost financial literacy in the country and introduce a mobile wallet service, with a particular focus on reaching rural areas. The effort is supported by the World Bank Group's International Finance Corporation and the State Secretariat for Economic Affairs of Switzerland. Azerpost recently began offering in-person financial services at its 1,600 outlets, and the e-wallet will allow Azerpost customers to access the services from multiple banks, with Azerpost acting as an agent. This work is part of a wider effort to develop a suite of electronic services in the country, including e-commerce and the ability to perform government registrations via the internet. June 23. 2020

### Incofin Loans \$1.1m to SAVE for Microfinance in Rural India

Belgium-based Incofin Investment Management (IM) recently disbursed a senior loan equivalent to USD 1.1 million from its fund Incofin CVSO to the Society for Advancement of Village Economy (SAVE), which "plans to utilise the...funding to support its two non-banking financial companies providing rural credit services" to micro-, small and medium-sized enterprises in India. SAVE's other units offer services such as agency banking and electronic tolling for transport. Aditya Bhandari, Incofin IM's Co-regional Director for Asia, said, "SAVE's active operations and record financial results, amidst the COVID-19 situation, is a clear validation of its strong business model." Established in 2009, SAVE provides group and individual loans ranging in size from USD 130 to USD 20,000 with terms of one to four years. Its microfinance arm has USD 12 million in assets and serves 49,000 people in 2,500 villages in 28 states. Incofin IM is a mission-based for-profit entity. June 22. 2020

**MicroCapital Monitor** - © 2020 MicroCapital - ISSN 1935-505X  
The MicroCapital Monitor is published monthly by MicroCapital

Editor & Publisher Bob Summers

Writers Andrew Janni, Simrun Kothari,

Jessica McLeod and Madigan Ruch

Special thanks to Aliz Crowley, Karen Doyle and Holly Schiavoni

For questions, comments or suggestions, please contact us via

info[at]microcapital.org or +1 617 648 0043, Boston, USA

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!

### EBRD Loans \$100m to NBK Egypt for Short-term Pandemic Relief

The European Bank for Reconstruction and Development (EBRD), a UK-based multilateral institution, recently loaned USD 100 million to the National Bank of Kuwait (NBK) Egypt, which provides Islamic and traditional financial services to consumers and corporations in Egypt. The loan will allow NBK Egypt to boost its short-term lending to businesses that are experiencing a decrease in revenue due to the COVID-19 pandemic, “with a special focus” on small and medium-sized enterprises. The transaction is part of a series of such loans that EBRD is issuing to its current clients to help them manage the pandemic. NBK Egypt has 49 branches and reports the equivalent of USD 4 billion in assets, return on assets of 3.4 percent and return on equity of 3.2 percent. NBK was founded in 1952, and its shares are traded on the Kuwait Stock Exchange. It has total assets of USD 95 billion, with offices and subsidiaries in 16 countries. June 22, 2020

### Genie Connects 14m Bank of Ceylon Customers to E-payments

Genie, an app from Sri Lankan mobile network operator Dialog, recently partnered with the state-owned Bank of Ceylon (BOC) to allow the bank’s 14 million customers to upload funds to Genie, which can “securely hold credit and debit cards, current and savings accounts and eZ Cash accounts to promote seamless payment experiences.” The mobile wallet eZ Cash is also a service of Dialog, which is owned by the Malaysia-based Axiata Group. The eZ Cash service enables various forms of payments within Sri Lanka, the receipt of in-bound international remittances and the purchase of automobile insurance at 1,400 retail locations. Among Genie’s services is to allow payments to 20,000 merchants via QR codes, bypassing the need for merchants’ point-of-service terminals. BOC Assistant General Manager Aruna Kumara said the tie-up will help the bank in promoting “economic prosperity and social development via financial inclusion and digital adoption across all sectors including the grass root level of the society.” Dialog serves 15 million customers, and Genie reports handling transactions totaling the equivalent of USD 11 million since its inception in 2018. June 21, 2020

### Sudan Promoting E-payments, Joins UNCDF's Better Than Cash

The Republic of Sudan recently joined the Better Than Cash Alliance, an initiative of the UN Capital Development Fund, as part of its effort to expedite the country’s transition to the use of digital payments. Sudan’s Minister of Finance and Economic Planning, Dr Ibrahim Elbadawi, said, “This digital transition will ensure equitable access to resources and government services, and revitalize the private sector, which are central to our efforts to achieve a just and lasting peace and revive the national economy.” In support of this movement, the Sudanese government is creating a Digital Transformation Agency, a multi-ministerial office that will focus on modernizing government services. For example, the Sudan Family Support Program will begin providing “monthly direct digital transfers to around 80 percent of Sudanese families.” June 18, 2020

### Symbiotics Raises \$8m for Sri Lanka's Pan Asia via Green Bonds

Symbiotics, a Switzerland-based manager of international investments in small business, recently issued a four-year loan in local currency equivalent to USD 7.8 million for Sri Lanka’s Pan Asia Banking Corporation to on-lend to projects with reduced effects on the environment, in sectors such as energy and agriculture. Symbiotics raised the money through an issue of “green” bonds, whose buyers included Skandinaviska Enskilda Banken (SEB), a multi-national financial services group based in Sweden. The bonds were issued under the Sustainability, Social and Green Bond Framework, a new unit of Symbiotic’s Micro, Small & Medium Enterprises Bonds platform. Pan Asia CEO Nimal Tillekeratne explained, “With these funds, we will promote indigenous crops that will also support the Sri Lankan government’s initiatives to strengthen sustainable agricultural practices.” Pan Asia was launched in 1995, has 85 branches and is listed on the Colombo Stock Exchange. June 17, 2020

### Zola, EDF Use Securitization to Boost Solar Energy in Côte d'Ivoire

Credit Agricole CIB, a member of the France-based Credit Agricole Group that offers corporate and investment banking; the Luxembourg-based Grameen Credit Agricole Foundation; and French investment firm NEoT Off-Grid Africa recently launched a securitization vehicle to enable Zola EDF Côte d'Ivoire to increase its sales of solar power systems to households in Côte d'Ivoire. Zola EDF Côte d'Ivoire, which uses a pay-as-you-go model, will benefit from a loan equivalent to USD 20 million that Societe Generale Côte d'Ivoire, a subsidiary of France-based Societe Generale, has lent the vehicle. This loan carries guarantees from the African Development Bank and Credit Agricole CIB. GCA Foundation will oversee the project and evaluate its social and environmental impacts. Zola EDF Côte d'Ivoire was founded in 2016 by Zola Electric, a Tanzanian firm that makes solar power systems, and Electricite de France (EDF), a France-based producer of carbon-free power plants. The customers of Zola EDF Côte d'Ivoire pay for power kits over three years via mobile money services, with the option to adjust their payment amounts when their levels of income change. June 16, 2020

### Incofin Loans \$2m to SEF of South Africa from MEF

Belgium-based Incofin Investment Management recently disbursed a loan of USD 2 million to the Small Enterprise Foundation (SEF), a microlender in South Africa, from the Microfinance Enhancement Facility (MEF). SEF was founded in 1992 and provides microcredit to groups of women entrepreneurs in rural areas. The microlender also offers financial literacy training, and it partners with third-party organizations to support its clients in saving money as well as via “health and gender empowerment.” SEF reports loans equivalent to USD 48 million outstanding to 224,000 active clients. MEF was established in 2009 by the German government’s KfW Entwicklungsbank and the World Bank Group’s International Finance Corporation with the initial purpose of assisting microfinance institutions in the wake of the financial downturn that began in 2008. June 15, 2020

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### Good Return, ESCAP Arranging Guarantees for Lending to Women

Good Return, the Australia-based affiliate of the US-based NGO World Education, recently partnered with the UN Economic and Social Commission for Asia and the Pacific (ESCAP) to support women-owned small and medium-sized enterprises (SMEs) in Cambodia, Fiji, Nepal and Samoa. Under the program, “International impact investors will be providing the funds to be guaranteed to partner financial institutions” in the four countries. Good Return and ESCAP will work with each local financial institution to perform “gender self-assessments to assess [its] internal structures, rules and policies - as well as financial product offerings - to ensure the institution is able to serve its women’s clients...with tailored products and services...”. ESCAP Executive Secretary Armida Salsiah Alisjahbana said, “In partnering with Good Return, ESCAP hopes to not only address these needs in the short-term, but develop an ecosystem of financial partners who are able to appropriately service women-led or women-owned SMEs in the long term.” June 15. 2020

### MIFGA Facilitating Launches of Impact Funds in Africa

The financial services groups Axis Fiduciary, which is based in Mauritius, and Innpect, which is based in Luxembourg, recently launched the Mauritius Impact Finance Gateway to Africa (MIFGA) platform to serve as a “turnkey fund management solution” for impact investment vehicles, which Innpect defines as seeking “to drive social and environmental impact alongside financial returns.” The intent of MIFGA is to solve “challenges typically faced by new impact funds: complexity of blended finance structures, time to market and availability of resources, especially during the ramp-up phase.” This work includes establishing new investment vehicles as well as supporting deals both pre- and post-closing. June 11. 2020

### MFI Network Gojo Takes \$14m Stake in Satya of India

Japanese microfinance holding firm Gojo and Company recently increased its minority equity holding in New Delhi-based Satya Microcapital with a share purchase in an amount equivalent to USD 13.9 million. Satya plans to use the capital to expand its work - including via technology - with migrant laborers and other poor people to create and preserve jobs, especially to counteract the effects of the COVID-19 pandemic. Satya CEO Vivek Tiwari said, “the capital infusion will serve as a driving force to Satya for reinforcing its vision of being a catalyst for the socio-economic upliftment of 5 million households by the year 2025...”. Satya, which began operations in 2017, delivers financial services to 380,000 microentrepreneurs in 15,000 villages via 145 branches in 22 states in India. The organization reports USD 108 million in assets. Gojo purchased a 25-percent stake in Satya in 2018. The size of the stake it is purchasing now has not been released. Founded in 2014, Gojo holds six microfinance institutions in India, Cambodia, Myanmar and Sri Lanka that have aggregate assets of USD 229 million. June 11. 2020

### DFC Approves \$550m for Inclusion in Latin America

The US International Development Finance Corporation (DFC), which was created by the US government, recently approved the disbursement of a total of USD 1 billion to 12 projects in emerging markets in Africa, Latin America and the Indo-Pacific region with the goal of addressing challenges in the following areas: health systems; food security; employment opportunities; technology; education; and access to financial services for underserved groups such as women and small and medium-sized enterprises (SMEs). Sixty percent of the funding is allocated to low- and lower-middle-income countries. Among the 12 funding segments are USD 200 million for lending to SMEs in Guatemala, USD 150 million to empower women in Ecuador, and USD 200 million for financial inclusion in Colombia and Mexico. DFC CEO Adam Boehler argued, “The impact of these projects will be particularly meaningful as the world continues to fight the health and economic fallout of the pandemic.” June 10. 2020

### Egypt's Credit Bureau, Sanad Seek to Boost Ag Finance

The Sanad Technical Assistance Facility, which is affiliated with the Luxembourg-domiciled Sanad Fund for MSME (Micro-, Small and Medium-sized Enterprise), recently collaborated with the Egyptian Credit Bureau, also known as I-Score, to build the Agricultural Credit Evaluation and Risk-assessment System (ACERS). I-Score, which will implement ACERS, describes it as a “web-based credit assessment and scoring tool.” I-Score Managing Director Mohamad Kafafi argued, “Providing [financial institutions] with the necessary information to assist them in growing their portfolios and availing access to credit to different sectors such as the agricultural sector is a major cornerstone in the development of MSMEs and increasing financial inclusion.... ACERS is foreseen to be a crucial tool to increase the flow of credit to the agricultural sector, thus increasing its share in the GDP and increasing the livelihood of the sector for MSMEs and related businesses alike.” June 10. 2020

### DFC Routing \$4b to Ongoing Clients as COVID-19 “Rapid Response”

The government-backed US International Development Finance Corporation (DFC) recently allocated USD 4 billion to a “Rapid Response Liquidity Facility,” through which it will provide additional funding to in-process DFC projects that have been impacted negatively by COVID-19. This financing will go to a range of current DFC clients, including microfinance institutions, infrastructure projects and hospitality businesses to help them maintain operations despite the pandemic-related uncertainty, which is causing hesitation among many investors. The “Rapid Response” element of the program authorizes the CEO of DFC to approve funding requests and changes to the purposes of previous disbursements, both of which normally require the approval of the DFC board of directors. June 9. 2020

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### Vitas Palestine Borrows \$5m from FMO

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a development bank 51-percent owned by the Dutch government, recently loaned USD 5 million to the microfinance institution Vitas Palestine. Vitas Palestine General Manager Alaa Sisalem stated, "I am proud FMO had decided to start its first activity in Palestine with Vitas Palestine...[to] foster the long-term development of individuals, their businesses, their families and the communities they live in...". Vitas Palestine was launched in 1994 as Ryada - a brand it still uses in Gaza - to provide home-improvement loans. It also offers loans for land, apartments and business purposes via seven branches in the West Bank and Gaza. Vitas Palestine has a loan portfolio of USD 51.5 million. Vitas Group is a for-profit holding company that operates financial services companies in Iraq, Jordan, Lebanon, Palestine and Romania. It also has a franchisee that launched in early 2019 in Egypt. The group has an aggregate portfolio of USD 230 million outstanding to 90,000 micro-, small and medium-sized firms and households. Vitas Group was founded by the US-based NGO Global Communities. June 5. 2020

### Jazzcash, Mastercard Tie Up on Cards, Mobile Money in Pakistan

Jazzcash, a unit of Netherlands-based Veon, recently partnered with Mastercard, a US-based payments company, to broaden the offerings of the mobile wallet service it operates in Pakistan. Jazzcash, which was founded in 2012, enables its users to send and receive money via mobile phones. Under the new partnership, Jazzcash customers will be able to use their accounts to make digital payments for purchases at retailers that partner with Mastercard as well as obtain plastic debit cards that they can use to access money in their Jazzcash accounts. At the same time, the service allows participating retailers "to accept digital payments and digitise their supply chains." Veon co-CEO Sergi Herrero said, "The COVID-19 pandemic is highlighting the need for digital payments, more than ever before. This partnership with Mastercard will allow our more than 7 million customers and merchants to carry out their essential transactions in a safe and efficient way." Veon serves 212 million customers in Asia, Africa and Europe. Mastercard has 2.2 billion payment cards in circulation. June 4. 2020

### Ipak Yoli to Boost Local-currency SME Financing in Uzbekistan

The World Bank Group's International Finance Corporation (IFC) and Uzbekistan's Ipak Yoli Bank recently signed an International Swaps and Derivatives Association Master Agreement under which they plan to execute currency-swap transactions. Saidabrur Savdakhmedov, Chair of the Board of Ipak Yoli, explained that the goal is to "help expand our lending to customers in local currency, while effectively mitigating financial risks and managing our currency-risk exposure." In particular, the bank plans to increase local-currency funding to small and medium-sized enterprises. Founded in 1990, Ipak Yoli has 16 branches and reported a 2018 profit equivalent to USD 14 million on assets of USD 394 million. June 3. 2020

### Bureaucracy Reportedly Stymies Credit Bureau in Pakistan

Mumtaz Hussain Syed, the CEO of Pakistan-based technology consultancy Aequitas Information Services, reportedly has argued that at least two factors have reduced the effectiveness of his country's Credit Information Bureau Act of 2015. The law requires "financial and credit institutions to...share data with at least one licensed private credit bureau," and credit bureaux also must collect information from "non-conventional sources," such as retailers, telecommunication firms and utilities. One problem with collecting payment data from utilities is that utility accounts are often registered in the names of buildings' former residents. This is because, "Changing ownership [of the accounts] is a lengthy and cumbersome process," that people often fail to complete. A problem with collecting data from telecoms - which hold data on 130 million subscribers in the country - is that "conflicting regulations" require these firms to protect customer data from sharing. June 2. 2020

### Wave Raises \$74m from Ant for Mobile Money in Myanmar

Ant Financial Services Group, a member of China's Alibaba Group that operates the online payment service Alipay, recently agreed to invest USD 73.5 million in Wave Money, a joint venture of the Telenor Group and the Yoma Group that provides digital financial services in Myanmar. Ant Group will take a "substantial minority stake" in Wave Money, which seeks "to leverage Ant Group's experience in building mobile payment platforms to enhance its digital competence, capabilities, user experience and service offerings." Prior to the close of the transaction, Wave Money is 51-percent owned by Telenor, a Norway-based telecommunications company, with the remainder owned by three members of Singapore-based Yoma Group. Following the transaction, Yoma Group will own a total of 33 percent of Wave Money. Melvyn Pun, the head of Yoma Group's Yoma Strategic, stated, "The COVID-19 situation is accelerating the trend towards a cashless society and drives the growth of e-commerce, and we expect this strategic partnership to massively boost Wave Money's capabilities to support these trends." June 1. 2020

### Bangladesh Pandemic Assistance Flows via SureCash Mobile

Timed to coincide with the holiday Eid al-Fitr, the Bangladeshi government has announced that it is providing cash assistance equivalent to USD 29 to each of 5 million Bangladeshi families that have been affected by COVID-19. As part of this program, the government-controlled Rupali Bank is disbursing USD 23.6 million to 800,000 of its customers via SureCash, a mobile-money firm that partners with five banks in Bangladesh. The recipients can withdraw the funds with no fees at 180,000 SureCash agent locations. In addition to mitigating the effects of the pandemic, the program is intended to promote wider access to financial technology (fintech) in the country. Dr Shahadat Khan, the CEO of SureCash, explains, "This cashless aid distribution is a milestone for our dream of building Digital Bangladesh...of beneficiaries from every nook and corner of the country and disburse government incentives directly to their mobile phones." June 1. 2020

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## EAR TO THE GROUND

### Hybrid Digital Solutions Where Cash - Like Pizza - Remains King

Last week, I had the pleasure of speaking with Veronica Herrera, the CEO of MiCredito and President of ASOMIF, the Nicaraguan micro-finance network. Veronica is an upbeat, glass-half-full soul. The strength of her core values and conviction drive her consistent leadership and fearless innovation. When I phoned Veronica to talk about MiCredito's latest response to the COVID-19 crisis, I was not disappointed. "We had been surveying customers and found out that some of them had money to pay back their loans, but they were just scared to come into our branches for fear of being exposed to COVID," she noted. "We were sitting in a meeting room discussing what to do and were interrupted by our food delivery - a pizza," she said. "As we paid the driver, we thought, 'Couldn't this solve our problem?'"

MiCredito has since negotiated a deal with one of Nicaragua's new food delivery apps, Jumpers. The companies are piloting a process whereby staff members at a MiCredito call center contact clients to ensure they have cash to pay toward their loan. The telephone representatives enter these data into a system that is integrated with Jumpers' food delivery platform. This system then alerts Jumpers drivers about each pickup, so they can begin the ride. Once the money is delivered to a MiCredito branch, a cashier "closes out" the ride electronically. Instead of Jumpers drivers replacing loan officers, they are freeing up loan officers' time to focus on making new loans, including expanding into agricultural lending. (See my piece in May's *MicroCapital Monitor* on farm loans!) Jumpers drivers also are saving customers the time they would have taken to travel to a branch to make their loan payment. And now Jumpers is interested in expanding its service across the microfinance industry in Nicaragua. One interesting advantage of the company is how it manages the safety of the cash its drivers handle - by carrying insurance specifically to cover any potential loss or theft.

MiCredito is not the only innovator in "phygital" cash delivery. In the Dominican Republic, both physical and digital remittance companies have been offering in-person, last-mile cash delivery for nearly a decade: a distant son sends money home, and a local financial institution hires an armed driver to take it to his mom's door. Newer fintechs have discovered the value of phygital, as well. In Argentina (and starting in Chile), Pago46 allows merchants and utility companies to "receive" payment through its app, although the cash actually is transported by Pago46 drivers.

This year, we will continue to hear calls for a drastic rush to digital because of the COVID-19 crisis. While we should anticipate an uptick, the experience of organizations on the ground suggests there are still strong barriers to digital adoption. Digital products are often poorly designed and costly. Sometimes they are so buggy that they require multiple updates, giving users abundant opportunity to misplace passwords or simply remove the apps from their phones. There are few recourse mechanisms if payments don't go through, and these mechanisms often are inaccessible to relatively excluded communities. In many countries, digital ecosystems simply are not sufficiently robust or attractive enough to gain many customers. The examples of MiCredito and Pago46 suggest that any digital transition will be incremental rather than radical, favoring solutions that recognize that in much of the developing world, cash - like pizza - is still king.

*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

*Please note: For 15 years, we have used this page to share listings of in-person events with you. We appreciate that there are more high-quality virtual events now than ever. Hence, we are re-evaluating what we will include on this page going forward!*

### CIS Islamic Banking and Finance Forum

August 13 - August 15, 2020; Tashkent, Uzbekistan

The first day of this event is a conference on Islamic banking; financial inclusion; investment opportunities in the Commonwealth of Independent States; and takaful and sukuk, which are forms of insurance and bond investing, respectively, that comply with Islamic law. The final two days of the event are a workshop on Islamic banking, Islamic microfinance and takaful. A pass to the opening-day conference costs USD 395, and a pass to the two-day workshop costs USD 495. Those registering for both may enjoy a discount of USD 100. For additional information, you may visit <http://alhudacibe.com/cis2020/>, call at +92 331 9360000 or email [info\[at\]alhudacibe.com](mailto:info[at]alhudacibe.com).

### Future Banking 2020

September 9 - September 10, 2020; Bucharest, Romania

Originally scheduled for May 2020, this event will cover artificial intelligence and customer centricity as they relate to financial services, as well as e-commerce, biometric payment cards and online mortgage lending. The full fee to attend is EUR 129, but various discounts are available. More details are available via <https://www.futurebanking.ro/>, which includes an email contact form, or +40 212 015 000.

### Asia - Africa Financial Inclusion Summit

September 15 - September 16, 2020; Dubai, UAE

This event will address topics including regulation, how to manage change, digital financial services, attracting funding, blockchain technology and "Building Trust and Overcoming Barriers in Digital Financial Services." The fee to attend is USD 500. More details may be requested from Ademola Tosoye via [ade\[at\]microfinanceassociation.org](mailto:ade[at]microfinanceassociation.org) or +44 (0) 1322 312078.

### FinnoSummit Mexico 2020

September 22 - September 24, 2020; Mexico City, Mexico

The detailed agenda for this conference on financial technology (fintech) and insurance technology (insurtech) has not yet been released. Last year's topics included: (1) Empowering Communities + Expecting Returns: Lessons Learned from Impact Investing; (2) Fundraising 101 for Fintech Entrepreneurs; and (3) Venture Debt: Insights on Liquidity & Long Term Growth for Fintechs. The standard fee to attend is MXN 8,590, but a rate of MXN 6,200 is available to representatives of startups. You may seek more information via +52 (55) 41691361, <https://www.finnovista.com/en/evento/the-fintech-and-insurtech-innovation-summit-mexico-2020/> or [info\[at\]finnovista.com](mailto:info[at]finnovista.com).

### Mondato Summit Africa

September 23 - September 24, 2020; Maputo, Mozambique

This summit, originally scheduled to begin on March 31, is themed Beyond Access: Generating Value Through Digital Inclusion Across Sub-Saharan Africa. It will address the development of the digital financial services ecosystem in sub-Saharan Africa, as well as the evolution of policy and regulation regarding financial inclusion. The cost to attend is USD 1,750. For more details, you may email Arielle Jaffe at [ajaffe\[at\]mondato.com](mailto:ajaffe[at]mondato.com), visit <http://www.mondatosummit.com/africa> or call +33 6 95 93 43 95.

## MORE DETAILS COMING SOON ON:

### Africa Fintech Summit

October 16 - October 17, 2020; Washington, DC, USA

### APAC Microfinance Forum

October 20 - October 21, 2020; Kuala Lumpur, Malaysia

### Global SME Finance Forum 2020

October 26 - October 28, 2020; Bangkok, Thailand

### AltFi London Summit 2020

November 9, 2020; London, UK

### Accelerating Enterprise Digital Transformation in Africa

November 10 - November 12, 2020; Cape Town, South Africa

### European Microfinance Week

November 18 - November 20, 2020; Luxembourg

### 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 🇰🇪

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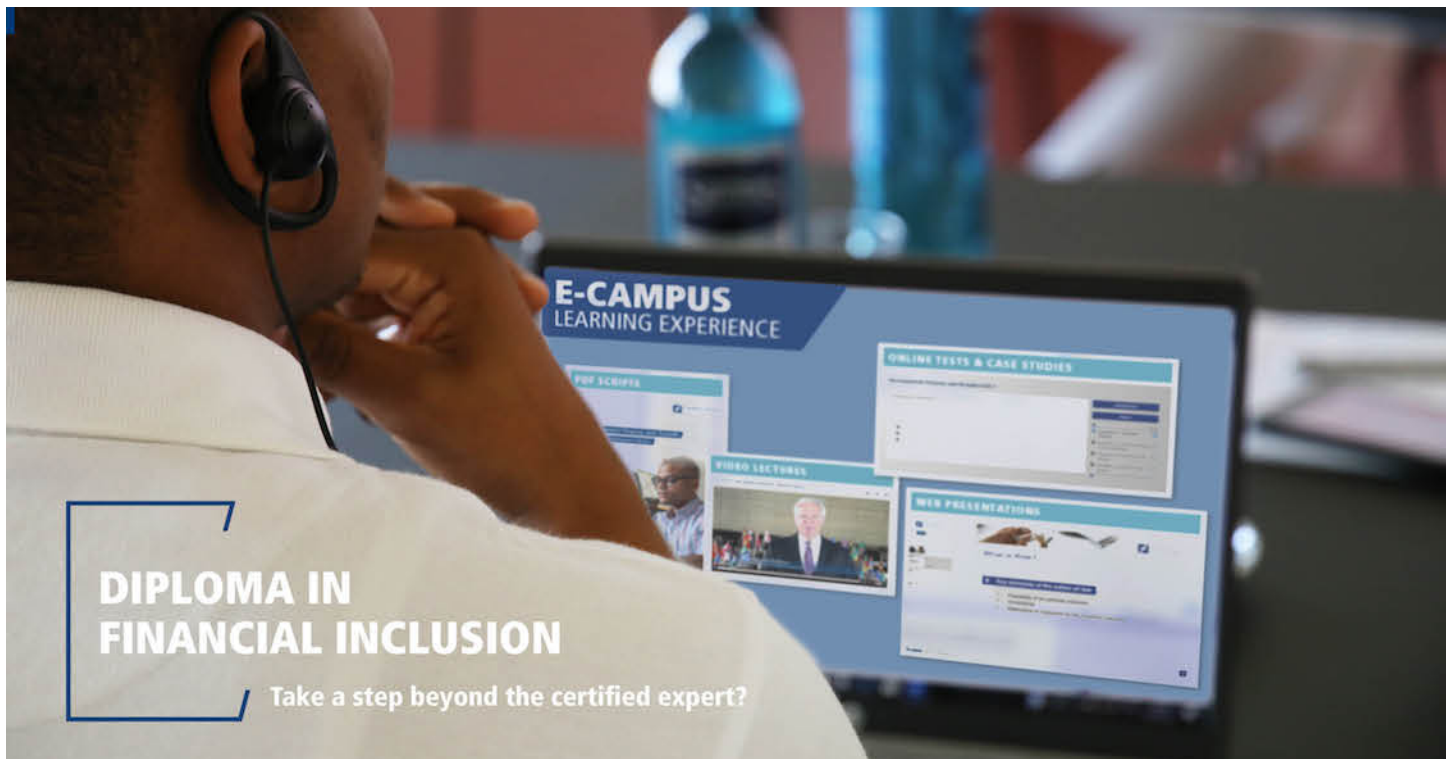
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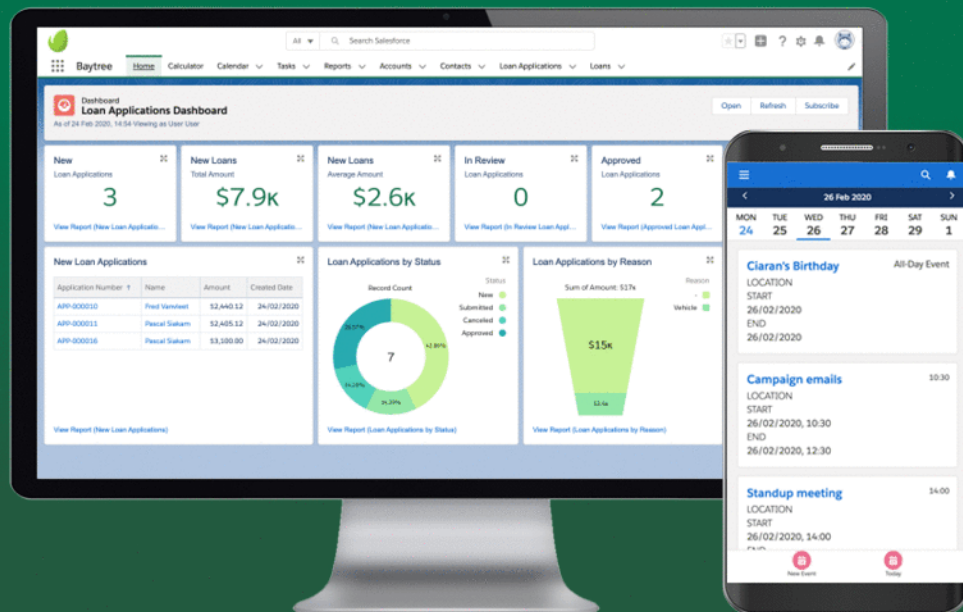
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## PAPER WRAP-UPS

### Increasing Financial Inclusion in the Muslim World: Evidence from an Islamic Finance Marketing Experiment

By Dean Karlan, Adam Osman, Nour Shammout; published by the World Bank Group; April 2020; 44 pages; available at <http://documents.worldbank.org/curated/en/816801585835678838/pdf/Increasing-Financial-Inclusion-in-the-Muslim-World-Evidence-from-an-Islamic-Finance-Marketing-Experiment.pdf>

In collaboration with Tamweelcom, a micro-credit institution in Jordan, the authors analyze how the following factors influence people's decisions to borrow: (1) pricing; (2) religiosity, as determined by whether the person watches "religious television programming;" and (3) partnership with a religious entity certifying that loans marketed as shariah-compliant are, in fact, acceptable under Islamic law.

In lieu of traditional interest payments, Islamic loans use mechanisms such as murabaha. In this form of Islamic lending, the lender purchases and retains ownership of a capital item while the borrower gains access to use of the item while paying over time for its cost, plus a profit margin for the lender. After a series of payments, ownership transfers from lender to borrower.

In this study, staff marketed conventional loans and shariah-compliant loans to households in six cities using eight different pitches. Members of the control group were "offered a conventional loan to finance household asset purchases from 'the Jordan Microfinance Company,' the legal name of Tamweelcom and a known brand in the market." The seven treatment groups were offered shariah-compliant loans under the "unknown brand" Tathmeer. The first of these groups was given a similar pitch as the control group, but for an Islamic loan.

The next three groups also were offered shariah-compliant loans, but the pitch was expanded to describe a religious entity's certification that the loan terms comply with Islamic law. The religious entity was different for each group. The final three groups were offered both conventional and shariah-compliant loans, with no mention of a religious entity. For these groups, the pricing of the shariah-compliant loan was set below, equal to and above the price of the conventional loan.

The authors did not find that individuals were influenced by a religious entity supporting the loan. However, they were more likely to apply for any type of loan when given a choice of loan types. The authors also found that participants were more likely to choose a conventional loan when the price of a shariah-compliant loan increased. The extent of this price elasticity was twice as large among customers who were not deemed religious.

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### 2020 Annual Impact Investor Survey

By Dean Hand, Hannah Dithrich, Sofia Sunderji and Noshin Nova; published by the Global Impact Investing Network; June 2020; available at <https://thegii.org/research/publication/impinv-survey-2020>

The 10th edition of this survey incorporates responses from 294 impact investors, those that seek to "generate positive, measurable social and environmental impact alongside a financial return." From these data, the authors conclude:

- (1) The impact investing industry is diverse, as is illustrated by the variation in the respondents' goals, methods and locations. The investors' headquarters span 46 countries in both developed and emerging markets. Developed markets received most of the capital they deployed, with the majority allocated to energy and mainstream financial services, ie excluding microfinance. Other top sectors include health-care as well as food and agriculture.
- (2) The impact investing industry has grown over time, driven by investor satisfaction with both financial and impact performance. Eighty-eight percent of the respondents report having met their expectations on financial returns, and 99 percent met their expectations on impact.
- (3) Investors are using impact measurement and management (IMM) tools to boost accountability regarding the impact of their investments. Despite this progress, the authors argue that IMM tools should continue to evolve as the industry faces new challenges. The largest anticipated challenge, which was cited by 66 percent of respondents, is "impact washing," whereby organizations claim significant impact, yet fail to demonstrate tangible results.
- (4) While investors have adjusted their performance expectations in light of the COVID-19 pandemic, they maintain an overall "positive outlook." Fifty-seven percent said they are "unlikely" to change the amount of capital they place in impact investments this year. In terms of financial performance, 46 percent "expect underperformance," while 34 percent have not changed their expectations. Regarding impact, 16 percent anticipate underperformance and 18 percent anticipate outperformance versus their initial expectations.

### Financial Literacy for Migrants: Mapping and Needs Assessment

By Heghine Manasayan, Susanna Karapetyan, Sonya Mrysan, Ruben Yeganyan and Sona Balasanyan; published by the Caucasus Research Resource Centre - Armenia; May 2020; 48 pages; available at [https://www.findevgateway.org/sites/default/files/publications/submissions/68746/Financial%20Literacy%20for%20Migrants%20-%20Mapping%20and%20Needs%20Assessment\\_ARM.pdf](https://www.findevgateway.org/sites/default/files/publications/submissions/68746/Financial%20Literacy%20for%20Migrants%20-%20Mapping%20and%20Needs%20Assessment_ARM.pdf)

The authors of this paper seek to understand the needs for financial education among three groups of migrants in Armenia: (1) people who moved to Armenia or within the country for work, including workers' family members; (2) official refugees to Armenia and those moving to the country for similar reasons; and (3) Armenian citizens who migrated to another country but then voluntarily returned or were deported back to Armenia.

Through roundtable discussions and focus groups, the researchers asked whether participants would like to receive financial education and, if so, how. The vast majority expressed a preference for classroom training, but most also were open to learning through online training and "social networks." However, in contrast to migrant workers and refugees, returning Armenians were generally uninterested in financial literacy classes, believing their level of knowledge to be sufficient. To address this, the researchers recommended using mass media to stress the importance of financial literacy to both migrants and the public in general. In terms of teaching financial literacy, the researchers underscore the importance of breaking information into small and easily comprehensible portions to prevent "information overload."

The topics in which migrants and their household members expressed the most interest were: (1) the costs of traveling for work and how to access Armenia's financial system; (2) how to make informed financial decisions in general; (3) loans, including how much it is reasonable to borrow; (4) savings; (5) remittances; (6) budgeting; and (7) consumer protection.

Among the participating households, 11 percent had savings, and 21 percent were in debt. 📊